



NEWS RELEASE

CALIFORNIA STATE TREASURER BILL LOCKYER

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Contact: Tom Dresslar
916-653-2995

Treasurer Lockyer Issues Statement on Victory for Electricity Ratepayers in U.S. Supreme Court *Justices Let Stand Ruling That Increased Potential Energy Crisis Refunds*

SACRAMENTO – State Treasurer Bill Lockyer today issued the following statement on the U.S. Supreme Court’s decision to let stand a 2004 appeals court ruling that increased power sellers’ liability to provide refunds for massive overcharging of ratepayers during the Energy Crisis of 2000-01:

“The court’s decision vindicates California consumers and businesses, who still await justice six years after they and their state were plundered by the energy pirates,” said Lockyer. “The federal regulator and power sellers now must act quickly to get ratepayers the rest of the money they’re owed so we can, at long last, close the books on the Energy Crisis.”

As Attorney General, Lockyer formed the Energy Task Force that led the effort to obtain redress for California consumers and businesses harmed by energy companies’ manipulation of the state’s deregulated wholesale electricity market. Before Lockyer left the Attorney General’s Office at the end of 2006, the task force had produced enforcement settlements that provided ratepayers more than \$3.2 billion in relief.

The Supreme Court’s action today came in a case brought by Lockyer against the Federal Energy Regulatory Commission (FERC). The complaint alleged FERC had failed to enforce its own market rules and improperly limited remedies for ratepayers harmed by energy companies’ violations of those rules.

In a September 9, 2004 ruling, the U.S. Ninth Circuit Court of Appeals agreed with Lockyer. The appeals court held that FERC had unduly restrained itself in setting remedies for unlawful conduct while “abdicating its regulatory responsibility ...” The U.S. Supreme Court today denied a petition to review the appeals court’s decision. At the time, the Ninth Circuit’s decision revived \$2.8 billion in refunds taken off the table by FERC. Subsequent settlements and other developments have reduced that amount to between \$1 billion and \$2 billion.

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