

1 26-20001130-10432288-11003713 (17:14)

2 *[dialing/ ringing]*

3 BOB BADEER: *[during ringing]* Nothing fuckin' –

4 PERSON 2: Kevin McGowan's office.

5 BOB BADEER: Yeah, is Kevin there?

6 PERSON 2: Yes, and may I say who's calling?

7 BOB: Yeah, Bob Badir.

8 PERSON 2: One moment.

9 BOB: Thanks.

10 KEVIN: Robert.

11 BOB: Kevin.

12 [REDACTED]

13 KEVIN: So,

14 BOB: *[laughing]*

15 KEVIN: So the rumor's true? They're fuckin' takin' all the money back from you guys? All
16 those money you guys stole from those poor grandmothers in California?

17 BOB: Yeah, grandma Millie, man. But she's the one who couldn't figure out how to fuckin'
18 vote on the butterfly ballot.

19 KEVIN: Yeah, now she wants her fuckin' money back for all the power you've charged
20 right up – jammed right up her ass for fuckin' 250 dollars a megawatt hour.

21 *[laughter]*

22 BOB: You know – you know – you know, grandma Millie, she's the one that Al Gore's
23 fightin' for, you know? You're not going to –

24 *[laughing]*

25 BOB: Grandma Millie –

26 KEVIN: Don't tell me the last e-mail you sent to me –

27 BOB: – well, what was that about fuckin, ah,

28 KEVIN: -- all those um – ah, you sent me – all those fuckin' Hollywood, Hollywood types

1 movin' out of the country.

2 BOB: Yeah, yeah.

3 KEVIN: How cool would that be.

4 BOB: That would be so beautiful if they –'cause they never would; they'd never fuckin'

5 follow through on that. That would be so funny if the – we just fuckin' held the door open –

6 'get out!'

7 KEVIN: You know, what's funny on that whole thing on, ah, right before the election –

8 BOB: Yeah.

9 KEVIN: -- ah, somebody in a pool, like electoral college pool, and you guessed how many

10 electoral votes there are

11 BOB: Uh huh.

12 KEVIN: and – and so I'm sittin' here at Enron, right, in Houston, all these Jackasses,

13 everyone's bettin' Bush, I said fuck I'm going to bet Gore, it's just a more of an expected

14 value fuckin' bet, you know?

15 BOB: Right right.

16 [REDACTED]

17 BOB: It – that is the last straw, that's pathetic. What is it? OJ Simpson?

18 KEVIN: I just want to know who made the decision in some fuckin' network to say, let's

19 get a helicopter up showin' the truck.

20 BOB: I know. It's pathetic, absolute – it's gotta you know, you gotta think Kevin, that's it's

21 bearish America. You gotta be –

22 KEVIN: Yeah, I feel, yeah it is bearish, it's bearish something man – Jesus!

23 BOB: It's bearish America. Something's wrong with – something's wrong with the country

24 when the most biggest thing you're interested in is this fuckin' stupid-assed truck.

25 KEVIN: Fuckin' stock market and Enron, everything else, Jesus.

26 BOB: Oh, Enron! Oh! Oh, dude.

27 KEVIN: Not kidding.

28 BOB: Kid, it even hurts, I don't – I guess it could hurt worse, but it doesn't you know, holy

1 shit, its' that – that thing got smoked.

2 KEVIN: Oh, god – I can't handle it any more.

3 BOB: I can't either man.

4 [REDACTED]

5 BOB: Well, I told Crandall like a month ago, I go, man, you know what I want to do? I

6 want to fuckin' go pineapple farm in Hawaii.

7 KEVIN: There you go.

8 BOB: I'll fuckin' work in your farm for you. Yeah, and we'll get a little cash crop goin'?

9 KEVIN: Yeah.

10 BOB: we'll trade pineapple futures one week a m – year, and then we'll be fuckin' done.

11 We'll just sit on the beach.

12 KEVIN: Not a bad idea man.

13 BOB: Oh, it's beautiful I don't – I don't, you know, the headaches. This – this is – Kevin,

14 this is like, un-fuckin' believable. It goes up like 20 bucks a day, Qs, Mid-Co, but here – here

15 perfect example. Mid-co yesterday tra – traded like around 180. You know, when I say

16 traded, like three trades.

17 KEVIN: To what tra – what traded 180?

18 BOB: Q, - Q1 Midco.

19 KEVIN: Yeah.

20 BOB: Today it's 200 dollars. No trades. It just goes up to 200 dollars. Not a fuckin' trade.

21 KEVIN: Freak show.

22 BOB: Unbelievable. It's just fuckin' mind-boggling man. I mean you can't – and EOL,

23 dude, I don't – I don't care what anybody says about E -- EOL, but when you're fuckin'

24 makin' markets with that shit happening, you're not going to make money.

25 KEVIN: Yeah, that's not good. Na right. No, you're right. No that's sick.

26 BOB: You're the only offer or you're the only fuckin' bid.

27 KEVIN: Yeah, that's usually good. When markets go up 20 bucks on no trades, it's a

28 fuckin' problem when you're having two [inaudible] on EOL. I agree with you [inaudible] Bob.

1 That's a little bit of an issue.

2 BOB: Yeah.

3 KEVIN: Issue.

4 BOB: It's an issue. It's –

5 KEVIN: Issues.

6 BOB: Definitely is.

7 KEVIN: When you say issue –

8 BOB: I got fuckin' issues. That's like Doug, ah, what the fuck it is?

9 KEVIN: Doug Moore. Issues, issues.

10 [REDACTED]

11 BOB: It's fuckin' – it just doesn't rain that much any more.

12 KEVIN: Really? So like next year's water year? What's the fuckin' Heisenreiter say.

13 BOB: Well, the Heisenreiter, I mean, it's like, you know the fish people just keep

14 demanding more and more water, like, so they're going to increase some flows in December

15 or they don't have the water and Powerex and Bonneville have been bailing California out

16 time and time again. They're not going to be able to do it next year if this continues.

17 [*voices talking simultaneously*]

18 BOB: Oh, no man, it's just going to be – you know the econ – you gotta think the economy

19 is going to fuckin' get crushed, man, who can afford, like if you – you gotta figure if you're

20 any industry, small industry, big industry and you use natural gas, So Cal natural gas for

21 tomorrow is tradin' like 19 bucks.

22 KEVIN: Yeah, I heard all of December was 13 bucks.

23 BOB: Yeah it's unbelieva – a businesses with these power prices and this fuckin' ah, gas

24 prices, they can't do it. They can't – this is like a recession waiting to fuckin' happen and

25 nobody fuckin' – and we don't even have a president. We ha – you know, we don't even

26 know what the fuck is going on.

27 KEVIN: Fuckin' [*inaudible*]

28 BOB: We should all die.

1 KEVIN: We're like – we're like the new [*inaudible*] So we all – new Carissa! So we all just
2 drink the fuckin' cool-aid and stick a fork in a us. We're the Roman Empire. We're goin'
3 fuckin' down.

4 BOB: We are goin' down, man.

5 KEVIN: There was a guy he was yesterday, he's – he's some consultant for some fuckin'
6 other business we're supposed to be starting or whatever.

7 BOB: Right.

8 KEVIN: He came in, he – and I wasn't – I didn't even meet the guy. I was sittin' here, he
9 was talking to George McLellan and George's desk, he's like, yeah, you know, I'm in
10 California now and my small consulting business, my energy costs have gone from 100 to
11 500 dollars a month. It's unbelievable, I don't know what to do. I just turned from my desk,
12 I just looked at him, I said, 'MOVE.'

13 [*laughter*]

14 KEVIN: The guy was like horrified. I go, look, don't take it the wrong way: 'Move; it isn't
15 getting' fixed any time soon,'

16 BOB: You know man, it's unbelievable, it's like at that – that's the – that's the best thing
17 that [*inaudible*] about it. That's so beautiful.

18 [*laughter*]

19 KEVIN: Oh best thing that could happen is fuckin' an earthquake, let that thing float out to
20 the Pacific and put 'em fuckin' candles.

21 BOB: I know. Those guys – just cut 'em off.

22 KEVIN: They're so fucked and they're so, like totally

23 BOB: They are so fucked.

24 KEVIN: They're totally [*inaudible*] the story, now they're shuttin' down plants due to NOX.
25 I love that.

26 BOB: It's like, you're gettin' it from all sides, right.

27 KEVIN: [*inaudible*] if you get – I know, you're gettin' it.

28 BOB: They should just bring back fuckin' horses and carriages, fuckin' lamps, fuckin'

1 kerosene lamps and just and just start fuckin' shippin' it all in there man, better start doin'
2 now. It's like these guys, you know Williams, you know, thinkin' that they're good citizens,
3 they, um, you know probably keep their plant running in the summer time even though
4 they're breaking the law for NOX. And I guess they're getting sued.

5 KEVIN: That's beautiful.

6 BOB: They're getting' sued by the fuckin' southwest air quality

7 KEVIN: I love that.

8 BOB: It's un -- you know, it's just unbelievable and there's nobody down there. You know,
9 you just want some -- I just want somebody to just come out and say, like the governor's
10 going to come out and say, like you know there's a fuckin' problem here ladies and
11 gentlemen. Conse -- conse -- I don't know what they can do, but conserve energy like do

12 KEVIN: They gotta do something. The first you know, the thing that people don't
13 understand is energy policy comes first, right?

14 BOB: Yeah.

15 KEVIN: That's the first thing. Then you can, you know, you work environmental policy
16 and all that shit around it.

17 BOB: Right.

18 KEVIN: You don't start environmental policy, you know, it's like fuckin' hello you gotta
19 keep the fuckin' lights goin' here.

20 BOB: I know

21 KEVIN: Ladies and gents.

22 BOB: Right, I mean, people like, you know, clean air and clean streams, whatever, but you
23 know, that's good, but I guarantee you, 99.5 % of the people would rather have electricity
24 every day. That's clean air you know?

25 [REDACTED]

26 KEVIN: Just say -- turn to Chris and say, "Help."

27 BOB: Hey Chris. Help! So, ah, Chris is doin' good and ah, you know mid-market's doing really well,
28 man. They're like, you know, we're like -- we're gettin' lots of deals done with -- and all these
29 California guys, they're all comin' off and --

1 KEVIN: I love that. I love the fact that they couldn't get shit done and then the market runs up to
2 250 and they're all out buying long term.

3 BOB: I know. I know. And Holli just sold the northwest. Yeah.

4 KEVIN: Oh, god.

5 BOB: Yeah, yeah, they're doin' real – they're doin' really well.

6 KEVIN: That's good, man.

7 BOB: The midmarket is I think, really, ah, doin' good, so

8 KEVIN: That's awesome. Yeah, I knew they – I talked to, ah, I talked to Kimmo a couple three
9 weeks ago or something. A couple weeks ago. Oh, well, time all fuckin' just mixes in together.

10 BOB: Right.

11 KEVIN: But, ah, na, he – we're just struggling. We've got one month to go, see if we can try to
12 make our budget.

13 BOB: Really.

14 KEVIN: *[inaudible]* fuckin' Enron Global markets.

15 BOB: Is it fuckin' hard?

16 KEVIN: Yeah, it's hard. It's all like origination stuff, but we're doin' OK, you know, we're doin'
17 better, made some – makin' some money in emissions markets a little bit.

18 BOB: That's good. Like makin' markets on EOL or actually –

19 KEVIN: Na, we're not doin' that *[inaudible]*

20 BOB -- no just makin' specin'

21 KEVIN: We'll make some – probably gonna – hopefully make maybe ten million bucks since we
22 got the book. Maybe.

23 BOB: That's good.

24 KEVIN: And then coal, just kind of just reorganized the group trying to get it, you know, get it to a
25 point where we can start trying to make money, but it's real middle market over you know –

26 BOB: Right, right.

27 KEVIN: Ah, origination type stuff. There's not a lot we can spec, but we do -- coal market moved
28 up, though, I think it was mainly due to us. Ah, that's what ha – I did penny-wide 2 ways on coal for
29 like three and a half months and fuckin' the m – just basically the whole market just fuckin' went
30 insane.

31 BOB: It just went insane!

1 KEVIN: Yeah, went crazy. We too – I took coal from 22 dollars to 38 dollars.

2 BOB: Holy shit!

3 KEVIN: Which has never happened before in its life.

4 BOB: Wow.

5 KEVIN: And ah, I don't know, but ah, so we're trying to get shit goin', but it's you know, it's –

6 that's a big move, man

7 BOB: Big move.

8 KEVIN: That's like, what, 50, 60 percent, something like that? No, a hundred – almost a hundred

9 percent.

10 BOB: Yeah, but there's no real spot, real spot market, you know what I mean

11 KEVIN: It's like it's fuckin' whatever, but it well, it's kind of fun. These guys are kind of fun.

12 McClellan's a fuckin' piece of work.

13 BOB: Is he really?

14 [REDACTED]

15 BOB: He's the king, man, he's like, you know, he – he complains about prices goin' up for his

16 customers.

17 KEVIN: I'm sorry, I didn't mean to do that to you. I ripped your fuckin' head off that's horrible.

18 BOB: Stewie's so good though man, he's so beautiful. You you know what?

19 KEVIN: Do they still love him in California even though it's all fucked up?

20 BOB: They love him and they love him but, and you know, he's not a f – he just tells people, you

21 know, like – he just doesn't – he doesn't um, like, politic at all. He tells people straight up what's

22 goin' on, you know? If – if they're fucked up, he'll tell them they're fucked up, but he'll do it nicely,

23 you know? Not like you where you'll just go you're fucked up [*inaudible*] –

24 KEVIN: I've already – I've only been here for like six months and I've – I've already got the

25 reputation back, like I have people go, I don't want to you on the conference call. I don't want you

26 talking to customers.

27 BOB: Nice, man.

28 KEVIN: I've told them I can't – I just – it was like the middle marketing – I just can't go back

29 apparently. 'Cause I just fuckin' – so many times I just look at people and I just feel like going, you're

30 a fucking idiot. I had this one – we had this one coal – you wouldn't believe how fuckin' wor – it's

31 so much worse, I thought the utility people were stupid. Now these fuel groups. We had a fuckin'

1 guy on a two year contract. He cancelled the contract like due to some whacked out technicality. It
2 was in the money for him.

3 BOB: Really.

4 KEVIN: Yeah.

5 BOB: Oh, my god. Oh, my god.

6 KEVIN: But ah, man it's just fuckin' bizarre. A lot of bizarre shit happening down here.

7 BOB: Yeah, I believe it.

8 KEVIN: I just fuckin' laugh.

9 BOB: What else can you do, man.

10 KEVIN: I don't know. There's nothin' I can do, man, I just do the best I can.

11 BOB: Yeah, that's what I'm trying to do too.

12 KEVIN: But, ah, well, say hi to everyone there, man.

13 [REDACTED]

14 BOB: All right. Bye bye.

15 KEVIN: Bye