April 1, 2011

Ms. Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: Trans-Allegheny Interstate Line Company; Docket No. ER11-3064-000

Dear Madam Secretary:

Attached for electronic filing are Comments of Exelon Corporation.

Sincerely,

/s/ A. Karen Hill

A. Karen Hill
Attorney for Exelon Corporation
COMMENTS OF EXELON CORPORATION


I. Background

On March 11, 2011 TrAILCO submitted a revised Attachment H-18A to the PJM Interconnection, L.L.C. (PJM) Open Access Transmission Tariff (Tariff) modifying TrAILCo’s existing transmission cost of service formula rate (Formula Rate) to allow the recovery of prudently incurred costs associated with abandonment of a portion of the Trans-Allegheny interstate Line (TrAIL) Project.

¹ Exelon timely filed a document-less intervention in this docket on March 15, 2011. Exelon is a holding company, located in Chicago, Illinois, which owns Commonwealth Edison Company (ComEd) and PECO Energy Company (PECO). Together ComEd and PECO own transmission and distribution systems and serve over five million retail electric customers in northern Illinois and the Philadelphia area. Exelon also owns Exelon Generation, LLC (ExGen), which owns or controls approximately 30,000 MW of generating facilities. Exelon Power Team is the wholesale marketing division of ExGen and is a leading power marketer throughout the country. These Exelon subsidiaries are members of PJM Interconnection, LLC (PJM).
II. Comments

TrAILCo’s filing seeks recovery of abandonment costs incurred in connection with a portion of the TrAIL Project. Exelon takes no position with regard to the prudence of TrAILCo or the reasonableness of the costs that it seeks to recover. Exelon is concerned, however, as to who will bear any abandonment costs that ultimately are recovered. In its most recent annual update of the cost allocation of RTEP projects in Docket No. ER11-2578, PJM removed any cost allocation for project b0321 from Appendix A of Schedule 12. While this filing changes TrAILCo’s formula rate to allow recovery of abandonment costs, it does not make clear which PJM load zones will bear those costs. Exelon requests that the Commission clarify the mechanism for identifying those loads that should pay the abandonment costs that TrAILCo seeks to recover.

Some portions of the project identified in TrAILCo’s filing as having been abandoned were planned to operate at 500 kV and above; other abandoned facilities would have been below 500 kV. Different cost allocation methodologies may apply to these facilities, depending on their voltage. However, Exelon believes it is premature to address at this time what would be a just and reasonable allocation of any such costs, because no cost allocation proposal has been filed. Exelon further notes that while Opinion No. 494 prescribes the methodology for the allocation of the costs of completed facilities, the Seventh Circuit Court of Appeals remanded that decision to the Commission for its further consideration. Proceedings in the remanded matter, EL05-

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2 The Commission accepted this filing subject to the outcome of the proceeding in Docket No., ER05-121 in a Letter Order dated Feb. 1, 2011.
3 Upgrade b0321 encompasses the Prexy Facilities that are the subject of the TrAILCo filing. See TRA-100, page 2 (identifying Prexy Facilities as b0321.1, b0321.2 and b0321.3).
5 See TRA-100, page 2.
121-006, have been concluded and the matter is awaiting action by the Commission.

To the extent that any costs of abandoning the TrAILCo project are to be allocated in accordance with Opinion No. 494, Exelon requests that approval of the TrAILCo filing that is the subject of this docket be subject to the outcome of the Commission’s decision on the remand.

III. Conclusion

For the foregoing reasons, Exelon respectfully asks that the Commission direct that TrAILCo or PJM file a proposed allocation of the abandoned costs and provide that the allocation of the abandonment costs at issue in this proceeding be subject to the outcome of the remand proceeding in docket EL05-121-006.

Respectfully submitted,

/s/ A. Karen Hill

A. Karen Hill
Attorney for Exelon Corporation

Dated: April 1, 2011
Certificate of Service

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list complied by the Secretary in this proceeding.

Dated at Washington, D.C. this 1st day of April 2011.

/s/ A. Karen Hill

A. Karen Hill
Attorney for Exelon Corporation