UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

)	
Exelon Generation Company, LLC)	Docket No. ER10-1418-000
)	

COMMENTS AND MOTION FOR TECHNICAL CONFERENCE OF THE INDEPENDENT MARKET MONITOR FOR P.IM

Pursuant to Rule 211 of the Commission's Rules and Regulations, 18 CFR § 385.211 (2010), Monitoring Analytics, LLC, acting in its capacity as the Independent Market Monitor for PJM ("Market Monitor"),¹ submits these comments on the Reliability Must-Run Rate Schedule ("RMR") submitted by Exelon Generation Company, LLC ("Exelon") on June 10, 2010 ("June 10th Filing). Exelon's filing is insufficient basis for the Commission to approve the RMR as just and reasonable, and the Market Monitor motions that the Commission institute additional process to ensure that the burden of proof is met. Such additional process could take the form of a technical conference, as this may be sufficient to adequately explore the issues raised in this filing, and the Market Monitor so moves for such a conference.

PJM Interconnection, L.L.C. is a FERC-approved Regional Transmission Organization. Capitalized terms used herein and not otherwise defined have the meaning provide in the PJM Open Access Transmission Tariff.

I. COMMENTS

Exelon has filed for cost recovery based on a detailed set of schedules and supporting testimony which address complex accounting and allocation issues. The schedules and testimony cannot be accepted at face value as they raise questions that require technical review. There is no presumption that Exelon could not provide additional and sufficient support for its proposed RMR, but the Commission should not accept the proposed recovery without providing for itself and others the opportunity to satisfy a number of detailed questions about the schedules and testimony.

For example, the logic underlying the base asset value and the total depreciation to be recovered over the RMR period is not clear from the filing although it has a significant impact on the total requested revenue recovery. There would be an issue if Exelon were requesting recovery of 100 percent of the undepreciated value of the assets over the RMR period. It is unclear whether this is the case, based on the filing. Resolution of these issues is critical for any finding that the proposed RMR is just and reasonable. An RMR is a contract to ensure that PJM has the resources it needs for such time as is necessary to preserve reliability and to ensure appropriate compensation to those resources, not to ensure that investors are guaranteed full recovery of investments which are otherwise at risk in the market. The proposed RMR raises questions as to whether it reflects the appropriately limited purpose of such arrangements.

The Market Monitor requests that the Commission use a technical conference or other form of additional scrutiny to address these and other factual and technical issues in the

Exelon filing including the justification for the assigned allocation factors and assumptions regarding the level of fuel inventories.

II. CONCLUSION

The Market Monitor respectfully requests that the Commission afford due consideration to these comments and grant this motion for a technical conference that would ensure that the proposed RMR has adequate support for approval.

Respectfully submitted,

Joseph E. Bowring Independent Market Monitor for PJM President

Monitoring Analytics, LLC 2621 Van Buren Avenue, Suite 160 Valley Forge Corporate Center Eagleville, Pennsylvania 19403 (610) 271-8051

joseph.bowring@monitoringanalytics.com

Jeffrey W. Mayes General Counsel

Monitoring Analytics, LLC 2621 Van Buren Avenue, Suite 160

Valley Forge Corporate Center

Eagleville, Pennsylvania 19403

(610) 271-8053

jeffrey.mayes@monitoringanalytics.com

Dated: July 15, 2010

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Eagleville, Pennsylvania, this 15th day of July, 2010.

Jeffrey W. Mayes General Counsel

Monitoring Analytics, LLC

2621 Van Buren Avenue, Suite 160

Jeffrey Mayer

Valley Forge Corporate Center

Eagleville, Pennsylvania 19403

(610) 271-8053

jeffrey.mayes@monitoringanalytics.com