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June 29, 2010

Mr. David Meyer  
Office of Electricity Delivery and Energy Reliability, OE-10  
U.S. Department of Energy  
1000 Independence Avenue, S.W.  
Washington, D.C. 20585

**Submitted via e-mail to: congestion09@anl.gov**

Re: Comments of Pepco Holdings, Inc. and Affiliates on the Department of Energy's 2009 National Electric Transmission Congestion Study

Gentlemen and Ladies:

In response to the Department of Energy's ("Department") April 30, 2010 Notice ("April 30 Notice") of issuance of the December 2009 National Electric Transmission Congestion Study ("2009 Congestion Study" or "Study") Pepco Holdings, Inc. ("PHI"), on behalf of itself and its transmission-owning affiliates, Atlantic City Electric Company ("Atlantic City"), Delmarva Power & Light Company ("Delmarva"), and Potomac Electric Power Company ("Pepco") (collectively, the "PHI Companies") submits the following comments on the 2009 Congestion Study identifying regions of the country that are experiencing congestion and designating two types of Conditional Congestion Areas.<sup>1</sup>

## **I. GENERAL DESCRIPTION OF THE PHI COMPANIES**

PHI is the parent (either directly or indirectly through another subsidiary) of Atlantic City, Delmarva and Pepco.<sup>2</sup> Atlantic City is a regulated transmission and distribution company organized under the laws of the State of New Jersey and provides

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<sup>1</sup> *Nat'l Elec. Transmission Congestion Study*, Notice of Availability of 2009 National Electric Transmission Congestion Study and Request for Comments, 75 Fed. Reg. 22,770 (Apr. 30, 2010).

<sup>2</sup> PHI affiliates also include Conectiv Energy Supply, Inc., an operator of generation facilities and a participant in the wholesale marketplace; and Pepco Energy Services, a provider of energy and energy-related services to retail and commercial customers.

retail electric services to customers in southern New Jersey. Delmarva is a regulated transmission and distribution company organized under the laws of the State of Delaware and the Commonwealth of Virginia and serves customers in Delaware and the eastern shore of Maryland and Virginia. Pepco, a regulated transmission and distribution company organized under the laws of the District of Columbia provides retail electric services in the District of Columbia and Maryland.

Atlantic City, Pepco and Delmarva have been participants in PJM Interconnection, L.L.C. (“PJM”) since its inception as a regional power pool, and later, as a FERC-authorized Regional Transmission Organization (“RTO”). These PHI Companies voluntarily turned over operational control of their transmission facilities to PJM, which was also given the ultimate responsibility for regional transmission system planning across its entire footprint. PJM has been charged by FERC to plan transmission system upgrades and expansions to achieve reliable and economic system operations and to account for alternatives to transmission expansion, including new generation development and demand-side measures. PJM transmission owners, including the PHI Companies, participate regularly and actively in planning activities, but PJM has authority to issue its regional transmission expansion planning protocol (“RTEP”).<sup>3</sup>

Together, the PHI Companies have invested more than \$1 billion in transmission facilities in the Mid-Atlantic region. In addition, the PHI Companies plan to site and build the “Mid-Atlantic Power Pathway” or “MAPP” transmission project that is part of the PJM Regional Transmission Expansion Plan.

## **II. BACKGROUND**

The PHI Companies are submitting these comments consistent with the Department’s April 30 Notice.<sup>4</sup> The PHI Companies previously submitted comments supporting the designation of one or more broad geographic transmission corridors encompassing the area that the Department has now defined as the Mid-Atlantic Corridor.

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<sup>3</sup> The regional plan developed by PJM from time to time in accordance with the RTEP is referred to in these comments as the Regional Transmission Expansion Plan (“RTEP”).

<sup>4</sup> 75 Fed. Reg. 22,770 (April 30, 2010).

### **III. COMMENTS**

After review and consideration, the PHI Companies submit the following brief comments regarding the 2009 Congestion Study.

First, the PHI Companies support the process and analysis undertaken by the Department (as outlined in Section 2 of the Study) in its identification of Type I and Type II Conditional Congestion Areas. The Department's designation of Type I and Type II Conditional Congestion Areas appropriately takes into account the various challenges associated with the development of renewable resources and the expansion and enhancement of the nation's electric grid. Moreover, the Department's efforts regarding public outreach and information collection (including regional workshops), collaboration with consultants and analysts, and analysis of an array of metrics and data demonstrate the comprehensive nature of the Study.

Second, the PHI Companies also concur with the Department's conclusions in the Study that additional enhancements to the electric system are necessary in order to reliably serve load, mitigate congestion and reduce costs. The Study reinforces the need for such electric transmission enhancements, particularly in the areas (such as the Mid-Atlantic region) that are identified as Critical Congestion Areas (2009 Congestion Study at p. 66). The Study underscores that this Mid-Atlantic region, for example, "continues to experience high and costly levels of congestion that affect a significant portion of the nation's population, reaching from south of Washington DC to north of New York City" (*Id.*). The PHI Companies appreciate the Department's continued efforts to identify Conditional Congestion Areas and recommend appropriate additional measures to achieve adequate transmission capacity in such areas.

### **IV. CONCLUSION**

The PHI Companies appreciate the Department's attention to these comments and would be pleased to answer any questions or furnish additional information upon request. Please direct any questions or correspondence to the following representatives of the PHI Companies.

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Very truly yours,

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