BEFORE THE
U.S. DEPARTMENT OF ENERGY
Washington, D.C. 20585

In the Matter of:	)	
MGM Transformer Company (distribution transformers))	)	Case Number: 2023-CE-47001

ORDER

For the U.S. Department of Energy ("DOE"):

1. On September 13, 2023, under the above-listed case number, DOE issued a Notice of Proposed Civil Penalty to MGM Transformer Company ("Respondent") to pursue a civil penalty for knowingly distributing in commerce in the United States various basic models of low-voltage dry-type, medium-voltage dry-type, and liquid-immersed distribution transformers (collectively, "distribution transformers") without submitting to DOE a report certifying that those basic models complied with the applicable energy conservation standards.

2. Distribution transformers are covered equipment. 10 C.F.R. § 431.2.

3. Pursuant to 10 C.F.R. § 429.12, manufacturers must submit to DOE a report certifying that each basic model meets the applicable energy conservation standard, before distributing each basic model in commerce in the United States and annually thereafter.

4. Failure to submit a certification report for covered equipment in accordance with 10 C.F.R. § 429.12 is a prohibited act pursuant to 10 C.F.R. § 429.102(a)(1) and subject to civil penalties as described in 10 C.F.R. § 429.120.

5. Pursuant to 10 C.F.R. § 429.120, each day that a manufacturer fails to submit a certification report for a basic model is a separate violation.

6. Respondent admitted the following:

    a. Respondent has manufactured[1] distribution transformers, including MGMDOES0025, MGMDOES0025046-095, and MGMDOELT0500 ("the basic models").

[1] "Manufacture" means to manufacture, produce, assemble, or import. 42 U.S.C. § 6291(10).

b. For at least 365 days, Respondent has distributed in commerce[2] the basic models in the United States.

c. Respondent knowingly failed to submit a certification report for the basic models each year, in violation of 10 C.F.R. § 429.12.

7. Based on the information above, I find that Respondent knowingly committed Prohibited Acts by manufacturing and distributing in commerce basic models of covered equipment without submitting to DOE a certification report certifying that those basic models complied with the applicable energy conservation standards. *See* 42 U.S.C. §§ 6302, 6316; 10 C.F.R. § 429.102(a)(1).

8. Accordingly, pursuant to 10 C.F.R. § 429.120 and 42 U.S.C. §§ 6303 and 6316, I **HEREBY ASSESS** a civil penalty of $50,000 **AND ORDER** that the Settlement Agreement attached to this Order is adopted.

Samuel T. Walsh

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Samuel T. Walsh
General Counsel

[2] "Distribute in Commerce" or "Distribution in Commerce" means to sell in commerce, to import, to introduce or deliver for introduction into commerce, or to hold for sale or distribution after introduction into commerce. 42 U.S.C. § 6291(16).