



FEDERAL ENERGY REGULATORY COMMISSION

July 17, 2008

Commissioner Philip D. Moeller

Docket Nos. OA08-30-000, OA08-34-000, OA08-47-000, OA08-48-000, OA08-33-000, OA08-38-000, OA08-35-000, OA08-23-000, OA08-55-000, OA08-55-001, OA08-55-002, OA08-28-000, OA08-54-000, OA08-54-001, OA08-54-002, OA08-31-000, OA08-31-001, OA08-56-000, OA08-56-001, OA08-56-002, OA08-40-000, OA08-57-000, OA08-57-001, OA08-57-002, OA08-43-000, OA08-99-000, OA08-99-001, OA08-118-000, NJ08-5-000, OA08-25-000 and OA08-26-000

Item Nos. E-1, E-2, E-3 and E-4

Statement of Commissioner Philip D. Moeller on Open Access Transmission Tariff Planning

"It is a fact that our nation needs more transmission investment in every geographic region. However, as a native of the Pacific Northwest, I am particularly interested in the efforts by the Western transmission owners to develop transmission planning processes that get transmission built. ColumbiaGrid, WestConnect, Northern Tier Transmission Group, WECC's TEPPC and the Western transmission owners and providers should be commended for their efforts. Interested entities are now coming to the table to discuss transmission planning at the local, sub-regional and regional level. This is progress and we need to see the momentum continue

This Commission has been very resourceful in setting up a process to engage interested parties to improve the planning efforts in each region. One of the greatest strengths of that process has been to let a region decide how to improve its transmission planning efforts for the benefit of the region.

However, controversial aspects of the planning process, such as cost allocation, may delay the process since there is a misperception of winners and losers. While some think of cost allocation as a zero-sum game, I do not. Benefits greatly exceed the costs for the majority of participants in nearly all cases. The Blue Ribbon Panel Report titled "A National Perspective on Allocating the Costs of New Transmission Investment: Practice and Principles" was issued in September 2007. This Report contained some excellent cost allocation principles and I remain interested in any feedback.

Also, in a recent conference with RTO and ISO leadership and their market monitors, we heard some good observations about the benefits of transmission organizations. One of the benefits that cannot be discounted is that while they have struggled with cost allocation, these transmission organizations have developed mechanisms to allocate costs with input from all stakeholders, including state regulators, neighboring utilities, customers and independent transmission owners.

Ultimately, I am glad to be part of a Commission that believes that building more transmission is necessary. Bringing additional energy to the market increases fuel choices for customers and will help to encourage long-term price stability."