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BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION

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IN THE MATTER OF: :  
CONSENT MARKETS, TARIFFS AND RATES - ELECTRIC :  
CONSENT MISCELLANEOUS ITEMS :  
CONSENT MARKETS, TARIFFS AND RATES - GAS :  
CONSENT ENERGY PROJECTS - HYDRO :  
CONSENT ENERGY PROJECTS - CERTIFICATES :  
DISCUSSION ITEMS :  
STRUCK ITEMS :  
- - - - -x

870TH COMMISSION MEETING  
OPEN MEETING

Commission Meeting Room  
Federal Energy Regulatory  
Commission  
888 First Street, N.E.  
Washington, D.C.

Wednesday, October 6, 2004  
10:10 a.m.

1 APPEARANCES:

2 COMMISSIONERS PRESENT:

3 CHAIRMAN PAT WOOD, III, Presiding

4 COMMISSIONER NORA MEAD BROWNELL

5 COMMISSIONER JOSEPH T. KELLIHER

6 COMMISSIONER SUEDEEN G. KELLY

7 SECRETARY MAGALIE R. SALAS

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19 ALSO PRESENT:

20 DAVID L. HOFFMAN, Reporter

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1 P R O C E E D I N G S

2 (10:10 a.m.)

3 CHAIRMAN WOOD: Good morning. This meeting of  
4 the Federal Energy Regulatory Commission will come to order  
5 to consider the matters which have been duly posted for this  
6 time and place.

7 Let's start with the Pledge to the Flag.

8 (Pledge of Allegiance recited.)

9 CHAIRMAN WOOD: Before we start, I do have a  
10 couple of things to say. I would like to welcome to my  
11 personal staff, a wonderful young attorney who had been with  
12 the Office of General Counsel for the past several years.  
13 He graced us with an acceptance to come work with me.

14 That's Jason Stanek. Welcome, Jason.

15 (Applause.)

16 CHAIRMAN WOOD: He replaces Larry Crocker. Larry  
17 is now the Deputy General Counsel for General Administrative  
18 Law -- Associate General Counsel for General Administrative  
19 Law, handing a lot of the duties that the wonderful Ms.  
20 Court handled in her prior position. I appreciate all the  
21 hard work that everyone does around here to keep the trains  
22 running on time and all the laws of our government fully  
23 complied with.

24 We had a nice event yesterday and we recognized a  
25 number of -- I think 81 FERC employees for the years they've

1 had in government service, those that have been here this  
2 calendar year for 20 years, 25 years, 30, 34, 40, 45, and I  
3 would like to point out one particular employee who has also  
4 been a good friend and a mentor for me, for both my times  
5 here at the Commission.

6 He stood out as being our sole recipient of our  
7 50 Years of Federal Service Award, as of August 4th of this  
8 year. Chief Judge Curtis Wagner completed his 50 years of  
9 civilian Federal Government Service. He served in both the  
10 Criminal and Civil Divisions of the U.S. Department of  
11 Justice, serving in a civilian capacity as Chief of the  
12 Regulatory Law Division at the Army's Office of Judge  
13 Advocate General.

14 Prior to entering the government service, Judge  
15 Wagner, who is a graduate of the University of Tennessee  
16 School of Law, was in private practice in Knoxville. He was  
17 appointed ALJ here in September of '74, and Chief ALJ in  
18 June of '79.

19 Since that time, he's adjudicated, served as  
20 Settlement Judge and Mediator in many, many significant  
21 cases up to the present time, and in addition to getting a  
22 lot of awards from us, he's gotten those same things from  
23 the Department of the Army, including their highest award,  
24 the Decoration for Exceptional Civilian Service.

25 I want to just ask Judge Wagner, who is sitting

1 with us, to stand and be recognized and appreciated for your  
2 wonderful career with us.

3 (Applause.)

4 CHAIRMAN WOOD: And it goes on and on. We want  
5 to hop into a relatively light meeting today. We've got a  
6 lot dealt with over the past several days, and I want to  
7 thank the Staff, both on my colleagues' Staff and on the  
8 professional Staff, for getting all of those items through.

9 Commissioner Kelliher?

10 COMMISSIONER KELLIHER: Pat, I have a personal  
11 personnel statement to make, as well, and I wanted to offer  
12 a thank you and a welcome. I wanted to thank Anita Broom in  
13 the Office of Administrative Litigation. She has helped my  
14 office survive through the last two open meetings, and she's  
15 done a lot of good work.

16 I also want to welcome Chantee Collier, who is  
17 joining my Staff as a secretary. Chantee was a legal  
18 secretary at the Department of the Interior, and she's going  
19 to help me and my staff in the future. If you're watching  
20 on television, welcome and thank you.

21 CHAIRMAN WOOD: I think Anita was recognized  
22 yesterday as one of our 20-year awardees. We appreciate all  
23 the hard service from everybody across the Staff.

24 Madam Secretary?

25 SECRETARY SALAS: Good morning, Mr. Chairman,

1 good morning, Commissioners.

2 The following items have been struck from the  
3 agenda since the issuance of the Sunshine Notice on  
4 September 29; they are: E-29, E-35, E-39, G-1, and H-8.

5 Your consent agenda for this morning is as  
6 follows:

7 Electric Items E-5, 7, 8, 13, 14, 17, 18, 21, 22,  
8 23, 27, 33, 34, 36, 37, 38, 40, 41, and 44.

9 Gas Items: G-2, 3, 5, 6, 7, 9, 11, 12, and 13.

10 Hydro Items: H-1, 2, 3, 4, 5, 6, and 7.

11 Certificates: C-1, 3, 4, and C-5.

12 As required by law, Commissioner Kelly is recused  
13 from the following items on the consent agenda: E-14, E-23,  
14 G-5, and H-6.

15 The specific votes for some of the other items on  
16 the consent agenda are as follows: E-5, Commissioner  
17 Brownell, dissenting, in part, with a separate statement; E-  
18 37, Commissioners Brownell and Kelliher, concurring with a  
19 joint, separate statement, Commissioner Kelly dissenting,  
20 with a separate statement; E-38, Commissioner Kelly,  
21 dissenting, in part, with a separate statement; H-1,  
22 Chairman Wood concurring; H-3, Commissioner Kelly  
23 dissenting, with a separate statement; H-5, Commissioner  
24 Brownell dissenting, with a separate statement; and C-1,  
25 Commissioner Brownell concurring, with a separate statement.

1 Commissioner Brownell votes first this morning.

2 COMMISSIONER BROWNELL: Aye, noting my partial  
3 dissent on E-5, my concurrence on E-37, dissent on H-5, and  
4 concurrence on C-1.

5 COMMISSIONER KELLIHER: Aye, noting my  
6 concurrence in E-37.

7 COMMISSIONER KELLY: Aye, with the exception of  
8 the cases from which I am recused, and my dissent, as noted  
9 by the Secretary.

10 CHAIRMAN WOOD: Aye, with my concurrence, without  
11 statement, as noted by the Secretary.

12 SECRETARY SALAS: The first item on the  
13 discussion agenda is A-2, one of the items that the  
14 Commission reserves for customer matters, reliability,  
15 security, and market operations. Today, under this item, we  
16 have a presentation by Mr. Joseph McClelland, who is  
17 Director of the Commission's Division of Reliability in the  
18 Office of Markets, Tariffs, and Rates.

19 MR. McCLELLAND: Good morning. It is my pleasure  
20 to be here today to review the initiatives and plans for the  
21 newly-created Division of Reliability here at the FERC.

22 We all recognize that a reliable and adequate  
23 supply of electricity is essential to the health of the  
24 United States economy and to the safety and the well being  
25 of its citizens. For this reason, FERC has publicly

1 acknowledged its commitment to the reliability of the  
2 nation's bulk power supply system.

3 In fact, Chairman Wood specifically put  
4 reliability issues at the top of FERC's agenda, and  
5 reliability elements have been added to FERC's strategic  
6 plan.

7 (Slide.)

8 MR. McCLELLAND: I'll recap a few as background:  
9 The allowance of cost recovery for prudent reliability  
10 expenditures for safety and security; oversight of the  
11 development of grid reliability standards and their  
12 subsequent enforcement; coordination with other agencies  
13 such as the Nuclear Regulatory Commission, the Department of  
14 Energy, the Department of Homeland Security, and others, to  
15 improve the reliability and security of the nation's  
16 electric infrastructure; and working with states to support  
17 demand-side participation and any reliability-related  
18 efforts involving interstate energy commerce.

19 (Slide.)

20 MR. McCLELLAND: To accomplish these goals, on  
21 Monday, the FERC officially reorganized its Office of  
22 Markets, Tariffs, and Rates or OMTR, to include a separate  
23 Division dedicated to overseeing reliability-related issues.

24 FERC is well suited to house the Reliability  
25 Division. Acting within its current role as regulator of

1 interstate energy commerce, it creates policies and rules,  
2 provides enforcement, and sees construction projects through  
3 to completion.

4 Working with OMTR, the Division of Reliability  
5 will create rules for supporting and encouraging reliability  
6 initiatives. This office is unique equipped to recognize  
7 system deficiencies, identify potential solutions, and then  
8 to review and approve cost recovery options to pay for  
9 system improvements.

10 Of course, enforcement and implementation are  
11 necessary elements to any successful program. To accomplish  
12 these, Reliability will work with the other offices within  
13 the FERC structure.

14 For example, the Office of Market Oversight and  
15 Investigation, or OMOI, for enforcement of the rules, and  
16 with the Office of Energy Projects, OEP, to see construction  
17 through to completion. All of Reliability's efforts will be  
18 triangulated within this structure at FERC.

19 The Division of Reliability itself will be  
20 segmented into three groups.

21 (Slide.)

22 MR. McCLELLAND: It's difficult to read at the  
23 bottom, but the org chart is at the bottom.

24 (Slide.)

25 MR. McCLELLAND: The Division of Reliability

1       itself is segmented into three groups. Planning works to  
2       identify and investigate areas of congestion and constraint  
3       within the nation's bulk power supply system.

4                   Operations: Operations oversees the operation  
5       and maintenance activities of the nation's transmission  
6       owners.

7                   Logistics and Security: This group will conduct  
8       investigations and provide subsequent recommendations for  
9       cost recovery and cyber security issues.

10                   (Slide.)

11                   MR. McCLELLAND: Although not organized as a  
12       Division until Monday, the Reliability Group was formed  
13       shortly after the August 14th blackout in January, 2004.  
14       From that time, it has finished several major  
15       accomplishments:

16                   A Blackout Report with 31 specific  
17       recommendations, and directives, designed to prevent a  
18       similar occurrence by improving the reliability of the  
19       nation's bulk power supply system.

20                   Pursuant to Recommendation No. 18 of the Blackout  
21       Report, FERC participated in each of the North American  
22       Electric Reliability Council, or NERC, Reliability Readiness  
23       Review audits for the North American Control Areas and  
24       reliability coordinators.

25                   A successful followup technical conference was

1 held on September 29th, to identify and subsequently  
2 implement any necessary changes to the audit process and/or  
3 to address serious deficiencies found in the audits  
4 themselves;

5 Specific recommendations and studies, such as the  
6 United States Vegetation Management Study, that was  
7 presented to Congress on September 7th, 2004;

8 Participation and sponsorship of special studies,  
9 such as a Natural Gas Pipeline Disruption Impact Analysis  
10 study;

11 Composition of a responsibility matrix to  
12 specifically list who is doing what between control areas  
13 and reliability coordinators to eliminate overlap, and,  
14 importantly, any gaps;

15 Study and subsequent recommendation of best  
16 practices for information technology tools and management  
17 for the industry's consideration;

18 Finally, submission of the Congressional Report  
19 for Fiscal Year 2004, detailing FERC's reliability  
20 initiatives, which is posted to the FERC website.

21 Although much work has been done, much more  
22 remains to be completed. Several of our major initiatives  
23 are as follows:

24 (Slide.)

25 MR. McCLELLAND: Evaluation of cyber security for

1 information technology systems, including Supervisory  
2 Control and Data Acquisition, SCADA, to decrease  
3 vulnerability to outside attacks;

4 Reactor Power Oversight: In fact, OMTR is  
5 currently conducting a study with the Division of Policy  
6 Analysis and Rulemaking, with participation of the Division  
7 of Reliability, to better define this issue for  
8 consideration;

9 Transmission planing oversight, including extreme  
10 contingency analysis;

11 Spare equipment investigations and  
12 recommendations, for example, the Division has nearly  
13 completed a study to recommend substation transformer  
14 spares, and we'll be presenting that to the industry very  
15 shortly;

16 Industry metrics and standards to determine best  
17 practices and minimal acceptable practices, and ongoing  
18 assessments of legislation and rules related to reliability  
19 and the impact on this Division.

20 (Slide.)

21 MR. McCLELLAND: All of us regulators, the  
22 industry, customers, and stakeholders, have a common goal of  
23 a reliable and secure bulk power system. To accomplish this  
24 goal, FERC has been coordinating our efforts with our  
25 counterparts in Canada, the states, and other agencies, as

1 was mentioned previously.

2 In addition, FERC has been working with NERC, the  
3 Regional Reliability Councils, the customers, and  
4 stakeholders, to identify and attempt to correct  
5 deficiencies. Even nonjurisdictional entities are  
6 interconnected to the same North American electric grid, and  
7 it's in all of our best interests to work together to  
8 improve the nation's bulk power supply system.

9 Simply put, this effort cannot be accomplished  
10 alone. With this commitment by FERC to create a Reliability  
11 Division to focus on this issue, and with participation from  
12 the stakeholders, we can accomplish this goal together.

13 This concludes my prepared remarks. Thank you  
14 for your time.

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1                   CHAIRMAN WOOD: Joe, I want to thank you for the  
2 leadership you've shown in the short time you've been here.  
3 You worked with a great team that's been very involved  
4 through participation of Allison Silverstein in the initial  
5 setup of the group.

6                   Dan, you and Shel, and your team did a lot to  
7 help set up this team. I want to thank you publicly for  
8 your leadership on that.

9                   Joe, I think the plan that you folks have laid  
10 forth, the high level parts that are here, they're the kind  
11 of things that are sharp, 21st Century federal agency needs  
12 to be doing. We do look forward to getting the reliability  
13 legislation codified in statute.

14                   I think, clearly, the steps we've taken are well  
15 within our current ability to do so and you lead by example.  
16 The bully pulpit is a great one. I think we saw last week  
17 how important it is for an objective review of important  
18 initiatives across the industry to be taken and that we  
19 discuss publicly and we work through. I think leadership by  
20 example is something we should be more comfortable doing. I  
21 think last week was a good example of that and I appreciate  
22 the responsiveness of the NERC leadership and the staff at  
23 NERC and the industry to our important role in helping  
24 participate in that readiness review process.

25                   There's a lot more than that to happen and I

1 appreciate, again, the work that has gone on this past year.  
2 I think this year ahead is going to be very critical. I  
3 appreciate your taking time to tell the world and tell all  
4 of us what you're up to. We look forward to more of the  
5 same.

6 MR. LARCAMP: There are some wonderful career  
7 opportunities that people would like to either come in for a  
8 short time or a longer term perspective and we have several  
9 of those postings on the website with more to come. Let me  
10 plug right now people that are interested in joining this  
11 team take a look and send out those resumes.

12 CHAIRMAN WOOD: [www.FERC.gov](http://www.FERC.gov)

13 COMMISSIONER BROWNELL: Joe will be yelling at  
14 you long at sandwich board at lunchtime.

15 (Laughter.)

16 CHAIRMAN WOOD: I've been very impressed with the  
17 quality of people we've been able to attract. This is a  
18 unique opportunity with anybody with technical,  
19 particularly, electrical engineering backgrounds, to  
20 contribute to something significant. I think it's a lot  
21 like what we saw two years ago when Bill and his team went  
22 out. Bill Hederman went out to recruit people to come work  
23 in Market Oversight Investigation shop. There's a strong  
24 need for public service. I think that's the only reason the  
25 four of us do the job. It ain't the money, folks.

1 COMMISSIONER BROWNELL: It's so much fun.

2 CHAIRMAN WOOD: The intellectual challenge of the  
3 issues and the importance that they have to our lives and  
4 that of our kids, I do think this is a good place to work  
5 and appreciate, Dan, your bringing that up. People don't  
6 come unless they're asked. Thank you.

7 SECRETARY SALAS: The next item for discussion is  
8 A(3), cost ranges for the development and operation of the  
9 Day One RTO. This is a presentation by Katherine Gensler,  
10 accompanied by Chris Thomas, John Okrek and Robert  
11 Petrocelli.

12 CHAIRMAN WOOD: While they're walking up, I  
13 wanted to say, over the past three years that I've been  
14 here, the Commission has been involved in studies for RTOs  
15 and for organized regional grids, as has the Department of  
16 Energy and numerous entities out in the industry and in the  
17 private sector, showing the benefits of RTOs ranging from a  
18 half percent, 1 percent per year up to 2 percent load and  
19 production costs. These studies are helpful in informing  
20 the debate. I think as we move forward one of the things  
21 that has been of more particular focus has been the cost  
22 side. Just like we oversee the costs of other public  
23 utilities, we have a role as well to oversee these public  
24 utilities that are called RTOs and ISOs and I want to hand  
25 it off to Nora, who's taking the leadership as lead

1 commissioner on this RTO cost analysis to tee up today's  
2 presentation.

3 Nora?

4 COMMISSIONER BROWNELL: Thank you.

5 Thanks to everyone for their patience as the team  
6 really spent heroic efforts to get to a meaningful analysis.  
7 This began actually when we were all at a meeting in the  
8 Southwest and we began to hear objections to RTOs based on  
9 some astronomical cost estimates, which I, for one, could  
10 not understand. In fact, the stakeholders there, the public  
11 power folks, the commissioners, said why don't we get to  
12 some real costs. We agreed that we would give it our best  
13 effort. I think this is a wonderful beginning.

14 As you mentioned, it does not remotely intend to  
15 quantify benefits. We've got 10 or 11 studies, by my count,  
16 that have done that. Nor does it pretend to be anything but  
17 a good faith effort to get to Day One costs. We didn't deal  
18 with Day Two costs. There were some challenges along the  
19 way, among them the issue we talked about at the last public  
20 meeting, which is people who are accounting for things in  
21 different ways. So it's been difficult to kind of get  
22 apples to apples comparisons.

23 The second challenge has been something I'll live  
24 to regret is that we didn't ask the people to capture the  
25 efficiency gains along the way. Because one assumes as RTOs

1 take on more and more functions that there are cost  
2 reductions within the industry themselves. I know we've  
3 seen it because we've seen the restructuring in the  
4 organized markets, but we are unable to quantify that. But  
5 I'm looking forward to the discussion for those who don't  
6 want to restructure and move forward this is one more target  
7 they can shoot arrows at. But, for those who really want to  
8 have a meaningful discussion and who are working sincerely  
9 in figuring out what to do with their marketplace, I think  
10 this provides a great starting point. We look forward to  
11 working with people to improve and to get more answers as  
12 they see them.

13 So I'm going to hand it over to the team who have  
14 done just a terrific job, particularly, as people like us  
15 ask more and more and more questions along the way.

16 Thanks for your patience and thanks for your  
17 really serious diligence. With that, I turn it over.

18 MR. THOMAS: Good morning.

19 As you said, as a result of the Commission's  
20 outreach efforts on regional organizations, one topic that  
21 has created great debate went to the question of asking what  
22 is an accurate level of the cost of creating an RTO?

23 As a result of the Commission's discussions with  
24 industry participants, staff was tasked with identifying the  
25 cost to create an RTO that will satisfy the requirements of

1 the Commission's Order 2000.

2 (Slide.)

3 MR. THOMAS: Staff's report today, and the  
4 presentation accompanying it, represent the culmination  
5 of the efforts in understanding these costs. The staff report  
6 on cost ranges for the development and operation of the Day  
7 One Regional Transmission Organization reflect our analyses,  
8 conclusions and insights on our RTO development costs. The  
9 study is intended to inform the Commission and to facilitate  
10 discussions with the industry and the states on RTO formation.

11 Specifically, the study estimates the cost of  
12 developing a Day One RTO that provides independent and  
13 non-discriminatory transmission service and enhances regional  
14 reliability.

15 My colleague today at the table, Katherine Gensler,  
16 will be presenting the findings of the study.

17 MS. GENSLER: Thank you, Chris.

18 Commissioner Brownell, as you mentioned, the study  
19 has a limited scope and I just want to cover those points with  
20 you again. The study is an estimate of Day One RTO investment  
21 cost and annual expenses.

22 (Slide.)

23 MS. GENSLER: It is a framework for discussion  
24 about RTO development. However, this study is not an audit of  
25 actual RTO costs. It is not a prudence review of the incurred

1 expenses nor is it an analysis of the benefits of RTO  
2 formation. As the Chairman noted, there are many, many other  
3 studies out there that discuss the benefits of RTOs.

4 (Slide.)

5 MS. GENSLER: The study approach included the  
6 following: identification of the minimum function of the Day  
7 One RTO in accordance with Order 2000, a review of the  
8 representative study group development of investment costs and  
9 annual operating expense estimates and comparisons to the Day  
10 One RTO.

11 (Slide.)

12 MS. GENSLER: Order 2000 laid out several functions  
13 that an RTO must comply with. These are separated here in  
14 this chart for you into Day One and Day Two functions.  
15 There's also a pre-Day One function. Some entities have  
16 joined forces to have a regional and OASIS. That's the only  
17 function that's currently performed. That the Day One  
18 function includes tech administration and design, redispatch  
19 for congestion management, parallel path flow ancillary  
20 services and OASIS, market monitoring, some transmission  
21 planning and inter-regional coordination.

22 In order for an entity to move from this Day One  
23 function to a Day Two model, we would expand their  
24 market-based elements, such as congestion management,  
25 ancillary services, perhaps, even in capacity markets, but we

1 focused on that fall into the Day One category.

2 (Slide.)

3 MS. GENSLER: In order to ease their information  
4 provided by RTOs and ISOs, staff utilized the cost data on  
5 transmission functions, which were the NERC functions that we  
6 selected, including transmission service provider and  
7 reliability authority. In order to get a complete picture of  
8 the Day One RTO, we also added support functions, such as  
9 transmission support and management.

10 (Slide.)

11 MS. GENSLER: The transmission service provider,  
12 among other things, is responsible for administration of the  
13 tariff, maintaining the OASIS site, determining and posting  
14 ATC and allocating transmission losses among market  
15 participants.

16 (Slide.)

17 MS. GENSLER: As a reliability authority, the Day  
18 One RTO would enforce operational reliability requirements,  
19 have revision authority for transmission and generation plants  
20 and direct emergency procedures.

21 (Slide.)

22 MS. GENSLER: The transmission support function  
23 that we discussed includes settlements and billing and  
24 customer service. In addition, any organization needs some  
25 level of management, human services, finance, administrative

1 support and building operations all into this category of  
2 costs.

3 MS. GENSLER: Looking at a representative study  
4 group, we looked at the PJM, their connection, the midwest ISO  
5 and, ERCOT and the Southwest Power Pool. The estimates we  
6 received from these entities were based on 2002 numbers that  
7 they identified as being most representative of Day One  
8 functions. Review of data from the New York ISO, ISO New  
9 England and the California ISO indicated that those entities  
10 were not right for Day One studies as most of them formed  
11 either tight power pools or with advanced market functions  
12 that are more in the Day Two function.

13 (Slide.)

14 MS. GENSLER: The results of our study are as  
15 follows: staff estimates that the investment costs ranges for  
16 a Day One RTO is from 38 to \$117 million. Computer  
17 assistance, both hardware and software, are the biggest costs  
18 driver for investment costs. This investment range should  
19 provide the Day One RTO with infrastructure, computer system  
20 and other capital assets necessary to operate the RTO. These  
21 ranges were developed because organizations in the sample  
22 group varied by locations, services provided and member  
23 participation.

24 (Slide.)

25 MS. GENSLER: Annual operating expense ranges for a

1 Day One RTO are from 35 to \$78 million. One of the biggest  
2 components of annual operating expense is labor. In addition,  
3 annual operating expenses include debt services on investment  
4 costs. The lower the investment costs from the previous slide  
5 the lower your operating expenses are going to be. Also, it  
6 should be noted that these investment costs are front-loaded  
7 so only incremental additions to investment would be required  
8 in the future.

9 (Slide.)

10 MS. GENSLER: Annual operating expenses we have  
11 divided by total load and come up with a per megawatt hour  
12 ratio or figure. For a Day One RTO per megawatt hour, the  
13 range is 16 cents to 22 1/2 cents.

14 (Slide.)

15 MS. GENSLER: Applying this to a customer's retail  
16 bill, we looked at the average annual revenue requirement of a  
17 Day One RTO and divided that by the total load nationwide.  
18 The impact is quite minimal, 2/100 of a cent per kilowatt  
19 hour. For a typical residential consumer, this means \$2.31 a  
20 year or 19 cents a month. These are direct measurable costs,  
21 but these costs will likely be offset by a reduction in cost  
22 by transmission owners in the region and increased  
23 efficiencies in grid and market operations.

24 (Slide.)

25 MS. GENSLER: To highlight the point, the size of

1 the footprint makes it different. We looked at the desert  
2 Southwest as a hypothetical RTO footprint and applied those  
3 same average annual RTO costs to the load that exist in the  
4 Southwest. There the impact is 5/100 of a cent per kilowatt  
5 hour. Because many of these Day One costs are fixed costs,  
6 the size of the RTO greatly impacts the total charged to the  
7 customer, the more load the lower the cost per unit. Overall,  
8 however, the cost of the RTO is still quite minimal.

9 (Slide.)

10 MS. GENSLER: Our study findings note that the  
11 direct impact of a new Day One RTO should be less than 1/2 of  
12 1 percent of a retail customer's bill. Day One RTOs have  
13 required investment of 38 to \$117 million with annual revenue  
14 requirements of 35 million to \$78 million. A new RTO could  
15 require 50 to \$70 million in investment cost and 50 to \$70  
16 million for annual operating expenses. These estimates assume  
17 that the new entity takes a lesson's learned approach and  
18 learns from their predecessors in these markets, adding  
19 functions gradually and avoiding delay. Those were two things  
20 that industry participants noted for us. They have some  
21 specific thoughts on information technology costs as well.

22 (Slide.)

23 MS. GENSLER: Participants that we spoke with and  
24 the consultants to the Commission note that there is potential  
25 for significant costs increases for information technology.

1 Lack of a clear business plan and project management  
2 contribute. So does over-customization of software.  
3 Incomplete system design, excessive changes during development  
4 and implementation delays can all significantly increase the  
5 cost burdens on computer systems.

6 (Slide.)

7 MS. GENSLER: Outside of IT, similarly cost  
8 overruns can result from changing plans mid-course, poor  
9 project management and extensive delays. These were objects  
10 that we heard over and over again. Many of the costs for RTO  
11 functions are reliability-related functions and would have to  
12 be performed by the transmission owners in the region  
13 regardless.

14 Finally, as Commissioner Brownell noted at the  
15 outset, the cost data that we received is not accounted for in  
16 the standardized manner. This has contributed, both to our  
17 challenges in the study and also the MOI that was published at  
18 the last meeting.

19 This concludes my presentation.

20 CHAIRMAN WOOD: Thank you, Katherine.

21 Commissioners?

22 COMMISSIONER BROWNELL: I'm going to let others ask  
23 questions since I've been living and breathing this for the  
24 last six months, but I'm glad to acknowledge the contribution  
25 of the RTOs who have been enormously cooperative with us in

1 providing data, in validating data and have really devoted  
2 themselves a lot of resources because I think they would like  
3 to get this right as well.

4 COMMISSIONER KELLIHER: Thank you for your work on  
5 the study. I thought it was very interesting. I just had a  
6 question. There is a perception in some quarters that RTO  
7 costs have been increasing very sharply. I just wanted you to  
8 address that, whether that perception is true, false, true in  
9 part, does it apply only to Day Two costs? Does it apply only  
10 to certain RTOs and not to others? If you can help, because  
11 that is one of the perceptions. This helps address some  
12 perception about RTO costs, but I hope you can help us with  
13 the perception on escalation of costs.

14 MS. GENSLER: Sure. We have heard of a variety of  
15 things ourselves. It really depends on how you measure the  
16 costs. We have shown the Day One costs are all falling into a  
17 pretty consistent range. We have heard, however, from some of  
18 these participants that operating expenses are increasing.  
19 There are different reasons for that, though. In the Midwest  
20 ISO, for example, their annual budget is increasing because  
21 they're adding functions which their market participants are  
22 demanding.

23 In the PJM interconnection, their footprint is  
24 greatly expanding so their operating expenses are increasing.  
25 However, the per unit charge to a customer is decreasing

1 because of the additional load.

2 MR. LARCAMP: Commissioner, taking the Midwest as  
3 an example, I think it's important as you're looking at the  
4 RTO costs to also look at the cost savings that are possible  
5 and may be coming. For example, Post 8/14, the transmission  
6 owners and other stakeholders in MISO basically identified a  
7 list of reliability improvements. The state estimator, bells  
8 and whistles, if you will, I know that you've all been there  
9 and seen that room. Some of you, some of the commissioners,  
10 those expenses, as we move out in time, as the reliability  
11 rules become clearer and more enforceable, the members of an  
12 RTO will have the decision to decision am I going to upgrade  
13 my own control area to have that same type of functionality.  
14 Or am I going to, in effect, allow more of those functions to  
15 be handled in a central location.

16 I think what we're seeing is some of those  
17 reliability costs have, in fact, increased somewhat  
18 dramatically to basically ensure the reliability of the  
19 system. What we're not seeing, for example, taking operator  
20 training as one example, once it becomes clear what the  
21 operators are needed to do to basically be prepared to operate  
22 the system in a reliable way, we heard on staff many of the  
23 smaller entities basically saying, boy, that's going to be  
24 pretty expensive for us, so maybe we'll be quite comfortable  
25 turning over more of that functionality, basically, to the

1 RTO. When that happens, there will be cost savings to the  
2 customers because the transmission owners will no longer be  
3 performing those functions, so those cost savings will be  
4 coming. I think that as we're transitioning to the larger  
5 organizations, once people's comfort level improve and these  
6 additional requirements are, quite frankly, going to be pretty  
7 expensive in some respects, adding two or three new operators  
8 to a very small entity providing opportunities, either to work  
9 with simulators, either on site or having enough operators  
10 that you can send them away for a week to play on someone  
11 else's simulator, I think you're going to see additional cost  
12 savings coming out of the systems that will impact customer  
13 bills and I don't think any of that is reflected, quite  
14 frankly, in any of the sort of benefit studies that we've  
15 seen. So I think that's an important dynamic to keep in mind  
16 as we go forward.

17 COMMISSIONER KELLY: Do you think, Dan, that we're  
18 actually achieving those efficiencies is less money actually  
19 being spent by the transmission providers or do we not know?

20 MR. LARCAMP: I think it varies from utility. For  
21 example, I have been to Cinergy. I have seen the cutback that  
22 they made basically on their operating center. Now that MISO  
23 is basically running those facilities I don't know if that  
24 utility has seen a reduction in costs because they have spent  
25 additional money in their systems to monitor their own

1 distribution systems. I think it varies from utilities.  
2 Quite frankly, Commissioner, I don't think that we've seen a  
3 dramatic reduction in costs because people are not yet  
4 comfortable that the function will be performed adequately at  
5 the central location. So they are not yet to the point that  
6 they're comfortable reducing the costs from their own systems.

7 COMMISSIONER KELLY: In MISO, but how about in the  
8 other RTOS, say, PJM?

9 MR. LARCAMP: In PJM, this transition took place  
10 over decades. The central function with Valley Forge was much  
11 more pronounced than we've seen in a much shorter transition.  
12 For example, in the Midwest. Even there, though, when open  
13 access basically first started, you had sort of backup  
14 facilities that were pretty robust. For example, at Baltimore  
15 Gas & Electric, I can remember touring their control center.  
16 I think, obviously, as they're going forward with improvements  
17 to the state estimators, as they're mapping more information  
18 points, as they're going much lower into the voltage of the  
19 system, as they're mapping across seams, because PJM is seeing  
20 what's happening on the way into MISO and MISO is seeing  
21 what's happening on the way into PJM, I don't think that the  
22 TOs and MISO have continued that level of robustness for their  
23 own centers that they had even 10 years ago.

24 COMMISSIONER KELLY: Do you think it would be  
25 valuable for FERC or the states to be monitoring the decreases

1 in costs experienced by the individual transmission providers,  
2 say, in MISO or SPP.

3 MR. LARCAMP: I think it would be valuable to look  
4 at, not only the decreases, but to request the utilities to  
5 explain to the Commission why they're still maintaining some  
6 expenditures and what their planning horizons are as they go  
7 forward. Do they intend, for example, to add additional operators  
8 to meet new NERC requirements for training, for example? Or  
9 are they expecting that they will cut back on those  
10 expenditures.

11 CHAIRMAN WOOD: We did have a question in the MOI  
12 that we put out last week that specifically directed state  
13 regulators and ourselves. These questions are they way that  
14 we're accounting for the costs for public utilities and for  
15 RSOs. Do they properly get that information so that it's  
16 easily accessible to regulators reviewing a revenue  
17 requirement, for example? So, hopefully, we'll get some  
18 useful comment back on the MOI in that regard and will be able  
19 to provide that information so that it's not like a treasure  
20 hunt, but it's right there on the FERC form that can be useful  
21 to a regulator.

22 COMMISSIONER KELLY: Katherine, did you find a  
23 correspondence between the RTOs that had the lowest investment  
24 numbers and the lowest costs per kilowatt hour, were they the  
25 same?

1 MS. GENSLER: In general, yes. I don't know that  
2 we ever looked for a direct comparison like that. That's data  
3 we can probably pull out for you, though.

4 COMMISSIONER KELLY: You also said, looking at the  
5 costs in establishing a Day One RTO cost differed most  
6 depending on the computer hardware and software investments,  
7 what was the Tier 2 category where it differed most?

8 MS. GENSLER: Building expenditure was probably the  
9 second category with the greatest difference and some of that  
10 just comes in varying costs by geographic region and some of  
11 it comes in how intensive the systems are they putting in,  
12 like Dan mentioned, as far as having a backup facility. That  
13 gets captured in the billing if you do have full backup  
14 facilities or full data storage facilities or whatever, so the  
15 building category.

16 COMMISSIONER KELLY: In talking to the RTOs, did  
17 you find that they were aware of each other's costs.

18 MS. GENSLER: To varying degrees. In our  
19 conversations with SPP, they noted that they had done some  
20 pretty good leg work as far as studying other's experiences  
21 and talking to other RTOs and finding out where they could be  
22 saving money. From talking to ERCOT, it sort of sounded like  
23 nobody had come knocking down their door and they had lots to  
24 share with anyone who was willing to listen. So it was sort  
25 of on an individual basis.

1                   COMMISSIONER KELLY: Is that an avenue that could  
2 be explored, the RTOs communicating with each other,  
3 understanding each other's costs?

4                   MS. GENSLER: I think that the more that the RTOs  
5 that are looking to form, talk to each other and learn from  
6 people's experiences, the cheaper it's going to be for  
7 everyone.

8                   MR. PETROCELLI: Commissioner, just to add to that,  
9 it's worth noting that the new groups that are talking about  
10 forming, such as West Connect and others, have been in touch  
11 with the existing RTOs. They're trying to benefit from their  
12 experience. I've had personal conversations with West Connect  
13 people. They've had conversations relating to me their  
14 communications with ERCOT. I know that these people are  
15 talking to each other and we're hoping that the lessons  
16 learned will be beneficial.

17                   COMMISSIONER KELLY: Thank you.

18                   COMMISSIONER BROWNELL: I'd just like to get back  
19 to the lessons learned. I will say that the RTOs have been  
20 extremely generous, I think, with information and support,  
21 moving people back and forth. The CEOs meet pretty regularly,  
22 so I do commend them. What I worry about is, in the -- we're  
23 different in each region. There's a reluctance in some cases  
24 to actually learn from other's experience. Software is  
25 software whether you're in the West or the Northeast. The

1 configuration may be different, but I think it's really  
2 important and I look at page 8 and it answers your question,  
3 Joe. The perception that there are cost overruns, and to the  
4 extent there are cost overruns, is largely driven by IT costs  
5 that are exacerbated by an undisciplined stakeholder process.  
6 So the stop, start, the start building without a complete  
7 market design is like starting to build a house without the  
8 blueprints. It just adds enormously to costs.

9 If there is a single lesson to be learned, and  
10 there are lots of them, people should study hard what page 8  
11 says. When stakeholders delay or stakeholders want something  
12 that is specific to their needs without benefiting the whole,  
13 people have to start to say I'm not paying for that. I think  
14 that's one of the issues we've seen in MISO, although I think  
15 they now kind of have a more structured approach. So, if  
16 you're a stakeholder and you want X, they're going to cost it  
17 out and ask the group. I think if everyone looked at the kind  
18 of IT lessons learned they could save an enormous amount of  
19 money right off the top.

20 CHAIRMAN WOOD: That's slide 16 for the home  
21 audience.

22 (Laughter.)

23 COMMISSIONER KELLY: I just had one last follow-up  
24 question, did you look at seams issues, cost associated with  
25 seams or managing seams? Are those numbers in here?

1 MR. THOMAS: No, we didn't.

2 COMMISSIONER BROWNELL: We should. It's a good  
3 idea.

4 CHAIRMAN WOOD: I should just add, another effort  
5 going on grew out of a mid-July technical conference that we  
6 hosted here on software. Again, this being the big driver in  
7 technology, not only in the market front, but really on the  
8 reliability front. I do note with interest that a lot of the  
9 Day One functions are really reliability functions that we  
10 heard a lot about last week at the Reliability Conference.  
11 These issues are, I think, appropriately viewed as very  
12 interconnected, both on the market operations and the  
13 reliability operations side. The importance of getting  
14 software in a more standardized approach has taken center  
15 stage. It was very heartening to see how the software vendors  
16 now instead of pushing individualized products are listening  
17 to these now substantial large customers, the ISOs and RTOs,  
18 and driving toward a more uniform platform for their IT  
19 deployment.

20 We got a report from that yesterday. We were  
21 talking about it yesterday and I'll be responding to the  
22 vendors and the ISO, RTO Council, IT Committee on the  
23 Commission's behalf driving this forward, but the pressure  
24 from us to, again, have the customers, which are the RTOs,  
25 under our regulation drive the vendors to if a lower cost

1 solution is going in the right direction and just needs to  
2 continued pressure from us. In fact, the file away item in  
3 this report is that the best practices would be new RTOs or  
4 expansion of RTOs being much more lower cost than what we've  
5 talked about for the first four. So that really comes to  
6 happen. I think driving a standardized approach towards  
7 software in a common platform. I hate to use the words "plug  
8 and play," but very easily adaptable software can really drive  
9 these costs even further down.

10 But I do want to let you all know that that's a  
11 front burner item for me and one that people in this agency  
12 are following very closely.

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1 Any other thoughts?

2 (No response.)

3 CHAIRMAN WOOD: This is helpful. Nora, you kicked  
4 it off and intended to form the debate, but as your question  
5 definitely pointed towards, Suedeen, a little bit of inter-RTO  
6 competition as to who can deliver the best value for the  
7 lowest cost. I will constantly be looking at the cents-per-  
8 megawatt-hour cost.

9 That, to me, is really the determining factor; how  
10 does it translate to a customer's bill. That pie chart is  
11 outstanding, and is one that I think, while it is -- I think  
12 our focus on the large issues, the IT issues, and also on the  
13 appropriate size of these entities, is a very important one,  
14 to make sure we get the benefits, not only from the market  
15 side, but from these reliability functions being spread over a  
16 wide area, so that the visibility that we saw so acutely in  
17 August of last year, really gets remedied by the right and the  
18 smart kind of investment in hardware, software, and people,  
19 and the reliability functions, which are concomitant with the  
20 market functions, really are done efficiently and done in a  
21 way that benefits customers.

22 This report is great. Thank you for your  
23 leadership, Nora, and you guys on the team. It's one that I  
24 want us to continue to build on. Let's put it in the file,  
25 because I think is part of our electric agenda, as I know last

1 week, two-thirds of our nation's economy comes out of  
2 institutions that do this. RTOs now cover two-thirds of our  
3 country, and ISOs.

4 We need to, as we have, I think, over the past five  
5 years, shift our regulatory attention more and more to them,  
6 as we have shown last week with our focus on the standardized  
7 approach for the reporting of costs, as we do for other public  
8 utilities, and continued focusing on the issues that drive the  
9 investment here.

10 You've done a good service. Thanks.

11 COMMISSIONER BROWNELL: Chapter Two, unseen. We're  
12 ready.

13 CHAIRMAN WOOD: Seems like a lot less problematic  
14 if you use the same kind of software and market rules. We'll  
15 continue that discussion later. Thank you all very much.

16 SECRETARY SALAS: The final item in our discussion  
17 agenda will be taking up two items, jointly. These are E-6,  
18 Perryville Energy Partners, and E-4, Reporting Requirement for  
19 Changes in Status for Public Utilities with Market-Based Rate  
20 Authority.

21 As required by law, Commissioner Kelly is recused  
22 from Item E-6, so, Mr. Chairman and Commissioners, what I  
23 would recommend is that when we get ready to vote, we will  
24 take them up separately.

25 CHAIRMAN WOOD: Thanks.

1                   MR. WYNN: Good morning, Mr. Chairman and  
2                   Commissioners. E-6 is a Draft Order that would disclaim  
3                   jurisdiction under Section 203 of the Federal Power Act, over  
4                   the proposed sale of a generating facility from one public  
5                   utility to another.

6                   The filing in this case deals with the proposed  
7                   sale of a 718-megawatt generating facility from Perryville  
8                   Energy Partners, to Entergy Louisiana, an operating subsidiary  
9                   of the Entergy Corporation.

10                  The transaction does not involve the disposition of  
11                  any jurisdictional transmission facilities or any wholesale  
12                  power contracts, and, therefore, does not require Commission  
13                  authorization under Section 203 of the Federal Power Act.

14                  However, in the transaction at issue in E-6, a  
15                  generation-only disposition could be an example of a change in  
16                  status with respect to the grant of market-based rate  
17                  authority. In E-4, a Notice of Proposed Rulemaking, which is  
18                  also being considered in today's meeting, the Commission is  
19                  proposing to modify the market-based rate authority of current  
20                  market-based rate sellers to ensure that all changes in status  
21                  are timely reported to the Commission, by eliminating the  
22                  option to delay reporting of such events until submission of  
23                  market-based rate seller's next updated market power analysis.

24                  MR. JOHNSON: As John mentioned, Agenda Item E-4 is  
25                  a Draft Notice of Proposed Rulemaking, in which the Commission

1 proposes to standardized market rate sellers' purported  
2 requirements for changes in status, which are events that  
3 reflect a departure from the standards that the Commission  
4 relied on in granting market-based rate authority.

5 The Draft NOPR proposes to eliminate the currently-  
6 available option to delay reporting changes in status by up to  
7 three years, and, instead, would require that all market-based  
8 rate sellers report such changes in status within 30 days  
9 after their occurrence.

10 Specifically, the Commission proposes to amend its  
11 regulations to provide that changes in status include, but are  
12 not limited to, ownership or control of generation of  
13 transmission facilities, or inputs to electric power  
14 production, or affiliation with any entity not disclosed in  
15 the filing, that owns or controls generation or transmission  
16 facilities or inputs to electric power production, or  
17 affiliation with any entity that has a franchise service area.

18 The NOPR also seeks comments as to whether there  
19 are other arrangements besides ownership control or  
20 affiliation that should be reported promptly to the  
21 Commission, for example: Marketing alliances, brokering  
22 arrangements, tolling agreements, or other sales-oriented  
23 arrangements.

24 CHAIRMAN WOOD: Thank you, Brandon and John and  
25 team. I'm fine with both of these. I do think it's become

1 clear that the reporting requirement every three years, is not  
2 sufficient and is actually kind of strangely included in the  
3 existing authorities.

4 We look back at some of the older authorities, and,  
5 actually, Sudeen, you pulled up one that said you have to  
6 report changed circumstances when they occur, and you have to  
7 update us every three years. Then there was a sentence that  
8 seemed to be stuck on the end of -- in fact, a lot of the more  
9 recent authorizations that said you can report these changed  
10 circumstances, not just when they occur, but in the third  
11 year. That just seemed to be not kind of very intuitively  
12 helpful.

13 Certainly this would capture events such as the one  
14 in the Perryville case, which I think has been reflected, but  
15 if certain changes happen in the future, at that time, we  
16 would do the analysis at that time. So the analysis we do in  
17 the 203 issues, where we look at generation market power  
18 concerns, and what happened in the context of a market-based  
19 rate authority now, I think that's a proper way to handle  
20 this, as well, and a proper way to handle the Perryville item,  
21 consistent with the Federal Power Act.

22 The juxtaposition of these two cases really, I  
23 think, provides for a comprehensive approach to our  
24 obligations to review market power, and I think, do it nicely.  
25 I hope we'll get some helpful comments in the NOPR, on what,

1 more crisply, I think we could say about when the reporting  
2 requirement would be triggered.

3           It's pretty common sense as it's written now, but I  
4 think the industry always benefits from clarity, so if we  
5 could get a couple of comments on that, I would like, I think,  
6 based on y'all's requests during the week we've been looking  
7 over this, that we'd like to move on this relatively quickly,  
8 so we would encourage parties not to ask for additional time  
9 or whatever, but to spend some concentrated time in the 30-day  
10 comment period here, giving us some helpful information, so we  
11 can finalize this ruling and put this reporting requirement in  
12 the market-based rate authorizations in very short order.

13           Thank you all for your hard work. I thought it was  
14 very intense for a little while there. Thank you for the time  
15 you took to do it well.

16           COMMISSIONER KELLY: You mentioned that I noticed  
17 that sentence in many of these Orders. I was looking at  
18 making decisions about market-based rate authority. It's a  
19 new issue for me since I've been at the Commission, and I was  
20 very surprised to see that we didn't require changes in  
21 markets to be reported to us for three years.

22           The surprise, I think, is even more emphasized by  
23 looking back for the last three years and seeing the major  
24 changes that have occurred in electricity markets, regionally  
25 and nationally. It just seems to call for a change.

1           It will be interesting to me to see comments, to  
2 see if industry is widely supportive of reporting changes  
3 immediately. It seems to make sense, and I look forward to  
4 the comments.

5           COMMISSIONER KELLIHER: I wanted to make some  
6 comments on both the Perryville Order and on the proposed  
7 rule. On the Perryville Order, I do support the Order, and I  
8 think it's the correct application of the law.

9           But I think that from a policy perspective, the  
10 result is very unsatisfactory. I agree that the Commission  
11 does lack jurisdiction under Section 203, over dispositions of  
12 generation-only facilities. The courts have held that on a  
13 number of occasions.

14           But I think the Commission should have jurisdiction  
15 over generation-only dispositions, and you have to remember  
16 that five years ago, when I worked on electricity legislation,  
17 that Bartonsville did have that position in its legislation.  
18 It was approved by the Subcommittee. I have regrets that that  
19 bill wasn't enacted, and we wouldn't be dealing with this  
20 Order today in this manner.

21           But I think it's something that Congress has  
22 recognized. The Bush Administration, in its legislative  
23 proposal, would have given the Commission this authority, so  
24 there is some support in Congress for doing this, and I think  
25 it's for a good reason.

1           The central question is, does the Commission have a  
2 duty to prevent the exercise of the generation of market  
3 power? I think, obviously, the answer is yes, or you wouldn't  
4 have Section 205 and 206 in the Act.

5           But I think we need certain tools to exercise that  
6 responsibility, and I think this is one of the tools that we  
7 need. So, I think it's irrational that the Commission's  
8 authority is limited to generation facilities that are  
9 jurisdictional or associated with power sales contracts.

10           I think we should have a jurisdictional generation  
11 facility itself for purposes of 203 dispositions. It appears  
12 likely that Congress is not going to finalize the energy  
13 legislation this year, so next year, the Sysyphean task will  
14 resume.

15           I hope that next year, Congress will roll that  
16 stone to the top of the hill.

17           (Laughter.)

18           COMMISSIONER KELLIHER: And that this provision  
19 will actually be in it, in the next Congress. If Congress  
20 wants some help on where to start, I suggest that they look at  
21 a bill that was approved by the Subcommittee five years ago.

22           Now, on the NOPR, a few comments on that, as well:  
23 I agree with Commissioner Kelly that the Commission's approach  
24 has certainly been inconsistent. In some cases, we have not  
25 required sellers to report changes in status.

1                   In other cases, we've given them the option to  
2 report, either contemporaneously or by a delayed reporting,  
3 until they submitted updated market analysis.

4                   So, we have approved three different courses:  
5 Where they don't have to report; they have to report in a  
6 timely manner; or they can delay reporting. And I think there  
7 is no reason why we should have an inconsistent approach.

8                   I support a rulemaking. I think we should have a  
9 consistent approach. I think the California experience shows  
10 that changes in status are important. Market changes can  
11 occur quickly.

12                   I think also that the 9th Circuit decision shows  
13 that the reporting requirements are very important, and they  
14 are a very important part of the Commission's market-based  
15 rate program, and I think the action today reflects that we've  
16 heard that and we are going to make this reporting requirement  
17 more meaningful.

18                   Also, it's going to be important when we issue a  
19 final rule, that we set a threshold with some precision on  
20 what kinds of changes and status need to be reported, and I  
21 look forward to hearing the public comments, and I hope the  
22 public comments can help us set that threshold in a way that's  
23 both clear and precise, and at the right level.

24                   So, I support both Orders, and look forward to work  
25 for them.

1                   CHAIRMAN WOOD: It's funny how Sisyphus came up  
2 yesterday.

3                   (Laughter.)

4                   CHAIRMAN WOOD: I'll be there's not been a Greek  
5 god who has been talked about in a Commission decision three  
6 times in two days.

7                   Thank you for those comments, Joe, and for your  
8 perspective, certainly, from having worked on the legislation  
9 and also on the energy plan, as well. It helps a lot to give  
10 some context to what we're doing, and I appreciate that.  
11 Anything else?

12                   (No response.)

13                   CHAIRMAN WOOD: Let's vote.

14                   SECRETARY SALAS: E-4.

15                   COMMISSIONER BROWNELL: Aye.

16                   COMMISSIONER KELLIHER: Aye.

17                   COMMISSIONER KELLY: Aye.

18                   CHAIRMAN WOOD: Aye.

19                   SECRETARY SALAS: E-6?

20                   COMMISSIONER BROWNELL: Aye.

21                   COMMISSIONER KELLIHER: Aye.

22                   CHAIRMAN WOOD: Aye.

23                   We will meet in the closed meeting at 11:45. The  
24 open meeting is hereby adjourned.

25                   (Whereupon, at 11:15 a.m., the open session was

1 concluded.)  
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