



**Federal Energy Regulatory Commission
October 18, 2007
Open Commission Meeting
Statement of
Chairman Joseph T. Kelliher**

Items E-2 and E-14: North American Electric Reliability Corporation, Mosaic Fertilizer, LLC, and City of Tampa, Florida (Docket Nos. RR07-16-000, RC07-1-000, and RC07-2-000)

"Today, the Commission acts to assure adequate funding for the Electric Reliability Organization and Regional Entities, so that they can discharge their role of developing and proposing strong reliability standards for the Commission's approval, improving the standards over time, and enforcing the mandatory standards subject to the Commission's review.

We have made a lot of progress on reliability over the past two years. We certified the Electric Reliability Organization. We accelerated the schedule for establishment of mandatory reliability standards, so that the summer of 2007 was the first summer where the bulk power system was governed by mandatory reliability standards. We directed the Electric Reliability Organization to improve approved reliability standards, so that they are strengthened over time. We approved delegation agreements with regional reliability entities, giving them authority and responsibility to enforce mandatory standards approved by the Commission.

Under the reliability provisions of the Energy Policy Act of 2005, the Electric Reliability Organization and Regional Entities have very important roles. In particular, they develop and propose reliability standards and have a primary role in the enforcement of those standards. I have been impressed with the commitment of the Regional Entities to effective enforcement.

It is necessary that the Electric Reliability Organization and Regional Entities have adequate resources to perform the roles they have been assigned by the Commission. Today we provide those resources, by accepting the budget and business plans for the Electric Reliability Organization and Regional Entities for 2008. Our order approves a significant increase in funding."