April 11, 2014

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E., Dockets, Room 1A, East
Washington, D.C. 20426

Re:  *PJM Interconnection, L.L.C., Docket No. ER12-306-001, Exelon Corporation Amendment to Electric Rate Filing on Behalf of Baltimore Gas and Electric Company;*

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act (“FPA”), and Part 35 of the regulations of the Federal Energy Regulatory Commission (“FERC” or “Commission”), Exelon Corporation (“Exelon”), on behalf of its affiliate Baltimore Gas and Electric Company (“BGE”), hereby files an amendment to its application submitted herein on November 1, 2011 of proposed tariff sheets for inclusion in the PJM Interconnection, L.L.C. (“PJM”) Open Access Transmission Tariff (“Tariff” or “OATT”) by which BGE sought authorization to: (1) establish a new Dedicated Facilities Project cost recovery mechanism within Attachment H-2A to the PJM OATT, which consists of BGE’s wholesale transmission formula rate (which request has been granted); and (2) recover from the designated load serving entity (“LSE”) 100 percent of all prudently-incurred costs of the Dedicated Facilities Project if the dedicated transmission service is abandoned or cancelled for reasons beyond the control of BGE. By this amended application, Exelon is submitting additional information in support of its request for pregranted abandonment cost recovery approval.

**STATEMENT OF NATURE, REASONS, AND BASIS**

On November 1, 2011, PJM submitted on behalf of BGE a request for (1) approval of a Dedicated Facilities Project charge for a new wholesale electric transmission line and appurtenant facilities to provide wholesale electric transmission service under PJM’s Network Transmission Service (“NITS”) to the applicable LSE for the sole and exclusive benefit of certain BGE native load at a particular “sink” within the BGE rate zone of PJM, and (2) authorization to recover from the designated LSE 100 percent of all prudently-

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1 16 U.S.C. § 824d.
2 18 C.F.R. Pt. 35.
incurred costs of the Dedicated Facilities Project if the dedicated transmission facilities service is abandoned or cancelled for reasons beyond the control of BGE. In addition, BGE requested waiver of certain rate filing supporting documentation contained in the Commission’s regulations for good cause shown because the Dedicated Facilities Project charge is to be based on BGE FERC Form No. 1 data to be publicly filed under the provisions of BGE’s formula rate.

In an order issued on May 18, 2012, the Commission granted BGE’s waiver request, and approved the proposed revised tariff sheets reflecting the Dedicated Facilities Project charge for inclusion in PJM’s tariff, effective June 1, 2012.

However, the Commission denied BGE’s request for pregranted abandonment cost recovery authority “without prejudice” to BGE providing “specific tariff or contract provisions” that would support the justness and reasonableness of BGE’s request. May 18 Order, at P 18. The purpose of this amendment is to supply this information to the Commission.

FURTHER PROFFER IN SUPPORT OF PREGRANTED ABANDONMENT COST RECOVERY

BGE has been authorized by the beneficiary load of the Dedicated Facilities Project to state that load agrees with and joins in BGE’s request for authorization “to recover from the LSE that receives the Service one hundred (100%) of all prudently incurred costs of the transmission facilities that comprise the Project if the Service is abandoned or cancelled for reasons beyond the control of BGE.” That is, load is in agreement with BGE’s proposal that if the dedicated BGE line and appurtenant facilities have to be abandoned for reasons beyond BGE’s control before all prudently incurred costs have been fully depreciated, subject to Commission approval, the remaining costs thereof will be collected, not in the generally applicable NITS charge, but solely through a charge to the LSE serving the specially designated load. By a separate non-Commission-jurisdictional contract, the LSE may arrange to flow through the abandonment cost, if any, to load, and load has authorized BGE to state that load will agree to enter into such an agreement with the applicable LSE. This result will be effectuated as follows:

Periodically, load will issue a Request for Proposals (“RFP”) for service to be rendered by an LSE for a defined term. A condition of the RFP issued by load is that the LSE submitting a bid proposal in response to the RFP is committed to receive and pay any and all invoices rendered by PJM for the collection of the Dedicated Facilities Project charge during the contract term that will be covered by the RFP, including any abandonment costs related to the dedicated facilities that may be invoiced by PJM during that same time period. Accordingly, whichever LSE is selected by load to provide service to load by use of the dedicated facilities will at all times be solely and exclusively responsible for the Dedicated

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Facilities Project charge and associated abandonment charges, if any. These Commission-approved payments will then be re-billed by the LSE to load.

In particular, load has re-confirmed to BGE load’s commitment to require the LSE that receives the Dedicated Facilities Project service to agree to bear any and all PJM tariff charges – including 100% of abandonment costs – applicable to the Dedicated Facilities Project (for which the LSE has flow-through protections via the retail service relationship between the LSE and load) as a pre-condition for being awarded an LSE-service agreement with load. Further, load has authorized BGE to hereby state that, not only with respect to the Dedicated Facilities Project charge approved in the May 18 Order but also as to any abandonment cost recovery approved by the Commission applicable to the Dedicated Facilities Project service, any agreement entered into between load and any LSE for this service to load “shall include a provision that requires the LSE to comply with the terms and conditions of the PJM OATT and to pay all applicable PJM tariff charges approved by the FERC, including, but not limited to, all charges related to the Service, and to execute any agreements with PJM or other third-parties that may be necessary to effectuate this obligation.”

Moreover, after issuance of the May 18 Order, load authorized BGE to state to the Commission that load “will not oppose any further request by BGE for pre-approved recovery of costs in the event of abandonment of the Project or cancellation of the resulting service agreement” and that load “will work with BGE to support and process the request with the FERC in order to demonstrate to the FERC that such a request is just and reasonable.”

Exelon believes that these submissions fully satisfy the requirement in the May 18 Order by which Exelon’s pregranted abandonment authorization request should be granted.

**IDENTIFICATION OF APPLICANT**

This filing is being submitted by Exelon, on behalf of BGE, its indirect subsidiary. Exelon is a publicly held corporation incorporated in Pennsylvania, with its principal headquarters located in Chicago, Illinois. BGE is an energy delivery company in Central Maryland, where it delivers energy to more than 1.2 million electric customers and 640,000 gas customers. BGE is regulated by this Commission and the Maryland Public Service Commission.

As one of the original eight transmission owners within PJM, BGE has a significant involvement with bulk electric power transmission over broad regions. BGE maintains 22,500 miles of distribution lines and almost 1,300 circuit miles of transmission lines in a 2,300-square-mile service territory. BGE provides unbundled, open access delivery service, and is a default load-serving provider for customers that do not opt for alternative energy providers under BGE’s retail customer choice program.
PJM has served a copy of this filing on all PJM Members and on all state utility regulatory commissions in the PJM Region by posting this filing electronically. In accordance with the Commission’s regulations, PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link: http://www.pjm.com/documents/ferc-manuals/ferc-filings.aspx with a specific link to the newly-filed document, and will send an e-mail on the same date as this filing to all PJM Members and all state utility regulatory commissions in the PJM Region alerting them that this filing has been made by PJM today and is available by following such link. If the document is not immediately available by using the referenced link, the document will be available through the referenced link within 24 hours of the filing. Also, a copy of this filing will be available on the Commission’s eLibrary website located at the following link: http://www.ferc.gov/docs-filing/elibrary.asp in accordance with the Commission’s regulations and Order No. 714.

Additionally, a copy of this filing is being served by Exelon on representatives of the Maryland Public Service Commission and the Maryland Office of People’s Counsel and all persons whose names are shown on the Secretary’s Official Service List in this docketed proceeding, and is also available for public inspection, during regular business hours, in a convenient form and place, at the offices of BGE. Further, Exelon is has this day served this filing upon each person designated on the official service list compiled by the Secretary in this proceeding.

REQUEST FOR WAIVERS

In consideration of the facts that (1) Form No. 1 data will be relied upon in the formula rates used by BGE if abandoned costs are incurred and sought to be recovered, (2) no cost recovery is being requested until and unless the Dedicated Facilities Project is abandoned, and (3) this is not a general rate adjustment application by BGE, Exelon respectfully requests that, for good cause shown, BGE be granted a waiver of any requirement that the filing contain Statements AA through BM in support of the filing. In particular, Exelon specifically requests waivers of Section 35.13 of the Commission’s Regulations, 18 C.F.R. § 35.13, including waiver of Period I-Period II data requirements, and waiver of the requirement in Section 35.13(a)(2)(iv) to determine if and the extent to which a proposed change constitutes a rate increase based on Period I-Period II rates and billing determinants. In addition, since Exelon is here only requesting pre-approval of rate recovery for which no rates, charges, or costs are presently proposed or quantifiable, Exelon hereby respectfully requests a waiver, to the extent one is deemed necessary, of the requirement that it file an attestation pursuant to 18 C.F.R § 35.13(d) as inapplicable under the circumstances.

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4 See 18 C.F.R. §§ 35.2(e) and 385.2010(f)(3).

5 PJM already maintains, updates, and regularly uses e-mail lists for all PJM members and affected state commissions.
presented here, inasmuch as there are no costs contained in this filing to be attested to by any corporate official.

Although Exelon has not identified any additional waivers of the Commission’s Regulations that are necessary to permit this filing to be granted, Exelon further requests that the Commission grant any additional waivers of its rules and regulations it may deem necessary to approve this rate application.

**MISCELLANEOUS**

No agreement is required by contract for the filing of this rate application. There are no costs included in this filing that have been alleged or adjudged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs, nor has any expense or cost been demonstrated to be the product of discriminatory or employment practices, within the meaning of Section 35.13(d)(3).

**NOTICE AND CORRESPONDENCE**

Exelon requests that all communications regarding this filing be directed to the individuals listed below, and that their names be entered on the official service list maintained by the Secretary for this proceeding:

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CONCLUSION

Based upon the foregoing, Exelon requests that the Commission grant pre-approval of abandonment costs of the Dedicated Facilities Project if the Dedicated Facilities Project is abandoned for reasons beyond BGE’s control.

Respectfully submitted,

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