



State of New Jersey  
BOARD OF PUBLIC UTILITIES  
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January 15, 2010

Steven R. Herling  
Vice President - Planning  
PJM Interconnection, LLC  
955 Jefferson Avenue  
Valley Forge Corporate Center  
Norristown, PA 19403-2497

Re: I/M/O the Petition of Public Service Electric and Gas Company for a  
Determination Pursuant to the Provisions of N.J.S.A. 40:55D-19  
(Susquehanna – Roseland)

BPU Docket No.: EM09010035

Dear Mr. Herling:

As you are aware, the above-referenced petition is currently pending before the New Jersey Board of Public Utilities ("Board"). Evidentiary hearings for this matter were held on November 16, 18, 19, 20, 23, and 24, 2009, before Presiding Commissioner Joseph Fiordaliso.

On January 15, 2010, the Board determined that it would take official notice of the following documents:

1. December 21, 2009 Motion to Withdraw Application and Terminate Proceeding, and the December 29, 2009 Amendment to that Motion (together, the "PATH Withdrawal"), filed with the Virginia State Corporation Commission by PATH Allegheny Virginia Transmission Corporation in Case No. PUE-2009-00043 (the "PATH Proceeding"); and
2. The January 8, 2010 letter from Pepco Holdings, Inc. to the Maryland Public Service Commission in Case No. 9179 (the "MAPP Proceeding") and PJM's January 8, 2010 letter to Pepco Holdings, Inc. concerning the MAPP proceeding.

As recently as October 15, 2009, PJM reaffirmed the need for the the PATH Project, the Susquehanna-Roseland Project, and the MAPP Project.<sup>1</sup> However, PJM recently has taken a substantially different position with respect to two of these three projects:

1. On December 28, 2009, PJM stated that the PATH Project no longer appeared to be necessary in 2014, and that PJM would evaluate the project further during 2010 to determine when the project would be needed. This statement reflected sensitivity analyses that PJM conducted at the request of the Hearing Examiner in the PATH Proceeding to include updated changes in generation projects, anticipated demand response and new energy efficiency resources that cleared the May 2009 RPM auction, and updated load forecasts.
2. On January 8, 2010, PJM stated that it needed to re-analyze the MAPP project because the previous analysis, and PJM's testimony before the Maryland Public Service Commission in the MAPP proceeding, assumed that PATH would be in service by 2014. PJM further stated that "the only reasonable way to complete" [an analysis to evaluate the MAPP project without the PATH project] "is within the context of a full and comprehensive 2010 RTEP analysis."<sup>2</sup>

The Board requests that PJM provide a written response to the following as soon as possible:

1. PJM's Board of Managers periodically reviews proposed updates to its Regional Transmission Expansion Plan ("RTEP").
  - a. Please describe whether and how the nature, scope, and depth of PJM's upcoming analyses of PATH and MAPP differ materially from the normal periodic reviews.
  - b. Has PJM determined whether it needs to conduct an analysis of Susquehanna - Roseland that will differ materially from the normal periodic reviews, in light of the recent developments concerning the PATH and MAPP projects?
  - c. If so, please identify when that analysis will take place and when the Board can expect to see the results of that analysis. If not, please explain why no analysis has been conducted.
2. PJM suggested that it will need to make changes in its testimony in the Maryland proceeding on the PATH project. PJM stated yesterday that "the factors driving the delays" of the PATH and MAPP projects "will not in any way change the need for the Susquehanna Roseland project in New Jersey" as detailed in PJM's testimony in this proceeding.
  - a. Please explain the basis for PJM's statement.

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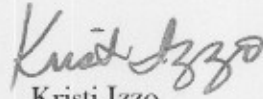
<sup>1</sup> <http://www.pjm.com/~media/about-pjm/newsroom/2009-releases/20091015-pjm-board-approves-annual-grid-upgrade-plan.ashx>

<sup>2</sup> Letter dated January 8, 2010, from Steven R. Herling, PJM Vice President-Planning, for PJM to William M. Gausman, Senior Vice President, Asset Management and Planning, Pepco Holdings, Inc.

- b. Has PJM reviewed its testimony in the New Jersey or Pennsylvania Susquehanna - Roseland proceedings to determine whether the delays in the PATH and MAPP projects (as distinguished from the factors driving those delays) are reasonably likely to result in any material changes to that testimony?
- c. If so, please summarize any such material changes.
- d. If not, please do so and advise the Board as soon as possible whether any such material changes are reasonably likely.

The Board looks forward to receiving the requested information as soon as possible.

Sincerely,



Kristi Izzo  
Secretary of the Board