



**American
Public Power
Association**

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February 10, 2016

The Honorable Ed Whitfield
Chairman
Subcommittee on Energy and Power
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, D.C. 20515

Bobby L. Rush
Ranking Member
Subcommittee on Energy and Power
U.S. House of Representatives
2322A Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Whitfield and Ranking Member Rush:

On behalf of the American Public Power Association (APPA), I am writing in support of H.R. 2984, the “Fair Ratepayer Accountability, Transparency, and Efficiency Standards Act” or the “Fair RATES Act.” APPA is the national service organization representing the interests of over 2,000 community-owned, not-for-profit electric utilities. These utilities include state public power agencies, municipal electric utilities, and special utility districts that provide low-cost, reliable electricity and other services to over 48 million Americans.

The Federal Power Act requires a utility (this usually means an investor-owned, for profit utility) to give the Federal Energy Regulatory Commission (FERC) and the public 60 days' notice before making changes to its rate, charge, or classification structure. If FERC is deadlocked, such changes take effect without any further action by FERC. However, FERC has said changes that take effect after such a deadlock cannot be appealed, because there is no FERC “decision” to rehear or appeal.

The Fair RATES Act would fix this technical flaw, allowing any person, electric utility, state, municipality, or state commission aggrieved by a rate change that takes effect under such circumstances, to seek rehearing within 30 days. Introduced by Energy and Commerce Committee Member Joseph Kennedy (D-MA), the legislation has 20 Democratic and Republican cosponsors and was praised by FERC General Counsel Max Minzner as having “significant benefits,” during the hearing held by the Energy and Power Subcommittee on February 2. APPA agrees with this conclusion – as well as those discussed by Braintree (MA) Electric General Manager Bill Bottiggi at the same Subcommittee hearing – and ask you to support its approval by the Subcommittee.

Finally, this issue is symptomatic of more fundamental problems relating to FERC’s market oversight, where the Commission appears willing to defer to decisions made by regional transmission organizations regarding the operation of these markets, while turning a blind eye to the larger question of whether those markets result in “just and reasonable” rates to the customers they ultimately serve.

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Therefore, we applaud Congressman Kennedy and his bipartisan cosponsors for introducing the Fair RATES Act, and the Subcommittee for considering the bill, but hope that this is only the beginning of reform efforts to the wholesale markets overseen by FERC.

We look forward to continuing to work with the Subcommittee on these important issues, and very much appreciate the ongoing collaboration and communication.

Sincerely,

A handwritten signature in cursive script that reads "Susan N. Kelly".

Susan N. Kelly
President & CEO
SNK/JBG