

Dear Member,

PJM Settlements and the Demand Side Response Department have reported that the \$17.5 million 2007 DR incentive cap was reached today. This means that \$17 million of incentive payments have been allocated and that \$500,000 has been reserved for currently disputed settlements. Given the \$500,000 reserve, confirmed settlements with a time/date stamp after 10/22/2007 04:53 EDT would not include an incentive payment.

Reserve dollars that remain, if any, after currently disputed settlements are resolved will be allocated on a first confirmed first paid basis according to the time/date stamp of the approved settlement in the Load Response application. After the 2007 incentive dollars have been fully allocated, settlements for economic load response will be based on LMP - (G + T).

Susan Covino