



FERC
FEDERAL ENERGY REGULATORY COMMISSION





All Civil Penalty Actions – 2014

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ALL CIVIL PENALTY ACTIONS

- [2014](#)
- [2013](#)
- [2012](#)
- [2011](#)
- [2010](#)
- [2009](#)
- [2008](#)
- [2007](#)

Subject(s) of Investigation and Order	Sanctions Imposed, including Civil Penalties, Disgorgement, and Compliance Measures	Description of Findings of Violations
Direct Energy Services, LLC, 148 FERC ¶ 61,114 PDF (August 11, 2014)	\$20,000 civil penalty; \$31,935 disgorgement; continuing existing compliance measures going forward; compliance monitoring.	The Commission approved a settlement arising from a self-report by Direct Energy that led to an investigation in which Staff concluded that two traders formerly employed by Direct Energy manipulated the price of physical natural gas at two hubs on several days in May 2012 to benefit related financial positions. Staff also concluded that Direct Energy promptly (i) discovered the trades, (ii) suspended the traders, (iii) investigated the situation, (iv) fired the traders, and (iv) self-reported, after which it cooperated fully in Staff’s investigation.
Imperial Irrigation District, 148 FERC ¶ 61,108 PDF (August 7, 2014)	\$12,000,000, offset by \$9,000,000 in Reliability Enhancements; Compliance Monitoring.	The Commission approved a settlement resolving findings under 10 Requirements of 4 Reliability Standards for failures to: perform certain necessary operational planning studies, coordinate those studies with its neighboring transmission operators, establish valid system operating limits, conduct near- and long-term planning studies that consider the most severe system results, and operate the

		system to prevent any disturbance from creating emergency operating conditions.
Arizona Public Service Company, 148 FERC ¶ 61,009  (July 7, 2014)	\$3,250,000 Civil Penalty, offset by \$1,250,000 to be expended on Reliability and Compliance Enhancements; Compliance Monitoring.	The Commission approved a settlement resolving findings under 4 Requirements of 2 Reliability Standards for failure to perform certain necessary operational planning studies, coordinate those studies with its neighboring transmission operators, and operate the system to prevent any disturbance from creating emergency operating conditions.
Indianapolis Power & Light Company, 148 FERC ¶ 61,007  (July 3, 2014)	\$32,500 Civil Penalty; \$301,000 Disgorgement; Compliance Enhancements; Compliance Monitoring.	The Commission approved a settlement resolving admitted violation of section 39.2.5 (c) of the MISO tariff for failure to adjust its real-time offers for the unit to reflect its actual capacity on two days when conditions limited its available output.
BP America Inc., BP Corporation North America Inc., BP America Production Company, BP Energy Company, 147 FERC ¶ 61,130  (May 15, 2014)	Proposed \$28,000,000 Civil Penalty and other sanctions including disgorgement of unjust profits pending hearing and consideration by the Commission.	The Commission issued an Order to Show Cause why the company should not be found to have violated the Anti-Manipulation Rule, 18 C.F.R. 1c.1, for sales of natural gas at specific natural gas trading hubs to affect the index price at which related financial instruments settled. The Commission has set the matter for hearing before an Administrative Law Judge.
International Transmission Company, Michigan Electric Transmission Company, LLC, ITC Midwest LLC, ITC Great Plains, LLC, 146 FERC ¶ 61,172  (Mar. 11, 2014)	\$750,000 Civil Penalty; Compliance Enhancements; Compliance Monitoring.	The Commission approved a settlement resolving findings under FPA section 205 for failure to timely file jurisdictional contracts and under FPA section 203 for failure to timely seek Commission authorization for jurisdictional transactions.
MISO Virtual and FTR Trading (Louis Dreyfus Energy Services), 146	\$4,072,257 Civil Penalty, LDES; \$3,334,000 Disgorgement,	The Commission approved a settlement resolving findings under the Anti-Manipulation Rule,

<p>FERC ¶ 61,072 PDF (Feb. 7, 2014)</p>	<p>LDES; \$310,000 Civil Penalty, Cheng; Compliance Enhancements; Compliance Monitoring.</p>	<p>18 C.F.R. § 1c.2, for virtual transactions made to increase the value of the company's position in financial transmission rights.</p>
<p>In re Erie Boulevard Hydropower, L.P., 146 FERC ¶ 61,027 PDF (Jan. 15, 2014)</p>	<p>\$4,000,000 Civil Penalty; \$1,700,000 Public Safety Enhancements; Compliance and Operational Enhancements.</p>	<p>The Commission approved a settlement resolving findings under Part 12 of the Commission's regulations for failure to adequately maintain and operate dam safety mechanisms.</p>

Total Civil Penalties assessed for all years 2007 to present: \$601,679,786.

Total Civil Penalties does not include the \$30,000,000 assessed in Hunter and overturned on jurisdictional grounds by the U.S. Court of Appeals for the District of Columbia Circuit. Also does not include penalties proposed or assessed in the following currently pending matters: \$28,000,000 in BP America Inc., *et al.*; \$453,000,000 in Barclays Bank PLC, *et al.*; \$5,000,000 assessed in Lincoln Paper and Tissue, LLC; \$7,500,000 assessed in Competitive Energy Services, LLC; or \$1,250,000 assessed in Richard Silkman.

Total Disgorgement ordered for all years 2007 to present: \$299,699,982.

Total Disgorgement does not include amounts ordered in the following currently pending matters: \$34,900,000 ordered in Barclays Bank PLC, *et al.*; \$379.016 ordered in Lincoln Paper and Tissue, LLC; or \$166,841 ordered in Competitive Energy Services, LLC.

Updated: August 14, 2014