
FEDERAL ENERGY REGULATORY COMMISSION



WASHINGTON, D.C. 20426

NEWS RELEASE

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FOR IMMEDIATE RELEASE

October 6, 2004
Docket No. RM04-14-000

PROPOSED RULE SEEKS COMMENT ON MARKET-BASED RATE REPORTING FOR CHANGES IN STATUS

In efforts to enhance its oversight of public utilities with market-based rates, the Federal Energy Regulatory Commission today proposed to standardize and clarify market-based rate sellers' reporting requirement for changes in status.

The rule change would facilitate compliance with the Commission's reporting requirements and make certain that the rates being charged the nation's electric power customers are just and reasonable.

In order to make sure that market-based rates are just and reasonable, the Commission must rely on sellers to provide accurate and timely information regarding any relevant changes in status, such as ownership or control of jurisdictional facilities and affiliate relationships.

As wholesale power markets have expanded and developed the number of sellers – public utilities, independent power producers, power marketers and others – has increased along with the complexity of the markets. In addition, market structure is rapidly changing due to restructuring, corporate realignments and new types of contractual arrangements.

The proposed rule would amend the Commission's regulations to establish guidelines defining the types of events that trigger the change in status reporting obligation and mandate that such events be reported to the Commission within 30 days after such an event. This rule change would eliminate the current option of delaying reporting of such events until submission of a market-based rate seller's updated market power analysis. At present, some sellers have the option of filing status changes along with their required new market analysis every three years in lieu of reporting changes on an ongoing basis.

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In order to provide effective oversight of electricity markets and prevent the exercise of market power, the Commission proposes to require that, as a condition of obtaining and retaining market-based rate authority, all sellers must timely report to the Commission any change in status. The types of events that would require timely reporting would include a change in generation or transmission ownership or control or affiliation with any entity that owns or controls generation or transmission facilities. The Commission is seeking comment on other events that should also trigger the reporting requirement.

Comments on the proposed rule are due 30 days after the Notice, *Reporting Requirement for Changes in Status for Public Utilities with Market-Based Rate Authority*, is published in the Federal Register.

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