



MEDIA ALERT California

FERC Approves California Market Settlement

January 7, 2009

EL00-95-208, *et al.*

The Federal Energy Regulatory Commission (FERC) today moved closer toward resolution of issues surrounding the Western energy market crisis of 2000-2001 by approving a settlement between NEGT Energy Trading-Power, L.P. (ET Power), NEGT Energy Trading Holdings Corporation (ET Holdings) (together the ET Parties), and the California Parties.

Background and Order

The Settlement resolves claims arising from events and transactions in Western electricity markets from December 13, 1995, through June 20, 2001, as they relate to the ET Parties.

The Settlement provides that ET Power assign the following assets to the California Parties, which shall be distributed to the Settling Parties pursuant the Settlement's Allocation Matrix: 1) unpaid receivables and associated interest held in the accounts of the California Power Exchange (CalPX) and the California Independent System Operator (CAISO), estimated to be \$20,780,893 and \$11,419,347, respectively; 2) ET Power's CalPX cash escrow account balance, estimated to be \$38,185; and 3) the CAISO Collateral Balance of \$9,368,196.

The California Parties consist of Pacific Gas & Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, the California Attorney General and the California Public Utilities Commission. For the purposes of this Settlement, the California Electricity Oversight Board and the California Department of Water Resources are also considered California Parties.

The Settling Parties include the California Parties and any entity that sold or purchased energy in the western energy markets during the settlement period that does not opt-out of the Settlement.

The Settlement resolves all claims involving the ET Parties related to the FERC proceedings, the *Lockyer v. FERC* remand, the *Bonneville Power Administration v. FERC* remand and the *California Public Utilities v. FERC* remand.

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FERC Media Contact: Celeste Miller
202-502-8680

www.FERC.gov
Washington, DC 20426