



FOR IMMEDIATE RELEASE

**PJM's FINANCIAL BILLING CONTROLS PASS
8th CONSECUTIVE SAS 70 TYPE 2 AUDIT**

(Valley Forge, Pa. – Dec. 15, 2008) – For the eighth consecutive year, PJM Interconnection's financial billing controls passed the stringent SAS (Statement on Auditing Standards) 70 Type 2 audit.

"The successful audit emphasizes PJM's focus on compliance and problem-solving to ensure the reliability of the billing and settlement processes that serve our members and other stakeholders," said Suzanne Daugherty, vice president, chief financial officer and treasurer.

SAS 70 is an auditing standard developed by the American Institute of Certified Public Accountants to enable an independent auditor to evaluate and issue an opinion about a service organization's controls. The Type 2 audit that was just completed includes an opinion from the auditor about the adequacy of design of PJM's controls and the level of compliance with those controls, as well as a description of the auditor's tests of operating effectiveness.

PricewaterhouseCoopers (PwC) conducted the audit, which covered an extended 13-month audit period from Oct. 1, 2007, through Oct. 31, 2008, to include testing of PJM's new billing application implemented Aug. 1, 2008. PwC's unqualified opinion covered controls related to PJM's market settlements process as well as the information technology infrastructure that supports PJM markets.

The audit found only two minor exceptions – the lowest number ever reported in a PJM SAS 70 audit. During the audit period, PJM converted to a new market settlements (billing) system. The audit found no exceptions related to the former or current systems. Also, despite several significant system changes, for the first time there were no exceptions in the information technology general controls objectives.

In keeping with governance rules, such as those in the Sarbanes-Oxley Act of 2002, a SAS 70 report is designed to provide an understanding of a service organization's internal controls to the auditors of the companies that use the organization's services.

PJM Interconnection ensures the reliability of the high-voltage electric power system serving 51 million people in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia. PJM coordinates and directs the operation of the region's transmission grid, which includes 6,038 substations and 56,350 miles of transmission lines; administers a competitive wholesale electricity market; and plans regional transmission expansion improvements to maintain grid reliability and relieve congestion. Visit PJM at www.pjm.com.

###