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MOODY'S ASSIGNS INVESTMENT-GRADE CREDIT RATING

Highlights PJM Settlement's Efficient Cash Flow and Credit Risk Management Practices

(Valley Forge, Pa. – March 25, 2011) – Moody's Investor Services has assigned one of its highest investment grade rankings, an Aa3 Issuer Rating, to PJM Settlement, Inc., a nonprofit subsidiary of PJM Interconnection.

Concurrent with PJM Settlement's rating, Moody's affirmed PJM Interconnection's Aa3 debt rating with a stable financial outlook for both entities.

"This very strong investment-grade rating reflects the creditworthiness of both PJM and its affiliate, PJM Settlement," said Suzanne S. Daugherty, vice president, chief financial officer and treasurer of PJM. "It also reflects especially well on the strength of our 700 member organizations."

Moody's said the PJM Settlement rating considers "structural enhancements between it and PJM, including guarantees provided by each entity to the other, as well as lines of credit between PJM Settlement and PJM that will facilitate efficient cash flow management, permitting either entity to use cash that is available to its affiliate."

PJM Settlement acts as the single counterparty to the pool transactions of PJM market participants. By acting as the single counterparty, PJM Settlement resolves any uncertainty of who members transact with when trading in the PJM market. PJM Settlement handles billing and settlement functions for the PJM markets, issues invoices to and receives payments from market participants and serves as the entity with which market participants establish credit.

Moody's is a leading provider of market-based quantitative services for banks and investors in credit-sensitive assets serving the world's largest financial institutions.

PJM Interconnection, founded in 1927, ensures the reliability of the high-voltage electric power system serving 54 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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