

**Federal Energy Regulatory Commission
February 16, 2006 Commission Meeting
Statement of
Chairman Joseph T. Kelliher**

EQR (E-12 and E-13)

“Under the Commission’s market-based rate test, public utilities authorized to charge market based rates are required to submit Electric Quarterly Reports summarizing the contractual terms and conditions in their wholesale power sales during the prior three months. Under Order No. 2001, filing of an Electric Quarterly Report is a condition of market-based rate authorization.

Electric Quarterly Reports are necessary to satisfy the filed rate requirements of section 205 of the Federal Power Act. They are also necessary to meet the conditions of market-based rate authorization.

As I have said before, market-based rate authorization is a privilege, not a right. If the conditions for market-based rate authorization are not satisfied, the Commission will revoke authorization. We have done that before for failure to submit triennial market analysis, as well as failure to file Electric Quarterly Reports.

In E-13, the Commission revokes the market-based rate authorization of eight companies that failed to file Electric Quarterly Reports. In an order issued on December 22, 2005 the Commission notified the companies that they were delinquent in satisfying the filing requirement and had 15 days to comply. None of these companies subsequently satisfied their filing requirements, and we revoke their authorization to charge market-based rates.

In E-12, the Commission notifies six companies that they are delinquent in their filing of Electric Quarterly Reports, and that their market-based rate authorization will be revoked unless they satisfy the filing requirement within 15 days. The failure of these companies to file their Electric Quarterly Reports was determined as a result of Commission staff review, and I commend staff for their vigilance. I support the orders.”