
FEDERAL ENERGY REGULATORY COMMISSION



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NEWS RELEASE

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FOR IMMEDIATE RELEASE

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RM02-14-001

COMMISSION FINALIZES RULES FOR CASH MANAGEMENT PROGRAMS; GREATER FINANCIAL TRANSPARENCY TO RESULT

The Federal Energy Regulatory Commission today is amending its regulations to implement filing and notification requirements for FERC-regulated entities that participate in cash management programs. This action will provide the Commission with additional financial transparency of these arrangements and aid the Commission in its oversight and market monitoring responsibilities.

Cash management programs include all agreements under which funds in excess of the daily needs of the FERC-regulated entity, along with the excess funds of the entity's parent, affiliated and subsidiary companies, are concentrated, consolidated, or otherwise made available for use by other entities within the corporate group. Such programs concentrate affiliates' cash assets in joint accounts for the purpose of providing financial flexibility and lowering the cost of borrowing.

Today's final rule, among other things, requires FERC-regulated entities to file their cash management agreements with the Commission and to notify the Commission within 45 days after the end of each calendar quarter when their proprietary capital ratio drops below 30 percent, and when it subsequently returns to or exceeds 30 percent.

In addition to the interim rule, the Commission issued a Notice of Proposed Rulemaking (NOPR) in August 2002.

Today's regulations are effective 30 days after publication in the *Federal Register*.