



FOR IMMEDIATE RELEASE

**PJM AUTHORIZES CONSTRUCTION OF \$2.9 BILLION
IN TRANSMISSION ADDITIONS AND UPGRADES**

Includes Two Lines from W.Va. to Md. and Pa. to N.J.

[Note to Editors: *The two lines are illustrated below.*]

(Valley Forge, Pa. – June 22, 2007) – The PJM Interconnection Board today authorized \$2.9 billion in electric transmission upgrades and additions, including two major new transmission lines. The authorization came with the Board’s approval of changes to PJM’s Regional Transmission Expansion Plan, which maintains the reliability of the power supply system serving 51 million people in 13 states and the District of Columbia.

As part of the plan, one line would run approximately 300 miles from the Amos Substation in western West Virginia to the Kempton Substation in north central Maryland. The line would be built as a 765-kilovolt line for most of its length. It is estimated to cost \$1.8 billion.

A second line would run approximately 130 miles from the Susquehanna Substation in northeastern Pennsylvania to the Roseland Substation in northern New Jersey. It would be a 500-kilovolt line and is estimated to cost \$930 million.

“Regional transmission organizations such as PJM are building the transmission infrastructure America needs to maintain both the reliability and efficiency of the national power supply system,” said Phillip G. Harris, PJM president and chief executive officer. “While these two new lines are required to maintain the grid’s reliability, they have the secondary benefit of resolving about \$450 million in annual congestion costs.”

The Amos to Kempton line will relieve overloads that will occur as early as 2012 on 13 existing transmission lines in Maryland, Pennsylvania, Virginia and West Virginia. Overloads threaten the system’s ability to keep power flowing to consumers. The new line will be built by American Electric Power and Allegheny Energy.

The Susquehanna to Roseland line addresses overloads projected to occur as soon as 2013 on 23 existing transmission lines in New Jersey and Pennsylvania. The new line will be built by PPL Corporation, FirstEnergy Corp. and Public Service Electric and Gas Company.

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The utilities building the transmission lines will determine the routes that the lines will follow subject to government approval. PJM does not set the routes.

PJM has authorized more than \$7 billion of accumulated transmission investment since its planning process began seven years ago. Through the planning process, 19,465 megawatts of new generation have been interconnected with 4,772 megawatts of generation now under construction.

A number of other transmission additions remain under evaluation. They include a transmission line proposal announced early last year by Pepco Holdings Inc. PJM has been working with Pepco to review the proposed line. Evaluation of a recent transmission line proposal by Public Service Electric and Gas Company will begin.

PJM’s Regional Transmission Expansion Plan includes upgrades and new projects to maintain system reliability and to interconnect new electric generation. PJM has a 15-year planning horizon. The plan considers the growth and changes in the broad, multi-state region. By not being limited to considering just one utility’s service territory, the PJM planning process can determine the most effective and cost-efficient transmission solution no matter where it is located in the region.

PJM Interconnection ensures the reliability of the high-voltage electric power system serving 51 million people in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia. PJM coordinates and directs the operation of the region’s transmission grid, which includes 6,038 substations and 56,250 miles of transmission lines; administers the world’s largest competitive wholesale electricity market; and plans regional transmission expansion improvements to maintain grid reliability and relieve congestion. Visit PJM at www.pjm.com.

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