UNITED STATES OF AMERICA FEDERAL ENERGY REGULATORY COMMISSION

STAFF NOTICE OF ALLEGED VIOLATIONS

(August 10, 2011)

Take notice that in a nonpublic preliminary investigation pursuant to 18 CFR Part 1b, the staff of the Office of Enforcement of the Federal Energy Regulatory Commission (Commission) has preliminarily determined that the City of Holyoke Gas & Electric Department (Holyoke) violated the Commission's Prohibition of Electric Energy Market Manipulation, 18 CFR 1c.2 (2011).

Holyoke is a municipally-owned utility providing electricity, natural gas, district steam, and telecommunications services to more than 18,000 Massachusetts customers. Staff alleges that Holyoke violated 18 CFR 1c.2 (2011) by failing to report to ISO-New England, Inc. (ISO-NE) three separate planned generation unit outages (involving two units) during the period April 1, 2008 through December 21, 2008. Staff alleges that during these outages Holyoke offered the energy from its out-of-service units into ISO-NE's energy markets even though Holyoke knew it could not provide this energy to ISO-NE to satisfy its capacity obligations if dispatched. ISO-NE paid Holyoke for this capacity even though Holyoke's units could not respond.

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.

 $^{^1}Enforcement$ of Statutes, Regulations, and Orders, 129 FERC \P 61,247 (2009), order on reh'g, 134 FERC \P 61,054 (2011).

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