

Proposed 765-kV line in Midwest marks Exelon Transmission's debut

November 4, 2010

By Lynn Doan

Exelon Corp. said a 420-mile, 765-kV transmission line recently proposed to run across Illinois and Indiana marks its Exelon Transmission Co. LLC unit's first venture into the market.

Exelon Transmission, which Exelon created late in 2009 to capitalize on the growing national market for new transmission, served as the "commercial lead" in developing the Reliability Interregional Transmission Extension, or RITE, line, Exelon spokeswoman Judy Rader said Nov. 4. The project, expected to cost \$1.6 billion, is being jointly developed by Exelon and Electric Transmission America, a transmission venture of American Electric Power Co. Inc. and MidAmerican Energy Holdings Co.

ETA and Exelon are proposing to build the RITE line in two segments: One would run from the Ohio-Indiana border to link up with AEP and Duke Energy Corp.'s proposed Pioneer line in central Indiana, then continue on to the Illinois border. A second segment would run from the Indiana-Illinois border into northern Illinois.

While Exelon utility subsidiary Commonwealth Edison Co. is tagged to build the Illinois portion of the project and own 75% of it, Rader said, Exelon Transmission took the lead in establishing the partnership with Electric Transmission America and could end up with a financial stake in the project.

Rader said Exelon and ETA are planning to create an entity that would own 25% of the Illinois portion of the RITE project and 25% of the Indiana portion. Exelon Transmission might claim a piece of those shares, she said, though "it's yet to be determined exactly how that investment is going to play out."

Exelon decided to assign ComEd to build the line in Illinois, Rader said, only because the project is within the utility's territory. Exelon Transmission's primary focus, she said, is identifying "cross-state investment opportunity."

Exelon became one of the first companies to recently establish transmission-only subsidiaries aimed at cashing in on the growing demand for new power lines, particularly to reach remote renewable energy resources. AEP made a similar move in November 2009, and Ameren Corp. followed suit in August. *i*