



**Federal Energy Regulatory Commission
January 18, 2007
Open Commission Meeting
Statement of
Commissioner Marc Spitzer**

**Item M-3: General Statement on Enforcement Settlements
(IN07-1-000, IN07-3-000, IN07-4-000, IN07-5-000, and IN07-6-000)**

"Today this Commission imposes penalties for the first time under the new authority granted to the FERC by Congress.

The settlements adopted today embody fair resolutions to five cases based upon the unique facts of each case. The Office of Enforcement has achieved settlement agreements with each respondent based upon the criteria elucidated the policy announced late last year. I want to thank the Office of Enforcement for their hard work and successful resolution of these cases.

The Policy Statement informs the regulated community of the applicable standards. While today's Decisions afford some notice about how the Commission will enforce its new authority, I would caution the regulated community not to rely too heavily on these five cases and emphasize that the agreements reached in each settlement are case specific.

The Commission believes in "firm but fair" enforcement and these settlements adhere to that standard. It is highly informative that there have been over 40 self-reports by companies, the majority of which have resulted in the Commission either not pursuing an investigation or declining to impose any penalty. I would submit that the resolutions of those cases are further proof of the Commission's commitment to "firm but fair" enforcement.

Since this is the first time the Commission has formally acted under its new authority, I want to briefly highlight the factors I will focus on in enforcement cases. Those factors include: whether the company self-reported, whether senior management knew or should have know of the infractions and what proactive and reactive steps were taken, including the level of cooperation with FERC staff, the harm inflicted on the marketplace and consumers and the scienter of those involved.

Finally, I remain a proponent of settlements, when the result is just and reasonable. However, I remain committed to the belief that if the settlement offer is insufficient or if there is a principled reason not to settle, then a trial is not only necessary, but appropriate."