



PJM Interconnection
Finance Committee Meeting Minutes
PJM Visitor Center – Valley Forge, PA
August 11, 2009
10:05 a.m. – 12:00 p.m.

Finance Committee Members Participating:

Robert Ferlmann (phone)	Blue Star Energy Services
Neal Fitch (phone)	RRI Energy Services
Stan Forczek (phone)	Amtrak
James Jablonski (phone)	Borough of Seaside Heights
Dave Scarpignato	ODEC
Raj Rana	AEP
Dick Lahey	PJM Interconnection, LLC Board of Managers
Neel Foster	PJM Interconnection, LLC Board of Managers
Suzanne Daugherty, Chair	PJM Interconnection, LLC

Additional PJM Employees Participating:

Helen Burnley	PJM Interconnection, LLC
Lisa Drauschak	PJM Interconnection, LLC
Sandra Ritchie	PJM Interconnection, LLC
Jim Snow	PJM Interconnection, LLC

1. MINUTES FROM MAY 5TH FINANCE COMMITTEE MEETING

These minutes were approved as drafted.

2. SECOND QUARTER 2009 UNAUDITED FINANCIAL STATEMENTS

Ms. Drauschak reviewed PJM's unaudited financial information for the second quarter and six months ended June 30, 2009. Ms. Drauschak reviewed the balance sheet, income statement, statement of cash flow, and disclosure highlights from PJM's unaudited financial statements.

3. SECOND QUARTER FINANCIAL REVIEW

Mr. Snow reviewed PJM's financial results for the second quarter and six months ended June 30, 2009 including:

- Revenues and expenses by Tariff Schedule 9 service category;
- Intercompany charges and credits;
- Actual vs. budget expense variances by major cost component;
- Actual vs. budget capital expenditure variances by major component;



- Trends in expenses by major cost component and staffing from third quarter 2007 through second quarter 2009; and
- Year to date Deferred Regulatory Liability activity.

4. AC² – BCP PROJECT SECOND QUARTER 2009 STATUS

Ms. Daugherty reported on the AC² program technology, site and facility, and personnel and workforce capability status. She reported that the AC² capital spending projection is \$143 million as of the second quarter of 2009. Ms. Daugherty indicated that the current forecasted total capital investment is \$143.3M. The AC² team is working to identify opportunities to complete the program within the approved \$135 million capital budget. Ms. Daugherty sited key accomplishments from 2009 and reviewed photographs of the functioning video wall at Milford. She discussed the current focus of project efforts and the key next steps.

5. 2009 FORECAST

Mr. Snow reviewed the current revenue, expenses, capital, and deferred regulatory liability forecasts for 2009.

6. PRELIMINARY 2010 EXPENSE AND CAPITAL BUDGET

Mr. Snow reviewed the following items regarding the 2010 preliminary budget:

- preliminary 2010 expense and capital budgets by major category;
- projected revenue for 2010 in total and by service category;
- expense cost trends by major category from 2004 through 2010;
- capital expenditures from 1998 through 2009 and key projects planned of 2010; and
- preliminary FERC Fee rate for 2010.

7. FIVE-YEAR FINANCIAL PROJECTIONS

Ms. Daugherty presented the preliminary financial projections from 2009 through 2014 including:

- Revenues, expenses, deferred regulatory balance and refunds;
- Cost trends by major category, staffing levels, and capital expenditures; and
- Schedule 9 rates.

8. FUTURE MEETINGS

The next planned Finance Committee meeting will be held at the Marriott BWI Airport on September 24, 2009. Discussion at that meeting will include the proposed 2010 budget, the five-year revenue, expense, and capital projections, the multi-year refund projections, NERC and RFC billing and rates for 2010, and Monitoring Analytics budget for 2010.

Prepared By: J. J. Snow
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Final:
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