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Mary O'Driscoll - 202.502.8680

FERC 2010 Enforcement Priorities Include Fraud, Market Manipulation, Reliability

The Federal Energy Regulatory Commission (FERC) will focus its 2010 enforcement efforts on fraud, market manipulation and serious reliability matters, according to the annual Office of Enforcement staff report issued today.

The annual staff report provides the public and the regulated community with information on Enforcement staff activities in fiscal year 2009. Yet this year's report expands that analysis with a discussion of enforcement priorities for the coming year, consistent with the Commission's Strategic Plan. To that end, Enforcement staff will focus on matters involving fraud and market manipulation, serious violations of reliability standards, anticompetitive conduct and conduct that threatens transparency in regulated markets. Some 70 percent of investigations opened in fiscal 2009 involved allegations of market manipulation.

The *2009 Report on Enforcement*, available at www.ferc.gov, outlines activities in the following areas:

Settlements: Enforcement staff entered into 22 Commission-approved settlement agreements for a total of \$38.3 million in civil penalties and an additional \$38.6 million, plus interest, in disgorgement of unjust profits. The settlements included several involving alleged market manipulation.

Investigations: Enforcement staff received 122 new self-reports of violations, opened 10 investigations and closed 36 investigations. The report provides expanded data on the types of violations both self-reported and investigated by staff, and their eventual dispositions. The report also includes short narratives of self-reports and investigations closed with no action. The Enforcement Hotline received 509 complaints and inquiries during the past year; staff closed 485.

Audits: Enforcement staff completed 33 audits of public utilities and natural gas pipeline and storage companies, 28 were financial and five nonfinancial. These audits generated 112 recommendations for corrective action and included \$2.8 million in monetary recoveries from accounting and billing adjustments.

Financial Regulation: Enforcement staff worked on several significant projects, including a series of widely attended teleconferences to provide guidance in complying with the reporting requirements of Order No. 704, a list of Frequently Asked Questions regarding Form No. 552, and review of nearly 5,000 Electric Quarterly Report filings.

Energy Market Oversight: Enforcement staff produced three publicly available market assessments – the Winter Energy Market Assessment, the 2008 State of the Markets Report and the 2009 Summer Energy and Reliability Market Assessment.

Document Content(s)

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