

ELECTRICITY  
CONSUMERS  
RESOURCE  
COUNCIL



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**John A. Anderson**

President & Chief Executive Officer

July 19, 2007

The Honorable Joseph T. Kelliher  
Chairman  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

RE: FERC Docket Nos. EL07-56-000 and EL07-58-000

Dear Mr. Chairman:

The July 17<sup>th</sup> filing in Docket Nos. EL07-56-000 and EL07-58-000 from the Organization of PJM States, Inc. (OPSI), co-signed by ten of OPSI's state commission members, raises serious concerns regarding PJM's treatment of its Market Monitoring Unit (MMU). These concerns undercut the credibility of PJM and, by extension, all RTOs and ISOs in the eyes of electricity consumers.

ELCON has frequently commented about the disappointment throughout the consumer community with the record of organized markets in providing consumer benefits, including lower prices, new services, or innovative products. If the allegations are true, it is clear that, for PJM at least, the lack of consumer focus was due, in part, to senior PJM executives ignoring recommendations from the PJM's Market Monitoring Unit which was tasked with protecting consumers from market abuses. This problem needs to be resolved as quickly as possible in order to maintain the reputation and credibility not just of PJM but of all ISOs and RTOs. The independence of market monitors must be guaranteed and that independence must not be violated.

ELCON and its members again commend you and FERC for your recently released ANOPR which will address this issue and others that are impeding the forces of competition. We believe that we share with you the common objective of achieving truly competitive wholesale and retail electricity markets. Effective market monitoring is an essential component of achieving that objective. Sadly, as the OPSI submission clearly indicates, it is often a component that is overlooked or ignored.

Sincerely,

A handwritten signature in black ink, appearing to read "John A. Anderson", written in a cursive style.

cc: Comm. Suede Kelly  
Comm. Phil Moeller  
Comm. Marc Spitzer  
Comm. Jon Wellinghoff  
Gen. Counsel John Moot