UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities	Docket No. RM10-23-001

REQUEST FOR CLARIFICATION AND REHEARING OF THE TRANSMISSION ACCESS POLICY STUDY GROUP

On May 17, 2012, the Commission issued Order 1000-A,[1] its Final Rule in this important rulemaking proceeding. As transmission dependent utilities ("TDUs") that have long recognized that regional transmission planning and cost allocation are necessary ingredients to achieving the "right-sized" grid needed to reliably deliver existing and new resources, including renewable and low-carbon resources, to load-serving entities ("LSEs"), and have actively advocated for approaches that get needed transmission built,[2] Transmission Access Policy Study Group ("TAPS") supports efforts to remove obstacles to needed expansion of the grid, and thus, the Commission's goals in enhancing the regional and inter-regional transmission planning process through this Final Rule.

The Commission held in Order 1000-A (P 3 (footnote omitted)) that it was affirming Order 1000[3] subject to "a number of clarifications." With respect to two

[1] Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities, Order No. 1000-A, 77 Fed. Reg. 32,184 (May 31, 2012), 139 FERC ¶ 61,132 (2012) ("Order 1000-A"), *review docketed sub nom. S.C. Pub. Serv. Auth. v. FERC*, No. 12-1232 (D.C. Cir. filed May 25, 2012).

[2] *See* TAPS, *Effective Solutions for Getting Needed Transmission Built at Reasonable Cost* (June 2004), *available at* http://www.tapsgroup.org/sitebuildercontent/sitebuilderfiles/effectivesolutions.pdf.

[3] Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities, Order No. 1000, 76 Fed. Reg. 49,847 (Aug. 11, 2011), FERC Stats. & Regs. ¶ 31,323 (2011) ("Order 1000"), *reh'g denied*, Order No. 1000-A, 77 Fed. Reg. 32,184 (May 31, 2012), 139 FERC ¶ 61,132 (2012), *review docketed sub nom. S.C. Pub. Serv. Auth. v. FERC*, No. 12-1232 (D.C. Cir. filed May 25, 2012).

specific matters, Order 1000-A makes new determinations that are the proper subject of rehearing. Thus, TAPS requests rehearing of these two quite limited portions of Order 1000-A, pursuant to Section 313 of the Federal Power Act ("FPA"), 16 U.S.C. § 825*l*, and Rule 713 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.713, to press for modifications in the Final Rule to avoid unintentionally expanding the ability of jurisdictional transmission providers ("TPs") to discriminate, and to better enable the Rule to achieve the Commission's goal of making it more likely that the right transmission will be planned and constructed, consistent with Federal Power Act mandates.

STATEMENT OF ISSUES

1. Did Order 1000-A err by determining generically that unless public utility TPs elect to make provision in their Order 1000 compliance filings for Section 205 filing of specific applications of the region's cost allocation methodology, the only means to challenge the specific application of an Order 1000 cost allocation methodology would be by Section 206 complaint, rather than (i) requiring the Section 205 filing of project-specific applications of the regional cost allocation methodology; or (ii) leaving to the compliance filing process a determination as to whether such filing is required? FPA § 205, 16 U.S.C. § 824d; *Motor Vehicle Mfrs. Ass'n of U.S., Inc. v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29, 43 (1983); *Midwest Indep. Transmission Sys. Operator, Inc.*, 137 FERC ¶ 61,214, P 176 (2011); *Pub. Utils. Comm'n of Cal. v. FERC*, 254 F.3d 250, 254 (D.C. Cir. 2001); *Pac. Gas & Elec. Co. v. FERC*, 306 F.3d 1112, 1118 (D.C. Cir. 2002).

2. Did Order 1000-A err by failing to make clear that it does not alter or limit Order 681's preference for LSE long-term rights? FPA § 217(b)(4), 16 U.S.C. § 824q(b)(4); Order 681.[4]

[4] Long-Term Firm Transmission Rights in Organized Electricity Markets, Order No. 681, 71 Fed. Reg. 43,564 (Aug. 1, 2006), FERC Stats. & Regs. ¶ 31,226 (2006) ("Order 681"), *corrected*, 71 Fed. Reg. 46,078 (Aug. 11, 2006), *clarified*, Order No. 681-A, 71 Fed. Reg. 68,440 (Nov. 27, 2006), 117 FERC ¶ 61,201 (2006), *clarified*, Order No. 681-B, 74 Fed. Reg. 13,103 (Mar. 26, 2009), 126 FERC ¶ 61,254 (2009).

SPECIFICATION OF ERRORS

1. Order 1000-A errs by determining that unless public utility TPs elect to make provision in their Order 1000 compliance filings for Section 205 filing of specific applications of the region's cost allocation methodology, the only means to challenge the project-specific application of an Order 1000 cost allocation methodology would be by Section 206 complaint.

2. Order 1000-A errs by altering or limiting Order 681's due preference for LSE long-term rights.

ARGUMENT

I. THE COMMISSION SHOULD NOT DETERMINE GENERICALLY THAT IF TPS ELECT NOT TO PROPOSE SECTION 205 FILING OF SPECIFIC APPLICATIONS OF THEIR REGIONAL COST ALLOCATION, THE ONLY MEANS TO CHALLENGE SUCH APPLICATIONS IS BY SECTION 206 FILING

In Order 1000 (P 543), the Commission held:

> We disagree … that we are delegating any authority to transmission providers. All proposed cost allocation methods will be subject to Commission approval, and all specific allocations will be incorporated in rates that must be filed with and accepted by the Commission.

The Commission did not otherwise address the scope and timing of transmission provider filing of specific applications of their regional cost allocation methodology. In its rehearing application, TAPS asked with respect to non-RTO regions that "the Commission … require the filing of specific applications of the regional cost allocation, as soon as the constructor of the project is determined, with access issues addressed at that time (rather than waiting for the facility to be completed)."[5]

In response, Order 1000-A (P 286) stated that it did "not require under Order No. 1000 that public utility transmission providers file with the Commission associated cost allocation determinations." The Commission did afford public utility transmission

[5] Request for Rehearing of the Transmission Access Policy Study Group at 45 (Aug. 22, 2011), eLibrary

providers, in consultation with stakeholders, the option of "propos[ing] OATT revisions requiring the submission of cost allocations in their Order No. 1000 compliance filings." *Id.* But if the public utility transmission providers choose not to exercise that option, then once the Commission has accepted the TPs' Order 1000 compliance filing, the only stakeholder recourse, in the event a Commission-approved regional planning process is not followed, or if a cost allocation methodology is not followed or produces an unjust and unreasonable result for a particular new transmission facility or class of new transmission facilities, is to initiate an action under FPA Section 206, 16 U.S.C. § 824e.[6]

Thus, as newly articulated in Order 1000-A, the Commission's default rule (i.e., unless public utility transmission providers choose to propose, as part of their Order 1000 compliance filing, Section 205 filing of specific applications of their regional cost allocation methodology) is that absent the filing of a Section 206 complaint, the Commission will not review whether project selection and the application of the regional cost allocation methodology are just and reasonable, and not unduly discriminatory as applied to any specific regional transmission project. Although Order 1000-A nowhere uses the term "formula rate" to describe the proposed default rule's treatment of regional cost allocation methodologies, it is creating a filing regimen where the compliance filing cost allocation methodologies will function as just that, unless the public utility TPs choose to provide for Section 205 filings of the specific applications of that methodology.

No. 20110822-5109.

[6] *See also* Order 1000-A, P 622 ("[F]or future applications of the method to actual new facilities, a non-public utility transmission provider could exercise any right it has in the regional transmission planning process to withdraw rather than accept the allocation of costs. And finally, non-public utility transmission providers choosing to remain in the transmission planning region notwithstanding dissatisfaction with a particular application of the cost allocation method may file with the Commission for a FPA Section 206 determination that the approved method is no longer just and reasonable or is unduly discriminatory or preferential in practice."); *id.* PP 231, 649 (confirming retention of Section 206 rights).

For the reasons discussed below, the Commission should not leave determination of the procedures necessary to implement a regional cost allocation methodology consistent with Federal Power Act requirements to the discretion of the public utility TPs. Instead, the Commission should shift course and require the Section 205 filing of project-specific applications of the regional cost allocation methodology, or leave to the compliance filing process the determination (in response to requests of transmission providers or other stakeholders) as to whether such filing is required.

Formula rates are an exception to the general rule requiring filing of jurisdictional rates whenever they change. *Pub. Utils. Comm'n of Cal. v. FERC*, 254 F.3d 250, 254 (D.C. Cir. 2001) ("*PUC*"). The Commission treats the formula as the filed rate, but does not require annual Section 205 filing of the formula rate inputs. *Id.* Those inputs are subject to a set of protocols that preserve customer rights to examine and challenge the inputs;[7] a Section 206 filing is required to challenge the application of the formula.[8] There is a substantial body of law governing the necessary attributes of a lawful formula rate. The Commission "may accept formula rates that are fixed and predictable in nature." *Midwest Indep. Transmission Sys. Operator, Inc.*, 137 FERC ¶ 61,214, P 176 (2011) (citation omitted). In whole, and in significant "component" part, a lawful formula rate must have "the specificity required for ratemaking purposes and [be] tied to … objectively identifiable criteria." *Id.* (citations omitted). A permissible formula rate

[7] *Midwest Indep. Trans. Sys. Operator Inc.*, 139 FERC ¶ 61,127, PP 9, 10 (2012). Customers may also file pursuant to FPA Section 306, 16 U.S.C. § 825e, and the Commission can act pursuant to FPA Section 309, 16 U.S.C. § 825h, to enforce the formula rate. "Since the Commission's approval of a formula rate constitutes approval of the formula, and not the underlying costs, the Commission [is] able to order … refund[s] … [of] any costs … collected in excess of the just and reasonable amount." *Bos. Edison Co.*, Op. No. 376, 61 FERC ¶ 61,026, at 61,145 (1992) (citations omitted).

[8] *PUC*, 254 F.3d at 258.

"both allows a utility to recover costs that may fluctuate over time and prevents a utility from utilizing excessive discretion in determining the ultimate amounts charged to customers." *PUC*, 254 F.3d at 254 (citations omitted). *See also Pac. Gas & Elec. Co. v. FERC*, 306 F.3d 1112, 1118 (D.C. Cir. 2002); *Cent. & Sw. Servs., Inc.*, 48 FERC ¶ 61,197, *reh'g denied*, 49 FERC ¶ 61,118 (1989) ("*Central*"). By requiring each and every formula rate or material formula rate component to be sufficiently specific in its inputs and methodology, rely on objective criteria, and cabin the discretion of the party seeking to impose customer charges, a rate qualifying to be treated as a formula rate provides customers with the degree of certainty necessary to satisfy the requirements of Section 205 and the filed rate doctrine. *PUC*, 254 F.3d at 254.[9]

The Commission can have no reasonable assurance that compliance filing cost allocation methodologies adequate to comply with the Final Rule's six cost allocation principles will also be sufficiently specific, grounded in objective criteria, and otherwise adequately constrain utility discretion in order to be treated as formula rates.[10] While the Commission expects the Order 1000 compliance filings to include regional cost allocation methodologies that are clear and explain how costs of selected projects will be allocated (Order 1000-A, P 286), there is every reason to believe that the Commission's six cost allocation principles will *not* in all cases produce cost allocation methodologies sufficiently prescriptive to eliminate "excessive discretion in determining the ultimate

[9] *See Elec. Dist. No. 1 v. FERC*, 774 F.2d 490, 493 (D.C. Cir. 1985) (discussing the "necessary predictability [in customer charges that] is the whole purpose of the well-established 'filed rate' doctrine").

[10] Or to speak more precisely, proper formula components that "are central to the determination of [the] level of payments that affect the rate charged for jurisdictional service." *PUC*, 254 F.3d at 254 (citation omitted).

amounts charged to customers." *PUC*, 254 F.3d at 254 (citation omitted).[11] The very thrust of the Rule is to the contrary: the Commission has articulated general cost allocation principles intended to afford transmission providers flexibility in crafting regional transmission facility cost allocation methodologies. Far from being mechanistic and grounded in objective criteria, regional cost allocation methodologies, in combination with the process for selecting projects for regional cost allocation, will likely rely on assumptions and other judgment calls that undermine and defeat predictability. In fact, Order 1000 (P 223) emphasizes that it "allow[s] for flexible planning criteria to mitigate the possibility that bright line metrics may exclude certain transmission projects from long-term transmission planning."[12]

Order 1000-A's determination that (unless the TPs elect to provide for Section 205 filing of specific applications of the regional cost allocation methodologies) the only means to challenge specific implementation of a Commission-accepted Order 1000 cost allocation methodology is by Section 206 filing is most clearly unjustified in non-RTO regions. The Commission has rejected TAPS' requests that it require balanced decision-making in non-RTO regions (Order 1000-A, PP 268-69) and instead left implementation of the regional project selection and cost allocation methodology to the "combined view" of the public utility transmission providers. *See, e.g.*, Order 1000, P 331. In such context, application of the cost allocation methodology

[11] This would appear to be "an important aspect of the problem" warranting Commission consideration within the meaning of *Motor Vehicle Manufacturers Association of the United States, Inc. v. State Farm Mutual Automobile Insurance Co.*, 463 U.S. 29, 43 (1983).

[12] One of the few arguably specific standards that is set forth is the requirement in Cost Allocation Principle 3 that a benefit-to-cost "threshold may not include a ratio of benefits to costs that exceeds 1.25 unless the transmission planning region or public utility transmission provider justifies and the Commission approves a higher ratio." Order 1000-A, P 692. But even this specific ratio is tethered to the highly judgmental determination of relevant benefits and costs, and is an elective standard: the filing utility can propose to

leaves ample room for the TPs to exercise judgment and undue discrimination; and the Commission cannot reasonably assume that the cost allocation methodology, by itself, will in all cases provide customers with "notice" as to how regional facilities will be selected, and their costs allocated, in the future. Order 1000-A, P 286.

Order 1000 itself (P 254) cites Order 888[13] at 31,682, which states that "[t]he inherent characteristics of monopolists make it inevitable that they will act in their own self-interest to the detriment of others by refusing transmission and/or providing inferior transmission to competitors in the bulk power markets to favor their own generation, and it is [the Commission's] duty to eradicate unduly discriminatory practices." Leaving it to the sole discretion of the TPs as to whether to provide for Section 205 filing of specific applications of their regional cost allocation methodology, or limit objecting stakeholders to filing complaints under Section 206, further enhances the TPs' ability to discriminate. Particularly where a cost allocation methodology is unlikely to have the specificity and objectivity to cabin the TPs' discretion, and where stakeholders may have only the opportunity to provide input that the TPs are free to ignore, treatment of the cost allocation methodology as if it were a ministerial-to-administer formula rate is inappropriate and improperly shifts the statutory burdens imposed by Section 205.[14]

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use a benefit-to-cost threshold, or not.

[13] Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Services by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities, Order No. 888, 61 Fed. Reg. 21,539 (May 10, 1996), FERC Stats. & Regs. ¶ 31,036 (1996), *clarified*, 76 FERC ¶ 61,009 (1996), *modified*, Order No. 888-A, 62 Fed. Reg. 12,274 (Mar. 14, 1997), FERC Stats. & Regs. ¶ 31,048 (1997), *order on reh'g*, Order No. 888-B, 62 Fed. Reg. 64,688 (Dec. 9, 1997), 81 FERC ¶ 61,248 (1997), *order on reh'g*, Order No. 888-C, 82 FERC ¶ 61,046 (1998), *aff'd in part and remanded in part sub nom. Transmission Access Policy Study Grp. v. FERC*, 225 F.3d 667 (D.C. Cir. 2000), *aff'd sub nom. New York v. FERC*, 535 U.S. 1 (2002).

[14] TAPS recognizes that existing RTO tariffs do not necessarily require Section 205 filings for each application of the Commission-accepted regional cost-allocation methodology. In such cases, the Commission had a specific regional cost allocation methodology before it, and could determine whether a

Providing customers with the option of filing Section 206 complaints is inadequate. As the Commission recognizes elsewhere in Order 1000-A,[15] Section 206 relief is not a cure-all.

Thus, the Commission should not, by rulemaking, determine that unless the public utility TPs elect to allow Section 205 filing of specific applications of the regional cost allocation, a Section 206 complaint provides the only means for customers to challenge the implementation of those methodologies. The Commission should reverse its finding in Paragraph 286 and require the Section 205 filing of specific applications of the regional cost allocation at least in non-RTO regions that lack balanced decision-making.

At minimum, the Commission should defer making a generic finding now that Section 206 is the only available recourse to challenge specific applications of regional cost allocation methodologies absent the TPs electing to propose Section 205 filings of those specific applications.[16] The decision as to the filing obligations required to meet FPA requirements cannot be left to the unfettered discretion of TPs. Instead, the Commission should leave for determination on a case-by-case basis in the process of evaluating Order 1000 compliance filings, in response to requests by the TPs or other stakeholders or on its own motion, whether in a particular region the filing of specific applications of the regional cost allocations is necessary.

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separate Section 205 filing of specific applications of that methodology was necessary. In addition, and of particular import, the RTO process includes the important customer safeguards of independence, balanced decision-making, and active stakeholder involvement.

[15] The Commission finds that "litigating complaints burdens and unduly delays the transmission planning process." Order 1000-A, P 576. The Commission fails to explain why litigating complaints concerning specific project cost allocation methodologies will not similarly unduly burden and delay the transmission development process, as opposed to project-specific Section 205 filings.

[16] TAPS presumes that Section 306 complaints would likewise be available in any case to enforce the filed rate.

Deferring the determination as to appropriate procedures to ensure proper implementation of statutory rights and protections to the compliance filing process (rather than making a generic determination) is necessitated by the broad flexibility that the Commission has afforded public utility transmission providers to develop a compliance approach that works for the particular region, a flexibility stressed throughout Orders 1000 and 1000-A.[17] Given this flexibility on all aspects of the compliance filing, deferral of the Commission's determination as to needed future filing obligations to the compliance filing process is required to enable the Commission to make that important determination in the context of its evaluation of the specific compliance proposals—to match the required process to the compliance choices made by the regional public utility transmission providers. Deferral will enable the Commission to consider the specifics of the proposed regional cost methodology in conjunction with the proposed project selection process and associated governance and other safeguards (if any) in determining whether the methodology has the objectivity and certainty needed to operate without Section 205 filings of the specific implementation of that cost allocation methodology, consistent with FPA requirements. It will also be able to consider the views of the public utility transmission providers in that region, as well as other stakeholders, as to what filing procedures are necessary to ensure that the cost allocation methodology, as applied, produces rates that are just, reasonable, and not unduly discriminatory, as the Commission intends.

Thus, rather than make an unsupportable generic determination as to future filing obligations and challenge opportunities associated with specific applications of the

[17] *See, e.g.*, Order 1000, P 61; Order 1000-A, P 283 ("Order 1000's overarching goal of providing flexibility to meet regional needs"); *id.* P 647.

regional cost allocations, or leave that determination to unfettered TP discretion in composing compliance filings, the Commission should defer that determination to the compliance filing process, where that determination can be based on the record of the particular compliance filing, and any modifications required by the Commission.

II. THE COMMISSION SHOULD MAKE CLEAR THAT ORDER 1000-A DOES NOT ALTER OR LIMIT ORDER 681'S PREFERENCE FOR LSE LONG-TERM RIGHTS

In the Energy Policy Act of 2005,[18] Congress enacted Federal Power Act Section 217(b)(4), which requires the Commission: (1) to exercise its authority to "facilitate[] the planning and expansion of transmission facilities to meet the reasonable needs of load-serving entities"; and (2) to "enable[] load-serving entities to secure firm transmission rights … on a long-term basis for long-term power supply arrangements made, or planned, to meet such needs." 16 U.S.C. § 824q(b)(4). The Commission implemented the long-term rights directive of FPA § 217(b)(4) in organized markets by issuing Order 681,[19] which requires RTOs to offer long-term firm transmission rights and established guidelines that such long-term rights must satisfy. In Order 681, the Commission recognized that planning for long-term rights is an important part of the Section 217(b)(4) directive;[20] and the Commission has expressly required planning for long-term rights to be integrated into the RTO planning process.[21]

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[18] Energy Policy Act of 2005, Pub. L. No. 109-58, 119 Stat. 594.

[19] Long-Term Firm Transmission Rights in Organized Electricity Markets, Order No. 681, 71 Fed. Reg. 43,564 (Aug. 1, 2006), FERC Stats. & Regs. ¶ 31,226 (2006) ("Order 681"), *corrected*, 71 Fed. Reg. 46,078 (Aug. 11, 2006), *clarified*, Order No. 681-A, 71 Fed. Reg. 68,440 (Nov. 27, 2006), 117 FERC ¶ 61,201 (2006) ("Order 681-A"), *clarified*, Order No. 681-B, 74 Fed. Reg. 13,103 (Mar. 26, 2009), 126 FERC ¶ 61,254 (2009).

[20] Order 681, P 453 (footnote omitted) ("FPA section 217(b)(4) requires the Commission to exercise its authority under the FPA in a manner that facilitates the planning and expansion of transmission facilities, and to enable load serving entities to obtain long-term firm transmission rights. To implement that section in a transmission organization with an organized electricity market, as required by section 1233(b) of

According to Order 681, Section 217 of the FPA provides "a due preference for load serving entities that seek to obtain long-term firm transmission rights." Order 681, P 179; *see also id*. P 320. The Commission stated that the statute "strongly indicates that Congress intended for load serving entities to be 'first in line' for long-term transmission rights that are made available." *Id.* The Commission ruled that

> in cases where the transmission organization must limit the amount of existing capacity available for long-term firm transmission rights to a level that cannot support the "reasonable needs" of all load serving entities, guideline (5) [of Order No. 681] allows the transmission organization to give priority to load serving entities with long-term power supply arrangements in allocating the scarce capacity.

Order 681-A, P 65; *see also id.* PP 66, 70.[22]

In addressing rehearing arguments of American Public Power Association and National Rural Electric Cooperative Association in Order 1000-A, the Commission for the first time suggests that the preference for LSE long-term rights recognized and established by Order 681 does not apply to the transmission facilities planned, selected for regional and inter-regional cost allocation, and constructed pursuant to Order 1000. Specifically, the Commission states that, "Order No. 681 made this point in the context of securing long-term firm transmission rights supported by *existing* transmission capacity, which was the subject of that rulemaking proceeding, but not in the broader context of planning new transmission capacity." Order 1000-A, P 171. According to Order 1000-

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EPAct 2005, we believe that the transmission organization must plan its system to ensure that allocated or awarded long-term firm transmission rights are feasible.").

[21] *Midwest Indep. Transmission Sys. Operator, Inc.*, 121 FERC ¶ 61,062, P 48 (2007), *order on reh'g*, 123 FERC ¶ 61,178 (2008).

[22] The Commission also stated that it will "take appropriate steps," if it becomes apparent that LSEs with long-term power supply arrangements are being crowded out of the allocation of long-term rights by those without long-term power supply arrangements. Order 681-A, P 72. *See also id.* P 70 ("we expect that [regional FTR allocation] rules will include adequate protections for load serving entities with long-term

A, the reforms of Order 1000—unlike the LSE long-term rights preference established by Order 681—"address the planning and cost allocation for *new* transmission." Order 1000-A, P 172 (citation omitted).

The Commission's suggestion that Order 681 does not apply to new transmission facilities is error. To the contrary, Order 681 expressly provided that "[w]hen … transmission upgrades [that are rolled into transmission rates] come into service, the transmission rights that result from such investments *will be made available as rights from 'existing capacity.'*" Order 681, P 211 (emphasis added). Thus, consistent with its recognition of the importance of planning for long-term rights, Order 681 extended the preference to be afforded LSEs to long-term rights from existing capacity to new transmission capacity, with one limited exception—where a transmission upgrade is funded by "direct cost assignment," i.e., participant-funded. *Id.* That exception is inapplicable to the new transmission facilities at issue in this proceeding, as Order 1000 specifically ruled that participant funding will *not* comply with the regional or interregional cost allocation principles adopted by the Rule. Order 1000, P 723.

Order 1000-A should be reversed to the extent that it modifies the LSE long-term rights preference established by Order 681, by limiting that preference to "existing" transmission facilities, rather than extending it to new transmission that is not participant-funded. The Commission should clarify that Orders 1000 and 1000-A do not alter the scope or applicability of Order 681, which speaks for itself.

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power supply arrangements").

CONCLUSION

As described above, the Commission should grant rehearing to ensure that the Final Rule achieves the Commission's goal of making it more likely that the right transmission will be planned and constructed, consistent with the Federal Power Act's mandate.

Respectfully submitted,

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June 18, 2012