
FEDERAL ENERGY REGULATORY COMMISSION



WASHINGTON, D.C. 20426

NEWS RELEASE

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FOR IMMEDIATE RELEASE

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Docket No. RM03-8-000

COMMISSION PROPOSES NEW FINANCIAL REPORTING REQUIREMENTS, SEEKS BROADER OVERSIGHT, GREATER TRANSPARENCY

The Federal Energy Regulatory Commission today proposed new quarterly financial reporting requirements to help the Commission and the financial community identify and evaluate emerging trends, business conditions and financial issues affecting regulated energy companies. Quarterly financial reporting will assist the Commission to meet its goal of vigilant oversight in the energy markets by giving the Commission and others more timely, relevant, and transparent financial information.

The quarterly reporting of information will aid the Commission in assessing the economic consequences of its regulatory initiatives upon jurisdictional entities, evaluate the adequacy of existing traditional cost-based rates, and aid in the development of needed changes to existing regulatory initiatives, the Commission noted. All these benefits will allow the Commission to better protect the ratepayers of regulated entities.

Currently the Commission requires financial statements and supporting data to be filed on an annual basis. In a rapidly changing business environment, more frequent and transparent financial reporting is needed. In the Notice of Proposed Rulemaking (NOPR) the Commission proposes to add two new financial reports to be filed quarterly to supplement annual financial reporting requirements.

The two new forms in the proposal include: FERC Form No. 3-Q, Quarterly Financial Report of Electric Companies, Licensees, and Natural Gas Companies, and FERC Form No. 6-Q, Quarterly Financial Report of Oil Pipeline Companies.

These quarterly financial reports will contain a basic set of financial statements, including a management discussion and analysis of financial condition and results of

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operation (MD&A), and selected financial data. The proposal calls for these reports to be filed electronically and certified by appropriate officers of the company. This information would be collected from jurisdictional entities that are subject to the Commission's Uniform System's of Accounts and file FERC Annual Report Forms 1, 1-F, 1, 2-A or 6.

The NOPR enhances disclosure and transparency of financial information contained in the FERC Annual Reports by adding an MD&A schedule, a schedule for the purchase and sales of ancillary services, and by displaying fourth quarter financial data in the annual income statement. Finally, the NOPR updates the officer's certification statement and accelerates the filing dates to parallel the Sarbanes-Oxley Act of 2002.

Comments on the NOPR can be filed with the Commission up to 30 days after publication of the NOPR in the Federal Register. Comments must refer to Docket No. RM03-8-000 and can be filed in either electronic or paper format.

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