

***Comments of PPL Electric Utilities Corporation on PJM's Proposal for
the June 2007 Update of PJM Regional Transmission Expansion Plan***

PPL Electric Utilities Corporation (PPL Electric) submits these comments on the Susquehanna-Roseland 500kV project, one of the new PJM-proposed transmission projects required to assure long term reliability in the PJM region. Several new transmission projects to assure reliability were proposed by PJM at the May 9, 2007 meeting of the PJM Transmission Expansion Advisory Committee (TEAC). We understand that the new transmission projects proposed at that TEAC meeting will be included in the 2007 PJM Regional Transmission Expansion Plan (RTEP) that will be submitted to the PJM Board of Managers for formal approval on June 22, 2007. PPL's comments are based on the information presented at the TEAC meeting.

The PJM planning process used to develop the RTEP is a comprehensive approach for evaluating future system conditions and identifying transmission enhancements necessary to assure long term system reliability. A key feature of the RTEP process is the opportunity for PJM stakeholders to receive updates on PJM's planning results and to provide comments on the proposed plan before it is submitted to the PJM Board for approval.

The two specific projects identified by PJM at the May 9, 2007 TEAC meeting as backbone reliability upgrades – interstate 500kV or 765kV transmission projects – have been under evaluation by PJM with input from the affected transmission owners for over one year. The two projects are the Amos - Kempton Project comprised of a combination of 765kV and 500kV facilities and the Susquehanna - Roseland 500kV project. The two projects were selected from over 30 combinations of backbone project segments that had the potential to resolve identified overloads and voltage deficiencies on the PJM transmission system that were forecast to occur in the 5 to 15 year time frame. We understand that other backbone projects may be identified later this year.

PPL Electric has reviewed PJM's analysis of system conditions that resulted in the recommendation to construct the Susquehanna - Roseland 500kV project ("S-R project"). PPL Electric supports the recommendation put forth by PJM at the TEAC meeting. The S-R project, which would be jointly developed by PPL Electric, FirstEnergy and PSEG, should relieve most transmission system overloads and voltage deficiencies identified by PJM for the northeastern portion of PJM during the 5 to 15 year time frame. We understand that PJM will review the need and timing for this and other RTEP projects annually as part of the RTEP process.

PPL Electric understands that the route for the S-R project displayed on various PJM exhibits presented at the TEAC meeting is illustrative only and not intended to be a depiction of the actual route of the line when constructed. PPL Electric, FirstEnergy and PSEG will jointly examine a variety of potential routes as part of an extensive siting process. That siting process will balance public interest, environmental needs, engineering and operating factors, and costs. Ultimately, approval for the preferred line route will be sought from appropriate government agencies in Pennsylvania and New Jersey.

PPL Electric recommends that, before the S-R project is presented to the PJM Board for approval in late June, the cost estimate for the project should be updated. That update should reflect the latest projection of line length and configuration and the required number of new switching stations.

The 2012 required in-service date for the S-R project is very ambitious for a project of this scope. However, once the S-R project is formally approved by the PJM Board for inclusion in the RTEP, every effort will be made to complete the project by its required in-service date. PPL Electric commits to work with FirstEnergy and PSEG on line siting, engineering and construction activities for the S-R project to ensure efficient and cost-effective project completion. However, to ensure that reliability needs in the region are satisfied, PPL Electric recommends that PJM develop a contingency plan in the event the S-R project is not completed by 2012.