

Rodney L. Dickens
Vice President - Asset Management
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Public Service Electric and Gas Company
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November 21, 2007

Mr. Steven R. Herling
Vice President – System Planning
PJM Interconnection, L.L.C.
955 Jefferson Avenue
Valley Forge Corporate Center
Norristown, Pennsylvania 19403-2497

Dear Mr. Herling:

**PJM JUNE 22, 2007 RTEP - PUBLIC SERVICE ELECTRIC AND GAS COMPANY
RESPONSE TO NOTIFICATION OF DESIGNATION OF CONSTRUCTION
RESPONSIBILITY**

This letter is in response to your letter of October 9, 2007, notifying Public Service Electric and Gas Company (PSE&G) of its designation of construction responsibility for identified RTEP projects, in accordance with the notification requirements of the PJM Transmission Owners Agreement, Section 4.2. One of the identified projects is the Susquehanna - Roseland 500kV Project, which PJM has assigned to PPL for the Pennsylvania portion of the project and to PSE&G for the New Jersey portion of the project. This letter specifically responds to the designation of construction responsibility for PSE&G's portion of the Susquehanna - Roseland 500kV Project. PSE&G will address in a separate letter all other projects indicated on Attachment 1 to the October 9, 2007 letter.¹

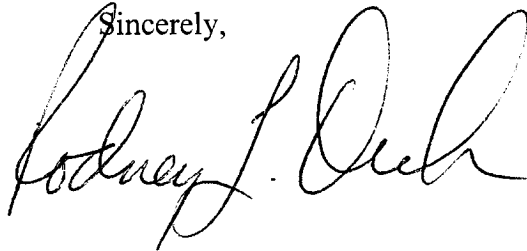
In accordance with Section 4.2 of the PJM Transmission Owners Agreement, PSE&G acknowledges and accepts construction responsibility for the portion of the Susquehanna - Roseland 500kV Project (Project B0489) located in the PSE&G Transmission Zone in New Jersey. Part of the New Jersey portion of the line may cross the Jersey Central Power and Light Company Transmission Zone on PSE&G-acquired right-of-way (R/W) that is occupied by existing PSE&G-owned transmission facilities. PSE&G will construct and own any portion of the Project that will occupy existing PSE&G R/W. FirstEnergy has informed both PPL and PSE&G that it desires to assign to PPL and PSE&G, respectively, construction responsibility and

¹ This response is limited to the requirements of Section 4.2 of the Transmission Owners Agreement and is not intended to address or raise any issues regarding the current or future cost allocation for the subject facilities. Any such issues should be addressed as part of the proceedings related to those issues.

ownership for any portions of the Project that would be located in the Metropolitan Edison Company Transmission Zone in Pennsylvania and the Jersey Central Power and Light Company Transmission Zone in NJ. Accordingly, both PPL and PSE&G have accepted construction responsibility and ownership for any portions of the project that would be located in the two FirstEnergy companies' transmission zones. Therefore, PPL has construction responsibility and ownership for the entire Pennsylvania portion of the project and PSE&G has construction responsibility and ownership for the entire New Jersey portion of the project.

PSE&G, PPL and FirstEnergy are coordinating efforts to meet the desired June 1, 2012 in-service date for the Susquehanna - Roseland 500kV Project. The June 1, 2012 in-service date is very ambitious and PPL and PSE&G are committed to rigorous project management on all aspects of the project - siting, licensing, permitting, R/W and land acquisition, engineering, equipment purchase/delivery, construction and pre-operational testing - to ensure the greatest possible likelihood of success in meeting the desired in-service date. At this time, however, neither PPL nor PSE&G can project that the June 1, 2012 in-service date can be achieved nor suggest an alternative date that is more likely to be achieved. A detailed schedule is being developed jointly among PSE&G, PPL and FirstEnergy and will be provided to PJM as soon as possible.

Sincerely,



PDN:gw

C Transmission Owners Agreement - Administrative Committee
K.C. Hanemann
E.A. Khadr
R.J. Marinelli