



**Federal Energy Regulatory Commission
January 18, 2007
Open Commission Meeting
Statement of
Commissioner Philip D. Moeller**

Item M-2: Standards of Conduct for Transmission Providers (RM07-1-000)

"Today's decision to establish a rulemaking proceeding acknowledges the fact that the Commission's existing Standards of Conduct for electric transmission providers are in need clarification and revision. Unfortunately, actual experience with these standards during the past few years has informed us that the implementation of Order No. 2004 has not been smooth, resulting in confusion within the industry and unintended consequences for the markets.

Since the goal of our Standards of Conduct requirements is to prevent undue preferences by ensuring a level playing field between affiliates and non-affiliates, I believe that we must make these regulations clearer in areas where there is industry uncertainty and to address areas of concern that were not addressed. In the context of integrated resource planning, I will pay close attention to standards that could inhibit the development of markets and infrastructure by restricting the sensible coordination between transmission and generation planning. However, even though the NOPR proposes to allow for communications between resource and transmission planners during the IRP process, I recognize that safeguards must be in place to protect against affiliate abuse and undue discrimination.

I expect that this proceeding will provide us with an opportunity to adequately revise our regulations and provide needed guidance regarding the Standard of Conduct's prohibitions on the sharing of information and key personnel. This is an important market issue that has real-world implications and I will look forward to reviewing comments from interested parties in the months ahead."