

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Conference on Acquisition and Disposition
of Merchant Generation Assets by Public Utilities

Docket No. PL04-9-000

Cinergy Services, Inc.

Docket Nos. EC02-113-000
and EC02-113-001

Ameren Energy Generating Company
and Union Electric Company d/b/a
AmerenUE

Docket No. EC03-53-000

Oklahoma Gas and Electric Company
NRG McClain LLC

Docket No. EC03-131-000

SUPPLEMENTAL NOTICE OF AGENDA FOR TECHNICAL CONFERENCE

(June 4, 2004)

1. The attachment to this supplemental notice provides additional information concerning the June 10, 2004 technical conference to discuss issues associated with public utilities' acquisition and disposition of merchant generation assets, including the implications for the competitive landscape in general and for a region's wholesale competition in particular. (See May 11, 2004, Notice of Technical Conference.) While the Commission does not intend the conference discussion to include the merits of any issues pending before the Commission, we have included the docket numbers of contested pending section 203 cases out of an abundance of caution since issues in the conference may overlap with issues in these cases. The conference will begin at 1:00 p.m. (EST) and will conclude at approximately 4:00 p.m. and will be convened in the Commission Meeting Room at the Federal Energy Regulatory Commission, 888 First Street, NE, Washington, D.C. Members of the Commission will attend the conference. All interested persons are invited to attend. Microphones will be available to enable those in the audience to participate in the discussion as issues arise.

2. The conference will be transcribed. Those interested in acquiring the transcript should contact Ace Reporters at 202-347-3700 or 800-336-6646. Transcripts will be placed in the public record ten days after the Commission receives the transcripts. Additionally, Capitol Connection offers the opportunity for remote listening and viewing of the conference. It is available for a fee, live over the Internet, by phone or via satellite. Persons interested in receiving the broadcast, or who need information on making arrangements, should contact David Reininger or Julia Morelli at Capitol Connection

Docket No. PL04-9-000, et al.

2

(703-993-3100) as soon as possible or visit the Capitol Connection website at <http://www.capitolconnection.org> and click on "FERC."

3. For more information about the conference, please contact David Hunger at 202-502-8148 or David.Hunger@ferc.gov.

Linda Mitry
Acting Secretary

Docket No. PL04-9-000, et al.

3

Conference on Public Utilities' Acquisition and
Disposition of Merchant Generation Assets
June 10, 2004 1:00 p.m. – 4:00 p.m.
Agenda

Panelists will each be asked to address issues among the following in a five minute overview prepared statement, which will be followed by questions and general discussion:

- Trends in acquisitions of generation facilities owned by independent power producers (IPPs) and affiliated power producers (APPs); characteristics of sellers, buyers and assets and the roles of financial players; who is selling to whom and what is the role of banks and other financial institutions
- Changing pattern of generation acquisitions by vertically-integrated utilities and their APPs over the past 15 years
- Competitive effects of vertically integrated utilities acquiring IPP generation assets in short-run and long-run markets
- Competitive effects of vertically integrated utilities acquiring APP generation assets in short-run and long-run markets; the potential for affiliate abuse; validity of safety net concerns
- Whether or how the evaluation of the competitive harm under current section 203 review standards (Merger Policy Statement and Order No. 642) and policy needs to be changed to take account of competitive effects of acquisitions of IPPs and APPs.
- Whether the Commission should require an Edgar type standard of review for section 203 affiliate acquisitions.
- Should the Commission consider the effect of buyers' market power (monopsony power) in its review of generation acquisitions? If so, how should it analyze the effect on competition? Does economic dispatch address horizontal market power, vertical market power and/or monopsony power?
- What are the remedies? In particular, can a competitive solicitation prevent harm due to affiliate acquisitions?

Panel I: 1:00 p.m. – 2:15 p.m.

John Hilke, Federal Trade Commission
Steve Daniel, GDS Associates
Pete Delaney, Oklahoma Gas and Electric Company
State Commissioner - TBA
Peter Kind, CitiGroup

Docket No. PL04-9-000, et al.

4

Break: 2:15 p.m. – 2:30 p.m.

Panel II: 2:30 p.m. – 3:45 p.m.

David DeRamus, Partner, Bates White

Mark Huston, Constellation Generation

Jone-Lin Wang, Cambridge Energy Research Associates

Mark Cooper, Consumer Federation of America

Diana Moss, American Antitrust Institute

Marji Philips, PSE&G

Wrap-up: 3:45 p.m. – 4:00 p.m.