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January 8, 2010

The Honorable David L. Moore
Hearing Examiner
Maryland Public Service Commission
William Donald Schaefer Tower
6 St. Paul Street
Baltimore, Maryland 21202

Re: Case No. 9179 - Request to Suspend the Procedural Schedule

Dear Hearing Examiner Moore:

On behalf of the Applicants in the above-captioned case, Potomac Electric Power Company, Delmarva Power & Light Company, and Baltimore Gas and Electric Company ("Applicants"), I am writing to respectfully request suspension of the procedural schedule in the above-referenced matter pending submission of a subsequent proposed procedural schedule anticipated to be made in June 2010. The Applicants make this request on the basis of recent developments outlined below that potentially impact the Mid-Atlantic Power Pathway ("MAPP") project.

On December 29, 2009, PATH Allegheny Virginia Transmission Corporation, the sponsor of the Potomac-Appalachian Transmission Highline ("PATH") 765 kV transmission line in Virginia, in a filing with the Virginia State Corporation Commission ("Virginia Commission"), provided notice that certain sensitivity analyses conducted by PJM Interconnection, LLC ("PJM") as requested by the Virginia Commission suggest that the PATH project appears not to be needed in 2014. This is a result of a reduction in the scope and severity of observed North American Electric Reliability Corporation ("NERC") reliability violations. PJM advised that it would re-evaluate the need for PATH in its studies to be undertaken in conjunction with its 2010 Regional Transmission Expansion Plan ("RTEP"), which studies are expected to be completed in June 2010.

The significance to MAPP of this development in the PATH Virginia transmission case is that the studies PJM has conducted for the MAPP Project all rely on the assumption that PATH would be in service in 2014. With that underlying assumption having changed, PJM and the Applicants will need to reassess the load studies for the MAPP Project. Moreover, as indicated in the attached letter, dated January 8, 2010, from Steven R. Herling, Vice President of Planning for PJM, the appropriate process for PJM to follow in performing additional analysis for the backbone projects including MAPP is to incorporate these changes and others that may be indicated in the normal course into

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PJM's studies in conjunction with the annual 2010 RTEP process. The comprehensive review of the 2010 RTEP process will reflect the new transmission that has been approved since the last plan, new and retired generation, the new load forecasts, and demand response and energy efficiency programs that clear the Reliability Pricing Model ("RPM") auction. It is based upon the outcome of these PJM studies that the Applicants would anticipate being in a position to work with all the parties in submitting a proposal to Your Honor with respect to reinstatement of a procedural schedule.

The past studies conducted by PJM concerning the MAPP project were valid and demonstrated a need for the MAPP project to address NERC reliability criteria violations. However, because of a significant change in circumstances (PATH will not be in service in 2014), the analysis that PJM conducted for MAPP is now outdated and needs to be redone to determine the impact of a delay of the PATH project. Under these circumstances, the Applicants submit that it is both prudent and efficient to suspend the procedural schedule at this time, pending release of the results from the 2010 RTEP process. To do otherwise and proceed at this time with the current schedule in Case No. 9179, relying on studies that are now outdated, would not be an efficient use of time and resources of the parties involved in this matter, including the Commission and the state agencies. For these reasons, the Applicants respectfully request that the procedural schedule in this case, including both rebuttal and surrebuttal testimony and the hearing dates set for the weeks of March 1 and March 8, 2010, be suspended and that a revised schedule be established in June 2010. Rebuttal testimony is currently due January 21, 2010, and expedited consideration of this request before that date would be greatly appreciated.

The Applicants will be in contact with the Intervenor regarding this request. We will report back to you once we have contacted the Intervenor. A proposed Order is attached. Thank you for your consideration in this regard.

Please do not hesitate to contact me if you have questions regarding this matter.

Respectfully submitted,


James W. Boone

cc: Ms. Terry J. Romine (for filing)
All Parties in Case No. 9179

Attachments



955 Jefferson Avenue
Valley Forge Corporate Center
Norristown, PA 19403-2497

Steven R. Herling
Vice President - Planning

January 8, 2010

William M. Gausman
Senior Vice President
Asset Management and Planning
Pepco Holdings, Inc.
701 Ninth Street, N.W.
Washington, DC 20068

Re: MAPP Project

Dear Mr. Gausman:

PJM Interconnection, L.L.C. (PJM) continues to be committed to the need for backbone extra high voltage transmission to support the reliability and operation of the electric grid in the PJM region. PJM has recently completed a number of sensitivity analyses, as ordered by the Hearing Examiner in the Virginia proceeding, Case No. PUE-2009-00043, with respect to the need for the PATH Project and has notified PATH Allegheny Virginia Transmission Corporation (PAVTC) that the PATH Project appears not to be needed in 2014 as a result of a reduction in the scope and severity of observed NERC reliability violations. PJM also notified PAVTC that, consistent with PJM processes, the PATH Project will be examined in a more comprehensive manner, in the 2010 Regional Transmission Expansion Plan (RTEP) process to determine when it will be needed to resolve reliability violations. I should point out that the PATH Project sensitivity analyses continue to show a number of voltage and reactive issues in the Eastern Mid-Atlantic zones. The 2010 RTEP analysis related to the PATH and MAPP Projects is expected to be completed in June 2010.

The studies conducted by PJM to date concerning the MAPP Project remain valid, based on the assumptions appropriate to those studies at the time they were performed, and demonstrated a need for the MAPP Project to address NERC reliability criteria violations. However, those studies, which formed the basis of PJM's testimony in proceedings before the Maryland Public Service Commission related to the MAPP Project (Case No. 9179), assumed, among other things, that the PATH Project would be in service in 2014. Based on the current status of the PATH Project, this analysis should be redone to determine the impact to the MAPP Project as a result of a delay in

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the PATH Project. PJM has not, as of this date, completed any analysis to evaluate the MAPP Project without the PATH Project. Moreover, the only reasonable way to complete such an analysis at this time is within the context of a full and comprehensive 2010 RTEP analysis. The studies completed as part of the 2010 RTEP process will reflect the new transmission that has been approved since the last RTEP, new and retired generation, the new load forecast, and demand response and energy efficiency programs that clear the RPM auction.

Under the current RTEP, the Applicants in Case No. 9179 are under the direction to build their portions of the MAPP Project for an in-service date of June 2014. Nevertheless, PJM would support the Applicants seeking a suspension in the procedural schedule in Case No. 9179 in order to permit supplemental findings from the studies conducted in conjunction with the 2010 RTEP to be presented to the Hearing Examiner in that proceeding, which are expected to be completed by the end of June, 2010.

Sincerely,



Steven R. Herling
Vice President, Planning
PJM Interconnection, L.L.C.

cc: Mike Kormos, PJM
SRH/nbm

IN THE MATTER OF THE APPLICATIONS: *
(1) TO ESTABLISH THE OVERALL NEED FOR *
CONSTRUCTION OF A NEW TRANSMISSION *
LINE KNOWN AS THE MID-ATLANTIC POWER *
PATHWAY (MAPP) PROJECT; (2) TO MODIFY *
THE CERTIFICATE OF PUBLIC CONVENIENCE *
AND NECESSITY IN CASE NO. 6526 TO *
CONSTRUCT AN ALREADY APPROVED *
SECOND 500 kV CIRCUIT ON NEW SUPPORTING *
STRUCTURES ACROSS THE POTOMAC RIVER; *
AND (3) TO MODIFY THE CERTIFICATE OF *
PUBLIC CONVENIENCE IN CASE NO. 6984 TO *
CONSTRUCT A SECOND 500 kV CIRCUIT *
BETWEEN CHALK POINT AND CALVERT *
CLIFFS, MARYLAND AND TO REPLACE *
CERTAIN EXISTING STRUCTURES FOR THE *
EXISTING 500 kV CIRCUIT IN CALVERT *
COUNTY. *

BEFORE THE
PUBLIC SERVICE COMMISSION
OF MARYLAND

CASE NO. 9179

_____, 2010

**HEARING EXAMINER'S RULING ON
APPLICANTS' REQUEST TO SUSPEND THE PROCEDURAL SCHEDULE**

The Applicants, Potomac Electric Power Company, Delmarva Power & Light Company, and Baltimore Gas and Electric Company, have filed a request to suspend the Procedural Schedule entered in this proceeding. After considering the request, it is determined that the Procedural Schedule should be suspended. The parties are hereafter directed to engage in consultations to prepare and propose another mutually agreed upon schedule that leads to the resolution of this proceeding.

David L. Moore
Hearing Examiner