

EX. SNO - 351

1 13-20000913-21093367-21215915 (12:25)

2 [dialing/ringing]

3 FORNEY: Hello?

4 DRISCOLL: Hey Forney, it's Driscoll.

5 FORNEY: Hey, what's up?

6 DRISCOLL: Hey, this APS that we're selling? Putting the one megawatt in there?
7 Losses?

8 FORNEY: Yeah.

9 DRISCOLL: What schedule is that from? Um, what are we paying back?

10 FORNEY: Um, there was a Palo to Mead.

11 DRISCOLL: OK, hold on. Palo to Mead.

12 FORNEY: Do they have to know that?

13 DRISCOLL: Yeah, otherwise it's just one megawatt, they don't even care, it's not
14 accounted for.

15 FORNEY: I got a call from Laurie today --

16 DRISCOLL: OK.

17 FORNEY: -- and she works for transmission and she wanted two megawatts. She told
18 me what it was and what the day was for, but it hasn't been an issue before -- you know,
19 when we paid back losses. So this guy's saying that --

20 DRISCOLL: Yeah, he needs the, like a schedule that we're paying back.

21 FORNEY: Aw, forget it then, we won't pay it back.

22 DRISCOLL: Do you have a -- do you always have a date? I could give him a date and
23 maybe he could pull a schedule.

24 FORNEY: Not off the top of my head, no.

25 DRISCOLL: Oh, OK.

26 FORNEY: No.

27 DRISCOLL: OK, I'll c -- oh, let me call him back and just tell him, let me talk to him for
28 a little while.

1 FORNEY: Yeah, you can, you know, just check back with him if he won't do it without
2 a date. You know, I can give him the date tomorrow or something.

3 DRISCOLL: OK.

4 FORNEY: But I don't have it off the top of my head now and I don't remember what
5 the schedule was for, but it was for -- it wasn't for El Paso, we didn't do it for El Paso,
6 we did it for, you know, hour trading, so --

7 DRISCOLL: OK.

8 FORNEY: -- we owe the megawatts, but I just don't remember off the top of my head.

9 DRISCOLL: OK, I'll give him a call right back.

10 FORNEY: Yeah, and if -- if he won't take it, then well, we'll just do it tomorrow, I'll just
11 call her back and, you know.

12 DRISCOLL: OK, it's not a big deal. It shouldn't be -- he has it -- he has it -- he put it in
13 the system?

14 FORNEY: Mm hm?

15 DRISCOLL: He just, like, he says it'll go unaccounted for if we don't tell him what
16 schedule we're paying back.

17 FORNEY: Can ah, we leave a note that I will call them tomorrow?

18 DRISCOLL: Yeah, I'll call him -- I'll call him and tell him that we'll get a hold of their
19 management tomorrow, or whatever --

20 FORNEY: Yeah.

21 DRISCOLL: -- the person on duty tomorrow.

22 FORNEY: Yeah and I promise I'll take care of that if you guys will schedule it.

23 DRISCOLL: OK.

24 FORNEY: Cool.

25 DRISCOLL: So --

26 FORNEY: So -- so, ah, otherwise, ah, um, there was some hour ahead congestion
27 today, huh?

28 DRISCOLL: Yeah, 125 bucks for three hours.

1 FORNEY: Oh, man. I was – the we – and we didn't fire the star.
2 DRISCOLL: Ah! I was like, why won – I – I wonder what these guys were doin'.
3 FORNEY: Well, we talked about it, you know. We talked about it. I was not in in the
4 afternoon.
5 DRISCOLL: Oh, OK.
6 FORNEY: But, ah –
7 DRISCOLL: I – I just saw it 'cause I pulled up the sheet today.
8 FORNEY: – [inaudible] fire it, you know fire it up and we talked about it. Last I heard,
9 you know, they were gonna fire it up.
10 DRISCOLL: And then last night I looked and there was congestion Palo Verde and
11 Four Corners for, like, all morning. Big, big time dollars.
12 FORNEY: Yeah.
13 DRISCOLL: So, ah, I was wondering why we didn't do the El Paso thing – that's what
14 we're gonna do tonight, I've got it already all scheduled.
15 FORNEY: Right, the out and then back in?
16 DRISCOLL: Yeah, just ra – wash it through El Paso, give 'em five bucks for it.
17 FORNEY: Cool.
18 DRISCOLL: So hopefully they'll be congestion. I got it either way, I got one from Palo
19 to Four Corners and one from Four Corners to Palo.
20 FORNEY: Awesome.
21 DRISCOLL: So, either way, I mean, the congestion flips itself it looks like, so –
22 FORNEY: Right, the, the star should – did you look at the day ahead for tomorrow?
23 The day ahead congestion?
24 DRISCOLL: For tomorrow? Yeah, it's pretty stout for the off peak –
25 FORNEY: Oh shit, we need to fire – well for the on peak is what I was looking at.
26 DRISCOLL: Oh, OK, let me look – let me look at off peak.
27 FORNEY: Let me repeat, we should be leaving money just laying around.

1 DRISCOLL: Yeah, I know. *[to self]* To add for the fourteenth? *[back to conversation]*
2 Yeah, it's stout. Well, yeah, It's really stout.
3 FORNEY: Stout, north to south, so fire up the old Death Star.
4 DRISCOLL: Really stout, like a hundred bucks from, ah, 12:00 to 2100.
5 FORNEY: That's pretty much the same story as today.
6 DRISCOLL: Yeah.
7 FORNEY: And then the hour ahead came out about the same, but a little even stronger.
8 DRISCOLL: Yeah, like a 125 bucks – it was here for four hours.
9 FORNEY: All right, then. Beau – beautiful.
10 DRISCOLL: So, yeah, we should definitely get on that.
11 FORNEY: OK, well, that's what we'll do. I'll be in at 5:45 –
12 DRISCOLL: Caps is broken.
13 FORNEY: Caps is broken?
14 DRISCOLL: The supps – we can't go in there, water we can – we're doing Water Power
15 supps through the, ah, workspace –
16 FORNEY: Yeah and what is, ah, did we notify Posten, put a –
17 DRISCOLL: That's w – I – I put in on the produ – the problem log I got there.
18 FORNEY: But you didn't call anybody yet?
19 DRISCOLL: No, because I mean, we're still s – we haven't, not even – it's the only
20 schedule we're having a problem with is Water Power and they're done for the day?
21 FORNEY: Uh huh.
22 DRISCOLL: Because we're doin' real time stuff and it's going in fine, you know.
23 FORNEY: Right, like hour ahead stuff?
24 DRISCOLL: Everything's going in fine, so there's really no problem with caps, it's just
25 that one schedule, Washington Water Power.
26 FORNEY: So, wow, you thinking something's wrong with the ID or the –
27 DRISCOLL: Maybe.
28 FORNEY: Huh.

1 DRISCOLL: - or something. It looks like, it's ah, c - it - when the error comes up, it
2 says hour ending 13. But when I go look at hour ending 13, there's nothing wrong with
3 it.

4 FORNEY: Somehow that got screwed up - hour ending 13 got screwed up. Huh. All
5 right. Well, yeah, log it and I will talk to those guys in the morning.

6 DRISCOLL: OK.

7 FORNEY: So ah, what else is happening?

8 DRISCOLL: Nada. Zip, man.

9 FORNEY: Still hanging up there, you know, as far as Ex post

10 DRISCOLL: 250?

11 FORNEY: Jesus!

12 DRISCOLL: You know we just talked to Harbor. We turned them off for 23 and 24
13 'cause that was Les's instruction?

14 FORNEY: Uh huh.

15 DRISCOLL: But, man, they said, they had this hot fog. [*to someone in the office*] Is that
16 what they said? [*response is "yeah"*] Hot fog, that's just like ruthless right now, down
17 there.

18 FORNEY: Really, so are they gonna keep running?

19 DRISCOLL: Ah, we - I mean, we told 'em to turn it off.

20 FORNEY: Really? 'Cause last night they were pissed 'cause they thought - they wanted
21 to run, but yet they were 130 dollar offer and Bill was like, had an offer and 60 and then
22 another offer at 65.

23 DRISCOLL: The only bids out there are 105 bucks.

24 FORNEY: Right. So, ah, you know, do we want to take it as 130? Would you buy it at
25 130 from 'em?

26 DRISCOLL: Mmm, not SP.

27 FORNEY: 'Cause I think that -

28 DRISCOLL: Well, maybe. Yeah, I bought some already at 130, what am I talking about?

1 FORNEY: Really?

2 DRISCOLL: Yeah.

3 FORNEY: Well, 'cause, you know, they'd rather run, I'm sure.

4 DRISCOLL: We were thinking about trying to supp 'em, but —

5 FORNEY: Yeah, they were pissed last night and they were bitchin' because, ah, you

6 know they called and said hey, we want to run, you know, we know it's gonna be hot,

7 they were Monday morning quarterbacking Les, giving him the old shuffle. And, ah, um,

8 I told 'em, I said, man, I talked to Bill, like, three times the last night and he was, ah,

9 trying to decide whether to pick up the Williams at sixty and sixty-five dollars —

10 DRISCOLL: Oh yeah, OK that's right, but we're just talking about 23 and 24.

11 FORNEY: I know. But it was the same deal last night.

12 DRISCOLL: Oh really?

13 FORNEY: You know, they wanted to run 23 and 24 and they were wantin' to be at 130

14 and we're, and — and Bill had offers at 60 and the market was 60 at 80 and ah, he was

15 like, fuck that, and so they called bitchin' today — well see? You know, that — then they

16 saw the prices at 200 and they were [*tape break*] do it.

17 DRISCOLL: Ah —

18 FORNEY: So, it ran — Les threw what the market was at that hour, we couldn't back it

19 and we didn't want to — we didn't want it. They had the energy at less than half that

20 price.

21 DRISCOLL: Yeah, exactly.

22 FORNEY: Fuck 'em. But, ah, if you wanna buy it, you can pitch that to 'em. Ah, just

23 stay in contact with 'em, 'cause they — just know they did bitch —

24 DRISCOLL: OK.

25 FORNEY: — about last night. But just talk to 'em and make 'em feel good and say, look

26 I'll buy it at this price, but tell 'em, go ahead and walk 'em through that nobody wants to

27 buy it.

28 DRISCOLL: Yeah.

1 FORNEY: But I'll take it at this level --
2 DRISCOLL: Yeah.
3 FORNEY: -- 'cause the break even's like 110, I think, really.
4 DRISCOLL: Well they're already, I mean, they're already coming off. Like I can't go
5 and schedule that now.
6 FORNEY: Yeah, I guess not.
7 DRISCOLL: It's too late.
8 FORNEY: But you might want to touch base with them again and tell 'em why.
9 DRISCOLL: OK. Yeah we will, we'll give 'em a call.
10 FORNEY: But you know it, the price is gonna be high they're gonna be in bitchin' the
11 next day.
12 DRISCOLL: Yeah I know.
13 FORNEY: So, so, so --
14 DRISCOLL: I c - I c - I - I explained to 'em, you know, I go, you know, y - it ah, he
15 goes, well they offered - they said we want to keep on - they kind of talked to us, and we
16 talked to them, we're just like, you know, we've been informed by Les to take you guys
17 off tonight and the reason being is 'cause that the SP's just, I mean it's such a risky play.
18 FORNEY: Yeah.
19 DRISCOLL: I mean, it can be, you know, like could be strong - the really strong, or it
20 can be negative 250.
21 FORNEY: Yeah.
22 DRISCOLL: And he's like, well I don't care, I just need to know, you know, for my
23 schedule whether I need to take this off or on.
24 FORNEY: Right.
25 DRISCOLL: I didn't know that they had complained yesterday, so.
26 FORNEY: Yeah, well they had nothing to complain about, but you know, customers are
27 gonna bitch and they're gonna probe and they're gonna ask and, you know, eventually 'til
28 they feel they're strong enough to go away.

1 DRISCOLL: Yeah.

2 FORNEY: *[laughs]* But ah, oh well. But just, I just wanted to mention that to you.

3 DRISCOLL: OK.

4 FORNEY: All right. Well, if you can't get that, ah, APS payback done, then it -- that's
5 cool, man.

6 DRISCOLL: We'll get it done -- he -- he -- he put it in the system. But I mean, I'll just
7 tell him that we'll tell him tomorrow what we're payin' back.

8 FORNEY: It seemed like it was the eleventh or something like that.

9 DRISCOLL: OK.

10 FORNEY: I don't know exactly what hours, though.

11 DRISCOLL: OK.

12 FORNEY: But I'll call him tomorrow.

13 DRISCOLL: Sounds good.

14 FORNEY: All right, man.

15 DRISCOLL: Other than that, nothin' else is going on.

16 FORNEY: How's Geir doing?

17 DRISCOLL: Good.

18 FORNEY: Good.

19 DRISCOLL: We're were just having, just like little caps computer problems and stuff
20 like that.

21 FORNEY: Yeah. But, ah, yeah he needs to get on the reports early and understand
22 what reports to do and, you know, how they affect, you know, the other groups and --

23 DRISCOLL: You bet.

24 FORNEY: He's already getting a taste of, you know I think, in between me and you, I
25 think he thought that, you know, some things, when he was tired, he would just blow
26 some things off and they'd never come back to see him?

27 DRISCOLL: *[laughs]*

28 FORNEY: But ah, they're coming back to see him.

1 DRISCOLL: Yeah –

2 FORNEY: And, ah –

3 DRISCOLL: – I – I noticed that.

4 FORNEY: I think he's embarrassed 'cause other people are, I mean, but like Mallory's
5 just like dogging him and stuff, but he's getting a lot better about that.

6 DRISCOLL: Cool.

7 FORNEY: So, um, he's gonna be supe, he's gonna be super. We just need to keep him
8 ah, keep his feet wet and also give him some, ah, modeling or analysis work to do.

9 DRISCOLL: Yeah, I totally, I gave him a project already, I mean I'm like, ah, I want to
10 see reserves, reserve prices –

11 FORNEY: Yes.

12 DRISCOLL: – hourly? And, like, we should have a sheet that pulls that – otherwise add
13 it to the – the daily book, you know?

14 FORNEY: Right.

15 DRISCOLL: 'Cause I mean real time should have the – hold on a second.

16 =====

17 MIKE: Enron it's Mike.

18 TROY: Hi Mike, this is Troy with MIECO. How you doin'?

19 MIKE: What's goin' on, man? You want to check out?

20 TROY: Yeah.

21 MIKE: Can I put you on hold one second and I'll grab you.

22 TROY: I got it.

23 MIKE: Great.

24 =====

25 *[conversation between Forney and Driscoll resumes]*

26 DRISCOLL: OK, Sorry John.

27 FORNEY: Yeah, I hear you – I hear what you're sayin', we talked about that. That's a
28 good idea. The daily book actually was rolled out and ah, I couldn't believe that they

1 wouldn't put an e-mail out and say, you know, the daily book's available, blah, blah,

2 blah--

3 DRISCOLL: I hear it by word of mouth.

4 FORNEY: That's bullshit.

5 DRISCOLL: Mallory's like, here go on this website, it's -- it's open to anybody. I was

6 like, oh, sweet.

7 FORNEY: Well, that's what we've been waitin' on forever and then, now it's finally

8 come out and they didn't even fuckin' announce it. What kind of shit is that?

9 DRISCOLL: I don't know. I don't understand.

10 FORNEY: Maybe it's not really officially ready. So anyway, I'll -- I'm gonna talk to

11 Heizenrader about that. I'm not real pleased about that. So well, you notice I've been

12 bugging him for fuckin' forever and months, however long he's been *[tape break]*. All

13 right man, well, I'm gonna run.

14 DRISCOLL: Cool.

15 FORNEY: I'm readin' a -- *[tape break]*

16 DRISCOLL: How to be a better manager?

17 FORNEY: How to make you behave, motherf *[muffles the word]* --

18 DRISCOLL: *[laughs]*

19 FORNEY: So, um, oh man, it's just basic, you know, review management stuff. Things

20 that ah -- that Stewie and Foster are purposefully overlooking in the ter -- in terms of

21 controls.

22 DRISCOLL: Yeah.

23 FORNEY: You know, kind of like making sure that money gets allocated -- the actual

24 dollars get allocated to the company, rather than keeping things in their little secret

25 spreadsheets. And then, at the end of the year, you know, that's how they measure their

26 profitability, on their spreadsheets, not how much actual dollars came to the company.

27 And that's -- both of them have MBA's, and, ah, that is just totally -- totally against one of

28 the basic tenets of management.

1 DRISCOLL: Yeah.

2 FORNEY: I just -- just reviewing some of my stuff, which I plan on doing more -- more
3 of. But anyway, I'll let you go.

4 DRISCOLL: OK.

5 FORNEY: I'll catch you later.

6 DRISCOLL: Sounds good, see you John.

7 =====

8 [dialing/ringing]

9 PERSON [in background]: Yeah? I need to talk to him too. Good to get this deal. Hour
10 ending 14, they shouldn't have done that. We shouldn't have to do that, I mean
11 [inaudible]. Let's page his ass.

12 LATTELL: APS, Lattell.

13 MIKE: Lattell, Mike at Enron.

14 LATTELL: Yes, sir.

15 MIKE: All right sir, just getting back to you here.

16 LATTELL: OK.

17 MIKE: Um, I just called my boss here, so he's the one that put me up to this little thing.

18 LATTELL: Good.

19 MIKE: Um, one megawatt is -- it was on a schedule from Palo to Mead and we received
20 a phone call today from Laurie --

21 LATTELL: Oh, OK.

22 MIKE: -- and, ah, he doesn't have the schedule in front of him -- he's at home right
23 now, but he said if you would put the me -- one megawatt in there for 23 and 24, he will
24 call tomorrow afternoon, or early in the morning to inform the people who are on shift
25 tomorrow --

26 LATTELL: OK.

27 MIKE: -- about what the schedule is.

28 LATTELL: Good.

- 1 MIKE: Just so it gets accounted for.
- 2 LATTELL: Got it.
- 3 MIKE: So, if you would just put that in there, we'd really appreciate it.
- 4 LATTELL: It's in.
- 5 MIKE: Thank you very much, sir.
- 6 LATTELL: Your very m -- I'll -- I'll before you go, he needs to make sure it shows up --
- 7 MIKE: Yup
- 8 LATTELL: -- and shows up where it's supposed to.
- 9 MIKE: One megawatt from El Paso Electric and, ah, the schedule we're paying back is
- 10 actually an Enron schedule --
- 11 LATTELL: Right.
- 12 MIKE: -- *[inaudible]* it's not an El Paso schedule, but we're buying the megawatts from
- 13 El Paso.
- 14 LATTELL: I understand.
- 15 MIKE: Great.
- 16 LATTELL: Thank you.
- 17 MIKE: Thank you.
- 18 LATTELL: Bye.
- 19 MIKE: Bye.