

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

STAFF NOTICE OF ALLEGED VIOLATIONS

(August 9, 2011)

Take notice<sup>1</sup> that in a non-public preliminary investigation pursuant to 18 CFR Part 1b (2011), the staff of the Office of Enforcement of the Federal Energy Regulatory Commission (Commission) has preliminarily determined that Duke Energy Carolinas, LLC (DEC) violated its tariffs, a Commission order, and Commission regulations.

DEC is a subsidiary of Duke Energy Corporation (Duke Energy), serving approximately 2.4 million residential, commercial, and industrial customers across 24,000 square miles in North Carolina and South Carolina. Staff alleges that between December 2006 and September 2008 DEC made forty-two power sales in its control area to eight counterparties at prices exceeding the maximum allowed rate in DEC's cost-based rate (CBR) tariff by a total of \$97,591 in violation of:

- The Commission's June 30, 2005, order revoking DEC's market-based rate (MBR) authority in DEC's control area and requiring DEC to provide CBR sales in its control area;<sup>2</sup>
- DEC's Commission-approved CBR tariff, which establishes a maximum allowed rate for power sales in DEC's control area;
- DEC's Commission-approved MBR tariff, which prohibits MBR sales in DEC's control area; and
- Section 35.1(e) of the Commission's regulations, 18 CFR 35.1(e) (2011), which requires DEC to abide by the rates provided for in its tariffs.

Staff also alleges that between May 2006 and December 2008 DEC entered into an additional 134 sales that were misreported to the Commission as MBR sales in violation of the Commission's EQR filing requirements, 18 CFR 35.10b (2011), which require public utilities to file sales information covering all services they provide for each of the four calendar quarters of each year.

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<sup>1</sup> *Enforcement of Statutes, Regulations, and Orders*, 129 FERC ¶ 61,247 (2009); *reh'g denied, order on clarification*, 134 FERC ¶ 61,054 (2011).

<sup>2</sup> *Duke Power*, 111 FERC ¶ 61,506, at P 1 (2005).

This Notice does not confer a right on third parties to intervene in the investigation or any other right with respect to the investigation.

Kimberly D. Bose,  
Secretary.

Document Content(s)

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