



955 Jefferson Ave.
Valley Forge Corporate Center
Norristown, PA 19403-2497

Janine Durand
Senior Counsel
610.666.4485 | Fax – 610.666.8211
duranj@pjm.com

September 14, 2007

VIA WEB POSTING

The Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street N.E., Room 1A
Washington, DC 20426

Re: Order No. 890 Compliance and Notice of White Paper

Dear Secretary Bose:

On May 29, 2007, PJM Interconnection, L.L.C. ("PJM") filed Order No. 890 "Planning Strawman" with the Federal Energy Regulatory Commission ("FERC") staff in order to further the development of PJM's planning processes, and in compliance with FERC's Order No. 890. Today's posting is in response to FERC's July 27, 2007, Order Extending Compliance Action Date and Establishing Technical Conferences, directing transmission providers to prepare and post their Attachment K drafts on their OASIS or website. In addition, on August 2, 2007, FERC issued a Notice of Whitepaper to further assist transmission providers with their compliance efforts. Today's posting will also address the requirements in the Notice of Whitepaper.

PJM is providing FERC and its stakeholders with three documents that will be posted on the internet and forwarded to FERC staff. First, as required, PJM is posting the draft of changes to Schedule 6 of the PJM Operating Agreement, as well as the draft of additional changes to the Operating Agreement, Section 1, definitions, that were necessitated by the inclusion of the new Schedule 6 material. Schedule 6 incorporates PJM's "Regional Transmission Expansion Protocol" and is equivalent to the Attachment K, referenced in the FERC Orders. Second, PJM is posting a Compliance Chart, ("Chart") which provides a detailed listing of the requirements for compliance specified in the Staff White Paper. The Chart provides a record of PJM's compliance and references where the appropriate material and documentation may be found within PJM's documents. The Chart also details the stakeholder processes, by listing the relevant committees and working groups designated to review each aspect of compliance and to ensure the completion of appropriate stakeholder review of all material and proposed changes. The Chart is cross-referenced with the Operating Agreement, and is intended to facilitate the continuing review and comment process.

For ease of reference, PJM is also providing a clean version of the Operating Agreement, Schedule 6, as well as additional relevant sections of the Operating Agreement, with the proposed changes included. PJM is also posting a red-line version of the Operating Agreement, Schedule 6 and Section 1, definitions, to show the specific draft changes.

Highlights of the material in the Schedule 6 posting include new or revised language to address the following:

- Establishing a Subregional RTEP Committee designed to focus on the planning requirements of transmission expansion or enhancement projects rated at below 230kV;
- Improving coordination between regions;
- Provisions to facilitate data sharing and communications regarding planning assumptions used in the development of the Regional Transmission Expansion Plan;
- Clarification of dispute resolution procedures for planning matters; and
- Development of supplemental Regional Transmission Expansion Plan projects.

The material posted today was vetted through the PJM stakeholder process, which is ongoing through December 7, 2007. Moreover, PJM has conducted stakeholder meetings approximately once every two weeks with the Regional Planning Process Working Group ("RPPWG"), since May 2007. Going forward, PJM's proposals will continue to be vetted with the RPPWG, the Markets and Reliability Committee, the Members Committee and other relevant stakeholder groups.

Sincerely,



Janine Durand
Senior Counsel

JLD/jac: 437397

Encl.