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William M. Gausman
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February 9, 2007

Lawrence Mansueti
Office of Electricity Delivery and Energy Reliability
US Department of Energy
Rm. 8H-033
1000 Independence Avenue
Washington, D. C. 20585

Re: Potomac River Generating Station
Department of Energy, Case No. EO-05-01

Dear Mr. Mansueti:

Potomac Electric Power Company (“Pepco”) is providing you with the following information regarding the revised plan for transmission outages for the 230 kV circuits that are scheduled during the upcoming months. In accordance with its internal procedures developed pursuant to the December 20, 2005 order in the above-captioned proceeding, Order No. 202-05-03, and pursuant to the expanded notice required in Order No. 202-07-02, issued on January 31 Order, Pepco will provide advance notification of the outages to Mirant, PJM, the Department of Energy (“Department”), the Federal Energy Regulatory Commission, the Environmental Protection Agency, the Virginia Department of Environmental Quality, the Virginia Attorney General’s Office, and the City of Alexandria’s attorneys and will coordinate the outages with those entities to the extent necessary.

Over the past few weeks, Pepco has been conducting a series of in-depth review meetings to schedule each phase of the remaining work on this project. As part of this review, a risk assessment was also conducted that evaluated the work to be performed, factors that could prevent the work from being completed and efforts that could be performed to reduce this risk. In reviewing the work to be performed during the anticipated May and June outages, we identified that an outage will be required on both 230kV circuits to allow our crews to safely install a section of bus below the existing equipment at Palmers Corner Substation. If this schedule is left unchanged, PJM would require the generation at the Potomac River Generating Station to match, or follow the

load, so that there is always generation running equal to the load being supplied from the Potomac River Substation. However, during the month of June, 2007, the load requirements could exceed the available generation. Such a situation would prevent the needed outage from being granted. The result would be the deferral of the completion of the new 230kV circuits until the fall of 2007. In addition, this would place all of the customers supplied from this substation at an increased risk for outages for the period of time that both 230kV circuits are out of service.

In an effort to reduce these risks, Pepco has proposed to PJM that an additional outage be taken during April, 2007. During this April outage, work will be performed to install the new bus section under the existing circuits. Pepco will also install the new 230kV cable into the termination point at Palmers Corner. This installation, which was originally planned during the June outages, requires work that is in close proximity to the existing circuits. By performing this work during April, Pepco increases the potential to obtain the required outages in June and reduces the magnitude of work to be performed during the June outage. April was chosen because the historical loads during that period are between 325 to 340 MWs on the weekend and 375 to 425 MWs during the weekdays. Both of these amounts are well below the total generating capacity of the station.

The revised outages are as follows:

Outage Duration	Number of Circuits Out
April 14-15	1
April 21-22	1
April 25-29	1

Based on the above, Pepco believes that this revised outage and work plan will provide the highest degree of reliability and will require the least amount of generation to operate to serve as a backup to the remaining 230kV circuit. This plan also provides for a higher probability of completing the scheduled June outage within the proposed timeframe.

If you need any additional information, please contact the undersigned.

Respectfully submitted,

/s/ William M. Gausman

William M. Gausman

Vice President – Asset Management
Potomac Electric Power Company

cc: Service list in EO-05-01