

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,



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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.



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