

March 11, 2011

Terry J. Romine, Executive Secretary
Maryland Public Service Commission
William Donald Schaefer Tower
6 St. Paul Street
Baltimore, Maryland 21202-6806

Re: Case No. 9223 – In the Matter of the Application of The Potomac Edison Company d/b/a Allegheny Power for a Certificate of Public Convenience and Necessity (“CPCN”) to Construct the Maryland Segments of a 765 kV Transmission Line and a Substation in Frederick County, Maryland

Dear Executive Secretary Romine:

On February 28, 2011, The Potomac Edison Company (“Applicant” or “Potomac Edison”) withdrew its application in the above-referenced proceeding. At that point, the proceeding in this matter ended. Nevertheless, the Sugarloaf Conservancy, Inc. (“Sugarloaf”) has improperly requested that the Commission attach certain conditions to this withdrawal that would apply if the need for the PATH Project arises in the future. Sugarloaf would have the Commission create various requirements without basis in statute or regulation, including those ceding Commission jurisdiction, that the Applicant would have to satisfy prior to filing a new application for a Certificate of Public Convenience and Necessity (“CPCN”) to construct the line. *See* Sugarloaf’s Response to Applicant’s Notice of Withdrawal (“Sugarloaf Response”).¹ The Applicant addressed these proposed conditions in a March 4, 2011 letter to the Commission (“Letter”). Sugarloaf has now responded to the Applicant’s Letter with arguments for why the Commission should adopt its approach. *See* Sugarloaf’s Reply to Applicant’s Letter. This supplemental letter provides additional response from the Applicant.

¹ Specifically, Sugarloaf has asked that any future application be accompanied by: (1) “a third-party independent analysis of the subject project and alternatives, including the costs associated with each;” (2) “a projection of peak power demand forecast of energy needs for 15 years;” (3) “a third-party independent analysis of PJM’s energy forecast;” (4) “for any substation associated with the project, proof that the Applicant has obtained all applicable local zoning and land-use approvals necessary for the substation to be located and constructed in the defined location;” and (5) “a description of all additional future plans (whether or not a component of the PATH project) for any substation associated with the project.” Sugarloaf Response at 2.

Sugarloaf asks the Commission to establish requirements unique to this Applicant and this project. This is neither consistent with responsible transmission infrastructure planning nor with § 7-207 of the Public Utilities Article (“PUA) and accompanying regulations in COMAR 20.79. The statute and implementing regulations describe the specific filing criteria for a CPCN application and contain none of Sugarloaf’s requirements. A CPCN proceeding must review the need for the proposed project. *See* PUA § 7-207(f). As the Commission is aware, PJM Interconnection, L.L.C. (“PJM”) is the regional planning entity that directs transmission owners to construct new projects based on PJM’s reliability analyses. Accordingly, Potomac Edison would only file a new application for the PATH Project if it is *directed* to do so by PJM in order to remedy projected reliability violations. If Sugarloaf and other intervenors disagree with PJM’s reliability forecasts at that time they are free to question and challenge them during the proceeding. The Applicant will, of course, respond to any properly propounded data requests by Sugarloaf or other intervenors that relate to Sugarloaf’s proposed conditions and any other matters relevant to the PATH Project if a future proceeding is required.

The Applicant accordingly requests that the Commission reject Sugarloaf’s proposed conditions.

Very truly yours,



J. Joseph Curran, III
Counsel to the Applicant

cc: The Honorable Douglas R. M. Nazarian
The Honorable Dennis H. Sober
Randall B. Palmer
Jeffrey P. Trout
Mindy L. Herman
Service List – Case No. 9223