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Michael J. Kormos  
Executive Vice President -  
Operations

February 20, 2014

Daniel L. Snider  
Managing Director, RTO Regulatory & NERC Compliance  
American Electric Power Service Corporation

{email: dlsnider@aep.com}

Re: Generator Deactivation Notification for Big Sandy Unit 2

Dear Mr. Snider:

This letter is submitted by PJM Interconnection, L.L.C. ("PJM"), in response to the notice submitted by American Electric Power Service Corporation ("AEPSC"), dated January 20, 2014, requesting to deactivate the generating unit, Big Sandy Unit No. 2, located in the PJM region, effective June 1, 2015.

In accordance with section 113.2 of the PJM Tariff, this letter will serve to notify you that the Deactivation of the above mentioned generating unit will adversely affect the reliability of the PJM system absent transmission upgrades.

PJM Interconnection Analysis and the affected Transmission Owner performed a study of the Transmission System and found Generator Deliverability violations resulting from the deactivation of this generating unit.

Based on this analysis, PJM provides an initial estimated date of second quarter 2016 to complete the Transmission System reliability upgrades necessary to alleviate this reliability impact. In addition, the affected Transmission Owner has developed temporary operating measures that will be utilized in the interim period from June 2015 until the completion of the required upgrade. Thus, the Big Sandy Unit No. 2 generator is not required for system reliability past its requested Deactivation Date and, therefore, may deactivate on or after June 1, 2015. Upon receipt of this letter, please confirm your actual Deactivation Date for this unit.

Regardless of whether Deactivation of a generating unit would adversely impact the reliability of the Transmission System, the Generation Owner may deactivate its generating unit, subject to section 113.1 notice requirements.

Please be advised that PJM's deactivation analysis does not supersede any outstanding contractual obligations between the Big Sandy No. 2 generating unit and any other parties that must be resolved before deactivating the generating units.

Also please note that in accordance with the PJM Tariff Part VI, Subpart C, a Generation Owner will lose the Capacity Interconnection Rights associated with a deactivated generating unit one year from the Deactivation Date unless the holder of such rights submits a new Generation Interconnection Request within one year after the Deactivation Date.

In addition, if a generating unit is receiving Schedule 2 payments for Reactive Supply and Voltage Control, the generating unit owner must notify PJM when the unit is deactivated and make a timely FERC filing to terminate the Schedule 2 rate for such generating unit. Schedule 2 payments shall terminate on the Deactivation Date.

Please contact Bill Patzin (610-666-4698) {william.patzin@pjm.com} in PJM's Infrastructure Coordination Department if you have any questions about the PJM analysis or the Deactivation process.

Sincerely,



Michael J. Kormos

#782612

cc: Joseph Bowring {Joseph.Bowring@monitoringanalytics.com}