



June 20, 2012

The Honorable Jon Wellinghoff
Chairman
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**RE: Coordination Between the Natural Gas and Electricity Markets,
Docket No. AD12-12-000**

Dear Chairman Wellinghoff:

As trade associations representing a broad spectrum of natural gas and electric power interests, we are writing to underscore the importance of leadership by the Federal Energy Regulatory Commission (FERC or Commission) as increased attention is given to natural gas and electric power coordination. With more than 80 sets of comments filed in this proceeding, we are encouraged that you also find these issues a priority and that you plan to hold a series of regional conferences in which FERC will set the agenda with individual commissioners leading those discussions. These conferences will allow focused discussion of both regional and national issues that are squarely within the Commission's jurisdiction.

Given FERC's unique position as lead regulator of natural gas pipelines and wholesale electric power markets, as well as its oversight role of electric reliability, FERC is the appropriate body to address the coordination issues that

may arise as reliance on natural gas by electric generators increases. As the national body with such jurisdiction, FERC can ensure that multiple efforts are well coordinated and redundancies are minimized among the various regions and organizations that may also have some role in gas/electric integration. Moreover, Commission leadership ensures that all industry participants have a seat at the table with the confidence that their positions will be fully considered.

While we appreciate the North American Energy Standards Board's (NAESB) eagerness to address gas/electric integration, it is currently premature for NAESB to pursue specific standards development in this area where important policy issues need to be defined and considered. Only after explicit guidance is provided by the Commission should NAESB pursue technical standards that may be required.

In conclusion, our organizations fully support further discussions of what, if any, policy changes are needed to improve gas/electric coordination. We stress that those discussions must take place through FERC given that there are significant policy implications involving costs and contractual rights. FERC should assert its rightful role leading this initiative, convening industry-wide discussions and providing guidance and, when necessary, solutions to improve gas/electric coordination. At this early stage, we fully support the Commission's proposed course of action to move forward with the proposed regional conferences to more fully define the problems, prioritize the issues, and develop appropriate policy.

Sincerely,

American Forest & Paper Association
American Gas Association
Electric Power Supply Association
Interstate Natural Gas Association of America
Independent Petroleum Association of America
Natural Gas Supply Association
Process Gas Consumers

cc: Commissioner Tony Clark
Commissioner Cheryl LaFleur
Commissioner Philip Moeller
Commissioner John Norris