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From: Mark Gorton [<mailto:mark@limegroup.com>]

Sent: Wednesday, January 23, 2008 4:49 PM

To: Schneider, Howard

Cc: Duane, Vincent P.

Subject: pjm

Howard,

During the course of today, I have had the chance to talk to a number of people who work for PJM members. These are people who are active in the PJM governance process. As I have tried to communicate my story, I have repeatedly heard that people are hearing contradictory thing from senior people at PJM. At best, the senior staff at PJM are grossly distorting the truth. At worst, the staff at PJM could be engaging in a cover up of their mismanagement and violations of their own rules.

I had one senior person at a very large utility tell me that the whole thing seemed like a witch hunt. I had another person tell me that earlier in the day people at his company were speculating over whether anyone at PJM would lose their jobs over this.

I would suggest that you take the time to make sure that PJM properly investigates its own actions given the nature of this situation. I would hate to see this situation become any worse than it already is due to internal attempts by PJM personal to cover up what has gone on.

I will tell you that PJM has refused to delay the members vote on the change to the operating agreement that was sent to FERC. This refusal occurred after I aired a host of facts that contradicted previous stories told by PJM and created great uncertainty as to the facts surrounding the default of Power Edge. PJM has also been unresponsive in my attempts to post information that is relevant to this issue to the PJM website and to allow e-mail to be distributed to the PJM e-mail list.

Given the circumstances surrounding this vote, I have a hard time seeing how PJM can properly move forward with this vote. I would urge that you personally look into whether the vote should move forward as scheduled tomorrow.

If you would like to talk, please feel free to call me at 212-219-6060.

Sincerely,

Mark Gorton