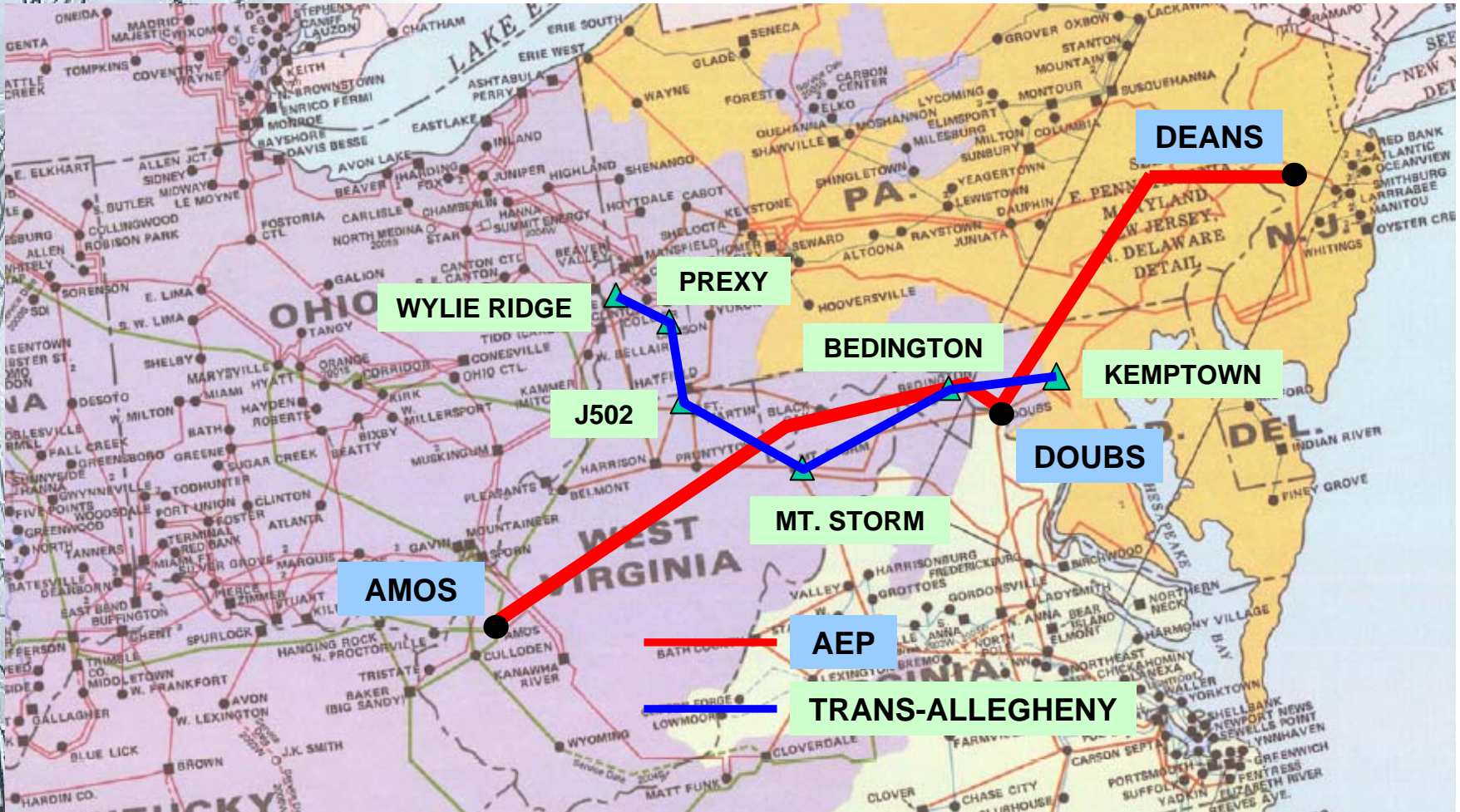


Proposed Multi-Step DOE NIETC Designation Process

- 1) DOE designates NIETCs that exhibit significant congestion and reliability problems in studies or per request and delegates to FERC siting process for action according to statute.
- 2) RTOs, ISOs or individual TOs determine the optimal solution to alleviate the problems identified above.
- 3) DOE designates NIETCs if transmission solutions are found that are not designated NIETCs per step 1.
- 4) State and local agencies fully engage with transmission developers on siting requirements including environmental impact studies. DOE delegates its lead agency role to FERC for federal lands and areas not covered by state and local siting requirements.
- 5) FERC exercises its backstop authority to expedite siting if necessary.

Proposed AEP I-765 and Allegheny Power lines consistent with PJM's early NIETC designation requests - - Final plans will be determined by PJM RTEP process



March 29, 2006

DOE Technical Conference - Mike Heyeck - AEP VP, Transmission