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# FEDERAL ENERGY REGULATORY COMMISSION



WASHINGTON, D.C. 20426

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## NEWS RELEASE

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### FOR IMMEDIATE RELEASE

January 25, 2006  
Docket Nos. EL00-95-000, *et al.*

## **AGREEMENT ACCEPTED BETWEEN ENRON AND NEVADA COMPANIES SETTLING MATTERS STEMMING FROM WESTERN ENERGY CRISIS**

The Federal Energy Regulatory Commission today accepted an agreement between Nevada Power and Sierra Pacific Power, units of Sierra Pacific Resources, with Enron Corp. that resolves issues outstanding from the 2000-2001 Western energy crisis.

“This is another in a long line of settlements the Commission has approved in the wake of the Western energy crisis. Further settlement of issues still outstanding from that time will provide for greater legal and regulatory certainty,” said Commission Chairman Joseph T. Kelliher.

The Settlement resolves claims arising from transactions and events in Western energy markets, including markets of the California Independent System Operator and the California Power Exchange, for the period from January 16, 1997, through June 25, 2003, as they relate to Enron.

The settlement is a comprehensive effort by the parties to end their litigation and resolve their legal disputes in a way that does not affect the rights of others to continue to litigate their claims in the underlying proceedings, the Commission said in its order accepting the settlement.

The agreement resolves myriad legal disputes between the Nevada companies and Enron that are the outgrowth of commercial dealings between the companies during the Settlement Period. From 1997 to May 7, 2002, Enron sold power to the Nevada Companies in both spot and forward market transactions.

Under the terms of the Settlement, Enron will allow, in favor of the Nevada Companies, a Class 6 general unsecured claim under the Enron Debtors’ Plan of Reorganization of \$126.5 million in the bankruptcy proceeding of Enron Power Marketing Inc. The Nevada Companies will pay Enron \$129 million as termination payments arising from Enron’s termination of certain forward power contracts with

Nevada Power and Sierra Pacific Power in May 2002. The Settlement provides that Nevada Power's payment allocation of this total will be \$89.784 million and Sierra Pacific Power's payment allocation will be \$39.216 million.

R-06-07

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