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Andrew L. Ott
President and CEO
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August 3, 2018

American Electric Power Service Corporation, on behalf of its affiliates,
Appalachian Power Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport
Power Company, Ohio Power Company, Wheeling Power Company, AEP Appalachian Transmission
Company, AEP Indiana Michigan Transmission Company, AEP Kentucky Transmission Company, AEP
Ohio Transmission Company, and AEP West Virginia Transmission Company
The Dayton Power and Light Company
Duke Energy Business Services, LLC, on behalf of Duke Energy Ohio, Inc. and Duke Energy Kentucky,
Inc. Duquesne Light Company
Exelon Corporation
FirstEnergy Service Co., on behalf of its transmission owning entities
PPL Electric Utilities Corporation
Public Service Electric & Gas Company
Rockland Electric Company
Virginia Electric Power Company

**Re: Planning Committee Consideration of Cost Containment for Evaluation of
Competitive Transmission Proposals**

Dear Transmission Owners:

Thank you for your correspondence to the PJM Board of Managers regarding Cost Containment for Evaluation of Competitive Transmission Proposals. The Board, my staff and I value the Transmission Owners' opinions and our long-established tradition of open, two-way communication with all stakeholders.

PJM acknowledges the legal and practical issues raised by the indicated Transmission Owner. PJM recognizes the Transmission Owners' important responsibility in planning their respective systems to maintain system reliability and in sponsoring proposed competitive transmission projects. PJM also acknowledges each exclusive authority over its rate filings, rate design and recovery of its costs, including its right to seek a FERC-approved return on equity. The concerns regarding the rights and responsibilities of the Transmission Owners expressed in the letter will be considered in future actions taken by PJM and the Board regarding the consideration of voluntarily offered cost commitments.

August 3, 2018
Page 2

PJM is committed to providing a transparent forum to enable regional transmission planning to occur in an efficient and timely manner. We look forward to working with the Transmission Owners and all affected stakeholders to better understand their needs and to continue to make reasonable improvements to the regional planning process to support transparency in the selection of competitive projects, without increasing the complexity or contentiousness of the process. It is critical to PJM that the regional planning process continues to be executed in a timely manner that maintains system reliability.

Sincerely,

A handwritten signature in black ink that reads "Andrew L. Ott". The signature is written in a cursive style with a large, stylized initial "A".

Andrew L. Ott
President and CEO