



FEDERAL ENERGY REGULATORY COMMISSION

NEWS

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Docket Nos. IN07-27-000 and IN08-6-000

NEWS MEDIA CONTACT

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FERC Approves Two Enforcement Settlements: Duquesne Light, Otter Tail Power

The Federal Energy Regulatory Commission (FERC) today approved two stipulation and consent agreements that involve separate investigations by the Office of Enforcement into actions by Duquesne Light Company and Otter Tail Power Company.

The Duquesne order (IN07-27-000) resolves an investigation into violations of FERC cost allocation procedures, the electric quarterly report filing requirement and the standards of conduct. Among the violations: Duquesne employees failed to keep track of their time performing functions for affiliates; a small Duquesne generating affiliate failed to file required electric quarterly reports from 2002 to 2006; several instances of Open Access Same-Time Information System posting violations; several violations of the independent functioning and information sharing requirements related to Duquesne's provider of last resort responsibilities; and several other violations of information sharing requirements.

Duquesne admitted it committed the acts in question but neither admitted nor denied that the acts constituted violations of the rules. But as part of the settlement the company agreed to pay a \$250,000 civil penalty, keep track of employees' time performing functions for affiliates and spend at least \$1 million to develop and implement a comprehensive regulatory compliance plan.

The Otter Tail order (IN08-6-000) resolves alleged network transmission service violations by Otter Tail of the Open Access Transmission and Energy Markets Tariff (OATT) of the Midwest Independent Transmission System Operator (Midwest ISO). Otter Tail admitted it committed the acts in question, which predated the Energy Policy Act of 2005, but neither admitted nor denied that the acts constituted violations of the tariff. However, it has agreed to disgorge \$546,832 in profits, plus interest. Enforcement staff did not seek to impose a compliance monitoring plan on Otter Tail because now that the Midwest ISO's Day 2 market is operational, its member utilities no longer schedule transmission within the system.

"This package of orders is important," FERC Chairman Joseph Kelliher said. "The Duquesne order shows that the Commission is prepared to allow settlement funds to be used to strengthen corporate compliance programs. The Otter Tail order is a reminder to the regulated community that compliance with the open access transmission tariff is a core regulatory requirement."

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