



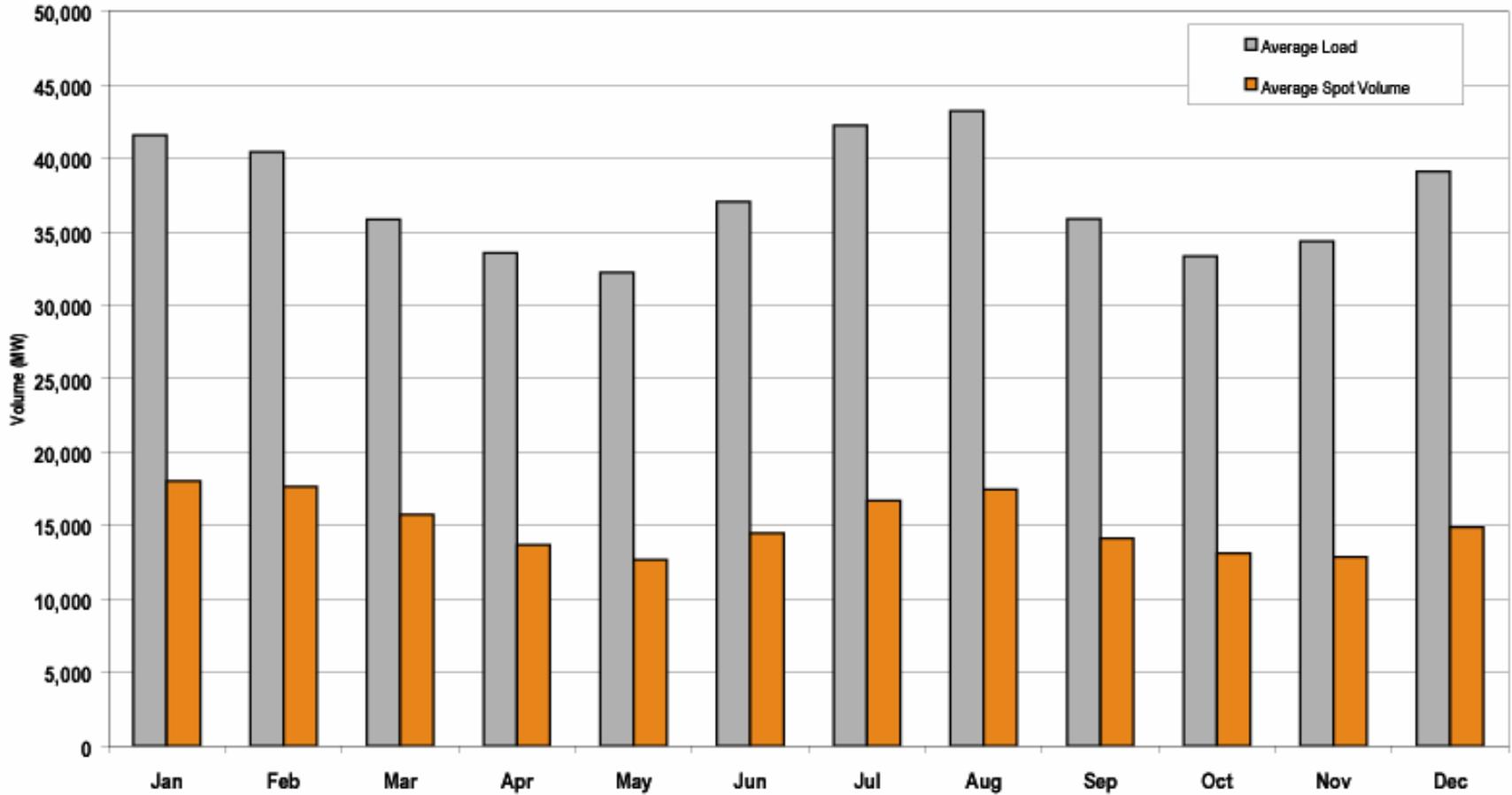
STATE OF THE MARKET REPORT 2003

FERC Briefing
Washington, D.C.
April 14, 2004

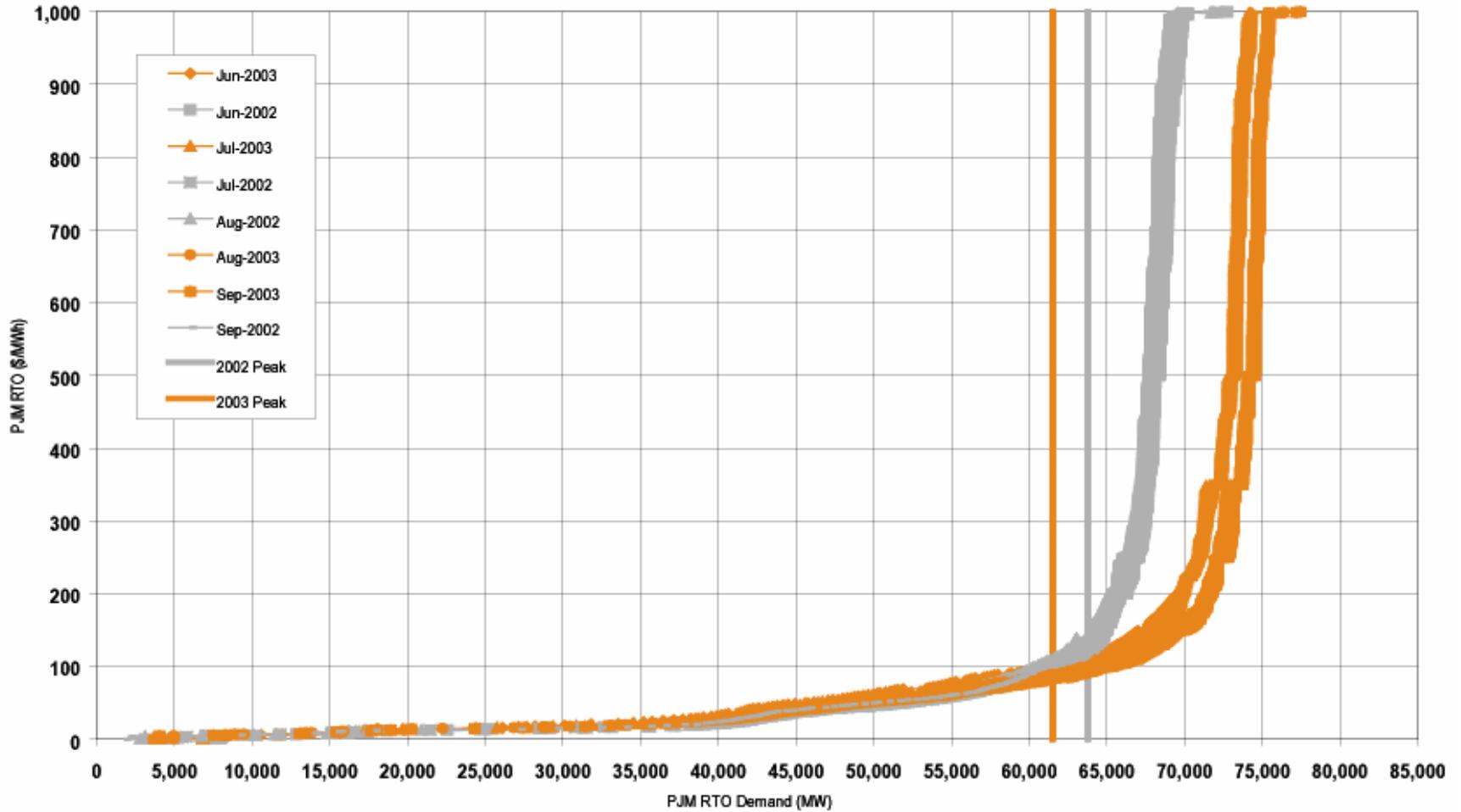
Joseph E. Bowring
Manager
PJM Market Monitoring Unit

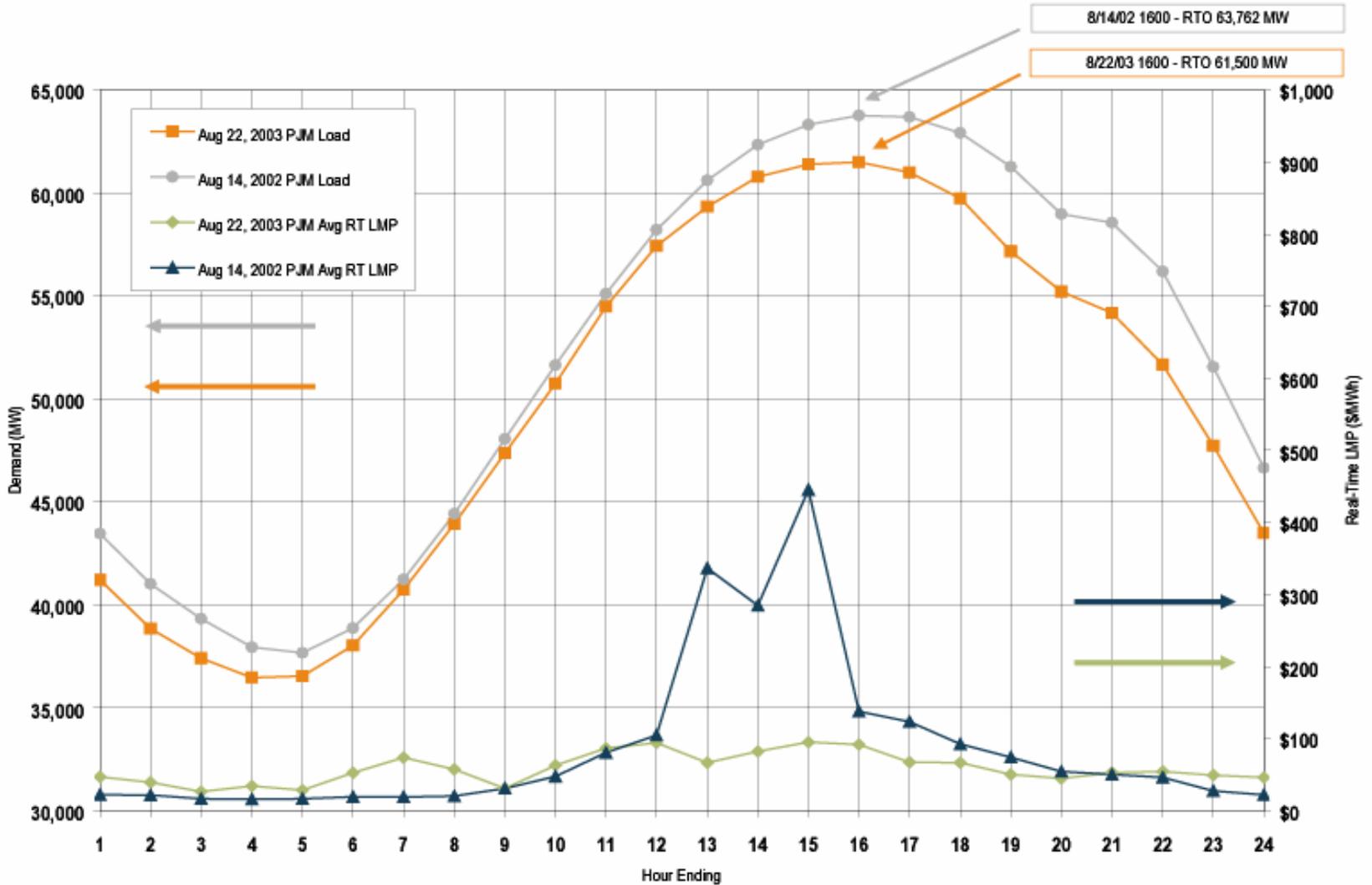
- **Energy market** results were competitive
- **Capacity market** results in **PJM Mid-Atlantic Region** were competitive
- **Capacity market** in **PJM Western Region** – no functioning competitive market
- **Regulation market** results were competitive
- **Spinning market** results were competitive
- **FTR market** results were competitive

2003 PJM Average Hourly Load and Spot Market Volume



Average PJM Aggregate Supply Curves: June to September 2002 and 2003







PJM Average Hourly Locational Marginal Prices (in Dollars per MWh)

	Locational Marginal Prices (LMP)			Year-to-Year Percent Change		
	Average	Median	Standard Deviation	Average LMP	Median LMP	Standard Deviation
2003	\$38.27	\$30.79	\$24.71	35.2%	46.0%	10.3%
2002	\$28.30	\$21.08	\$22.40	-12.6%	-8.3%	-50.6%
2001	\$32.38	\$22.98	\$45.30	15.1%	20.3%	76.3%
2000	\$28.14	\$19.11	\$25.69	-0.6%	6.9%	-64.5%
1999	\$28.32	\$17.88	\$72.41	30.4%	7.7%	130.2%
1998	\$21.72	\$16.60	\$31.45			



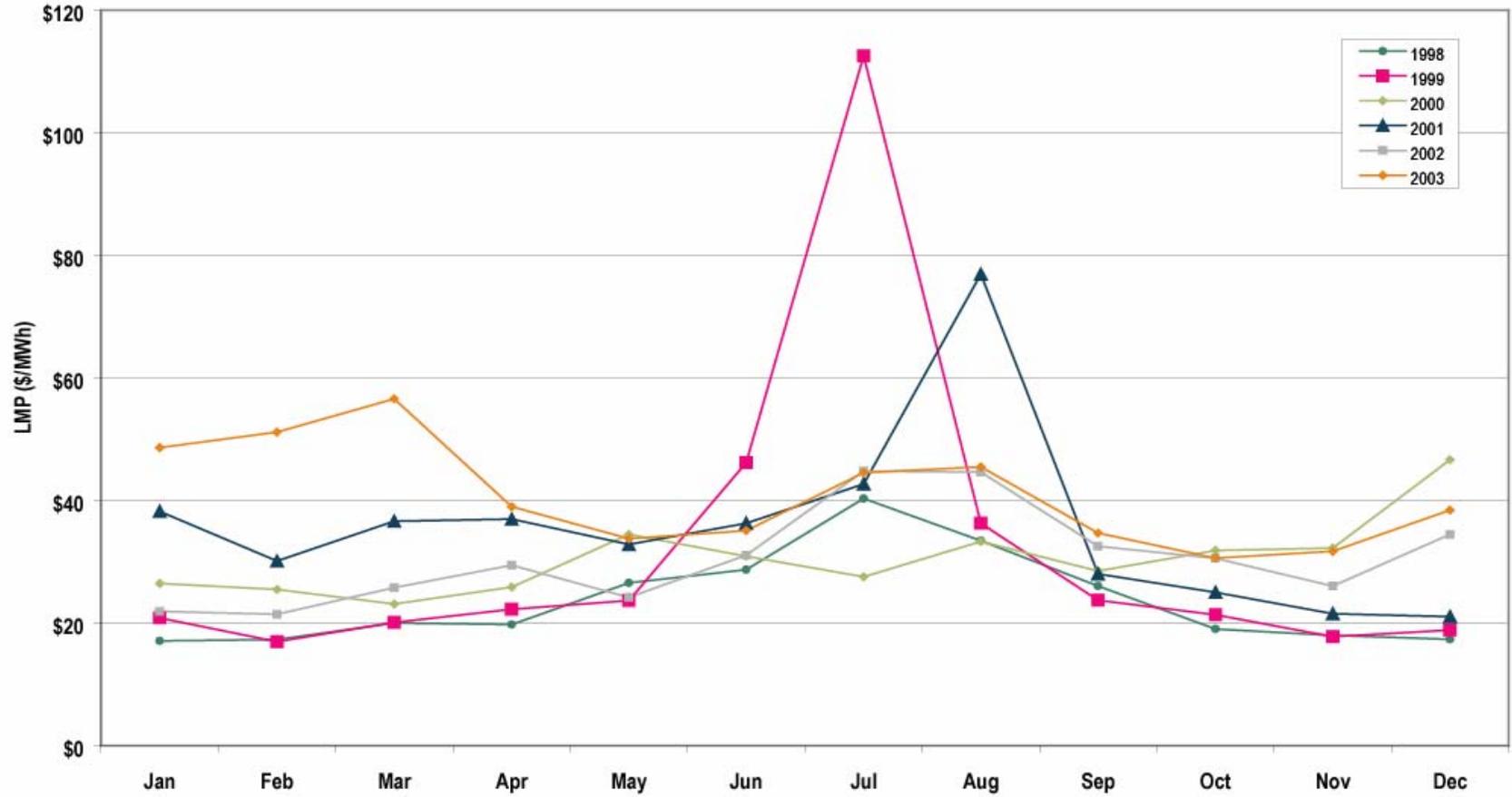
PJM Load-Weighted, Average LMP (in Dollars per MWh)

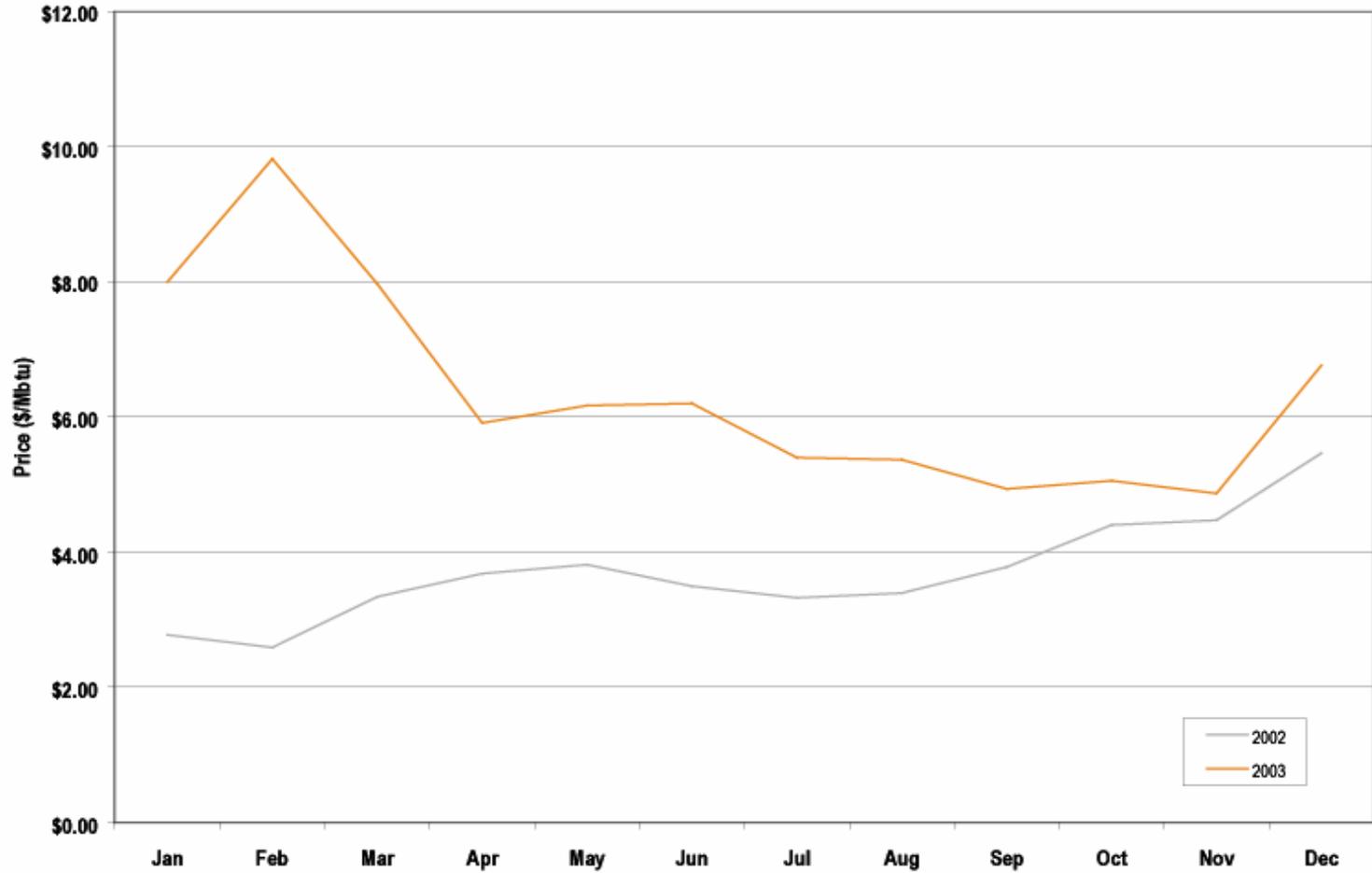
	Load-Weighted Average LMP			Year-to-Year Percent Change		
	Average	Median	Standard Deviation	Average LMP	Median LMP	Standard Deviation
2003	\$41.23	\$34.95	\$25.40	30.5%	49.3%	-5.0%
2002	\$31.60	\$23.41	\$26.74	-13.8%	-6.7%	-53.3%
2001	\$36.65	\$25.08	\$57.26	19.3%	22.3%	101.8%
2000	\$30.72	\$20.51	\$28.38	-9.8%	7.8%	-69.0%
1999	\$34.06	\$19.02	\$91.49	41.0%	8.1%	132.9%
1998	\$24.16	\$17.60	\$39.29			

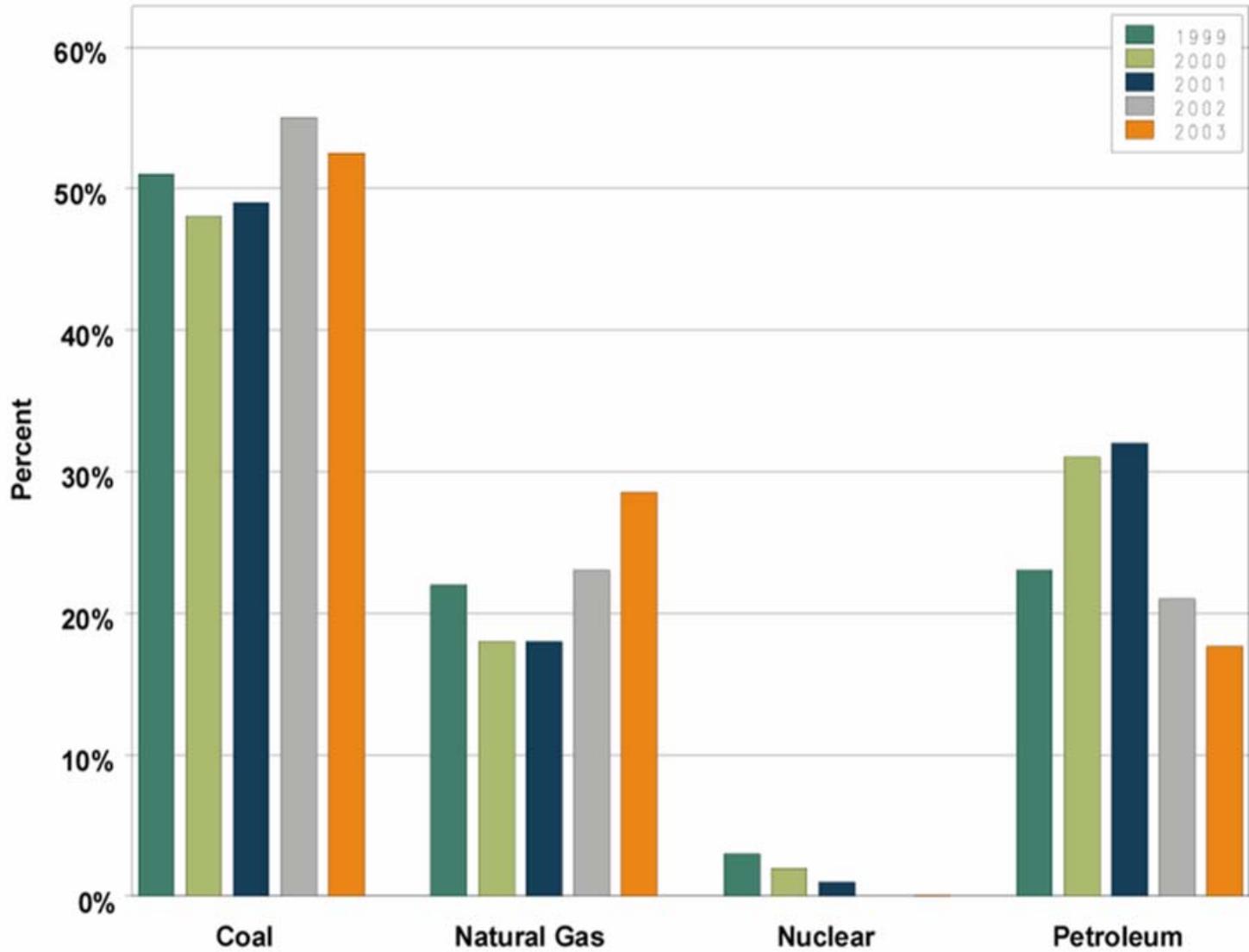


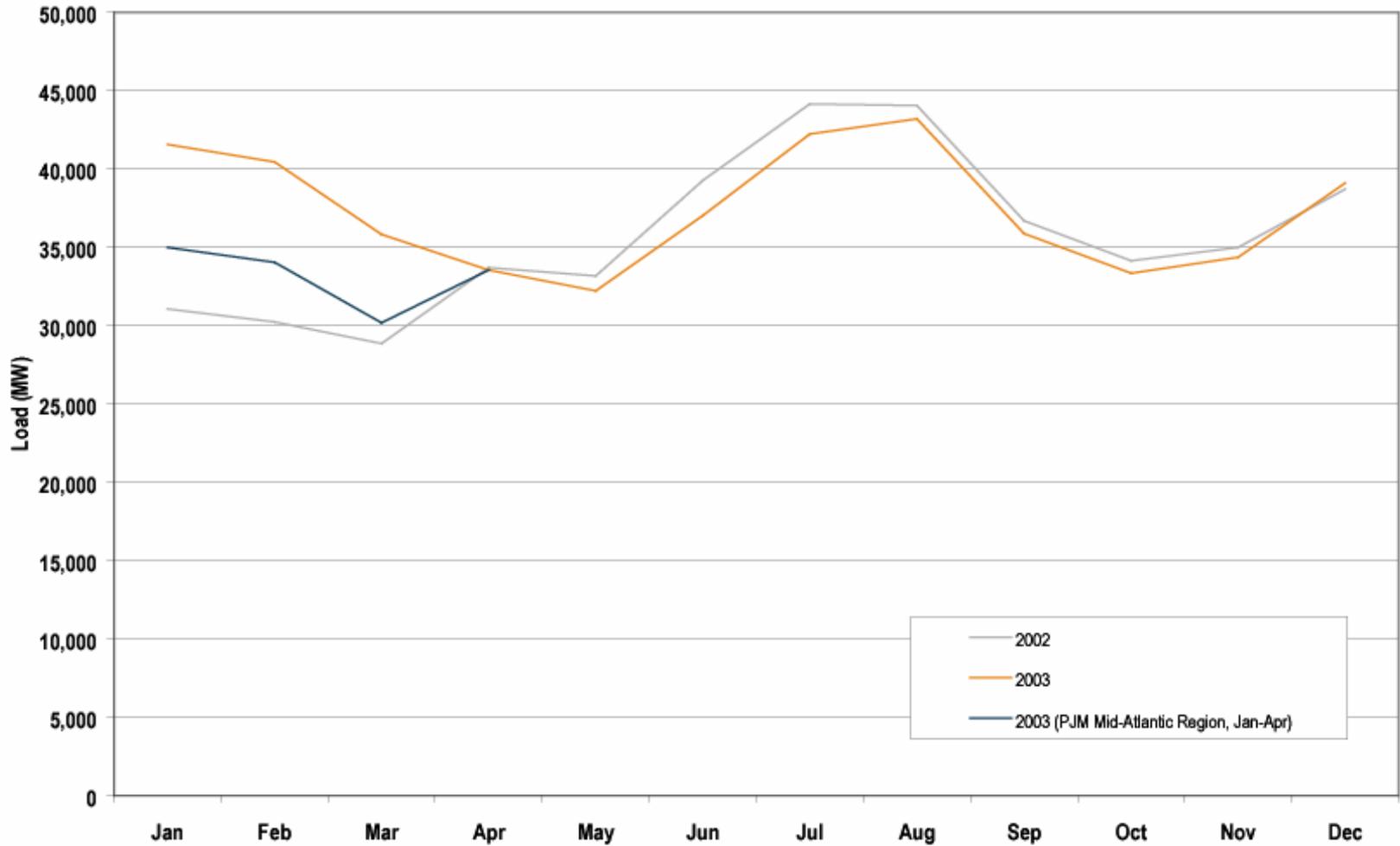
PJM Load-Weighted, Fuel-Cost-Adjusted LMP (in Dollars per MWh)

	2003	2002	Percent Change
Average LMP	\$28.60	\$31.60	-9.5%
Median LMP	\$24.40	\$23.41	4.2%
Standard Deviation	\$16.94	\$26.74	-36.6%

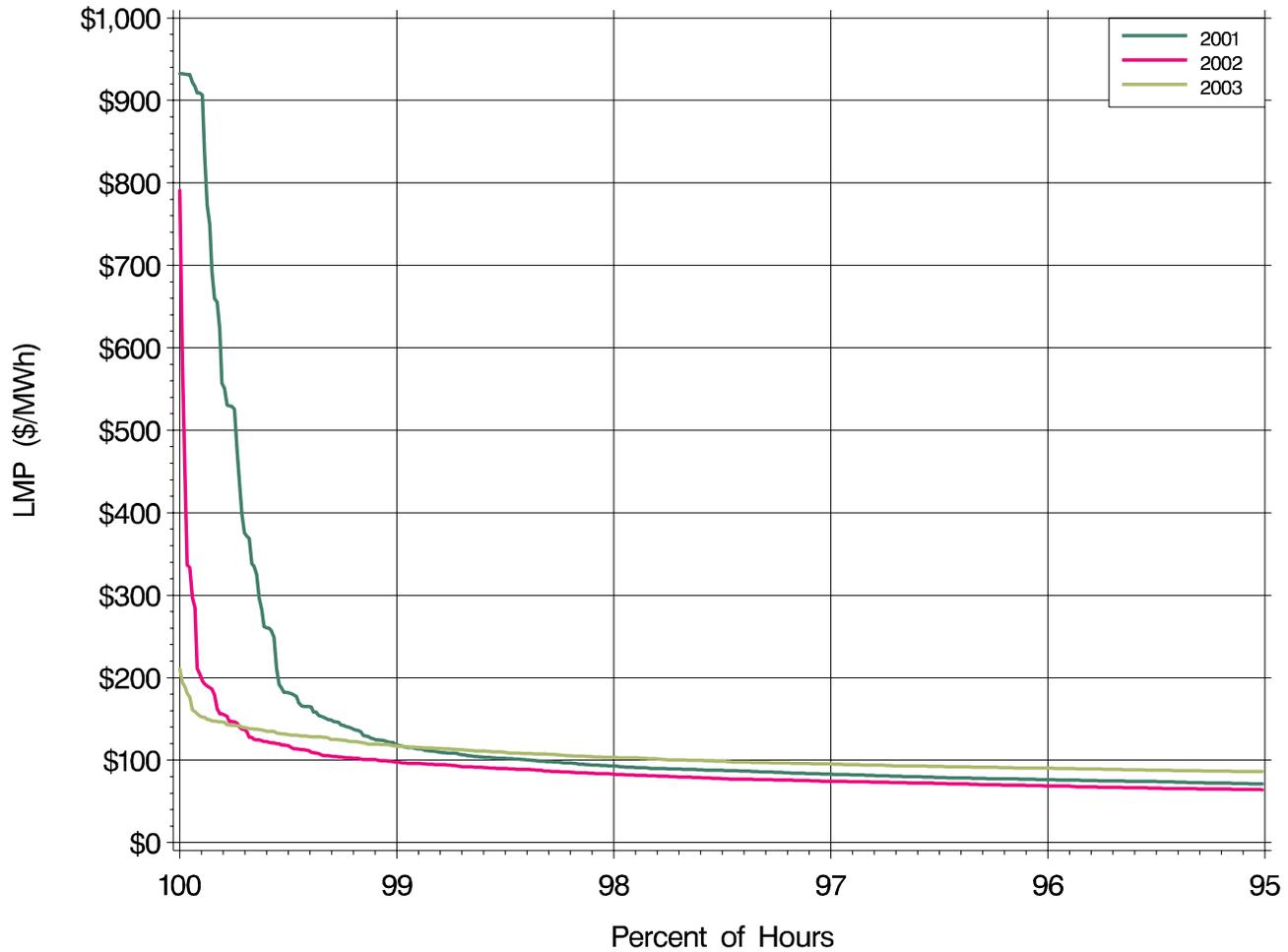


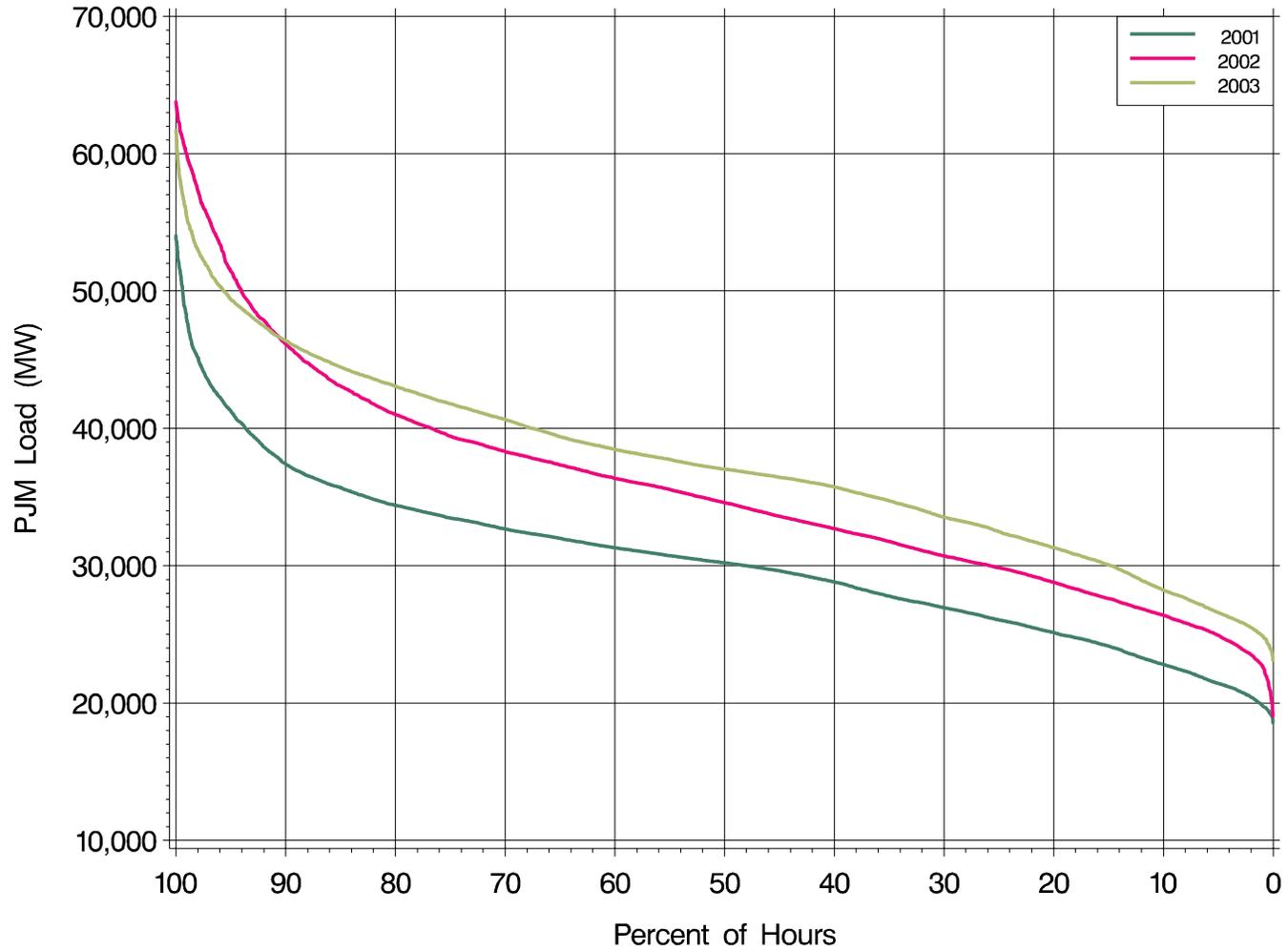




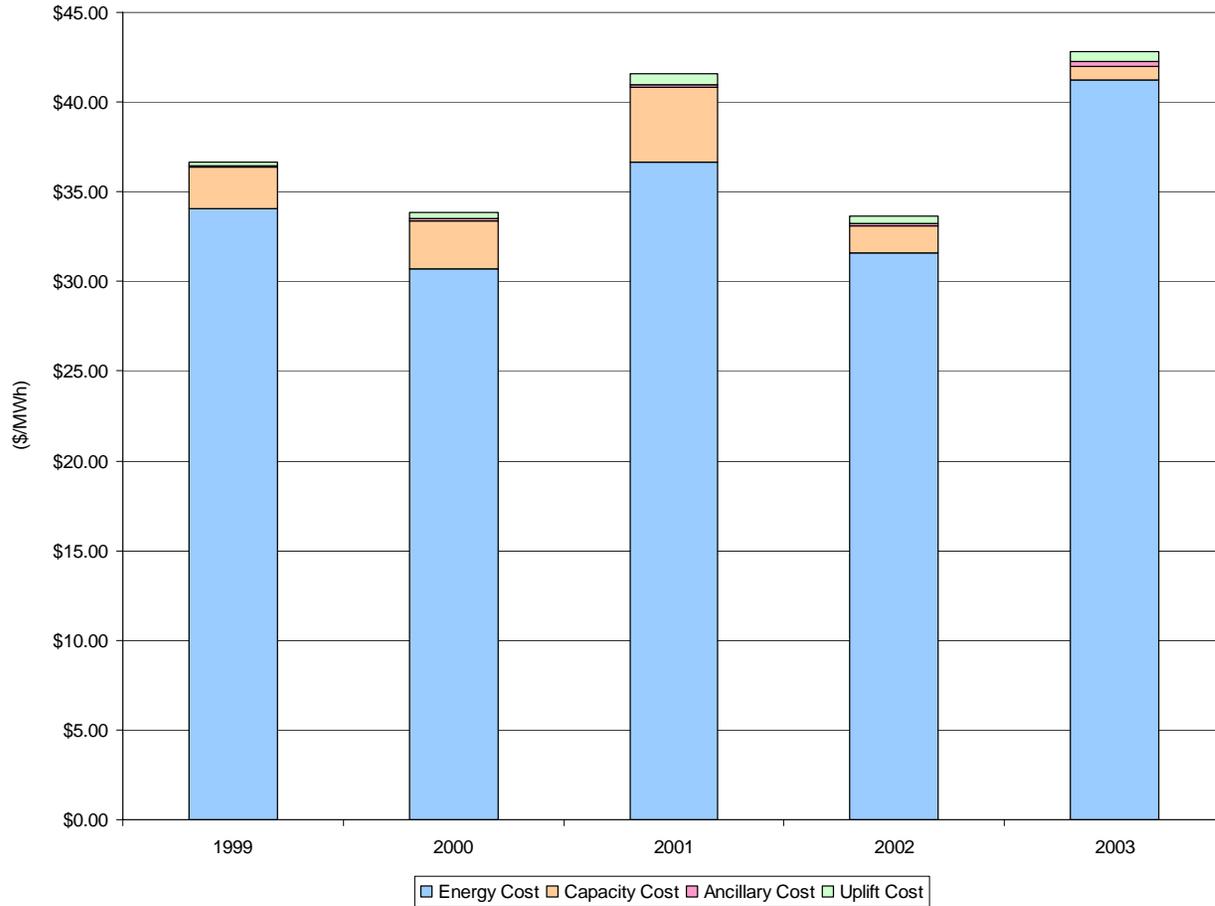


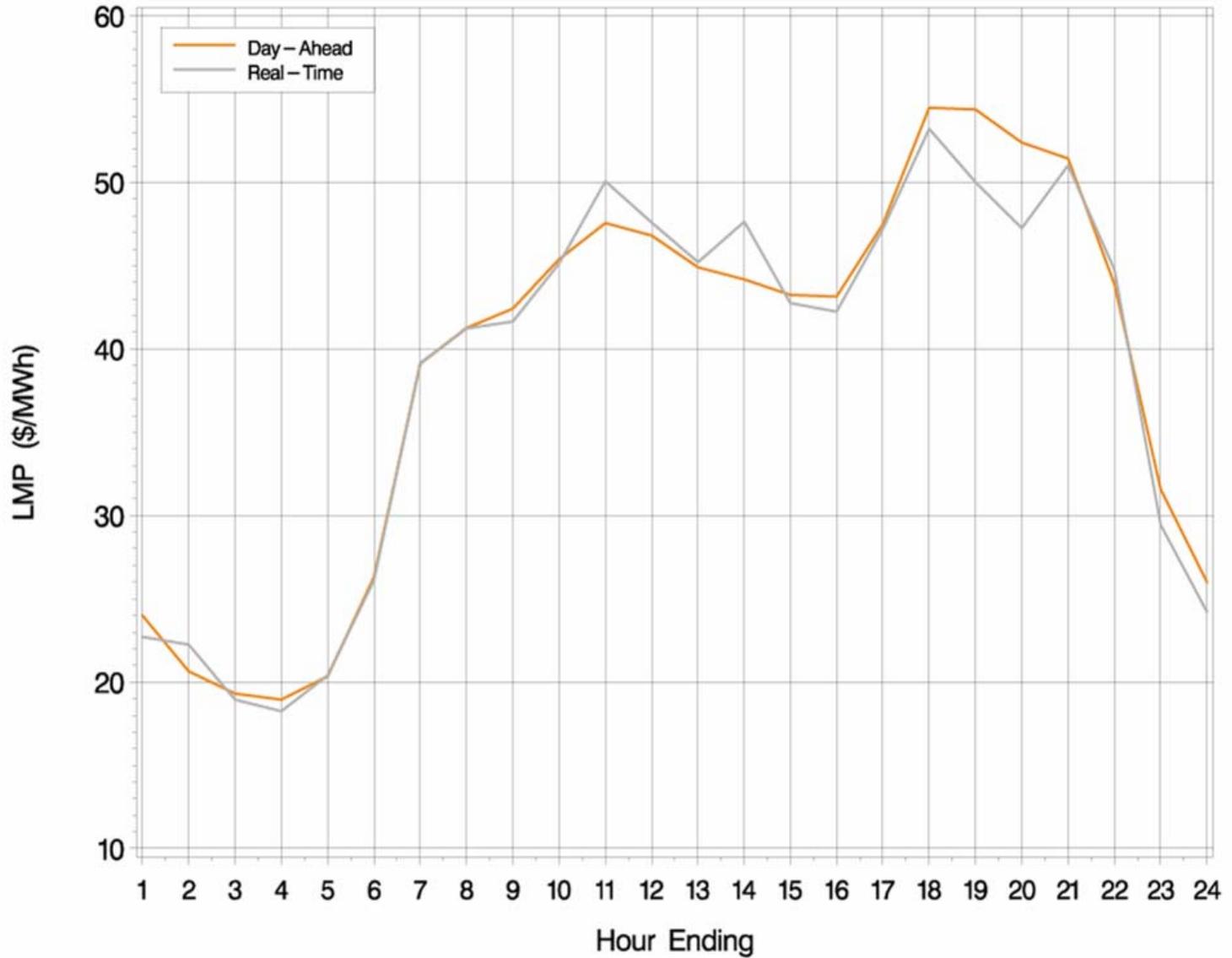
Price Duration Curve Hours Above the 95th Percentile

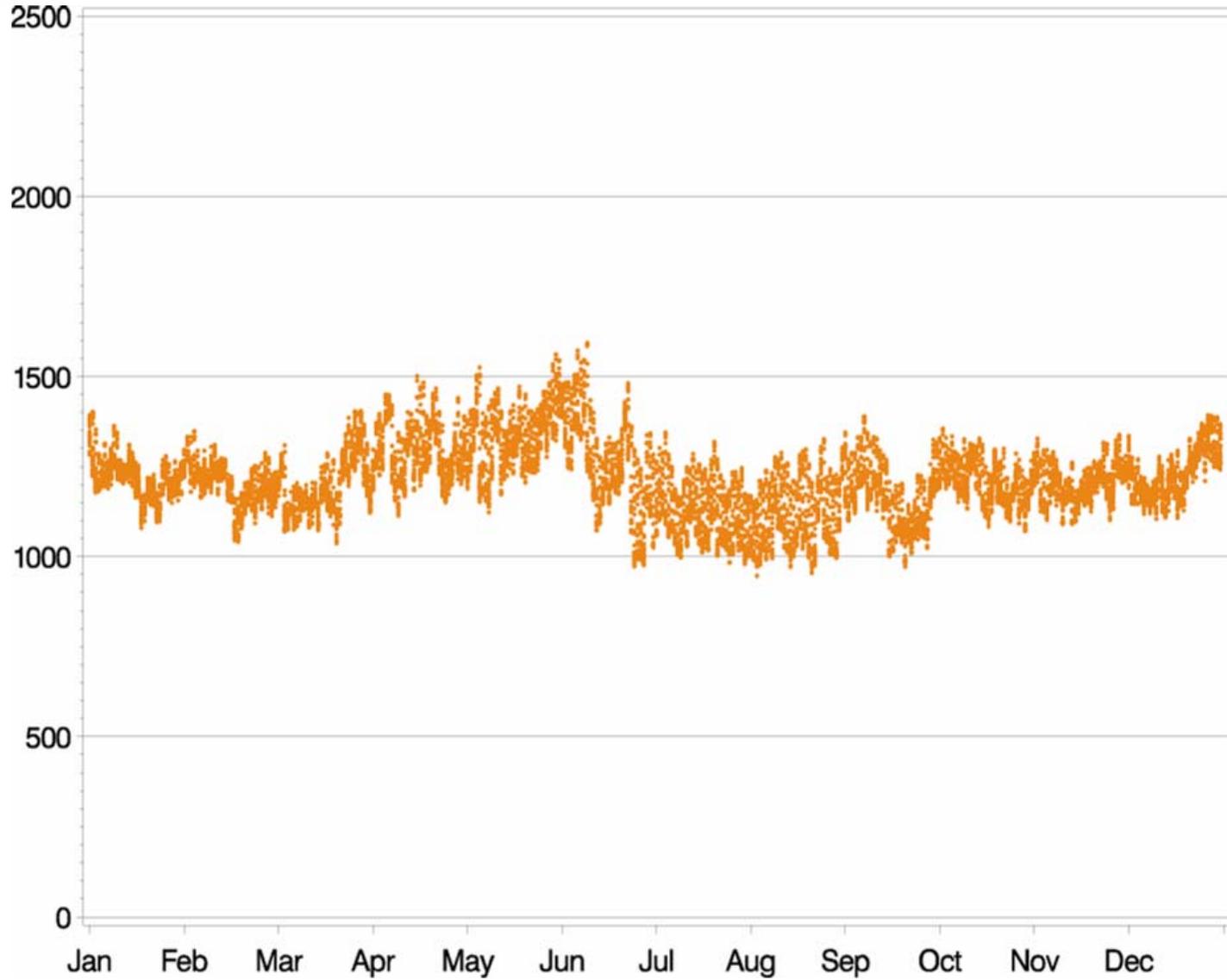


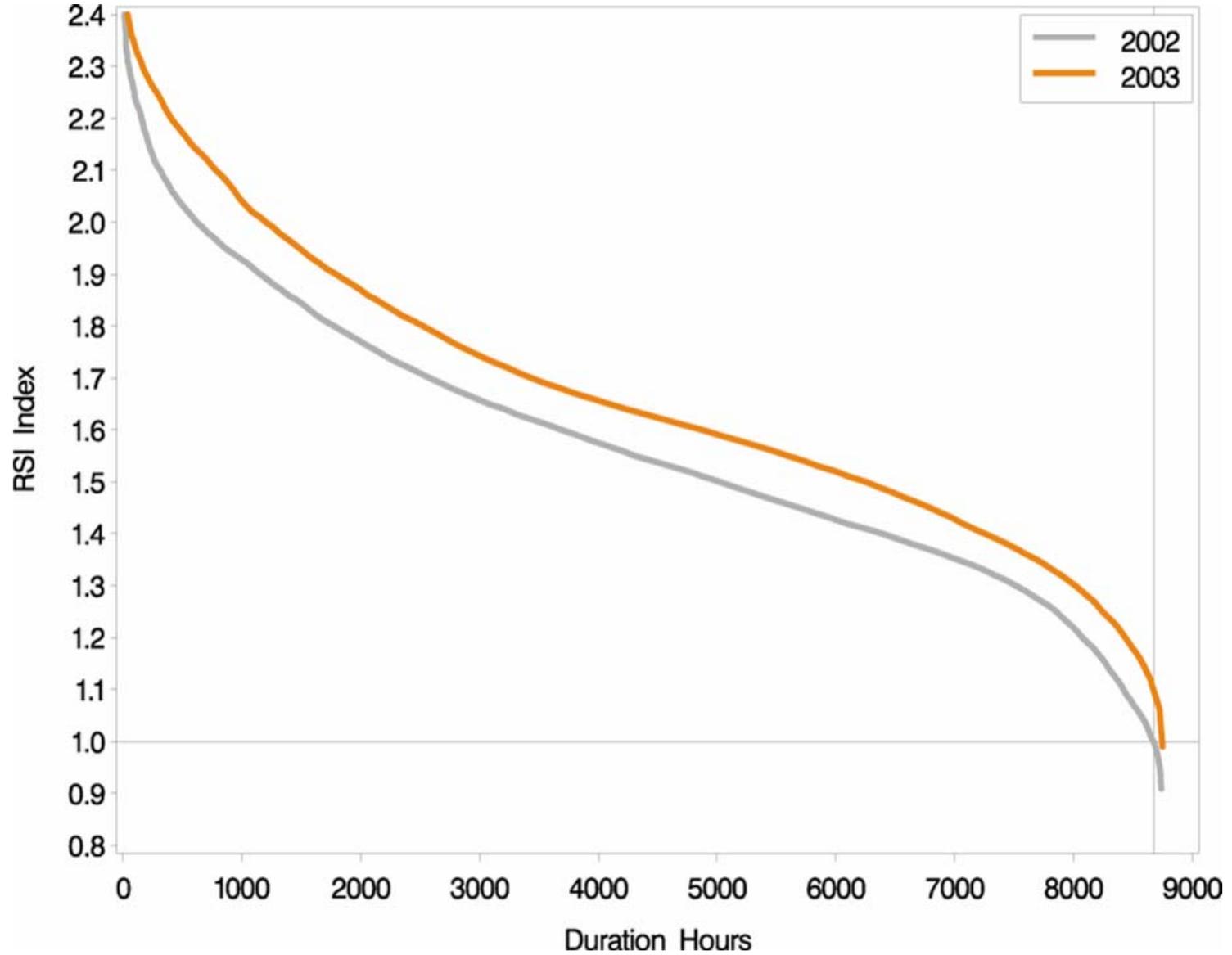


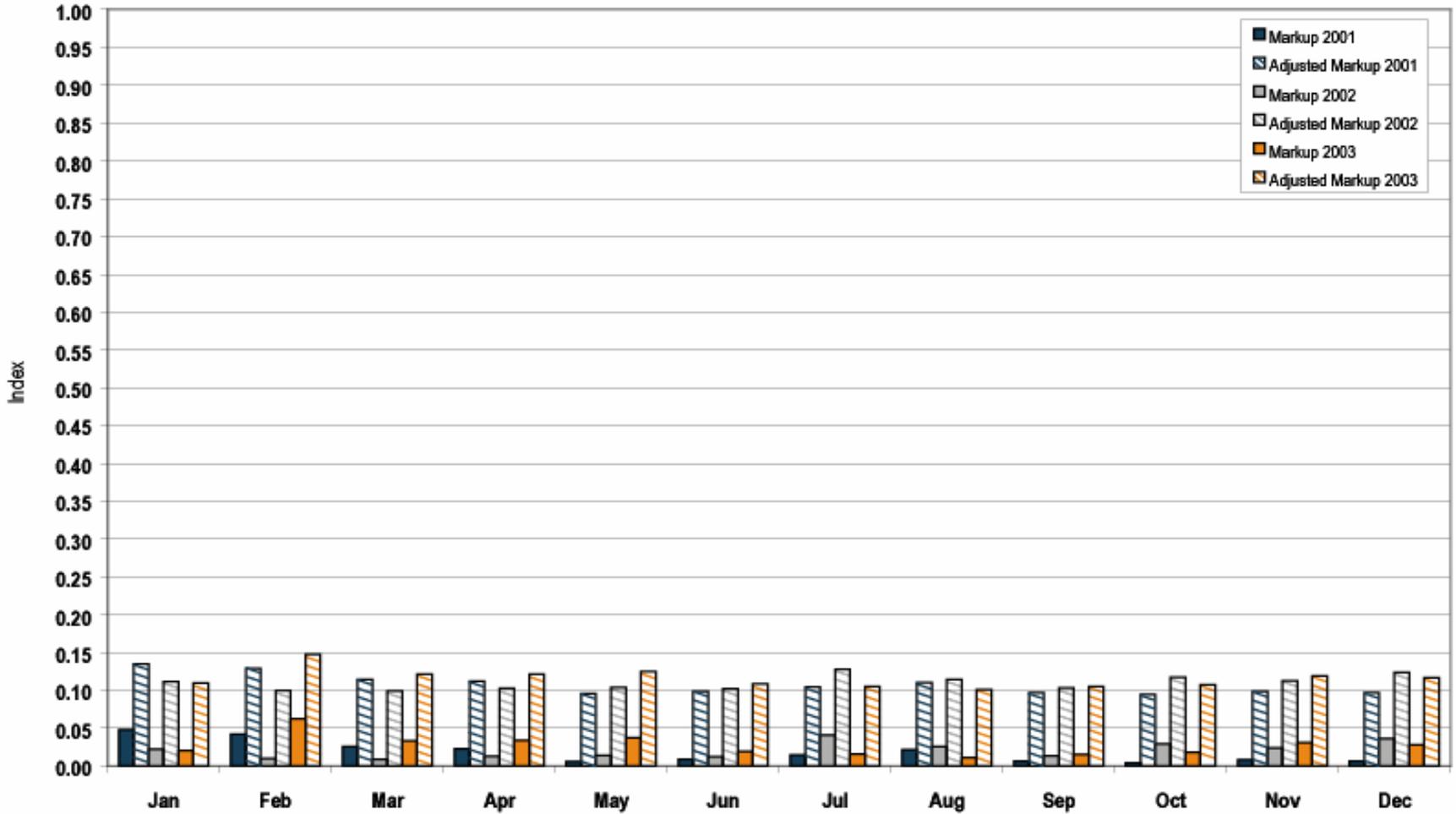
Average All-In Market Price



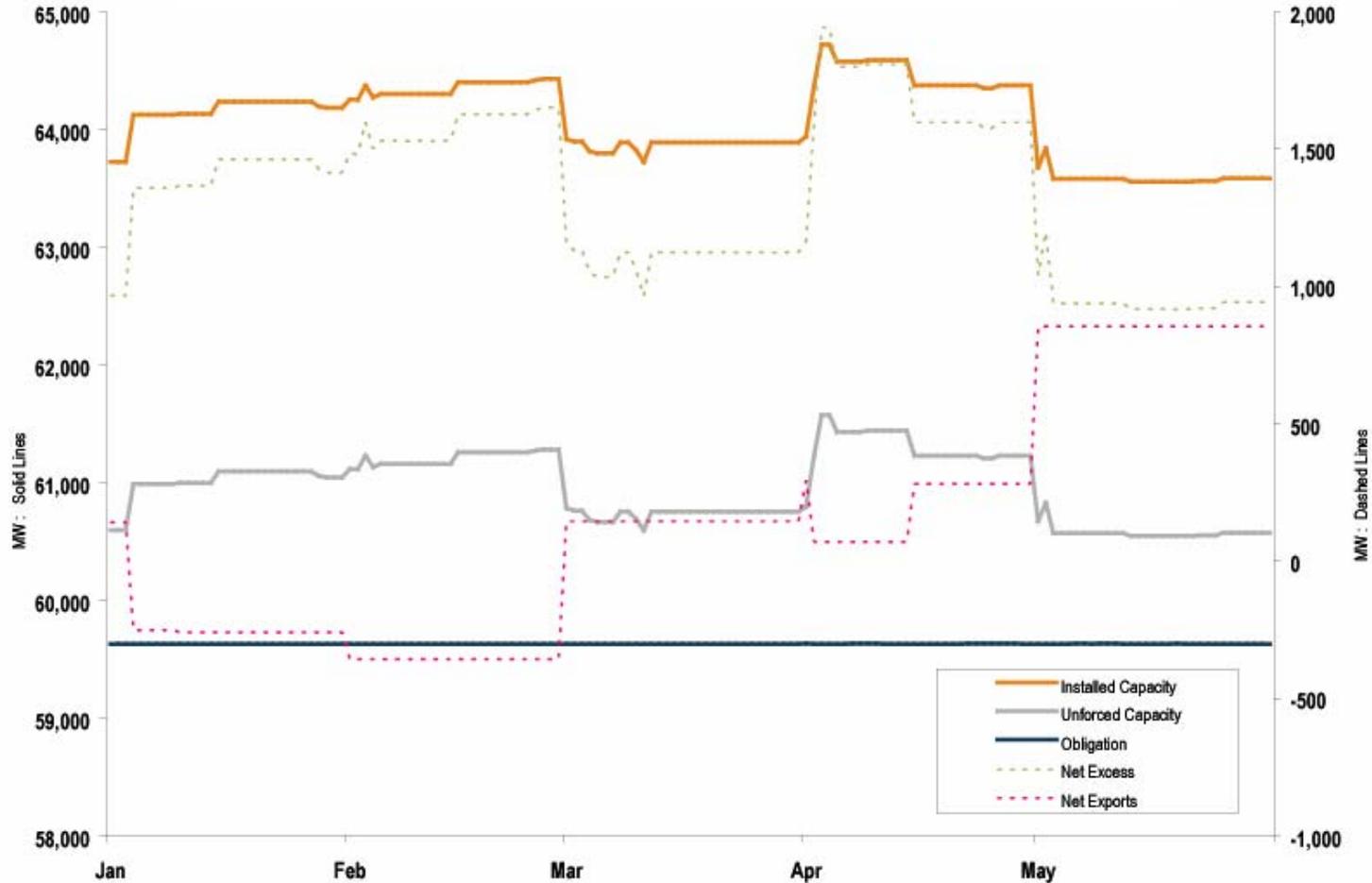


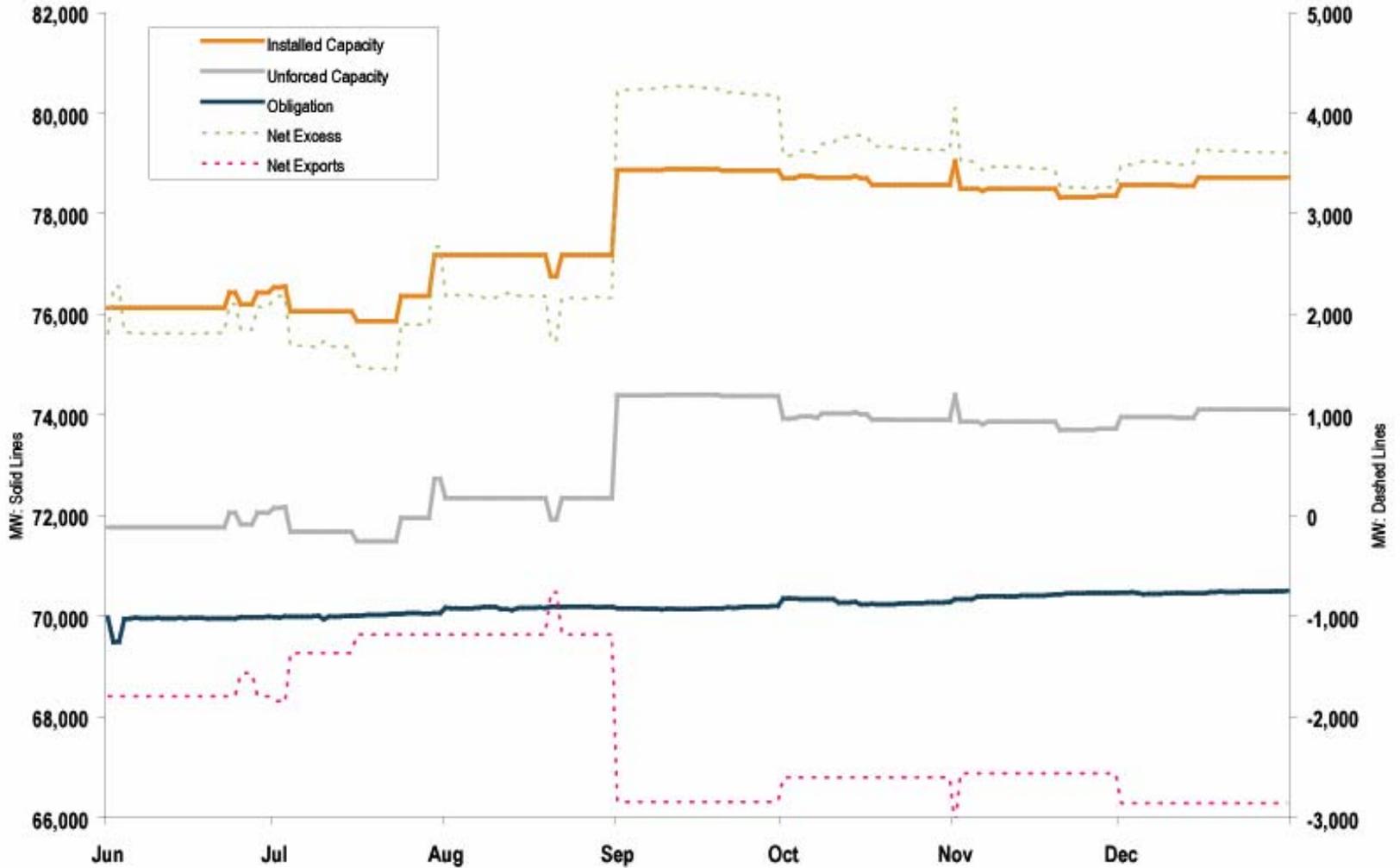




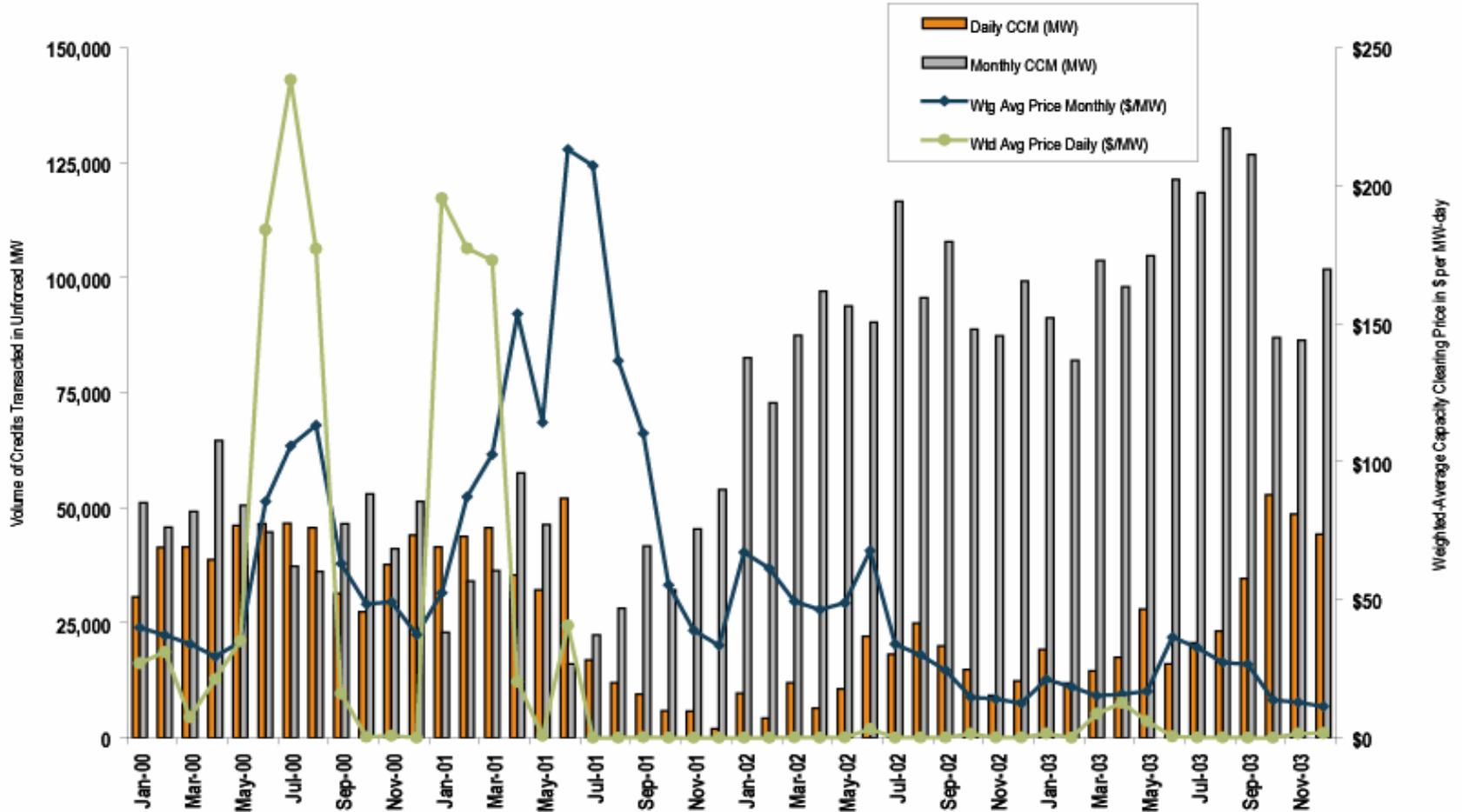


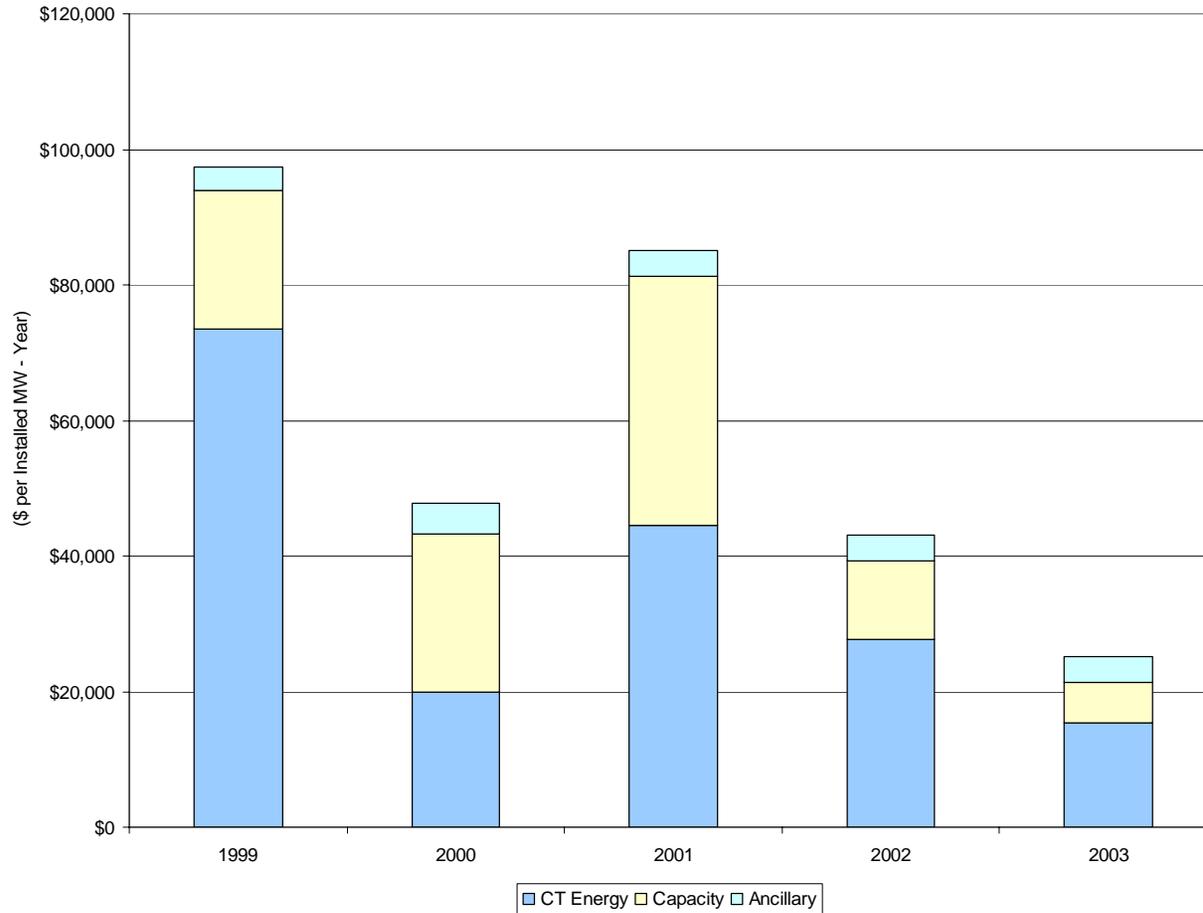
PJM Mid-Atlantic Region's Capacity Obligations: January through May 2003

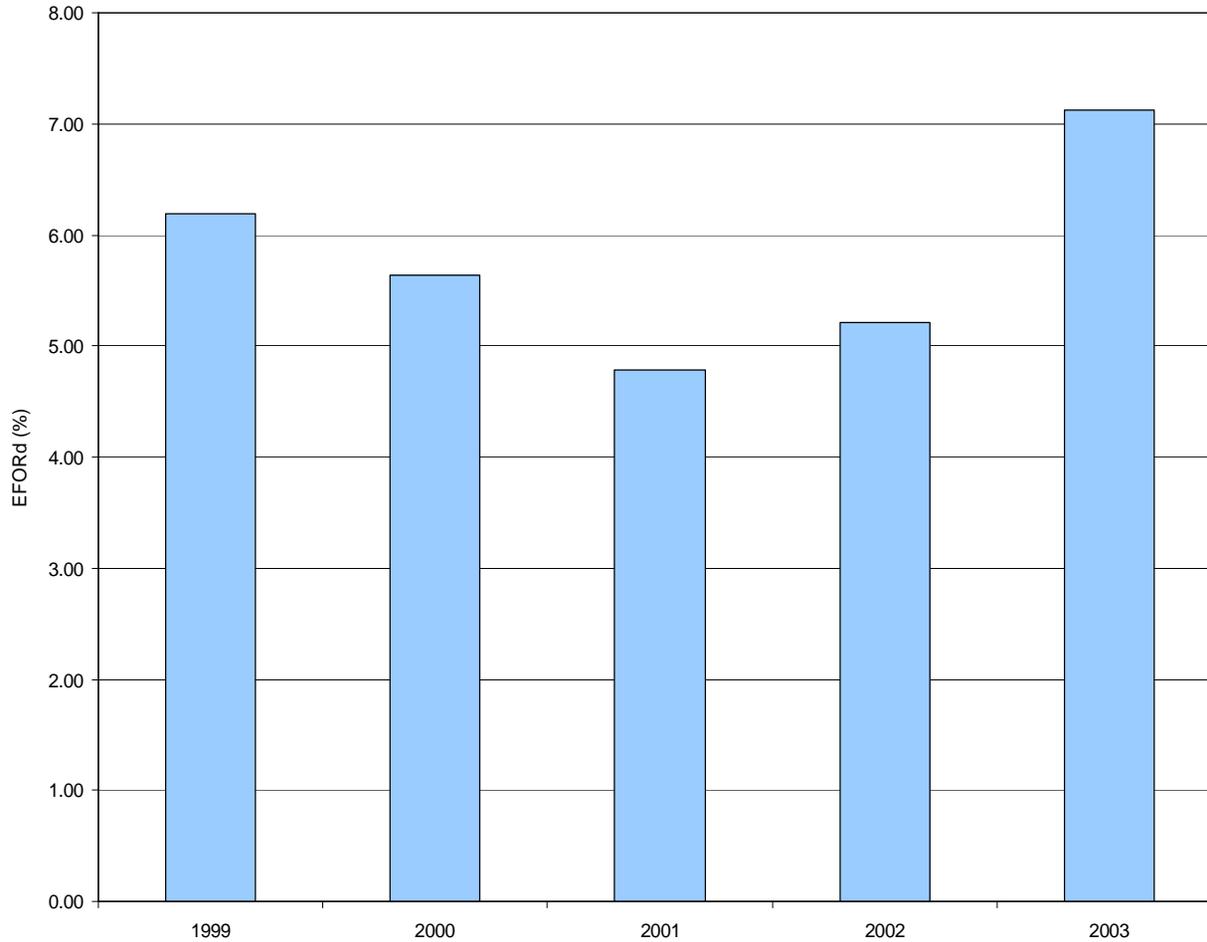


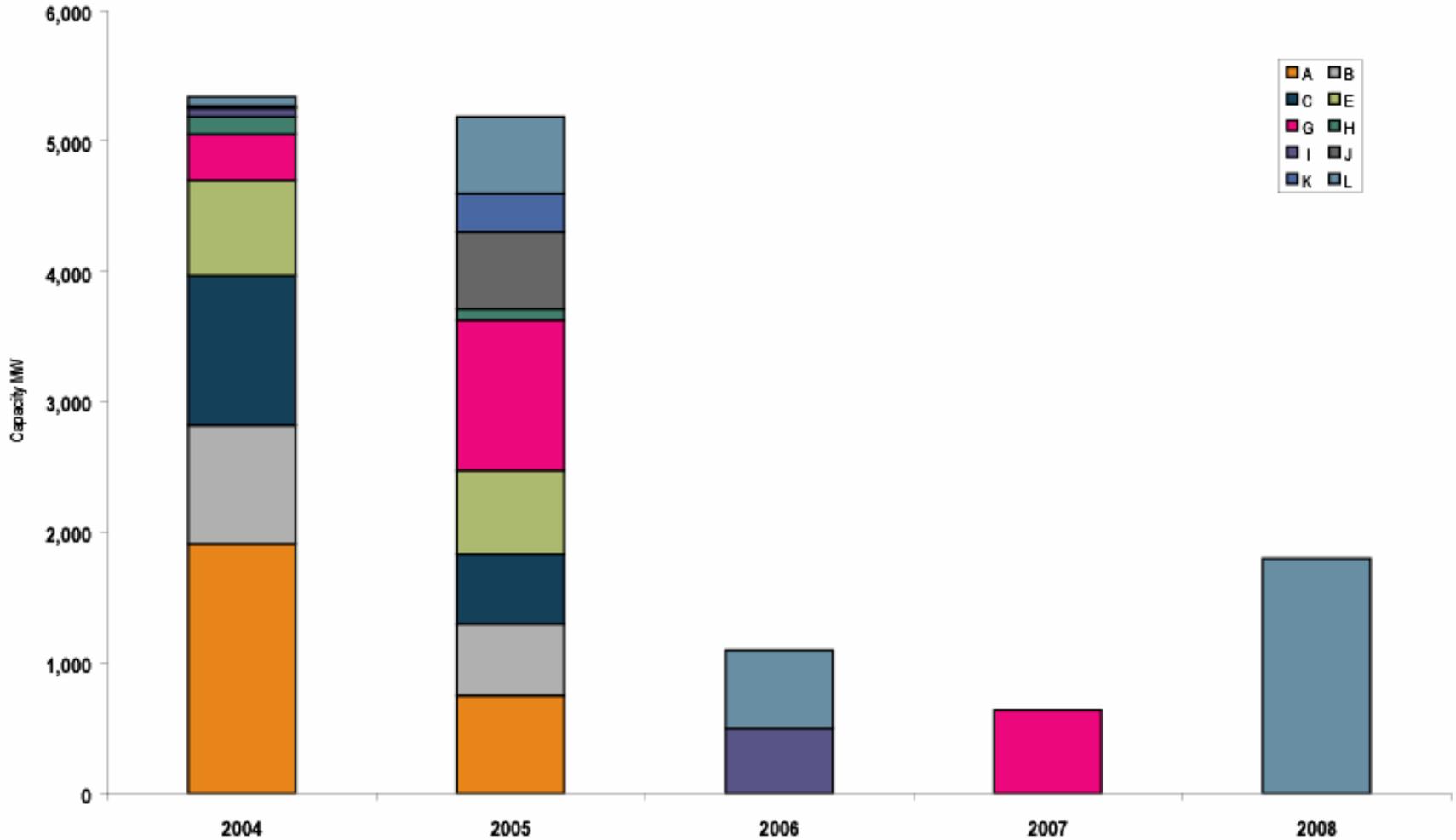


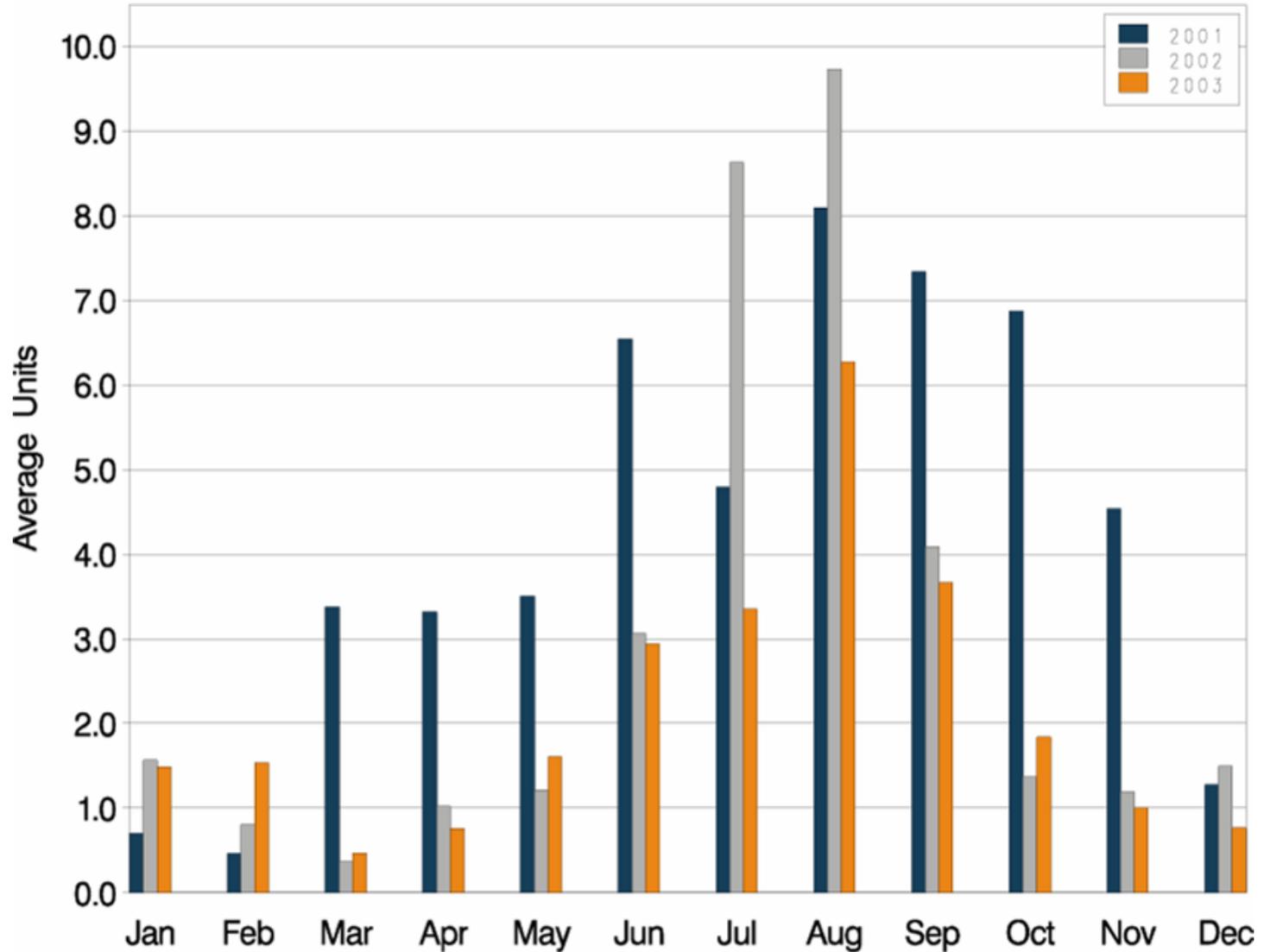
PJM Daily and Monthly Capacity Credit Market Performance:
January 2000 through December 2003

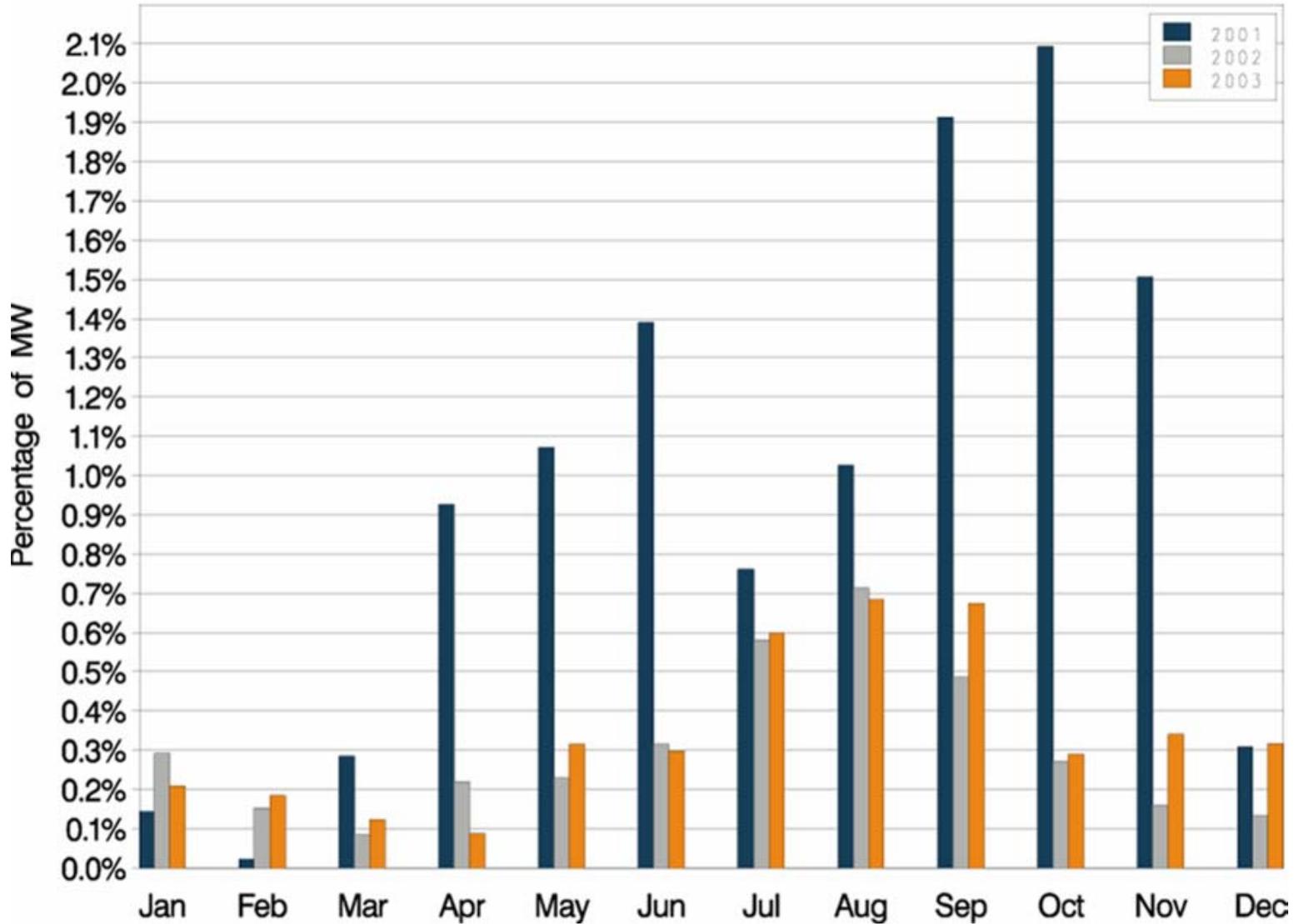


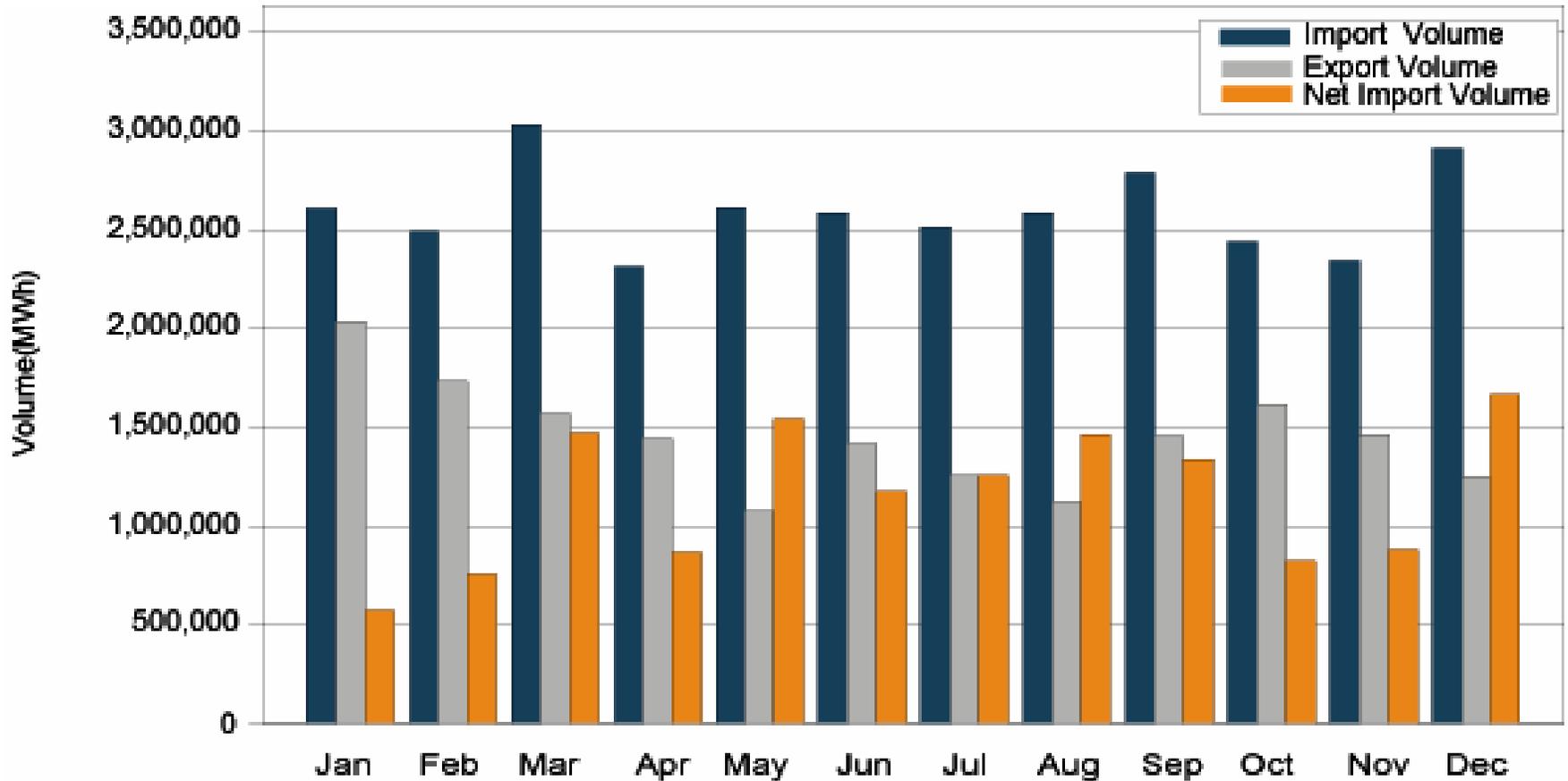


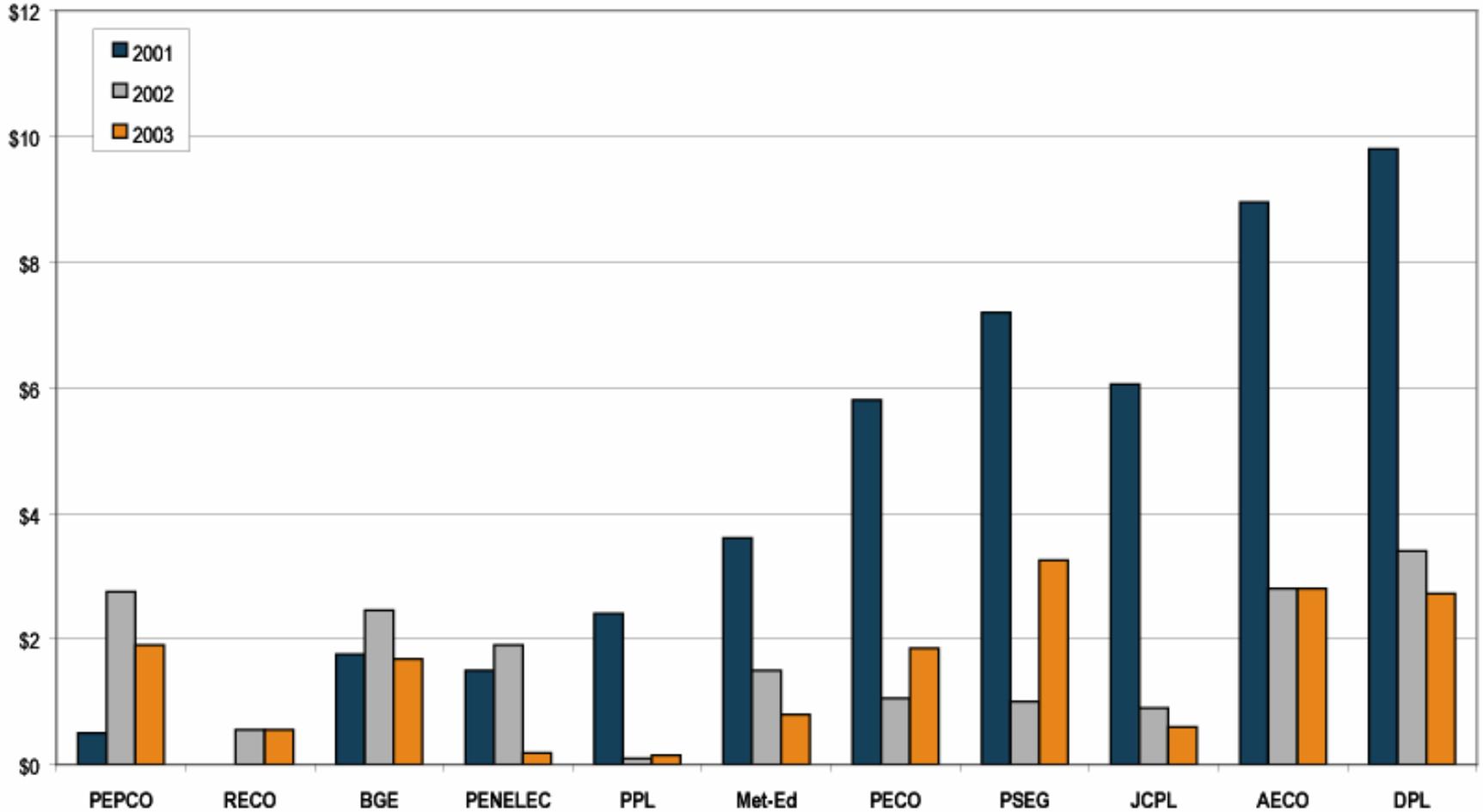












**2003 ARR and Self-Scheduled FTR Portfolio Congestion Hedging
By Transmission Zone and Interface (\$1000)**

