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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: 2011 RTEP: Power Mt. Storm-Valley SVC Project

Dear PJM Board of Managers:

PSE&G is in receipt of copies of two letters forwarded to you from Dominion Virginia Power ("Dominion") regarding PJM's Office of the Interconnection's ("OI") recommendation of a group of eight (8) reactive upgrade projects to the PJM Board for inclusion in the 2011 Regional Transmission Expansion Plan ("RTEP") as baseline reliability projects, including the above referenced project ("MS-V Project"), which Primary Power, LLC ("Primary Power") would be designated to construct. Dominion urges the Board to defer action on the MS-V Project because the OI's decision to recommend it for inclusion in the 2011 RTEP was made without the project having been vetted through the TEAC process.

Specifically, the OI's decision to recommend the MS-V Project for inclusion in the 2011 RTEP was made: without the project ever having been posted, or otherwise made known to the TEAC; without any opportunity for the TEAC or other stakeholders to evaluate the project or submit and consider alternatives; and without any explanation for the OI's recommendation that Primary Power, be designated to construct and own the project.

PSE&G shares Dominion's concern that the OI's failure to advise the TEAC that the project was under consideration for inclusion in the 2011 RTEP is contrary to a transparent planning process, which is central to FERC's broad policy goal of removing the potential for undue discrimination in the transmission planning process, as set forth in Order No. 890 and Order No. 1000. PSE&G supports Dominion's position that in order to limit opportunities for undue discrimination in transmission planning, and to increase opportunities for more efficient and cost-effective alternatives for meeting regional transmission needs, public utility transmission providers must conduct open and transparent transmission planning.

Dominion's letter outlines the comprehensive process that exists within PJM to ensure its members robust participation in regional transmission expansion planning process. PSE&G shares Dominion's concern that the process for submitting proposed baseline reliability projects to be considered for inclusion in the RTEP, the process for evaluation of submitted projects, and the process for determining which entity should be designated to construct and own projects that are included, was not followed here.

As such, PSE&G joins in Dominion's request that the MS-V Project be reviewed and evaluated through the established RTEP process.

Very truly yours,

A handwritten signature in black ink that reads "Paul D. Napoli". The signature is written in a cursive, flowing style.