



December 2, 2011

***Via Electronic Mail***

Howard Schneider, Esq.  
Chair, PJM Board of Managers  
PJM Interconnection LLC  
955 Jefferson Avenue Norristown, Pennsylvania 19403-2497

Dear Mr. Schneider and Members of the PJM Board:

Old Dominion Electric Cooperative (ODEC) has just completed its review of the two letters sent to you by Dominion Virginia Power relative to a proposed Static VAR Compensator (SVC) on Dominion's Mt. Storm to Valley 500 kV transmission line.

ODEC has no position on the technical merits of either the subject project or the alternative proposed by Dominion. And ODEC is generally favorable to the concept of non-incumbent's being able to propose projects provided the non-incumbent meet essential criteria enabling it to effectively construct and operate transmission facilities.

However, Dominion's expressed concerns over the PJM planning process resonates deeply with ODEC.

ODEC shares Dominion's view of the TEAC planning process as set forth in the Operating Agreement in accordance with Order 890's concept of an open, transparent and collaborative planning process. We wholeheartedly agree that:

“A transmission planning process that selects a proposed project before notifying affected parties that the project has been submitted, and without providing an opportunity to review and evaluate the project or present alternatives, unduly discriminates in favor of the developer proposing the project and against the other TEAC participants and stakeholders. Such a process also has the effect of excluding the TEAC's evaluation of alternatives that may be more efficient or cost-effective, meaning that the process may not result in rates that are just and reasonable.”  
(Dominion letter at 4)

Under the PJM Board's strong leadership and direction, PJM staff has made good progress to begin revising its planning process to reflect our changing industry. Nonetheless, this circumstance highlights an overarching need to put in place the focus, staff and time necessary to better delineate how we will approach implementation of the current requirements of a transparent, inclusive and collaborative planning under FERC Orders 890 and 1000.

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ODEC is eager to join Dominion and other interested stakeholders in working with PJM staff to evolve its planning process. We ask the Board to continue its strong support of this effort and engage PJM staff to explore how best to achieve this goal.

Sincerely,

/s/ Edward D. Tatum, Jr.  
Vice President RTO & Regulatory Affairs  
Old Dominion Electric Cooperative