



FEDERAL ENERGY REGULATORY COMMISSION

October 30, 2008
Lehman Brothers Commodity Services
Docket No. EC09-4-000

MEDIA CONTACT
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FERC Authorizes Lehman-EDF Transaction

The Federal Energy Regulatory Commission (FERC) has authorized the sale of FERC-jurisdictional facilities of Lehman Brothers Commodity Services and its related subsidiaries to EDF Trading North America Management LLC and EDF Trading North America Inc. The jurisdictional facilities consist of market-based rate tariffs, power sales contracts and associated books and records.

Background and Order

FERC approved the sale of facilities proposal under section 203(a)(1) of the Federal Power Act. The Commission found that approval was not required under section 203(a)(2) of the Federal Power Act. The Commission determined that authorization under section 203(a)(2) would not be required for the acquisition of Eagle because a power marketer is not a “transmitting utility,” an “electric utility company,” or a “holding company.” FERC is required to approve a transaction if it finds that it will be consistent with the public interest. The Commission weighs three factors in considering a proposed transaction: (1) the effect on competition; (2) the effect on rates; and (3) the effect on regulation. FERC determined that the proposed transaction would not have an adverse effect on competition, rates or regulation and thus was “consistent with the public interest.” FERC also determined that the transaction will not result in cross-subsidization or pledge of encumbrance of utility asset for the benefit of an associate company and thus would not harm ratepayers.

The joint application was filed Oct. 9, 2008, by Lehman Brothers Commodity Services, Inc., LBMB Fund Eagle Energy Holdings LLC, LBMB Partners Eagle Energy Holdings LLC, LBMB Fund (B) Eagle Energy Holdings LLC, LBMB Capital Partners V Eagle Energy Holdings LLC, Lehman Brothers Holdings, Inc., Eagle Energy Partners I, LP., Eagle Energy Management LLC, EDF trading North America Management LLC and EDF Trading North America Inc. Under the Purchase Agreement dated September 26, 2008, EDF Trading North America will acquire all of the ownership interests in Eagle.

Lehman Brothers Commodity Services is a wholly owned indirect subsidiary of Lehman Brothers Holdings. It is authorized by FERC to make wholesale sales of power at market-based rates. Eagle Energy Management is a general partner of Eagle, a buyer and seller of natural gas and electricity in various wholesale markets. Eagle Energy, a wholly owned subsidiary of Lehman Brother Commodity Services, is a FERC-authorized power marketer that sells wholesale power, including capacity energy and ancillary services. Eagle represents assets of Lehman Brothers Holdings being sold out of bankruptcy.

EDF Trading Limited is a wholly owned subsidiary of EDF Holding, which is wholly owned by Electricity de France SA (EDF), the primary supplier of electricity in France. The transactions will result in EDF Trading North America holding a 98.5 percent limited partnership interest in Eagle and EDF Trading North America Management holding a 1.5 percent general partnership interest in Eagle.