[redacted]

IN01-3-000

PUBLIC

Non-Public Appendix to Order Directing
Williams Energy Marketing & Trading Company and
AES Southland, Inc., to Show Cause
Docket No. IN01-3-000

The following narrative sets forth facts revealed by the investigation conducted by the Commission staff that preceded the Order to Show Cause. These facts provide the principal basis for the show cause order. In addition, Table 1 to this Appendix contains an estimate of total net operating revenue to Williams relative to this matter.

For the period April 25 through April 29, Williams has stated that a tube leak rendered Alamitos Unit 4 unavailable. For the period April 30 through May 5, Williams has stated that a need to replace burners and repair a drip line leak rendered Alamitos 4 unavailable. For the period May 6 through May 11, Williams first indicated that the high cost of nitrogen oxides (NOx) credits forced Huntington Beach 2 out. Williams later stated that this unit was forced out to permit cleaning of cooling water circulation tunnels at the unit.

ALAMITOS 4

AES identified a tube leak in February or March, 2000 at elevation 6 of Alamitos 4. On April 11, 2000, AES faxed an outage notice to Williams stating that Alamitos Unit 4 would be out of service for five days beginning April 25, 2000, because of a boiler tube leak. After the outage began, AES faxed Williams another outage notice, extending the outage six additional days to permit AES to repair burners and a heater drip line leak. According to Brian White, a plant manager at Alamitos, on April 11, 2000, AES chose an advance date for the outage because AES wanted to have a maintenance outage instead of a forced outage and thereby avoid a potential penalty under the Tolling Agreement. See Attachment 1 (Williams IN00-1118 and 1113). The repair required sectioning of the leaking tube and replacing the leaking section with a new section of approximately two feet of boiler tube. The repair was completed in about two days.

Mr. White told the Commission staff that he inspected the inside of the boiler while the boiler tube was being repaired. Alamitos 4 has an inverted boiler, meaning that the burners are located at the top of the boiler and a sky-climber was used to inspect them. The boiler has 24 burners. Mr. White told the Commission staff that he found that six of the burners needed replacement or repair, and that he then decided to extend the outage to do this work. Mr. White stated that he found rips in the stainless steel flexible gas hoses that feed the burners and that he also found burned burner panels, including gas horns and hoses. The burner repair work took approximately seven days. Two of the burners could not be repaired during this time. Because AES had not yet installed a computerized maintenance management system to replace one that Southern California

Edison (Edison) had used when it was the owner of the Alamitos plant, parts had to be manually inventoried during April and May 2000. AES needed to order new parts to perform the work on the burners. The outage was extended shortly after April 25, 2000 to permit this work to be done. Mr. White stated that the burner repair work could have been done at a different time, that the best approach was to perform the repair before the summer peak season and that safety reasons led him to recommend that the burners be repaired upon discovery. In an e-mail dated April 21, 2000, several days before Mr. White inspected the inside of the boiler, Mr. White requested repair of the tube leak, burners and a "casing leak" at Alamitos 4. See Attachment 1 (AES Document 551). The e-mail appears to indicate that Mr. White knew before the April 25 outage that burners at Alamitos 4 needed to be repaired.

A leak on the 6th point heater drip line at Alamitos 4 that was detected in February was also repaired during the April 25 through May 5 outage. This line takes condensate from the 6th point heater to the condenser. The line sits in a concrete channel below the plant floor. Salt from the ground water infiltrates into the concrete channel, and therefore the drip line should be perfectly sealed to prevent contamination of the feed water circuit. According to Mr. White, parts of the bottom of the drip line corroded, permitting impure water to be drawn into the condenser. The result was detectable sodium levels in the boiler water, causing chemical imbalances in the boiler water which can cause damage to the boiler tubes. Mr. White stated that the line could not be repaired during an outage in February 2000, because of the lead time needed to order replacement pipe and time needed to perform the repair. He further stated that had he not discovered the burner damage, the line repair would have awaited another unit outage. It took approximately nine days to remove the old line and to install the new one. Repair of the line leak was completed approximately two days after the repair of the burners was completed.

Williams records on audio tape conversations between its dispatchers and AES plant personnel and conversations between its dispatchers and ISO personnel.[1] In two conversations, Williams' outage coordinator, Rhonda Morgan, told an AES plant employee that Williams wanted the outage to run long. In the second of these, an AES employee with authority over the Alamitos plant stated that AES could do some summer preparation work to extend the outage.

---

[1]Personnel participating in the tapes conversations are not clearly identified in all conversations. In some cases, the Commission was required to draw reasonable inferences regarding the identity of participants.

In particular, on April 27, 2000, Ms. Morgan stated to an AES employee that, "if your Unit 4 outage runs long and if you need more time, we don't have a problem with that" and "if you need more time, just let us know." Ms. Morgan then explained the reason Williams wanted the shutdown extended: because the ISO was paying "a premium" for use of the non-RMR unit. She concluded that "that's one reason it wouldn't hurt Williams' feelings if the outage ran long." Ms. Morgan then stated that if AES extended the outage, Williams "could probably give [AES] a break on availability," apparently meaning that Williams would not count Alamitos 4 as "unavailable" during the additional days of the outage. (AES is required under its operating contract with Williams, known as the Tolling Agreement, to keep units available a minimum number of hours throughout the contract year. Mr. White's request for repairs noted that Alamitos 4 was very low on availability. Not counting as "unavailable" hours during which Alamitos 4 would be off-line during this outage would permit AES to declare Alamitos 4 "unavailable" for a comparable period at another time.) Ms. Morgan then advised the AES employee that Williams would not give AES a cut of the profit Williams would obtain from the extension of the outage, just the "break" on availability.

Later that day, Eric Pendergraft, a high-ranking AES employee, followed up this conversation, expressing his understanding that "you guys were saying that it might not be such a bad thing if it took us a little while longer to do our work." Morgan responded by saying "we're not trying to talk yous [sic] into doin' it but it wouldn't hurt, you know, we wouldn't like throw a fit if it took any longer." Mr. Pendergraft responded: "Then you wouldn't hit us for availability?" Ms. Morgan agreed, adding "I don't wanna do something underhanded, but if there's work you can continue to do . . ." Mr. Pendergraft stated, "I understand. You don't have to talk anymore." He then stated that "We probably oughta have things we'd like to do in preparation for the summer, so . . . that might work out." AES extended the Alamitos 4 outage through May 5 to do maintenance work on the burners and the 6th point heater drip line.

In another conversation that occurred in early to mid April, an AES employee asked whether Williams would substitute Alamitos 1 and 2 for Alamitos 4 so that AES could "tune[] up" Alamitos 4 "for the summer." The burner and drip line repairs may have been the summer maintenance items at issue.

HUNTINGTON BEACH 2

On May 5, 2000, AES faxed an outage notice to Williams stating that Huntington Beach 2 would be shut down the following day for reasons relating to the emission of

nitrogen oxides (NOx).[2] Shortly thereafter, AES faxed another outage notice stating that the unit would be taken out for three days to permit "divers to inspect circ. tunnels." AES sent a subsequent outage notice stating that the unit would be taken out to "dredge" the circulation tunnels. See Attachment 1 (Williams IN00-1363 and 1376). Rhonda Morgan, Williams' outage coordinator, told the Commission staff that she could not remember an incident in which AES had given different reasons (e.g., NOx and circulation tunnels) for the same outage.

The circulation tunnels are conduits that provide ocean water to cool the plant's condenser. The water heated by this process is then returned to the ocean. Two sets of grates ("grizzlies" and "traveling screens") prevent trash carried by the water from entering the condenser but mussel larvae are too small for the grates to intercept. The larvae mature into adult mussels in the tunnels between the grates and the condenser. The mussels die and their shells clog the condenser. This is a longstanding problem that is commonly known in the industry.

Huntington Beach 1 was shut-down for several weeks in April 2000. When it started up on May 1, the action of circulation pumps for Unit 1 stirred up debris, including mussel shells, in the circulation tunnels, which caused blocking of the condenser for the unit. On May 2, 3 and 4, AES crews entered the waterboxes that house Unit 1's condenser and removed the debris. AES declared a forced outage for Huntington Beach 2 beginning on May 6. AES hired divers to enter the tunnels and survey the situation. The divers discovered debris in the tunnels. AES extended the outage to dredge the debris from the tunnels. Approximately three days after the inspection, the divers returned to begin the dredging. Removed material included sludge, mussel shells and other debris. Huntington Beach 2 was unavailable for approximately four weeks due to this work.

Terry Kunz, a plant manager for Huntington Beach, told the Commission staff that AES took over operational decisions at the plant not long after May 1998, when it

---

[2]AES is solely responsible for operating the Alamitos and Huntington Beach plants in compliance with prevailing emission requirements, including requirements maintained by the South Coast Air Quality Management District. While Williams has authority to dispatch units under the Tolling Agreement, Mark Woodruff, the president of AES Southland, Inc., told staff that whether a unit is made available for dispatch may depend in part on AES' ability to operate the unit consistent with emission requirements.

acquired it from Edison.[3] He told Commission staff that until that time, Edison routinely "heat treated" the tunnels to kill mussel larvae. This process, which occurred about every five to seven weeks, involved reintroducing a portion of the ocean water that had been heated by the condenser back into the loop that led to the condenser instead of routing the heated water out to the ocean. This relooping increased the temperature of the water in the circulation tunnels, thereby killing the mussel larvae and possibly other microorganisms as well. This procedure decreases the plants' output when the treatment is occurring because the warmer water is less effective in cooling the condenser. Mr. Kunz told the Commission staff that AES canceled the heat treatment because it did not want to reduce output. AES did not substitute a new method to abate mussel larvae growth. AES only increased cleaning of the grizzlies, which Mr. Kunz told Commission staff is ineffective to control the larvae. The circulation tunnels were not dredged in the 20 years of Mr. Kunz's tenure at the plant prior to May 2000. Mark Woodruff, the president of AES Southland, Inc., declined in an interview with Commission staff to state any position on whether AES' operation of the circulation tunnels complied with industry norms.

Shortly after the shutdown of Huntington Beach 2, the ISO hired an independent consultant with the engineering firm of Black & Veatch to conduct an on-site inspection of the circulation tunnels at the unit. The draft report that the consultant submitted, a copy of which the ISO provided to the staff, concluded that "typical good utility practices should have prevented this type of problem."[4]

AES's apparent decision not to heat treat the circulation tunnels at the Huntington Beach plant was inconsistent with the relevant RMR agreement, which requires Williams to heat treat cooling water tunnels at the RMR plants.[5] When Edison owned the plant, it

---

[3]As a condition of the sale of the Alamitos and Huntington Beach plants, Edison and AES executed maintenance agreements for each plant, pursuant to which Edison agreed to maintain the plants for a two year period ending May 15, 2000. The maintenance agreements state that AES "may take an active role in determining what Work should be done." Operation and Maintenance Agreement, Article 6, page 7.

[4]"Huntington Beach Power Plant: Draft Technical Evaluation of the Forced Outage," page 11. The 36 page report, undated and unsigned, is a non-public document.

[5]Huntington Beach RMR Agreement, filed April 13, 1999, in Docket Nos. ER98-441-000 and ER99-2550-000, at Schedule A(3), p. 5. The agreement recites in pertinent part:

(continued...)

regularly heat treated the water in the cooling tunnels and consequently successfully minimized mussel shell build-up. The Tolling Agreement, filed with the Commission, and the RMR agreement executed by the ISO and Williams, require AES to observe good industry practice.

AES took approximately four weeks to perform the dredging. As mentioned above, divers began the dredging work three days after they completed the inspection. Only one diver was ever in the circulation tunnels at any one time. The diving team worked in one eight-to-ten hour shift per day. AES waited until the entire job was completed before restarting the plant. However, according to Mr. Kunz, the part of the circulation tunnels upstream from the traveling screens could have been dredged with the plant running. Further, the entire system was dredged, although the plant must have operated previously with at least some of the debris in the tunnels. The system could have been completely dredged during a planned outage. The Black & Veatch draft report concluded that AES's rate of repair "would appear to fall outside of good utility practice" and that AES "deviated from the established [Edison] Heat Treatment program" "without sufficient investigation."[6]

Four additional factors appear to be relevant. First, the ISO's total payments to Williams were higher for the four day period beginning May 8 than they would have been had any of AES's four non-RMR units other than Alamitos 5 been available for

---

[5](...continued)

> The cooling water tunnel for each Unit must be heat-treated simultaneously for 14 hours every six weeks. If it can do so, Owner shall conduct simultaneous heat treatment of both Units' cooling water tunnels during Market Transactions, and shall notify ISO when it conducts such heat treatment. If Owner cannot conduct such heat treatment during Market Transactions, it shall notify ISO of that fact, and ISO shall issue in lieu of the next Dispatch Notice it would otherwise issue for either Unit, a Dispatch Notice for each Unit such that each Unit's total output is within the range specified below for the same 14-hour period, unless the Owner was able to conduct such heat treatment during Market Transactions prior to the time such Dispatch Notice was issued.

[6]Huntington Beach Power Plant: Draft Technical Evaluation of the Forced Outage, at 11-12.

dispatch. The other four non-RMR units had minimum run requirements lower than the 70 MW minimum run requirement of Alamitos Unit 5. AES declared forced outages for each of these four non-RMR units on May 6 or 7. Second, Williams could have sold Alamitos Unit 5's output into the market on each day beginning May 6 because the unit was available to operate. Had it done so, the ISO would not have had to call Alamitos 5 as a non-RMR unit at the maximum bid price. In fact, on May 16, the day the ISO informed AES that the ISO would investigate this matter, Williams began selling Alamitos 5 into the market. By not selling Alamitos 5 into the market in the eight days prior to May 16, Williams received approximately $3.7 million through non-RMR dispatches. Third, AES could take an extended outage at Huntington Beach 2 without penalty under the Tolling Agreement because it had already achieved the guaranteed availability for the unit of 86 percent for the 12-month period ending May 31.[7] Thus, while the outage at this unit allowed Williams to receive additional revenue, it did not decrease revenue to AES. Finally, Mr. Woodruff told the Commission staff that AES does not recognize any need to operate an RMR unit differently than a non-RMR unit.

In addition, some of Williams' taped telephone conversations relate to the outage at Huntington Beach 2. AES first stated that it would shut down Huntington Beach 2 because operating the unit would consume a substantial number of NOx credits. On May 5, 2000, employees of Williams and AES discussed that AES planned to shut down several units, including Huntington Beach 2, an RMR unit, on May 6. The Williams employee laughed, saying "that's weird." The AES employee responded, "Yeah. They're playing games." The AES employee added that AES was "mad because of emission credits, or afraid they're all going to get used up or something." The AES employee explained that the ISO did not want to pay for the NOx credits, so AES "said screw it, we'll bring on [Alamitos Unit] 4 and we're gonna make all the other units unavailable." He added that "it's just some big game they're playing right now." The Williams and AES personnel laughed throughout the conversation regarding AES' shutdown plan, calling the events "pretty wild" and "kinda interesting."

Sometime later on May 5, 2001, AES faxed Williams a forced outage request for Huntington Beach 2 that stated, "Unit 2 unavailable due to NOx limitations." (See Attachment 1; Williams Document Number 1376.) Rhonda Morgan, the Williams outage coordinator, asked Ed Blackford, a senior AES employee, about it. Ms. Morgan and Mr. Blackford stated that the matter was discussed by Timothy Loposer, the senior Williams employee responsible for marketing power from the AES units, and senior AES employees. Mr. Blackford then stated that the ISO's compensation formula for NOx

---

[7] See Tolling Agreement, Schedule 4.2.

credits was insufficient for AES to recover the actual cost of the credits. When Ms. Morgan conveyed this reason to another Williams employee, the latter employee was unsure whether AES could use this reason to make units, including the RMR unit, unavailable. He asked Ms. Morgan, "Don't you think that looks kinda squirrely?" She agreed.

A Williams employee then informed the ISO that Huntington Beach 2 would be shut down. The ISO coordinator stated that the ISO would deny the requested outage, unless AES designated it as a forced outage, in which case the ISO would have no choice but to accept the outage. When the Williams employee stated that Williams was calling a forced outage, the ISO coordinator made sure that this was clear. The reason Williams gave for the outage was NOx limitations. The ISO coordinator said that he couldn't understand that reason, and the Williams employee admitted that he couldn't understand it either.

In a subsequent telephone conversation that day, Ms. Morgan of Williams clarified to the ISO that the price of NOx credits was the reason for the forced outage. The ISO coordinator responded that Williams or AES should "buy some more, they're cheap." When Ms. Morgan explained that she understood that the ISO would not pay AES the current costs of the credits, the ISO coordinator responded, "So take some of that money that you just raped us out of Alamitos 4 and buy some damn credits." Ms. Morgan laughed and said, "Good answer, man." The ISO coordinator later stated in the same conversation, "So there's actually nothing wrong with the units. They're just trying to conserve [NOx]," and Ms. Morgan agreed.

Ms. Morgan then spoke with an attorney for AES, Anthony Maldanado. Mr. Maldanado explained that AES was no longer claiming that it could not operate the unit because of NOx limitations. Instead, AES had another reason: Mussel shell build up in the circulation tunnels of Huntington Beach 2. Ms. Morgan then conveyed this information to the ISO coordinator, who replied, "Well, I just have to go by what they're saying." In a subsequent conversation with the ISO, the ISO coordinator pressed Ms. Morgan whether the outages were forced, and she said yes. When the ISO coordinator asked Ms. Morgan whether the NOx issue was still involved, Ms. Morgan said no, "that was my confusion." However, as set forth in earlier conversations, Ms. Morgan indicated that she understood fully the earlier reasons proffered for the outage. The ISO coordinator did not accept the new reason that Williams proffered. He stated that he used to work at the Huntington Beach plant and that he cleaned the circulating tunnels with the units on line. Ms. Morgan then called AES and stated that the ISO was denying the outage. However, because Williams took the outage as forced, the ISO accepted the outage and dispatched a non-RMR unit at the maximum rate.

Finally, in an undated conversation that occurred between April 27 and May 15, 2000, Ms. Morgan and Mr. Pendergraft generally discussed why Williams was not selling units into the market during the dates the ISO was dispatching AES's non-RMR units to provide voltage support. Ms. Morgan explained that if the ISO calls "for 20 megawatts out-of-market, then we can say there is something in the market that would fulfill the need, and we got that bid in at 750, and we're expecting you [i.e., the ISO] to take that. But if we pick up more than what they say they need out-of-market, then they don't have to pay, they don't have to hit our incremental bid [i.e., the $750 per MW/h bid], and, a, they're gettin' what they want." Ms. Morgan and Mr. Pendergraft then discussed that market prices could become sufficiently high to cause Williams to abandon its practice of not bidding into the market. Mr. Pendergraft asked, "isn't there some point where if the real time price gets to a certain amount you're better off gettin', you know . . . two hundred megawatts at three hundred dollars rather than twenty megawatts at 750, or something like that, I don't know." Ms. Morgan agreed.

Williams and AES first stated that the unit would be shut down because of the purportedly high cost of NOx credits. When the ISO found this reason totally unacceptable, AES shifted to a second reason, a stated need to clean the circulation tunnels. The following points about the second reason appear to be relevant:

(1) it was proffered only after the previous reason had failed;

(2) it was proffered one day in advance of the outage even though the problem would have been building up for many weeks or months;

(3) Williams told the ISO that the outage for the purpose of cleaning the circulation tunnels would last three days. In fact, the outage lasted four weeks;

(4) the substantial length of the outage is consistent with the plan for saving NOx credits and is inconsistent with the amount of time that the Black and Veatch study suggests to be reasonably needed to clean the tunnels;

(5) the outage is consistent with the plan for saving NOx credits because the replacement, non-RMR unit, Alamitos 5, produces far fewer restricted emissions (0.15 pounds per megawatt hour for Alamitos 5 versus 1.07 pounds per megawatt hour for Huntington Beach 2); and

(6) cleaning the circulation tunnels had not been done in the past twenty years, and is an unusual maintenance procedure.

Even if AES believed that it needed to shut down Huntington Beach 2 on May 6, 2000, because of the build-up of mussel shells in the water cooling tunnels, a possibility that appears unlikely based on the tapes discussed above, such a need would show that AES improperly operated the tunnels when it did not heat treat the tunnels to kill mussel larvae.

Attachment 1 to the Non-Public Appendix

AES ALAMITOS UNIT OUTAGE/DERATING REQUEST

Today's Date: 4/28/00 Affected Unit: 4

Name of Requester: Andy O'Connor

Request Type: Outage: Maintenance X Forced ___ Planned ___
Derating: Maintenance ___ Forced ___ Testing ___

Condition Requested: Unit 4 not available

Purpose of Outage: Extend outage to repair heater drip line and also to repair damaged burners

	Earliest		Latest		Preferred	
Start Date/Time:	4/25/00	0001				

Outage Duration: 11 days ___ hrs ___ Emergency Return: duration ___

MW Available: 0

Special Conditions: Extend outage to end at 2400 on 5/5/00

	Start		End	
Approved				
Actual				

Approved By: ___ Released By: ___

PRIVILEGED
& CONFIDENTIAL

AES ALAMITOS UNIT OUTAGE/DERATING REQUEST

Today's Date: 4/11/00 Affected Unit: 4

Name of Requester: Andy O'Connor

Request Type: Outage: Maintenance X Forced ___ Planned ___
Derating: Maintenance ___ Forced ___ Testing ___

Condition Requested: Unit 4 not available

Purpose of Outage: Repair boiler tube leak

	Earliest		Latest		Preferred	
Start Date/Time:	4/25/00	0001				

Outage Duration: 5 days ___ hrs ___ Emergency Return: duration ___

MW Available: 0

Special Conditions:

	Start		End	
Approved				
Actual				

Approved By: ___ Released By: ___

POOR QUALITY ORIGINAL(S)

PRIVILEGED
& CONFIDENTIAL

Friday, April 21, 2000 9:43:51 AM

Alamitos News Item

From: Eric Pendergraft
WHITEB1@sce.com

Subject: Fwd: RE: #4 outage

To: Alamitos News

Hello Vito-

Please accept this e-mail as confirmation that PGM is officially being requested to perform the repairs mentioned below. Please provide all necessary supervision, welders, B&Cs, insulators, and equipment to complete the repairs and inspections. Time is of the essence, so a two-shift schedule is recommended.

The Unit will come off line at 0001 on 4/25/00. I will be the on-site contact for the PGM crew. Please have the supervisor meet me at the Maintenance Bldg. Engineering office on Tuesday morning at 6:45 a.m. I will be on site all day today and Monday if you or your representative wants to confer earlier than Tuesday.

The accounting for these jobs are as follows:

Item No. 1: Tube Leak Repairs - Please charge to 1413-7736-090-852

Item No. 2: Casing Leak Repairs - Please charge to 1413-7636-090-811

Item No. 3: Burner Repairs - 1413-7636-090-809

I'm trying to get some burner hoses ordered from CE but they're in delay mode. So we may have to have them made by a local shop (Delafield has stated they can do a 1-1/2 to 2 day turnaround, like you and I discussed).

This unit is very low on availability, so a max effort repair (two-shift) is recommended.

Thanks for the help. Additionally, since PGM is being given this job, please ensure a CWI is made available.

I'll put a traveler together. Mike Gootgeld has located the required tube material, and he's given me a copy of the certs.

Brian

From: Cacucciolo, Vito
Sent: Friday, April 21, 2000 8:36 AM
To: White, Brian ; Pernot, Bill W
Cc: Luckham, Theodore D; Ford, Larry E; Zavala, Anthony J
Subject: #4 outage

AES UNIT MAINTENANCE/FORCED OUTAGE REQUEST

Today's Date: 5/5/00 Affected Unit: 2

Name of Requester: LOGO

Type of Outage Requested: X Forced ____ Maintenance

Earliest Outage Start Date: 5/6/00 Start Time: 1600 pm Hours

Latest Outage Start Date: __/__/__ Start Time: _____ Hours

Preferred Outage Start Date: __/__/__ Start Time: _____ Hours

Outage Duration: Days _____ Hours _____

MW Unavailable: 215 MW

Work To Be Performed:

unit 2 unavailable due to NOx limitations

Special Conditions:

Emergency Return To Service Time: DURATION Hours

WESCO Approval: _____

PRIVILEGED & CONFIDENTIAL

AES HUNTINGTON BEACH

MAINTENANCE/FORCED/PLANNED OUTAGE REQUEST

Today's Date: 5/25/00 Affected Unit: #2

Name of Requester: Jim Lacey

Type of Outage Requested: X Forced ___ Maintenance ___ Planned

Earliest Outage Start Date: 5/10/00 Start Time: 0950 Hours

Latest Outage Start Date: / / Start Time: _____ Hours

Preferred Outage Start Date: / / Start Time: _____ Hours

Outage Duration: Days 23 Hours ____

MW Unavailable: 215 MW

Work To Be Performed:

Dredge the Circ Water Tunnels

Special Conditions:

Note: This is an Amendment to the Previously requested forced outage for Unit #2. Outage to expire @ 2359 on 6/2/00

Emergency Return To Service Time: Duration Hours

WESCO Approval: _____

PRIVILEGED & CONFIDENTIAL

Table 1

Non-Public Appendix to Show Cause Order
Williams Energy Marketing & Trading Company and AES Southland, Inc.

Benefit Williams Derived from Agreement with AES
To make RMR units Unavailable

	Alamitos 3 April 24 - May 6	Alamitos 5 May 8 - May 11	Total
A. Output of the Non-RMR units			
Total Generation	9,699	6,247	15,945
OOS (dispatches)	7,849	6,020	13,869
OOS (actual)	7,740	6,010	13,749
Imbalance Energy	1,959	237	2,169
B. ISO Payments to Williams for Output of the Non-RMR Units			
OOS Payments	$ 5,804,795	$ 4,415,842	$ 10,220,637
Imbalance Payments	$ 1,125,807	$ 8,794	$ 1,134,601
TOTAL PAYMENTS:	$ 6,930,602	$ 4,424,636	$ 11,355,238
C. Costs Incurred to Operate the Non-RMR Units			
Operating Costs	$ 655,441	$ 350,929	$ 1,006,370
Startup/Shutdown Costs	$ 25,465	$ 40,854	$ 66,319
TOTAL COSTS:	$ 680,906	$ 391,783	$ 1,072,689
D. Net Operating Revenue			
	$ 6,249,696	$ 4,032,853	$ 10,282,549

Source: California ISO