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California Department of Water Resources



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**Department of Water Resources Announces Sale  
of Unsecured Settlement Claim Against Mirant**

The California Department of Water Resources (DWR) today announced that California parties have sold their unsecured claims against Mirant Americas Energy Marketing for \$189.4 million. The claims were the result of a comprehensive \$750 million settlement for the company's alleged misconduct during the 2000-2001 energy crisis.

The sale will provide electricity ratepayers with the full value of the energy settlement plus interest. At the time the settlement was reached, the unsecured claims were subject to a discount of at least 50 percent through Mirant's bankruptcy proceedings.

As part of the overall settlement, which was approved by the Mirant bankruptcy court and the Federal Energy Regulatory Commission in April 2005, DWR and the state's three Investor-Owned Utilities (IOUs) were given unsecured claims totaling \$177.25 million. Of that total, DWR received unsecured claims totaling \$89.75 million while the IOUs – Pacific Gas & Electric, Southern California Edison and San Diego Gas & Electric – received a combined unsecured claim for \$87.5 million.

The sale of the claims, which was brokered by Credit Suisse First Boston L.L.C., comes on the heels of another multi-million dollar savings for ratepayers secured by the Governor Schwarzenegger Administration with other state and private parties. In December, the state saved ratepayers nearly \$145 million by refinancing a portion of its power supply revenue bonds. In total, Gov. Schwarzenegger has guided successful energy settlements totaling more than \$3.2 billion on behalf of electricity ratepayers since 2004.

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**Mirant Claim Sold**  
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As in prior settlements, DWR will return its portion of the settlement to California ratepayers by reducing its next revenue requirement determination, which is submitted annually to the California Public Utilities Commission. The revenue requirement recovers DWR's cost for power it delivers to customers of the IOUs.

For more information on the Mirant settlement, the recent refinancing or other energy settlements, please visit DWR's energy web site at [www.cers.water.ca.gov](http://www.cers.water.ca.gov).

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