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MOODY'S AFFIRMS PJM'S INVESTMENT-GRADE CREDIT RATING

Highlights PJM's solid operating history and creditworthiness of members

(Valley Forge, Pa. – Aug. 6, 2008) – Moody's Investors Service has assigned PJM Interconnection an Aa3 debt rating with a stable financial rating outlook. The Aa3 rating is one of Moody's highest investment-grade rankings. It is comparable to an AA- on other rating scales.

Moody's said the rating reflects PJM's "low business risk profile, the uniqueness of its rate tariff, the creditworthiness of its members and the vital function it plays within its region." The rating agency had reaffirmed an Aa3 rating on PJM's senior unsecured debt in 2005. That credit rating expired when all senior note debt was repaid in December 2007.

"This very strong investment-grade rating reflects how creditworthy PJM is considered because of our solid operations and business practices," said Suzanne S. Daugherty, vice president, chief financial officer and treasurer of PJM. "It reflects especially well on the strength of our 550 member organizations and our emphasis on remaining independent and treating all parties equally in order to create a robust and competitive electric power market."

Among Moody's considerations in setting PJM's credit rating:

- PJM manages its budget within limits defined and agreed upon in advance and as recovered under its stated rates.
- PJM makes use of stringent credit standards that all members are subject to both upon application for membership and on an on-going basis.
- Approximately 60 percent of PJM market activity is transacted by companies with investment-grade credit ratings.
- Additional considerations included PJM's long-term operating history, the size and scope of its region and the company's role in providing a liquid marketplace for wholesale electricity.

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 ensures the reliability of the high-voltage electric power system serving 51 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 56,350 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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