FEDERAL ENERGY REGULATORY COMMISSION

STATEMENT

Date March 20, 2008
Docket No. RM07-1-000
Item No. M-1

Commissioner Philip D. Moeller

Statement of Commissioner Philip D. Moeller on Standards of Conduct for Transmission Providers

"This is not the first time and probably not the last time that I will contend that it is the government's responsibility to provide clear rules to the industry so that the regulated entities are able to comply with the rules. If entities do not comply with our rules, we should be able to enforce them. Today's proposed rule is another attempt by the Commission to provide clear guidance with regard to the Standards of Conduct.

The primary purpose of our proposed reforms is to strengthen the Standards of Conduct by making them clearer. Clarifying these rules will better prevent affiliate abuse in the manner most likely to foster compliance by the industry and strengthen our enforcement efforts. In addition, adopting the functional separation approach, expanding the no conduit prohibition and enhancing transparency will refocus these rules in the areas where there is the greatest potential for affiliate abuse: transmission providers unduly discriminating in favor of their marketing affiliates. Also, very importantly, I do not think today's approach offers any less protection for the consumer.

I look forward to receiving people's thoughts on our "new but old" proposed rule."