

DECLASSIFIED CONFIDENTIAL

NY 8.12.04

PACE Exhibit No. 7

020953-EI

Bidder F

General

The T&C Team has not seen much of Bidder F's proposal. Lacking from the data provided was their proposed term of the agreement, and any flexibility to that term. It is our opinion that FPC should not contract for capacity from a combined cycle facility that lacks a firm gas transportation contract.

It seems that Bidder F's Board of Trustees has not been made aware of their Proposal, which is conditional upon their approval.

Key Terms and Conditions

We appreciate Bidder F's efforts in this Section. The Bidder provided a redline-strikeout version of the Key Terms and Conditions, which make comparisons to the original much easier than those of other bidders.

Section 1 Right of First Refusal

Bidder F will not provide FPC with Right of First Refusal. It will allow FPC the Right to Purchase, however. The subject sight will have more capacity than that sought in FPC's RFP, thus the issue this presents to the Bidder.

Section 2 Adjustments to Fixed Payments

The Bidder believes that it should be compensated, at some level, for operating, even if its overall availability drops below 60%.

Section 3 Default and Security

Bidder F has suggested minor changes that we believe are negotiable. As with others, the Bidder seeks "lesser of" language to limit liability.

Summary

Bidder F responded to FPC's RFP with several proposed changes. These changes do not represent extreme positions, and the Bidder genuinely seems to be willing to negotiate. We believe that we can negotiate a fair agreement with this Bidder, should it be carried forward to that point.

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