

November 2, 2007

Dear Members,

The Board Reliability Committee has met and discussed the issue concerning a new Load Deliverability Area (LDA), the Central PJM LDA, for the upcoming 2010/2011 auction. The committee has decided not to approve any changes to the LDA's for the upcoming auctions. The committee made this decision based on a number of factors including;

- The recent members' vote at the MRC not to endorse the new LDA by a significant margin
- The fact that the new LDA, while potentially better defining the load pocket, does not add or identify any new reliability violations not already under consideration from the existing LDA's.
- The fact that based on the VRR curve parameters for 2010/2011 a deferral of one year did not appear to materially impact investment signals in this case.

While the Board Reliability Committee agreed not to file any changes for this auction, the committee members consider this an extremely important issue for the membership and would encourage the membership to work on developing a consensus proposal on how new LDA's are created prior to the next auction. The Board has also agreed to include this as one of the topics at the upcoming general session and looks forward to your input on the issue.

Additionally, the planning parameter posting for the 2010/2011 auction has been revised to reflect the Board's decision in this regard.

Best Regards,

/s/

Mike Kormos
Sr. Vice President, Operations