



FEDERAL ENERGY REGULATORY COMMISSION

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Docket No. EL00-95-216, *et al.*

MEDIA CONTACT

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FERC Approves California Settlement

The Federal Energy Regulatory Commission moved toward resolution of the issues surrounding the Western energy market crisis of 2000-2001 today by approving a settlement of more than \$8.2 million between the City of Vernon, Calif. and the California Parties. The settlement, filed July 16, 2008, also resolves issues from continuing litigation regarding calculation of Vernon's transmission revenue requirement (TRR).

Background and Order

The settlement resolves claims arising from events and transactions in Western electricity markets during the period from Jan. 1, 2000, through June 20, 2001, as they relate to Vernon as well as claims concerning Vernon's TRR. Under the settlement terms, funds flowing from Vernon include: Vernon's California ISO (CAISO) and California Power Exchange receivables, estimated at more than \$5 million as of June 30, 2008; and nearly \$3.2 million estimated interest on receivables, to be updated through and including the projected distribution date. Vernon also will transfer to the California Parties its entitlement to refunds on purchases made in the Western energy markets during the settlement period. In settlement of all issues pertaining to Vernon's TRR (pending in docket numbers EL00-105 and ER00-2019), \$5.5 million of the settlement funds will be transferred to the CAISO to be distributed in a manner consistent with the CAISO's Commission-approved tariff. Approximately \$2 million will be distributed to the California Parties in connection with the 2000-2001 Western energy market crisis, and more than \$700,000 will be applied as interest shortfall.

The California Parties include: Pacific Gas and Electric Company; Southern California Edison Company; San Diego Gas & Electric Company; California Attorney General Edmund G. Brown, Jr.; and the California Public Utilities Commission. For purposes of this settlement, the California Parties also include the California Electricity Oversight Board and the California Department of Water Resources.

