THE P3 GROUP

December 3, 2010

PJM Board of Managers
PJM Interconnection, L.L.C.
955 Jefferson Avenue
Valley Forge Corporate Center
Norristown, PA 19403

RE: Creation of Consumer Advocates of PJM, Inc.

Dear Board of Managers,

The PJM Power Providers Group ("P3")[1] would like to join the numerous other parties that have written to you expressing concerns about the funding of a Consumers Advocates of PJM, Inc. (CAPS). P3 membership is comprised of energy providers that are members of PJM, conduct business in the PJM balancing authority area, and are signatories to various PJM agreements. Combined, P3 members own over 75,000 megawatts of power and over 51,000 miles of transmission lines in the PJM region, serve nearly 12.2 million customers and employ over 55,000 people.

While P3 sincerely appreciates and welcomes the participation of consumer interests in the PJM process, we believe that the CAPS proposal represents an inappropriate and unnecessary change to the PJM stakeholder structure. P3 is sensitive to the budgetary challenges facing consumer advocates organizations; however, like all market participants and PJM members, the consumer advocates in the PJM footprint should manage their advocacy efforts without financial support from the other PJM members who may or may not share their views.

P3 notes that some in the industry have challenged the costs of regional transmission organizations such as PJM as being too high. Today, customers and shareowners not only support the costs of PJM, but they also support the existing costs of each of the underlying consumer advocate agencies. These governmental agencies already are publicly funded by assessments on electric utility customers, enacted by duly-elected state governments (or the District of Columbia) and/or through state taxes paid by individual and corporate taxpayers, including P3 members. If the funding for these consumer advocate agencies is insufficient for them to advocate effectively at PJM (and P3 takes no position on this question), they should seek additional funding through the political process and the elected policymakers in each of their States, rather than seeking an additional revenue stream from the PJM tariff.

[1] The views expressed in this letter are the views of P3 as an organization, but not necessarily the views of any particular member with respect to any issue.

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To be clear, P3 does not oppose the creation of CAPS. However, as a matter of equity and sound public policy, P3 cannot support funding such an organization through a PJM Tariff Schedule. Instead, P3 encourages the consumer advocates in the PJM footprint to work with their respective state commissions and legislatures to procure financial support for CAPS or any other similar organization.

Respectfully submitted,

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