

Commission to clarify that Goldman Sachs is not required to report all utility securities held as collateral, but rather, is only required to report utility securities acquired as a result of a foreclosure on such collateral. Goldman states that this clarification would make Ordering Paragraph (H) consistent with Paragraph 41 in the October 18 Order, in which the Commission discusses the authorization being granted with respect to securities held as collateral and describes only a requirement to report “utility securities obtained through liquidation in connection with a loan[.]”

4. Second, Goldman requests clarification that the one percent *de minimis* threshold applies to each reporting category. Goldman argues that security holdings of less than one percent are *de minimis* and cannot convey control. In addition, Goldman notes the inconsistency between the text of the order, which applies the one percent threshold to the report of liquidated collateral,⁴ and Ordering Paragraph (H), which does not.

5. Third, Goldman requests clarification whether the quarterly reports should continue to separately identify the utility securities held by Goldman in a proprietary capacity, as Ordering Paragraph (H) does not list that as a separate category to be reported. Goldman notes that it was required to separately report its holdings in a proprietary capacity under the prior blanket authorization, and as proposed by Goldman Sachs in its application.

III. Discussion

6. We grant Goldman’s request for clarification that Goldman is not required to report all utility securities held as collateral, but only required to report utility securities acquired as a result of a foreclosure of such collateral. As we stated in the October 18 Order, we impose conditions on Goldman similar to the conditions we have imposed on banks.⁵ As we do not require banks to file reports of their holdings of public utility securities as collateral, we clarify that Goldman is required to report its holdings of public utility securities arising from the liquidation of collateral from previous loans, but not for securities held as collateral.

7. Second, we grant Goldman’s request for clarification that the one percent *de minimis* threshold applies to reports of holdings by Specialist Entities,⁶ because that amount is insufficient to confer control. Likewise, we also clarify that the one percent *de minimis* threshold applies to reports of holdings arising from the liquidation of collateral from previous loans.

⁴ October 18 Order, 121 FERC ¶ 61,059 at P 41.

⁵ *Id.* P 41. *See also* 18 C.F.R. § 33.1(c)(9)(iii), (iv) (2007); Order No. 669-A, FERC Stats. & Regs. ¶ 31,214, P 124, *order on reh’g*, Order No. 669-B, FERC Stats. & Regs. ¶ 31,225 (2006).

⁶ *See* October 18 Order, 121 FERC ¶ 61,059 at P 5, 15-16.

8. Third, we clarify that Goldman must continue to report its holdings in a proprietary capacity. This report, in conjunction with reports of Goldman's other holdings under the blanket authorization granted in the October 18 Order, will provide a more comprehensive picture of Goldman's holdings. The one percent *de minimis* threshold also applies to this report.

9. Therefore, we will revise Ordering Paragraph (H) to read as follows:

(H) Applicants shall file with the Commission on a quarterly basis, a report separately identifying: (1) holdings of voting securities acquired and held as a principal for their own accounts; (2) holdings arising from investment advisory services and management of mutual funds and private investment funds; (3) holdings by Specialist Entities; (4) holdings arising from the liquidation of collateral from previous loans; and (5) total holdings of voting securities irrespective of the capacity in which such securities are held. Each report should list the holdings of utility voting securities, stated in terms of the number of shares held and as a percentage of the outstanding shares. The reports for each category of holdings are due within 45 days of the close of the quarter and are subject to a *de minimis* threshold of one percent.

10. In addition, we correct additional items in the Ordering Paragraphs. Specifically, in Ordering Paragraph (F), in the last sentence, insert "informational" after "Such." The last sentence is corrected to read as follows: "Such informational filings shall be made in this docket or in appropriate sub-dockets of this docket."

11. In Ordering Paragraph (I), in the first sentence, after "must file notice" insert "for informational purposes." Further, in Ordering Paragraph (I), delete the last sentence and insert a sentence conforming reports by new entities to those filed under Ordering Paragraph (H). Thus, Ordering Paragraph (I) is corrected to read as follows:

(I) If a new entity is to be covered by this blanket authorization, the entity must file notice, for informational purposes, providing the name of the entity, the new entity's activities and functions, and the regulatory safeguards applicable to that entity, as well as a reiteration of Goldman's commitment to not acquire securities that will confer control to Goldman. The reports for each category of holdings by any new entity shall be filed within 45 days of the close of the calendar quarter in which they are formed and otherwise made as specified in Ordering Paragraph (H).

12. In Ordering Paragraph (J), insert a period after “granting the request,” and delete the remainder of the paragraph. The sentence is corrected to read as follows: “Applicants must inform the Commission, within 30 days, of any material change in circumstances that would reflect a departure from the facts, policies, and procedures the Commission relied upon in granting the request.”

The Commission orders:

(A) The motion for clarification is granted.

(B) Ordering Paragraphs (F), (H), (I), and (J) are modified, as discussed in the body of this order.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.