

# Restructuring Today



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## NECC gets CSFB backing — to lower risk, boost trading

Here's something really big.

North American Energy Credit & Clearing made a pact with Credit Suisse First Boston whereby CSFB will provide credit support for NECC's services in physical energy markets.

The accord is considered a major step forward in energy markets' recovery from the post-Enron meltdown.

The agreement provides a foundation for the NECC physical energy credit risk management using structured credit products of CSFB.

One result is expected to be a lowering of collateral needs by netting across electricity and natural gas products.

Right now huge amounts of dollars are sitting on the sidelines being used solely as collateral rather than being used to buy and sell energy.

Using a common counterparty such as NECC, companies can lower the amount of collateral by netting trades across electricity and gas.

Long term if successful NECC can help squeeze out the counterparty risk premium now in the market — some say as high as a third — such as Craig Pirrong of the University of Houston.

And the long-term outlook is for the pact to lower the risk premiums embedded in forward pricing and thus hedging will become cheaper and more effective, Pirrong added.

NECC began accepting next day ERCOT power traded on the Intercontinental Exchange in June and plans to expand its products and services throughout the country.

George Sladoje calls the CSFB accord a critical linchpin to NECC services providing credit protection

**No issue yesterday:** RT observes all federal Monday holidays regardless of the day of the week. Veterans Day, our next is set for Friday, Nov 11. Americans used to call it Armistice Day because it celebrated the end of World War I.

from the time of transaction through delivery and settlement as well as cash management flexibility for buyers and sellers.

He's chairman of NECC.

You may remember him as former CEO of the California Power Exchange or as executive vice president at the Chicago Board of Trade and the Chicago Stock Exchange.

CSFB is the trade name for the investment banking business of Credit Suisse and its subsidiaries and affiliates.

That's one way of saying they've got lots of money and are trusted — just what the market needs today.

## What can it do when Order 888 action shows need for SMD?

*FERC faces tough test:*

### ... and use of the term has been banned

FERC's noble venture to get Order 888 fixed, some believe, will inevitably show the need to end discrimination of grid owners in favor of their own affiliates.

What will fix 888 is the SMD (RT, 10/3) that has already been adopted in some areas such as New England, New York, the Midwest ISO and California and may now be under consideration for SPP via a day-ahead market.

They've all committed and have moved towards SMD and are in various stages of getting there.

Given the goals of Order 436 in gas, it was the total unbundling of Order 636 that allowed markets to open on a non-discriminatory basis.

Is that what's ahead for power?

It's going to be an uphill battle now

that Chairman Joseph Kelliher doesn't want anyone to use the term SMD because of its impact on former Chairman Pat Wood's career.

And that's not a mistake. Many at the capitol — who may not know what SMD is — are ready to wage war over the term.

Kelliher wants to fix Order 888, not design markets.

And some believe fixing 888 can be done without use of naughty words.

The fact is that independent generators are not treated the same as the generators of grid owners. They can't supply ancillary services on the same basis. They can't get network services.

So much discrimination exists under Order 888 — FERC knows because it gets the complaints — that Kelliher is right in wanting to get it ended.

If all grids were moved into RTO dispatching you could end it there but Kelliher has said he's not going to force

anyone into an RTO.

He fears the discriminators because of what they did to Wood. Discriminators like to discriminate. It works for them. They've gotten certain members of the US Senate to do their bidding and that's how it will be unless FERC can figure a way to end discrimination — unnoticed.

What are the chances that FERC can take about a third of SMD and adopt it as "saboforbus" then later adopt another third and call it "catefree" and ultimately adopt the last third as "cenefrass"?

Risky.

Idealists at FERC would prefer that the commission goes on record as being not in favor of SMD "and we're just rooting out undue discrimination no matter where it takes us."

We're reminded of Alfred Kahn's awareness that inflation was a bad word. He called it "banana."

## NERC gives FERC pat on back for approach to ERO

Oh, the beauty of it all.

Thank the deity for the blackout.

After years of embarrassment, Americans can now be proud of the cooperation and common sense that will bring reliability to America's grid — something our neighbors to the north have had for years.

NERC last week praised FERC's proposed rules on the Electricity Reliability Organization (ERO).

FERC's rules hit all the needed themes.

The plan lays out the required principles, responsibilities and authorities needed for a strong ERO, said Rick Sergel, NERC CEO.

The rules give the ERO flexibility, NERC thinks, needed to develop detailed procedures.

Only modest adjustments and

strengthening are needed to FERC's foundation, NERC wrote.

FERC needs to make clear that that all owners, operators, and users of the bulk power system must comply with the ERO, NERC urged.

The final rule, NERC added, should require all bulk power users to comply with ERO requests for data to develop standards and enforce compliance.

FERC should mandate all users register with the ERO to help oversight, NERC wrote.

NERC worries that the rules giving FERC direct control over any regional entities created could undermine the ERO's strength.

The rules should reflect a strictly linear relationship with the ERO responsible for the

regional boards and FERC responsible for the ERO, NERC argued.

The commission, NERC assured, can still hold regional boards accountable through its authority over the ERO.

Sergel is confident NERC can become the ERO.

NERC intends to apply for the job once FERC makes the rules final.

NERC's working on getting comparable recognition and backstop authority in Canada and Mexico.

EPSCA welcomed the rules too, as EPSCA CEO John Shelk said reliability and competition are "inextricably linked."

EPSCA likes NERC's strategic plan that coordinates reliability standards with related business practices that enable market solutions to the maximum extent possible."

### 7 stories in 5 minutes

#### Direct pushing green

**power in Alta, Ontario:** Direct Energy is making it easier for C&I customers in Alberta and Ontario to use green power. Direct's Be Green plan lets C&Is offset a percentage of their power use with green power from an EcoLogo-certified generator. Customers can choose to get 10, 15, 25, 50, 75 or 100% of their power replaced with green power on the grid. Nearly 81% of Canadians are likely to buy from a company they see as socially responsible, noted Bob Huggard, Direct's president of Canadian operations. He sees a growing appetite for green power among Canadian businesses as they try to stand out in the market. Green power's gaining attention, he added, because of rising costs of non-renewable fuels and lowering costs for renewables.

#### AEP sells power

**to muni:** Indiana Michigan Power (AEP) has entered into a 20-year pact to provide 150 mw to Indiana Municipal Power Agency (IMPA). If approved by FERC it would begin Jan 1.

#### Sterling Planet signs big green

**Md developer:** Sterling Planet has landed the nation's biggest real estate developer that buys green power. Towers Cos (Maryland) is to buy 82 million kwh of wind power from Sterling Planet over the next two years,

ranking Towers 17th nationally in EPA's list of green buying — the first and only real estate developer in the top 25. That's enough to power 4,000 average US homes over the same period. The deal's in the form of renewable energy certificates from the Wyoming Wind Energy Center.

#### Florida regulators

**too close to utilities?** Gov Jeb Bush picked three members for the Florida PSC. The picks come from a new selection process designed to ease concerns of consumer advocates that the board was too close to utilities. A PSC nominating panel narrowed 131 applications to 18 finalists. A new Committee on Public Service Commission Oversight — made up of former members of the state legislature — cut the list to nine and sent them to Gov Bush. New commissioners are Isilio Arriaga, a Miami business consultant; Matthew Carter, a senior staff director for the state House of Representatives, and Katrina Tew, advisor to PSC Chairman Braulio Baez. Choices need Senate approval. Arriaga is to take an open seat immediately and fill out the term expiring Jan 1 2007 while Carter and Tew would begin full three-year terms as of Jan 3.

#### Commerce Energy sells gas to PG&E

**customers in Calif:** Commerce Energy sees a big opportunity for natural gas sales in California with PG&E's climbing rates (RT, 10/3), says Eric Alam, Commerce senior vice president for sales.

Commerce is offering PG&E residential customers a variable monthly rate of \$1.65/therm — 3¢ cheaper than PG&E — or a 12-month fixed-price plan for customers to hedge against future spikes by locking in today's prices. The yearlong contracts would lock price at \$1.69/therm.

#### Co-op buys some

**Xcel customers:** Xcel Energy is selling its delivery operations in Oklahoma, Kansas and part of Texas to Tri-County Electric Cooperative. The deal includes 11,000 customers and has to be approved by regulators. Only a small part of Xcel's Texas base — just 400 customers in Texhoma on the Oklahoma border at the top of the Panhandle — is included. Xcel's selling the operations to focus on core operations where it has a bigger presence. The deal would double the size of the co-op and the additions would all be contiguous to its current service.

#### Calpine sells Pa generator:

Calpine has completed the sale of its 550-mw, gas-fired Ontelaunee (Energy Center to LS Power Equity Partners for \$225 million, minus transaction costs, to lower debt. Calpine will run the 2002 plant for five years and provide maintenance and parts for 10 years. Calpine's trading arm will supply power marketing and coordination to LS Power for six months. Calpine expects a non-cash loss on the sale of about \$129 million in the quarter ending Sept 30.

## Discounts on higher prices — bad for competition?

Most incumbents filing for price to beat changes with the Texas PUC have a short-term discount on prices to ease the pain for customers.

CPL Retail Energy and WTU Retail Energy — both arms of Direct Energy (Centrica) — are the latest to apply a discount (see related story).

Reliant Energy (RT, 10/4), TXU Energy (RT, 10/6) and First Choice Power (RT, 10/5) have discounts too.

But some marketers think the discount could hurt competition by squeezing headroom.

The Texas Assn of Marketers (TEAM) and Competitive Assets worry that with a discounted price to beat, marketers would either have to match the discount — and take a loss — or risk losing customers to incumbents.

That could force competitors out of the market.

How justified are the concerns?

Certainly, everyone's facing less headroom, but that's nothing new.

It's important to remember Texas is the strongest retail market in the country, said Robert Frank, vice president of government and regulatory affairs for Direct Energy.

Price-to-beat rebates aren't new, he reminded, and Direct Energy included them in its last adjustment in August.

It doesn't seem they've killed off competition in Texas.

In fact, Direct Energy actually lost

customers even with the discount, Frank added.

While gas prices do play a role in power prices marketers face, Frank noted, the correlation isn't a perfect 1:1 ratio since marketers are buying power from competing sources, some not using gas.

It's not as if marketers are stuck buying gas itself at today's prices but having to sell power for less.

Just because spot-market power is more expensive doesn't mean marketers are facing those prices because all retailers have strategies to mitigate risk.

Marketers who have effectively hedged could still undersell the price to beat.

The discounts typically are to last two months by the time they're approved.

Will a significant number of customers really switch for a two-month savings, assuming retailers can't beat the price to beat?

After December — when the discounts end — marketers should be able to undersell the price to beat regularly again.

If customers switched to a marketer originally for savings, then switched to an incumbent for two months of discounted price to beat you would expect them to manage to get back to the cheaper marketer.

PUC and consumer advocates have generally favored the discounts, a TXU

official noted.

If the discounts were a threat to Texas's thriving market, we think the PUC would have stepped in.

Raising prices is always a "delicate balance," TXU added. You don't want to induce regulators to force price gaps or other failed mechanisms.

Could the discounts be helping competition in the long run by mitigating the spikes and keeping meddling politicians out of the process?

We think so.

There's enough customer grumbling from price to beat going from about \$7.60/mmbtu to \$9.74/mmbtu we'd hate to think what a one-step jump from \$7.60 to \$12 would do.

That's the kind of spike that would attract competition's opponents looking for an easy fight.

What's missed in the debate is that even if the discounts do harm marketers, how much worse must it be right now?

The discounts aren't lowering incumbent prices. They're raising them.

Marketers can now sell against a price to beat with gas costing \$9.74/mmbtu instead of a lower one with gas around \$7.60.

Incumbents like TXU will point out they have sold power at a loss (RT, 9/13) because the number of price-to-beat changes the PUC allows is limited by law.

It's not just marketers who have faced selling power at a loss.

## Centrica incumbents want big boost in price to beat

CPL Retail Energy and WTU Retail Energy (above) want the Texas PUC to boost prices to beat to cover a 50% spike in natural gas prices.

Both are filing a new prices to beat based on wholesale gas' costing \$11.46/mmbtu.

The two have different prices to beat now but it's about a 50% boost for each.

CPL's price to beat values gas at \$7.60/mmbtu while WTU's has a gas price of \$7.52.

The change would add \$40.76 or 30.4% to the monthly bill of the average, 1,000-kwh CPL residential customer.

For the same class of WTU customer, it's to boost monthly bills by \$48.81 or 34.3%.

Both retailers are to offer several discounts to ease the change's impacts.

CPL and WTU are offering a discount through the end of the year where price to beat is to be based on gas' costing \$9.74/mmbtu — a move several retailers are

adopting (RT, 10/7).

That's the average cost of gas before Hurricane Katrina hit.

After January, existing price-to-beat customers would be eligible for a smaller discount through June where price to beat uses gas that costs \$10.42/mmbtu.

The retailers are to offer a 10% discount for six months to customers who would have qualified for the now-discontinued Lite-Up Texas assistance program (RT, 8/10) when it was ended.

## SIGNS OF THE TIMES: Western power traders open in Manhattan

Gary Ackerman's expanding his Western Power Trading Forum (WPTF) to New York next year.

He broke the news in his weekly Friday Burrito reflecting the growing role of Wall Street in wholesale power trading in the post-Enron era, he told us.

The new WPTF chapter is to unite New York banks and hedge funds and show them how Western power trading works and what the rules are.

He hopes it's a bridge to bring everyone together to keep competitive markets rolling, reducing costs and

maintaining reliability.

The New York chapter's to start with three meetings a year, with the first likely in March.

The chapter will hold half-day sessions featuring roundtable discussions and guest speakers.

## ISO, NEPOOL ask FERC for ALJ action on LICAP

The process would set up a settlement conference and allow confidential discussions to work out changes or alternatives to LICAP expeditiously, the ISO wrote.

A settlement judge is needed so all stakeholders can be represented in confidential meetings.

Typically NEPOOL would provide a forum, but state regulators, big LICAP opponents, aren't members.

History has shown, the ISO added, that a settlement judge helps build

consensus in deeply divided cases such as LICAP.

Nobody has opposed the settlement judge process after the ISO circulated the proposal, the ISO told FERC, but some stakeholders are considering the request.

A good cross section including state regulators, generators, munis and customers have told the ISO they either support or don't oppose a settlement judge.

But the settlement procedure should

be in addition to — not a replacement of — full administrative procedures needed to fully develop LICAP alternatives, NSTAR wrote FERC Chairman Joseph Kelliher.

Such processes must be equal in scope, time and rigor to those applied to LICAP, NSTAR thinks, to get a legitimate comparison between LICAP and alternatives.

NSTAR will participate in the settlement process and hopes compromise can be reached.

## AGA asks Interior to ease up on offshore drilling

David Parker speaks for gas distributors in AGA as its CEO.

He has pleaded with the Minerals Management Service (Interior) to include offshore drilling in its new five-year Outer Continental Shelf (OCS) Oil and Gas Leasing Program.

He wants to make certain that MMS maximizes the acreage available for gas drilling.

Those areas in administrative withdrawal or leasing moratoria, Parker

urged, should be included in case offshore drilling policy shifts in the next five years.

Parker knows gas demand is likely to grow 40% by 2025 so that he and AGA members fear price spikes down the road.

Gas prices have risen 400% over the past five years, he observed, and it's critical the new five-year plan addresses tight supply.

That 400% gives an idea of how much gas producers were cheated five years ago.

Residential customers have cut their use by 20% over the last 20 years but demand's still growing because of population growth and greater use of gas to produce power, he added.

Conservation helps, Parker noted, but it can't solve the problem alone.

Polls in six coastal states show a "clear majority" favor offshore production of energy if the state shares in the leasing process and production royalties, Parker noted.

## FERC serious about economic dispatch

### Board chiefs named

The Energy Policy Act of 2005 told FERC to create boards to study security-constrained economic dispatch and its impacts on cost and reliability.

FERC now has set up rules for regional FERC-state joint boards to find ways of enhancing affordability and reliability of power and how they're to work.

The boards are to look at the benefits of and barriers to economic dispatch — putting the cheapest plants online first, regardless of ownership.

It's how Calpine would lower gas prices immediately (RT, 10/4).

Issues to be studied may include cost recovery, software costs, grid constraints, pricing methods and how generation in one market region may bid into another market.

FERC's to report back to Congress by

Aug 7. The commission has set up four boards — South, West, Northeast and PJM/MISO.

Chairman Joseph Kelliher will chair the South board and Commissioner Suedeen Kelly will head the West's board.

Commissioner Nora Brownell does the Northeast and PJM/MISO boards.

States need to pick their members by Friday with board meetings to begin in November.

## Idaho holds up wind deal waiting for 90/110 clause

Idaho regulators rejected a power-buying pact for windpower until the parties come up with a clause that guarantees performance.

Commissioners want a 90/110% performance band they've seen in other agreements they've approved.

The clause requires the wind producer to provide monthly output estimates and take a discount of 15% off the wholesale market price if

deliveries fall below 90% or go above 110% of the estimate.

Project developer Schwendiman Wind and PacifiCorp have two weeks to insert the provision to guarantee the utility's customers get "the generation product they are paying for," the PUC said.

PacifiCorp had a different performance measure but commissioners the commission would put other utilities with the 90/110 band at a competitive disadvantage,

regulators said.

The deal — a PURPA contract — raises the question of how to price less-than-firm wind power.

But since utility customers pay a premium for wind energy, the commission sees its role as ensuring customers get "full value for their rates,"

Comments on the PUC's stand (case no PAC-E-05-09, [www.puc.idaho.gov](http://www.puc.idaho.gov)) are due Oct 25.

## Large C&I power shopping grows 5% in ComEdland

Power shopping at Commonwealth Edison (Exelon) picked up this summer with marketers building their share of large C&I customers by four percentage points and power sales by nearly five.

Shopping elsewhere was flat over the summer, even shrinking at downstate utilities, and smaller C&I shopping was flat everywhere (see electricity table).

Marketers compete with utilities'

unbundled power purchase options (PPOs) at utilities that still collect competitive transition charges and those are popular choices still at several utilities.

The residential market doesn't exist in power.

Whether that will change after next year when statewide rate freezes end is problematic given Gov Rod Blagojevich's strong opposition to

competitive auctions for default power supply.

But residential customers are shopping for gas, at least in northern Illinois where three utilities have small-customer choice programs (see gas table).

Consumer marketing giant US Energy Savings — whose niche is long-term, fixed-price deals — chose Illinois for its US market entry (RT, 8/12) and by this summer had picked up 15,000 customers at Nicor Gas and is working on Peoples Gas' Chicago turf.

Peoples and North Shore Gas' (both Peoples Energy) have offered gas choice to a limited number of residential customers since May 2002 but opened for all residential in April.

Shopping at Peoples and North Shore has been rocky.

A major supplier, Nicor Energy closed down in 2003 and some customers returned to LDC supply rather than pick one of only two active suppliers, ICC reported to Blagojevich in July.

Other factors hurt too.

A tax law change raised the cost of transporting gas and Peoples charges \$10 for customer switches while Nicor Gas customers pay only if they've already shopped.

Now four marketers — Dominion Retail, Peoples Energy Services, Santanna Energy Services and US Energy Savings — are registered to serve residential and commercial customers and a fifth, Realgy Energy Services, serves commercials.

Twenty-one marketers are signed up to serve larger customers.

Nicor's Customer Select program began as a pilot in October 1997 and was opened to all residential customers in March 2002 getting a much earlier start than Peoples' Choices For You.

Thirteen marketers are registered to sell in Nicor's much larger territory and its most recent rate case brought in some, but not all changes marketers had sought to improve the shopping climate.

Central Illinois Light's gas choice pilot never got off the ground.

Nevertheless, the ICC was optimistic this summer that small-customer shopping would grow, finding the entry of new suppliers and higher shopping rates "encouraging signs."

Shopping is well established for larger customers who buy supply under

### Illinois Gas Shopping

(LDCs with small customer shopping programs)

	Residential	Commercial	Industrial	Total
Nicor*				
Shoppers	160,900	58,100	6,000	225,000
Sales customers	1,774,700	117,900	7,300	1,899,900
% Shopping	8.3%	33.0%	45.1%	10.6%
Peoples				
Shoppers**	5,103	7,246	1,296	13,645
Sales customers***	753,734	36,617	1,974	792,325
% Shopping	0.7%	16.5%	39.6%	1.7%
North Shore				
Shoppers**	2,431	331	195	2,957
Sales customers***	139,112	9,018	919	149,049
% Shopping	1.7%	3.5%	17.5%	1.9%
Total				
Shoppers	168,434	65,677	7,491	241,602
Sales customers	2,667,546	163,535	10,193	2,841,274
% Shopping	5.9%	28.7%	42.4%	7.8%

### All Illinois LDCs — December 2004

	Marketers	LDC	Total	% Shopping
Customers	239,106	3,806,482	4,045,588	5.9%
Volume in million therms	3671.7	5,072.8	8,744.5	42.0%

\* As of June 2005

\*\* Residential shopping numbers for December 2004, industrial numbers for September 2004

\*\*\*Sales figures as of September 2004

Source: Illinois Commerce Commission, LDC quarterly reports

### Illinois Electricity Shopping\* — August 2005

(excludes utilities not reporting shoppers)

	Small C&I			Large C&I		
	Shoppers	Eligible	%	Shoppers	Eligible	%
Ameren CIPS	104	55,922	0.2%	13	186	7.0%
million kwh	3	328	0.9%	13	461	2.8%
Ameren CILCO	8	23,425	0.0%	2	94	2.1%
million kwh	0.082	159	0.1%	67	237	28.3%
Commonwealth Edison	5,854	336,099	1.7%	773	1,720	44.9%
million kwh	5,070	28,737	17.6%	13,733	31,969	43.0%
Illinois Power (Ameren)	398	67,093	0.6%	29	237	12.2%
million kwh	68	3,117	2.2%	2,138	5,352	39.9%

\* Table includes shoppers who buy from marketers, not those on interim supply or power purchase option.

Source: Illinois Commerce Commission

LDCs' transportation programs.

Nearly 80 suppliers sold gas in the state last year and the top 10 held 63.5% of the transportation market, up from 50.7% in 2003 — a level of market concentration the ICC still deemed significantly competitive.

Still, relatively low C&I shopping, the ICC noted, could revive as new suppliers fill the gap left by Nicor Energy's market exit and economic conditions make transportation service more attractive.

## Building the BPL business model part II

*BPL Today's* next live interactive audio conference gives utilities and their partners planning to start BPL deployments -- or those just kicking the tires -- insight into how to create a BPL project, how to sell the idea internally plus pitfalls and unforeseen benefits not to miss out on. **Register for just \$125/ location by Oct 16!** See last page for details.

**Tell us what you think.** We want to hear from you. Send your comments, questions and suggestions about today's RT to [editor@restructuringtoday.com](mailto:editor@restructuringtoday.com).

**Abbreviations:** To see a glossary of RT's abbreviations, go to [www.restructuringtoday.com/](http://www.restructuringtoday.com/)

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# Building the BPL Business Model Part II

**Live interactive audio conference, Nov 7 from Noon to 1:30 PM Eastern**

This audio conference gives utilities and their partners planning to start BPL deployments -- or those just kicking the tires -- insight into how to create a BPL project, how to sell the idea internally plus pitfalls and unforeseen benefits not to miss out on.

*BPL Today* uses an anonymous format for utilities and other firms that aren't ready to reveal their plans or concerns publicly. Attendees ask tough questions in our live Q&A without revealing who they represent.

Utilities are seriously renewing their interest in broadband over power lines (BPL) as each week new headlines herald major headway for the BPL industry:

- Recent news included strong commitments or big investments from global technology and investment firms such as Cisco Systems' Linksys, General Electric, Goldman Sachs, Google, Hearst Media, IBM, Intel, Motorola and Sony.
- Texas passed a BPL act to encourage deployment, the California PUC launched a similar initiative, several bills in Congress are attempting to level the playing field for broadband technologies and the European Union ordered member nations this year to make way for BPL.
- CenterPoint Energy in Houston, Consumers Energy in Michigan, Duquesne Light in Pittsburgh, San Diego Gas & Electric and the Los Angeles Dept of Water & Power all announced plans or started deployments this year.
- Those firms joined early BPL adopters Cinergy, Duke Power, Pennsylvania Power & Light, JEA in Jacksonville, Manassas in Virginia and others.
- Add to that list 20 co-ops that reportedly lined up at a rural BPL firm to get access to the Agriculture Dept's low-cost RUS loans after that firm was the first in the US to get such loans for BPL.

**We're assembling an experienced panel of BPL veterans to help guide utilities and their partners through the sometimes complex process of building a BPL business model that works.**

## Meet the speaker

**Larry Silverman, CEO & Founder of Broadband Energy Networks**, will provide decades of experience in remote automation to the world of energy management via BPL -- and has taken utility and government applications into the 21st Century with IBM, IdaComm and CenterPoint Energy at the latter's BPL demonstration lab in Houston.

He speaks as an authority on utility applications plus a growing variety of sensors, monitors controls and inventions expected to drive the BPL business model.

But more than that -- Silverman has groundbreaking ideas about how to use BPL to deliver broadband as the entitlement or "new utility" it's become (President Bush said as much when he called for universal access by 2007).

Silverman sees how BPL not only fits with the power utility mission but could be priced very low, bundled with other services and thus win 80% of customers on a transformer for big profits -- changing the BPL business model forever.

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