



**Federal Energy Regulatory Commission  
December 20, 2007  
Open Commission Meeting  
Statement of  
Chairman Joseph T. Kelliher**

**Statement on Enforcement Policy**

"I would like to announce a number of generic changes to FERC enforcement policy that should be of interest to the regulated community and the public.

Last month, we held an important conference on enforcement policy. We explained our current policy at some length, proposed possible changes, and invited ideas in return. Today, I would like to announce our first actions in response to the recent enforcement policy conference.

We take a number of steps to provide even greater due process to subjects of FERC enforcement proceedings than currently afforded. First, we address the role of enforcement staff in civil penalty adjudications. Upon issuance of an order to show cause, the Commission will make non-decisional all Office of Enforcement investigative staff assigned to participate in the remainder of the proceeding. This includes any further paper hearing procedures and any trial-type hearing procedures. To that end, the Secretary's office will issue a notice listing the enforcement staff that will be designated as non-decisional and separated from the Commission and the advisory staff for the duration of the proceeding.

In future cases, when enforcement staff completes its investigation, it will transmit to the Commission a report with recommended findings and conclusions of fact and law, and the Commission will attach the report to a show cause order to respond to the recommended findings. The Commission will not make any findings, preliminary or otherwise, at least until it has considered the response. In addition, at the point enforcement staff submits a report to the Commission, designated enforcement staff will become non-decisional employees for purposes of participating in the remainder of that enforcement proceeding. This is a change from the Commission's longstanding practice in show cause orders.

These are only our first actions in response to the recent enforcement policy conference, and we may take other changes in the future.

These changes are announced in item G-3 on today's consent agenda, and are effective immediately."