



3. On July 18, 2005 and on July 19, 2005, respectively, the Commission Trial Staff and the Western Parties<sup>2</sup> filed written answers to Movants' motion. Trial Staff, while not opposing the "time out" for the submission of the settlement between the California Parties and Enron, urged the Chief Judge to craft a procedural approach which will facilitate the submission of the settlement while, at the same time, preserving the rights of the other parties and Trial Staff to pursue their claims against Enron. The Western Parties oppose Movants' motion on the grounds that: (a) without a corresponding delay in the Bankruptcy Court proceedings for all non-settling parties, the balance achieved through the current procedural schedule would be shifted in favor of Enron; (b) the delay sought by Movants is open ended; (c) Enron should be required to represent to the Chief Judge that its witnesses will be available promptly upon resumption of the procedural schedule in order that prior commitments will not delay depositions and discovery responses; and (d) Enron should not be relieved of its obligation to continue its review of trader tapes.

4. At the oral argument held today, all parties had an opportunity to argue their positions. The Chief Judge made the following rulings, and they are hereby confirmed:

a. The procedural schedule herein, including discovery, is suspended, pending Commission review of the Settlement to be submitted on August 19, 2005.

b. The hearing in this proceeding will reconvene within seven (7) weeks after the Commission reviews the Settlement. Discovery will re-start the day following the Commission's ruling on the Settlement.

c. Enron is ordered not to take any action to move forward the Bankruptcy Court proceeding nor to request the Bankruptcy Court to make a dispositive ruling. Further Enron is ordered to cooperate and join in any request for postponement of any filing or action in the Bankruptcy Court proceeding.

d. Movants will provide a copy of the Memorandum of Understanding to any party who signs the Protective Order.

e. Movants will conduct one information session with all interested parties prior to the filing of the Settlement to explain the provisions contained in the MOU.

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<sup>2</sup> The Western Parties consist of the City of Santa Clara, California d/b/a Silicon Valley Power; the Public Utility District No. 1 of Snohomish County, Washington; Valley Electric Association, Inc.; Nevada Power Company and Sierra Pacific Power Company; and The Metropolitan Water District of Southern California.

- f. Movants will make every effort to file the Settlement on or before August 19, 2005. If the filing of the Settlement is delayed, a report with a full explanation will be made to the Chief Judge.
- g. Settlement procedures between Enron and all non-settling parties are ordered. The first settlement conference will convene at 1:00 p.m., on July 26, 2006 in a hearing room of the Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426. All parties or participants will have persons present with authority to approve any matters agreed to. The Chief Judge invites the FERC Office Market Oversight and Investigations to participate in the settlement negotiations.
- h. Enron will report to the Chief Judge on the progress of the settlement negotiations after the conclusion of the first settlement conference and subsequent conferences.
- i. Enron will continue to review trader tapes with all due haste. The Chief Judge requests the U.S. Attorney in Houston to be generous in making the tapes available at its offices.
5. If the parties desire, they may request the appointment of a settlement judge to assist them in the settlement negotiations.
6. The Chief Judge orders Enron to make its witnesses available for depositions and discovery responses promptly upon resumption of the procedural schedule after Commission action on the settlement herein in order that this case can go forward as expeditiously as possible.
7. Movants will notify the Chief Judge immediately upon Commission action on the Settlement in order that firm dates as discussed herein can be established.

Curtis L. Wagner, Jr.  
Chief Administrative Law Judge