

**Mercado
Eléctrico**

<http://www.mercadoelectriconet.com.ar>

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Atraccion de Capital al Sector (una vision limitada)

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STANDARD & POOR'S
THE FINEST THING IN FINANCE

News
**Companhia Energetica de Sao Paulo (CESP)
Remains on CreditWatch Day**

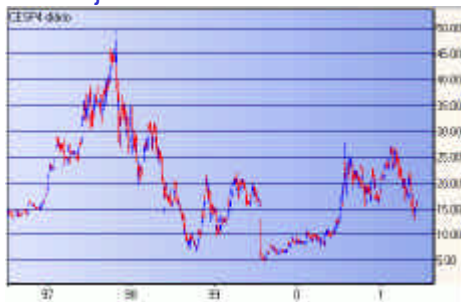
Standard & Poor's Rating Services
New York, NY 10038-1000

New York, NY (Standard & Poor's CreditWatch) May 20, 2003 - Standard & Poor's Rating Services today announced that it has placed Companhia Energetica de Sao Paulo (CESP) on CreditWatch with a negative outlook. The CreditWatch placement is effective as of May 20, 2003.

The placement of CESP on CreditWatch reflects Standard & Poor's concern that the company's financial performance may not be sufficient to support its current debt obligations. Standard & Poor's is monitoring the company's financial performance closely and will reassess its rating as soon as it has sufficient information to do so.

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Crisis implica perdida de valor semejante a la crisis economica



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News
Standard: Take Head of Brazilian

Standard & Poor's Rating Services
New York, NY 10038-1000

Conclusion
Standard & Poor's does not believe that ANEEL will penalize distributors for their inability to secure power that does not exist, nor at unrealistic rates. In terms of the spirit of the concession contracts, such a supply imbalance would appear to be an uncontrollable situation, resulting in uncontrollable costs to distributors.

If rules are not in place prior to 2003, the outcome may be influenced by the economic and political environment existing at that time. ANEEL is providing incentives for efficient purchasing (VN reference price) and a policy for reducing exposure to spot market pricing (requirement of significant contract cover).

Unfortunately, there remain too many loose ends for these policies to be quickly adopted:

- Generators will not enter into contracts unless distributors agree to pay cost increases
- Distributors will not sign contracts unless they are able to pass cost increases on to customers

In the end, however, Brazilian customers may have to bear the real cost of electricity, just as developments indicate will be the case in California.

Dolarizacion del sector electrico

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California - The Core Problem

As the cost of power has skyrocketed, the flaws in California's deregulatory framework have become apparent. The 1996 legislation mandated that utilities sell their generating facilities and buy power on the spot market. It froze rates, which initially worked in the utilities' favor when they bought electricity for less than they charged rate payers. In the summer of 2000, however, all that changed. Demand dramatically outstripped supply, and the rate cap rapidly turned profits into losses, which soon reached billion-dollar proportions. Estimates put the two utilities' combined losses at \$12 billion.

- PG&E and SoCalEd began defaulting on their financial obligations in January. Their credit ratings, which Standard & Poor's had already lowered to noninvestment grade, fell to 'D'.
- the state stepped in as the purchaser of last resort.
- federal government compelled generators to sell power to the financially strapped utilities. Although that decree expired on Feb. 7, a California judge has ordered Reliant Energy Services to continue supplying energy. AES Pacific and Dynegy fell into line under threat of a similar action, and the other large providers have continued to sell energy to the state.

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Cortes - No es negocio para nadie

Friday June 22, 6:53 pm Eastern Time Power Stocks Drop Glance

Stock in the country's largest energy firms have dropped sharply this month

as federal regulators capped power prices

throughout the West and California politicians continued demanding a \$9 billion refund in alleged electricity overcharges. Here's a look at the changes from June 1 until the close of the market Friday.

- -Calpine San Jose, Calif: \$37.70, down 22.8 %
- -Mirant, Atlanta: \$41.06, down 18.6 %
- -Reliant Energy, Houston: \$31.39, down 31 %
- -Enron Corp. Houston: \$44.83, down 15 %
- -Dynergy, Houston: \$44.08, down 8.1 %
- -Duke Energy, Charlotte, N.C.: \$26.11 down 7.2 %
- -Williams Cos., Tulsa, Okla: \$29 down 4 %

Source: BigCharts.com

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Sin mercado de capitales a largo plazo no hay mercado de energia



The Standard & Poor's 500 Index (S&P 500) is up 1.1% today, ending at 11,450.78.

By the way:

California's Power Crunch: Contained Reaction So Far

By the way: Power & Finance, Inc. is a subsidiary of Power & Finance, Inc. (PFI) (NYSE: PFI) (NASDAQ: PFI).

Municipal Utilities Looking Good

The power crisis has not affected all Californians. Those that purchase their electricity from municipally owned utilities have enjoyed a steady and lower-priced supply of power. "Essentially, the municipal utilities are in better shape than the investor-owned utilities because they own their generation resources and can enter into long-term contracts," said Kathryn Mock, associate in the Public Finance sector.

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Que dicen los bancos

- Bancos fondeo local (Roberts Frances Rio Boston) limitacion por proyecto.
- Bancos Internacionales (DB, BOFA, Dresdner) siguen sponsors/clientes platino/globales por el planeta.
- Sindicacion, presencia importante bancos pequeños, hoy solo los 5 grandes estan.
- No hay crossborders sin political risk insurance por mas de 1 año.
- Country/Industry limits se revisan c/6 meses no estan invadidos como Telecom
- Bonos solo para commodities exportados en U\$S.

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Volatilidad Mercado/ Combustible y deficiencia en transmision



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LA NACION LINE economía SI ESTA PROM

Actualizado 09:41 hs. Home Economía Especiales Clasificados Mercados

Las eléctricas piden medidas para evitar una crisis energética

Dudas sobre el proyecto del Gobierno

- Las empresas quieren cambiar los detalles de una segunda desregulación del sector
- La inversión en el transporte de energía será libre y a riesgo

Los crisis energéticas de Brasil y del Estado norteamericano de California, así como el temor de las compañías eléctricas argentinas sobre un eventual colapso en tres años si no se toman medidas para generar y transportar. Los empresarios piden medidas urgentes del Gobierno.

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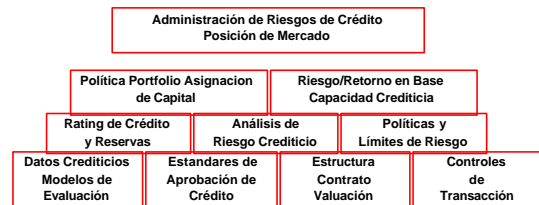
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Sector/Exposicion de Mercado

Sector	Exposicion mercado pre 804	Rentabilidad Promedio	Exposicion mercado Post 804
Generacion	Spot (exceptuando contratos)	2/3% salvo jugadores con posicion en gas	Se reduce por contrato. Pierde soporte PPAD y despacho seguro
Transmision	ninguna	7/9%	Ampliacion asume riesgo Precio nodo
Distribucion	Ninguna salvo corte no incluido en prestamos y perdidas	6/7%	Asume delta contrato vs promedio mercado
Comercializacion	ninguna	-	cualquiera

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Estructura Capital Comercializador



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Gracias

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