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**PJM BOARD AUTHORIZES \$1.8 BILLION
IN TRANSMISSION UPGRADES**

New approach for N.J. Branchburg-Roseland-Hudson line

(Valley Forge, Pa. – Oct. 13, 2010) – The PJM Board today authorized an additional \$1.8 billion in transmission upgrades and improvements to keep the electrical grid reliable for the 51 million people living within its region. The upgrades were identified through PJM's Regional Transmission Expansion Plan, which forecasted reliability needs through 2025.

The transmission plan changes include \$1.1 billion in reliability-related transmission upgrades and additions and \$0.7 billion for interconnection of generation and merchant transmission.

The board also approved a change in the approach to resolving reliability issues in northeastern New Jersey. It approved removing from the regional plan a proposed 500-kilovolt (kV) line connecting the Branchburg, Roseland and Hudson substations in northern New Jersey. Instead, existing lines will be upgraded and two new underground 230 kV cables will be installed to address projected overloads. In addition, the board reaffirmed its previous decision supporting the continued need for the Mid-Atlantic Power Pathway project by 2015.

"The elimination of the 500 kV line demonstrates, as we've always said, that our regional plan changes as needs and conditions change," said Michael J. Kormos, senior vice president – Operations. "Our annual re-evaluation showed that, for this particular project, changes in demand growth and demand response reduced the number of expected overloads and that alternative upgrades could resolve the remaining problems."

The PJM Board has authorized \$17.8 billion in transmission system upgrades and improvements since the first Regional Transmission Expansion Plan was approved in 2000. Today's board action is the second set of authorizations this year for transmission upgrades. In February, the board authorized \$848 million in upgrades and improvements to address transmission concerns.

PJM Interconnection, founded in 1927, ensures the reliability of the high-voltage electric power system serving 51 million people in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia. PJM coordinates and directs the operation of the region's transmission grid, which includes 6,038 substations and 56,500 miles of transmission lines; administers a competitive wholesale electricity market; and plans regional transmission expansion improvements to maintain grid reliability and relieve congestion. Visit PJM at www.pjm.com.

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