January 6, 2006

By Overnight and Electronic Mail

The Honorable Samuel W. Bodman
Secretary of Energy,
United States Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Re: Department of Energy Order No. 202-05-03 in Response to Emergency Complaint and Petition of the District of Columbia Public Service Commission, DOE Docket-EO-05-01:

Dear Secretary Bodman:

Following the release of the Department of Energy’s Order No. 202-05-3 issued December 20, 2005 (the “Order”), both the Virginia Department of Environmental Quality (“DEQ”) and the City of Alexandria (the “City”) have filed letters asserting an imminent breach of the Order. PJM responds to those letters and takes issue both (i) with the assertion of an imminent breach of the Order, and (ii) the suggestion that maintenance of transmission facilities serving the District of Columbia be deferred until some later date.

The purported breach alleged by the DEQ and City is associated with the need to dispatch units at the Potomac River plant beginning this weekend. This dispatch is necessary in order to generate electricity to support the continued reliable provision of service to customers in the District of Columbia during a planned maintenance outage of one of two critical transmission lines serving the District of Columbia. This maintenance outage is scheduled to begin Monday, January 9, 2006. Without dispatch of Potomac River, it would not be possible to conduct the scheduled maintenance without the unacceptable risk of load loss in the District. The contention that somehow the conduct of this maintenance and the resultant dispatch constitute violation of the Order is wholly unfounded. Importantly, the very outage that the DEQ and City now complain was acknowledged explicitly by the Department in its Order and formed a basis for the decision and direction therein contained.

Furthermore, it is periodically necessary for an outage to occur on one of the transmission lines because of the need to perform maintenance. In fact, maintenance is scheduled on one of the lines in the next few weeks . . . Throughout such a period, if the Plant is not fully operational a blackout in Central D.C. is only one step away. (The Order, section V, p.7, emphasis added).
In short, the maintenance outage scheduled by the Potomac River Electric Power Company, owner of the transmission line in question, has been publicly noticed for many months and was one of the necessary and narrow reliability events that required the exercise of your statutory authority as noted in the Department’s Order in this proceeding.

Moreover, based on information available to PJM and its expertise as an independent operator of the transmission grid, proceeding with the transmission facilities’ maintenance as scheduled represents prudent action, particularly in light of the incident less than three weeks ago where one of the transmission lines serving the District tripped. In PJM’s judgment it would be unacceptable to delay the maintenance pending the possibility of changed circumstances at the Potomac River Plant that may, or may not, ultimately prove to satisfy the environmental interests of the DEQ and City.

In essence, what the City and DEQ have requested is a stay of the Order. There is no basis to grant such extraordinary action. Indeed, to take such action would expose critical load in the District of Columbia to an unacceptable reliability risk.

Very truly yours,

[Signature]

Vincent P. Duane

cc:

Mr. Kevin Kollivar
Mr. Lawrence Mansueti
Ms. Lisa Johnson
Mr. John Britton
Mr. Kirk Emge
Ms. Sheila Hollis
Mr. Carl Josephson