

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;  
Nora Mead Brownell, Joseph T. Kelliher,  
and Suedeem G. Kelly.

Investigation of Anomalous Bidding  
Behavior and Practices in the  
Western Markets

Docket No. IN03-10-003

ORDER DENYING REQUEST

(Issued January 28, 2004)

1. On October 16, 2003, the Commission issued an order clarifying the status of the various proceedings that arose out of its investigation into possible market manipulation in the western electric and natural gas markets, conducted in Docket No. PA02-2-000.<sup>1</sup> The October 16 Order held that the specified proceedings, including Docket No. IN03-10-000, are investigative proceedings under 18 C.F.R. Part 1b (2003). The order dismissed several pending rehearing requests, including one filed by the City of Los Angeles Department of Water and Power (LADWP) in Docket No. IN03-10-000.<sup>2</sup> The reason was that there are no parties to an investigation, and rehearing does not lie. On December 12, 2003, the Commission issued an order denying several requests for rehearing of the October 16 Order.<sup>3</sup>

2. On November 17, 2003, the City of Los Angeles Department of Water and Power (LADWP) filed what it characterized as a request for rehearing of the October 16 Order. In its request, LADWP argues that the Commission lacks jurisdiction to investigate municipalities due to the operation of Section 201(f) of the Federal Power Act. LADWP states that it raised this jurisdictional argument in its earlier rehearing request, which was dismissed by the Commission's October 16 Order.

3. Consistent with the December 12 Order, the Commission need not address LADWP's filing. Nevertheless, upon consideration of LADWP's arguments, we are not persuaded to rule in its favor. As the Commission explained in an order issued July 25,

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<sup>1</sup> Order Clarifying Nature of Proceedings, 105 FERC ¶ 61,063 (2003).

<sup>2</sup> *Id.*, PP. 4, 7.

<sup>3</sup> Order on Rehearing, 105 FERC ¶ 61,281 (2003).

2001, its jurisdiction extends to “wholesale sales of energy in interstate commerce through a Commission-authorized and Commission-regulated centralized clearinghouse that set a market clearing price for all wholesale seller participants, including [governmental entities].”<sup>4</sup> LADWP’s sales are jurisdictional in this proceeding because they were made in the CAISO/PX organized markets, which were subject to the Commission’s jurisdiction. We therefore reject LADWP’s jurisdictional argument.

The Commission orders:

LADWP’s request is hereby denied.

By the Commission.

( S E A L )

Linda Mitry,  
Acting Secretary.

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<sup>4</sup> San Diego Gas & Electric Co., 96 FERC ¶ 61,120, at p. 61,512.