



**Federal Energy Regulatory Commission
June 16, 2011
Open Commission Meeting
Staff Presentation
Item E-17**

"Good morning Mr. Chairman and Commissioners. E-17 is a draft order granting Northeast Transmission Development's petition for declaratory order for transmission rate incentives with respect to two new transmission projects, contingent on PJM Interconnection including the projects as economic enhancements in the Regional Transmission Expansion Plan through its regional planning process.

Northeast Transmission estimates that the proposed Liberty East Project will consist of approximately 30 miles of new, single or double circuit 230 kV transmission line in southeastern Pennsylvania. The Liberty East Project will run from the Hunterstown substation to a new Conewago substation located in York County, Pennsylvania.

Northeast Transmission estimates that the proposed Kanawha Project will consist of approximately 100 miles of new, single or double circuit 345 kV transmission line in West Virginia and Virginia. The Kanawha Project will run from the existing Kanawha substation in West Virginia to the Bath County substation in Virginia.

Northeast Transmission anticipates that each of the projects will address critical congestion issues and that the Benefit/Cost ratios will be significantly higher than the threshold required by the PJM Tariff to qualify as economic enhancements.

The draft order finds that Northeast Transmission has demonstrated that the Liberty East Project and the Kanawha Project are non-routine, based on the scope, effects, risks, and challenges facing each project, and conditionally grants the requested incentives, contingent on PJM including the Projects as economic enhancements in the PJM RTEP through its regional planning process.

The draft order rejects Northeast Transmission's request for authorization to use a forward-looking formula rate subject to true-up, without prejudice to Northeast Transmission providing additional justification for such a rate in a subsequent proceeding.

We would be pleased to respond to your questions. Thank you."