



**Federal Energy Regulatory Commission  
October 19, 2006  
Open Commission Meeting  
Statement of  
Commissioner Philip D. Moeller**

**Review for Modifications to Jurisdictional Agreements**

"The standard by which the Commission will review jurisdictional agreements has drawn a considerable amount of attention during recent years, and for good reason. Parties to such contracts are increasingly concerned about the standard under which their contract will be judged, and while this concern is understandable, I personally believe that more has been made out of this issue than is warranted. In my opinion, the difference between the statutory "just and reasonable" standard and the Supreme Court's *Mobile-Sierra* "public interest" standard is minimal in its application as the sanctity of contracts would be recognized and respected under either standard.

That being said, I support the continued use of the "public interest" standard of review. I believe that this standard provides the requisite certainty and stability to the energy markets while also permitting the Commission to undertake its statutory responsibility to protect customers in those limited instances when the Commission must consider contract reform. While some may argue that the "public interest" standard is "practically insurmountable", I do not. As an independent regulator with an obligation to protect ratepayers, I am confident that the "public interest" standard allows me to both fulfill this responsibility while also supporting well-functioning and competitive markets."