

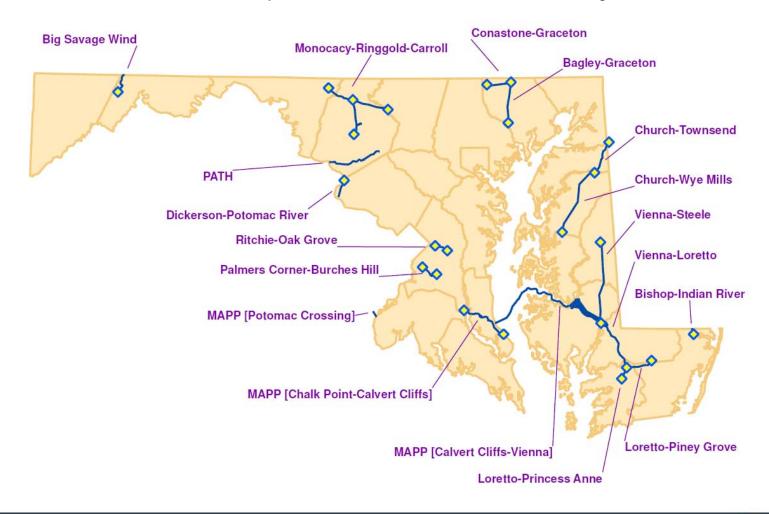


Sandi Patty, PPRP October 26, 2010





Overview of Proposed Transmission Line Projects





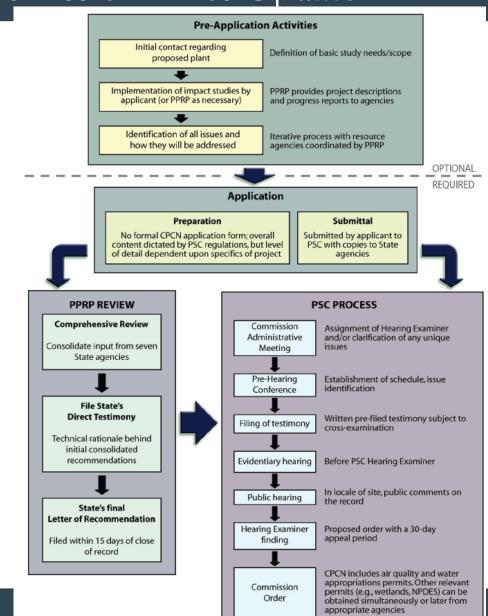


New Transmission Lines Update

- Pre-application
 - Early and often communication encouraged
 - Preliminary issues are identified and provided to State Agencies

This is where we are in the process

- Filed Application
 - Coordinated review by the State Agencies
 - Results in cohesive, comprehensive State recommended licensing conditions
 - Evidentiary hearing process takes place and public hearings are held
- PSC Responsibilities
 - Review the State Agencies' recommendations
 - Issue a final order granting or denying the CPCN



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- Applies to the construction or modification of an overhead transmission line (greater than 69,000 volts)
- The application should include:
 - A list of each local, state, or federal government agency having authority to approve or disapprove the construction or operation of the project and an indication of whether necessary approval has been obtained
 - Information as described by COMAR 20.79.04.01:
 - Explanation of the need for the project in meeting demands for service;
 - Description of the effect on system stability and reliability;
 - Description of the consequences if delayed or not approved;
 - Explanation of the cost effectiveness, including an estimate of capital cost and annual operating cost; and
 - Description of the impact on the economies of the State.



Information as described by COMAR 20.79.04.02

- Engineering and construction features, including:
 - Width, length, and total acreage of the right-of-way;
 - Line voltage, number of circuits, number of circuits per structure;
 - Structure type and dimensions, conductor configuration and size;
 - Nominal capacity (MVA), and nominal length of span between structures.
- Property or property right acquired or to be acquired;
- Access roads for construction or maintenance either existing or to be built;
- Location and identification of the following sites from which the project would be clearly visible:
 - Historical, institutional land, recreational area, esthetic, archeological, wildlife management areas, and parks or forests;
- Location and identification of all portions of the right-of-way requiring construction within the 100-year floodplain of any stream;
- Location and identification of any public airport 1 mile or less from the transmission line; and
- Depiction on suitable topographic map (minimum scale: 1 inch = 2,000 feet).



- Alternative transmission line route evaluation as described by COMAR 20.79.04.03
 - Estimate of the capital and annual cost of each alternative route, and
 - Statement of the reason why each alternative route was rejected
- Environmental information as described by COMAR 20.79.04.04:
 - General description of the physical, biological, aesthetic, cultural features, and conditions of the site and adjacent areas;
 - Summary of the environmental and socioeconomic effects of the construction and operation of the project, including a description of the unavoidable impacts and recommended mitigation;
 - Copy of all studies of the environmental impact of the proposed project prepared by the applicant; and
 - A statement of the ability to conform to the applicable environmental standards.
- An implementation schedule for the project



Smart, Gerp & Grapisc, MDNR, MDE) New Transmission Lines Update

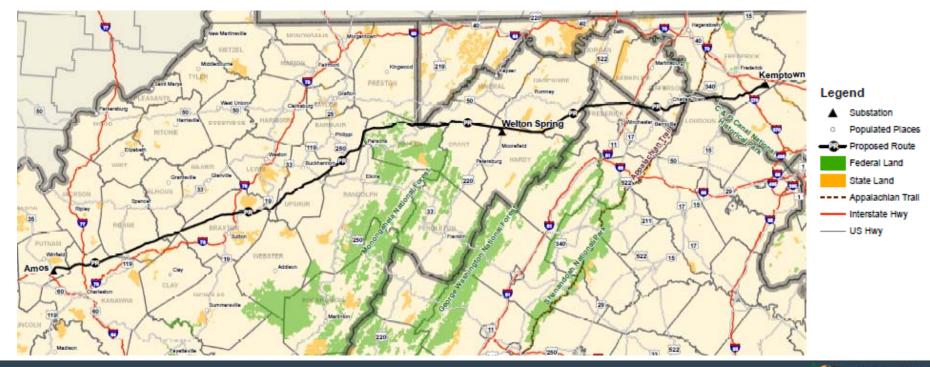
- Required for most overhead transmission > 69-kV
- Air
 - Usually incorporated into the CPCN
 - Not a significant issue for transmission projects
- Water
 - Stormwater permits required for construction
 - Tidal and non-tidal wetlands
 - MD's Coastal Zone Management Program
 - State-listed fisheries resources and species protection
 - Chesapeake Bay Critical Areas Act
- Waste
 - Solid waste disposal construction/demolition debris
 - PCB registration removal/disposal of pre-1980s transformers
- Lands/Buildings
 - Rezoning application
 - Local building permits for construction activity
- Highway
 - Oversized-equipment deliveries
 - New roadway access permit
- Other
 - National Historic Preservation Act
 - MHT Act
 - Utility occupancy of SHA-owned land
 - Forest Conservation (MDNR)
 - Grading permit
 - Sediment and erosion control





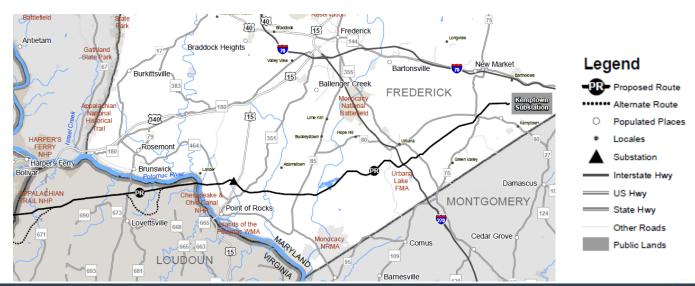
- PATH Project Potomac Edison
 - 275 miles of 765-kV transmission
 - Originating in WV, terminating at Kemptown, MD
 - New substation in Kemptown, MD and a mid-point substation in Welton Spring, WV to connect PATH and TrAIL lines







- PATH Project History and Status
 - Approved by PJM as a backbone transmission project in 2007
 - In July 2010, PSC determined that Potomac Edison, an Allegheny Energy affiliate, was an appropriate applicant (Case No. 9223)
 - Preliminary PJM 2010 RTEP studies support the need for the PATH Project with June 1, 2015 in-service date
 - Potomac Edison filed Supplemental Direct Testimony on July 16 and Sept. 14, 2010
 - PSC Pre-Hearing Conference scheduled on Sept. 28, 2010
 - National Park Service leading NEPA process coordination







MAPP Project – Pepco Holdings

- 78 miles of 500-kV HVAC and 87 miles of 640-kV HVDC transmission lines
- AC/DC converter stations to be constructed in Calvert,
 Wicomico, and Sussex Counties

MAPP HVAC Power Line

AC/DC Converter Station

MAPP HVDC Power Line

Nuclear Generation

Fossil Generation

Substation

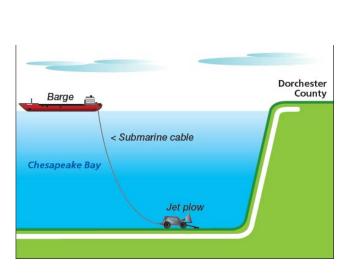
 Crosses Potomac, Patuxent, and Nanticoke Rivers (overhead) and the Choptank River and the Chesapeake Bay (submarine)







- MAPP Project History and Status Phased Applications
 - Southern Maryland & overall need (Case No. 9179)
 - PPRP filed Direct Testimony in December 2009
 - · Applicants requested suspension of procedural schedule in January 2010
 - Eastern Shore (not yet filed)
 - Pre-application studies in progress
 - Preliminary PJM 2010 RTEP studies support the need for the MAPP Project with June 1, 2015 in-service date







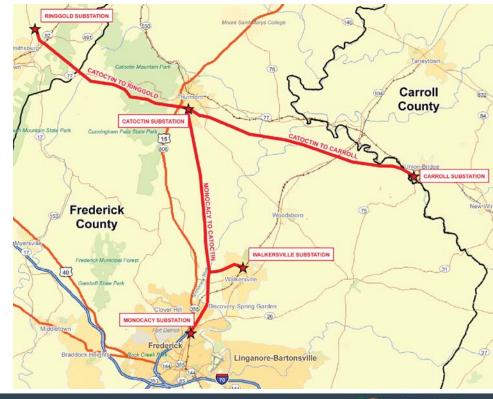




- In-State Projects Allegheny Power
 - Ringgold-Catoctin-Walkersville-Monocacy
 & Carroll-Catoctin (MRC) Project
 - Rebuild of 40 miles of 138-kV to 230-kV
 - CPCN Application filed late July 2010

Doubs-Lime Kiln

Allegheny's MRC Transmission Line Project







- In-State Projects BGE
 - Bagley-Graceton
 - Rebuild of 14 miles of single-circuit 230-kV to double-circuit
 - Plan of Study provided to PPRP in March 2010
 - Graceton-Conastone
 - Installing second 230-kV circuit on 8-mile stretch of existing towers
 - · Relocation of 1.5 miles of 115-kV line
 - Plan of Study provided to PPRP in March 2010
 - Raphael Road-Bagley
 - Rebuild of 6 miles of single-circuit 230-kV to double-circuit
 - Proposed in 2008, but application was withdrawn
 - Bagley Substation By-pass Line
 - 230-kV
 - CPCN Waiver Request denied by PSC in Sept 2010

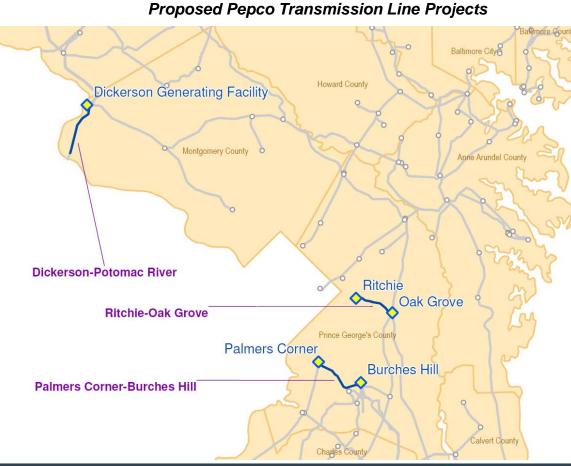








- In-State Projects Continued
 - Big Savage, LLC
 - PA wind power 138-kV interconnection
 - Pepco
 - Burches Hill-Palmer's Corner
 - Oak Grove-Ritchie-Benning
 - Dickerson-Pleasant View





In-State Projects – Continued

- Delmarva Power (Eastern Shore)
 - Bishop-Indian River
 - 12.3 miles (1.9 miles in MD), new 138kV transmission line
 - CPCN application expected Nov 2010
 - Church-Townsend
 - 12.4 miles, 138-kV rebuild
 - CPCN application expected mid-2011
 - Vienna-Steele
 - 28 miles, 230-kV rebuild
 - CPCN application expected mid-2011
 - Church-Wye Mills
 - 25.9 miles, 138-kV rebuild
 - Loretto-Princess Anne
 - 3.25 mile rebuild
 - Vienna-Loretto
 - 19.5 miles, 230-kV rebuild
 - On hold as of Aug 2010
 - Loretto-Piney Grove
 - 9.5 miles, 230-kV rebuild
 - On hold as of Aug 2010

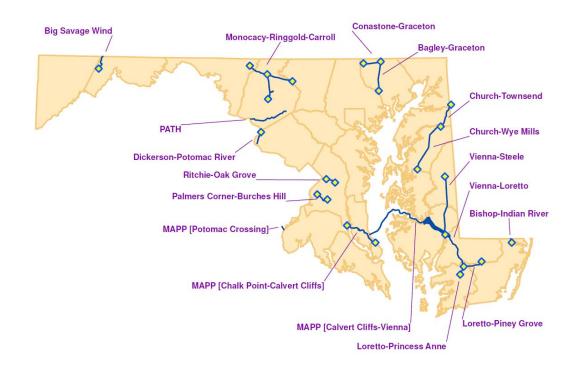
Proposed Delmarva Power Transmission Line Projects





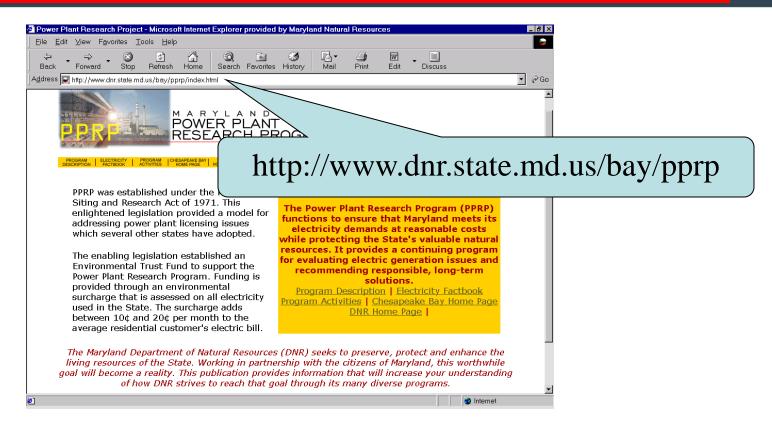


Questions?





New Transmission Lines Update



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