

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

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PJM Interconnection, L.L.C.

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Docket No. ER16-736-000

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**COMMENTS OF THE ILLINOIS COMMERCE COMMISSION**

Pursuant to Rules 212 of the Federal Energy Regulatory Commission's ("FERC" or "Commission") Rules of Practice and Procedure, and the Notice of Filing issued on January 15, 2016, and subsequent Errata Notice issued on January 27, 2016, establishing February 16, 2016 as the deadline for comments and protests in the above-captioned docket, the Illinois Commerce Commission ("ICC") respectfully submits the following comments on the January 15, 2016, transmission cost allocation filing of PJM Interconnection, L.L.C. ("PJM") in the above-captioned docket. The ICC filed an electronic Notice of Intervention in this docket on February 3, 2016, and, therefore, is a party to the docket.

**I. BACKGROUND**

On January 15, 2016, PJM filed proposed revisions to Schedule 12-A of its Open Access Transmission Tariff ("OATT").<sup>1</sup> In that filing, PJM proposes cost allocations for baseline projects included in PJM's Regional Transmission Expansion Plan ("RTEP") by the PJM Board on December 16, 2015.<sup>2</sup> The estimated cost of building the projects approved by the PJM Board in December is \$567 million.<sup>3</sup> Costs for four of the projects are recovered regionally through the

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<sup>1</sup> Docket No. ER16-736-000, PJM Interconnection, LLC, January 15, 2016, ("January 15 Filing").

<sup>2</sup> January 15 Filing, Transmittal Letter, at 1.

<sup>3</sup> January 15 Filing, Transmittal Letter, at 1.

hybrid cost allocation approved by the Commission as part of PJM's Order No. 1000 compliance requirements.<sup>4</sup> The estimated costs of those four projects subject to regional allocation is \$211.1 million. Of that total, the ComEd zone would be allocated \$13.06 million.<sup>5</sup> PJM proposes an effective date of April 14, 2016 for the tariff changes.<sup>6</sup>

## II. COMMENTS

Among the projects approved by the PJM Board that are regionally allocated is project b2665, a 500 kV line rebuild located in the Dominion service territory of Virginia.<sup>7</sup> This project is estimated to cost \$110 million dollars, of which \$6.8 million would be allocated to the ComEd transmission zone.<sup>8</sup> The project is placed into the RTEP, not on the basis of addressing reliability criteria violations consistent throughout the PJM footprint, but rather is placed in the RTEP on the basis of resolving a reliability criteria violation specific to Dominion. This Dominion specific criteria is an "end of life" criteria which at this point appears to be a criterion that's use is limited to the Dominion zone of PJM. The ICC is not aware that any other PJM transmission owner that has such a local reliability planning criteria standard.

On March 26, 2015, in Docket No. ER15-1387, PJM filed on behalf of its Transmission Owners ("PJM TOs") a proposed revision to PJM's Schedule 12 of PJM's OATT. Therein, the PJM TOs proposed that, for projects placed into the RTEP solely on the basis of satisfying individual Transmission Owner FERC filed planning requirements as filed in FERC Form 715, costs would only be assigned to the Responsible Customers in the zone of the transmission

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<sup>4</sup> January 15 Filing, Transmittal Letter, at 5.

<sup>5</sup> PJM's proposed cost allocation would allocate 50% of the \$211.1 million cost (\$105.55 million) pro-rata across PJM. The ComEd transmission zone's share of that total is 12.38%, or \$13.06 million.

<sup>6</sup> January 15 Filing, Transmittal Letter, at 1.

<sup>7</sup> January 15 Filing, Schedule 12-A, at 14.

<sup>8</sup> PJM's proposed cost allocation would allocate 50% of the \$110 million cost (\$55 million) pro-rata across PJM. The ComEd transmission zone's share of that total is 12.38%, or \$6.81 million.

owner that filed the planning criteria.<sup>9</sup> Under such a proposal, a project such as b2665 located in the Dominion zone would recover its costs only from customers located in the Dominion transmission zone.

On May 22, 2015, the Commission issued an order rejecting the proposed revisions to the PJM OATT put forth by the PJM TOs.<sup>10</sup> The Commission found the PJM TOs' proposal to be unjust and unreasonable, finding that the changes were not consistent with the Commission's acceptance of the PJM TOs' cost allocation proposal as part of PJM's Order No. 1000 compliance requirements.<sup>11</sup>

Several parties, including the PJM TOs filed requests for rehearing or clarification. The Commission issued an Order Granting Rehearing for Further Consideration on July 20, 2015. The Commission has yet to issue any further orders upon the requests for rehearing and clarification.

On March 20, 2015, PJM made a Schedule 12-A filing that included a project similar to b2665 in the January 15 Filing.<sup>12</sup> That previous filing contained another Dominion project, b2582, which, like project b2665, was assigned regional cost allocation and was placed into PJM's RTEP on the basis of satisfying Dominion's end of life criteria.<sup>13</sup> On June 16, 2015, the Commission's Office of Energy Market Regulation issued a letter advising PJM that the March 20 Filing was deficient and requesting additional information to process the filing.<sup>14</sup> On September 15, 2015, the Commission issued an Order establishing a technical conference on

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<sup>9</sup> *PJM Interconnection, LLC*, FERC Docket No. ER15-1387-000, Transmittal Letter, filed March 22, 2015, at 2.

<sup>10</sup> *PJM Interconnection, LLC*, 151 FERC 61,172, Order Rejecting Proposed Tariff Changes, May 22, 2015 ("May 22 Order").

<sup>11</sup> May 22 Order, at 22-23, and 25.

<sup>12</sup> *PJM Interconnection, LLC*, FERC Docket No. ER15-1344, filed March 20, 2015("March 20 Filing").

<sup>13</sup> March 20 Filing, Schedule 12-A, at 11.

<sup>14</sup> Docket No. ER15-1344, *Letter informing PJM Interconnection, L.L.C. that the Open Access Transmission Tariff is deficient and additional information is required within 30 days under ER15-1344.*, at 1.

matters related to the March 20 Filing.<sup>15</sup> The Commission held the technical conference on November 12, 2015. Post Technical Conference Comments and Reply Comments have been filed, but the Commission has yet to act upon matters related to the technical conference.

The issues in this current filing are materially the same as those in Docket Nos. ER15-1344 and ER15-1387. Both of those dockets contain issues that potentially impact this filing, including whether it is just and reasonable for ratepayers in transmission zones such as ComEd to bear costs for transmission projects that would not be placed into PJM's transmission plan save for the fact that the project satisfies individual Transmission Owner FERC filing planning requirements. The determination of these issues is material to the outcome of PJM's instant filing with respect to the proposed Dominion project b2665, and FERC should either reject PJM's filing in this docket, or at a minimum, hold this proceeding in abeyance until the Commission has made its determinations in Docket Nos. ER15-1344-001, ER15-1344-002, and ER15-1387-001.<sup>16</sup>

### III. CONCLUSION

WHEREFORE, the Illinois Commerce Commission respectfully requests that the Commission: (1) consider these comments; and (2) reject or, at a minimum, hold this proceeding addressing the filing with respect to Project b2665 in abeyance pending the outcome in Docket

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<sup>15</sup> *PJM Interconnection*, 152 FERC 61,197, Order Accepting and Suspending Tariff Revisions and Establishing Technical Conference, September 15, 2015.

<sup>16</sup> *Northern Indiana Public Service Company v. MISO and PJM*, 145 FERC ¶ 61,256, at P. 21 (2013)(Commission may hold proceeding in abeyance when it is premature to act on a matter that is at issue in and overlaps with another proceeding). The Commission has discretion to determine the best procedures to address the issues before it. *See, e.g., Tennessee Gas Pipeline Co. v. FERC*, 972 F.2d 376, 381 (D.C. Cir. 1992) (“The agency is entitled to make reasonable decisions about when and in what type of proceeding it will deal with an actual problem.”); *Nader v. FCC*, 520 F.2d 182, 195 (D.C. Cir. 1975) (“[T]his court has upheld in the strongest terms the discretion of regulatory agencies to control the disposition of their caseload.”). *See also, ISO New England, Inc.*, 130 FERC ¶ 61,236, at P 12 n.9 (2010) (*citing Vermont Yankee Nuclear Power Corp. v. Natural Res. Def. Council, Inc.*, 435 U.S. 519, 524-25 (1978) (agencies have broad discretion over the formulation of their procedures)); *Mich. Pub. Power Agency v. FERC*, 963 F.2d 1574, 1578-79 (D.C. Cir. 1992) (the Commission has discretion to mold its procedures to the exigencies of the particular case).

Nos. ER15-1344-001, ER15-1344-002, and ER15-1387-001 consistent with the recommendation contained herein.

Respectfully submitted,

/s/Christine F. Ericson

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ILLINOIS COMMERCE COMMISSION

Dated: February 10, 2016

CERTIFICATE OF SERVICE

I hereby certify that I caused copies of the foregoing document of the Illinois Commerce Commission to be served this day upon each person designated on the official service list compiled by the Secretary in this proceeding in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure.

Dated at Chicago, Illinois, this 10<sup>th</sup> day of February, 2016.

Respectfully submitted,

*/s/Christine F. Ericson*

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On behalf of the  
ILLINOIS COMMERCE COMMISSION