

August 23, 2019

The Honorable Neil Chatterjee, Chairman  
The Honorable Richard Glick, Commissioner  
The Honorable Cheryl A. LaFleur, Commissioner  
The Honorable Bernard L. McNamee, Commissioner  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

**Re: Docket Nos. PL19-3 and PL19-4 Notices of Inquiry and Increasing  
Transmission Costs**

Dear Chairman Chatterjee and Commissioners:

As the Commission considers the comments filed in response to its notices of inquiry (NOIs) on transmission incentives (PL19-3) and return on equity (ROE) policies (PL19-4), the undersigned state public utility commissions, public power utilities, electric cooperatives, consumer advocates, industrial users of electricity, and associations urge the Commission to bear in mind the substantial transmission cost increases borne by customers in many regions of the country in recent years. The comments on the NOIs described and documented this sharp escalation in wholesale transmission rates and the concerns it has generated.<sup>1</sup>

A number of the policy changes under consideration in the NOIs could contribute to further increases in transmission costs, while other NOI proposals would likely mitigate these expenses. Many of the undersigned entities submitted comments addressing the particular questions raised in the NOIs. We are writing now to emphasize our collective concern about increasing transmission costs, and to encourage the Commission to remain mindful of this concern as it weighs its transmission incentives and ROE policies. While the comments submitted in response to the NOIs were numerous and offered a diversity of views, maintaining transmission costs at a reasonable level for consumers must be a key touchstone in evaluating all policy recommendations.

The Commission should not equate our concern about rising transmission costs with opposition to transmission investment in general. Prudently planned and constructed transmission facilities can increase supply options, reduce congestion-related costs, integrate renewable resources, and promote grid reliability. We support such beneficial transmission investment and Commission policies that promote it. In evaluating transmission incentives and

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<sup>1</sup> See, e.g., Docket No. PL19-3-000, Comments of the Delaware Municipal Electric Corporation, Inc. at 2 & n.7 (June 26, 2019); Docket No. PL19-3-000, Initial Comments of the Joint Commenters at 14-15 (June 26, 2019); Docket No. PL19-3-000, Comments of the Northern California Power Agency at 6 (June 26, 2019); Docket No. PL19-3-000, Comments of Transmission Access Policy Study Group at 17 (June 26, 2019).

ROE policies in the NOI proceedings, however, the potential increased cost burden on transmission customers must always remain a principal consideration, particularly in light of recent substantial cost increases.

We appreciate the Commission's consideration of this important issue.

Respectfully submitted,

Aluminum Association	Massachusetts Municipal Wholesale
American Chemistry Council	Electric Company
American Forest & Paper Association	Modesto Irrigation District
American Public Power Association	National Rural Electric Cooperative
Blue Ridge Power Agency	Association
California Department of Water Resources	New Hampshire Electric Cooperative Inc.
California Municipal Utilities Association	Northern California Power Agency
California Public Utilities Commission	Office of the Ohio Consumers' Counsel
Cities of Anaheim, Azusa, Banning, Colton,	Office of the People's Counsel for the
Pasadena, and Riverside, California	District of Columbia
(collectively, the "Six Cities")	Oklahoma Municipal Power Authority
Coalition to Lower Energy Costs	Old Dominion Electric Cooperative
(Massachusetts)	Pennsylvania Energy Consumer Alliance
Connecticut Office of the Attorney General	Public Citizen
Connecticut Office of Consumer Counsel	Public Utility Law Project of New York
Consumer Federation of America	Rhode Island Manufacturers Association
Delaware Municipal Electric Corporation	TDU Systems (Central Electric Power
Electricity Consumers Resource Council	Cooperative, Inc.; Golden Spread
Energy Council of Rhode Island	Electric Cooperative, Inc.; Kansas
Florida Municipal Power Agency	Electric Power Cooperative, Inc.; North
Illinois Industrial Energy Consumers	Carolina Electric Membership
Indiana Industrial Energy Consumers, Inc	Corporation; PowerSouth Energy
Industrial Energy Consumers of America	Cooperative; and Seminole Electric
Industrial Energy Consumer Group (Maine)	Cooperative, Inc.)
Industrial Energy Consumers of Pennsylvania	Transmission Access Policy Study Group
Industrial Energy Users-Ohio	West Virginia Energy Users Group
Kansas Corporation Commission	Wisconsin Industrial Energy Group
Kansas Industrial Consumers Group, Inc.	
Louisiana Energy Users Group	