

Current Manual Language as of February 8, 2012

5.6.2 Long Term Maintenance Expenses

Long Term Maintenance Expenses - Combustion Turbine and Combined Cycle Plant major inspection and overhaul expenses may not be included in variable maintenance expenses.

In order to be included in variable maintenance expenses, these costs must represent actual expenditures that are due to incremental degradation of generating equipment directly related to generation, starts or a combination of both. Expenditures that are not directly related to such operation may not be included in variable maintenance expense. Long Term Maintenance Expenses cannot be counted if they are included elsewhere in VOM as part of the cost based energy offer. Previously approved Long Term Maintenance Expenses will be removed from maintenance history as of June 1, 2015

6.6 Maintenance Cost

Note: The information in Section 2.6 contains basic Maintenance Cost information relevant for all unit types. The following additional information only pertains to CT and diesel engine units.

Combustion Turbine - Maintenance Adder – The total dollars from FERC Account 553 divided by Equivalent Service Hours (ESH).

Industrial Combustion Turbine – This is a combustion turbine developed specifically for power generation.

Aircraft - Type Combustion Turbine – These are combustion turbines originally designed for aircraft and modified for power generation.

Diesel - Maintenance Adder – The total dollars from FERC Account 553 divided by total fuel burned (in MBTUs).

Combustion Turbine Start – For calculating combustion turbine maintenance cost, only the number of successful starts to synchronization shall be used. Successful starts should include those at the direction of PJM and for company tests.

Long Term Maintenance Expenses – Combustion Turbine and Combined Cycle Plant major inspection and overhaul expenses may not be included in variable maintenance expenses.

In order to be included in variable maintenance expenses, these costs must represent actual expenditures that are due to incremental degradation of generating equipment directly related to generation, starts or a combination of both. Expenditures that are not directly related to such operation may not be included in variable maintenance expense. Previously approved Long Term Maintenance Expenses will be removed from the maintenance history as of June 1, 2015.

Proposed Manual Language – as of 04/09/2012 CDS Meeting

5.6.2 Long Term Maintenance Expenses

Long Term Maintenance Expenses - Combustion Turbine and Combined Cycle Plant major inspection and overhaul expenses may ~~not~~ be included until June 1, 2015 in variable maintenance expenses.

~~In order to be included in variable maintenance expenses, these costs must represent actual expenditures that are due to incremental degradation of generating equipment directly related to generation, starts or a combination of both. Expenditures that are not directly related to such operation may not be included in variable maintenance expense. Long Term Maintenance Expenses cannot be counted if they are included elsewhere in VOM as part of the cost based energy offer.~~ Previously approved Long Term Maintenance Expenses will be removed from maintenance history as of June 1, 2015

6.6 Maintenance Cost

Note: The information in Section 2.6 contains basic Maintenance Cost information relevant for all unit types. The following additional information only pertains to CT and diesel engine units.

Combustion Turbine - Maintenance Adder – The total dollars from FERC Account 553 divided by Equivalent Service Hours (ESH).

Industrial Combustion Turbine – This is a combustion turbine developed specifically for power generation.

Aircraft - Type Combustion Turbine – These are combustion turbines originally designed for aircraft and modified for power generation.

Diesel - Maintenance Adder – The total dollars from FERC Account 553 divided by total fuel burned (in MBTUs).

Combustion Turbine Start – For calculating combustion turbine maintenance cost, only the number of successful starts to synchronization shall be used. Successful starts should include those at the direction of PJM and for company tests.

Long Term Maintenance Expenses – Combustion Turbine and Combined Cycle Plant major inspection and overhaul expenses may ~~not~~ be included until June 1, 2015 in variable maintenance expenses.

~~In order to be included in variable maintenance expenses, these costs must represent actual expenditures that are due to incremental degradation of generating equipment directly related to generation, starts or a combination of both. Expenditures that are not directly related to such operation may not be included in variable maintenance expense.~~ Previously approved Long Term Maintenance Expenses will be removed from the maintenance history as of June 1, 2015.