



FEDERAL ENERGY REGULATORY COMMISSION

September 18, 2008
Docket No. RM07-10-001
Item No. G-1

Commissioner Suedeen G. Kelly

**Statement of
Commissioner Suedeen G. Kelly
on
Transparency Provisions of Section 23 of the Natural Gas Act**

"The issuance of this order today could not be more timely. On Tuesday of this week, the *Wall Street Journal* ran an article by David Gaffen, entitled, "The Market Lost Big on Blind Bets: Subprime-Mortgage Turmoil, Bear, Lehman Show How the Lack of Transparency Has Hurt Investors." In his article, Mr. Gaffen observes that the dislocations that have occurred in the marketplace have mostly resulted from a lack of transparency. He writes that the lack of complete information "has eroded investors' trust, which is why each successive attempt by authorities to bandage a wound and proclaim the system 'intact' has resulted in less hope and more cynicism in the market." And that, frankly, is the thinking behind our order today. We know that for a competitive market to function well, buyers must have sufficient information to evaluate competing products. Sometimes the markets for information do not function well, for a variety of reasons. What we have attempted to do in this proceeding is to look at the market for information in the physical natural gas market, and we found that information supply is somewhat wanting. We have taken a very careful and well researched look at the information available and determined that additional information is needed. I believe that the provisions that we enact today will ensure the integrity of the wholesale physical natural gas market and promote competition within them, by facilitating better price transparency. I support this order and thank staff for their hard work."