



FEDERAL ENERGY REGULATORY COMMISSION

NEWS

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Docket No. IN08-3-000

NEWS MEDIA CONTACT

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Edison Mission Agrees to Penalty for Conduct that Mised Enforcement Staff

The Federal Energy Regulatory Commission (FERC) today approved a stipulation and consent agreement with Edison Mission in which the company will pay \$9 million to resolve violations involving its conduct that misled staff of the Office of Enforcement during an investigation.

Edison Mission represents Edison Mission Energy, Edison Mission Marketing & Trading Inc. and Midwest Generation LLC. Prior to and during a non-public preliminary investigation of an Edison Mission bidding practice in the PJM Interconnection LLC, the company made a series of representations and produced data and documents to staff regarding its supply offer strategy that, upon further explanation by Edison Mission, were found to have resulted in misleading FERC Enforcement staff.

These actions, which took place over three and a half years, not only misled and misdirected FERC staff, but caused staff to waste resources analyzing different explanations offered by Edison Mission for its bidding practices. Today's order noted that the conduct that occurred in this matter was severe and did not involve the types of errors or omissions that sometimes occur in investigations involving large data production. Those types of matters usually are timely and easily cured. But here, Edison Mission's acts that misled were protracted, related to core issues under investigation and caused extensive misallocation of resources.

Edison Mission admitted in the settlement to having violated the FERC regulation that imposes a duty of candor upon sellers authorized to engage in sales for resale of electric energy at market based rates. Such entities must "provide accurate and factual information and not submit false or misleading information, or omit material information, in any communication with the Commission ... unless Seller exercises due diligence to prevent such occurrences."

"FERC is committed to the highest professional standards in the conduct of investigations and enforcement actions," FERC Chairman Joseph T. Kelliher said. "We have a duty to enforce the law, and will exercise that duty with fairness and firmness. We expect subjects of investigations to defend themselves. However, providing investigators with false or misleading information crosses the line in violation of our rules."

Under the agreement, Edison Mission will pay \$7 million in civil penalties and will develop and implement a comprehensive regulatory compliance program estimated at \$2 million. Kelliher noted that this is the first settlement since FERC's November 2007 conference that has included such a provision.

"The focus of FERC's enforcement program is, and should be, compliance with the rules," Kelliher said.

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