

Resolution Requesting the Federal Energy Regulatory Commission  
Conduct a Review of the Proper Scope and Geographic Boundaries for  
Regional Transmission Organizations

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**WHEREAS**, On July 12, 2001, the Federal Energy Regulatory Commission (FERC), issued several orders requiring various electric utilities to enter into mediation to form large RTOs, with suggestions that further consolidation of RTOs in other areas of the country may be required in the near future; and

**WHEREAS**, FERC has begun to define the boundaries of RTOs, in spite of the fact that in Order 2000, the Commission specifically declined to address specific boundaries and has not yet addressed what the optimal size and scope should be for an RTO; and

**WHEREAS**, NARUC and state commissions supported and participated in the Order 2000 process and look forward to working with FERC in the development of RTOs for the benefit of all electricity consumers; and

**WHEREAS**, State Commissions believe that FERC should approve appropriate RTO boundaries based on a full examination of all necessary data and information including the costs and benefits of RTOs of different sizes and configurations; and

**WHEREAS**, RTO boundaries should be established to optimize the development of a transmission organization that provides reliable, cost effective transmission service that promotes effective competitive wholesale markets and that provides benefits to all electricity consumers; and

**WHEREAS**, RTO boundaries should be established based on a comprehensive analysis that includes full consideration of existing transmission lines and systems and their reasonable expansion, existing and proposed generation facilities, load centers, existing power markets, power markets that are likely to develop, environmental effects, and the costs and benefits of various alternative RTO configurations; now therefore be it

**RESOLVED**, That the Board of Directors of the National Association of Regulatory Utility Commissioners (NARUC) convened in its July 2001 Summer Committee Meetings in Seattle, Washington, requests that the Federal Energy Regulatory Commission (FERC) conduct an appropriate proceeding, including the collection of evidence and the opportunity for comment and participation by all stakeholders including the States, on the appropriate size and geographic scope of RTOs based on an analysis that includes consideration of the information and factors described above so that the FERC can consider such evidence and analysis prior to approving specific RTO boundaries.

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Sponsored by the Committees on Consumer Affairs and  
Telecommunications

Adopted by the NARUC Board of Directors, July 18, 2001.