



PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG, PENNSYLVANIA

November 17, 2010

Mr. Ed Tatum
Chair, PJM Members Committee
Old Dominion Electric Cooperative
(by electronic mail)

Dear Mr. Tatum:

The Pennsylvania Public Utility Commission ("PaPUC") endorses the position supporting Price Responsive Demand ("PRD") expressed by the Public Utility Commission of Ohio ("PUCO") in its letter to you of November 12, 2010. We note that PRD is an agenda item listed for consideration by the PJM Members Committee at your November 18, 2010 meeting.

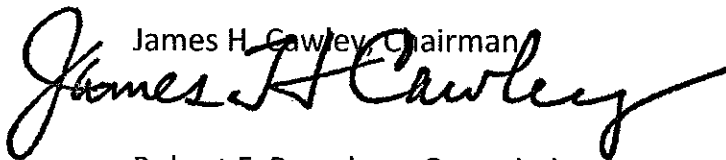
The PaPUC has been a longstanding and strong supporter of PRD, as evidenced by its letter to PJM President Terry Boston on March 26, 2009. In that letter, we affirmed that:

We believe that this proposal could help mitigate extreme energy price volatility and the deferment or avoidance of emergency operating procedures during critical times of peak demand. In addition, it would improve demand elasticity at times of high usage, resulting in a more competitive wholesale market. This is a very noteworthy goal as we, as well as your member electric distribution companies, look to implement Act 129 here in Pennsylvania.

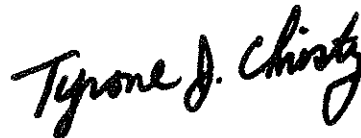
Pennsylvania has established formal statewide policy goals to encourage demand reduction and energy efficiency, as have a number of other states with the PJM footprint. We have encouraged the adoption of advanced metering and other technologies to enable retail customers to better manage costs, strengthen the efficiency and reliability of the grid and improve wholesale and retail competitive markets.

A successful implementation of PRD is critical to the effective implementation of our state's policy goals. We urge PJM and its members to support reasonable and cost-effective revisions to PJM market rules and tariffs to allow the integration of PRD in PJM markets. PRD should be implemented in a way that is additive to existing PJM DSR programs.

Very truly yours,

James H. Cawley, Chairman

Robert F. Powelson, Commissioner



Tyrone J. Christy, Vice Chairman



John F. Coleman, Jr., Commissioner

Robert F. Powelson, Commissioner

cc:

Mr. Terry Boston, President and Chief Executive Officer

Mr. Andrew L. Ott, Senior Vice President, Markets

Mr. F. Stuart Bresler, Vice President Market Operations and Demand Response

Mr. David Anders, Members Committee Secretary

Dr. Paul Sotkiewicz, Chief Economist