

**Federal Energy Regulatory Commission
February 16, 2006 Commission Meeting
Statement of
Commissioner Suedeen Kelly**

EQR (E-12 and E-13)

“These orders implement one important aspect of our statutory obligation to oversee Market Based Rate sellers. Specifically, the statute requires a rate on file so that the Commission can ensure that jurisdictional rates remain just and reasonable. For approved market-based rate sellers, the rate-on-file requirement is met through Electric Quarterly Reports summarizing contractual terms and conditions for all jurisdictional services and providing transaction information, including rates, for sales made during the quarter. Even if no sales are made in a quarter, an Electric Quarterly Report must be filed to provide this information or else our statutorily mandated oversight of the seller would be impaired.

These orders apply to certain market-based rate sellers who have, whether knowingly or otherwise, violated the Electric Quarterly Report requirements and thus their statutory obligations to maintain their rates on file. The draft order in E-12 notifies one group of such entities that they are in violation of these requirements and that the Commission will revoke their market-based rate authority if they do not cure the violation within 15 days of the issuance of this order.

The draft order in E-13 represents the next step in this process for a different group of entities. These entities failed to respond to an earlier order similar to the one in E-12, and will now lose their market-based rate authority accordingly.

These actions by the Commission are required by the statute and represent a fair and appropriate process for enforcement of the Electric Quarterly Report requirements and I support them.”