

Volume 395 July 8, 2014

Court Again Rejects FERC's Effort To Allot Cost Of Power Lines In PJM

A federal appeals court for the second time rejected the Federal Energy Regulatory Commission's attempt to allot the cost of high-voltage power lines in the Mid-Atlantic and Midwest. The court ruled 2-1 that FERC has failed to provide justification for why utilities in the western portion of PJM's footprint in the Midwest and Mid-Atlantic region should be required to contribute to the cost of power lines benefiting the region's eastern side. The 7th U.S. Circuit Court of Appeals ruling sends the order back to FERC, as the judges said that utilities in the western region of PJM's territory in Michigan, Illinois, and Indiana are unlikely to obtain significant amounts of power from the dozen transmission projects in question, which will cost about \$2.7 billion. The decision comes five years after the same utilities and the Illinois Commerce Commission asked the court to vacate an earlier cost allocation plan in PJM for high-voltage power lines that FERC approved in 2007. The court remanded that order in 2009, and the agency issued an order on remand that was at the center of the latest court ruling.

Weather impact on Energy

Above normal heat is expected for the Consuming East early in the week, but cooler than normal moves in for the late week period.

Hot temperatures in the mid 90s to low 100s prevail for inland portions of Washington, Oregon, and California each day this week.

Central to Northern Plains and western Midwest will see brief seasonal temperatures before cooling below normal late in the week.

Tropical Update

Arthur has come and gone. The Atlantic Basin is expected to remain quiet this week. In the East Pacific, Invest 98E is located well south of Acapulco, Mexico. The system could develop into a weak tropical cyclone later this week, but will stay well away from land.

Electricity Pricing – July 8, 2014 Com Ed Historical Average LMP Electric Price

Time Period	Average per Kwh
Jul,2013	\$.04067
Aug,2013	\$.03112
Sep,2013	\$.03274
Oct,2013	\$.03183
Nov,2013	\$.03087
Dec,2013	\$.03432
Jan,2014	\$.07837
Feb,2014	\$.06204
Mar,2014	\$.05165
Apr,2014	\$.03870
May,2014	\$.04098
Jun,2014	\$.03691
Jul 1 – Jul 7	\$.03402

Extended Temperature Forecast:

Chicago Area

	Tue	Wed	Thu	Fri	Sat
High	83	79	77	81	88
Low	58	58	59	65	69

