This message was found to have a Critical Word in it. Message Sent to Klasky, Helaine; Posner, Steven; Smith, Michelle A.; Weaver, Elizabeth; Gallagher, Una; Buck, Bill; Gensler, Gary; Sachs, Lee; Stewart, Lawranne; Greene, Michelle; Wilcox, David; Elmendorf, Douglas; Vandivier, David; Sandberg, Sheryl; Cohen, Alan; Wolin, Neal; Moe, Martin, From Stern, Todd, CC to , Date 1/12/2001 5:20:44 PM, Subject of message RE: wires - California Power Talks

Word(s) found: Enron

-----Original Message-----
From: Stern, Todd
Sent: 1/12/2001 5:20:44 PM
Received: 1/12/2001 5:20:45 PM
To: Klasky, Helaine, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=KLASKYH
    Posner, Steven, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=POSNERS
    Smith, Michelle A., EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=SMITHM
    Weaver, Elizabeth, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=WEAVERE
    Gallagher, Una, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GALLAGHERU
    Buck, Bill, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=BUCKW
    Gensler, Gary, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GENSLERG
    Sachs, Lee, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=SACHSL
    Stewart, Lawranne, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=STEWARTLAW
    Greene, Michelle, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GREENEMI
    Wilcox, David, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=WILCOXD
    Elmendorf, Douglas, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=ELMENDORFD
    Vandivier, David, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=VANDIVIERD
    Sandberg, Sheryl, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=DOM3.DPO5.SANDBERGS
    Cohen, Alan, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=DOM3.DPO5.COHERA
    Wolin, Neal, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=WOLINN
    Moe, Martin, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=DOM3.DPO5.MOEM

CC: RE: wires - California Power Talks

Body:

[(b)(5)]

-----Original Message-----
From: Klasky, Helaine
Sent: Friday, January 12, 2001 4:41 PM
To: Posner, Steven; Smith, Michelle A.; Weaver, Elizabeth; Gallagher, Una; Buck, Bill; Gensler, Gary; Sachs, Lee; Stewart, Lawranne; Greene, Michelle; Wilcox, David; Elmendorf, Douglas; Vandivier, David; Sandberg, Sheryl; Stern, Todd; Cohen, Alan; Wolin, Neal; Moe, Martin
Subject: RE: wires - California Power Talks

[(b)(5)]

-----Original Message-----
From: Posner, Steven
Sent: Friday, January 12, 2001 4:29 PM
To: Smith, Michelle A.; Klasky, Helaine; Weaver, Elizabeth; Gallagher, Una; Buck, Bill; Gensler, Gary; Sachs, Lee; Stewart, Lawranne; Greene, Michelle; Wilcox, David; Elmendorf,
WASHINGTON (Dow Jones)--The principal negotiators involved in White House-brokered talks to solve California's electricity crisis are slated to reconvene here Saturday afternoon, the U.S. Treasury Department confirmed Friday.

The resumption of high-level talks among top-ranking officials representing the Clinton administration, California, and utilities and power suppliers will take place at U.S. Department of Energy headquarters at 3:30 p.m. EST.

California Gov. Gray Davis and other key state regulators and lawmakers are to participate via a video conferencing link.

The pivotal negotiating session comes after two working groups involving lower-level officials have met since Wednesday in an effort to flesh out the details of a broad settlement package the principals discussed late Tuesday during a seven-hour meeting at the Treasury Department.

Knowledgeable sources described Treasury Secretary Lawrence Summers as taking an active role in attempting to forge an agreement during Tuesday's talks, which also featured Energy Secretary Bill Richardson, White House economic adviser Gene Sperling and Federal Energy Regulatory Commission Chairman James Hoecker.

Richardson, who is traveling this weekend in an effort to lobby oil-producing nations against a pending production cut, will not be attending Saturday's session.

The working group meetings will wrap up sometime Friday, the Treasury Department said.

The two groups have separately addressed the two primary features of the proposed settlement, which involve moving the state's financially ailing utilities out of volatile spot power markets and into fixed-price forward contracts while power producers agree to "forbearance" on the huge debt owed by the utilities.

The forbearance and contracts working groups have been meeting separately, and were to convene a joint session late Friday to compare notes before reporting back to the principal negotiators who will cut any final deal.

Those familiar with the talks have expressed a mix of pessimism and optimism that a final deal can be struck, given what they described as unrealistic bargaining demands by Gov. Davis.

He has firmly rejected retail rate increases and resisted demands for the state to guarantee the nearly $12 billion utilities have paid over the last eight months for wholesale power but been unable to pass along under state-mandated frozen retail rates.

Further complicating the talks have been demands by Davis that the proposed long-term power contracts be at rates far below the production costs of electricity generators.

But lately the pessimism has been tempered by signals that Davis may be persuaded to relent Saturday in his opposition to a state-backed securitization of the utilities' undercollections.
"Let's see their plan, and then we'll talk about that," Steve Maviglio, the governor's spokesman, said late Thursday.

Davis reportedly has been under increasing pressure from Wall Street and Clinton administration officials to reconsider his opposition to securitization.

Without a state credit guarantee, a work-out plan can't be struck, the utilities will enter bankruptcy and the state's power grid will collapse into blackouts, sources familiar with the talks warn.

The affected utilities are Southern California Edison Co., a unit of Edison International (EIX), and Pacific Gas & Electric Co., a unit of PG&E Corp. (PCG).

By Bryan Lee, Dow Jones Newswires, 202-862-6647, bryan.lee@dowjones.com

(END) Dow Jones Newswires 12-01-01

2100GMT

(AP-DJ-01-12-01 2100GMT)
:TICKER: EIX PCG SRE
:SUBJECT: EUTL STGO DI7 DI1 DI4 DI2 CA COBO COMM
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Received by NewsEdge/LAN: 1/12/01 3:55 PM

Calif power talks aim to reach solution on Saturday

WASHINGTON, Jan 12 (Reuters) - Treasury Secretary Lawrence Summers, other senior Clinton administration officials and top executives of electric power companies tentatively planned to meet on Saturday to finalize a fix for California's power mess, a source close to the negotiations said on Friday.

The high-level meeting was set to take place at the Energy Department at 3:30 p.m. EST (2030 GMT), with some California officials participating via teleconference, the source said.

The state narrowly averted rolling power blackouts on Thursday as already tight supplies of electricity fell to dangerously low levels because of a severe storm.

Friday marked the fourth day of negotiations among lower-level aides to map out detailed proposals for short- and long-term solutions to California's chronic electricity shortage and skyrocketing prices.

If the Friday talks failed to make as much progress as hoped, the Saturday session could be downgraded to another day of negotiations among lower-level officials on technical issues, according to another source.

Summers and Energy Secretary Bill Richardson launched the negotiations on Tuesday to prevent the bankruptcy of PG&E Corp <PCG.N> and Edison International <EIX.N>, which could ripple throughout the national economy.

Both utilities say they have run out of cash because of runaway prices wholesale power, which are now tenfold higher than one year ago. Under California's landmark 1996 deregulation law, the higher wholesale prices cannot be passed through to consumers.

The two utilities want a 90-day reprieve in repaying billions of dollars to out-of-state power generators, as well as the ability to sign long-term contracts to lock in lower prices.

((Washington.commodsenergy.newsroom@reuters.com))

REUTERS
Rtr 15:29 01-12-01
By Mark Golden
A Dow Jones Newswires Column

NEW YORK (Dow Jones)--Grandstanding by negotiators in Washington, D.C., on the California electricity crisis indicates the sides are too far apart for an agreement this weekend, but the actual numbers involved raise the question: How can they not get this done?

California Gov. Gray Davis, on behalf of the utilities that contribute so generously to his campaign funds, is demanding three-year supply contracts at 5.5 cents a kilowatt-hour. "We've got to stop the hemorrhaging of utility cash, but I can't possibly have another rate increase or any state bailout," the governor is saying.

According to sources, U.S. Treasury Secretary Lawrence Summers and the generating company chief executives looked at Davis with a "What are you smoking?" expression several times Tuesday night. The generators' stance is that the market price is 8.5 cents/kwh and only if the contracts run for eight years.

But that's all just negotiating position. The customers of Edison International's (EIX) Southern California Edison currently pay the company 7.6 cents/kwh just for energy. That price includes last week's one-cent raise, but not other charges such as transmission and distribution.

Edison generates half the power it needs at a cost of about 3 cents/kwh. So, purchasing the other half at 5.5 cents/kwh would do a lot more than stop the hemorrhaging. If the cost of purchased power were 5.5 cents, Edison's average cost would be 4.3 cents, for which they are getting paid 7.6 cents. That 3.3 cents/kwh profit on the 83 billion kwh Edison sells a year comes to a whopping $2.7 billion annually. End of credit problem.

PG&E Corp.'s (PCG) situation is more difficult. Their customers pay less for electricity, and PG&E only generates a third of its own power, but they have lower generating costs than Edison. Bottom line: if PG&E could buy supplies at 5.5 cents/kwh, they would be left with 1.9 cents/kwh profit.

Unfortunately for the utilities, California independent generators, such as Reliant Energy (REI), NRG Energy (NRG), Dynegy (DYN), Southern Energy (SOE) and Duke Energy (DUK), can't get their prices down to 5.5 cents/kwh in California given the current market price of natural gas.

But they don't need anything close to 8.5 cents for eight years. The forward price for wholesale power in California for the balance of this year is 18 cents/kwh for the on-peak hours, which is what the utilities mostly need to buy. The on-peak price drops to 11 cents/kwh for a three-year contract because new generators and new gas supplies are expected to come on line. For an eight-year contract, the price drops to about 7.3 cents/kwh.

At 7.3 cents, PG&E would be heading to bankruptcy court. But the generators will get to sell PG&E some off-peak power, too, which brings the average price down a little further. If the governor guarantees really quick licensing for a couple of new power plants in northern California, the price comes down a lot.

What's more, to save deregulation in the U.S. the generators are willing to
cut to the bone. The stocks of Dynegy, Enron Corp. (ENE), etc., have high price-to-earnings ratios because their earnings are expected to continue strong growth under electric deregulation. They are the emerging masters of a deregulated universe, but if deregulation were to throw PG&E and Edison into bankruptcy court, there wouldn't be any deregulated electric universe to master.

As one electricity trader put it: "They have got to get a deal done. If they don't get 'The California Energy Crisis' off of CNBC every 30 minutes, I'm going to be out of a job."

Generators' stock prices have been getting hammered since the first of the year due to several factors, such as profit-taking after a great 2000, according to Credit Suisse First Boston utility analyst Paul Patterson. Duke's stock has fallen to $66 from $85 since Dec. 29, for example.

Prices of generator stocks have come down hard, in part, because a California catastrophe would derail deregulation in many states and the forecasts for generators' earnings growth would be questioned, according to Solomon Smith Barney analyst Ray Niles.

That's the finances. The physical reality is that the western U.S. probably won't have enough electricity to meet demand for the rest of this year. Starting in February, if a deal is done, California utilities won't be the last in line to get their power, and the threat of blackouts will be spread out across the West.

Other than that, where's the rub? Under deregulation, consumers were supposed to get market rates in 2002. Based on the current forward market and the utilities' cost of retained generators, 7 cents/kwh for the rest of this year is a great deal. For 2002, it's fair, but for 2003-2008, it's terrible. The current purchase price for those years is about 5 cents. With utility-owned generation at 3 cents, consumers will be paying 7 cents/kwh when they should be paying 4 cents/kwh.

And the 2.4 cents/kwh competition transition charge (CTC) that was supposed to end in 2002 has to be extended several more years. The CTC is "non-bypassable," which means if you leave the local monopoly for an alternative supplier, you still have to send a couple of cents/kwh to the old utility.

Ratepayer groups got about 40 people to storm the PG&E corporate headquarters this week over the one cent rate increase. Another rate increase would cause riots and ballot initiatives, and cost Davis his job.

But can consumer groups get people out in the streets over a deal that's great now, but overcharges them starting in 2003? I doubt it.

Businesses such as Intel Corp. (INTC) will know they are getting the short end of the stick financially and that power in the western U.S. is still unreliable, so they will decide to build new factories in other states. That's how you bypass non-bypassable charges. It will be bad for the state's economic growth, but California needs to stop adding electricity demand.

The stars are aligned for a deal very soon: eight days left before the executive branch of the U.S. government changes from one that wants to help Davis to one that wants to hurt him; about the same amount of time is left before the utilities run out of cash; forward power prices have come down a lot in the past 30 days, but could easily start to rise again; merchant power company stock prices have been punished for two weeks, and their executives don't want to kill the golden goose.

How can they not get this done?

-By Mark Golden, Dow Jones Newswires; 201-938-4604; mark.golden@dowjones.com
This message was found to have a Critical Word in it. Message Sent to Soares, Chris, From Wilcox, David, CC to , Date 1/15/2001 12:08:44 AM, Subject of message FW: California Energy Group e-mail

Word(s) found: Enron

-----Original Message-----
From: Wilcox, David
Sent: 1/15/2001 12:08:44 AM
Received: 1/15/2001 12:08:44 AM
To: Soares, Chris, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=SOARESC
CC:
Subject: FW: California Energy Group e-mail

Body:

-----Original Message-----
From: Martha Altamar [mailto:martha.altamar@ferc.fed.us]
Sent: Friday, January 12, 2001 9:28 AM
To: alexm@calpine.com; jmacias@calpine.com; jason_s._seligman@cea.eop.gov; shg@cpcuc.ca.gov; Chris.Soares@do.treas.gov; David.Wilcox@do.treas.gov; Lee.Sachs@do.treas.gov; Michelle.Greene@do.treas.gov; Ray.Squitieri@do.treas.gov; Veronica.Stokes@do.treas.gov; eisenstat1@DSMO.com; sbvanleer@duke-energy.com; jocel.newton@dynegy.com; lynn.lednicky@dynegy.com; smara@enron.com; Linda Lee; dan.poffenberger@ferc.ged.us.treas.gov; pmohler@hewm.gov; richard.glick@hq.doe.gov; smutany@iepa.com; karen.tomcala@pge-corp.com; cxg2@pge.com; DXX4@pge.com; RSK4@pge.com; joebob-perkins@reliantenergy.com; marvin_k_ballard@reliantenergy.com; KMCCrea@sablaw.com; fieldejr@sce.com; harold.ray@sce.com; dred@sdge.com; wsakaria@sdge.com; rahayes@seiwidecom.com; sjcapoma@seiwidecom.com; mtierny@sempra.com; sonnet.edmonds@southernenergy.com; cread@steptoe.com; temoreland@swidlaw.com; julie.greenisen@troutmansanders.com; alex.goldberg@williams.com; (b)(6]
Cc: Gaylen.Barbour@do.treas.gov; Curtis Wagner
Subject: RE: California Energy Group e-mail

Please add Chief Judge Wagner's name to the mailing list. His E-mail addres curtis.wagner@ferc.fed.us Thanks.

Martha

>>> Linda Lee 01/12/01 08:55AM >>>
The requested address is: daniel.poffenberger@ferc.fed.us Thanks

>>> < Michelle.Greene@do.treas.gov > 01/12/01 08:45AM >>>
please use reply all to this message when sending items to the group (more corrected addresses have been added).

thanks.

> -----Original Message-----
> From: Greene, Michelle
> Sent:Thursday, January 11, 2001 8:16 PM
> To:Green, Michelle; Stokes, Veronica; 'alex.goldberg@williams.com'
> 'Alex Makler'; 'Charles C. Read'; 'Claudia Greif'; 'Curtis Wagner Jr.';
> 'dan.poffenberger@ferc.ged.us' ; Wilcox, David; 'Debra Reed'; 'Dede
> Hapner'; 'Harold B. Ray'; 'James Macias'; 'Jan Smutney Jones';
> 'jason_s._seligman@cea.eop.gov' ; 'Joe Bob Perkins'; 'Joel Newton'; 'John
Fielder; julia.greenisen@troutmansanders.com; Karen A. Tomcala;
'Keith McCrea'; 'Larry Eisenstat'; Sachs, Lee; 'Linda Lee';
'lynn.lednicky@dynegy.com'; 'Martha Altamar'; 'Michael Tierney'; 'Paul
Mohler'; 'Rich Glick'; 'Rob Hayes'; 'Ross Ain'; 'RHK@pge.com'; 'Sean
Gallagher'; 'Sonnet Edmonds'; 'Steve Vanleer'; 'Steven Capomaccio'; 'Sue
Mara'; 'Terri Moreland'; 'Tripp Ballard'; 'Wayne Sakarias'; Soares, Chris;
Squitieri, Ray
Cc:Barbour, Gaylen
Subject: RE: California Energy Group - missing e-mail addresses

we still have incorrect e-mail addresses for the following people:

julie.greenisen (sp.?) (troutman sanders)
roy kugen (sp.?) (pgse)
jim macias (calpine)
dan poffenberger (sp.?) (ferc)

if anyone knows their correct e-mails, please forward the document to them
and add the correct version of their e-mail to this group list. thanks.

-----Original Message-----
From: Greene, Michelle
Sent: Thursday, January 11, 2001 8:08 PM
To: Stokes, Veronica; alex.goldberg@williams.com; 'Alex
Makler'; 'Charles C. Read'; 'Claudia Greif'; 'Curtis Wagner Jr.';
'dan.poffenberger@ferc.ged.us'; Wilcox, David; 'Debra Reed'; 'Dede
Hapner'; 'Harold B. Ray'; 'James Macias'; 'Jan Smutney Jones';
'jason_s._seligman@cea.eop.gov'; 'Joe Bob Perkins'; 'Joel Newton'; 'John
Fielder'; julia.greenisen@troutmansanders.com; 'Karen A. Tomcala';
'Keith McCrea'; 'Larry Eisenstat'; Sachs, Lee; 'Linda Lee';
'lynn.lednicky@dynegy.com'; 'Martha Altamar'; 'Michael Tierney'; 'Paul
Mohler'; 'Rich Glick'; 'Rob Hayes'; 'Ross Ain'; 'RHK@pge.com'; 'Sean
Gallagher'; 'Sonnet Edmonds'; 'Steve Vanleer'; 'Steven Capomaccio'; 'Sue
Mara'; 'Terri Moreland'; 'Tripp Ballard'; 'Wayne Sakarias'
Cc:Barbour, Gaylen
Subject: RE: California Energy Group

more e-mail corrections included. the document is attached. we
will reconvene in the same conference room (6th floor, metropolitan
square) at 9am tomorrow. any questions, please call lee sach's office at
622-2245. thanks.

<< File: Working Group report 4.doc >>

-----Original Message-----
From: Stokes, Veronica
Sent: Thursday, January 11, 2001 4:56 PM
To: Alex Goldberg; Alex Makler; Charles C. Read; Claudia
Greif; Curtis Wagner Jr.; Dan Poffenberger; David Wilcox; Debra Reed; Dede
Hapner; Harold B. Ray; James Macias; Jan Smutney Jones; Jason Seliymann;
Joe Bob Perkins; Joel Newton; John Fielder; Julia Greenisen; Karen A.
Tomcala; Keith McCrea; Larry Eisenstat; Lee Sachs; Linda Lee; Lynn
Lednicky; Martha Altamar; Michael Tierney; Paul Mohler; Rich Glick; Rob
Hayes; Ross Ain; Roy Kuga; Sean Gallagher; Sonnet Edmonds; Steve Vanleer;
Steven Capomaccio; Sue Mara; Terri Moreland; Tripp Ballard; Wayne Sakarias
Cc:Greene, Michelle; Barbour, Gaylen
Subject: FW: California Energy Group

This is a test to provide a comprehensive listing for those
who participated in the Treasury Department California Energy Group
meetings this week. If you know of anyone else who should be added to
this list, please call at (202) 622-2245.

<< Message: California Energy Group >>

----- End of message body
Please add Nick Fels to this mailing list. His email address is nfels@gov.com
<<Final pt1.doc>>  <<Final pt2.doc>>

------ End of message body

Message auditing by MicroData CAMEO Recon
This message was found to have a Critical Word in it. Message sent to Wilcox, David; Sachs, Lee; Soares, Chris; 'Martha Altamari'; 'alexm@calpine.com'; 'jmacias@calpine.com'; 'jason_s._seligman@cea.eop.gov'; 'shg@cpcu.ca.gov'; Greene, Michelle; Squitteri, Ray; Stokes, Veronica; 'eisenstatl@DSMO.com'; 'sbvanleer@duke-energy.com'; 'joel.newton@dynergy.com'; 'lynn.lednicky@dynergy.com'; 'smara@enron.com'; 'Linda Lee'; 'dan.poffenberger@ferc.gov'; 'pmohler@hewm.com'; 'conor.cowan@cerrad.com'; 'karen.tomcala@pge-corp.com'; 'cxg2@pge.com'; 'DxH48@pge.com'; 'RMK4@pge.com'; 'joebob.perkins@reliantenergy.com'; 'marvin_k_ballard@reliantenergy.com'; 'KMcCrea@sablaw.com'; 'fieletjv@sce.com'; 'harold.ray@sce.com'; 'dreed@sdge.com'; 'wsakaria@sdge.com'; 'rahayes@seiworldwide.com'; 'sjcapoma@seiworldwide.com'; 'mierney@sempra.com'; 'sonnet.edmonds@southernenergy.com'; 'cread@stptce.com'; 'temoreland@swidlak.com'; 'julie.greenisen@troutmanandsanders.com'; 'alex.goldberg@williams.com'; 'jmdonnell@duke-energy.com'; 'hjpodewer@duke-energy.com'; 'bbalay@duke-energy.com'; 'njdeschanes@duke-energy.com'; 'wfohall@duke-energy.com'; 'sbvanleer@duke-energy.com'; 'rmkul@pge.com'; 'ddr0@pge.com'; 'rjp2@pge.com'; 'starckle@sce.com'; 'joh.gammie@williams.com'; 'rebarris@seiworldwide.com'; 'smfuller@seiworldwide.com'; 'dlmiller@seiworldwide.com'; 'jwholden@seiworldwide.com'; 'richard.shapiro@enron.com'; 'robert.badeer@enron.com'; From Wilcox, David, CC to Barbour, Gaylen; 'Curtis Wagner', Date 1/12/2001 5:51:26 PM, Subject of message RE: California Energy Group e-mail TEST MESSAGE

-----Original Message-----

From: Wilcox, David
Sent: 1/12/2001 5:51:26 PM
Received: 1/12/2001 5:51:26 PM
To: Wilcox, David, EX:U=USTREASURY/O=DO/CN=RECIPIENTS/CN=WilcoxD
Sachs, Lee, EX:U=USTREASURY/O=DO/CN=RECIPIENTS/CN=SachsL
Soares, Chris, EX:U=USTREASURY/O=DO/CN=RECIPIENTS/CN=SoaresC
'Martha Altamari', SMTP:martha.altamari@ferc.fed.us
'alexm@calpine.com', SMTP:alexm@calpine.com
'jmacias@calpine.com', SMTP:jmacias@calpine.com
'jason_s._seligman@cea.eop.gov', SMTP:jason_s._seligman@cea.eop.gov
'shg@cpcu.ca.gov', SMTP:shg@cpcu.ca.gov
Greene, Michelle, EX:U=USTREASURY/O=DO/CN=RECIPIENTS/CN=GreenEMi
Squitteri, Ray, EX:U=USTREASURY/O=DO/CN=RECIPIENTS/CN=SquitteriR
Stokes, Veronica, EX:U=USTREASURY/O=DO/CN=RECIPIENTS/CN=StokesV
'eisenstatl@DSMO.com', SMTP:eisenstatl@DSMO.com
'sbvanleer@duke-energy.com', SMTP:sbvanleer@duke-energy.com
'joel.newton@dynergy.com', SMTP:joel.newton@dynergy.com
'lynn.lednicky@dynergy.com', SMTP:lynn.lednicky@dynergy.com
'smara@enron.com', SMTP:smara@enron.com
'Linda Lee', SMTP:linda.lee@ferc.fed.us
'dan.poffenberger@ferc.ged.gov', SMTP:dan.poffenberger@ferc.ged.gov
'pmohler@hewm.com', SMTP:pmohler@hewm.com
'conor.cowan@cerrad.com', SMTP:conor.cowan@cerrad.com
'karen.tomcala@pge-corp.com', SMTP:karen.tomcala@pge-corp.com
'cxg2@pge.com', SMTP:cxg2@pge.com
'DxH48@pge.com', SMTP:DxH48@pge.com
This message was found to have a Critical Word in it. Message Sent to
Squitieri, Ray, From Wilcox, David, CC to Chryst, Nancy; Vandivier, David; Rao, Geetha;
Flanagan, Rosemary; Cononi, Rachel; Flynn, Timothy; Murphy, Edward; Hambor, John, Date
12/14/2000 2:52:41 PM, Subject of message RE: Krugman on Calif power market

Word(s) found: Enron

-----Original Message-----
From: Wilcox, David
Sent: 12/14/2000 2:52:41 PM
Received: 12/14/2000 2:52:41 PM
To: Squitieri, Ray, CC: Chryst, Nancy, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=CHRSTN
Vandivier, David, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=VandivierD
Rao, Geetha, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=RaoG
Flanagan, Rosemary, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=FLANAGANR
Cononi, Rachel, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=CONONIR
Flynn, Timothy, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=FlynnT
Murphy, Edward, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=MURPHYE
Hambor, John, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=HAMBORJ

Subject: RE: Krugman on Calif power market

Body:
Ray: This is a very interesting piece. Please address the questions in the attached to
the best of your ability, then forward the result to Rosemary for processing to the
Secretary tonight if at all possible.

Rosemary: Please use the following as a transmittal note from me to Larry:

The attached note, prepared by Ray Squitieri, analyzes statements made by Paul Krugman
recently about the California market for electricity. It will be particularly relevant
background for a call from the CEO of Enron, should that occur.

-----Original Message-----
From: Squitieri, Ray
Sent: Thursday, December 14, 2000 2:12 PM
To: Wilcox, David
Cc: Chryst, Nancy; Vandivier, David; Rao, Geetha; Flanagan, Rosemary;
Cononi, Rachel; Flynn, Timothy; Murphy, Edward; Hambor, John
Subject: Krugman on Calif power market

----- End of message body

Message auditing by MicroData CAMEO Recon
This message was found to have a Critical Word in it. Message Sent to 'David.Wilcox@do.treas.gov'; 'Lee.Sachs@do.treas.gov'; 'Chris.Soares@do.treas.gov'; 'martha.altamar@ferc.fed.us'; 'alexm@calpine.com'; 'jmacias@calpine.com'; 'jason_s._seligman@cmae.epo.g' E-mail: TEST MESSAGE

Word(s) found: Enron

-----Original Message-----
From: Tierney, Michael C.
Sent: 1/13/2001 2:06:43 PM
Received: 1/13/2001 2:04:20 PM
To: 'David.Wilcox@do.treas.gov', 'Lee.Sachs@do.treas.gov', 'Chris.Soares@do.treas.gov', 'martha.altamar@ferc.fed.us', 'alexm@calpine.com', 'jmacias@calpine.com', 'jason_s._seligman@cmae.epo.g', 'shg@cpuc.ca.gov', 'Michelle.Greene@do.treas.gov', 'Ray.Squitieri@do.treas.gov', 'Veronica.Stokes@do.treas.gov', 'eisenstatl@DSMO.com', 'sbvanleer@duke-energy.com', 'joel.newton@dynergy.com', 'lynn.lednicky@dynergy.com', 'smara@enron.com', 'linda.lee@ferc.fed.us', 'dan.poffenberger@ferc.ged.treas.gov', 'pmohler@hewm.com', 'richard.glick@hq.doe.gov', 'smutany@iepa.com', 'karen.tomcala@pgc-corp.com', 'cxg2@pge.com', 'DxH4@pge.com', 'RMX4@pge.com', 'jobob-perkins@reliantenergy.com', 'marvin_k_ballard@reliantenergy.com', 'KMccrea@sablaw.com', 'fieglejr@sce.com', 'harrald.ray@sce.com', 'reed.debra_L.Sakarias, wayne F.', 'rahayes@seiworldwide.com', 'sacapone@seiworldwide.com', 'Tiereny, Michael C.', 'somerset.edmonds@nortenergy.com', 'toremeland@swidlaw.com', 'Julie.Tremaine@trotmanandshand.com', 'alex.goldberg@williams.com', ...

[with email addresses]

'ADMIN@do.treas.gov', 'ronald.minsk@op.d.epo.gov', 'jmcdonnell@duke-energy.com', 'hjpodower@duke-energy.com', 'hballe@duke-energy.com', 'njdachane@duke-energy.com', 'wfhall@duke-energy.com', 'sbvanleer@duke-energy.com', 'rmk4@pge.com', 'ddr@pge.com', 'rrjp2@pge.com', 'starckle@sce.com', 'john.gammie@williams.com', 'reharris@reiworldwide.com', 'smfuller@seiworldwide.com', 'dilmiller@reiworldwide.com', 'jwolden@seiworldwide.com', 'richard.shapiro@enron.com', 'robert.badeer@enron.com', FromTierney, Michael C., CC to Gaylen.Barbour@do.treas.gov', 'curtis.wagner@ferc.fed.us', Date 1/13/2001 2:06:43 PM, Subject of message RE: California Energy Group e-mail TEST MESSAGE
Re: California Energy Group e-mail TEST MESSAGE

Please add Nick Fels to this mailing list. His email address is nfels@cov.com

-----Original Message-----
From: David.Wilcox@do.treas.gov
To: David.Wilcox@do.treas.gov; Lee.Sachs@do.treas.gov; Chris.Soares@do.treas.gov; martha.altamar@ferc.fed.us; alexm@calpine.com; jmacias@calpine.com; jason_s._seligman@cea.eop.gov; shg@cpuc.ca.gov; Michelle.Greene@do.treas.gov; Ray.Scuttirio@do.treas.gov; Veronica.Stokes@do.treas.gov; eisenatatl@dsmo.com; sbvanleer@duke-energy.com; joel.newton@dynergy.com; lynn.lednicky@dynergy.com; smara@enron.com; linda.lee@ferc.fed.us; dan.poffenberger@ferc.ged.gov@do.treas.gov; plohler@fwm.com; richard.glick@hq.doe.gov; smutation@iepa.com; karen.tomcala@pge-corp.com; cxg28@pge.com; DxH48@pge.com; RMK4@pge.com; joebob-perkins@reliantenergy.com; marvin_k_ballard@reliantenergy.com; KMcCreas@seaworldwide.com; fielderjr@sce.com; harold.ray@sce.com; Reed, Debra L., SMTP: DReed@SDGE.com; Sakarias, Wayne P., SMTP: Wsakarias@SDGE.com; rahayes@seaworldwide.com; SMTP: rahayes@seaworldwide.com; sgcapoma@seaworldwide.com; SMTP: sgcapoma@seaworldwide.com; Tierney, Michael C., SMTP: Mtierney@sempra.com; sonnet.edmonds@southernenergy.com; SMTP: sonnet.edmonds@southernenergy.com; cread@steptoe.com; SMTP: cread@steptoe.com; temoreland@swidlaw.com; SMTP: temoreland@swidlaw.com; julie.greenisen@troutmansanders.com; SMTP: julie.greenisen@troutmansanders.com; alex.goldberg@williams.com; SMTP: alex.goldberg@williams.com;

[b6]

ADMIN@do.treas.gov; SMTP: ADMIN@do.treas.gov
ronald_minsk@opd.eop.gov; SMTP: ronald_minsk@opd.eop.gov
jmdonnell@duke-energy.com; SMTP: jmdonnell@duke-energy.com
hjpodewer@duke-energy.com; SMTP: hjpodewer@duke-energy.com
bbailey@duke-energy.com; SMTP: bbailey@duke-energy.com
njdeschane@duke-energy.com; SMTP: njdeschane@duke-energy.com
wfhall@duke-energy.com; SMTP: wfhall@duke-energy.com
sbvanleer@duke-energy.com; SMTP: sbvanleer@duke-energy.com
rmk4@pge.com; SMTP: rmk4@pge.com
ddr0@pge.com; SMTP: ddr0@pge.com
rjp2@pge.com; SMTP: rjp2@pge.com
starckle@sce.com; SMTP: starckle@sce.com
jmccarthy@williams.com; SMTP: jmccarthy@williams.com
rehr@class@seaworldwide.com; SMTP: rehr@class@seaworldwide.com
smfuller@seaworldwide.com; SMTP: smfuller@seaworldwide.com
dlmiller@seaworldwide.com; SMTP: dlmiller@seaworldwide.com
jwholden@seaworldwide.com; SMTP: jwholden@seaworldwide.com
rshapiro@enron.com; SMTP: rshapiro@enron.com
rbadeer@enron.com; SMTP: rbadeer@enron.com

CC: Gaylen.Barbour@do.treas.gov; SMTP: Gaylen.Barbour@do.treas.gov
curtis.wagner@ferc.fed.us; SMTP: curtis.wagner@ferc.fed.us

Subject: RE: California Energy Group e-mail TEST MESSAGE

Body:

Please add Nick Fels to this mailing list. His email address is nfels@cov.com
<<Final pt1.doc>>  <<Final pt2.doc>>

------ End of message body

Message auditing by MicroData CAMEO Recon
This message was found to have a Critical Word in it. Message

Sent to: Wilcox, David; Sachs, Lee; Soares, Chris; 'Martha Altamar'; 'alexm@calpine.com'; 'jmacias@calpine.com'; 'jason_s_seligman@cea.eop.gov'; 'shg@cpuc.ca.gov'; 'Greene, Michelle'; Squitieri, Ray; Stokes, Veronica; 'eisenstatl@DSMO.com'; 'abvanleer@duke-energy.com'; 'joel.newton@dynergy.com'; 'lynn.lednicky@dynergy.com'; 'smara@enron.com'; 'Linda Lee'; 'dan.poffenberger@ferc.ged.gov'; 'pmoehler@hewm.com';
'richard.glick@hq.doe.gov'; 'smutany@iepa.com'; 'karen.tomcala@pge-corp.com'; 'cxg2@pge.com' 'DxH4@pge.com'; 'RMK4@pge.com'; 'joebob.perkins@reliantenergy.com'; 'marvin_k_ballard@reliantenergy.com'; 'RMcCrea@sablav.com'; 'fiedljejr@sce.com'; 'harold.ray@sce.com'; 'dreed@sgde.com'; 'waakaria@sgde.com'; 'rahayes@seiworldwide.com'; 'sjcapoma@seiworldwide.com'; 'mierney@empra.com'; 'sonnet.edmonds@southernenergy.com'; 'cred@steptoe.com'; 'temoreland@swidlaw.com'; 'julie.greenisen@troutmansanders.com'; 'alex.goldberg@williams.com'; 'b(a)(5)'; Admin; 'ronald_minsk@epd.eop.gov'; 'jmorden@duke-energy.com'; 'hiedewer@duke-energy.com'; 'hbaily@duke-energy.com'; 'njdse@seidatabase.com'; 'wfhall@duke-energy.com'; 'abvanleer@duke-energy.com'; 'rmk4@pge.com'; 'ddr0@pge.com'; 'jrp2@pge.com'; 'starckle@sce.com'; 'john.gammie@williams.com'; 'reichard@seiworldwide.com'; 'smluer@seiworldwide.com'; 'dlmiller@seiworldwide.com'; 'jwolken@seiworldwide.com'; 'richard.shaapire@enron.com'; 'robert.badeer@enron.com'. From
Wilcox, David, CC to Barbour, Gaylen; 'Curis Wagner', Date 1/12/2001 5:51:26 PM, Subject of message: RE: California Energy Group e-mail TEST MESSAGE

Word(s) found: Enron

-----Original Message-----
From: Wilcox, David
Sent: 1/12/2001 5:51:26 PM
Received: 1/12/2001 5:51:26 PM
To: Wilcox, David, ex:O=USTRATEGY/OU=DO/ CN=RECIPIENTS/CN=WILCOX
Sachs, Lee, ex:O=USTRATEGY/OU=DO/ CN=RECIPIENTS/CN=SachsL
Soares, Chris, ex:O=USTRATEGY/OU=DO/ CN=RECIPIENTS/CN=SCARESC
'Martha Altamar', SMTP:martha.altamar@ferc.fed.us
'alexm@calpine.com', SMTP:alexm@calpine.com
jmacias@calpine.com', SMTP:jmacias@calpine.com
jason_s_seligman@cea.eop.gov', SMTP:jason_s_seligman@cea.eop.gov
'shg@cpuc.ca.gov', SMTP:shg@cpuc.ca.gov
Greene, Michelle, ex:O=USTRATEGY/OU=DO/ CN=RECIPIENTS/CN=GREENEMI
Squitieri, Ray, ex:O=USTRATEGY/OU=DO/ CN=RECIPIENTS/CN=SQUITTIRI
Stokes, Veronica, ex:O=USTRATEGY/OU=DO/ CN=RECIPIENTS/CN=STOKESV
'eisenstatl@DSMO.com', SMTP:eisenstatl@DSMO.com
'abvanleer@duke-energy.com', SMTP:abvanleer@duke-energy.com
'joel.newton@dynergy.com', SMTP:joel.newton@dynergy.com
'lynn.lednicky@dynergy.com', SMTP:lynn.lednicky@dynergy.com
'smara@enron.com', SMTP:smara@enron.com
'Linda Lee', SMTP: Linda.lee@ferc.fed.us
'dan.poffenberger@ferc.ged.gov', SMTP:dan.poffenberger@ferc.ged.gov
'pmoehler@hewm.com', SMTP: pmoehler@hewm.com
'richard.glick@hq.doe.gov', SMTP: richard.glick@hq.doe.gov
'smutany@iepa.com', SMTP: smutany@iepa.com
'karen.tomcala@pge-corp.com', SMTP: karen.tomcala@pge-corp.com
'cxg2@pge.com', SMTP: cxg2@pge.com
'DxH4@pge.com', SMTP: DxH4@pge.com
Subject: RE: California Energy Group e-mail TEST MESSAGE

Body:

----- End of message body

Message auditing by MicroData CAMEO Recon
This message was found to have a Critical Word in it. Message sent to Klasky, Helaine; Posner, Steven; Smith, Michelle A.; Weaver, Elizabeth; Gallagher, Una; Buck, Bill; Gensler, Gary; Sachs, Lee; Stewart, Lawanne; Greene, Michelle; Wilcox, David; Elmendorf, Douglas; Vandiver, David; Sandberg, Sheryl; Cohen, Alan; Wolin, Neal; Moe, Martin, From Stern, Todd, CC to , Date 1/12/2001 5:20:44 PM, Subject of message RE: wires - California Power Talks

Word(s) found: Enron

-----Original Message-----
From: Stern, Todd
Sent: 1/12/2001 5:20:44 PM
Received: 1/12/2001 5:20:44 PM
To: Klasky, Helaine, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=KLASKYH
Posner, Steven, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=POSNERS
Smith, Michelle A., EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=SMITHM
Weaver, Elizabeth, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=WEAVERE
Gallagher, Una, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GALLAGHERU
Buck, Bill, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=BUCKW
Gensler, Gary, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GENSELGR
Sachs, Lee, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=SACHSL
Stewart, Lawanne, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=STEWARTLAW
Greene, Michelle, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GREENEMI
Wilcox, David, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=WILCOXD
Elmendorf, Douglas, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=ELMENDORFD
Vandiver, David, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=VANDIVIERD
Sandberg, Sheryl, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=D0M3.DOPO5.SANDBERGS
Cohen, Alan, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=D0M3.DOPO5.COHENA
Wolin, Neal, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=WOLINN
Moe, Martin, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=D0M3.DOPO5.MOEM

CC:
Subject: RE: wires - California Power Talks
Body:

[(b)(5)]

-----Original Message-----
From: Klasky, Helaine
Sent: Friday, January 12, 2001 4:41 PM
To: Posner, Steven; Smith, Michelle A.; Weaver, Elizabeth; Gallagher, Una; Buck, Bill; Gensler, Gary; Sachs, Lee; Stewart, Lawanne; Greene, Michelle; Wilcox, David; Elmendorf, Douglas; Vandiver, David; Sandberg, Sheryl; Stern, Todd; Cohen, Alan; Wolin, Neal; Moe, Martin
Subject: RE: wires - California Power Talks

[(b)(5)]

-----Original Message-----
From: Posner, Steven
Sent: Friday, January 12, 2001 4:29 PM
To: Smith, Michelle A.; Klasky, Helaine; Weaver, Elizabeth; Gallagher, Una; Buck, Bill; Gensler, Gary; Sachs, Lee; Stewart, Lawanne; Greene, Michelle; Wilcox, David; Elmendorf,
WASHINGTON (Dow Jones) -- The principal negotiators involved in White House-brokered talks to solve California's electricity crisis are slated to reconvene here Saturday afternoon, the U.S. Treasury Department confirmed Friday.

The resumption of high-level talks among top-ranking officials representing the Clinton administration, California, and utilities and power suppliers will take place at U.S. Department of Energy headquarters at 3:30 p.m. EST.

California Gov. Gray Davis and other key state regulators and lawmakers are to participate via a video conferencing link.

The pivotal negotiating session comes after two working groups involving lower-level officials have met since Wednesday in an effort to flesh out the details of a broad settlement package the principals discussed late Tuesday during a seven-hour meeting at the Treasury Department.

Knowledgeable sources described Treasury Secretary Lawrence Summers as taking an active role in attempting to forge an agreement during Tuesday's talks, which also featured Energy Secretary Bill Richardson, White House economic adviser Gene Sperling and Federal Energy Regulatory Commission Chairman James Hoecker.

Richardson, who is traveling this weekend in an effort to lobby oil-producing nations against a pending production cut, will not be attending Saturday's session.

The working group meetings will wrap up sometime Friday, the Treasury Department said.

The two groups have separately addressed the two primary features of the proposed settlement, which involve moving the state's financially ailing utilities out of volatile spot power markets and into fixed-price forward contracts while power producers agree to "forbearance" on the huge debt owed by the utilities.

The forbearance and contracts working groups have been meeting separately, and were to convene a joint session late Friday to compare notes before reporting back to the principal negotiators who will cut any final deal.

Those familiar with the talks have expressed a mix of pessimism and optimism that a final deal can be struck, given what they described as unrealistic bargaining demands by Gov. Davis.

He has firmly rejected retail rate increases and resisted demands for the state to guarantee the nearly $12 billion utilities have paid over the last eight months for wholesale power but been unable to pass along under state-mandated frozen retail rates.

Further complicating the talks have been demands by Davis that the proposed long-term power contracts be at rates far below the production costs of electricity generators.

But lately the pessimism has been tempered by signals that Davis may be persuaded to relent Saturday in his opposition to a state-backed securitization of the utilities' undercollections.
"Let's see their plan, and then we'll talk about that," Steve Maviglio, the governor's spokesman, said late Thursday.

Davis reportedly has been under increasing pressure from Wall Street and Clinton administration officials to reconsider his opposition to securitization.

Without a state credit guarantee, a work-out plan can't be struck, the utilities will enter bankruptcy and the state's power grid will collapse into blackouts, sources familiar with the talks warn.

The affected utilities are Southern California Edison Co., a unit of Edison International (EIX), and Pacific Gas & Electric Co., a unit of PG&E Corp. (PCG).

By Bryan Lee, Dow Jones Newswires, 202-862-6647, bryan.lee@dowjones.com

(END) Dow Jones Newswires 12-01-01

2100GMT

(AP-DJ-01-12-01 2100GMT)
:TICKER: EIX PCG SRE
:SUBJECT: EUTL STGO DI7 DI1 DI4 DI2 CA COBO COMM
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Received by NewsEdge/LAN: 1/12/01 3:55 PM

Calif power talks aim to reach solution on Saturday

WASHINGTON, Jan 12 (Reuters) - Treasury Secretary Lawrence Summers, other senior Clinton administration officials and top executives of electric power companies tentatively planned to meet on Saturday to finalize a fix for California's power mess, a source close to the negotiations said on Friday. The high-level meeting was set to take place at the Energy Department at 3:30 p.m. EST (2030 GMT), with some California officials participating via teleconference, the source said.

The state narrowly averted rolling power blackouts on Thursday as already tight supplies of electricity fell to dangerously low levels because of a severe storm.

Friday marked the fourth day of negotiations among lower-level aides to map out detailed proposals for short- and long-term solutions to California's chronic electricity shortage and skyrocketing prices.

If the Friday talks failed to make as much progress as hoped, the Saturday session could be downgraded to another day of negotiations among lower-level officials on technical issues, according to another source.

Summers and Energy Secretary Bill Richardson launched the negotiations on Tuesday to prevent the bankruptcy of PG&E Corp <PCG.N> and Edison International <EIX.N>, which could ripple throughout the national economy.

Both utilities say they have run out of cash because of runaway prices wholesale power, which are now tenfold higher than one year ago. Under California's landmark 1996 deregulation law, the higher wholesale prices cannot be passed through to consumers.

The two utilities want a 90-day reprieve in repaying billions of dollars to out-of-state power generators, as well as the ability to sign long-term contracts to lock in lower prices.

((washington.commodsenergy.newsroom@reuters.com))

REUTERS
Rtr 15:29 01-12-01
NEW YORK (Dow Jones)--Grandstanding by negotiators in Washington, D.C., on the California electricity crisis indicates the sides are too far apart for an agreement this weekend, but the actual numbers involved raise the question: How can they not get this done?

California Gov. Gray Davis, on behalf of the utilities that contribute so generously to his campaign funds, is demanding three-year supply contracts at 5.5 cents a kilowatt-hour. "We've got to stop the hemorrhaging of utility cash, but I can't possibly have another rate increase or any state bailout," the governor is saying.

According to sources, U.S. Treasury Secretary Lawrence Summers and the generating company chief executives looked at Davis with a "What are you smoking?" expression several times Tuesday night. The generators' stance is that the market price is 8.5 cents/kwh and only if the contracts run for eight years.

But that's all just negotiating position. The customers of Edison International's (EIX) Southern California Edison currently pay the company 7.6 cents/kwh just for energy. That price includes last week's one-cent raise, but not other charges such as transmission and distribution.

Edison generates half the power it needs at a cost of about 3 cents/kwh. So, purchasing the other half at 5.5 cents/kwh would do a lot more than stop the hemorrhaging. If the cost of purchased power were 5.5 cents, Edison's average cost would be 4.3 cents, for which they are getting paid 7.6 cents. That 3.3 cents/kwh profit on the 83 billion kwh Edison sells a year comes to a whopping $2.7 billion annually. End of credit problem.

PG&E Corp.'s (PCG) situation is more difficult. Their customers pay less for electricity, and PG&E only generates a third of its own power, but they have lower generating costs than Edison. Bottom line: if PG&E could buy supplies at 5.5 cents/kwh, they would be left with 1.9 cents/kwh profit.

Unfortunately for the utilities, California independent generators, such as Reliant Energy (REI), NRG Energy (NRG), Dynegy (DYN), Southern Energy (SOE) and Duke Energy (DUK), can't get their prices down to 5.5 cents/kwh in California given the current market price of natural gas.

But they don't need anything close to 8.5 cents for eight years. The forward price for wholesale power in California for the balance of this year is 18 cents/kwh for the on-peak hours, which is what the utilities mostly need to buy. The on-peak price drops to 11 cents/kwh for a three-year contract because new generators and new gas supplies are expected to come on line. For an eight-year contract, the price drops to about 7.3 cents/kwh.

At 7.3 cents, PG&E would be heading to bankruptcy court. But the generators will get to sell PG&E some off-peak power, too, which brings the average price down a little further. If the governor guarantees really quick licensing for a couple of new power plants in northern California, the price comes down a lot.

What's more, to save deregulation in the U.S. the generators are willing to
cut to the bone. The stocks of Dynegy, Enron Corp. (ENE), etc., have high price-to-earnings ratios because their earnings are expected to continue strong growth under electric deregulation. They are the emerging masters of a deregulated universe, but if deregulation were to throw PG&E and Edison into bankruptcy court, there wouldn't be any deregulated electric universe to master.

As one electricity trader put it: "They have got to get a deal done. If they don't get 'The California Energy Crisis' off of CNBC every 30 minutes, I'm going to be out of a job."

Generators' stock prices have been getting hammered since the first of the year due to several factors, such as profit-taking after a great 2000, according to Credit Suisse First Boston utility analyst Paul Patterson. Duke's stock has fallen to $66 from $85 since Dec. 29, for example.

Prices of generator stocks have come down hard, in part, because a California catastrophe would derail deregulation in many states and the forecasts for generators' earnings growth would be questioned, according to Solomon Smith Barney analyst Ray Niles.

That's the finances. The physical reality is that the western U.S. probably won't have enough electricity to meet demand for the rest of this year. Starting in February, if a deal is done, California utilities won't be the last in line to get their power, and the threat of blackouts will be spread out across the West.

Other than that, where's the rub? Under deregulation, consumers were supposed to get market rates in 2002. Based on the current forward market and the utilities' cost of retained generators, 7 cents/kwh for the rest of this year is a great deal. For 2002, it's fair, but for 2003-2008, it's terrible. The current purchase price for those years is about 5 cents. With utility-owned generation at 3 cents, consumers will be paying 7 cents/kwh when they should be paying 4 cents/kwh.

And the 2.4 cents/kwh competition transition charge (CTC) that was supposed to end in 2002 has to be extended several more years. The CTC is "non-bypassable," which means if you leave the local monopoly for an alternative supplier, you still have to send a couple of cents/kwh to the old utility.

Ratepayer groups got about 40 people to storm the PG&E corporate headquarters this week over the one cent rate increase. Another rate increase would cause riots and ballot initiatives, and cost Davis his job.

But can consumer groups get people out in the streets over a deal that's great now, but overcharges them starting in 2003? I doubt it.

Businesses such as Intel Corp. (INTC) will know they are getting the short end of the stick financially and that power in the western U.S. is still unreliable, so they will decide to build new factories in other states. That's how you bypass non-bypassable charges. It will be bad for the state's economic growth, but California needs to stop adding electricity demand.

The stars are aligned for a deal very soon: eight days left before the executive branch of the U.S. government changes from one that wants to help Davis to one that wants to hurt him; about the same amount of time is left before the utilities run out of cash; forward power prices have come down a lot in the past 30 days, but could easily start to rise again; merchant power company stock prices have been punished for two weeks, and their executives don't want to kill the golden goose.

How can they not get this done?

-By Mark Golden, Dow Jones Newswires; 201-938-4604; mark.golden@dowjones.com
This message was found to have a Critical Word in it. Message Sent to Wilcox, David, From Elmendorf, Douglas, CC to , Date 12/14/2000 6:10:47 PM, Subject of message california electricity

Word(s) found: Enron

-----Original Message-----
From: Elmendorf, Douglas
Sent: 12/14/2000 6:10:47 PM
Received: 12/14/2000 6:10:47 PM

To: Wilcox, David, EX:/O=USTR

ASURY/OU=DO/CN=RECIPIENTS/CN=WILCOXD

CC:
Subject: california electricity
Body:
I've cleaned up Ray's memo a little (based in part on your previous comments and on the phone conversation with the ENRON guy), but you should look it over. Ray should also review it in the morning to be sure that I didn't introduce any factual errors.

btw, Jon Talisman says that the CPI change will be in the tax bill that is about to be passed.

------ End of message body

Message auditing by MicroData CAMEO Recon
This message was found to have a Critical Word in it. Message Sent to Elmendorf, Douglas; Wilcox, David, From Squitieri, Ray, CC to Chryst, Nancy; Flanagan, Rosemary; Hambor, John, Date 12/14/2000 5:24:50 PM, Subject of message briefing memo for Summers

Word(s) found: Enron

-----Original Message-----
From: Squitieri, Ray
Sent: 12/14/2000 5:24:50 PM
Received: 12/14/2000 5:24:50 PM
To: Elmendorf, Douglas, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CH=ELMENDORFD Wilcox, David, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CH=WILCOXD
CC: Chryst, Nancy, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CH=CHRSTN Flanagan, Rosemary, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CH=FLANAGANR Hambor, John, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CH=HMBORJ
Subject: briefing memo for Summers

Body:
David, I've used parts of the memo on Krugman to produce this briefing memo for the Summers-ENRON conversation tomorrow. I'll also send along your markup of my earlier memo, with answers to your queries. If you need something else tonight, send the document plus instructions to my home email address: [b](6)

(note there's no period between my first and last names)
Alternatively, I'll be available first thing in the morning.

----- End of message body

Message auditing by MicroData CAMEO Recon
MEMORANDUM FOR THE SECRETARY

From: David Wilcox

Subject: Conversation with Steven Kean, Chief of Staff, ENRON
Subject: California Electricity Market
Friday December 15, time?

[(b)(5)]
[(b)(5)]
This message was found to have a Critical Word in it. Message Sent to Wilcox, David; Sachs, Lee; Soares, Chris; 'Martha Altamar'; 'alexm@calpine.com'; 'jmacias@calpine.com'; 'jason_s._seligman@cea.eop.gov'; 'shg@cupca.ca.gov'; Greene, Michelle; Squitieri, Ray; Stokes, Veronica; 'eisenstatl@DSMO.com'; 'svabanleer@duke-energy.com'; 'joel.newton@dynergy.com'; 'lynn.lednick@dynergy.com'; 'smara@enron.com'; 'Linda Lee'; 'dan.poffenberger@ferc.ged.gov'; 'pmohler@hewm.com'; 'richard.glick@hq.doe.gov'; 'smutany@iepa.com'; 'karen.tomcala@pge-corp.com'; 'cxqg2@pge.com'; 'DxH4@pge.com'; 'RMK4@pge.com'; 'joebob.perkins@reliantenergy.com'; 'marvin_k_ballard@reliantenergy.com'; 'RMCCrea@sbablom.com'; 'feldejr@sce.com'; 'harold.ray@sce.com'; 'dread@sedge.com'; 'wasakaria@sedge.com'; 'rahayas@seiworldwide.com'; 'sjcapoma@seiworldwide.com'; 'msterney@sempra.com'; 'sonnet.edmonds@southernenergy.com'; 'ctread@steptoe.com'; 'temoreland@swilad.com'; 'julie.greenisen@troutmansanders.com'; 'alex.goldberg@williams.com'; 'Admin'; 'ronald_minsk@epd.eop.gov'; 'jmdonnell@duke-energy.com'; 'hpodewer@duke-energy.com'; 'bbailley@duke-energy.com'; 'njddecson@duke-energy.com'; 'wfhall@duke-energy.com'; 'rmk4@pge.com'; 'ddr0@pge.com'; 'rjp2@pge.com'; 'starckle@sce.com'; 'john.gammie@williams.com'; 'reharris@seiworldwide.com'; 'smfuller@seiworldwide.com'; 'dlmiller@seiworldwide.com'; 'jwholden@seiworldwide.com'; 'richard.shapiro@enron.com'; 'robert.badeer@enron.com' From Wilcox, David, CC to Barbour, Gaylen; 'Curtis Wagner', Date 1/12/2001 5:51:26 PM, Subject of message RE: California Energy Group e-mail TEST MESSAGE

Word(s) found: Enron

-----Original Message-----
From: Wilcox, David
Sent: 1/12/2001 5:51:26 PM
Received: 1/12/2001 5:51:26 PM
To: Wilcox, David, EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=WILCOX
Sachs, Lee, EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=SachsL
Soares, Chris, EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=SOARESC
'Martha Altamar', SMTP:martha.altamar@ferc.fed.us
'alexm@calpine.com', SMTP:alexm@calpine.com
'jmacias@calpine.com', SMTP:jmacias@calpine.com
'jason_s._seligman@cea.eop.gov', SMTP:jason_s._seligman@cea.eop.gov
'shg@cupca.ca.gov', SMTP:shg@cupca.ca.gov
Greene, Michelle, EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GREENEMI
Squitieri, Ray, EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=SQUITIERIR
Stokes, Veronica, EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=STOKESV
'eisenstatl@DSMO.com', SMTP:eisenstatl@DSMO.com
'svabanleer@duke-energy.com', SMTP:svabanleer@duke-energy.com
'joel.newton@dynergy.com', SMTP:joel.newton@dynergy.com
'lynn.lednick@dynergy.com', SMTP:lynn.lednick@dynergy.com
'smara@enron.com', SMTP:smara@enron.com
'Linda Lee', SMTP:linda.lee@ferc.fed.us
'dan.poffenberger@ferc.ged.gov', SMTP:dan.poffenberger@ferc.ged.gov
'pmohler@hewm.com', SMTP:pmohler@hewm.com
'richard.glick@hq.doe.gov', SMTP:richard.glick@hq.doe.gov
'smutany@iepa.com', SMTP:smutany@iepa.com
'karen.tomcala@pge-corp.com', SMTP:karen.tomcala@pge-corp.com
'cxqg2@pge.com', SMTP:cxqg2@pge.com
'DxH4@pge.com', SMTP:DxH4@pge.com
Subject: RE: California Energy Group e-mail TEST MESSAGE

Body:

------- End of message body

Message auditing by MicroData CAMEO Recon
This message was found to have a Critical Word in it. Message Sent to 'Ray.Squitieri@do.treas.gov', From Jone-Lin Wang, CC to , Date 12/15/2000 12:01:52 PM, Subject of message FW: Competition Accelerates in Texas, A Year Before Full Deregulation Is To Start

Word(s) found: Enron

-----Original Message-----
From: Jone-Lin Wang
Sent: 12/15/2000 12:01:52 PM
Received: 12/15/2000 11:59:20 AM
To: 'Ray.Squitieri@do.treas.gov', SMTP:Ray.Squitieri@do.treas.gov
CC: 
Subject: FW: Competition Accelerates in Texas, A Year Before Full Deregulation Is To Start

Body:
See comparison of CAvs TX at the bottom, most of which I agree. I am a proponent of the bilateral market (as opposed to centralized pool); but I have yet to find any support of this idea within CERA. Woof

-----Original Message-----
From: IssueAlert [mailto:IssueAlert@scientech.com]
Sent: Thursday, December 14, 2000 7:13 AM
Subject: Competition Accelerates in Texas, A Year Before Full Deregulation Is To Start

http://www.consultrci.com

******************************************************************************

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You will find this week's articles listed below.

I hope that this description helps you acquire the information you need to succeed in today's electric industry. Your free IssueAlert follows this week's SourceBook Weekly titles.

Sincerely,
Jane Pelz
Director of Marketing Communications
SCIENTECH, Inc.

This week's SourceBook Weekly articles are listed below

WIRES COMPANIES: RISKY BUSINESS?
http://www.consultrci.com/web/rciweb.nsf/Web+Pages/SBEntrance.html

FUROR OVER FUEL CELLS
http://www.consultrci.com/web/rciweb.nsf/Web+Pages/SBEntrance.html

PG&E’S HYDROELECTRIC ASSETS: PLAYING BOTH SIDES OF THE GAME
http://www.consultrci.com/web/rciweb.nsf/Web+Pages/SBEntrance.html

SOUTHERN COMPANY: SPINOFF OF SOUTHERN ENERGY PLANNED FOR APRIL
http://www.consultrci.com/web/rciweb.nsf/Web+Pages/SBEntrance.html

BEYOND PANTELLOS AND ENPORION: NICHE SUPPLY CHAIN EXCHANGES ATTEMPT TO FIND SEAT AT THE TABLE
http://www.consultrci.com/web/rciweb.nsf/Web+Pages/SBEntrance.html

SIERRA PACIFIC AND PORTLAND GENERAL: MOVING FORWARD ON MERGER
http://www.consultrci.com/web/rciweb.nsf/Web+Pages/SBEntrance.html

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SCIENTECH IssueAlert, December 14, 2000
Competition Accelerates in Texas, A Year Before Full Deregulation Is To Start
By: Will McNamara, Director, Electric Industry Analysis

---------------------------------------------------------------

TNPC, Inc., the parent company of The New Power Company, announced that it is the first residential and small business energy provider to be certified by the Public Utility Commission of Texas (PUCT). On Feb. 15, 2001, customers in Texas can begin signing up with retail electric providers to participate in the state's pilot program, scheduled to begin in June. Full competition will begin in Texas in January 2002.

ANALYSIS: TNPC may be the first certified energy service provider in Texas, which it claims will provide a "first mover advantage," but it definitely faces increasing competition in the state. Just within the last couple of months, there has been a spate of new activity surrounding the Lone Star State, a year before full competition will be available to all customers of investor-owned utilities in Texas. (The state's rural electric cooperatives and municipal utilities can opt out of competition). Restructuring law in Texas requires utilities within the state to separate various businesses, for instance power generation, power delivery and energy services. Thus, even those utilities that have historically had a large presence in the state will have to register with the PUCT to retail electricity.
TNPC is among a total of 11 companies that have filed for certification with the PUCT, and the list of providers is impressive and diverse. Competitors that TNPC will face in Texas include Green Mountain Energy, First Choice Power (the competitive spin-off of Texas-New Mexico Power Company), TXU Energy Services, Sempra, Shell, and Reliant. Interestingly, Enron Energy Services also has applied for certification. Since Enron is one of the key members of TNPC, it obviously is planning to penetrate the Texas market from several angles.

Conspicuously absent from the list of those that have applied for certification is AEP. Anything I might say about AEP's absence from the list would be purely speculative, but I do find it meaningful that the company has not matched its competitors' aggressive entry into the Texas retail market. One indicator might be comments that Linn Draper, AEP's CEO, made in a conversation I had with him several months back. At that time, Draper disclosed uncertainty about how the retail business would factor in to AEP's future strategy. In fact, Draper said, "We're not so sure that retail is a business for us." AEP has approximately one million retail customers in the state of Texas. If AEP is to remain in the retail market in the state, by law those customers must be served by an unregulated affiliate of the company. However, at least as of today, no such affiliate has filed an application with the PUCT.

Some may say it's still rather early in the game for all the flurry of interest surrounding Texas, given that even the limited pilot program is still six months away. The increasing interest could be based on the success of pilot programs in other states, such as Pennsylvania, which was actually the largest electric pilot program in the nation, with more than 230,000 residential and commercial customers participating. Yet, probably more important is the sheer size of the Texas market—which presumably will translate into huge profits for those energy providers that gain a lock on the market—and the hope surrounding how competition in Texas might develop. After so much negative press about the flawed system in California, Texas will be the next big state to open its market to competition. Thus, a great deal is hinging on how effectively deregulation unfolds in this state.

Moreover, the onset of competition in Texas is a major development for the energy industry. With regard to population, Texas represents the second largest energy market (behind California), offering a market value of about $20 billion. Texas officials have been watching California closely all summer long, and remain confident that the power supply problems faced there won't happen in Texas. This is largely because Texas has avoided making some of the critical mistakes made in California. One important distinction between the two states is that Texas regulators have allowed for power plants to be built in about half the construction time that has been common in other states such as California. Since 1995, 22 new plants have started operations in Texas, generating 5,700 MW. By the time competition starts in little over a year, 15 more plants and 10,000 MW are scheduled to come online. As a result, Texas officials say that—unlike California—their state has more than enough generating capacity to meet peak demand and provide at least a 15-percent reserve for the next few years.

In addition, there are significant differences between the market structures in Texas and California. First, California's structure is based on an auction pool, which the state modeled on the United Kingdom. Integral to California's system is a Power Exchange, into which power suppliers submit power that they want to sell on the competitive market. California's PX discourages a healthy bilateral contract market from forming because generators can make more money selling into the PX. Texas, on the other hand, has no Power Exchange and in fact has encouraged bilateral contracts as the way in which electric service contracts will take place. In Texas, customers are encouraged to establish long-term bilateral contracts with suppliers to secure the best rates, which won't put them at the mercy of wholesale market prices as customers in San Diego discovered this summer.
Also, California incumbent utilities must provide electric service to customers who do not choose to switch. In Texas, as I mentioned, incumbent utilities must establish affiliated retail units that will serve customers who do not switch, but it cannot be the T&D operation of the incumbent utility. That is why we are seeing companies like Reliant Energy submit multiple applications, covering separate subsidiaries that will serve different customer classes.

The market potential for Texas competition appears very strong, which perhaps more than anything else is due to good planning on the part of Texas legislators and regulators. However, there are still some lingering concerns about competition in the Lone Star State. First, there is a shortage of transmission lines in Texas, especially in the northern half of the state. Although PUCT officials say that sufficient transmission lines will be put into place before competition begins, without sufficient lines companies could experience transmission congestion.

Another concern is that Texas may be relying too much on natural gas. Almost all of the new plants that have been built in Texas are powered by this fuel source. As we continue to see the price of natural gas reach alarming highs, this could pose a problem for the market in Texas. Hedging will be a key part of a successful strategy for any provider in Texas, especially considering the rising natural-gas prices. Still, the espoused advantages of competition (i.e., lower prices for end-users) could fall flat if so much emphasis is placed on natural gas as the primary power source in the state. Yet, ironically, customers may still benefit because of the multitude of power plants within the state. Abundant supply in Texas may keep the cost of power low for end-users, but less profitable for suppliers.

Overall, though, Texas remains the bright shining hope for those who support energy deregulation in this country. The size of the state’s energy market will continue to attract new participants, at least on the front end of the restructuring process. Whether they remain in Texas, and whether or not competition in the state will truly bring benefits to end-users, remains to be seen.

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------ End of message body

Message auditing by MicroData CAMEO Recon
The attached note, prepared by Ray Squitieri, analyzes statements made by Paul Krugman recently about the California market for electricity. It will be particularly relevant background for a call from the CEO of Enron, should that occur.
December 15, 2000

To: David Wilcox
From: Ray Squitieri
Subject: Paul Krugman’s Claims about the California Power Market

[(b)(5)]
From: Squitieri, Ray
Sent: Thursday, February 21, 2002 12:19 AM
To: SearchCameo
Subject: CAMEO Recon found a word: Enron sent by Wilcox, David to Elmendorf, Douglas; Squitieri, Ray; Flanagan, Rosemary; Chryst, Nancy on 12/14/2000 11:16:04 PM

This message was found to have a Critical Word in it. Message Sent to Elmendorf, Douglas; Squitieri, Ray; Flanagan, Rosemary; Chryst, Nancy, From Wilcox, David, CC to , Date

12/14/2000 11:16:04 PM, Subject of message RE: california electricity

Word(s) found: Enron

-----Original Message-----
From: Wilcox, David
Sent: 12/14/2000 11:16:04 PM
Received: 12/14/2000 11:16:04 PM
To: Elmendorf, Douglas, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=ELMENDORFD
Squitieri, Ray, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=SQUITIERIR
Flanagan, Rosemary, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=FLANAGANR
Chryst, Nancy, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=CHRYSTN

CC: Subject: RE: california electricity
Body:
This is a really super effort, and illustrates the value, Ray, of your having kept an eye on current developments in the energy field. Thanks to Doug for a wonderful editing job. Please transmit to Larry ASAP.

-----Original Message-----
From: Elmendorf, Douglas
Sent: Thursday, December 14, 2000 6:11 PM
To: Wilcox, David
Subject: california electricity

I've cleaned up Ray's memo a little (based in part on your previous comments and on the phone conversation with the ENRON guy), but you should look it over. Ray should also review it in the morning to be sure that I didn't introduce any factual errors.

btw, Jon Talisman says that the CPI change will be in the tax bill that is about to be passed.

<< File: lsbrief.doc >>

------ End of message body

Message auditing by MicroData CAMEO Recon
MEMORANDUM FOR THE SECRETARY

From: David Wilcox

Subject: Conversation with Steven Kean (Executive Vice President, ENRON Regarding the California Electricity Market

[(b)(5)]
[b](S)
This message was found to have a Critical Word in it. Message Sent to Squitieri, Ray, From Wilcox, David, CC to Chryst, Nancy; Vandivier, David; Rao, Geetha; Flanagan, Rosemary; Cononi, Rachel; Flynn, Timothy; Murphy, Edward; Hambor, John, Date 12/14/2000 2:52:41 PM, Subject of message RE: Krugman on Calif power market

-----Original Message-----
From: Wilcox, David
Sent: 12/14/2000 2:52:41 PM
Received: 12/14/2000 2:52:41 PM
To: Squitieri, Ray, EX:/O=USTREASURY/O=DO/CN=RECIPIENTS/CN=SQUITIERIR
CC: Chryst, Nancy, EX:/O=USTREASURY/O=DO/CN=RECIPIENTS/CN=CHRSTYN
Vandivier, David, EX:/O=USTREASURY/O=DO/CN=RECIPIENTS/CN=VandivierD
Rao, Geetha, EX:/O=USTREASURY/O=DO/CN=RECIPIENTS/CN=RaoG
Flanagan, Rosemary, EX:/O=USTREASURY/O=DO/CN=RECIPIENTS/CN=FLANAGANR
Cononi, Rachel, EX:/O=USTREASURY/O=DO/CN=RECIPIENTS/CN=CONONIR
Flynn, Timothy, EX:/O=USTREASURY/O=DO/CN=RECIPIENTS/CN=FlynnT
Murphy, Edward, EX:/O=USTREASURY/O=DO/CN=RECIPIENTS/CN=MURPHYE
Hambor, John, EX:/O=USTREASURY/O=DO/CN=RECIPIENTS/CN=HAMBORJ

Subject: RE: Krugman on Calif power market

Body:
Ray: This is a very interesting piece. Please address the questions in the attached to the best of your ability, then forward the result to Rosemary for processing to the Secretary tonight if at all possible.

Rosemary: Please use the following as a transmittal note from me to Larry:

The attached note, prepared by Ray Squitieri, analyzes statements made by Paul Krugman recently about the California market for electricity. It will be particularly relevant background for a call from the CEO of Enron, should that occur.

-----Original Message-----
From: Squitieri, Ray
Sent: Thursday, December 14, 2000 2:12 PM
To: Wilcox, David
Cc: Chryst, Nancy; Vandivier, David; Rao, Geetha; Flanagan, Rosemary; Cononi, Rachel; Flynn, Timothy; Murphy, Edward; Hambor, John
Subject: Krugman on Calif power market

----- End of message body

Message auditing by MicroData CAMEO Recon
To: 
David Wilcox

From: 
Ray Squitieri

Subject: 
Paul Krugman’s claims about the California power market

[(b)(5)]
year’s high wholesale power prices, and will not have time to recover these costs before the
transition rules expire in 2002. To illustrate, in recent years, these two companies, plus the
smaller San Diego Electric and Gas, have been paying about $23 billion annually to buy power.
This year, power costs have reached $850 million on some days. The result has been to add more
than $6 billion in debt over the last 7 months. This exceeds the companies’ old stranded costs,
mostly from nuclear plant investments, that had caused so much political commotion in the early
1990s. The financial situation of these two companies is precarious enough that generating
companies selling to them are now asking for letters of credit before signing contracts.

bills as long as necessary to amortize the stranded costs, but not beyond 2002. San Diego Electric
and Gas has paid off its old stranded costs, and its power rates now reflect prices in the
wholesale market. In contrast, customers of Southern California Edison and Pacific Gas and
Electric are still paying for old stranded costs, so their rates do not yet reflect this summer’s high
wholesale prices. The difference between high wholesale prices and the lower regulated rates
continues to accumulate in the stranded cost account.
This message was found to have a Critical Word in it. Message Sent to Squitieri, Ray, From Soares, Chris, CC to , Date 4/25/2001 5:28:52 PM, Subject of message RE: EPA-03-A, EPA's response to Dingell's letter on Barton's draft leg "Electricity Emergency Relief Act

Word(s) found: Enron

-----Original Message-----
From: Soares, Chris
Received: 4/25/2001 5:28:52 PM
To: Squitieri, Ray, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=SQUITIERIR
CC:
Subject: RE: EPA-03-A, EPA's response to Dingell's letter on Barton's draft leg "Electricity Emergency Relief Act
Body:
Emissions trading crossed my mind briefly yesterday as I was reading an article about restarting old plants. [(b)(5)]
POLLUTION CREDITS HAS FALLEN WELL BELOW EXPECTATIONS. IDEAS TO FIX IT ARE MIRED IN CONTROVERSY.

BYLINE: GARY POLAKOVIC, TIMES ENVIRONMENTAL WRITER

BODY:

It was supposed to be a revolutionary way to clean up the environment, a business-friendly strategy to slash industrial emissions without the heavy hand of government.

But the Southland's market basket experiment has been a serious disappointment.

The Regional Clean Air Incentives Market, or RECLAIM, has fallen well short of expectations. Eight years into the program, smog cuts have been minimal, companies are failing to meet pollution reduction targets, and proposals to rescue the operation are mired in controversy.

Manufacturers, power plants and refineries have reduced emissions by a scant 16%—much less than was anticipated by this time. Businesses were given 10 years to eliminate about 13,000 tons of pollution annually, but as the program nears its end they have eliminated just 4,144 tons, according to projections by the South Coast Air Quality Management District.

Over the course of the program, the AQMD has received a trickle of applications from companies to upgrade pollution control capacity. Air quality officials say that if the number of retrofits doesn't dramatically increase, the program will fail.

So little progress has been made that the AQMD is now telling businesses to slash their air pollution at more than twice the rate they have over the last seven years. Meanwhile, the agency estimates that industry will emit an extra 3,373 tons of health-threatening pollutants into the air this year, 14% more than it is allowed under the program.

Business representatives are divided in their reactions to the program.

PAGE 2

Los Angeles Times April 17, 2001, Tuesday,

"We're going to see the benefits of RECLAIM. It's just taking a little longer than we expected," said Bill Quinn, vice president of the California Council for Environmental and Economic Balance, which represents business and labor groups. But some companies are resisting pressure to reduce emissions. Some seek to eliminate the penalty they risk if they pollute beyond their limits. Others would like to escape the program entirely by paying a fee of $ 7.50 per pound of pollution, no matter how much smog they make. Many businesses are insisting on a fresh infusion of credits in return for cleaning up cars, boats and trucks instead of factories, smelters and refineries.

RECLAIM "hasn't done as well as the regulations it replaced," said Mike Scheible, deputy executive officer for the state Air Resources Board. "I don't think it has worked yet to achieve the emission-reduction goals that it set out to do. The reductions we've anticipated have been delayed and won't be achieved for a couple more years."

The program was launched in 1993 as the first market-driven system to clean urban air and quickly became a model for others around the world. The Los Angeles-area program, which relies on a system of trading pollution credits, was supposed to cut industrial pollution by stimulating technological innovation and reducing burdensome new costs on businesses.

Nearly 400 companies participate, including Walt Disney Co., ExxonMobil Corp. and Northrop Grumman Corp.

Each facility receives a certain number of credits representing a pound of pollution. Companies that do not pollute to maximum allowable levels can sell credits to firms that emit more than their limits. The total credit supply shrinks about 8% annually for a decade, thus trimming pollution.

The program was seriously compromised when power producers in the Los Angeles region operated far beyond pollution limits last year. Power companies gobbled emissions credits as they increased production to keep the lights on. That caused a pollution credit shortage.

The market price of a credit soared as demand outstripped supply. A credit for one pound of nitrogen oxide gas that cost an average of 25 cents in the early years of the program climbed to more than $ 50 late last year. Nitrogen oxide contributes to ozone and haze, the main ingredients in smog.
Local air quality officials and business advocates say the program was working fine until the electricity crisis.

But critics, including the U.S. Environmental Protection Agency, the state air board, environmentalists and some scholars, disagree. They say the energy crisis revealed structural flaws in the program that were bound to surface sooner or later. "The simplistic explanation as to why RECLAIM failed is the market was much more volatile than people expected and that is due to the electricity situation, an anomaly, an unmanageable spike rippling through the market. But that's not the whole story," said Tom Canaday, environmental engineer for the EPA.

Local air quality officials acknowledge that, from its inception, the program PAGE 3

Los Angeles Times April 17, 2001, Tuesday, was embedded with powerful disincentives to cut smog. That is because they seeded it with too many credits, about 40% more than real-world emissions. Credits were so plentiful and cheap for so long that companies grew addicted to buying them instead of spending more for pollution controls. The system crashed last year when manufacturers returned to the marketplace expecting to find more cheap credits, but instead discovered that power companies had bought most of them, driving up prices for the few that were left over.

All the while, air quality officials did not push business to install controls and instead trusted them to make wise choices. Indeed, that was the very goal of the program.

"For seven years, the program did absolutely nothing," said an EPA official familiar with it. "Businesses got used to cheap credits. Nobody did what they were supposed to do: responsible planning."

RECLAIM was born during an economic downturn when business groups demanded a flexible alternative to traditional regulations. Many economists and conservative politicians continue to favor market-driven programs, and such approaches are expected to figure prominently in the Bush administration's attempt to have a clean environment for less cost and red tape. Representatives of big businesses, which control about 85% of the nitrogen oxide credits, say RECLAIM has saved them money while contributing to record clean air the region experienced during the 1990s. Air quality officials ascribe most of that progress to cleaner car exhaust.

Companies saved an estimated 41% on compliance costs under RECLAIM compared to traditional regulations, although most of the savings occurred because pollution controls were delayed for so long.

At the Arco refinery in Carson, engineers searching for ways to reduce emissions under RECLAIM recently turned smog into cash. They rerouted propylene gas, a byproduct of oil refining, from boilers into a processing plant where they converted it to plastic pellets for water bottles, patio furniture and strawberry crates, reducing about 500 tons of pollutants annually.

"Now the polypropylene plant is a revenue-generating plant," said Susan Livingston, environmental manager for British Petroleum.

In trying to fix the program, AQMD officials face a difficult balancing act: They want to help lower credit prices by removing the power plants from the program. But if the credits become too cheap again, companies won't have any financial incentive to reduce emissions. It's the same scenario that made the program ineffective in the first place.

The agency's governing board meets May 11 to consider amendments to the program.

The agency is already planning to require 36 of the biggest polluters to begin submitting plans detailing how and when they will install additional pollution controls. Among those targeted are California Portland Cement in Colton, the Los Angeles Department of Water and Power, and Equilon Enterprises, which operates a refinery in Wilmington. Industry initially balked at the demand, but relented after air quality officials dropped a federal enforcement PAGE 4

Los Angeles Times April 17, 2001, Tuesday, requirement.

The AQMD governing board also approved a regulation last month to allow companies to clean up heavy-duty diesel engines in exchange for emission credits for use at factories. The EPA has not approved similar rules by the AQMD, and state air quality officials frown on the practice.

Barry R. Wallerstein, executive officer of the AQMD, said proposed changes to
RECLAIM should help restore confidence and improve the performance of the program.
"I don't think we're looking at Humpty Dumpty," he said. "The sorts of changes we are proposing will fix the difficulties the program has experienced over the last year. This is a bump in the road, a perturbation, and with rule amendments we will be back on the path of achieving the design objectives."

-----Original Message-----
From: Squitieri, Ray
Sent: Wednesday, April 25, 2001 4:00 PM
To: Soares, Chris
Subject: FW: EPA-03-A, EPA's response to Dingell's letter on Barton's draft leg
"Electricity Emergency Relief Act
Importance: High

[(b)(5)]

-----Original Message-----
From: Ellis, Dina
Sent: Wednesday, April 25, 2001 2:07 PM
To: Cetina, Jill; Cononi, Rachel; Constantine, Eleni; Flynn, Timothy; Gerardi, Geraldine; Gross, Jared; Hambor, John; Hendershot, Karen; Kiefer, Donald; Kinard, Yvette; McInerney, Roberta; Paulus, Michael; Rao, Geetha; Soares, Chris; Sokolov, Dan; Squitieri, Ray; Stokes, Veronica
Subject: FW: EPA-03-A, EPA's response to Dingell's letter on Barton's draft leg
"Electricity Emergency Relief Act
Importance: High

please take a look at this.  thanks.

-----Original Message-----
From: LLR
Sent: Wednesday, April 25, 2001 1:53 PM
To: Finch, Glenda; Brown, Lynn; Kinard, Yvette; Wiss, Barbara; 
'yvette.camp@fms.treas.gov'; 'EGRONSET@BPD.TREAS.GOV'; Parcell, John; Snowden, Carolyn; Murphy, William; Ellis, Dina
Cc: Fishburn, Andy; 'DelmarR80IG.treas.gov'; Farrell, Paula; Bailey, Ann; Maryott, Carl; 
'tricia.long@fms.treas.gov'; 'Tom.Longnecker@fms.treas.gov'; 'FHollenbach@Bpd.treas.gov'; Wilson, Carole; Granat, Rochelle; Carro, Richard; Dorsey, Karen; Levy, Ronald; McGivern, Tom; Vagle, Steven
Subject: EPA-03-A, EPA's response to Dingell's letter on Barton's draft leg "Electricity Emergency Relief Act
Importance: High

REQUEST FOR COMMENTS

Due Date: APRIL 26, 2001 12:00PM
Subject: EPA-03-A, EPA's response to Dingell's letter on Barton's draft leg "Electricity Emergency Relief Act"

[(b)(5)]

**SEE THREE ATTACHMENTS**

The views of your office are requested on this item, which has been assigned to Karen Dorsey. Please transmit your comments by e-mail to Karen Dorsey (karen.dorsey@do.treas.gov) with a copy to ALR (LLR@do.treas.gov). Use the message space of the e-mail for brief responses. For more detailed comments, please attach a separate document to your e-mail reply.

If you are not able to use e-mail to reply, you may fax your response to 622-1188. Please direct your fax to Karen Dorsey and identify the subject exactly as shown above.

To ensure the full development of the Department's position on this matter, it is important that your office provide comments by the due date. If you can't meet the deadline or need assistance, contact Karen Dorsey (622-1192) or the Legislative Staff (622-0650).

------ End of message body

Message auditing by MicroData CAMEO Recon
This message was found to have a Critical Word in it. Message Sent to Squitieri, Ray, From Gross, Jared, CC to , Date 4/5/2001 1:28:33 PM, Subject of message RE: memo to Secretary on follow-up questions

Word(s) found: Enron

-----Original Message-----
From: Gross, Jared
Sent: 4/5/2001 1:28:33 PM
Received: 4/5/2001 1:28:33 PM
To: Squitieri, Ray, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=SQUITIERIR

CC:
Subject: RE: memo to Secretary on follow-up questions

Body:
The typo comments are fine (I assume that you have already made them). I haven't found anything to provide the type of analysis Rachel suggests... do you know of anything?[(b)(5)]

[(b)(5)]

-----Original Message-----
From: Squitieri, Ray
Sent: Thursday, April 05, 2001 1:16 PM
To: Gross, Jared
Subject: FW: memo to Secretary on follow-up questions

Here are several comments by Rachel. Would you read them, decide whether any changes are necessary to your section, and if so send me a new version? Thanks.

-----Original Message-----
From: Cononi, Rachel
Sent: Tuesday, April 03, 2001 9:55 AM
To: Squitieri, Ray
Subject: memo to Secretary on follow-up questions

Ray,
I found a couple of typos on the second page of energy derivatives memo. I hadn't seen this one before. It's a great overview of how energy derivatives markets work.[(b)(5)]

<< File: NEP ONEill 3 follow up Qs 0330.doc >>

------ End of message body

Message auditing by MicroData CAMEO Recon
This message was found to have a Critical Word in it. Message Sent to alexm@calpine.com; jmackas@calpine.com; jason_s._seligman@cea.eop.gov; shg@cpuc.ca.gov; Chris.Soares@do.treas.gov; David.Wilcox@do.treas.gov; Lee.Sachs@do.treas.gov; Michelle.Greene@do.treas.gov; Ray.Squitiere@do.treas.gov; Veronica.Stokes@do.treas.gov; eisenstatl@DSMO.com; sbvanleer@duke-energy.com; joel.newton@dynegy.com; lynn.lednicky@dynegy.com; smara@enron.com; Linda Lee; dan.poffenberger@ferc.ged.us.treas.gov; pmohler@hemm.com; richard.glick@hq.doe.gov; smutany@iepa.com; karen.tomcala@pge-corp.com; cxxg2@pge.com; DHH4@pge.com; RMK4@pge.com; joebob-perkins@reliantenergy.com; marvin_k_ballard@reliantenergy.com; KMcCrea@sablaw.com; fielderjr@scce.com; harold.ray@scce.com; dread@sdge.com; wsakaria@sdge.com; rahayes@seiworldwide.com; sycapoma@seiworldwide.com; mtierney@sempra.com; sonnet.edmonds@southernenergy.com; cread@steptoe.com; temoreland@sdlaw.com; julie.greenison@troutmanmanoors.com; alex.goldberg@williams.com; 

From Martha Altamar, CC to Gaylen.Barbour@do.treas.gov; Curtis Wagner, Date 1/12/2001 9:28:23 AM, Subject of message RE: California Energy Group e-mail

-----Original Message-----
From: Martha Altamar
Sent: 1/12/2001 9:28:23 AM
Received: 1/12/2001 9:26:14 AM
To: alexm@calpine.com, SMTP:alexm@calpine.com
jmackas@calpine.com, SMTP:jmackas@calpine.com
jason_s._seligman@cea.eop.gov, SMTP:jason_s._seligman@cea.eop.gov
shg@cpuc.ca.gov, SMTP:shg@cpuc.ca.gov
Chris.Soares@do.treas.gov, SMTP:Chris.Soares@do.treas.gov
David.Wilcox@do.treas.gov, SMTP:David.Wilcox@do.treas.gov
Lee.Sachs@do.treas.gov, SMTP:Lee.Sachs@do.treas.gov
Michelle.Greene@do.treas.gov, SMTP:Michelle.Greene@do.treas.gov
Ray.Squitiere@do.treas.gov, SMTP:Ray.Squitiere@do.treas.gov
Veronica.Stokes@do.treas.gov, SMTP:Veronica.Stokes@do.treas.gov
eisenstatl@DSMO.com, SMTP:eisenstatl@DSMO.com
sbvanleer@duke-energy.com, SMTP:sbvanleer@duke-energy.com
joel.newton@dynegy.com, SMTP:joel.newton@dynegy.com
lynn.lednicky@dynegy.com, SMTP:lynn.lednicky@dynegy.com
smara@enron.com, SMTP:smara@enron.com
Linda Lee, SMTP:linda.lee@ferc.fed.us
dan.poffenberger@ferc.ged.us.treas.gov, SMTP:dan.poffenberger@ferc.ged.us.treas.gov
pmohler@hemm.com, SMTP:pmohler@hemm.com
richard.glick@hq.doe.gov, SMTP:richard.glick@hq.doe.gov
smutany@iepa.com, SMTP:smutany@iepa.com
tomcala@pge-corp.com, SMTP:tomcala@pge-corp.com
cxxg2@pge.com, SMTP:cxxg2@pge.com
DHH4@pge.com, SMTP:DHH4@pge.com
RMK4@pge.com, SMTP:RMK4@pge.com
joebob-perkins@reliantenergy.com, SMTP:joebob-perkins@reliantenergy.com
marvin_k_ballard@reliantenergy.com, SMTP:marvin_k_ballard@reliantenergy.com
KMcCrea@sablaw.com, SMTP:KMcCrea@sablaw.com
fielderjr@scce.com, SMTP:fielderjr@scce.com
harold.ray@scce.com, SMTP:harold.ray@scce.com
dread@sdge.com, SMTP:dread@sdge.com
wsakaria@sdge.com, SMTP:wsakaria@sdge.com
rahayes@seiworldwide.com, SMTP:rahayes@seiworldwide.com
Subject: RE: California Energy Group e-mail

Body:
Please add Chief Judge Wagner's name to the mailing list. His E-mail address is: curtis.wagner@ferc.gov Thanks.

Martha

>>> Linda Lee 01/12/01 08:55AM >>>
The requested address is: daniel.poffenberger@ferc.gov Thanks

>>> < Michelle.Greene@do.treas.gov > 01/12/01 08:45AM >>>
please use reply all to this message when sending items to the group (more corrected addresses have been added).
thanks.

> -----Original Message-----
> From: Greene, Michelle
> Sent: Thursday, January 11, 2001 8:16 PM
> To: Greene, Michelle; Stokes, Veronica; ' alex.goldberg@williams.com' ;
> 'Alex Makler'; 'Charles C. Read'; 'Claudia Greif'; 'Curtis Wagner Jr.';
> ' dan.poffenberger@ferc.gov.us'; Wilcox, David; 'Debra Reed'; 'Dede
> Hapner'; 'Harold B. Ray'; 'James Macias'; 'Jan Smutney Jones';
> ' jason_s seligman@cea.eop.gov'; 'Joe Bob Perkins'; 'Joel Newton'; 'John
> Fielder'; ' julia.greenisen@troutmansanders.com'; 'Karen A. Tomcala';
> 'Keith McCrea'; 'Larry Eisenstat'; Sachs, Lee; 'Linda Lee';
> ' lynn.lednicky@dynegy.com'; 'Martha Altamar'; 'Michael Tierney'; 'Paul
> Mohler'; 'Rich Glick'; 'Rob Hayes'; 'Ross Ain'; ' RHK@pge.com'; 'Sean
> Gallagher'; 'Sonnet Edmonds'; 'Steve VanLeer'; 'Steven Capomaccio'; 'Sue
> Mara'; 'Terri Moreland'; 'Tripp Ballard'; 'Wayne Sakarias'; Soares, Chris;
> Squitieri, Ray
> Cc:Barbour, Gaylen
> Subject:RE: California Energy Group - missing e-mail addresses
>
> we still have incorrect e-mail addresses for the following people:
> julie.greenisen (sp.?) (troutman sanders)
> roy kugen (sp.?) (pg&e)
> jim macias (calpine)
> dan poffenberger (sp.?) (ferc)
> if anyone knows their correct e-mails, please forward the document to them
> and add the correct version of their e-mail to this group list. thanks.

> -----Original Message-----
> From: Greene, Michelle
> Sent: Thursday, January 11, 2001 8:07 PM
> To: Stokes, Veronica; ' alex.goldberg@williams.com' ; 'Alex
> Makler'; 'Charles C. Read'; 'Claudia Greif'; 'Curtis Wagner Jr.';
> ' dan.poffenberger@ferc.gov.us'; Wilcox, David; 'Debra Reed'; 'Dede
> Hapner'; 'Harold B. Ray'; 'James Macias'; 'Jan Smutney Jones';
> ' jason_s seligman@cea.eop.gov'; 'Joe Bob Perkins'; 'Joel Newton'; 'John
> Fielder'; ' julia.greenisen@troutmansanders.com'; 'Karen A. Tomcala';
> 'Keith McCrea'; 'Larry Eisenstat'; Sachs, Lee; 'Linda Lee';
> ' lynn.lednicky@dynegy.com'; 'Martha Altamar'; 'Michael Tierney'; 'Paul
> Mohler'; 'Rich Glick'; 'Rob Hayes'; 'Ross Ain'; ' RHK@pge.com'; 'Sean
> Gallagher'; 'Sonnet Edmonds'; 'Steve VanLeer'; 'Steven Capomaccio'; 'Sue
> Mara'; 'Terri Moreland'; 'Tripp Ballard'; 'Wayne Sakarias'; Soares, Chris;
> Mara'; 'Terri Moreland'; 'Tripp Ballard'; 'Wayne Sakarias'
> Cc:Barbour, Gaylen
> Subject:RE: California Energy Group
>
> more e-mail corrections included. the document is attached. we
> will reconvene in the same conference room (6th floor, metropolitan
> square) at 9am tomorrow. any questions, please call lee sachs's office at
> 622-2245. thanks.
>
> << File: Working Group report 4.doc >>
>
> ------Original Message------
> From: Stokes, Veronica
> Sent:Thursday, January 11, 2001 4:56 PM
> To:Alex Goldberg; Alex Makler; Charles C. Read; Claudia
> Greif; Curtis Wagner Jr.; Dan Poffenberger; David Wilcox; Debra Reed; Dede
> Hapner; Harold B. Ray; James Macias; Jan Smutney Jones; Jason Seliyman;
> Joe Bob Perkins; Joel Newton; John Fielder; Julia Greenisen; Karen A.
> Tomcala; Keith McCrea; Larry Eisenstat; Lee Sachs; Linda Lee; Lynn
> Lednicky; Martha Altamar; Michael Tierney; Paul Mohler; Rich Glick; Rob
> Hayes; Ross Ain; Roy Kuga; Sean Gallagher; Sonnet Edmonds; Steve Vanleer;
> Steven Capomacco; Sue Mara; Terri Moreland; Tripp Ballard; Wayne Sakarias
> Co:Greene, Michelle; Barbour, Gaylen
> Subject:FW: California Energy Group
>
> This is a test to provide a comprehensive listing for those
> who participated in the Treasury Department California Energy Group
> meetings this week. If you know of anyone else who should be added to
> this list, please call at (202) 622-2245.
>
> << Message: California Energy Group >>

------ End of message body

Message auditing by MicroData CAMEO Recon
This message was found to have a Critical Word in it. Message
Sent to Wilcox, David; Sachs, Lee; Soares, Chris; 'Martha Altamar'; 'alexm@calpine.com'; 'jmacias@calpine.com'; 'jason_s._seligman@cea.eop.gov'; 'shg@cpcu.ca.gov'; Greene, Michelle; Squitieri, Ray; Stokes, Veronica; 'eisenstatl@DSMO.com'; 'sbvanleer@duke-energy.com'; 'joel.newton@dynergy.com'; 'lynn.ledicky@dynergy.com'; 'smara@enron.com'; 'Linda Lee'; 'dan.poffenberger@ferc.ged.gov'; 'pmohler@hwem.com'; 'richard.glick@hq.doe.gov'; 'smutany@iepa.com'; 'karen.tomcala@pge-corp.com'; 'cxg2@pge.com'; 'DxH48@pge.com'; 'RMK4@pge.com'; 'joebob.perkins@relliantenergy.com'; 'marvin.k.ballard@relliantenergy.com'; 'KMccrea@sbalaw.com'; 'fielderjr@asee.com'; 'harold.ray@asee.com'; 'dreed@sdge.com'; 'wsakaria@sdge.com'; 'rahayes@seiworldwide.com'; 'sjcapoma@seiworldwide.com'; 'mierney@sempra.com'; 'sonnet.edmonds@easternenergy.com'; 'cread@stptco.com'; 'temoreland@swilaw.com'; 'julie.greenisen@troutmanandanders.com'; 'alex.goldberg@williams.com'; '[(b)(6)]', 'Admin'; 'ronald_minsk@epd.eop.gov'; 'jmdonnell@duke-energy.com'; 'hjpodewd@duke-energy.com'; 'bbailey@duke-energy.com'; 'jjdeshane@duke-energy.com'; 'wfhall1@duke-energy.com'; 'sbvanleer@duke-energy.com'; 'rmk4@pge.com'; 'ddr0@pge.com'; 'rjp2@pge.com'; 'starckle@asee.com'; 'john.gammie@williams.com'; 'rebarriss@seiworldwide.com'; 'smfuller@seiworldwide.com'; 'dlmiller@seiworldwide.com'; 'jwholden@seiworldwide.com'; 'richard.shaipiro@enron.com'; 'robert.badeer@enron.com', From Wilcox, David, CC to Barbour, Gaylen; 'Curtis Wagner', Date 1/12/2001 5:51:26 PM, Subject of message RE: California Energy Group e-mail TEST MESSAGE

Word(s) found: Enron

-----Original Message-----
From: Wilcox, David
Sent: 1/12/2001 5:51:26 PM
Received: 1/12/2001 5:51:26 PM
To: Wilcox, David, EX:O=USTREASURY/O=DO/CN=RECIPIENTS/CN=WILCOXD Sachs, Lee, EX:O=USTREASURY/O=DO/CN=RECIPIENTS/CN=SachsL Soares, Chris, EX:O=USTREASURY/O=DO/CN=RECIPIENTS/CN=SCARESC 'Martha Altamar', SMTP:martha.altamar@ferc.fed.us 'alexm@calpine.com', SMTP:alexm@calpine.com 'jmacias@calpine.com', SMTP:jmacias@calpine.com 'jason_s._seligman@cea.eop.gov', SMTP:jason_s._seligman@cea.eop.gov 'shg@cpcu.ca.gov', SMTP:shg@cpcu.ca.gov Greene, Michelle, EX:O=USTREASURY/O=DO/CN=RECIPIENTS/CN=GREENEMI Squitieri, Ray, EX:O=USTREASURY/O=DO/CN=RECIPIENTS/CN=SQUITIERIR Stokes, Veronica, EX:O=USTREASURY/O=DO/CN=RECIPIENTS/CN=STOKESV 'eisenstatl@DSMO.com', SMTP:eisenstatl@DSMO.com 'sbvanleer@duke-energy.com', SMTP:sbvanleer@duke-energy.com 'joel.newton@dynergy.com', SMTP:joel.newton@dynergy.com 'lynn.ledicky@dynergy.com', SMTP:lynn.ledicky@dynergy.com 'smara@enron.com', SMTP:smara@enron.com 'Linda Lee', SMTP:linda.lee@ferc.fed.us 'dan.poffenberger@ferc.ged.gov', SMTP:dan.poffenberger@ferc.ged.gov 'pmohler@hwem.com', SMTP:pmohler@hwem.com 'richard.glick@hq.doe.gov', SMTP:richard.glick@hq.doe.gov 'smutany@iepa.com', SMTP:smutany@iepa.com 'karen.tomcala@pge-corp.com', SMTP:karen.tomcala@pge-corp.com 'cxg2@pge.com', SMTP:cxg2@pge.com 'DxH48@pge.com', SMTP:DxH48@pge.com
[RECIPIENTS/CN=Treasury.DOPO.ADMIN]
'ronald_minsk@opd.eop.gov', SMTP:ronald_minsk@opd.eop.gov
'jmdonnell@duke-energy.com', SMTP:jmdonnell@duke-energy.com
'hjpodewer@duke-energy.com', SMTP:hjpodewer@duke-energy.com
'bbailey@duke-energy.com', SMTP:bbailey@duke-energy.com
'ndeschane@duke-energy.com', SMTP:njdeschane@duke-energy.com
'wfhall@duke-energy.com', SMTP:wfhall@duke-energy.com
'svanleer@duke-energy.com', SMTP:svanleer@duke-energy.com
'rmk4@pge.com', SMTP:rmk4@pge.com
'ddr0@pge.com', SMTP:ddr0@pge.com
'rjp2@pge.com', SMTP:rjp2@pge.com
'staracle@sce.com', SMTP:staracle@sce.com
'john.gammie@williams.com', SMTP:john.gammie@williams.com
'reharris@seiwidowwide.com', SMTP:reharris@seiworldwide.com
'smfuller@seiwidowwide.com', SMTP:sfuller@seiworldwide.com
'dlmlner@seiwidowwide.com', SMTP:dlmlner@seiworldwide.com
'jwholden@seiwidowwide.com', SMTP:jwholden@seiworldwide.com
'richard.shapiro@enron.com', SMTP:richard.shapiro@enron.com
'robert.bade@enron.com', SMTP:robert.bade@enron.com

CC: Barbour, Caylen, EX:/O=USTREASURY/O=DO/CN=RECIPIENTS/CN=BARBOUR
'Curtis Wagner', SMTP:curtis.wagner@ferc.fed.us

Subject: RE: California Energy Group e-mail TEST MESSAGE

Body:

----- End of message body

Message auditing by MicroData CAMEO Recon
This message was found to have a Critical Word in it. Message Sent to 'Martha Altamar'; alexm@calpine.com; jmaccias@calpine.com; jason_s_seligman@cea.eop.gov; shg@cpcuc.ca.gov; Soares, Chris; Wilcox, David; Sachs, Lee; Greene, Michelle; Squitieri, Ray; Stokes, Veronica; eisenstat1@DSMO.com; sbvanleer@duke-energy.com; joel.newton@dynegy.com; lynn.lednicky@dynegy.com; smara@enron.com; Linda Lee; dan.poffenberger@ferc.ged.us.treas.gov; pmohler@hwm.com; richard.glick@hq.doe.gov; smutany@iepa.com; karen.tomcala@pge-corp.com; cxg2@pge.com; DxH4@pge.com; RMK4@pge.com; joebob-perkins@reliantenergy.com; marvin_k_ballard@reliantenergy.com; KMccrea@sablaw.com; fielddejrsce.com; harold.ray@8sce.com; dreed@edge.com; wsakaria@edge.com; rahayes@seworldwide.com; sjcapoma@seworldwide.com; mtierney@sempra.com; sonnet.edmonds@southernenergy.com; cread@steptoe.com; temoreland@swidlaw.com; julie.greenisen@troutmanskandspers.com; alex.goldberg@williams.com; From Soares, Chris, CC to Barbour, Gaylen; Curtis Wagner, Date 1/12/2001 1:33:52 PM, Subject of message RE: California Energy Group e-mail

-----Original Message-----
From: Soares, Chris
Sent: 1/12/2001 1:33:52 PM
Received: 1/12/2001 1:33:52 PM
To: 'Martha Altamar', SMTP:martha.altamar@ferc.fed.us
alexm@calpine.com, SMTP:alexm@calpine.com
jmaccias@calpine.com, SMTP:jmaccias@calpine.com
jason_s_seligman@cea.eop.gov, SMTP:jason_s_seligman@cea.eop.gov
shg@cpcuc.ca.gov, SMTP:shg@cpcuc.ca.gov
Soares, Chris, EX:/O=USTREASURY/O=DO/CN=RECIPIENTS/CN=SOARESC
Wilcox, David, EX:/O=USTREASURY/O=DO/CN=RECIPIENTS/CN=WILCOX
Sachs, Lee, EX:/O=USTREASURY/O=DO/CN=RECIPIENTS/CN=SachsL
Greene, Michelle, EX:/O=USTREASURY/O=DO/CN=RECIPIENTS/CN=GREENEMI
Squitieri, Ray, EX:/O=USTREASURY/O=DO/CN=RECIPIENTS/CN=SQUITIERIR
Stokes, Veronica, EX:/O=USTREASURY/O=DO/CN=RECIPIENTS/CN=STOKESV
eisenstat1@DSMO.com, SMTP:eisenstat1@DSMO.com
sbvanleer@duke-energy.com, SMTP:sbvanleer@duke-energy.com
joel.newton@dynegy.com, SMTP:joel.newton@dynegy.com
lynn.lednicky@dynegy.com, SMTP:lynn.lednicky@dynegy.com
smara@enron.com, SMTP:smara@enron.com
Linda Lee, SMTP:linda.lee@ferc.fed.us
dan.poffenberger@ferc.ged.us.treas.gov, SMTP:dan.poffenberger@ferc.ged.us.treas.gov
pmohler@hwm.com, SMTP:pmohler@hwm.com
richard.glick@hq.doe.gov, SMTP:richard.glick@hq.doe.gov
smutany@iepa.com, SMTP:smutany@iepa.com
karen.tomcala@pge-corp.com, SMTP:karen.tomcala@pge-corp.com
cxg2@pge.com, SMTP:cxg2@pge.com
DxH4@pge.com, SMTP:DxH4@pge.com
RMK4@pge.com, SMTP:RMK4@pge.com
joebob-perkins@reliantenergy.com, SMTP:joebob-perkins@reliantenergy.com
marvin_k_ballard@reliantenergy.com, SMTP:marvin_k_ballard@reliantenergy.com
KMccrea@sablaw.com, SMTP:KMccrea@sablaw.com
fielddejrsce.com, SMTP:fielddejrsce.com
Subject: RE: California Energy Group e-mail

Body:
Latest version of Long-Term Contracts Group report.

------ End of message body

Message auditing by MicroData CAMEO Recon
This message was found to have a Critical Word in it. Message Sent to Schmalzbach, Kenneth; Granat, Rochelle, From McHale, Stephen, CC to Adams, Tim, Date 4/4/2001 4:00:28 PM, Subject of message FW: Personal Financial Issues

Word(s) found: Enron, Jeff Skilling

-----Original Message-----
From: McHale, Stephen
Sent: 4/4/2001 4:00:28 PM
Received: 4/4/2001 4:00:28 PM
To: Schmalzbach, Kenneth, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=SchmalzbachK
Granat, Rochelle, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=Granatr
CC: Adams, Tim, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=AdamsT

Subject: FW: Personal Financial Issues

Body:
Please assign someone to work with Tim on this ASAP

-----Original Message-----
From: Adams, Tim
Sent: Wednesday, April 04, 2001 3:44 PM
To: McHale, Stephen
Cc: Aufhauser, David
Subject: Personal Financial Issues

[(b)(5), (b)(6)]

. Thanks! Tim

----- End of message body

Message auditing by MicroData CAMEO Recon
This message was found to have a Critical Word in it. Message Sent to McHale, Stephen; Schmalzbach, Kenneth, From Granat, Rochelle, CC to Adams, Tim; Rahilly, Lyn, Date 4/4/2001 4:57:46 PM, Subject of message RE: Personal Financial Issues

Word(s) found: Enron, Jeff Skilling

-----Original Message-----
From: Granat, Rochelle
Received: 4/4/2001 4:57:46 PM
To: McHale, Stephen, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=MCHALE
Schmalzbach, Kenneth, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=SMALZBACHK
CC: Adams, Tim, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=ADAMST
Rahilly, Lyn, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=RAHILLYL

Subject: RE: Personal Financial Issues
Body:

[(b)(5), (b)(6)]

-----Original Message-----
From: McHale, Stephen
Sent: Wednesday, April 04, 2001 4:00 PM
To: Schmalzbach, Kenneth; Granat, Rochelle
Cc: Adams, Tim
Subject: FW: Personal Financial Issues

Please assign someone to work with Tim on this ASAP

-----Original Message-----
From: Adams, Tim
Sent: Wednesday, April 04, 2001 3:44 PM
To: McHale, Stephen
Cc: Aufhauser, David
Subject: Personal Financial Issues

[(b)(5), (b)(6)]

Thanks! Tim

----- End of message body

Message auditing by MicroData CAMEO Recon
This message was found to have a Critical Word in it. Message Sent to McHale, Stephen, From Adams, Tim, CC to Aufhauser, David, Date 4/4/2001 3:44:19 PM, Subject of message Personal Financial Issues

Word(a) found: Enron, Jeff Skilling

-----Original Message-----
From: Adams, Tim
Received: 4/4/2001 3:44:19 PM
To: McHale, Stephen, EX: /O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=MCHALES
CC: Aufhauser, David, EX: /O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=AUFHAUSERD

Subject: Personal Financial Issues

Body:

[(b)(5), (b)(6)]

Thanks! Tim

----- End of message body

Message auditing by MicroData CAMEO Recon
This message was found to have a Critical Word in it. Message Sent to 'michale.schmitz@do.treas.gov'; McClain, Ellen; Brenner, Louis Jr; Bellew, Sandra; McCullough, I. Charles III; Langford, William; Crawford, Elise; Bouslough, Terry; Gordon, Catherine; Bodolay, Stephen, From Bodolay, Stephen, CC to McHale, Stephen; Kerner, Francine, Date 1/15/2002 10:53:52 AM, Subject of message Enron Investigations

Word(s) found: Enron

-----Original Message-----
From: Bodolay, Stephen
Sent: 1/15/2002 10:53:52 AM
Received: 1/15/2002 10:53:53 AM
To: 'michale.schmitz@do.treas.gov', SMTP:michale.schmitz@do.treas.gov
McClain, Ellen, EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=MCCLAIN
Brenner, Louis Jr, EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=BRENNERL
Bellew, Sandra, EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=BELLEWS
McCullough, I. Charles III, EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=MCCULLOUGHIC
Langford, William, EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=LANGFORDW
Crawford, Elise, EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=CRAWFORDE
Bouslough, Terry, EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=BOUSLOUGHT
Gordon, Catherine, EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GORDON
Bodolay, Stephen, EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=BODOLAYS
CC: McHale, Stephen, EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=MCHALES
Kerner, Francine, EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=KERNERF

Subject: Enron Investigations

Body:

Folks:

[(b)(5), (b)(2)]
If you have any questions, please let me know.
Thank you all for your help.
Steve

------- End of message body

Message auditing by MicroData CAMEO Recon
Thanks. I believe that the netting provisions will be a major agenda item at next week's Working Group meeting. I think it is very useful to have that discussion before meeting with the Hill staff.

Don

-----Original Message-----
From: Carleton, Norman
Sent: Thursday, February 15, 2001 10:07 AM
To: Hammond, Donald; DeMarco, Edward; Ellis, Dina; Huffman, Lucy; McInerney, Roberta; Constantine, Eleni; Hughes, Gerry; Stewart, Lawranne
Cc: Tishuk, Brian; Robbins, Eric; Paulus, Michael; Sutton, Gary; Huffman, Lucy; McGivern, Tom; Nickoloff, Peter; Schultheiss, Heidilynne; Gross, Jared
Subject: RE: Bankruptcy Reform Mark-up Hearing

Don,
Norman

-----Original Message-----
From: Hammond, Donald
Sent: Thursday, February 15, 2001 8:26 AM
To: DeMarco, Edward; Ellis, Dina; Huffman, Lucy; Carleton, Norman; McInerney, Roberta; Constantine, Eleni; Hughes, Gerry; Stewart, Lawranne
Cc: Tishuk, Brian; Robbins, Eric
Subject: RE: Bankruptcy Reform Mark-up Hearing

Ed,

[(b)(5)]

Norman,

[(b)(5)]

Don
FYI

-----Original Message-----
From:    DeMarco, Edward
Sent:    Thursday, February 15, 2001 8:22 AM
To:  Hammond, Donald; Ellis, Dina; Huffman, Lucy; Carleton, Norman; McInerney, Roberta; Constantine, Eleni; Hughes, Gerry; Stewart, Lawranne
Cc:    Tishuk, Brian; Robbins, Eric
Subject:    FW: Bankruptcy Reform Mark-up Hearing

----- Original Message ----- 
From:    Robbins, Eric
Sent:    Wednesday, February 14, 2001 5:45 PM
To:  DeMarco, Edward
Cc:    Tishuk, Brian
Subject:    Bankruptcy Reform Mark-up Hearing

H.R. 333, the "Bankruptcy Abuse Prevention and Consumer Protection Act 2001" was reported out of the House Judiciary Committee on Wednesday, February 14, 2001. During the mark-up hearing, eighteen amendments were offered with all but one amendment failing to pass. Voting occurred largely along party lines. The only amendment that passed was a technical amendment offered by Chairman Sensenbrenner. Only one Republican crossed party lines to vote for one of the seventeen other amendments that failed.

Representative Bachus (R-AL) assured the committee that he was committed to working with Representative Oxley from the Financial Services Committee on commercial bankruptcy provisions and netting requirements.

----- End of message body

Message auditing by MicroData CAMEO Recon
This message was found to have a Critical Word in it. Message Sent to Hammond, Donald; DeMarco, Edward; Ellis, Dina; Huffman, Lucy; McInerney, Roberta; Constantine, Eleni; Hughes, Gerry; Stewart, Lawanne, From Carleton, Norman, CC t Tishuk, Brian; Robbins, Eric; Paulus, Michael; Sutton, Gary; Huffman, Lucy; McGivern, Tom; Nickoloff, Peter; Schultheiss, Heidilynne; Gross, Jared, Date 2/15/2001 10:06:41 AM, Subject of message RE: Bankruptcy Reform Mark-up Hearing

Word(s) found: Enron

-----Original Message-----
From: Carleton, Norman
Sent: 2/15/2001 10:06:41 AM
Received: 2/15/2001 10:06:41 AM
To: Hammond, Donald, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=HAMMONDD
DeMarco, Edward, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=DEMARCOE
Ellis, Dina, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=EllisD
Huffman, Lucy, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=HUFFMANL
McInerney, Roberta, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=MCINEREYR
Constantine, Eleni, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=CONSTANTINEE
Hughes, Gerry, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=HUGHESG
Stewart, Lawanne, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=STEWARTLAW

CC: Tishuk, Brian, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=TISHUKB
Robbins, Eric, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=ROBBINSE
Paulus, Michael, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=PaulusM
Sutton, Gary, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=SuttonG
Huffman, Lucy, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=HUFFMANL
McGivern, Tom, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=MCGIVERNT
Nickoloff, Peter, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=NICKOLOFFP
Schultheiss, Heidilynne, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=SCHULTHEISSH
Gross, Jared, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROSSJa

Subject: RE: Bankruptcy Reform Mark-up Hearing

Body: Don,

[b][b](5)\]
Norman

-----Original Message-----
From: Hammond, Donald
Sent: Thursday, February 15, 2001 8:26 AM
To: DeMarco, Edward; Ellis, Dina; Huffman, Lucy; Carleton, Norman; McInerney, Roberta; Constantine, Eleni; Hughes, Gerry; Stewart, Lawranne
Cc: Tishuk, Brian; Robbins, Eric
Subject: RE: Bankruptcy Reform Mark-up Hearing

Ed,

[b][b](5)]

Norman,

[b][b](5)]

Don

-----Original Message-----
From: DeMarco, Edward
Sent: Thursday, February 15, 2001 8:22 AM
To: Hammond, Donald; Ellis, Dina; Huffman, Lucy; Carleton, Norman; McInerney, Roberta; Constantine, Eleni; Hughes, Gerry; Stewart, Lawranne
Cc: Tishuk, Brian; Robbins, Eric
Subject: FW: Bankruptcy Reform Mark-up Hearing

FYI

-----Original Message-----
From: Robbins, Eric
Sent: Wednesday, February 14, 2001 5:45 PM
To: DeMarco, Edward
Cc: Tishuk, Brian
Subject: Bankruptcy Reform Mark-up Hearing
H.R. 333, the "Bankruptcy Abuse Prevention and Consumer Protection Act 2001" was reported out of the House Judiciary Committee on Wednesday, February 14, 2001. During the mark-up hearing, eighteen amendments were offered with all but one amendment failing to pass. Voting occurred largely along party lines. The only amendment that passed was a technical amendment offered by Chairman Sensenbrenner. Only one Republican crossed party lines to vote for one of the seventeen other amendments that failed.

Representative Bachus (R-AL) assured the committee that he was committed to working with Representative Oxley from the Financial Services Committee on commercial bankruptcy provisions and netting requirements.

------ End of message body

Message auditing by MicroData CAMEO Recon
This message was found to have a Critical Word in it. Message Sent to Carter, Ted; Arkin, Steve; Baker, Ros; Conly, Sonia; Cumby, Robert; Davie, Bruce; DeLaVina, Lynda; Flanagan, Rosemary; Gerardi, Geraldine; Holtzblatt, Janet; Ivry, Mark; Knopf, Kevin; McCubbin, Janet; Mikrut, Joseph; Talisman, Jon; Walker, Deborah; Atkinson, Caroline; Baukol, Andrew; Budington, Michele; Ceitina, Jill; Chaves, Mary; Eichenberger, Joe; Fall, James; Geithner, Timothy; Gelpern, Anna; John, James; Lee, Nancy; Lowery, Clay; Ludden, Ken; Schuerch, William; Steckman, Louellen; Truman, Ted; Walsh, Helen; Alaigiri, Priya; Andrews, Lisa; Arnold, Thomas; Bordoff, Jason; Cameron, Art; Carter, Jana; Cohen, Alan; Comstock, Neal; Decker, Larry; Desler, Anne; Egolf, Brian; Eizenstat, Stuart; Fant, William; Flanders, Stephanie; Gathers, Shirley; Grayson, Cherry; Harvey, Reaver; Herold, Valerie; Johnson, Linda; Jones, Janet; Joseph, Verlene; Keene, Carolyn; Keller, Alan; Kim, Carol; Klasky, Helaine; Levine, Marne; Longbrake, John; Luce, Ed; Matera, Cheryl; McAlliffe, Laura; Mejia, Annabella; Meece, Holly; Muldoon, Lara; Nisan, Didem; Powell, Linda; Robertson, Linda; Sandberg, Sheryl; Smith, Michelle A.; Starks, Ora; Stern, Todd; Summers, Larry; Toobey, Frank; Valentin, Marsha; Barber, Francine; Barbours, Gaylen; Bieger, Peter; Carro, Richard; Cohen, David; Edsall, Alexandra; Greene, Michelle; Joy, David; Kellogg, Cliff; McGivern, Tom; Mc Hale, Stephen; McInerney, Roberta; Sachs, Lee; Wolin, Neal; ex.mail.JONESM; ex.mail.VJORSTAD; Adashek, Jonathan; Affleck-Smith, Joan; Baer, Greg; Barr, Michael; Bell, Rochelle; Beresik, Michael; Bree, Elisabeth; DeMarco, Edward; Foote, Norman; Gensler, Gary; Johnson, James; Lebryk, David; Ross, Lisa, From /O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOP07.VANDIVIERD, CC to , Date 11/3/2000 5:08:00 PM, Subject of message Thanks -Reply

Word(s) found: Enron

-----Original Message-----
From: /O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOP07.VANDIVIERD
Sent: 11/3/2000 5:08:00 PM
Received: 11/3/2000 5:08:16 PM
To: Carter, Ted,
EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOP04.CARTERT
Arkin, Steve,
EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOP07.ARKINS
Baker, Ros, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOP07.BAKERR
Conly, Sonia,
EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOP07.CONLYS
Cumby, Robert,
EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOP07.CUMBYR
Davie, Bruce,
EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOP07.DAVIEB
DeLaVina, Lynda,
EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOP07.DEVALINAL
Flanagan, Rosemary,
EX:/O=USTREASY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOP07.FLANAGANR
Gerardi, Geraldine,
EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOP07.GEARDIG
Holtzblatt, Janet,
EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOP07.HOLTZBLATT
Ivry, Mark, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOP07.IWRYM
Knopf, Kevin,
EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOP07.KNOPFK
McCubbin, Janet,
EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOP07.MCCUBBINJ
Mikrut, Joseph,
I will be starting work next Monday at Enron. When I have my new telephone number, E-mail, and mailing info, I will have Janet forward it to you. In the meantime, my home telephone number is [b(6)]. Again, thank you very much for being a part of my professional life.

----- End of message body

Message auditing by MicroData CAMEO Recon
This message was found to have a Critical Word in it. Message Sent to Carter, Ted; Arkin, Steve; Baker, Ros; Conly, Sonia; Cumby, Robert; Davie, Bruce; DeLaVina, Lynda; Flanagan, Rosemary; Gerardi, Geraldine; H

-----Original Message-----
From: /O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM3.DOPO5.ROBERTSONL
Sent: 11/3/2000 4:31:00 PM
Received: 11/3/2000 4:31:30 PM
To: Carter, Ted,

-----Original Message-----
From: /O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM3.DOPO5.ROBERTSONL
Sent: 11/3/2000 4:31:00 PM
Received: 11/3/2000 4:31:30 PM
To: Carter, Ted,
I will be starting work next Monday at Enron. When I have my new telephone number, E-mail, and mailing info, I will have Janet forward it to you. In the meantime, my home telephone number is (b)(6). Again, thank you very much for being a part of my professional life.

------- End of message body

Message auditing by MicroData CAMEO Recon
From: Constantine, Eleni
Sent: Wednesday, February 20, 2002 6:57 PM
To: SearchCameo
Subject: CAMEO Recon found a word: Enron sent by Hammond, Donald to Carleton, Norman; DeMarco, Edward; Ellis, Dina; Huffman, Lucy; McInerney, Roberta; Constantine, Eleni; Hughes, Gerry; Stewart, Lawranne on 2/15/2001 10:24:49 AM

This message was found to have a Critical Word in it. Message Sent to Carleton, Norman; DeMarco, Edward; Ellis, Dina; Huffman, Lucy; McInerney, Roberta; Constantine, Eleni; Hughes, Gerry; Stewart, Lawranne, From Hammond, Donald, CC to Tishuk, Brian; Robbins, Eric; Paulus, Michael; Sutton, Gary; Huffman, Lucy; McGivern, Tom; Nickoloff, Peter; Schultheiss, Heidilynne; Gross, Jared, Date 2/15/2001 10:24:49 AM, Subject of message RE: Bankruptcy Reform Mark-up Hearing

Word(s) found: Enron

-----Original Message-----
From: Hammond, Donald
Sent: 2/15/2001 10:24:49 AM
Received: 2/15/2001 10:24:49 AM
To: Carleton, Norman, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=CARLETONN
DeMarco, Edward, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=DEMARCO
Ellis, Dina, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=EllisD
Huffman, Lucy, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=HUFFMANL
McInerney, Roberta, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=MCIENERNEYR
Constantine, Eleni, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=CONSTANTINEE
Hughes, Gerry, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=HUGHESG
Stewart, Lawranne, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=STEWARTLAW

CC: Tishuk, Brian, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=TISHUKB
Robbins, Eric, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=ROBBINSE
Paulus, Michael, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=PaulusM
Sutton, Gary, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=SuttonG
Huffman, Lucy, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=HUFFMANL
McGivern, Tom, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=MCGIVERNT
Nickoloff, Peter, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=NICKOLOFFP
Schultheiss, Heidilynne, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=SCHULTHEISSH
Gross, Jared, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GrossJa

Subject: RE: Bankruptcy Reform Mark-up Hearing

Body:

Norman,

Thanks. I believe that the netting provisions will be a major agenda item at next week's Working Group meeting. I think it is very useful to have that discussion before meeting with the Hill staff.

Don

-----Original Message-----
From: Carleton, Norman
Sent: Thursday, February 15, 2001 10:07 AM
To: Hammond, Donald; DeMarco, Edward; Ellis, Dina; Huffman, Lucy; McInerney, Roberta; Constantine, Eleni; Hughes, Gerry; Stewart, Lawranne
Cc: Tishuk, Brian; Robbins, Eric; Paulus, Michael; Sutton, Gary; Huffman, Lucy; McGivern, Tom; Nickoloff, Peter; Schultheiss, Heidilynne; Gross, Jared
Subject: RE: Bankruptcy Reform Mark-up Hearing

Don,
Norman

-----Original Message-----
From: Hammond, Donald
Sent: Thursday, February 15, 2001 8:26 AM
To: DeMarco, Edward; Ellis, Dina; Huffman, Lucy; Carleton, Norman; McInerney, Roberta;
Constantine, Eleni; Hughes, Gerry; Stewart, Lawranne
Cc: Tishuk, Brian; Robbins, Eric
Subject: RE: Bankruptcy Reform Mark-up Hearing

Ed,

[(b)(5)]

Norman,

[(b)(5)]

Don
FYI

H.R. 333, the "Bankruptcy Abuse Prevention and Consumer Protection Act 2001" was reported out of the House Judiciary Committee on Wednesday, February 14, 2001. During the mark-up hearing, eighteen amendments were offered with all but one amendment failing to pass. Voting occurred largely along party lines. The only amendment that passed was a technical amendment offered by Chairman Sensenbrenner. Only one Republican crossed party lines to vote for one of the seventeen other amendments that failed.

Representative Bachus (R-AL) assured the committee that he was committed to working with Representative Oxley from the Financial Services Committee on commercial bankruptcy provisions and netting requirements.
From: Constantine, Eleni
Sent: Wednesday, February 20, 2002 8:24 PM
To: SearchCameo
Subject: CAMEO Recon found a word: Enron, Jeff Skilling sent by Paulus, Michael to McInerney, Roberta; Constantine, Eleni on 3/15/2001 6:02:02 PM

This message was found to have a Critical Word in it. Message Sent to McInerney, Roberta; Constantine, Eleni, From Paulus, Michael, CC to , Date 3/15/2001 6:02:02 PM, Subject of message FW: Enron Meeting Request

Word(s) found: Enron, Jeff Skilling

-----Original Message-----
From: Paulus, Michael
Sent: 3/15/2001 6:02:02 PM
Received: 3/15/2001 6:02:02 PM
To: McInerney, Roberta; Constantine, Eleni
CC: Paulus, Michael; McInerney, Roberta; Constantine, Eleni
Subject: FW: Enron Meeting Request

Body:

Please see below. Any thoughts?

-----Original Message-----
From: Ellis, Dina
Sent: Thursday, March 15, 2001 5:59 PM
To: Fisher, Peter; Paulus, Michael; Carleton, Norman
CC: Gross, Jared
Subject: RE: Enron Meeting Request

seems ok to me...should be run through GC.

-----Original Message-----
From: Fisher, Peter
Sent: Thursday, March 15, 2001 5:31 PM
To: Paulus, Michael; Ellis, Dina; Carleton, Norman
CC: Gross, Jared
Subject: RE: Enron Meeting Request

I also see no reason to object.

-----Original Message-----
From: Paulus, Michael
Sent: Thursday, March 15, 2001 5:27 PM
To: Ellis, Dina; Fisher, Peter; Carleton, Norman
CC: Gross, Jared
Subject: Enron Meeting Request

Jeff Skilling, President and CEO of Enron has requested a meeting with the Secretary for April 5 to discuss the West Coast energy crisis. I see no reason to object. Thoughts?

----- End of message body

Message auditing by MicroData CAMEO Recon
This message was found to have a Critical Word in it. Message Sent to Granat, Rochelle, From Constantine, Eleni, CC to McInerney, Roberta, Date 3/15/2001 6:06:53 PM, Subject of message FW: Enron Meeting Request

Word(s) found: Enron, Jeff Skilling

-----Original Message-----
From: Constantine, Eleni
Sent: 3/15/2001 6:06:53 PM
Received: 3/15/2001 6:06:53 PM
To: Granat, Rochelle, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GRANATR
CC: McInerney, Roberta, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=MCINERNEYR
Subject: FW: Enron Meeting Request
Body:
FYI

-----Original Message-----
From: Paulus, Michael
Sent: Thursday, March 15, 2001 6:02 PM
To: McInerney, Roberta; Constantine, Eleni
Subject: FW: Enron Meeting Request

Please see below. Any thoughts?

-----Original Message-----
From: Ellis, Dina
Sent: Thursday, March 15, 2001 5:59 PM
To: Fisher, Peter; Paulus, Michael; Carleton, Norman
Cc: Gross, Jared
Subject: RE: Enron Meeting Request

seems ok to me...should be run through GC.

-----Original Message-----
From: Fisher, Peter
Sent: Thursday, March 15, 2001 5:31 PM
To: Paulus, Michael; Ellis, Dina; Carleton, Norman
Cc: Gross, Jared
Subject: RE: Enron Meeting Request

I also see no reason to object.

-----Original Message-----
From: Paulus, Michael
Sent: Thursday, March 15, 2001 5:27 PM
To: Ellis, Dina; Fisher, Peter; Carleton, Norman
Cc: Gross, Jared
Subject: Enron Meeting Request

Jeff Skilling, President and CEO of Enron has requested a meeting with the Secretary for April 5 to discuss the West Coast energy crisis. I see no reason to object. Thoughts?
----- End of message body

Message auditing by MicroData CAMEO Recon
This message was found to have a Critical Word in it. Message Sent to Paulus, Michael; McInerney, Roberta, From Constantine, Eleni, CC to , Date 3/16/2001 1:47:33 PM, Subject of message RE: Enron Meeting Request

Word(s) found: Enron, Jeff Skilling

-----Original Message-----
From: Constantine, Eleni
Sent: 3/16/2001 1:47:33 PM
Received: 3/16/2001 1:47:33 PM
To: Paulus, Michael, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=PaulusM
    McInerney, Roberta, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=MCINERNEYR

CC: Subject: RE: Enron Meeting Request
Body:
Michael, Ken Schmalzbach has asked for more information on how this requests came in and what the purpose of the meeting is. I'm at 2-1934 if you want to just give me a call. thx

-----Original Message-----
From: Paulus, Michael
Sent: Thursday, March 15, 2001 6:02 PM
To: McInerney, Roberta; Constantine, Eleni
Subject: FW: Enron Meeting Request

Please see below. Any thoughts?

-----Original Message-----
From: Ellis, Dina
Sent: Thursday, March 15, 2001 5:59 PM
To: Fisher, Peter; Paulus, Michael; Carleton, Norman
Cc: Gross, Jared
Subject: RE: Enron Meeting Request

seems ok to me...should be run through GC.

-----Original Message-----
From: Fisher, Peter
Sent: Thursday, March 15, 2001 5:31 PM
To: Paulus, Michael; Ellis, Dina; Carleton, Norman
Cc: Gross, Jared
Subject: RE: Enron Meeting Request

I also see no reason to object.

-----Original Message-----
From: Paulus, Michael
Sent: Thursday, March 15, 2001 5:27 PM
To: Ellis, Dina; Fisher, Peter; Carleton, Norman
Cc: Gross, Jared
Subject: Enron Meeting Request

Jeff Skilling, President and CEO of Enron has requested a meeting with the Secretary for
April 5 to discuss the West Coast energy crisis. I see no reason to object. Thoughts?

------- End of message body

Message auditing by MicroData CAMEO Recon
This message was found to have a Critical Word in it. Message Sent to Granat, Rochelle, From Constantine, Eleni, CC to McInerney, Roberta, Date 3/15/2001 6:06:53 PM, Subject of message FW: Enron Meeting Request

Word(s) found: Enron, Jeff Skilling

-----Original Message-----
From: Constantine, Eleni
Sent: 3/15/2001 6:06:53 PM
Received: 3/15/2001 6:06:53 PM
To: Granat, Rochelle, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GRANATR
CC: McInerney, Roberta, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=MCINERNEYR
Subject: FW: Enron Meeting Request

Body:
FYI

-----Original Message-----
From: Paulus, Michael
Sent: Thursday, March 15, 2001 6:02 PM
To: McInerney, Roberta; Constantine, Eleni
Subject: FW: Enron Meeting Request

Please see below. Any thoughts?

-----Original Message-----
From: Ellis, Dina
Sent: Thursday, March 15, 2001 5:59 PM
To: Fisher, Peter; Paulus, Michael; Carleton, Norman
Cc: Gross, Jared
Subject: RE: Enron Meeting Request

seems ok to me...should be run through GC.

-----Original Message-----
From: Fisher, Peter
Sent: Thursday, March 15, 2001 5:31 PM
To: Paulus, Michael; Ellis, Dina; Carleton, Norman
Cc: Gross, Jared
Subject: RE: Enron Meeting Request

I also see no reason to object.

-----Original Message-----
From: Paulus, Michael
Sent: Thursday, March 15, 2001 5:27 PM
To: Ellis, Dina; Fisher, Peter; Carleton, Norman
Cc: Gross, Jared
Subject: Enron Meeting Request

Jeff Skilling, President and CEO of Enron has requested a meeting with the Secretary for April 5 to discuss the West Coast energy crisis. I see no reason to object. Thoughts?
----- End of message body

Message auditing by MicroData CAMEO Recon
This message was found to have a Critical Word in it. Message Sent to McInerney, Roberta; Constantine, Eleni, From Paulus, Michael, CC to , Date 3/15/2001 6:02:02 PM, Subject of message FW: Enron Meeting Request

Word(s) found: Enron, Jeff Skilling

-----Original Message-----
From: Paulus, Michael
Sent: 3/15/2001 6:02:02 PM
Received: 3/15/2001 6:02:02 PM
To: McInerney, Roberta, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=MCI
END-RECEIVED
Constantine, Eleni, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=CONSTANTINEE

CC: 
Subject: FW: Enron Meeting Request
Body:

Please see below. Any thoughts?

-----Original Message-----
From: Ellis, Dina
Sent: Thursday, March 15, 2001 5:59 PM
To: Fisher, Peter; Paulus, Michael; Carleton, Norman
Cc: Gross, Jared
Subject: RE: Enron Meeting Request

seems ok to me...should be run through GC.

-----Original Message-----
From: Fisher, Peter
Sent: Thursday, March 15, 2001 5:31 PM
To: Paulus, Michael; Ellis, Dina; Carleton, Norman
Cc: Gross, Jared
Subject: RE: Enron Meeting Request

I also see no reason to object.

-----Original Message-----
From: Paulus, Michael
Sent: Thursday, March 15, 2001 5:27 PM
To: Ellis, Dina; Fisher, Peter; Carleton, Norman
Cc: Gross, Jared
Subject: Enron Meeting Request

Jeff Skilling, President and CEO of Enron has requested a meeting with the Secretary for April 5 to discuss the West Coast energy crisis. I see no reason to object. Thoughts?

----- End of message body

Message auditing by MicroData CAMEO Recon
This message was found to have a Critical Word in it. Message Sent to Paulus, Michael; McInerney, Roberta, From Constantine, Eleni, CC to , Date 3/16/2001 1:47:33 PM, Subject of message RE: Enron Meeting Request

Word(s) found: Enron, Jeff Skilling

-----Original Message-----
From: Constantine, Eleni
Sent: 3/16/2001 1:47:33 PM
Received: 3/16/2001 1:47:33 PM
To: Paulus, Michael, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=PaulusM
    McInerney, Roberta, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=MCINERNEYR

CC:
Subject: RE: Enron Meeting Request

Body:
Michael, Ken Schmalzbach has asked for more information on how this requests came in and what the purpose of the meeting is. I'm at 2-1934 if you want to just give me a call. thx

-----Original Message-----
From: Paulus, Michael
Sent: Thursday, March 15, 2001 6:02 PM
To: McInerney, Roberta; Constantine, Eleni
Subject: FW: Enron Meeting Request

Please see below. Any thoughts?

-----Original Message-----
From: Ellis, Dina
Sent: Thursday, March 15, 2001 5:59 PM
To: Fisher, Peter; Paulus, Michael; Carleton, Norman
Cc: Gross, Jared
Subject: RE: Enron Meeting Request

seems ok to me...should be run through GC.

-----Original Message-----
From: Fisher, Peter
Sent: Thursday, March 15, 2001 5:31 PM
To: Paulus, Michael; Ellis, Dina; Carleton, Norman
Cc: Gross, Jared
Subject: RE: Enron Meeting Request

I also see no reason to object.

-----Original Message-----
From: Paulus, Michael
Sent: Thursday, March 15, 2001 5:27 PM
To: Ellis, Dina; Fisher, Peter; Carleton, Norman
Cc: Gross, Jared
Subject: Enron Meeting Request

Jeff Skilling, President and CEO of Enron has requested a meeting with the Secretary for
April 5 to discuss the West Coast energy crisis. I see no reason to object. Thoughts?

------- End of message body

Message auditing by MicroData CAMEO Recon
This message was found to have a Critical Word in it. Message Sent to Granat, Rochelle, From Schmalzbach, Kenneth, CC to Aufhauser, David; Cohen, David; McHale, Stephen, Date 3/16/2001 10:00:55 AM, Subject of message RE: Enron Meeting Request

Word(s) found: Enron, Jeff Skilling

-----Original Message-----
From: Schmalzbach, Kenneth
Sent: 3/16/2001 10:00:55 AM
Received: 3/16/2001 10:00:55 AM
To: Granat, Rochelle, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GRANATR
CC: Aufhauser, David, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=AufhauserD
     Cohen, David, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=CohenD
     McHale, Stephen, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=MCHALES

Subject: RE: Enron Meeting Request

Body:

[(b)(5)]

-----Original Message-----
From: Granat, Rochelle
Sent: Friday, March 16, 2001 8:58 AM
To: Schmalzbach, Kenneth
Subject: FW: Enron Meeting Request

How does this fit into our process?

-----Original Message-----
From: Constantine, Eleni
Sent: Thursday, March 15, 2001 6:07 PM
To: Granat, Rochelle
Cc: McInerney, Roberta
Subject: FW: Enron Meeting Request

FYI

-----Original Message-----
From: Paulus, Michael
Sent: Thursday, March 15, 2001 6:02 PM
To: McInerney, Roberta; Constantine, Eleni
Subject: FW: Enron Meeting Request

Please see below. Any thoughts?

-----Original Message-----
From: Ellis, Dina
Sent: Thursday, March 15, 2001 5:59 PM
To: Fisher, Peter; Paulus, Michael; Carleton, Norman
Cc: Gross, Jared
Subject: RE: Enron Meeting Request

seems ok to me...should be run through GC.
I also see no reason to object.

Jeff Skilling, President and CEO of Enron has requested a meeting with the Secretary for April 5 to discuss the West Coast energy crisis. I see no reason to object. Thoughts?
This message was found to have a Critical Word in it. Message Sent to Squitieri, Ray; Sachs, Lee; Paulus, Michael; Greene, Michelle; Gross, Jared, From Schultheiss, Heidilynne, CC to Carleton, Norman; Nikoloff, Peter; Soares, Chris; Cetina, Jill, Date 1/2/2001 2:23:12 PM, Subject of message SF Chronicle Article on Cal Energy Situation

Word(s) found: Enron, Kenneth Lay

-----Original Message-----

From: Schultheiss, Heidilynne
Sent: 1/2/2001 2:23:12 PM
Received: 1/2/2001 2:23:12 PM
To: Squitieri, Ray, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=SQUITIERIR
Sachs, Lee, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=SachsL
Paulus, Michael, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=PaulusM
Greene, Michelle, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GREENEMI
Gross, Jared, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GrossJa

CC: Carleton, Norman, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=CARLETCONN
Nikoloff, Peter, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=NICKOLOFFP
Soares, Chris, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=SCARESC
Cetina, Jill, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=CETINAJ

Subject: SF Chronicle Article on Cal Energy Situation

Body:
This was sent to me by a former DoE employee who now works for an private-sector energy company in Houston. It's a good, comprehensive background piece. Unfortunately I don't have it in electronic form, and the hardcopy (margin) format is a bit strange.

> December 31, 2000 (SF Chronicle)
> Genesis Of State's Energy Fiasco/String of bad decisions on deregulation
> could end up costing consumers $40 billion
> Christian Berthelsen
> 
> Next month, about 10 million Californians may begin paying as much as
> 30 percent more for electricity, in a maddening coda to one of the most
> costly public policy mistakes ever made.
> When the state's leaders started moving the energy system toward
> deregulation six years ago, they envisioned a brand new day in which
> utility companies' long-standing monopoly would be broken and rates would
> decline by as much as 25 percent.
> Instead, when it is over, it may cost customers of the state's
> investor-owned utilities $40 billion, perhaps more. In the coming year, it could
> harm the world's sixth-largest economy and send a ripple effect throughout
> the globe for those dependent on California's continued prosperity.
> This is the story of what went wrong with deregulation, and how
> planning lapses, serious policy blunders -- and warnings that came too late -- set
> California's two main utilities, Pacific Gas & Electric Co. and Southern
> California Edison, toward a train wreck.
> Power plant construction lagged while demand expanded. Leaders
> misjudged how much competition there would be to supply California with juice. And
> flawed deregulation laws left utilities and their customers at the mercy
> of power companies, extracting the highest price for electricity.
> "There was a blind adherence to free-market ideology that couldn't
possibly work," said Eugene Coyle, a former utility securities analyst, economist and early opponent of deregulation. "There were poorly thought-out specifics."

In the early 1990s, businesses were fleeing the state amid the worst economic times since the Great Depression. Energy rates were 50 percent higher than they were on average across the nation, because of commitments to more expensive, environmentally friendly power and cost overruns for nuclear power plant construction.

Large customers such as steel makers, mining concerns and cement makers, for which electricity costs made up 25 percent of their overhead, saw that independent power producers were offering power much more cheaply. They began to insist on change.

The United States had deregulated long-distance telephone service, airlines and a host of other industries, often with resulting competition that was a boon to consumers. Why not do the same for electricity?

So California embarked on a pioneering experiment. In 1993 and 1994, the California Public Utilities Commission began to draft such a policy. It allowed large users to buy power directly from independent producers and froze customer rates at artificially high levels so utilities could recover their investments in costly plants.

The utilities sought to have the terms codified in law, and in early 1996, a number of bills were introduced in the Legislature to do so.

Some observers say that what happened next contributed to the overall plan's flaws. Months passed while the discussion meandered and faltered, and at one point it even appeared that no law would be passed.

That's when state Sen. Steve Peace took the reins and tried to make something happen.

The San Diego legislator already had won the respect of his colleagues for his work on another complex piece of legislation, reform of the workers' compensation system.

During a hurried two-week conference in August -- dubbed the "Steve Peace death march" for his propensity to keep negotiators at the table late into the night -- the fine points of the energy law were hashed out.

Legislators entrusted their judgment to Peace and the few colleagues who worked on the bill. There was an abiding sense by a number of participants that few members of either house knew what was in the bill or even understood it. It was passed by both houses of the Legislature unanimously and signed into law the following month.

"People were grateful to Peace and (former Sen. Diane) Martinez for taking it on," said Debra Bowen, D-Los Angeles, the current chair of the Senate energy committee. "Historically, utilities were a pretty boring topic, and I think term limits factored into it."

The law was to end the monopolistic control that utilities held over both power production and supply by requiring them to sell off their generators. It set rates artificially high so they could recover money from bad investments. And it gave them nearly two years to prepare for competition.

Moreover, residential customers would be granted an immediate 10 percent rate cut.

The system took effect April 1, 1998, and, at first, things seemed to work well. Soon, though, there were warning signs.

It turned out the residential rate cut was actually going to be financed with $7.5 billion in bonds that customers had to pay off. So the reduction in real terms was closer to only 3 percent, not 10 percent.

Then in early 1999, the California Energy Commission, which tracks the state's supply and demand, was warning of coming supply shortfalls.

Demand was skyrocketing, the agency pointed out in a Senate energy committee hearing, and no new significant generation had been built in a decade. Without more power, California was going to run out. But construction of new power plants takes at least two years from start to finish, and the state was already running behind in accommodating the growth.

Back in the early 1990s, however, the energy commission had painted a far different picture. At that time, California had an oversupply of power, perhaps as much as 30 percent more than it needed.

There was so much that when the utilities commission set up an auction
for the construction of new facilities in the early 1990s, Edison and San Diego Gas and Electric Co. appealed to the Federal Energy Regulatory Commission to halt the auction, arguing there was already too much generation in California. The FERC obliged.

"If anybody had told us in 1996, or even in 1998, that we would experience such load increases, we would have said, 'You're crazy,'" said D.J. Smith, a lobbyist for the California Large Energy Consumers Association and one of the top advocates of deregulation. "Nobody had ever seen load go up like that in a mature situation."

Still, production figures from Edison Electric Institute, which provide a crude indicator of demand, show consumption grew by 4 percent in 1996, 3.4 percent in 1997, nearly 5 percent in 1999, and a whopping 10 percent this year.

And surrounding states, including Arizona, Nevada, Oregon and Washington, began to experience the same demand growth. Since California imported as much as 25 percent of its power from those states, the amount available was suddenly reduced by as much as half.

But considering the long time it takes to build plants, in part because of public opposition, the warnings were too little, too late. In fact, the situation remained far off the radar screen of consumers, since most were still insulated from price spikes by a rate freeze.

Then this summer, things started to spiral out of control. San Diego was the first region to meet the conditions necessary for full deregulation, and as hot summer months added to demand, customers' bills suddenly tripled.

The debt load of PG&E and Edison began to balloon -- to what will be an estimated $11 billion by the end of 2000 -- as they borrowed to pay for power while being barred from passing that cost on to consumers.

Suddenly, the glow of deregulation had lost its luster.

It immediately became clear that California's failure to build power plants as its rapidly growing economy pushed demand upward was a serious problem. Increasingly, the state's growing technology economy depended on electricity, and new home construction concentrated in hot areas like Riverside and San Bernardino counties, where air conditioning is a must.

And for all the talk of competition, there was a serious flaw that made the market singularly uncompetitive.

In order to encourage generators to create as much power as possible, deregulation guaranteed the highest price for wholesale electricity.

Through a process known as the "market clearing price," the last bidders -- who are invariably the most expensive -- set the price everyone would receive. In other words, if the first generator bids $30 for a certain amount of megawatts but the last bids $100, those two bidders and everyone in between receive $100. As the wholesale price of electricity skyrocketed to $1,500 per megawatt hour this month from $30 before the storm, the high cost has been compounded by the fact that everyone receives that amount.

Further, the law had encouraged utilities to sell their generators and existing electricity supply without guaranteeing access to affordable power.

Rather than arranging to buy power on long-term contracts that could have saved money, they were put in the position of having to buy their power on a market where profit was the ultimate goal, and they and their consumers had to pay the price.

Perhaps in the biggest misjudgment, policymakers neglected the huge amount of money it takes to run power companies and attract customers. Thus, they overestimated how much competition would flourish in the market.

Running power companies is so costly -- $500 million to build a new plant -- that only a handful of companies bought into the market. And once they were here, the marketing cost of signing up new customers was astronomical.

Indeed, since choice has become available to California, less than 1 percent of residential customers has changed electricity providers.

The same goes for just 15 percent to 20 percent of industrial customers -- the class that advocated deregulation in the first place.

At the end of the day, this experiment in deregulation has come at a staggering cost: $40 billion. That includes the $23 billion already paid by customers when rates were frozen at artificially high levels, and the
>$7.5 billion in bonds financing consumers' own rate reduction.
>$ Now a new tab is running -- whatever share of the $11 billion in debt
>$ that state utility regulators decide customers should pay.
>$ The state's leaders are now casting around desperately for solutions to
>$ put Humpty Dumpty back together again.
>$ The FERC is encouraging the utilities to enter long-term contracts with
>$ suppliers, and market clearing pricing is under review. The state's
>$ utilities commission will decide Jan. 4 how much of a rate increase to
>$ grant to PG&E and Edison. And a dozen or so power plants are under
>$ construction.
>$ Meanwhile, consumer advocates are backing a state ballot measure that
>$ would not only re-regulate utilities but essentially make energy supply a
>$ government function. And they are challenging the utilities' efforts to
>$ pass on their debts to consumers, noting they have also reaped windfall
>$ profits from selling electricity.
>$ For example, in the quarter covering the summer months when power costs
>$ first went haywire, PG&E's profits amounted to $225 million, a 22 percent
>$ increase over the same period in the previous year.
>$ In the short term, the state is considering ways to encourage energy
>$ conservation the same way it did with water. And the question now being
>$ asked is whether a commodity as central to the well-being of the economy
>$ should ever have been placed almost entirely under the control of free
>$ enterprise.
>$ "There's a discussion on how much we want to rely on market forces
>$ alone when it comes to electricity," Bowen said. "Do we want to subject
>$ ourselves to times when rates are really low and really high?"

>----- POWER DeregULATION CHRONOLOGY ----
>-April 1994: California Public Utilities Commission indicates it favors deregulation.
>-October 1995: Framework of deregulation laid out in memorandums between large users,
>energy providers and utilities. --
>-January 1996: Bills introduced in legislature to codify
>deregulation plan. --
>-August 1996: The "Steve Peace death march" hashes out fine points of law. It passes both
>houses unanimously. --
>-Sept. 23, 1996: Gov. Pete Wilson signs the deregulation bill. --
>-April 1, 1998: After a four-month delay, deregulation begins. --
>-June 2000: San Diego has satisfied conditions for deregulation, and the rate cap there is
>lifted. Shortages drive prices up 300 percent in some cases. --
>-September 2000: The utilities begin to warn of billions in mounting debt and seek an end
>to the rate cap that has prevented them from passing costs on to customers. --
>-November, December 2000: More shortages put energy system in state of perpetual crisis,
despite fall being a season of traditional low demand; state regulators consider
>utilities' requests for rate increases. A decision is expected Jan. 4.

>----- PLAYERS IN THE DeregULATION DRAMA ----
>-Steve Peace:
>-Toked control of the legislative process while a state senator and drove
>deregulation into law. --
>-D.J. Smith:
>-Lobbyist for large, industrial electricity customers and an early
>advocate of deregulation. --
>-Diane Martinez:
>-As state senator, helped with the deregulation legislation. --
>-Greg Conlan:
>-Sympathetic to industrial consumers with high bills while serving on
>the California Public Utilities Commission. --
>-Pete Wilson:
>-Saw deregulation as an answer to California's then-ailing economy. --
>-Kenneth Lay:
>-Noted in 1997, as chief executive of Enron Corp. in Houston, that
>little competition had emerged. "It's like California announced a party but
>nobody's showing up," he said. --
>-Gordon Smith:
>-As chief executive of PG&E, supported deregulation, at one point noting
there had been a "ceiling on our profits" under the old system.
> E-mail Christian Berthelsen at cberthelsen@sfchronicle.com.
> -----------------------------------------------
> Copyright 2000 SF Chronicle

------ End of message body

Message auditing by MicroData CAMEO Recon
This message was found to have a Critical Word in it. Message Sent to Hammond, Donald; DeMarco, Edward; Ellis, Dina; Huffman, Lucy; McInerney, Roberta; Constantine, Eleni; Hughes, Gerry; Stewart, Lawanne; From Carleton, Norman, CC to Tishuk, Brian; Robbins, Eric; Paulus, Michael; Sutton, Gary; Huffman, Lucy; McGivern, Tom; Nickoloff, Peter; Schultheiss, HeidiLynne; Gross, Jared, Date 2/15/2001 10:06:41 AM, Subject of message RE: Bankruptcy Reform Mark-up Hearing

Word(s) found: Enron

----Original Message----
From: Carleton, Norman
Sent: 2/15/2001 10:06:41 AM
Received: 2/15/2001 10:06:41 AM
To: Hammond, Donald, Ex:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=HAMMONDD
DeMarco, Edward, Ex:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=DEMARCOE
Ellis, Dina, Ex:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=EllisD
Huffman, Lucy, Ex:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=HUFFMANL
McInerney, Roberta, Ex:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=MCINERNEYR
Constantine, Eleni, Ex:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=CONSTANTEE
Hughes, Gerry, Ex:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=HUGHESSG
Stewart, Lawanne, Ex:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=STEWARTLAW

CC: Tishuk, Brian, Ex:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=TISHUKB
Robbins, Eric, Ex:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=ROBBINSE
Paulus, Michael, Ex:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=PaulusM
Sutton, Gary, Ex:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=SuttonG
Huffman, Lucy, Ex:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=HUFFMANL
McGivern, Tom, Ex:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=MCGIVERNT
Nickoloff, Peter, Ex:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=NICKOLOFFP
Schultheiss, HeidiLynne, Ex:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=SchultheissH
Gross, Jared, Ex:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GrossJa

Subject: RE: Bankruptcy Reform Mark-up Hearing
Body:
Don,
Norman

-----Original Message-----
From: Hammond, Donald
Sent: Thursday, February 15, 2001 8:26 AM
To: DeMarco, Edward; Ellis, Dina; Huffman, Lucy; Carleton, Norman; McInerney, Roberta; Constantine, Eleni; Hughes, Gerry; Stewart, Lawranne
Cc: Tishuk, Brian; Robbins, Eric
Subject: RE: Bankruptcy Reform Mark-up Hearing

Ed,

[(b)(5)]

Norman,

[(b)(5)]

Don

-----Original Message-----
From: DeMarco, Edward
Sent: Thursday, February 15, 2001 8:22 AM
To: Hammond, Donald; Ellis, Dina; Huffman, Lucy; Carleton, Norman; McInerney, Roberta; Constantine, Eleni; Hughes, Gerry; Stewart, Lawranne
Cc: Tishuk, Brian; Robbins, Eric
Subject: FW: Bankruptcy Reform Mark-up Hearing

FYI

-----Original Message-----
From: Robbins, Eric
Sent: Wednesday, February 14, 2001 5:45 PM
To: DeMarco, Edward
Cc: Tishuk, Brian
Subject: Bankruptcy Reform Mark-up Hearing
H.R. 333, the "Bankruptcy Abuse Prevention and Consumer Protection Act 2001" was reported out of the House Judiciary Committee on Wednesday, February 14, 2001. During the mark-up hearing, eighteen amendments were offered with all but one amendment failing to pass. Voting occurred largely along party lines. The only amendment that passed was a technical amendment offered by Chairman Sensenbrenner. Only one Republican crossed party lines to vote for one of the seventeen other amendments that failed.

Representative Bachus (R-AL) assured the committee that he was committed to working with Representative Oxley from the Financial Services Committee on commercial bankruptcy provisions and netting requirements.

End of message body

Message auditing by MicroData CAMEO Recon
From: Affleck-Smith, Joan
Sent: Wednesday, February 20, 2002 5:51 PM
To: SearchCameo
Subject: CAMEO Recon found a word: Enron sent by /O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOP07.VANDIVERD to Carter, Ted; Arkin, Steve; Baker, Ros; Conly, Sonia; Cumby, Robert; Davie, Bruce; DeLaVina, Lynda; Flanagan, Rosemary; Gerardi, Geraldine;

This message was found to have a Critical Word in it. Message Sent to Carter, Ted; Arkin, Steve; Baker, Ros; Conly, Sonia; Cumby, Robert; Davie, Bruce; DeLaVina, Lynda; Flanagan, Rosemary; Gerardi, Geraldine; Holtzblatt, Janet; Ivry, Mark; Knopf, Kevin; McCubbin, Janet; Mikrut, Joseph; Talisman, Jon; Walker, Deborah; Atkinson, Caroline; Baulk, Andrew; Budaingen, Michele; Cetina, Jill; Chaves, Mary; Eichenberger, Joe; Fall, James; Geithner, Timothy; Gelpern, Anna; John, James; Lee, Nancy; Lowery, Clay; Ludden, Ken; Schuerch, William; Stedman, Louellen; Truman, Ted; Walsh, Helen; Alagiri, Priya; Andrews, Lisa; Arnold, Thomas; Bordoff, Jason; Cameron, Art; Carter, Jana; Cohen, Alan; Comstock, Neal; Decker, Larry; Desler, Anne; Egolf, Brian; Eizenstat, Stuart; Fant, William; Flanders, Stephanie; Gather, Shirley; Grayson, Cherry; Harvey, Reavis; Helm, Valerie; Johnson, Linda; Jones, Janet; Joseph, Verlene; Keene, Carolyn; Keller, Alan; Kim, Carol; Klasky, Helaine; Levine, Marne; Longbrake, John; Luce, Ed; Manta, Cheryl; McLaurife, Laura; Meja, Annabella; Merer, Holly; Muldoon, Lara; Nisand, Didem; Powell, Linda; Robertson, Linda; Sandberg, Sheryl; Smith, Michelle A.; Stark, Ora; Stern, Todd; Summers, Larry; Toobey, Frank; Valenti, Marsha; Barber, Francine; Barbour, Gaylen; Bieger, Peter; Caro, Richard; Cohen, David; Edsall, Alexandra; Greene, Michelle; Joy, David; Kellogg, Cliff; McGovern, Tom; McHale, Stephen; McInerney, Roberto; Sachs, Lee; Wolin, Neal; ex.mail.JONESM; ex.mail.VJORDAD; Adashek, Jonathan; Affleck-Smith, Joan; Baer, Gregory; Barr, Michael; Bell, Rochelle; Beresik, Michael; Bressee, Elisabeth; DeMarco, Edward; Poote, Norman; Ginsler, Gary; Johnson, James; Lebryk, David; Ross, Lisa, From /O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOP07.VANDIVERD, CC to , Date 11/3/2000 5:08:00 PM, Subject of message Thanks -Reply

-----Original Message-----
From: /O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOP07.VANDIVERD
Sent: 11/3/2000 5:08:00 PM
Received: 11/3/2000 5:08:16 PM
To: Carter, Ted,

-----Original Message-----
From: /O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOP07.VANDIVERD
Sent: 11/3/2000 5:08:00 PM
Received: 11/3/2000 5:08:16 PM
To: Carter, Ted,

-----Original Message-----
From: /O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOP07.VANDIVERD
Sent: 11/3/2000 5:08:00 PM
Received: 11/3/2000 5:08:16 PM
To: Carter, Ted,

-----Original Message-----
From: /O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOP07.VANDIVERD
Sent: 11/3/2000 5:08:00 PM
Received: 11/3/2000 5:08:16 PM
To: Carter, Ted,

-----Original Message-----
From: /O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOP07.VANDIVERD
Sent: 11/3/2000 5:08:00 PM
Received: 11/3/2000 5:08:16 PM
To: Carter, Ted,
McHaile, Stephen,

EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM3.DOPO6.MCHALE

McInerney, Roberta,

EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM3.DOPO6.MCINERNEYR

Sachs, Lee, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM3.DOPO6.SACHSL

Wolin, Neal, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM3.DOPO6.WOLINN

ex.mail.JONESM, GNOME:ex.mail.JONESM

ex.mail.VJOSTAD, GNOME:ex.mail.VJOSTAD

Adashek, Jonathan, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=ADASEKJ

Affleck-Smith, Joan, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=AFFLECK-SMITH

Baer, Gregory, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=BAERG

Barr, Michael, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=BARRM

Bell, Rochelle, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=BELLR

Beresik, Michael, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=BERESIKM

Bresee, Elisabeth, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=CREASEE

DeMarco, Edward, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=DEMARCOE

Foote, Norman, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=FOOTE

Gensler, Gary, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GENSLERG

Johnson, James, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=JOHNSONJE

Lebryk, David, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=LEBRYKID

Ross, Lisa, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=RossL

CC:

Subject:  Thanks -Reply

Body:

[OUTSIDE SCOPE]

>>> Linda Robertson 11/03/00 04:31pm >>>

[OUTSIDE SCOPE]

I will be starting work next Monday at Enron. When I have my new telephone number, E-mail, and mailing info, I will have Janet forward it to you. In the meantime, my home telephone number is [(b)(6)] ____________________________ . Again, thank you very much for being a part of my professional life.

----- End of message body

Message auditing by MicroData CAMEO Recon
This message was found to have a Critical Word in it. Message Sent to Carter, Ted; Arkin, Steve; Baker, Ros; Conly, Sonia; Cumby, Robert; Davie, Bruce; DeLaVina, Lynda; Flanagan, Rosemary; Gerardi, Geraldine; Holtzblatt, Janet; Ivry, Mark; Knopf, Kevin; McCubbin, Janet; Mikrut, Joseph; Talisman, Jon; Vandivier, David; Walker, Deborah; Atkinson, Caroline; Baukol, Andrew; Budington, Michele; Cetina, Jill; Chaves, Mary; Eichenberger, Joe; Fall, James; Geithner, Timothy; Gelpert, Anna; John, James; Lee, Nancy; Lowery, Clay; Ludden, Ken; Schuerch, William; Stedman, Louellen; Truman, Ted; Walsh, Helen; Alagiri, Priya; Andrews, Lisa; Arnold, Thomas; Bordoff, Jason; Cameron, Art; Carter, Jana; Cohen, Alan; Comstock, Neal; Decker, Larry; Desler, Anne; Egolf, Brian; Elzenstat, Stuart; Fatt, William; Flanders, Stephanie; Gatherer, Shirley; Grayson, Cherry; Harvey, Reavis; Herold, Valerie; Johnson, Linda; Jones, Janet; Joseph, Verlene; Keene, Carolyn; Keller, Alan; Kim, Carol; Klasky, Helaine; Levine, Marne; Longbrake, John; Luce, Ed; Matera, Cheryl; McCauliffe, Laura; Meda, Annabella; Moore, Holly; Muldoon, Lara; Nisanci, Didem; Powell, Linda; Robertson, Linda; Sandberg, Sheryl; Smith, Michelle A.; Starks, Orr; Stern, Todd; Summers, Larry; Toohoon, Frank; Valentic, Marsha; Barber, Francine; Barbour, Gaylen; Bieger, Peter; Carro, Richard; Cohen, David; Edsall, Alexandra; Greene, Michelle; Joy, David; Kellogg, Cliff; McGivern, Tom; McHale, Stephen; McNerney, Roberts; Sachs, Lee; Wolin, Neal; ex.mail.JONESM; ex.mail.VORSTAD; Adashek, Jonathan; Affleck-Smith, Joan; Baer, Gregory; Barr, Michael; Bell, Rochelle; Beresik, Michael; Breeze, Elisabeth; DeMarco, Edward; Foote, Norman; Gensler, Gary; Johnson, James; Lebray, David; Ross, Lisa, From: /O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM3.DOPO5.ROBERTSON, CC to , Date 11/3/2000 4:31:00 PM, Subject of message Thanks

-----Original Message-----
From: /O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM3.DOPO5.ROBERTSON
Sent: 11/3/2000 4:31:00 PM
Received: 11/3/2000 4:31:30 PM
To: Carter, Ted,
EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM3.DOPO4.CARTERT
  Arkin, Steve,
EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOPO7.ARKINS
  Baker, Ros, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOPO7.BAKERR
  Conly, Sonia,
EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOPO7.CONGLYS
  Cumby, Robert,
EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOPO7.CUMBYR
  Davie, Bruce,
EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOPO7.DAVIEB
  DeLaVina, Lynda,
EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOPO7.DELAVINAL
  Flanagan, Rosemary,
EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOPO7.FLANAGANR
  Gerardi, Geraldine,
EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOPO7.GERARDIG
  Holtzblatt, Janet,
EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOPO7.HOLTZBLATTJ
  Ivry, Mark, EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOPO7.IWRYM
  Knopf, Kevin,
EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOPO7.KNOPFK
  McCubbin, Janet,
EX:/O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM13.DOPO7.MCCUBBINJ
  Mikrut, Joseph,
McGovern, Tom,
EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM3.DOPO6.MCGIVERNT
McHale, Stephen,
EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM3.DOPO6.MCHALE
McInerney, Roberta,
EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM3.DOPO6.MCINERNEY
Sachs, Lee, EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM3.DOPO6.SACHSL
Wolin, Neal, EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GROUPWISE/CN=DOM3.DOPO6.WOLINN
ex.mail.JONESM, GWISE:ex.mail.JONESM
ex.mail.VJORSTAD, GWISE:ex.mail.VJORSTAD
Adashek, Jonathan, EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=ADASHEKJ
Affleck-Smith, Joan, EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=AFFLECK-SMITH
Baer, Gregory, EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=BAERG
Barr, Michael, EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=BARRM
Bell, Rochelle, EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=BELLR
Beresik, Michael, EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=BERESIKM
Bresee, Elisabeth, EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=BRESEEE
DeMarco, Edward, EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=DEMARCOE
Foose, Norman, EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=FOOTEN
Gensler, Gary, EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=GENSLEGR
Johnson, James, EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=JOHNSONJE
Lebryk, David, EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=LEBRYKID
Ross, Lisa, EX:O=USTREASURY/OU=DO/CN=RECIPIENTS/CN=ROSSL

CC:
Subject: Thanks
Body:

[OUTSIDE SCOPE]

I will be starting work next Monday at Enron. When I have my new telephone number, E-mail, and mailing info, I will have Janet forward it to you. In the meantime, my home telephone number is [(b)(6)]. Again, thank you very much for being a part of my professional life.

------ End of message body

Message auditing by MicroData CAMEO Recon
Norm Carleton (our client) is coordinating an interagency study of the retail swap market as required by last year's Commodity Futures Modernization Act [(b)(5)]
Here is our list of organizations/individuals that we propose to interview for the retail swaps study:

[(b)(5)]
Enron
[(b)(5)]

----- End of message body
Message auditing by MicroData CAMEO Recon