



**Monitoring
Analytics**

Monitoring Analytics, LLC
2621 Van Buren Avenue, Suite 160
Valley Forge Corporate Center
Eagleview, PA 19403
Phone: 610-271-8050
Fax: 610-271-8057

VIA EMAIL & FEDEX

May 4, 2012

David J. Collins
Executive Secretary
Public Service Commission of Maryland
6 Saint Paul Street, 16th Floor
Baltimore, Maryland 21202

Re: Maryland PSC Case No. 9271

Dear Secretary Collins:

Pursuant to the Maryland Public Service Commission's ("Commission") Order to Show Cause in the above referenced proceeding, dated April 12, 2012 ("April 12th Order"),¹ Monitoring Analytics, LLC, acting in its capacity as the Independent Market Monitor for PJM ("Market Monitor"), submits these comments on the Response to Order to Show Cause submitted by the Applicants on April 23, 2012, and the Supplement Response to the Order to Show Cause submitted on April 30, 2012.²

The Market Monitor has reviewed the Applicants' description of the facts and circumstances leading to the Applicants' decision to self report. The Market Monitor is not aware of any additional information inconsistent with the Applicants' description.

The Market Monitor believes that this self report demonstrates the Applicants' commitment to comply with the merger conditions related to behavioral mitigation. The Market Monitor is not concerned that this incident indicates that sufficient mechanisms are not in place in order to enforce compliance.

¹ Order No. 84816.

² The "Applicants" include Exelon Corporation, Constellation Energy Group, Inc., Baltimore Gas and Electric Company and Exelon Energy Delivery Company, LLC.

As the Applicants report, the Market Monitor has assisted the Applicants in determining the amount of revenues received by the Applicants as a result of the submittal of offer caps above the required levels. The Market Monitor agrees that the information provided, as corrected in the Supplement to Response to Order to Show Cause, is accurate.

Applicants' offers above the required levels affected market prices, which resulted in higher revenues to some Applicants' units and higher prices at some load buses. At the request of the Maryland Office of the People's Counsel, the Market Monitor prepared Figure 1, which provides the calculation of the excess day ahead, balancing and total charges at load buses in the state of Maryland in hours when the Brandon Shores and Wagner units were marginal.

Figure 1 Excess Day Ahead, Balancing and Total Load Charges in the State of Maryland

Date	Effect on Day Ahead Load Charges	Effect on Balancing Load Charges	Total Effect on Load Charges
March 13, 2012	\$ 5,303.12	\$ (401.15)	\$ 4,901.97
March 14, 2012	\$ 32,431.36	\$ 938.37	\$ 33,369.73
March 15, 2012	\$ -	\$ 186.82	\$ 186.82
March 16, 2012	\$ 41,202.42	\$ (44.03)	\$ 41,158.39
March 17, 2012	\$ 23,023.94	\$ (189.35)	\$ 22,834.59
March 18, 2012	\$ 9,472.69	\$ (330.10)	\$ 9,142.59
March 19, 2012	\$ 10,974.34	\$ (407.92)	\$ 10,566.42
March 20, 2012	\$ 5,776.81	\$ 280.86	\$ 6,057.67
March 21, 2012	\$ -	\$ 5,703.89	\$ 5,703.89
March 23, 2012	\$ -	\$ 106.43	\$ 106.43
March 26, 2012	\$ 15,678.26	\$ 1,445.24	\$ 17,123.50
March 27, 2012	\$ 227.80	\$ -	\$ 227.80
Total	\$ 144,090.74	\$ 7,289.06	\$ 151,379.80

The Market Monitor agrees that the total impact on load buses in the state of Maryland, \$151,379.80, constitutes, as the Applicants state, "a minimal impact on Maryland ratepayers."³

³ Response to Order to Show Cause at 1.

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The Market Monitor plans to attend the hearing on this matter scheduled for May 9, 2012, 9:00–11:00 a.m., and will make Dr. Joseph Bowring available to address any questions or concerns.

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