



FEDERAL ENERGY REGULATORY COMMISSION

NEWS

December 17, 2009

Docket Nos. PL10-2-000, PL10-1-000

NEWS MEDIA CONTACT

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FERC Acts to Make Enforcement Process Transparent

The Federal Energy Regulatory Commission (FERC) today acted to make its energy market enforcement process more transparent to market participants and consumers.

FERC authorized the Secretary of the Commission to issue a "Staff's Preliminary Notice of Violations" after the subject of the investigation has had an opportunity to respond to staff's preliminary findings letter. This would take place upon authorization of the Director of the Office of Enforcement.

The order would benefit the public interest by informing the regulated community about the views of the Office of Enforcement regarding the matter, which could contribute to a better understanding of compliance obligations. The order would also increase transparency by informing consumers of matters under investigation by the Commission Office of Enforcement.

The process works this way: As the Office of Enforcement completes its fact-finding process, it may make a preliminary determination that the subject has violated one or more FERC requirements. If that occurs, the Office of Enforcement would send the subject a letter outlining the bases for the preliminary determination. After the subject has had an opportunity to respond to staff's preliminary findings letter, the Director of the Office of Enforcement would be authorized to direct the Secretary of the Commission to issue a notice consisting of:

- the identity of the entity or entities under investigation;
- the time and place of the alleged conduct;
- the rules, regulations, statutes or orders that staff alleges were violated; and
- a concise description of the alleged wrongful conduct.

Notice will not confer a right on third parties to intervene in the investigation or any other right with respect to the noticed investigation.

Also today, FERC formalized a process by which the Office of Enforcement will provide exculpatory evidence to subjects of its investigations and respondents in administrative enforcement proceedings. Exculpatory evidence is evidence that may be favorable to a subject of an investigation or respondent in an enforcement proceeding.

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