

Scot C. Hathaway  
Vice President  
Transmission



Dominion Virginia Power • Dominion North Carolina Power  
120 Tredegar Street, Richmond, VA 23219

Mailing Address: P.O. Box 26532  
Richmond, VA 23261

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The PJM Board of Managers  
PJM Interconnection, L.L.C.  
955 Jefferson Avenue  
Valley Forge Corporate Center  
Norristown, PA 19403-2497

Re: Proposed Mt. Storm to Doubs (Line 551) Rebuild

Dear Board of Managers:

At the October 28, 2010 PJM Transmission Expansion Advisory Committee (TEAC) meeting, the Office of the Interconnection proposed that the Mt. Storm to Doubs 500kV Line be rebuilt as part of the operational performance analysis for the 2010 RTEP baseline analysis. This conclusion was reached after careful analysis of the facts surrounding the Mount Storm to Doubs 500kV Line to include the deteriorated condition of the line, the critical nature of the line to PJM reliability, and the unique window of opportunity that exists to address these issues. Furthermore, it was proposed that the owners of the Mt. Storm to Doubs 500kV Line be directed to use "best efforts" to complete this rebuild project by 2015. Dominion, as the owner of 96 miles of the 99-mile Mt. Storm to Doubs 500 kV Line, unconditionally endorses the recommendation to rebuild this line as an RTEP project.

Dominion supports the use of the operational performance designation for the rebuild of the Mt. Storm to Doubs 500kV Line. PJM's analysis correctly indicates that the Mt. Storm to Doubs 500kV Line is one of PJM's most heavily loaded lines with one of the lowest ratings. Planning analysis continues to indicate that this line will be identified as a limiting facility in future RTEP analyses. A failure to rebuild this line could result in a cascading failure resulting in a long duration outage of a heavily loaded 500 kV line. Rebuilding the Mt. Storm to Doubs 500kV Line will have the dual benefit of a new line built to existing standards while increasing the capacity of the line from 2598 MVA to 4325 MVA, an increase of 66%.

Dominion has an unrivaled track record of developing, engineering and constructing 500 kV backbone projects within the PJM system. Dominion's portion of the 500 kV Trans-Allegheny Interstate Line ("TrAIL Line") and Dominion's Carson to Suffolk 500 kV backbone project are both on budget and on schedule for completion by June 2011. The PJM Board of Managers can rest assured that Dominion will use all resources at its disposal to complete the Mt. Storm to Doubs 500kV Line rebuild project on-budget and on-schedule.

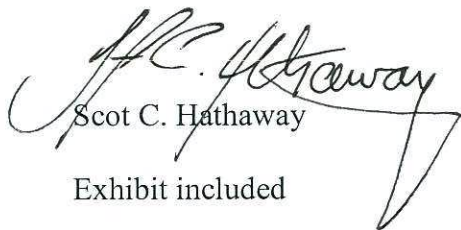
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Taking this opportunity to rebuild the Mt. Storm to Doubs 500kV Line once the TrAIL Line is in service is critical. Previously, the critical importance of the Mt. Storm to Doubs 500kV Line to PJM, and the heavy electrical load it carries, made it impractical to remove the line from service long enough to rebuild Mt. Storm to Doubs without severely placing the grid at risk. However, with the new TrAIL Line being energized by June 2011, enough load relief will be available to allow Dominion to temporarily take the Mt. Storm to Doubs 500kV Line out of service during periods in the spring and fall over the next several years to completely rebuild the line by June 2015.

To summarize, Dominion unconditionally endorses PJM's recommendation to replace the Mt. Storm to Doubs 500kV Line due to its age and deteriorated condition. Replacing the old line with modern conductors and structures that optimize ground clearances will also increase the transfer capability of the Mt. Storm – Doubs line by 66%, from 2598 MVA to 4325 MVA. Dominion believes the classification as an operational performance baseline project is correct as the importance of the line is clear and the additional capacity increase will greatly benefit the region.

It is critical to replace the line as soon as possible after the TrAIL line is energized, because that offers PJM and Dominion a window of opportunity during which it can remove Mt. Storm to Doubs from service for reconstruction without endangering PJM's reliability. Dominion is confident the construction can be completed by June 2015.

Sincerely,



Scot C. Hathaway

Exhibit included

## Exhibit

### ***Description of the Dominion Virginia Power Mt.. Storm - Doubs Line***

*Dominion's existing Mt.. Storm to Doubs 500kV Line was constructed in the early 1960s and completed in 1966. The Mt.. Storm to Doubs 500kV Line begins at Dominion's Mt.. Storm generating station in West Virginia and terminates at The Potomac Edison Company's ("PE's") Doubs Substation in Maryland. The line is 99.26 miles long, of which Dominion owns the 96.4 miles in West Virginia And Virginia and Allegheny Power (APS) owns the remaining 2.86 miles in Maryland.*

*The Mt.. Storm - Doubs line is a critical component of the electric transmission grid that serves Virginia, Maryland, West Virginia and beyond. It is heavily loaded, a fact that played a significant role in determining the need for construction of the TrAIL Line. After more than 46 years of operation, the Mt.. Storm – Doubs line and associated facilities are approaching the end of their expected service life and require replacement with new facilities to maintain reliable service. All of the Mt.. Storm to Doubs 500kV Line steel tower structures (numbering 458 steel towers) have experienced inherent corrosion and deterioration requiring extensive repairs, including replacement of tower members. This deterioration has become so extensive that the existing steel tower structures must be replaced as soon as possible. The tower grillage foundations also are experiencing the same corrosion phenomena and require replacement. Industry studies on conductor splices show that splices begin to fail at 40 years. The Mt.. Storm to Doubs 500kV Line has over 200 such conductor splices which are at the end of their useful life and are in need of replacement*

*As explained in the TEAC presentation, Dominion has been aggressively addressing these issues over the last 15+ years. However, the line is in need of a complete rebuild now.*