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**Another contempt action
Senators probing energy market manipulation find against a third generator.**

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Page: A3

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--A state Senate committee held another energy generator in contempt Wednesday and may recommend today that Enron Corp. either pay fines or be removed from California's marketplace if it continues to withhold documents.

Meanwhile, lawmakers in both houses spent Wednesday night debating three plans to prevent Southern California Edison from going into bankruptcy, though no one idea had broad support.

The committee's action against Reliant Energy marked the third contempt finding in as many weeks by the special Senate committee investigating energy market manipulation. After reaching a legal disagreement over whether trade secrets would be protected, lawmakers voted 6-0 to push Reliant, a Houston-based generator, into contempt proceedings.

The panel found five other generators in compliance with subpoenas after they signed confidentiality agreements earlier this week and promised to ship thousands of files to depositories.

Three weeks ago, the committee found Enron and another generator, Mirant, in contempt. Mirant has since cooperated and escaped the committee's finding, but Enron filed a lawsuit in Sacramento Superior Court seeking judicial intervention.

Despite ongoing discussions between the committee and Enron representatives, they have reached no deal to end the lawsuit or the contempt finding. Lawmakers therefore intend to issue a report today leading to a later Senate vote on contempt and subsequent penalties.

The committee was considering two possibilities late Wednesday, said its chairman, Sen. Joe Dunn, D-Santa Ana. The first would impose fines that compound each successive day Enron remains in contempt. The second would exclude the Houston-based marketer from selling energy in California until it hands over documents.

"We're reviewing the (legal) basis for such a recommendation," Dunn said.

Enron spokesman Mark Palmer said he had no response to the potential penalties but stressed that his company is still discussing the contempt matter with lawmakers.

In Reliant's case, lawmakers and the company disagreed Wednesday over whether the committee's own confidentiality agreement affords enough protection of trade secrets.

Reliant attorney **Charles Stevens** said his company would rather have a court order to ensure that its proprietary information would be safe. But committee members objected to involving the state's judicial branch, charging that it would disrupt the separation of powers.

Several times during the hearing, Dunn conceded that Reliant, like Enron, may ultimately resort to a lawsuit to resolve its disagreement with the committee.

"We have not made that decision at this time," said Stevens, the Reliant attorney. "We've always preferred to resolve the dispute with the committee informally, and we continue to look for ways to do that."

Should Reliant work out an agreement with lawmakers by cooperating with the document requests, the contempt vote would be purged, Dunn said.

The Legislature last held someone in contempt in 1929, when concrete company officials did not comply with subpoenas in a price-fixing case.

In a vote late Wednesday, meanwhile, the Senate's energy committee voted down one Edison proposal. It will be reconsidered this morning.

Two competing Assembly proposals to keep Edison from bankruptcy were narrowly approved by the Energy Costs and Availability Committee. One of the proposals, by Assembly Speaker Robert Hertzberg and Assemblymen Fred Keeley and John Dutra, is scheduled for a floor vote today.

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