

***STATEMENT OF FERC CHAIRMAN JOSEPH T. KELLIHER ON THE ANNOUNCEMENT
OF A SETTLEMENT AGREEMENT BETWEEN ENRON, CALIFORNIA PARTIES AND FERC
STAFF:***

"Without pre-judging the matter, I'd like to congratulate the California parties and FERC enforcement staff for agreeing with Enron to a comprehensive settlement of outstanding issues stemming from the Western energy crisis.

"This settlement agreement is a result of FERC's strong enforcement actions. With today's announcement, the tally of settlements stemming from the 2000-2001 Western energy crisis that the Commission has either accepted or helped realize is now nearly \$6 billion.

"While one of my priorities as Chairman is to explore how to expedite the California refund proceeding, this is a good time to remind parties that it is in the best interests of everyone - consumers and power providers, as well as the health of California energy market that supports the state's economy - to settle the remaining disputes over power sales in 2000 and 2001.

"The dark cloud of litigation and regulatory uncertainty has been hanging over California for five years now. That's too long. It's time for all of us to step up to the plate and resolve these remaining issues."

Bryan Lee
(202) 502-6395