

purchases of fossil-fired power. Fuel cells produce power through a chemical reaction without combustion, combining hydrogen in the natural gas with oxygen from the air, and producing only water and heat as by-products.

CALIF. PUC OBJECTS TO PG&E'S AMENDED BANKRUPTCY REORGANIZATION PROPOSAL

The California Public Utilities Commission Tuesday objected to Pacific Gas and Electric's second amended bankruptcy reorganization plan, claiming the utility is still seeking to illegally skirt state regulatory oversight.

"The overriding goal of PG&E's Second Amended Plan remains the same: self-deregulation, with adjusting debtor-creditor relations and restoring its utility operations to financial health a secondary concern," the PUC told the U.S. Bankruptcy Court in San Francisco.

The judge in the case last month asked PG&E to revise its first plan after determining the utility could not seek express preemption of state laws and regulations that stood in the way of disaggregating its company into new unregulated subsidiaries.

PG&E filed its revised plan on March 7 detailing three economic areas where it would seek preemption: PUC rules prohibiting sale of property and assets, governing the issuance of debt or equity securities and governing affiliate transactions. The court is set to hold a March 26 hearing on objections to the second plan.

The PUC has been fighting PG&E's plan since its submission to the court, which last month allowed the agency to file an alternate plan by April 15. The PUC plan detailed last month would not seek preemption of any state regulations or laws and would keep the utility intact.

AIG SUES SCE FOR BREACH OF CONTRACT

American International Group Tuesday filed a lawsuit against Southern California Edison claiming the utility breached its contract with the bond provider resulting in a \$20-million liability by AIG to the defunct California Power Exchange.

AIG in September 2000 agreed to issue the bond to secure SoCal Ed's payments to the PX and claims in the lawsuit that the utility did not release its bond obligations when it paid its creditors. AIG would not comment on the filing made in the U.S. District Court in Los Angeles, but in a response Wednesday, SoCal Ed President Robert Foster said: "We are at a loss to understand why AIG would take this action at this particular time. On March 1, we paid all past due obligations to the PX [totaling \$875-million] thereby ending any claim for defaulted SCE payments that the PX might make against the AIG bond."

SEMPRA AFFILIATE IS TOP POWER SUPPLIER ACCORDING TO INDUSTRIAL CUSTOMER POLL

San Diego-based Sempra Energy Trading led the list of 16 North American wholesale power suppliers in customer satisfaction, according to a first-of-its-kind survey conducted by Mastio & Company, a St. Joseph, Missouri-based industrial consumer opinion research firm.

The rankings, which covered 48 power marketers in the U.S. and Canada, were based on interviews conducted in the fourth quarter with nearly 900 officials with electric cooperatives, marketers, municipal and investor-owned

utilities and independent power producers.

Each respondent was asked to rate marketers they dealt with during the previous 12 months according to 26 attributes, including willingness to resolve problems, attitude of continuous improvement, quality of relationship, risk management product and services, and overall performance.

After Sempra, the top 10 marketers in customer satisfaction were Morgan Stanley, Aquila, Reliant, Mirant, Duke Energy Trading, Williams, Enron, Dynegy and PG&E Corp. Bringing up the rear were Oglethorpe, Calpine, Central Electric Power Cooperative, DTE and in last place, Tri-State Generation and Transmission Assn.

"If you feel you are being ignored, you are probably right," Bart Thedinger, Mastio vice president said in releasing the survey results. "Many power marketers treat their customers as replaceable and nothing special. However, customer satisfaction matters with winning power marketers, especially those interested in profitable growth."

"The simple truth," Thedinger said, "is that power customers have many choices and the leading marketers are making every contact with their customers count, whether it be on the phone or face-to-face."

EX-UBS WARBURG EXEC PAUL DELANEY NAMED UNREGULATED BUSINESS CEO AT OGE ENERGY

Paul Delaney, a former managing director at UBS Warburg, Wednesday was named chief executive officer of unregulated businesses for OGE Energy and executive vice president of the larger firm, which is the corporate parent of Oklahoma Gas & Electric.

Delaney beginning April 1 will have oversight of energy marketing and natural gas transportation, storage and gathering. He also will direct the parent corporation's risk-management and strategic planning activities.

After leaving UBS Warburg, Delaney worked as a consultant. For the last year he has conducted an extensive operational review of OGE Energy's unregulated businesses and their strategic focus. His first assignment in his new role will be to implement the results of those reviews.

CEO of unregulated businesses is a new position at OGE Energy and its creation represents a growing emphasis on those operations at the Oklahoma City-based company.

NYISO-MARKETS *(continued from page 1)*

congestion decreases, that threshold would rise-allowing \$20- to \$30 increases, on the theory that the generator will face more competition during lesser-constrained periods, and takes the risk of not being dispatched if prices increase.

The ISO plan also would judge any the impact a generator's conduct might have on the clearing price. In the real-time market, the ISO would step in if the generator's pricing causes the lower of a 200% or \$100/MWh jump in prices. That is the "top end," however, and the thresholds would get ratcheted down as the system gets more congested.

In the day-ahead market, the ISO would flag price offers that are 5% over prices from the Indian Point Unit-2 nuclear plant, adjusted for transmission losses. If both tests show market power, the ISO would reduce the generator's price to a clearing price based on the last plant that bid within its