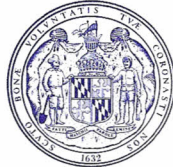


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STATE OF MARYLAND



PUBLIC SERVICE COMMISSION

December 12, 2011

The Honorable Rob Garagiola
James Senate Office Building
11 Bladen Street, Room 104
Annapolis, Maryland 21401

Re: Rebuilding Transmission Lines

Dear Senator Garagiola:

Thank you for your letter of November 10, 2011 sharing your interest in the issues raised by the Sugarloaf Conservancy's letter concerning the rebuilding of transmission lines.

Commission staff has investigated the issues the Conservancy highlights, and reports that PJM Interconnection, L.L.C., the regional grid operator, orders transmission lines to be upgraded when the lines reach the end of their useful life or when they become overloaded and upgrading is the best option. There are no transmission lines in our State currently that fall below the threshold established for reconductoring, but the Commission will continue to monitor PJM's analysis of the issue through the regional planning process. We will keep you informed of any significant developments in connection with this issue in Maryland.

You also asked for information on the status of PJM in their review of regional planning as it relates to upgrading transmission lines. PJM reports that the decision to reductor a line or build a new line is made on a case by case basis. In the case of a single line, unless there is an extenuating circumstance, PJM will reductor the line if there is an overload. In the case of an area with multiple overloaded lines, new lines are more likely to be built (as is the case in the New Jersey's Susquehanna – Roseland project). On the other hand, PJM decided to rebuild the Mt. Storm – Doubs line because an upgrade was more feasible than a replacement.

Again, thank you for your letter and your interest in electric transmission lines and regional transmission planning. I hope you find this information helpful. Please let us know if we may be of further assistance.

Sincerely,

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

Douglas R. M. Nazarian
Chairman

cc: David Collins, Executive Secretary

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