

ELCON *PRESS* RELEASE

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STATEMENT OF JOHN ANDERSON, EXECUTIVE OF THE ELECTRICITY CONSUMERS
RESOURCE COUNCIL (ELCON), IN RESPONSE TO THE FERC FINDING ON MARKET
POWER, DECEMBER 16, 2004

Yesterday FERC ordered the investigation of several utilities found to exercise market power under the Commission's new indicative market power screens. These utilities now have 60 days to challenge FERC's finding. If they are unsuccessful, they may be subject to mitigation and refund orders.

ELCON commends FERC for finally putting the horse in front of the cart. Market power is an issue of tremendous importance to all consumers, large and small, and needs to be investigated before consumers end up paying excessive rates.

In every state I know of, utilities, by statute, have "an obligation to serve." The exercise of market power is by definition contrary to that obligation. FERC has therefore stated that the utilities identified have failed to meet that obligation. I hope that FERC and the appropriate state commissions will look closely at these findings and will take appropriate action when the administrative process is completed.

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ELCON, established in 1976, is the national association of large industrial users of electricity from virtually every manufacturing sector. ELCON members seek a reliable supply of electricity at competitive prices and have long supported federal and state efforts to achieve that objective.