

December 16, 2011

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National Park Service  
U.S. Custom House  
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Steve Whitesell  
Regional Director, National Capital Region  
National Park Service  
1100 Ohio Drive, S.W.  
Washington D.C. 20242

**Re: Update on Status of PATH Project and Request for Continuation of Abeyance**

Dear Directors Reidenbach and Whitesell:

On behalf of the PATH Companies,<sup>1</sup> this letter serves to report on the status of the Potomac-Appalachian Transmission Highline ("PATH") Project and respectfully requests the continuation of the temporary abeyance of the National Park Service ("NPS") review of the right-of-way authorization applications for the PATH Project.<sup>2</sup>

On February 28, 2011, PJM announced a decision to hold the PATH Project in abeyance in PJM's 2011 Regional Transmission Expansion Plan ("RTEP"). Further, PJM directed the PATH Companies to "suspend current development efforts on the PATH project, subject to those activities necessary to maintain the project in its current state, while PJM conducts more rigorous analysis of the potential need for PATH as part of its continuing RTEP process."<sup>3</sup> Accordingly, the PATH Companies requested a temporary abeyance of the NPS right-of-way application reviews, pending completion of PJM's ongoing analysis.

As part of the abeyance request, the PATH Companies reported that PJM anticipated completing its review of the PATH Project by the end of 2011. In accordance with that anticipated timeline, the PATH Companies requested that the application review be held in

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<sup>1</sup> PATH Allegheny Transmission Company, LLC; PATH West Virginia Transmission Company; PATH Allegheny Virginia Transmission Corporation; PATH Allegheny Maryland Transmission Company, LLC; and The Potomac Edison Company.

<sup>2</sup> On May 20, 2009, the PATH Companies filed right-of-way authorization requests for crossing of the Harpers Ferry National Historical Park, Appalachian National Scenic Trail and Chesapeake & Ohio National Historical Park for the PATH Project.

<sup>3</sup> Statement of Terry Boston, President and CEO on behalf of the PJM Board of Managers, Planning for Transmission in the 21<sup>st</sup> Century, February 28, 2011.

abeyance through December 31, 2011. That abeyance request was granted by the NPS on May 16, 2011.

On December 15, 2011, PJM Staff briefed its Transmission Expansion Advisory Committee on the status of certain transmission upgrade projects, including the PATH Project. Excerpts from that presentation are attached. (*Appendix A*) In its briefing, PJM Staff reported that evaluation of the need for the PATH Project is continuing. Specifically, the PJM Board has directed that additional analysis of the PATH Project is to be performed using the 2012 RTEP assumptions and incorporating the results of the forward capacity market auction that will take place in May 2012. Consequently, PJM will not complete its review of the PATH Project in 2011, as previously anticipated.

In light of this most recent PJM report, and in particular, the further analysis that PJM intends to undertake in 2012, the PATH Project remains in suspension as previously directed by the PJM Board at least through the period required for PJM Staff to report the results of the additional analysis described above, and for the PJM Board to take further action. Accordingly, the PATH Companies respectfully request that the NPS continue to hold its review of the pending applications for right-of-way authorizations in abeyance. As indicated by the PJM Staff report, additional analysis will be undertaken *after* completion of the May 2012 forward capacity auction results. The time required by PJM Staff to perform such analysis thereafter is not yet known.

In order to accommodate the PJM study process, while providing a measure of certainty for both the PATH Companies and the NPS, the PATH Companies respectfully request that the NPS continue to hold its application review in abeyance until 60-days after the PJM Board issues a further decision on the status of the PATH Project. Promptly after being advised of such further decision by the PJM Board, the PATH Companies will notify the NPS of that decision and, within such 60-day period, submit a further request to the NPS with regard to the pending applications.

If you have any questions regarding the current status of the PATH Project, please feel free to contact me. We appreciate the effort the NPS has already expended in this matter and look forward to continuing to work with you and your staff in the future.

Sincerely,



Joseph B. Nelson  
Counsel to the PATH Companies

cc: Margaret O'Dell, Deputy Director—Operations, NPS  
Pamela Underhill, Superintendent, Appalachian National Scenic Trail  
Rebecca Harriett, Superintendent, Harpers Ferry National Historic Park  
Kevin Brandt, Superintendent, Chesapeake & Ohio National Historic Park  
Don Briggs, Superintendent, Potomac Heritage National Scenic Trail

Morgan McCosh Elmer, Denver Service Center, NPS  
Jason Reed, District Ranger, Monongahela National Forest, USFS  
Clyde N. Thompson, Forest Supervisor, Monongahela National Forest, USFS  
C. Vern Estel, FirstEnergy Corp.  
Archie D. Pugh, American Electric Power

# APPENDIX A



# Transmission Expansion Advisory Committee

December 15, 2011



# Issues Tracking



## Issues Tracking

- Open Issues
  - None
- New Issues



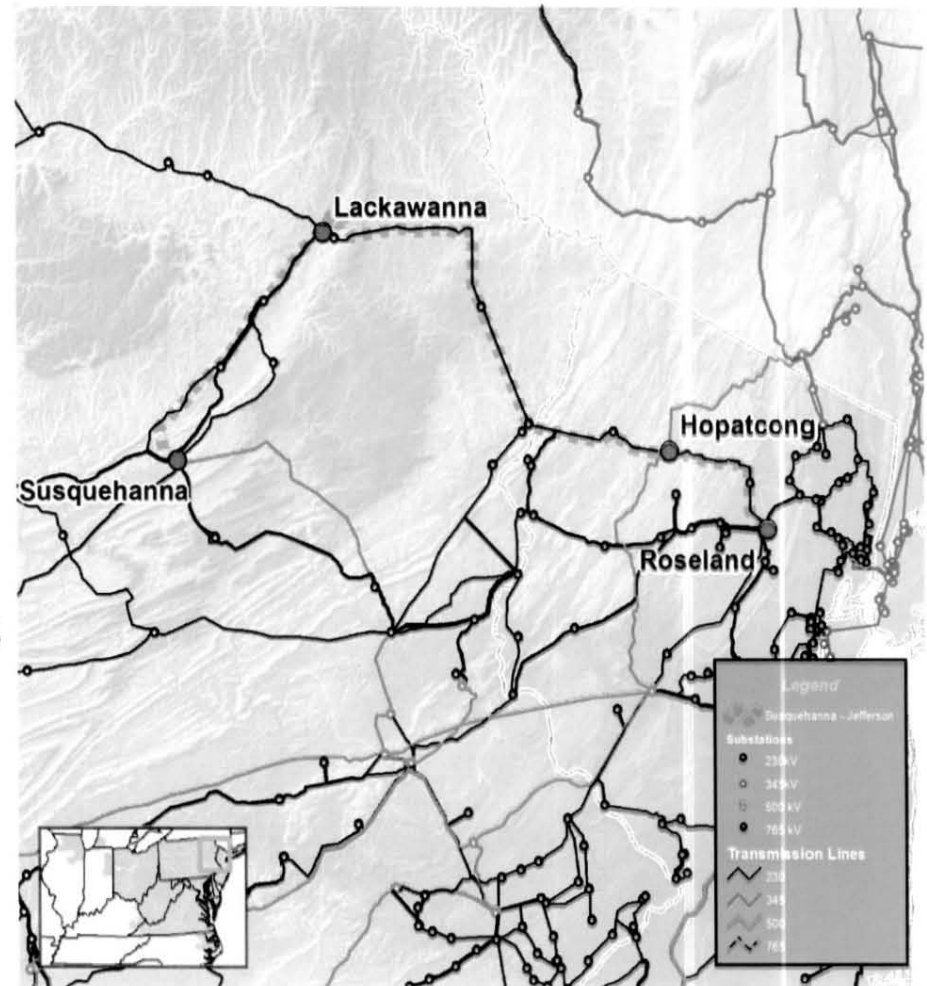
## Backbone Transmission Project Status





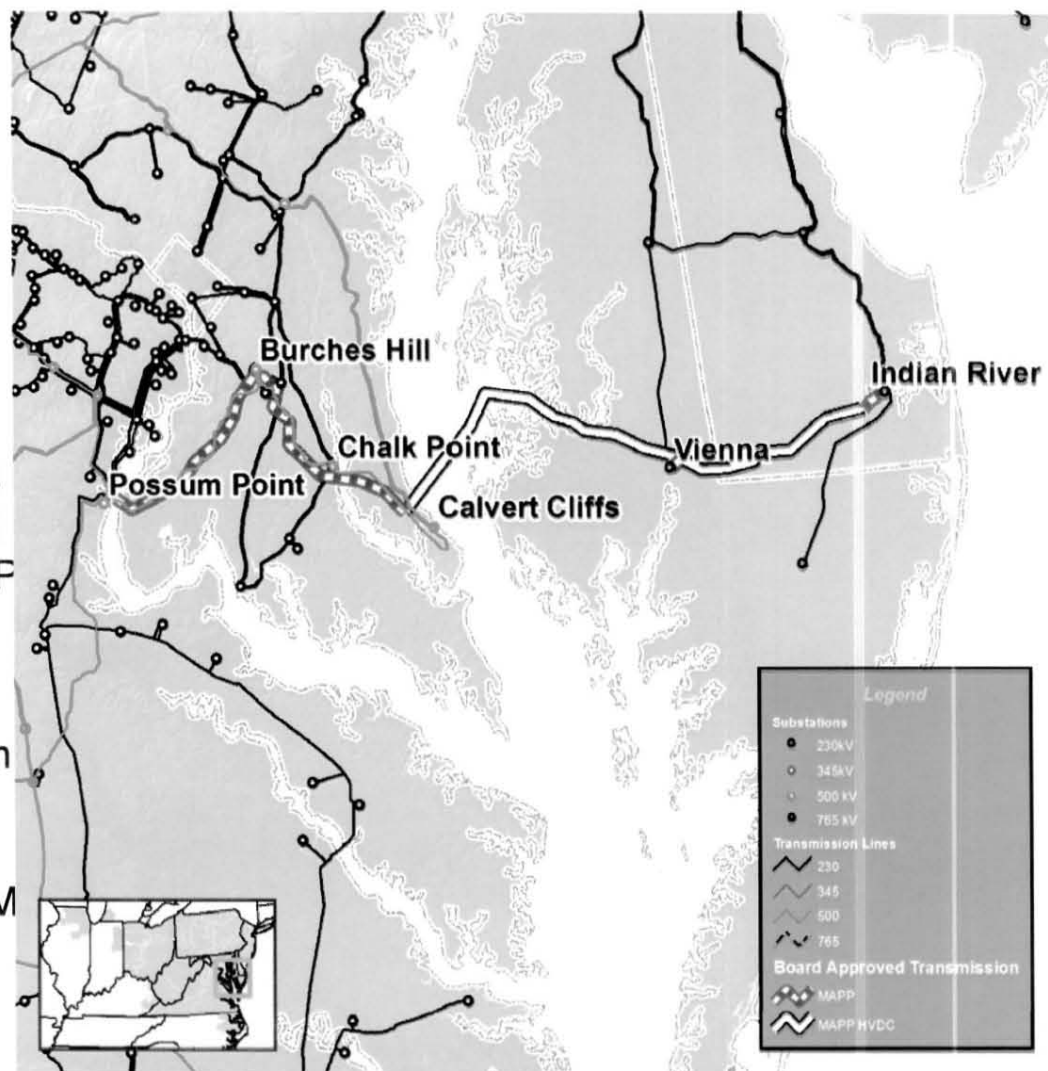
## Susquehanna to Roseland Project

- Required June 1, 2012 service date
- Due to delays the line is not expected until June 1, 2015.
- Updated analysis using the 2011 load forecast confirmed double circuit tower line (DCTL) violations beginning in summer 2012
- Near-term Solution: Operate to the DCTL violations in real-time operation. Adjust generation and implement DR as required to maintain the reliability of the grid.
- Updated studies show that Hudson 1 is not required to maintain reliability. Hudson 1 RMR will be released.



## MAPP – Mid-Atlantic Power Pathway project

- This 2011 RTEP analysis which included various generation sensitivities, suggests the need for the line has moved several years into the future beyond 2015.
- Based on the 2011 RTEP analyses the PJM Board has decided to hold the project in abeyance in the RTEP with a 2019 – 2021 service date.
- PJM Board directed staff to perform additional analysis using the 2012 RTEP assumptions and incorporating the results of the RPM base residual auction that will be run in May 2012





## PATH – Amos to Kempton

- 2011 RTEP analysis suggests the need for the line has moved several years into the future beyond 2015.
- Based on these analyses the PJM Board has decided to hold the project in abeyance in the RTEP and requested that the transmission owners suspend development activities.
- PJM Board directed staff to perform additional analysis using the 2012 RTEP assumptions and incorporating the results of the RPM base residual auction that will be run in May 2012
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