

THE PROMETHEUS FILE

GLOBAL ENERGY TECHNOLOGY WEEKLY

With Enron's fall and the resulting shakeout within the energy sector, investors are beginning to reevaluate their positions on utilities' so-called "growth" businesses. A few years ago, caught up in the excitement and anticipation of competitive markets, utilities scrambled to broaden their earnings horizons beyond the simple rate of return they had been receiving in the past. The search for new business lines often lead to new trading businesses and branching into the telecommunications industry. Now that we have seen trading exhaust its 15 minutes of fame, 2002 may bring the reconciling of utilities' telecom business segments. Many telecom units remain hidden from plain view; in this article for illustrative purposes, we examine the future prospects and impact that recently spun-off Williams Communications (WCG) may have on Williams (WMB) shareholders as it struggles to survive. We felt this issue was particularly timely given the debate that surrounds this subject, which seems to weigh on Williams' stock, seemingly discounting it.

Markets

Investors remained skittish and on their toes this week as the market saw a volatile week close sharply down due to uncertain earnings announcements, more fallout from Enron, and K-mart's potential bankruptcy filing. The markets continued last week's slide, as the Nasdaq and Dow declined 4.5% and 1.7% this week, respectively. RWR's Power Technology stocks also closed sharply down as losers beat winners by more than two to one. Stuart Energy, a developer of hydrogen production units via electrolysis of water, was the only DG related company with positive returns. In fact, without news or fundamental changes, Stuart Energy was this week's winner with a return of 19.8%. Solar generation companies were the only sector to move up in unison. Solarworld led the charge as it gained 10.1% after the company announced a 118% increase in annual sales and a proposal to increase dividends. NewPower's close ties to its fraudulent founder and largest shareholder, Enron, was the key factor leading to the company's status as this week's loser as its stock decreased 33.3%. Also notable this week was FuelCell Energy's performance after an unfortunate incident at its Torrington, Connecticut factory, in which a tape casting machine exploded. The explosion did not lead to any structural damages but its stock declined 20.9% for the week.

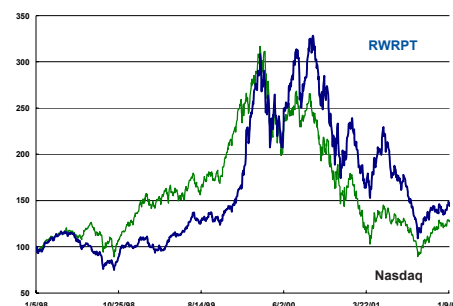
News Highlights for the Week

- * Calpine cuts FY01 estimates and places US\$2 billion worth of projects on hold. *Page 8*
- * New 100MW Off-shore wind farm proposed in Denmark. *Page 13*

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RWRPT vs Nasdaq
(01/01/98-01/18/02)



Week's Winners

Company	Ticker	Price	Mkt Cap	% Return
STUART ENERGY	HHO CN	4.49	93	19.8
SOLARWORLD	SWV GR	30.97	153	10.1
MAGNETEK	MAG	11.00	248	7.9
TVS ELECTRONICS	TVSE IN	0.58	10	7.9
EVERGREEN SOLAR	ESLR	3.47	40	5.8

Week's Losers

Company	Ticker	Price	Mkt Cap	% Return
NEWPOWER	NPW	0.42	26	(33.3)
ACTIVE POWER	ACPW	5.53	224	(21.0)
FUELCELL ENERGY	FCEL	15.12	590	(20.9)
AMERICAN SUPERCONDUCTOR	AMSC	9.56	196	(19.6)
POWER INTEGRATIONS	POWI	17.55	490	(17.5)

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Feature Article

RECONCILING THE TELECOM MONEY PIT

With Enron's fall and the resulting shakeout within the energy sector, investors are beginning to reevaluate their positions on utilities' so-called "growth" businesses. A few years ago, caught up in the excitement and anticipation of competitive markets, utilities scrambled to broaden their earnings horizons beyond the simple rate of return they had been receiving in the past. The search for new business lines often lead to new trading businesses and branching into the telecommunications industry. Now that we have seen trading exhaust its 15 minutes of fame, 2002 may bring the reconciling of utilities' telecom business segments. Many telecom units remain hidden from plain view; in this article for illustrative purposes, we examine the future prospects and impact that recently spun-off Williams Communications Group (WCG) may have on Williams (WMB) shareholders as it struggles to survive. We felt this issue was particularly timely given the debate that surrounds this subject, which seems to weigh on WMB's stock, seemingly discounting it.

The onset of deregulation sent utilities clamoring for new services that would ensure customer retention and new revenue streams. The most common of these new businesses was telecommunications. This was a counter-intuitive move by deregulation-fearing utilities, as telecom deregulation was relatively mature and market segments were highly competitive on technological, customer service, and pricing basis—all areas of expertise that most utility companies lacked. Additionally, utilities starting or acquiring these businesses had to compete with large incumbent players whose costs were largely fully amortized and who had already slimmed margins to the bone.

Telecommunications, which lead the bullish economic surge of the late twentieth century, seemed like the perfect answer for a utility trying to change its stogy image. Unfortunately for the majority of the utility industry entering the telecom market in the late nineties, this proved to be too little too late. Many incumbent long distance carriers had been building their respective fiber optic networks for nearly a decade. New entrants paid a heavy price in playing catch up, laying tens of thousands of miles of fiber without the customers or cash flow streams that could support the build out. Additionally, as the century turned so did the image of the telecom industry. It had become clear that the industry was approaching a glut in fiber capacity and that, despite the attractiveness of the enabling technologies, long haul carry was still an expensive business with slim margins.

Nearly all of the “progressive” utility companies dabbled in telecom; one of the most extreme examples is that of Montana Power (MTP). The Butte, Montana-based integrated electric utility has been providing gas and electricity services to more than two-thirds of Montana for decades. In early in 2000, MTP management announced a decision to divest its energy business completely and switch its focus from power to telecommunication. The resulting company, TouchAmerica, would do business as a national, high-speed, broadband fiber-optic products and services transport provider. As expected, the highly publicized transformation has been scrutinized relentlessly. MTP stock has fallen like a rock since hitting its high of US\$63.688 in April 2000. Today, the company’s stock trades 91.5% lower, at US\$5.39. Clearly, the post-internet bubble world does not appreciate little guys playing in the capital-intensive telecom transmission space.

MTP Stock Performance Chart
January 1, 2001 - January 21, 2002



Source: BLP

Since the shine wore off telecoms, most energy companies have been reluctant to reveal the status or financial condition of their telecom businesses. In fact, what was once the calling card of a forward-thinking utility is now the hidden black hole for cash that nobody wants to talk about. The energy industry’s most recent balance sheet shakeout and resulting restructuring seems to have provided a catalyst for many companies to try selling-off these businesses. Recently, Houston-based El Paso (EP) announced that, in an effort to strengthen its cash position, they would be selling-off non performing assets. Some of what the company has earmarked to be sold are assets related to El Paso’s network business, which most had forgotten even existed.

One energy company that took different route in dealing with its telecommunications business is WMB. As many other players spent time trying to disguise their telecom businesses, WMB, in very bold fashion, spun the business off to shareholders into what is now the publicly traded and highly scrutinized WCG. While others have had success hiding telecom unit losses, WMB’s telecom business is out in the open and exposed to detailed examination by the media, shareholders, and Wall Street.

Pessimism surrounding WCG’s struggling business has been pinpointed as a major factor in the discounted P/E of big brother WMB; however, it is not clear that the market truly understands the correlation. With regards to WMB’s stock, the question remains: just how bad does it look for the Communications Group, and what impact could a bad or worst case scenario have on the WMB shareholders? There is no question that WCG’s performance has been stifled by the economic downturn; however, after going through the analysis, it seems that the spin-off and separation was a good move by WMB as the Communications group appears to have a very bumpy road ahead, despite what others may be saying.



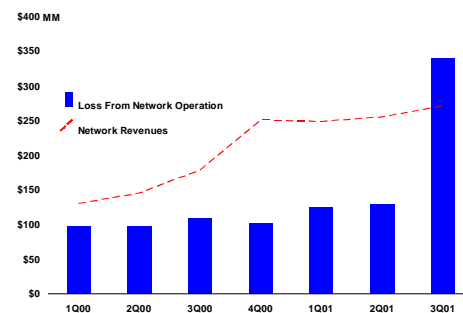
Advocates of the Communications Group point to the growing revenues as validation of the business, but we tend to disagree and focus on WCG's deteriorating financial condition. Total revenues for WCG in the third quarter of 2001 were up 42.3% over third quarter 2000. Leading the revenue growth is the company's Network division. Revenues in WCG's Network unit, which accounts for 91% of total revenues, grew by 52.1% from 3Q00 to 3Q01. However, the Network division also accounted for 91% of both total cost of sales and total segment losses. Despite strong growth in revenues, the unit continues to lose money at an alarming rate. The Network segment's loss from operations grew by 312.8% over 3Q00, fully discounting revenue growth, and then some.

WCG has indicated to investors that the company will be EBITDA positive in 2002—we remain skeptical as the Group has made such promises before. As far as EBITDA positive predictions go, WCG's have been somewhat of a moving target. That is, the Company has been readjusting EBITDA positive target dates annually. If investors remember some of the Company's first debt offerings, crossing the threshold into positive EBITDA was expected in both 2000 and 2001. In a prospectus filed October 27, 2000, WCG explained why Moody's revised WCG's outlook downward, "...due to our intention to increase our capital expenditure program and our expectation that we will turn EBITDA positive in 2001, rather than 2000..." Giving the company the benefit of the doubt, missing EBITDA-positive expectations likely had more to do with unforeseen negative economic conditions and a poor business model rather than a lack of execution. But for that very reason, we must continue to be skeptical, as economic conditions are likely to remain dismal for at least the first half of 2002. Even then, a slight pickup in the economy may not have a material EBITDA impact on the Company, as the resurgence is likely to initially be felt in consumer goods and manufacturing before rippling through to the high technology long haul broadband communications sector.

Even if WCG were to achieve positive EBITDA in 2002, it makes little difference to the company's core financial health due to the increasing discrepancy between EBITDA and interest coverage. Despite the continuing negative EBITDA, in reality, the EBITDA loss has been decreasing over time. Even so, we remain concerned that interest expense has been growing at a faster pace than EBITDA, which is not reflected in a simple EBITDA calculation. Based on our 4Q01 estimates for WCG, over the past eight quarters, EBITDA loss will have shrunk by slightly more than half while interest expense will have grown by nearly 170%.

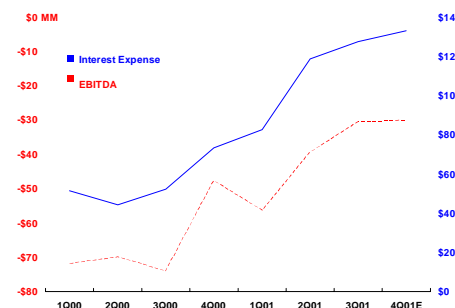
Even though WCG, in many ways, remains in the expansion stage of its development, the Company continues to put capital to work inefficiently. Based on 4Q01 estimates, WCG's ROIC, since 1Q01, has gotten progressively

Quarterly Network Segment Losses
1Q00 - 3Q01



Source: Company & RWR

Interest Expense to EBITDA
1Q00 - 4Q01E



Source: Company & RWR

worse, from -2.41% to -4.31%, as the company has tried to expand its network feverishly and seen very little return for its efforts. Additionally, as an illustration of the Groups continual loss of efficiency, net loss to PPE ratio has grown from 2.4% in 1Q00 to an estimated 5.5% for the 4Q01. The further WCG expands its network, the closer it comes to financial paralysis, as inefficient use of capital is likely to force the company to take losses on the sale of assets just to raise additional operating capital down the road.

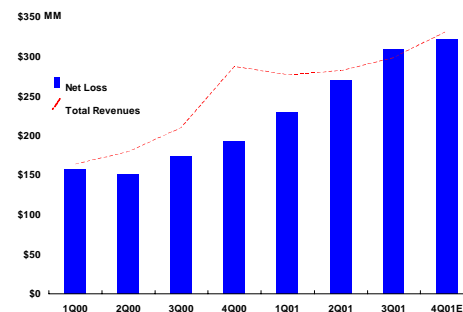
WCG sits in the middle of a dismal pack, as the entire sector has default concerns. In terms of existence, market focus, and size, WCG's clearest comparables are Level3 Communications and Global Crossing, who also happen to be competition in some geographic locations. All three young telecoms have had considerable difficulty making money, and the market has recognized this. During the last two years, the three stocks combined have lost over US\$130 billion in aggregate market value, as well as reduced sector confidence to the point that any additional financing for continuing operations from the capital markets would be minimal at best. Bermuda-based Global Crossing has walked a very thin line between solvency and bankruptcy over the past few quarters, recently obtaining a waiver resolving year-end bank covenant concerns.

Due to the WCG's inefficient use of capital, growing interest expense, and poor earnings outlook, default concerns are likely to peak over the next 12 months. On January 15, Standard & Poor's (S&P) lowered its ratings on the company's debt and placed it on CreditWatch with negative implications. The downgrade and CreditWatch placement reflect S&P's concern that WCG may not be capable of adequately funding its business plan beyond 2002. Estimated cash and bank availability of only US\$1.5 billion at the close of 2001 may not last long as it will be needed to fund operations and debt service beyond 2002 since free cash flow does not appear to be on the horizon. With debt service and capital expenditure expected to exceed US\$1 billion in 2002, WCG may find itself searching for sustenance.

With no clear turnaround in sight, we believe capital markets will be unwilling to continue assuming risk on behalf of the struggling telecom business. Currently, WCG bonds trade at an average of US\$0.40 to the dollar, indicative of the market's extreme skepticism regarding the company's ability to avoid default. These conditions leave WCG with few options going forward. The first and most obvious would be to try and appropriate additional funding from big brother WMB. Our sense is that any such funding would be minimal and as stated before, we see WCG being forced into the sale of assets at a loss or seeking chapter 11 protection.

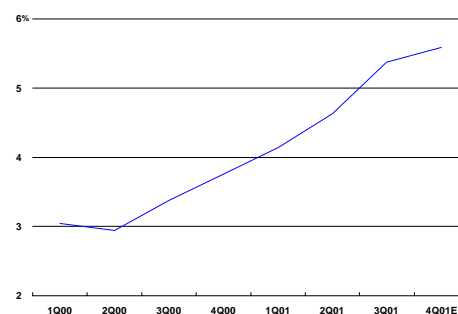
The question remains: if a worst case scenario were to play out over the next 12 to 18 months, how would it affect WMB? Due to WMB's limited

Net Loss to Total Revenues
1Q00 - 4Q01E



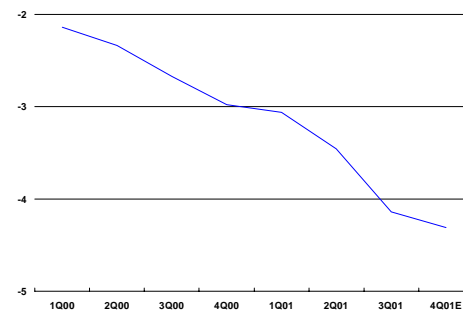
Source: Company & RWR

Net Loss to PPE
1Q00 - 4Q01E



Source: Company & RWR

ROIC Graph
1Q00 - 4Q01E

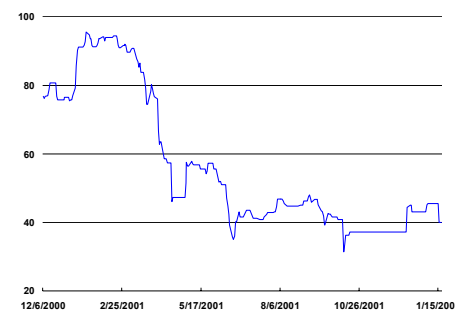


Source: Company & RWR

equity ownership of WCG, negative implications would be to the tune of US\$2.6 billion from receivables, loan guarantees, lease payments, and a 3 year US\$1.4 billion note. Through cash payments and the sale of equity it appears the earnings exposure would only be about US\$0.30 per share, or roughly 10% of 2003 estimates, bringing estimated 2003 EPS to US\$2.65.

Although the exposure appears minimal, we believe that WMB stock is trading within an acceptable range, and does not yet appear to be discounted. Due to the material risk of insolvency by WCG, at this point, we will fully account for the effects, reducing our estimated 2003 EPS to US\$2.65. At the reduced EPS figure, WMB's current price to 2003 earnings premium is 9.18 times, which is very close to that of WMB's nearest comparable, EP, with its estimated 2003 P/E of 9.90. For this reason, we remain positive on WMB stock in the long-term. However, contrary to what other analysts are saying, we do not feel that WMB presents a buying opportunity in the near-term, as US\$26.50, compared to the current US\$24 price range, would be our top-end price target for the next two quarters. On the other hand, if WCG begins to turn around in 2002, and their perceived risk of bankruptcy diminishes, at that point, we would reevaluate our short-term position on WMB. Finally, we would like reiterate our long-term positive position on Williams (WMB) stock based on coming growth and volatility in the natural gas and power markets and we urge investors looking to maximize returns to accumulate and hold WMB stock for the long haul, weathering whatever storm WCG may bring on.

WCG Bond Price
December 1, 2000 - January 18, 2002
(CUSIP: 969455A47)



Source: BLP

Weekly Commodity Comments

February Rallies Continue to be Short Lived

Monday and Tuesday's sessions for the February Henry Hub natural gas contract were largely dominated by short covering spillover after last week's bearish AGA gas storage announcement. The contract gained US\$0.046 and US\$0.041 on Monday and Tuesday, respectively. According to the Commodity Futures Trading Commission, as of January 8, traders had sold 47,104 more contracts than they had bought, marking the largest such short position on record. Going into Wednesday, traders and analyst surveyed by Bloomberg were expecting a gas storage withdrawal of 122Bcf, significantly lower than the previous week's 190Bcf withdrawal.

Morning action on Wednesday was dominated by storage related selling; however, the tables quickly turned when the AGA announced that for the week ended January 11, U.S. natural gas inventories were depleted by 137Bcf, bring the total storage level to 2,529Bcf. In afternoon action, the February contract gained US\$0.103 to settle at US\$2.394/MMBtu, followed by the March contract, which climbed US\$0.09 cents to US\$2.363. As we expect with most rallies, the reality of continuing gas supply strength came into play Thursday, as the February contract fell US\$0.14 or 5.9% to US\$2.254/MMBtu. Despite last week's larger than expected withdrawal, storage levels are still 1,070Bcf higher than they were during the same period one year ago. Again, we continue to reiterate our overall position that any rallies in the February contract will likely continue to be short-lived, as warm winter weather and low demand are expected to continue.

Daily Energy Commodity Tracker

Name	Price	1 Day	1 week	1 month	3 month	6 month	YTD	1 year	2 year
Natural Gas Spot (US\$/MMBtu)									
Carthage, TX	2.10	(7.7)	(4.3)	(16.5)	(10.5)	(32.4)	(21.2)	(71.0)	(8.1)
Katy Hub, TX	2.16	(7.5)	(2.9)	(14.8)	(9.5)	(32.7)	(20.8)	(70.4)	(5.1)
Waha Hub, TX	2.08	(8.6)	(1.2)	(15.7)	(6.1)	(34.5)	(20.2)	(73.2)	(7.4)
Agua Dulce, TX	2.08	(9.0)	(3.5)	(15.0)	(10.6)	(31.5)	(18.0)	(70.8)	-
Henry Hub, LA	2.28	(4.2)	(1.3)	(10.2)	(4.6)	(27.2)	(15.6)	(67.7)	(2.6)
Perryville, LA	2.32	(3.1)	(0.2)	(9.9)	(3.5)	(27.7)	(14.6)	(67.6)	(1.1)
Opal Hub, WY	1.99	(8.3)	-	(14.6)	(2.5)	(14.6)	(15.3)	(72.6)	(8.7)
Cheyenne Hub, WY	2.03	(8.0)	1.3	(12.7)	(0.7)	(15.3)	(15.6)	-	-
Blanco Hub, NM	2.03	(8.6)	2.5	(15.4)	(2.4)	(11.7)	(18.2)	(73.4)	(6.0)
Chicago Hub, IL	2.20	(7.6)	(0.5)	(11.7)	(8.3)	(30.2)	(19.4)	(69.9)	(8.3)
New York Hub, NY	2.64	(7.4)	1.5	(12.0)	(1.1)	(23.7)	(30.9)	(64.8)	(47.2)
AECO, Alberta	1.92	(1.3)	1.3	(14.4)	(4.2)	(17.0)	(17.0)	(69.5)	(7.2)
West Coast avg.	2.18	(6.3)	2.6	(18.8)	(7.1)	(40.4)	(15.7)	(79.8)	(8.6)
Mid Cont avg.	2.20	(7.0)	(1.1)	(12.9)	(7.0)	(30.1)	(18.1)	(69.7)	(7.0)
Gulf avg.	2.21	(5.7)	(1.6)	(11.8)	(6.1)	(28.6)	(16.1)	(68.1)	(4.5)
North East avg.	2.54	(15.9)	0.4	(13.0)	(4.2)	(24.0)	(28.1)	(65.9)	(36.2)
Henry Hub Fd. (pence/therm) (US\$/MMBtu)									
February (Nymex)	2.24	(0.8)	1.5	(15.8)	(10.1)	(27.6)	(13.0)	(68.7)	-
March (Nymex)	2.24	(0.8)	1.5	(17.6)	(20.1)	(28.9)	(12.7)	(67.6)	-
April (Nymex)	2.28	(0.5)	1.3	(16.2)	(23.8)	(29.0)	(11.2)	(61.4)	-
February (IPE)	24.62	(1.2)	(4.4)	(11.4)	15.7	33.1	(9.7)	(9.1)	-
March (IPE)	22.96	(0.9)	(0.6)	(16.4)	(1.3)	33.3	(5.2)	(1.2)	-
April (IPE)	20.33	(0.0)	(0.9)	(15.4)	(18.2)	0.9	(4.5)	(6.2)	-
U.S. Coal Spot (US\$/Short Ton)									
Big Sandy	31.50	(1.6)	(1.6)	(7.5)	(12.7)	(34.0)	(1.6)	(8.2)	40.1
Penn Rail Car	32.00	(1.6)	(1.6)	(6.0)	(8.7)	(1.6)	(4.6)	42.4	68.0
Illinois Basin mid	31.00	(1.6)	(1.6)	(3.2)	(7.6)	1.7	-	47.0	62.7
Illinois Basin Hi	30.00	(1.7)	(1.7)	(1.7)	(4.8)	7.3	-	61.6	68.6
Powder River Basin 8800	7.25	(3.5)	(3.5)	(12.5)	(17.7)	(36.4)	(6.7)	43.6	55.6
Powder River Basin 8400	6.10	(2.1)	(2.1)	(4.4)	(14.6)	(33.6)	(2.5)	56.2	69.5
Utah 1%	20.00	(2.5)	(2.5)	(2.5)	(13.3)	(9.3)	-	36.8	73.3
F Oil (Cred)									
Low Sulfur Index 1%	16.42	(0.7)	(4.7)	2.1	(1.4)	(13.6)	(5.4)	(30.5)	(18.2)
High Sulfur 3%	14.85	(0.4)	(2.3)	2.8	(10.8)	(13.7)	(1.3)	(10.8)	(21.8)
Crude Oil (US\$/Bbl)									
European Dated Brent	18.13	1.1	(8.2)	(2.0)	(8.0)	(21.1)	(6.1)	(28.5)	(31.2)
WTI Crude	18.00	0.2	(8.5)	(7.0)	(15.5)	(27.7)	(9.3)	(39.6)	(37.6)
Persian Gulf Dubai Fateh	17.37	(0.1)	(6.3)	(1.1)	(7.4)	(22.5)	(5.0)	(24.5)	(27.1)
Asia-Pacific Tapis	19.61	(2.5)	(6.3)	2.1	(4.9)	(23.0)	(3.4)	(21.7)	(25.6)
US Avg Retail Unleaded	1.11	(weekly)	(0.1)	1.5	(17.8)	(22.7)	1.4	(22.0)	(12.1)
Electricity Pricing (US\$/MWh)									
COB Firm Peak	21.50	(0.2)	3.6	(27.9)	(16.0)	(44.2)	(19.3)	(95.8)	(33.7)
COB Firm OFF	16.05	(10.8)	(1.8)	(32.4)	(29.0)	(30.2)	(27.1)	(96.0)	(37.4)
NEPOOL Firm Peak	29.82	5.8	9.1	(24.0)	(26.0)	(13.9)	(11.3)	(54.9)	(64.4)
NEPOOL Firm OFF	21.63	2.4	12.4	(6.4)	(10.7)	(25.8)	(16.2)	(56.8)	(19.6)
PJM firm PEAK	66.69	23.6	80.4	113.4	37.9	35.2	(24.7)	55.5	(26.4)
PJM firm OFF	16.96	(10.7)	6.0	(0.2)	(10.7)	(13.0)	(17.3)	(34.8)	9.4
Entergy Firm PEAK	19.32	(11.3)	4.2	(5.3)	(4.8)	(61.6)	(15.3)	(61.0)	(17.9)
Entergy Firm OFF	13.50	-	1.9	(5.3)	(3.6)	(27.0)	(8.5)	(32.5)	(12.9)
ECAR firm PEAK	20.28	(11.4)	6.5	1.2	(15.7)	(56.9)	(7.1)	(54.3)	(34.8)
ECAR firm OFF	14.75	(1.9)	1.0	2.9	(8.2)	(13.9)	(5.7)	(28.3)	(6.5)

Name	Price US\$	1 Day	1 week	1 month	3 month	6 month	YTD	1 year	2 year
Canadian Natural Gas Daily Price (C\$/GJ)									
AECO C	2.95	(1.2)	2.3	(12.6)	(2.5)	(12.6)	(15.9)	(67.5)	2.8
Empress	3.11	(1.0)	3.7	(9.3)	2.3	(9.6)	(14.3)	(65.9)	6.9
Westcoast, Sta. 2	2.91	(8.4)	1.9	(15.1)	(4.8)	(12.2)	(11.4)	(69.3)	-
Toronto City Gate	3.63	(3.3)	(0.7)	(10.7)	(12.2)	(30.7)	(18.2)	(69.5)	1.3
Dawn, Ontario	3.51	(4.8)	0.4	(15.3)	(8.3)	(23.0)	(15.5)	(65.7)	2.8
Border Exports (C\$/GJ)									
Sumas, WA	3.11	(7.3)	4.2	(18.9)	(0.5)	(5.9)	(13.0)	(70.1)	(0.5)
Kingsgate, BC	3.10	(6.6)	2.7	(18.0)	(0.3)	(6.1)	(11.7)	(71.2)	1.6
Niagara, Ontario	3.74	(4.8)	0.8	(11.6)	(3.1)	(19.2)	(14.0)	(65.0)	(2.4)
Alberta Electricity Pricing (C\$/MWh)									
Peak	31.38	(30.0)	(17.7)	(9.3)	(47.4)	(42.9)	(16.7)	(72.1)	(53.5)
Off Peak	20.81	39.1	46.8	89.4	(29.0)	(42.9)	(1.3)	(71.6)	(22.1)
U.K. Natural Gas (pence/therm)									
NBP Daily	23.35	4.7	(5.1)	(16.5)	41.5	14.3	(16.6)	(34.2)	78.9
NBP Day Ahead	22.75	2.7	(9.4)	(19.9)	35.4	18.9	(15.7)	(37.2)	69.8
Zeebrugge Daily	20.75	(8.6)	(21.7)	(22.9)	25.0	15.1	(8.0)	-	-
Zeebrugge Day Ahead	22.70	5.4	(16.8)	(25.9)	27.5	30.8	(12.7)	-	-
U.K. GTMA Power (€/MWh)									
Baseload Day Ahead	17.88	(7.1)	(33.2)	(50.4)	7.4	7.7	(14.9)	(28.9)	(61.6)
Peak Day Ahead	#N/A R T	(9.4)	(41.4)	(59.0)	2.5	(9.3)	7.6	-	-
German Power Pricing (€/MWh)									
Baseload Day Ahead	29.50	(11.0)	(32.1)	(86.9)	17.1	59.9	105.2	8.3	-
Peak Day Ahead	35.50	(11.5)	(36.3)	(89.9)	16.4	36.5	26.2	(1.4)	-
Amsterdam Power Exchange (€/MWh)									
Peak	26.45	(29.4)	(19.7)	(88.6)	(34.5)	18.8	108.8	(38.3)	(85.1)
Off Peak	13.95	(37.6)	(34.0)	(62.2)	(33.3)	0.2	62.0	(31.1)	(44.0)

Energy Technology News

Generation

Czech Republic's Electricity Liberalization Begins

Czech electricity trading for new short-term purchases began on January 1 at the new state-owned exchange, Electricity Market Organizer (OTC). On the first day of trading, only 276/MWh was transacted representing a total of US\$3,800. However, despite its slow start, one week later over 2,438/MWh was traded on the exchange. Part of the reason volumes have been light is a result of the Czech government's liberalization ruling, which limits the amount of large industrial corporations that are qualified to participate to companies with annual electricity consumption of over 4/GWh. Trading at the new exchange currently comprises only 1% of daily electricity consumption in Czechoslovakia.

Keppel Subsidiaries Receives Electricity Contract

Keppel's oil and electricity power subsidiary announced that the company had won a US\$400 million contract to supply electricity to Comercializadore Brasileira de Energia Emergencial in Northeastern Brazil. The new contract allows Keppel Fels Energy and Infrastructure to build a power plant at the port of Aratu. The company will begin supplying electricity from June 2002 to the end of 2004.

Utility Service Providers (USP)

Calpine Cuts FY02 Estimates, Reduces Capital Spending

On January 16, Calpine announced it would put US\$2 billion worth of power projects on hold. The company revised earnings downward for FY01 and FY02 to US\$1.95/share and US\$1.70/share, from US\$2.00/share and US\$2.20/share, respectively. The earnings reduction was the result of an equity dilution and the company's poor performance as power prices have dropped in the U.S. recession. Calpine will complete the 27 power plants that are currently under construction, which represents 15,200MW of new capacity. By the end of 2003, the company will have a total generating capacity of 26,300MW. Due to recent events, the company will delay 34 projects and place them in a group called "hot stand-bys". Calpine will begin construction on projects in the hot stand-by group once capital is available at attractive rates. The company says it will not be penalized for delaying turbine orders as its contract has a fixed and flexible portion. Flexible orders are being delayed until the market improves and demand for power increases. During the call, Calpine did state that spark spreads have significantly reduced to an average of US\$6/MWh, down from the company's targeted US\$15 to US\$18/MWh. However, with the reduced capital expense, Calpine projects it will have sufficient cash to cover expenses through the end of the year and moving forward the

Power Plant Activity: January 14 - 18, 2002

Action	Company	Capacity	Location	Fuel	Cost (US\$MM)	Completion
Expansion	Duke	600MW	Arlington, AZ	Natural Gas	US\$200	N/A
New Announcemnet	Duke	160MW	San Jose, Guatemala	Heavy Fuel Oil	US\$114	N/A
New Announcement	Electricity of Vietnam	450MW	Phu My, Vietnam	Thermo	N/A	N/A
New Announcement	Electricity of Vietnam	300MW	Se San, Vietnam	Hydro	N/A	N/A
New Announcement	Electricity of Vietnam	600MW	O Mon, Vietnam	Thermo	N/A	N/A
New Announcement	Electricity of Vietnam	300MW	Dai Ninh, Vietnam	Hydro	N/A	N/A
New Announcement	Florida Power & Light	1,100MW	Manatee County, FL	Natural Gas	US\$600	Jun-05
Expansion	Electricity of Vietnam	160MW	Phu My, Vietnam	Natural Gas	N/A	N/A
Expansion	Electricity of Vietnam	300MW	Uong Bi, Vietnam	Thermo	N/A	N/A
Construction Contract	Duke/Fluor	600MW	Luna County, NM	Natural Gas	US\$1,200*	Summer 2003
Construction Contract	Duke/Fluor	620MW	Grays Harbor, WA	Natural Gas	US\$1,200*	Summer 2003
Construction Contract	Duke/Fluor	1200MW	Moapa County, NV	Natural Gas	US\$1,200*	Summer 2003
Completion	Renewable Energy	N/A	Gdansk, Poland	Wind	N/A	Jan-02

* Total Cost for The Three Duke/Fluor Projects

company expects a significant increase in cash flow due to the large amount of new capacity coming on line. *Calpine's announcement was viewed favorably as the company's shares closed up 7.8% on January 16. Most investors had already priced in a reduction of earnings and expected the company to reduce its expansion plans. We are optimistic about Calpine's hot stand-by group, which allows the company to put projects on hold rather than selling assets. On the call, Calpine said there is currently around 118,000MW of capacity for sale in the U.S. With such a large amount of capacity for sale, companies will likely have to sell at a discount to find buyers. Looking forward, Calpine is prepared to outperform market expectations and will likely see strong growth if the U.S. economy rebounds and weather patterns return to normal. We strongly favor Calpine as we believe the company's fundamentals are still strong and the stock is extremely cheap on a valuation basis.*

Calpine Files with SEC to Raise US\$871.4 Million

Calpine filed with the Securities and Exchange Commission (SEC) to sell securities to raise up to US\$871.4 million over time for plant construction and other general needs. Under the filing, Calpine requested permission to sell debt, common or preferred stock, or new securities whenever it needs. The US\$871.4 million security offering would be in addition to the US\$1.6 billion unsold by Calpine from previous registrations, giving the company US\$2.5 billion total on the shelf. In its SEC filing, the company may decide to raise money by selling preferred securities through a subsidiary trust, which would use the funds to buy debt from the parent company on the same terms. Bloomberg reported that this would allow Calpine to increase equity capital by issuing preferred stock while getting a tax deduction for payments on the debt.

ChevronTexaco Purchases Additional Dynegy Shares

Dynegy announced that ChevronTexaco will exercise its right to retain its 26.5% stake in the company through the purchase of 10.4 million shares of Class B common stock. Net proceeds from the sale will total US\$205 million, which will be used for general corporate purposes, including debt reduction. Under an existing shareholder's agreement, ChevronTexaco has the right to purchase

additional common shares when new stock is issued. Dynegy sold US\$568 million of Class A common stock in December as part of the company's restructuring plan. As a result of the announcement, the company adjusted FY02 earnings to US\$2.26/share from US\$2.30/share. *The agreement further demonstrates ChevronTexaco's commitment to Dynegy. The additional cash will also allow Dynegy to continue to reduce its debt to capitalization ratio and maintain strong reserves for its trading operations, which could eventually lead to an upgrade of the company's credit ratings.*

Dynegy, AES Pulls Out of SpA Bid

Dynegy and AES said they have pulled out of bidding for SpA, which is being sold by Italy's Enel. Reportedly, both companies refused to give a bank guarantee of US\$88 million to Enel. The remaining bidders include four European groups, which are expected to submit bids by the end of February. Mirant pulled out of the bidding last month as part of its restructuring plan to reduce expansion both in the U.S. and abroad. The move comes as U.S. power generators are cutting expansion plans around the world in an effort to regain and maintain investment grade credit ratings.

AES NewEnergy Gets Oregon Approval, Renews Marriott Contract

AES NewEnergy announced it has received its certification as a scheduling Electricity Service Supplier (ESS) from the Public Utility Commission of Oregon. The company can now begin selling power to businesses that are currently being served by Oregon's two largest utilities, Portland General Electric and PacifiCorp. AES NewEnergy also announced that Marriott renewed their supply contract, which allows the company to supply power to seven Marriott hotels in New York City and Westchester County. *We expect AES NewEnergy will quickly take a leading role in Oregon's power market, just as it has in Ohio, New York, and several other states in the U.S., which have partially deregulated power markets. The company's ability to provide significant savings to customers is winning contracts throughout the nation. We expect AES NewEnergy to maintain its current leading*

position, as additional states move forward with plans to deregulate their power markets. However, this does not change our HOLD recommendation on AES as economic conditions in Latin America remain poor.

Enron Could Take Additional US\$1.3 Billion Hit

The New York Times reported that a letter sent to Ken Lay in August from Sherron Watkins, a senior Enron employee, suggests that the company might have to further reduce past earnings by US\$1.3 billion. In the letter, Watkins discusses another partnership called Condor. The partnership was financed with Enron stock and made investments that generated US\$800 million in cash. Experts say that the US\$800 million might need to be deducted from earnings. In addition, the letter also says that another partnership, Raptor, generated US\$500 million in revenue, which might also have to be written off. Separately, Arthur Andersen remains under intense scrutiny as the auditing firm received several warnings regarding Enron's financial practices. Andersen reportedly considered dropping Enron as a client last year, but did not do so. On January 15, David Duncan, the lead partner on the Enron account, testified before several Congressional committees stating that he ordered the destruction of Enron documents while the company was being investigated by the Securities and Exchange Commission.

Breaking Enron News – Company Fires Arthur Andersen

In a completely unsurprising move, Enron officially announced it fired Arthur Andersen as its accountant after a congressional subcommittee released that Andersen had questions about Enron's finances almost a year ago. Ken Lay stated, "The Company could not wait any longer in light of recent events." Andersen also recently admitted to destroying documents about Enron's finances. *We are relieved that Enron, and more importantly Ken Lay, have finally seen the light and cut Andersen loose for bringing the company down. We were wondering what it would take for Enron to fire its accountant after they admitted to shredding documents only two days prior.*

U.S. Utilities

TXU Completes Sale of UK Distribution Assets

TXU announced that the sale of its U.K. distribution business and its 50% interest in 24seven to London Electricity Group was completed. TXU originally announced the sale in November 2001 for GBP1.31 billion, or US\$1.87 billion. Through the sale of the U.K. distribution business, TXU intends to enhance management focus on the merchant energy business and improve growth prospects in Europe. It also reduces debt levels and improves interest coverage through GBP1.3 billion of debt reduction, which will result in strengthening its balance sheet. *Through the U.K. asset sales and generation plants in Texas, TXU achieved management's US\$2 billion targeted asset sales. With completion of these asset sales, we expect TXU will achieve its goal of a 55% net debt to capital ratio by mid-2002.*

TXU Idles UK Plants as Power Prices Tumble

TXU announced that the company will idle two coal-fired plants generating 522MW of electricity due to lower wholesale power prices in the U.K. TXU will mothball the plants until market conditions improve. The New Electricity Trading Arrangements, which came in effect last March, resulted in an oversupply of generation and lowered power prices by 25%. *TXU has over 5.3 million retail customers with 3,000MW of physical generating capacity and 6,300MW of contracted generation in the U.K. TXU is the largest natural gas trader and the second largest electricity trader in the U.K. In our view, idling 522MW capacity will have no significant impact on overall European operations, though thinning margins in the U.K. has been a concern. However, we continue to believe TXU's merchant energy business model, which consists of generation, trading, and retail supply, is a competitive advantage to its peers.*

TXU Expands Renewable Operations in Spain

TXU said it will invest roughly US\$10 million to buy a 40% stake in two wind farms in central Spain. The company expects the first wind farm to begin operations

by the end of 2002. TXU has been trying to expand its operations in Spain for several years. This renewable energy project is consistent with TXU's strategic plans to grow in the Iberian region.

AEP's US\$10 Billion Acquisition Questioned by Judges

A federal appeal court challenged AEP's US\$10 billion acquisition of Central & South West in 2000. The appeals court petitioned the Securities and Exchange Commission to reconsider its approval of the purchase. The case questions whether the acquisition meets the Public Utility Holding Company Act requirements that utility networks be physically interconnected and confined to a single area or region. As a result of the acquisition, AEP grew its operations from Virginia to Texas, with almost 5 million customers in 11 states. AEP remains confident that interconnectivity can be sufficiently demonstrated to meet the requirements of the act. *With its 38,000MW of generation capacity, growing presence in the wholesale market, and attractive dividend yields, we continue to believe AEP will provide justifiable total returns and potential growth in power trading and marketing after the demise of Enron.*

EDF Restructures Regional Division

Electricite de France, Europe's largest power company, will reorganize its business into geographic divisions to reduce costs after a string of acquisitions in the last couple of years. EDF serves 20 million customers abroad and 31 million household customers in France. The company has made more than two dozen acquisitions since 1992. With Europe's electricity market becoming increasingly competitive, EDF intends to decentralize its structure to focus more on each of the different regions. The company hopes to lower operating costs by decentralization.

Duke to Build New Power Plants in West

Duke/Fluor Daniel, a venture of Duke Energy, and construction company Fluor plans to build three natural gas-fueled power plants valued at US\$1.2 billion to increase Duke's generating capacity in the West. The company indicated that a 1,200MW plant and a 620MW plant will be constructed in Nevada and Washington. These plants are scheduled to start operations by 3Q03.

Progress Energy Invests in Natural Gas

Progress Energy agreed to invest US\$153 million for natural gas assets in Texas and Louisiana to obtain a supply of fuel for its power plants and gas customers. Progress will pay Westchester Gas US\$135 million in stock and US\$18 million in cash for the assets. Westchester Gas Company is a privately held natural gas company located in Jonesville, Texas. Progress Ventures participates in the wholesale energy business through fuel extraction, manufacturing and delivery; merchant generation; and energy marketing and trading. The parties intend to negotiate a definitive agreement and complete due diligence in 1Q02. The investment is expected to be accretive to Progress Energy's earnings in FY02 and expected to be completed in 1Q02, if regulatory approval is obtained.

Reliant Settles with Shareholders of Dutch Unit

Reliant Energy announced that the company's Dutch unit, Reliant Energy Power Generation Benelux and its former shareholders reached a settlement resolving their stranded cost obligations related to its acquisition of the unit. Under the settlement, shareholders will pay Reliant US\$165 million this month and another US\$35 million in February. Reliant estimates a net gain of US\$35 million. Reliant acquired the unit from the Dutch government in 1999.

Distributed Generation

Acumentrics and NiSource Sign Agreement

Acumentrics and Nisource announced they have signed stock purchase, distribution, and product purchase agreements. Nisource Energy, a subsidiary of Nisource, has agreed to acquire a 3% stake in Acumentrics. The purchase and distribution agreement signed by the companies provides that Nisource will purchase up to US\$10 million of Acumentrics' proprietary fuel cell products. Under the agreement, Nisource Energy is granted exclusive rights to distribute the products in the Mid-Atlantic and Midwest markets. The purchase and distribution agreement will begin after Acumentrics' fuel cells reach commercialization and last for five years.

thereafter. Acumentrics is a private company that produces natural gas fueled solid-oxide fuel cells for commercial and residential applications. The agreement will add Nisource to the company's current alliance partners which include ChevronTexaco, Northeast Utilities, and General Dynamics. *Solid Oxide Fuel Cells are solid-state fuel cells that utilize a ceramic electrolyte. These cells operate at the highest temperature range for fuel cells, approximately 1000 degrees Celsius, making it a good candidate for residential and commercial cogeneration applications. In addition, solid oxide fuel cells that utilize natural gas have the highest energy conversion efficiency.*

Plug Announces Milestones Achieved in 2001

Plug Power announced 4Q01 and FY01 accomplishments and milestones achieved prior to its earnings announcement on February 26. During 2001, the company delivered 132 systems, which included 131 5kW systems that operate on natural gas and one 50kW prototype system that operates on hydrogen. Plug delivered 81 fuel cell systems during 4Q, which includes 50 systems to the Long Island Power Authority (LIPA) and 20 systems to the New York State Energy Research and Development Authority (NYSERDA). The LIPA delivery completed a contract for 75 fuel cell systems and the NYSERDA delivery was the last of 44 systems ordered. Other accomplishments included Plug's ability to reduce the direct material cost of its stationary unit by 37%, which was realized through changes in the system design and improved supply chain management. *Plug's ability to meet delivery dates and cost reduction goals is commendable. Moving forward, we believe the company needs to secure additional orders such as the LIPA and NYSERDA contracts in order to see significant cost reductions.*

Hydrogenics Added to Canada's TSE 300 Index

Hydrogenics said the company has been selected by Standard & Poor (S&P) to be added to Canada's TSE 300 Composite Index. The change was effective on Friday, January 18. The TSE 300 Composite Index comprises approximately 71% of market capitalization for Canadian-based, Toronto Stock Exchange listed companies. *Hydrogenics has strongly benefited from its strategic partnership with General Motors, formed in October 2001.*

The company's stock has increased 187%, from US\$2.57/share on October 16 to US\$7.39/share as of January 18.

Renewables

Sweden's Green Certificates Jeopardize Wind Power

The European Wind Energy Association (EWEA) strongly objected to the Swedish government's plan to implement a green certificate program in the country. A government report released in 2001 suggests replacing the green certificate program with the existing investment and operational support for renewable energy. The report predicts that most new renewable energy capacity will come from biomass at the expense of wind generated energy. The proposed system will require retailers to purchase 15.3% of renewable energy from qualifying renewable generators by 2010. Wind energy production is currently supported by an incentive of SEK320/MWh (US\$30.50/kWh), whereas the green certificate system will reduce the incentive to SEK60/MWh (US\$5.72/kWh). *Wind energy development in Sweden has been minimal in comparison with neighboring countries, due to the country's low electricity prices from hydroelectric and nuclear power plants. If the government approves the green certificate program, it will likely stop the progress of wind energy development in the country unless additional incentives for wind energy are implemented, or until off-shore wind farms become commercially viable.*

New Off-shore Wind Farm Proposed in Denmark

The Danish government's Project Bureau for CO2 Reductions will be receiving bids for a proposed 100MW off-shore wind farm. A number of firms, including Vestas, E.On, Shell, Siemens, and Electrabel, have shown interest in the off-shore wind farm. Announcement of the winner is scheduled for mid-April and the construction is expected to start in 2003. *The proposed project will be the second largest off-shore wind farm in Denmark, following the 160MW Horns Rev off-shore wind farm. While the wind industry's growth for 2002-2003 will depend on the U.S.*

government's decision to extend the wind production tax incentive, other European markets have continued to actively increase wind energy capacity.

NEG Micon Receives Orders for Greece

NEG Micon received orders from two Greek companies for wind turbines. Wind Parks of Thrace and International Wind Parks of Thrace will use NEG Micon's NM52/900 wind turbines for the construction of wind farms in the northern part of Greece in 2002. The cost of the 51 wind turbine orders is estimated to be Dkk250 million. *NEG Micon's exposure to the U.S. market is expected to be minimal in 2002, as management has stated previously that they will not build a manufacturing plant in the U.S. unless the production tax credit is extended for at least two years. However, in order to regain its leading position, NEG Micon will need to prepare for its expansion in the U.S. market or strengthen its position in other high-growth high-capacity markets, such as France, U.K., and Italy.*

Spire Installs 100kW of PV Systems in Chicago

Spire Solar Chicago announced that it has installed a total of 100kW of photovoltaic (PV) systems during 4Q01 on the roofs of Chicago's buildings. The PV systems were installed with the cooperation of the City of Chicago, ComEd, BP Solar, and the Illinois Department of Commerce and Community Affairs, on museums, public schools, small business buildings, and ComEd's Hydrome facility, as part of the city's project to produce clean energy in Chicago. The company plans to install additional PV systems in 911 Emergency Communications Centers and Spire Solar Chicago's future homes. *Spire's continued cooperation with the City of Chicago is significant because of the potential size of the deal and overall, it is likely to draw significant attention to solar energy.*

ENDESA to Install Additional 500MW of Wind Capacity

ENDESA Cogeneración y Renovables announced it was awarded a contract to install 500MW of wind capacity in Spain by Valencian State authorities. Under the agreement, ENDESA will develop the installed capacity in three areas with an estimated investment of EUR500 million. MADE, a fully owned ENDESA subsidiary, will be the company in charge of building the aerogenerators that will be

installed in the wind farms. ENDESA Cogeneración y Renovables currently operates more than 1,600MW of wind capacity.

BP, ChevronTexaco to Build 22.5MW Wind Farm

BP and ChevronTexaco reported they will build a 22.5MW wind farm at their jointly owned Nerefco oil refinery near Rotterdam in the Netherlands. The US\$23 million project is expected to begin operations in 2H02 and will be the first substantial use of wind turbine technology for both BP and ChevronTexaco. Electricity from the wind farm will also be sold locally and support the Dutch national target for renewable energy.

Transmission & Distribution

Russian Aluminium Part of Brazilian Power Transmission Project

The Industrial Association of Brazil, Santa Catarina State, the Brazilian corporations, Luminar and ITS, and Russian Aluminium signed a Memorandum of Intent to produce aluminum cable for the Brazilian electric grid. General Electric, ITS's parent company, confirmed its interest to cooperate with Russian Aluminum to implement Brazil's current 10-year development plan for its electrical transmission. Russian Aluminium is the second largest aluminum producer in the world and accounts for a total of 70% of Russian primary aluminum output. The company has long standing trade relations with Brazil.

India's Transmission Sector Expects New Joint Venture

PowerGrid Corporation of India (PGCIL) announced a joint venture agreement with Tapa Power for the Tapa HEP project. The agreement was formed in order to encourage private participation in the country's transmission sector. It is estimated that PGCIL will have a 49% stake and Tapa Power will retain a 51% stake with management control in the deals with an estimated US\$284.40million.

New Plan by Tucson Electric Power and Citizens Communications

The transmission line proposal by Tucson Electric Power and Citizens Communications was approved by the Arizona Corporation Commission at a special open meeting on January 3, 2002. The 62-mile line will run from a Tucson Electric Power substation at Sahuarita to Citizens' service territory in Santa Cruz County. Construction for the US\$70 million, 345kV line will begin in early 2003. Both Citizens and Tucson Electric Power has indicated that it is interested in eventually extending the line into Mexico.

Capital Markets

Progress Energy to Buy Westchester Gas for US\$153 million

Progress Energy, based in Raleigh, North Carolina, is to buy Westchester Gas, a privately-held natural gas company, based in Jonesville, Texas for US\$153 million. Of the total purchase price, US\$135 million will be in the form of equity and the remainder in cash, with the deal expected to close in the first quarter of this year. Progress Energy will acquire the assets of Westchester Gas, which includes 215 producing gas wells, 52 miles of pipeline, and 170 miles of gas-gathering systems in Texas and Louisiana. In addition, Progress Energy will acquire gas reserves of 140bcf and an annual production capacity of 12bcf. The company plans to sell natural gas for Westchester Gas operations on the wholesale market.

Gaz De France Acquires 10% Stake in India's Petronet LNG

Gaz De France (GDF) has picked up a 10% equity stake in Petronet LNG, a company that has been formed in a joint venture between India's Oil PSUs – Indian Oil, Natural Gas Corporation, Gas Authority of India, and Bharat Petroleum. Gaz De France has been involved with Petronet by providing technical advice for the purpose of setting up tow LNG import facilities in the ports of Dahej and Kochi at a cost of approximately US\$1 billion. GDF has committed US\$25 million for its equity stake and it has already paid US\$5 million.

Korean Government Set to Privatize Five Power Companies by 2005

The Korean Government has set a goal of gradually privatizing five power companies by 2005 in a draft plan from the Ministry of Commerce, Industry, and Energy. The plan, which will be put to a public hearing, will be implemented in two stages, starting with the sale of managerial rights of two companies followed by the privatization of the remaining three companies by 2005. The Korean Government is to select a consultant by early February and select at least one company by the first half of this year for disinvestment. The plan also calls for a foreign investment cap that equals 30% of Korea's total power generation capacity during the privatization program. However, no restriction on foreign investments will apply to the privatization of the first company. After which, foreign investment cap limits for the subsequent disinvestments will be determined by the resulting foreign investments in the first company. The one exception, for foreign investors from the 30% limit is when they seek a minority stake in the companies by joining a consortium, where they bid with Korean companies

Shaw Group Signs Deal to Build Nuclear Power Plant

The Shaw Group has concluded an agreement with two South African firms, PBMR Pty and Murray and Roberts, to build South Africa's second nuclear power plant. The plant is to be developed as a test plant and is projected to begin commercial operations by 2003. The companies are considering building the plant in Koeberg, a suburb of Cape Town. As of 1999, South Africa received 7% of its power production from nuclear generation, with the remaining 93% of the nation's energy generated from fossil fuels.

European Commission Clears Hydropower JV

The European Commission approved a joint venture for hydropower production between E.ON Energie and Verbund of Austria. Under the terms of the joint venture, the two companies will pool their hydropower production facilities and ownership stakes in hydropower producers

into the joint venture company, which is to be called European Hydro Power. Under the European Commission's approval, the new company will not directly trade in power markets but will produce electricity for its parents, who will continue to sell power to market participants.

Antrim Energy Signs Agreement with Swift Energy of New Zealand

Antrim Energy, a wholly-owned subsidiary of Canadian-based Antrim has entered into an agreement with Swift Energy New Zealand. Under the agreement, Antrim will sell all of its assets in New Zealand to Swift Energy. These assets include a 5% stake in the Rimu-Kauri permit and a 7.5% interest in the Huinga permit. Under the agreement, Antrim will receive 220,000 shares of Swift, and between US\$880,000 to US\$960,000 in cash, with final details being determined at closing. Based on the January 14, 2002 closing stock price of Swift shares, a fair value for the participation rights, and the cash component of the purchase price, Antrim is slated to receive a total of US\$10 million for the deal. The transaction is expected to close in 1Q02 and has an effective date of November 1, 2001.

PG&E National Energy Looking to Sell Power Assets

PG&E National Energy is considering putting its Manchester Street power plant in Rhode Island and three power plants located in Massachusetts up for sale. The three plants include the Salem Harbor Station in Salem, the 589MW Bear Swamp hydroelectric facility in Rowe, and a 780MW coal plant. PG&E had bought the Manchester Street plant in 1998 for US\$1.59 billion and is selling these assets to diversify its holdings by broadening its national presence. The company has solicited bids from a targeted consortium of companies and is planning to make a decision to sell by March of this year. Any sale of assets would require regulatory approval and is not expected to affect PG&E's customers.

Ukraine Embarks on Electricity Distribution Privatization Program

Ukraine is planning to privatize 12 electricity distribution companies in the second half of this year. The privatization tenders are expected to be announced in April with the

sale taking place in summer and autumn of this year, pending market conditions. The program is being run by the state property fund, and Credit Suisse First Boston has been selected to offer Investment banking advice for the program. The sale, if it goes through, will revive Ukraine's stalled privatization program which has been frozen for six months.

Brazil's Parana State Abandons Plan to Sell Copel

Brazil's Parana State has abandoned plans to sell its power company, Companhia Paranaense de Energia (Copel) due to the introduction of new federal regulations that allow for more federal government protection. The new regulations aim to further protect state-owned companies from the effects of greater competition once the electricity market is opened in 2003. Parana State officials believe that greater state protection will enable Copel to postpone its privatization plans. Eleven companies were in the process of bidding for a 45% stake in Copel. Following Parana State's decision to cancel the sale of Copel, Banco Itau, the second largest private bank in Brazil, decided to sell its 8% stake in Copel. This decision is expected to lead to a fall in Copel's share price, which has already fallen 14% to date this year.

RWE to Bid for Minority Stakes in Three Slovak Electricity Companies

RWE said it will bid for minority stakes in all three Slovak regional electricity distributors being privatized by the Slovak government. Under the privatization program, 49% stakes in Zapadoslovenska Energetika, Stredoslovenska Energetika, and Vychodoslovenska Energetika are to be sold. Preliminary bids are due by the end of this month with the government choosing the winning bids by the end of March.

Nigeria to Go Ahead with Sale of State-Owned Power Company

Nigeria's government plans to push ahead with the sale of state-owned National Electric Power Authority (NEPA) this year despite an investigation into the formerly state-owned African Petroleum Company on corruption charges for hiding debt balances from external auditors. Nigeria

is in talks with the IMF to schedule a three-year loan package and plans to set up a power regulatory body by mid-year. The government plans to start seeking advisers and conduct due-diligence of NEPA during the first half of this year, and hopes to begin tenders for some units of NEPA by the end of the year.

Italy's Edison Group Outlines Future Direction for the Company

The chairman of the Italian energy group, Edison, told a parliamentary commission that the group plans to remain on course to become the second-largest company in the Italian electricity sector behind Enel, while at the same time will pursue opportunities to diversify in Europe in conjunction with French electricity provider, EdF. The company has set an installed capacity target of 8,000MW and plans to reach this target by acquiring Eurogen, ENEL's generation subsidiary, and by constructing new brown field power stations. The company is also planning to make investments in the range of US\$2.3 billion to US\$2.7 billion and to reach cash flow break-even status during the course of this year. As part of this strategy, the company has embarked on a program to sell its non-strategic assets from which it expects EUR7 billion (US\$6.17 billion) in capital gains, which will lead to a reduction in the company's debt load to •7 billion (US\$6.17 billion). Edison also plans to sign an agreement next week to exploit a large Egyptian gas field as part of its strategy to keep up with Enel.

SEC Approves Niagara Mohawk and National Grid USA Merger

The U.S. Securities and Exchange Commission (SEC) has approved the US\$3 billion acquisition of Niagara Mohawk by National Grid USA, creating the ninth-largest utility in the U.S. The acquisition is expected to close on January 31. As a result, the new National Grid USA will serve an estimated 3.2 million customers spread over 29,450 square miles in four states and will have operating revenues in the range of US\$6.7 billion. As part of the deal, Niagara Mohawk will continue to operate in the form of a wholly-owned subsidiary of National Grid, and maintain its headquarters in Syracuse, NY. The companies expect to realize savings over a 10 year period of US\$1 billion. Following the acquisition, consumers will be

provided with an immediate 8% reduction in electricity delivery charges, which would translate into approximately a 5% decline in monthly customer electricity bills. Under the terms of the merger agreement, Niagara Mohawk shareholders will receive US\$18.89 per share.

Notable Earnings

Company	Earnings Release Date	Price (1/18/02)	*Reported Quarterly EPS	I/B/E/S Consensus	Surprise	**QoQ Growth	***YoY Growth	****P/E LTM	P/E 2002
Intel	1/15/2002	\$33.48	0.07	0.11	-35.8%	250%	-78%	176.2	48.9
Duke Energy	1/17/2002	\$36.23	0.28	0.45	-38.1%	-72%	-26%	15.0	13.0
United Technologies	1/17/2002	\$63.65	0.69	0.67	3.3%	-38%	-18%	16.6	16.3
Consolidated Edison	1/17/2002	\$41.60	0.59	0.56	5.5%	-55%	181%	13.0	12.8
Kinder Morgan	1/17/2002	\$54.79	0.60	0.55	8.9%	25%	30%	29.5	21.3
FPL Group	1/18/2002	\$56.25	0.70	0.68	2.9%	-65%	84%	12.1	11.5

* Fully Diluted **Quarter-on-Quarter ***Year-on-Year ****Last Twelve Months P/E

FPL Group said its 4Q01 earnings increased by 82% from last year, when the company had a US\$41 million onetime charge due to its failed acquisition of Entergy. Net income increased by 82% to US\$118 million from US\$65 million in 2000. Revenue declined by 1% to US\$1.84 billion from US\$1.86 billion as a result of economic slowdown in the U.S. FPL and Entergy canceled their proposed merger in April primarily because of disputes over management of the combined company. After the merger, FPL continues to add customers at its Florida Power & Light utility and build more power plants outside the state. *While many utilities have struggled as power prices have plummeted, FPL protected itself primarily by leveraging off of its traditional utility operations and locked-in contracts for power sales. FPL's investment grade rating for long-term debt from Standard & Poor's also appears to contribute to the stability of its shares.*

Duke Energy announced that its 4Q01 net income decreased by 21% primarily as a result of low power prices, poor weather conditions, and a weak economy. Net income declined to US\$225 million, or US\$0.28/share, from US\$284 million, or US\$0.38/share a year ago. Revenue decreased by 30% to US\$10.7 billion from US\$15.4 billion. According to consensus estimates, Duke was expected to earn US\$0.45/share in 4Q. In 2000, on-going EPS for 2001 increased by 26% to US\$2.64 from US\$2.10. Revenue increased by 21% to US\$60 billion. Including non-recurring items, Duke reported US\$2.44/share in 2001 diluted EPS, compared to US\$2.38/share in 2000. Duke's wholesale energy segment reported strong EBIT growth in FY01, an increase of 211% from last year. However,

overall earnings result was nearly 8% short compared to consensus estimates of US\$2.84/share. Shares of Duke trade at US\$6.98/share during mid-day January 17, 2001, down 1.02% from the previous day. *We had expected weak 4Q01 results because of milder weather, lower power prices, and a weak economy in the sector. Despite these negative elements, Duke's North American Wholesale segment showed strong EBIT growth. However, in light of weak wholesale power prices and a recessionary economy, we will carefully review Duke's strategic plans as well as fundamentals.*

Consolidated Edison, announced 4Q profits increased by 15% due to the lower power, fuel, and natural gas prices as well as reduced operating costs after September 11. Despite a decrease in 14% to US\$1.94 billion from US\$2.25 billion, net income surged to US\$128.5 million, or US\$0.59/share after preferred dividends, from US\$111.7 million, or US\$0.53/share a year earlier. The company reported FY01 net income for common stock of US\$682.2 million, or US\$3.22/share, compared with earnings of US\$582.8 million, or US\$2.75/share for FY00. Earnings for FY00 included non-recurring charges of approximately US\$162 million, or US\$0.49/share, for nuclear replacement power and merger-related costs. Excluding these charges, 2000 earnings would have been US\$3.24/share. The company also declared a quarterly dividend of US\$0.555/share on its common stock, payable March 15, 2002 to stockholders of record as of February 13, 2002. The dividend represents an annualized increase of US\$0.02/share over the previous annual dividend of

US\$2.20/share. Trading at 12.4x EPS02 and 11.9x EPS03, shares of Consolidated Edison appear fully valued. However, the company's 5.4% dividend yield will provide justifiable returns in a recessionary economy with low interest rates.

Dominion announced that FY01 operating earnings, excluding special charges, are expected to meet or slightly exceed analyst expectations of US\$4.15/share. The company also reaffirmed 2002 earnings guidance of US\$4.90 to US\$4.95/share. However, the company expects to take an after-tax charge of approximately US\$348 million in 4Q01 due to exposure to Enron of US\$97 million, a write-down of Dominion Capital assets of US\$183 million, and restructuring charges associated with a senior management restructuring initiative announced in November and other restructuring costs of US\$68 million. The Enron charge is related to credit exposure on prior energy sales of US\$6 million and the impaired value of forward natural gas contracts in the amount of US\$91 million, for which payment has not yet been received. Dominion indicated that moving forward there will be no further charges related to Enron. Dominion remains confident about meeting consensus estimates of US\$4.89/share in 2002 and annual earnings growth of 10%.

Intel announced 4Q01 earnings of US\$0.15/share, excluding acquisition-related costs, and beating consensus estimates by 37%. However, Intel also announced that it does not expect FY02 to be as strong as previously projected. The company also stated that it will cut its budget during the year, and cut capex by approximately US\$1.8 billion. The move to cut capital spending by 25% was more drastic than anticipated. In line with these moves, Intel laid off 7,000 employees through FY01, 2,000 more than initially planned. The news sent the Philadelphia Semiconductor Index downwards, along with nearly all semiconductor stocks, leading to conclusions that a broad and quick semiconductor recovery is still very far away. *Some of the Reed Wasden Research Power Semiconductor stocks were affected by the Intel news by nearly 10%. We believe this is the first collapse of support levels that will bring semiconductors down in the short-term. However,*

we remain optimistic on power semiconductors in the long-term despite an anticipated market correction to bring valuations to rational and fair levels.

Earnings Announcements: January 21 - January 25, 2002

Company	Exp. Report Date	*Consensus EPS US\$	**QoQ Growth	***YoY Growth
AEP	1/22/2002	0.16	-88%	121%
Fairchild	1/22/2002	-0.03	82%	-104%
Northeast Utilities	1/22/2002	0.39	50%	131%
PSEG	1/22/2002	0.94	15%	-4%
American Superconductor	1/23/2002	-0.47	-5%	-137%
Dynegy	1/23/2002	0.41	-52%	28%
Hawaiian Electric	1/23/2002	0.67	219%	191%
Progress Energy	1/23/2002	0.45	-74%	747%
Active Power	1/24/2002	-0.19	-4%	-17%
Dominion Resources	1/24/2002	0.86	-37%	95%
International Rectifier	1/24/2002	0.16	7%	-77%
Microsemi	1/24/2002	0.17	11%	19%
Potomac Electric	1/24/2002	0.30	-54%	-79%
Power Integrations	1/24/2002	0.03	-7%	-83%
Reliant Resources	1/25/2002	N/A	N/A	N/A
Sempra Energy	1/25/2002	0.50	8%	6%
Southern Company	1/25/2002	0.15	-81%	-8%

*B/E/S **Quarter-on-Quarter ***Year-on-Year

RWR Global Indices Tracker

Index	Ticker	Last Value	1 day	5 day	1 month	3 month	6 month	YTD	1 year	2 year
DOW JONES	INDU	9,771.85	(0.8)	(2.2)	(2.6)	6.2	(7.6)	(2.5)	(7.7)	(13.2)
S&P 500	SPX	1,127.58	(1.0)	(1.6)	(1.5)	5.0	(6.9)	(1.8)	(16.0)	(21.8)
NASDAQ	CCMP	1,930.34	(2.8)	(4.6)	(0.8)	15.5	(4.9)	(1.0)	(30.3)	(54.4)
TSE 300 (Toronto)	TS300	7,604.79	(0.6)	(1.3)	1.0	10.0	(0.6)	(1.1)	(17.0)	(11.9)
BOLSA (Mexico)	MEXBOL	6,600.73	(0.1)	2.8	3.5	18.1	3.3	3.6	5.3	(4.2)
BOVESPA (Brazil)	IBOV	13,372.65	0.3	(1.6)	0.0	18.0	(5.1)	(1.5)	(23.7)	(21.5)
BLOOMBERG EUR 500	BE500	209.96	(0.4)	(1.5)	(0.3)	6.5	(6.3)	(2.7)	(17.4)	(20.0)
FTSE 100 (London)	UKX	5,126.80	(0.2)	(1.4)	(0.6)	2.2	(4.8)	(1.7)	(17.4)	(19.2)
CAC 40 (Paris)	CAC	4,448.85	(0.6)	(2.3)	(1.1)	4.3	(8.8)	(3.8)	(23.9)	(21.7)
DAX (Frankfurt)	DAX	5,122.23	(0.2)	(1.7)	2.1	13.5	(11.1)	(0.7)	(23.0)	(26.7)
IBEX 35 (Spain)	IBEX	8,008.80	0.4	0.3	(3.3)	5.5	(3.6)	(4.6)	(19.6)	(27.0)
MILAN MIB30 (Milan)	MIB30	31,758.00	0.3	(0.9)	0.2	5.1	(11.2)	(1.6)	(28.6)	(25.0)
AEX (Amsterdam)	AEX	493.50	(0.7)	(1.0)	(0.5)	10.8	(8.2)	(2.6)	(21.5)	(23.1)
OMX (Stockholm)	OMX	792.24	(0.7)	(5.5)	(3.9)	6.8	(4.4)	(6.4)	(28.4)	(35.0)
SWISS MARKET (Swiss)	SMI	6,294.20	(0.4)	(1.9)	(1.1)	3.7	(9.2)	(1.9)	(19.9)	(13.0)
NIKKEI 225 (Japan)	NKY	10,293.32	1.6	(2.3)	(0.4)	(2.3)	(13.6)	(2.4)	(26.4)	(45.5)
HANG SENG (Hong Kong)	HSI	10,972.96	(0.4)	(1.7)	(1.7)	11.7	(10.8)	(3.7)	(31.1)	(27.4)
S&P/ASX 200 (Australia)	AS51	3,387.00	(0.2)	(0.9)	0.4	6.7	0.2	(1.0)	2.3	10.2
DJ World Utilities	W1UTI	121.55	0.4	0.6	1.6	(6.5)	(14.3)	(1.4)	(13.1)	
MSCI World Utilities	MXWOOUT	75.70	0.3	0.2	1.2	(8.7)	(15.6)	(1.9)	(15.6)	(12.9)

Currency	Ticker	US\$ - (Cur)	1 day	5 day	1 month	3 month	6 month	YTD	1 year	2 year
EURO	EUR	0.8848	0.4	(0.9)	(2.1)	(2.0)	1.3	(0.5)	(6.2)	(12.7)
JAPANESE YEN	JPY	132.57	(0.0)	(0.3)	(3.6)	(8.7)	(6.5)	(0.7)	(10.9)	(20.3)
BRITISH POUND	GBP	1.4383	0.2	(0.7)	(1.3)	(0.4)	1.2	(1.1)	(2.3)	(12.2)
CANADIAN DOLLAR	CAD	1.6135	(0.1)	(1.1)	(2.4)	(2.2)	(4.7)	(1.3)	(6.3)	(10.1)
HONG KONG DOLLAR	HKD	7.7987	(0.0)	(0.0)	0.0	0.0	0.0	(0.0)	0.0	(0.3)
AUSTRALIAN DOLLAR	AUD	0.5145	0.1	(1.1)	(0.1)	1.5	(0.3)	1.0	(7.9)	(22.7)
BRAZILIAN REAL	BRL	2.3380	1.7	2.7	(1.4)	18.0	7.1	(1.2)	(16.4)	(23.3)
ARGENTINE PESO	ARS	1.9250	1.0	(13.0)	(48.1)	(48.1)	(48.1)	(48.1)	(48.1)	(48.1)
SWISS FRANC	CHF	1.6604	0.3	(0.5)	(1.7)	(1.4)	3.7	(0.0)	(2.4)	(4.2)
CHILEAN PESO	CLP	671.65	(0.4)	0.7	(1.2)	5.6	(1.8)	(1.5)	(14.8)	(23.2)
CHINA RENMINBI	CNY	8.2767	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.0)	0.0
CZECH KORUNA	CZK	36.0350	1.1	0.2	(2.0)	2.8	7.9	(1.2)	3.7	(1.4)
DANISH KRONE	DKK	8.4049	0.3	(0.9)	(2.0)	(2.0)	1.4	(0.7)	(5.8)	(12.6)
ISRAELI SHEKEL	ILS	4.5260	0.2	(0.8)	(6.3)	(4.7)	(7.0)	(2.8)	(8.9)	(10.4)
SOUTH KOREAN WON	KRW	1,318.00	(0.2)	(0.6)	(2.1)	(1.6)	(0.9)	(0.3)	(2.5)	(14.5)
MEXICAN PESO	MXN	9.1225	(0.1)	0.9	(0.2)	0.8	1.2	0.4	7.5	3.0
NORWEGIAN KRONE	NOK	8.9482	0.1	(0.4)	(1.2)	(1.5)	2.4	0.2	(2.6)	(10.8)
RUSSIAN RUBLE	RUB	30.60	(0.0)	(0.4)	(1.0)	(3.4)	(4.4)	(0.3)	(7.3)	(6.5)
SAUDI RIYAL	SAR	3.7502	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0
SWEDISH KRONA	SEK	10.4433	0.5	(1.6)	0.3	0.4	1.1	0.4	(9.4)	(19.0)
SINGAPORE DOLLAR	SGD	1.8343	(0.0)	0.4	0.1	(0.8)	(0.2)	0.6	(5.2)	(8.7)
TAIWAN DOLLAR	TWD	34.9665	(0.0)	0.0	(0.9)	(1.2)	0.2	(0.0)	(6.7)	(11.8)
VENEZUELAN BOLIVAR	VEB	756.5000	0.7	0.6	(0.5)	(1.9)	(4.5)	0.1	(7.6)	(13.8)
S. AFRICAN RAND	ZAR	11.4250	(0.1)	(0.8)	6.7	(19.7)	(27.9)	4.7	(31.1)	(46.7)

01/18/02

RWR Global Equity Tracker

Sector	Company	Ticker	Price	Mkt Cap	EPS		Price /		% Return							
					01E	02E	Sales	Book	1 day	5 day	1 month	3 month	6 month	YTD	1 year	
Power Quality	UPS	ADVANCED ENERGY	AEIS	24.97	795	(0.47)	(0.55)	3.03	3.49	2.5	(12.1)	(11.6)	39.1	(16.1)	(6.3)	(25.5)
	Power Quality	AMERICAN POWER CONVERSION	APCC	15.15	2,962	0.69	0.77	1.98	2.49	(3.7)	(2.4)	2.2	15.6	19.3	4.8	(5.3)
		ARTESYN TECHNOLOGIES	ATSN	10.25	392	(0.52)	(0.07)	0.69	1.87	(2.6)	(3.3)	14.5	79.5	(17.5)	10.1	(52.2)
		CHLORIDE GROUP	CHLD LN	0.99	243	0.04	0.05	1.02	1.91	(1.4)	3.8	(10.5)	48.9	(20.3)	(3.5)	(61.7)
		MAGNETEK	MAG	11.00	248	0.20	0.72	0.89	1.33	0.7	7.9	22.4	33.3	(8.0)	22.1	(15.4)
		POWER-ONE	PWER	10.91	860	(0.02)	(0.01)	1.77	1.61	(3.8)	(12.2)	8.1	29.4	(16.9)	4.8	(74.4)
		SATCON	SATC US	5.77	95	(0.58)	0.06	2.29	1.75	4.5	(5.7)	14.3	7.8	(36.3)	11.0	(61.0)
		TVS ELECTRONICS	TVSE IN	0.58	10	-	-	0.21	1.35	0.9	7.9	10.9	24.7	(6.2)	(9.5)	(57.8)
		VICOR	VICR	15.50	657	(0.01)	0.25	2.90	2.47	(5.4)	(10.7)	(7.1)	5.7	0.1	(4.3)	(60.7)
		CEAG	CEA GR	9.29	72	0.82	1.44	0.31	1.38	(0.2)	(6.3)	28.0	59.1	(39.3)	15.4	(37.9)
Power Quality	Power Quality	COSLIGHT	1043 HK	0.26	94	0.04	0.04	2.40	2.35	-	1.3	1.3	32.4	48.9	-	193.5
		ELECTRIC FUEL	EFCX	1.74	45	(0.71)	(0.53)	8.63	2.33	(2.8)	(6.5)	2.4	16.0	(25.0)	4.8	(72.7)
		ENERGY CONVERSION DEVICES	ENER	18.96	415	-	-	4.51	2.71	(0.3)	(8.7)	4.9	8.0	(28.1)	(0.1)	(33.6)
		HITEC ENERGY	HTE AU	0.07	19	-	-	-	11.89	(3.7)	4.0	-	13.0	(6.0)	(3.7)	19.7
		REDOX	RDOX	0.16	10	-	-	-	-	-	(16.2)	(8.8)	29.2	(32.6)	(3.1)	(65.6)
		POWER INTEGRATIONS	POWI	17.55	490	0.22	0.28	5.05	4.10	(7.4)	(17.5)	(29.2)	(16.7)	12.1	(23.2)	17.0
		SHINDENGEN ELECTRIC	6844 JP	2.26	184	(0.21)	0.05	0.23	0.57	2.0	(9.6)	(10.4)	(23.1)	(36.8)	(12.5)	(55.0)
		TECHOPS SEVCON	TO	8.70	27	-	-	1.00	2.72	2.8	3.8	1.2	5.5	(7.5)	20.0	(10.8)
		TRIQUINT SEMICONDUCTOR	TQNT	10.55	1,374	0.22	0.07	4.40	1.87	(4.6)	(11.6)	(25.2)	(39.5)	(48.9)	(13.9)	(76.0)
		XICOR	XICO	10.20	224	0.06	0.02	2.55	18.10	(5.8)	(16.5)	(23.6)	29.6	14.0	(8.1)	70.0
Power Quality	Power Quality	ADVANCED POWER	APTI	11.10	97	0.17	(0.06)	2.20	1.78	0.9	(3.5)	0.4	23.3	(11.6)	(4.3)	(36.8)
		FAIRCHILD SEMI	FCS	25.55	2,548	0.19	0.30	1.64	3.11	(3.1)	(8.8)	(3.2)	33.1	22.2	(9.4)	42.9
		INTL RECTIFIER	IRF	35.71	2,260	0.73	1.36	2.52	2.28	(0.8)	(7.3)	(3.7)	16.7	7.6	2.4	(18.6)
		IXYS	SYXI	8.34	223	0.11	0.20	2.08	2.29	(1.8)	(3.0)	15.2	35.8	(40.3)	3.1	(67.4)
		MICROSEMI	MSCC	22.95	652	0.78	1.11	2.68	3.70	(6.2)	(14.1)	(32.0)	(29.6)	(29.0)	(22.7)	3.0
		ON SEMI	ONNN	2.91	507	(1.18)	(0.78)	0.35	-	(5.8)	(9.1)	36.6	100.7	(24.6)	40.6	(53.0)
		SEMTECH	SMTC	34.01	2,396	0.47	0.59	11.17	8.65	(3.8)	(8.4)	(15.5)	7.7	13.9	(4.7)	14.4
		SILICONIX	SILI	27.60	825	-	-	2.42	2.44	(1.6)	(4.6)	(4.4)	13.3	7.7	0.7	(14.7)
		SUPERTEX	SUPX	18.48	230	-	-	3.84	2.70	(4.2)	(4.2)	7.6	6.2	30.1	5.5	7.1
		AMERICAN SUPERCONDUCTOR	AMSC	9.56	196	(1.78)	(1.40)	15.00	0.93	(0.9)	(19.6)	(20.1)	(21.7)	(49.3)	(22.0)	(72.5)
Power Quality	Power Quality	INTERMAGNETICS	IMGC	24.35	399	0.85	1.00	2.61	2.97	0.2	(10.8)	(4.5)	(12.0)	(22.4)	(6.0)	(2.6)
		ACTIVE POWER	ACPW	5.53	224	(0.71)	(0.55)	10.81	1.63	(5.6)	(21.0)	1.3	2.4	(55.3)	(18.7)	(79.3)
		BEACON POWER	BCON	1.01	43	(0.63)	(0.61)	863.36	0.96	(3.8)	(11.4)	7.4	(9.8)	(80.9)	(22.3)	(89.2)
		CAPSTONE	CPST	4.38	337	(0.58)	(0.54)	10.24	1.35	3.8	(16.6)	10.3	18.7	(77.1)	(19.0)	(88.7)
		HEROUX-DEVTEK	HRX CN	5.43	132	0.43	0.47	0.70	1.77	(1.0)	(6.3)	(9.9)	14.2	(15.7)	(12.4)	25.1
		JENBACHER	JEB AV	12.83	128	1.30	1.47	0.65	3.24	(1.4)	(2.2)	(2.2)	16.2	-	(2.7)	20.8
		TURBO GENSET	TGN LN	2.34	403	-	-	3,846.27	-	1.9	(1.8)	24.4	1.9	(51.3)	17.7	(68.6)
		GAMESA	GAM SM	13.28	1,077	0.66	0.79	1.66	6.31	(0.1)	(1.5)	2.8	(1.9)	(36.0)	(2.5)	(37.5)
		NEG MICON	NEG DC	25.94	640	0.81	1.29	1.24	7.74	2.3	0.5	0.5	(5.4)	(42.5)	(0.9)	(55.0)
		VESTAS	VWS DC	26.00	2,724	0.89	0.84	3.55	14.32	1.9	(2.0)	(2.9)	(22.0)	(42.5)	(4.2)	(49.4)
Power Quality	Power Quality	ASTROPOWER	APWR	38.45	553	0.42	0.84	8.79	3.83	1.1	1.6	(1.9)	9.2	(21.9)	(4.9)	(2.3)
		EVERGREEN SOLAR	ESLR	3.47	40	(1.14)	(1.32)	18.37	0.85	2.1	5.8	20.3	(3.1)	(57.2)	2.1	(70.0)
		SOLARWORLD	SWV GR	30.97	153	1.59	1.67	9.60	1.76	5.1	10.1	15.5	(8.1)	(31.4)	17.8	(50.0)
		BALLARD POWER	BLD CN	33.09	3,712	(0.92)	(1.02)	107.69	5.28	(2.9)	(1.1)	12.8	40.2	(21.1)	13.2	(51.0)
		FUELCELL ENERGY	FCEL	15.12	590	(0.76)	(0.55)	22.52	1.82	(6.7)	(20.9)	2.6	3.1	(29.7)	(16.6)	(58.3)
		GLOBAL THERMOELECTRIC	GLE CN	4.49	130	-	-	11.27	1.45	(1.4)	(0.8)	0.8	(20.3)	(52.1)	-	(67.1)
		H POWER	HPOW	2.81	151	(0.59)	(0.50)	53.68	1.81	(2.8)	(14.8)	8.1	(6.0)	(49.8)	(9.9)	(71.4)
		HYDROGENICS	HYG CN	7.43	356	(0.02)	(0.05)	61.61	3.54	(1.7)	(5.2)	14.2	68.9	87.3	2.0	37.8
		IMPCO	IMCO	11.46	121	(2.14)	(1.55)	1.22	1.64	0.2	(10.3)	(1.4)	(33.3)	(56.9)	(9.7)	(47.3)
		MANHATTAN SCIENTIFICS	MHTX	0.42	48	-	-	276.87	21.73	(2.3)	(8.7)	16.7	-	(43.2)	9.1	(78.3)
Power Quality	Power Quality	MEDIS TECHNOLOGIES	MDTL	6.96	122	(1.73)	(1.22)	-	1.61	(6.1)	(6.6)	(11.9)	(12.7)	(33.7)	(5.3)	(61.3)
		MILLENNIUM CELL	MCEL	5.24	143	(0.44)	(0.51)	-	7.39	(0.8)	(11.5)	11.5	34.4	(41.8)	0.4	(57.4)
		PLUG POWER	PLUG	9.73	488	(1.60)	(1.43)	103.45	3.24	(3.7)	(8.0)	18.2	16.1	(38.1)	11.3	(69.0)
		METHANEX	MEOH	5.58	744	0.62	0.10	-	-	0.4	(1.1)	0.2	17.5	(6.8)	0.7	1.5
		PROTON ENERGY	PRTN	6.70	223	(0.18)	(0.47)	168.53	1.25	(5.4)	(12.4)	(5.1)	12.0	(39.4)	(18.8)	(47.1)
		RENEWABLE ENERGY	REL AU	0.35	49	0.02	0.04	79.64	1.48	(1.4)	-	(11.7)	(45.2)	(62.4)	(13.9)	(59.5)
		STUART ENERGY	HHO CN	4.49	93	(0.50)	(0.52)	16.50	0.99	3.6	19.8	44.4	20.8	2.7	38.1	(21.6)
		SYNTROLEUM	SYNM	6.51	217	(0.92)	(1.02)	37.57	3.06	(2.7)	(4.4)	8.5	16.3	1.4	(8.3)	(56.6)
		AGGREKO	AGK LN	4.57	1,224	0.23	0.25	3.05	6.12	(1.7)	(6.1)	(9.3)	(10.4)	(29.3)	(12.9)	(20.2)
		CAMINUS	CAMZ	21.90	349	0.50	0.77	5.24	4.16	(2.9)	(4.4)	7.2	21.7	(12.6)	(4.8)	(15.5)
Power Quality	Power Quality	ESPEED	ESPD	9.10	500	(0.13)	0.22	3.64	3.03	1.1	(5.2)	8.6	78.4	(46.0)	9.9	(57.7)
		ITRON	ITRI	29.10	463	0.68	0.88	2.21	7.26	2.1	1.7	(4.1)	26.8	37.6	(4.0)	406.1
		JOHNSON CONTROLS	JCI	78.20	6,847	5.49	5.81	0.36	2.24	0.9	4.3	(1.9)	10.2	(0.0)	(3.2)	28.6
		MECHANICAL TECHNOLOGY	MKTY	3.10	110	(0.40)	(0.50)	15.07	2.04	(4.6)	(10.1)	24.0	(0.3)	(43.9)	13.1	(60.9)
		NISKO INDUSTRIES	NSKO IT	522.32	38	-	-	0.31	0.88	(0.6)	(2.1)	34.5	73.8	(10.4)	4.2	(53.2)
		OM	OM SS	11.78	990	(0.11)	0.41	3.54	5.02	(0.8)	(6.8)	(11.2)	23.0	(3.9)	(10.9)	(51.0)

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RWR Global Equity Tracker

Sector Company	Ticker	Price	Mkt Cap	EPS		Price /		% Return						
				01E	02E	Sales	Book	1 day	5 day	1 month	3 month	6 month	YTD	1 year
Utility Service Provider (USP)	Asset Traders	DYNEGY	DYN	23.31	8,180	2.10	2.27	0.17	1.85	(0.8)	(10.3)	11.5	(44.2)	(49.0)
		EL PASO	EPG	39.30	20,750	3.31	3.44	0.40	2.41	(1.3)	(5.9)	(4.2)	(23.1)	(24.6)
		MIRANT	MIR	12.36	4,952	1.96	1.94	0.15	0.90	(2.4)	(9.8)	(11.1)	(54.8)	(64.0)
		AES	AES	15.50	8,262	1.28	1.55	0.92	1.61	0.3	(5.7)	5.5	12.6	(57.5)
		CALPINE	CPN	13.70	4,183	1.97	1.75	0.62	1.45	(1.8)	(9.3)	(2.1)	(45.8)	(67.0)
	Hyper Ut.	ORION	ORN	26.45	2,738	1.16	1.55	2.24	1.74	(0.0)	0.2	4.0	2.4	16.3
		NRG	NRG	13.27	2,635	1.39	1.66	0.89	1.21	(4.4)	(14.1)	6.2	(29.7)	(44.6)
		RELIANT	REI	26.18	7,614	3.19	2.58	0.16	1.14	0.7	1.4	7.9	(6.3)	(12.9)
		FIRSTENERGY	FE	36.05	10,730	2.88	3.58	1.42	1.69	0.9	4.2	4.8	1.5	15.6
		BRITISH TELECOM	BT/A LN	3.46	29,991	0.13	0.22	0.86	1.25	(0.9)	(5.3)	(7.9)	(10.3)	(35.2)
	Nuclear	CENTRICA	CNA LN	3.39	13,607	0.15	0.18	0.95	7.93	(1.4)	2.9	9.1	4.5	13.9
		ENDESA	ELE SM	14.62	15,475	1.24	1.35	1.15	2.04	(1.7)	(1.7)	(4.9)	(2.0)	(9.9)
		NEWPOWER	NPW	0.42	26	(3.66)	(1.97)	0.09	0.07	(12.5)	(33.3)	(45.5)	(74.7)	(95.0)
		SCOTTISH POWER	SPW LN	6.03	11,137	0.37	0.53	1.22	1.31	(0.9)	2.2	9.7	5.0	(20.3)
		TXU	TXU	48.34	12,815	3.69	4.39	0.46	1.59	(0.1)	2.5	6.5	4.9	1.7
Crude Oil	Global	CAMECO	CCO CN	23.24	1,293	0.54	0.89	3.34	1.30	(1.8)	(5.0)	(6.2)	5.6	9.5
		ENTERGY	ETR	41.95	9,273	3.19	3.44	0.90	1.24	0.6	2.3	11.3	12.9	7.8
		EXELON	EXC	46.81	15,021	4.33	4.61	1.99	1.92	(0.4)	(1.0)	0.1	9.6	(27.4)
		USEC	USU	7.16	580	0.45	-	0.48	0.60	0.1	-	(3.2)	11.2	(13.1)
		ELF AQUITAINE	AQ FP	165.45	45,883	-	-	1.40	3.03	-	(0.7)	2.7	7.8	5.2
	Japan	BP	BP/ LN	7.35	166,082	0.55	0.45	1.12	2.26	(1.5)	(1.5)	(0.6)	(10.2)	(6.6)
		CHEVRON	CVX	86.80	92,505	6.90	4.55	2.04	2.42	(0.7)	(0.7)	0.6	0.9	-
		CHINA PETROLEUM	386 HK	0.14	29,358	0.03	0.02	0.30	0.74	(0.9)	0.9	4.9	3.8	(18.8)
		ENI SPA	ENI IM	12.88	51,542	1.29	1.10	0.88	2.57	2.7	4.4	5.5	9.0	8.2
		TOTALFINAELF	FP FP	136.69	96,383	9.84	9.19	0.95	3.36	(1.0)	(1.4)	0.3	2.9	(1.5)
		USX-MARATHON	MRO	27.47	8,499	4.85	2.38	0.27	1.42	(1.7)	(4.5)	(1.5)	(1.7)	0.4
		OCCIDENTAL	OXY	24.61	9,194	3.62	1.61	0.59	1.57	(1.5)	(3.1)	(2.3)	(1.1)	(4.1)
		PHILLIPS	P	58.02	22,122	6.05	4.13	1.06	1.53	(0.1)	(2.1)	2.3	5.9	9.2
		PETROLEO BRASILEIRO	PETR3 BZ	21.41	23,034	4.14	3.89	0.92	1.77	0.1	(3.0)	0.5	(7.3)	(9.5)
		ROYAL DUTCH	RDA NA	47.16	99,098	3.54	3.07	1.18	2.76	(0.4)	(2.8)	(2.3)	(3.9)	(16.3)
	Japan	REPSOL YPF	REP AR	15.32	18,709	0.92	0.75	-	-	9.3	31.1	66.2	103.4	91.6
		SHELL TRANSPRT&TRADNG	SHEL LN	6.51	64,035	0.51	0.45	1.14	2.94	(0.1)	(2.3)	(1.0)	(13.6)	(18.2)
		UNOCAL	UCL	33.29	8,122	3.05	1.55	0.99	2.53	(1.0)	(1.8)	(1.7)	3.3	2.1
		EXXON	XOM	38.40	262,656	2.24	1.84	1.29	3.56	(0.6)	(0.3)	2.3	(5.0)	(8.8)
		ARABIAN OIL	1603 JP	4.87	259	-	-	0.20	1.05	1.4	2.2	10.3	(11.2)	(37.7)
Liquified Natural Gas	EPC	COSMO OIL	5007 JP	1.34	848	0.05	0.12	0.07	0.66	4.7	1.7	(3.3)	(32.1)	(35.0)
		JAPAN ENERGY	5014 JP	1.07	1,193	0.09	0.12	0.10	0.77	6.0	5.2	(0.7)	(30.0)	(38.8)
		NIPPON MITSUBISHI	5001 JP	3.46	5,244	0.13	0.16	0.22	0.91	2.9	1.5	(10.4)	(29.2)	(23.8)
		SHOWA SHELL SEKIYU	5002 JP	4.98	1,876	0.11	0.35	0.16	1.22	2.3	5.8	(5.3)	(19.5)	(2.8)
		TEIKOKU OIL	1601 JP	3.40	1,041	0.17	0.15	2.44	1.19	1.6	1.6	(7.2)	(17.2)	(19.3)
	Shipping	TONENGENERAL SEKIYU	5012 JP	6.49	4,118	0.20	0.30	0.50	2.36	6.4	8.3	3.1	(11.3)	6.8
		JGC	1963 JP	7.05	1,801	0.18	0.29	1.07	1.99	2.5	(1.5)	3.9	10.7	(1.2)
		CHIYODA	6366 JP	0.99	183	-	0.04	0.26	2.31	3.2	(14.4)	24.8	(7.1)	(35.1)
		TECHNIP	TEC FP	124.75	3,325	6.67	7.30	0.73	2.82	0.8	(6.0)	(3.4)	1.1	4.9
		MITSUBISHI HEAVY	7011 JP	2.66	8,983	0.04	0.06	0.45	1.06	3.8	12.1	3.2	(8.8)	(27.8)
	Trading	MITSUI ENGINEER & SHIPBUILD	7003 JP	0.88	727	0.01	0.06	0.33	0.90	3.6	(6.5)	(7.9)	(20.5)	(35.9)
		HYUNDAI HEAVY	0954 KS	19.99	1,519	1.55	3.85	0.17	0.50	(2.4)	6.7	13.3	17.4	(9.5)
		DAEWOO SHIPBUILDING & MARINE	4266 KS	4.64	920	0.62	1.01	-	-	3.9	6.3	4.3	(3.0)	(15.1)
		MITSUI O.S.K. LINES	9104 JP	1.94	2,337	0.10	0.13	0.45	2.08	2.8	(1.9)	2.0	(11.4)	(18.9)
		NIPPON YUSEN KABUSHIKI KAISH	9101 JP	2.96	3,639	0.11	0.15	0.67	1.88	4.0	0.8	2.9	(2.5)	(15.1)
Japanese Trading	Shipping	HYUNDAI MERCHANT MARINE	1120 KS	1.91	197	(1.07)	0.45	0.04	0.32	(2.5)	(13.4)	7.7	38.8	14.3
		BERGESEN	BEB NO	15.65	1,064	2.97	1.14	1.20	0.65	0.7	(1.4)	1.4	6.9	(7.3)
		GOLAR LNG	GOL NO	5.25	294	-	-	-	-	2.2	(6.0)	4.4	11.9	(16.1)
		MALAYSIA INTL SHIPPING	MISC MK	1.91	3,548	0.18	0.19	2.31	1.69	-	0.7	3.6	6.6	2.8
		MITSUBISHI	8058 JP	6.50	10,190	0.38	0.42	0.12	1.79	3.6	1.1	5.8	(7.8)	(10.6)
	Trading	NISSHO Iwai	8063 JP	0.54	475	0.13	0.15	0.01	0.31	5.9	(6.5)	4.3	(31.4)	(50.0)
		MITSUI	8031 JP	4.97	7,872	0.28	0.32	0.10	1.38	2.6	5.1	9.5	(9.5)	(17.6)
		KOREA GAS	3646 KS	11.42	882	2.24	2.53	0.17	0.46	(0.7)	(2.3)	(14.0)	(5.9)	(9.1)
		SUMITOMO	8053 JP	4.44	4,730	0.33	0.36	0.07	1.08	1.7	(3.6)	2.4	(19.5)	(21.3)
		ITOCHU	8001 JP	2.29	3,258	0.29	0.31	0.04	1.63	5.2	(2.3)	4.1	(18.3)	(33.4)
	Trading	MARUBENI	8002 JP	0.57	845	(0.24)	0.11	0.01	0.27	1.4	(7.4)	4.2	(46.4)	(62.5)
		TOYOTA TSUSHO	8015 JP	3.36	950	-	-	0.07	0.82	2.5	0.2	(1.1)	(22.2)	(21.7)
		HITACHI	8036 JP	10.02	1,380	0.38	0.41	0.20	1.24	2.2	1.9	(0.7)	(10.1)	(15.7)
		NAGASE	8012 JP	3.89	539	-	-	0.15	0.59	2.8	(1.1)	(2.5)	(2.1)	(15.3)
		TOMEN	8003 JP	0.58	370	0.10	0.10	0.02	1.06	1.3	(6.1)	-	(31.3)	(42.1)
	Trading	IVATANI	8088 JP	1.73	436	-	-	0.12	1.23	5.0	9.5	0.4	(9.1)	(27.2)
		KANEMATSU	8020 JP	1.38	419	0.18	0.23	0.09	1.63	8.9	(9.4)	13.0	(20.8)	(49.2)
		NICHIMEN	8004 JP	0.54	229	0.16	0.17	0.02	0.30	(1.4)	(8.9)	2.9	(41.5)	(51.7)
		CHORI	8014 JP	0.48	86	-	-	0.03	2.38	5.0	5.0	5.0	(33.0)	(42.2)
		KAWASHO	8110 JP	0.72	94	-	-	0.01	0.83	9.2	-	(2.1)	(13.6)	(36.2)

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