THE OWNERSHIP CHANGES IN THE U.S. COAL INDUSTRY AND THE EFFECTS ON THE INTERNATIONAL COAL MARKET

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Preamble

It is indeed an honor to participate in the OPENING SESSION of the 1st U.S. International Coal Conference. My remarks will be directed toward a review of the ownership structure of the U.S. coal industry and its effects on the international coal market, with some brief comments on the world coal industry.

Background

I have been associated with the U.S. coal industry for thirty years and, except for the euphoric period of approximately five years following the 1973 OPEC oil embargo, when:

- coal was championed as this country's energy savior
- development of new coal-fired generation was jump-started, and
- everyone had an insatiable appetite to own a piece of the U.S. coal industry

coal mining has generally been viewed by the general public as an unsafe, intrusive, and overall undesirable sector of the economy. We are the Rodney Dangerfield of the U.S. business complex; coal mining gets no respect!

Over the last eight years, environmental interests have found a welcome reception in the White House and, with increased influence, now proactively attack coal mining while federal agencies attempt to expand their regulatory authority. The public perception of the American coal industry (and commonly all forms of mining in industrialized countries around the world) has degenerated from undesirable to sinister.

The present U.S. coal industry is inherently highly competitive and fraught with both internal and external challenges:

- stagnant to declining coal prices
- declining earnings (as existing coal supply agreements run-off)
- a maturing industry lacking adequate cash flow to invest in new mines
- dubious financial outlook with many companies over-leveraged with debt
- overcapacity of supply
- inherent liabilities – reclamation and employment related (health benefits, retirement, union issues)
- adversarial environmental impositions and uncertainties (e.g., mountaintop mining controversy, EPA actions)
- deregulation of coal's primary market sector, the electricity generation industry
- competition from other fuels, notably natural gas
- lack of national support for the industry (no energy policy)
- poor public perception

To a large measure, participants in the industry have contributed to the prevailing financial problem. To maximize cash flow, producers resist market discipline and justify low bids based on the popular incremental sales mentality. During the last

decade, parties acquiring major coal mining properties have been willing to pay premium prices to establish a national producer position or to secure a strategic position in the Powder River Basin. Equally important, there has been the availability (and in most cases over-availability) of funds to finance these transactions on a high leveraged basis. On the public relations front, the industry has oftentimes argued its case on economic consequence (lost profit) grounds while failing to effectively communicate its overall contribution to the economic fabric of the U.S. Faced with the current state of the coal industry, it is understandable why lenders are extremely cautious regarding coal mining projects.

Ownership Trends

1970's

Up to the early 1970's ownership of the coal industry was generally fragmented, with most of the producers consisting of independent coal mining companies and captive steel company coal owners/operators. After the 1973 OPEC oil embargo, ownership within the U.S. coal industry was expanded to include electric utilities as they began taking major direct ownership (operation) positions, and the industry experienced the "wild card" entry of major petroleum companies. During the 1970's electric utilities invested in captive mining operations (via direct ownership and operation, or by long-term, guaranteed profit contract mining agreements) and/or long-term, cost plus profit coal supply agreements. Commercial mining companies were in control of the coal supply

cycle and were virtually guaranteed a profit while the customer (consumer) bore related liabilities. This was the golden age for U.S. coal producers.

With the objective of energy dominance, major oil companies undertook an aggressive horizontal acquisition strategy during the mid-1970's through the early 1980's to add coal to their total energy portfolio. All the major petroleum companies acquired major coal positions both in reserves and coal production:

SOHIO	Mobil
EXXON	Coastal
Shell	Mapco
Gulf	Quaker State
ARCO	Transco

Economic rationale was secondary to achieving their strategic energy control objective, as petroleum companies established new benchmarks for coal property acquisitions. As one would expect, these acquisitions were normally internally funded by the parent corporation.

1980's

Reality of the marketplace was quickly re-established in the early 1980's as the steady decline in spot and new contract market pricing, which continues today, began. During this period stability returned to the industry as activity in coal property transactions lessened, and coal property acquisitions were primarily by established coal producers consolidating their position. It was during this period many of the steel companies divested of their captive mining properties. Typical profile of a steel company mining property was a union affiliated underground mine experiencing below average performance and high costs, but producing a premium quality metallurgical coal product. With declining coal prices,

procurement policy of steel corporations shifted to securing future metallurgical coal requirements on the open market.

During the mid-1970's through early 1980's, operating coal mining properties sold at nominal benchmark values of $25.00 to $30.00 per annual ton of production with the majority of activity involving bituminous coal producers in Central and Northern Appalachia, with some sales in the midwest and in the western U.S. (Utah, New Mexico, etc.). Activity in the Powder River Basin was generally limited to coal reserve acquisition via federal and state leasing.

1990's

Enactment of the federal Clean Air Act Amendment (CAAA) in 1990 began to influence longer term strategy regarding preferred coal quality for both consumers and producers. The two-phase implementation schedule (2.5 lbs SO_2 per million Btu emission limit by January 1, 1995, and Phase 2 requirements of 1.2 lbs SO_2 per million Btu by January 1, 2000) allowed utilities to develop transitionary plans to achieve compliance on a system-wide basis. One or more of the following fuel quality compliance strategies were adopted:

- Fuel switching, co-firing and/or coal blending
- Installing flue gas scrubber systems, and/or
- Purchasing or bundling SO_2 emission credits.

Severe economic pressures on the U.S. coal industry continued throughout the 1990's and included:

- Stagnation in soft market prices in virtually all coal products

Spot Market Price ($/ton current)	1990	1995	1999
Metallurgical	33.00	33.00	31.00
Steam (selected products)			
Northern Appalachia high sulfur steam	20.50	20.00	20.85
Central Appalachia compliance quality	25.75	25.25	23.45
Powder River Basin			
8,200 Btu/lb	3.85	4.00	3.30
8,800 Btu/lb	4.20	4.85	4.25

- Phasing out of term coal contracts.

  Example Powder River Basin:

	Public Utility Sales (tons – millions)	
Type of Sale	1990	1998
Spot	26.9	58.8
Contract		
5-year term or less	38.7	173.0
Greater than 5-yr term	129.6	99.3
Subtotal	168.3	272.3
Total	195.2	331.1
% Contract Sales Tonnages Greater than 5-yr term	77.0	36.5

- Overcapacity in supply.

  Examples:

	Tons – millions	
Region or Seam	1999 Production	Estimated Present Capacity (tpy)
Pittsburgh Seam of Northern Appalachia	77	85 – 90
Southern Powder River Basin (Wyoming)		
Low Btu	138	200 – 225
High Btu	176	225 – 250
Total	314	425 – 475

- Increased reliance on natural gas for future electricity generation.

Fuel	Installed Nameplate Capacity (GW)	Generation* Billion KwH	Generation* % Total
1998			
Coal	325	1,817	56
Gas	147	325	10
Petroleum	76	114	3
Nuclear	108	674	20
Other	99	358	11
Total	755	3,288	100
2010			
Coal	320[e]	2,121	53
Gas	310[e]	796	20
Petroleum	75[e]	48	1
Nuclear	85[e]	627	16
Other	110[e]	381	10
Total	900[e]	3,973	100

*Excluding cogeneration facilities.

e = estimated.

Coal industry ownership changes during the 1990's reflect several trends:

- Consolidation
  - via mergers: 1993 – Cyprus/Amax
    1997 – Arch/Ashland
  - via acquisition (exodus of petroleum companies, reduction in captive utility mining operations, and growth of independent mining companies with entrance of financial buyers).

Producer	1990 (million tons)	Producer	1998 (million tons)
Peabody	93.3	**Peabody**	168.5
CONSOL	54.6	Arch Coal	105.4
Amax	44.0	Kennecott	102.6
Exxon	30.7	**CONSOL**	74.3
Texas Utilities	30.6	Cyprus-Amax (RAG)	70.3
ARCO	29.4	AEI Resources	51.0
NERCO	28.7	Massey	37.9
Shell Mining	24.6	North America	31.6
Sun Coal	24.1	**Texas Utilities**	28.3
Arch Mineral	23.4	PacifiCorp	22.1
Total	383.4 (37%)*		692.0 (62%)*

*Represents percent of total U.S. coal production mined by the top ten companies.

Source: National Mining Association

- Focus on Southern Powder River Basin where 93% of current output is controlled by four mining companies:

Company	No. of Operations	1998 Production (millions)	% of SPRB Production
Arch Coal, Inc.	2	49.8	17.0
Cyprus Amax Mineral Co.	2	40.6	13.8
Kennecott Energy Co.	4	85.6	29.2
The Peabody Group	4	95.9	32.7
Total		271.9	92.7

- Diversified Strategic Objectives:

  National versus Regional Producers

  - National Producers/Diversified Coal Quality Products (optimize coal trading/fuel switching opportunities)

    Peabody
    RAG American Coal
    Arch Coal

  - Regional Strength Producers/Specific Market Objectives

    A.T. Massey
    CONSOL
    Kennecott

This became a period of survival where acquisition value (and financing) relied on existing coal sales contracts. It is interesting to note that prices paid for coal properties (companies) during the 1990's generally remained high, particularly where the seller was able to establish a highly competitive bidding environment. For example, prices paid for high Btu Powder River Basin properties remained at all time highs (i.e., commonly in excess of $40.00 per annual ton of production) because bidders were aggressively competing to gain market share.

During an early 1998 BOYD short course on due diligence related the sale/purchase of coal properties, I commented that prices being paid for U.S. coal companies commonly exceeded their calculated value as derived from conventional discounted cash flow analysis. A question was raised by one of the

attendees: When, in my opinion, will the overpayment for coal properties end? My response was: Considering the large number of banking and financial representatives attending this short course, the payment of premium prices for U.S. coal properties will end when banks no longer make funds available for highly leveraged purchases. It is always easy to make generous offers when you are using someone else's money—just look at the federal deficit.

Unfortunately, my observation has come to fruition. Coal is no longer in vogue on Wall Street as many companies are now over-leveraged in debt and facing declining earnings. Banks are now cautious about financing related to coal projects (and mining in general). With the weak financial performance and outlook for many large and medium size U.S. coal producers, we believe bank loans in the near-term will only be available on a more selective basis.

Global Picture

Just as many U.S. producers adopted a goal of achieving a national base of coal production, several international mining companies have embraced the strategy of achieving the position of world coal producer; companies like Rio Tinto/Kennecott, RAG, BHP, and Peabody want the geographical diversity of supply to be a world coal trader. Others, like Drummond, have focused their international mining objectives to meet specific needs (i.e., development of their Colombia coal mine, Mina Pribbenow, to supplement their traditional Alabama mines and retain Drummond's customer base in southeastern U.S.).

Major (non-U.S.) international mining interests have completed and are actively making international mining investments to diversify away from their

traditional native country base of operation—e.g., Rheinbraun and RAG in Germany, Ingwe (Billiton) and AmCoal (AngoAmerican) in South Africa.

Outlook for the Future

Is the glass half empty or half full?

Ownership changes in the U.S. coal industry reflect the state of the industry. What effects will this have on the domestic U.S. and international coal market?

From a pessimistic viewpoint, U.S. coal producers could conclude a death shroud inevitably hangs over the industry:

- Continued pro-environmental, anti-mining actions will ultimately regulate coal mining out of business.
- Repayment of financial debt, and funding of reclamation and employee liabilities exceed earnings potential and the preferred course of action is default.
- Natural gas is the fuel of choice additional gas reserves will be defined to replace losses due to depletion, pipeline infrastructure will be expanded to meet needs—and coal will be systematically replaced for baseload generation.

Under this doomsday scenario, U.S. utilities would tend to switch to imported coal in the near-term. Importation of coal has already begun to make inroads into the compliance quality steam coal market, with 5 million tons delivered into the U.S. in 1999.

	1999 Coal Imports into U.S.		
Country of Origin	Tons (millions)	Average Lbs SO_2/MM Btu	Delivered Price* (¢/MM Btu)
Colombia	2.8	1.02	149.7
Venezuela	1.7	1.09	150.3
Indonesia	0.5	0.30	135.5

*Delivered to power station

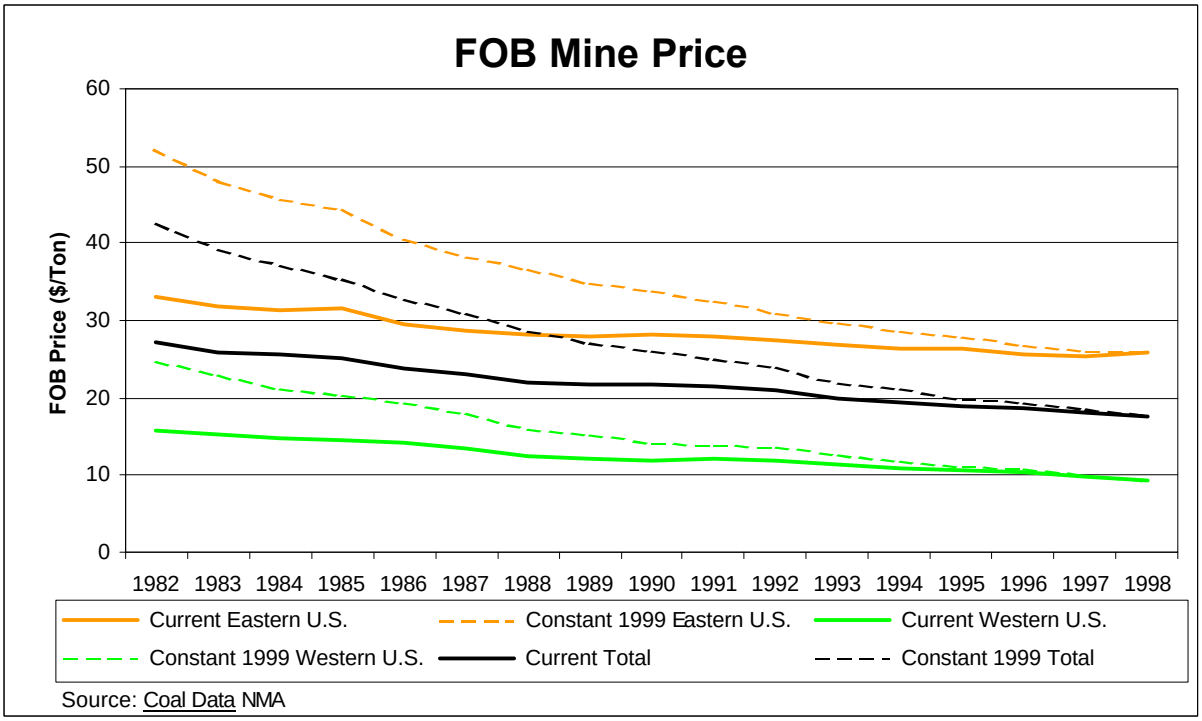
This could be the threshold to a massive inflow of imported coal which, on a federal level, could receive strong political support under the current administration's policies. The coal burn of existing coal-fired stations potentially accessible to imported coal totals an estimated 384 million tons per year (based on 1999 burn data).

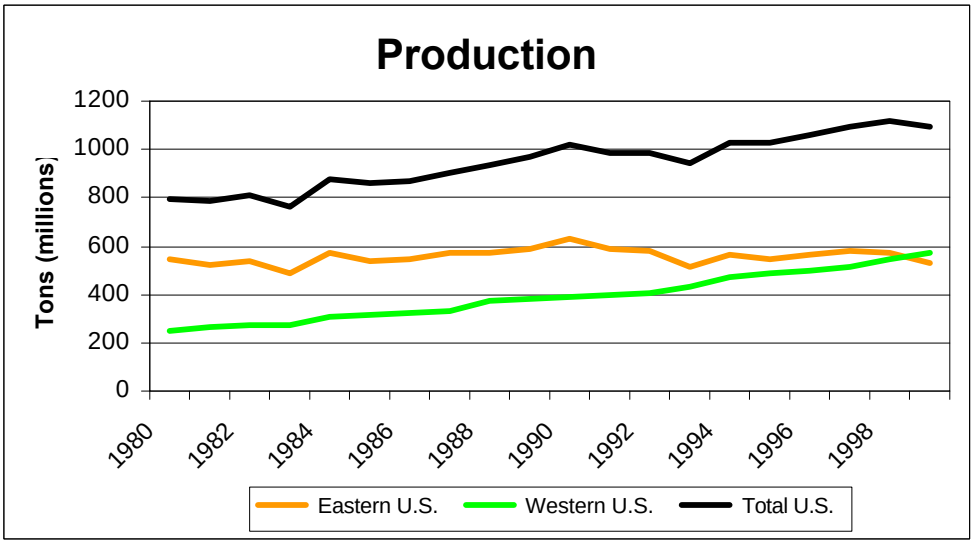
Regional Description Coal Product Quality*	1999 Public Utility Coal Burn (Exclude Imported Coal) Tons (millions)	Average Lbs SO_2/ MM Btu	Delivered Price (¢/MM Btu)
Within 100 miles of Atlantic Coast			
Compliance	9.4	1.11	147.0
Low/Medium Sulfur	49.9	2.29	145.3
High Sulfur	3.3	4.84	157.3
	62.6		
Within 100 miles of Gulf Coast			
Compliance	16.9	0.85	156.9
Low/Medium Sulfur	7.4	1.77	140.4
	24.3		
Proximity of Pacific Coast			
Low/Medium Sulfur	7.8	1.72	141.7
Proximity of Great Lakes			
Compliance	26.4	0.85	120.2
Low/Medium Sulfur	15.2	1.87	133.3
High Sulfur	0.5	5.55	114.6
	42.1		
Adjacent to Inland Waterways			
Compliance	102.4	0.86	111.8
Low/Medium Sulfur	95.8	2.20	128.6
High Sulfur	48.5	5.93	119.0
	246.7		
Grand Total			
Compliance	155.1	0.88	121.1
Low/Medium Sulfur	176.1	2.17	134.9
High Sulfur	52.3	5.86	121.5
	383.5		

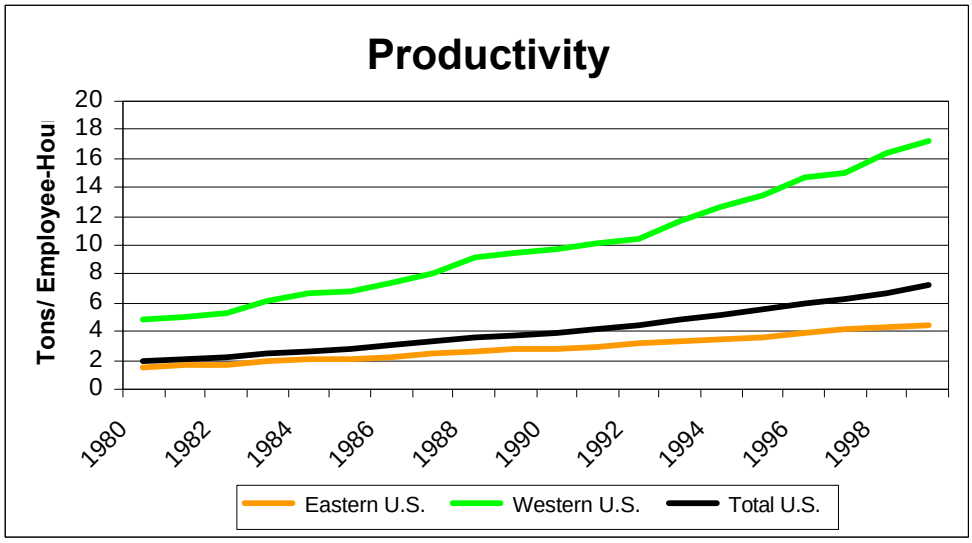
*For purposes of the preceding table, compliance is defined as 1.20 lbs SO_2/MM Btu, or less, low/medium sulfur as above 1.20 but less than 4.00 lbs SO_2/MM Btu, and high sulfur as 4.00 and above.

The potential imported coal market represents 43% of the total coal consumption used in U.S. electric generation during 1999.

Instead of folding up shop and quietly fading away, the ownership of the U.S. coal industry is positioned to not only survive but also to grow. Coal forms the essential component in the continued ability of the U.S. to generate low cost electricity, which is the foundation of our standard of living and of the future growth of the economy. We should learn from history. Look at how the U.S. coal producers have responded to declining prices. The continued growth in total production has shown the resilience of the industry, while the remarkable increase in employee productivity (averaging 7.8% per year since 1978) demonstrates the U.S. coal producers fortitude to survive.







BOYD believes regional productivity improvements will continue but at a more modest rate of increase. There are few new mines being developed which will limit the ability to take maximum advantage of new technology on a total mine basis (this is a constraint principally at existing underground mining operations), and, over the last decade, advanced mining systems and practices have been implemented at most major mines, while employee downsizing and labor

motivation premised on survival (i.e., threat of closure) has been implemented. Short of new technological breakthroughs (robotics/automation, in situ gasification of coal, low resistance electricity transmission, etc.), the ability to compensate for lower coal prices by ratcheting up productivity and by other means is becoming more difficult.

Deregulation and related restructuring of the electricity industry is well advanced in many states. In 1998, 6,435 MW of existing coal-fired generating capacity was reclassified from public utility to non-utility ownership, with an additional 23,385 MW of existing coal-fired generation capacity moved to non-regulated ownership in 1999. Approximate annual coal consumption associated with these reclassified stations totals 76 million tons.

Deregulation places added pressure on generators to produce low cost electricity; they, in turn, aggressively seek the lowest cost fuel supply. The paradox of this escalating economic pressure for low cost fuel is it favors the expanded use of coal, the fuel that offers the lowest operating cost for electricity generation from existing stations. The 50 lowest cost electric generation stations, exclusive of hydro, are all coal-fired. Efforts to maximize the utilization of existing power station capacity will result in major increases to coal demand, i.e., an increase in utilization from 65% to 75% at existing coal-fired stations will add 150 million tons per year to U.S. coal requirements.

Several proactive coal producers have recognized the interdependence between the coal supplier and the electricity producer (consumer). Power alliance relationships, where the coal producer works in cooperation with the generator to

derive the lowest practical busbar cost and/or commits to risk sharing coal supply agreements, where the coal price is largely based on unquantified future revenue from electricity sales, are becoming more common. The next wave of consolidation may be coal producer/utility teaming agreements where profits from the sale of electricity are shared.

Large coal producers are now positioned to make these major commitments and accept electricity economic dispatch risks. A large committed base of production will provide the coal producer a financial base to allow investment in the generation of new mines. On a national level, coal production will increase with electricity demand (and related population and gross national product growth) with the concentration of growth in the Powder River Basin. The major Eastern U.S., low cost coal production center will continue to be high performance, Pittsburgh Seam longwall mines in Northern Appalachia. Expanded production will occur as power stations are equipped with scrubbers in response to Phase 2 of the CAAA. Future coal output from the Powder River Basin is projected to exceed 500 million tons per year by 2020. In the post-2015 era, it is also likely that major underground coal mining activity could re-emerge in the high sulfur, Illinois Basin depending on transportation costs associated with western coals and the extent of future utility commitment to scrubbers on then existing coal-fired stations.

From the export side, the U.S. coal industry will continue to decline and should stabilize between 50 and 60 million tpy. There is no question the U.S. offers the highest qualities of coal and has demonstrated reliability of supply second to none, but on a delivered basis, U.S. coals are higher in cost than other

major international export coal suppliers. Few international coal customers are willing to pay a premium for U.S. coals as the demand for metallurgical coal worldwide and steam coal into Europe will drop below current levels.

Closing

In conclusion, BOYD views the future as a time of continuing challenges for the U.S. coal industry. However, ownership of U.S. coal producers is principally vested in large mining companies who are best equipped to address the challenges. On the international front, BOYD sees the U.S. as a secondary player. While increasingly vulnerable to coal imports, the tenacity of the U.S. coal industry will prevail as we continue to serve our domestic needs. Irrespective of the future political winds in Washington, it is time for the U.S. coal industry to reshape our public image and be recognized as good stewards of this country's natural resources, as a technically advanced and hard working industry, and as a vital cog in the U.S. economy. I am proud to be a proactive member of the U.S. and world coal industry!

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For additional information on John T. Boyd Company, we welcome you to visit our web page at www.jtboyd.com.

TABLE 1

MINING COMPANY MERGERS AND
ACQUISITIONS (1990-1999)
As Compiled by
John T. Boyd Company
June 2000

Operation	Buyer	Year	Tons (millions) Coal Reserves	Tons (millions) Annual Production	Rept. Price ($ millions)	$/Ton Reserve	$/Annual Ton of Production
Sunny Ridge Enterprises	AEI Holding	1999		2.0	50.0		
Cyprus Amax	RAG American Coal Co.	1999	2,000.0	68.0	1,400.0		
Princess Beverly Coal	AEI Holding	1999	32.0	2.0	11.5	0.36	5.75
Black Beauty Coal Co.	The Peabody Group	1999	-	15.2	150.0	-	-
Colonial Coal	Lodestar Energy, Inc.	1999	20.0	1.0	-	-	-
Triton Coal Co.	Vulcan Capital Mngmnt.	1998	842.0	14.4	275.0	0.33	19.10
Kindill Mining, Inc.	AEI Resources, Inc.	1998	100.0	3.3	58.5	0.59	17.73
CONSOL Inc.	Rheinbraun AG	1998	5,060.0	72.8	-	-	-
Zeigler Coal Holding Co.	AEI	1998	1,200.0	30.9	855.0	0.74	28.64
Canterbury Coal Company	Penn American Coal Co.	1998	-	-	-	-	-
ARCO	Arch	1998	1,300.0	56.8	1,140.0	0.88	20.07
Mid-Vol Leasing	AEI	1998	-	-	37.0	-	-
Leslie Resources	AEI	1998	75.0	4.0	19.0	0.25	4.75
Galatia Mine	American Coal Company	1998	214.0	5.0	200.0	0.93	40.00
Rochester & Pittsburgh	CONSOL Inc.	1998	701.0	7.0	150.0	0.21	21.43
Peabody Group/Citizens	Lehman	1998	9,400.0	165.0	2,300.0	0.24	13.94
Jacobs Ranch Mine	Kennecott Energy	1998	240.0	26.5	400.0	1.67	15.09
Cyprus Amax Coal's sub.	Coal Ventures Inc. (AEI)	1998	500.0	16.0	300.0	0.60	18.75
Blue Diamond Coal	James River Coal	1998	116.4	3.0	56.5	0.49	18.86
Ashland	Arch	1997	-	-	485.0	-	-
Ikerd-Bandy	AEI	1997	-	-	-	-	-
Caballo Rojo and Fort Union	Kennecott Energy Co.	1997	1,400.0	15.0	99.0	0.07	6.60
Coastal States Energy	ARCO Coal and Itochu	1996	300.0	10.2	615.0	2.05	60.29
MAPCO Coal Inc.	The Beacon Group	1996	327.0	16.0	250.0	0.76	15.63
Costain Group	Rencoal Inc.	1996	300.0	9.3	47.0	0.16	5.05
Addington Mining	AEI	1995	37.6	3.9	30.0	0.80	7.69
Minnehaha (Cyprus)	Kindill Mining	1995	20.0	1.0	-	-	-
Orchard Valley - Cyprus	Bowie Resources	1995	8.0	1.1	-	-	-
Transco Coal	James River Coal	1995	182.5	7.0	88.0	0.48	12.57
Shand Mining	Black Beauty Coal	1995	-	2.9	22.5	-	7.77
Elkhorn Coal Co.	Penn Holdings	1994	300.0	4.8	71.0	0.24	14.79
AgipCoal	Catenary Coal Holding	1994	490.0	5.5	100.0	0.20	18.18
Caballo & Rawhide Mines	Peabody Holding	1994	360.0	25.0	1,200.0	3.33	48.00
Kentucky Criterion	CONSOL of Kentucky	1994	64.0	1.8	81.0	1.27	45.00
Colowyo Coal	Kennecott Corp	1994	200.0	4.7	218.6	1.09	46.51
NERCO, Inc.	Kennecott Mining	1993	639.0	18.3	470.0	0.74	25.68
Island Creek Coal Co.	CONSOL Inc.	1993	2,200.0	16.0	480.0	0.22	30.00
Amax, Inc	Cyprus Minerals Co.	1993	2,153.0	40.0	1,200.0	0.56	30.00
Addington Resources	Pittston Minerals	1993	400.0	8.5	157.0	0.39	18.47
Cordero Mining	Kennecott Mining	1993	385.0	13.3	120.5	0.31	9.06
Dal-Tex	Ashland	1992	220.0	5.3	253.0	1.15	47.74
Shell Coal	Zeigler Coal Holding, Inc.	1992	2,400.0	24.0	840.0	0.35	35.00
BethEnergy - Mine 84	Rochester & Pittsburgh	1992	195.0	3.0	78.0	0.40	26.00
Consolidation Coal	Rheinbraun of Germany	1991	6,500.0	56.0	2,500.0	0.38	44.64
Cannelton Holding Co.	Amax Coal Industries	1991	138.0	6.0	120.0	0.87	20.00
Peabody Holding Co.	Hanson PLC	1990	8,200.0	81.0	1,219.9	0.15	15.06

Note: Information shown is taken from various public sources and is not warranted in any manner.

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TABLE 2

COAL-FIRED GENERATING ASSET RECLASSIFICATION TO
NONUTILITY GENERATORS IN 1998 AND 1999
As Compiled by
John T. Boyd Company
June 2000

Station	Nameplate Capacity (MW)	Approx. [a] Annual Coal Receipts (000 tons)	State	Seller	Buyer
			1998		
State Line	614	1,315	IN	Commonwealth Edison	Southern Energy
Kincaid	1,319	1,655	IL	Commonwealth Edison	Dominion Energy
Coleman	521	1,465	KY	Big Rivers Electric Corp.	LG&E Energy [b]
Green	527	1,490	KY	Big Rivers Electric Corp.	LG&E Energy [b]
HMP&L No. 2	365	240	KY	Big Rivers Electric Corp.	LG&E Energy [b]
Reid	171	750	KY	Big Rivers Electric Corp.	LG&E Energy [b]
Wilson	510	1,255	KY	Big Rivers Electric Corp.	LG&E Energy [b]
Brayton Point	1,600	2,895	MA	New England Power Co.	U.S. Generating Co.
Salem Harbor	805	920	MA	New England Power Co.	U.S. Generating Co.
	6,432	11,985			
			1999		
Homer City	1,884	6,410	PA	GPU/NYSEG	Edison Mission Energy
Bridgeport Harb	679	655	CT	United Illuminating Co.	Wivest Connecticut
Crawford	598	-	IL	Commonwealth Edison	Edison Mission Energy
Fisk	374	-	IL	Commonwealth Edison	Edison Mission Energy
Joliet	1,680	4,245	IL	Commonwealth Edison	Edison Mission Energy
Powerton	1,786	3,570	IL	Commonwealth Edison	Edison Mission Energy
Waukegan	803	2,820	IL	Commonwealth Edison	Edison Mission Energy
Will County	1,269	5,290	IL	Commonwealth Edison	Edison Mission Energy
Goudey	119	325	NY	NYSEG	AES Corporation
Greenidge	163	355	NY	NYSEG	AES Corporation
Hickling	87	210	NY	NYSEG	AES Corporation
Jennison	75	65	NY	NYSEG	AES Corporation
Kintigh	655	1,720	NY	NYSEG	AES Corporation
Milliken	328	830	NY	NYSEG	AES Corporation
Huntley	828	1,810	NY	Niagara Mohawk Power C	NRG Energy
Dunkirk	628	1,425	NY	Niagara Mohawk Power C	NRG Energy
Lovett	449	685	NY	Orange & Rockland Utilitie	Southern Energy
Baldwin	1,892	4,965	IL	Illinois Power Co.	Illinova Power Marketing [c]
Havana	718	915	IL	Illinois Power Co.	Illinova Power Marketing [c]
Hennepin	306	790	IL	Illinois Power Co.	Illinova Power Marketing [c]
Vermilion	197	485	IL	Illinois Power Co.	Illinova Power Marketing [c]
Wood River	650	1,000	IL	Illinois Power Co.	Illinova Power Marketing [c]
Sunbury	209	1,060	PA	Penn Power & Light Co.	WPS Power Development
Portland	464	755	PA	GPU	Sithe Energies [d]
Titus	261	510	PA	GPU	Sithe Energies [d]
Conemaugh	1,883	5,180	PA	GPU	Sithe Energies [d]
Seward	218	520	PA	GPU	Sithe Energies [d]
Shawville	631	1,685	PA	GPU	Sithe Energies [d]
Warren	138	170	PA	GPU	Sithe Energies [d]
Keystone	1,883	5,180	PA	GPU	Sithe Energies [d]
J.E. Corette	191	395	MT	Montana Power Co.	PP&L Global, Inc.
Colstrip	2,273	9,865	MT	Montana Power Co.	PP&L Global, Inc.
	24,319	63,890			
Total	30,751	75,875			

Notes:
a. Based on FERC data from 1997 for stations reclassified in 1998 and 1998 for stations reclassified in 1999.
b. Stations leased for 25 years.
c. FERC has recently approved Dynergy's plans to purchase Illinova Corp., parent of Illinova Marketing.
d. Reliant Energy recently purchased the former GPU generating assets from Sithe.

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