

IN THE MATTER OF THE : BEFORE THE PUBLIC SERVICE
APPLICATION OF THE POTOMAC : COMMISSION OF MARYLAND
EDISON COMPANY D/B/A :
ALLEGHENY POWER FOR A : Case No. 9223
CERTIFICATE OF PUBLIC :
CONVENIENCE AND NECESSITY :
TO CONSTRUCT THE :
MARYLAND SEGMENTS OF A 765 KV :
ELECTRIC TRANSMISSION LINE AND :
A SUBSTATION IN FREDERICK :
COUNTY, MARYLAND :

**SUGARLOAF CONSERVANCY, INC.'s RESPONSE
TO APPLICANT'S
NOTICE OF WITHDRAWAL**

Sugarloaf Conservancy, Inc. ("Sugarloaf"), by its counsel, Amy C. H. Grasso, and Miller, Miller & Canby, Chtd., responds to the Applicant's Notice of Withdrawal and in support states:

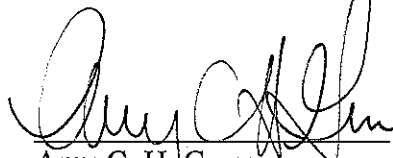
1. On February 28, 2011, the Applicant filed a Notice of Withdrawal, representing its withdrawal of its application for a Certificate of Public Convenience and Necessity ("CPCN") in this matter. Specifically, it indicated that as a result of the updated load forecasts and current transmission topology, "the projected appearance of violations of NERC Reliability standards that the PATH Project was designed to resolve has advanced into the future." And, accordingly, the project is being held in abeyance.
2. The Applicant, however, further indicates that it believes that the project will still be required in the future. See Notice at p. 2.
3. As it is apparent that the Applicant anticipates a future filing. And, in light of the time, expense, attention and energy that the members of Sugarloaf Conservancy, and other parties and interested persons, have dedicated to addressing the Application in these proceedings over the last several years, Sugarloaf believes that it is appropriate to specify certain conditions to be satisfied by the Applicant for any future application for a CPCN for the subject project.

4. In light of the foregoing, and also for the reasons advanced in Sugarloaf's Motion to Dismiss, Sugarloaf asks that the Commission impose the following conditions upon the Applicant for any future application for a CPCN for the subject project:

- a. A third-party independent analysis of the subject project and alternatives, including the costs associated with each;
- b. A projection of peak power demand forecast of energy needs for 15 years;
- c. A third-party independent analysis of PJM's energy forecast;
- d. For any substation associated with the project, proof that the Applicant has obtained all applicable local zoning and land-use approvals necessary for the substation to be located and constructed in the defined location;
- e. Description of all additional future plans (whether or not a component of the PATH project) for any substation associated with the project.

5. Finally, Sugarloaf requests that, as a condition to, and regardless of, the Applicant's withdrawal in the present matter, the Applicant be required to produce all results of the modeling runs that it was ordered to produce by March 15, 2011, in Case No. PUE-2010-00115 before the Commonwealth of Virginia State Corporation commission, as ordered in the Hearing Examiner's Ruling of January 19, 2011 (attached hereto as Exhibit 1).

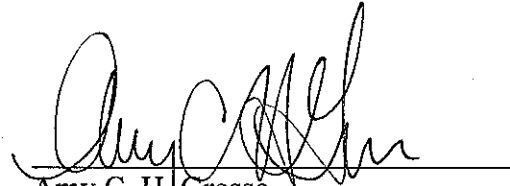
Respectfully Submitted,



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CERTIFICATE OF SERVICE

I hereby certify that on this 2nd day of March, 2011, I served this all known parties of record to this proceeding by electronic mail to the e-mail addresses of record.



Amy C. H. Grasso

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

110120068

APPLICATION OF

PATH ALLEGHENY VIRGINIA
TRANSMISSION CORPORATION

CASE NO. PUE-2010-00115

For approval and certification of electric
transmission facilities under Va. Code
§ 56-46.1 and the Utility Facilities Act,
Va. Code § 56-265.1 *et seq.*

FILED
JAN 19 2011
FBI

HEARING EXAMINER'S RULING

January 19, 2011

On September 20, 2010, PATH Allegheny Virginia Transmission Corporation ("PATH-VA" or "Applicant") filed an Application with the State Corporation Commission ("Commission") seeking approval and certification of electric transmission facilities under § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, § 56-265.1 *et seq.* of the Code. PATH-VA requested approval of the Virginia portions of the Potomac-Appalachian Transmission Highline ("PATH") Project, a 765 kilovolt transmission line that would extend from Putnam County, West Virginia, to Frederick County, Maryland. The transmission line, as proposed, would traverse the counties of Clarke, Frederick, and Loudoun within the Commonwealth of Virginia.

On October 20, 2010, the Commission entered its Order for Notice and Hearing in which, among other things, the Commission scheduled this matter for a public hearing beginning April 25, 2011; and appointed a hearing examiner to conduct all further proceedings.

On December 21, 2010, PATH-VA filed its Motion to Hold Proceeding in Abeyance ("Motion"). PATH-VA pointed to changes in load projections in PJM's preliminary 2011 Load Forecast Report and requested that the proceeding be held in abeyance until the Applicant files supplemental direct testimony by April 5, 2011, to incorporate the revised load projections in its analysis of the need for PATH. Based on the responses of Respondents and Staff, and upon the oral arguments heard on January 6, 2011, in a Hearing Examiner's Ruling dated January 10, 2011, PATH-VA's Motion was denied and a pre-hearing conference was scheduled for Tuesday, January 18, 2011, at 10:00 a.m. in the Commission's courtroom to determine scenarios for updated load flow analyses to be conducted by PJM.

On January 18, 2011, the pre-hearing conference was held as scheduled. The topics discussed included scenarios for updated load flow analyses to be conducted by PJM and adjustments to the procedural schedule to provide PJM with adequate time to conduct the updated load flow analyses and to provide Respondents and Staff with sufficient time to analyze the updated load flow analyses prior to the filing of their direct testimony and exhibits. Based on those discussions I find that in order for the Commission to verify the load flow modeling, contingency analyses, and reliability needs PATH-VA presented to justify the proposed new line,

EXHIBIT
1

updates to PATH-VA's load flow analyses should be submitted to reflect more current information and alternative input assumptions. Specifically, PATH-VA is directed to file the results of PJM's load deliverability and generator deliverability tests for each of the following scenarios on or before March 15, 2011:

1. **Updated Base Case** – The Updated Base Case load flow analysis shall reflect: (i) PJM's 2011 Load Forecast; (ii) the most currently available generation and generation queues; (iii) the results of PJM's May 2010 RPM auction, including demand response; and (iv) an update of PJM-approved transmission system projects, including reactive power support. The Updated Base Case scenario should not include: (i) the PATH Project; (ii) the rebuilding of the Mt. Storm – Doubs line; (iii) Dominion Alternative 1 (the rebuilding of the Mt. Storm – Doubs line, the installation of a 900 MVAR SVC on the 230 kV bus at Loudoun and the T157 tap 500 kV bus, the installation of 900 MVAR of static capacitors at other locations, the installation of series compensation on the Meadow Brook – Loudoun 500 kV line, and the rebuilding of the Pruntytown – Mt. Storm 500 kV line); (iv) the Liberty Project;
2. **PATH Case** – This scenario shall include the Updated Base Case load flow analysis and the PATH Project;
3. **Mt. Storm – Doubs Rebuild Case** – This scenario shall include the Updated Base Case load flow analysis and the rebuilding of the Mt. Storm – Doubs line;
4. **Dominion Alternative 1 Case** – This scenario shall include the Updated Base Case load flow analysis and Dominion Alternative 1; and
5. **Liberty Case** – This scenario shall include the Updated Base Case load flow analysis and the Liberty Project.

In addition, as discussed during the pre-hearing conference, further, limited analysis may be requested: (i) to explore the impact of the additional generation of the proposed Dominion Warrenton generating facility; and (ii) to explore the reactive reinforcements needed to address specific voltage issues. Any such requests would be made based on the initial results of the above scenarios.

As for adjustments to the procedural schedule that may be necessary to provide PJM with adequate time to conduct the updated load flow analyses and to provide Respondents and Staff with sufficient time to analyze the updated load flow analyses prior to their filing of direct testimony and exhibits, based on the discussions during the pre-hearing conference, I find that the procedural schedule should be adjusted as follows: (i) the date for the filing of Respondents' direct testimony and exhibits should be extended from March 11, 2011, to April 18, 2011; (ii) the date for the filing of Staff's direct testimony and exhibits should be extended from March 23, 2011, to April 18, 2011; (iii) the date for the filing of the Applicant's rebuttal testimony and exhibits should be extended from April 11, 2011, to May 2, 2011; (iv) the commencement of the Richmond hearings, for purposes other than receiving the testimony of public witnesses, should

be extended from 10:00 a.m. on April 25, 2011, to 9:00 a.m. on May 16, 2011; and (v) post-hearing briefs will be due three weeks from the conclusion of the Richmond hearings.

Finally, I find that PATH-VA's request for a partial suspension of discovery until the filing of the updated load flow analyses outlined above should be denied. Accordingly,

IT IS DIRECTED THAT:

(1) For purposes other than receiving the testimony of public witnesses, the Richmond hearing in this matter, currently scheduled to begin at 10:00 a.m. on April 25, 2011, is hereby rescheduled to commence on May 16, 2011, at 9:00 a.m. in the Commission's Second Floor Courtroom;

(2) The public hearings scheduled for February 2 and 3, 2011, by the Commission Order Setting Public Hearings dated December 8, 2010, shall remain as docketed;

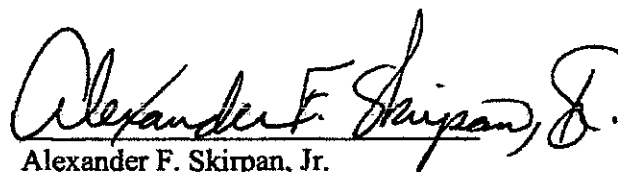
(3) The Richmond hearing in this matter currently scheduled for April 25, 2011, shall be convened solely for the purpose of receiving the testimony of public witnesses;

(4) On or before March 15, 2011, PATH-VA shall file an original and fifteen copies of the results of its updated analyses provided for above;

(5) The date for the filing of Respondents' direct testimony and exhibits is hereby extended from March 11, 2011, to April 18, 2011;

(6) The date for the filing of Staff's direct testimony and exhibits is hereby extended from March 23, 2011, to April 18, 2011; and

(7) The date for the filing of PATH-VA's rebuttal testimony and exhibits is hereby extended from April 11, 2011, to May 2, 2011.



Alexander F. Skirpan, Jr.
Senior Hearing Examiner

A copy hereof shall be sent by the Clerk of the Commission to all persons on the official Service List in this matter. The Service List is available from the Clerk of the State Corporation Commission, c/o Document Control Center, 1300 East Main Street, First Floor, Tyler Building, Richmond, VA 23219.