

December 1, 2010

*Via Electronic Mail*

Howard Schneider  
Chair, Board of Managers  
The PJM Board of Managers  
PJM Interconnection, L.L.C.  
955 Jefferson Avenue  
Norristown, Pennsylvania 19403-2497

**Re: RESPONSE: Consumer Advocate Organization Funding**

Dear Mr. Schneider and Members of the Board:

I have been asked by the advocates to respond to letters sent to the Board opposing CAPS funding by various municipalities and cooperatives who have represented to you that state consumer advocates are not authorized to represent the interests of their customers.

In the short time we have had to respond to this issue, I can confirm that advocates in several states, specifically Maryland, Indiana and Virginia, are authorized to represent customers of municipal electric companies and electric cooperatives at either or both the state and federal levels. There may be some confusion on this point because in some states, municipal and co-operative utilities are not regulated by the state utility commission. However, at the federal level, and relevant PJM stakeholder activities, these utilities are regulated and the consumer advocate offices, at least the ones we have identified so far, represent their customers' interests for that purpose. As consumer advocates, we at times have a different perspective than the management of either a municipal or co-operative utility, which is why it is appropriate that we are designated for a different sector in the PJM stakeholder process than those entities. We believe that our proposal brings value to all customers in the region that far exceeds the modest amount individual customers would be charged. The final decision on that will be FERC's and if the Commission finds that the proposal would not provide such value, it will deny the filing as unjust and unreasonable.

I hope this clarification is useful in your consideration of our proposal.

Very truly yours,

/s/ William F. Fields

William F. Fields  
Senior Assistant People's Counsel  
**Maryland Office of People's Counsel**