Enron Energy Services

From: Heidi Moryl 02/16/2001 07:27 PM

To: Dana Lee/HOU/EES@EES, Wade Stubblefield/HOU/EES@EES
cc: Rachel Massey/HOU/EES@EES
Subject: Forecast 02.16.01

Attached is a copy of the forecast for Tuesday's meeting:

02_16_01 Forecast New Format2.x
Thanks,
Heidi

[redacted]

Enron Energy Services

(Actuals for Accrual Businesses = Forecast)

1st QTR 2001 EARNINGS ESTIMATE

Results based on activity through February 15, 2001

[redacted]

Business Team	Margin			Direct & Operating Expenses			EBIT		
	Actual	Plan	Variance	Forecast	Plan	Variance	Forecast	Plan	Variance
Industrial (Mann)	$ 28,282	$ 39,000	$ (10,718)	-	-	-	$ 28,282	$ 39,000	$ (10,718)
Commercial (Schwarz)	-	16,000	(16,000)	-	-	-	-	16,000	(16,000)
Bundled Overhead	-	-	-	4,800	4,800	-	(4,800)	(4,800)	-
Total Bundled Business	28,282	55,000	(26,718)	4,800	4,800	-	23,482	50,200	(26,718)
Fast Track Business (Sutter/Zdunkewicz)	-	5,000	(5,000)	2,195	2,200	(5)	(2,195)	2,800	(4,995)
California Region	20,764	3,574	17,190	-	-	-	20,764	3,574	17,190
Midwest Region	-	3,813	(3,813)	-	-	-	-	3,813	(3,813)
Mid-Atlantic Region	-	7,149	(7,149)	-	-	-	-	7,149	(7,149)
Northeast Region	-	9,174	(9,174)	-	-	-	-	9,174	(9,174)
Texas Region	-	4,290	(4,290)	-	-	-	-	4,290	(4,290)
Commodity Overhead	-	-	-	5,481	5,500	(19)	(5,481)	(5,500)	19
Total Commodity Business	20,764	28,000	(7,236)	5,481	5,500	(19)	15,283	22,500	(7,217)
Mass Market	-	5,000	(5,000)	1,200	1,200	0	(1,200)	3,800	(5,000)
Value Enhancement Group (Melvin)	2,506	23,000	(20,494)	1,100	1,100	(0)	1,406	21,900	(20,494)
Gas (expenses include Tariff and new products)	(6,172)	-	(6,172)	3,155	3,800	(645)	(9,327)	(3,800)	(5,527)
Power	(116,338)	-	(116,338)	1,340	1,000	340	(117,678)	(1,000)	(116,678)
Tariff	(212)	-	(212)	-	-	-	(212)	-	(212)
Interest Rate	3,914	-	3,914	-	-	-	3,914	-	3,914
Prudency/Credit Reserve	3,080	-	3,080	-	-	-	3,080	-	3,080
Management	-	-	-	349	300	49	(349)	(300)	(49)
Underwriting	-	-	-	920	1,000	(80)	(920)	(1,000)	80
Breakthrough	-	-	-	283	100	183	(283)	(100)	(183)
Knowledge Management	-	-	-	1,100	1,100	0	(1,100)	(1,100)	(0)
Integrated Asset Management	-	-	-	9,789	7,800	1,989	(9,789)	(7,800)	(1,989)
National Facilities Management	-	-	-	373	300	73	(373)	(300)	(73)
HSB Marketing	-	-	-	1,300	1,300	0	(1,300)	(1,300)	(0)
Total Risk Management	(115,728)	-	(115,728)	18,610	16,700	1,910	(134,338)	(16,700)	(117,638)
Enron Facility Services (Earle)	27,000	27,000	-	23,800	23,800	0	3,200	3,200	(0)
EE&CC	3,700	3,700	-	4,866	1,300	3,566	(1,166)	2,400	(3,566)
NEPCO	14,200	14,200	-	7,700	7,700	-	6,500	6,500	-
IPT	500	500	-	1,700	1,700	(0)	(1,200)	(1,200)	0
EEIS (Kettyle)	100	100	-	1,500	1,500	(0)	(1,400)	(1,400)	0
Middle Market	17,800	10,800	7,000	6,100	6,400	(300)	11,700	4,400	7,300
Outsourcing	982	1,600	(618)	-	-	-	982	1,600	(618)
Total Europe (EES Share - Scrimshaw)	18,782	12,400	6,382	6,100	6,400	(300)	12,682	6,000	6,682
Accrual Earnings	1,000	1,000	-	-	-	-	1,000	1,000	-
N.A. Acct. Exec. & Management (Messina)	-	-	-	7,700	7,700	0	(7,700)	(7,700)	(0)
Account Implementation and Planning (Hurt)	-	-	-	1,200	1,200	0	(1,200)	(1,200)	(0)
Bundled/Deal Process Support	-	-	-	1,532	3,000	(1,468)	(1,532)	(3,000)	1,468
Commissions	-	-	-	5,000	5,000	-	(5,000)	(5,000)	-
Conferences & Training	-	-	-	600	600	-	(600)	(600)	-
Overview	-	8,800	(8,800)	-	-	-	-	8,800	(8,800)
Total EES Commercial	**1,106**	**183,700**	**(182,594)**	**95,084**	**91,400**	**3,684**	**(93,978)**	**92,300**	**(186,278)**
Total Support Services	-	-	-	44,796	43,900	896	(44,796)	(43,900)	(896)
Total Group Costs	-	-	-	27,358	27,000	358	(27,358)	(27,000)	(358)
TNPC Warrant Securitizations	31,000	31,000	-	-	-	-	31,000	31,000	-
Equity in (Losses) Earnings of TNPC	-	-	-	15,000	15,000	-	(15,000)	(15,000)	-
Other Income and Expenses	-	-	-	-	-	-	-	-	-
EES "Internal" EBIT	32,106	214,700	(182,594)	182,239	177,300	4,939	(150,133)	37,400	(187,533)
Balance of Europe	18,782	12,400	6,382	6,100	6,400	(300)	12,682	6,000	6,682
Transfer EE&CC to Wholesale	(3,700)	(3,700)	-	(4,866)	(1,300)	(3,566)	1,166	(2,400)	3,566
EES "External" EBIT	47,188	223,400	(176,212)	183,473	182,400	1,073	(136,285)	41,000	(177,285)
Interest Expense/(Income)	-	-	-	-	-	-	-	-	-
EES Pre-tax Income	$ 47,188	$ 223,400	$ (176,212)	$ 183,473	$ 182,400	$ 1,073	$ (136,285)	$ 41,000	$ (177,285)

ENRON ENERGY SERVICES
1st QUARTER 2001 DETAIL OF GROSS MARGIN
Results based on activity through February 15, 2001

CONFIDENTIAL & PROPRIETARY
DO NOT COPY

Business Team	DPR	Accruals	Other	Actual Margin	Deals Identified	Forecast Margin	Total Margin	Margin Plan	Variance
Industrial (Mann)	$ 28,282	$ -	$ -	$ 28,282	$ -	$ -	$ 28,282	39,000	(10,718)
Commercial (Schwarz)	-	-	-	-	-	-	-	16,000	(16,000)
Total Bundled Business	28,282	-	-	28,282	-	-	28,282	55,000	(26,718)
Fast Track Business (Sutter/Zdunkewicz)	-	-	-	-	-	-	-	5,000	(5,000)
California Region	20,764	-	-	20,764	-	-	20,764	3,574	17,190
Midwest Region	-	-	-	-	-	-	-	3,813	(3,813)
Mid-Atlantic Region	-	-	-	-	-	-	-	7,149	(7,149)
Northeast Region	-	-	-	-	-	-	-	9,174	(9,174)
Texas Region	-	-	-	-	-	-	-	4,290	(4,290)
Total Commodity Business	20,764	-	-	20,764	-	-	20,764	28,000	(7,236)
Leasing (Derrett)	-	-	-	-	-	-	-	500	(500)
Quick Serve	-	-	-	-	-	-	-	-	-
Enron Direct - Canada	-	-	-	-	-	-	-	2,600	(2,600)
Enron Direct - USA	-	-	-	-	-	-	-	-	-
Commercial Account Development	-	-	-	-	-	-	-	1,900	(1,900)
Total Mass Market	-	-	-	-	-	-	-	5,000	(5,000)
Value Enhancement Group (Melvin)	2,506	-	-	2,506	-	-	2,506	23,000	(20,494)
Gas (expenses include Tarriff and new products)	(6,172)	-	-	(6,172)	-	-	(6,172)	-	(6,172)
Power	(116,338)	-	-	(116,338)	-	-	(116,338)	-	(116,338)
Tariff	(212)	-	-	(212)	-	-	(212)	-	(212)
Interest Rate	3,914	-	-	3,914	-	-	3,914	-	3,914
Prudency/Credit Reserve	3,080	-	-	3,080	-	-	3,080	-	3,080
Total Risk Management	(115,728)	-	-	(115,728)	-	-	(115,728)	-	(115,728)
Enron Facility Services (Earle)	-	-	-	-	-	27,000	27,000	27,000	-
EE&CC	-	-	-	-	-	3,700	3,700	3,700	-
NEPCO	-	-	-	-	-	14,200	14,200	14,200	-
IPT	-	-	-	-	-	500	500	500	-
EEIS (Kettyle)	-	-	-	-	-	100	100	100	-
Middle Market	-	-	-	-	-	17,800	17,800	10,800	7,000
Outsourcing	-	-	-	-	-	982	982	1,600	(618)
Total Europe (EES Share - Scrimshaw)	-	-	-	-	-	18,782	18,782	12,400	6,382
Accrual Earnings	-	-	-	-	-	1,000	1,000	1,000	-
Overview	-	-	-	-	-	-	-	8,800	(8,800)
Total EES Commercial	(64,176)	-	-	(64,176)	-	65,282	1,106	183,700	(182,594)

ENRON ENERGY SERVICES
1st QUARTER 2001 EXPENSES
Results based on activity through February 15, 2001

CONFIDENTIAL & PROPRIETARY

Business Team	Operating Expenses Jan-01 Actual	Feb-01 Forecast	Mar-01 Forecast	Forecast	Plan	Variance (Fav)/Unfav	*Variance Explanation*
Industrial (Mann)				-	-	-	
Commercial (Schwarz)		-		-	-	-	
Bundled Overhead	1,652	1,574	1,574	4,800	4,800	-	*High Jan Opex; will make up difference to hit Q1 Plan.*
Total Bundled Business	**1,652**	**1,574**	**1,574**	**4,800**	**4,800**	-	
Fast Track Business (Sutter/Zdunkewicz)	**522**	**837**	**837**	**2,195**	**2,200**	**(5)**	*Low Jan Opex; will make up difference to hit Q1 Plan.*
California Region	-	-	-	-	-	-	
Midwest Region	-	-	-	-	-	-	
Mid-Atlantic Region	-	-	-	-	-	-	
Northeast Region	-	-	-	-	-	-	
Texas Region	-	-	-	-	-	-	
Commodity Overhead	1,827	1,827	1,827	5,481	5,500	(19)	
Total Commodity Business	**1,827**	**1,827**	**1,827**	**5,481**	**5,500**	**(19)**	
Leasing (Derrett)	15	143	143	300	300	0	
Quick Serve	-	-	-	-	-	-	
Enron Direct - Canada	31	135	135	300	300	0	
Enron Direct - USA	25	38	38	100	100	(0)	
Commercial Account Development	10	95	95	200	200	0	
Management	34	133	133	300	300	0	
Total Mass Market	**115**	**543**	**543**	**1,200**	**1,200**	**0**	*Low Jan Opex; will make up difference to hit Q1 Plan.*
Value Enhancement Group (Melvin)	**427**	**337**	**337**	**1,100**	**1,100**	**(0)**	*Researching Jan... Should hit Q1.*
Gas (expenses include Tariff and new products)	1,052	1,052	1,052	3,155	3,800	(645)	
Power	468	436	436	1,340	1,000	340	
Tariff	-	-	-	-	-	-	
Interest Rate		-	-	-	-	-	
Prudency/Credit Reserve	-	-	-	-	-	-	
Management	116	116	116	349	300	49	
Underwriting	307	307	307	920	1,000	(80)	
Breakthrough	94	94	94	283	100	183	
Knowledge Management	(774)	937	937	1,100	1,100	0	
Integrated Asset Management	3,619	3,085	3,085	9,789	7,800	1,989	*AOPS- high consulting exp; unexpected PMC equip exp.*
National Facilities Management	124	124	124	373	300	73	*--Researching PMC equip to see if it can be capitalized.*
HSB Marketing	833	-	467	1,300	1,300	0	*Double billed HSB fees in Jan.*
Total Risk Management	**5,840**	**6,152**	**6,619**	**18,610**	**16,700**	**1,910**	
Enron Facility Services (Earle)	**5,747**	**9,027**	**9,027**	**23,800**	**23,800**	**0**	*Researching... Thea Morino needs to approve.*
EE&CC	**1,622**	**1,622**	**1,622**	**4,866**	**1,300**	**3,566**	*Researching...*
NEPCO	**1,765**	**2,968**	**2,968**	**7,700**	**7,700**	-	*Researching...*
IPT	**1,288**	**(155)**	**567**	**1,700**	**1,700**	**(0)**	*True Jan Opex $500. COS Reclass needed. Shld hit Q1.*
EEIS (Kettyle)	**602**	**448**	**450**	**1,500**	**1,500**	**(0)**	*Opex high for Jan. Forecasted to make up var in Q1.*
Middle Market	2,574	1,763	1,763	6,100	6,400	(300)	
Outsourcing	-	-	-	-	-	-	
Total Europe (EES Share - Scrimshaw))	**2,574**	**1,763**	**1,763**	**6,100**	**6,400**	**(300)**	*Fav Variance based on new estimates from Europe/Graham.*
Accrual Earnings	-	-	-	-	-	-	
N.A. Acct. Exec. & Management (Messina)	**1,882**	**2,909**	**2,909**	**7,700**	**7,700**	**0**	*Researching low Jan... Should hit Q1.*
Account Implementation and Planning (Hurt)	**306**	**447**	**447**	**1,200**	**1,200**	**0**	*Researching low Jan... Should hit Q1.*
Bundled/Deal Process Support	**488**	**522**	**522**	**1,532**	**3,000**	**(1,468)**	*Fav Q1 is due to planned expenses to actually hit in later Q's.*
Commissions	**2,741**	**600**	**1,659**	**5,000**	**5,000**	-	*High Dec Closed Deals. Low Jan. Projected to hit Q1.*
Conferences & Training	**42**	**279**	**279**	**600**	**600**	-	*Researching...*
Overview	-	-	-	-	-	-	
Total EES Commercial	**29,439**	**31,697**	**33,948**	**95,084**	**91,400**	**3,684**	
Financial Operations (Stubblefield)	1,212	(252)	500	1,460	1,500	(40)	*Jan includes phantom pmts of $800 to be reclassed.*
Enron Assurance Services (Stubblefield/Barrett)	15	297	188	500	500	(0)	*Arthur Anderson reclass needed; $108.*
Tax (Apke)	173	364	364	900	900	0	*Favorable Jan, however will hit Q1 plan.*
IT (Harris)	571	500	500	1,571	2,100	(529)	*Researching...*
IBM (Harris)	2,523	789	2,689	6,000	6,000	(0)	*True Jan: $1,400. Capex relcass hit in Feb & accr. reversal.*
Information Asset Protection (VanDeGohm)	74	113	113	300	300	(0)	*Favorable Jan, however will hit Q1 plan.*
Strategy Management Process (Kathuria)	40	70	70	180	200	(20)	*Favorable Jan (open pos); come in slighlty under plan.*
Legal (Sharp)	(114)	2,604	2,610	5,100	5,100	(0)	*Over accrual in Jan; researching... Should hit Q1 plan.*
HR/Mar/Com/Cust Sat. (Tilney)	792	1,708	1,708	4,208	4,200	8	*Favorable Jan; should still hit Q1 plan.*
MBCR Outsource Mgmt (Posey)	61	70	70	200	200	0	
Executive (Delaney, Sunde, Leff, Dietrich)	1,226	1,226	1,226	3,678	2,200	1,478	*Researching...*
Corporate Development (Muller)	290	305	305	900	900	(0)	
Risk Control and Operations (Curry)	2,154	2,373	2,373	6,900	6,900	0	*Favorable Jan, however will hit Q1 plan.*
CSC	4,192	4,354	4,354	12,900	12,900	0	
Total Support Services	**13,208**	**14,519**	**17,070**	**44,796**	**43,900**	**896**	
Regulatory	692	654	654	2,000	2,000	-	
Corporate Charges	3,297	3,297	3,297	9,892	9,900	(8)	*Researching...*
Bonus	-	1,500	1,500	3,000	3,000	-	
Phantom	-	-	2,800	2,800	2,800	-	
Depreciation & Amortization	2,050	3,125	3,125	8,300	8,300	0	
Bad Debt	566	400	400	1,366	1,000	366	
Total Group Costs	**6,605**	**8,976**	**11,776**	**27,358**	**27,000**	**358**	
TNPC Warrant Securitizations	-	-	-	-	-	-	
Equity in (Losses) Earnings of TNPC	-	-	15,000	15,000	15,000	-	
Other Income and Expenses	-	-	-	-	-	-	
EES "Internal" Expenses	**49,253**	**55,192**	**77,794**	**182,239**	**177,300**	**4,939**	
Balance of Europe	2,574	1,763	1,763	6,100	6,400	(300)	
Transfer EE&CC to Wholesale	(1,622)	(1,622)	(1,622)	(4,866)	(1,300)	(3,566)	
EES "External" Expenses	**50,205**	**55,333**	**77,935**	**183,473**	**182,400**	**1,073**	
Interest Expense/(Income)	-	-	-	-	-	-	
EES Pre-tax Income	**50,205**	**55,333**	**77,935**	**183,473**	**182,400**	**1,073**	

Endless possibilities.™

EES - Risk Analysis

1Q/2000 MTM Origination Summary

As of 02/15/01

	Deals	Origination P&L (Mid to Contract)								
		Total (000's)	Hedge Mgmt.		Sales Origination		EAM		Consumption Premium	Credit Reserve
			Power	Gas	Power	Gas	Power	Gas		
Commodity	Verizon	$ 7,515	$ 3,726		$ 5,229				$ (1,034)	$ (405)
VEG	Darden	$ 158	$ 135		$ 85				$ (18)	$ (44)
Commodity	Tawa Supermarket	$ 62	$ 61		$ 2					$ (1)
Commodity	Aerospace Ketema	$ 711	$ 243		$ 505				$ (24)	$ (14)
Commodity	Edgewater	$ 52	$ 45		$ 17				$ (3)	$ (7)
Commodity	Pinecrest Retirement Community	$ 35	$ 25		$ 16				$ (1)	$ (4)
Commodity	Haym Soloman	$ 35	$ 28		$ 20				$ (9)	$ (5)
Commodity	Triple Tree Resorts (San Diego)	$ 67	$ 64		$ 9				$ (3)	$ (3)
Commodity	Deone Pet Care	$ 58	$ 48		$ 27				$ (4)	$ (13)
Commodity	Ohio MSG	$ 5,164	$ 5,833						$ (183)	$ (486)
Commodity	Sky Chef	$ 78	$ 48		$ 34				$ (1)	$ (3)
Commodity	Poway Chevrolet	$ 37	$ 30		$ 8				$ (1)	$ (1)
Commodity	Poway Honda	$ 55	$ 45		$ 12				$ (1)	$ (2)
Commodity	Old Bridge Chemical	$ 177	$ 161		$ 93				$ (17)	$ (60)
Commodity	Empire Hard Chrome	$ 477	$ 141		$ 382				$ (10)	$ (36)
Commodity	Boston Globe	$ 345	$ 132		$ 243				$ (15)	$ (15)
Bundled - Ind.	Owens Illinois	$ 7,423	$ 12,972	$ 5,304	$ 2,683	$ 1,001			$ (936)	$ (13,600)
Bundled - Ind.	Quaker	$ 20,859	$ 5,635	$ 1,421	$ 4,595	$ 1,163	$ 3,423	$ 7,311	$ -	$ (2,690)
Commodity	Mid Market Gas Deals	$ 5,408		$ 2,687		$ 2,721				
VEG	VEG - Arch Diocese of Chicago	$ 250		$ 196		$ 54				
VEG	VEG - DESC - Los Alamos	$ 108		$ 34		$ 74				
VEG	VEG - IBM Corporation	$ 68		$ 68						
VEG	VEG - Quebecor	$ 1,922		$ 570		$ 1,352				
	Reclass	$ -		$ 1,890		$ (1,890)				
	Unidentified*	$ 489	$ 101	$ 212	$ 194				$ (14)	$ (4)
	Total 1Q 2001	**$ 51,552**	**$ 29,474**	**$ 12,382**	**$ 14,153**	**$ 4,476**	**$ 3,423**	**$ 7,311**	**$ (2,275)**	**$ (17,392)**

Comments

Please note that the Credit Reserve number reflects only Origination Power

*Did not have detail for this balance at report cutoff time.

EXH067-00352