

Mirant Corporation
1155 Perimeter Center West
Atlanta, Georgia 30338-5416

ILLINOIS
COMMERCE COMMISSION
2005 MAR - 1 P 2:31
CHIEF CLERK'S OFFICE
MIRANT

February 22, 2005

The Honorable Carolyn Krause
Republican Spokesperson, Electric Utility Oversight Committee
Illinois State Representative
State Capitol
Springfield, Illinois 62706

Re: Support for the adoption of Illinois Commerce Commission policy establishing the use of competitive resource procurement processes by Illinois electric utilities.

Dear Representative Carolyn Krause:

Currently before the Illinois House Electric Utility Oversight Committee is the issue of how Illinois electric utilities shall obtain power and energy resources to serve retail load obligations under Illinois law. Mirant Corporation encourages this Committee to consider and recognize the expert finding by the Illinois Commerce Commission staff on this specific issue. In the ICC staff "Post-2006 Initiative Final Report", the staff concluded that competitive procurement processes are the most effective way for Illinois utilities to deliver reliable service and competitive pricing to the retail consumers of power and energy. This conclusion was derived after a summer-long workshop process at which Illinois stakeholders and industry experts participated.

Mirant is an independent power supplier with 18,000 MW of generating capacity in North America. We have merchant power facilities in both Indiana and Michigan and are active participants in the Midwest ISO and in PJM. The establishment of competitive resource procurement processes in a functioning market such as PJM brings to consumers efficient wholesale and retail pricing exposure, reliable supply options, and encouragement for additional infrastructure investment in the region.

All of these benefits should be the goal of the ICC and the state of Illinois as it transitions to open competitive energy markets. States where such models have been utilized have reported significant benefits to their consumers. For example, the New Jersey Board of Public Utilities has identified the following advantages from the use of a competitive procurement process: supply provided by the lowest-cost suppliers; retail pricing that is more efficient and market-reflective, supply risk that is managed by market and not the utility, and increased participation of wholesale suppliers in market.

Mirant respectfully encourages this Committee to consider and recognize the ICC conclusion on the utilization of competitive procurement processes at the scheduled hearings on this issue this month. If you should have any questions or would like to discuss further Mirant's position on this subject, please do not hesitate to contact me.

Sincerely,

Aldie Warnock

Senior Vice President
Governmental & Regulatory Affairs
(678) 579-5145 Work Phone
aldie.warnock@mirant.com

Cc: Jack Unzicker, Democratic House Staffer
Patrick Evans, Republican House Staffer
Chairman, Edward C. Hurley
Scott Wiseman, Executive Director ICC
Anne Pramaggiore, Exelon Corporation

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The Honorable George Scully
Chairperson of Electric Utility Oversight Committee
Illinois State Representative
State Capitol
Springfield, Illinois 62706

Re: Support for the adoption of Illinois Commerce Commission policy establishing the use of competitive resource procurement processes by Illinois electric utilities.

Dear Representative George Scully:

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The Honorable Patrick Verschoore
Vice-Chairperson, Electric Utility Oversight Committee
Illinois State Representative
State Capitol
Springfield, Illinois 62706

Re: Support for the adoption of Illinois Commerce Commission policy establishing the use of competitive resource procurement processes by Illinois electric utilities.

Dear Representative Patrick Verschoore:

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