



FEDERAL ENERGY REGULATORY COMMISSION

March 18, 2010

Docket No. PL10-4-000

Item Nos. M-1

Chairman Jon Wellinghoff

Statement of Chairman Jon Wellinghoff on Policy Statement on Penalty Guidelines

"The Commission is issuing today's Policy Statement on Penalty Guidelines to increase fairness, consistency, and transparency in our enforcement program.

Under the Penalty Guidelines, civil penalties will be based on a set of uniform, objective factors. We will still consider many of the same factors noted in our prior policy statements on enforcement, but we will do so in a more focused manner by assigning those factors specific and transparent weights.

I am pleased that the Commission has modeled our Penalty Guidelines on the United States Sentencing Guidelines. The Sentencing Guidelines provide an appropriate and well-tested model to adapt to Commission purposes. One similarity is that the Sentencing Guidelines focus on factors that the Commission is statutorily required to consider and that are central to our enforcement program, such as the seriousness and remediation of a violation. The Sentencing Guidelines also provide sufficient flexibility to permit departures from the indicated penalty range where necessary, and our Penalty Guidelines follow that example.

While the Commission has declined to adopt penalty guidelines in the past, we now have sufficient experience with various types of enforcement actions to implement this type of approach. We have drawn on that experience in developing this Policy Statement.

I recognize that there is likely to be considerable interest in this Policy Statement. For that reason, I am directing staff in our Office of Enforcement to conduct several workshops in the very near future to explain the Penalty Guidelines in greater detail and respond to questions from interested parties. The Enforcement staff has done a tremendous job here. In particular, I would like to specifically mention the efforts of Max Minzner and Lee Ann Watson."

