



17 North Second Street
12th Floor
Harrisburg, PA 17101-1601
717-731-1970 Main
717-731-1985 Fax
www.postschell.com

John H. Isom

jisom@postschell.com
717-612-6032 Direct
717-731-1985 Fax
File #: 2507/140066

February 3, 2010

BY E-FILING AND BY HAND

James J. McNulty
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
PO Box 3265
Harrisburg, PA 17105-3265

RE: Application of PPL Electric Utilities Corporation Filed Pursuant to 52 Pa. Code Chapter 57, Subchapter G, for Approval of the Siting and Construction of the Effort Mountain #1 & #2 138 kV Taps in Chestnuthill and Polk Townships, Monroe County, Pennsylvania - Docket No. A-2010-2152104

Dear Secretary McNulty:

On January 8, 2010, PPL Electric Utilities Corporation ("PPL Electric") filed the above-referenced Application with the Pennsylvania Public Utility Commission ("Commission") requesting approval to site and construct the Effort Mountain #1 and #2 138 kV Taps ("Effort Mountain Taps").

A prehearing conference in the above-referenced proceeding has been scheduled to be held on March 23, 2010 before Administrative Law Judge Wayne L. Weismandel (the "ALJ").

The ALJ has requested that PPL Electric provide a written statement of its position regarding the timing of the final Commission order in this proceeding and the applicability of Section 216(b) of the Federal Power Act ("FPA") to the Effort Mountain Taps. This letter provides that statement of position.

Under Section 216(b)(1)(C) of the FPA, a public utility may file an application with the Federal Energy Regulatory Commission ("FERC") for approval of the siting and construction of certain high voltage transmission lines if a state public utility commission that has authority to approve those facilities has "withheld approval for more than 1 year after the filing of an application seeking approval pursuant to applicable law" To avoid triggering this provision, the

February 3, 2010

Page 2

Commission would need to act on PPL Electric's Effort Mountain Application on or before January 8, 2011.

It is not clear whether the FERC has authority under Section 216(b) of the FPA to approve the Effort Mountain Application. If a state commission has not acted within 1 year, Section 216(b) authorizes FERC to approve only transmission lines that are both situated in a National Interest Electric Transmission Corridor and meet the following five criteria:

- Will be used for the transmission of electric energy in interstate commerce;
- Is consistent with the public interest;
- Will significantly reduce transmission congestion in interstate commerce and protect or benefit customers;
- Is consistent with sound national energy policy and will enhance energy independence; and
- Will maximize, to the extent reasonable and economical, the transmission capabilities of existing towers or structures.

Although FERC has not provided substantial guidance in interpreting Section 216(b) of the FPA, in Order No. 689, at page 42, it explained that:

“While commenters have raised a number of valid public interest considerations, the Commission cannot adopt an exclusive list of factors or construct a bright-line test to determine whether a project meets all the statutory criteria. It is difficult to construct helpful bright line standards or tests for this area. Bright line tests are unlikely to be flexible enough to resolve specific cases and to allow the Commission to take into account the different interests that must be considered. In reviewing a proposed project, the Commission will consider all relevant factors presented on a case-by-case basis and balance the public benefits against the potential adverse consequences. The Commission will conduct an independent environmental analysis of the project and determine if there is no significant impact as required by NEPA. It will look at alternatives, including, as appropriate, alternatives other than transmission lines, and consider whether the proposed facilities would maximize the use of existing transmission facilities. It will review the alternatives for their respective impacts on the environment and will determine mitigation measures to lessen the adverse impacts. The Commission will review the proposed project and determine if it reduces the transmission congestion identified in DOE's study and if it will protect or benefit consumers. It

will investigate and determine the impact the proposed facility will have on the existing transmission grid and the reliability of the system.”

The Effort Mountain Taps meet the first prong of the test for determining whether it may be subject to review and approval by the FERC. The Effort Mountain Project is located entirely in Monroe County, and all of Monroe County is within the Mid Atlantic National Interest Electric Transmission Corridor, and therefore, it meets the geographic requirements of Section 216(b) of the FPA. Because FERC has not issued definitive interpretations of the five findings required for FERC authority to approve a transmission project, however, the applicability of Section 216(b) of the FPA to the Effort Mountain Project is uncertain.

PPL Electric has reviewed this matter carefully. PPL Electric believes that there should not be any difficulty in completing litigation of the Effort Mountain Application before the Commission in less than one year. The Effort Mountain Taps will be only 5.7 miles in length, and PPL Electric is not aware at this time of any substantial opposition to the project.

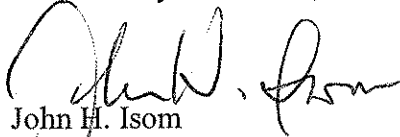
If the litigation of the Effort Mountain proceeding is concluded within one year, issues related to Section 216(b) of the FPA become moot. Conversely, if the Commission does not approve the Effort Mountain Application in one year or less, Section 216(b) of the FPA may apply. For these reasons, PPL Electric cannot, at this time, waive the possible applicability of Section 216(b) of the FPA to the Effort Mountain Project.

If, however, substantial opposition to the Effort Mountain Project materializes and it becomes difficult to establish a schedule that will conclude the litigation before the Commission within one year, PPL Electric will consider a limited extension of the term for Commission approval of the Effort Mountain Application under Section 216(b) of the FPA.

Nothing in this letter is intended to waive any other rights PPL Electric may have under the FPA or otherwise regarding the filing of an application with FERC for review or approval of this project.

I am providing an electronic copy of this letter to ALJ Weismandel.

Respectfully Submitted,



John H. Isom

JHN/jl

cc: Honorable Wayne L. Weismandel