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June 19, 2002

William F. Stephens, Director  
Division of Energy Regulation  
Virginia State Corporation Commission  
P.O. Box 1197  
Richmond, VA 23218-1197

**Re: Stakeholder Comments for Feasibility Study**  
**Directed By Senate Bill 684**

Dear Mr. Stephens:

On behalf of The Potomac Edison Company, d/b/a Allegheny Power, I wish to respond to your letter dated May 29, 2002 requesting written comments addressing the "*feasibility, effectiveness and value*" of collecting the information detailed in Senate Bill 684. Overall, we feel that the effectiveness and value of this data in determining the adequacy of energy infrastructure in Virginia is minimal at best.

As a preliminary matter, AP observes there are heightened security procedures affecting the nation in general and owners of critical infrastructure in particular following the tragic events of September 11, 2001. AP requests that security issues be given serious consideration when weighing the effectiveness and value of collecting such information against the increased security risks of allowing that information to reach a wider audience.

Regarding the feasibility of collecting the generation data referenced in Section A of Senate Bill 684, AP can provide historical information for the period of January 1, 1996 through July 31, 2000. AP transferred ownership of its electric generating facilities to Allegheny Energy Supply, LLC on August 1, 2000 with the exception of four small hydro electric units which were subsequently transferred on June 1, 2001. These transfers were approved by Commission Orders dated July 11, 2000 in Case No. PUE000280 and December 14, 2000 in Case No. PUA000064. Since June 1, 2001, AP no longer owns generation in the Commonwealth but rather now purchases electric generation supply under a FERC-approved contract to meet its default service obligations in the Commonwealth. Accordingly, AP is no longer a "generator of electric energy operating within the Commonwealth" as that phrase is used in Section A of Senate Bill 684.

Similarly, effective April 1, 2002, AP transferred operating control of its transmission facilities in the Commonwealth to an RTO, PJM West. Since that time, AP's transmission lines have been under control of the RTO and transmission data is being maintained by PJM, not AP

To address the feasibility of collecting the transmission data referenced in Senate Bill 684, AP could provide limited historical data concerning transmission facilities as follows:

Section B.(i) AP's System Operations does not calculate individual line transfer capabilities. Thermal ratings of individual lines are available, but this data is not normally considered the same as transfer capabilities. Although the basic rating of a line does not change over time, ratings do change as equipment is upgraded. System Operations does not have a time-series account of the changes due to equipment upgrades. Nor do they have time-related data regarding switching among seasonal rating differences.

Section B.(ii) AP's System Operations has maintained electronic records of ATC calculations. These records consist of daily, weekly, monthly, and annual ATCs going back to at least January 1997. The volume of data to be collected and delivered would be substantial. Alternatively, historical information about control area to control area transfer capabilities might be obtained from ECAR or VEM seasonal reports. Transaction Accounting is able to provide the reservations and actual use. However, reservations prior to OASIS would be in paper format which would take a huge amount of manpower to assemble.

Section B.(iii) System Operations has records of prearranged and unarranged outages from about 1999 (and possibly to 1997 if the earlier versions of the database can be converted to Office 2000), but earlier records probably do not exist.

Section B.(iv) The actions to relieve each overloading event probably are retained in some form for a few of the most recent years of history, but reassembling the material would be a huge task. Before that, Allegheny used RCP cuts, and System Operations doubts that the documentation remains. This might be answered in the generic sense that we have used loading relief in the form of network configuration, RCP, or TLR as appropriate.

Section B.(v) Transaction Accounting would be able to provide the hourly flows into and out of the Allegheny Power control area.

Mr. William F. Stephens

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AP will cooperate with Staff in providing what information it can concerning the operation of electric generation and transmission facilities in the Commonwealth. Again, this is assuming that the historical data is available to AP. However, AP believes that the effectiveness and value of the data referenced in SB 684 in determining the adequacy of energy infrastructure in Virginia is minimal at best. Rather, a more suitable emphasis should be given to the current condition of the energy infrastructure and how it is responding to current conditions; that is, *current* adequacy. Assumptions about growth and the environment of the future are then appropriate to determine potential or existing weak spots in the infrastructure that are in need of reinforcement. The industry provides information of this nature in annual FERC 715 filings. In terms of the current infrastructure's situation, its future needs are determined by looking ahead, not back, in time.

Should there be questions concerning the Company's position in this matter, please contact me.

Very truly yours,

A handwritten signature in cursive script, reading "Robert C. Carder, Jr.", written in black ink.

Robert C. Carder, Jr.