106 FERC ¶ 61,027
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;
Nora Mead Brownell, and Joseph T. Kelliher,

Williams Energy Services Corporation Docket No. EL03-179-000

ORDER APPROVING CONTESTED SETTLEMENT

(Issued January 22, 2004)

1. On August 29, 2003, the Commission's Trial Staff (Trial Staff) and Williams Power Company, Inc. (Williams)[1] filed an Agreement and Stipulation (Settlement Agreement). The Settlement Agreement resolves all issues related to Williams that were set for hearing in Docket No. EL03-179-000 in the Commission's Order to Show Cause Concerning Gaming and/or Anomalous Market Behavior (Gaming Order).[2]

2. On September 30, 2003, the California Independent System Operator Corporation (ISO) filed comments objecting in part to the Settlement Agreement. On September 30, 2003, Pacific Gas & Electric Company (PG&E) and Southern California Edison Company (SoCal Edison) (collectively, the California Utilities) and Port of Seattle, Washington (Seattle) filed comments in opposition to the Settlement Agreement. On October 20, 2003, Williams filed reply comments challenging the objecting parties' comments. Also on October 20, 2003, Trial Staff filed general reply comments

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[1] During the relevant period this respondent's name was Williams Energy Marketing & Trading Company. On August 12, 2003, Williams Energy Marketing & Trading Company changed its name to Williams Power Company, Inc.

[2] American Electric Power Service Corporation, et al., 103 FERC ¶ 61,345 (2003), reh'g denied, 106 FERC ¶ 61,020 (2004).

addressing the California Parties'[3] objections[4] and filed specific reply comments in support of the Settlement Agreement. On October 22, 2003, Staff filed a motion to supplement its general reply comments in order to address the "Information to be Provided with Settlement Agreements," as described in a Notice to the Public issued by the Chief Administrative Law Judge on October 15, 2003. Californians for Renewable Energy, Inc. (CARE) filed comments opposing the Settlement Agreement on December 1, 2003. On December 8, 2003, the presiding judge certified the Settlement Agreement in Docket No. EL03-179-000 to the Commission as contested, but recommending its approval.[5]

3. The Settlement Agreement constitutes a reasonable resolution of these proceedings and will be approved. The Settlement Agreement reasonably addresses and resolves the charges against Williams that were set for hearing in the Gaming Order. In this regard, Williams will be returning $45,230.00, the total revenues (and not merely the profits - - and thus more than could be achieved in litigation[6]) from Williams's participation in alleged gaming activities.[7]

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[3] The California Parties are the People of the State of California ex rel. Bill Lockyer, Attorney General, the California Electricity Oversight Board, the California Public Utilities Commission, Pacific Gas and Electric Company and Southern California Edison Company.

[4] On September 30, 2003 the California Parties filed comments opposing settlement agreements that were set for hearing in the Gaming Order and in another related order; Enron Power Marketing, Inc. and Enron Energy Services, Inc., et al., 103 FERC ¶ 61,346 (2003); however, they did not file comments specifically addressing the Settlement Agreement in Docket No. EL03-179-000.

[5] The terms of the Settlement Agreement and these various pleadings are described in more detail in the Presiding Judges' certification. Williams Energy Services Corporation, 105 FERC ¶ 63,035 (2003).

[6] Gaming Order, 103 FERC ¶ 61,345 at P 1, 2, 71.

[7] For that portion of the total monies being returned that are associated with so-called paper trading, the amount being returned equals the profits.

4. Issues raised in the comments filed by the ISO, the California Utilities, Seattle and CARE go to the scope of these proceedings, are thus essentially requests for rehearing of the Gaming Order and, in fact, are addressed in a rehearing order issued contemporaneously with this order.[8] Such matters thus need not be further addressed here.

5. This order terminates Docket No. EL03-179-000.

By the Commission. Commissioner Kelly not participating.

(S E A L)

Magalie R. Salas,
Secretary.

[8] To the extent that these issues are addressed in the rehearing order, we incorporate by reference the discussion of these issues in that order.