

Senate Finance Committee

## EXHIBIT 31

**SUN KING**  
**TRADING INC.**

Messrs.  
 ENRON POWER CORP.  
 333 Clay Street  
 Houston, Texas 77002

Attn: Mr. James Steel

Dear Jim,

In response to your initial offer to buy our interest in the Puerto Quetzal power project and after conversations with our financial analysts, we have arrived at a set of approximated buyout amounts based on the present value of our contract with Enron Power Development Corp. (EPDC) for payments based on the present 110 Megawatt project in Puerto Quetzal for 15 years. This does not include any future additions to the generating capacity of that contract or any term extensions after the initial 15 years, both of which should be prorated accordingly.

Assuming the minimum energy sale of 50% of the installed capacity which Empresa Electrica de Guatemala, S.A. is obligated to purchase from Puerto Quetzal Power Corporation (PQPC) under contract, SUN KING TRADING COMPANY, INC. ("SUN KING") is paid a gross monthly payment of \$140,415.00 (1,684,980.00 / 12 months) during the first year, taking into consideration the automatic 3% annual increase on the demand capacity but not the projected increases in the cost of fuel, would yield a present value according to the assumed discount rate shown below:

7%  $\frac{7}{100}$  \$17,075,849.35

Assuming an energy sale of 75% of the installed capacity, a gross monthly payment of \$210,622.50 (\$2,527,470.00 / 12 months) during the first year, taking into consideration the automatic 3% annual increases on the demand capacity but not the projected increases in the cost of fuel, would yield a present value according to the assumed discount rate shown below:

7% \$25,613,774.02

Assuming an energy sale of 100% of the installed capacity, a gross monthly payment of \$280,830.00 (\$3,369,960.00 / 12 months) during the first year, taking into consideration the automatic 3% annual increase in the cost of fuel, would yield a present value according to the assumed discount rate shown below:

\$ 34,151,689.69

EC2 000036580

**SUNKING**  
**TRADING INC.**

2.

Please keep in mind that none of these figures account for the increases in the price of Bunker C fuel over the first 15 years which would be reflected in the 6% payment stream based on the total invoicing by PQPC. This additional revenue should be negotiated separately, probably based on yearly payments based on the actual fuel usage or a lump sum based on a mutually agreed projection.

*GFD*  
Regarding the assumption of using after-tax figures in your preliminary proposal to us, we would like to remind you that our payments were negotiated from the beginning of the project so that they are net figures not subject to withholding of any taxes. This is especially important in the case of our partner R.B. Grove, Inc. a Florida company, which pays U.S. taxes directly on their portion of the payment and would be subject to the double taxation if we were to use your after-tax figures.

We would suggest you reconsider your offer to more closely reflect a fair compensation for our group in return for forfeiting payments on the present contract between PQPC and Empresa Electrica de Guatemala, S.A. Otherwise, there would be no point in pursuing such a forfeiture by our group.

Please feel free to contact us if you want to further discuss this issue.

Best regards

Oswaldo Méndez Herbruger  
President

/mcgv