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Norristown, PA 19403-2497

August 16, 2010

Mr. William M. Gausman  
Sr. Vice President, Asset Management & Planning  
Pepco Holdings, Inc.  
EP9425  
701 9<sup>th</sup> St. NW  
Washington, DC 20068-0001

**PJM Board Review of 2010 RTEP Analysis**

Mr. Gausman:

At its August 3, 2010 meeting, the Reliability Committee of the PJM Board of Managers reviewed the progress of the 2010 Regional Transmission Expansion Plan (RTEP), including analysis specific to the need for the MAPP project. From this analysis it is clear that significant violations of reliability criteria persist, requiring additional transmission capability to be put in place, at the absolute latest, by June 1, 2015. At this time we have identified numerous violations of voltage criteria. All analysis to date indicates that the MAPP project remains the preferred solution to ensure the long-term reliability of the PJM grid based on its effectiveness in resolving the identified criteria violations, its ability to resolve those violations regardless of the solutions chosen with respect to reliability issues to the west, and potential concerns identified with alternatives to the MAPP project.

As a result, the PJM Board requests, due to the significant number and critical nature of the subject reliability criteria violations, that you continue to proceed with all efforts related to the MAPP project, including the permitting of and state regulatory proceedings. A required in-service date for the overall project of June 1, 2015, at the latest, should be used to establish your procedural schedule.

Sincerely,

A handwritten signature in blue ink, appearing to read "S. Herling", is written over a light blue horizontal line.

Steven R. Herling  
Vice President of Planning  
PJM Interconnection, LLC

cc: Mike Komos, PJM

SRH/nbm: 607068 v1