UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES AND EXCHANGE ACT OF 1934

For the Quarterly Period Ended
June 30, 2003

Commission File Number: **33-95928**

LS Power Funding Corporation

(Exact name of registrant as specified in its charter)

Delaware	**81-0502366**
(State of incorporation)	(I.R.S. Employer Identification No.)

9405 Arrowpoint Boulevard
Charlotte, NC 28273
(704) 525-3800
(Address, including zip code, and telephone number, including area code,
of registrant's principal executive offices)

LSP-Cottage Grove, L.P.
LSP-Whitewater Limited Partnership

(Exact name of registrant as specified in its charter)

Delaware	**81-0493289**
Delaware	**81-0493287**
(State of incorporation)	(I.R.S. Employer Identification Numbers)

9405 Arrowpoint Boulevard
Charlotte, NC 28273
(704) 525-3800
(Address, including zip code, and telephone number, including area code,
of registrant's principal executive offices)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes [√] No[ ]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12(b)-2 of the Act)
Yes [ ] No [√]

LS POWER FUNDING CORPORATION
LSP-COTTAGE GROVE, L.P.
LSP-WHITEWATER LIMITED PARTNERSHIP

Index
To the Quarterly Report on Form 10-Q
For the Quarterly Period Ended June 30, 2003

PART I/ITEM 1. CONDENSED FINANCIAL STATEMENTS

The unaudited condensed financial statements contained herein have been prepared pursuant to the rules and regulations of the United States Securities and Exchange Commission (the "Commission"). Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted. While the management of LS Power Funding Corporation ("Funding"), LSP-Cottage Grove, L.P. ("Cottage Grove") and LSP-Whitewater Limited Partnership ("Whitewater") (Cottage Grove and Whitewater sometimes referred to herein individually as a "Partnership" and collectively as the "Partnerships") believes that the disclosures made are adequate to make the information presented not misleading, these unaudited condensed financial statements should be read in conjunction with the audited financial statements included in the Annual Report on Form 10-K for the year ended December 31, 2002, filed by Funding and the Partnerships.

PART I/ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

In addition to discussing and analyzing Funding and the Partnerships' recent historical financial results and conditions, the following "Management's Discussion and Analysis of Financial Condition and Results of Operations" includes statements concerning certain trends and other forward-looking information affecting or relating to Funding and the Partnerships that are intended to qualify for the protections afforded "Forward-Looking Statements" under the Private Securities Litigation Reform Act of 1995, Public Law 104-67. The forward-looking statements made herein are inherently subject to risks and uncertainties that could cause Funding's and the Partnerships' actual results to differ materially from the forward-looking statements.

General

Cottage Grove is a single purpose Delaware limited partnership formed in December 1993 to develop, finance, construct and own a gas-fired cogeneration facility located in Cottage Grove, Minnesota (the "Cottage Grove Facility"). The 1% general partner, LSP-Cottage Grove, Inc., and the 72% limited partner, Cogentrix Cottage Grove, LLC ("Cogentrix Cottage Grove"), are indirect subsidiaries of Cogentrix Energy, Inc. ("Cogentrix Energy"). The other limited partner is FPP Cottage Grove, LLC ("FPP Cottage Grove") and is not affiliated with Cogentrix Energy. Whitewater is a single purpose Delaware limited partnership formed in December 1993 to develop, finance, construct and own a gas-fired cogeneration facility located in Whitewater, Wisconsin (the "Whitewater Facility", and collectively with the Cottage Grove Facility, the "Facilities"). The 1% general partner, LSP-Whitewater I, Inc., and the 73% limited partner, Cogentrix Whitewater, LLC ("Cogentrix Whitewater"), are indirect subsidiaries of Cogentrix Energy. The other limited partner is FPP Whitewater, LLC ("FPP Whitewater"), an affiliate of FPP Cottage Grove that is not affiliated with Cogentrix Energy. The Partnerships sell electric capacity and energy generated by their Facilities to two utilities under separate long-term power purchase agreements (individually, the "Power Purchase Agreement" and collectively, the "Power Purchase Agreements"). Whitewater sells up to 236.5 megawatts of electric capacity and associated energy generated by the Whitewater Facility to Wisconsin Electric Power Company ("WEPCO") pursuant to a 25-year Power Purchase Agreement expiring in September 2022. Whitewater may also sell to third parties up to 12 megawatts of electric capacity and any energy not dispatched by WEPCO. All of the electric capacity and energy generated by the Cottage Grove Facility is sold to Northern States Power Company ("NSP") pursuant to a 30-year Power Purchase Agreement, which runs through October 2027. The Partnerships also have long-term steam supply agreements with steam hosts to supply thermal energy produced by the Facilities.

The Whitewater Facility commenced commercial operations on September 18, 1997, and the Cottage Grove Facility commenced commercial operations on October 1, 1997. The Whitewater and Cottage Grove Power Purchase Agreements meet the criteria of a "sales-type" capital lease as described in Statement of Financial Accounting Standards ("SFAS") No. 13, "Accounting for Leases." Cottage Grove and Whitewater each recognized a gain on sales-type capital lease for the difference between the estimated fair market value and the historical cost of the Facilities as of the commencement of each respective Power Purchase Agreement's terms (commencement of commercial operations). The Partnerships each recorded a net investment in lease that reflects the present value of future minimum lease payments. Future minimum lease payments represent the amount of capacity payments due from the utilities under the Power Purchase Agreements in excess of fixed operating costs (i.e., executory costs). The difference between the undiscounted future minimum lease payments due from the utilities and the net investment in lease represents unearned income. This unearned income will be recognized as lease revenue over the respective terms of the Power Purchase Agreements using the effective interest rate method. The Partnerships will also recognize service revenue related to the reimbursement of costs incurred in operating the Facilities and providing electricity and thermal energy. The amount of service revenue recognized by each Partnership will be directly related to the level of dispatch of the Facilities by the respective utilities and to a lesser extent the level of thermal energy required by the steam hosts.

Funding

Funding was organized in June 1995 as a special purpose Delaware corporation to issue debt securities in connection with financing the construction of the Facilities. Funding's sole business activities are limited to maintaining its organization and activities necessary pursuant to the offering of the Senior Secured Bonds (defined below) and its acquisition of the First Mortgage Bonds (defined below) from the Partnerships.

The Senior Secured Bonds are the following:

- 7.19% Senior Secured Bonds Due 2010, Series A of LS Power Funding Corporation
- 8.08% Senior Secured Bonds Due 2016, Series A of LS Power Funding Corporation

The First Mortgage Bonds are the following:

- 7.19% First Mortgage Bonds of LSP-Cottage Grove, L.P. Due 2010
- 8.08% First Mortgage Bonds of LSP-Cottage Grove, L.P. Due 2016
- 7.19% First Mortgage Bonds of LSP-Whitewater Limited Partnership Due 2010
- 8.08% First Mortgage Bonds of LSP-Whitewater Limited Partnership Due 2016

Cottage Grove and Whitewater each own 50% of the outstanding stock of Funding.

Results of Operations

Cottage Grove

Operating revenues increased approximately 38.6% to $15.8 million for the second quarter of 2003 as compared to $11.4 million for the corresponding period of 2002. This increase was primarily the result of an increase in service revenue and commodity sales. The increase in service revenue resulted from an increase in the variable energy rate charged to the purchasing utility and steam purchaser as a result of an increase in natural gas prices. The increase in commodity sales was attributable to a higher volume of sales of remarketed fuel to third party purchasers and an increase in natural gas prices for the second quarter of 2003 as compared to the second quarter of 2002.

Operating revenues increased approximately 47.2% to $34.3 million for the six months ended June 30, 2003 compared to $23.3 million for the corresponding period of 2002. This increase was primarily the result of an increase in service revenue and commodity sales. The increase in service revenue resulted from a significant increase in natural gas prices in the first six months of 2003 as compared to the first six months of 2002. This increase was partially offset by fewer megawatt hours produced. The increase in commodity sales was due to an increase in remarketed fuel sales to third party purchasers as well as an increase in natural gas prices in the first six months of 2003 as compared to the first six months of 2002.

Operating expenses increased approximately 52.9% to $10.7 million for the second quarter of 2003 as compared to $7.0 million for the corresponding period of 2002. This increase was the result of an increase in cost of services and commodity sales expense. The increase in cost of services resulted from an increase in fuel expense, a component of cost of services, related to an increase in natural gas prices. Commodity cost of sales increased due to an increase in remarketed fuel sales to third party purchasers.

Operating expenses increased approximately 64.1% to $23.3 million for the six months ended June 30, 2003 as compared to $14.2 for the corresponding period of 2002 for the same reasons listed above for the quarter ended June 30, 2003.

Interest expense consists primarily of interest expense on the First Mortgage Bonds and amortization of the costs incurred to issue the bonds.

Whitewater

Operating revenues increased approximately 11.8% to $17.0 million for the second quarter of 2003 as compared to $15.2 million for the corresponding period of 2002. This increase was primarily the result of an increase in service revenue and commodity sales. The increase in service revenue resulted from an increase in the variable energy rate charged to the purchasing utility and steam purchaser as a result of an increase in natural gas prices. The increase in commodity sales was attributable to a higher volume of sales of remarketed fuel to third party purchasers and an increase in natural gas prices for the second quarter of 2003 as compared to the second quarter of 2002.

Operating revenues increased approximately 26.6% to $36.6 million for the six months ended June 30, 2003 as compared to $28.9 million for the corresponding period of 2002. This increase was primarily the result of an increase in service revenue and commodity sales. The increase in service revenue resulted from an increase in the variable energy rate charged to the purchasing utility and steam purchaser as a result of an increase in natural gas prices, partially offset by a decrease in megawatt hours produced. The increase in commodity sales is due to an increase in remarketed fuel sales to third party purchasers and an increase in natural gas prices.

Operating expenses increased approximately 23.3% to $10.6 million for the second quarter of 2003 as compared to $8.6 million for the corresponding period of 2002. This increase was primarily the result of an increase in cost of services and commodity cost of sales. The increase in cost of services resulted from an increase in fuel expense, a component of cost of services, as a result of an increase in natural gas prices. Commodity cost of sales increased due to an increase in fuel sales to third party purchasers.

Operating expenses increased approximately 23.2% to $24.4 million for the six months ended June 30, 2002 as compared to $19.8 for the corresponding period of 2002. This increase was primarily the result of an increase in cost of services and commodity cost of sales. The increase in cost of services resulted from an increase in fuel expense, a component of cost of services, as a result of an increase in natural gas prices. The increase in commodity cost of sales was due to an increase in fuel sales to third party purchasers and an increase in natural gas prices.

Interest expense consists primarily of interest expense on the First Mortgage Bonds and amortization of the costs incurred to issue the bonds.

Facility Construction

Cottage Grove

During the second quarter of 2003, Cottage Grove agreed to release Westinghouse Electric Corporation ("Westinghouse Electric"), the Facility's construction contractor, from performing certain repairs agreed to under the final settlement of the cost to construct the facility and removed the requirement for Westinghouse Electric to provide a letter of credit to support Westinghouse Electric's obligations to perform certain future maintenance work. In exchange, Westinghouse Electric paid Cottage Grove approximately $0.3 million which the Partnership recorded as an additional gain on sales-type capital lease. Westinghouse Electric has also agreed to perform certain maintenance tasks through March 2004.

Whitewater

During the second quarter of 2003, Whitewater agreed to release Westinghouse Electric, the Facility's construction contractor, from performing certain repairs agreed to under the final settlement of the cost to construct the facility and removed the requirement for Westinghouse Electric to provide a letter of credit to support Westinghouse Electric's obligations to perform certain future maintenance work. In exchange, Westinghouse Electric paid Whitewater approximately $0.2 million which the Partnership recorded as an additional gain on sales-type capital lease. Westinghouse Electric has also agreed to perform certain maintenance tasks through March 2004.

Liquidity and Capital Resources

Cottage Grove

The principal components of operating cash flow for the six-month period ended June 30, 2003, were net income of $5.3 million and a net $1.4 million of cash provided by changes in other working capital assets and liabilities. Cash flows provided by operating activities of $7.8 million were primarily used to repay $1.3 million of First Mortgage Bonds and make partner distributions of $4.8 million.

Whitewater

The principal component of operating cash flow for the six-month period ended June 30, 2003, were net income of $5.0 million and a net $2.1 million of cash provided by changes in other working capital assets and liabilities. Cash flows provided by operating activities of $9.6 million were primarily used to repay $1.5 million of First Mortgage Bonds and make partner distributions of $5.9 million.

Other Financial Information

The Cottage Grove facility is expecting a reduction in the bonus peak period capacity payment of approximately $0.3 million for the year ending December 31, 2003 as a result of unplanned outages during February 2003 and September 2002.

Both Cottage Grove and Whitewater are required to maintain a debt service reserve fund as stipulated by certain financing documents. During 1999 and 1998, the Partnerships transferred the debt service reserve funds to Cogentrix Energy. The required debt service funds at June 30, 2003, equal to $7.4 million and $8.4 million for Cottage Grove and Whitewater, respectively, are included on the respective balance sheets as Note Receivable from Affiliate. The receivables are backed by an irrevocable letter of credit from Cogentrix Mid-America, Inc.

Each partnership maintains a letter of credit facility which expires in July 2007. These facilities provide working capital loans of up to $3.0 million and letters of credit commitments up to $5.0 million for Whitewater and $5.5 million for Cottage Grove that may be drawn on by the respective Partnership from time to time. Such letters of credit will satisfy certain requirements of the Partnerships under various project agreements. As of June 30, 2003, a $0.5 million letter of credit was outstanding under the Cottage Grove letter of credit facility to secure certain obligations of Cottage Grove under the Cottage Grove Power Purchase Agreement and there were no amounts outstanding under the Whitewater letter of credit facility.

The Partnerships expect that payments from the utilities under the Power Purchase Agreements will provide the substantial majority of the revenues of each of the Partnerships. Under and subject to the terms of the Power Purchase Agreements, each utility is obligated to purchase electric capacity made available to it and energy that it requests from the related Partnership. For additional information regarding NSP and WEPCO, reference is made to the respective Annual Reports filed on Form 10-K, the Quarterly Reports filed on Form 10-Q, proxy, and any other filings made by NSP and WEPCO with the Commission.

The Power Purchase Agreements are dispatchable contracts that provide the utilities with the ability to suspend or reduce purchases of electricity from the Facilities. The Power Purchase Agreements are structured such that the Partnerships will continue to receive capacity payments during any period of dispatch. Each Partnership is dependent on capacity payments under its Power Purchase Agreement to meet its fixed obligations, including the payment of debt service under each Partnership's First Mortgage Bonds (which will be Funding's sole source of revenues for payment of debt service under the Senior Secured Bonds). Capacity payments by each of NSP and WEPCO are based on the tested capacity and availability of the Facilities and are unaffected by levels of dispatch. Each Facility's capacity is subject to semi-annual verification through testing. Capacity payments are subject to reduction if a Facility is operating at reduced or degraded capacity at the time of such test, although each Facility is permitted a retest subject to certain retest limitations. Also, capacity payments for each Facility are subject to reduction if the respective Facility does not maintain certain minimum levels of availability. Under the Cottage Grove Power Purchase Agreement, capacity payments are further adjusted by, among other things, the capacity loss factor, which is determined in accordance with procedures jointly agreed to by Cottage Grove and NSP. The Partnerships expect to achieve the minimum capacity and availability levels; however, any material shortfall in tested capacity or availability over a significant period could result in a shortage of funds to the Partnerships.

Each Partnership presently believes that funds available from cash and investments on hand, restricted funds, operations and letter of credit and working capital facilities will be more than sufficient to liquidate each partnership's obligations as they come due, pay project debt service and make required contributions to project reserve accounts.

As with any power generation facility, operation of the Facilities involves certain risks, including the performance of a Facility below expected levels of output or efficiency, interruptions in fuel supply, pipeline disruptions, disruptions in the supply of thermal or electrical energy, power shut-downs due to the breakdown or failure of equipment or processes, violation of permit requirements (whether through operation or change in law), operator error, labor disputes or catastrophic events such as fires, earthquakes, explosions, floods or other similar occurrences affecting a Facility or its power purchasers, thermal energy purchasers, fuel suppliers or fuel transporters. The occurrence of any of these events could significantly reduce or eliminate revenues generated by a Facility or significantly increase the expenses of that Facility, thereby impacting the ability of a Partnership to make payments of the amounts necessary to fund principal of and interest on its First Mortgage Bonds, and consequently Funding's ability to make payments of principal and interest on the Senior Secured Bonds. Not all risks are insured and the proceeds of such insurance applicable to covered risks may not be adequate to cover a Facility's lost revenues or increased expenses. In addition, extended unavailability under the Power Purchase Agreements, which may result from one or more of such events, may entitle the respective Power Purchaser to terminate its Power Purchase Agreement.

New Accounting Pronouncements

The Partnerships adopted Statement of Accounting Standards ("SFAS") No. 143, "Accounting for Asset Retirement Obligations" on January 1, 2003. The Whitewater Partnership identified an obligation to dismantle and remove its facility under the terms of a development agreement with the City of Whitewater, Wisconsin. The Whitewater Partnership developed cost estimates representing the future cost to dismantle and remove this facility at the end of its useful life. The future cost to dismantle and remove this facility has been discounted to its present value, and the related liability has been recorded on the balance sheet as of January 1, 2003. Over the life of the facility, the liability will be accreted to its future value and eventually extinguished when the facility is taken out of service. As of January 1, 2003, the Partnership recorded an expense of $0.6 million, related to these obligations as a cumulative effect of a change in accounting principle in the condensed financial statements. The adoption of this statement had no impact on the Whitewater Partnership's cash flows. The adoption of this pronouncement was not material to the Cottage Grove Partnership's financial statements.

The Partnerships adopted SFAS No. 145, "Rescission of SFAS Nos. 4, 44 and 64, Amendment of SFAS No. 13 and Technical Corrections." SFAS No. 4 had required all gains and losses from extinguishment of debt to be aggregated and, if material, classified as an extraordinary item, net of related income tax effect. In addition, SFAS No. 145 rescinds SFAS No. 4 and the related required classification of gains and losses from extinguishment of debt as extraordinary items under certain circumstances. Additionally, SFAS No. 145 amends SFAS No. 13 to require that certain lease modifications that have economic effects similar to sale-leaseback transactions be accounted for in the same manner as sale-leaseback transactions. The provisions related to SFAS No. 13 are applicable for transactions occurring after May 15, 2002. The Partnerships' adoption of this statement did not have an impact on its financial condition or results of operations.

The Partnerships adopted SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities" on January 1, 2003. SFAS No. 146 requires costs associated with exit or disposal activities to be recognized when they are incurred rather than at the date of a commitment to an exit or disposal plan. SFAS No. 146 is to be applied prospectively to exit or disposal activities initiated after December 31, 2002. The Partnerships' adoption of this statement did not have an impact on its financial condition or results of operations.

The Partnerships adopted Financial Accounting Standards Board ("FASB") Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness to Others, and interpretation of SFAS Nos. 5, 57 and 107 and a rescission of FASB Interpretation No. 34" in December 2002. This Interpretation elaborates on the disclosures to be made by a guarantor in its interim and annual financial statements about its obligations under guarantees issued. The Interpretation also clarifies that a guarantor is required to recognize, at inception of a guarantee, a liability for the fair value of the obligation undertaken. The initial recognition and measurement provisions of the Interpretation are applicable to guarantees issued or modified after December 31, 2002 and the disclosure requirements are effective for financial statements of interim or annual periods ending after December 15, 2002. The adoption of this new standard did not have a material impact on the Partnerships' financial position, results of operations or cash flows.

The FASB issued SFAS No. 149, "Amendment of SFAS No. 133 on Derivative Instruments and Hedging Activities" in April 2003. This Statement amends and clarifies the accounting and reporting for derivative instruments, including embedded derivatives, and for hedging activities under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities". SFAS No. 149 amends SFAS No. 133 to reflect the decisions made as part of the Derivatives Implementation Group and in other FASB projects or deliberations. SFAS No. 149 is effective for contracts entered into or modified after June 30, 2003, and for hedging relationships designated after June 30, 2003. The adoption of SFAS No. 149 is not expected to have an impact on the Partnerships' financial statements.

The FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity" in May 2003. SFAS No. 150 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. SFAS No. 150 is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. The Partnerships adopted SFAS No. 150 on July 1, 2003 and this adoption did not have a material impact on their financial statements.

Impact Of Energy Price Changes, Interest Rates And Inflation

The Partnerships have attempted to mitigate the risk of increases in fuel and transportation costs by providing contractually for matching increases in the energy payments the Partnerships receive from the utilities purchasing electricity generated by the Facilities. In addition, the Partnerships have hedged against the risk of fluctuations in interest rates by arranging fixed-rate financing.

The Cottage Grove and Whitewater Facilities each have gas supply contracts with two suppliers that in the aggregate provide 100% of the expected gas requirements of each Facility. One of the gas supply contracts at each Facility is with Dynegy Marketing and Trade ("Dynegy") and the other supply contract is with Aquila Energy Marketing Corporation ("Aquila"). The gas price components of the Aquila and Dynegy gas supply agreements are priced at market based indices and are structured to provide matching changes in energy payments under the Whitewater and Cottage Grove PPAs. Included within these gas supply agreements is a provision whereby Whitewater and Cottage Grove may select to pay a monthly fixed fee as consideration for the right to elect to purchase a daily quantity of gas priced at the TOK, as defined by the contracts, or first-of-the-month spot market price (the "Fuel Selection Fee"). Cottage Grove and Whitewater can each purchase up to 40% of its contracted gas supplies under the option structure. The remaining 60% of the gas requirements are priced at the TOK price, or daily spot price. The U.S. gas market is currently experiencing a tightening of gas supplies, increased gas prices, and increased price volatility and, consequently, the Fuel Selection Fees are anticipated to be more costly. During 2002, a number of events negatively impacted the business and prospects of Dynegy and Aquila resulting in downgrades in the credit ratings of Dynegy and Aquila to non-investment grade by each of the major rating agencies. A failure to perform under the gas supply contracts by either Dynegy or Aquila may have a material adverse effect on Whitewater and Cottage Grove. While management believes that alternative natural gas supplies at market-based prices can be obtained so as to ensure against interruption, no assurance can be given that the replacement arrangements would have terms commercially equivalent to the Dynegy and Aquila contracts.

PART 1/ITEM 4. CONTROLS AND PROCEDURES

Our Chief Executive Officer and President have evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in rules 13a-15(c) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this quarterly report. Based on that evaluation, these officers have concluded that, as of the end of such period, Funding's disclosure controls and procedures are effective in alerting them on a timely basis to material information relating to Funding required to be included in our periodic filings under the Exchange Act. No change in our internal control over financial reporting was made during our most recent fiscal quarter that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART 2/ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

3.1	Certificate of Incorporation of LS Power Funding Corporation [1]
3.2	Bylaws of LS Power Funding Corporation [1]
3.3	Certificate of Limited Partnership of LSP-Cottage Grove, L.P. [1]
3.4	Amended and Restated Partnership Agreement dated as of June 30, 1995 among LSP-Cottage Grove, Inc., Granite Power Partners, L.P. and TPC Cottage Grove, Inc. [1]
3.4.1	Amendment No. 1 to the Cottage Grove Partnership Agreement [2]
3.4.2	Consent, Waiver and Amendment No. 2 dated March 20, 1998 to the Amended and Restated Limited Partnership Agreement of LSP-Cottage Grove, L.P. [3]
3.4.3	Third Amendment, dated December 11, 1998, to the Amended and Restated Limited Partnership Agreement of LSP-Cottage Grove, L.P. [4]
3.5	Certificate of Limited Partnership of LSP-Whitewater Limited Partnership [1]
3.6	Amended and Restated Partnership Agreement dated as of June 30, 1995 among LSP-Whitewater I, Inc., Granite Power Partners, L.P. and TPC Whitewater, Inc. [1]
3.6.1	Consent, Waiver and Amendment No. 1 dated March 20, 1998 to the Amended and Restated Limited Partnership Agreement of LSP-Whitewater Limited Partnership [3]
3.6.2	Second Amendment, dated December 11, 1998, to the Amended and Restated Limited Partnership Agreement of LSP-Whitewater Limited Partnership [3]
4.1	Trust Indenture dated as of May 1, 1995 by and among LS Power Funding Corporation and IBJ Schroder Bank & Trust Company, as Trustee, with respect to the Senior Secured Bonds (as Supplemented by the First Supplemental Indenture dated as of May 1, 1995 by and among LS Power Funding Corporation and IBJ Schroder Bank & Trust Company, as Trustee [1]
4.2	Trust Indenture dated as of May 1, 1995 by and among LSP-Cottage Grove, L.P. and IBJ Schroder Bank & Trust Company, as Trustee, with respect to the Cottage Grove First Mortgage Bonds (as supplemented by the First Supplemental Indenture dated as of May 1, 1995 by and among LSP-Cottage Grove, L.P. and IBJ Schroder Bank & Trust Company, as Trustee) [1]
4.3	Trust Indenture dated as of May 1, 1995 by and among LSP-Whitewater Limited Partnership and IBJ Schroder Bank & Trust Company, as Trustee, with respect to the Whitewater First Mortgage Bonds (as supplemented by the First Supplemental Indenture dated as of May 1, 1995 by and among LSP-Whitewater Limited Partnership and IBJ Schroder Bank & Trust Company, as Trustee) [1]
4.4	Registration Rights Agreement dated as of June 30, 1995 by and among Chase Securities, Inc., Morgan Stanley & Co. Incorporated, LS Power Funding Corporation, LSP-Cottage Grove, L.P., and LSP-Whitewater Limited Partnership [1]
4.5	Form of Senior Secured Bond (included in Exhibit 4.1) [1]
4.6	Form of Cottage Grove First Mortgage Bond (included in Exhibit 4.2) [1]
4.7	Form of Whitewater First Mortgage Bond (included in Exhibit 4.3) [1]
31.1	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of President pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the quarter covered by this report.

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[1] Incorporated herein by reference to the Registration Statement on Form S-4 (File No. 33-95928) filed by LS Power Funding Corporation, LSP-Cottage Grove, L.P. and LSP-Whitewater Limited Partnership on August 16, 1995, as amended, or to the Form 10-K (File No. 33-95928) filed for the fiscal year ended December 31, 1995 by LS Power Funding Corporation, LSP-Cottage Grove, L.P. and LSP-Whitewater Limited Partnership.

[2] Incorporated herein by reference to the Form 10-Q (File No. 33-95928) filed August 14, 1996.

[3] Incorporated herein by reference to the Form 10-K (File No. 33-95928) filed April 15, 1998.

[4] Incorporated herein by reference to the Form 10-K (File No. 33-95928) filed March 31, 1999.

SIGNATURES: Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this amendment to be signed on its behalf by the undersigned thereunto duly authorized.

LS POWER FUNDING CORPORATION

By: /s/ Thomas F. Schwartz
Name: Thomas F. Schwartz
Title: Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: August 14, 2003

LSP-COTTAGE GROVE, L.P.

By: LSP-Cottage Grove, Inc.
Its: General Partner

By: /s/ Thomas F. Schwartz
Name: Thomas F. Schwartz
Title: Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: August 14, 2003

LSP-WHITEWATER LIMITED PARTNERSHIP

By: LSP-Whitewater I, Inc.
Its: General Partner

By: /s/ Thomas F. Schwartz
Name: Thomas F. Schwartz
Title: Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: August 14, 2003

LS POWER FUNDING CORPORATION
LSP-COTTAGE GROVE, L.P.
LSP-WHITEWATER LIMITED PARTNERSHIP

Condensed Financial Statement Index

LS POWER FUNDING CORPORATION
BALANCE SHEETS
June 30, 2003 and December 31, 2002
(Dollars in thousands, except share data)
(Unaudited)

ASSETS	**June 30, 2003**	**December 31, 2002**
CURRENT ASSETS:		
Cash	$ 1	$ 1
Current portion of investment in First Mortgage Bonds	6,481	5,869
Total current assets	6,482	5,870
INVESTMENT IN FIRST MORTGAGE BONDS	312,452	315,935
Total assets	$ 318,934	$ 321,805
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of Senior Secured Bonds Payable	$ 6,481	$ 5,869
SENIOR SECURED BONDS PAYABLE	312,452	315,935
Total liabilities	318,933	321,804
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Common stock, $.01 par value, 1,000 shares authorized; 100 shares issued and outstanding	-	-
Additional paid-in capital	1	1
Total stockholders' equity	1	1
Total liabilities and stockholders' equity	$ 318,934	$ 321,805

The accompanying notes to the condensed financial statements
are an integral part of these statements.

LS POWER FUNDING CORPORATION
STATEMENTS OF INCOME
For the Three Months and Six Months Ended June 30, 2003 and 2002
(Dollars in thousands, except per share amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
INTEREST INCOME	$ 6,288	$ 6,370	$ 12,577	$ 12,740
INTEREST EXPENSE	6,288	6,370	12,577	12,740
NET INCOME	$ -	$ -	$ -	$ -
EARNINGS PER COMMON SHARE	$ -	$ -	$ -	$ -
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	100	100	100	100

The accompanying notes to the condensed financial statements
are an integral part of these statements.

LS POWER FUNDING CORPORATION
STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 2003 and 2002
(Dollars in thousands)
(Unaudited)

	Six Months Ended June 30,	
	2003	**2002**
CASH PROVIDED BY OPERATING ACTIVITIES:		
Receipt of principal on investment in First Mortgage Bonds	$ 2,871	$ 2,227
Repayment of Senior Secured Bonds	(2,871)	(2,227)
Net cash flows provided by operating activities	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net cash flows provided by investing activities	-	-
CASH PROVIDED BY FINANCING ACTIVITIES:		
Net cash flows provided by financing activities	-	-
NET INCREASE (DECREASE) IN CASH	-	-
CASH, beginning of period	1	1
CASH, end of period	$ 1	$ 1

The accompanying notes to the condensed financial statements are an integral part of these statements.

LS POWER FUNDING CORPORATION
NOTES TO CONDENSED FINANCIAL STATEMENTS
UNAUDITED

1. FINANCIAL STATEMENTS

The balance sheet as of June 30, 2003 and the statements of income for the three-month and six-month periods ended June 30, 2003 and 2002 and the statements of cash flows for the six-month periods ended June 30, 2003 and 2002, have been prepared by LS Power Funding Corporation ("Funding"), without audit. In the opinion of management, these unaudited condensed financial statements include all adjustments (consisting of normal recurring adjustments) necessary to present fairly Funding's financial position as of June 30, 2003, and the results of its operations for the three-month and six-month periods ended June 30, 2003 and 2002 and its cash flows for the six-month periods ended June 30, 2003 and 2002.

The unaudited condensed financial statements have been prepared pursuant to the rules and regulations of the United States Securities and Exchange Commission (the "SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted. While management believes that the disclosures made are adequate to make the information presented not misleading, these unaudited condensed financial statements should be read in conjunction with Funding's audited financial statements included in Funding's Annual Report on Form 10-K for the fiscal year ended December 31, 2002 filed with the SEC on March 31, 2003.

2. ORGANIZATION

Funding was established on June 23, 1995, as a special purpose Delaware corporation to issue debt securities in connection with financing construction of two gas-fired cogeneration facilities, one located in Cottage Grove, Minnesota, and the other located in Whitewater, Wisconsin. LSP-Cottage Grove, L.P. ("Cottage Grove") and LSP-Whitewater Limited Partnership ("Whitewater") are single purpose Delaware limited partnerships established to develop, finance, construct and own the facilities at Cottage Grove and Whitewater, respectively. Cottage Grove and Whitewater each own 50% of the outstanding stock of Funding. Funding's sole business activities are limited to maintaining its organization, the offering of the Senior Secured Bonds and its acquisition of the First Mortgage Bonds issued by Cottage Grove and Whitewater. The ultimate parent of Cottage Grove and Whitewater is Cogentrix Energy, Inc. ("Cogentrix Energy"), a North Carolina corporation.

Cogentrix Energy's corporate credit facility matures in October 2003 at which time all outstanding borrowings will become due and payable. In the event the facility matures and is not repaid, this would create a cross-default under Cogentrix Energy's senior unsecured notes. As a result of this matter, Cogentrix Energy's independent auditors expressed a going concern uncertainty in their report on the Cogentrix Energy consolidated financial statements as of and for the year ended December 31, 2002. Cogentrix Energy's management intends to refinance the corporate credit facility prior to its maturity and is currently negotiating the terms of a restructured facility. However, there are no assurances that this restructuring can be accomplished.

In addition, certain project subsidiaries of Cogentrix Energy are currently in default of their non-recourse loan agreements and the outstanding obligations under these loan agreements are currently callable. The project lender to each of these facilities is able to satisfy these obligations with the applicable project's assets only and cannot look to Cogentrix Energy or it's subsidiaries (including Funding) to satisfy such project's obligations.

Cogentrix Energy owns an indirect interest in Funding and certain wholly-owned indirect subsidiaries of Cogentrix Energy provide services to Funding. While an adverse outcome to the matters discussed above could have an adverse impact on Funding, management currently believes that such impact would not be material to the financial results or operations of Funding.

LSP-COTTAGE GROVE, L.P.
BALANCE SHEETS
June 30, 2003 and December 31, 2002
(Dollars in thousands)
(Unaudited)

	June 30, 2003	December 31, 2002
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 2,522	$ 1,109
Restricted cash	221	168
Accounts receivable	5,245	5,972
Fuel inventories	414	1,325
Spare parts inventories	230	155
Other current assets	418	387
Total current assets	9,050	9,116
NET INVESTMENT IN LEASE	235,452	236,338
DEBT ISSUANCE AND FINANCING COSTS, net of accumulated amortization of $2,449 and $2,237, respectively	4,882	5,086
NOTE RECEIVABLE FROM AFFILIATE	7,399	7,223
INVESTMENT IN UNCONSOLIDATED AFFILIATE	1	1
OTHER ASSETS	187	338
Total assets	$ 256,971	$ 258,102
LIABILITIES AND PARTNERS' CAPITAL		
CURRENT LIABILITIES:		
Current portion of First Mortgage Bonds payable	$ 3,026	$ 2,740
Accounts payable	2,901	3,500
Other accrued expenses	383	98
Total current liabilities	6,310	6,338
FIRST MORTGAGE BONDS PAYABLE	145,874	147,500
Total liabilities	152,184	153,838
COMMITMENTS AND CONTINGENCIES		
PARTNERS' CAPITAL	104,787	104,264
Total liabilities and partners' capital	$ 256,971	$ 258,102

The accompanying notes to the condensed financial statements are an integral part of these statements.

LSP-COTTAGE GROVE, L.P.
STATEMENTS OF INCOME
For the Three Months and Six Months Ended June 30, 2003 and 2002
(Dollars in thousands)
(Unaudited)

	Three Months Ended June 30, 2003	Three Months Ended June 30, 2002	Six Months Ended June 30, 2003	Six Months Ended June 30, 2002
OPERATING REVENUES:				
Lease revenue	$ 5,309	$ 5,333	$ 10,628	$ 10,671
Service revenue	7,427	5,303	17,349	11,162
Commodity sales	3,099	807	6,325	1,218
Other	-	-	-	238
	15,835	11,443	34,302	23,289
OPERATING EXPENSES:				
Cost of services	7,753	6,206	17,505	13,001
Commodity cost of sales	2,901	773	5,753	1,155
	10,654	6,979	23,258	14,156
OPERATING INCOME	5,181	4,464	11,044	9,133
OTHER INCOME (EXPENSE):				
Gain on sales-type capital lease	300	-	300	-
Interest expense	(3,053)	(3,092)	(6,107)	(6,157)
Interest income	53	72	85	133
NET INCOME	$ 2,481	$ 1,444	$ 5,322	$ 3,109

The accompanying notes to the condensed financial statements
are an integral part of these statements.

LSP-COTTAGE GROVE, L.P.
STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 2003 and 2002
(Dollars in thousands)
(Unaudited)

	Six Months Ended June 30,	
	2003	**2002**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 5,322	$ 3,109
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of debt issuance and financing costs	212	180
Amortization of unearned lease income	(10,628)	(10,671)
Minimum lease payments received	11,514	11,052
Decrease (increase) in accounts receivable - trade	727	(494)
Decrease in fuel inventories	911	951
Decrease (increase) in spare parts inventories	(75)	26
Decrease in other assets	120	595
Increase (decrease) in accounts payable	(599)	552
Increase in accrued expenses	285	142
Net cash flows provided by operating activities	7,789	5,442
CASH FLOWS FROM INVESTING ACTIVITIES:		
Increase in restricted cash	(53)	(53)
Net cash flows used in investing activities	(53)	(53)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment on First Mortgage Bonds	(1,340)	(1,041)
Partner distributions	(4,799)	(3,637)
Increase in note receivable from affiliate	(176)	(212)
Issuance of collateral support for letter of credit	-	(500)
Increase in other	(8)	-
Net cash flows used in financing activities	(6,323)	(5,390)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,413	(1)
CASH AND CASH EQUIVALENTS, beginning of period	1,109	728
CASH AND CASH EQUIVALENTS, end of period	$ 2,522	$ 727

The accompanying notes to the condensed financial statements are an integral part of these statements.

LSP-COTTAGE GROVE, L.P.
NOTES TO CONDENSED FINANCIAL STATEMENTS
UNAUDITED

1. FINANCIAL STATEMENTS

The balance sheet as of June 30, 2003 and the statements of income for the three-month and six-month periods ended June 30, 2003 and 2002 and the statements of cash flows for the six-month periods ended June 30, 2003 and 2002, have been prepared by LSP-Cottage Grove, L.P. (the "Partnership"), without audit. In the opinion of management, these unaudited condensed financial statements include all adjustments (consisting of normal recurring adjustments) necessary to present fairly the Partnership's financial position as of June 30, 2003 and the results of its operations for the three-month and six-month periods ended June 30, 2003 and 2002 and its cash flows for the six-month periods ended June 30, 2003 and 2002.

The unaudited condensed financial statements have been prepared pursuant to the rules and regulations of the United States Securities and Exchange Commission (the "SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted. While management believes that the disclosures made are adequate to make the information presented not misleading, these unaudited condensed financial statements should be read in conjunction with the Partnership's audited financial statements included in the Partnership's Annual Report on Form 10-K for the fiscal year ended December 31, 2002 filed with the SEC on March 31, 2003.

2. ORGANIZATION

The Partnership is a Delaware limited partnership that was formed on December 14, 1993, to develop, finance, construct and own a gas-fired cogeneration facility with a design capacity of approximately 245 megawatts located in Cottage Grove, Minnesota (the "Facility"). Construction and start-up of the Facility was substantially completed and commercial operation commenced October 1, 1997. The 1% general partner of the Partnership is LSP-Cottage Grove, Inc. ("Cottage Grove"), a wholly-owned subsidiary of Cogentrix Cottage Grove, LLC ("Cogentrix Cottage Grove"). Cogentrix Cottage Grove and FPP Cottage Grove, LLC, are the sole limited partners of the Partnership, owning approximately 72% and 27% limited partnership interests, respectively. The ultimate parent of Cogentrix Cottage Grove is Cogentrix Energy, Inc. ("Cogentrix Energy"), a North Carolina corporation.

Cogentrix Energy's corporate credit facility matures in October 2003 at which time all outstanding borrowings will become due and payable. In the event the facility matures and is not repaid, this would create a cross-default under Cogentrix Energy's senior unsecured notes. As a result of this matter, Cogentrix Energy's independent auditors expressed a going concern uncertainty in their report on the Cogentrix Energy consolidated financial statements as of and for the year ended December 31, 2002. Cogentrix Energy's management intends to refinance the corporate credit facility prior to its maturity and is currently negotiating the terms of a restructured facility. However, there are no assurances that this restructuring can be accomplished.

In addition, certain project subsidiaries of Cogentrix Energy are currently in default of their non-recourse loan agreements and the outstanding obligations under these loan agreements are currently callable. The project lender to each of these facilities is able to satisfy these obligations with the applicable project's assets only and cannot look to Cogentrix Energy or it's subsidiaries (including the Partnership) to satisfy such project's obligations.

Cogentrix Energy owns an indirect interest in the Partnership and certain wholly-owned indirect subsidiaries of Cogentrix Energy provide operation, maintenance and other services to the Partnership. Although Cogentrix Energy's management does not expect the matters discussed above to have a material impact on the Partnership, the Partnership cannot be certain that these matters would not affect certain of the Partnership's operating contracts, loan agreements or ownership arrangements with respect to the Partnership.

The Partnership holds a 50% equity ownership interest in LS Power Funding Corporation ("Funding"), which was established on June 23, 1995, as a special purpose funding corporation to issue debt securities (the "Senior Secured Bonds") in connection with financing construction of the Facility and a similar gas-fired cogeneration facility located in Whitewater, Wisconsin. On June 30, 1995, a portion of the proceeds from the offering and sale of the Senior Secured Bonds issued by Funding was used to purchase $155 million of First Mortgage Bonds issued simultaneously by the Partnership.

All of the electric capacity and energy generated by the Facility is sold to Northern States Power Company under a 30-year power purchase agreement which expires in October 2027 (the "Power Purchase Agreement"). The thermal energy generated by the Facility is sold in the form of steam to 3M Company (formerly Minnesota Mining and Manufacturing Company, "3M") under a 30-year thermal energy sales agreement which also has an initial expiration date in 2027.

3. NEW ACCOUNTING PRONOUNCEMENTS

On January 1, 2003, the Partnership adopted Statement of Accounting Standards ("SFAS") No. 143, "Accounting for Asset Retirement Obligations." The adoption of this pronouncement was not material to the Partnership's financial statements. This statement requires companies to record a liability relating to the retirement and removal of assets used in their business. The liability is discounted to its present value, and the related asset value is increased by the amount of the resulting liability. Over the life of the asset, the liability will be accreted to its future value and eventually extinguished when the asset is taken out of service.

On January 1, 2003, the Partnership adopted SFAS No. 145, "Rescission of SFAS Nos. 4, 44 and 64, Amendment of SFAS No. 13 and Technical Corrections." SFAS No. 4 had required all gains and losses from extinguishment of debt to be aggregated and, if material, classified as an extraordinary item, net of related income tax effect. In addition, SFAS No. 145 rescinds SFAS No. 4 and the related required classification of gains and losses from extinguishment of debt as extraordinary items under certain circumstances. Additionally, SFAS No. 145 amends SFAS No. 13 to require that certain lease modifications that have economic effects similar to sale-leaseback transactions be accounted for in the same manner as sale-leaseback transactions. The provisions related to SFAS No. 13 are applicable for transactions occurring after May 15, 2002. The Partnership's adoption of this statement did not have an impact on its financial condition or results of operations.

On January 1, 2003, the Partnership adopted SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 requires costs associated with exit or disposal activities to be recognized when they are incurred rather than at the date of a commitment to an exit or disposal plan. SFAS No. 146 is to be applied prospectively to exit or disposal activities initiated after December 31, 2002. The Partnership's adoption of this statement did not have an impact on its financial condition or results of operations.

In December 2002, the Partnership adopted Financial Accounting Standards Board ("FASB") Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness to Others, and interpretation of SFAS Nos. 5, 57 and 107 and a rescission of FASB Interpretation No. 34". This Interpretation elaborates on the disclosures to be made by a guarantor in its interim and annual financial statements about its obligations under guarantees issued. The Interpretation also clarifies that a guarantor is required to recognize, at inception of a guarantee, a liability for the fair value of the obligation undertaken. The initial recognition and measurement provisions of the Interpretation are applicable to guarantees issued or modified after December 31, 2002 and the disclosure requirements are effective for financial statements of interim or annual periods ending after December 15, 2002. The adoption of this new standard did not have a material impact on the Partnership's financial position, results of operations or cash flows.

In April 2003, the FASB issued SFAS No. 149, "Amendment of SFAS No. 133 on Derivative Instruments and Hedging Activities". This Statement amends and clarifies the accounting and reporting for derivative instruments, including embedded derivatives, and for hedging activities under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities". SFAS No. 149 amends SFAS No. 133 to reflect the decisions made as part of the Derivatives Implementation Group and in other FASB projects or deliberations. SFAS No. 149 is effective for contracts entered into or modified after June 30, 2003, and for hedging relationships designated after June 30, 2003. The adoption of SFAS No. 149 is not expected to have an impact on the Partnership's financial statements.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity." SFAS No. 150 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. SFAS No. 150 is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. The Partnership adopted SFAS No. 150 on July 1, 2003 and this adoption did not have a material impact on the financial statements.

4. SALES-TYPE CAPITAL LEASE

The components of the net investment in lease at June 30, 2003, were as follows (dollars in thousands):

Gross Investment in Lease	$451,816
Unearned Income on Lease	(216,364)
Net Investment in Lease	$235,452

Gross investment in lease represents total capacity payments receivable over the term of the Power Purchase Agreement, net of executory costs, which are considered minimum lease payments in accordance with SFAS No. 13, "Accounting for Leases."

5. WESTINGHOUSE SETTLEMENT

During May 2003, the Partnership agreed to return Westinghouse Electric Corporation's ("Westinghouse Electric") $2.0 million letter of credit issued to support Westinghouse Electric's obligations to perform certain maintenance work on behalf of the Partnership. In return, Westinghouse Electric paid the Partnership $0.3 million and agreed to perform certain maintenance tasks through March 2004. This payment was recorded as a gain on sales-type capital lease during the quarter ended June 30, 2003.

LSP-WHITEWATER LIMITED PARTNERSHIP
BALANCE SHEETS
June 30, 2003 and December 31, 2002
(Dollars in thousands)
(Unaudited)

	June 30, 2003	December 31, 2002
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 4,022	$ 2,105
Restricted cash	221	168
Accounts receivable - trade	5,154	6,335
Accounts receivable - other	442	473
Fuel inventories	716	1,387
Spare parts inventories	262	268
Other current assets	609	722
Total current assets	11,426	11,458
NET INVESTMENT IN LEASE	258,688	260,158
GREENHOUSE FACILITY AND EQUIPMENT, net of accumulated depreciation of $2,460 and $2,243, respectively	6,343	6,564
DEBT ISSUANCE AND FINANCING COSTS, net of accumulated amortization of $2,487 and $2,274, respectively	4,937	5,143
NOTE RECEIVABLE FROM AFFILIATE	8,449	8,248
INVESTMENT IN UNCONSOLIDATED AFFILIATE	1	1
OTHER ASSETS	597	585
Total assets	$ 290,441	$ 292,157
LIABILITIES AND PARTNERS' CAPITAL		
CURRENT LIABILTIES:		
Current portion of First Mortgage Bonds payable	$ 3,455	$ 3,129
Accounts payable	3,660	3,683
Other accrued expenses	273	170
Total current liabilities	7,388	6,982
FIRST MORTGAGE BONDS PAYABLE	166,578	168,435
ASSET RETIREMENT OBLIGATION	645	-
Total liabilities	174,611	175,417
COMMITMENTS AND CONTINGENCIES		
PARTNERS' CAPITAL	115,830	116,740
Total liabilities and partners' capital	$ 290,441	$ 292,157

The accompanying notes to the condensed financial statements are an integral part of these statements.

LSP-WHITEWATER LIMITED PARTNERSHIP
STATEMENTS OF INCOME
For the Three Months and Six Months Ended June 30, 2003 and 2002

(Dollars in thousands)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
OPERATING REVENUES:				
Lease revenue	$ 5,764	$ 5,814	$ 11,544	$ 11,638
Service revenue	7,908	7,365	20,793	14,374
Commodity sales	1,434	279	2,292	795
Greenhouse revenue	1,850	1,627	1,834	1,613
Other	79	100	94	440
	17,035	15,185	36,557	28,860
OPERATING EXPENSES:				
Cost of services	8,422	7,590	20,967	17,586
Commodity cost of sales	1,308	267	2,049	736
Greenhouse expenses	869	791	1,399	1,473
	10,599	8,648	24,415	19,795
OPERATING INCOME	6,436	6,537	12,142	9,065
OTHER INCOME (EXPENSE):				
Gain on sales-type capital lease	200	-	200	-
Interest expense	(3,469)	(3,522)	(6,938)	(7,017)
Interest income	120	78	199	153
Income before cumulative effect of a change in accounting principle	3,287	3,093	5,603	2,201
Cumulative effect of a change in accounting principle	-	-	(621)	-
NET INCOME	$ 3,287	$ 3,093	$ 4,982	$ 2,201

The accompanying notes to the condensed financial statements are an integral part of these statements.

LSP-WHITEWATER LIMITED PARTNERSHIP
STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 2003 and 2002
(Dollars in thousands)
(Unaudited)

	Six Months Ended June 30,	
	2003	**2002**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 4,982	$ 2,201
Adjustments to reconcile net income to net cash provided by operating activities:		
Cumulative effect of a change in accounting principle	621	-
Accretion of asset retirement obligation	24	-
Amortization of debt issuance and financing costs	213	183
Gain on sale of greenhouse equipment	(3)	-
Depreciation	224	220
Amortization of unearned lease income	(11,544)	(11,638)
Minimum lease payments received	13,014	12,570
Decrease (increase) in accounts receivable - trade	1,181	(1,411)
Decrease (increase) in accounts receivable - other	31	(730)
Decrease in fuel inventories	671	799
Decrease (increase) in spare parts inventories	6	(102)
Decrease in other assets	101	750
Decrease in accounts payable	(23)	(676)
Increase (decrease) in accrued expenses	103	(465)
Net cash flows provided by operating activities	9,601	1,701
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of greenhouse equipment	-	(15)
Increase in restricted cash	(53)	(53)
Net cash flows used in investing activities	(53)	(68)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		
Payment on First Mortgage Bonds	(1,531)	(1,188)
Partner distributions	(5,892)	(288)
Increase in note receivable from affiliate	(201)	(243)
Increase in other	(7)	-
Net cash flows used in financing activities	(7,631)	(1,719)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,917	(86)
CASH AND CASH EQUIVALENTS, beginning of period	2,105	1,438
CASH AND CASH EQUIVALENTS, end of period	$ 4,022	$ 1,352

The accompanying notes to the condensed financial statements
are an integral part of these statements.

LSP-WHITEWATER LIMITED PARTNERSHIP
NOTES TO CONDENSED FINANCIAL STATEMENTS
UNAUDITED

1. FINANCIAL STATEMENTS

The balance sheet as of June 30, 2003 and the statements of income for the three-month and six-month periods ended June 30, 2003 and 2002 and the statements of cash flows for the six-month periods ended June 30, 2003 and 2002, have been prepared by LSP-Whitewater Limited Partnership (the "Partnership"), without audit. In the opinion of management, these unaudited condensed financial statements include all adjustments (consisting of normal recurring adjustments) necessary to present fairly the Partnership's financial position as of June 30, 2003, and the results of its operations for the three-month and six-month periods ended June 30, 2003 and 2002 and its cash flows for the six-month periods ended June 30, 2003 and 2002.

The unaudited condensed financial statements have been prepared pursuant to the rules and regulations of the United States Securities and Exchange Commission (the "SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted. While management believes that the disclosures made are adequate to make the information presented not misleading, these unaudited condensed financial statements should be read in conjunction with the Partnership's audited financial statements included in the Partnership's Annual Report on Form 10-K for the fiscal year ended December 31, 2002 filed on March 31, 2003 with the SEC.

2. ORGANIZATION

The Partnership is a Delaware limited partnership that was formed on December 14, 1993, to develop, finance, construct and own a gas-fired cogeneration facility with a design capacity of approximately 245 megawatts located in Whitewater, Wisconsin (the "Facility"). Construction and start-up of the Facility was substantially completed and commercial operation commenced September 18, 1997. The 1% general partner of the Partnership is LSP-Whitewater I, Inc., a wholly-owned subsidiary of Cogentrix Whitewater, LLC ("Cogentrix Whitewater"). Cogentrix Whitewater and FPP Whitewater, LLC are the sole limited partners of the Partnership, owning approximately 73% and 26% limited partnership interests, respectively. The ultimate parent of Cogentrix Whitewater is Cogentrix Energy, Inc. ("Cogentrix Energy"), a North Carolina corporation.

Cogentrix Energy's corporate credit facility matures in October 2003 at which time all outstanding borrowings will become due and payable. In the event the facility matures and is not repaid, this would create a cross-default under Cogentrix Energy's senior unsecured notes. As a result of this matter, Cogentrix Energy's independent auditors expressed a going concern uncertainty in their report on the Cogentrix Energy consolidated financial statements as of and for the year ended December 31, 2002. Cogentrix Energy's management intends to refinance the corporate credit facility prior to its maturity and is currently negotiating the terms of a restructured facility. However, there are no assurances that this restructuring can be accomplished.

In addition, certain project subsidiaries of Cogentrix Energy are currently in default of their non-recourse loan agreements and the outstanding obligations under these loan agreements are currently callable. The project lender to each of these facilities is able to satisfy these obligations with the applicable project's assets only and cannot look to Cogentrix Energy or it's subsidiaries (including the Partnership) to satisfy such project's obligations.

Cogentrix Energy owns an indirect interest in the Partnership and certain wholly-owned indirect subsidiaries of Cogentrix Energy provide operation, maintenance and other services to the Partnership. Although Cogentrix Energy's management does not expect the matters discussed above to have a material impact on the Partnership, the Partnership cannot be certain that these matters would not affect certain of the Partnership's operating contracts, loan agreements or ownership arrangements with respect to the Partnership.

The Partnership holds a 50% equity ownership interest in LS Power Funding Corporation ("Funding"), which was established on June 23, 1995, as a special purpose Delaware corporation to issue debt securities (the "Senior

Secured Bonds") in connection with financing construction of the Facility and a similar gas-fired cogeneration facility located in Cottage Grove, Minnesota. On June 30, 1995, a portion of the proceeds from the offering and sale of the Senior Secured Bonds issued by Funding was used to purchase $177 million of First Mortgage Bonds issued simultaneously by the Partnership.

The Partnership sells up to 236.5 megawatts of electric capacity and associated energy generated by the Facility to Wisconsin Electric Power Company ("WEPCO") pursuant to a 25-year power purchase agreement (the "Power Purchase Agreement") which expires in September 2022. The Partnership may also sell to third parties up to 12 megawatts of electric capacity and any energy that is not dispatched by WEPCO. The thermal energy generated by the Facility is provided in the form of steam to the University of Wisconsin - Whitewater under a steam supply agreement expiring on June 30, 2005, and in the form of hot water to a greenhouse owned by the Partnership.

3. NEW ACCOUNTING PRONOUNCEMENTS

On January 1, 2003, the Partnership adopted Statement of Financial Accounting Standards ("SFAS") No. 143, "Accounting for Asset Retirement Obligations." This statement requires companies to record a liability relating to legal obligations to retire and remove long-lived assets used in their business. The Partnership identified an obligation to dismantle and remove the Facility under the terms of the Partnership's development agreement with the City of Whitewater, Wisconsin. The Partnership developed cost estimates representing the future cost to dismantle and remove this Facility at the end of its useful life. The future cost to dismantle and remove this Facility has been discounted to its present value, and the related liability has been recorded on the balance sheet as of January 1, 2003. Over the life of the Facility, the liability will be accreted to its future value and eventually extinguished when the Facility is taken out of service. As of January 1, 2003, the Partnership recorded an expense of $0.6 million, related to these obligations as a cumulative effect of a change in accounting principle in the accompanying condensed financial statements. As of June 30, 2003, the Company had an asset retirement obligation liability of $0.6 million which is included in other long-term liabilities in the accompanying condensed balance sheet. The proforma effect of adopting this pronouncement as of January 1, 2002 was not material for the periods presented. Accretion expense for the six months ended June 30, 2003 approximated $24,000.

On January 1, 2003, the Partnership adopted SFAS No. 145, "Rescission of SFAS Nos. 4, 44 and 64, Amendment of SFAS No. 13 and Technical Corrections." SFAS No. 4 had required all gains and losses from extinguishment of debt to be aggregated and, if material, classified as an extraordinary item, net of related income tax effect. In addition, SFAS No. 145 rescinds SFAS No. 4 and the related required classification of gains and losses from extinguishment of debt as extraordinary items under certain circumstances. Additionally, SFAS No. 145 amends SFAS No. 13 to require that certain lease modifications that have economic effects similar to sale-leaseback transactions be accounted for in the same manner as sale-leaseback transactions. The provisions related to SFAS No. 13 are applicable for transactions occurring after May 15, 2002. The Partnership's adoption of this statement did not have an impact on its financial condition or results of operations.

On January 1, 2003, the Partnership adopted SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 requires costs associated with exit or disposal activities to be recognized when they are incurred rather than at the date of a commitment to an exit or disposal plan. SFAS No. 146 is to be applied prospectively to exit or disposal activities initiated after December 31, 2002. The Partnership's adoption of this statement did not have an impact on its financial condition or results of operations.

In December 2002, the Partnership adopted Financial Accounting Standards Board ("FASB") Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness to Others, and interpretation of SFAS Nos. 5, 57 and 107 and a rescission of FASB Interpretation No. 34". This Interpretation elaborates on the disclosures to be made by a guarantor in its interim and annual financial statements about its obligations under guarantees issued. The Interpretation also clarifies that a guarantor is required to recognize, at inception of a guarantee, a liability for the fair value of the obligation undertaken. The initial recognition and measurement provisions of the Interpretation are applicable to guarantees issued or modified after December 31, 2002 and the disclosure requirements are effective for financial statements of interim or annual periods ending after December 15, 2002. The adoption of this new standard did not have a material impact on the Partnership's financial position, results of operations or cash flows.

In April 2003, the FASB issued SFAS No. 149, "Amendment of SFAS No. 133 on Derivative Instruments and Hedging Activities". This Statement amends and clarifies the accounting and reporting for derivative instruments, including embedded derivatives, and for hedging activities under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities". SFAS No. 149 amends SFAS No. 133 to reflect the decisions made as part of the Derivatives Implementation Group and in other FASB projects or deliberations. SFAS No. 149 is effective for contracts entered into or modified after June 30, 2003, and for hedging relationships designated after June 30, 2003. The adoption of SFAS No. 149 is not expected to have an impact on the Partnership's consolidated financial statements.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity." SFAS No. 150 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. SFAS No. 150 is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. The Partnership adopted SFAS No. 150 on July 1, 2003 and this adoption did not have a material impact on the financial statements.

4. SALES-TYPE CAPITAL LEASE

The components of the net investment in lease at June 30, 2003, were as follows (dollars in thousands):

Gross Investment in Lease	$483,833
Unearned Income on Lease	(225,145)
Net Investment in Lease	$258,688

Gross investment in lease represents total capacity payments receivable over the term of the Power Purchase Agreement, net of executory costs, which are considered minimum lease payments in accordance with SFAS No. 13, "Accounting for Leases".

5. WESTINGHOUSE SETTLEMENT

During May 2003, the Partnership agreed to return Westinghouse Electric Corporation's ("Westinghouse Electric") $2.0 million letter of credit issued to the Partnership to support Westinghouse Electric's obligations to perform certain maintenance work on behalf of the Partnership. In return, Westinghouse Electric paid the Partnership $0.2 million and agreed to perform certain maintenance tasks through March 2004. This payment was recorded as a gain on sales-type capital lease during the quarter ended June 30, 2003.