



# DEMEC

## Delaware Municipal Electric Corporation

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September 4, 2007

The Board of Managers  
PJM Interconnection, LLC  
955 Jefferson Avenue  
Norristown, PA 19403-2497

Dear Board Members:

I write in strong support of the proposed PHI Mid-Atlantic Power Pathway project (MAPP) that is before you for approval at your October meeting. This project will provide critical enhancements to the high-voltage transmission facilities on the Delmarva Peninsula, and much needed west-to-east transport capacity for the entire Mid-Atlantic region.

As you know, my home state of Delaware is experiencing unprecedented and continuing growth in residential and commercial development. While this economic development is good for Delaware and its citizens, the development growth is placing tremendous demands on the infrastructure of the State. Principal among these demands is the need for reliable and adequate electric transmission infrastructure. The construction of new transmission infrastructure in our region is critically important to ensure electric reliability and to keep pace with the rapidly increasing demand for power in Delaware and the Delmarva Peninsula. We in Delaware have been very concerned that PJM does not appear to be focused on this critical need and are not taking all possible steps to put this critical transmission in place as soon as possible.

The members of the Delaware Municipal Electric Corporation (DEMEC)\* are strongly in support of the Mid-Atlantic Power Pathway (MAPP) Transmission Project proposed by Pepco Holdings, Inc (PHI). This project represents the first significant high-voltage transmission expansion in our region in over two decades. The proposed project would tie existing economic transmission and generation assets in the west to load centers on the Delmarva Peninsula. The project would provide us with the ability to import much needed power supply and reliability to the region at the lowest cost and with the least environmental impact.

The Delmarva Peninsula has experienced significant electric transmission congestion over the past ten years, resulting in Delaware electric consumers experiencing higher costs. The MAPP project would create long-term benefits to Delaware and is critical to the future economics of its native utilities and their customers. PHI's proposed transmission lines would open up a variety of new options for electricity supply throughout the Delmarva Peninsula, and generally increase the capability of the system to transfer more economic western power to our region. In addition, the project would:

\* The members of DEMEC are the Towns of Clayton, Middletown, and Smyrna, and the Cities of Dover, Lewes, Milford, Newark, New Castle, and Seaford.

- improve reliability on the Delmarva Peninsula by adding a south to north feed onto the peninsula providing a critical redundant electrical feed to this region.
- greatly reduce or eliminate congestion problems that have contributed to higher electricity prices for customers in Delaware.
- enable more competition and greater access to affordable generation sources, while also offsetting the impact of expected future generation plant closings.

The Members of Delaware Municipal Electric Corporation support the proposed MAPP Transmission Project and strongly urge the PJM Board of Managers to move this important project forward without delay. The future of economic development and reliable electric service in Delaware and the Mid-Atlantic Region depend on it.

Sincerely,



Patrick E. McCullar  
President & CEO

c: DEMEC Board of Directors

Mark T. Brainard  
Chief of Staff  
Office of the Governor

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