



Congress of the United States

House of Representatives

Washington, DC 20515

April 10, 2006

Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Dear Commission:

We are writing to urge you to reject the settlement proposal by Enron and the Federal Energy Regulatory Commission (FERC) trial staff in the case of Public Utility District No. 1 of Snohomish County, Washington, against Enron Power Marketing, Inc. and Enron Energy Services Inc.

Many of us in the West have been telling the commission since early 2001 that Enron was overcharging ratepayers. Despite our warnings and the fact that some electricity prices ballooned by 1,000 percent, the commission and the Administration still were surprised when Enron's fraudulent schemes became public in 2001.

When the full scope of the scandal was uncovered, we had hoped the commission would do its job, stand up for the victims and use all possible means under the law to right what was wronged. Unfortunately, we learned on Friday the commission made a settlement offer of \$2.3 million to a group that includes the Snohomish Public Utility District (PUD), the Port of Seattle, Tacoma Power and Seattle City Light.

Considering that Enron already collected an astonishing \$1.8 billion through market-manipulation schemes, including around \$40 million from Snohomish PUD consumers alone, we find it appalling they'd hope to bilk even more from the people of Washington state and seal the evidence brought against them in this case.

We are sorely disappointed with the commission's action to date. At every turn it has failed to stand up to greed and corruption. The commission not only ignored its fiduciary responsibilities in seeing just and reasonable rates prevail during the record breaking electricity prices, but it also refused to initiate timely and equitable refund hearings when abuses came to light.

Even more offensive is the fact that Enron also wants the PUD to pay \$120 million for canceling its long-term contracts with Enron that were signed under circumstances of fraud and duress created by Enron. Not only was the penalty amount tantamount to theft, but the terms of the contract asked consumers of Snohomish PUD to pay the penalty even though it was Enron that

wasn't able to deliver electricity. These unfair, long-term contracts should be null and void, as Enron created market schemes to force customers like Snohomish PUD into them.

The financial statements of Enron have demonstrated that the cash is still flowing. General creditors are getting 25 cents on the dollar, as demonstrated in prior settlements. Yet the Snohomish PUD and others in Washington state would get an insulting pennies to the dollar.

We believe these facts provide ample justification for FERC to deny Enron's claim against Snohomish PUD and any sort of unfair settlement agreement. As comments on the settlement are due today, we hope that you will weigh heavily the enormous amount of economic damage already done to our constituents and try to resolve this case in a favorable manner for the consumer.

Sincerely,



JAY INSLEE
Member of Congress



RICK LARSEN
Member of Congress