



PJM Board of Managers  
PJM Interconnection  
c/o Mr. Terry Boston  
955 Jefferson Avenue  
Norristown, PA 19403

June 14, 2010

Subject: Proposed PATH In-service Date

Dear Board of Managers:

This week the PJM Board of Managers will be presented with a proposal to establish the in-service date for the PATH project as June 1, 2015. This project's estimated \$1.8B cost is a considerable investment in transmission infrastructure that will be borne by consumers in the PJM footprint.

As PJM described at the June 8<sup>th</sup> TEAC, the PATH project has two separate and distinct reliability thresholds and in-service dates. While an early in-service date of June 1, 2015 was identified for reactive support, a much later date of June 1, 2017 was identified to support thermal limits. These unique aspects of the PATH project suggest that PJM could optimize the costs to consumers by phasing the project and having only the required infrastructure needed to support the reliability requirements constructed as they are needed.

Mirant requests that PJM and the Board consider the economic benefits of treating the components of the PATH project that are needed to address reactive limits and the components that are needed to address thermal limits as two separate projects with separate in-service dates for purposes of this year's RTEP. This would enable costs to be incurred on an as-needed basis, which would be beneficial for consumers.

Sincerely

A handwritten signature in black ink, appearing to read "John L. O'Neal".

John L. O'Neal  
Senior VP & Chief Commercial Officer