



**Public Utilities
Commission**

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*Written Remarks of Todd Snitchler, Chairman of the Public Utilities Commission
of Ohio*

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Good morning, Chairman and Commissioners, thank you for having me here to speak today. My name is Todd Snitchler and I am the chairman of the Public Utilities Commission of Ohio. I also serve as the co-vice chair on the NARUC Committee on Gas and will be speaking in both capacities.

I want to thank FERC for inviting us to participate in this important conference. A collaborative effort and dialogue between state and federal regulators is essential as we meet our national energy goals, so I appreciate this opportunity.

I have been invited to discuss the state of reliability. In my view as Chair of the PUCO, the electric grid in my State and across the country is reasonably reliable. We know we have some antiquated infrastructure – investments are being made and will continue to be needed -- nonetheless, overall the Nation's electricity customers receive reliable service. We will never be able to prevent all outages, whether through bulk electric system reliability standards or system upgrades. For instance, when there is a fourteen-foot storm surge severe weather power outages are a likely result. For the most part, utilities are able to restore service as quickly and safely as possible.

There are several points that NARUC and I would like to emphasize when considering reliability standards. First and foremost, it's imperative any new or revised reliability standards demonstratively provide reliability benefits to consumers that justify their costs. Secondly, reliability enforcement should focus on violations that pose the highest risk of reliability to the bulk power system. And thirdly, results should be measured to ensure the efficient allocation of industry resources to those areas that pose a higher risk to the reliability of the bulk power system.

NERC's recent State of Reliability Report suggests there are just a small percentage of violations in the serious impact category, which is promising news. However, as State regulators, we must remember statistics represent actual people—our constituents. Interacting directly with retail electric customers, we see firsthand how outages or interruptions, due to contingency events or failures to comply with NERC standards, have an immediate effect on utility customers. For this reason, State commissions should be partners with FERC and NERC. Our point of view brings value to the discussion in terms of thinking about managing compliance costs and determining where investments should be made, because as State regulators we must ultimately approve cost recovery from customers for the cost of maintaining reliable service. Hypothetically, we may be able to have the most stringent standards and a 100% reliable system, but if no one can pay for it, what's the point?

I want to acknowledge the efforts of NARUC President Philip Jones, who has made it a point of his presidency to ensure that NARUC is fully participating on NERC's committees, I have the honor of serving as one of two State Government Sector representatives on NERC's Membership Representative Committee, marking the first time in quite awhile that a State commissioner served in this role. There are about twenty state commissions that comprise the membership of this NERC sector.

I share President Jones' sentiments that having State commissioners participate is important because we can share ideas and provide important feedback directly to NERC's Board of Trustees. Additionally, encouraging state commission staff to serve on other NERC committees, including the compliance and operations committees, has helped to ensure our local voices are represented. Having recently become active with NERC, I understand why State commission participation at NERC needs to be re-energized. NERC's subject matter is extremely technical and as a standards producing organization requiring industry stakeholder input, NERC has a complex and time-consuming process for producing the standards submitted to FERC under Section 215. It seems the States in general have a light touch involvement in the NERC process. While some States have a staff member on a technical committee, state commissions vary based on staff size, so this is not the norm. In general, it is difficult for State commissions to monitor and contribute to the NERC process and overall, this diminishes the value of the

standards process. All States are impacted by what NERC does and we all share the same goal of a reliable electric grid.

Personally, I am looking forward to working with NERC and FERC on ensuring the reliability of the nation's electric grid and to be able to provide important feedback on the reliability and cost impacts to local ratepayers.

Thank you for the opportunity to participate in this important dialogue and I look forward to answering questions you may have.