

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

STAFF NOTICE OF ALLEGED VIOLATIONS

(December 4, 2012)

Take notice<sup>1</sup> that in a non-public, formal investigation pursuant to 18 C.F.R. Part 1b,<sup>2</sup> the staff of the Office of Enforcement of the Federal Energy Regulatory Commission (Commission) has preliminarily determined that Oceanside Power, LLC (Oceanside) violated the Commission's Anti-Manipulation Rule through its trading activity in the PJM Interconnection, LLC (PJM) during July and August 2010.

Oceanside is a limited liability company that, among other things, trades in the PJM market. Staff alleges that Oceanside engaged in Up To Congestion transactions in PJM that Oceanside did not expect would earn a profit after payment of transaction costs, and that the purpose of these trades was to schedule transmission and thereby recover Marginal Loss Surplus Allocation payments. Based on this conduct and other evidence discovered in its investigation, staff alleges that Oceanside violated the Commission's prohibition against manipulation of the electricity markets, 18 C.F.R. § 1c.2.

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

Nathaniel J. Davis, Sr.,  
Deputy Secretary.

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

<sup>2</sup> *Order of Non-Public, Formal Investigation*, 132 FERC ¶ 61,169 (2010).