Enron requires little introduction. The following analysis written by Lorie Logan, Olivia Padilla and Mike Schetzel summarizes the blow to the debt and equity prices of Enron and other energy companies, and also examines the impact thus far on the energy trading markets.

(See attached file: Enron.doc)

Bob Elsasser
Government Securities, FRBNY
robert.elsasser@ny.frb.org
212.720.1234
Enron Asset Prices Plummet [(b)(5)]

- Enron share and debt prices have declined sharply following revelations that its shareholder’s equity dropped significantly and the SEC opened a formal investigation into transactions between Enron and the partnerships headed by its former CFO.

- [(b)(4) , (b)(5)]

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![Henry Hub Natural Gas Front-Month Futures Price](image)

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---

1 Other primary trading platforms include DynegyDirect, Intercontinental Exchange (ICE), New York Mercantile Exchange, and TradeSpark in addition to several smaller electronic trading systems.
Ivy,

that's great. I would like to know the total amount of arrears due to all the power producers if possible. Specifically, in Enron's case - have the authorities made any overtures regarding payment of arrears; are current invoices being paid; what portion of current arrears represent accumulated interest on past due amounts.

As always, thanks.

-Bryan

--- Ivy.Kosmides@do.treas.gov wrote:
> Bryan, 
> I just found out I will also be able to meet with the VP of ENRON, one of the big companies that is owed money. State just told me "ENRON's creditors are due $31 million in December and unless the GODR pays up, it will be in default. The company is considering taking the GODR to international arbitration as per the contract. [((b)(5)]
> 
> 
> 
> Hopefully I will be able to discern the real story. Let me know if you have specific questions. I will send you my write-up Tuesday evening.
> Ivy
> 
> -----Original Message-----
> From: Bryan G. [mailto:]](b)(6]
> Sent: Wednesday, September 19, 2001 11:04 PM
> To: Ivy.Kosmides@do.treas.gov
> Subject: Re: DR ICERC
> 
> Thanks Ivy.
> I look forward to hearing anything you find out. I have heard that the government has made an offer to pay back some portion of the arrears, but the details I have are pretty sketchy, and probably it's not an acceptable offer to the utilities. Anything you find out would be extremely helpful.
> Sincerely,
> Bryan
--- Ivy.Kosmides@do.treas.gov wrote:

Hi Bryan,

I'm very impressed with the paper on the Dominican Republic and have no disagreements or changes to recommend.

I will be meeting with the State desk officer from post on Tuesday next, and have asked that they bring any updates they may have on the pesky arrears to IPPs that we discussed last month. I will let you know as soon as possible if anything comes up.

Thanks,

Ivy

---

Terrorist Attacks on U.S. - How can you help?
Donate cash, emergency relief information

Terrorist Attacks on U.S. - How can you help?
Donate cash, emergency relief information
Hi Bryan,

Thanks for the info. [(b)(5)]

Ivy

-----Original Message-----
From: Bryan.Gobin@ny.frb.org [mailto:Bryan.Gobin@ny.frb.org]
Sent: Tuesday, September 25, 2001 5:11 PM
To: Ivy.Kosmides@do.treas.gov
Subject: DR - Global bond US$500 mill

Hi Ivy,

Sorry it took me so long to get back with you. [(b)(5)]

By chance, did Enron provide any new insights to the power sector arrears? I also included a timeline below.

Cheers
-Bryan

September 20 - $500 million global bond issue
Launched $500 million global bond despite the turmoil in the international debt and equity markets. The launch date was postponed from September 11.

September 5 - S&P upgrades DR to BB- from B+
S&P raised its long-term local and foreign sovereign credit and senior debt ratings to BB- from B+ and revised the outlooks on the ratings to stable.

August 29 - Moody's rating upgrade to Ba2 from B1

July 2001
Congress gave its approval to a new global bond issue worth US$500 million.

June 12 - S&P upgrades LOCAL currency ratings
S&P raised its long-term and short-term LOCAL currency sovereign credit ratings to B+/B from SD/SD (selective default) and its short-term foreign currency credit rating to B from C. It affirmed its B+ long-term sovereign credit and senior debt ratings and revised both rating outlooks to positive.

May 21 - Moody's changes rating outlook to positive
Moody's changes its ratings outlook to positive for DR's B1 foreign-currency country ceiling for bonds and notes, as well as for the B2 foreign-currency country ceiling for bank deposits
Hi Geetha. I'm not sure you remember me but we spoke a few months ago about the India ICERC paper I prepared. I wanted to touch bases with you to see what you think about the ongoing Enron affair. Have you gotten any hints out of India as to where this thing is headed? Last I heard there will be an Enron board meeting tomorrow, as well as a lender meeting in London. The wires are reporting that preliminary termination of the first phase project will be on the agenda. Do you have any information about this, what the status of the second phase is, and what's going on with the conciliation talks (if they haven't been already shelved for arbitration).

I'd appreciate any insight you might have.

Thanks,

Mark
Hi Geetha. Hope you're doing well. If you haven't heard already, Enron's board yesterday authorized preliminary termination at any time. Here's the little note I prepared for FRBNY internal distribution. Hope it's helpful.

(See attached file: India update 4-26-01.doc)

Mark

ps. please do not distribute to others. Thanks.
Thanks. This is excellent. I would also add to the first line of the first bullet the following:

[(b)(5)]

Our meeting with the Indians has been postponed to an undetermined time this weekend. I will most likely get back to you early next week to give you a readout on any Enron-related matters.

We will be in touch.

Thanks, Geetha

---Original Message---
From: Mark.Choi@ny.frb.org [mailto:Mark.Choi@ny.frb.org]
Sent: Thursday, April 26, 2001 11:22 AM
To: Geetha.Rao@do.treas.gov
Subject: Enron update

Hi Geetha. Hope you're doing well. If you haven't heard already, Enron's board yesterday authorized preliminary termination at any time. Here's the little note I prepared for FRBNY internal distribution. Hope it's helpful.

(See attached file: India update 4-26-01.doc)

Mark

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FYI

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robert.elsasser@ny.frb.org
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![Enron's Share Price Declines Sharply, Underperforming the Broader S&P Index](image)

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![Global Energy Merchants' Share Prices](image)

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Proprietary Business Information

October 26, 2001

Comments on Findings and Conclusions for the Retail Swaps Study
Pat Parkinson, Pat White, Joyce Hansen, and Diane Virzera

General comments

[(b)(4), (b)(5)]
Specific comments

[(b)(4), (b)(5)]
[(b)(4), (b)(5)]
[(b)(4), (b)(5)]
In order to finalize arrangements for the Interviews, it will be necessary to have a preliminary head count for each day. Therefore, please forward a listing of participants that will be attending from each institution by noon on Friday, 7/20. In addition, please confirm who will be attending the interviews from your agency.

Attached is the tentative agenda for both dates. Should you have any changes or questions, please feel free to contact Bob Gasperini at (212) 720-5263 or myself.

Thank you for your cooperation in this matter.

(See attached file: Retail Swaps Interview Agenda #75036.DOC)
# RETAIL SWAPS

**TENTATIVE INTERVIEW AGENDA (as of 7/18/01)**

**AUGUST 1 & 2, 2001**

### Wednesday, August 1st

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[(b)(4), (b)(5)]
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see attached comments
Norm, having reviewed Enron's proposed changes to the pending bankruptcy bill, I have the following comments.

[(b)(5)]

Norm, feel free to call me to discuss further any of these comments.
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Thank you for your cooperation in this matter.

(See attached file: Retail Swaps Interview Agenda_#75036.DOC)

adelina.bonanno@ny.frb.org
Phone: (212) 720-5458
Fax: (212) 720-1756
RETAIL SWAPS
TENTATIVE INTERVIEW AGENDA (as of 7/18/01)
AUGUST 1 & 2, 2001

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* Will be arriving at 4:15 p.m.
This e-mail is to confirm that the tentative agenda has not changed as of today, and you can proceed to have the cover letters and final questionnaire delivered to your sponsored institutions.

diane.virzera@ny.frb.org
Ph: 212-720-7798
Fax: 212-720-1756

Diane Virzera
07/12/2001
Bob Gasperini/ND/FRS@NY
04:28 PM

To: Retail Swaps
CC: Adelina Bonanno/ND/FRS@NY,

Subject: Tentative Interview Agenda

We have received responses from six institutions, all of which are available on Wednesday 8/1 and Thursday 8/2. Attached to this e-mail is a tentative agenda, which schedules each of these institutions in certain time slots that accommodate any expressed preferences. Two time slots in the afternoon of August 2nd are still open, with the possibility of being filled by two of the following: Bank of America, Deutsche Bank, Lehman. These institutions have not yet confirmed their availability. AIG declined to participate.

In order to finalize the agenda and make appropriate arrangements, would each agency please do the following:

1. If any scheduled time does not look good off the bat, advise me of this by tomorrow (Friday 7/12) so I can issue a revised tentative schedule tomorrow. Please proceed next week to confirm the availability of your sponsored institution on the basis of the attached schedule (unless I issue a revision tomorrow). Going forward, keep in mind that changing scheduled times would be complicated because this will involve making adjustments for other institutions as well. The cover letter I previously distributed, which also is attached for your convenience, should be sent before or after you confirm the scheduled time with the sponsored institution, along with the questionnaire once it is finalized.

2. Forward the following information to the attention of Bob Gasperini (bob.gasperini@ny.frb.org) and Adelina Bonanno (adelina.bonanno@ny.frb.org), who are also cc'd on this e-mail:
   a. Names of your agency representatives who will attend the meetings...
b. Confirmation that your sponsored institution has been advised of the scheduled time and is available, along with the names of the representatives of the sponsored institution who will attend the meeting

Some other details:

-- Each meeting will need a lead interviewer and a minute taker who will take notes and distribute them to the rest of the working group. Each agency sponsoring the interview should arrange for the lead interviewer. In order to share the burden of minute-taking, I propose that each agency representative coming to New York volunteer to be minute taker for one meeting. On the morning of 8/1, a sign-up list for minute takers will be available.

-- I will be out of the office starting Monday July 16th and will return Monday July 30th. In my absence, Bob Gasperini (Paralegal, Ph: 212-720-5263) and Adelina Bonanno (Assistant, Ph: 212-720-5458) will receive your information and finalize the agenda. Please contact either of them with administrative questions.

-- Regarding Bank of America, Deutsche Bank, and Lehman -- Belinda Blaine and Kurt Wilhelm, let's try to reach resolution tomorrow on which of these institutions will be in the first round of interviews. I expect to hear from Deutsche Bank tomorrow.

-- Breakfast, lunch, and afternoon snacks will be provided to agency representatives on both days.

Thanks for your cooperation.

Regards,

Diane Virzera

(See attached file: Retail Swaps Interview Agenda_#75036.DOC) (See attached file: Form letter for retail swap survey_#74404.DOC)
RETAIL SWAPS
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Dear [Insert Addressee]:

The purpose of this letter is to request your participation in a study required by the Commodity Futures Modernization Act of 2000 ("CFMA"). Section 105(c) of the CFMA directs the Board of Governors of the Federal Reserve System, the Secretary of the Treasury, the Commodity Futures Trading Commission, and the Securities and Exchange Commission to conduct a study of issues involving the offering of swap agreements to parties other than eligible contract participants. The Federal Deposit Insurance Corporation, Federal Reserve Bank of New York and Office of the Comptroller of the Currency also are taking part in the study.

Each federal agency will sponsor interviews of certain of its supervised or regulated institutions, as well as other potentially interested parties. The topics of these interviews are enclosed with this letter and present the questions that a [specify agency sending letter] representative would raise at a meeting should your institution decide to participate. A small number of representatives from other federal agencies also would attend the meeting.

Your responses would be summarized with responses from other institutions in a report to Congress without disclosing your individual responses. The federal agencies would consider your responses during the meeting to be confidential (unless already in the public domain) and will not disclose your individual responses unless required to do so under applicable law.

If your institution agrees to participate in the study, please contact the undersigned to confirm your availability for a meeting on [insert relevant date and time from 7/12/01 tentative agenda]. The meeting will take place at the Federal Reserve Bank of New York at 33 Liberty Street (Seventh Floor). Thank you for your attention.
Original Message

From: Pat.White@frb.gov [mailto:Pat.White@frb.gov]
Sent: Friday, October 26, 2001 2:15 PM
To: norman.carleton@do.treas.gov
Cc: Patrick.M.Parkinson@frb.gov; Joyce.Hansen@ny.frb.org; Diane.Virzera@ny.frb.org
Subject: comments on retail swaps document

The attached document was prepared jointly by the Board and the Federal Reserve Bank of New York.

(See attached file: retswap.comments_fx_102601.pdf)
Proprietary Business Information

October 26, 2001

Comments on Findings and Conclusions for the Retail Swaps Study
Pat Parkinson, Pat White, Joyce Hansen, and Diane Virzera

General comments

[(b)(5)]
Proprietary Business Information

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   b. Confirmation that your sponsored institution has been advised of the scheduled time and is available, along with the names of the representatives of the sponsored institution who will attend the meeting

Some other details:

--Each meeting will need a lead interviewer and a minute taker who will take notes and distribute them to the rest of the working group. Each agency sponsoring the interview should arrange for the lead interviewer.

--I will be out of the office starting Monday July 16th and will return Monday July 30th. In my absence, Bob Gasperini (Paralegal, Ph: 212-720-5263) and Adelina Bonanno (Assistant, Ph: 212-720-5458) will receive your information and finalize the agenda. Please contact either of them with administrative questions.

--Regarding Bank of America, Deutsche Bank, and Lehman -- Belinda Blaine and Kurt Wilhelm, let’s try to reach resolution tomorrow on which of these institutions will be in the first round of interviews. I expect to hear
from Deutsche Bank tomorrow.

--Breakfast, lunch, and afternoon snacks will be provided to agency representatives on both days.

Thanks for your cooperation.

Regards,
Diane Virzera

(See attached file: Retail Swaps Interview Agenda_#75036.DOC) (See attached file: Form letter for retail swap survey_#74404.DOC)

diane.virzera@ny.frb.org
Ph: 212-720-7798
Fax: 212-720-1756

- Retail Swaps Interview Agenda_#75036.DOC
- Form letter for retail swap survey_#74404.DOC
RETAIL SWAPS
TENTATIVE INTERVIEW AGENDA (as of 7/12/01)
AUGUST 1 & 2, 2001

Wednesday, August 1st

8:15 - 9 a.m.  Breakfast (Collaborative Room)
9 - 10:30 a.m.  JPM Chase (Legal Main Conference Room)
11 - 12:30 p.m.  Refco (Legal Main Conference Room)
12:30 - 2 p.m.  Lunch (11th Dining Room A)
2 - 3:30 p.m.  ISDA (Legal Main Conference Room)
3:30 - 4 p.m.  Snacks (Collaborative Space)
4 - 5:30 p.m.  Morgan Stanley (Legal Main Conference Room)

Thursday, August 2nd

8:15 - 9 a.m.  Breakfast (Collaborative Room)
9 - 10:30 a.m.  Enron (Legal Main Conference Room)
11 - 12:30 p.m.  Goldman Sachs (Legal Main Conference Room)
12:30 - 2 p.m.  Lunch (Legal Main Conference Room)
2 - 3:30 p.m.
3:30 - 4 p.m.  Snacks (Collaborative Space)
4 - 5:30 p.m.
FORM LETTER FROM FEDERAL AGENCY SPONSORING INTERVIEW

[Insert Addressee]

Dear_______:

The purpose of this letter is to request your participation in a study required by the Commodity Futures Modernization Act of 2000 ("CFMA"). Section 105(c) of the CFMA directs the Board of Governors of the Federal Reserve System, the Secretary of the Treasury, the Commodity Futures Trading Commission, and the Securities and Exchange Commission to conduct a study of issues involving the offering of swap agreements to parties other than eligible contract participants. The Federal Deposit Insurance Corporation, Federal Reserve Bank of New York and Office of the Comptroller of the Currency also are taking part in the study.

Each federal agency will sponsor interviews of certain of its supervised or regulated institutions, as well as other potentially interested parties. The topics of these interviews are enclosed with this letter and present the questions that a [specify agency sending lender] representative would raise at a meeting should your institution decide to participate. A small number of representatives from other federal agencies also would attend the meeting.

Your responses would be summarized with responses from other institutions in a report to Congress without disclosing your individual responses. The federal agencies would consider your responses during the meeting to be confidential (unless already in the public domain) and will not disclose your individual responses unless required to do so under applicable law.

If your institution agrees to participate in the study, please contact the undersigned to confirm your availability for a meeting on [insert relevant date and time from 7/12/01 tentative agenda]. The meeting will take place at the Federal Reserve Bank of New York at 33 Liberty Street (Seventh Floor). Thank you for your attention.