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WIRES Renews Call for FERC to Reassess ROE Policies

WASHINGTON, DC – WIRES today filed a [Summary of Comments and Analysis](#) which describes, and generally responds to, comments on its June 26 [Petition for Statement of Policy \(Docket No. RM13-18\)](#) on regulated rates of return for transmission investment. WIRES also renewed its request to the [Federal Energy Regulatory Commission](#) for a re-examination of methods of setting transmission rates of return in light of macro-economic developments, the Commission’s policy objectives, and the benefits provided by existing projects that are having their rates of return challenged under the Federal Power Act.

WIRES expressed its view that the initial comments from numerous stakeholders, whether supporting WIRES’ ideas or not, helped advance an understanding of the risks facing this sector. Since WIRES’ Petition, a FERC administrative law judge issued an [Initial Decision](#) (Docket No. EL11-66-001, August 6, 2013) that required a nearly 150-basis point reduction in equity returns for existing projects in ISO-New England, based largely on the effects of federal monetary policy. WIRES therefore remains concerned that the typical barriers to transmission development and the number of other complaint cases pending at FERC, coupled with economic events beyond FERC’s control, could seriously discourage transmission investment.

“The **ISO-New England decision** changes very little about the larger policy issues that WIRES raised,” **WIRES Counsel Jim Hoecker** said today. “Even though there are disparate views on the future of transmission ROEs, most commenters acknowledge, implicitly if not explicitly, the importance of providing the regulatory conditions for stable investments in critical infrastructure. Just and reasonable rates should be entirely consistent with this goal.”

Today’s filing states: “With notable exceptions, few of the commenters in this docket addressed the major issues presented by the WIRES’ Petition – the condition of our transmission delivery infrastructure, the costs to consumers and the economy of changing patterns of infrastructure investment, the need to support the Commission’s market initiatives with physical infrastructure, and the possibility that thinking creatively about ratemaking policy will serve consumers even better over the long term.”

WIRES (Working group for Investment in Reliable and Economic electric Systems) is a non-profit trade association of investor-, publicly-, and cooperatively owned transmission providers, transmission customers, regional grid managers, and equipment and service companies. WIRES promotes investment in electric transmission and progressive State and Federal policies that advance energy markets, economic efficiency, and consumer and environmental benefits through development of electric power infrastructure. For more information, visit www.wiresgroup.com or contact Jim Hoecker at 202-378-2316.