

BEFORE THE
STATE CORPORATION COMMISSION

JOINT APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY D/B/A
DOMINION VIRGINIA POWER,

and

CASE NO. PUE-2007-00031

TRANS-ALLEGHENY INTERSTATE LINE COMPANY

For certificates of public convenience and necessity
to construct facilities: 500 kV Transmission Line from
Transmission Line # 580 to Loudoun Substation

APPLICATION OF

TRANS-ALLEGHENY INTERSTATE LINE COMPANY

For certificates of public convenience
and necessity to construct facilities:
500 kV Transmission Line from Virginia-West Virginia
Boundary to Virginia Electric and Power Company
Transmission Line # 580

CASE NO. PUE-2007-00033

APPLICATION OF

THE POTOMAC EDISON COMPANY AND TRANS-ALLEGHENY
INTERSTATE LINE COMPANY

For Approval of a Contract or Arrangement
with an Affiliated Interest

COMMISSION STAFF MOTION FOR
EXTENSION OF PROCEDURAL DATES

The Staff of the State Corporation Commission ("Commission") has determined that it
needs additional time to complete the investigation directed by Ordering Paragraph (25) of the
Commission's Order for Notice and Hearing of June 1, 2007, entered in these cases.

Accordingly, the Staff moves that procedural dates set by the Order for Notice and Hearing be

extended as follows:

Respondent Testimony - From October 9, 2007, to December 4, 2007

Staff Testimony - From November 5, 2007, to January 8, 2008,

Applicants' Rebuttal Testimony - From December 3, 2007, to February 5, 2008

The Staff also moves that the hearing now set for January 14, 2008, be convened to hear additional public witnesses and that the hearing for receipt of opening statements and the testimony of applicants, respondents, and Staff be convened on February 25, 2008.

The complexity of these cases and recent developments require additional time for the Staff to investigate the application and to prepare testimony and exhibits. The application is both complex and novel. Voluminous studies support the application, and the Staff requires time to review the models and assumption supporting the companies' documentation. Further, the proposed transmission line and related facilities are the product of the Regional Transmission Expansion Plan (RTEP) procedure implemented by PJM, L.L.C. Additional layers of analysis and extended discovery are necessary for the Staff to evaluate the project.

The 2007 iteration of the RTEP procedure has introduced a new and complex element that the Staff must now consider. Allegheny Energy, Inc., the parent of applicant Trans-Allegheny Interstate Line Company ("TrAILCo"), announced on August 23, 2007, the proposed construction of the Potomac-Appalachian Transmission Highline. The project includes 244 miles of 765-kV transmission from American Electric Power's Amos substation near St. Albans, W.Va., to Allegheny Energy's Bedington substation near Martinsburg, W.Va. A twin-circuit 500-kV line would be constructed from Bedington to a new Allegheny Energy substation at Kemptown, Md. (See Attached Allegheny Energy press release.) The capacity of the proposed facility, its terminal point, and its project need date, 2112, mandate that the Staff investigation

extend to this project. The Commission and Virginia consumers will ask whether both the project addressed in these applications and the Potomac-Appalachian Transmission Highline are required. The Staff cannot express a position on the need for both lines without additional time to investigate.

The complexity of the application and the new factor of an additional line justify providing additional time for the Staff to investigate and to prepare. The extensions in the schedule suggested by the Staff generally maintain the timing between the filing of respondent testimony, Staff testimony, and applicant rebuttal testimony. The hearing date set by the Commission's Order for Notice and Hearing undoubtedly reflected December holidays. Granting the extensions proposed by the Staff would allow scheduling the hearing three weeks after the filing of applicant rebuttal.

The initial scheduling also anticipated federal designation of National Interest Electric Transmission Corridors pursuant to Sec. 1221 of the National Energy Policy Act of 2005, to be codified at 16 U.S.C. § 216. This provision directed the U.S. Department of Energy to conduct studies of transmission congestion and to designate corridors where critical transmission facilities were required. In the event that a state does not approve an application to construct a transmission line in a National Interest Corridor within a year of filing, the applicant utility may apply to the Federal Energy Regulatory Commission for approval of a project. Should an application for approval of a line along a route subsequently designated National Interest Corridor be pending before a state commission, the one-year period for approval runs from the date of designation of the corridor Sec. 1221 (b) (1)(C)(i).

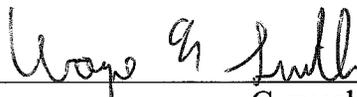
As of today, possible National Interest Corridors have been identified, and the route proposed for this application lies within a corridor. However, the Department of Energy has not

designated any corridors. So far as the Staff knows, the Department of Energy has not announced when the designations might be made. If corridors were designated today, the Commission would have until September of 2008 to rule on the application before the option to seek federal approval became available to the applicants. The extensions in the schedule would not preclude the Commission from taking final action within a year of the designation of a national interest corridor.

The Commission Staff needs additional time to conclude a complete investigation. The pendency of national interest corridors does not preclude making the modest modifications proposed. The Staff respectfully requests that its motion be granted.

Respectfully submitted,

THE STAFF OF THE STATE
CORPORATION COMMISSION

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Dated: September 19, 2007

CERTIFICATE OF SERVICE

I hereby certify that on this 19th day of September, 2007, a true copy of the foregoing "Commission Staff Motion for Extension of Procedural Dates" was mailed, postage prepaid, to counsel on the attached list.

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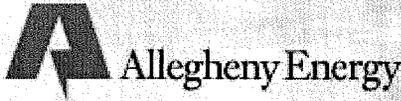
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August 23, 2007 09:00 AM Eastern Daylight Time

Allegheny Energy and AEP Finalize Joint Venture to Build Transmission Line

PATH Will Link West Virginia and Maryland

GREENSBURG, Pa.--(BUSINESS WIRE)--Allegheny Energy, Inc. (**NYSE:AQE**), today announced that it finalized its transmission joint venture agreement with American Electric Power (**NYSE:AEP**). The companies announced plans earlier this year to create a joint venture to build the Potomac-Appalachian Transmission Highline (PATH), a 290-mile, high-voltage transmission line.

The project includes 244 miles of 765-kV transmission from AEP's Amos substation near St. Albans, W.Va., to Allegheny's Bedington substation, northeast of Martinsburg, W.Va. Another 46 miles, consisting of twin-circuit 500-kV lines, will be constructed from Bedington to a new substation to be built and owned by Allegheny at Kempton, located southeast of Frederick, Md.

The companies expect the total project cost to be approximately \$1.8 billion. Allegheny's share of the estimated costs will be approximately \$1.2 billion. PJM Interconnection, LLC, the regional transmission organization, identified June 2012 as the system need date for the project.

The name of the joint venture holding company is Potomac-Appalachian Transmission Highline, LLC. Work will begin on a routing study and environmental assessment for the project in the early fall of 2007, which will require about one year to complete. Following the completion of the routing study, the joint venture's operating companies will seek approvals from the utility regulatory commissions in both West Virginia and Maryland for the project.

The operating companies of the joint venture will operate as transmission utilities and be subject to the rules and regulations of the Federal Energy Regulatory Commission (FERC), PJM, and state regulatory authorities in West Virginia and Maryland. AEP will have lead responsibility for engineering, designing and managing the construction of the 765-kV elements of the project through a service agreement with the joint venture operating companies. Allegheny will have similar responsibilities for 500-kV elements. Each company will provide services to the joint venture operating companies for siting, acquiring rights-of-way, securing regulatory approvals from the states the line crosses and maintenance of the project.

Allegheny's Trans-Allegheny Interstate Line (TrAIL), a separate 210-mile project targeted for completion in 2011, would not be part of the joint venture. The agreement also does not preclude either company from pursuing other transmission opportunities in PJM.

Allegheny Energy

Headquartered in Greensburg, Pa., Allegheny Energy is an investor-owned electric utility with total annual revenues of over \$3 billion and more than 4,000 employees. The company owns and operates generating facilities and delivers low-cost, reliable electric service to over 1.5 million customers in Pennsylvania, West Virginia, Maryland

and Virginia. For more information, visit our Web site at www.alleghenyenergy.com.

Forward-Looking Statements

In addition to historical information, this release contains a number of "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Words such as anticipate, expect, project, intend, plan, believe, and words and terms of similar substance used in connection with any discussion of future plans, actions, or events identify forward-looking statements. These include statements with respect to: rate regulation and the status of retail generation service supply competition in states served by Allegheny Energy's distribution business, Allegheny Power; financing plans; demand for energy and the cost and availability of raw materials, including coal; provider-of-last-resort and power supply contracts; results of litigation; results of operations; internal controls and procedures; capital expenditures; status and condition of plants and equipment; capacity purchase commitments; regulatory matters; and accounting issues. Forward-looking statements involve estimates, expectations and projections and, as a result, are subject to risks and uncertainties. There can be no assurance that actual results will not materially differ from expectations. Actual results have varied materially and unpredictably from past expectations. Factors that could cause actual results to differ materially include, among others, the following: plant performance and unplanned outages; changes in the price of power and fuel for electric generation; general economic and business conditions; changes in access to capital markets; complications or other factors that render it difficult or impossible to obtain necessary lender consents or regulatory authorizations on a timely basis; environmental regulations; the results of regulatory proceedings, including proceedings related to rates; changes in industry capacity, development and other activities by Allegheny Energy's competitors; changes in the weather and other natural phenomena; changes in customer switching behavior and their resulting effects on existing and future load requirements; changes in the underlying inputs and assumptions, including market conditions used to estimate the fair values of commodity contracts; changes in laws and regulations applicable to Allegheny Energy, its markets or its activities; the loss of any significant customers or suppliers; dependence on other electric transmission and gas transportation systems and their constraints or availability; changes in PJM, including changes to participant rules and tariffs; the effect of accounting policies issued periodically by accounting standard-setting bodies; and the continuing effects of global instability, terrorism and war. Additional risks and uncertainties are identified and discussed in Allegheny Energy's reports filed with the Securities and Exchange Commission.

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