



FOR IMMEDIATE RELEASE

## **RATES REDUCED FOR PJM MEMBERS**

*Reflects cost containment, economies of scale*

(Valley Forge, Pa. – Nov. 2, 2011) – The members of PJM Interconnection are benefiting from a reduction in the rate they pay for PJM’s administrative services – the costs of operating the electric transmission system and the wholesale electric markets.

PJM reduced the composite rate to 29 cents per megawatt-hour (MWh) from the 30 cents per MWh rate that took effect at the beginning of 2011.

“The reduction reflects our focus on cost containment and the benefits of economies of scale that more than offset any higher costs, enabling the rate to be reduced,” said Suzanne Daugherty, PJM’s vice president, CFO and treasurer.

Daugherty added that the new rate is expected to remain in effect for at least five years, providing members with price predictability and indicating the value of PJM’s continuing emphasis on controlling costs.

Under the stated rate plan, which went into effect in 2006, PJM recovers its administrative costs through fixed rates billed to members based on their activity levels. PJM is the only U.S. grid operator using fixed, long-term rates to recover its costs.

PJM manages its costs within the rates established. The system also has enabled PJM to fund a financial reserve and return cost savings to members through a refund mechanism, Daugherty noted. PJM currently has nearly 750 members.

Under the stated rate plan, PJM’s composite rate, which was 48 cents per MWh in 2003, has declined from the initial rate of 33 cents in 2006 to the current 29 cents, or about 12 percent. The new, lower rate went into effect October 1.

*PJM Interconnection, founded in 1927, ensures the reliability of the high-voltage electric power system serving 58 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 61,000 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](http://www.pjm.com).*

###