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**PUBLIC SERVICE COMMISSION**

June 16, 2011

Mr. Douglas S. Kaplan  
President  
Sugarloaf Conservancy  
3409A Urbana Pike  
Frederick, MD 21704

Dear Mr. Kaplan:

Thank you for your correspondence to Governor O'Malley requesting that Maryland consider filing a Federal Power Act Section 206 Complaint with the Federal Energy Regulatory Commission ("FERC") asking that the Potomac-Appalachian Transmission Highline ("PATH") project be considered abandoned. The Governor has received your correspondence and asked me, as Chairman of the Maryland Public Service Commission ("Commission"), to respond on his behalf.

As noted in your letter, the Commission already has a proceeding involving the PATH project (Case No. 9223), in which PATH has filed a notice of withdrawal. That matter is pending before the Commission's Hearing Examiner Division. Parties and interested persons (such as Sugarloaf Conservancy, Inc.) in Case No. 9223 have submitted requests that conditions be placed on PATH's abandonment and/or the filing of any future application. Those requests involve contested matters that I am prohibited from discussing, and that also preclude me from commenting on your request that Maryland file a Section 206 Complaint requesting that FERC determine that the PATH project has been abandoned.

However, I can say that the Commission is also involved in PATH's incentive rate case at FERC (Docket ER08-386) and is participating in the settlement proceedings addressing return on equity issues included in FERC's November 19, 2010 remand order. The Commission will continue to vigorously participate in those proceedings and will also review PJM's 2011 RTEP to determine what additional steps we should take with regard to the PATH project.

The Governor and I thank you for your correspondence in this matter. I hope that this information has been helpful to you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Douglas R. M. Nazarian".

Douglas R. M. Nazarian  
Chairman

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