

Comments of FirstEnergy Regarding the PJM Proposal to Build a New 500 kV Transmission Line from Susquehanna – Lackawanna – Jefferson – Roseland as Presented at the May 9, 2007 PJM TEAC Meeting in Pittsburgh, PA.

As part of its 2007 Regional Transmission Expansion Plan (RTEP), PJM announced the need for a new 500 kV transmission line between Susquehanna and Roseland at the Transmission Expansion Advisory Committee (TEAC) Meeting in Pittsburgh, PA on Wednesday, May 9, 2007.

The Susquehanna – Lackawanna – Jefferson – Roseland 500 kV line (Project) has been proposed by PJM to resolve numerous expected line overloads in Northern New Jersey. The Project has an expected in-service date of June 1, 2012 and an estimated cost of approximately \$350 million.

FirstEnergy is one of three entities that PJM is expected to designate with responsibility to construct and own the Project. In light of this expectation, FirstEnergy offers the following comments on the Project:

1. FirstEnergy supports PJM's efforts to ensure the long-term reliability of the electric transmission system.
2. FirstEnergy agrees that the Project is a good technical solution to the reliability problems identified by PJM.
3. FirstEnergy is committed to working through the established PJM processes with PJM and the other designated entities to further define and refine the Project.
 - Under the direction of PJM, FirstEnergy will work with the other designated entities on the line siting, engineering and construction activities that would be necessary for this project to meet the reliability needs of the region.
 - Under the direction of PJM, FirstEnergy will work with the other designated entities to examine a range of potential routes as part of an extensive site selection process; all subject to a recognition that factors that may bear on

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route selection include balancing public interest, environmental issues, engineering and operating factors, and costs. Importantly, the final route will be as designated by the regulatory authorities in the states of Pennsylvania and New Jersey.

- Under the direction of PJM, FirstEnergy will work with the other designated entities to further refine the estimated project costs. Actual project costs will be largely dependent on, among other items, the cost of materials, real property rights necessary to support the line, the cost for siting the line, and other relevant factors.
4. FirstEnergy believes that meeting the proposed in-service date of June 1, 2012, will present significant challenges, considering the opposition that other similar projects are encountering. FirstEnergy therefore strongly recommends that PJM should develop an alternative plan or plans to meet the identified reliability needs in the event that significant delays prevent the timely construction of the Project according to PJM's proposed schedule.