

**FrederickNewsPost.com****PSC hears both sides of PATH project in application hearing**

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A transmission line project is a step closer to fruition, or not, depending on what the Maryland Public Service Commission decides after Thursday's hearing.

Lawyers for both Allegheny Energy and two opposition groups countered claims that the project is needed or not or whether the commission should accept Potomac Edison as the legal entity for the application.

The Potomac Appalachian Transmission Highline project -- a 275-mile, \$1.8 billion joint venture between Allegheny Energy and American Electric Power -- would create an electric transmission line from West Virginia, through Virginia and about 20 miles into Maryland, ending in a large substation near Mount Airy.

Potomac Edison, a division of Allegheny Energy, would hold a 5 percent stake in the project, with PathMaryland, a limited liability corporation based in Delaware, controlling the rest.

J. Joseph Curran III, attorney for the utility company, said Potomac Edison could not fund the project alone. That was why PathMaryland was needed to ensure the project's financial needs and receive -- if the project is completed -- a 14 percent return on investment guaranteed by PJM, which oversees power needs in the region.

Curran argued that Potomac Edison would construct the project in Maryland, as well as operate and maintain the line and substation. The utility company submitted its latest application for a Certificate of Public Convenience and Necessity, the document needed to start the project. An application last year was turned down by the PSC because it was filed under PATH LLC, which the commission said is not recognized as an electric power company in Maryland.

Jon Flannery, an attorney for Citizens Against the Kempton Electric Substation, and Jim Thompson, an attorney for Sugarloaf Conservancy, both argued that the commission should deny the application because PathMaryland was located outside the state. They said decisions made by Potomac Edison would be led by PathMaryland due to funding needs and a lack of voting power.

Commissioner Lawrence Brenner pointed out that the commission oversees operations of Potomac Edison and Allegheny Power in Maryland, though the parent company, Allegheny Energy, is based in Pennsylvania.

About 50 members of CAKES and Sugarloaf Conservancy, both opposed to the line and substation, were at the hearing. No public input was allowed.

Curran and PSC staff said they considered the substation, proposed to be built at Bartholows and Cowmans Manor roads, an integral part of the transmission line and under the purview of the commission. Frederick County officials have argued that substations are not part of a transmission line and would need local approval.

"We have an absentee landlord and a small tenant," Flannery said referring to the Potomac Edison-PathMaryland situation. "And the tenant has moved from one apartment to another and will be moving again," the attorney said, referring to the utility company's changing from Path LLC to Potomac Edison and a forthcoming merger of Allegheny Energy with Ohio-based FirstEnergy. That merger is now also under consideration of the PSC, unconnected to the PATH project review.

Residents of southern Frederick County who would be affected by the proposed project have raised concerns with the impact on the landscape and environmental, and on safety and property value. They question whether the project is needed.

Doug Kaplan, president of Sugarloaf Conservancy, said after the hearing that the group initially was not opposed to a power line into the area, but had suggested alternatives such as underground wiring.

"When we looked into it more, we found that forecasts for power needs were going down, not up, and we questioned the need for PATH now instead of in the future when there may be newer technologies and alternatives," he said.

The utility company itself has changed the timeline for the project over the years. When it filed in Maryland in December, saying the project was needed within a few years, it asked Virginia to withdraw its application because the project would not be needed in the near future as planned. The PATH application review in West Virginia has been delayed at the request of Allegheny Energy.

Flannery, a resident of Virginia, questioned why the utility company was even putting an application in Maryland since it pulled out of Virginia.

Flannery said the power for the electricity going through the lines would be from coal, while even President Barack Obama is pushing for alternative fuels. Noting the move to put wind power equipment off the East Coast, Flannery said, "this power line is in the wrong direction (from the west)".

"I don't see them (PSC) rushing into any immediate decision," Thompson said after the hearing. "(The PSC) asked a lot of pointed questions. Curran even asked the commissioners for guidelines on what they were looking for. I don't think he was comfortable as to how it went."

Allegheny Energy said the project is needed to provide power for existing use and growth in the region.

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