



California Public Utilities Commission

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PRESS RELEASE

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CALIFORNIA WINS ANOTHER BIG VICTORY IN ENERGY CRISIS REFUND CLAIMS; CONSUMERS COULD SEE A RETURN OF \$3 BILLION

SAN FRANCISCO, April 4, 2013 - The California Public Utilities Commission (CPUC) today said that it received two favorable court rulings this week, which together with a recent decision issued by an Administrative Law Judge, could return \$3 billion to California for overcharges during the energy crisis of 2000-2001.

In decisions issued Tuesday by the United States Court of Claims in Washington, D.C., Bonneville Power Administration (BPA) and the Western Area Power Administration (WAPA) were held liable for upwards of \$1 billion in refunds for electricity they sold to California at extremely high prices during the energy crisis. California has been pursuing refund claims against the two federal agencies for the past 11 years for the large quantities of electricity they sold from federal dams at extremely high prices during the crisis.

In the first of this week's new decisions, the Court of Claims sided with California for damage claims related to sales by BPA and WAPA during and shortly after the summer of 2001. A year ago, the same court held BPA and WAPA responsible for refunds for other categories of sales during the crisis period. In total, BPA and WAPA now face the prospect of close to \$2 billion in refunds to California. In its second decision this week, the Court of Claims declined to reconsider its March 2012 decision in California's favor.

The Court of Claims will conduct a new trial to set the exact amount BPA and WAPA will owe to California in the form of cash refunds.

California's success this week before the Court of Claims comes close on the heels of an even bigger victory for California in a decision issued by an Administrative Law Judge at the Federal Energy Regulatory Commission (FERC) in February. In that decision, the judge found a different group of sellers – roughly a dozen private sector companies – liable for refunds of up to \$1 billion. With interest, that group of sellers could be required under the judge's order to refund \$1.6 billion to California. FERC is expected to decide the case later this year.

Taken together, the decisions in hand, if sustained on subsequent review, could net nearly \$3 billion in cash refunds to California consumers for the energy crisis of 2000-2001.

CPUC President Michael R. Peevey said, "These are tremendous victories for California. We will continue to fight in court and at FERC to obtain justice for California consumers who were ripped off during the energy crisis. There is one more big refund case scheduled to be heard before an Administrative Law Judge at FERC next month. That case concerns sales during the first half of 2001, when electricity prices remained at historic high levels in the western U.S. California is seeking another billion dollars in refunds in that remaining case."

CPUC General Counsel Frank Lindh, a leader in the state's efforts to resolve claims from the energy crisis, said, "The winds of justice and recompense are blowing in Washington this spring. Here in California, consumers, agriculture, and industry all suffered terrible economic harm during the energy crisis. We look forward to the day when these cases can be laid to rest, once and for all."

For more information on the CPUC, please visit www.cpuc.ca.gov.

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