



Memo

To: Dave Plyman
From: Dan Westin
Date: March 20th 2015
Re: Recommendation to Council meet March

SUBJECT: Letter of Commitment for PJM Integration

History and Facts:

In December 2014 Utility Advisory Board approved RMU staff's recommendation to proceed with a transmission tariff application to FERC. See enclosed slides Attachment B. Since this approval RMU staff and consultants have completed the FERC Tariff Application which shows a yearly revenue of \$ 1,244,000. This revenue has potential to grow with additional transmission investment, some are going to be required very soon and this revenue is a way to fund those investments. See enclosed slides Attachment A.

Discussion:

As part of applying for the FERC transmission tariff RMU staff and consultants have also worked with PJM the regional transmission operator to prepare for a formal integration in PJM (RMU has been connected with PJM since 2005, this integration is tied to having the correct designation in order to apply for the transmission tariff). As part of this integration which will be charge of about \$ 200,000, PJM is requesting a letter of commitment from the City of Rochelle DBA RMU. This integration is dependent on RMU being approved for the transmission tariff and will not be charged to the utility if the tariff is not approved.

It is preferable to have this commitment letter sent in with the tariff application.

Recommendation:

To approve the signing of such commitment letter by City Manager.