

**Federal Energy Regulatory Commission
February 16, 2006 Commission Meeting
Statement of
Commissioner Suedeen Kelly**

Contested Audit Matters (M-1)

“This rule is yet another step in the Commission’s efforts to ensure firm but fair enforcement, by advancing the due process rights of all audited persons by providing an effective process for them to challenge staff audit findings. As we noted in the rule, the Commission has long provided similar due process protections to parties subject to financial audits, so it is appropriate to formalize and extend those protections to other audits conducted by the Commission.

In addition to providing more options, and more due process, for audited persons, what I also like about this rule is that it preserves an audited person’s ability to continue to work informally with the staff audit team so that both sides understand the facts and issues, and perhaps come to a resolution in areas of disagreement, or narrow the list of disputed finding or proposed remedies, thus avoiding unwarranted or unnecessary enforcement actions.

In short, I believe that this rule benefits everyone, and I am pleased to vote it out today.”