



FEDERAL ENERGY REGULATORY COMMISSION

NEWS

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Docket No. IN06-3-003

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FERC Orders Hearings for Energy Transfer Partners and Oasis Pipeline

The Federal Energy Regulatory Commission (FERC) today established a hearing to determine whether Energy Transfer Partners, L.P. and its affiliates, Energy Transfer Company, ETC Marketing Ltd. and Houston Pipeline Company (collectively, ETP) engaged in market manipulation in violation of FERC rules.

The companies are alleged to have manipulated wholesale gas prices at the Houston Ship Channel to benefit ETP's financial positions and other physical positions between December 2003 and December 2005.

FERC also established a hearing to determine whether Oasis Pipeline, L.P., Oasis Pipeline Company Texas, L.P. and ETP Texas Pipeline Ltd. (collectively, Oasis Pipeline) violated certain regulations governing service provided under section 311 of the Natural Gas Policy Act of 1978 (NGPA) by: (1) unduly discriminating against nonaffiliated shippers and unduly preferring affiliated shippers in violation of section 284.9(b) of the Commission's regulations; (2) charging rates in excess of the Commission-approved fair and equitable rate in violation of section 284.122(b) of the Commission's regulations, and, if so, the amount of unjust profits due to the excessive rate; and (3) failing to file an amended operating statement in violation of section 284.123(e) of the Commission's regulations.

FERC ordered a hearing because there are material facts in dispute that cannot be resolved on the basis of the written submissions received to date from Enforcement staff and ETP. The hearings are to be conducted by FERC administrative law judges (ALJs). The presiding judge will make a recommendation to the Commission in an initial decision, and the Commission itself will make a final decision as to:

- ☐ Whether civil penalties should be imposed for the alleged violations of ETP and Oasis;
- ☐ Whether ETP's blanket marketing certificate should be revoked;
- ☐ The method by which ETP and Oasis should disgorge any unjust profits; and
- ☐ Whether any conditions should be placed on Oasis Pipeline's continued authority to provide interruptible transportation pursuant to NGPA section 311.

Under the hearing order, the Chief ALJ will determine whether the allegations of the NGA violations against ETP and the allegations of NGPA violations against Oasis Pipelines are best addressed in one hearing or in separate hearings. And once the presiding ALJ is designated, the judge will have 10 days to convene a prehearing conference to determine a procedural schedule and to establish hearing dates.

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