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PJM PASSES STRINGENT AUDIT FOR 10th CONSECUTIVE YEAR

Receives unqualified opinion on SAS 70 Type 2 audit

(Valley Forge, Pa. – Dec. 15, 2010) – PJM Interconnection’s market settlement billing controls passed the stringent SAS (Statement on Auditing Standards) 70 Type 2 audit for the tenth consecutive year.

“For a decade our audit results have provided solid evidence and assurance to our members that PJM operates under the highest standard of internal controls and processes in the industry,” said Suzanne Daugherty, vice president, chief financial officer and treasurer. “This comprehensive, independent examination further illustrates our ongoing commitment to deliver value to our members and stakeholders.”

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 the 12-month audit period from Oct. 1, 2009, through Sept. 30, 2010. PwC’s unqualified opinion covered controls related to PJM’s market settlements processes, as well as the information technology infrastructure that supports PJM markets.

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, founded in 1927, 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 56,500 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.

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