

AMENDMENT TO H.R. 4503

OFFERED BY MR. INSLEE

Page 764, after line 10 insert:

1 **SEC. 1288. FRAUDULENT AND MANIPULATIVE MARKET AC-**
2 **TIVITIES BY ENRON.**

3 (a) **REVOCATION OF MARKET RATE AUTHORITY.—**

4 The Federal Energy Regulatory Commission shall issue
5 an order revoking the authority granted to the Enron com-
6 pany (and any affiliate of the Enron company, the bank-
7 ruptcy trustee for the company and any successor in inter-
8 est to the Enron company or any affiliate thereof) to sell
9 electric energy at market-based rates. Such revocation
10 shall be effective retroactive to the date on which the com-
11 mission determines that the Enron company initially en-
12 gaged in the manipulation of prices for electric energy
13 sales or engaged in any fraudulent activity with regard
14 to such sales.

15 (b) **PROFITS ARISING FROM MARKET MANIPULA-**
16 **TION OR FRAUD IN THE WESTERN INTERCONNECTION.—**

17 The Federal Energy Regulatory Commission shall require
18 the Enron company (and any affiliate of the Enron com-
19 pany, the bankruptcy trustee for the company and any
20 successor in interest to the Enron company or any affiliate



1 thereof) to refund to purchasers of electric energy from
2 the Enron company or any affiliate of the Enron company
3 all profits arising from its operations in the Western Inter-
4 connection after January 1, 2000. As used in this sub-
5 section, the term "profits" means the amounts Enron re-
6 ceived for sales of electric energy above what the costs to
7 Enron for the purchase of such energy would have been
8 in a properly functioning market, as defined by the com-
9 mission. After notice and opportunity for a hearing on the
10 record, the commission shall determine the amount of such
11 profits and the method of providing such reimbursement.

12 (c) CLAIMS FOR DAMAGES BY ENRON PROHIB-
13 ITED.—In the case of any contract for the sale of electric
14 energy or natural gas by the Enron company of any affil-
15 iate of the company which has been terminated by the pur-
16 chaser or under which the purchaser has ceased to accept
17 delivery of electric energy or natural gas, the Federal En-
18 ergy Regulatory Commission shall issue an order prohib-
19 iting the Enron company (and any affiliate of the Enron
20 company, the bankruptcy trustee for the company and any
21 sucessor in interest to the Enron company or any affiliate
22 thereof) from enforcing any claim for monetary damages
23 (including any penalty for contract termination) or from
24 otherwise enforcing contract provisions against the pur-
25 chaser.



Amend the table of contents by adding the following
new item after the item relating to section 1287:

“Sec. 1288. Fraudulent and manipulative market activities by Enron.”.

