
FEDERAL ENERGY REGULATORY COMMISSION



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NEWS RELEASE

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FOR IMMEDIATE RELEASE

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Docket Nos. EL00-95-000, *et al.*

COMMISSION ACTS ON COST FILINGS IN CALIFORNIA REFUND CASE; ORDER EXPECTED TO EXPEDITE LONG-STANDING PROCEEDING

In an order expected to bring the California refund proceeding significantly closer to completion, the Federal Energy Regulatory Commission today acted on 23 filings in the proceeding in which power sellers sought to offset their refund obligations with their costs of serving the California markets during the 2000-2001 energy crisis.

The Commission conditionally accepted 13 of the filings, summarily rejected six filings and deferred action on four cost filings, of which three were deferred because the entities are likely to be refund recipients, and a fourth because parties engaged in settlement discussions had requested a deferral. The 23 cost filings were made because of the legal requirement that rates set by the Commission be just and reasonable and not confiscatory.

“The Commission’s actions today demonstrate our commitment to expedite a fair resolution of the ongoing California refund proceeding. This order is an important step toward expediting the issuance of the California refunds,” Commission Chairman Joseph T. Kelliher said.

Today’s decisions follow an August 8, 2005, order in which the Commission determined the scope, substance, necessary data support, and timing for resolution of cost filings in the California refund proceeding. The Commission summarily rejected six of the 23 filings for failure to fully support actual costs. These sellers had sufficient notice via the August 8 Order that the Commission intended to act summarily, and sellers had the burden of fully supporting their filings, the Commission noted.

The rejected filings were submitted by El Paso Corp.’s El Paso Marketing, Enron Power Marketing, Merrill Lynch Capital Services, Merrill Lynch Commodities, NEGT Energy Trading, and Allegheny Energy Supply. Accepted, subject to modification, were cost filings submitted by Avista Energy, Constellation Energy Commodities, Coral Power, Edison Mission Marketing and Trading, Hafslund Energy Trading, Portland

General Electric, Powerex, PPL Energy Plus and PPL Montana, Public Service Co. of New Mexico, Puget Sound Energy, Sempra Energy Trading, Tractabel Energy Marketing and TransAlta Energy Marketing.

The Commission deferred action on the filings submitted by Southern California Edison, Pacific Gas & Electric, and the California Energy Resources Scheduling division of the California Department of Water Resources, as they are likely to be net refund recipients. The Commission also deferred action on the filing submitted by IDACORP Energy and Idacorp Power because they, together with the California parties, requested deferral in order to promote finalization of a settlement, which the parties stated they hoped to file with the Commission within a month.

Avista Energy, Portland General Electric, Powerex, Sempra Energy Trading and TransAlta Energy Marketing are directed to submit compliance filings to the Commission within 15 days.

Among other things, today's order rejected requests for trial-type hearings on any of the cost filings not summarily rejected for lack of support, because any issues of material fact raised are resolvable on the basis of the written pleadings. Trial-type hearings and other further administrative procedures would have delayed issuance of the California refunds.

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