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Michael J. Kormos  
Senior Vice President - Operations

March 18, 2010

Chairman Douglas R. M. Nazarian  
Maryland Public Service Commission  
William Donald Schaefer Tower  
6 St. Paul Street, 16<sup>th</sup> Floor  
Baltimore, MD 21202

RE: Maryland Case 9149 PJM Testimony Follow-up

Dear Chairman Nazarian:

This letter is a follow-up to the hearing on March 2, 2010 before the Maryland Public Service Commission where PJM committed to further analysis on the facilities limiting deliverability into the PEPSCO and Mid-Atlantic areas. Recall recently completed RPM Planning Parameter analysis that showed the facility limiting the Capacity Emergency Transfer Limit (CETL) for each of these areas is the Pleasant View 500 / 230 kV transformer in 2013. If this limitation were removed, the CETL for the Mid-Atlantic area would increase to approximately 4,685 MW or 112% of the CETO, and be limited by the voltage at the Meadow Brook 500 kV station. In this scenario, the CETL for the PEPSCO area would exceed 115% of the CETO.

To resolve the Pleasant View transformer loading issue, a new 500 / 230 kV transformer could be installed at the Brambleton substation in the Dominion transmission zone. Space limitations at the Pleasant View substation would preclude an additional transformer at that location. The estimated cost of the project would be approximately \$16 million. Per the current PJM Operating Agreement, PJM is unable to order this potential new transformer at the Brambleton substation as part of the Regional Transmission Expansion Plan (RTEP) since PJM has not identified a criteria violation at this point in time.

PJM would be willing to host a conference call as follow-up to this letter to assist in understanding the issues and related complexities involved. PJM is separately responding to William F. Fields of the Office of People's Counsel who asked a similar question in writing on March 5, 2010. Perhaps we could have Mr. Fields join in such a conference call.

PJM hopes that this letter addresses the Commission's question and looks forward to hearing from you on this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael Kormos", written over a white background.

Michael Kormos  
Senior Vice President – Operations

Copies to: Frank Bender, MD PSC  
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