



FOR IMMEDIATE RELEASE

**PJM BOARD AUTHORIZES \$2.1 BILLION
IN TRANSMISSION ADDITIONS, UPGRADES**

Va. to Delmarva to N.J. Line Receives Approval

(Valley Forge, Pa. – Oct. 17, 2007) – The PJM Interconnection Board today approved \$2.1 billion in electric transmission system additions and upgrades. The improvements will maintain the reliability of the power supply system serving 51 million people in 13 states and the District of Columbia. The additions include a new 500-kilovolt transmission line through the Delmarva Peninsula.

The PJM Board has authorized a cumulative \$9.3 billion in transmission improvements since 2000 when the first Regional Transmission Expansion Plan was approved.

“Our regional planning process continues to prove itself,” said Karl V. Pfirrmann, PJM’s interim president and chief executive officer. “Our members are making the necessary investments to ensure reliability of the electric system that people depend upon.”

The proposed new 500-kilovolt transmission line would run approximately 230 miles from the Possum Point Station at Dumfries, Va., through the Delmarva Peninsula and end at the Salem Station in Lower Alloways Creek Township, N.J. It is estimated to cost \$1.05 billion.

An in-service date will be established pending additional analysis. The line is being recommended now to provide time for permitting and construction. Pepco Holdings, Inc., the utility building the line, will determine the route it will follow subject to government and regulatory approval. PJM does not set the routes.

Also known as the MAPP project, the new line will relieve expected overloads on the existing transmission system. It also improves the ability to deliver electricity to customers on the Delmarva Peninsula. That area has both limited local generation and limited transmission, which comes only from the north. The new line will provide a transmission path into the southern end of the peninsula. It also addresses power supply concerns raised by the pending retirements of two power plants near Washington, D.C. The two generating stations, Benning Road and Buzzard Point, total 800 megawatts of capacity.

The updates to the regional transmission plan include several other significant projects.

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A new 345-kilovolt transmission line will be built between the Carson and Brunot Island stations in Pittsburgh. The estimated cost is \$291 million with an in-service date of June 2012.

\$450 million in upgrades are planned throughout the Mid-Atlantic and Dominion regions of PJM to handle power flows from a merchant transmission project between Ridgefield, N.J., and New York City. The merchant (i.e. non-utility) project would supply up to 670 megawatts of capacity from PJM to New York. The developer is responsible for the costs of the upgrades.

A larger transformer and a spare unit are to be installed at the Kammer Substation near Moundsville, W.V., by June 2009 at a cost of \$42 million. The Kammer transformer is critical to power transfers across PJM. In addition, the cost of congestion on the facility has totaled more than \$220 million since 2005.

The updates to PJM's regional plan also include \$650 million for the interconnection of new generation totaling 6,334 megawatts. Through PJM's regional planning process, 19,912 megawatts of new generation have been interconnected, and 4,547 megawatts of generation is now under construction.

PJM's Regional Transmission Expansion Plan includes upgrades and new projects to maintain system reliability and to interconnect new electric generation. PJM has a 15-year planning horizon. 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 56,250 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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