



Office of the Ohio Consumers' Counsel

February 1, 2018

PJM Board of Managers
PJM Interconnection, L.L.C.
P O Box 1525
Southeastern, PA 19399-1525

Mr. Andrew L. Ott
President and Chief Executive Officer
PJM Interconnection, L.L.C.
P O Box 1525
Southeastern, PA 19399-1525

RE: Integration of Ohio Valley Electric Corporation into PJM

Dear PJM Board of Managers and Mr. Ott:

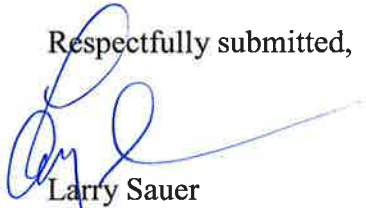
The Office of the Ohio Consumers' Counsel ("OCC") requests that PJM Interconnection, L.L.C. ("PJM") undertake a study of the costs and benefits to Ohio consumers of the proposed integration of Ohio Valley Electric Corporation ("OVEC") into PJM. The decision to allow this integration should not be made in the absence of an understanding of the risks and benefits, if any, to Ohio consumers, and other consumers throughout the PJM region. Conducting such a study is consistent with PJM's past practices extensively studying the cost of integration and providing that information to PJM stakeholders. (It would be most helpful if such a study is completed by February 9, 2018, so that the results can inform the Federal Energy Regulatory Commission ("FERC") integration proceedings [Docket Nos. ER18-459 and ER18-460].)

As OCC explained in its comments filed at FERC, the integration of OVEC into PJM will bring 705 circuit miles of aging 345 kV transmission infrastructure into the region with virtually no additional customers to accompany that integration. OCC is concerned that these 60-year old transmission facilities will soon require significant upgrades to meet PJM deliverability and reliability criteria, putting Ohio consumers and other PJM consumers at significant risk of funding what could be hundreds of millions of dollars in reliability upgrades to these aging facilities.

OVEC seeks to transfer the financial risk of its aging transmission infrastructure and uneconomic generation to consumers in Ohio, and elsewhere in PJM, while providing no economic benefits. From the consumers' perspective, the integration of OVEC will bring no benefits to Ohioans in the form of access to new competitively priced supplies of electricity because the subsidized generation of OVEC is already participating in PJM's energy and capacity markets.

Ohio consumers depend on PJM's wholesale markets for competitively priced supplies of electricity. Studying the costs and benefits to consumers of OVEC's integration is a reasonable and necessary step that should assist FERC in fulfilling its duty to protect customers by ensuring rates are just and reasonable.

Respectfully submitted,



Larry Sauer
Deputy Consumers' Counsel

cc: Bruce Weston, Ohio Consumers' Counsel