



# FEDERAL ENERGY REGULATORY COMMISSION

NEWS

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Docket No. IN06-3-003

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## FERC Orders Hearings for Energy Transfer Partners and Oasis Pipeline

The Federal Energy Regulatory Commission (FERC) today issued an order establishing a hearing to determine whether Energy Transfer Partners, L.P. and its affiliates, Energy Transfer Company; ETC Marketing Ltd., and Houston Pipeline Company (collectively, ETP) engaged in market manipulation in violation of FERC rules.

The companies are alleged to have manipulated wholesale gas prices at the Houston Ship Channel to benefit ETP's financial positions and other physical positions between December 2003 and December 2005.

The order also established a hearing to determine whether Oasis Pipeline, L.P., Oasis Pipeline Company Texas, L.P. and ETP Texas Pipeline LTD (collectively, Oasis Pipeline) violated certain Commission regulations governing service provided pursuant to section 311 of the Natural Gas Policy Act of 1978 (NGPA) by: (1) unduly discriminating against nonaffiliated shippers and unduly preferring affiliated shippers in violation of section 284.9(b) of the Commission's regulations; (2) charging rates in excess of the Commission-approved fair and equitable rate in violation of section 284.122(b) of the Commission's regulations, and, if so the amount of unjust profits due to the excessive rate; and (3) failing to file an amended operating statement in violation of section 284.123(e) of the Commission's regulations.

FERC ordered a hearing because there are material facts in dispute that cannot be resolved on the basis of the written submissions received to date from Enforcement staff and ETP. The hearings are to be conducted by FERC administrative law judges (ALJs). The presiding judge will make a recommendation to the Commission in an initial decision, and the Commission itself will make a final decision. The Commission also reserved to itself certain legal and policy issues that it will decide based on the factual record developed at the hearings:

- Whether civil penalties should be imposed for the alleged violations of ETP and Oasis Pipeline;
- Whether ETP's blanket marketing certificate should be revoked;
- The method by which ETP and Oasis Pipeline should disgorge any unjust profits; and
- Whether any conditions should be placed on Oasis Pipeline's continued authority to provide interruptible transportation pursuant to NGPA section 311.

The Chief ALJ was directed to determine whether the allegations against ETP and Oasis Pipeline should be addressed in one hearing or in separate hearings, and the procedural track for the hearing or hearings.

