FirstEnergy Seams Issues to be Addressed by the
MISO-PJM Joint and Common Market

The following seams issues are of particular importance to FirstEnergy. FirstEnergy encourages PJM and MISO to address each of these seams issues at the January 22, 2007 Joint & Common Market meeting. FirstEnergy is also willing to meet with PJM and MISO separately to discuss these important seams issues.

1. ARR and FTR Products – FE looking for not only consistency among and between the two markets, but also best practices. FE likes aspects of both markets. Specifically, we like the ARR process used in PJM and we like the monthly re-allocation used in MISO.

2. Transmission Outage Notification – FE looking for improved communication and coordination regarding planned transmission outages, especially when a planned transmission outage in one market affects generation in the other market. We would like a mechanism in which planned transmission outages that impacts our ability to generate is communicated in advance. There may be instances where we can shift a generation planned outage to accommodate the transmission outage, and visa-versa.

3. PJM RPM Rules for External Units – FE looking for clear rules and protocols and appropriate communication and coordination between the two markets to manage units that want to participate in PJM's capacity market. PJM's rules for an external unit to participate in the capacity market are clear, however, the communications back to MISO and the MISO resource adequacy requirements are unclear. Additionally, the energy offers and dispatch of an externally designated unit is also unclear to us.

4. Ancillary Services Market – FE looking for assurance that the two RTO have a plan to manage the seam when the rules in both markets are not identical. MISO has issued an initial set of business rules for the ASM. We suggest that MISO and PJM discuss these rules to look for improved coordination between markets.

5. Loop Flow – FE looking for improved communication and coordination of loop flow impacts so there is consistent modeling of loop flow in the two markets.