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# FEDERAL ENERGY REGULATORY COMMISSION



WASHINGTON, D.C. 20426

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## NEWS RELEASE

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### FOR IMMEDIATE RELEASE

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Docket No. IN05-5

### COMMISSION ACCEPTS SETTLEMENT RESOLVING INVESTIGATION OF CORAL ENERGY RESOURCES

The Federal Energy Regulatory Commission today approved a \$4 million settlement agreement with Coral Energy Resources resolving an investigation into responses the company provided the Commission in a prior investigation.

Under the agreement struck with the Commission's Office of Market Oversight and Investigations staff, Coral will pay \$3.5 million to an organization providing energy assistance for low-income customers. Coral also will establish a task force to develop and implement a "best in class" model for regulatory compliance within the company. Coral will allocate the resources necessary to enable the task force to complete its work, an amount currently estimated at \$500,000. The settlement also contains provisions designed to strengthen Coral's existing compliance program.

"This settlement sends an important message to the industry," said Commission Chairman Pat Wood, III. "We expect the companies we regulate to be completely forthright and honest in their dealings with the Commission."

Today's settlement closes the Commission's investigation into the accuracy of Coral's responses in PA02-2, a prior staff-level investigation into the role of Enron and other energy traders in the Western energy crisis of 2000 and 2001. Coral submitted information to the Commission indicating that Coral's traders had not engaged in reporting inaccurate information to energy price-reporting publications.

That submission was among information the Commission forwarded to the Commodity Futures Trading Commission (CFTC), which had statutory authority over the energy price reporting issues the Western energy market investigation uncovered. As a result, the CFTC has imposed more than \$250 million in civil penalties against companies for false reporting of energy price data, including \$30 million involving Coral.

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The CFTC, under its authority, learned that Coral's submission to the Commission had been inaccurate. This resulted in a subsequent Commission investigation, in which staff concluded a Coral trader had provided inaccurate information to a price reporting publication, and that information about this trader's activities should have been, but was not, included in Coral's responses to the Commission.

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