

1 23-20001219-14583783-15314644 (33:08)

2 PATRICIA: Patricia [*inaudible*]

3 STUART: Hi Patricia it's Stuart Rosman.

4 PATRICIA: Hello Stuart, how's it going?

5 STUART: Good. It's nice to finally [*inaudible*]

6 PATRICIA: It's great to hear your voice, yeah.

7 STUART: Yeah, Sorry, I've been tough to get a hold of as well.

8 PATRICIA: That's OK. Um, did you understand my second message any better? Did that
9 seem a little clearer?

10 STUART: Um, I don't know if I heard all of it.

11 PATRICIA: Oh, OK.

12 STUART: I – I –

13 PATRICIA: You s - you cut me off, did you?

14 STUART: I think I did cut you off and figured – oh, no, I'm sorry.

15 PATRICIA: That's OK.

16 STUART: Should have listened to it.

17 PATRICIA: Yeah.

18 STUART: But, um, can we – do you mind if we just –

19 PATRICIA: No, not at all.

20 STUART: [*inaudible*] and tell me which day you think we're off by and –

21 PATRICIA: I – I think it's the first, um, for the megawatts, it looks like maybe the, um,
22 when you were doing your spreadsheet, the formula didn't pick up on the first when you
23 added 500. It could be. Because you –

24 STUART: OK, so what I'm looking at is it was 500 megawatts hour ending 23, right?

25 PATRICIA: Right.

26 STUART: And that's it.

27 : >> Right.

28 STUART: No – right. So, what I'm looking at shows on the summary sheet 500 megawatts

1 —

2 PATRICIA: OK, now —

3 STUART: *[inaudible]*

4 PATRICIA: OK, so what I'm looking at is just your um, I think it's your summary sheet —

5 STUART: OK.

6 PATRICIA: and the, um, at the very bottom, um, under November 30, you have 50,000
7 megawatts 997.

8 STUART: Right.

9 PATRICIA: And I think, um, that isn't picking up the 500 on the first.

10 STUART: OH, I see what you're saying.

11 PATRICIA: So, it's 51,497.

12 STUART: You are absolutely right. I'm sorry about that.

13 PATRICIA: OK, that's OK, so that, ah, um — that's easy.

14 STUART: So, yeah, my question is am I picking up the — the money, um —

15 PATRICIA: That's what I — what my question to you was, so I just — OK —

16 STUART: Yes, I am, Yeah, ah, but do you — do you agree with the money?

17 PATRICIA: Yes. If —

18 STUART: One thousand —

19 PATRICIA: Yes.

20 STUART: I mean — sorry — one million twenty-five thousand nine fifty eight point 32.

21 PATRICIA: This it, yes, ah, ah, for — for that account. Now, for, um, we also, um, sold you,
22 um, in two diff — in North Path and South Path for a few days.

23 STUART: OK. Separate from this transmission deal, right?

24 PATRICIA: Ex - yes.

25 STUART: OK, so —

26 PATRICIA: Is that you?

27 STUART: So, you keep — well, could we keep those separate and —

28 PATRICIA: Sure.

1 STUART: And that shit all flow through our Houston person.

2 PATRICIA: OK.

3 STUART: Who I'm going to send this information to –

4 PATRICIA: OK.

5 STUART: Now, one thing that I talked to Dick Jones about was, um, we never really talked
6 about timing of when we pay you guys.

7 PATRICIA: Uh huh.

8 STUART: And normal bilateral deals such as the ones that you just referred to, the NPSP
9 one, um, we pay you, like the normal WSPP time frame, like 30 days after, or 30 days from
10 the time we get the invoice.

11 PATRICIA: Uh huh.

12 STUART: What I asked him was, is it fair for us to pay you when we receive ISO funds,
13 'cause in this case, we're basically –

14 PATRICIA: No.

15 STUART: -- receiving money from the ISO and he said he thought that was fair. I didn't
16 hear a definite yes from him.

17 PATRICIA: No, that's um – yeah.

18 STUART: So, I wanted – I wanted to let you know I had the preliminary conversation with
19 him yesterday and that would be my preference, but I he says we can't or if he's to do that,
20 obviously, you know I don't want to – because I'm asking him basically after the fact and I
21 didn't first of all think it was going to be this big am – an amount, and um I just didn't
22 realize congestion was going to blow up like this.

23 PATRICIA: Right.

24 STUART: [inaudible], so, if you talk to him, can – do you want to, do you want to see if he's
25 made any progress like some time in the next day or two?

26 PATRICIA: Right. Now, um, y – y – you know, I'm not even the one who does the, um –

27 STUART: He men – yeah, he mentioned you have different crew.

28 PATRICIA: [inaudible] right, SWAPO, um, so –

1 STUART: So that's what he was going to look into.

2 PATRICIA: OK, and I'll talk to him about it, um, and –

3 STUART: Basically, you know, the time frame that the billing, the other group that handles
4 the billing and invoicing – since they interact with the ISO and the PX they're pretty familiar
5 with what time frame I'm talking about. We're OK within, you know, five days of receiving
6 the preliminary amount from the ISO.

7 PATRICIA: So, right, and you're – but we – but we – well – are you still um – I mean we're
8 47 days, um – I'm thinking of *[inaudible]* –

9 STUART: I think it's like the ISO's like 70 days.

10 PATRICIA: *[inaudible]* 70.

11 STUART: Probably like 70. So, I think it's like an extra month outside of –

12 PATRICIA: Right.

13 STUART: -- the normal *[inaudible]* so, I basically am asking for a favor from Dick and – and
14 I'm waiting hear his answer and I figured I'd bring it up with you as well, so that -- we
15 checked out an amount, I just want to, people – tell our people in Houston, do we – do we
16 pay the normal bilateral timetable or the normal ISO timetable and my preference is ISO,
17 but I needed, obviously to get you guys to –

18 PATRICIA: Agree –

19 STUART: - *[inaudible]* one way or the other, so we can figure out what to do. W -- we -- we
20 have a couple – I wanted to do it before I went on vacation and I didn't' want to let – leave
21 any –

22 PATRICIA: True.

23 STUART: -- *[inaudible]* out there for you guys or for them. So if ah – if you – if you happen
24 to hear from him, can you or him give me a call and we can close the loop on that?

25 PATRICIA: Yes. Yes.

26 STUART: And I'll send the spreadsheet down to Houston and tell 'em that we've checked
27 out –

28 PATRICIA: OK, yeah, and so we agree –

1 STUART: And I'll tell him that we're still on hold as to timing.

2 PATRICIA: OK. All right, yeah, I'll talk to it, and I'll – I'll um, talk to the people that I'm
3 going to, um, have invoice you anyway and see what they say. We're almost 30 days, um, I
4 don't know, gosh I don't know. I'll talk to Dick a little bit about it.

5 STUART: I don't want to screw up your system either. If – if it's going to cause major
6 problems, the point of the doing this deal was to simplify things, not make things impossible
7 for you, so as to promote future business, so tell me what you guys think and if it's not a big
8 problem and you think it's reasonable to pay in the ISO timeframe I'd appreciate it.

9 PATRICIA: OK.

10 STUART: If not, let me know and we'll figure it out.

11 PATRICIA: OK. All right, and I'll talk to Dick about it.

12 STUART: No, for – for January, ah, or for December, this deal, I'm going to be out until
13 the 17th.

14 PATRICIA: Oh, my gosh, good for you.

15 [REDACTED]

16 STUART: Yeah, yeah. But, um, I just wanted to ask you is it OK if when I get back I check
17 out with you, but I didn't know if Betty was doing it next month.

18 PATRICIA: Well, Betty helped me out, th – 'cause I was swamped this month, so I'm not
19 sure if I'll be doing it or sh – sh – she –

20 STUART: Are you OK, I mean, I, if not, I could see if someone can help me out and send
21 it to you and –

22 PATRICIA: OK but –

23 STUART: I don't think we've done anything the second half of the month. I think it's just
24 like the first week, so I can actually gather what we've done –

25 PATRICIA: Well, you know, if you can give us what you have by – when you leave, so
26 you're through on the 22nd, is that right?

27 STUART: Yeah, that's Friday, right.

28 PATRICIA: So, on the 22nd if you could send us what you've got up till then –

1 STUART: Why don't I do that.

2 PATRICIA: -- and then we could check, um, at least have that part and that would be a big
3 help just to have the first three weeks.

4 STUART: Can I send it to you?

5 PATRICIA: Yes, uh-huh, and I'll talk to Betty about it --

6 STUART: Yeah.

7 PATRICIA: -- and I'm sure we won't have any problem --

8 STUART: I -- I'll do that --

9 PATRICIA: -- or I'll do it, yeah.

10 STUART: -- and then, um, if it looks good to you and if -- if there's any questions -- maybe
11 I'll try to get it together today or -- or Thursday --

12 PATRICIA: OK.

13 STUART: -- and if you want to look at it before I leave, even, we can -- 'cause -- in case
14 there's any discrepancies --

15 PATRICIA: OK.

16 STUART: I don't -- I don't think there will -- hopefully, I should say *[inaudible]* 'cause there's
17 -- there's no schedules that I know we've left out or anything like that, it was just that one
18 day in November, so hopefully there shouldn't be any discrepancies, but if there are and you
19 want me to work on before I leave, I'd love to.

20 PATRICIA: OK.

21 STUART: So that when I --

22 PATRICIA: Yeah, that sounds fine.

23 STUART: OK. Great.

24 PATRICIA: So I'll let Betty know and then I'll talk to Dick about this. I, um, as I said, I'm
25 not sure, um, because we don't do the invoicing, but Dick will have a better feel for -- for it
26 that I will.

27 STUART: And sounds like he might be kind of busy, 'cause I was told he's retiring.

28 PATRICIA: Yes. Between *[inaudible]*

1 STUART: -- in three days. I'm so bummed.

2 PATRICIA: I know. Me too.

3 STUART: He's so great. I can't believe he's leaving.

4 PATRICIA: I know. He is great. Um, but the -- the person who's coming in is supposed to

5 be pretty good too. And he's been with the department for a long time and he went to ISO

6 and he's coming back.

7 STUART: OK.

8 PATRICIA: So he's got a lot of knowledge too.

9 STUART: OK, it's just that, ah, I've really enjoyed working with Dick *[inaudible]*

10 PATRICIA: Dick is so great, I know. And -- I know. So, I -- that's why I'm thinking -- I

11 already met with him this morning, so I have a feeling I won't see him again to discuss this,

12 but I -- I'll search him out and see.

13 STUART: OK, thanks so much for all your help.

14 PATRICIA: OK, All right, thank you --

15 STUART: Sorry it took so long.

16 PATRICIA: No problem.

17 STUART: Bye bye.

18 PATRICIA: All right, so you'll send something to us by Friday.

19 STUART: Yes. I promise.

20 PATRICIA: OK, very good. And if I don't talk to you, have a good time.

21 STUART: Oh, thank you.

22 PATRICIA: All right. Take care. Bye bye.

23 =====

24 *[dialing/ringing]*

25 THERESA MANDOLA >> Good afternoon. Theresa Mandola.

26 STUART: Hi Theresa, it's Stuart Rosman.

27 THERESA: Hello!

28 STUART: We're not playing phone tag any more.

1 THERESA: That's right. I'm here. You're there.

2 STUART: Good. Um, I just wanted to touch base with you because I'm going to be gone
3 for quite some time after Friday. So –

4 THERESA: OK.

5 STUART: -- I would rather touch base with you before I leave and –

6 THERESA: That's perfect.

7 STUART: -- close the loop on some of this. I can probably answer – I don't know what the
8 easiest way to do this is, but I can answer a lot of the questions you have on the spreadsheet
9 you sent me right off the bat and give you some light as to why we're not doing as much
10 business as – as people want and – us to do in Houston via the online mechanism.

11 THERESA: OK. *[inaudible]* I know you're probably short on time so e-mailing is a pain, so
12 just if you want to tell me the stuff, that would be great too.

13 STUART: Yeah. *[inaudible]*. I didn't know if I – I wasn't sure if I understood everything on
14 the number side, like the deal count, do you – can you quickly just explain to me what the
15 numbers mean so it'll help me explain too.

16 THERESA: Sure. First of all in the left hand column, that number, like the first one's 21 El
17 Paso Electric Company, that's just the ranking they are, because we just pulled some ah,
18 numbers and made 'em fall over into this table, so that's all that is, just a ranking on the
19 company, kind of where they sit with us, in a sense.

20 STUART: OK.

21 THERESA: Um, the other numbers, um, tell you what, you want to just start with the first
22 one, look at El Paso?

23 STUART: Yeah, so first trade, January – I assume that's first trade in EnPower, right?

24 THERESA: Right.

25 STUART: Um, exact? What does that mean?

26 THERESA: That's execute. That means that they have got execute status that they could
27 trade on line but they just have not done it.

28 STUART: And trade means they have traded on line.

1 THERESA: No, no, it means they have – yeah, ah, ye – yes, I’m sorry, trade means they
2 have traded on line. Um, the EOL – there you go – the deal count, where it falls under EOL,
3 they have zero, they haven’t done anything –

4 STUART: Is that number of deals?

5 THERESA: number of deals.

6 STUART: OK. And –

7 THERESA: They’ve done on –

8 STUART: -- that could be like hourly, daily or monthly.

9 THERESA: Anything. That means they have done nothing on Enron Online, but non EOL
10 deals, which mean direct deals are deals that have gone through the broker market, they’ve
11 done 16,089.

12 STUART: OK, and then, you have it from one year through November 28th and then you
13 have on November tenth, like % EOL, what does that mean?

14 THERESA: Um, that was just like a, um, a shot, just one day picture, kind of a what we
15 were doin’ and that’s where I grabbed this information from, so I don’t know if that’s as
16 important.

17 STUART: OK, so ignore the percentages for those two days.

18 THERESA: Yes.

19 STUART: OK. And then what does show mean.

20 THERESA: Um, where do you see show?

21 STUART: The last P? Does that mean anything. All of them say show, so I assume it’s not
22 important.

23 THERESA: Uh-uh.

24 STUART: So last column?

25 THERESA: The last column, the percentage?

26 STUART: NO, you have one after the percentage that just says show.

27 THERESA: Oh, the show, no, that’s nothing, that just means that we want to show that
28 column in our data.

1 STUART: I can quickly go through most of these counter-parties and help explain –

2 THERESA: OK.

3 STUART: -- why their status is the way they are. El Paso Electric we have an alliance with
4 where we act as their real-time entity. We also sleeve most deals through us because we have
5 better credit than them. They actually almost went bankrupt maybe five or six years ago and
6 we kind of have this partnership for the last four years, where in some ways we are El Paso.
7 We actually represent them and so, as a result, a lot of deals that are done over the phone are
8 put into EnPower. Many of those are probably real time deals first of all –

9 THERESA: OK.

10 STUART: *[inaudible]* Jack, and we don't do obviously real time through EOL.

11 THERESA: Right.

12 STUART: And we're doing it on their behalf. We're not – it's not them trading with us, but
13 we are transacting and we're s – because it's being sleeved through Enron, we're going to put
14 it in En Power but, um, the – these are just deals that'll never be EOL deals. We do a very
15 small number of term deals that could be done on EOL potentially, but because we talked to
16 them, so our – our relationship is so deep with them because we're basically integrated with
17 them –

18 THERESA: OK.

19 STUART: We just – most of our term deals are done that are high – they're more structured
20 and they're less likely to be done on EOL. They're not really a broker customer. So, it's not
21 that they're doing things through the broker, Very rarely do they look at the broker.

22 THERESA: So it is going just direct deals through your – your *[inaudible]* OK.

23 STUART: Through us. If you ta – I mean the only way we could do EOL probably, is I
24 think we got 'em EOL just so that they can get more accustomed to what the market's
25 doing. And we – you know, if we – if they said, OK, we like this deal and we ask them to do
26 it on EOL, and I could tell Paul Choi that he should focus on that next year –

27 PATRICIA: Sure.

28 THERESA: 'cause he's *[inaudible]* it, but it's unlikely your – your going to see a huge number

1 of non-EOL Deals and a very small EOL or zero and that's because of the real time
2 relationship.

3 STUART: OK.

4 THERESA: Real time deals and it's -- it's like you said, you're in a -- we have done a sort of
5 an alliance with them and a partnership and you just transact on their behalf.

6 STUART: Yes. And Lavorado and Delaney should be very familiar with our relationship
7 with El Paso, because --

8 THERESA: OK.

9 STUART: -- it's probably the longest alliance. It is the longest relationship the west has with
10 anyone. And the deepest.

11 THERESA: OK.

12 STUART: They've heard about it many times. Avista is a marketer -- I don't know a whole
13 lot about 'em because they are in the market. I see that they're doing some EOL deals --

14 THERESA: Right. They're doing some. We're just saying if there's anything we could do to
15 maybe bring them closer to that or doing more a -- and again, as -- if it's because the
16 products aren't out there, then if y'all know that then that's things that we need to know on
17 this desk, so we can say products --

18 STUART: Right.

19 THERESA: -- they trade and not available on line.

20 STUART: Right, so I think that that's um, a valid one to look at next year. I think right now
21 it's tough to go to the -- to anyone and say, we need to focus on EOL, 'cause we've kind of
22 pulled off of EOL because of the market turbulence.

23 THERESA: Yes.

24 STUART: I suspect beginning next year it's worth looking at again, so I think Avista is a
25 worthy candidate for you guys to ask us, like track and then ask us again next year maybe
26 after a month or two and see if things have changed. I know Avista does a lot of stuff in the
27 northwest and so it dep -- I might -- we'd have to probably look at who they -- what products
28 they're buying to try to figure out why they're using non-EOL. A lot of our northwest stuff

1 is like BPA delivered, which is a product we don't show on EOL.

2 THERESA: And what's delivered – I'm sorry?

3 STUART: BPA delivered which is –

4 THERESA: BPA –

5 STUART: -- it – it's – it's just a more structured product –

6 THERESA: It's a structured deal, yeah.

7 STUART: M – maybe –maybe we'll put it on at some point, but I don't –

8 THERESA: Well, I was going to say that i – if it could – if it's something that could be put
9 online even by someone in the mid-market – if it's something y'all'd like to put out there –

10 STUART: Yeah, usually –

11 THERESA: -- I mean, that's what we're here for too is to have these things done, and –

12 STUART: Well it – it's more just – it's hard for the traders to make – change too many
13 products at the same time.

14 THERESA: OH, OK.

15 STUART: So that – that's usually the problem. We have, I mean tons of products that we
16 can put out there, we choose not to, more 'cause the traders have a hard time if there's too
17 much on there. But a – at their peak they had a lot of stuff out there and BPA delivered was
18 never one of them, so –

19 THERESA: OK.

20 STUART: Coral is the same situation. It's a marketer. I don't know their story, although I
21 notice they've done a fair number of EOL vs. I mean they've done more EOL than non-
22 EOL.

23 THERESA: Right, and they probably really should never even hit that list, just [*inaudible*] so,
24 you can just –

25 STUART: OK, so if – if you find that their volumes have [*inaudible*], bring it to our attention
26 and we can look into it.

27 THERESA: OK.

28 STUART: The marketers, we tend not to work with directly, but we can certainly call them

1 and find out if there's something that's causing them not to be using us.

2 THERESA: OK.

3 STUART: The Cal – Cal PX will never ever have EOL deals.

4 THERESA: They're not going to transact anyway.

5 STUART: Yeah, do you know how they work? Do you understand why there's non-EOL
6 deals?

7 THERESA: Oh, absolute – well, no, I – I maybe I don't because *[inaudible]* all the deals go
8 through the Cal PX, but wh – how come –

9 STUART: But they are a counter-party essentially. We are selling to them and buying from
10 them, and they're an auction, so basically they're matching us up with other people, but it's
11 them that's the counter-party from a credit perspective.

12 THERESA: OK.

13 STUART: but they're no way they're using EOL. That's just not the mechanism.

14 THERESA: No, it won't happen. Got that.

15 STUART: OK. APX, um, I can – I'm not the one who works with them, but I know that
16 both APS and Salt River are two major Southwest kind of parties that we deal with. Probably
17 Salt River is a bigger problem because they're even bigger than Arizona and they just, for
18 whatever reason, have refused to work on EOL. It's something that our Southwest Desk has
19 brought up with us. Probably the two biggest counter-parties that they're frustrated with
20 their inability to get them to use EOL, are LA DWP, which is later in the list, number 64,
21 and Salt River – are the two that they have repeatedly tried and we've talked to, and I have
22 talked to LA about and they've just refused to use it. They – for – in the case of LA, they've
23 given us excuses. So, all I could do is just keep trying to pound on them and again, once the
24 year starts again and we see trading pick-up, just try to – try to get them to do stuff, because
25 they're on the broker market. But Salt River's the same way. I don't know specifically the
26 reasons they brought out but they're just not –

27 THERESA: If you could get the specific reasons, 'cause we're going to be asked at some
28 point.

1 STUART: Well, what LA says is that our *[inaudible]*

2 THERESA: And if I just say they refuse to use it, then they'll go, well, why do they refuse it,
3 you're like, well, I don't know.

4 STUART: Well, first of all they're very conservative.

5 THERESA: The LA – yeah.

6 STUART: Salt River and LA. I mean, they're – they're public, and APS, it's the same way.

7 We don't do as much trading with them as we'd like to. Arizona and Salt River and PNM
8 trade with themselves, basically and they don't trust outsiders. And we do – we do business
9 with them, but not as much as you'd think we would, given our size.

10 THERESA: Right.

11 STUART: And it's because they've purposefully – don't trust us, um, you know, try to avoid
12 working with us if they can. That kind of thing. I mean, there's a lot of those 55 year old
13 utility people who have been here and have long memories and remember what it was like
14 before deregulation. I think that's why they haven't grasped onto doing this – and plus, most
15 of these guys, Arizona, Salt River and LA don't do a lot of term business. They just do daily
16 stuff. And even though I'd make the argument that hey, daily, they should be using EOL,
17 just as much if not more than term, they still have their old boy network of dailies. And
18 that's who they're going to go to. And with LA they've given us the excuse that they don't
19 like our prices and yet we do stuff in the broker market and obviously we're showing either
20 worse numbers of the same numbers in the broker market, so I've called that to their
21 attention and I think they know that they're full of it but it's just –

22 THERESA: Well, I mean you – you can't – you can't make 'em transact on something they
23 don't want to, you know –

24 STUART: Right, but – but just, I mean, you should tell Bob and whoever else was asking
25 that, Salt River and LA, we have worked really hard on, because we think they're big and
26 they're important and we just had no luck. Arizona, APS, is not as big and they're not, I
27 mean they're not as glaring as those two.

28 THERESA: Right.

1 STUART: We have worked with them and tried to get them to do something, and we'll
2 continue to do so and you should bring it to our attention if – if we need to refresh our story
3 and hit 'em again next year.

4 THERESA: OK.

5 STUART: EPA, um, they – they are doing some stuff on EOL, they're huge. Basically the
6 middle marketer on our desk is best friends with their trader, to make a long story short.

7 THERESA: There you go.

8 STUART: They are going to do a lot of business over the phone no matter what, just
9 because of their relationship. I think um, and she would rather do all the business over the
10 phone, but, um, you know, so that's sort of the conflict of interest of business going from
11 middle market or back onto an – an internet – an internet medium, and there's the conflict
12 of interest there, so Holly knows that stuff has to go to the EOL, and has helped get them
13 signed up, but she still prefers to do – she gets a lot of information from them, and –

14 THERESA: Right.

15 STUART: A lot of the stuff is structured, first of all, so it's not available on EOL. The stuff
16 on EOL, she still feels she can make more money by doing it over the phone and shift that
17 relationship with their head-traders, so that's kinda why *[inaudible]*

18 THERESA: Well that's sizeable too, I mean, when she's getting information for herself and
19 things and you know, that's tough to say, you know –

20 STUART: They're – they're probably our best relationship in the west, in terms of they're
21 huge, they give us a lot of information,

22 THERESA: Oh yeah.

23 STUART: we do a ton of business with them. So, in terms of it going towards all EOL, I
24 think you're going to get strong resistance both from Mike Schwarzman the trader and from
25 the middle marketer, but they're aware that EOL's important for volume and they've actually
26 talked about doing things like selling on behalf of EPA, all of EPA's volume day-ahead
27 through EOL and I don't know where that is, but that was discussed at one point and so if
28 that happened that'd be just, you know, huge ramp-up of *[inaudible]*

1 THERESA: That would be awesome.

2 STUART: but I don't know what the issues are. Obviously, again, the turmoil has kind of
3 pulled things down. Um, the next counter-party, Montana Power, we have a real time
4 relationship with them where we have an alliance. We sell their excess power or we buy
5 power on their behalf real time, so that's why that you'll see a big volume done non o – no-
6 EOL. They don't really trade term at all and they don't – I don't even know if they do much
7 in the way of the pre-schedule. The way Montana's deregulated, they've kind of taken all the
8 generation and sold it to PP&L. And they just have load and whatnot. So –

9 THERESA: Oh, OK.

10 STUART: So, I don't think they're probably going to be a big EOL candidate going
11 forward, because they're not a normal trading entity. They've done a couple of term deals
12 with us, but they've been structured through John Maloney, the middle marketer associated
13 with them.

14 THERESA: So, you're just saying you just hand them most of their real time stuff via
15 telephone and –

16 STUART: Exactly it's similar to what we do with El Paso.

17 THERESA: And yeah, no term stuff anyway, so doesn't matter the generation.

18 STUART: I think we might have done like a little bit, but I don't even know if we've done it
19 with this kind of party. We've done it with some of their load. We wanted to *[inaudible]*
20 themselves out.

21 THERESA: Right.

22 STUART: So I don't see them as being a – I don't see them as being a big, ah, kind of party
23 –

24 THERESA: Potential.

25 STUART: -- going forward. *[inaudible]*

26 THERESA: I'm sorry you said that generation is sold to PPL?

27 STUART: PP&L, which is Pennsylvania Power and Light.

28 THERESA: Pennsylvania Power and Light.

1 STUART: Yeah, which I think happened earlier this year and –

2 THERESA: Yeah.

3 STUART: -- and so they're half, like they're half way through their deregulation process and
4 as a result of that disconnect, someone owns the generation, but the dispatchers are still
5 working for the regulated entity and they want to work with us to help remarket their stuff.

6 THERESA: OK.

7 STUART: But they don't really have the right to do longer term decisions and that kind of
8 thing. Valley Electric is similar in that we have a big alliance with them, we do all their
9 business on their behalf and these -- ever deal that you're seeing is non-EOL, 'cause we -- it's
10 like El Paso. We are their agent, and we're doing all this pre-schedule stuff, so every day
11 there's an EnPower account I think and it's all these pre-scheduled deals that we're doing on
12 their behalf.

13 THERESA: OK.

14 STUART: And we've done a couple of term deals but they've been highly structured, like 5-
15 year deals that we don't post on EOL.

16 THERESA: No.

17 STUART: So, you're not going to see them in the future. LA We talked about. PacifiCorp, I
18 don't know the story, 'cause they're kind of a trading entity. Ah, they've done some deals ,
19 um, so I guess all I could say is lump them with Avista and Coral and let's look at 'em next
20 year and see if --

21 THERESA: next year?

22 STUART: I mean, yeah, I don't have a good story as to why they don't use [inaudible] and
23 we can call them or look into it when trading ramps up and see what they like or don't like
24 about it. They're not hugely active on the term side, but obviously they have a lot of pr-
25 scheduled stuff. I think they're trying to ramp down, quite frankly. They've got new owners
26 -- Scottish Power -- and I think that Scottish Power wants to treat them like a regulated
27 entity, which means lower the risk profile, so you're not going to see --

28 THERESA: Oh.

1 STUART: -- which means their trading activities are ramped down and they should just be
2 more like trying to cover load. So, if anything you'll see overall volume go down, but you
3 don't --

4 THERESA: You just won't see 'em out in the open market that much.

5 STUART: I would think -- I mean, I'm speculating, but that's just based on what I read in
6 the news. CSU, we have a short position with them, so I assume all these are just us trying to
7 cover a short with them, so it -- they're not buying from us on a daily basis. They bought like
8 this 5-year call option three years ago, and we're like into year three of it, so I -- they're not
9 going to be an EOL candidate.

10 THERESA: OK.

11 STUART: All we're doing with them is we're covering a short that we have. Seattle City
12 Light, we do lots of stuff with them, um, I see that they've done some deals with us. We
13 have a great relatio -- Ho -- Holly, the one who does BPA has a great relationship with them,
14 and again, we get a lot of information talking to them, we do a lot of structure deals with
15 them. They also do a lot of pre-scheduled deals and so you should see at least -- I don't
16 know what the right percentage is, I mean, I see here they've done 45 deals, so I don't know
17 -- maybe there's some room for them to go up as they get more comfortable with it.

18 THERESA: Yeah.

19 STUART: You could check with them a little bit.

20 THERESA: Yeah. OK.

21 STUART: New Energy isn't -- is -- isn't ESP, um, and they're not really active. I'm not sure
22 -- I'll -- I'm surprised at the number of non-EOL deals. I could ask -- I'm not sure if these are
23 daily deals, um, I'm -- I'm not sure what comprised the bulk of it. We can, ah, take a look at
24 'em next year and if we see the EOL stay well, we can -- if they're daily deals they should
25 obviously ramp up their EOL activity, but they haven't been real active in general.

26 THERESA: OK.

27 STUART: Tasco. I would want Tasco, Willamette and Delano together. These are
28 generators that we are schedule coordinators for and we make basically all the decisions of

1 how to optimize the unit. So these are dai – daily deals probably that we’re doing on their
2 behalf and they’re not going to ever be on Enron Online. Because we’re basically like taking
3 their generation, we’re selling it to the PX for instance, so we’ll show an EnPower account
4 for that.

5 THERESA: See this is wonderful, ‘cause I mean, this is stuff we’d never know. Daily deals
6 on their behalf –

7 STUART: You – you’ve seen basically a lot of our service customers and that’s why you’re
8 seeing a lot of volume, but a lot of it on EnPower and not EOL.

9 THERESA: OK.

10 STUART: Nevada Power I lump with Arizona Power – ah, Arizona Public and Salt River
11 Project. They’re southwest, they’re conservative, they’re tough to work with, we do a lot of
12 structured deals, which is why you’ll see a bunch of Enron – non-Enron on-line deals. On
13 the daily stuff, they transact a lot at Mead and marketplace which are points which we don’t
14 sell.

15 THERESA: Right.

16 STUART: And maybe Mead is something we’ll – we’re going to put on there eventually, but
17 they’re not comfortable doing it yet. So that’s probably the biggest reason why you’ve seen
18 very few on EOL.

19 THERESA: Yeah, we don’t do Mead. OK.

20 STUART: And then E-Web is the last one to talk about and they’re kind of like Seattle too,
21 like BPA, except much smaller. They’re a northwest counter-party we have a great
22 relationship with. We’ve got – we have a – Holly’s the one who deals with them. We do
23 some service deals on their behalf which is why you’ll see a lot of non-EOL deals in the
24 future, where we sell on their behalf on a pre-schedule basis to the PX. Um, in addition we
25 do a lot of funky deals with them as well, and they’re kind of small, so they do weird sizes.
26 They might do like 15 megs or 20 megs, not the minimum, 25.

27 THERESA: Ok, so they’re just doing odd lots.

28 STUART: but there is a chance that we could do EOL in the future, so you might want to

1 leave them on the list for us to check, you know, some time *[inaudible]*

2 THERESA: Check on next year.

3 STUART: yeah, so that's kind of where we're at, so some of these guys hopefully we'll see
4 improvement. Some of them I don't think you will.

5 THERESA: well, there you go. We've got about -- what -- about 30, 37 who working, so
6 some of them we may see, and others we -- we won't ever, so --

7 STUART: Yeah.

8 THERESA: - that's what we need to know. This has been great.

9 STUART: Should hopefully make your life easier to - *[inaudible]* to focus on.

10 THERESA: *[inaudible]* and we have to go and account for all these, well, what do you mean
11 you can't get 'em online trading. Well then, here we go.

12 STUART: I know -- I don't know how much sinks into Lavorado and Delaney 'cause they
13 get a lot of presentations, but we've spent a lot of time talking about our service
14 relationships with these counter-parties --

15 THERESA: Uh huh.

16 STUART: -- so if they were confused as to well, what do you mean about Valley? I think
17 that we could, you know, Greg Wolf has a good relationship with Delaney and Lavorado
18 and um, you know, he could explain any of the relationships in more detail if they want a
19 refresher, but they sh -- probably would remember the presentation we just did mid-year, or
20 I think it was even end of year. I think it was like Q3 we did it, like a QBR where we went
21 over all these different relationships and at least the name should be familiar to them. And
22 they'd understand the concept so I think they would understand why they're not on EOL.

23 THERESA: Well probably what I'll do is maybe just ah, sit down and put a little comment
24 section here together, fill out what kind of what -- summarize what you've said, put that to
25 you, send it back and say, is this what you'd like out there for these counter-parties.

26 STUART: Yeah.

27 THERESA: How's that and whenever our new reporting happens, these comments can go
28 into that section and then, ah, we'll all be happy and we'll have some answers for 'em.

1 STUART: Yeah, that sounds good.

2 THERESA: Great!

3 STUART: So, ah, you know, just going forward, I think, if you want us to = just tell us who
4 you're focused on or who you want to see bolster activity and why and we'll tell you why
5 they're not or that we'll try to do it or *[inaudible]*. But it hel – it helps, like, I don't know
6 who's active and who's not, so it's helpful when you tell me who's not active.

7 THERESA: Yeah.

8 STUART: And *[inaudible]*

9 THERESA: And you know, this list, I mean, w – I've gone down, if you can see even down
10 to 136, with just Delano Energy Company. That's getting down on the 136th trading
11 counter-party, so once you get past that, I don't know how much further we even want to go
12 at this point, 'cause you start getting into a lot of credit issues and people that can't do a lot
13 other than maybe next-day business or one month out and y – y – you start getting very
14 limited, but if we do go further, then I'll probably just have more added onto this list, but for
15 now this is perfect.

16 STUART: OK, well, my hope is that in Q1 you'll see, ah volumes pick up, if the market
17 returns to any –

18 THERESA: Whooh! Isn't that crazy, I mean, I'm talking to – ah, even all the traders, ah,
19 some of the southern traders *[inaudible]* the guys are like, they're not even for sure that there's
20 going to be a market to trade next year.

21 STUART: Is that in the southeast or –

22 THERESA: I – in just like the west. They feel like –

23 STUART: Yeah, and that – right, there's a lot of uncertainty out there.

24 THERESA: And yeah –

25 STUART: So that's why there's no EOL Activity and it's hard to, like in terms of priority
26 of problems, EOL's probably at the bottom for us right now, because there are subpoenas
27 and there are lawsuits and there are –

28 THERESA: It's a mess.

1 STUART: There's re – ah, you know, talks of re-regulation and refund – I mean, there are a
2 lot of big issues out there that we're dealing with, so, we don't want to put EOL, like out the
3 door, but it's probably lower relative to some of the other issue they've gotta overcome.

4 THERESA: Well, and that – that makes sense, as long as ah, I guess Lavorado and those
5 guys understand that.

6 STUART: Yeah, I mean, if – and they're like, no, we don't – w – we still think it's high up in
7 the priority list, we can give 'em story, I mean, w – w – we haven't stopped doing business
8 we've just –

9 THERESA: Oh, no.

10 STUART: - try to be extra careful and we've had to allocate our time a little bit differently,
11 so, volumes used to be a lot more important to the traders in 3 than they have been at Q4,
12 put it that way. And certainly on the big accounts that we work on, we've, you know, just
13 been trying to figure out how we can repeat business with them at this point.

14 THERESA: Right. It's just keepin' it – your head above water instead of getting' whacked
15 every day if you go *[inaudible]*

16 STUART: We could easily tell you what we're doing with them and whether any of it is good for
17 EOL or not.

18 THERESA: That'd be great. Anything interesting that you think that – that – I'm in a learning
19 process with a lot of this West too, and just kind of getting to my hands around what's going on
20 'cause I tend to focus on the east more just 'cause I sit here with all the East people and um, but
21 anything of interest or any articles you think I should read, just let me know.

22 STUART: OK. I think, just the rag –

23 THERESA: Educate myself.

24 STUART: Well, well there's the rags. I would just look at those.

25 THERESA: OK.

26 STUART: So, that would probably give you enough info. All right, I gotta grab another line, but –

27 THERESA: Thanks a bunch, I appreciate your time so much.

28 STUART: Yeah, *[inaudible]* and I'll look at it.

29 THERESA: OK Stuart. Bye Bye.

30 STUART: Bye.

1 =====
2 STUART: Hey
3 PERSON 2: Hey.
4 STUART: sorry about that.
5 PERSON 2: That's OK.
6 STUART: What's goin' on?
7 PERSON 2: Um, Shasta wants to sell Q3 four megawatts flat at 190.
8 STUART: All right, so I don't see one trader here. I don't know if they've left for the day or what.
9 Can we –
10 PERSON 2: They want to do it today.
11 STUART: OK. Well, Bob's in Washington He's coming back. So, he's not here and then I'd say
12 Tim or Mike but um, I – I don't even know where they are.
13 PERSON 2: OK, can you try and find them, see if that makes – I mean, it was, you gave me one 80
14 earlier and I just *[inaudible]* I showed these guys – I actually cut in h – I had a ten bucks back in of
15 the 20 you took out.
16 STUART: But we're buying, right?
17 PERSON 2: Yeah, we're buying.
18 STUART: So, I showed you a 180 bid and =
19 PERSON 2: I showed 'em 190.
20 STUART: Yeah, just to see if – if I –
21 PERSON 2: *[inaudible]* just ah, trying to find if they're just looking at green numbers, so, um, if you
22 can get 190 done, give me a call back. I'll just call them to let them know that you guys are looking at
23 it, that traders are scarce given that it's you know, 2:30 in the afternoon here, but we'll try to get it
24 closed this afternoon, or you think you'll see them in the next little while here.
25 STUART: Um, I just ah, don't know where they are. Let me look around for 'em and let me call
26 you back, 'cause I'm here for the rest of the afternoon, but I just don't know.
27 PERSON 2: And I'm here tomorrow too, so.
28 STUART: It's just – it's just like the light *[inaudible]*
29 PERSON 2: Yeah, I know.
30 STUART: Everybody's kind of –
31 PERSON 2: Yeah, I know.

1 STUART: and I know that they're less interested in buying, but obviously, they'll – they'll buy.
2 PERSON 2: Yeah.
3 STUART: It's a question of what price.
4 PERSON 2: And I think we've built a lot of shit in this one. It's only 4 megawatts and it's round the
5 clock.
6 STUART: Yeah, but you added – well, I don't know how much there's in there, 'cause I showed
7 you 180 and you added ten bucks –
8 PERSON 2: Yeah.
9 STUART: So, I mean, I 'm looking at her offer is at 208 and I think there's – there could easily be a
10 20 dollar bid off her spread, 'cause it *[inaudible]* liquid *[inaudible]*.
11 PERSON 2: So it might be right at 190, but I thought I asked you to bill three hundred thousand on
12 five megawatts. I didn't think I was spending that much money. Let's see what we did here. Four,
13 twenty-four times –
14 STUART: I know Tim's going to – Tim hasn't been in the market, so he's going to be like look,
15 whatever Mike says. So I could try to reach Mike on his cell phone if he's gone.
16 PERSON 2: Yeah, I – I gave him back – I thought we were billed like 200,000, 300,000 of this thing,
17 so –
18 STUART: I *[inaudible]* yeah, maybe, I mean, there might be –
19 PERSON 2: Yeah, let – let me –
20 STUART: Well, let me find out where the bid is if you're speculating and then call you back.
21 PERSON 2: OK, because we're going to have a big Q2 thing where I make some pretty good money
22 on Q3. It's going to be –
23 STUART: How come he doesn't want to do Q2?
24 PERSON 2: I don't know.
25 STUART: *[inaudible]*
26 PERSON 2: They were *[inaudible]* some stuff here.
27 STUART: All right. Hold on one second, um, let me call you back.