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# FEDERAL ENERGY REGULATORY COMMISSION



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## NEWS RELEASE

### NEWS MEDIA CONTACT:

Mary O'Driscoll  
(202) 502-8680

### FOR IMMEDIATE RELEASE:

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### FEDERAL COURT REJECTS CHALLENGE TO COMMISSION'S AUTHORITY TO PREVENT MARKET MANIPULATION

A federal appellate court today rejected a challenge to the Federal Energy Regulatory Commission's ability to set rules to prevent market manipulation in wholesale power markets.

The decision by the U.S. Court of Appeals for the District of Columbia Circuit found that the Federal Power Act gives the Commission the discretion to investigate and resolve issues surrounding market-based rates. It upheld rules the Commission issued in 2003 to prevent manipulative practices in wholesale power sales.

"The U.S. Supreme Court's decision earlier this week to leave the *Lockyer* decision in California undisturbed removed all remaining doubt about our legal authority to authorize market-based rates," Commission Chairman Joseph T. Kelliher said. "Today's decision confirms our authority to promote effective competition in wholesale power markets, by preventing manipulation of those markets."

The short decision effectively dismissed arguments that the Commission could not authorize market-based rates. "When combined with our new final market-based rates rule, which the Commission approved yesterday, today's decision clears the way for the Commission to conduct effective enforcement of wholesale power markets and guard the consumer from exploitation," Kelliher said.

The court decision, *Colorado Office of Consumer Counsel, et. al., v. Federal Energy Regulatory Commission*, is available at [www.ferc.gov](http://www.ferc.gov), under Legal Resources/Court Cases/Opinions.

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