
FEDERAL ENERGY REGULATORY COMMISSION



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NEWS RELEASE

NEWS MEDIA CONTACT:

Barbara A. Connors
(202) 502-8680

FOR IMMEDIATE RELEASE

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EL00-98-000, *et al.*

COMMISSION APPROVES MULTIPARTY APX SETTLEMENT RESOLVING MATTERS RELATED TO WESTERN ENERGY CRISIS

The Federal Energy Regulatory Commission today approved a comprehensive settlement among APX Inc. and approximately 30 other entities resolving claims arising from the parties' participation in the California Power Exchange (CalPX) and California Independent System Operator (CAISO) energy markets from May 1, 2000, through June 20, 2001, using services provided by APX.

The settlement will be funded largely by an anticipated payment of approximately \$53 million from the CalPX settlement escrow to APX.

"Commission-related settlements have produced more than \$6 billion for consumers," Commission Chairman Joseph T. Kelliher said. "We are committed to resolving the lingering issues from the Western energy crisis of 2000-2001 and returning money to the consumers. Settlements have produced this beneficial result, prolonged litigation has not. I encourage the remaining parties to settle their disputes."

The parties to the settlement participated in the CalPX and CAISO markets through APX, an independent supplier of market and energy trading services.

The Commission approved the settlement finding it is fair and reasonable and in the public interest. As a condition of the settlement, the Commission approved the return to Enron Power Marketing Inc. of approximately \$142 million in collateral held by the CalPX. These collateral funds will be applied to Enron's bankruptcy estate for payment to EPMI's creditors.

The settlement also provides that approximately \$14.5 million will be set aside by Enron to protect non-settling parties in the Enron Settlement Reserve, an account available to settle the claims of Enron non-settling parties that did not settle under the Enron-California Parties Settlement filed with the Commission on August 24, 2005.

The settlement is a final resolution of Commission proceedings and cases pending before the United States Court of Appeals for the Ninth Circuit, as they relate to actions and transactions of APX and its participants.

Parties to the settlement include: APX Inc.; American Electric Power Service Corp.; Avista Energy Inc.; Calpine Energy Services LP; El Paso Marketing LP (f/k/a El Paso Merchant Energy LP); UC Davis Medical Center, owned and operated by the Regents of the University of California; Merrill Lynch Capital Services Inc.; BP Energy Co.; Tractebel Energy Marketing Inc. (n/k/a Suez Energy Marketing NA Inc.); Aquila Merchant Services Inc.; Salt River Project Agricultural Improvement and Power District; Allegheny Energy Supply Company LLC; TransAlta Energy Marketing (US) Inc.; Sempra Energy Solutions LLC; Constellation NewEnergy Inc.; Commonwealth Energy Corporation (n/k/a Commerce Energy Inc.); Sacramento Municipal Utility District; Morgan Stanley Capital Group Inc.; Enron Energy Services Inc. (EESI) and Enron Power Marketing Inc. (EPMI, and together with Enron Energy Services Inc., Enron or Enron Parties); Sierra Pacific Industries; ACN Power Inc.; Consumer Telcom Inc. (f/k/a Clean Earth Energy Inc.); Duke Energy Shared Services Inc. (f/k/a Cinergy Services Inc.); FPL Energy Power Marketing Inc.; Midway Sunset Cogeneration Co.; NRG Power Marketing Inc.; Preferred Energy Services Inc. (d/b/a GoGreen); Powersource Corp.; Torch Operating Co.; and Turlock Irrigation District. Coral Power LLC, Puget Sound Energy Inc. and Avista are Supporting Parties.

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