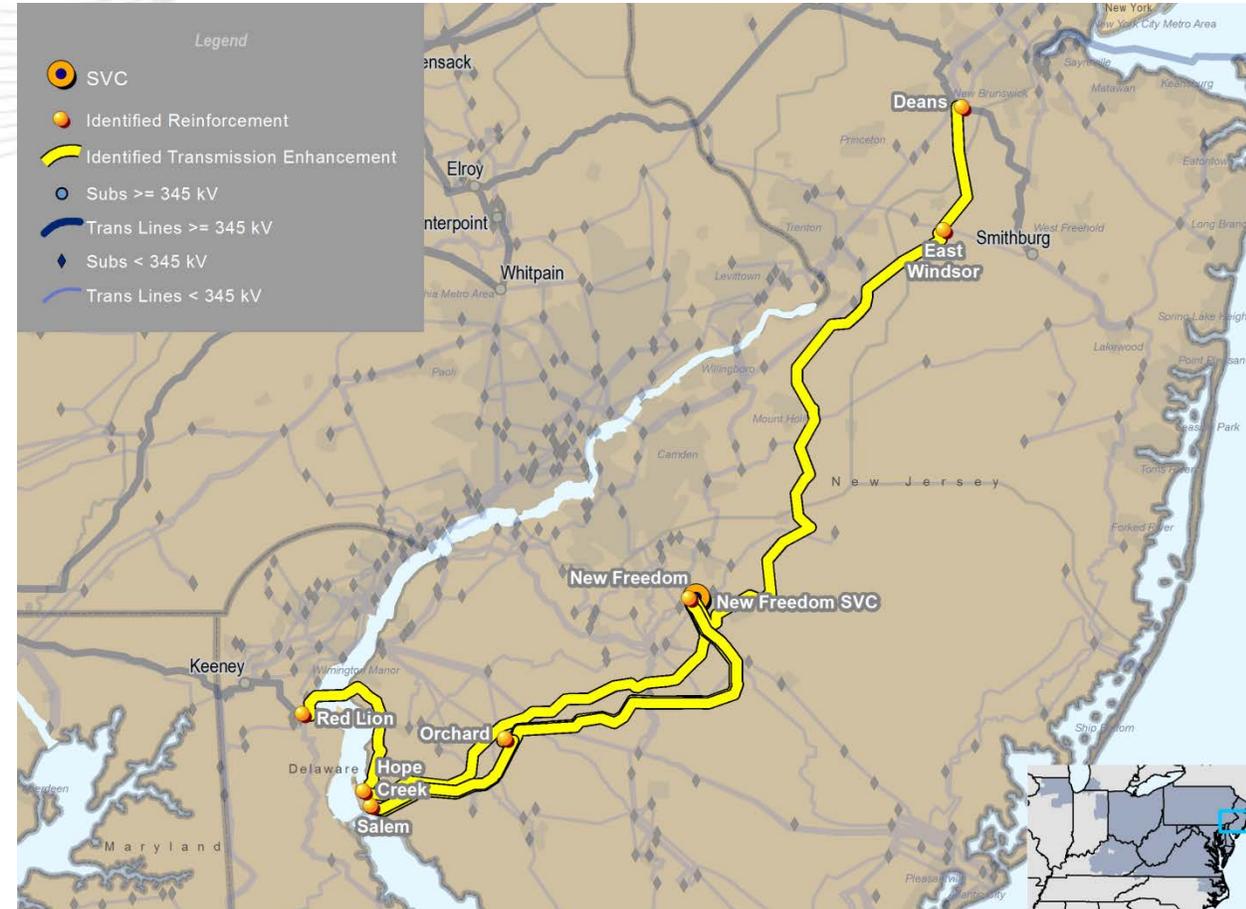


PJM Board Approved Artificial Island Upgrades designated to PSE&G

- Three main elements
 - New Freedom SVC - \$38 million
 - High Speed Relaying (OPGW) - \$25 million
 - Salem Station Expansion - \$74 million



Updated Artificial Island Upgrade Cost for PSE&G designated construction

- Construct an SVC at New Freedom Substation (b2633.4) - \$81.1 million
- OPGW and relaying upgrade (b2633.8, b2633.6.2, b2633.6.3, b2633.6.5, b2633.7.2, b2633.7.3, and b2633.8.2) - \$39 million
- Salem Expansion (b2633.2) - \$152.2 million

*Costs excludes PSE&G risk and contingency

A.I. PSEG UPGRADES	ORIGINAL BOARD APPROVED ESTIMATES	PSEG UPDATED ESTIMATES	INCREASE \$	INCREASE %
NEW FREEDOM SVC	\$38,000,000	\$81,100,000	\$43,100,000	113.42%
HIGH SPEED OPGW	\$25,000,000	\$39,000,000	\$14,000,000	56.00%
SALEM STATION	\$74,000,000	\$152,200,000	\$78,200,000	105.68%
SUB-TOTAL	\$137,000,000	\$272,300,000	\$135,300,000	98.76%
ORIGINAL ESTIMATES			\$275,450,000	
TOTAL REVISED ESTIMATE			\$410,750,000	
COST ASSIGN DPL ZONE				
NEW FREEDOM SVC	51.21%	51.21%	51.21%	
HIGH SPEED OPGW	51.21%	51.21%	51.21%	
SALEM STATION	99.99%	99.99%	99.99%	
DPL ZONE A.I. PSEG UPGRADES				
NEW FREEDOM SVC	\$19,459,800	\$41,531,310	\$22,071,510	
HIGH SPEED OPGW	\$12,802,500	\$19,971,900	\$7,169,400	
SALEM STATION	\$73,992,600	\$152,184,780	\$78,192,180	
TOTAL	\$106,254,900	\$213,687,990	\$107,433,090	
DPL ZONE A.I. PSEG UPGRADES INCREASES				
NEW FREEDOM SVC	-	-	113.42%	
HIGH SPEED OPGW	-	-	56.00%	
SALEM STATION	-	-	105.68%	
TOTAL	-	-	101.11%	

COST ASSIGN DPL			
DE	59.17%	59.17%	59.17%
MD	36.24%	36.24%	36.24%
VA	4.58%	4.58%	4.58%
	100.00%	100.00%	100.00%
DPL ZONE TOTAL A.I. PSEG UPGRADES			
DE	\$62,875,658	\$126,448,503	\$63,572,845
MD	\$38,507,982	\$77,442,953	\$38,934,971
VA	\$4,871,260	\$9,796,534	\$4,925,274
TOTAL	\$106,254,900	\$213,687,990	\$107,433,090

Upgrade ID	Description	Cost Estimate (\$M)	DPL	Trans Owner	Cost Responsibility
b2633.1	Build a new 230 kV transmission line between Salem and Silver Run	\$146.00	\$145.97	LS Power	AEC - 0.01%, DPL - 99.98%, JCPL - 0.01%
b2633.2	Construct a new Silver Run 230 kV substation	*		LS Power	AEC - 0.01%, DPL - 99.98%, JCPL - 0.01%
b2633.3_Load_Ratio_Share_Allocation	Install an SVC at New Freedom 500 kV substation	\$17.23	\$0.42	PSEG	AEC - 1.53%, AEP - 15.32%, APS - 5.87%, ATSI - 7.76%, BGE - 4.18%, COMED - 12.38%, ConEd - 0.57%, DAYTON - 2.01%, DEOK - 3.21%, DL - 1.69%, DPL - 2.43%, DVP - 12.42%, ECP - 0.2%, EKPC - 2.15%, JCPL - 3.54%, ME - 1.77%, NEPTUNE - 0.42%, HTP - 0.20%, PECO - 5.18%, PENELEC - 1.92%, PEPCO - 3.98%, PPL - 5.05%, PSEG - 5.97%, RE - 0.25%
b2633.3_DFAX_Allocation	Install an SVC at New Freedom 500 kV substation	\$17.23	\$17.22	PSEG	AEC - 0.01%, DPL - 99.98%, JCPL - 0.01%
b2633.4	Add a new 500 kV bay at Salem (Expansion of Salem substation)	\$7.35	\$7.35	PSEG	AEC - 0.01%, DPL - 99.98%, JCPL - 0.01%
b2633.5	Add a new 500/230 kV autotransformer at Salem	\$60.65	\$60.64	PSEG	AEC - 0.01%, DPL - 99.98%, JCPL - 0.01%
b2633.6_Load_Ratio_Share_Allocation	Implement high speed relaying utilizing OPGW on Deans - East Windsor 500 kV and East Windsor - New Freedom 500 kV lines	\$0.50	\$0.01	JCPL	AEC - 1.53%, AEP - 15.32%, APS - 5.87%, ATSI - 7.76%, BGE - 4.18%, COMED - 12.38%, ConEd - 0.57%, DAYTON - 2.01%, DEOK - 3.21%, DL - 1.69%, DPL - 2.43%, DVP - 12.42%, ECP - 0.2%, EKPC - 2.15%, JCPL - 3.54%, ME - 1.77%, NEPTUNE - 0.42%, HTP - 0.20%, PECO - 5.18%, PENELEC - 1.92%, PEPCO - 3.98%, PPL - 5.05%, PSEG - 5.97%, RE - 0.25%
b2633.6_DFAX_Allocation	Implement high speed relaying utilizing OPGW on Deans - East Windsor 500 kV and East Windsor - New Freedom 500 kV lines	\$0.50	\$0.50	JCPL	AEC - 0.01%, DPL - 99.98%, JCPL - 0.01%
b2633.7_Load_Ratio_Share_Allocation	Implement high speed relaying utilizing OPGW on Red Lion - Hope Creek 500 kV line	\$0.25	\$0.01	DPL	AEC - 1.53%, AEP - 15.32%, APS - 5.87%, ATSI - 7.76%, BGE - 4.18%, COMED - 12.38%, ConEd - 0.57%, DAYTON - 2.01%, DEOK - 3.21%, DL - 1.69%, DPL - 2.43%, DVP - 12.42%, ECP - 0.2%, EKPC - 2.15%, JCPL - 3.54%, ME - 1.77%, NEPTUNE - 0.42%, HTP - 0.20%, PECO - 5.18%, PENELEC - 1.92%, PEPCO - 3.98%, PPL - 5.05%, PSEG - 5.97%, RE - 0.25%
b2633.7_DFAX_Allocation	Implement high speed relaying utilizing OPGW on Red Lion - Hope Creek 500 kV line	\$0.25	\$0.25	DPL	AEC - 0.01%, DPL - 99.98%, JCPL - 0.01%
b2633.8_Load_Ratio_Share_Allocation	Implement high speed relaying utilizing OPGW on Salem - Orchard 500 kV, Hope Creek - New Freedom 500 kV, New Freedom - Salem 500 kV, Hope Creek - Salem 500 kV, and New Freedom - Orchard 500 kV lines	\$11.75	\$0.29	PSEG	AEC - 1.53%, AEP - 15.32%, APS - 5.87%, ATSI - 7.76%, BGE - 4.18%, COMED - 12.38%, ConEd - 0.57%, DAYTON - 2.01%, DEOK - 3.21%, DL - 1.69%, DPL - 2.43%, DVP - 12.42%, ECP - 0.2%, EKPC - 2.15%, JCPL - 3.54%, ME - 1.77%, NEPTUNE - 0.42%, HTP - 0.20%, PECO - 5.18%, PENELEC - 1.92%, PEPCO - 3.98%, PPL - 5.05%, PSEG - 5.97%, RE - 0.25%
b2633.8_DFAX_Allocation	Implement high speed relaying utilizing OPGW on Salem - Orchard 500 kV, Hope Creek - New Freedom 500 kV, New Freedom - Salem 500 kV, Hope Creek - Salem 500 kV, and New Freedom - Orchard 500 kV lines	\$11.75	\$11.75	PSEG	AEC - 0.01%, DPL - 99.98%, JCPL - 0.01%
b2633.9	Implement changes to the tap settings for the three Artificial Island unit's step up transformers	\$0.00	\$0.00	PSEG	AEC - 0.01%, DPL - 99.98%, JCPL - 0.01%
b2633.10	Interconnect the new Silver Run 230 kV substation with the existing Red Lion - Cartanza and Red Lion - Cedar Creek 230 kV lines	\$2.00	\$2.00	DPL	AEC - 0.01%, DPL - 99.98%, JCPL - 0.01%

* Cost for the new Silver Run 230 kV substation is included in the \$146M estimate for upgrade b2633.1

	TOTAL	DPL	
ORIGINAL COST ESTIMATE TOTAL (\$M)	\$275.45	\$246.40	89.45%
PSEG UPDATE COST (\$M)	\$135.30	\$107.43	79.40%
TOTAL A.I. COST ESTIMATED (\$M)	\$410.75	\$353.83	86.14%
CARRYING CHARGE	20%	20%	
ANNUAL REVENUE REQUIREMENT - A.I.	\$82,150,000	\$70,766,253	86.14%
FERC -- DPL TOTAL ANNUAL TRANSMISSION REVENUE REQUIREMENT 6/1/2015 THROUGH 5/31/2016		\$132,037,000	
TOTAL DPL PLUS A.I. ANNUAL REV. RQMT.		\$202,803,253	
INCREASE OVER ANNUAL 6/1/2015 - 5/31/2016		53.60%	

\$120,007,528.82

MONTHLY IMPACT ON DPL CUSTOMERS	MONTHLY PER CUSTOMER
LARGE COMMERCIAL	
DEUGSPTOU	\$3,355.82
DEUGSPTOUH	\$6,597.48
DEUGSTTOU	\$49,546.74
AVERAGE RS	\$12.90