

1 19-20010125-11135877-11233426 (9:35)

2 [dialing/ ringing]

3 MURRAY: TransAlta, Murray speaking.

4 SEAN: Hey, Murray, this is Sean, Enron.

5 MURRAY: Hey, how you doin'?

6 SEAN: Good. How you doin'?

7 MURRAY: Good.

8 SEAN: Hey, I don't know if I talked to you – or, do you got a minute?

9 MURRAY: Sure.

10 SEAN: I don't know if I talked to you or if I – or whoever your shop I would talk to about
11 the I – have you guys d – ever to look at um, becoming a control area?

12 MURRAY: A control area?

13 SEAN: Yeah.

14 MURRAY: We'd love to be a control area.

15 SEAN: Why – why won't, ah – have you looked at it?

16 MURRAY: Ah, we are looking at it, but it seems, at least from our – what I've – I'm not the
17 one looking at it, but talking to the person that was, it looks like it's a long drawn-out
18 process.

19 SEAN: Who's – who's lookin' at it?

20 MURRAY: Ah, Claude Benoit.

21 SEAN: Ah, Claude Benoit OK. 'Cause what I'm wondering is, and I don't' know if you
22 guys would be interested in this, or if this would be something that would be, um, um, just
23 something that would good, ah, going out of the gate, would be if – 'cause I think, we – we
24 have a group that sort of specializes in that –

25 MURRAY: OK.

26 SEAN: And ah, we've been very successful and they – in essentially a short period of time,
27 ah, become control area back east with just generation.

28 MURRAY: Oh, really?

1 SEAN: Yeah. And the problem that we have out west is we would like to have some
2 control area capabilities, but um, we don't, you know, we don't – we have load in California,
3 but effectively – and we have small generation in – in the southwest, but we don't really have
4 any generation per se up here in – in the Northwest.

5 MURRAY: Right.

6 SEAN: and so, what, you know, I was thinking the other day is, but you know, essentially if
7 you go to an existing utility and talk to them about some sort of um, you know, control area
8 type thing or you know, leasing generation and forming your own control area, or whatever,
9 it's y – with the, you know, existing utility mindset, um, it's you know, it's pretty much a no
10 go –

11 MURRAY: Right.

12 SEAN: -- from the start. So, I don't know if you guys, you know, *[inaudible]* if I should talk
13 to Claude, or maybe you just you know broach the subject with him or whatever, but it
14 would basically involve, I mean, I would say, I used to work for Portland General, so I kinda
15 know, you know, what control areas are about, and --

16 MURRAY: Yeah.

17 SEAN: -- and all that kind of stuff and it seems – and it seem like, potentially, if we could,
18 you know, we might want to sit down and at least talk about, um, doing something, ah,
19 jointly and – and you know, sort of utilizing us with respect to what, you know, our expertise
20 in actually getting one going and – and creating one and we, you know, we have the people
21 in place like at *[inaudible]* and *[inaudible]* and all that kind of stuff, ah, because it's – from an
22 engineering perspective it's not difficult.

23 MURRAY: Right.

24 SEAN: Um, so it's just basically a matter of *[inaudible]* and that sort of thing, and if with the
25 existing generation that you have it um, you know, at Centralia, I've, um, you know, just sort
26 of a, um, thinking about it and thinking out loud, I've thought well, you know, you could
27 easily, you know, utilize our skill at creating one and you – you – sort of your asset in order
28 to get your f – ah, foot in the door, you could basically have a joint control area, ah, it would

1 – it would, ah – it would be one – it would be seen by everyone – adjacent controllers as one
2 control area, but essentially both of us would be able to utilize different characteristics of a
3 control area –

4 MURRAY: Right.

5 SEAN: um, in – and we could do that separately, because really the only thing you need is
6 one number and it's b – so you guys could be your thing separately, we wouldn't need to see
7 it. We could do our thing separately and you wouldn't need to see it, so, and 'cause really all
8 you need to do is – is have one aggregate control number with your adjacent control area.

9 MURRAY: Right.

10 SEAN: And so, if you took the sum of all your stuff, you know, what you were doin' and
11 added it to the sum of all of our stuff, you've got the one control – you've got the one
12 number –

13 MURRAY: Yeah.

14 SEAN: -- and we're not leaning on – we – since we don't have any generation – we're not
15 selling anything – we wouldn't be selling anything out of the control area that wouldn't be
16 coming into the control area, you know what I mean?

17 MURRAY: Yeah.

18 SEAN: So, it's not like we would be leaning on you guys, and you wouldn't be leaning on us
19 or anything, it's just basically a marriage of convenience –

20 MURRAY: Yup.

21 SEAN: And I think it would be – actually, I think it would be very easy to um separate our,
22 ah, transactions in such a way, like I said, we would, you know, we wouldn't need to know
23 ah – e – er – we wouldn't need to know what you guys were doing –

24 MURRAY: Right.

25 SEAN: -- sp – sp – specifically, we would just need to know a single number and again, you
26 wouldn't need to know what we were doing, except for just the one number and as long as
27 we can say, OK, this is the number, we add up the number and then we agree on a checkout
28 with the adjacent control areas, then I think we're good to go.

1 MURRAY: Right.

2 SEAN: And I really don't see, other than, you know, if your management has, you know, is
3 worried about what we might learn about your activities, ma – I'm certainly wouldn't, I
4 mean, knowing how it would be structured, I'm not worried that we couldn't come up with
5 some sort of ah – of an agreement where i – i—it would cause me any grief –

6 MURRAY: Right.

7 SEAN: -- at all, I mean, you just, like I said, you would know one number, but who cares,
8 you're not going to be able to tell what we were doing anyway.

9 MURRAY: Right. Right.

10 SEAN: And vice versa.

11 MURRAY: Right.

12 SEAN: Um, so I don't know if that's something that, like I said, we – we – you know, we
13 did a generation control, we've done it a couple of times back east and in actually in fairly
14 quick time.

15 MURRAY: Right.

16 SEAN: And um, so like I said, the necessary – we have the necessary people, I think, in the
17 right places, we have precedent, so it's like, right now, I mean, we don't, you know, do you
18 want to go out and buy generation just to become a control area? No we don't –

19 MURRAY: Right.

20 SEAN: -- but we would like to be able to have some of the capabilities that a, you know,
21 that a control area has, and I think, you know, you guys, I d – I think would definitely like to
22 be able to do that, and um, so I – like I said, it – you know, if it's something that, if you want
23 me to talk to somebody else in your shop [*inaudible*] if you want to broach the subject or –
24 [*inaudible*]

25 MURRAY: Yeah, why don't I – I – I think ah, I mean, we'd certainly be open to – to the
26 discussion part of it –

27 SEAN: Right. Right.

28 MURRAY: I mean I – we're certainly going to slam the door –

1 SEAN: Maybe we could [*inaudible*] [*simultaneous*]
2 MURRAY: Yeah.
3 SEAN: Yeah.
4 MURRAY: Ah, but why don't I – I pass this along to the – the people that I think would
5 be, ah, interested in hearing this and –
6 SEAN: Yeah, OK.
7 MURRAY: -- and give them your number, and get 'em to get in touch with you.
8 SEAN: Yeah, that'd be great, and like I said, just say, if it's a dare or whatever, we can – we
9 can at – just at least explore the possibility and then, um, if it doesn't work, doesn't work,
10 doesn't hurt, so at least look at it –
11 MURRAY: Yeah.
12 SEAN: -- but I think, like I said, I f – I'm pretty sure, you know, if we – if we went about it
13 right, and I think if we were pretty aggressive about it, I think that, um, w – w – you know,
14 we might be able to actually have it happen in a short period of time.
15 MURRAY: Right.
16 SEAN: Which would be great and ah, you know, and I think that given, you know how
17 slow and drawn-out the RTO West thing's going to be in – even if it ev – if it actually ever
18 happens, w – you know, I'm s – I'm semi-skeptical. I just think, you know, it being a control
19 area has advantages, um, that not being a control area, you know, you know what I mean it's
20 –
21 MURRAY: Yeah, oh, I – I definitely know what you mean.
22 SEAN: You guys definitely know!
23 [*laughter*]
24 SEAN: Exactly! There's – and – which is stupid. You know, it's stupid it's set up this way,
25 but, you know, it's just – it's the game that – that you have to pep – um, play, but ah, you
26 know, it's – just goin' forward I – you know, I've been fairly patient with [*inaudible*] which
27 where the RTO's going to go and all that kinda stuff,
28 MURRAY: Right.

1 SEAN: -- but now I'm -- I'm totally skeptical that anything significant's going to happen
2 within a couple years. Um, so and then, and even then -- even today, I mean, you look at the
3 advantage that control areas have vis a vis the California market --

4 MURRAY: Yeah.

5 SEAN: -- and stuff, I mean, you look at what Powerex does with that damn thing, you
6 know, just totally because they're a control area it drives me crazy.

7 MURRAY: Yeah.

8 SEAN: So, um, so I don't know. Yeah, if you want to give the guy my phone number,
9 'cause I'd really like to t -- you know, push on this and see if we can -- like I said I don't really
10 see where -- what the problem would be with, you know, sort of doing this in tandem --

11 MURRAY: Yeah.

12 SEAN: And um -- and as long as, you know, as long as we keep up, you know, keep the
13 appropriate separation in information, you know, so that it doesn't make your company or
14 my company uneasy, I -- which I don't think would be a problem.

15 MURRAY: Mm hm.

16 SEAN: I think, you know, it might be a good idea.

17 MURRAY: Sure. Well, I'll -- I'll pass along your number, and ah, if you don't ah, you know,
18 hear from him shortly, like ah, early next week,

19 SEAN: Yeah.

20 MURRAY: ah, give me a call back.

21 SEAN: OK.

22 MURRAY: I -- I'll -- I'll push it on my end.

23 SEAN: Yeah, that sounds good.

24 MURRAY: OK, that's Sean.

25 SEAN: All right. Thank you.

26 MURRAY: Bye-bye.

27 SEAN: Bye-bye.