

January 19, 2007

The Honorable Edward G. Rendell
Governor of Pennsylvania
225 Main Capitol Building
Harrisburg, PA 17120

Dear Governor Rendell:

The electricity customers who have signed this letter strongly support the development of competitive electricity markets and encourage the Commonwealth of Pennsylvania to maintain its commitment to policies which allow for the continued evolution and implementation of such markets, especially the Commonwealth's competitive retail market. Electricity competition has contributed to Pennsylvania's remarkable economic growth and provides the best route toward energy independence. In addition, wholesale and retail electric markets will bring about and sustain the most competitive prices for consumers.

In Pennsylvania, we collectively represent 4,411 facilities and over \$120 million in annual electricity costs as consumers of electricity. Electricity is one of the most substantial costs to our business operations which ends up impacting our 122,000 employees in the state and thousands of Pennsylvania customers who visit our stores each week. A number of our facilities have realized savings on electricity by participating in the competitive market.

We urge you to encourage policies that allow consumers to choose from the best and broadest array of choices in electricity products and services.

We believe that regional competitive wholesale markets for electricity with independent oversight, as we have in the PJM marketplace in Pennsylvania and 12 other states, provide access to generation at the lowest available cost, promote transparency and reliability, enhance the nation's transmission infrastructure, and provide price signals that promote sound investment decisions regarding generation, transmission, demand response, and energy efficiency.

Our companies' collective experiences in Pennsylvania and many other states reflect that well-designed, competitive electricity markets allow our businesses to recognize substantial savings on electricity costs, which can in turn be passed on to customers through lower priced consumer goods and services. Fostering policies in Pennsylvania and our region which allow commercial electricity users to manage their energy purchases in an efficient manner is critical to achieving such savings.

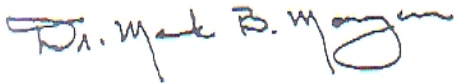
The goal of all policymakers should be to ensure reasonably priced and reliable electricity for consumers. Competition keeps costs as low as possible, drives innovation, and produces the benefits customers are seeking. This is true whether you're talking about telecom services or the changes in the automobile industry in the last quarter century. It is also true for electricity.

It's easy to forget what the world was like before competitive forces took hold. Consumers demanded the right to choose their own energy supplier, recognizing that competition imposes maximum downward pressure on prices, that competitive pressures do not exist in a regulated vertically integrated monopoly structure that lacks competition, and that they were paying far more for electricity commodity services than would be the case in a competitive market.

There was less incentive for utilities to save money than there is under competition, and no opportunity for captive customers to choose a lower cost provider. Many of these captive customers were the businesses -- small and large -- that create jobs and grow the economy.

We respectfully request that you and your Administration continue developing policies that allow such benefits to be achieved and that allow customers the ability to fully participate in competitive wholesale and retail electric energy markets in the Commonwealth of Pennsylvania. We participate in markets for virtually all goods and services, and believe that electricity competition is the path forward for Pennsylvania.

Respectfully submitted,



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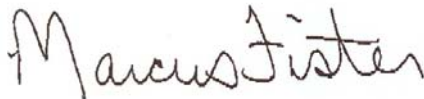
Robert J. Keller
Energy Management & Engineering
Services Director
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Cliff Shannon
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SMC Business Councils
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Pennsylvania)



Angela S. Beehler
Director, Energy Regulation
Wal-Mart Stores, Inc.



Marcus Fister
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cc: David Myers, Deputy Chief of Staff
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