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Steven R. Herling
Vice President, Planning

January 25, 2016

Colonel Jason E. Kelly
District Commander, Army Corps of Engineers
803 Front Street
Norfolk, Va. 23510

Subject: Skiffes Creek Project

Dear Colonel Kelly,

PJM is a regional transmission organization ("RTO") that ensures the reliability of the electric transmission system under its functional control. PJM coordinates the movement of wholesale electricity in the PJM Region, which consists of all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia. In its role as an RTO, PJM is responsible for planning and operating the bulk electric transmission system and administering the wholesale electricity market in the PJM region. As part of its ongoing responsibilities as an RTO, PJM prepares a Regional Transmission Expansion Plan ("RTEP") to analyze the electric supply needs of the customers in the PJM region.

During the development of the 2012 RTEP, PJM identified numerous grid reliability criteria violations in the Virginia Electric and Power transmission system. The reliability criteria violations were driven by the scheduled deactivation of generators at the Dominion Yorktown facility in York County Virginia. PJM identified the Skiffes Creek project as the preferred and most effective solution to address the expected reliability problems. PJM's subsequent RTEP restudies continue to validate the need for the project. Based on recently updated analysis, the reliability criteria violations are expected to occur immediately following the retirement of the Yorktown generators. The project continues to be needed even considering the updated load forecasts in the recently released 2016 PJM Load Forecast Report. Mandatory reliability standards, approved by the Federal Energy Regulatory Commission require PJM to implement a solution to address the reliability criteria violations. The current Skiffes Creek 500 kV project is the most effective and efficient solution to address the reliability criteria violations.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Herling", written in a cursive style.

Steven R. Herling

Cc: Ronnie Bailey - Dominion
Steve Chafin - Dominion
Scott Miller - Dominion
Randy Steffey - USACE
William Walker - USCE

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