
FEDERAL ENERGY REGULATORY COMMISSION



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NEWS RELEASE

NEWS MEDIA CONTACT:

Barbara A. Connors
(202) 502-8680

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COMMISSION ACCEPTS RELIANT ENERGY'S \$512 MILLION SETTLEMENT AGREEMENT RESOLVING CALIFORNIA CLAIMS

The Federal Energy Regulatory Commission today accepted a broad settlement between California parties, Commission staff and Houston-based Reliant Energy valued at \$512 million.

“This marks another significant milestone in bringing closure to the 2000-2001 energy crisis. Settlements are in the best interests of all parties and I congratulate the hard work of the Commission staff in helping to bring this settlement to fruition,” said Commission Chairman Joseph T. Kelliher.

The settlement resolves claims against Reliant for refunds, disgorgement of profits, billing adjustments or other monetary remedies stemming from the Commission’s refund proceedings and physical withholding investigation covering the period January 1, 2000 through June 20, 2001 (the FERC proceedings). The settlement also resolves certain civil claims that have been or may be brought against Reliant.

The settlement’s \$512 million, among other things, includes certain cash payments, amounts involved in three prior settlements between Reliant and Commission staff and cash payments of \$3.5 million each to the Attorneys General of Oregon and Washington State.

“The settlement is a comprehensive and reasonable effort by the parties to end their litigation and resolve their legal disputes,” the Commission concluded.

In addition to the monetary considerations, Reliant must continue to abide by a must-offer obligation for an additional two years beyond the term provided in a previous settlement with Commission staff, and continue to follow the Commission’s market behavior rules. Reliant must also report to the Commission and provide data regarding sales of electricity in the U.S. portion of the Western Electricity Coordinating Council. In addition, Reliant will be subject to semi-annual independent audits of outages.

The other parties represented in the settlement include the attorneys general in California, Oregon and Washington State, the California Electricity Oversight Board, Pacific Gas & Electric Co., Southern California Edison Co., and San Diego Gas & Electric Co.

The settlement allows all other parties to these proceedings five days from today's order to opt to join the settlement.

Today's action follows the \$1.5 billion settlement with Enron Corp., FERC staff and other parties accepted by the Commission on November 15, 2005 (EL00-95-000, *et al.*). To date, the Commission has accepted or helped realize settlements stemming from the 2000-2001 energy crisis valued at more than \$6.3 billion.

Additional information on the Commission's comprehensive actions in response to the 2000-2001 Western energy crisis, along with a list of the related settlements, may be found on the Commission's website at www.ferc.gov.

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