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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

May 25, 2005  
Docket Nos. ER98-3809 et al.

### COMMISSION STRENGTHENS MARKET-BASED RATE REQUIREMENTS: FILE ON TIME OR FORFEIT MARKET-BASED RATES

The Federal Energy Regulatory Commission today announced procedures to bring over 200 companies into compliance with Commission regulations or risk losing their market-based rate authority.

The Commission allows wholesale electric power sales at market-based rates if the seller and its affiliates do not have, or have adequately mitigated market power in generation and transmission and cannot erect other barriers to entry by other suppliers. The Commission also considers whether there is evidence of affiliate abuse or reciprocal dealing. As a condition of a company's authorization to sell power at market-based rates, the company must file an updated market power analysis every three years. These filings help the Commission ensure that market power is not being exercised in wholesale electricity markets.

The companies that have been delinquent in filing their updated or revised market analysis will have their market-based rate authority revoked if they do not file those analyses within 60 days, the Commission said. If a company does not wish to retain its market-based rate authority, it may file a notice of cancellation with the Commission.

Also in today's order, the Commission instituted a [Federal Power Act] Section 206 proceeding (Docket No. EL05-111) to determine whether the rates charged by the more than 200 listed companies remain just and reasonable.