



FEDERAL ENERGY REGULATORY COMMISSION

Docket Nos. PL10-4-000

Item No. M-1

September 16, 2010

Commissioner Cheryl A. LaFleur

STATEMENT

Statement of Commissioner Cheryl A. LaFleur on Revised Penalty Guidelines

"I am pleased to join my colleagues in supporting the Penalty Guidelines. Although I was not a member of the Commission in March, I believe that my colleagues correctly concluded that the Penalty Guidelines will add transparency, consistency, and fairness to the Commission's enforcement program.

I would like to highlight two aspects of today's revised policy statement and revised Penalty Guidelines.

First, the revised policy statement and Penalty Guidelines emphasize that the central goal of the Commission's enforcement program is achieving compliance, not assessing penalties. It is critical that the Commission's enforcement program aid the regulated community in building a culture of compliance, so that entities have in place the institutional safeguards necessary to avoid actions that will threaten the reliability of the Bulk Power system or undermine the integrity of Commission-regulated markets. To that end, I am pleased that the Penalty Guidelines reflect the importance the Commission places on an effective compliance program.

Second, the policy statement and revised Penalty Guidelines incorporate many of the recommendations made by those who commented in this proceeding, including in particular how they apply to reliability matters. That reflects the hard work on the part of Commission staff in listening to and responding to comments. But it also reflects the clarity, specificity and constructiveness of the comments received. That is something to bear in mind with all our open rulemakings—rather than just commenting that a proposed rule is a bad idea, it is more useful to suggest exactly how we should change it.

I am also pleased that the staff has committed to a staff-led technical conference a year from now to discuss how the Penalty Guidelines have worked in practice.

Lastly, I would like to thank Norman Bay, Larry Gasteiger, Larry Parkinson, Lee Ann Watson, Jeremy Medevoy, Roger Morie, Steven Tabackman and the entire enforcement staff for their work on the revised policy statement and revised Penalty Guidelines."