



EASTON UTILITIES

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November 13, 2008

Mr. Terry Boston
CEO
PJM Interconnection
Valley Forge Corporate Center
955 Jefferson Avenue
Norristown, PA 19403-2497

RE: Support of HVDC for PHI's MAPP Project

Dear Mr. Boston:

We understand from the October 15, 2008 TEAC meeting, that PJM staff has recommended the installation of a High Voltage Direct Current (HVDC) link from Calvert County under the Chesapeake Bay to Vienna, MD and another High Voltage Direct Current link from Calvert County under the Chesapeake Bay to Indian River, Delaware.

On behalf of Easton Utilities, I would like to let you know that we support this installation for the benefit of our customers and neighboring utilities.

We believe this installation has the following benefits for the Delmarva Peninsula:

- The DC option will increase the transfer capacity into eastern PJM. The 2-1000MW HVDC links can increase power flows up to 2000MW for major line or generation outages.
- MAPP flows can be increased or decreased to reduce overloads on the AC circuits.
- HVDC control improves AC system stability.
- HVDC control improves AC system damping.
- HVDC can be enacted to participate in remedial action schemes to prevent other system overloads.
- HVDC can provide frequency and voltage control in the event of a black start situation.
- HVDC does not contribute to loop flows on parallel AC paths.

In addition, PJM has identified region wide benefits for the MAPP project including solutions to various potential voltage collapse scenarios, as well as relieving numerous contingency overloads which appeared in PJM's 15-year forward looking analysis.

Sincerely,

EASTON UTILITIES

A handwritten signature in black ink, appearing to read "AR Boughner, Jr.", written in a cursive style.

Arnold R. Boughner, Jr.
Manager, Electric Department

ARB/klk

cc: Hugh E. Grunden
Marianne B. Abdul (Delmarva Power)