



FEDERAL ENERGY REGULATORY COMMISSION

Date April 17, 2008
Docket No. PL07-2-000
Item No. G-1

Commissioner Jon Wellinghoff

**Statement of
Commissioner Jon Wellinghoff
on
Composition of Proxy Groups for Determining Gas and Oil Pipeline Return on Equity**

"I agree that our decision to include MLPs in proxy groups will make those proxy groups more representative of the business risks of the regulated firm whose rates are at issue.

It is important to note, however, that the Commission is making no finding at this time as to the particular corporations and/or MLPs that should be included in any particular proceeding. The composition of the proxy groups will be determined on the basis of the individual records.

In that regard, we direct the parties in individual rate cases to provide as much information as possible regarding the business activities of each firm they propose to include in the proxy group, such as their recent annual SEC filings and investor service analysis of the firm. I would also urge the regulated firm whose rate of return is at issue to provide specific, detailed analysis and information regarding the business risk it faces, when supporting its requested placement within the zone of reasonableness. In particular, I would like to see included in such filings the views of experts from the financial community, with supporting documentation.

I support this Policy Statement."