

April 21, 2008

W. Terry Boston,  
President and CEO  
PJM Interconnection L.L.C.  
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Norristown, PA 19403

Mr. Howard Schneider  
Chairman, PJM Board of Managers  
PJM Interconnection L.L.C.  
955 Jefferson Avenue  
Norristown, PA 19403  
(by electronic mail to [duanev@pjm.com](mailto:duanev@pjm.com))

Re: Request of PJM Buyers Group for Open Dialog with Board of Managers

Dear Mr. Boston and Board of Managers:

We write to express our serious concerns with the process that led to PJM's January 31, 2008 Cost of New Entry increase proposal ("CONE filing" – docketed at FERC as ER08-516) and to request that the issues presented by this letter be scheduled for a separate stakeholder discussion with the Board of Managers during the PJM Annual Meeting in Williamsburg, Virginia or at another meeting in the near future. Our goal is to restore stakeholder confidence in PJM, confidence that is crucial for PJM's long term success.

We strongly urge you to examine how PJM management reached the decision to make the CONE increase filing and how that decision was executed. The Board should inquire why clear tariff requirements were overlooked or ignored; why stakeholder consultation was left to the last minute; why the justifications for emergency action, which was the presumed basis for the filing, were vague and insubstantial. We request that you determine and share with us the chain of decisions and the timing of those decisions.

In recent months, we have seen strong indications from the Board that it wishes to create a new "customer" focus and accountability. We share that objective. We are interested in having an open dialogue with the Board of Managers to discuss the CONE filing and to establish whether any lessons can be learned from this proceeding. We propose that this dialogue be conducted as a separate agenda item during the Annual Meeting's Wednesday, April 30th General Session; during the Thursday, May 1st Members Committee meeting; or, alternatively, at a special purpose meeting in the near future.

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RPM Buyers 4/21/2008 Letter  
to PJM Board of Managers

We request that you notify us by April 25, 2008 whether such an Annual Meeting dialog is possible, and if possible, some of your preliminary thinking about how the issues might be structured and discussed most productively.

Very truly yours,

/s/ Gary J. Newell

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For Pennsylvania Department of  
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cc: Vincent Duane, General Counsel