



ITC HOLDINGS CORP.
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September 9, 2011

The Honorable Steven Chu
Secretary
U.S. Department of Energy
Washington, DC 20585

Dear Secretary Chu:

In the past 10 years the United States has built roughly 11,000 miles of natural gas pipeline. During the same period, the electricity industry has only added approximately 660 miles of new high voltage interstate transmission. While other factors have contributed to this gross discrepancy, one of the largest impediments to building new interstate transmission has been the issue of multiple jurisdictions responsible for siting. In order overcome this barrier, ITC is asking that you delegate your authority under section 216 of the Federal Power Act to the U.S. Federal Energy Regulatory Commission (FERC).

As you know, the states have traditionally been responsible for siting transmission because of the historical nature of the electricity industry as vertically integrated entities making transmission more intrastate in design. However, with the deregulation of the electricity industry, the development of organized wholesale markets and generation moving farther from load, the necessity for interstate transmission has grown exponentially. Within ITC's footprint, several states should be commended for their efforts to improve their siting process. However, the need for a federal "backstop" to facilitate the siting of interstate transmission still remains.

Consolidating the federal transmission siting role at FERC should make the siting process more efficient and more workable. The bifurcation of the federal role between your agency and FERC is inefficient, requiring lengthy, sequential proceedings at two agencies. Consolidation of the federal role would result in a single proceeding at FERC, with improved environmental review coordination. Additionally, recent action by FERC to address regional planning under Order 1000 can facilitate the identification of corridors and projects needed to alleviate congestion within the regions and, therefore, closely linking the two processes and ensuring state consultation statutory requirements are met.

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The proposed delegation would not expand the federal transmission siting role, but only make it more effective. States would retain primary responsibility for siting electric transmission facilities. But limited federal siting will help develop the robust grid the U.S. needs to assure reliability, reduce congestion, and deliver low cost, clean energy.

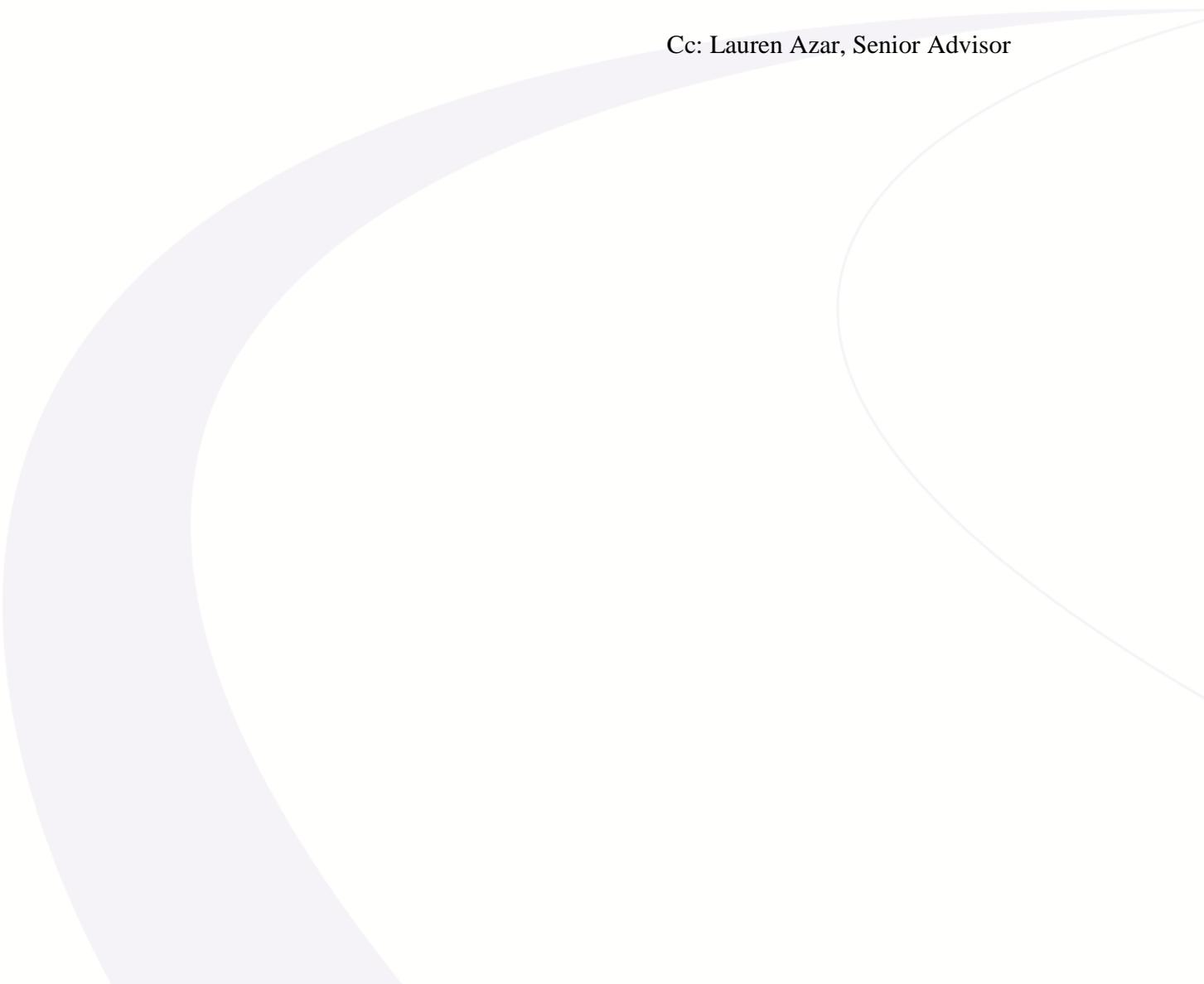
I urge the Department to issue the proposed delegation.

Sincerely,

A handwritten signature in cursive script that reads "Joseph L. Welch".

Joseph L. Welch
Chairman, President and Chief Executive Officer
ITC Holdings Corp.

Cc: Lauren Azar, Senior Advisor

A large, light purple decorative graphic consisting of a thick, curved band that sweeps across the bottom and right side of the page, with a thin, curved line following its outer edge.