

EX. SNO - 324

1 13-20000804-19170314-19334052 (16:37)

2 [dialing/ringing]

3 BILL (SAGUARO): Saguaro Water Power –Bill.

4 BILL (ENRON): Hello Bill. It's Bill [simultaneous] at Enron.

5 BILL (SAGUARO): Yo.

6 BILL (ENRON): I got 25 megawatts. From Montana, if you'd like it.

7 BILL (SAGUARO): Oh, what can you do on the price?

8 BILL (ENRON): Well, ah, I imagine I could come down a little bit. Ah, what do you need?

9 BILL (SAGUARO): Uh, hang on a second. Ah, 90?

10 BILL (ENRON): Need to be down in the 90?

11 BILL (SAGUARO): Yup.

12 BILL (ENRON): Um, well, I might actually have some more at the bottom, too, so –

13 BILL (SAGUARO): OK, how much did you say you had?

14 BILL (ENRON): Ah, right now I have 25.

15 BILL (SAGUARO): Oh, come on, learn how to type. Minus 25, 90 dollar.

16 BILL (ENRON): Great.

17 BILL (SAGUARO): 2200 Enron, Hot Springs 25 at 90.

18 BILL (ENRON): Sounds good.

19 BILL (SAGUARO): Sounds good to me. Hey, when you get a chance, sir –

20 BILL (ENRON): Mm hm.

21 BILL (SAGUARO): I need prices 08 through 12.

22 BILL (ENRON): 08 through 12. All right hopefully that sheet's working today.

23 BILL (SAGUARO): M-kay.

24 BILL (ENRON): All right.

25 BILL (SAGUARO): Either that or you can do it by hand and come out right.

26 [laughing]

27 BILL (ENRON): Well, there's always that hope. Ah, yeah, I'll take a – I'll take a look at that.

28 BILL (SAGUARO): Sounds good.

29 BILL (ENRON): See what we can do. Thanks, Bill.

1 BILL (SAGUARO): Thank you, sir.

2 BILL (ENRON): Bye.

3 BILL (SAGUARO): Bye-bye.

4

5 BILL: Enron, this is Bill.

6 JOHN FORNEY: Eh, Billy – Forney.

7 BILL: Eh, Johnny.

8 JOHN FORNEY: How's it going?

9 BILL: It's pretty good.

10 JOHN FORNEY: Cool. Is it slow or is it rockin'?

11 BILL: It's moderately rockin'. We already got our positions for the mornin' so –

12 JOHN FORNEY: Cool

13 BILL: There was an eighty – there was 82 dollar hour, so everyone was trying to sell. So I went–

14 JOHN FORNEY: Who – who was tryin' to sell?

15 BILL: I don't know, just people in California being kind of stupid.

16 JOHN FORNEY: Yeah?

17 BILL: So I went and sucked some stuff up and then, ah, now it's back up to 227.

18 JOHN FORNEY: Ah!

19 BILL: I might – I might just turn out with that.

20 JOHN FORNEY: Sweet.

21 BILL: That's the way I like it.

22 JOHN FORNEY: Sweet. Hey, ah, got a question for you.

23 BILL: Sure.

24 JOHN FORNEY: Um, I meant to put out an e-mail. I don't know if Mike followed up, but I don't
25 want to, ah, have any strategies that involved cutting anything.

26 BILL: OK.

27 JOHN FORNEY: You know, going to the PX, cutting it, or, you know, non-firm exports, cuttin' it
28 – you know, anything like that.

29 BILL: Ah, I didn't see an e-mail from Mike out there. I can put – I can put one out if you want.

1 JOHN FORNEY: Yeah, that'd be helpful.

2 BILL: OK. What's ah, what's bringing – is there s – a new development over the last couple days
3 or ah, since you've been out there [*simultaneous*] that made you think this?

4 JOHN FORNEY: Well, I've been – What's that?

5 BILL: Is there something new –

6 JOHN FORNEY: Um, during – during any stage – during any stage emergency they're going to
7 look at cutting schedules as gaming. And I've been going, ah, talking to Keoni our rep about that.
8 And ah, I don't want any ammunition. We can make a good livin' without havin' to do that.

9 BILL: OK.

10 JOHN FORNEY: So, um, I'm going to be putting a n – I'd like to put a note out, but ah, I had to
11 get out of the office – I – I had to go to Las Vegas and –

12 BILL: Yeah, I know.

13 JOHN FORNEY: -- get some things done. So, ah, I wasn't able to get it out. So –

14 BILL: OK.

15 JOHN FORNEY: -- anyway, if you can put something out on that, or I might –

16 BILL: I can probably do it.

17 JOHN FORNEY: Hey, have you been ah [*clears throat*], did you work last night, or is this the first
18 night you've been on in a while?

19 BILL: It's my first night.

20 JOHN FORNEY: OK. I've been trying to get in touch with some California guys and nobody's
21 pickin' up their home phone numbers.

22 BILL: [*chuckle*]

23 JOHN FORNEY: And here's why. Did – were you – did you hear anything about Saguaro?

24 BILL: Um, notice, ah, there's a note in Mike's note about it.

25 JOHN FORNEY: Which day?

26 BILL: Sunday.

27 JOHN FORNEY: Yeah.

28 BILL: That's – how do you say it?

29 JOHN FORNEY: 'Sawaro'

1 BILL: 'Sawaro'? – like the cactus?
2 JOHN FORNEY: Yeah. Yeah, exactly.
3 BILL: OK.
4 JOHN FORNEY: Um, is – you have any feel yet how Sunday's going to look?
5 BILL: Sunday afternoon?
6 JOHN FORNEY: Sunday, you know, [*simultaneous talking*]
7 BILL: Or all day, on peak?
8 JOHN FORNEY: Yeah. All day on peak.
9 BILL: I don't. I actually haven't looked at temperatures that far out yet. That closely. Ah, still
10 supposed to be hot. Everything I've seen still says 110's in the Southwest.
11 JOHN FORNEY: Yeah.
12 BILL: That's not goin' away. [*break in recording*] We'll see what Redding's gon' do.
13 [*break in the recording*]
14 BILL: What, ah, are they in ah, like Nevada's control system, like exactly the same deal as,
15 basically as LV?
16 JOHN FORNEY: Exactly the same deal.
17 BILL: OK.
18 JOHN FORNEY: I mean, exactly. And guess – guess who's managing their resources for 'em?
19 BILL: Who?
20 JOHN FORNEY: Kerry. [*inaudible*]
21 BILL: Really?
22 JOHN FORNEY: Using my formula. Using my strategy.
23 BILL: Which one?
24 JOHN FORNEY: [*chuckle*] ha – just 50% of the upside.
25 BILL: So, how are we going to beat that out of 'em?
26 JOHN FORNEY: Ha – we just did.
27 BILL: We just did?
28 JOHN FORNEY: Yeah.
29 BILL: Cool, man.

1 JOHN FORNEY: So, ah, I'm go -- I'm going to have my picture made with -- shakin' hands with
2 this guy in front of the Saguaro sign. I'm going to send it to him in a card.

3 BILL: Aww!

4 JOHN FORNEY: And just sign my name -- JMF. Ha-ha-ha. *[laughs]* Bye-bye!

5 BILL: Ah, yes. *[inaudible]* still going to be a hundred and ah, Redding's going to be 104
6 *[inaudible]*.

7 JOHN FORNEY: So, it's going to be a thousand dollars. Thousand dollars. So, ah, what I was
8 thinkin' about is like biddin' them in along with Redding, ah, you know, in the PX -- it's -- it's -- we
9 might as well just do it all day into the PX, right?

10 BILL: Yeah.

11 JOHN FORNEY: 'Cause, ah, you know, it's going to be 500 in the afternoon PX or ah, Ex Poste.
12 There hadn't really been a big spread.

13 BILL: Ah, no, in fact there was a -- Mike made a really nice spread here in SP -5 for hour 20, when
14 Ex-Poste sold to the PX for 500 and bought Ex-Poste at 82.

15 JOHN FORNEY: Oh, yeah?

16 BILL: It was sweet.

17 JOHN FORNEY: What d -- what did he -- did he buy at SP-15?

18 BILL: Yeah.

19 JOHN FORNEY: OK. He bought -- he bought PX SP-15 and already bought Ex Poste SP-15 and
20 filled it, fill SP -- he sold SP-15 PX, right?

21 BILL: Right.

22 JOHN FORNEY: OK. Good. Very nice.

23 BILL: Yeah.

24 JOHN FORNEY: Which hour did he do that?

25 BILL: Ah, for hour ending 20.

26 JOHN FORNEY: Oh. OK. Cool.

27 BILL: Yeah. Pretty sweet.

28 JOHN FORNEY: *[inaudible]*

29 BILL: He told you what -- ? We were going to be up 300 grand today?

1 JOHN FORNEY: No, he did not.
2 BILL: *[inaudible]*
3 JOHN FORNEY: I talked to him. So what was – what was the story with that?
4 BILL: What do you mean?
5 JOHN FORNEY: How did we make it? Was it con – ‘con-gestion’ *[French accent]*?
6 BILL: A lot of it was ‘cong’. We made 35 grand on ‘cong’ in one hour.
7 JOHN FORNEY: Oh, my gosh.
8 BILL: ‘Cong’ actually looks like it’s one – half of it’s ‘cong’ – 167 is ‘cong.’
9 JOHN FORNEY: Oh, my gosh.
10 BILL: Death Star pulled in a solid, like, 24 and then load shifts picked up 140 grand.
11 JOHN FORNEY: Wow. That’s crazy, man. I hope you guys – oh, no man – this c – this can’t go
12 on.
13 BILL: And that – they’re just giving away money.
14 JOHN FORNEY: They botched that deal. Hey, here’s my concern.
15 BILL: What’s that?
16 JOHN FORNEY: Have you seen the wild fires?
17 BILL: Yeah, I have.
18 JOHN FORNEY: We’re all going to be working 24 hours straight, man.
19 BILL: Yeah.
20 JOHN FORNEY: The old – the old ISO’s going to fold up like a tent.
21 BILL: Really?
22 JOHN FORNEY: Yeah, I mean, what’s ha – they’re barely squeaking by, right?
23 BILL: Right.
24 JOHN FORNEY: What’ happens when your tie lines are going down?
25 BILL: Well, if the NOB guy goes down they’re going to be sold completely –
26 JOHN FORNEY: What happens if Palo goes down? *[break in recording]* Here it comes. It’ll fold
27 though. That’s my prediction.
28 BILL: *[laughs/coughs]* *[inaudible]* It’s not funny at all if it’s in front of you.
29 JOHN FORNEY: I’ve been saying – it’s what’s going to happen. So um, I’ve been, ah – so I better

1 start, ah, makin' sure that everybody knows how to document cuts and have the contingency plan.
2 I think what I'm going do is see if Brett and Smith and those guys could come in. If we had an
3 emergency I'd pay 'em 500 bucks to come in or something.

4 BILL: Really?

5 JOHN FORNEY: Yeah, 'cause I – I'm going to go ahead and plan on it and ah, 'cause I think it's
6 gonna happen. I've been saying that to you guys. You know, we're going to have the fires and this
7 is the worst year, and it's comin' that way.

8 BILL: Yeah, it really is.

9 JOHN FORNEY: Yeah, so – and it's gonna get – it's going to be Palo too, and once Palo goes, and
10 then the ah – sorry, the – the old ISO's going to start havin' ah, rolling. And ah, also that means that
11 our exports, certain imports are going to be whacked.

12 BILL: Yup.

13 JOHN FORNEY: Um, hopefully we won't be exporting. We need to get – collect. I'm going to
14 call Belden this weekend and – and um, just maintain this, because I w – I don't – wouldn't want to
15 be importing or exporting. Importing's not so bad. You can sell it. You know, you don't have to
16 give it away, but ah, I wouldn't be exporting.

17 BILL: Maybe we won't be able to sell anything.

18 JOHN FORNEY: Uh uh. No it'd be an – it's going to be ugly. That's what I think, anyway. I'm a
19 – I – I'd prepare for that and if it doesn't happen I'll be very relieved, but if it does happen the way
20 I think it's going to, then we're going to all be working. Everybody.

21 BILL: Mm hm.

22 JOHN FORNEY: So, um, anyway. Bit of bright news. [*chuckle*]

23 BILL: So that – that's the 300 grand we're going to make today's kind of b – bright news.

24 JOHN FORNEY: Yeah.

25 BILL: I like that.

26 JOHN FORNEY: Almost tired of it.

27 BILL: You're almost tired of it?

28 JOHN FORNEY: Yeah.

29 BILL: Why?

1 JOHN FORNEY: I don't know. I'm going to go beat somebody else up for a while. But um, oh,
2 well, that's nice. I talked to Mikey and he was just starting to roll in. He was lamenting missing the
3 first hour and that's the last time I talked to him. So um, anyway, if we threw a number out, a fixed
4 number for 7 through 22, what'd you think it'd be, 'cause you know the morning's potentially
5 would blow.

6 BILL: The morning's going to suck, but I think that afternoon's going to have a nice super-peak.

7 JOHN FORNEY: Yeah, it's going to have some 500s bringing your old average up. I would tell
8 'em that it – they're going to get at least 150 for the day.

9 BILL: I think I – yeah, I w – I would almost say 180.

10 JOHN FORNEY: Yeah, I would say 150 to be safe.

11 BILL: Yeah one – yeah, 150, probably. Because the morning could really suck.

12 JOHN FORNEY: Yeah, it could even negat – negativize you.

13 BILL: Yeah [*inaudible*].

14 JOHN FORNEY: Well, actually it wouldn't in the PX. PX doesn't go negativized.

15 BILL: That's true.

16 JOHN FORNEY: You know, that's why I like it better for your average if you're going to run all
17 day. I did – I did think, you know, early morning PX – or 7 through 12 PX and then afternoon ISO.

18 BILL: Mm hm.

19 JOHN FORNEY: Ah, hour ahead, but the – on the first day of this deal, um, I think somehow or
20 another it'd get butchered. [*chuckle*] if you know what I mean.

21 BILL: Yeah, I think –

22 JOHN FORNEY: Some – something would be – would be screwed. One hour wouldn't get into in
23 the PX or some – or, you know, you know, something would blow up.

24 BILL: Tomorrow the PX average is 195.

25 JOHN FORNEY: For 7 through 22?

26 BILL: Yeah.

27 JOHN FORNEY: Yeah, OK. So, I – I'm going to – I'm going to start off with a number of 150.
28 They've got, like 50 dollars of gen costs, and ah, we'll go from there. This guy's going to be
29 calling me, ah, at 5:30 in the morning, and I'm not going to get home till like freakin' midnight,

1 man, so I've got that to look forward to. So um, anyway, but we – we got it. And we got some other
2 things – I was – I saw LV cogen, I'm going to s – send you guys out here to tour the plant and
3 check it out.

4 BILL: That's be great.

5 JOHN FORNEY: That'd be nice because it's your dad's pride and joy.

6 BILL: Yeah, no, I've been trying to get down –

7 JOHN FORNEY: That is a – one clean, smooth-running plant.

8 BILL: Really?

9 JOHN FORNEY: Dude.

10 BILL: He was braggin' about it last night –

11 JOHN FORNEY: Cadillac. Oh, it's a Cadillac, because you c – you can be right by the turbine
12 and talk, you know?

13 BILL: Uh huh.

14 JOHN FORNEY: Well, you have to yell, but I've never been by one that wasn't like El Paso's
15 stuff is junk, you know.

16 BILL: Yeah, where it sounds like a freight train.

17 JOHN FORNEY: It's will pop.

18 BILL: [*chuckling*]

19 JOHN FORNEY: I don't even like goin' in there. They're like, come in here and take a look and
20 they were like, no, no. I've see it before. [*laughing*]

21 BILL: If it isn't may pop it's a will pop.

22 JOHN FORNEY: Yeah. I just stand 500 feet away and watch you guys. But [*laughs*]

23 [REDACTED]

24 JOHN FORNEY: And ah, I want to see if you could put heads together with whoever California
25 guy shows up. Can you, ah, expect my call and then what we'd do is we'd ah, just use the ID that
26 ah, for LV co-gen, and we'd request 10 megawatts more of transmission 7 through 22.

27 BILL: OK.

28 JOHN FORNEY: You know, and just – it just piggy-backs on that, and but, actually we'd have to
29 put two transmission requests in. We'd have to put one in for LV and one in for –

1 BILL: Yeah, d –

2 JOHN FORNEY: – Saguaro. So, anyway, and I called – I called Nevada Power Transmission and
3 made sure that they kn – they weren't going to go “duh,” when, ah, we submitted that, ‘cause this is
4 another deal that's under contract to LV and they gotta be hatin' us.

5 BILL: Yeah.

6 JOHN FORNEY: They gotta be hatin' us. ‘Cause ah, *[laughing]* – ‘cause once we ask them if they
7 want it in the morning and they say, no, then we'll say, OK fine, we're takin' it to California and
8 they're like “b – b – b – b – b wait!” They're like –

9 BILL: *[laughing]*

10 JOHN FORNEY: That's the same way the LV – you know, the LV Deal was workin'.

11 BILL: Mm hm.

12 JOHN FORNEY: So, it's the exact same deal so – and those guys have been pressuring ‘em to
13 give ‘em lowball prices, so, we'll gladly take it.

14 BILL: I like it.

15 JOHN FORNEY: But ah, anyway, I'll be talkin' to you in the morning. Ah, the only other thing
16 was I was telling, ah, geez, ah, oh, the order of cuts and that Bonneville stuff – you know, you
17 already saw that, right, before I left? The order of cuts and what we do if we ever get firm exports
18 cut?

19 BILL: Yeah.

20 JOHN FORNEY: OK. Cool. All right, man, well, keep an eye on those fires and if you have
21 anything to add to, ah, what your expectations are, let me know, or any way – it – it's almost to the
22 point where I'm a – I'm afraid to capitalize on the other stuff, you know I mean? ‘Cause it's easy
23 for me to see what's going to happen.

24 BILL: On the fires?

25 JOHN FORNEY: Yeah. ‘Cause they're already – they're already stretched to their limit, and
26 anything like that – any ma – *[inaudible]* just are like, you know, that would be just like, shoot, one
27 at Diablo or Palo goin' down, essentially, right, for them? So ah, yeah, they're gonna smoke and
28 it's going to be ugly and it's going to be hot and it's going to be blacked out.

29 BILL: And we gotta come down on the right side of those.

1 JOHN FORNEY: Yeah, and I don't know that –

2 BILL: Both politically and economically, right?

3 JOHN FORNEY: Yeah, and I don't – I don't know – I think we got enough, they got their little log
4 and ah, you know, I think we got enough non-firm cuts for now, if you know what I mean.

5 BILL: Mm hm.

6 JOHN FORNEY: 'Cause every one of those, even when we go through the PX, those go in the
7 book and, like I was tellin' Mike and he was like givin' me the but, but, but – but, you know, that
8 still goes in the book on the ISO side.

9 BILL: Yeah.

10 JOHN FORNEY: So, even cutting PX, you know, stuff, so – still ISO has to know about it. So,
11 anyway, enough – enough of the soap box –

12 BILL: What about when we cut it and leave it in, though?

13 JOHN FORNEY: They should be indifferent to that, but they could also say that that affects
14 reliability.

15 BILL: OK.

16 JOHN FORNEY: 'Cause they schedule it and they have to take the time to change the schedule
17 intra-hour. So they could, ah – if they had somebody they cut, they could call 'em back and put it
18 back on, you know what I mean?

19 BILL: I gotcha.

20 JOHN FORNEY: When we schedule in – when we schedule in and cut it, they try to scramble to
21 go get somebody to bring in within the hour. That's why they hate us for doin' it, 'cause they gotta
22 go intra hour like when we say ten minutes till – no, I'm going to cut that.

23 BILL: Yeah.

24 JOHN FORNEY: They – they go and actually do something to try to fill that space.

25 BILL: Yeah, they got a inc generation or whatever, right?

26 JOHN FORNEY: Yeah. So they – they hate us.

27 BILL: Um –

28 JOHN FORNEY: And that could be argued that it affects the reliability. So anyway, cool, I'll let
29 you get back after it.

1 BILL: All right, man.
2 JOHN FORNEY: But, ah, I'll talk to you about 5:30.
3 BILL: Sounds good. We'll be here. We're already – all we have to do is baby-sit some stuff and
4 run some reports. We're – I think we're 100 megawatts long through the morning in NP.
5 JOHN FORNEY: All right, beautiful.
6 BILL: You know.
7 JOHN FORNEY: All right man. Good job.
8 BILL: We're there.
9 JOHN FORNEY: All right, buddy, I'll talk to you in the morning.
10 BILL: Sounds good.
11 JOHN FORNEY: Bye.
12 BILL: Bye.