



# NEWS RELEASE

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## FERC Issues 2018 Report on Enforcement

The Federal Energy Regulatory Commission's Office of Enforcement in fiscal 2018 maintained its sharp focus on the significant threat posed by fraud and market manipulation in wholesale energy markets to ensure such conduct did not undermine FERC's goal of ensuring efficient energy services at reasonable cost or erode confidence in those markets to the detriment of consumers and competitors.

The 2018 Report on Enforcement released today highlights FERC Enforcement staff's continued focus on fraud and market manipulation, serious violations of mandatory Reliability Standards, anticompetitive conduct, and conduct that threatens the transparency of regulated markets. As in previous years, the report also provides the public with more information regarding the nature of non-public enforcement activities, such as self-reported violations, surveillance inquiries and investigations that were closed without public enforcement action.

Some of the highlights of today's 2018 Enforcement Report:

- Investigations staff opened 24 new investigations and closed 23 pending investigations with no action. Additionally, staff negotiated six settlements that resulted in more than \$83 million in civil penalties and disgorgement of more than \$66 million in unjust profits. These Commission-approved settlements included provisions requiring the subjects to enhance their compliance programs and periodically report back to Enforcement regarding the results of those enhancements.
- Audits and Accounting staff completed 14 audits of oil pipelines, electric utilities and natural gas companies, resulting in 209 recommendations for corrective action and directing refunds and recoveries totaling more than \$185 million. Additionally, DAA advised and acted on 435 proceedings at the Commission covering various accounting matters with cost-of-service rate implications.
- Market Oversight staff continued its analysis of market fundamentals, and enhanced its capabilities for identifying anticompetitive market outcomes and anomalies that may indicate an exercise of market power. Market Oversight published its 2017 State of the Markets Report and Seasonal Assessment reports. It also held two Electric Quarterly Report user group meetings to discuss potential system improvements and enhancements.
- Analytics and Surveillance staff reviewed numerous instances of potential misconduct and provided analytical expertise to Investigations staff in approximately 50 investigations. Natural gas surveillance screens produced approximately 7,719 alerts. Each month Analytics and Surveillance staff ran and reviewed 84 electric surveillance screens, hourly and intra-hour sub-screens, and reports for more than 36,000 hubs and pricing nodes within six regional transmission owner and independent system operator regions.

Since 2007, Enforcement staff has negotiated settlements allowing for the recovery of approximately \$776 million in civil penalties and approximately \$511 million in disgorgements.

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