



FEDERAL ENERGY REGULATORY COMMISSION

NEWS

January 21, 2010

Docket No. RM09-16-000

NEWS MEDIA CONTACT

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FERC Proposes Greater Certainty for Investment in Utilities

The Federal Energy Regulatory Commission (FERC) today proposed a rule to ensure that certain acquisitions of public utilities by holding companies that do not influence the control of the utility do not trigger certain market-based rate requirements or cross-subsidization restrictions.

FERC is seeking public comment on a Notice of Proposed Rulemaking (NOPR) granting blanket authorization for a holding company to acquire 10 percent or more, but less than 20 percent, of a public utility, provided that the holding company files an Affirmation in Support of Exemption from Affiliation Requirements, a new FERC form. The Affirmation would ensure a holding company purchaser will not change or influence the control of the public utility. The proposed rule would exempt that public utility from certain market-based rate requirements and cross-subsidization restrictions. The new process would allow FERC to monitor and sanction entities that violate any statements made in the Affirmation.

The proposal came out of a workshop that took place in December 2008 to explore issues involving control and affiliation as they pertain to the Commission's market-based rate requirements.

Comments on the NOPR, *Control and Affiliation for Purposes of Market-Based Rate Requirements under Section 205 of the Federal Power Act and the Requirements of Section 203 of the Federal Power Act*, are due 60 days after publication in the *Federal Register*.

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