

March 23, 2009

The Honorable Martin O'Malley
Governor of Maryland
100 State Circle
Annapolis, MD 21401-1925

Dear Governor O'Malley:

The electricity customers who have signed this letter appreciate your concern around energy prices but believe a market based system is the way to solve the problem. We strongly oppose any efforts to re-regulate the Maryland electric markets. We are part of the 71% of commercial and industrial customers who have successfully shopped for power options in the competitive market that meet our companies' individual needs. We encourage Maryland to maintain and enhance the State's commitment to policies which foster the continued evolution and implementation of a competitive electric market that brings about and sustains the most competitive prices and innovative products for consumers and ensures reliability.

Together we represent 2,073 facilities in Maryland, 501,147 Maryland employees, and over \$123 million in annual electricity purchases in the state. Electricity is one of our largest operating costs and when we have control of this cost our growth and profitability are enhanced. One way we have controlled the cost of electricity is to participate in the competitive market, and our continued economic viability depends in part on our ability to obtain electric service from competitive suppliers. Every dollar saved on energy expenses by our companies is a dollar that goes to the bottom line. These savings help us continue to offer affordable, high quality products and services to our customers as well as fund other important corporate initiatives and social responsibility efforts. The competitive model overwhelmingly yields more benefits to customers over the long term.

Re-regulation aimed at eliminating "customer choice" for all Maryland customers, as well as requiring ratepayers to bear the risk of any new generation built or contracted for by the utilities will negatively impact customers. Millions of dollars and countless hours have been invested by Maryland stakeholders to determine how competitive markets and customer choice should be implemented. Indiscriminately eliminating customer choice will have far reaching negative impacts on all Marylanders including businesses and educational institutions operating in the State. Eliminating reliance on the use of competitive markets will also discourage investment in renewable energy resources and new and innovative technologies.

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 the maximum downward pressure on prices, that competitive pressures do not exist in a vertically integrated monopoly structure that lacks competition, and that they were paying far more for electric commodity services than would be the case in a competitive market. A return to a regulated market structure will reward utilities for being inefficient and wasteful, will lead to a reduction in a desire to meet customer needs, and will discourage investment in renewable energy. We must remember that businesses – small and large – create jobs and grow

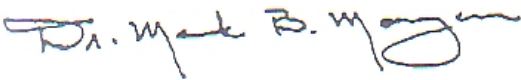
the economy. Control of operating expenses – such as the cost of electricity – is a critical component of profitability and growth.

Energy resources are under ever increasing demand. This demand, coupled with costs associated with meeting climate change initiatives as well as an aging infrastructure and other social policies, will result in a likely increase in energy prices. It only makes sense that customers be empowered to take control of their energy destiny by making informed decisions in a well structured competitive market.

In today's financial crisis, limiting a customer's choices for managing operating costs and risk is dangerous. Choice in energy suppliers empowers customers to implement a longer term energy strategy that employs innovative energy products and services to manage risk and cost. These tools are more important now than ever to maintain the health of business operations. Customer choice is a critical tool for Maryland businesses to weather the current economic downturn gripping the state and the nation.

We respectfully request that you and your Administration continue developing policies that allow the benefits of competitive retail and wholesale markets to be realized by all Maryland customers. We participate in competitive markets for virtually all goods and services and believe that customer choice for electric supply is the best path forward for Maryland.

Sincerely,



Dr. Mark B. Morgan
Director Engineering and Energy
7-Eleven, Inc.



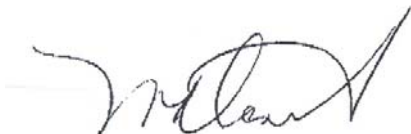
W. Dustin Mirick
Manager, Utilities and Energy Management
Best Buy Co., Inc.



Jeff Dummermuth
Director, Energy & Engineering
Big Lots Stores, Inc.



Barry F. Scher
Vice President Public Affairs
Giant Food LLC



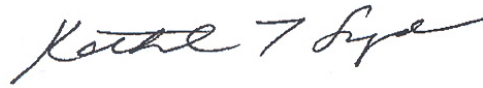
Marita S. Daniels
Area Plant Manager
International Paper



Steve Elsea
Director of Energy Services
Leggett & Platt, Inc.



William R. Lyon
Operating Vice President - Energy Services
Macy's Inc.



Kathleen T. Snyder, CCE
President / CEO
Maryland Chamber of Commerce



Tom S. Saquella
President
Maryland Retailers Association



W.J. Balsamo
Corporate Energy Manager
PetSmart, Inc.



George Waidelich
Vice President - Energy Operations
Safeway Inc.



Bob Valair
Director of Energy and Environmental
Management
Staples



Angela S. Beehler
Sr. Director of Energy Regulation /
Legislation
Wal-Mart Stores, Inc.



Nate Garvis
Vice President of Government Affairs and
Senior Public Policy Officer
Target

cc: Thomas V. Mike Miller, Jr., Senate President
Thomas McLain Middleton, Chairman, Senate Finance Committee
John C. Astle, Vice Chair, Senate Finance Committee
Members, Maryland State Senate
Michael E. Busch, Speaker of the House
Dereck Davis, Chairman, Economic Matters Committee
Douglas R. M. Nazarian, Chairman, Maryland Public Service Commission
Harold D. Williams, Commissioner, Maryland Public Service Commission
Allen M. Freifeld, Maryland Public Service Commission
Susanne Brogan, Maryland Public Service Commission
Lawrence Brenner, Maryland Public Service Commission