



FOR IMMEDIATE RELEASE

**PJM BOARD AUTHORIZES \$1.6 BILLION
IN TRANSMISSION ADDITIONS, UPGRADES**

New line to maintain reliability in north New Jersey

(Valley Forge, Pa. – Dec. 4, 2008) – The PJM Interconnection Board has approved \$1.6 billion in electric transmission systems additions and upgrades for the grid that serves 51 million people in 13 states and the District of Columbia. The upgrades are required to maintain reliability of the power supply system and keep the lights on in years ahead. Among the upgrades and improvements is a 500-kilovolt transmission line to be built in northern New Jersey to strengthen the regional grid.

With these newest upgrades, PJM's Board has authorized nearly \$13.3 billion in total transmission investment through the Regional Transmission Expansion Planning (RTEP) process. The regional transmission plan evaluates the changes and needs related to keeping the power system reliable over a 15-year horizon. This plan allows for time to make the necessary infrastructure upgrades and improvements before putting the system at risk for wide-scale outages.

"Ensuring the reliability of the power supply infrastructure is a vital role for PJM and our member companies," said PJM President and CEO Terry Boston. "A reliable grid is a lifeline to our homes and critical to our standard of living."

The new backbone transmission project in New Jersey involves building a 500-kilovolt line from Branchburg substation in Somerset County to Roseland substation in Essex County and then continuing from Roseland to Hudson substation, in Hudson County. The project is being built by Public Service Electric and Gas Company to address reliability violations in the region expected to develop by 2013.

The approved regional transmission plan also calls for a change in the previously approved Mid-Atlantic Power Pathway (MAPP) project. The PJM Board approved using a high voltage direct current line (HVDC) for the portion of the project that stretches under the Chesapeake Bay at Calvert Cliffs in Maryland to Vienna and Indian River substations on the Delmarva Peninsula. The change to HVDC improves different aspects of the transmission, mainly providing greater operational flexibility. The project originates from Possum Point, Va. The MAPP project had been authorized in October 2007, and the Possum Point to Indian River portion has a required in-service date of June 2013.

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PJM continues to evaluate the in-service date of the remaining portion of the MAPP project that would connect Indian River to Salem substation in New Jersey.

PJM's RTEP includes upgrades and new projects to maintain system reliability and to interconnect new generation. The plan considers the growth and changes in the broad, multi-state region. By not being limited to considering just one utility's service territory, the PJM planning process can determine the most effective and cost-efficient transmission solution no matter where it is located in the region.

PJM Interconnection ensures the reliability of the high-voltage electric power system serving 51 million people in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia. PJM coordinates and directs the operation of the region's transmission grid, which includes 6,038 substations and 56,350 miles of transmission lines; administers a competitive wholesale electricity market; and plans regional transmission expansion improvements to maintain grid reliability and relieve congestion. Visit PJM at www.pjm.com.

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