

Index of Relevant Material

Submitter (Party Name)	California Parties
Index Exh. No.	CA-258
Privileged Info (Yes/No)	Yes
Document Title	Transcript of trader conversation.
Document Author	Joe Knauth (Reliant) call with second party
Doc. Date (mm/dd/yyyy)	6/22/00
Specific finding made or proposed	<p>Prices in the ISO and PX Spot Markets before October 2, 2000 were not consistent with Sellers' market-based rate tariffs and those of the ISO and PX.</p> <p>Reliant withheld from the market.</p> <p>Reliant placed units on "reserve shutdown" meaning that it shut the plant down for economic reasons when no maintenance was required, during times when the ISO had declared a system emergency.</p> <p>Reliant submitted bids in the ISO and PX Markets in order to exercise market power.</p> <p>Reliant shared non-public generation outage information.</p> <p>Reliant participated in collusive acts.</p> <p>Seller withholding and other market manipulation, not buyer underscheduling, led to forced reliance on the Real-Time Market.</p>
Time period at issue	Before 10/2000
Docket No(s) and case(s) finding pertains to *	EL00-95 and EL00-98 (including all subdockets)
Indicate if Material is New or from the Existing Record (include references to record material)	New
Explanation of what the evidence purports to show	Reliant trader informed energy trader from another company that Reliant planned to shut down its units for economic reasons, and that the second trader should expect to see higher real time prices. Reliant trader discusses bids and bidding strategies with other trader.
Party/Parties performing any alleged manipulation	Reliant

* This entry is not limited to the California and Northwest Docket Numbers.

WAV CONVERSATION TRANSCRIPTION

Reliant-Knauth Yeah, yeah.

No. 2 What do you say?

Reliant-Knauth Nada.

No. 2 What are you doing?

Reliant-Knauth Nada.

No. 2 How's everything going?

Reliant-Knauth Pretty well.

No. 2 Good.

Reliant-Knauth Not to shabby.

No. 2 Good, Good, Good.

Reliant-Knauth How about you?

No. 2 Did you guys crank up some units over there?

Reliant-Knauth It's working now.

No. 2 Right, right.

No. 2 Not expecting much out of the imbalance market today.

Reliant-Knauth No, I'm not either.

No. 2 I'm not expecting much out of the PX here in 5 minutes.

Reliant-Knauth I'm not either.

No. 2 Exactly.

Reliant-Knauth But who knows -- we just sold some 110's down in South Path.

No. 2. Did ya?

Reliant-Knauth Yep.

No. 2 That ain't bad.

No. 2 Ah, hey you want to maybe go to lunch today?

Reliant-Knauth Yeah.

No. 2 Pizza Tolis?

Reliant-Knauth Yeah.

No. 2 Done.

Reliant-Knauth What?

No. 2 I said, done, I'll do that. I'll call you back.

Reliant-Knauth Alright -- we'll see what this PX does, but I don't -- I talked to Jean, Jean said that Duke thinks it will come off -- Alonzo thinks it will come off, Jean thinks it will go up.

No. 2 Well.

Reliant-Knauth Knowing what I know -- what has taken place in the last couple of days.

No. 2 A-huh.

Reliant-Knauth I mean, this will prove if we have affected the market or not, basically.

No. 2 Well, I think you have.

Reliant-Knauth Yeah.

No. 2 I think indeed you have, and I think it showed up yesterday afternoon.

Reliant-Knauth Yeah. I got about \$400,000 (grand) in my pocket today.

No. 2 What's that?

Reliant-Knauth I got \$400,000 (grand) from the exposit that says that we did.

No. 2 Exactly. And then ya'll cranked up your units?

Reliant-Knauth I don't know.

No. 2 Yeah.

Reliant-Knauth As far as you know.

No. 2 Right.
[personal conversation removed]

Reliant-Knauth What do you think the PX will do today? High 80s?, high 70s?

No. 2 I don't know -- I hope not. I mean we sold low and we bought index . So we'll see. We could get roughed up here?

Reliant-Knauth You sold what?

No. 2 Uh, 93s or whatever.

Reliant-Knauth And you bought index?

No. 2 Yeah.

Reliant-Knauth Then you hope it's smaller?

No. 2 Oh yeah, yeah I hope so, I bet it's in the mid-70s.

Reliant-Knauth We'll see.

No. 2 Guarantee it is -- [silence]... Alright Jer.

Reliant-Knauth All right guy.

No. 2 We'll talk and we will definitely go to lunch.

Reliant-Knauth OK.

No. 2 Alright.