

**Organization of PJM States, Inc.**

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July 7, 2006

Magalie R. Salas, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

**Re: PJM Interconnection, L.L.C., Docket Nos. ER06-826-000,
ER06-826-001**

Dear Ms. Salas:

On June 26, 2006, the PJM Interconnection, L.L.C. ("PJM") filed what it styled as a motion and "answer" to the Comments of the Organization of PJM States, Inc. ("OPSI") and to the comments and protests of other parties which were filed in this proceeding on June 8, 2006.¹ By its own admission, PJM concedes that its filing is not permitted by your Commission's procedural rules, and on that basis OPSI respectfully requests that PJM's motion in this regard be denied and its "answer," be summarily rejected.²

This filing by PJM is inappropriate. It is also a mischaracterization of the openness of the comment and decision-making process of that RTO, particularly with respect to the operation of the PJM Market Monitoring Unit ("MMU").

Beyond the procedural bar to PJM's filing, the nature of PJM's reaction to comments should not be sanctioned by your Commission. In its "answer," PJM is careful not to direct its rhetoric to any individual commenters or protestors, but it makes a number of extraordinary and unsupportable statements when PJM accuses parties of: "triggering an open season on [PJM's] governance,"³ demanding "radical and *ultra vires* relief,"⁴ attempting to "hijack a proceeding,"⁵ and in attempting to turn a disagreement between the parties and PJM-RTO into a jurisdictional conflict between the parties and your Commission.⁶ The final assertion by PJM is unacceptable.

¹ OPSI filed Comments, only, under 18 CFR §385.214.

² OPSI consists of the public utility regulatory agencies of the following states: Delaware, District of Columbia, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, and West Virginia. Please note that the Illinois Commerce Commission and the West Virginia Public Service Commission are not participating in this filing.

³ *Motion for Leave to File Answer and Answer of PJM Interconnection, L.L.C.*, Docket Nos. ER06-826-000, ER06-826-001 at p. 3.

⁴ *Id.* at 5.

⁵ *Id.* at 7.

⁶ *Id.* at 16, 18.

The unprecedented tone of PJM's "answer," which must be applied to all protesting parties, conveys the unfortunate impression that PJM will not tolerate dissent beyond its own stakeholder process. OPSI submits that in this respect, the PJM "answer" suggests a new and disturbing tone for state-RTO discussions going forward. Given the responsibility placed on RTOs for open communication by both your Commission and the Energy Policy Act of 2005, PJM's filing is a cause for grave concern in that the "answer," suppresses dialogue, it does not encourage it.

Further, PJM's attempt to interpose its stakeholder process as the only forum for comment in matters involving the RTO is unacceptable. To accept PJM's "answer," will effectively vest the RTO with procedural control of any controversy by suppressing the right of comment before your Commission.

In conclusion, OPSI submits that for your Commission to accept the PJM filing of June 26, 2006, may invite a request for evidentiary hearings that will expand the scope of this proceeding to include the essentials of PJM's governance, which is the very result PJM inveighs against in its, "answer." While such an investigation may, in fact, be warranted, OPSI submits that this is not the proceeding in which to do that, and PJM's motion filed on June 26, 2006 should be denied and rejected by your Commission.

Respectfully submitted,

/s/

Dennis J. Buckley
Executive Director, OPSI

cc: Chairman Joseph T. Kelliher
Commissioner Nora Mead Brownell
Commissioner Suedeen G. Kelly

Document Content (s)

OPSI.DOC.....1