

**ACTING CHAIRMAN CHERYL LAFLEUR
SENATE ENERGY & NATURAL RESOURCES
CONFIRMATION HEARING MAY 20**

Well, thank you very much, Chair Landrieu, Ranking Member Murkowski and members of the committee. I'm honored to appear before you this morning as a nominee for a second term at the Federal Energy Regulatory Commission. I'd like to thank Senator Shaheen for her generous introduction and for everything that she's done for the people of New England. I'm grateful for her continuing support. I would like to thank President Obama for nominating me and this committee for holding this hearing at which I'm pleased to appear with my colleague Norman Bay.

As the chair has noted, FERC's work encompasses a variety of responsibilities. In my four years on the commission, I voted on approximately 3,500 orders as a commissioner and led the decision of more than 500 as acting chairman. In each order, I've sought to use my independent judgment based on the facts of the record and the law that binds us. I've worked to understand the perspectives of all parties and those of my colleagues to make decisions that are fair, clear and timely.

I've been aided by the wonderful team in my office, all of whom are here this morning, and across the commission. I also appreciate the continuing support of my family, and I'm very happy that my husband, Bill Kuncik, and our daughter Allison are sitting behind me today. Our son Dan is teaching high school back home, just like Senator Shaheen did a long time ago, and we didn't want him to leave the kids with a sub just to be here.

But I want to briefly use my time to touch on three areas that have been priorities for me at the commission. As I frequently note, our nation is seeing substantial changes in energy supply due to the increased availability and use of domestic natural gas, the growth in renewables and demand-side resources, and new environmental rules.

These drivers of change are really largely outside FERC's jurisdiction, but they're driving much of our work on both infrastructure and markets. Our nation is investing in electric transmission, gas pipelines and LNG facilities, and FERC's regulation has a critical impact on those investments.

In addition, supply changes require adaptations in competitive electric markets to assure that they attract needed investment and coordinate effectively with gas markets. I've sought to be a leader in those areas.

Throughout my time at FERC, reliability -- including grid security -- has been a top priority. Ensuring reliability requires that we pay attention to day-to-day activities, like trimming trees, as well as emerging issues, like cybersecurity. As I further explain in my written testimony, I think we're making progress on both fronts. In recent months, FERC has approved new and more comprehensive cybersecurity standards and has ordered NERC to develop standards to respond to geomagnetic disturbances and physical security risks.

Finally, another area of priority for me, both as a commissioner and as chairman, has been building relationships between FERC and other agencies that regulate the same industries that we do. Because of the overlapping jurisdiction across the government, I believe that those relationships are essential to effective regulation.

One of my first actions as acting chairman was to resume FERC's negotiations with the Commodities Futures Trading Commission on two agreements required by Dodd-Frank, which we successfully executed January 2nd. As a result, the CFTC is now providing FERC with critical market data that's enhanced our market surveillance.

I've also worked to build a strong relationship with the EPA. I founded and co-chaired the joint FERC-NARUC forum on reliability and the environment to discuss preparation for and compliance with new environmental regulations and assure reliability is sustained. If confirmed, I'll continue to work closely with federal and state agencies.

I've been blessed with a wonderful career. I began in a law firm, held executive positions serving electric and gas customers, and led nonprofit organizations. Compared to some, I came late to public service. But I found it both challenging and extremely rewarding.

It's been an honor to serve on the commission and work on the critical issues I've mentioned, and many others. I'm deeply honored that President Obama has nominated me to continue this work. Thank you for your consideration of my nomination and I look forward to your questions.