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December 29, 2009

Via Electronic Filing

Hon. Joel H. Peck Clerk State Corporation Commission Document Control Center Tyler Building, 1st Floor 1300 East Main Street Richmond, Virginia 23219

Application of

PATH Allegheny Virginia Transmission Corporation for Certificates of Public Convenience and Necessity to Construct Facilities: 765 kV Transmission Line through Loudoun, Frederick, and Clarke Counties Case No. PUE-2009-00043

Dear Mr. Peck:

Enclosed is PATH Allegheny Virginia Transmission Corporation's Amendment to Motion to Withdraw Application and Terminate Proceeding in Case No. PUE-2009-00043.

Sincerely yours,

Richard D. Gary

RDG/tms Enclosure

cc: Hon. Alexander F. Skirpan, Jr.

William H. Chambliss, Esq.

Service List

Noelle J. Coates, Esq.

BEFORE THE STATE CORPORATION COMMISSION COMMONWEALTH OF VIRGINIA

APPLICATION OF)	
)	
PATH ALLEGHENY VIRGINIA)	
TRANSMISSION CORPORATION)	Case No. PUE-2009-00043
)	
For certificates of public convenience)	
and necessity to construct facilities:)	
765 kV Transmission Line through)	
Loudoun, Frederick, and Clarke Counties)	

AMENDMENT TO MOTION TO WITHDRAW APPLICATION AND TERMINATE PROCEEDING

PATH Allegheny Virginia Transmission Corporation ("PATH-VA") filed its Motion to Withdraw Application and Terminate proceeding ("Motion") on December 21, 2009, which requested the Commission's approval to withdraw the application for certification of electric transmission facilities (the "Potomac Appalachian Transmission Highline," or "PATH Project"). The Motion stated that PATH-VA's intention was to file a new application in early 2010 based on the most current information then available with regard to the PATH Project and to propose a procedural schedule for the Commission's consideration that would be aligned with the existing procedural schedule for the pending application in West Virginia and the recently-filed application in Maryland for the portions of the PATH Project that will be constructed in those states.¹

¹ The West Virginia Public Service Commission recently granted a motion for modification of the procedural schedule in that state to consider the PATH Project's certification request. Simultaneous with the filing of the Motion, an application was filed in Maryland for authorization to construct the PATH Project.

On December 4, 2009, the Hearing Examiner requested that PATH-VA supplement the record in this proceeding with the results of additional load flow analyses. PJM has diligently pursued these sensitivity analyses, as requested by the Hearing Examiner. These sensitivity analyses, particularly Scenarios 3 and 4, include updated changes in generation projects with signed Interconnection Service Agreements, anticipated demand response and new energy efficiency resources that cleared the May 2009 RPM auction, and the 2009 load forecast (Scenario 3) and the recently released preliminary updated 2010 load forecast (Scenario 4). Although not fully completed, PJM's work has progressed to a point where, under Scenarios 3 and 4, the analysis indicates that the PATH Project would not be needed to resolve NERC reliability violations in 2014, as identified in the pending application. Consistent with its regional transmission planning responsibilities, PJM will incorporate the sensitivity analysis as noted above and perform a complete analysis through the more comprehensive 2010 RTEP process to determine when the PATH Project will be needed.² The sensitivity analyses noted above, are not comprehensive and are not sufficient for the purpose of determining a need date for the project.

PJM has acknowledged these results to PATH-VA and has stated:

PJM is, at this time, completing a number of sensitivity analyses, as ordered by the Hearing Examiner in the Virginia proceeding, Case No. PUE-2009-00043, with respect to the need for the PATH Project. These analyses are nearing completion but suggest a delay in the need date for the Project. Specifically, scenarios that include the demand response resources that cleared through the 2012/13 RPM Base Residual Auction, as well as updated queue information and load forecasts, suggest that the PATH Project appears not to be needed in 2014 as a result of a

² Although the Motion stated that PATH-VA's intention was to file a new application for the PATH Project in early 2010, there is no intention now to do so. PJM's ongoing review including the 2010 RTEP process will dictate when a future application for the PATH Project will be filed and that is not expected to be earlier than the third quarter of 2010.

reduction in the scope and severity of observed NERC reliability violations. Consistent with PJM processes, the PATH Project will be considered in the 2010 RTEP next year to determine when it will be needed to resolve NERC reliability violations. (Letter to James R. Haney, Vice President, PATH Allegheny Virginia Transmission Corporation and Michael Heyeck, Senior Vice President -Transmission, American Electric Power Service Corporation from Steven R. Herling, Vice President of Planning, PJM Interconnection L.L.C., dated December 28, 2009.)

These new developments raise questions about the ability of PATH-VA to support the Application now on file with the Commission that is based on a need for the PATH Project in 2014. To avoid any further administrative burden and expenditures of time and resources by the Commission, Staff and Respondents, PATH-VA believes these proceedings should be ended promptly by granting PATH-VA's Motion and allowing the withdrawal of this Application. Consistent with that belief and request, PATH-VA will, at the oral argument on the Motion scheduled for Wednesday, December 30, 2009, renew its motion to suspend the procedural schedule immediately.³ In light of PJM's current analyses, approval of the PATH Project will not be pursued through the currently filed Application. Once PATH-VA receives PJM's full analysis, as documented by PJM in its 2010 RTEP process, PATH-VA will determine when an application will be pursued.

³ PATH-VA filed a Motion to Suspend Procedural Schedule coincidental with the filing of this Motion. The Hearing Examiner denied that Motion in his Ruling of December 21, 2009 because to do so would make it "unlikely that the hearing could begin on January 19, 2010 ..." and thereby make it "very difficult to complete the case within the federally-mandated one-year period." Because the Applicant no longer supports the Application on file with the Commission and there is no longer a reason to have a hearing beginning on January 19, 2010, a suspension of the procedural schedule would be most appropriate and would stop all further expenditures of time and resources on this Application. If withdrawal is granted, PATH-VA, as a result of such withdrawal, will not request action by the FERC as to a construction permit for the PATH Project in Virginia pursuant to Section 216(b)(1)(c) of the Federal Power Act.

WHEREFORE, PATH-VA moves the Commission to grant its request to withdraw its application for certification of the PATH Project.

Respectfully submitted,

PATH ALLEGHENY VIRGINIA TRANSMISSION CORPORATION

Dated: December 29, 2009

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CERTIFICATE OF SERVICE

I hereby certify that on this 29th day of December 2009, a true copy of the foregoing Motion was delivered by hand or mailed, first-class, postage prepaid, to the attached service list, which was copied from the Commission's electronic service list in Case No. PUE-2009-00043 on December 29, 2009 and to the following:

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