

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Houlian Chen, Powhatan Energy Fund, LLC, HEEP) Docket No. IN15-3-000
Fund, LLC, and CU Fund, Inc.)

SUPPLEMENTAL ANSWER TO SHOW CAUSE ORDER

In our Answer (at 5 n.6), we noted that we never have been given any specific information about exactly which transactions Enforcement considers manipulative. We also noted that this information “[p]resumably” was in “the PJM data we received last week”—materials we had not yet analyzed (*id.*). One reason we sought an extension was to be able to delve into transaction-specific data and understand exactly what Enforcement was challenging.

Instead of an extension, the Commission granted us the right to supplement our answer to address the various newly produced materials. We write this brief supplemental answer to inform the Commission that the data we were expecting to see were not in what Enforcement produced. Enforcement produced summary spreadsheets that aggregated the underlying transaction data, leaving us unable to tell exactly what allegedly unlawful transactions Enforcement was asking PJM to “unwind” with its simulations. We also did not receive the simulations themselves. And we did not receive whatever request Enforcement sent to PJM, which also presumably would have included transaction-specific data.

Because our footnote might have created an expectation that we would be supplementing our answer to address transaction-specific data, we write to explain that apparently neither we, nor the Commission, will have access to those data. We do not know why Enforcement has declined to identify exactly which trades it considers manipulative, but the only reason we can think of is to seek to maintain flexibility, down the line, to continue to “adjust” the line between manipulative and non-manipulative trading. We will object to any moving target, and reserve

