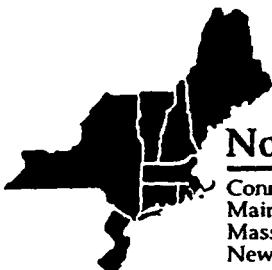


# Enron Documents

1998

Folder Profile	
Control #	1998-000752
Name	letter to the Deputy Secretary from the Northeast States for
Priority	Important
DOE Addressee	Elizabeth Moler
Subject Text	RE: AIR POLLUTION IMPACTS OF INCREASED DEREGULATION IN THE ELECTRIC POWER INDUSTRY: AN INITIAL ANALYSIS - 1/15/98
Topical Index	
Signature/Approval	
Action Requested	Appropriate Action
Special Instructions	
Folder Trigger	Letter
Source	PM-O
Correspondence Date	1/16/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	LOHRM
202 586-0471	Lohr, Michael
Action Office #	
Assigned To	PO
Date Due	
Date Completed	1/21/98



## NESCAUM

### Northeast States for Coordinated Air Use Management

Connecticut Bureau of Air Management  
 Maine Bureau of Air Quality Control  
 Massachusetts Division of Air Quality Control  
 New Hampshire Air Resources Division

New Jersey Office of Air Quality Management  
 New York Division of Air Resources  
 Rhode Island Office of Air Resources  
 Vermont Air Pollution Control Division

January 16, 1998

**Elizabeth Moler**  
**Deputy Secretary**  
**Department of Energy**  
**100 Independence Avenue, SW**  
**Washington, DC 20585**

Dear Deputy Secretary Moler:

Over the past two years, Northeast Governors, Environmental Commissioners, and air quality regulators have written the Administration to stress that achieving the full benefits of competition requires the application of comparable environmental standards to all electric power generators. We remain concerned that, without environmental safeguards, newly competitive electricity markets will favor the lowest cost, most polluting power generators. Like you, we care deeply about reducing our citizens' exposure to ozone smog and fine particle pollution. As a region already struggling with serious air quality problems, the prospect of increased transport of NOx, mercury and other pollutants from largely unregulated, high-emitting powerplants causes us great concern. We have asserted, and continue to believe now, that environmental concerns must be addressed nationally as part of electric utility restructuring.

As you recall, we initially voiced these concerns in the context of the Federal Energy Regulatory Commission's (FERC) 1996 rulemaking concerning transmission access and competition in wholesale electricity markets, which ultimately resulted in FERC Order 888. We were gratified when in June of 1996, FERC and EPA pledged to work together to (1) track the future environmental impacts of open access and competition and (2) mitigate any adverse environmental impacts associated with open access.

Since these commitments to track and mitigate any increased emissions were made, we are not aware of any publicly available analysis conducted by EPA or FERC examining the air quality impacts of increased competition. Given our continuing concerns, we asked our staff to work through our regional association, the Northeast States for Coordinated Air Use Management (NESCAUM), to try and determine if our earlier concerns were justified.

The results of our initial analysis (attached) affirm our belief that comparable environmental standards must be applied to all electricity generators to ensure that increased competition does not have the unintended effect of increasing air pollution.

Specifically our analysis finds that:

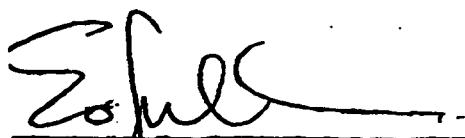
1. Several large Midwestern power companies – most notably American Electric Power (AEP) – substantially increased their short-term wholesale electricity sales between 1995 and 1996. The amount of power sold to non-traditional market players, such as power marketers, also increased dramatically in that period. (p. 5-6)
2. Increased wholesale sales were accompanied by substantially increased generation at several of these companies' highest polluting coal-fired power plants from 1995 to 1996. (p. 7)
3. Contrary to prior assertions, the existing transmission infrastructure was able to support large increases in the flow of power from the Midwest toward the east. (p. 9-10)
4. Increased coal-fired generation resulted in substantial increases in powerplant emissions, notably of nitrogen oxides (which contribute to acid rain, ozone, fine particle pollution and the eutrophication of aquatic ecosystems) and other pollutants. (p. 8-9)

We understand that the Administration is currently evaluating the need to include environmental safeguards in national restructuring legislation. Our ability to examine only two years of data and a handful of power companies prevents us from assessing aggregate national impacts or documenting lasting market shifts. However, these findings strongly support the inclusion of environmental safeguards in any legislative proposals regarding utility restructuring. This analysis also argues for more comprehensive and sophisticated efforts to track and analyze emerging power market trends, in line with the commitments made by EPA, FERC, the Department of Energy and the Council on Environmental Quality in connection with FERC Order 888. We stand ready to offer whatever assistance we can to EPA and other federal agencies in fulfilling these commitments.

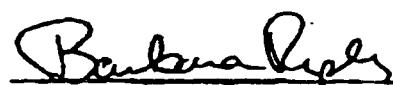
In closing, we wish to stress that restructuring is not the problem. The Northeast states have always supported and continue to support increased competition in the electric power industry. The problem is the inequity that enables some utilities to operate with excessively high pollutant emissions. Comparable environmental standards are necessary to insure that restructuring does not make a bad problem worse by rewarding dirty power plants with incentives to increase operation.

Thank you for your consideration of these important issues. We look forward to continuing to work together to harmonize our environmental and economic goals.

Sincerely,



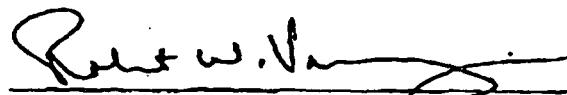
Edward Sullivan  
Environmental Commissioner  
of the State of Maine



Barbara Ripley  
Environmental Secretary  
of the State of Vermont



David Struhs  
Environmental Commissioner  
of the State of Massachusetts



Robert Varney  
Environmental Commissioner  
of the State of New Hampshire



John Cahill  
Environmental Commissioner  
of the State of New York



Andrew McLeod  
Environmental Director  
of the State of Rhode Island



## NESCAUM

### Northeast States for Coordinated Air Use Management

Connecticut Bureau of Air Management  
Maine Bureau of Air Quality Control  
Massachusetts Division of Air Quality Control  
New Hampshire Air Resources Division

New Jersey Office of Air Quality Management  
New York Division of Air Resources  
Rhode Island Office of Air Resources  
Vermont Air Pollution Control Division

## Air Pollution Impacts of Increased Deregulation in the Electric Power Industry: An Initial Analysis

January 15, 1998

### Introduction:

The Northeast states – which bear some of the nation's highest electricity costs – welcome efforts to restructure the U.S. utility industry. However, as a region hard hit by ozone smog, acid rain and other pollution problems, the Northeast states are also concerned that deregulation is proceeding without adequate national environmental safeguards. In particular, the Northeast states have argued that comparable environmental standards must be applied to all electricity generators as a precondition for truly equitable, economically efficient and environmentally sound competition in the nation's power markets. Absent a "level environmental playing field," the Northeast states are fearful that deregulated markets will result in significantly increased power production at low-cost, highly polluting coal-fired power plants. Many such facilities are clustered in the industrial Midwest. As was demonstrated in the recent Ozone Transport Assessment Group (OTAG) process, prevailing west to east wind patterns are capable of transporting pollutants from these power plants over long distances, exacerbating already severe air quality problems in the Northeast.

NESCAUM and others raised these concerns in comments on the Environmental Impact Statement (EIS) developed for FERC's Open Access Rule (Order 888). In this EIS, finalized in April of 1996, FERC asserted that open access to utility transmission lines would have negligible environmental impacts. This conclusion was based primarily on assumptions that the percentage of electricity generated by natural gas would continue to grow and that the Eastern Interconnection of the U.S. transmission grid could not accommodate significant additional power flows.

Recent evidence suggests that the Administration should re-examine these assumptions. First, data recently released on nationwide electricity generation in 1996 show an increase of 83 million Megawatt-hours (MWh) in coal-fired

generation and a decrease of 44 million MWh in gas-fired generation compared to 1995 levels.<sup>1</sup> Second, data filed by utilities on interchange among power control areas indicate that growth in the use of the transmission system may have already outstripped FERC's longer-term growth assumptions.

Fully understanding the causes of this shift in resource use and power flows will require a much more thorough analysis than presented here. Relative fuel prices and nuclear outages are perennial drivers of shifts in the use of coal and gas, and separating the effects of these factors from industry restructuring will be difficult.<sup>2</sup> The data presented here, however, strongly suggest that industry restructuring played a significant role in both the shift from gas to coal in 1996 and changes in bulk power flows.

The following analysis represents an initial attempt to investigate whether evidence exists to link open power markets – particularly at the wholesale level – and increased power production at low-cost, highly polluting coal-fired power plants. Specifically, the NESCAUM Energy Workgroup was interested in exploring the following questions:

1. *Are power markets beginning to respond to increased access and competition? (Indicators might include levels of wholesale power flows and the presence of new market participants such as power marketers.)*
2. *Is any new demand for low-cost wholesale power resulting in increased production at less stringently regulated coal-fired power plants?*
3. *Have significant changes in utility emissions occurred between 1995 and 1996 concurrent with restructuring?*
4. *Is the existing transmission infrastructure capable of supporting a significant increase in transfers of electricity, thereby allowing low-cost, high pollution power to flow to new markets?*

The NESCAUM Energy Workgroup began its exploration of these questions by looking at 1995 to 1996 data from several utility companies, including Ohio-based American Electric Power (AEP), Indianapolis Power & Light (IPALCO), Illinois Power, and New England Electric System (NEES). Information supplied by these companies to the Federal Energy Regulatory Commission (FERC) and the Department of Energy (DOE) forms the basis for this analysis.

NESCAUM recognizes this limited analysis is not adequate to establish long-term trends, or to gauge the overall impact of recent changes in the regulation of the electric utility industry. However, our preliminary findings suggest that increased

<sup>1</sup> U.S. Energy Information Administration, *Electric Power Monthly*, March, 1997, Table 4.

<sup>2</sup> Gas prices rose in relation to coal prices in 1996, however nationwide nuclear generation remained stable, rising by only 1.4 million MWh, or 0.2%.

competition is contributing to increased emissions at coal-intensive utilities, and that some form of mid-course public policy correction may be necessary. These findings underscore the need for comprehensive efforts to document the impacts of restructuring on air quality, and lend impetus to state and federal efforts to establish adequate emissions tracking and disclosure systems. Moreover, these findings suggest that equitable environmental standards must be made an integral part of ongoing competitive reforms.

#### **Background:**

In 1995, the NESCAUM Energy Workgroup sponsored a comparative analysis of the emissions and cost characteristics of three major power systems: AEP, the Pennsylvania-New Jersey-Maryland (PJM) pool, and the New England Power Pool (NEPOOL). The analysis indicated that the AEP system was characterized by substantially higher emissions of NO<sub>x</sub>, SO<sub>2</sub>, and CO<sub>2</sub> per unit of electricity output than either the PJM or NEPOOL systems. At the same time, AEP was estimated to have a significant amount of production capacity available at relatively low cost. Specifically, the report estimated that AEP could generate approximately 60 million additional megawatt-hours (MWh) for 3 cents per kWh or less (see Attachment A). To put this into context, the total power supplied by the NEPOOL system in a typical year is less than 120 million MWh. Furthermore, the analysis estimated that the NEPOOL system could generate only 7 million additional megawatt-hours for 3 cents per kWh or less. The analysis concluded that if existing AEP power plants are utilized to the maximum extent practicable (i.e. 85% capacity factor), AEP NO<sub>x</sub> emissions can increase by about 60% over average daily NO<sub>x</sub> emissions during the 1985-92 time period (see Attachment A). Regardless of where the additional power is sent, increases in pollutant emissions at upwind power plants will affect downwind communities and sensitive environmental areas.

Recognizing that other upwind utilities besides AEP also own low-cost, high-emitting coal-fired capacity, the Northeast states began to express concern about the environmental impacts of open access, absent comparable emission standards for upwind power generators. An early and crucial forum for these concerns was the FERC's landmark rulemaking to promote competitive wholesale power markets by requiring utilities to provide open access to transmission services. Between 1995 and 1996, the Northeast states provided comment on this rulemaking process and on FERC's development of an accompanying environmental impact statement (EIS). In its final EIS released in April of 1996, FERC concluded that its rulemaking would have negligible environmental impacts. FERC Order 888 establishing open access in wholesale electricity markets was promulgated shortly thereafter.

NESCAUM and other observers questioned FERC's assessment of the environmental impacts of increased competition encouraged by Order 888. In particular, the EIS was criticized for failing to assess these impacts against a true "no-action" base case and for making unduly modest assumptions about the ability of

power markets – and particularly the transmission infrastructure – to respond to new market opportunities. According to FERC's projections, transmission constraints would continue to seriously restrict power flows such that power transfers between regions would continue to represent a relatively small share (< 5%) of overall generation in most regions, even as late as 2005.

In May of 1996, the Environmental Protection Agency (EPA) referred FERC Order 888 to the President's Council on Environmental Quality on grounds that the rule could, under certain circumstances, lead to increases in air pollution in the future. Nevertheless, EPA supported immediate implementation of the rule based on its assessment that "the open access rule is unlikely to have any significant adverse environmental impact in the immediate future." As part of the resolution of this referral, FERC, EPA, and the Department of Energy pledged to work together to track the impacts of open access over time. EPA agreed to take all available action under existing Clean Air Act authority to limit future NOx emissions, and FERC agreed to undertake additional actions in the future should EPA authority and the outcome of the OTAG process fail to be adequate to ensure against future adverse impacts. Subsequently, EPA proposed under Section 110 of the Clean Air Act the implementation of caps on NOx emissions throughout the eastern half of the United States, effective in the 2003 timeframe if promulgated. NESCAUM strongly supports the implementation of Section 110 NOx caps. In the meantime, however, power generators in the Northeast face widely disparate environmental standards from upwind competitors, leaving Northeast residents vulnerable to increased pollution transport. To the best of our knowledge, neither FERC, DOE, or EPA have begun to assess the environmental issues involved with the move to increased wholesale electricity competition. Therefore, the NESCAUM Energy Workgroup set out to begin the examination of the impacts of increased competition.

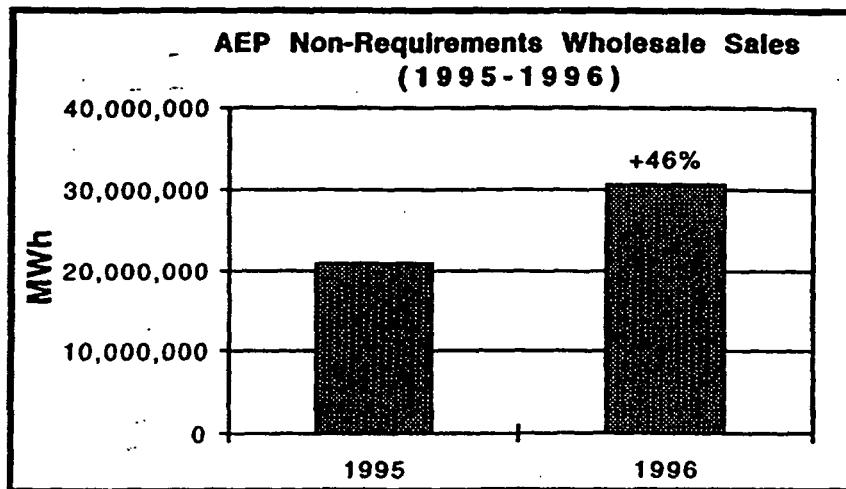
#### **Structure of the Analysis and Data Source:**

The following analysis is structured along the four main lines of inquiry summarized in the Introduction. Because the Energy Workgroup did not have the resources to undertake a comprehensive assessment, several specific utilities were selected to see if they provided any early evidence of trends in restructured electricity markets. The most in-depth analysis was undertaken for AEP, which is a particularly large and important Midwestern utility, and which had been the subject of the earlier work by NESCAUM described above. The Workgroup relied entirely on publicly available information in this effort. Data from 1993 through 1996 on power generation, purchases, and sales are from FERC 1 Forms and EIA 759 Forms. Data on power transfers between control areas are from FERC 714 Forms. Emissions were estimated using data from EPA's Acid Rain Database.

## FINDINGS:

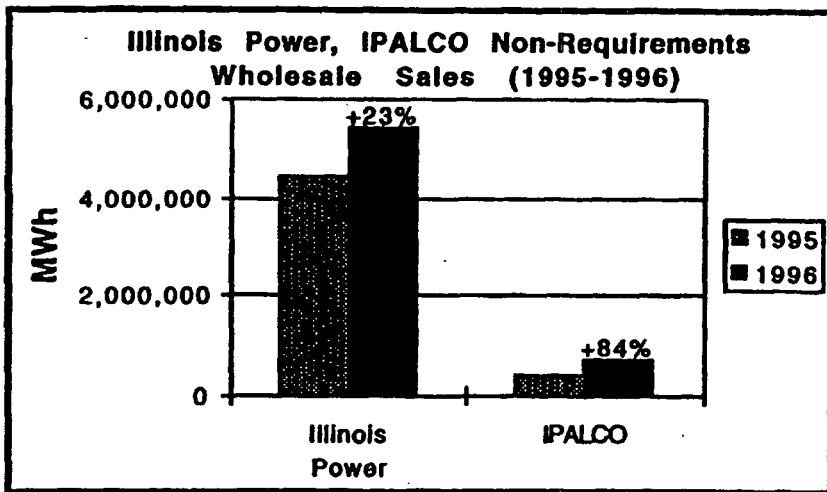
### Are power markets beginning to respond to increased access and competition?

Judging by growth in wholesale sales and increased sales to non-traditional market participants, such as power marketers, the answer is clearly yes. Between 1995 and 1996, non-requirements wholesale sales increased at AEP by 9.6 million MWh (46%) (Figure 1).<sup>3</sup> Though smaller in absolute terms, other utilities registered similar growth in non-requirements wholesale sales between 1995 and 1996. Sales at Illinois Power Company increased by 1.4 million MWh (23%), and sales at IPALCO increased by 0.3 million MWh (84%) (Figure 2).



**Figure 1.** AEP non-requirements wholesale sales increased by 46% from 1995 to 1996.

<sup>3</sup> Non-requirements sales include energy sales not associated with long-term commitments that the company includes in projected load.



**Figure 2.** Illinois-Power Company non-requirements wholesale sales increased by 23%. IPALCO's increased by 84%.

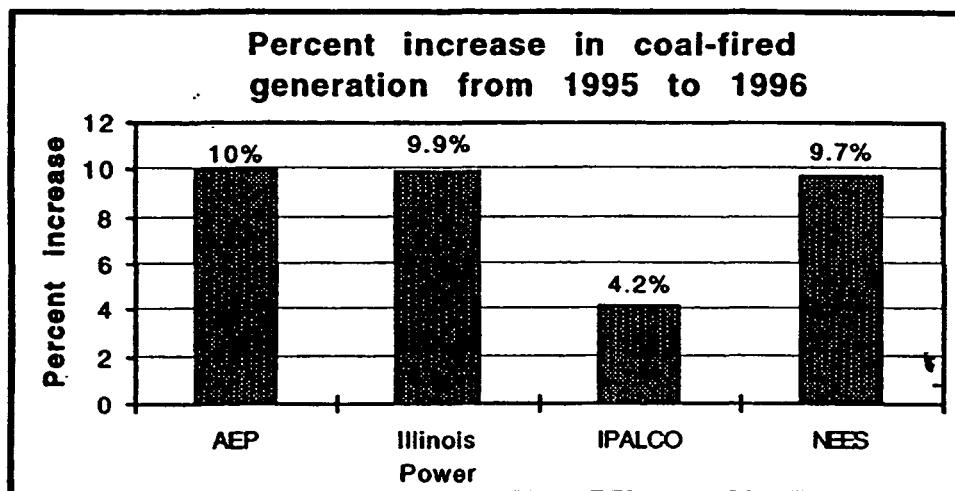
Furthermore, the kinds of contracts under which non-requirements energy was purchased from these utilities changed significantly between 1995 and 1996, as did the composition of the companies purchasing the energy (see, e.g., Attachment B, Tables 3, 7, & 11). First, much more energy was sold under short-term, non-firm contracts in 1996. For example, AEP's short-term sales to non-affiliated companies increased by 104%, or 8.5 million MWh, between 1995 and 1996. Second, far more wholesale energy was sold to energy marketing companies, as opposed to other utilities, in 1996. Clearly, new energy marketing companies have begun to fill a market niche created by industry restructuring. Unlike traditional utilities, power marketing companies do not have geographic service areas and, as of yet, have relatively few retail customers. In 1996, companies such as AES Power, Koch Power Services, Phibro, Inc., and Enron Power Marketing acted mainly as wholesale electricity brokers.

Looking at the ten largest purchasers of short-term wholesale energy from AEP, the percentage of energy (in MWh) going to marketing companies increased from zero in 1995 to 67% in 1996 (see Attachment B, Figure 3). At IPALCO, this percentage increased from 0.1% in 1995 to 29% in 1996 (see Attachment B, Figure 8). At Illinois Power, the increase was from 25% to 49% (see Attachment B, Figure 6). While we cannot definitively conclude that this shift from long-term to short-term sales and the increase in sales to power marketers is a response only to industry restructuring, these are precisely the kind of changes one would expect in response to increasingly open and competitive wholesale markets.

**Is new demand for low-cost wholesale power resulting in increased production at less stringently regulated coal-fired power plants?**

As noted above, nationwide coal-fired generation increased significantly in 1996 and gas-fired generation declined (see Attachment B, Figure 1). This change is attributable to a variety of factors, including changes in relative fuel prices, the generation sources available to offset a number of nuclear outages, and, we believe, industry restructuring. At this point, it is premature to suggest that a substantial driver of this shift is restructuring without environmental safeguards. But at three of the four utilities studied, it is clear that additional wholesale sales were made possible by increased generation at coal-fired power plants.

Between 1995 and 1996, coal-fired generation increased at AEP by 10.3 million MWh (10%). Coal-fired generation at Illinois Power Company increased by 1.6 million MWh (9.9%), while coal-fired generation at Indianapolis Power & Light (IPALCO) increased by 0.6 million MWh (4.2%). Coal-fired generation at NEES increased by 0.9 million MWh (9.7%), but a greater increase of 2.0 million MWh was provided by gas-fired generation (170% increase from 1995). While uncertainty remains for the reasons for these changes, there is no question that the increase in coal use is resulting in increasing pollution levels that are detrimental to public health and the environment.



**Figure 3. Increase in coal-fired generation increased from 1995 to 1996 at four utility systems.**

**Have significant changes in utility emissions occurred between 1995 and 1996 concurrent with restructuring?**

Yes. Between 1995 and 1996, oxides of nitrogen (NOx) emissions increased by 51,518 tons at AEP coal-fired power plants. The increase by itself is greater than the

total 1996 NOx emissions from all fossil fuel power plants (coal, oil, and natural gas) in the states of Massachusetts and New Hampshire combined.

In six Midwest states (IL, IN, KY, MI, OH and WV) where coal generation dominates the utility fossil fuel consumption, NOx emissions increased 6% from 1995 to 1996. The increase in 1996 occurred even though modest decreases are being made in NOx emission rates from Group I utility boilers due to the Clean Air Act Title IV acid rain provisions. This illustrates that decreasing the rate of NOx emissions (or any pollutant) from coal-fired power plants can be offset by increasing the amount of coal burned if total emissions are not capped.

Part of the increase in NOx emissions appears to be attributable to the increased utilization of the highest emitting coal power plants. Three of the five AEP plants that significantly increased generation in 1996 have extremely high NOx emission rates. At the Gavin plant, with a NOx rate of 12.9 lb/MWh, generation increased by 2.8 million MWh in 1996. At the Tanners Creek plant, with a NOx rate of 15.8 lb/MWh, generation increased by 855 thousand MWh. At Muskingum River, with a rate of 8.35 lb/MWh, generation increased by 2.7 million MWh. Illinois Power's Baldwin plant, with a NOx rate of 13.2 lb/MWh, increased its generation in 1996 by 650 thousand MWh.<sup>4</sup> By comparison, the average emission standards for large fossil fuel-fired boilers in the Northeast are between 3 and 4 lb/MWh.

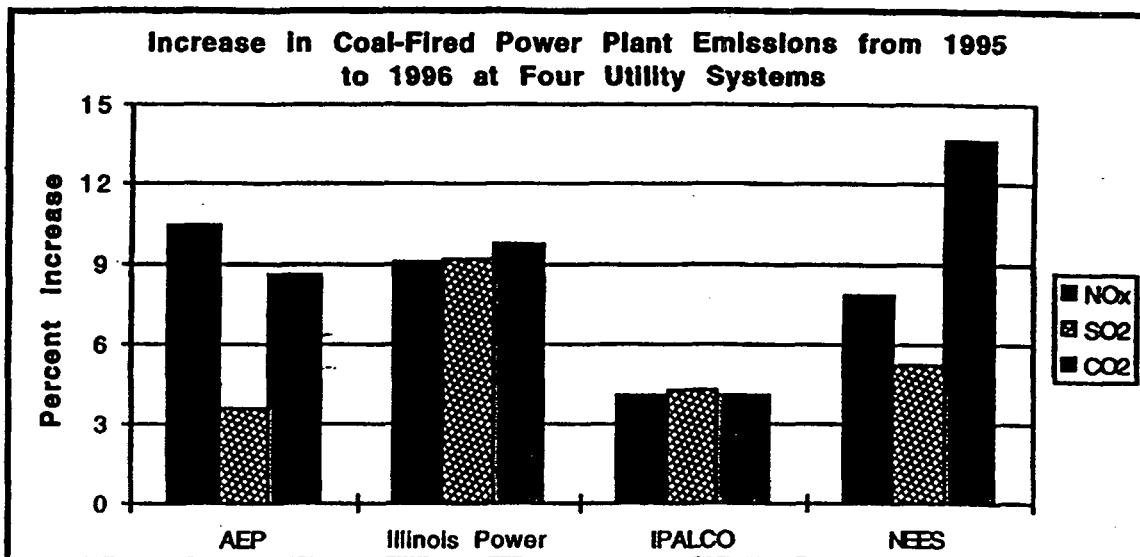
While increases in pollution due to increases in power generation at one utility could be offset by decreases in generation at another utility, the increases described above are at some of the highest emitting coal power plants in the country. Therefore, it is very unlikely that an increase in pollution levels at these power plants will be completely offset by decreases in emissions elsewhere due to displaced power generation.

New England Electric System (NEES) also experienced increasing non-requirements wholesale sales (170%) from 1995 to 1996, as well as an increase of 21% in overall generation that resulted in an increase in NOx emissions by 1,390 tons. Unlike the utilities described above, however, a large part of the increased generation at NEES was provided by a newly repowered gas-fired power plant, resulting in an increase in gas-fired generation of 170%. Along with the large increase in gas-fired generation, coal-fired generation increased 9.7%. It appears that the increases in fossil fuel-fired generation at NEES in 1996 were likely due to nuclear outages within the region. Overall, air emissions from NEES power plants increased over 1995 levels due to the replacement of nuclear generation (see discussion in Attachment B).

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<sup>4</sup> These figures are based on 1995 NOx emission rates, which are not likely to have changed significantly in 1996.

In addition to NO<sub>x</sub>, increases in SO<sub>2</sub> and CO<sub>2</sub> emissions from coal-fired generation also occurred from 1995 to 1996 at the four utility systems studied. Figure 4 below shows the relative increases for AEP, Illinois Power, IPALCO, and NEES from 1995 to 1996.



**Figure 4.** Relative increases in NO<sub>x</sub>, SO<sub>2</sub> and CO<sub>2</sub> emissions from coal-fired generation at four utility systems between 1995 and 1996.

Nationally, CO<sub>2</sub> emissions from all fossil fuel-fired generation increased by about 4.7% from 1995 to 1996. This one-year increase is greater than the cumulative increase in CO<sub>2</sub> emissions between 1990 and 1995. Coal contributed a disproportionately large part of the increase because coal combustion emits more carbon per kilowatt-hour of electricity generated than the other fossil fuels.<sup>5</sup>

**Is the existing transmission infrastructure capable of supporting a significant increase in transfers of electricity, thereby allowing low-cost, high pollution power to flow to new markets?**

Again, the answer appears to be yes. Gross exports from the AEP system rose 17.5% to 70.5 million MWh between 1995 and 1996. Net exports rose by 8.8 million MWh (161%) to a total of 14.3 million MWh. AEP's net exports to three control areas that form connections to control areas farther east increased by 7.6 million MWh (96%) (see Attachment B, Figure 4). In turn, the net exports of these three control areas to the Pennsylvania-New Jersey-Maryland (PJM) control area rose by 9.5 million MWh (69%).

<sup>5</sup> U.S. Energy Information Administration, *Emissions of Greenhouse Gases in the United States 1996*, Rept. No. DOE/EIA-0573(96) p. 16 (Washington, DC, October 1997).

The capacity of the transmission system is a key issue in the debate over the environmental implications of electric utility restructuring. In concluding that Order 888 would have little or no environmental impact, FERC made an important assumption that transmission prices, *but not capacity*, would change substantially in response to open access. As a result, FERC assumed that power transfers between regions would remain relatively small even after competition was well underway. For instance, as its environmental worst case, FERC modeled a "Competition Favors Coal" scenario. Even under that scenario, FERC projected that the coal intensive East North Central region (which includes the states of Ohio, Indiana, Michigan, Illinois, and Wisconsin) would export just 1 million net MWh in the year 2000. While this projection, which is for an entire region, can't be compared to the performance of a single utility, AEP alone exported a net of 14.3 million MWh – most of it to power systems outside the East North Central region – in 1996.

In response to criticisms that it had used unduly constrained transmission assumptions, FERC also modeled an "Expanded Transmission" case in combination with the "Competition Favors Coal" scenario. The effect of this case was to increase projected net exports from the East North Central region from the 1 million MWh noted above to a total of 10.9 million MWh in the year 2000. Although FERC asserted that the expanded transmission assumptions underlying this projection were highly unrealistic, 10.9 million MWh are still significantly below the 14.3 million MWh of net exports attributed to AEP alone in 1996.

In short, the initial NESCAUM analysis indicates that the existing transmission infrastructure is capable of supporting substantial increases in power flows between systems. Moreover, as NESCAUM argued in earlier comments to FERC on its EIS, it is entirely reasonable to expect that transmission capacity will continue to be enhanced in response to emerging market opportunities.

### **Policy Implications:**

#### *Emission caps*

The increase in NOx emissions from increased coal-fired generation demonstrates a clear need for aggressive, overall NOx emission caps for states as proposed by EPA under Section 110 of the Clean Air Act. Regardless of the reasons for the pollution increases in 1996, an environmental policy is needed to prevent such increases in the future. Moreover, EPA needs to accelerate implementation of a national NOx ~~emissions~~ cap in order to prevent continued increases prior to 2003. Furthermore, NOx emissions have a large role in acidic and nitrogen deposition on lakes, forests and estuaries, in addition to summertime ozone formation and other health and environmental impacts. The Administration must consider the year-round harms from NOx emissions in establishing a national NOx cap. Attention must also be paid to capping CO<sub>2</sub> emissions in order to meet the terms of international climate change treaties.

### *Full disclosure*

Informed decisions depend on ready access to accurate information. The federal government to date has not provided or required sufficient data for a comprehensive assessment of current trends due to restructuring. From the questions raised in this analysis, it is clear that much more information must be made available in a concise and timely manner to evaluate the impacts of the changing utility industry. Customers, too, must have access to comprehensive information on the fuel mix and emissions profiles of competing suppliers. Markets alone are unlikely to provide comprehensive information to customers; suppliers must be required to provide full information about fuel sources and emissions.

### *Comparable environmental performance*

From the potential trends noted in this paper, EPA, DOE, FERC, and the Administration's Council on Environmental Quality need to live up to the commitments made with regard to FERC Order 888. National restructuring legislation and state reforms should include environmental safeguards applicable to all market participants. Equivalent environmental standards such as generation performance standards (in lb/MWh) must be established and enforced. Progress made over the years in improving the nation's air quality need not be sacrificed in order to reap the benefits of a more competitive electricity market.

### **Conclusion**

The initial investigation presented here does not yield a single definitive answer about the impact increased wholesale competition is having on environmental quality. It does suggest, however, that the NESCAUM states and all interested parties should continue to be concerned about increasing pollution from utility restructuring without public health and environmental safeguards. Of course, it is not certain that the trends apparent in these data on 1996 generation, sales, and net interchange represent long-term trends. But from recent industry projections and statements, these trends appear consistent with the direction in which coal-intensive utilities are heading. For example, in announcing record third-quarter earning in 1997, AEP chairman Linn Draper said, "The improvement can be attributed to increased wholesale sales and non-operating income .... Wholesale energy sales were up 43% as a result of power marketing transactions and coal conversion services."<sup>6</sup>

The NESCAUM states support the opportunity to access inexpensive electricity and greater competition within the utility industry as a result of restructuring. In addition, the states support increasing profits for utility industry participants adept in working the evolving power market. The market, however, must not evolve to the detriment of public health and the environment.

<sup>6</sup> AEP Press Release, October 27, 1997.

The NESCAUM states look forward to working with interested parties in continuing to monitor the progress of utility market competition and environmental quality. Emission caps are needed that will reduce the total amount of pollution released into the atmosphere. Full disclosure of market transactions, including fuel mix and emissions information, must be made available so that informed decisions are made. Comparable environmental standards must be established to ensure competition is consistent with public health and environmental goals. With adequate information and appropriate safeguards, the dual goals of a more competitive electricity market and improved environmental quality can be met.

# **ATTACHMENT A**

## GROUNDS FOR CONCERN

### **A Comparison of Production Costs and Pollution Emissions In Two Regional Power Pools**

The following graphs compare emissions and costs for two large power systems, Ohio-based American Electric Power (AEP) and the New England Power Pool (NEPOOL). These two systems are comparably sized, dispatching approximately 25,000 and 20,000 megawatts (MW) of generating capacity respectively.

Figure 1 shows emissions of nitrogen oxides (NOx), compared to power production costs, for the two power systems. NOx is a key ingredient in ozone smog. It is also a precursor for fine particle pollution and contributes to the eutrophication of water systems. The AEP plants are clearly characterized by lower costs and higher NOx emissions rates compared to the NEPOOL plants.

Figure 2 shows the potential for pollution increases in both systems if existing plants were utilized to the maximum extent practicable (i.e. 85% capacity factor). Total NOx emissions for the AEP system, which are already much higher than NEPOOL's, could grow far more dramatically in response to increased demand and fuller plant utilization.

Moreover, available power on the AEP system would be very cost-competitive. In a year, AEP could generate approximately 60 million additional megawatt-hours for 3 cents per kwh or less. That's more than half the total power typically supplied by NEPOOL in a year. By contrast, the NEPOOL system could generate only 7 million additional megawatt-hours for 3 cents per kwh.

**The upshot:** if we do not first level the environment playing field, unconstrained competition is likely to increase demand for power from cheap, but dirty power plants such as those in the AEP system. The result could be significantly higher emissions. *These emissions will blow toward the Northeast regardless of where the power is sold.*

Figure 1.

## NOx Rate vs Production Cost AEP and NEPOOL Plants

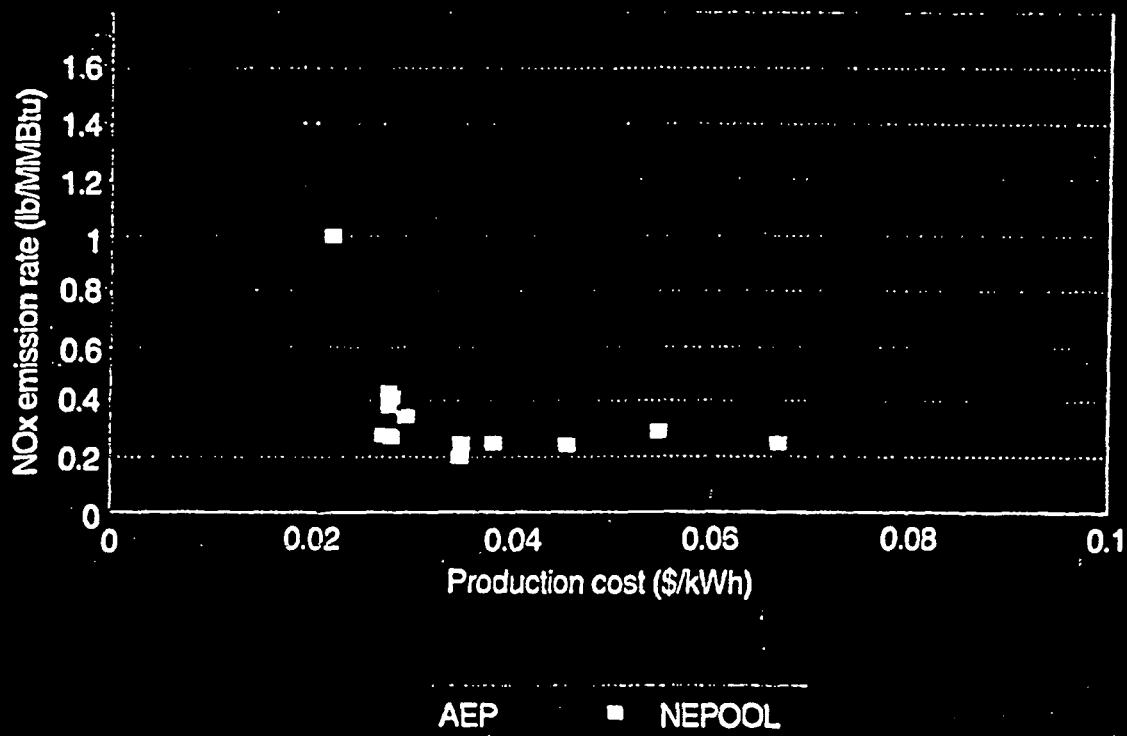
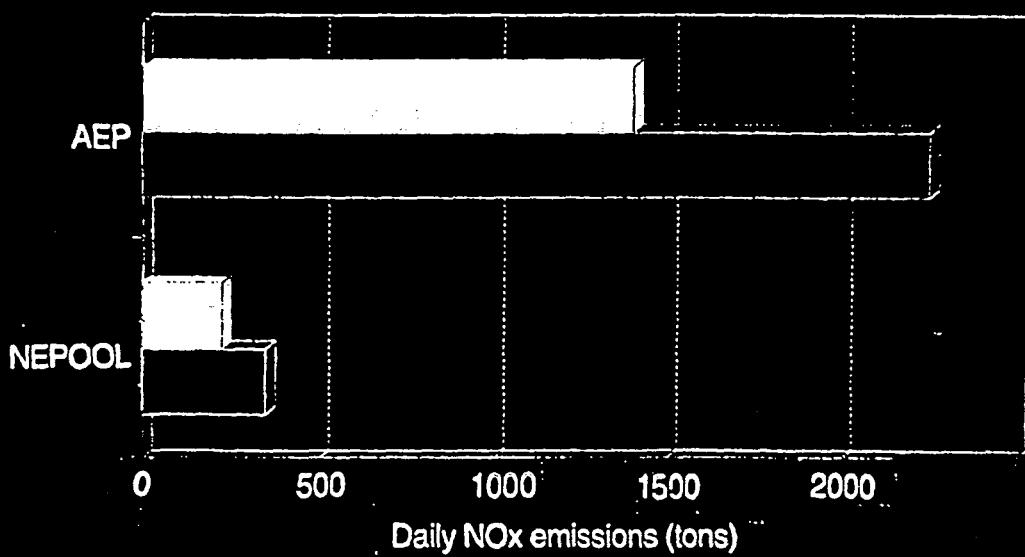


Figure 2.

## Potential to Increase Daily Emissions NOx emissions for 1995-99 period



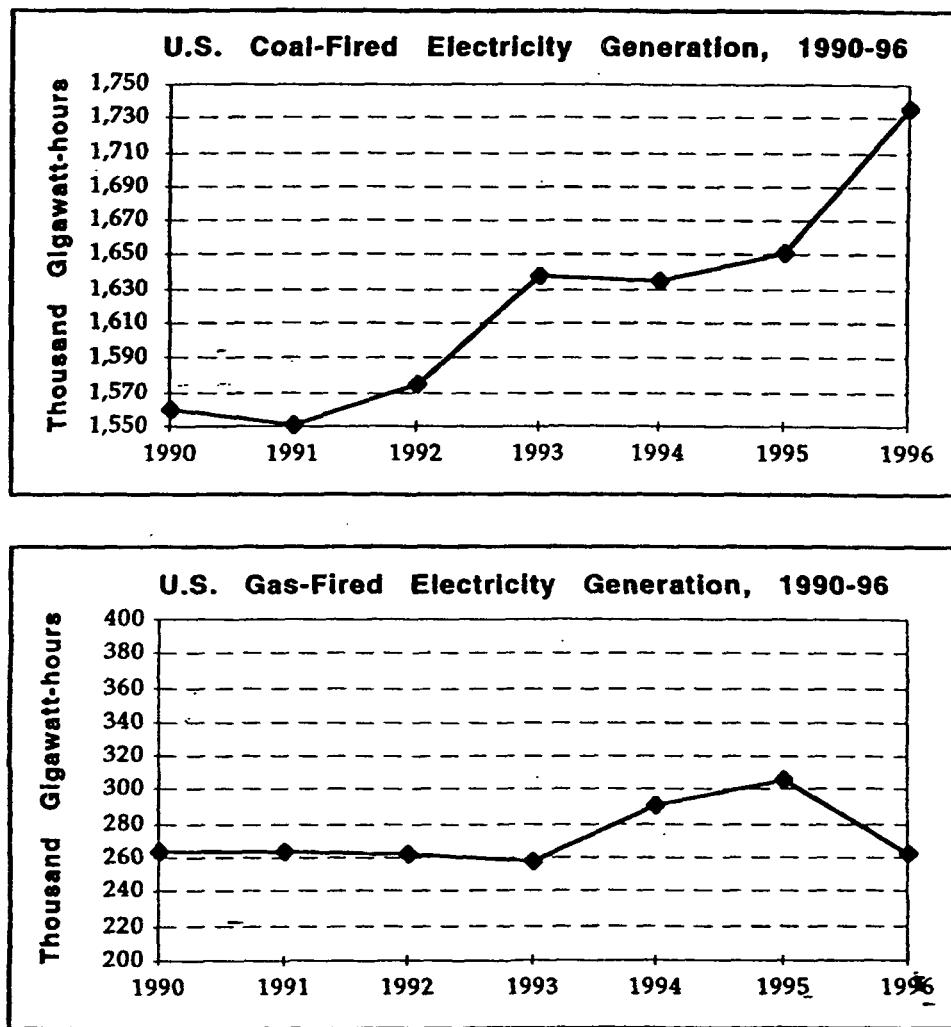
85% capacity factor      Avg CF (1985-92)

# **ATTACHMENT B**

**1D**

## Attachment B: Data

Data recently released on nationwide electricity generation in 1996 show an increase of 83 million Megawatt-hours (MWh) in coal-fired generation and a decrease of 44 million MWh in gas-fired generation compared to 1995 levels.



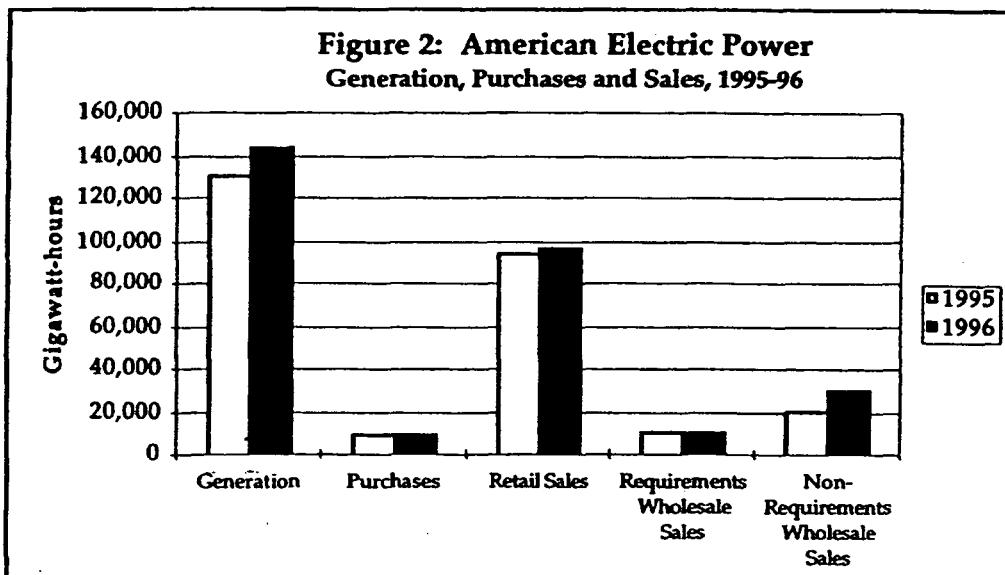
*Source: U.S. Energy Information Administration.*

**Figure 1. U.S. coal-fired and gas-fired electricity generation trends (1990-1996).**

### American Electric Power

AEP's annual generation increased by 13.0 million MWh, or 9.9%, between 1995 and 1996. The company's purchases from other companies dropped by 471 thousand MWh, or 4.6%. Non-requirements sales for resale increased by some 9.6 million MWh, or 46%. The category of non-requirements sales for resale includes energy sales not associated with long-term commitments the company includes in projected load. Requirements sales for resale—the long-term commitments the company does include in system planning—rose by

188 thousand MWh, or only 1.7%, and sales to ultimate customers rose by 1.6 million MWh, also 1.7%.<sup>1</sup>



*Source: FERC form 1, EIA Form 759.*

The vast majority of AEP's incremental generation between 1995 and 1996 was produced using coal. The company's coal-fired generation increased by 10.3 million MWh, or 9.0%. This is roughly 12% of the total national increase in coal-fired generation.

**Table 1. AEP Generation by Fuel Type, 1993-1996**

Fuel	Annual Generation (MWh)			
	1993	1994	1995	1996
Coal	108,707,259	115,624,988	116,061,204	126,449,226
Nuclear	16,313,243	9,291,420	13,999,316	16,395,865
Oil	276,503	299,050	262,960	314,608
Hydro	1,024,374	965,846	890,824	1,104,464
Total:	126,321,379	126,181,304	131,214,304	144,264,162

*Source: EIA Forms 759.*

The composition of AEP's wholesale power sales changed significantly between 1995 and 1996. Short-term, non-firm transactions (categorized in Table 2 as "Other Service") became a significantly larger portion of total wholesale sales in 1996.

<sup>1</sup> "Requirements sales for resale" refers to "service which the supplier plans to provide on an ongoing basis (i.e. the supplier includes projected load for this service in its system resource planning)." All other sales for resale are "non-requirements sales for resale."

**Table 2. AEP Wholesale Power Sales by Contract Type**

Contract Type	1995		1996	
	MWh	% of Total	MWh	% of Total
Requirements Service:	11,199,396	35.0%	11,418,329	27.3%
Unit and Firm Service:	12,633,836	39.5%	13,762,248	32.9%
Other Service:	8,168,345	25.5%	16,641,211	39.8%
Total:	32,001,577	100.0%	41,821,788	100.0%

*Source: FERC forms 1.*

AEP sold far more "OS" category energy to marketing companies in 1996 than in 1995.  
 Companies that purchased no energy from AEP in 1995 are marked with an asterisk.

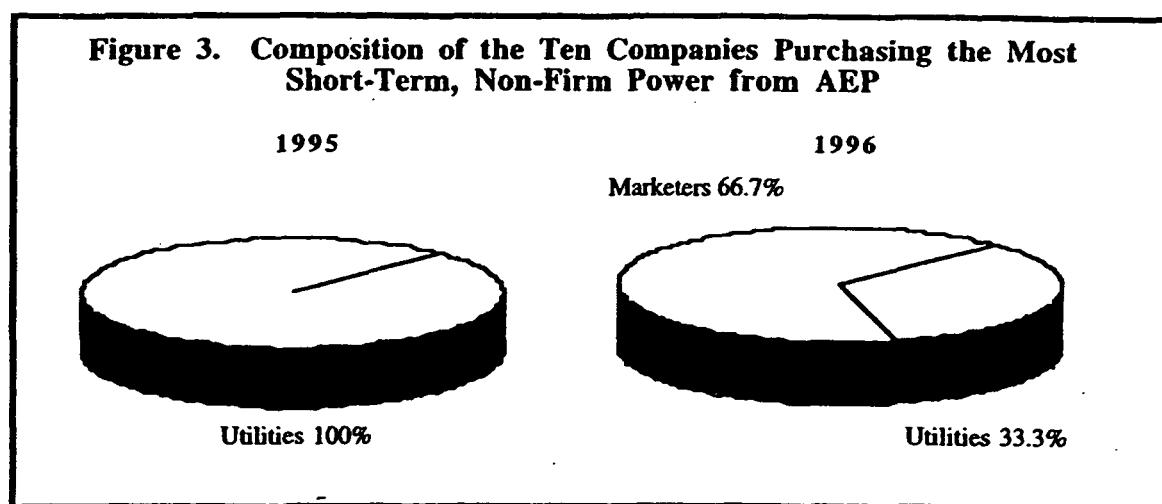
**Table 3. The Ten Companies Purchasing the Most "OS" Category Energy from AEP, 1995-96**

Company	1995 MWh	Percent of Total	Company	1996 MWh	Percent of Total
Consumers Power	1,938,182	27.5	*AES Power	2,616,557	20.1
Allegheny Power	1,929,402	27.4	*PECO Energy	2,409,918	18.5
West PA Power Co.	906,920	12.9	*Koch Power Services	1,560,548	12.0
Commonwealth Ed	461,187	6.5	Consumers Power	1,500,263	11.5
TVA	436,381	6.2	Citizen Lehman	1,315,624	10.1
American Mun. Pwr	346,780	4.9	*Commonwealth Ed.	1,040,674	8.0
Ohio Edison	345,558	4.9	*Phibro, Inc.	780,424	6.0
Virginia Electric Power	280,395	4.0	Carolina P&L	752,660	5.8
Richmond P&L	217,763	3.1	TVA	573,059	4.4
Duquesne P&L	184,002	2.6	*Buckeye Power	477,448	3.7
Total "OS" Sales	7,046,570	100.0	Total "OS" Sales	13,027,175	100.0

*Source: FERC forms 1.*

The charts in Figure 3 include the same companies as shown in Table 3, above. AES, PECO, Koch, Citizen Lehman and Phibro are categorized as marketing companies.

**Figure 3. Composition of the Ten Companies Purchasing the Most Short-Term, Non-Firm Power from AEP**



In 1995, AEP reported gross exports from its control area of 60.0 million MWh. In 1996, that number jumped to 70.5 million MWh, an increase of 10.5 million MWh, or 17.5%. Taking into account power flowing into the AEP system, net exports were 5.5 million MWh in 1995 and 14.3 million MWh in 1996, an increase of 8.8 million MWh, or 161%. The majority of these net imports went to three control areas to the east of AEP (Virginia Electric Power, Cleveland Electric Illuminating and Allegheny Power System).<sup>2</sup>

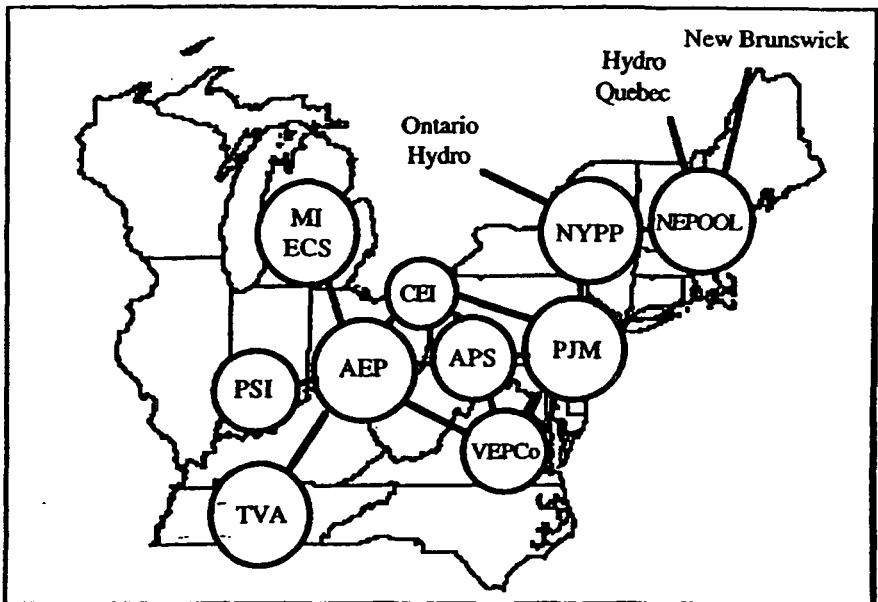
**Table 4. Net Energy Exports from AEP to Control Areas with Connections to the East**

Control Area	Net Interchange (MWh)	
	1995	1996
VEPCo	2,476,000	4,134,000
CEI	53,000	779,000
APS	5,376,000	10,567,000
Total	7,905,000	15,480,000

The figure below shows the relative position of the power control areas discussed in this report. The AEP system is centrally located and is also interconnected to more control areas than any other system in the Eastern Interconnection. Cleveland Electric Illuminating Co. (CEI), Allegheny Power System (APS), and Virginia Electric Power Co. (VEPCo) form connecting bridges between AEP and power control areas farther to the east. There are other control areas in this region, but these three are the link between AEP and the east coast power pools: the Pennsylvania-New Jersey-Maryland pool (PJM), the New York Power Pool (NYPP) and the New England Power Pool (NEPOOL). Other major control areas connected to the AEP system include the Michigan ECS, Public Service of Indiana (PSI), part of the ~~Energy~~ Corporation, and the Tennessee Valley Authority (TVA).<sup>3</sup>

<sup>2</sup> Net exports to these three control areas are greater than the total net exports from the AEP system, due to significant AEP imports from several other control areas.

<sup>3</sup> Note that the cells in this figure only approximate the location of these control areas.



**Figure 4.** Power control areas in the northeastern U.S.

The figures cited above indicate that the transmission system was able to move almost twice the amount of energy east from AEP in 1996 than in 1995.

In turn, CEI, APS and VEPCo increased their combined net deliveries to PJM between 1995 and 1996. In 1995, these systems delivered a net 13.8 million MWh to the PJM control area, and in 1996 this number climbed to 23.3 million MWh—an increase of 9.5 million MWh, or 69%. PJM, in turn, increased its net deliveries to NYPP from 4.4 million MWh in 1995 to 8.4 million MWh in 1996—an increase of 92%. Finally, NYPP increased its net deliveries of energy to NEPOOL from 3.1 million MWh in 1995 to 6.1 million MWh in 1996—an increase of 99%.

Thus, it appears that a significant amount of power exported east from the AEP system displaced generation on the east coast. This conclusion is supported by significant purchases directly from Midwestern utilities by northeastern utilities.<sup>4</sup> For example, PECO Energy purchased 2.4 million MWh of "OS" category power from AEP in 1996 after purchasing none in 1995.<sup>5</sup>

Analysis of 1995 and 1996 generation in these control areas also supports the conclusion that a significant amount of Midwestern power displaced generation on the east coast. Generation in the APS system increased by only 945 thousand MWh during this period,

---

<sup>4</sup> The conclusion is also supported in purchases by northeastern utilities from the marketing companies purchasing from AEP.

<sup>5</sup> Note that the actual output of AEP generators would not have been physically delivered across the APS system to the east coast. There is a "daisy chain" dynamic in long distance energy sales, in which energy generated in one control areas makes available a roughly equal amount of energy in a contiguous area for export. In this case, for example, APS generators may have generated the energy which fulfilled AEP's contractual obligation to PECO. However, the important point from an emissions perspective, is that the output of AEP's generators increased, displacing the output of Northeastern generators.

while APS's net imports into PJM increased by 6.8 million MWh. Generation in the PJM area declined by roughly 1.5 million MWh (1.5%) in the face of annual load growth between 1 and 2% and significantly increased net exports to NYPP.

The table below shows the emissions associated with the additional fossil-fired generation at AEP in 1996.<sup>6</sup> Using 1995 emission rates, the table takes into account all of AEP's fossil-fired generators, including units that reduced production as well as those that increased production.

**Table 5. Increase in Air Emissions at AEP Fossil Plants, 1995-96**

Plant	NOx Increase (tons)	CO <sub>2</sub> Increase (tons)	SO <sub>2</sub> Increase (tons)
Big Sandy	-4,235	-1,295,912	-12,846
Beckjord	125	44,470	328
Breed		no generation	
Cardinal	-2,615	-559,100	-6,185
Clifty Creek	1,148	185,570	1,704
Clinch River	2,214	339,828	1,928
Conesville	569	225,108	2,760
Fourth Street	0	0	0
Gavin	17,744	3,163,271	4,567
Glen Lyn	172	71,166	475
Stuart	-725	-156,823	-1,088
Amos	11,717	3,506,754	22,465
Kammer	-1,113	-168,689	-4,589
Kanawha River	4,748	767,554	4,654
Kyger Creek	-659	-97,620	-1,095
Mitchell	-292	-118,990	-857
Mountaineer	3,969	1,460,628	7,628
Muskingum River	11,221	2,802,125	56,614
Sporn	1,208	235,059	2,365
Picway	835	328,465	8,181
Rockport	-1,821	-1,191,156	-38,219
Tanners Creek	6,769	940,709	8,270
Tidd		no generation	
Zimmer	538	244,499	625
Total	51,518	10,726,918	57,685

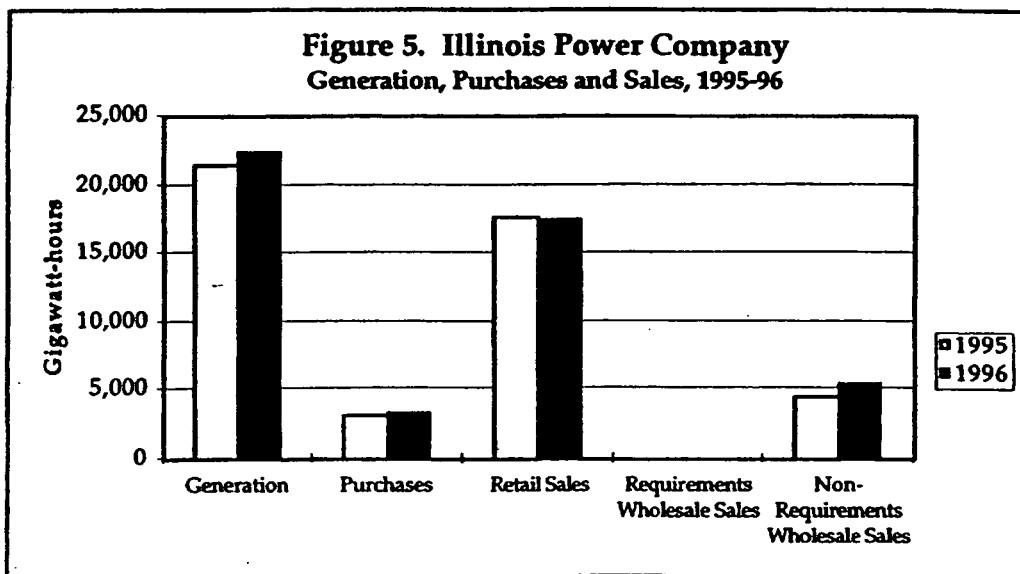
Three of the five plants showing significant increases in generation have unusually high NOx emission rates. The NOx rate at Gavin is 12.9 lb/MWh, the rate at Tanners Creek is 15.8 lb/MWh and Muskingum River emits 8.35 lb/MWh. The weighted average emission rate of all of AEP's fossil-fired units in 1995 was 8.43 lb/MWh. The net increase in NOx emissions at AEP power plants from 1995 to 1996 is estimated to be over 50,000 tons.

<sup>6</sup> These plants burned a small amount of oil in 1996, however, over 99% of this generation was coal-fired.

<sup>7</sup> Since utilities were required to meet the requirements of Phase I of the Acid Rain Program before 1996, it is unlikely that the emission rates at more than one or two of these generating plants changed significantly between 1995 and 1996.

### **Illinois Power Company**

Illinois Power's total generation increased by 915 thousand MWh, or 4.3% between 1995 and 1996, however coal-fired generation rose by 1.6 million MWh, or 9.9%, offsetting decreases in nuclear and gas-fired generation. Non-requirements sales for resale increased by 1.0 million MWh, or 23%, while the company's retail sales dropped by 58 thousand MWh, or 0.3%. Thus, all of Illinois Power's increased generation in 1996 was produced for sale into wholesale markets.



Source: FERC form 1, EIA Form 759.

**Table 6. Illinois Power Generation by Fuel Type, 1993-96**

Fuel	Annual Generation (MWh)			
	1993	1994	1995	1996
Coal	14,282,481	14,567,861	15,978,878	17,564,268
Nuclear	5,085,610	6,431,430	5,296,169	4,615,693
Oil	66,770	47,033	18,116	34,444
Gas	155,750	46,645	160,587	88,804
Wood	0	0	853	162
Waste	0	0	67,053	133,434
Totals	19,590,611	21,092,969	21,521,656	22,436,804

**Table 7. The Ten Companies Purchasing the Most "OS" Category Power from Illinois Power, 1995-96**

Company	MWh	% of Total	Company	MWh	% of Total
Soyland Power Coop.	1,234,375	28.8	Electric Energy, Inc.	1,735,635	34.3
TVA	1,017,597	23.8	Soyland Power Coop.	1,148,744	22.7
Electric Energy, Inc.	905,871	21.1	Commonwealth Edison	535,164	10.6
Commonwealth Edison	567,859	13.3	Union Electric Co.	510,366	10.1
Union Electric Co.	330,543	7.7	TVA	380,634	7.5
Enron Power Marketing	95,770	2.2	Enron Power Marketing	240,089	4.7
Louis Dreyfus Marketing	44,684	1.0	LG&E Power Marketing	208,181	4.1
Central Illinois Light Co.	36,891	0.9	*Koch Power Services	176,029	3.5
MidAmerican Energy Co.	27,752	0.6	MidAmerican Energy Co.	76,739	1.5
Central Illinois PS	22,972	0.5	Rainbow Energy Mrktng.	43,614	0.9
Total	4,284,314	100.0	Total	5,055,195	100.0

The charts in Figure 6 represent the data shown in Table 7. Enron, Louis Dreyfus, MidAmerican, LG&E, Koch and Rainbow are categorized as marketing companies.

**Figure 6. Composition of the Ten Companies Purchasing the Most "OS" Category Power from Illinois Power**

Marketers 25.1%



Marketers 49.1%



The air emissions associated with Illinois Power's incremental 1996 generation (calculated using 1995 emission rates) are shown in Table 8, below. The Baldwin plant, which increased its generation in 1996 by 650 thousand MWh, had the highest 1995 NOx emission rate (13.2 lb/MWh) of any Illinois Power plant. The weighted average NOx rate of the company's fossil-fired plants in 1995 was 10.1 lb/MWh.

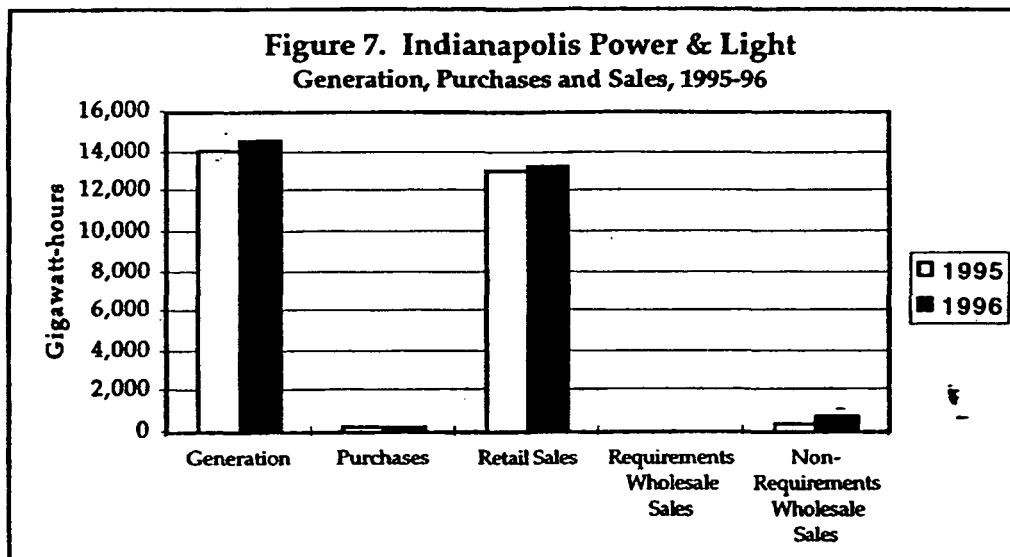
**Table 8. Increase in Air Emissions at Illinois Power Fossil Plants, 1995-96**

Plant	Increase in NOx (tons)	Increase in CO <sub>2</sub> (tons)	Increase in SO <sub>2</sub> (tons)
Baldwin	4,296	676,144	17,504
Havana	134	70,441	254
Hennepin	1,209	436,985	10,393
Joppa Steam	14	12,818	39
Vermillion	-279	-118,597	-1,349
Wood River	2,052	650,974	3,652
Totals	7,426	1,728,765	30,492

- Like AEP, Illinois Power incurred the cost of using SO<sub>2</sub> allowances in order to increase its SO<sub>2</sub> emissions, but was allowed to increase its NOx and CO<sub>2</sub> emissions by the amounts shown at no cost.

#### **Indianapolis Power & Light Co.**

IPALCO's 1996 non-requirements wholesale sales rose 84% over 1995 levels—almost twice the increase seen at AEP and Illinois Power. Further, IPALCO relied entirely on self-generated power in providing this increased wholesale power.



Source: FERC form 1, EIA Form 759.

**Table 9. IPALCO Generation by Fuel Type, 1993-96**

Fuel	Annual Generation			
	1993	1994	1995	1996
Coal	13,216,575	13,520,422	13,970,573	14,555,424
Oil	23,969	40,829	25,623	20,596
Gas	44	6,715	25,940	11,104
Hydro	12,417	10,010	9,662	-1,370
Total	13,253,005	13,577,976	14,031,798	14,585,754

**Table 10. IPALCO Wholesale Sales By Contract Type**

Contract Type	1995 MWh	1996 MWh	Change MWh	Percent Change
Requirements Service:	27,624	28,866	1,242	4.5%
Unit and Firm Service:	275	1,851	1,576	573%
Other Service:	393,857	723,507	329,650	83.7%

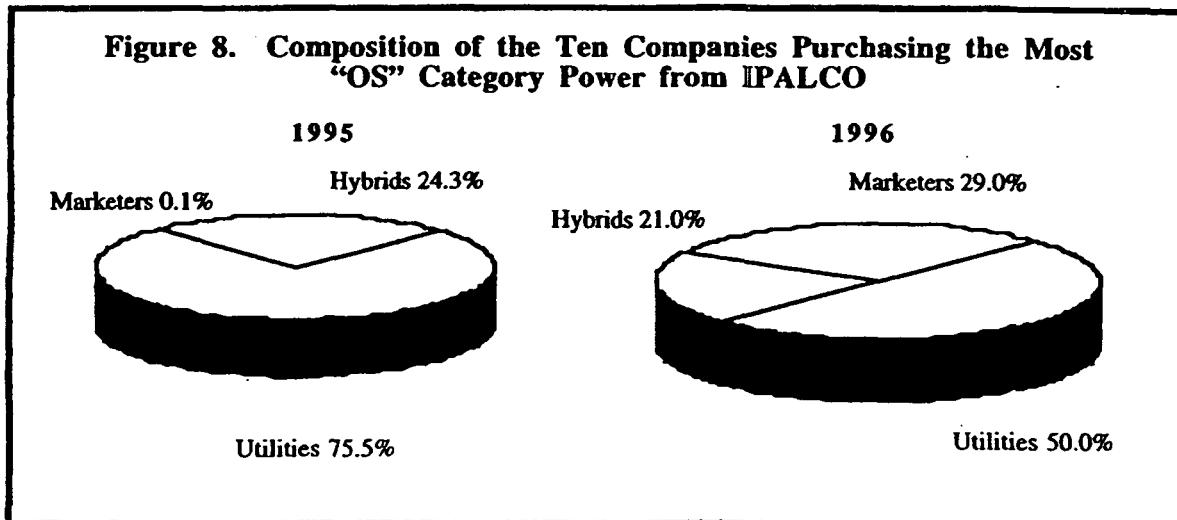
The companies purchasing the most "OS" category power from IPALCO in 1995 and 1996 are shown in Table 11. Companies purchasing no power from IPALCO in 1995 are marked with an asterisk.

**Table 11. Ten Companies Purchasing the Most "OS" Category Power from IPALCO, 1995-96**

Company	1995 MWh	% of Total	Company	1996 MWh	% of Total
Wabash Valley Pwr. Assoc.	122,573	31.1	Hoosier Rural Elec. Coop.	194,913	26.9
So. Indiana Gas & Electric	113,280	28.8*	LG&E Power Marketing	161,025	22.3
Cinergy	90,151	22.9	Cinergy	138,191	19.1
Hoosier Rural Elec. Coop.	61,637	15.6	So. Indiana Gas & Electric	92,780	12.8
Indiana Michigan Power -	5,713	1.5	Wabash Valley Pwr. Assoc.	66,436	9.2
Enron Power Marketing	503	0.1	Enron Power Marketing	36,535	5.0
			Indiana Michigan Power Co.	13,485	1.9
			*Indiana Mun. Power Assoc.	7,610	1.1
			*Duke/Louis Dreyfus	6,807	0.9
			*Vitol Gas & Electric	5,725	0.8
Total "OS" Sales	393,857	100	Total "OS" Sales	723,507	100

Source: FERC Form 1.

The companies shown in the Table above are represented in the charts below. LG&E, Enron, Duke/Louis Dreyfus and Vitol are classified as marketers. Cinergy and Indiana Michigan (an AEP subsidiary) are classified as hybrid companies, utilities aggressively marketing wholesale power.



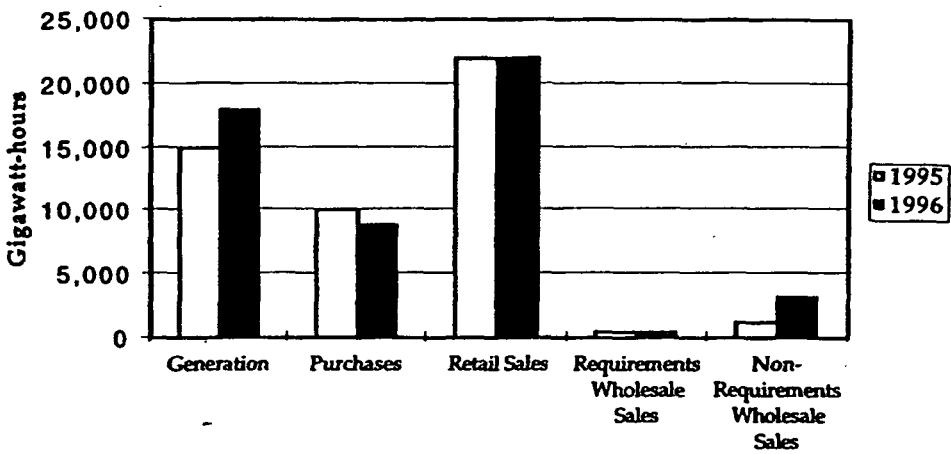
**Table 12. Increase in Air Emissions at IPALCO Fossil Plants, 1995-96**

Plant	NOx Increase (tons)	SO <sub>2</sub> Increase (tons)	CO <sub>2</sub> Increase (tons)
Stout	339	2,293	187,689
Pritchard	124	608	59,444
Perry K&W	0	0	0
Petersburg	755	3,535	405,779
Totals	1,218	6,436	652,912

#### New England Electric System

New England Electric System (NEES) is a utility holding company operating in Massachusetts, New Hampshire and Rhode Island. Until 1997 the company owned a diverse portfolio of generating resources: NEES' 1995 generation was 60% coal, 15% nuclear, 10% gas and 8% hydropower. Between 1995 and 1996, the company's generation increased by 3.1 million MWh, or 21%. Power purchases decreased by 1.1 million MWh, or 11%. NEES' retail sales and requirements sales for resale remained relatively stable during this period, while non-requirements wholesale sales increased by 2.1 million MWh, or 170%.

**Figure 9. New England Electric System Generation, Purchases and Sales, 1995-1996**



Source: FERC form 1, EIA Form 759.

Unlike the Midwestern companies analyzed above, the majority of NEES' incremental 1996 generation was produced with gas (due primarily to the introduction of a newly repowered gas-fired plant late in 1995). Coal-fired generation increased by 871 thousand MWh, or 9.7%.

**Table 13. NEES Generation by Fuel Type, 1993-96**

Fuel	Annual Generation (MWh)			
	1993	1994	1995	1996
Coal	8,698,672	8,750,062	9,025,402	9,896,029
Nuclear	2,439,211	2,072,573	2,199,283	1,584,453
Oil	2,907,461	1,918,413	1,071,304	1,348,606
Gas	55,473	319,358	1,545,207	3,537,760
Hydro	1,051,494	1,151,555	1,067,191	1,623,455
Total	15,152,311	14,211,961	14,908,386	17,990,302

Data reported on NEES' wholesale energy sales indicate that nuclear outages, and not market opportunities associated with restructuring, were the primary drivers of the 1996 increase in generation and sales. Northeast Utilities, with 2,600 MW of nuclear capacity unavailable, increased its "OS" category purchases from NEES by 196 thousand MWh between 1995 and 1996.

**Table 14. Ten Companies Purchasing the Most "OS" Category Power from NEES, 1995-96**

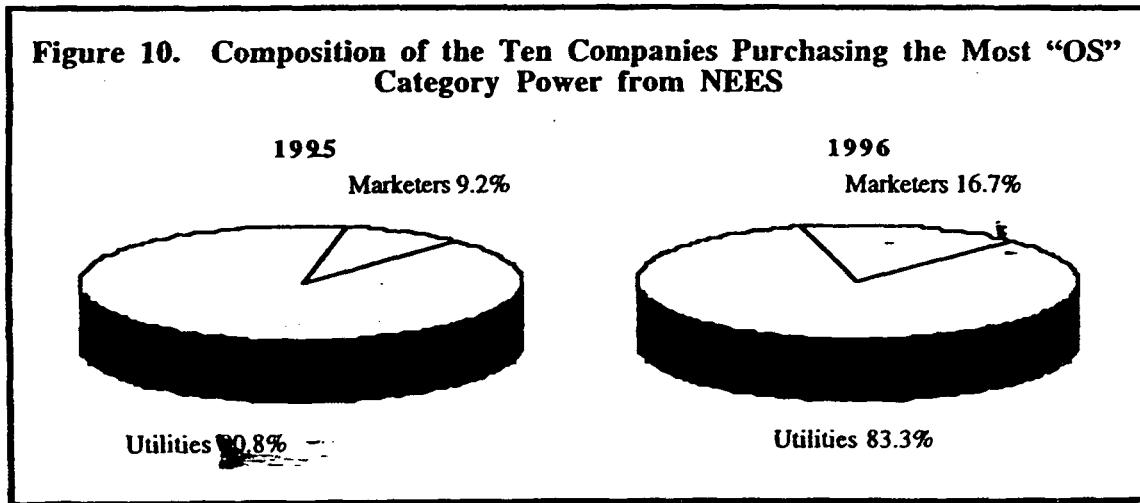
Company	1995 MWh	% of Total	Company	1996 MWh	% of Total
Bangor Hydro Electric	200,866	39.1	Northeast Utilities	227,755	24.2
Boston Edison	142,877	27.8	Commonwealth Electric	165,500	17.6
Commonwealth Electric	41,161	8.0	Boston Edison	100,250	10.6
Northeast Utilities	31,325	6.1	Enron Power Marketing	98,510	10.4
Montauk Electric	28,070	5.4	Montauk Electric	90,095	9.5
CNG Power Services	19,330	3.7	MA Mun. Wholesale	73,722	7.8
Electric Clearing House	16,160	3.1	CNG Power Services	58,122	6.1
Enron Power Marketing	11,560	2.2	Bangor Hydro Electric	49,000	5.2
Hudson L&P Dept.	11,011	2.1	Fitchburg G&E	43,728	4.6
Fitchburg G&E	10,962	2.1	Hudson L&P Dept.	32,659	3.4
<b>Totals</b>	<b>513,322</b>	<b>100.0</b>	<b>Totals</b>	<b>939,341</b>	<b>100.0</b>

Source: FERC Form 1.

NEES also increased its unclassified sales to NEPOOL from 8,200 MWh in 1995 to 1.1 million MWh in 1996—an increase of over 13,000%. Most of this energy also probably served to replace energy previously provided by the Millstone plant. The idea that NEES' incremental 1996 generation was not driven primarily by new market opportunities is also supported by the fact that the NEPOOL control area was a net importer of electricity in both 1995 and 1996. Net imports in 1995 were 15.9 million MWh, and net imports in 1996 were 18.3 million MWh.

The companies listed in Table 14 are represented in Figure 10. CNG, Electric Clearing House and Enron are classified as marketing companies.

**Figure 10. Composition of the Ten Companies Purchasing the Most "OS" Category Power from NEES**



Perhaps the key question regarding NEES' 1996 activity is, what would the company's generation and sales have been had the outage at Millstone not occurred? In this case, would some marketers have turned to NEES rather than to Midwestern utilities for wholesale energy? NEES reported 1996 average operating costs at Salem Harbor and Manchester St. of 3.4 cents per kWh, and 2.5 cents/kWh at Brayton Point. Operating at a high capacity factor, the plants' marginal costs would be significantly below these levels.

Folder Profile	
Control #	1998-001620
Name	letter to Secretary from Cynthia C. Sandherr
Priority	Important
DOE Addressee	Federico Peña
Subject Text	requests to meet with the Secretary on Friday, February 20, 1998 to discuss the issues surrounding the upcoming electric restructuring legislation
Topical Index	Meeting Request
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	information copies: SL, GC, PO, ES1, Team
Folder Trigger	Invitation
Source	PM-O
Correspondence Date	2/2/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	HOLLOWAG 202 586-2584 Holloway, Geneva
Action Office #	
Assigned To	SL
Date Due	
Date Completed	2/4/98

2

1998-001620



**Cynthia C. Sandherr**  
Vice President  
Federal Legislative Affairs

**Enron Corp.**  
1775 Eye Street, NW, Suite 800  
Washington, D.C. 20006  
(202) 466-9143  
Fax (202) 828-3372

February 2, 1998

The Honorable Federico F. Pena  
Secretary of the Energy  
Department of Energy  
1000 Independence Avenue, SW  
Room 7A-257  
Washington, DC 20585-0001

Attn: Peg Weathers

Dear Mr. Secretary:

As discussed with your scheduler, we respectfully request to meet with you on Friday, February 20 at 8:30 a.m. The purpose of this meeting is to discuss the issues surrounding the upcoming electric restructuring legislation. The meeting will be attended by Ken Lay and myself.

Thank you for your consideration of this request. If you have any questions, please contact Stacey Bolton at (202) 466-9141.

Respectfully submitted,

*Cynthia Sandherr*

CAS/ssb

Natural gas. Electricity. Endless possibilities.

2A  
A

Folder Profile	
Control #	1998-002290
Name	letter (fax) to the Secretary from Dan O'Flaherty and Emily S
Priority	Important
DOE Addressee	Federico Peña
Subject Text	invites Secretary to attend a reception honoring the U.S.-South Africa Binational Commission, February 26, 1998
Topical Index	Meeting Request
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	information copies: SL, ES1 Team
Folder Trigger	Invitation
Source	PM-O
Correspondence Date	2/16/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	HOLLOWAG 202 586-2584 Holloway, Geneva
Action Office #	
Assigned To	SL
Date Due	
Date Completed	2/18/98

3

# U.S.-South Africa Business Council

1998-002290



*Chairman*

Aldrage B. Cooper, Jr.

Vice President - Community Relations  
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## The U.S.-South Africa Business Council

*and*

*Dow*

*Lockheed Martin Corporation*  
*MCHI/Ellipso Communications*  
*Weyerhaeuser Company*  
*Enron Corporation*  
*TRW*

*invite you to a reception honoring:*

*the U.S.-South Africa Binational Commission*

*on Thursday, the twenty-fifth of February 26, 1998*  
*from 6:00-8:00 pm*

*The President's Guest House*  
*Gate #9*  
*Church Street*  
*Hatfield Pretoria*  
*Republic of South Africa*

*By invitation only*

*Registration required by 24 February, 1998*  
*Jenni Beggs, Johannesburg*  
*telephone: 791 03* ~~1~~  
*fax: 792-6956*

*Business Attire*

3A

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1625 K STREET, N.W. • WASHINGTON, D.C. 20006 • TEL: 202-452-8160 • FAX: 202-452-1717 • E-MAIL: [NFTC@NFTC.NET](mailto:NFTC@NFTC.NET) • URL: [WWW.NFTC.NET](http://WWW.NFTC.NET)

FROM: NFTC DC 15:07 #875 P.02/02 1998-02-27 202 452 8160 1625 K STREET, N.W. • WASHINGTON, D.C. 20006 • TEL: 202-452-8160 • FAX: 202-452-1717 • E-MAIL: [NFTC@NFTC.NET](mailto:NFTC@NFTC.NET) • URL: [WWW.NFTC.NET](http://WWW.NFTC.NET)

Folder Profile	
Control #	1998-002519
Name	invitation to the Secretary from John E. Lynn
Priority	Important
DOE Addressee	Federico Peña
Subject Text	Invites the Secretary to attend a brief discussion of national Energy and environmental issues at Board Directors meeting – March 12 and 13, 1998
Topical Index	Meeting Request
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	Info copies given to PO, EE, ES/Osuri and ES1 Team
Folder Trigger	Invitation
Source	PM-O
Correspondence Date	2/19/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	NURI 202 586-1921 Nuri, Khalil
Action Office #	
Assigned To	SL
Date Due	
Date Completed	3/11/98



1998-002519

Telephone: 202 / 467-5050  
Fax: 202 / 331-9055

February 19, 1998

Honorable Federico Peña  
Secretary  
U.S. Department of Energy  
1000 Independence Avenue, S.W.  
Washington, D.C. 20585

Dear Secretary Peña:

We would be honored if you would join executives of Ashland, Enron, Georgia Gulf, Methanex, Lyondell and other member companies of the American Methanol Institute for a brief discussion of national energy and environmental issues at our Board of Directors meeting in Washington on March 12 and 13, 1998.

There will be approximately 25 Directors and invited guests in attendance. They would enjoy meeting and hearing your remarks at dinner in the Hay-Adams seventh floor Federal Room anytime between 6 and 9 pm on Thursday, March 12. If it is more convenient for your schedule, your remarks can be arranged during the Board of Directors meeting on Friday, March 13, between 8 am and 2 pm, in the Concorde Room of the Hay-Adams Hotel.

The AMI leadership and natural gas executives who supply the methanol industry are especially interested to learn your views on the outlook for advanced technologies vehicles (particularly fuel cell vehicles), EPACT implementation, climate change initiatives and other major issues affecting our nation's economy in the months ahead.

We appreciate your strong and consistent voice in Washington and nationwide on matters of importance to the methanol and natural gas industries, and look forward to the opportunity to meet and hear from you in person on March 12 or 13. Please do not hesitate to have your staff contact our office at (202) 467-5050 if we can be helpful in facilitating arrangements for your appearance.

Sincerely,

Handwritten signature of John E. Lynn.

John E. Lynn  
President/CEO

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A.

Folder Profile	
Control #	1998-003072
Name	letter to the Secretary from Stephen C. beasley
Priority	Important
DOE Addressee	Elizabeth Moler
Subject Text	Invites the Deputy Secretary to participate in a panel discussion at Tennessee Gas Pipeline's first Executive Forum reception and dinner -- June 8, 1998
Topical Index	Meeting Request
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	Info copies given to EE and ES/Osuri and ES1 Team
Folder Trigger	Invitation
Source	PM-O
Correspondence Date	3/2/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	NURI 202 586-1921 Nuri, Khalil
Action Office #	
Assigned To	SL
Date Due	
Date Completed	3/4/98

5



003072 MAR 4 1:03

Stephen C. Beasley  
Vice President  
Marketing

March 2, 1998

Ms. Elizabeth A. Moler  
Deputy Energy Secretary of Energy  
U. S. Department of Energy  
Forrestal Building  
1000 Independence Avenue, S. W.  
Suite 7A-199  
Washington, D. C. 20585

Dear Ms. Moler:

I would like to invite you to participate in a panel discussion at Tennessee Gas Pipeline's first "Executive Forum." You would be among three or four other very distinctive panelists who will help lead our customers in this unique opportunity to discuss the critical issues facing the energy industry in the coming year and the new millennium.

Our business meeting, where you would be one of our honored guests, is being held on Tuesday, June 9, 1998 at Kingsmill Resort, located just minutes away from historic Williamsburg, Virginia. The meeting will begin at 8:30 a.m. We would ask that you present views on Strategic Energy Issues and Federal Regulation, spanning approximately fifteen minutes. After all of the panelists make their presentations, we will entertain an open forum of questions, answers, and discussion.

Since the business session begins early on the morning of June 9, we would invite you to join us for a reception and dinner on Monday evening, June 8. We will be holding registration for our customers beginning around noon, and you are certainly invited to arrive as early after that time as convenient. Tennessee Gas Pipeline will be pleased to provide for your travel along with your lodging and other expenses while at Kingsmill.

This meeting is being attended by approximately sixty-five top executives from our major customer companies, and will link all types of users on our system with the objective of facilitating more thought-provoking discussions about our future directions. I have attached a list of our invited guests to let you know in advance the make-up of our invited customers. This list includes executives from local distribution companies, end-users, marketers, producers, and power developers served by Tennessee Gas Pipeline. The executive management of Tennessee, as well as Bill Wise, the chairman of our El Paso Energy holding company, will host the meeting.

I do hope you can join us for what we at Tennessee believe will be a very stimulating meeting. I would very much appreciate a call from you by March 20, as to whether you will be able to participate. I can be reached at (713)757-5497. I look forward to your call and hope to see you at Kingsmill!

Very truly yours,

*Steve Beasley*  
Stephen C. Beasley

5A

**TENNESSEE GAS PIPELINE**  
**INVITATIONS FOR EXECUTIVE FORUM CUSTOMER MEETING**  
**KINGSMILL RESORT, WILLIAMSBURG, VA.**

Bernard J. Kennedy (Bernie) - Chairman & CEO - National Fuel Supply & Distribution  
Buffalo, NY

Chester R. Messer II (Chet) - President & CEO - Boston Gas Company - Boston, MA

Roger A. Young - Chairman, President & CEO - Bay State Gas Company - Westborough, MA

Joel Singer - President & COO - Bay State Gas Company - Westborough, MA

Jim Mahoney - Sr. Vice President - U.S. Generating - Bethesda, MD

Thomas Newland (Tom) - President & CEO - East Ohio Gas Company - Cleveland, OH

Clement E. Nadeau (Clem) - Vice President, Marketing & Planning- Niagara Mohawk  
Syracuse, NY

Thomas L. Fisher (Tom) - Chairman, President & CEO - NIGAS - Naperville, IL

D. Louis Peoples - Vice Chairman & CEO - Orange & Rockland Utilities - Pearl River, NY

James R. Lee - Ex. Vice President - Columbia Gas Distribution Companies - Columbus, OH

Russell D. Wright - President & CEO - Commonwealth Gas Company - Southborough, MA

Lawrence Codey (Larry) - President & COO - Public Service Electric & Gas - Newark, NJ

Frederic L. Putnam, III (Larry) - President & CEO - Colonial Gas Company - Lowell, MA

Arthur C. Marquardt (Art) - CEO - Connecticut Natural Gas Company - Hartford, CN

John H. Maxheim - President & CEO - Piedmont Natural Gas Company - Charlotte, NC  
(Nashville, TN is the market)

Jeffrey W. Yundt (Jeff) - Ex. Vice President & COO - NIPSCO - Hammond, IN

Robert B. Catell (Bob) - President & CEO - Brooklyn Union Gas Company - Brooklyn, NY

Mike I. German - Sr. Vice President - New York State Electric & Gas Binghamton, NY

Branco Terzic - Chairman & CEO - Yankee Gas Company - Meriden, CN

Mary Jane McCartney - Sr. Vice President - Con Ed of NY - New York City, NY

John Gongas, Jr. - Sr. Vice President - Equitable Resources, Inc. - Pittsburgh, PA

Joseph Crespo (Joe) - Chairman, President & CEO - So. Conn. Gas Company - Bridgeport, CN

Robert R. Giordano (Bob) - President & CEO - Energy North - Manchester, NH

Kenneth L. Pollock (Ken) - President & CEO - PG Energy - Wilkes-Barre, PA

John W. Rowe - Chairman - New England Power - Westborough, MA

Roger W. Kober - Chairman, President & CEO - Rochester Gas & Electric - Rochester, NY

Bob Best - Chairman/CEO - United Cities/ATMOS - Dallas, TX

William Fox (Bill) - President - Peoples Natural Gas - Pittsburgh, PA

James H. Dodge (Jim) - Chairman, President & CEO - Providence Gas Company  
Providence, RI

Walter M. Higgins - President & CEO - Atlanta Gas Light/Chattanooga Gas - Atlanta, GA

Scott S. Robinson - President & CEO - Berkshire Gas Company - Pittsfield, MA

Alfred P. Degen (Al) - President & CEO - Valley Gas Company - Cumberland, RI

Paul J. Ganci - President - Central Hudson Gas & Electric - Poughkeepsie, NY

Philip H. Reardon (Phil) - President & CEO - Essex County Gas Company - Amesbury, MA

Larry Flemming - President & CEO - Knoxville Utility Board - Knoxville, TN

Frank T. Bahniuk - Sr. Vice President - NUI Corporation - Bedminster, NJ

Chad King - Vice President - Amoco Energy Trading - Houston, TX

Mike Johnson - Vice President, Gas/Gas Products - Conoco, Inc. - Houston, TX

Murry Gerber - CEO - Coral Energy Resources, LP - Houston, TX

Julie Gomez - Vice President - Enron - Houston, TX

R. A. Luxbacher, M. (Robbi) - Vice President - Exxon - Houston, TX

Stephen W. Bergstrom (Steve) - President -NGC Transportation - Houston, TX

**TENNESSEE GAS PIPELINE  
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KINGSMILL RESORT, WILLIAMSBURG, VA.**

Curtis Frasier - President - Shell Midstream Enterprises - Houston, TX  
Paul D. Koonce - Vice President - Sonat Marketing - Houston, TX  
Maree Fuller - CEO - The Southern Company Energy Marketing Co. - Atlanta, GA  
Patrick J. Fleming (Pat) - President - Texaco Natural Gas, Inc. - Houston, TX  
Joseph A. Blount, Jr. (Joe) - Vice President - Unocal Global Trade - Sugarland, TX  
Greg Jenkins - President - El Paso Energy Resources - Houston, TX  
Glen Kinder - President - CoEnergy Trading - Detroit, MI  
Bradley C. Karp (Brad) - Ex. Vice President - Duke Energy - Houston, TX  
Jack Herbert - Ex. Vice President - Eastern Group, The - Alexandria, VA  
William Grealis (Bill) - President, Energy Services - Cincinnati Gas & Electric - Cincinnati, OH  
Thomas Patrick (Tom) - Executive Vice President - Peoples Gas Light & Coke - Chicago, IL  
Wayne D. Stinnett, Jr. - Sr. Vice President & CFO - Entex - Houston, TX  
Stephen R. Wood (Steve) - President - Louisville Gas & Electric Co. - Louisville, KY  
Matt Holleman - President & CEO - Mississippi Valley - Jackson, MS  
Gordon Shearer - Chairman - Distrigas of Massachusetts - Boston, MA  
Michael R. Soland (Mike) - Ex. Vice President - OXY USA - Houston, TX  
Richard A. Hale - COO & General Manager - H & N Gas, LTD - Kingwood, TX  
Randolph Mundt - Ex. Vice President, No. Amer. Mktg. - Burlington Resources - Houston, TX  
Charles A. Daverio (Chuck) - Vice President - Energy Exchange Group - Long Island Lighting  
Long Island, New York

Folder Profile	
Control #	1998-003072
Name	letter to the Secretary from Stephen C. beasley
Priority	Important
DOE Addressee	Elizabeth Moler
Subject Text	Invites the Deputy Secretary to participate in a panel discussion at Tennessee Gas Pipeline's first Executive Forum reception and dinner – June 8, 1998
Topical Index	Meeting Request
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	Info copies given to EE and ES/Osuri and ES1 Team
Folder Trigger	Invitation
Source	PM-O
Correspondence Date	3/2/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	NURI 202 586-1921 Nuri, Khalil
Action Office #	
Assigned To	SL
Date Due	
Date Completed	3/4/98



003072 MAR. 4 1:03

Stephen C. Beasley  
Vice President  
Marketing

March 2, 1998

Ms. Elizabeth A. Moler  
Deputy Energy Secretary of Energy  
U. S. Department of Energy  
Forrestal Building  
1000 Independence Avenue, S. W.  
Suite 7A-199  
Washington, D. C. 20585

Dear Ms. Moler:

I would like to invite you to participate in a panel discussion at Tennessee Gas Pipeline's first "Executive Forum." You would be among three or four other very distinctive panelists who will help lead our customers in this unique opportunity to discuss the critical issues facing the energy industry in the coming year and the new millenium.

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Very truly yours,

*Steve Beasley*  
Stephen C. Beasley

6A

**TENNESSEE GAS PIPELINE**  
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D. Louis Peoples - Vice Chairman & CEO - Orange & Rockland Utilities - Pearl River, NY

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Murry Gerber - CEO - Coral Energy Resources, LP - Houston, TX

Julie Gomez - Vice President - Enron - Houston, TX

R. A. Luxbacher, Ms<sup>s</sup> (Robbi) - Vice President - Exxon - Houston, TX

Stephen W. Bergstrom (Steve) - President - NGC Transportation - Houston, TX

6B

**TENNESSEE GAS PIPELINE**  
**INVITATIONS FOR EXECUTIVE FORUM CUSTOMER MEETING**  
**KINGSMILL RESORT, WILLIAMSBURG, VA.**

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Paul D. Koonce - Vice President - Sonat Marketing - Houston, TX  
Marce Fuller - CEO - The Southern Company Energy Marketing Co. - Atlanta, GA  
Patrick J. Fleming (Pat) - President - Texaco Natural Gas, Inc.- Houston, TX  
Joseph A. Blount, Jr. (Joe) - Vice President - Unocal Global Trade - Sugarland, TX  
Greg Jenkins - President - El Paso Energy Resources - Houston, TX  
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William Grealis (Bill) - President, Energy Services - Cincinnati Gas & Electric - Cincinnati, OH  
Thomas Patrick (Tom) - Executive Vice President - Peoples Gas Light & Coke - Chicago, IL  
Wayne D. Stinnett, Jr. - Sr. Vice President & CFO - Entex - Houston, TX  
Stephen R. Wood (Steve) - President - Louisville Gas & Electric Co. - Louisville, KY  
Matt Holleman - President & CEO - Mississippi Valley - Jackson, MS  
Gordon Shearer - Chairman - Distrigas of Massachusetts - Boston, MA  
Michael R. Soland (Mike) - Ex. Vice President - OXY USA - Houston, TX  
Richard A. Hale - COO & General Manager - H & N Gas, LTD - Kingwood, TX.  
Randolph Mundt - Ex. Vice President, No. Amer. Mktg. - Burlington Resources - Houston, TX.  
Charles A. Daverio (Chuck) - Vice President - Energy Exchange Group - Long Island Lighting  
Long Island, New York

Folder Profile	
Control #	1998-003763
Name	letter to DS/Moler from Nelson E. Hay
Priority	Important
DOE Addressee	DS
Subject Text	Invites the Deputy Secretary to be a Plenary Session speaker for this year's major Mexican natural Gas Congress and Exhibition -- July 22, 1998
Topical Index	Speaking Engagement
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	Info copies given to DS and ES/Osuri and FE and ES1 Team. Please RSVP by 3/15/98. Received in ES on 3/17/98
Folder Trigger	Invitation
Source	PM-O
Correspondence Date	3/5/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	NURI 202 586-1921 Nuri, Khalil
Action Office #	
Assigned To	SL/Rollison
Date Due	
Date Completed	3/17/98



## INTERNATIONAL GAS CENTER

1400 Wilson Blvd.  
Suite 230  
Arlington, VA 22209 USA  
Tel: 703-741-3950  
Fax: 703-741-3951

March 5, 1998

The Honorable Elizabeth A. Moler  
Deputy United States Secretary of Energy  
Washington, D.C. 20595

Dear Deputy Secretary Moler:

It is our pleasure to invite you to join us as a Plenary Session speaker this July 22 in Mexico City for the year's major Mexican natural gas congress and exhibition, *Toward the Future: The Mexican Natural Gas Industry in the 21<sup>st</sup> Century*. Secretary Peña has been invited to join Mexican Energy Secretary Luis Tellez in opening the meeting, but our Mexican colleagues have specifically requested your participation also. Other invited and expected speakers include the President of the Republic of Mexico, Ernesto Zedillo, the Governor of Mexico City, Cuahutémoc Cárdenas, and the Chairman of the Mexican Energy Regulatory Commission (CRE), Héctor Olea.

The Plenary Session would give you wide latitude to speak on any matters regarding the "Outlook for the Mexican Gas Industry in the 21<sup>st</sup> Century." All speakers in the session will be government officials, and I presume that you would want to focus on regulatory topics.

The event is being organized jointly by the International Gas Center (IGC) and the Mexican Gas Association (Asociacion Mexicana de Gas Natural), in collaboration with the Mexican Energy Secretary, the Mexican Energy Regulatory Commission (Comision Reguladora de Energia) and the Canadian Gas Association. IGC is an independent association of U.S. companies conducting natural gas business abroad, which was spun off from the American Gas Association in 1996.

Held biennially since 1994, this conference brings together 400 of the major natural gas decision-makers and experts from Mexico, the United States and Canada. The exhibition draws 1000 visitors. Literature describing IGC and the Mexican event are enclosed.

We will contact your staff to see if you require further information. Please do not hesitate to contact me at 703-741-3944. We would greatly appreciate a response before March 15<sup>th</sup>, when we will go to print with a major congress mailing.

Sincerely,

Nelson E. Hay  
President & CEO

A

**Toward the Future: The Mexican Natural Gas Industry in the 21<sup>st</sup> Century**

July 21-23, 1998  
Camino Real Hotel, Mexico City

**Speaker Response Form**

- Yes, I am pleased to accept your invitation to participate in the Mexican Natural Gas Congress and Exhibition program.
- No, I do not plan to participate in the program.

Last Name	First Name	MI
Title		
Company		
Address		
City	State	Zip Code
Phone	Fax	

**Mail or fax to:**

Diana Spencer  
International Gas Center  
1400 Wilson Boulevard  
Suite 230  
Arlington, VA 22209

**FAX: 703/741-3951**

**TOWARD THE FUTURE: THE MEXICAN NATURAL GAS INDUSTRY IN THE  
21<sup>ST</sup> CENTURY CONGRESS AND EXHIBITION**

**July 21-23, 1998  
Camino Real Hotel  
Mexico City**

**Tuesday, July 21**

**3:00-10 p.m.      Registration  
*Foyer Friedeberg***

**6:00 p.m.      Exhibition Opening  
*Camino Real Ballroom***

**Name  
U.S. Ambassador to Mexico**

**Stanley Edward Gooch  
Canadian Ambassador to Mexico**

**Herminio Blanco  
Mexican Minister of Commerce**

**6:30-10:00 p.m.      Reception  
*Camino Real Ballroom***

**Wednesday, July 22**

**7:00 a.m.-5:00 p.m.      Registration  
*Foyer Friedeberg***

**8:00 -9:30 a.m.      Continental Breakfast and Exhibition  
*Camino Real Ballroom***

**9:30 a.m.      Welcome  
*Salon del Sol***

**Angélica Fuentes Téllez  
Director General  
Grupo Imperial and  
President  
Asociación Mexicana de Gas Natural**

**Nelson E. Hay  
President & CEO  
International Gas Center**

9:45 a.m.

Conference Opening  
*Salon del Sol*

Luis Tellez  
Energy Secretary, Mexico

Federico Peña  
Energy Secretary, USA

Presidium      Hector, Olea  
                  Chairman  
                  Comision Reguladora de Energia

Angélica Fuentes Téllez  
Director General  
Grupo Imperial and  
President  
Asociación Mexicana de Gas Natural

Nelson E. Hay  
President & CEO  
International Gas Center

Terry Parsons  
President  
GSW Water Heating Company and  
Chairman  
Canadian Gas Association

10:30 a.m..      Coffee Break

11:00 a.m.

Plenary Session  
The Mexican Gas Industry--Outlook for the 21<sup>st</sup> Century  
*Salon del Sol*

Moderator:      Angélica Fuentes Téllez  
                  Director General  
                  Grupo Imperial and  
                  President  
                  Asociación Mexicana de Gas Natural

Panel:      Hector Olea  
                  Chairman  
                  Comision Reguladora de Energia

**Marcos Ramirez**  
**Director General,**  
**Pemex Gas and Basic Petrochemicals**

**Jorge Chávez Peón  
Mexican Undersecretary of Energy**

**Elizabeth A. Moler  
Deputy Secretary  
Department of Energy**

**1:30 p.m.** - - - **Buffet Luncheon and Exhibition**  
*Camino Real Ballroom*

**3:00-5:00 p.m.      Simultaneous Sessions**

# **Session 1**

## **Project Financing and Future Investment Patterns**

### ***Salon Jardin***

**Moderator:** Agustín Humann  
Asociación Mexicana de Gas Natural

**Panel:** Jaime Alatorre  
**Title**  
**Mexican Investment Bank**

Quezada  
Title  
City Bank

**John E. Buchanan**  
**Vice President**  
**Stone & Webster Management Consultants, Inc.**

Roldán Trujillo  
Title  
Co.

Kurt Loos  
Title  
Co.

Name  
Title  
UBS

**Session 2**  
**Natural Gas Trade Development in North America**  
***Salon Arco Iris***

**Moderator:** Luis Vazquez  
Director General  
Grupo Diavaz

**Panel:** Luis Felipe Luna  
Subdirector, Natural Gas  
Pemex Gas and Basic Petrochemicals

William Whitsitt  
President  
Domestic Petroleum Council

Roy E. Johnson/William H. Poland  
TransCanada International

Wade Watkins  
New Business Development  
Shell Exploration and Production

Alberto Zapanta  
President  
Mexican-U.S. Bank of Commerce

El Paso Natural Gas

**Session 3**  
**Training and Management Development Needs**  
***Salon Camelias***

**Moderator:** Marcelo Chauvet  
Asociación Mexicana de Gas Natural

**Panel:** Rose Gailey  
Vice President  
Senn-Delaney Leadership Consulting

**Southwest Research Institute**

**CERI**

**UNAM**

**César Morales  
ITESM**

**Miguel Favela  
Asociación Mexicana de Gas Natural**

**7:00-10 p.m.**      **Reception**  
*Camino Real Ballroom*

**Thursday, July 23**

**9:00-11:00 a.m.**      **Plenary Session**  
**The Mexican Gas Industry--Outlook for the 21<sup>st</sup> Century**  
*Salon del Sol*

**Moderator:**      **Nelson E. Hay**  
**President & CEO**  
**International Gas Center**

**Panel:**      **Christopher R. Sherman**  
**President**  
**Pacific Enterprises International and**  
**Treasurer**  
**International Gas Center**

**Terence H. Thorn**  
**Executive Vice President, International-**  
**Government Relations & Environmental Affairs**  
**Enron International and**  
**Vice Chairman**  
**International Gas Center**

**Larry W. Brummett**  
**Chairman of the Board & CEO**  
**Oklahoma Natural Gas Company**

**Juan Diego Gutierrez Cortina**  
**President**  
**Company**

Rafael Matinez Andina  
Repsol

11:00 a.m.      Coffee Break

11:30 a.m.-1:30 p.m. Simultaneous Sessions

**Session 4**  
**Industrial, Commercial and Electric Generation Market**  
**Development**  
***Salon Jardin***

Moderator:    Jorge Otero  
Title  
Company

Panel:          Dionisio Perez Jacome

Almeida  
Title  
Company

Ruben Fores  
Title  
Comision Reguladora de Energia

Gerald L. Shaheen  
Vice President  
Caterpillar

Jorge Borja  
President  
ICA-Fluor Daniel

Manuel Gutiérrez  
Title  
Alfa

 **Session 5**  
**Environmental Protection/Natural Gas Vehicles**  
***Salon Arco Iris***

Moderator:    Alejandro Maldonado  
Title  
Asociación Mexicana de Gas Natural

Panel: Quimico Guerra  
General Motors  
  
Nick Pfeiffer  
Engineering Manager  
Mogas Fuel Systems  
  
Semarnap-Procuraduria del Medio Ambiente  
  
Gaz de France  
  
Secretario del Medio Ambiente

- Session 6  
Future Development of Mexican Natural Gas Transmission and  
Distribution Systems  
*Salon Camelias*

Moderator: Jaime Carretero  
Title  
Asociación Mexicana de Gas Natural

Panel: Aliber Garcia Cantu  
Director General  
Tubacero  
  
Richard B. Williamson  
Chairman, President & CEO  
T.D. Williamson, Inc. and  
Secretary  
International Gas Center  
  
Javier Miguel  
President  
Consejo Driscopipe  
  
Alden Kiefer  
Title  
Schlumberger  
  
Agustin P. Berdeja  
Title  
Berdeja & Associates

Ricardo Platt Garcia  
President  
CMIC ??

1:30 p.m. Luncheon  
Camino Real Ballroom

Luncheon Speaker  
Cuahutémoc Cárdenas  
Mexico City Governor

3:00-5:00 p.m. Simultaneous Sessions

Session 7  
Service to End-Users/Support Services  
*Salon Jardin*

Moderator: Fernando Calvillo  
Title  
Asociación Mexicana de Gas Natural

Panel: Javier Estrada  
Title  
Comision Reguladora de Energia

John Kean  
Chairman of the Board  
NUI Corporation

Marcelo Parizott  
Title  
Pemex Gas

William S. Garner  
Vice President of Int'l Business Development  
KN Energy, Inc.

Richard Seif  
Vice President, Sales and Marketing  
Equimeter

Gas Natural de Pánuco

Session 8  
Safety  
*Salon Arco Iris*

**Moderator:** Michael G. Giles  
Vice President, Customer and Energy Services  
Canadian Gas Association

**Panel:** Jorge Rebolledo  
**Title**  
Asociación Mexicana de Gas Natural

David G. Dutton  
Vice President, Marketing & Sales  
McElroy Manufacturing, Inc.

Gillermo Fdz. de la Garza  
**Title**  
Pemex

Raúl Monteforte  
**Title**  
Comision Reguladora de Energia

Name  
**Title**  
The Williams Company

**Session 9**  
Regulatory and Legal Framework  
*Salon Camelias*

**Moderator:** Jesus Rodriguez  
**Title**  
Asociación Mexicana de Gas Natural

**Panel:** Raúl Nocedal  
**Title**  
Comision Reguladora de Energia  
Name  
President  
Comision de Energia de la

Dr. Soberanes  
**Title**  
Instituto de Investigaciones

Juridicas UNAM

**Despacho Qvando & Martinez**

**Dana Contratto  
Crowell & Moring**

**7:00 p.m.                   Gala Fiesta  
                                 Ex-Convento de la Merced**

**7:00 p.m.                  Bus Transportation  
7:30 p.m.                  Reception  
8:30 p.m.                  Ernesto Zedillo  
                                 President of the Republic of Mexico**

**9:30 p.m.                  Dinner**

Folder Profile	
Control #	1998-003469
Name	letter to the Secretary from Terence H. Thorn
Priority	Important
DOE Addressee	Federico Peña
Subject Text	Expresses interest for the Secretary to include as part of his itinerary a visit to Bangladesh in upcoming trip to Asia
Topical Index	Meeting Request
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	Info copies given to ES/Osuri and PO and ES1 Team
Folder Trigger	Letter
Source	PM-O
Correspondence Date	3/11/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	NURI 202 586-1921 Nuri, Khalil
Action Office #	
Assigned To	SL
Date Due	
Date Completed	3/12/98

8



**Enron Corp.**  
1775 Eye Street, N.W., Suite 800  
Washington, D.C. 20006  
(202) 828-3360  
Fax (202) 828-3372

VIA COURIER

103469

March 11, 1998

The Honorable Federico F. Pena  
Secretary of Energy  
US Department of Energy  
1000 Independence Avenue, SW  
Room 7A-257  
Washington, DC 20585

Dear Secretary Pena:

We wish to express our strong interest in including as part of your itinerary a visit to Bangladesh in your upcoming trip to Asia. US business opportunities, particularly in the energy sector, are at a pivotal stage of development and your visit can be materially helpful.

The Bangladesh Energy Minister is faced with the impending liberalization and privatization of the natural gas industry and is concerned with several key policy issues including pricing issues, export policy (currently export of gas by pipeline to India, which is the only significant market not permitted), a lack of meaningful national energy policy, and the desperate need for natural gas policy and regulatory framework. The US Department of Energy can directly assist the development of these efforts through its Office of Policy and International Affairs as it has done elsewhere in the world.

We and other US companies in Bangladesh face international competition, notably from the United Kingdom, which recently reinforced their presence with an influential business delegation led by their High Commissioner. Additionally, a sense of being a low priority was inadvertently created in January when Secretary Albright had to cancel her scheduled visit to Bangladesh due to the Iraqi situation. It was noted in the local press that she did not cancel her visits to India or Pakistan.

Again, we solicit your assistance and enthusiastically encourage you to include Bangladesh on your Asian tour.

Sincerely,

Terence H. Thorn  
Executive Vice President International Government Relations  
& Environmental Affairs  
Enron International

SA

Folder Profile	
Control #	1998-003493
Name	letter (fax) to the Secretary from Margaret Carson
Priority	Important
DOE Addressee	Federico Peña
Subject Text	Thanks Michael Grillot and Patricia Smith and their team for a great job on the 1996 International Energy Annual
Topical Index	
Signature/Approval	EI
Action Requested	Information Only
Special Instructions	
Folder Trigger	Fax Message
Source	PM-O
Correspondence Date	3/12/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	MACKALLB 202-586-8923 Mackall, Brenda
Action Office #	
Assigned To	EI
Date Due	
Date Completed	3/20/98

1998-003493 MAR 12 10:25



Enron Corp.  
P.O. Box 1188  
Houston, TX 77251-1188  
(713) 853-6161

003493

1998 MAR 12 10:25

March 12, 1998

Fax: 202 586 4403

Secretary of Energy Peña  
U.S. DOE - EIA  
Washington, DC 20585

Dear Secretary Peña:

It is not often that we stop and take time to thank our federal employees for a job well done. Yet I wanted to thank Michael Grillot and Patricia Smith and their team for the great job on the 1996 International Energy Annual. We use it so often in our work and its increased scope and timeliness over the years are greatly appreciated. Thanks again.

Yours sincerely,

A handwritten signature in cursive ink that reads "Margaret Carson".

Margaret Carson  
Director  
Corporate Strategy & Competitive Analysis

Copy to: President Bill Clinton

A large rectangular black redaction mark.

Natural gas. Electricity. Endless possibilities.

\*\* TOTAL PAGE.01 \*\*

9A

Folder Profile	
Control #	1998-003664
Name	letter to the Secretary from E. Joseph Hillings
Priority	Important
DOE Addressee	Federico Peña
Subject Text	encloses a copy of a general announcement regarding Ken Lay
Topical Index	
Signature/Approval	NA
Action Requested	Information Only
Special Instructions	information copies: ES1 Team
Folder Trigger	Letter
Source	PM-O
Correspondence Date	3/12/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	HOLLOWAG 202 586-2584 Holloway, Geneva
Action Office #	
Assigned To	Federico Peña
Date Due	
Date Completed	3/18/98

10  
12

1998-003664 MAR 16 4:27



CC: GJL

1000 1000

**E. Joseph Hillings**  
Vice President and General Manager  
Federal Government Affairs

**Enron Corp.**  
1775 Eye Street, NW, Suite 800  
Washington, D.C. 20006  
(202) 466-9145  
Fax (202) 828-3372

March 12, 1998

The Honorable Federico F. Pena  
Secretary of Energy  
US Department of Energy  
1000 Independence Avenue, SW  
Room 7A-257  
Washington, DC 20585

Dear Secretary Pena:

I thought the attached information regarding Ken would be of interest to you.

Warmest regards,

Sincerely,

A handwritten signature in black ink, appearing to read "E. Joseph Hillings".

Encl.

Natural gas. Electricity. Endless possibilities.

10A  
A.

**Enron, Washington  
Transmittal Document**

**GENERAL ANNOUNCEMENT**

**To: Enron Employees Worldwide**

**Date: March 11, 1998**

**The Texas Railroad Commission has named Ken Lay the recipient of its 1998 Texas Energy Pioneer Award. The award recognizes the leadership and contributions of individuals to the State of Texas, as well as national and global energy communities. It will be presented to Ken on April 22 at the Commission's annual State-of-the-Industry Conference to be held in Austin.**

**Texas Railroad Commission Chairman Charles Matthews nominated Ken, whom he considers a true pioneer and whose outstanding contributions and "many innovations in natural gas have served to improve and enhance Texas' leading position in the natural gas industry." The nomination drew immediate and enthusiastic endorsements from Commissioners Barry Williams and Carole Keeton Rylander.**

**Please join others from across Texas and the energy industry in congratulating Ken. The award is an extreme honor for him and his family.**

**10B  
B2**

Folder Profile	
Control #	1998-003891
Name	letter to Deput Secretary from Denise C. Goulet
Priority	Important
DOE Addressee	Elizabeth Moler
Subject Text	encloses copies of Motion to Intervene of the Pennsylvania Office of Consumer Advocate re: the Brooklyn Union Gas company, case no. 98-60057 & Southern Natural Gas company, case no. 98-60114, v. FERC
Topical Index	
Signature/Approval	NA
Action Requested	Information Only
Special Instructions	Deputy Secretary copy of a letter addressed to Mr. Charles R. Fulberuge, United States Court of Appeals for the Fifth District. info copies:ES1 Team
Folder Trigger	Letter
Source	SO
Correspondence Date	3/16/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	HOLLOWAG 202 586-2584 Holloway, Geneva
Action Office #	
Assigned To	GC
Date Due	
Date Completed	3/20/98

1998-003891 Mar 19 11:50

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE  
1425 Strawberry Square  
Harrisburg, Pennsylvania 17120

IRWIN A. POPOWSKY  
Consumer Advocate

March 16, 1998

(717) 783-5048

Mr. Charles R. Fulberuge, III, Clerk  
United States Court of Appeals  
for the Fifth District  
600 Camp Street  
New Orleans, LA 70130

Re: The Brooklyn Union Gas Company, Consolidated Edison  
Company of New York, Inc., and PECO Energy Company,  
Petitioners,  
Case No. 98-60057 and  
  
Southern Natural Gas Company, Petitioner,  
Case No. 98-60114  
  
v.  
Federal Energy Regulatory Commission, Respondent.

Dear Mr. Fulberuge:

Enclosed please find for filing an original and 3 copies of the Motion to Intervene of the Pennsylvania Office of Consumer Advocate in the above-referenced proceeding. Copies of this document have been served upon all parties of record in the Court below, as evidenced by the attached Certificate of Service, in accordance with Rule 15(C) of the Federal Rules of Appellate Procedure.

Also enclosed is one extra copy of this document. We would appreciate it if this copy could be time-stamped and returned to this Office in the self-addressed, stamped envelope.

Very truly yours,

*Denise C. Goulet/kc*  
Denise C. Goulet  
Assistant Consumer Advocate

Enclosure  
cc: All parties

IN THE  
UNITED STATES COURT OF APPEALS  
FOR THE FIFTH CIRCUIT

The Brooklyn Union Gas Company,  
Consolidated Edison Company of  
New York, Inc., and  
PECO Energy Company,

Petitioners,

and

Case No. 98-60057

Southern Natural Gas Company,  
Petitioner,

Case No. 98-60114

v.

Federal Energy Regulatory Commission,  
Respondent.

---

PENNSYLVANIA OFFICE OF CONSUMER ADVOCATE'S  
MOTION TO INTERVENE

---

Pursuant to Rule 15(d) and Rule 27 of the Federal Rules of Appellate Procedure, the Pennsylvania Office of Consumer Advocate ("Pa. OCA") respectfully requests leave to intervene in the above-captioned proceeding. In support of this Motion, the Pa. OCA submits the following:

1. On February 5, 1998, Brooklyn Union Gas Company, Consolidated Edison Company of New York and PECO Energy Company ("Petitioners"), and on March 2, 1998, Southern Natural Gas Company ("SONAT") filed Petitions for Review from two orders of the Federal Energy Regulatory Commission in *Transcontinental Gas Pipe Line Corporation*, Docket Nos. CP97-92-000 and CP97-92-001 as follows:



B  
p

*Transcontinental Gas Pipe Line Corporation*, Docket Nos. CP97-92-000 *et al.*, "Preliminary Determination on Non-Environmental Issues", 81 FERC ¶ 61,104 (October 29, 1997); and

*Transcontinental Gas Pipe Line Corporation*, Docket Nos. CP97-92-000 *et al.*, "Order Denying Rehearing and Issuing Certificate", 82 FERC ¶ 61,084 (January 30, 1998).

2. The Pa. OCA is a state agency administratively housed within the Office of Attorney General and empowered by statute to represent the interests of consumers of utility services in the Commonwealth of Pennsylvania in proceedings before the Pennsylvania Public Utility Commission, similar federal regulatory commissions and state and federal courts.

3. The Pa. OCA was not an intervenor in the proceedings below from which these appeals have been taken. However, the Pa. OCA represents the interests of Pennsylvania consumers who are served by local distribution company customers of Transcontinental Gas Pipe Line Corporation ("Transco"), including customers served by PECO Energy Company, one of the Petitioners in the proceedings. These retail consumers depend on the transportation services provided by Transco. The rates paid by these consumers for Transco's services will be adversely affected by the Commission's orders on appeal in this proceeding. The Pa. OCA has reviewed the orders on appeal and has determined that in order to adequately represent Pennsylvania consumer interests, the Pa. OCA must be able to participate in the matters before this Court in these cases.

4. No other party can adequately represent the Pa. OCA's interests in these proceedings since the local distribution companies who serve Pennsylvania consumers often have different interests that can conflict with the more narrow interests represented by the Pa. OCA.

5. Good cause exists to grant this Motion to Intervene. Since the Pa. OCA was not a party below and was consequently not on the service list in that proceeding, the Pa. OCA was

unaware that Petitioners (Brooklyn Union Gas, et al.) had filed their appeals until counsel for Consolidated Edison brought the matter to the Pa. OCA's counsel's attention on March 6, 1998. Due to the fact that Southern Natural Gas Company filed on March 2, 1998 with this Court in Case No. 98-60114 another Petition for Review of the same orders on appeal in this docket, the time for intervention in the proceeding has not yet run.

WHEREFORE, the Pennsylvania Office of Consumer Advocate respectfully requests that this Motion to Intervene be granted.

Respectfully submitted,

*Denise C. Goulet /t/o*  
Denise C. Goulet  
Assistant Consumer Advocate

Counsel for:  
Irwin A. Popowsky  
Consumer Advocate

Office of Consumer Advocate  
1425 Strawberry Square  
Harrisburg, PA 17120 -  
(717) 783-5048

Dated: March 16, 1998

## CERTIFICATE OF SERVICE

**Re:** The Brooklyn Union Gas Company,  
Consolidated Edison Company of  
New York, Inc., and  
PECO Energy Company, Petitioners,  
and

Southern Natural Gas Company,  
Petitioner : Case No. 98-60114

v

**Federal Energy Regulatory Commission,  
Respondent.**

I hereby certify that I have this date served the foregoing document upon each person designated on the official service list compiled in Docket No. CP97-92-000 by the Secretary of the Federal Energy Regulatory Commission and as evidenced by the attached service list, and on the Solicitor, Jay L. Watkins of the Federal Energy Regulatory Commission.

Dated at Harrisburg, PA this 16th day of March, 1998.

Respectfully submitted,

Denise C. Goulet /ko  
Denise C. Goulet  
Assistant Consumer Advocate

Office of Attorney General  
Office of Consumer Advocate  
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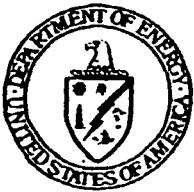
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Folder Profile	
Control #	1998-004238
Name	Memo from FE/Godley to the Secretary
Priority	Important
DOE Addressee	Federico Peña
Subject Text	DOE invites participation in proposed study on regional integration
Topical Index	
Signature/Approval	Federico Peña
Action Requested	Approval/Signature
Special Instructions	
Folder Trigger	Internal Memo
Source	AM
Correspondence Date	3/12/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	POLICYD 202 586-5084 Deitrick, Karen
Action Office #	
Assigned To	FE
Date Due	
Date Completed	5/5/98

12



The Secretary of Energy  
Washington, DC 20585  
May 5, 1998

1998-004238

Ing. Efraín Carrera, President  
C.V.G. Electrificación Del Caroni C.A., EDELCA  
Edificio General, Planta Baja  
Avenida La Estancia, Chacao  
Caracas, Venezuela

Dear Ing. Carrera:

I appreciated having the opportunity to meet you when you accompanied Minister Arrieta during our meeting on January 26, 1998. I understand our meeting was followed by a meeting with two members of my staff at the World Energy Conference in Caracas, Venezuela, February 11-13, 1998, to discuss the proposed technical study on *Regional Integration, Bulk Power Reliability and Quality of Service*.

I would like to formally invite EDELCA's participation in this important study. This study will be led by Ing. Hugo L. Rincón Sergent, Secretary General, Comisión de Integración Eléctrica Regional (CIER) with participation from the U.S. electric power and natural gas industry and our Latin American counterparts. Each of the study participants, including the Department of Energy, has agreed to contribute \$50,000 to this effort.

The Ministers of Energy during their meeting in Caracas last January agreed upon the importance of promoting policies and processes to facilitate the physical interconnection of the natural gas and electricity infrastructure throughout the Hemisphere. A complete understanding of the technical issues that must be faced as we move toward this integration of our energy systems is essential. We believe that this study, when combined with the other important work that CIER has undertaken, can provide insights necessary for governments to put in place the right policy environment.

The contribution of the United States is not only monetary but will also include the expertise of our electric power industry and government regulatory bodies. This study is designed to benefit all participants with no duplication or overlap of effort with respect to previous CIER studies.

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This study was the result of a dialogue between the United States and Latin American countries at the *Meeting on Natural Gas and Electric Power Integration in the Southern Cone*, in Montevideo, Uruguay, September 8-10, 1997. At the meeting, over 230 high-level energy officials and industry executives from the United States and the Southern Cone countries (Argentina, Bolivia, Brazil, Chile, Paraguay, and Uruguay) addressed issues created by rising energy demand in those countries, investment opportunities in the natural gas and energy sectors, potential partnerships, barriers to regional energy integration, infrastructure requirements, trading across borders, developing competitive energy markets, and capacity building.

There are enormous fossil fuel and hydropower resources in Venezuela and throughout the Hemisphere that could become part of an integrated electricity grid, facilitating integration of thermal and hydroelectric resources. Facilitation of cross border energy trading and development of an integrated system can be achieved with the implementation of consistent and coordinated energy policies.

I have enclosed the draft terms of reference for the study and the executive summary from the Uruguay conference for your review. Because your organization is a leader in the electric power sector of the Western Hemisphere, your support and sponsorship is essential to the ultimate success of this important study.

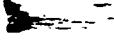
If you have any questions or require additional information, please contact Ms. Annette DuPont-Ewing of my staff at (202) 586-0504 or by facsimile at (202) 586-4729. I look forward to hearing from you at your earliest convenience.

Sincerely,



Federico Peña

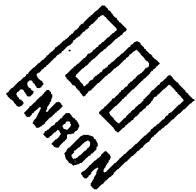
Enclosures


Folder Profile	
Control #	1998-004571
Name	letter to the Secretary from Kenneth L. Lay
Priority	Important
DOE Addressee	Federico Peña
Subject Text	Enron Corporation appreciates the Congress support of the Supplemental Appropriation for the International Monetary Fund – S/CC
Topical Index	
Signature/Approval	NA
Action Requested	Information Only
Special Instructions	Secretary's courtesy copy of a letter addressed to the United States Senate. Information copies: CI ES1 TEAM
Folder Trigger	Letter
Source	PM-O
Correspondence Date	3/31/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	CARPENTC 202 586-4528 Carpenter, Catherine
Action Office #	
Assigned To	PO
Date Due	
Date Completed	4/6/98

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14

1998-004465 Apr 1 9:40



VIA MESSENGER

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Chairman and  
Chief Executive Officer

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March 27, 1998

The Honorable Gary L. Ackerman  
U.S. House of Representatives  
2243 Rayburn House Office Building  
Washington, DC 20515-3205

Dear Congressman Ackerman:

Enron Corp. asks you to support the Supplemental Appropriation legislation for the International Monetary Fund (IMF) replenishment, which we expect will be considered by the full House after the Congressional recess. The IMF is important to preserve worldwide economic stability essential to U.S. business competitiveness, as evidenced by the Asian financial crisis.

Enron Corp. is actively developing and operating clean power projects in many Asian countries, including China, the Philippines and India. Currently, Enron is pursuing the development of a pipeline project in Bangladesh, researching the privatization possibilities in Thailand, exploring energy investment options in South Korea, and considering possible projects in Nepal. In addition, Enron has a large potential power project in Indonesia that has been put on hold due to the financial crisis in that country.

U.S. investment in ASEAN countries at the end of 1996 stood at \$35 billion, according to the Department of Commerce. Enron's energy development and exploration and production totals \$20 billion in emerging markets, including many in Asia. I view our long-range opportunities to be considerable as these economies modernize and foster the demand for our energy efficient and environmentally-sensitive capabilities.

The Asian financial crisis puts a damper on Enron's ability to raise funds for the many international projects we have in the developmental stages. Capital market investors are reluctant to provide additional debt for these emerging markets. Loans from banks are even more difficult to arrange and more costly. Enron's corporate cost of borrowing is beginning to increase because of the strain that the Asian crisis has placed on the Japanese banks. The impact could have been markedly worse without the IMF's assistance in weathering this economic storm.

Natural gas. Electricity. Endless possibilities.

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The Honorable Gary L. Ackerman  
March 27, 1998  
Page Two

The Asian financial challenge presents a unique opportunity to convince these nations of the benefits of liberalizing their economies and adopting open trading systems. We have been working actively in the APEC forum, which is currently negotiating to liberalize laws and regulations that hinder the marketing of energy equipment and energy services. The current crisis is moving Asian nations away from protectionist policies and towards a realization that only with the opening of their economic systems to foreign investment will they achieve long-term economic security.

The Asian crisis has depleted the IMF; its usable resources are low. The IMF, as it stands today, would be unable to meet the demands of another crisis on the level of the Asian crisis.

The United States is actively engaged in the global economy -- which, while seemingly remote to some of our fellow citizens -- has a significant impact on our domestic economy leading to our continued prosperity as a nation and as a people. IMF replenishment will help secure U.S. economic prosperity and create employment for our workers. Above all, funding of the IMF is essential to preserve U.S. global leadership. Enron Corp. respectfully urges your support for the IMF replenishment as contained in the Supplemental Appropriations.

Thank you for your attention to this important matter.

Sincerely,

*Kenneth W.*

cc: The Honorable William J. Clinton  
The Honorable Albert Gore, Jr.  
Mr. David Aaron  
The Honorable Madeleine Albright  
The Honorable Charlene Barshefsky  
The Honorable George Bush  
The Honorable William M. Daley  
The Honorable Stuart E. Eizenstat  
Mr. Robert W. Gee  
Mr. Thomas F. McLarty, III  
The Honorable Federico F. Pena  
The Honorable Robert E. Rubin

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The Honorable Henry A. Waxman  
U.S. House of Representatives  
2204 Rayburn House Office Building  
Washington, DC 20515-0529  
Phone: (202) 225-3976

The Honorable Robert Wexler  
U.S. House of Representatives  
1609 Longworth House Office Building  
Washington, DC 20515-0919  
Phone: (202) 225-3001

The Honorable Lynn Woolsey  
U.S. House of Representatives  
439 Cannon House Office Building  
Washington, DC 20515-0506  
Phone: (202) 225-5161

The Honorable  
Washington, DC  
Phone:

The Honorable Vacancy  
U.S. House of Representatives  
1118 Longworth House Office Building  
Washington, DC 20515-0522  
Phone: (202) 225-3601

The Honorable Bruce F. Vento  
U.S. House of Representatives  
2304 Rayburn House Office Building  
Washington, DC 20515-2304  
Phone: (202) 225-6631

The Honorable Wes Watkins  
U.S. House of Representatives  
2312 Rayburn House Office Building  
Washington, DC 20515-3603  
Phone: (202) 225-4565

The Honorable David J. Weldon  
U.S. House of Representatives  
216 Cannon House Office Building  
Washington, DC 20515-0915  
Phone: (202) 225-3671

The Honorable Richard A. White  
U.S. House of Representatives  
116 Cannon House Office Building  
Washington, DC 20515-4701  
Phone: (202) 225-6311

The Honorable Sidney R. Yates  
U.S. House of Representatives  
2109 Rayburn House Office Building  
Washington, DC 20515-1309  
Phone: (202) 225-2111

The Honorable  
Washington, DC  
Phone:

**The Honorable Richard K. Armey**  
**U.S. House of Representatives**  
**301 Cannon House Office Building**  
**Washington, DC 20515-4326**  
**Phone: (202) 225-7772**

**The Honorable John A. Boehner**  
**U.S. House of Representatives**  
**1011 Longworth House Office Building**  
**Washington, DC 20515-3508**  
**Phone: (202) 225-6205**

**The Honorable Tom DeLay**  
**U.S. House of Representatives**  
**341 Cannon House Office Building**  
**Washington, DC 20515-4322**  
**Phone: (202) 225-5951**

**The Honorable Jennifer Dunn**  
**U.S. House of Representatives**  
**432 Cannon House Office Building**  
**Washington, DC 20515-4708**  
**Phone: (202) 225-7761**

**The Honorable Newt Gingrich**  
**U.S. House of Representatives**  
**2428 Rayburn House Office Building**  
**Washington, DC 20515-1006**  
**Phone: (202) 225-4501**

**The Honorable**  
**Washington, DC**  
**Phone:**

Folder Profile	
Control #	1998-005567
Name	letter (courtesy copy) to the Deputy Secretary from Kenneth
Priority	Important
DOE Addressee	Elizabeth Moler
Subject Text	Urging the leaders of the U.S. House of Representatives to use their influence to address the critical need for the International Monetary Fund
Topical Index	
Signature/Approval	NA
Action Requested	Information Only
Special Instructions	DS1 courtesy copy of a letter addressed to The Honorable Bill Archer. DS/Moler, ES1, Team
Folder Trigger	Letter
Source	PM-O
Correspondence Date	4/23/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	MACKALLB 202-586-8923 Mackall, Brenda
Action Office #	
Assigned To	PO
Date Due	
Date Completed	4/23/98

14  
18

1998-005567 Apr 23 12:38



VIA MESSENGER

Kenneth L. Lay  
Chairman and  
Chief Executive Officer

Enron Corp.  
P. O. Box 1188  
Houston, TX 77251-1188  
(713) 853-6773  
Fax (713) 853-5313  
[klay@enron.com](mailto:klay@enron.com)

April 23, 1998

The Honorable Bill Archer  
U.S. House of Representatives  
1236 Longworth House Office Building  
Washington, DC 20515-4307

Dear Bill:

The House and Senate passed Supplemental Appropriations bills, H.R. 3579 and S. 1768, will move to Conference as soon as the House Conferees are appointed, which we believe should be done expeditiously. The Senate legislation contains important provisions to provide for funding and reforms of the International Monetary Fund (IMF), provisions we consider vital. The purpose of my letter is to ask you, as a leader of the House, to use your influence to address the critical need for IMF funding by urging the House to recede to the IMF provisions as contained in the Senate passed legislation.

Solving the Asian crisis and promoting the growth of trade requires a global lender of last resort such as the IMF. According to the Federal Reserve Chairman Alan Greenspan, there is a small but not negligible probability that Asia's financial turmoil threatens not only Japan, but also Latin America, and Eastern and Central Europe. This ripple effect in turn has repercussions elsewhere, including the U.S.

I believe those repercussions are beginning to manifest themselves in Latin America, a continent in which the U.S. has a significant and growing stake. Over the past year, Enron has completed a very significant series of initiatives in the Brazilian and Bolivian markets as have a number of other U.S. firms in the energy, telecommunications and manufacturing sectors.

Brazil has been under considerable financial strain as a consequence of the Asian crisis. As the largest South American economy in the midst of a major effort to privatize much of its infrastructure and transition towards a more open free market economy, it is particularly vulnerable to the ripple effects of the Asian crisis. While Brazil has responded well to the financial threats posed by the Asian currency problem, it remains vulnerable. If Brazil were to need support from the International Finance Corporation (IFC), and that institution lacked the resources with which to respond, the result could be calamitous, not only for Brazil and the rest of South America, but for the entire global trading system.

In bolstering the financial resources of the IMF, Congress will put in place a necessary insurance policy ensuring that a quick response to the crisis is possible if it deepens. Failure to support the IMF would leave the U.S. and the world economy vulnerable to additional financial shocks in Asia and elsewhere. It would be seen as a repudiation of current American leadership and of the long-standing American commitment to expanding global trade.

I thank you for your attention and consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Kenneth L. Lay".

Natural gas. Electricity. Endless possibilities.

A large, handwritten mark or signature in black ink, resembling the uppercase letter 'A' with a diagonal line through it.

cc: The Honorable David Aaron  
The Honorable Madeleine Albright  
The Honorable Charlene Barshefsky  
Mr. Ernie Bower  
The Honorable William M. Daley  
The Honorable Stuart E. Eizenstat  
The Honorable Thomas F. McLarty, III  
The Honorable Elizabeth Moler  
Mr. Robert S. Price, Jr.  
Mr. Ed Rice  
The Honorable Robert Rubin

B

Folder Profile	
Control #	1998-005864
Name	letter to Deputy Secretary from Jeffery A. Drozda, American
Priority	Important
DOE Addressee	Elizabeth Moler
Subject Text	Invites the Deputy Secetary to be the keynote speaker at the Indiana Energy Conference – September 22, 1998
Topical Index	Speaking Engagement
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	Info copies given to DS, ES/Holloway, EE. ES1 Team
Folder Trigger	Invitation
Source	PM-O
Correspondence Date	4/27/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	NURI 202 586-1921 Nuri, Khalil
Action Office #	
Assigned To	SL/Rollison
Date Due	
Date Completed	4/30/98

American Electric Power  
 101 West Ohio Street  
 Suite 1320  
 Indianapolis, IN 46204  
 317 636 6033  
 317 636 7681 Fax



April 27, 1998

The Honorable Elizabeth A. Moler  
 Deputy Secretary  
 U.S. Department of Energy  
 1000 Independence Avenue, SW  
 Washington, DC 20585

Jeffery A. Drozda  
 Manager  
 Governmental Affairs

Dear Deputy Secretary Moler:

On behalf of the conference planning committee, it is my pleasure to extend to you an invitation to be the keynote speaker at the Indiana Energy Conference (IEC) on Tuesday, September 22, 1998, in Indianapolis. It is my understanding that this date is available for you at the present time.

The goal of the IEC is to present thought-provoking speakers and topics to over 300 conference participants who have an expertise or interest in energy issues and how they will affect the broad spectrum of customers. Most participants will come from various areas across the region.

The Planning Committee, consisting of American Electric Power (AEP), Indiana Citizen's Action Coalition, the Indiana Department of Commerce, Enron, and a host of others, will look forward to your confirmation to this invitation. If possible, please let us know by Wednesday, May 13th. If you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffery A. Drozda". Below the signature, the name "Jeffery A. Drozda" is printed in a smaller, sans-serif font.

*Hope you can make it!*

Folder Profile		
Control #	1998-004976	
Name	Action memo from Skila Harris for the Secretary	
Priority	Important	
DOE Addressee	NA	
Subject Text	Sign Letters to members of the Tennessee Valley Electric System Advisory Committee	
Topical Index		
Signature/Approval	Federico Peña	
Action Requested	Approval/Signature	
Special Instructions		
Folder Trigger	Internal Memo	
Source	AM	
Correspondence Date	4/8/98	
RIDS Information	Head of Agency	
Sensitivity	Not Applicable	
Classification	None	
Point of Contact	POLICYG	
202-586-4261	Vanzego, Althea	
Action Office #		
Assigned To	AB	
Date Due		
Date Completed	5/5/98	



The Secretary of Energy  
Washington, DC 20585

May 5, 1998

Mr. Joseph Hartsoe  
Vice President  
ENRON Corporation  
1775 Eye Street, NW  
Suite 800  
Washington, DC 20006

Dear Mr. Hartsoe:

I have received the report of the Tennessee Valley Electric System Advisory Committee and congratulate you on your excellent work. The recommendations and position statements contained in the report provide important insight into the essential issues related to integrating the Tennessee Valley Authority into a competitive electricity industry.

Please accept my thanks and appreciation for your willingness to serve on the Advisory Committee. Be assured your report will be an important consideration as I make my recommendations to the Administration on how these issues are addressed as part of the Comprehensive Electricity Competition Plan.

I look forward to working with all of you in the future in order to bring the benefits of a competitive electricity industry to the citizens of the Tennessee Valley.

Sincerely,

A handwritten signature in black ink, appearing to read "Federico Peña".

Federico Peña

16A

Folder Profile	
Control #	1998-006350
Name	letter to the Secretary from Janet Gellici, Western Coal Cour
Priority	Important
DOE Addressee	Federico Peña
Subject Text	Accepts invitation to serve as a member of the National Coal Council
Topical Index	
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	Info copy given to ES1 Team
Folder Trigger	Letter
Source	PM-O
Correspondence Date	5/6/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	NURI 202 586-1921 Nuri, Khalil
Action Office #	
Assigned To	FE
Date Due	
Date Completed	5/18/98

17  
2



1998-006350 May 13 11:34

5765 Olde Wadsworth Blvd., Ste. 18,  
(303) 431-1456 ♦  
E-mail: info@westcoal.org ♦ W.

**MEMBER COMPANIES**

**Coal Suppliers**

AMCI Export/Tanoma Coal Sales  
Andalex Resources, Inc.  
Arch Coal, Inc.  
ARCO Coal Company  
Canyon Fuel Company LLC  
Commonwealth Coal Sales, Inc.  
Cyprus Amax Coal Company  
Kennecott Energy Company  
Montana Power Company Coal Ops.  
NextGen Coal Services  
Oxbow Carbon & Minerals, Inc.  
Peabody COALSALES Company  
Pittsburg & Midway Coal Mining

**Coal Consumers**

American Electric Power  
Arizona Public Service Company  
Commonwealth Edison Company  
Illinois Power Company  
North American Power Group, Ltd.  
Wisconsin Power & Light

**Power Marketers**

Citizens Power  
ENRON Capital & Trade Resources

**Transportation Companies**

Burlington Northern Santa Fe  
Illinois Central Railroad  
Kansas City Southern Railway  
Savage Industries, Inc.  
TECO Transport  
Union Pacific Railroad  
Utah Railway Company

**Ports & Terminals**

Calhoun Marine Services  
Cook Coal Terminal  
Kinder Morgan Energy Partners, L.P.  
Los Angeles Export Terminal (LAXT)  
Metropolitan Stevedore Company  
Orba-Johnson Transshipment Co.  
Pacific Carbon Services  
Port of Long Beach  
WorldPort Los Angeles

**Associates**

A.J. Edmond Company  
The Alcaraz Companies, Inc.  
Buckeye Steel Castings  
Ctr. Energy & Economic Dev. (CEED)  
Commercial Testing & Engineering  
Coopers & Lybrand L.L.P.  
COVOL Technologies, Inc.  
EuroBrokers, Inc.  
Fieldston Company, Inc.  
GE Railcar Services  
General Maritime Transportation Svcs.  
Great Northern Properties LP  
Hill & Associates, Inc.  
Int'l. Strategic Information Svcs. (ISIS)  
John T. Boyd Company  
Johnstown America Corporation  
LOGISTICON, Inc.  
Nalco Chemical Company  
Quintana Consulting Services  
Resource Data International (RDI)  
Sandwell Engineering, Inc.  
Stagg Engineering Services  
Standard Laboratories, Inc.  
Thrall Car Manufacturing  
Transmarine Navigation Corp.

**Immediate Past President**  
Jim McAndrew  
Arch Coal Sales Company

May 6, 1998

**The Honorable Federico Pena  
Secretary of Energy  
U.S. Department of Energy  
Washington, D.C. 20585**

**Dear Secretary Pena:**

**It is with honor that I accept your invitation to serve as a member of the National Coal Council (NCC). I look forward to working with the new Executive Director and the other members of the NCC in an advisory capacity to the Secretary of Energy.**

**My only regret is that I will not have the opportunity to work with you; as a long time resident of the Denver-metro area, I have followed your career and enjoyed being witness to your many accomplishments. I wish you the best in your new endeavors and fully expect that I and the Western Coal Council (WCC) will prove to be valuable resources for the incoming Secretary of Energy.**

**Thank you, again, for your invitation. I will serve on the National Coal Council with honor and to the utmost of my ability.**

**Regards,**

Janet Gellici  
WCC Executive Director

**EXECUTIVE COMMITTEE:**

President, Paul Warner, ARCO Coal Company ♦ Vice President, Coal Suppliers, Vaughn Mavers, Peabody COALSALES Company ♦ Vice President, Coal Consumers, Ron Young, American Electric Power ♦ Vice President, Transportation, Vernon Songer, Kansas City Southern Railway ♦ Vice President, Ports & Terminals, Joe O'Toole, Kinder Morgan Energy Partners L.P. ♦ Vice President, Associates, Lloyd Taylor, Commercial Testing & Engineering ♦ Executive Director, Janet Gellici

DA

Folder Profile	
Control #	1998-007970
Name	letter to Deputy Secretary from Jacqueline Grapin
Priority	Important
DOE Addressee	Elizabeth Moler
Subject Text	Invites the Deputy Secretary to deliver remarks at the European Institute Roundtable on Energy, Environment and Transportation – September 17, 1998
Topical Index	Speaking Engagement
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	Info copy given to ES1 Team
Folder Trigger	Invitation
Source	PM-O
Correspondence Date	6/24/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	NURI 202 586-1921 Nuri, Khalil
Action Office #	
Assigned To	SL/Rollison
Date Due	
Date Completed	6/29/98

18  
22



5225 WISCONSIN AVENUE, N.W., SUITE 200, WASHINGTON, DC 20015-2014  
 TELEPHONE: (202) 895-1670 ■ FAX: (202) 362-1088 ■ E-MAIL: INFO@EUROPEANINSTITUTE.ORG

June 24, 1998

The Honorable Elizabeth A. Moler  
 Deputy Secretary  
 US Department of Energy  
 Forrestal Building Room 7B-199  
 1000 Independence Avenue, SW  
 Washington, DC 20585

Dear Ms. Moler:

The European Institute Roundtable on Energy, Environment and Transportation is preparing for a major transatlantic forum on "Energy Security and Global Fuel Needs in the 21<sup>st</sup> Century" to be convened on September 17, 1998. This seminar will address the economic, political and environmental forces shaping the need for diversification in the world's energy supply. The role of governments and businesses in the evolution of the energy industry, and the implications of a new fuel mix for the US and European economies, will also be addressed. The Honorable Pablo Benavides, Director-General for Energy (DG XVII), European Commission, has confirmed his participation.

*On behalf of the Board of Directors and the Members of the Roundtable, I would like to invite you to deliver remarks, sharing your views on the role of governments in the evolution of the fuel mix, at the outset of the second session of this important event.* It was an honor to include your participation in the October 1997 seminar on "Transatlantic Energy Market Liberalization." We would welcome the opportunity to receive you once more and benefit from your expertise. We would be pleased to further define the topic of your remarks with your staff upon your reply.

The format of the seminar will include two afternoon sessions of moderated roundtable discussion, with brief presentations being made by various speakers, followed by a dinner. Session I will focus on "The New Global Fuel Mix in the 21<sup>st</sup> Century" and Session II will examine "Government and Market Forces in an Evolving Energy Industry." The discussion will be chaired by Ambassador Sidney Linn Williams, Senior Vice President and General Counsel, Edison Mission Energy Company. Invited speakers include John Battle, MP, Minister of State for Industry, Energy, Science and Technology of the United Kingdom, Dr. Daniel Yergin, President, Cambridge Energy Research Associates, and several energy industry executives.

As you know, The European Institute is the leading Washington-based organization devoted to European-American relations. Among its members are 23 European governments and more than 70 multinational corporations. The administrations of the United States and Europe cooperate with us in the development and organization of high-level meetings and international seminars allowing us to unite members into an exclusive network of decisionmakers on both sides of the Atlantic. Participants in Institute programs monitor policy developments while engaging in practical analyses

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of major economic and political issues common to governments, business, and societies. Updated materials on the Institute are enclosed for your information.

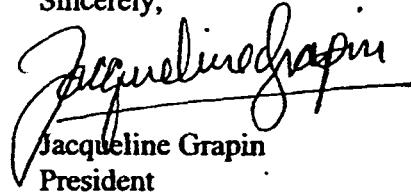
The Institute's **Roundtable on Energy, Environment and Transportation** brings together policymakers, legislators, and regulators from the US and Europe; executives representing US and European companies; representatives from industry and environmental organizations; senior officials of multilateral organizations; and independent experts to explore possibilities for US-European cooperation across the Atlantic and globally.

Members of the energy roundtable include representatives from *Cap Gemini, Electricité de France, Infilco Degremont, General Electric, Enron, Edison Mission Energy, ENI, Exxon, British Nuclear Fuels Ltd, Siemens, and Mobil*. The upcoming meeting is a result of their expressed interest in addressing the evolution of the energy industry from a transatlantic perspective.

The September 17 forum will be held from 3:00 p.m. until 9:00 p.m. at the Mayflower Hotel, 1127 Connecticut Avenue, NW, Washington, DC. *A preliminary program agenda is enclosed for your review.*

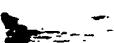
It would be an honor to receive you once again at The European Institute. In order to facilitate the organization of this international event, we would appreciate your early consideration of this invitation. If you or your staff have any questions, please do not hesitate to contact me at (202) 895-1670. I look forward to your reply and hope that you will be able to join us on September 17.

Sincerely,



Jacqueline Grapin  
President

Enclosures





# THE EUROPEAN INSTITUTE

## TRANSATLANTIC SEMINAR ON ENERGY SECURITY AND GLOBAL FUEL NEEDS IN THE 21<sup>ST</sup> CENTURY

Convened under the auspices of The European Institute's  
*Roundtable on Energy, Environment and Transportation*

September 17, 1998  
Mayflower Hotel  
Washington, DC

*Colonial Room*

**DRAFT**

2:45 p.m. **REGISTRATION**

3:00 p.m. **WELCOME AND INTRODUCTION**

\*Jacqueline Grapin, President, The European Institute

**Chairman:** \*Ambassador Sidney Linn Williams, Senior Vice President and  
General Counsel, Edison Mission Energy Company

3:15 p.m. **SPECIAL OPENING REMARKS**

What are the challenges to global energy supply? How do they affect policy?  
Dr. Daniel Yergin, President, Cambridge Energy Research Associates

3:45 a.m. **SESSION I - THE NEW GLOBAL FUEL MIX IN THE 21<sup>ST</sup> CENTURY**

The security of natural gas and other sources

\*The Honorable Pablo Benavides, Director-General for Energy (DG XVII), European  
Commission

Projected energy demand in the developing world: what kind of energy will China  
and others be importing?

James Bond, Director, Energy, Mining and Telecommunications, World Bank

What will be the ramifications of the Kyoto Protocol for energy development? Will  
we clean up the fuels we use or look for alternatives?

Industry representative (oil - US)

Industry representative (electricity - US)

Prices as driving forces in the fuel mix

European government representative

5:00 p.m. **BREAK**

5:15 p.m. **SESSION II - GOVERNMENT AND MARKET FORCES IN AN EVOLVING ENERGY INDUSTRY**

*proposed role* Can and should governments influence the fuel mix?  
The Honorable Elizabeth Moler, Deputy Secretary, US Department of Energy

A corporate perspective on the role of government  
Industry representative (nuclear - Europe)

Will emissions trading be local or international? Will there be caps on it? How do opinions on this topic differ in the US and Europe?  
Industry representative (US or Europe)

Prospects for free trade in energy sector products within the new Transatlantic Economic Partnership (TEP)  
Donald Eiss, Acting Assistant United States Trade Representative for Industry

How do these issues affect research and development?  
Dr. Frederic Bernthal, President, Universities Research Association

6:30 p.m. **END OF DISCUSSION**

***East Room***

7:00 p.m. **DINNER**  
**Keynote Address**

John Battle, MP, Minister of State for Industry, Energy, Science and Technology of the United Kingdom

9:00 p.m. **END OF MEETING**

\*=confirmed  
as of June 24, 1998

Folder Profile	
Control #	1998-008026
Name	outgoing letters to 165 members of the National Petroleum Council
Priority	Important
DOE Addressee	Federico Peña
Subject Text	Secretary Peña departure letters to 165 members of NPC sharing recent accomplishments
Topical Index	
Signature/Approval	Federico Peña
Action Requested	Prepare Response
Special Instructions	encloses copy of the Comprehensive National Energy Strategy Plan. Letters merged and dispatched by SP/Mackall
Folder Trigger	Letter
Source	PM-O
Correspondence Date	6/26/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	MACKALLB 202-586-8923
Action Office #	Mackall, Brenda
Assigned To	SP
Date Due	
Date Completed	6/26/98



The Secretary of Energy

Washington, DC 20585

June 26, 1998

Mr. Kenneth L. Lay  
Chairman and Chief Executive Officer  
Enron Corp.  
Post Office Box 1188  
Houston, Texas 77251-1188

Dear Mr. Lay:

On June 30, 1998, I will be leaving the Department of Energy. Before I depart, I wanted to share with you some recent accomplishments that may be of interest to you.

In April 1998, we released the Comprehensive National Energy Strategy, a copy of which is enclosed. One of our important national goals is to protect our economy against energy supply disruptions and to provide for specific measurable milestones to accomplish this goal. These include stopping the decline in U.S. oil production by 2005, increasing domestic natural gas production, maintaining the readiness of the Strategic Petroleum Reserve, and diversifying the sources of oil available for world markets.

Our strategy also identifies ways to reduce our reliance on oil supplies from the Persian Gulf. In early April, I traveled to Moscow where I had the opportunity to meet with Prime Minister Sergei Kiriyenko and First Deputy Prime Minister Boris Nemtsov. These were important and productive meetings during this time of transition in the Russian Government. I emphasized to each official the strong partnership that exists between the U.S. and Russia, the progress we have made on energy issues, the high priority oil and gas projects, and our mutual interests in the Caspian region.

We have worked diligently to ensure that we move forward to realize other goals in the Comprehensive National Energy Strategy, particularly to ensure greater development of U.S. oil and gas resources. The Strategy was developed with the full involvement of top DOE management, and it represents a departmental blueprint that will continue to guide our policy-making even after I depart.

I have been honored by the President to have been given the opportunity to serve as Secretary of Energy, and I leave the position with a strong belief in the importance of reducing our reliance on select sources of energy and the role that the U.S. oil and gas industry must play to help secure our Nation's energy future.

Sincerely,

Federico Peña

Enclosure

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A

Folder Profile	
Control #	1998-008487
Name	letter to Secretary from E. Joseph Hillings
Priority	Important
DOE Addressee	Federico Peña
Subject Text	Enclosed is a press release and speech given by Enron Chairman Kenneth L. Lay, which explains Enrons current and future retail activities in California
Topical Index	
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	
Folder Trigger	Letter
Source	PM-O
Correspondence Date	7/15/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	NURI 202 586-1921 Nuri, Khalil
Action Office #	
Assigned To	EE
Date Due	
Date Completed	7/16/98

20

1998-008487 July 16 a 11:59



**E. Joseph Hillings**  
*Vice President and General Manager*  
*Federal Government Affairs*

**Enron Corp.**  
1775 Eye Street, NW, Suite 800  
Washington, D.C. 20006-4607  
(202) 466-9145  
Fax (202) 828-3372  
[jhillin@enron.com](mailto:jhillin@enron.com)

July 15, 1998

Enclosed for your review is a press release and speech given by Ken Lay, CEO of Enron, to the Western Economic Association Conference in Lake Tahoe which explains Enron's current and future retail activities in California. Enron currently serves over 30,000 residential and business customers in California, with seven major offices and ten sales offices throughout the state.

If you have any questions about the enclosed materials, or would like further information, please contact me at (202) 466-9145.

Enclosures

Natural gas. Electricity. Endless possibilities.™

A

Gary Foster  
713-853-4527

**ENRON CHAIRMAN KENNETH L. LAY PRAISES PROGRESS  
TOWARD A COMPETITIVE ELECTRICITY MARKET IN  
CALIFORNIA; ADVOCATES FURTHER IMPROVEMENTS**

*Lay Opposes Ballot Initiative, Says Focus Should be on Improving the Current Market Structure*

FOR IMMEDIATE RELEASE: Tuesday, June 30, 1998

**LAKE TAHOE, Calif.** – Enron Chairman and CEO Kenneth L. Lay today urged California state legislators and regulators to continue the progress they have made toward customer choice and competition in the electricity industry. Lay's remarks were made during his address to the Western Economics Association Conference.

"I want to congratulate the California Public Utilities Commission (CPUC) for starting the march toward consumer choice and competition in electricity in 1994," Lay said. "I also commend the California Legislature for providing the leadership to finish the job in 1996 with the passage of AB 1890, the legislation that made competition and choice the law in California."

Lay challenged lawmakers and regulators across the country to assure that customers are not held hostage for every penny of the incumbent monopolies' "stranded costs" and also assure that utilities are prohibited from writing the rules for competition.

"If incumbent monopolies are handed 100 percent of their stranded costs and allowed to write monopoly-friendly rules, consumers will continue to suffer from the same high prices, poor service and lack of innovation that they have been subjected to for decades," Lay said. "Consumers have increasingly become an afterthought in the deregulation process."

"If we do not succeed, consumers and our economy will lose, and the losses will be significant," Lay warned. "We must re-focus our efforts on the consumer, and we must do it quickly."

Noting the opportunity for improvement in AB 1890, Lay suggested giving all customers the right to choose their service provider immediately and discontinuing the utility's exclusive franchise for customers who neglect to make a choice.

"If no supplier can beat the incumbent's rate, then the incumbent will continue to serve and no one will be any worse off," Lay said. "If a competing service provider can beat the monopoly's rate, then the aggregated customers will be better off. We plan to press hard for what we think is clearly a superior alternative for consumers, and we will work with CPUC President Bilas and the Legislature to implement this type of competitive framework for default service."

Lay reiterated Enron's pledge to work with the Legislature and CPUC to improve the market structure. He also encouraged California voters to reject an initiative that has been placed on the November ballot by California consumer groups and which, if passed, would roll back the progress to date that has been made.

"We're very excited about California," Lay said. "Enron currently has over 30,000 residential and business customers. We have seven major offices and ten sales offices around the state and over 300 employees, including 200 serving the newly deregulated marketplace. We're currently bringing energy savings and innovation to the University of California and California State University systems, Kaiser Permanente, Pacific Bell and Lockheed Martin. Thanks to California's decision to give consumers a choice, we're helping to bring real energy savings and innovation to California's families, schools, health care system and businesses."

Lay noted that Enron's commitment to customer choice is consistent with its opposing viewpoint of the ballot initiative.

"The initiative represents a significant step backward because it will remove the benefits of choice and competition from consumers' pockets and deliver them to lawyers and consultants who will be grid-locked in endless battles over the legality of the initiative's provisions," Lay said. "The right course of action is to overhaul the industry's poor performance record and loosen its grip on customers. In addition, we need to pursue improvements in the current market structure and improve the rules created by the Legislature and CPUC."

Enron is the world's leading integrated electricity and natural gas company. The company, which owns approximately \$24 billion in energy related assets, produces electricity and natural gas, develops, constructs and operates energy facilities worldwide and delivers physical commodities and risk management and financial services to customers around the world. Enron's Internet address is [www.enron.com](http://www.enron.com), and the stock is traded under the ticker symbol, "ENE."

Remarks of Ken Lay  
Chairman and CEO, Enron Corp.  
Western Economic Association Conference  
Lake Tahoe, California  
June 30, 1998

Thank you President Bilas. It is a pleasure to be with you today.

I am particularly pleased to have the opportunity to share my thoughts on a topic that economists have done much to shape.

It wasn't too long ago that economists weren't much welcome in discussions over how best to organize some of our economy's most vital industries, like airlines, natural gas, financial services, telecommunications, electricity, and water.

But economists are nothing if not dogged. And with their help, we've seen industry after industry move away from monopolies and intrusive regulation to markets and competition. Consumers have seen equally dramatic results. The shift away from government planning has brought cost savings and innovation that have surpassed the expectations of industry restructuring's most ardent supporters.

So it wasn't that long ago that those of us on the side of markets, competition and choice were a lonely group, accused of being extreme, and worse, impractical. But today things are different. Governments around the world are looking to the private sector to deliver essential infrastructure. An increasing number of state legislatures and public utility commissions have sided with markets; and it's only a matter of time before Congress does the same. Even groups like the Edison Electric Institute claim to support competition and choice. Economists who opposed a common wisdom bent on guarding monopolies and were once considered "fringe" are now mainstream.

And there's a reason for that. At Enron, we have a saying. "Facts are friendly." And the facts show beyond a doubt that when competition and choice replace monopolies and government planning, consumers and the economy are better off. It is difficult to overstate the importance of this accomplishment, and the vital role that economists have played in achieving it. It is an accomplishment our profession can be proud of.

Change hasn't been easy, and it won't get any easier. Understandably, the

incumbent utilities who have benefited from 100 years of monopoly will not relinquish control willingly. But the change will come. It's only a matter of time. The electric industry, like the natural gas, airlines and telecommunications industries before it, is on the threshold of a new era. We at Enron embrace the change. In fact, we're doing everything we can to hasten its arrival. So I want to congratulate and thank those of you whose work has helped to bring consumers the benefits of choice and competition that they have been denied for far too long.

Ideas and theories are important. But it is actions that matter in the end. In the battle of ideas that took place over electricity in states like California, New Hampshire, Nevada, Pennsylvania, and Arizona, markets, competition and choice won the day. Competition and choice won the day when Congress moved to restructure telecommunications, surface freight, airlines, and natural gas. But the real test has always been implementation. That test is currently underway in California.

First I want to congratulate the California Public Utilities Commission for starting the march toward consumer choice and competition in electricity in 1994. And I commend the California Legislature for providing the leadership to finish the job in 1996 with the passage of AB 1890, the legislation that made competition and choice law in California.

Now are the rules that the California Public Utilities Commission initially established to govern competition and choice in California the very best that they can be? We don't think so. Is there room for improvement in AB 1890? In our view, there is. But more importantly, were the actions of the California PUC and Legislature a step in the right direction? Are the state's consumers, its economy and California's electric industry better off as a result? You bet. And for that reason, California should be applauded.

We're very excited about California. Enron currently has over 30,000 residential and business customers. We have seven major offices and ten sales offices around the state and over 300 employees, including 200 serving the newly deregulated marketplace. We're currently bringing energy savings and innovation to the University of California and California State University systems, Kaiser Permanente, Pacific Bell and Lockheed.

Thanks to California's decision to give consumers choice, we're helping to bring real energy savings and innovation to California's families, schools, health care system and businesses.

That's why we staunchly oppose the initiative that some consumer groups have placed on California's November ballot. The initiative represents a significant step backwards. It won't do much more than take the benefits of choice and competition out of the pockets of consumers and hand them over to lawyers and consultants in endless battles over the legality of the initiative's provisions. Is more work needed to ensure that Californians get real choice and real competition? Absolutely. And we intend to roll up our sleeves and work constructively with the California Public Utilities Commission and the Legislature to get the job done. But the initiative simply is not the answer. It is the wrong thing to do. And that's why we oppose it. The right thing is to continue to encourage and create opportunities for companies like Enron to revitalize an industry that has kept choice from consumers and performed poorly for too long, and at the same time to improve the current market structure and rules created by the Legislature and the California Public Utilities Commission.

The sooner we get that job started, the more unpopular the initiative will become. The longer we delay, the more attractive the initiative will become to monopoly-weary consumers.

Before focusing specifically on California, let me share some general observations about the state of consumer choice and competition in the US electric industry now that we have some experience under our belts.

Two issues stand out in particular. First, since electric industry restructuring began several years ago, many have taken their eyes off the ball. There's been a tendency to lose sight of why we decided to end 100 years of monopoly control in the first place. It's about consumers. Consumers, and the benefits that come with the freedom to make energy choices for themselves must remain the focus. Unfortunately, consumers have increasingly become an afterthought. Consumers have taken a back seat to utility shareholders and managers, and to the interest groups who have relied on legislative and regulatory forums to secure funding for pet projects through utility rates. Clearly, these

groups should be treated fairly in the transition. But we can't allow special narrow interests to ride roughshod over the interests of consumers, or restructuring will fail. I understand that those who benefit under the *status quo* might welcome failure. But if we do not succeed, consumers and our economy will lose, and the losses will be significant. So we must re-focus our efforts on the consumer, and we must do it quickly.

The second issue is closely related to the first. If, as the *quid pro quo* for choice and competition, we require consumers to pay for every penny of the incumbents' "stranded costs," we cannot also allow the incumbent monopolies to write the rules for competition. If allowed to write the rules, the incumbent monopolies will eliminate competition before it ever begins. We've already seen how this can happen. For example:

- by guaranteeing the utility market share at no cost by leaving it with the role of default service provider;
- by allowing the monopoly to use revenues from captive customers to fund unregulated affiliates and allowing the affiliates to leverage the incumbent's ratepayer-financed brand equity;
- by allowing the monopoly to retain control over transmission and generation assets and us those assets to exercise market power;
- by allowing the monopoly to devise arcane regulatory schemes to "estimate" stranded costs rather than rely on the market to value assets, and to keep us in the dark about the size of stranded costs;
- by allowing the monopoly to retain control over other competitive market segments like metering, billing and distribution services.

If incumbent monopolies are handed 100% of stranded costs and permitted to write monopoly-friendly rules like these, consumers will continue to suffer from the same high prices, poor service and lack of innovation that they have been subjected to for decades.

Many of you in this room worked hard to debunk the notion that we are better off with a policy that requires all of us to get our electric-service from a monopoly. But the job is far from over. Now we have got to work just as hard to make sure that the

transition to choice and competition doesn't leave us worse off by trading in a regulated monopoly for an unregulated one.

Let me turn to California and share with you how we see the electricity market shaping up over the next few years.

We entered the California market committed to serving all consumers, from the largest business customers to the smallest household. And our investment in marketing, sales and back office operations speaks volumes about that commitment. We believed we could incent customers to switch and do so economically. But as you are probably aware, market conditions in California have forced us to refocus our efforts. What happened?

First and foremost, California's market structure and rules leave little if any room to offer residential consumers a reason to switch during the transition *and* give our shareholders an acceptable return on their investment. For example, the amount of stranded costs that consumers must ultimately pay the incumbents for bad investments is a big unknown. The failure to fix the amount injects a high level of risk into business planning. It's hard to set prices when one of the biggest components of your cost structure is so ill-defined. Real choice and real competition requires that the level of stranded costs be fixed, and fixed right at the start.

The ten percent rate cut mandated by AB 1890 for residential consumers is another reason we've refocused. Based on press accounts and conversations with AB 1890's principal authors, we understand that the California Legislature believed there were a couple of good reasons for mandating the rate cut.

First, the authors feared that competitors would ignore residential customers and focus on large customers. They apparently saw the ten percent rate cut as a way to guarantee savings for residential customers whether or not competition bloomed for small customers. Second, the authors hoped that the rate cut would protect small consumers. They figured that the market would have a difficult time competing with the ten percent rate cut, which would make the residential sector unattractive enough that unscrupulous competitors would look elsewhere.

So as we understand it, AB 1890's authors never intended for competition to reach California's residential customers during the four-year transition and they

structured the market with that goal in mind.

The legislation may have hedged these perceived risks, but in our view it overlooked another important risk. By focusing solely on a short term rate decrease, California traded-off competition's biggest benefit—innovation. All things being equal, California's residential consumers are better off paying ten percent less for their electricity. But by handing the residential market over to the incumbent utilities in exchange for a ten percent rate decrease, consumers will forego the benefits of innovation and perhaps even greater price cuts. That's because competition is the engine that drives innovation, and competition isn't going to be there—at least during the transition. In our view, we'll reap the greatest benefit by unleashing rigorous competition—and innovation—for all customers.

Most troubling about the current market structure is the fact that it guarantees market share for the incumbent. Competitive markets just don't provide guarantees. But the way things are today in California—and in other state's that have opted for consumer choice—the utility gets the privilege of serving any customer who fails to make a choice. The same thing happened when, for competition's sake, AT&T was forced to divest its long-distance operations. AT&T enjoyed what amounted to an exclusive franchise on every customer who did not choose to take service from another customer. And because AT&T's costs were significantly higher than its competitors, consumers who were stuck with AT&T as the default provider ended up paying billions of dollars in higher telephone bills.

We think there's a better way. Give all customers the right to choose immediately, but don't continue the utility's exclusive franchise for customers who neglect to make a choice. They'll benefit more if we aggregate them and let competing suppliers bid to serve them. If no supplier can beat the incumbent's rate, then the incumbent will ~~continue to~~ serve them and no one is any worse off. If a competing service provider can beat the monopoly's rate, then the aggregated customers will be better off. We plan to press hard for what we think is clearly a superior alternative for consumers and will work hard with President Bilas and the Legislature to implement this sort of competitive framework for default service. It just doesn't make sense to condemn

California's electricity consumers to the same high prices AT&T's customers fell prey to.

These are some of the key features of California's market structure that led us to refocus our business strategy. It shows the importance of establishing a market structure that is friendly to competition at the outset if we want to maximize competition, innovation and savings for all consumers.

These shortcomings aside, California did the right thing by passing AB 1890 and deserves our congratulations. The best thing for California to do now is work diligently and constructively to improve as quickly as possible on what has been a good start.

Passing the initiative that recently qualified for the ballot would be the worse thing to do.

Let me close with a few comments about our decision to suspend our residential efforts in California, and in other markets where the structure and rules preclude us from participating in a way that is attractive to consumers and our shareholders. Much has been made of that decision; too much, in my view. The more important question is: Are consumers better off when they're captive to a monopoly or when they're free to choose for themselves? The answer is clear.

They are better off for one simple reason: the mere threat that a customer might choose someone else provides a powerful incentive to keep costs and prices low. In California, as in other states, utility prices, like taxes, rose steadily for decades. But when the California Commission released its landmark choice proposal in 1994 and the utilities saw competition on the horizon, they actually did something very novel. They started to trim costs, lower prices and focus on serving customers better. So in a very short time, the threat of competition has accomplished something that California's regulators have struggled to achieve for a long time. So California made the right choice—it abandoned monopolies for markets—and we're going around the country urging other states to do the same. Just as importantly, the deals Enron has already done in California will help California's universities, hospitals and telecommunications firms lower costs and provide better, more cost-effective service to Californians.

As for Enron, we're very excited about the opportunities that exist today and the opportunities opening up every day. We're very pleased about the success we've had, and we're confident that that success will continue. We will continue to assess our

opportunities month by month, market by market. Our obligation to our shareholders demands it. From time to time, circumstances will cause us to shift our focus and make mid-course corrections. But if an opportunity exists, we'll be there, like we are in California. And we're here to stay. The opportunities are increasing every day. And we intend to seize them. Thank you.

Folder Profile	
Control #	1998-008650
Name	letter to Deputy Secretary Moler from E. Joseph Hillings, En
Priority	Important
DOE Addressee	Elizabeth Moler
Subject Text	Comments on the U.S. international trade policy – S/CC
Topical Index	
Signature/Approval	NA
Action Requested	Information Only
Special Instructions	Acting Secretary courtesy copy of a letter addressed to the Honorable Neil Abercrombie. information copies: ES1 Team
Folder Trigger	Letter
Source	PM-O
Correspondence Date	7/22/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	HOLLOWAG 202 586-2584 Holloway, Geneva
Action Office #	
Assigned To	PO
Date Due	
Date Completed	7/23/98

21

1998-008650 Jul 23 a 7:16



July 22, 1998

The Honorable Neil Abercrombie  
U.S. House of Representatives  
1233 Longworth House Office Building  
Washington, DC 20515-1101

*F. Hill S.*  
*7*  
*Exhibit 1*  
*1*  
*1*

**E. Joseph Hillings**  
Vice President and General Manager  
Federal Government Affairs

**Enron Corp.**  
1775 Eye Street, NW, Suite 800  
Washington, D.C. 20006-4607  
(202) 466-9145  
Fax (202) 828-3372  
[jhillin@enron.com](mailto:jhillin@enron.com)

Dear Congressman Abercrombie:

The House will shortly be considering a variety of issues important to U.S. international trade policy. Therefore, I wanted to share with you our position on these issues based on our global work experience. These are issues which not only influence foreign and trade policy, but also have a very direct impact on domestic job growth and U.S. business competitiveness.

Most Favored Nation trade status will soon be more clearly known as Normal Trade Relations. The House Ways and Means Committee encouraged the full House to support continuing Normal Trade Relations with China. China has become a significant market for the sale of energy, transportation, telecommunications and a variety of other industries. Current news reports from China show there are many changes underway in commerce as well as opportunities for democratic ideals and free market principles. However, we know greater change must take place. In addition to a power plant in Hainan Island, we are developing a gas field in the Szechuan Province, and discussing other clean energy and renewable energy projects.

Many of the most significant opportunities in terms of U.S. manufactured goods and related services have presented themselves in developing nations such as Mozambique, Croatia and Romania. These are truly developing nations and developing markets where U.S. participation is wanted, appreciated and needed to establish long-term political and economic relationships. However, the very nature of these markets requires a variety of tools including export credit availability. The Overseas Private Investment Corporation (OPIC), the U.S. Export-Import Bank (Ex-Im Bank), and the Trade and Development Agency (TDA) make U.S. participation in developing markets possible. Export credit agencies from other nations are active in support of their companies. The availability of OPIC, Ex-Im Bank and TDA is critical to our global competitiveness which in turn supports the creation of jobs. I hope you will support the Foreign Operations Appropriations legislation, which funds these agencies, when it comes before the House.

Another important tool in foreign trade effectiveness is the International Trade Administration of the Department of Commerce, especially its business advocacy function which is included in the Commerce, Justice, State Appropriations bill. Not only Enron but many small and medium-sized companies benefit from this function which uses U.S. influence and a staff of senior commercial officers to help position U.S. companies in highly competitive markets.

Included in the Foreign Operations Appropriations bill is U.S. financial support for the International Monetary Fund (IMF). We encourage you to support the Administration's full \$18 billion request. Global economic stability is very important for U.S. business investment in overseas markets. Today, through superior communication, the effects of the Asian, and now Russian, financial crises have been immediately and globally recognized. The IMF like so many of our national and global institutions is not a perfect entity. Nonetheless, it is the **only** institution which has a charter to address financial crises when they arise and bring stability and liquidity to global markets under stress. Let's support funding for the IMF even while encouraging reforms that can make its operation more effective.

I thank you for your patience in considering these near-term items which are sometimes difficult to fully appreciate unless you are actively engaged in international commerce. There are other challenging issues such as sanctions which are also likely to come before you before you adjourn for the year. Your support of the issues mentioned above is critical to U.S. global competitiveness. I hope you will support these issues as they produce prosperity and stability for our nation.

Warmest regards and best wishes.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Hohenberg". The signature is fluid and cursive, with a large, stylized "J" at the beginning.

cc: The Honorable David Aaron  
The Honorable Madeleine Albright  
The Honorable Charlene Barshefsky  
Mr. Ernie Bower  
Mr. T.S. Chung  
The Honorable William M. Daley  
The Honorable Stuart E. Eizenstat  
Ms. Mary Irace  
The Honorable Thomas F. McLarty, III  
The Honorable Elizabeth Moler  
Mr. Robert S. Price, Jr.  
Mr. Ed Rice  
The Honorable Robert Rubin

21B

Folder Profile	
Control #	1998-009102
Name	letter to DS/Moler from Steve Forbes, Forbes Magazine
Priority	Important
DOE Addressee	DS
Subject Text	Invites the Deputy Secretary to attend inaugural 1998 Forbes Executive Women's Summit – November 10-12, 1998
Topical Index	Meeting Request
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	
Folder Trigger	Invitation
Source	PM-O
Correspondence Date	7/31/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	NURI 202 586-1921 Nuri, Khalil
Action Office #	
Assigned To	SL/Rollison
Date Due	
Date Completed	8/7/98

1998-009102 Aug 6 1:59

# Forbes EXECUTIVE WOMEN'S SUMMIT

122 East 42nd Street | 14th Floor | New York, NY 10168 | P 212-499-3521 | F 212-499-3324  
[executivewomen@forbes.com](mailto:executivewomen@forbes.com)

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Catalyst

The Honorable  
Christine Todd Whitman  
Governor of the State of  
New Jersey

July 31, 1998

Ms. Elizabeth A. Moler  
Deputy Secretary of Energy  
U.S. Department of Energy  
1000 Independence Avenue S W  
Washington, DC 20585-0001

Dear Ms. Moler:

We hope you will join me, *Anita Roddick* of The Body Shop, and a host of other business leaders, management thinkers, public policy officials, and prominent academicians for the inaugural **1998 Forbes Executive Women's Summit, November 10-12, In Washington, D.C.** Participation is by invitation only to senior executives involved in formulating and implementing their firms' business strategy.

The Forbes Executive Women's Summit will be the premier forum in which women executives can learn from peers, exchange leadership strategies, and overcome challenges in an environment of shared experience and candor. Forbes editors, in conjunction with our friends at Catalyst and our distinguished advisory board of visionaries, are in the midst of tailoring a program that explores the challenges and opportunities posed by globalization, rapid technological innovation, and workforce evolution.

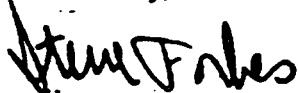
The theme of the Summit is *Leading from the Future: The Women and Ideas that Are Changing Business*. Topics to be addressed include--the new leadership paradigm; managing your company in an interconnected economy; how stakeholders can make you a better executive; the global cultural time warp; turning away from the top; the balancing act; plus many more. An executive summary and description of each is enclosed.

In addition to Anita Roddick, featured presenters include: Judy Bardwick, author, *In Praise of Good Business*; Judy Rosener, professor, University of California Graduate School of Management, and The Honorable Ellen Tauscher (D-CA), United States House of Representatives.

As a Summit participant you will return to the workplace with new ideas, contacts, and strategies for meeting the various challenges and opportunities you face. To foster the interactive nature of the Summit, participation is limited, so kindly return the enclosed registration form by **Friday, August 28, 1998**.

We look forward to seeing you in Washington, D.C.

Cordially,



Steve Forbes  
Editor-in-Chief  
FORBES Magazine

P.S. To register call 212-499-3521, or just fax the enclosed registration form to 212-499-3324.

22  
A

Folder Profile	
Control #	1998-009345
Name	letter to the Secretary from Michael L. Marvin, The Business
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Consider this letter as both a congratulations and a placeholder for an invitation to address our annual meeting – October 21, 1998
Topical Index	Speaking Engagement
Signature/Approval	NA
Action Requested	Appropriate Action -
Special Instructions	Info copy given to ES/Holloway
Folder Trigger	Invitation
Source	PM-O
Correspondence Date	8/6/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	NURI 202 586-1921 Nuri, Khalil
Action Office #	
Assigned To	SL/Johnston
Date Due	
Date Completed	8/12/98

1998-009345 Aug 11 3:10



**The  
Business Council  
for  
Sustainable  
Energy**

1200 18th Street, NW  
Ninth Floor  
Washington, DC 20036

Phone 202-785-0507  
Fax 202-785-0514

August 6, 1998

The Honorable Bill Richardson  
Secretary-designate  
Department of Energy  
1000 Independence Ave., S.W.  
Washington, DC 20585

Dear Secretary-designate Richardson:

On behalf of the members of the Business Council for Sustainable Energy, I offer my warmest congratulations on your nomination and recent Senate confirmation. I join the many other energy professionals excited about working with the Department of Energy under your leadership.

The Business Council for Sustainable Energy was created in 1992 by executives in the natural gas, energy efficiency, electric utility and renewable energy industries. Member companies include Enron, Honeywell, Maytag, Los Angeles Department of Water and Power, Ballard Fuel Cells, Brooklyn Union (MarketSpan), Southern California Gas (Sempra), and industry trade groups representing the natural gas, insulation, solar and wind energy industries. Some of our original members included Mack McLarty and Hazel O'Leary in their pre-Administration days. Our focus on promoting energy efficiency and renewable energy, and using natural gas as a bridge fuel, directly conforms to this Administration's sustainable energy policy goals.

Consider this letter as both a congratulations and a placeholder for an invitation to address our annual meeting the morning of October 21, 1998. Since our previous three speakers have been Federico Peña, Betsy Moler and Kathleen McGinty, the group will be eager to hear from you about ways in which we can accomplish our mutual goals.

Again, we look forward to working with you to promote sound energy policies in the coming years. Please do not hesitate to contact me directly if there is anything we in the Council can do to facilitate your transition.

With best wishes,

Michael L. Marvin  
Executive Director

cc: BCSE Board of Directors

23A

Folder Profile	
Control #	1998-009355
Name	letter to the Secretary from Rachel Schedler, The Economist
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Invites the Secretary to join Economist Group as a fured speaker at their third annual Latin America Energy Summit -- January 25-26, 1998
Topical Index	Speaking Engagement
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	Info copy given to ES/Holloway
Folder Trigger	Invitation
Source	PM-O
Correspondence Date	8/11/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	NURI 202 586-1921 Nuri, Khalil
Action Office #	
Assigned To	SL/Johnston
Date Due	
Date Completed	8/12/98

24

1998-009355 Aug 12 9:19

The Economist  
Conferences

111 WEST 37<sup>TH</sup> STREET  
NEW YORK, NY 10019  
TELEPHONE: (212) 554-0600  
FAX: (212) 245-4413

Bill Richardson  
Secretary of Energy Designate  
Department of Energy  
Washington, D.C.

Via FAX: (202) 586-7573

August 11, 1998

Dear Ambassador Richardson:

On behalf of The Economist Group, it is my great pleasure to invite you to join us as a featured speaker at our third annual Latin America Energy Summit. This event will take place on January 25-26, 1999 in Houston, Texas.

This annual conference aims to bring together top Latin American government officials and corporate officers with a group of senior, multinational executives responsible for energy operations in this region. Last year's event on this topic was a great success, with presentations by Evaran Romero, Vice Minister of Energy and Mines for Venezuela, Orlando Cabrales, Minister of Mines and Energy for Colombia, John Hushon, President of El Paso Energy International, and James Barnantine, Managing Director of Enron International, as well as many other leading figures involved with the energy sector in Latin America. The conference was attended by over 120 delegates from nine different countries, generating many vital and topical discussions on key issues such as project finance, distribution and infrastructure development, strategic planning, privatization, and risk management.

We would be truly honored to have you join us at this event and share with us your views on recent developments in the global oil market, current challenges facing the Latin American region with respect to energy policy, and especially the potential for cooperation between the US and Latin America within this context. If you do think you will be available to participate, I will be happy to work with your office to arrange a time and format that is most convenient for you.

Please do not hesitate to contact me if you have any questions regarding this event. I can be reached by telephone at +212 554 0615 or by fax at +212 698 9732. I do hope that you will be able to accept this invitation, and I look forward to your response.

Yours sincerely,

Rachel Schedler  
Conference Manager

24

Folder Profile	
Control #	1998-009448
Name	letter to Acting Secretary Moler from E. Joseph Hillings, Enr
Priority	Important
DOE Addressee	Acting Secretary Moler
Subject Text	Requests a briefing with appropriate people at DOE to discuss description of a new program being offered by Enron Federal Solutions, Inc.
Topical Index	
Signature/Approval	EE
Action Requested	Prepare Response
Special Instructions	Tele. closeout. original enclosure sent to EE - copy of enclosure attached to original document in ES. unable to scan due to darkness of pictures
Folder Trigger	Letter
Source	PM-O
Correspondence Date	8/12/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	POLICYC 202 586-5089 INACTIVE
Action Office #	
Assigned To	EE
Date Due	9/14/98
Date Completed	9/25/98

21

1998-009448 Aug 14 11:35



**E. Joseph Hillings**  
Vice President and General Manager  
Federal Government Affairs

**Enron Corp.**  
1775 Eye Street, NW, Suite 800  
Washington, D.C. 20006-4607  
(202) 466-9145  
Fax (202) 828-3372  
[jhillin@enron.com](mailto:jhillin@enron.com)

August 12, 1998

The Honorable Elizabeth Moler  
Acting Secretary of Energy  
Department of Energy  
Room 7A-199  
1000 Independence Avenue, SW  
Washington, DC 20585

Dear Secretary Moler:

Attached is a description of a new program being offered by Enron Federal Solutions, Inc. which I thought would be of interest to you and your colleagues at OMB.

Bill Votaw heads this group at Enron and they have been awarded similar work from GSA.

Could we arrange a briefing for the appropriate people at the Department of Energy?  
Please let me know at 202-466-9142.

Sincerely,

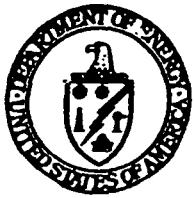
cc: Bill Votaw

QSA

U.S. DEPARTMENT OF ENERGY  
CORRESPONDENCE CLOSE-OUT (BY MEETING OR TELEPHONE)  
(Forward to ES (7E-054 Forrestal) with original of incoming to close out action)

ES CONTROL NO. ASSIGNED TO CORRESPONDENCE	DATE OF CORRESPONDENCE	DATE RESPONSE DUE	
1998-009448	8/12/98	9/14/98	
CORRESPONDENCE FROM (SIGNED BY)	ON BEHALF OF (AFFILIATION OR CONSTITUENT)		
E. Joseph Hillings			
SUBJECT			
<input type="checkbox"/> MEETING      OR <input checked="" type="checkbox"/> TELECON PARTICIPANTS		DATE 9/25/98	
NAME(S)	AFFILIATION OR OFFICE	TELEPHONE NUMBER(S)	
Katherine Saunders	Enron Corp.	202 466-9164	
DOE PERSONNEL			
Tanya Sadler	EE-92, FEMP	6-7155	
	-	-	
REMARKS			
Meeting tentatively scheduled for 10:00 a.m on Oct. 8.			
<u>Tanya Sadler</u> (Signature)	EE-92 (Routing Symbol)	6-7155 (Phone Number)	DATE CLOSED OUT SEPXX/XX/98 9/25/98

25  
26



## Department of Energy

Washington, DC 20585

August 28, 1998

Mr. Kenneth C. Karas  
Chairman and Chief Executive Officer  
Enron Wind Corp.  
P.O. Box 1910  
Tehachapi, California 93581

Dear Mr. Karas:

We have received your correspondence dated August 20, 1998, on behalf of the Enron Wind Corp., inviting Secretary Richardson to participate in the dedication of the Lake Benton I wind power generating facility, September 26, 1998.

We have forwarded your invitation to the Secretary's Office of Scheduling and Advance. A staff member from that office will contact you regarding the status of your invitation.

If you have any questions, please call Ms. Robyne Johnston at (202) 586-5534.

Sincerely,

James N. Solit  
Director, Executive Secretariat



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25  
C

Folder Profile	
Control #	1998-009450
Name	letter to DS/Moler from John A. Anderson, Consumers Energ
Priority	Important
DOE Addressee	DS
Subject Text	Invites Acting Secretary Moler to speak at ELCON's 1998 Annual Seminar - October 15, 1998
Topical Index	Speaking Engagement
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	Declined. Info copy: ES/Holloway.
Folder Trigger	Invitation
Source	PM-O
Correspondence Date	8/13/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	BLAKES
0577	Blake, Shena
Action Office #	
Assigned To	SL
Date Due	
Date Completed	8/14/98

26

1998-009450 Aug 14 1:44

**ELECTRICITY  
CONSUMERS  
RESOURCE  
COUNCIL**

**John A. Anderson**  
Executive Director



The West Tower  
1333 H Street, N.W., 8th Floor  
Washington, D.C. 20005  
(202) 682-1390

August 13, 1998

Elizabeth Moler  
Deputy Secretary  
Department of Energy  
Forrestal Building  
1000 Independence Avenue, SW  
Washington, DC20585

Dear Betsy:

ELCON's 1998 Annual Seminar will be held at the Omni Shoreham, Washington, D.C. from October 15- 16, 1998. I invite you to speak at this year's program. A draft agenda is attached for your information.

ELCON's seminar has proven to be one of the most widely attended electricity-focused events of the year. In the past our Seminar has had an audience of over 400 including industrial and commercial energy consumers, electric utility executives and, government legislators and regulators.

Specifically, we would be honored if you would deliver the keynote address at the luncheon scheduled for 12:00 to 2:00 pm, on October 15th. We are particularly interested in your thoughts on the electricity restructuring process—How is it proceeding?; Where is it going?; How should it turn out?; What is the Administration's role?

I hope that you are able to accept this invitation. Feel free to contact me with any questions you may have about the program.

Sincerely,

A handwritten signature in black ink, appearing to read "John A. Anderson". It is written in a cursive style with a prominent, sweeping flourish at the end.

26

# TENTATIVE PROGRAM AGENDA

## THURSDAY, OCTOBER 15<sup>TH</sup> - MORNING SESSION

Morning Moderator - Robert Merlo, ELCON Chairman, Anheuser-Busch Companies

- |                         |  |
|-------------------------|--|
| 7:00 a.m. - 5:00 p.m.   | Registration   |
| 7:00 a.m. - 8:00 a.m.   | Continental Breakfast  |
| 8:00 a.m. - 8:15 a.m.   | Opening Remarks<br>Robert Merlo, ELCON Chairman, Anheuser-Busch Companies  |
| 8:15 a.m. - 9:00 a.m.   | Opening Speaker<br>The Dynamics of U.S. Electric Utility Restructuring<br>Dr. George Backus, President, Policy Assessment Corp.  |
| 9:00 a.m. - 9:30 a.m.   | Topic to be Announced<br>Richard Tabors, Lecturer, MIT and<br>Principal, Tabors, Caramanis & Associates- Invited   |
| 9:30 a.m. - 10:00 a.m.  | Break  |
| 10:00 a.m. - 11:00 a.m. | Stranded Cost Recovery - How To Make or Break a Market<br>John Hanger, Former Commissioner, PA Public Utility Commission<br>Steve Kean, Senior Vice-President, Enron Corp. |
| 11:00 a.m. - 11:30 a.m. | Incumbents Masquerade? Discrimination in Service to the Native Load<br>Dan Watkiss, Partner, Bracewell & Patterson   |
| 11:30 a.m. - 12:00 p.m. | Market Power Mitigation: The Road to Reality<br>George Cary, Cleary, Gottlieb, Stein & Hamilton  |
| 12:00 p.m. - 2:00 p.m.  | Luncheon speaker<br>Elizabeth Moler, Deputy Secretary, Department of Energy - Invited  |

## THURSDAY, OCOTBER 15, 1998 - AFTERNOON SESSION

Afternoon Moderator - Lynn Elder, ELCON Vice-Chairman, A.E. Staley

- |                       |  |
|-----------------------|--|
| 2:00 p.m. - 3:00 p.m. | Name That ISO: How Much Independence? How Many Operators?<br>Kevin Kelly, Deputy Director, Electric Power & Regulation, FERC |
| 2:30 p.m. - 3:00 p.m. | What's Left for The States To Regulate?<br>Margaret Welsh, Executive Director, NARUC   |
| 3:00 p.m. - 3:30 p.m. | Break  |
| 3:30 p.m. - 4:00 p.m. | The Development of Commercial Markets and the Nexus with Reliability<br>Terry Callender, Vice President, NGC                 |
| 4:00 p.m. - 4:30 p.m. | Topic to be Announced<br>Rob Kelter, Citizens Utility Board, Illinois  |

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- 4:30 p.m.-5:00 p.m.**      **New Technologies - The Savings Grace**  
Lindsay Andin, Energywiz Inc.
- 5:00 p.m. - 5:30 p.m.**      **Adapting to Competition - The Cooperatives' Response**  
Glenn English, CEO, NREC

**FRIDAY, OCTOBER 16TH**

Moderator - Peggy Claytor, ELCON Secretary-Treasurer, The Timken Company

- 7:00 a.m. - 8:00 a.m.**      **Continental Breakfast**
- 8:00 a.m. - 8:45 P.M.**      **FERC Activities - The Only One At the Dance?**  
Bill Massey, Commissioner, FERC - Invited
- 8:45 a.m. - 9:15 a.m.**      **Reliability at Any Cost? Or Damn the (Competitive) Torpedoes and Full Speed Ahead**  
Phillip Sharp, Lecturer, John F. Kennedy School of Government
- 9:15 a.m. - 9:45 a.m.**      **Break**
- 9:45 a.m. - 11:00 a.m.**      **Back To The Future**  
Susan Kelly, Partner, Miller, Balis & O'Neil  
Cynthia Sandherr, VP, Federal Legislative Affairs, EnronCorp.  
Julie Simon, Director Regulatory Policy, EPSA  
Linda Stuntz, Partner, Stuntz & Davis  
Ann Tutwiler, Director Government Relations, Central Soya
- 11:00 a.m. - 11:15 a.m.**      **Wrap-Up**  
John Anderson, Executive Director, ELCON

26

Folder Profile	
Control #	1998-009831
Name	letter to the Secretary from Kenneth C. Karas, Enron Wind C
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Invites the Secretary to participate in the dedication of Lake Benton I wind power generating facility – September 26, 1998
Topical Index	Meeting Request
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	Info copy: ES/Holloway.
Folder Trigger	Invitation
Source	PM-O
Correspondence Date	8/20/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	BLAKES
0577	Blake, Shena
Action Office #	
Assigned To	SL/Johnston
Date Due	
Date Completed	8/24/98

27



## Department of Energy

Washington, DC 20585

August 28, 1998

**Mr. Kenneth C. Karas**  
Chairman and Chief Executive Officer  
Enron Wind Corp.  
P.O. Box 1910  
Tehachapi, California 93581

Dear Mr. Karas:

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If you have any questions, please call Ms. Robyne Johnston at (202) 586-5534.

Sincerely,

James N. Solit  
Director, Executive Secretariat

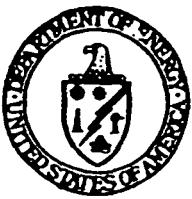


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Folder Profile	
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## Department of Energy

Washington, DC 20585

August 28, 1998

Mr. Kenneth C. Karas  
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Enron Wind Corp.  
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Sincerely,

James N. Solit  
Director, Executive Secretariat



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28  
A

# PV Activities in Japan

© Osamu Ikki

Resources Total System Co., Ltd.

2-3-11 Shinkawa

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Fax. +81-3-3553-8954

E-mail: ged02723@nifty.ne.jp

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Volume 4, No. 9

September 1998

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## Summary in August

Ministry of International Trade and Industry (MITI) announced a draft for FY 1999 budget. The ministry determined to work on recovering the economic depression through economic structural reforms. Pillars of MITI's policies on photovoltaic power generation are shown in Figure 1.

PV system related budget has been substantially increased as part of the energy policies for environmental conservation against global warming.

Regarding PV system related budget, as shown in Table 1, budget for promoting residential PV system increased from 14.7 billion Yen to 16.22 billion Yen. Budget for PV system field test program for industrial use starting this fiscal year gained by 10 million Yen to 2.41 billion Yen. Budget for development of low energy consumption type manufacturing process for solar grade silicon (SOG-silicon) increased to 1.00 billion Yen from 830 million Yen, while budget for development of technology for practical application of PV systems (budget for R&D) increased to 8.17 billion Yen from 7.41 billion Yen. Budget for international joint demonstration and development of PV system leveled off at 280 million Yen. Furthermore, 200 million Yen was newly budgeted for technical development to produce high quality and high efficiency solar cells (budget for immediately effective technology development of high efficiency solar cells) for promoting PV power generation. Subsidy system for entrepreneurs who introduce new energy has sharply increased to 9.70 billion Yen from 5.39 billion Yen. Regional new energy promotion policy budget, which promotes large-scale and intensive introduction of new energy by local governments, has increased to 6.62 billion Yen from 4.38 billion Yen. Budget for assistance to regional new energy and energy-saving vision development has been almost doubled to 1.55 billion Yen from 800 million Yen. Budget for promotion of residential PV system is

residential PV system is aimed at growing to be an independent market of around 100,000 houses annually after FY 2000. Next fiscal year will be the sixth year for this budget.

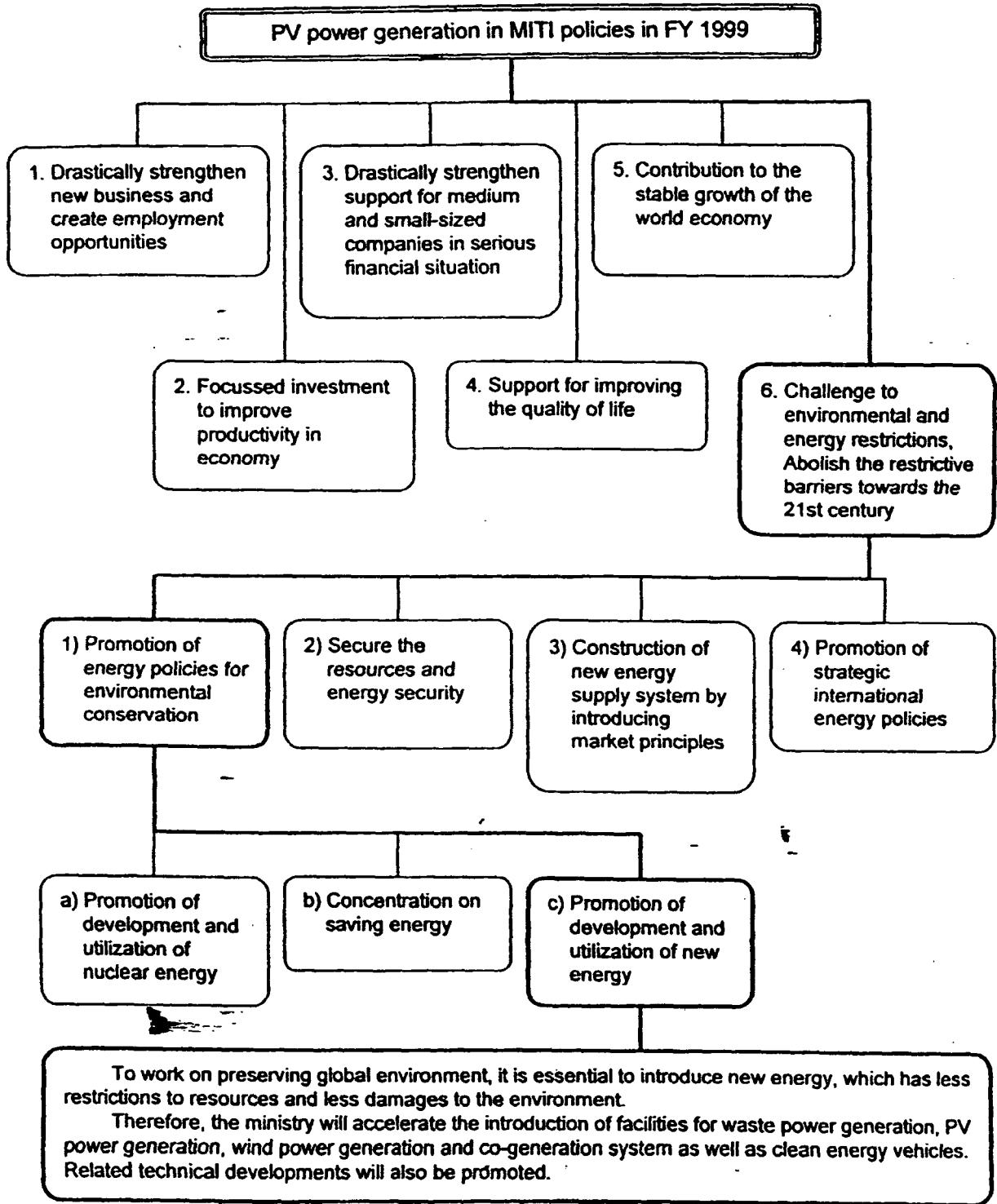


Figure 1 PV power generation in MITI policies in FY 1999

Table 1 MITI's PV system related budget for FY 1999

(Unit: billion Yen)

Item	FY 97 budget	FY 98 budget	FY 99 request
Introduction and promotion of PV system	Introduction and promotion of residential PV system	11.11	14.70
	Field test program for PV power generation for industrial use	-	2.40
	Field test program for PV power generation for public facilities	1.35	0.17
	Development of low energy consumption type manufacturing process for SOG-Si	0.58	0.83
	Development of technology for practical application of PV systems	7.01	7.41
	International joint demonstration and development of PV system	0.14	0.28
	Immediately effective technology development of high efficiency solar cells	-	0.20 (new)
	Subtotal	20.27	26.07
Subsidy system for entrepreneurs who introduce new energy	1.12	5.39	9.70
Promotion of regional introduction of new energy, etc.	Regional new energy promotion policy	2.20	4.38
	Assistance to regional new energy and energy-saving vision development	0.65	0.80
	Subtotal	2.85	5.18
			8.17

NEDO started accepting applications for PV system field test for industrial use. Many companies participated in the explanatory meeting held last August. This shows that many companies are interested in PV system for industrial use. PV system for industrial use has a large potentiality in introduction scales and is also expected to last for a long time so that the market is expected to grow.

PV Insiders' Report announced its forecast, based on the worldwide production of solar cells from January to July 1998, saying that PV power generation will grow to 147 to 160 MW in 1998. PV power generation market continues to grow.

This month's photographs are 21.6 kW canopy (roof) -integrated PV system at Morges station on Swiss National Railroad along Lake Leman. As this system is roof-integrated with transparent solar cells which can be seen from the platforms, it calls public perception to the system. Platforms are lighter with this system. This is also highly recommended to some Japanese railroad stations.

## Canopy-integrated PV system on the railroad platforms

### Location:

Morges Station, Swiss National Railroad (SBB-CFF), next station from Lausanne, Along Lake Léman

### Capacity:

21.6 kW

### Solar cells:

Multi-crystalline silicon solar cell by Solarex,  
PV modules by Solution

### Inverter:

By Solar Max

### Type:

Grid connected type

### Installation:

In 1995 (at the reconstruction of the station)

Transparent PV modules are used with multi-crystalline Si solar cells. Platforms and stairs towards underground pathway are lighter with the appropriate amount of light. It saves energy compared to fluorescent lights.

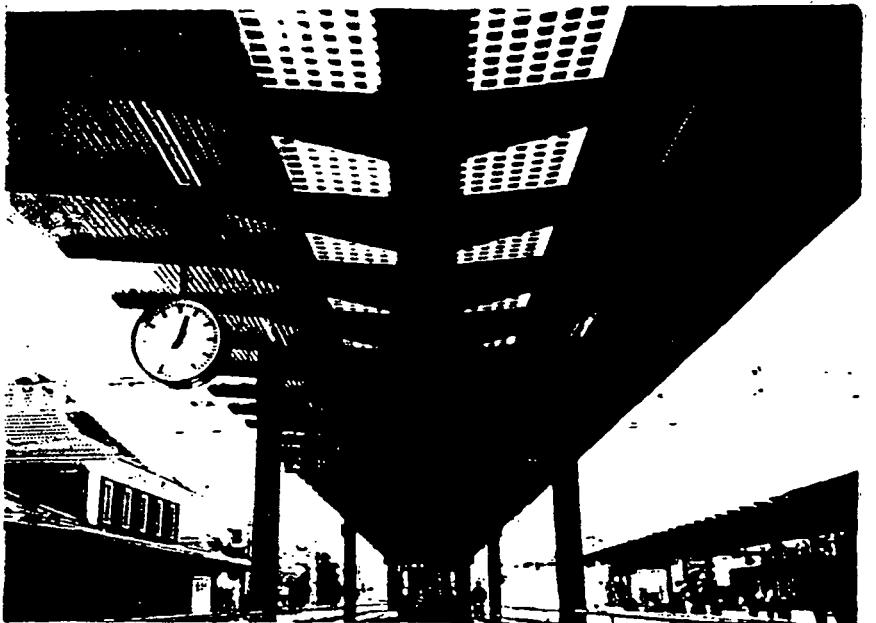
Solar cells can be seen from the platforms, which contributes to public perception of PV power generation.



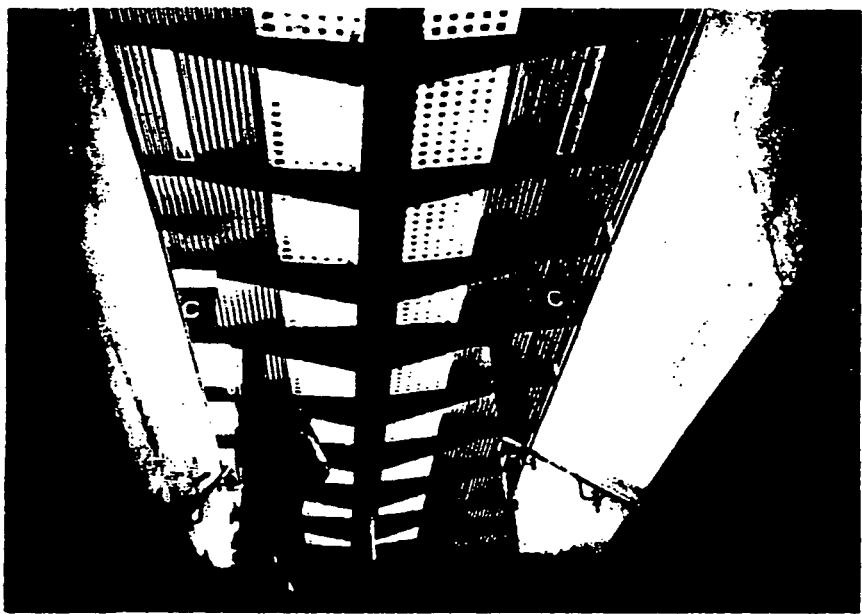
(Top: Overview of Morges station)

(Middle: Installed on the roofs of two platforms)

(Bottom: Roofs seen from above)



(Top: Installed from one end to the other end of the roofs)



(Middle: Stairs are also lighted)



(Bottom: Shadows of each solar cell on the platforms)

(Source: Resources Total System)

## **This month's government, local governments, suppliers and users activities**

### **(1) Government related**

MITI compiled a draft of FY 1999 budget. New energy-related budget has been drastically increased, which shows the ministry's eagerness to work on global warming. Promotion, introduction as well as research and development of PV power generation have been allotted increased amount. The current residential PV system market is approximately 10,000 houses annually, and is expected to expand to 100,000 houses annually after FY 2000 to be an independent market.

**FY 1999 New Sunshine Project** by Agency of Industrial Science and Technology will put emphasis on technical development for reducing CO<sub>2</sub> emissions to achieve the reduction target of green house gas emissions agreed at COP3. 8.24 billion Yen has been requested for research and development of PV system.

NEDO started accepting applications for PV field test program for industrial use. In the program, companies planning to introduce PV system and NEDO jointly demonstrate the effectiveness of PV power generation for industrial use. Systems introduced are standard type and new type. Half of the installation cost will be subsidized.

### **(2) Local governments related**

Tokyo Metropolitan Government will start experiments on purifying water quality at a dam with 150 kW PV system in April 1999. Alga collection equipment will be floated on the surface of Ogouchi Dam in Okutama Town and dry the alga. 125 kW PV panels will be installed on the ground and 25 kW panel on the alga collection equipment. All the electricity will be supplied by PV power generation.

Sayama City, Saitama Prefecture will build environmentally-friendly schools in terms of energy-saving and recycling. At the first stage, solar energy and wind power generation systems will be introduced to Irumagawa Elementary School, at the time of reconstruction. The school will also be equipped with facilities to recycle rainwater. 20 kW PV system will be installed on the roofs of the gym, supplying the electricity of the gym and 20 classrooms out of 24.

### **(3) Utilities related**

Chubu Electric Power Co. will promote the combined sales of PV system

and all electrified housing because the number of all electrified housing continues to grow. The number of contracts for PV system reached 182 houses from April to July, 19 of which were all electrified housing. Chubu Electric Power Co. and Panahome Tokai jointly started the campaign to install PV system free of charge to all electrified houses who purchased air conditioning and hot water systems by electric power. Ten monitors will be picked up and 3 kW roof-integrated PV system will be provided for free. Monitors will have to give a regular report on operation data.

**Shikoku Electric Power Co.** completed the reconstruction of Sakaide branch and installed 6 kW PV system on roof. This system is for a display as well as supplies electricity for cooking classes and galleries.

**Hokkaido Electric Power Co.** started the construction of solar energy experimental housing for cold districts. Targeting passive solar housing, PV system is used as a power source for fans to circulate the air.

#### (4) PV industry related

**Mitsubishi Electric** started the operation of the PV system plant in Iida works of Nakatsugawa factory producing 20 MW annually. In the first period of the three construction periods, 3.5 billion Yen was invested. Multicrystalline silicon PV modules are produced from cells at the new PV system plant while monocrystalline silicon PV modules are purchased. The plant produces 6,700 sets of 3 kW system annually. The plant is operating now on two-shift basis (two thirds of production capacity) and will be expanded to a full operation in next April on a three-shift basis.

**Mitsubishi Electric** will commercialize the thinnest 19 mm multicrystalline silicon PV module and will start the sales of PV system for housing using this module starting on October 1. Mitsubishi Electric will also start the sales of power monitor, which shows generation amount and operating condition with a remote display. 1,500 sets of modules are expected to be sold in the latter half of FY 1998. 3 kW system costs approximately 3 million Yen for general housing (open price).

**Sharp** expects to receive at least 5,000 to 7,000 orders of residential PV system. 9,000 average-sized houses can be supplied PV system with the current production capacity of 28 MW. A pilot plant with the annual production capacity of 3 MW will start mass production of amorphous silicon solar cells.

**Sanyo Electric** will reorganize the company organization as of October 1, to

strengthen its technical development of PV system and to establish the low cost, highly efficient production system. Production Division of Sanyo Solar Industries will be separated and new Solar Department will be established under Soft Energy Division. Sanyo Solar Industries, a 100 % subsidiary company of Sanyo Electric, is now responsible for production and sales of PV system. Sanyo Solar Industries will change its name to Sanyo Solar Engineering and will concentrate its business on sales expansion of PV system for private housing and industrial use.

**Shimizu, Sharp and Kawasaki Steel** jointly developed three kinds of building material-integrated PV systems for buildings and plants. "Flat roof type" is installed on the roof, "lighting type" generates electricity with solar cells set between tempered glasses penetrating sunshine. "Screen type" is installed in the walls of cooling towers to hide facilities and equipment on the roof.

**Japan Storage Battery** developed a sealed lead storage battery, which achieved 6,300 times of charge-discharge, three times as many as conventional batteries. With this battery, maintenance-free PV system can possibly be developed.

**Aichi Electric** delivered 10 kW PV system to an electronic equipment company Meiryo Electric. The system is installed on the roof of the head office building of Meiryo Electric and supplies electricity for company use. If there is any surplus electricity, they will sell it to electric power company.

#### (5) Users related

**Daiwa House Industry** will start the sales of roof material-integrated PV system using Canon's amorphous silicon solar cells. The design is in good harmony with a hip roof. As the roof materials are integrated, installation labor has been reduced. 500 sets are expected to be sold in the first year with the capacity of 2.85 to 4.75 kW and 10-year guarantee (price: 1.94 to 4.50 million Yen).

**Misawa Homes'** ceramics type housing "HYBRID-Z" with 12.3 kW PV system was authorized as Zero Energy Housing by Housing, Construction and Energy-saving Organization. 206 HYBRID-Z houses have been sold since the start of the sales on July 1, achieving the record sales of a month.

**Misawa Homes** will also join PV business with Omron. They will start the nationwide sales of medium to large-scale system with 10 kW or more capacity. 100 sets with 10 kW capacity are expected to be sold. By developing small and light-

weight "Linear PV Module" with the capacity of 20 to 30 W and introducing them with the foundation and support structure, the total cost reduced by 20 % and 10 kW system can be installed in a day.

**Kyoto Consumers' Co-operative Union** established a subsidy program for PV system constructions undertaken by Kyoto Consumers' Co-operative Union. This is the first case of all the Consumers' Cooperatives in Japan. 20,000 Yen per 1 kW, limiting to 200,000 Yen per 10 kW, will be subsidized after the completion of each construction.

**Tochigi Bank** will start to give preferential interest rate in housing loans to those who purchase PV housing. They will also start a loan for the installation of the PV system. Fluctuating interest rate in housing loans is applied, and now 2.425 % annually, 0.2 % lower than usual. Amounts vary from one million Yen to 100 million Yen for 35 years maximum.

#### (6) New products and applications related

**Terao Sash Industry** introduced the technology from Guts, Germany and will start the sales of environmentally-friendly curtain walls using solar cells. Solar cell-driven fan is installed in between the double glasses of the surface wall to maintain the stable room temperature and emit dirty air outside.

**Denshi Tsusho** started the sales of all weather type solar radio driven by solar cells. This is a waterproof flashlight with solar cells on the grip and can sound a siren for emergency. The price is 4,000 Yen.

#### (7) New systems related

**Kyocera** completed the construction of the new head office building with 214 kW PV system. The 20-story, 95 meter high building cost 20 billion Yen. It took 29 months to be completed. 1,392 one-square-meter solar panels are installed on the façade of the building and 540 panels on the roof. 214 kW (approximately 12.5 % of the total electricity capacity of new head office) will be generated.

**Minami-kyushu FamilyMart** (franchised convenience stores) will introduce PV system to two stores in Kiire Town, Ibusuki County, and Miyazaki City.

**Nagano Keiki** will introduce 17 kW PV system to its head office building now under construction. PV system installed on the roof will supply approximately 10 % of the necessary electricity.

**Resources Total System Co., Ltd.**  
2-3-11 Shinkawa, Chuo-ku, Tokyo 104-0033  
Tel. +81-3-3551-6345 Fax. +81-3-3553-8954  
E-mail: ged02723@nifty.ne.jp

## **Monthly Report "PV Activities in Japan"**

### **ORDER FORM**

We have published monthly report "PV Activities in Japan" since 1995.

This report aims to introduce PV activities in Japan to overseas.

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(person in charge: T. OHIGASHI).

- Subscription rates: **\$900.00 per year**, including postal charges.
- Payment: Every 6 months (after mailing 6 monthly reports).
- Back numbers (Aug. 1995~) are available at \$40 per copy. Please contact us.

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<i>State</i>	
<i>Postal code</i>	
<i>Country</i>	
<i>Telephone</i>	
<i>Facsimile</i>	
<i>E-mail</i>	

**Resources Total System Co., Ltd.**

C.

Folder Profile	
Control #	1998-010225
Name	letter to the Secretary from Terence H. Thorn, ENRON Corp
Priority	Important
DOE Addressee	
Bill Richardson	
Subject Text	Requests the Secretary to attend the upcoming APEC Energy Ministers Conference to support the natural gas initiative – No Date mentioned
Topical Index	
Meeting Request	
Signature/Approval	
NA	
Action Requested	
Appropriate Action	
Special Instructions	
Info copy given to ES/Holloway	
Folder Trigger	Invitation
Source	PM-O
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RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	NURI
202 586-1921 Nuri, Khalil	
Action Office #	
Assigned To	
SL/Johnston	
Date Due	
Date Completed	9/1/98

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**Enron Corp.**  
1775 Eye Street, N.W., Suite 800  
Washington, D.C. 20006  
(202) 828-3360  
Fax (202) 828-3372

September 1, 1998

Honorable William Richardson  
Secretary  
United States Department of Energy  
1000 Independence Avenue, SW  
Washington, DC 20585

**Dear Bill:**

Congratulations on your recent confirmation as Secretary of Energy. Enron is extremely pleased to have such an experienced and capable statesman as the leading advocate for the United States energy industry both domestically and internationally.

As you are aware, Enron is extremely active in the international energy industry and is deeply engaged in energy development in the Asia-Pacific economies. Although the recent economic problems have done great damage to the Asian economy, we believe that the crisis has also created a new and enthusiastic constituency for policy reform across the region. Indeed, the crisis has created a window of opportunity to conduct policy reform that under less urgent circumstances might be indefinitely postponed. The objective should be to create a dynamic regional energy economy with a stable and transparent regulatory environment, based on open access and market-driven competition. United States' energy companies will benefit directly from such reforms.

Asia-Pacific is of particular interest to us. Many of the 18 member economies of APEC have just started to learn about market reforms and the benefits a liberalized energy sector can bring to their economies. We are working closely with the Philippine Congress as it begins its legislative process to privatize and deregulate the Philippine electricity industry. We have been invited by the Indonesian government to provide a one-day seminar to its key officials on Enron's perspective on privatized and deregulated energy markets. Both the Koreans and Thais have announced privatization efforts that should commence in earnest later this year.

We hope to work with all of these countries and many others in developing a competitive and efficient energy market that will be open to American and other companies. Asian countries need our participation since we bring the creativity and innovation that their economies need. Most importantly, American companies can provide the private capital that these countries desperately need in order to build their economies. This was emphasized to one of my colleagues when he discussed last week with a Philippine congressman the pending electricity privatization and

A

The Honorable William Richardson  
Page Two  
September 1, 1998

deregulation legislation. He was told that the Philippines wants to build an industry that will be attractive to US companies like Enron.

In order to accomplish the goal of liberalized and competitive energy markets in Asia, we must have the full support of the United States government and especially the Department of Energy. Energy is the lifeblood of an economy. A competitive and efficient energy sector is the base on which all economic activity can grow. We have the unique, if not critical, task in assisting these countries to build a better economy that can only lead to our mutual prosperity and security.

I look forward to working with you on these very substantial issues. I feel that it is imperative that as Secretary of Energy you assume a visible position as the main proponent of energy liberalization and efficiency. Your attendance at the upcoming APEC Energy Ministers conference in Okinawa on October 8 and 9 is essential for you to emphasize your commitment to these goals. One of the topics at this conference will be the APEC Natural Gas Initiative. This initiative is designed to provide APEC countries with policy recommendations to facilitate natural gas infrastructure and gas consumption. President Clinton, in his acceptance to the Vancouver APEC conference, mentioned this initiative several times. I urge you to attend this conference in order to support the natural gas initiative. Your attendance would also greatly enhance Enron's and other US companies' support of privatized and deregulated energy markets throughout the region.

Once again, congratulations on your recent confirmation. We look forward to working with you on this and many other initiatives.

Sincerely,



Terence H. Thorn  
Enron International  
Executive Vice President  
International Government Relations  
& Environmental Affairs

Folder Profile	
Control #	1998-010225
Name	letter to the Secretary from Terence H. Thorn, ENRON Corp
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Requests the Secretary to attend the upcoming APEC Energy Ministers Conference to support the natural gas initiative -- No Date mentioned
Topical Index	Meeting Request
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	Info copy given to ES/Holloway
Folder Trigger	Invitation
Source	PM-O
Correspondence Date	9/1/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	NURI 202 586-1921 Nuri, Khalil
Action Office #	
Assigned To	SL/Johnston
Date Due	
Date Completed	9/1/98

1998-010225 9/1 2:43



**Enron Corp.**  
1775 Eye Street, N.W., Suite 800  
Washington, D.C. 20006  
(202) 828-3360  
Fax (202) 828-3372

September 1, 1998

Honorable William Richardson  
Secretary  
United States Department of Energy  
1000 Independence Avenue, SW  
Washington, DC 20585

Dear Bill:

Congratulations on your recent confirmation as Secretary of Energy. Enron is extremely pleased to have such an experienced and capable statesman as the leading advocate for the United States energy industry both domestically and internationally.

As you are aware, Enron is extremely active in the international energy industry and is deeply engaged in energy development in the Asia-Pacific economies. Although the recent economic problems have done great damage to the Asian economy, we believe that the crisis has also created a new and enthusiastic constituency for policy reform across the region. Indeed, the crisis has created a window of opportunity to conduct policy reform that under less urgent circumstances might be indefinitely postponed. The objective should be to create a dynamic regional energy economy with a stable and transparent regulatory environment, based on open access and market-driven competition. United States' energy companies will benefit directly from such reforms.

Asia-Pacific is of particular interest to us. Many of the 18 member economies of APEC have just started to learn about market reforms and the benefits a liberalized energy sector can bring to their economies. We are working closely with the Philippine Congress as it begins its legislative process to privatize and deregulate the Philippine electricity industry. We have been invited by the Indonesian government to provide a one-day seminar to its key officials on Enron's perspective on privatized and deregulated energy markets. Both the Koreans and Thais have announced privatization efforts that should commence in earnest later this year.

We hope to work with all of these countries and many others in developing a competitive and efficient energy market that will be open to American and other companies. Asian countries need our participation since we bring the creativity and innovation that their economies need. Most importantly, American companies can provide the private capital that these countries desperately need in order to build their economies. This was emphasized to one of my colleagues when he discussed last week with a Philippine congressman the pending electricity privatization and

The Honorable William Richardson  
Page Two  
September 1, 1998

deregulation legislation. He was told that the Philippines wants to build an industry that will be attractive to US companies like Enron.

In order to accomplish the goal of liberalized and competitive energy markets in Asia, we must have the full support of the United States government and especially the Department of Energy. Energy is the lifeblood of an economy. A competitive and efficient energy sector is the base on which all economic activity can grow. We have the unique, if not critical, task in assisting these countries to build a better economy that can only lead to our mutual prosperity and security.

I look forward to working with you on these very substantial issues. I feel that it is imperative that as Secretary of Energy you assume a visible position as the main proponent of energy liberalization and efficiency. Your attendance at the upcoming APEC Energy Ministers conference in Okinawa on October 8 and 9 is essential for you to emphasize your commitment to these goals. One of the topics at this conference will be the APEC Natural Gas Initiative. This initiative is designed to provide APEC countries with policy recommendations to facilitate natural gas infrastructure and gas consumption. President Clinton, in his acceptance to the Vancouver APEC conference, mentioned this initiative several times. I urge you to attend this conference in order to support the natural gas initiative. Your attendance would also greatly enhance Enron's and other US companies' support of privatized and deregulated energy markets throughout the region.

Once again, congratulations on your recent confirmation. We look forward to working with you on this and many other initiatives.

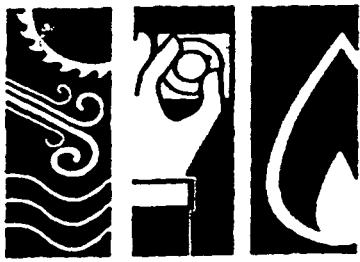
Sincerely,



Terence H. Thorn  
Enron International  
Executive Vice President  
International Government Relations  
& Environmental Affairs

Folder Profile	
Control #	1998-010525
Name	letter to Secretary Richardson from Michael L. Marvin, The E
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Thank the Secretary for meeting with sustainable energy industry and for supporting renewable energy, energy efficiency and natural gas programs
Topical Index	
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	
Folder Trigger	Letter
Source	PM-O
Correspondence Date	9/3/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	CARPENTC
202 586-4528	Carpenter, Catherine
Action Office #	
Assigned To	EE
Date Due	
Date Completed	9/11/98

32



**The  
Business Council  
for  
Sustainable  
Energy**

1200 18th Street, NW  
Ninth Floor  
Washington, DC 20036

Phone 202-785-0507  
Fax 202-785-0514

September 3, 1998

The Honorable Bill Richardson  
Secretary  
Department of Energy  
1000 Independence Ave., SW  
Washington, DC 20585

Dear Secretary Richardson:

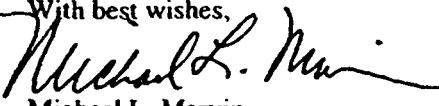
Thank you again for taking time to meet with me and others in the sustainable energy industry last week. Your support for renewable energy, energy efficiency and natural gas programs is greatly appreciated.

As I mentioned at the meeting, the Council provides a unique forum in Washington—environmental leaders and energy executives from large and small energy companies working together on energy policy issues ranging from climate change to utility restructuring to research and development priorities.

I hope you will consider the Council as a place to turn for input or assistance that you might need from the private sector to promote our mutual goals. With electric and natural gas utilities, energy efficiency and renewable energy companies, and national and international industry trade groups as our members, the Council's diversity offers a wealth of ideas, opinions and approaches that we believe can provide support to you as Secretary.

Again, thanks for your time; on behalf of the members of the Business Council for Sustainable Energy, I look BCSE look forward to working with you and your staff.

With best wishes,

  
Michael L. Marvin

Executive Director

*let us know how  
we can help!*

cc: Jan Schori, Chair and President, SMUD  
S. David Freeman, LADWP  
Terry Thorn, Enron  
David Parker, American Gas Association

Folder Profile	
Control #	1998-011053
Name	letter to EE/Dan Reicher from Congressman David Minge
Priority	Important
DOE Addressee	EE
Subject Text	Urges Assistant Secretary Dan Reicher attend a dedication ceremony of a new Wind Power Generator Project at Lake Benton on September 26, 1998
Topical Index	
Signature/Approval	EE
Action Requested	Prepare Response
Special Instructions	Tele response, see imageout. Final response or interim acknowledgement must reach the Office of the Executive Secretariat by the due date. CI concurrence requir
Folder Trigger	Letter
Source	CC
Correspondence Date	9/3/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	POLICYC
202 586-5089	INACTIVE
Action Office #	
Assigned To	EE
Date Due	9/24/98
Date Completed	9/23/98

33  
28

DAVID MINGE  
2ND DISTRICT, MINNESOTA  
1415 LONGWORTH BUILDING  
WASHINGTON, DC 20515  
(202) 225-2331

E-MAIL: [WWW.HOUSE.GOV/WRITEREP](http://WWW.HOUSE.GOV/WRITEREP)

1998-011053 Sep 16 P 4:20



COMMITTEE ON AGRICULTURE  
GENERAL FARM COMMODITIES  
FORESTRY, RESOURCE CONSERVATION  
AND RESEARCH  
COMMITTEE ON THE BUDGET

UNITED STATES  
HOUSE OF REPRESENTATIVES

September 3, 1998

Mr. Dan Riecher  
Assistant Secretary for  
Energy Efficiency and Renewable Energy  
U.S. Department of Energy  
Forrestal Bldg., 1000 Independence Ave., SW  
Washington, DC 20585-1000

Dear Assistant Secretary Riecher:

It has come to my attention that you have been invited to attend the dedication of a new Wind Power Generator Project at Lake Benton, Minnesota in my Congressional District on September 26, 1998. I am writing to urge you to attend this important event.

The 107MW Lake Benton I Wind Power Generation Project is a world-class wind power generation facility. The facility will be operated by Enron Wind Corporation to supply clean wind generated electricity to Northern States Power and its customers across the Midwest. I believe that your attendance at the dedication would be an excellent opportunity to demonstrate your commitment to energy alternatives such as wind technology.

Dan, I have appreciated your work at the Department of Energy and your commitment to renewable energy. I hope that you will be able to attend the dedication at Lake Benton. If you have any questions on this request, please feel free to contact me or have your staff contact Ross Peterson at (202) 225-2331. Thank you for consideration of this request.

Sincerely,

DAVID MINGE  
Member of Congress

— DISTRICT OFFICES —

(SOUTHTOWN PLAZA)  
542 FIRST STREET SOUTH  
MONTEVIDEO, MN 56265  
(320) 269-9311

TOLL FREE 1-(800)-453-9392

(CITY SQUARE)  
205 EAST FOURTH STREET  
CHASKA, MN 55318  
(612) 448-6567

(COURTHOUSE SQUARE)  
938 FOURTH AVENUE  
P.O. BOX 367  
WINDOM, MN 56091  
(507) 831-2103

U.S. DEPARTMENT OF ENERGY  
CORRESPONDENCE CLOSE-OUT (BY MEETING OR TELEPHONE)  
(Forward to ES (7E-054 Forrestal) with original of incoming to close out action)

ES CONTROL NO. ASSIGNED TO CORRESPONDENCE	DATE OF CORRESPONDENCE	DATE RESPONSE DUE	
1998-0153	9/3/98	9/23/98	
CORRESPONDENCE FROM (SIGNED BY) <i>DAVID MINGE, Member of Congress</i>	ON BEHALF OF (AFFILIATION OR CONSTITUENT)		
SUBJECT			
<input type="checkbox"/> MEETING      OR <input checked="" type="checkbox"/> TELECON PARTICIPANTS		DATE <i>9/22/98</i>	
NAME(S)	AFFILIATION OR OFFICE	TELEPHONE NUMBER(S)	
Ross Peterson	Hon. DAVID MINGE	202-225-2331	
DOE PERSONNEL			
Nancy Jeffery	EE-70	586-9373	
	-		
REMARKS			
<i>Mr. Peterson was informed that ASEG Becker would be attending the dedication of the wind turbine in Lake Beaton on 9/26/98. Mr. Peterson said there was no need to send a formal response to the Congressman's letter and thanked me for calling.</i>			
<i>Karen Jeffery</i> (SIGNATURE)	EE-70 (Routing Symbol)	69373 (Phone Number)	DATE CLOSED OUT <i>9/22/98</i>

B

**DAVID MINGE**

2ND DISTRICT, MINNESOTA

1415 LONGWORTH BUILDING  
WASHINGTON, DC 20515  
(202) 225-2331

E-MAIL: [WWW.HOUSE.GOV/WRITEREP](http://WWW.HOUSE.GOV/WRITEREP)

**1998-011053 Sep 16 P 4:20**



**COMMITTEE ON AGRICULTURE**

GENERAL FARM COMMODITIES

FORESTRY, RESOURCE CONSERVATION  
AND RESEARCH

**COMMITTEE ON THE BUDGET**

**UNITED STATES  
HOUSE OF REPRESENTATIVES**

**September 3, 1998**

**Mr. Dan Riecher**  
Assistant Secretary for  
Energy Efficiency and Renewable Energy  
U.S. Department of Energy  
Forrestal Bldg., 1000 Independence Ave., SW  
Washington, DC 20585-1000

**Dear Assistant Secretary Riecher:**

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Dan, I have appreciated your work at the Department of Energy and your commitment to renewable energy. I hope that you will be able to attend the dedication at Lake Benton. If you have any questions on this request, please feel free to contact me or have your staff contact Ross Peterson at (202) 225-2331. Thank you for consideration of this request.

Sincerely,

**DAVID MINGE**  
Member of Congress

— DISTRICT OFFICES: —

(SOUTHTOWN PLAZA)  
542 FIRST STREET SOUTH  
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(320) 269-9311  
TOLL FREE 1-(800)-453-9392

(CITY SQUARE)  
205 EAST FOURTH STREET  
CHASKA, MN 55318  
(612) 448-6567

(COURTHOUSE SQUARE)  
938 FOURTH AVENUE  
P.O. Box 367  
WINDOM, MN 56091  
(507) 375-0101

Folder Profile	
Control #	1998-010508
Name	letter to Secretary from Larry L. Strahan (People an Energy)
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	People for an Energy Policy requests a meeting with the Secretary to discuss the need for a National Energy Policy – No Date Mentioned
Topical Index	Meeting Request
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	Info copy given to PO and ES/Holloway
Folder Trigger	Letter
Source	PM-O
Correspondence Date	9/8/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	NURI 202 586-1921 Nuri, Khalil
Action Office #	
Assigned To	SL/Johnston
Date Due	
Date Completed	9/16/98

3A



## PEOPLE FOR AN ENERGY POLICY

• Kingwood, Texas 77339

Phone 713/359-7123 • Fax

### Officers

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Donald P. Hodel  
Vice Chairman  
Paul Fuhs  
Vice Chairman  
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Vice President  
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Fancher Oil Company  
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Sandy Engel  
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Debbie Reinwand  
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Ice Energy Inc.  
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Hart Publications, Inc.  
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George T. Bass  
Bass Western Company  
Dr. Michael A. Champ  
Texas A&M University

The honorable Bill Richardson  
U.S. Secretary of Energy  
Washington D.C.

Mr. Secretary:

I am sending this Fax to you in response to an article that I read in the Houston Chronicle, Tuesday, Aug. 25, 1998 (U.S. must cut use of foreign oil).

As President of People for an Energy Policy, having worked closely for the past twelve years with Don Hodel, Robert O. Anderson and many other very wise people, it now seems that we finally have someone in Energy secretary's job who understands what we have been saying for 12 years. America is headed for some serious problems unless we develop "A Reliable and Sustainable Long-term Supply of Energy that Conforms to Our National, Social and Economic Needs".

We at PEP have worked hard for the past twelve years trying to point out the need for a national energy policy, both to the public and also to our elected officials. We have assembled some of the best minds that could be found in order that the statements we made would have validity. The accompanying background sheet and the outline that I am sending to you will give you some insight into our organization and the efforts we have put forth in trying to get attention drawn to the perils of not having a National Energy Policy.

We at PEP look forward to meeting with you and assisting in any way possible.

Sincerely

  
Larry L. Strahan, President  
People for an Energy Policy  
phone & Fax 281-359-7123

b-1  
b-7c

A

**Officers**  
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Chairman  
Donald P. Hodel  
Vice Chairman  
Paul Fuhs  
Vice Chairman  
Larry J. Strahan  
President  
Gail Gentry Bishop  
Vice President  
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Intl. Society/Energy Advocates  
Mano Fry  
President, Alaska AFL-CIO  
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Johnny H. Vlason  
Arch Petroleum  
Joseph H. Alles  
Iron Corp.  
Steady Footch  
Cott Resources  
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Mesa, Inc.  
Roger Herrera  
Northern Knowledge Inc.  
Sandy Engel  
Coastal Corporation  
Debbie Reinhard  
Executive Dir. Arctic Power  
Gary Davis  
Oil Producers of Arkansas  
Edmon M. Baker  
Houston Helicopters, Inc.  
Erikke R. Cade  
Chairman, AABC  
Oblie O'Brien  
Apache Corporation  
Colin S. Dease  
Publisher, Offshore Canada  
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Oil Producers of Arkansas  
Cecil R. Nix  
IBEW, Midland  
James K. B. Nelson  
Grey Wolf Drilling  
Donald R. Looper  
Looper, Reed, Mark & McGraw  
Henry H. Hamilton III  
Chairman, IACOC  
David Weaver  
The Hunter Group Inc.  
Harry F. Huff  
Force Energy Inc.  
Dwayne Taylor  
ADS, Lucky Services, Inc.  
Russell Wright  
Hart Publications, Inc.  
(Toby) Cartelet  
Exploration  
Lew Sayler  
Editor, World Oil  
El Roy Ray  
Energy Consultant  
Steve Foster  
Lucky Services, Inc.



## PEOPLE FOR AN ENERGY POLICY

2500 GREEN OAK DRIVE, SUITE 101, KINGWOOD, TX 77339  
TELEPHONE 713-369-7123 FAX 713-369-6049

### BACKGROUND FACT SHEET

Incorporated in 1988, Houston-based People for an Energy Policy (P.E.P.) is a non-profit organization within the U.S. oil and gas industry. According to its charter, P.E.P. is organized "to promote, support and educate the American public on the need for a comprehensive, consistent set of guidelines to govern the development of rational policies pertaining to energy-related issues."

P.E.P. is composed of civic-minded members from the energy industry, who come from different segments, including exploration, drilling, production, equipment, service and supply firms. Support has grown to include a wide range of other industries and labor.

Concentrating on projects that would bring national attention to energy as an election issue, P.E.P. capped its 1988 activities by planning a national energy policy forum in Houston. The two major presidential candidates, then-Vice President George Bush (Republican) and Governor Michael Dukakis (D-Mass.), were invited. Governor Dukakis accepted and kept his pledge to appear at the Sept. 19th event before concerned oilmen and other interested voters, bringing along his running mate, Sen. Lloyd Bentsen (D-Tex.). The Republicans declined at the last minute to address the industry.

Although only the Democratic energy position was presented, the forum was still successful. Through C-SPAN's live coverage and exposure provided by the large media corps attached to the campaign, only this forum succeeded in bringing nationwide attention to energy policy as a presidential issue during 1988.

P.E.P. resumed an expanded program in 1992. A documentary was filmed in conjunction with McNeil/Lehrer News-Hour to show the demise of the domestic Oil and Gas industry. A comprehensive energy policy questionnaire was sent to the two major party candidates, then-President Bush and Governor Bill Clinton (D-Ark.). Questionnaire results were made available to the industry and national media on Sept. 1, 1992. It was the only comprehensive energy policy questionnaire during the campaign.

P.E.P. commissioned a study in January 1993 on jobs, economy and energy. The study was completed and copies have been made available. Results from the study prompted P.E.P. and the University of Houston to co-host the Domestic Energy Conference for Economic Revitalization and Job Creation in April 14 1994. Featuring nationally recognized speakers from industry, academia, labor and government, the conference was held in Houston. Participants included keynote speaker Admiral Bobby R. Inman, USN (Ret.), Donald Paul Hodel, Bill Cunningham, Robert C. Kelly, Ernie Cade, Reginal Spiller, Forrest Hoglund, Oscar Wyatt and many other industry notables.



(Background Fact) continued;

Participants included keynote speaker Admiral Bobby R. Inman, USN (Ret.), Donald Paul Hodel, Bill Cunningham, Robert C. Kelly, Ernie Cade, Reginal Spiller, Forrest Hoglund, Oscar Wyatt and many other industry notables.

In May of 1994 P.E.P. was invited to hold a press conference at OTC 94, this was a first for P.E.P. In June of 1994, the board of directors recognized the need for a more structured organization, and it was decided, that P.E.P. should have as chairman, a person of stature who could offer leadership at the top. Mr. Robert O. Anderson, Chairman of Hondo Oil and Gas was selected to serve as Chairman, Mr. Donald P. Hodel, President, Summit Group International, Inc. was selected to serve as Vice Chairman, Mr. Paul Fuhs, Commerce Commissioner, Alaska, was selected to serve as Vice Chairman, Mr. Larry L. Strahan was selected to serve as full time President of People for an Energy Policy. All persons selected, accepted the positions, and today P.E.P. is a strong, bi-partisan, broad based organization of people from across the U.S. who are pushing Sustain America's Future in Energy program, and has a grass roots project to sign up as many members as possible from across America.

ROUGH DRAFT OUTLINE  
LEGISLATIVE APPROACH TO  
SUSTAINING AMERICA'S FUTURE IN ENERGY

Preamble (probably in the nature of legislative findings) [These are illustrative, only. They would need careful review before proposing them.]:

Recite the importance of energy to the US's position in the world; to the quality of life of every American; to our national security.

Recite the heavy dependence on energy, large volumes consumed.

Recite the need to reduce our long-term dependence on polluting sources of energy on a total systems basis.

Recite the difficulty of doing so when the price of energy fluctuates widely, destabilizing newer and promising technologies and damaging investment in and infrastructure of conventional energy sources.

Recite gains made in conservation, renewables, alternatives, cleaner burning coal, technologies for finding more oil and gas.

Recite the relatively slow growth of those sectors and attribute part of that at least to world oil price collapses.

Recite how difficult it is for domestic renewable, conservation and alternatives enterprises to grow and prosper, even with substantial subsidies and tax incentives, when the price for competitive energy sources drop drastically from time to time.

Recite the need for fostering renewables, alternatives and conservation in order to move them faster into the stream of commerce.

Recite need for incentives to encourage research, development, testing, investment, introduction, marketing, etc. of new energy technologies.

Recite that the calculation of revenue impacts by the USG inadequately accounts for the benefits of taxes paid, royalties from federal energy resources developed and utilized, families not on welfare, etc.

Recite the environmental benefits of producing energy resources in the US or in North America rather than longer, ocean transport of energy.

Recite that it is in the long-term interests of the US to move in the direction of less dependence upon imported fossil fuels from beyond North America.

Recite the enormous impact on the US balance of trade from its large and growing dependence on imports.

Recite how the US, for the sake of saving starving millions of people in developing countries, must reduce its drain on oil, generally, and foreign oil in particular.

Recite that, therefore, insofar as possible the US should institute incentives to encourage production of domestically producible oil and gas.

Recite the damaging effect changing USG policies have had on domestic industries and investment from time to time and recognize that there must some assurance that incentives granted and protections provided will not be altered to the detriment of persons relying on them with less than 7 years' notice.

Recite target rates of growth for renewables, conservation, alternatives and domestically produced resources.

Recite target rates of decline in imports of oil and petroleum products.

Recite, finally, that price stability being essential to any long-range sustainable energy future for the US, it is necessary to craft a means of assuring that the US will not be subject to the vagaries of price collapses in the world oil market.

Enact the following:

#### I. RENEWABLES

A. Define "renewables." Look at prior renewable legislation to see if the prior definition is still applicable.

B. Provide tax incentives for investment in renewables. [The conservation industries ought to have a shopping list of these. They could include tax credits for gains on such investments.]

C. Provide tax incentives for revenues produced from the marketing of renewables. [Again, ask the industry for its "want" list. It should include tax credits or favorable rates, tax holidays for the first few years, etc. These ought to be "marketable" so that successful companies in other areas could invest in these and get the benefit of offsetting their earnings elsewhere with the credits or reduced rates from the renewables area.]

#### II. CONSERVATION

A. Define "conservation" to include both active and passive conservation activities and technologies.

B. Provide tax incentives for expenditures on conservation. [The conservation industries ought to have a shopping list of these. They could include tax credits for gains on such investments.]

C. Provide tax incentives for revenues produced from the marketing of conservation. [Again, ask the industry for its "want" list. It should include tax credits or favorable rates, tax holidays for the first few years, etc. These ought to be "marketable" so that successful companies in other areas could invest in these and get the benefit of offsetting their earnings elsewhere with the credits or reduced rates from the conservation area.]

### III. ALTERNATIVES

A. Define "alternatives."

B. Provide tax incentives for investment in alternatives. [The alternatives industries ought to have a shopping list of these. They could include tax credits for gains on such investments.]

C. Provide tax incentives for revenues produced from the marketing of alternatives. [Again, ask the industry for its "want" list. It should include tax credits or favorable rates, tax holidays for the first few years, etc. These ought to be "marketable" so that successful companies in other areas could invest in these and get the benefit of offsetting their earnings elsewhere with the credits or reduced rates from the alternatives area.]

### IV. CONVENTIONAL RESOURCES

#### GAS:

- A. Define terms.
- B. Provide Incentives (see "OIL," below)
- C. Open identified federal lands for exploration and production.

#### OIL:

- A. Define terms.
- B. Provide Incentives
  - Depletion allowance (limited to reinvestment in e & p?)
  - Remove disincentives (AMT)
  - Tax credits for wild-catting
  - Tax holiday for discovery well in new field
  - etc.
- C. Open identified federal lands for exploration and production.
- D. Rationalize environmental restraints.

#### COAL:

- A. Define terms.

- B. Provide Incentives
- C. Federal R&D expenditures for improved clean coal technology
- D. Provide real incentives for private R&D, such as 5-10 years of tax free profitability from new discoveries.
- E. Rationalize the coal-related environmental laws.

#### NUCLEAR

- A. Define terms.
- B. Provide Incentives
- C. Federal R&D expenditures for improved technology
- D. Assurance of waste disposal system.
- E. Rationalize the nuclear-related environmental laws.

### V. GENERAL ENABLING PROVISIONS

#### A. Revenue calculations.

1. Within 60 or 90 days of enactment of this act, all USG agencies, including especially, the OMB, Treasury, and CBO must develop and apply to any calculations of revenue consequences flowing from this act a revised revenue model.
2. The revised revenue model must be capable of approximating the full revenue consequences of any energy incentive measures and in doing so must include the prospective revenue enhancing consequences and take into account possible market responses to taxes and incentives.

[Thus, instead of assuming, as they did, that the boat market would be unaffected by a 10% luxury tax and calculating revenue gains based on that totally erroneous and mistaken assumption, under this provision they would have been required to take into account the possibility that the boat business would collapse and that revenues would be only a fraction of projections. Or, in the current situation, they would have to take into account that by reducing royalties and taxes on marginal wells the small amount of reduced revenue on those wells which would continue without incentives would be more than offset by the investment in jobs and equipment which would result from the incentives (as Texas has proven recently with its incentives program).]

#### B. Targets/goals.

1. Set numerical or percentage market share goals for each energy category 5, 10, 15, 20, 30, 40, and 50 years hence.
2. Provide increasing incentives for at least a ten-year period in the event the targets are not being met.

3. Provide decreasing Incentives after 10 years' advance notice if the goals or targets are being exceeded by more than 10%. [Or some other number which is deemed to be way too high a rate.]

C. Incentives security.

1. Require the DOE (or other USG entity, DOC?) to enter into contracts ("shall contract") committing the USG to honor incentives and tax treatment for not less than 10 years from the date on which the USG legislatively or administratively adversely changes the laws or regulations. [While Congress could still change the law this would provide at least some financial protection to investors.]

2. The contracts shall provide for favored nation treatment so that early participants get the benefit of future beneficial improvements in incentives.

3. The contract shall not be unreasonably delayed or withheld, e.g., within 60 days DOE shall notify of rejection, or the applicant is entitled to a signed contract.

D. Price stability. [Open for discussion, but I include here one kind of mechanism for establishing stability.]

1. Establish a floor under the price of imported oil and petroleum products.

2. \$1/barrel below the world price on the day of establishment.

3. Follows the world price down on a weighted average basis after three months at the rate of 10% of the difference each month, remaining \$.50/barrel above the world price [e.g., if the floor is established at \$20 and the world price drops to \$15/barrel and stays there, eventually the floor would drop to \$15.50.]

4. Follows the world price up to \$22 anytime the world price moves more than 5% above the floor, the floor moves up 1/2 the distance to the world price.

5. Oil bought below the floor price would be taxed for the difference between the floor price and the actual purchase price. [e.g., if the floor price were \$20 and the purchase price were \$18, the USG would collect \$2 from the first buyer in the US. It looks like he is buying oil for \$18, but by the time he pays the tax, it is \$20. In that case the seller will charge \$20 and the USG won't collect much tax.]

*Special Note:* 6. If GATT or other international trade agreements interfered with the operation of the floor provision, the floor price could be recast as a tax on all oil, within or from outside the US. Thus, a buyer in the US who bought oil at \$18 would be required to pay the USG \$2. In that case it is likely the seller could charge \$20

since it makes no net difference to the buyer. And, such a tax ought to be outside the scope of GATT, etc., It looks just like a tax at the gas pump since it does not discriminate based upon the source of oil in its application.

[Additional details of the operation of such a price floor can be found in the book *Crisis in the Oil Patch*.]

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Clarifications and arguments in favor of the various elements of the foregoing outline would be available upon request. However, this mostly is intended to provide a skeletal form on which much will be added as time goes on and which may change shape as matters progress.

It appears from a quick comparison that the National Energy Strategy document from the Energy Council is generally consistent with the main provisions of the foregoing outline.



## Department of Energy

Washington, DC 20585

September 15, 1998

Mr. Terence H. Thorn  
Executive Vice President  
International Government Relations  
and Environmental Affairs  
Enron International  
Enron Corp.  
1775 Eye Street, N.W., Suite 800  
Washington, D.C. 20006

Dear Mr. Thorn:

We have received your correspondence dated September 1, 1998, on behalf of the Enron Corporation, requesting Secretary Richardson to attend the upcoming APEC Energy Ministers Conference on October 8-9, 1998.

We have forwarded your invitation to the Secretary's Office of Scheduling and Advance. A staff member from that office will notify you regarding the status of your invitation.

If you have any questions, please call Ms. Robyne Johnston at (202) 586-5534.

Sincerely,

James N. Solit  
Director, Executive Secretariat



Printed with soy ink on recycled paper

35

Folder Profile	
Control #	1998-011263
Name	letter to the Secretary from Dennis A. Orwig, Catalytica Com
Priority	Essential
DOE Addressee	Bill Richardson
Subject Text	Invites the Secretary to commemorate the first commercial site for IONON technology on October 8, 1998 (Rec'd in ES 9/21/98)
Topical Index	Meeting Request
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	Info Copy: ES/Holloway
Folder Trigger	Invitation
Source	PM-O
Correspondence Date	9/16/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	CARPENTC 202 586-4528 Carpenter, Catherine
Action Office #	
Assigned To	SL/Johnston
Date Due	
Date Completed	9/21/98

1998-011263 Sep 21 P2:51

Catalytica  
Combustion Systems  
September 16, 1998

Dennis A. Orwig  
President &  
Chief Executive Officer

The Honorable William Richardson  
U.S. Secretary of Energy  
U.S. Department of Energy  
1000 Independence Ave., Room: 7A-257  
Washington, D.C. 20585

Dear Secretary Richardson:

I am writing to invite you to the city of Santa Clara, California, October 8 for a significant event, which highlights a commitment made by the Department of Energy (DOE) to develop innovative air pollution control technologies. At this event, my company is going to demonstrate the commercial success of a technology that the DOE is supporting.

Catalytica Combustion Systems, Inc., in conjunction with Silicon Valley Power, Santa Clara's municipal power company, will hold an event to commemorate the first commercial site for XONON, a technology that virtually eliminates, through prevention, emissions of air pollutants (such as NOx) from gas turbines. This event is an outstanding opportunity for you to highlight the progress and importance of technological solutions that address critical air quality concerns in United States. XONON has been selected as a key component of the DOE's Advanced Turbine System (ATS) programs with Allison (Rolls Royce) and Solar Turbines.

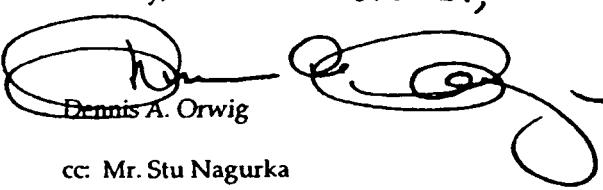
XONON is a technology that will help the power generation industry, and ultimately the public, bridge the gap between meeting stricter environmental standards and maintaining the economic viability of power generation. The economic benefits of this pollution prevention technology will enable the greater use of clean fuel (natural gas) to power gas turbines of all sizes. In fact, it is a proven technology that has already been selected by such major industry leaders as Allison (Rolls Royce), Caterpillar (Solar Turbines), Enron, General Electric, and Pratt & Whitney.

We have invited Vice President Gore to join us October 8 at this event. We understand he already will be in California that week, and believe his commitment to the environment and interest in the Silicon Valley make this event one he will want to attend. Independent of the vice president's decision, we are hoping you will attend and address our guests with a few words about the Energy Department's goals and commitments to meet future energy needs with innovative pollution control technologies.

As the president and chief executive officer of Catalytica Combustion Systems, Inc. in Mountain View, California, I am proud of the results we have accomplished in enhancing air quality. XONON is a pollution prevention technology that cost-effectively replaces the current exhaust clean-up approaches for removing NOx emissions from gas turbine exhaust streams.

I look forward to hearing from you or your office at your earliest convenience. Thank you for your consideration to participate in this major environmental event for the power industry.

Sincerely, AND GRATEFULLY,

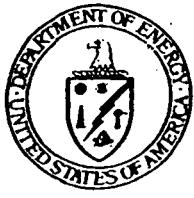
  
Dennis A. Orwig

cc: Mr. Stu Nagurka

430 Ferguson Drive  
Mountain View, CA 94034-5272  
650.940.6234 fax 650.965.4345  
dao@mv.catalytica-inc.com  
www.catalytica-inc.com

XONON No NOx Combustion

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## Department of Energy

Washington, DC 20585

September 23, 1998

Mr. Dennis A Orwig  
President & Chief Executive Officer  
Catalytica Combustion Systems, Inc.  
430 Ferguson Drive  
Mountain View, CA 94043-5272

Dear Mr. Orwig:

We have received your correspondence dated September 16, 1998, inviting Secretary Richardson to an event to commemorate the first commercial site for XONON on October 8, 1998.

We have forwarded your invitation to the Secretary's Office of Scheduling and Advance. A staff member from that office will notify you regarding the status of your invitation.

If you have any questions, please call Ms. Robyne Johnston at (202) 586-5534.

Sincerely,

James N. Solit  
Director, Executive Secretariat

360

Folder Profile	
Control #	1998-011544
Name	letter to the Secretary from Kathy Blyeu, Acting Executive D
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Invites the Secretary to address NERO at luncheon – October 20, 1998
Topical Index	Speaking Engagement
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	rec'd in ES on 9/25. Info:ES/Holloway
Folder Trigger	Invitation
Source	PM-I
Correspondence Date	9/21/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	NURI 202 586-1921 Nuri, Khalil
Action Office #	
Assigned To	SL/Johnston
Date Due	
Date Completed	9/28/98

31

es please  
Log.

September 21, 1998

The Honorable Bill Richardson  
Secretary of Energy  
Forrestal Building  
1000 Independence Avenue, S.W.  
Washington DC 20585

Attention: Mike Fourcher  
F: 586-7573

Dear Secretary Richardson:

On behalf of the National Energy Resources Organization (NERO), we want to formally invite you to address NERO at our next luncheon on Tuesday October 20, in room 325 Russell Senate Office Building. Our membership would like to learn about your future policy plans and initiatives for the Department of Energy.

The luncheon generally runs from 12:00 to 1:30 pm. We will begin with a welcoming reception, followed by lunch at 12:30 pm. Your remarks of around 15 to 20 minutes can be scheduled within this time frame.

NERO is a non-profit organization of professionals in the energy and environmental field engaged in the exchange and dissemination of ideas related to national energy and environmental policies. NERO members, representing the mining, natural gas, petroleum, utility and other manufacturing industries, the Executive Branch, and the Congress, meet monthly on Capitol Hill to hear distinguished guests speak on important national energy issues. Recent speakers include Congressman John Dingell, Senator Frank Murkowski, Congressman Paxon, Deputy Secretary Elizabeth Moler, and Senator Slade Gorton.

We would greatly appreciate a response from you as soon as possible. If you have any questions, please feel free to call me or Saurabh Gupta at (202) 828-2471.

Sincerely,



Kathy Belyeu  
Acting Executive Director

A

NERO OFFICERS AND DIRECTORS

Rob Long (Chairman), National Mining Association  
Deborah Estes (President), American Gas Association

John Sparkman (Senior V.P.), PP&L Corporation  
Susan Moya (V.P. Awards) American Petroleum Institute

Pet Schaub (V.P., Membership), Entergy  
David Nemtzow V.P. Special Projects, Alliance to Save Energy

Marc Yecker (Treasurer), Electricity Resource Council (ElCon)

Michael Marvin (Secretary), Business Council for Sustainable Energy

Tom Runge (Counsel), Stutz & Davis  
Roy Willis (Chairman Emeritus), Petroleum Energy Research Council

Kathy Bolyeu (Acting Executive Director), Franklin & Burling

*July 1999*

Michael Woo  
U.S. Enrichment Corporation

Bob Howard

FORD

Don Duncan

Phillips Petroleum

*July 2000*

Tobyn Anderson

Electric Power Supply Association

Adrienne Burns

SONAT

Rick Casoli

Columbia Energy Group

Peggy Welsh

NARUC

*July 2001*

Ted Garnish

Nuclear Energy Institute

John Neumann

Edison Electric Institute

Cynthia Anderson Sardherr

ENRON CORP.

Mark Whitenton

National Association of Manufacturers

B

**NERO CORPORATE MEMBERS**

Air Products & Chemicals, Inc.  
Alyeska Pipeline  
American Electric Power  
American Forest & Paper Association  
American Gas Association  
American Petroleum Institute  
ARCO  
Ashland Oil, Inc.  
Baltimore Gas and Electric  
Boland and Madigan  
Central & Southwest  
Chemical Manufacturers Association  
The Chevron Companies  
Columbia Energy Group  
Consolidated Natural Gas Co.  
The Detroit Edison Company  
Duke Energy  
Edison Electric Institute  
Econ  
El Paso Energy Corporation  
ENRON CORP  
Entergy Corporation  
Florida Power Corporation  
Florida Power & Light  
Franklin & Burling  
General Public Utilities  
Houston Industries  
Independent Petroleum Association of America  
Interstate Natural Gas Association of America  
Kaiser Aluminum & Chemical  
Kanner & Associates  
Large Public Power Council  
Mobil  
National Association of Manufacturers  
National Mining Association  
Northern States Power Company  
Nuclear Energy Institute  
Pacific Gas & Electric Company  
PECO Energy Company  
Phillips Petroleum Company  
PP & L Inc.  
Southern California Edison Company  
The Southern Company  
Stutz & Davis  
Virginia Power  
Washington Gas Company

1998-011544 9/25 5:20

# NERO

National Energy Resources Organization  
1101 Connecticut Avenue, NW  
Suite 1200  
Washington DC 20036  
P: (202) 828-2471  
F: (202) 828-2325

Robyne,

- Original addressed to Mike Fourcher.
- Copy to ES to be logged.
- Gave original to Jose Díaz  
for Mike Fourcher.

TO: Mike Fourcher  
  
FAX: 586-7573  
  
FROM: Kathy Belyeu  
Acting Executive Director  
  
DATE: September 22, 1998  
  
PAGES: 4  
(Including cover)

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Invitation for Secretary Richardson to speak to our membership on October 20, 1998.

Y

C



## Department of Energy

Washington, DC 20585

September 28, 1998

**1998-011544**

Ms. Kathy Belyeu  
Acting Executive Director  
National Energy Resources Organization  
1101 Connecticut Avenue, N.W.  
Suite 1200  
Washington, D.C. 20036

Dear Ms. Belyeu:

We have received your correspondence dated September 21, 1998, inviting Secretary Richardson to address the National Energy Resources Organization luncheon on October 20, 1998.

We have forwarded your invitation to the Secretary's Office of Scheduling and Advance. A staff member from that office will notify you regarding the status of your invitation.

If you have any questions, please call Ms. Robyne Johnston at (202) 586-5534.

Sincerely,

James N. Solit  
Director, Executive Secretariat



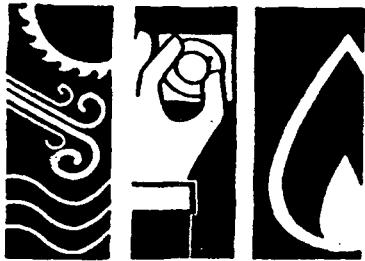
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D

Folder Profile	
Control #	1998-011410
Name	letter to the Under Secretary from Michael L. Marvin, The Bu
Priority	Important
DOE Addressee	Ernest Moniz
Subject Text	Thanks the Under Secretary for meeting with Council representatives to discuss the Clean Power Generation Technologies Road Map (Rec'd in ES 9/23/98)
Topical Index	
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	
Folder Trigger	Letter
Source	PM-O
Correspondence Date	9/22/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	CARPENTC 202 586-4528 Carpenter, Catherine
Action Office #	
Assigned To	EE
Date Due	
Date Completed	9/25/98

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1998-011410 Sep 23 P3:33



**The  
Business Council  
for  
Sustainable  
Energy**

1200 18th Street, NW  
Ninth Floor  
Washington, DC 20036

Phone 202-785-0507  
Fax 202-785-0514

September 22, 1998

The Honorable Ernest J. Moniz  
Under Secretary of Energy  
U.S. Department of Energy  
1000 Independence Avenue, SW  
Washington, D.C. 20585

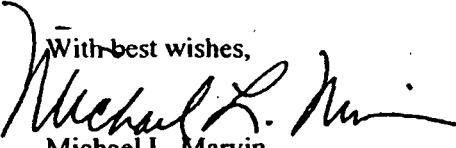
Dear Under Secretary Moniz:

Thank you for meeting with Council representatives last week to discuss the Clean Power Generation Technologies Road Map and other cooperative RD&D matters between government and industry. Council members appreciate your leadership on the development of innovative power generation technologies for the twenty-first century.

As expected, the meeting presented the opportunity for an active and informative discussion of the Road Map, tax incentives for energy efficiency and renewable energy technologies, and "site v. source" measures of energy efficiency. Industry attendees at the meeting welcomed the opportunity to discuss the tax incentive package for clean energy technologies and would particularly welcome your support for the package within the Administration.

The Council awaits the results of this week's meeting of the Road Map's core group and will keep in contact with you regarding this and other RD&D matters. Thank you again for your leadership which will promote private-sector investment in high-efficiency energy technologies to strengthen our economy, conserve energy use, and provide a cleaner environment for present and future generations.

With best wishes,

  
Michael L. Marvin

Executive Director

cc: Robert L. San Martin, Scientific Initiatives Director, DOE  
Melanie Kenderdine, Deputy Assistant Secretary for Congressional and Intergovernmental Affairs, DOE  
Murray S. Liebman, Chair, RD&D task force, BCSE  
David Berokoff, Technology Development Manager, Southern California Gas Company  
Jeff Keeler, Director, Federal and Governmental Relations, Enron Corporation

A



The Secretary of Energy  
Washington, DC 20585

1998-010572

1/15/98 ter

October 1, 1998

Her Excellency Vasso Papandreu  
Minister of Development of the Hellenic Republic  
Athens, Greece

Dear Madam Minister:

The United States is pleased with the Greek government's interest to include our companies in important energy projects being developed in Greece. We have been following your efforts since January of this year when your Ministry of Development and the Public Natural Gas Corporation (DEPA) met with U.S. officials and industry in Washington and Houston.

We are pleased to learn that Enron, a major U.S. energy company, expressed interest in expanding its involvement in the Greek energy sector and has submitted a bid to perform operations and maintenance on DEPA's high pressure gas transmission system. Enron is a highly regarded U.S. energy company with a reputation for high quality expertise and experience.

We are pleased to support Enron and other high-caliber U.S. companies that have the expertise to complete successfully projects of this type. We encourage you to give Enron full consideration in your award of this contract. In addition, the U.S. looks forward to our continued bilateral relationship and hope that you will consider U.S. companies in future projects.

Yours sincerely,

Bill Richardson



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Folder Profile	
Control #	1998-012054
Name	letter to the Secretary from the Honorable Michael Leavitt, G
Priority	Essential Critical
DOE Addressee	Bill Richardson
Subject Text	Urge Secretary to approve and fund the enclosed proposal titled, "Advanced Renewable Energy Through the Pollution Prevention Forum of the Western Regional Air Partnership" (Rec'd in ES 10/6/98)
Topical Index	
Signature/Approval	Bill Richardson
Action Requested	Prepare Response
Special Instructions	Final response or interim acknowledgement must reach the Executive Secretariat by the due date. CI concurrence. Due date extended per Y.West.
Folder Trigger	Letter
Source	SO
Correspondence Date	10/1/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	POLICYC
202 586-5089	INACTIVE
Action Office #	
Assigned To	EE
Date Due	12/14/98
Date Completed	1/25/99

1998-012054 10/6 3:01



MICHAEL O. LEAVITT  
GOVERNOR

STATE OF UTAH  
OFFICE OF THE GOVERNOR  
SALT LAKE CITY  
84114-0601

OLENE S. WALKER  
LIEUTENANT GOVERNOR

October 1, 1998

The Honorable Bill Richardson  
Secretary  
Department of Energy  
1000 Independence Avenue, S.W.  
Washington, D.C. 20585

Dear Secretary Richardson:

As you know, the West has some of the most spectacular vistas in the world. We are also a dynamic and growing region. To meet the challenge of protecting and enhancing our air quality while accommodating economic growth, western governors and tribal leaders have formed the Western Regional Air Partnership (WRAP) to implement the recommendations of the Grand Canyon Visibility Transport Commission. The WRAP is an example of the new collaborative approach needed to implement energy and environmental policies in the western states. It is founded on the belief that diverse stakeholders working on a common problem, such as protecting visibility and air quality, will lead to more creative and cost-effective solutions than traditional regulatory approaches by themselves.

Several of the key recommendations being implemented by the WRAP directly complement the mission of the Department of Energy. The WRAP is working to significantly expand the production of power from renewable energy resources and to increase the efficiency with which energy is used in the region. A forum of diverse stakeholders has been charged with developing strategies to meet these goals. The forum is co-chaired by my Department of Natural Resources and Enron Wind Corporation.

Given the shared interest to increase use of renewable energy and energy efficient technologies among DOE and western states and tribes, I strongly urge you to approve and fund the enclosed proposal which will provide necessary staff and analytic support to enable the WRAP to achieve the Commission's efficiency and renewable energy goals.

Please contact Jim Souby (303/623-9378) or Doug Larson (303/573-8910) if you need additional information.

Sincerely,

A handwritten signature in black ink that reads "Michael Leavitt".

Michael Leavitt, Co-Chairman  
Western Regional Air Partnership  
Governor of Utah

A

## ***Advancing Renewable Energy Through the Pollution Prevention Forum of the Western Regional Air Partnership***

### ***Background***

The 1990 Amendments to the Clean Air Act created the Grand Canyon Visibility Transport Commission (GCVTC) to prepare recommendations to the Environmental Protection Agency on actions to protect visibility in the national park. Western governors expanded the role of the Commission to address visibility in all the parks and wilderness areas on the Colorado Plateau and expanded the membership to include eight states.

The Commission's report to EPA in June 1996 made numerous recommendations on how to protect visibility, including a recommendation that 10 percent of western energy needs be met by renewables in 2005 and 20 percent by 2015.

The governors have created the 12-state Western Regional Air Partnership (WRAP) to implement the Commission's recommendations. The WRAP has established a number of committees (called forums) to implement specific recommendations. One forum, the Pollution Prevention Forum, is focusing on implementing the renewable recommendations. The Forum is co-chaired by Hap Boyd (Enron) and Jeff Burks (Utah Office of Energy and Resource Planning). Among a total of five groups of GCVTC recommendations, the Pollution Prevention Forum has three energy-specific objectives that directly relate to the mission of the DOE's Office of Energy Efficiency and Renewable Energy. Specifically, the Forum is charged with developing a program to:

1. Achieve the GCVTC goal of producing 10 percent of the region's energy from renewables by 2005 and 20 percent by 2010;
2. Increase energy efficiency of residential and commercial building sectors through market based incentives and ~~practices~~ that encourage energy efficient design and retrofit of existing structures; and
3. Develop market-based approaches to pollution prevention and energy conservation and efficiency through green pricing and disclosure of information on electricity bills.

The Forum will place its first priority on the goal of expanding the use of renewable energy. (The full charge to the Pollution Prevention Forum is attached.)

The initial step is to develop a White Paper by the end of August which will examine the western renewable resource base, the current and near-term economics of specific renewable technologies, identify the barriers to expanding the deployment of such technologies, identify actions which could overcome such barriers and then (and most importantly) provide an assessment of the feasibility of causing action to be taken to overcome the barriers<sup>1</sup>. The White Paper will be used to set priorities for the Forum and to identify additional Forum members who would be the most effective participants to address the identified issues and barriers. Based on the White Paper, a Forum work plan will be developed at the Forum's first meeting on September 17-18. The work plan and associated budget will determine the direction and level of effort of the Forum's work.

### *Situation Analysis*

Increasing the deployment of renewable energy technologies will require a concerted effort by the private sector, the federal government, and state, local and tribal governments. There is an urgent need for such cooperative efforts given the changes occurring in the electric power industry and the need to reduce and prevent environmentally-damaging emissions.

Because of its resource base, the costs of producing renewable energy are likely to be lower in the West than any other region of the country. The best solar, wind, and geothermal resources are located in the western states. The region is also growing rapidly, which will require the installation of significant new energy infrastructure. This offers the opportunity for lower cost "greenfield" approaches rather than having to rely primarily on retrofitting.

The leadership of efforts to increase the use of renewable energy needs to be expanded beyond the current circle of advocates. Implementation of the recommendations of the GCVTC provides an opportunity to broaden the leadership (e.g., to include western governors and tribes) on renewable

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<sup>1</sup> A small group of experts, including the National Renewable Energy Laboratory, will meet on August 20 to provide guidance on the development of the White Paper. The DOE/EPRI study, *Renewable Energy Technology Characterizations*, will be used as a starting point for the White Paper.

energy.

The five years of consensus-building efforts among western industry, environmental organizations, states and tribes which led to the GCVTC recommendations provides an ideal platform upon which to broaden the leadership and build additional support for renewable resources throughout the West. And, there are a number of reasons why DOE should be a partner in this effort.

First, the Office of Energy Efficiency and Renewable Energy can fulfill its mission by dovetailing its programs with the WRAP initiative. The implementation of the GCVTC recommendations is a centerpiece of the western governors' new environmental doctrine, an effort spearheaded by Governors Leavitt (UT) and Kitzhaber (OR). As a result, implementing renewable energy and energy efficiency recommendations of the GCVTC is likely to receive a more favorable political response in the West than federal efficiency and renewable energy efforts.

Second, EPA is already funding much of the WRAP's work and there are indications they want to move more deeply into the renewables and efficiency area. While there are clear synergies between EPA and DOE on these programs, it is not in the interest of the WRAP or DOE to have DOE pushed to the sidelines on efficiency and renewables and have these efforts strictly identified as environmental protection (not energy) programs.

Third, the WRAP program is a regional effort covering at least 13 western states. To build political support for its programs, DOE needs to demonstrate that its efforts are responsive to the needs of all regions, including the western region. Pushing renewable/efficiency initiatives through the WRAP is a way of demonstrating the contribution which DOE can make in solving a western regional problem. (See attached resolution adopted by western governors in June 1998.)

Finally, because the GCVTC and WRAP are consensus-building processes involving the full spectrum of interest groups (utilities, mining companies, environmental groups, etc.), the WRAP process presents an opportunity for DOE to participate and in doing so gain the support for renewables/efficiency from previously disinterested or antagonistic parties.

For these reasons, DOE support of implementation of the renewable energy and energy efficiency recommendations of the GCVTC provides an ideal opportunity to advance the policy goals of

the Department and to broaden the leadership and support of renewable energy to encompass new, powerful constituencies.

## *Proposal*

Four types of resources are necessary to enable the Pollution Prevention Forum to fulfill its responsibilities: (1) technical expertise for the August 20 workshop to develop a white paper; (2) ongoing Forum staff and meeting support; (3) hardship travel funds for Forum participants and invited presenters; and (4) money and in-kind expertise to address priority analytic issues developed by the Forum. Technical expertise for the August 20 workshop has been secured. However, there are no funds for ongoing staff support. At present, some in-kind staff support is being provided by the Western Interstate Energy Board. Hardship travel funds for Forum participants is being provided through a grant from EPA to the Western Governors' Association.

It is not possible to accurately estimate needed resources for in-depth analysis until the Forum establishes its analytic priorities, however the co-chairs have identified funding of staff and meeting support for the Forum over the next 12 months as the most pressing near-term need. As the following budget illustrates, this can be accomplished at a relatively modest cost. In addition to the proposed budget it is anticipated that a significant amount of the resources necessary to complete the work of the Forum will be provided by in-kind contributions from state, industry and environmental members of the Forum.

### **Forum Staff and Meeting Support**

#### Proposed one-year budget

Staff	\$40,000
Overhead	68,400
Meeting expense and long-distance	10,000
Travel for technical experts	19,000
Total	\$137,400

**Staff Support:** Because each of the Forum co-chairs and Forum members have other full-time jobs, adequate staff support to the Forum is critical to its success. Staff needs to perform the following functions:

- ▶ Assist the co-chairs in strategic planning on the desired outcomes and process for achieving outcomes
- ▶ Conduct literature research and telephone inquiries, as required by the work of the Forum
- ▶ Development of Forum briefing materials
- ▶ Meeting organization (logistics/invitations)
- ▶ Forum meeting summaries
- ▶ Actions to follow-up Forum decisions
- ▶ Preparation of reports to the WRAP
- ▶ Liaison with Forum work groups and other parties working on priority Forum topics
- ▶ Monitoring developments involving other Forum charges
- ▶ Contract management
- ▶ Managing the Forum's section of the WRAP Internet home page

The Western Interstate Energy Board<sup>2</sup>, which is the energy arm of the Western Governors' Association, would be best suited to provide staff support to the Forum because of its expertise in western energy issues, its existing network to state energy agencies (e.g., western state PUCs, energy agencies and facility siting agencies), its knowledge of the views and priorities of western governors, its extensive experience in the analysis of western energy issues and preparation of briefing materials, its proven track record in organizing and executing both small and large meetings of diverse participants on

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<sup>2</sup> The Western Interstate Energy Board is an association of western states and western Canadian provinces. The legal basis of the Board is an interstate compact which has been ratified by Congress (PL 91-461). The Board includes a Federal Representative appointed by the President. It also serves as the energy advisory arm of the Western Governors' Association. The Board maintains a staff at its Denver, Colorado, office. Board members are appointed by the governor of each state and are generally the head of the state energy agency. The purposes of the Board are to:

- ▶ Provide a forum for identifying, discussing and resolving regional energy-related issues and problems of interest to its members and provide assistance in policy formulation;
- ▶ Provide multi-state services to member states, including the management and oversight of special projects;
- ▶ Monitor, analyze and report on federal, state and private sector activities affecting western energy interests; and
- ▶ Assist states in coordinating activities with federal agencies.

difficult technical and policy issues, and its existing links to the Internet server housing the WRAP's home page.

Staffing costs assume a part-time project manager (434 hours at \$35/hour) and part-time policy analyst/internet administrator (1240 hours at \$20/hour). Overhead (at 1.71) includes all non-salary costs, including fringe benefits, support staff, office expenses.

Granting of the funds could be accelerated by adding a task on the existing Department of Energy agreement with the Western Interstate Energy Board (DE-FG48-97R810626).

Meeting Support: Meeting expenses assume ten small meetings (e.g., 15-25 people) at an average meeting cost of \$500 per meeting and three large meetings (e.g., meetings of 100 people) at an average meeting cost of \$1,500 per meeting. It is assumed that the Forum, consisting of 12-15 people, would meet monthly in the first three months, and quarterly thereafter, for a total of six of the ten small meetings during the year. The budget assumes four smaller technical meetings which may be necessary to organize one or more of the larger meetings or to address specific technical issues, such as exploring potential synergies between hydroelectric storage and intermittent renewable generation or to evaluate information on the consumer response to green pricing programs. The large meetings would be for the purpose of engaging those whose cooperation is necessary to implement a specific action. An example of a large meeting might be to work with transmission owners to encourage the adoption of transmission pricing systems more favorable to intermittent renewable energy sources, which are located distant from load centers. Other large meetings might address the adoption of solar portfolio standards or wires charges, or the development of uniform information disclosure procedures.

A number of these meetings may require the payment of outside experts. For the purposes of the budget, it is assumed that each of the 10 smaller meetings would, on average, require the payment of travel costs for one technical expert at \$1,000 per trip and that the three large meetings would require the payment of three technical experts at \$1,000 per trip.

**Western Governors' Association**  
**June 30, 1998**  
**Resolution 98 - 026**

**SPONSORS:** Governors Nelson and Schafer

**SUBJECT:** Western State Leadership in Renewable Energy Development

**A. BACKGROUND**

1. The West has the greatest abundance of renewable energy resources of any region in the United States. The West has extensive hydroelectric generation, nearly all the geothermal energy production in the U.S., significant biomass production, and the best solar, wind and ocean resources in the U.S.
2. The development and deployment of technologies to utilize these resources will help diversify the western energy system and better position western companies to compete in the growing global renewable energy marketplace and to meet clean air mandates.
3. The successful deployment of renewable energy technologies requires continuing technological advances, removal of barriers to deployment, and ingenuity to find and exploit niche markets.
4. The federal government, through the U.S. Department of Energy's National Renewable Energy Laboratory and other national labs, has played a vital role in advancing renewable energy technology development and in assisting individual states in specific technical areas;
5. Western states are making major commitments to the development and deployment of renewable energy resources.

**B. GOVERNORS' POLICY STATEMENT**

1. Western governors believe that the development and deployment of renewable energy technologies can benefit the region by:
  - a. Diversifying the region's energy supply;
  - b. Promoting the development of new technologies and Western companies in a growing global market;
  - c. Reducing traditional air pollutants from energy production;
  - d. Providing a safety net in the event reductions in greenhouse gases are required; and
  - e. Meeting the obligation of today's westerners to their children, and to future citizens of the region through careful stewardship of indigenous natural resources.

2. Western governors recognize the leadership which individual Western states have provided in efforts to capitalize on the potential benefits of renewable energy development in the West.
3. Western governors recognize the contribution which the National Renewable Energy Laboratory and other federal labs have made in developing technologies which enable the cost-effective use of an increasing portion of the western renewable energy resource.
4. Western governors will promote renewable energy, including efforts of the National Renewable Energy Laboratory and other federal labs to continue outreach to western states to ensure that their research and development efforts are germane to the western resource base and thereby offer technology options that can contribute to increasing the availability of renewable power generation and to the resolution of important public policy issues in the region.

#### **C. GOVERNORS' MANAGEMENT DIRECTIVE**

1. WGA staff shall convey this resolution to the President, the Secretaries of Energy, Agriculture and Commerce, the Administrator of the Environmental Protection Agency, the National Renewable Energy Laboratory and appropriate members and committees of Congress.
2. WGA staff, in coordination with the Western Interstate Energy Board, is directed to monitor and share information on the initiatives of western states to capitalize on the renewable energy resources in the West. Staff is directed to seek opportunities where the National Renewable Energy Laboratory and other national labs can contribute to achieving the policy objectives of western governors. Staff is directed to monitor and report on the progress in implementing this resolution.

Folder Profile	
Control #	1998-012821
Name	letter to DS/Moler from Sheila Slocum Hollis, Women's Cour
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Thanks Deputy Secretary for agreeing to join the WCEE annual meeting on Nov. 19, 1998
Topical Index	
Signature/Approval	NA
Action Requested	Information Only
Special Instructions	
Folder Trigger	Letter
Source	PM-O
Correspondence Date	10/9/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	MACKALLB 202-586-8923 Mackall, Brenda
Action Office #	
Assigned To	OS/LaMay
Date Due	
Date Completed	10/22/98

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Women's Council on Energy and the Environment

1998-012821 10/22 12:08

October 9, 1998

The Hon. Elizabeth A. Moler  
Deputy Secretary  
Department of Energy  
Forrestal Building  
1000 Independence Avenue, S.W.  
Washington, D.C. 20585

Dear Betsy:

On behalf of the Women's Council on Energy and the Environment, we would like to thank you for agreeing to join us for our annual meeting and Woman of the Year ceremony on Thursday, November 19, 1998. The 18th Annual WCEE Woman of the Year ceremony will take place from noon to 2:00 p.m at the Hotel Washington, 515 15th Street, N.W. I have attached a copy of the WCEE's Calendar of Events Newsletter which highlights your participation.

We are very excited about having you join us. Daryl Owen thinks he will be able to join us too.

Very truly yours,

A handwritten signature in black ink that reads "Sheila Slocum Hollis".

Sheila Slocum Hollis  
for DUANE, MORRIS & HECKSCHER

SSH:jrw



## OCTOBER 1998 COMING EVENTS

**October 5, 1998, Noon to 1:30 p.m., Use of Fire Retardant Chemicals in Textile Manufacturing — A Regulatory Update.** Mr. Peter Sparber of Sparber and Associates, a prominent Washington lobbying firm, will present updates on the proposed regulations requiring fire retardant chemicals on upholstered furniture and the potential impact on consumers and the environment. Please join us at Bracewell & Patterson, L.L.P., 2000 K Street, N.W., Suite 500, Washington, D.C. 20008 (Farragut North or Farragut West Metro Stations). Cost is \$5 for WCEE members and \$10 for non-WCEE members. Beverages and dessert will be provided. Please RSVP to the WCEE hotline 703-208-1469.

**October 15, 1998,** ballots for 1998 WCEE Board of Directors due. Please vote and either mail enclosed ballot to WCEE, P.O. Box 33211, Washington, DC 20003; or fax your ballot to: WCEE, c/o Linda Hearne Boner at 202-466-3199. Please contact Vice President Linda Hearne Boner at 202-331-1946 if you have questions.

**October 15, 1998, Noon to 2:00 p.m., Consumer Views on Genetically Modified Organisms in Food Products.** This Brownbag is sponsored by the International Special Interest Group and features Lisa Katic, Program Manager of Food Safety, International Food Information Council (IFIC). Further details will be provided in the October newsletter. This event will be held at Bracewell & Patterson, L.L.P., 2000 K Street, N.W., Suite 500, Washington, D.C. 20008. (Farragut North or Farragut West Metro Stations). Cost is \$5 for WCEE members and \$10 for non-WCEE members. Beverages and dessert will be provided. Please RSVP to the WCEE hotline 703-208-1469.

**October 20, 1998, Noon to 2:00 p.m., Federal Energy Regulatory Commissioner Linda Key Breathitt.** Ms. Breathitt was nominated by President Clinton on October 24, 1997 and confirmed by the Senate on November 7, 1997. Her term expires June 30, 2002. We will be meeting over brown bag lunches at FERC Headquarters, 888 First St. NE, Washington, DC. Cost is \$5 for members and \$10 for non-members. Beverages and dessert will be provided. Please RSVP to the WCEE hotline: 703-208-1469.

**November 17, 1998, Noon to 1:30 p.m., Women in Leadership Series.** This event will feature Cynthia Quarterman, Director, U.S. Department of the Interior, Mineral Management Service. This series gives our members the opportunity to interact on a personal level with leaders in the energy and environmental fields. As per our recent policy statement, these events are not intended to be an opportunity to advance specific positions or interests of individual WCEE members, their employers or their clients. We will be meeting over brown bag lunches at the Department of the Interior, 1849 C Street, NW, Room 4212, Washington, D.C. Beverages and dessert will not be provided. Attendance is limited to 15 WCEE members and is free. Please RSVP to the WCEE hotline: 703-208-1469.

**November 19, 1998, Noon to 2:00 p.m., Annual Meeting and Woman of the Year Award.** The annual meeting and Woman of the Year award celebration will be take place at the Hotel Washington, 515 15<sup>th</sup> Street N.W., Washington, D.C. Elizabeth Moler, Deputy Secretary of Energy will be honored as the WCEE Woman of the Year. We gratefully acknowledge our Sponsors' support. Sustaining WCEE Sponsors are: Bracewell & Patterson, LLP; Duane, Morris & Heckscher, LLP; DynCorp I&ET; Glassman-Oliver Economic Consultants, Inc.; Tetra Tech EM, Inc.; United Technologies Corporation; and Winston & Strawn. In addition, ENRON Corporation and the American Public Power Association (APPA) have provided support for the Woman of the Year event. We encourage other potential sponsors of this, or other events, to contact any member of the Board of Directors.

November newsletter deadline: COB Friday, October 9, 1998.

Folder Profile	
Control #	1998-012193
Name	letter to Secretary Richardson from Joe B. Foster, National R
Priority	Essential Critical
DOE Addressee	Bill Richardson
Subject Text	Requests approval for the establishment of A Committee and Subcommittee for the National Petroleum Council on Natural Gas (Rec'd in ES 10/9)
Topical Index	
Signature/Approval	Bill Richardson
Action Requested	Prepare Response
Special Instructions	Info copy: OS/Kenderdine; Signed Response given to FE/Hebron for dispatch 11/18 per Yvonne West.
Folder Trigger	Letter
Source	PM-O
Correspondence Date	10/6/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	MACKALLB 202-586-8923 Mackall, Brenda
Action Office #	
Assigned To	FE
Date Due	10/28/98
Date Completed	11/18/98

40

1998-012193 10/9 11:52

# NATIONAL PETROLEUM COUNCIL

*An Advisory Committee to the Secretary of Energy*

1625 K Street, N.W.  
Washington, D.C. 20006-1604

Phone: (202) 393-6100  
Fax: (202) 331-8539

October 6, 1998

The Honorable  
Bill Richardson  
Secretary of Energy  
Washington, D.C. 20585

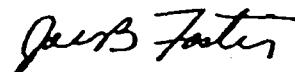
Dear Mr. Secretary:

In order to prepare a response to the May 6, 1998, request for the Council to reassess its 1992 study on the potential for natural gas in the United States, I wish to establish and appoint the members of an NPC Committee on Natural Gas. In addition, I wish to establish and appoint a Coordinating Subcommittee, which will report to the Committee on Natural Gas.

Accordingly, pursuant to Section 6-1 of the Articles of Organization of the Council, your approval is requested for the establishment of the Committee and its Subcommittee, and for the appointment of the members as shown on the enclosed proposed rosters. Your designation of Government Cochairs for the Committee and Coordinating Subcommittee would also be appreciated.

Finally, it would be appropriate and desirable for a representative of the Department of the Interior to be designated to participate on the Coordinating Subcommittee.

Very truly yours,



Joe B. Foster  
Chair

Enclosures

cc: Peter I. Bijur  
H. Leighton Steward  
William A. Wise  
Robert S. Kripowicz  
Melanie Kenderdine  
Margie Biggerstaff



**NATIONAL PETROLEUM COUNCIL**  
**PROPOSED COMMITTEE ON NATURAL GAS**

---

**CHAIR**

**Peter I. Bijur**  
Chairman of the Board and  
Chief Executive Officer  
Texaco Inc.

**VICE CHAIR, DISTRIBUTION**

**William A. Wise**  
Chairman, President and  
Chief Executive Officer  
El Paso Energy Corporation

**VICE CHAIR, SUPPLY**

**H. Leighton Steward**  
Vice Chairman and  
Chairman of the Executive Committee  
Burlington Resources

**GOVERNMENT COCHAIR**  
(designation pending)

**EX OFFICIO**

**Joe B. Foster**  
Chair  
National Petroleum Council  
c/o Newfield Exploration Company

**SECRETARY**

**Marshall W. Nichols**  
Executive Director  
National Petroleum Council

**Robert J. Allison, Jr.**  
Chairman and  
Chief Executive Officer  
Anadarko Petroleum Corporation

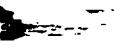
**Dick Cheney**  
President and  
Chief Executive Officer  
Halliburton Company

**Michael L. Beatty**  
Colorado Springs, Colorado

**Luke R. Corbett**  
Chairman and  
Chief Executive Officer  
Kerr-McGee Corporation

**David W. Biegler**  
President and  
Chief Operating Officer  
Texas Utilities Company

**Gregory L. Craig**  
President  
Cook Inlet Energy Supply

**Robert B. Catell**   
Chairman and  
Chief Executive Officer  
MarketSpan Corporation

**George A. Davidson, Jr.**  
Chairman of the Board and  
Chief Executive Officer  
Consolidated Natural Gas Company

**Collis P. Chandler, Jr.**  
Chairman of the Board and  
Chief Executive Officer  
Chandler & Associates, Inc.

**Kenneth T. Derr**  
Chairman of the Board and  
Chief Executive Officer  
Chevron Corporation

**B**

## **PROPOSED NPC COMMITTEE ON NATURAL GAS**

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Chairman of the Board and  
Chief Executive Officer  
Tom Brown, Inc.

**Richard D. Farman**  
Chairman and  
Chief Executive Officer  
Sempra Energy Corporation

**William L. Fisher**  
Leonidas T. Barrow Chair in  
Mineral Resources  
Department of Geological Sciences  
University of Texas at Austin

**H. Laurance Fuller**  
Chairman of the Board and  
Chief Executive Officer  
Amoco Corporation

**Barry J. Galt**  
Chairman  
Seagull Energy Corporation

**Charles H. Gardner**  
President  
Association of American  
State Geologists  
c/o North Carolina Geological Survey

**James A. Gibbs**  
President  
Five States Energy Company

**Alfred R. Glancy, III**  
Chairman, President and  
Chief Executive Officer  
MCN Energy Group

**Larry D. Hall**  
Chairman, President and  
Chief Executive Officer  
KN Energy, Inc.

**Christine Hansen**  
Executive Director  
Interstate Oil and Gas  
Compact Commission

**Dennis R. Hendrix**  
Former Chairman, PanEnergy Corp  
c/o Duke Energy Corporation

**David A. Hentschel**  
Chairman and  
Chief Executive Officer  
Occidental Oil and Gas Corporation

**L. Dean Jones**  
President and  
Chief Executive Officer  
DeGolyer and McNaughton

**Jon Rex Jones**  
Chairman  
EnerVest Management Company, L.C.

**Jerry D. Jordan**  
President  
Jordan Energy Inc.

**Robert Kelley**  
Chairman, President and  
Chief Executive Officer  
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**Fred Krupp**  
Executive Director  
Environmental Defense Fund

**Ronald L. Kuehn, Jr.**  
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Chief Executive Officer  
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**Kenneth L. Lay**  
Chairman and  
Chief Executive Officer  
Enron Corp.

**Jack E. Little**  
President and  
Chief Executive Officer  
Shell Oil Company

**Max L. Lukens**  
Chairman and  
Chief Executive Officer  
Baker Hughes Incorporated

**Edward R. McCracken**  
Palo Alto, California

**J. Larry Nichols**  
President and  
Chief Executive Officer  
Devon Energy Corporation

**PROPOSED NPC COMMITTEE ON  
NATURAL GAS**

**C. R. Palmer**  
**Chairman of the Board, President**  
**and Chief Executive Officer**  
**Rowan Companies, Inc.**

**Robert L. Parker, Sr.**  
**Chairman of the Board**  
**Parker Drilling Company**

**Richard B. Priory**  
**Chairman and**  
**Chief Executive Officer**  
**Duke Energy Corporation**

**Lee R. Raymond**  
**Chairman of the Board and**  
**Chief Executive Officer**  
**Exxon Corporation**

**Oliver G. Richard, III**  
**Chairman, President and**  
**Chief Executive Officer**  
**Columbia Energy Group**

**John C. Sawhill**  
**President and**  
**Chief Executive Officer**  
**The Nature Conservancy**

**Scott D. Sheffield**  
**President and**  
**Chief Executive Officer**  
**Pioneer Natural Resources Company**

**Matthew R. Simmons**  
**President**  
**Simmons and Company International**

**Arlie M. Skov**  
**President**  
**Arlie M. Skov, Inc.**

**Richard E. Terry**  
**Chairman and**  
**Chief Executive Officer**  
**Peoples Energy Corporation**

**Roger E. Tetrault**  
**Chairman of the Board and**  
**Chief Executive Officer**  
**McDermott International, Inc.**

**H. A. True, III**  
**Partner**  
**True Oil Company**

**C. L. Watson**  
**Chairman of the Board and**  
**Chief Executive Officer**  
**Dynegy Inc.**

**Rex H. White, Jr.**  
**Partner**  
**Hutcheson & Grundy, L.L.P.**

**Mary Jane Wilson**  
**President and**  
**Chief Executive Officer**  
**WZI Inc.**

**Brion G. Wise**  
**Chairman and**  
**Chief Executive Officer**  
**Western Gas Resources, Inc.**

**Daniel H. Yergin**  
**President**  
**Cambridge Energy Research Associates**

**NATIONAL PETROLEUM COUNCIL**  
**PROPOSED COORDINATING SUBCOMMITTEE**  
**OF THE**  
**NPC COMMITTEE ON NATURAL GAS**

---

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Claire Scobee Farley  
President  
Texaco North America Production

**ASSISTANT TO THE CHAIR**

Rebecca B. Roberts  
Strategic Partner  
Global Alignment  
Texaco Inc.

**GOVERNMENT COCHAIR**  
(designation pending)

**SECRETARY**

John H. Guy, IV  
Deputy Executive Director  
National Petroleum Council

\* \* \*

Collis P. Chandler, Jr.  
Chairman of the Board and  
Chief Executive Officer  
Chandler & Associates, Inc.

Paul L. Kelly  
Senior Vice President  
Special Projects  
Rowan Companies, Inc.

J. M. Funk  
President  
Shell Continental Companies

Thomas B. Nusz  
Vice President  
Strategic Planning and Engineering  
Burlington Resources

James W. Hail, Jr.  
Executive Vice President  
DeGolyer and MacNaughton

Susan B. Ortenstone  
Vice President  
El Paso Gas Services Company

Patricia A. Hammick  
Senior Vice President  
Strategy and Communications  
Columbia Energy Group

Charles E. Shultz  
Chairman and  
Chief Executive Officer  
Dauntless Energy Inc.

Renze Hoeksema  
Director of Public Policy and  
Government Affairs  
MCN Energy Group

Matthew R. Simmons  
President  
Simmons and Company International

Folder Profile	
Control #	1998-012348
Name	facsimile to the Secretary from Terence H. Thom, ENRON II
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Proposed advocacy issue for Secretary Richardson's trip to Venezuela (Rec'd in ES 10/13)
Topical Index	
Signature/Approval	NA
Action Requested	Appropriate Action
Special Instructions	
Folder Trigger	Fax Message
Source	PM-O
Correspondence Date	10/13/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	BLAKES
0577	Blake, Shena
Action Office #	
Assigned To	PO
Date Due	
Date Completed	10/28/98

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OCT 13 1998 16:33 FR ENRON WASHINGTON

202 828 3372 TO 5864403

P.01/03

1998-012348 10/13 6:05

ENRON, WASHINGTON  
1775 Eye Street, NW  
Suite 800  
Washington, DC 20006  
202-466-9145  
202-828-3372 (fax)

**FAX COVER SHEET**

**DATE:** October 13, 1998      **TIME:** 4:23 PM

**NAME:**                          **fax number:**                         

**TO:**

The Honorable William Richardson  
Secretary of Energy  
US Department of Energy  
1000 Independence Avenue, SW  
Room 7A-257  
Washington, DC 20585  
202-586-6210  
202-586-4403 (fax)

**FROM:** Joe Hillings  
Lora Sullivan

**PHONE:** 202-466-9142

**FAX:** 202-828-3372

**CC:** Mr. Henry Santiago      202-586-0013 (fax)  
Ms. Melanie Kenderdine      202-586-0148 (fax)  
Mr. David Pumphrey      202-586-3047 (fax)

**NUMBER OF PAGES IN FAX:** 3

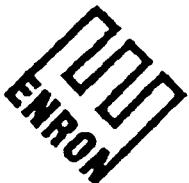
**MESSAGE:**

Re: Letter from Terry Thom (Venezuela).

[Redacted]

[Redacted]

A



VIA COURIER

October 13, 1998

**Enron Corp.**  
1775 Eye Street, N.W., Suite 800  
Washington, D.C. 20006  
(202) 828-3360  
Fax (202) 828-3372

The Honorable Bill Richardson  
Secretary of Energy  
Department of Energy  
1000 Independence Ave., SW  
Washington, DC 20585

Dear Bill:

Enron Corp. has had a significant presence in Venezuela's internal energy sector for over 30 years. For most of that time, it has been the country's largest distributor of liquefied petroleum gas (known often in the U.S. as "LPG" or "bottled gas"). This enterprise serves over 2,000,000 residential, commercial, and industrial customers throughout Venezuela. Currently, Enron is increasing our investment in Venezuela:

- 1) Drilling has begun on an offshore concession awarded to Enron Oil and Gas in 1996.
- 2) Construction and operation of a US\$ 500 million natural gas processing facility was awarded to Enron and its partners this past August.
- 3) Construction and operation of 3 gas compression facilities (for enhanced oil recovery) were awarded to Enron and its partners the last two years.
- 4) In May, Enron purchased an electrical distribution company, and we are actively investigating further acquisitions in this sector.

I am informed that you are preparing to travel to Venezuela this October to meet with government officials. In light of Enron's substantial and long standing interests in this country, I wanted to provide you information on our projects in Venezuela and our views about the issues that we face in the energy business. Though much progress has been made to date, the administration of President Caldera has been unable to complete a number of initiatives directed at creating a more privatized, market-oriented energy sector. This circumstance coupled with varying policy positions among the various presidential candidates for this year's election, means that doubts are building about the near-term prospect faced by our operations.

One important issue involves the domestic LPG distributors (including those belonging to Enron's affiliate). A previously announced program to convert to market pricing for domestic LPG will not be implemented in 1999 as promised. However, the current program of price controls will expire at the end of this year. A replacement program or an extension of the existing program needs to be implemented by year-end in order to have a stable framework within which this vital service can be performed. We understand that the governing body, the Ministry of Mines and Energy is inclined to extend the existing regulations through next year, and we believe this would be positive for both investors and consumers. The other market participants which include another U.S. company, Acon Investments, and a host of locally owned operators share



The Honorable Bill Richardson  
October 13, 1998  
Page Two

this view. The key is to make the decision during this administration, and not leave the issue unanswered. Your assistance is requested to advocate for a quick resolution to this issue.

Attached you will find talking points which will provide you information on our advocacy request.

Enron's Washington office stands ready to provide additional information in advance of your leaving for Venezuela. In addition, Enron has a substantial office in Venezuela that is prepared to assist you or your staff in addressing this important issue.

Sincerely,



Terence H. Thorn  
Executive Vice President, International  
Government Relations & Environmental Affairs  
Enron International

cc: Ms. Melanie Kenderdine  
Mr. David Pumphrey  
Mr. Henry Santiago

October 13, 1998

**Proposed Advocacy Issue for Secretary Richardson's trip to Venezuela,  
October 19, 1998**

- Enron Corp, a multinational energy company that has participated in the Venezuelan energy sector for over 30 years; value of operations and projects in Venezuela in the US\$ 1.0 billion range. Enron Corp seeks the support of the US Department of Energy.
- Issue is the need for a retail-pricing framework for LPG (propane) distribution.
- Background: Legislation is needed to adopt market based pricing that was not passed by the Venezuelan Congress and the current regulation established by decree will expire in January 1999. The countries LPG distributors, including companies owned and operated by Enron and the U.S. firm, Acon Investments feel strongly that a framework be enacted prior to the election of a new government in December of this year.
- Key government decision-maker: Minister of Energy and Mines, Erwin Arrieta
- Ministry position: The Ministry staff agrees with the LPG distributor association as does Petroleos de Venezuela, S.A. the state oil company. A draft decree has been prepared and Minister Arrieta has indicated his support for its issuance.
- Message:
  1. Establishment of LPG pricing regulations for next year is in the interest of investors, both U.S. and Venezuelan, and the Venezuela consumers which depends on this vital service.
  2. Efforts by Minister Arrieta to secure the near-term enactment of regulation for 1999 are appreciated and supported.

Folder Profile	
Control #	1998-014298
Name	letter to the Secretary from Robin Read, National Foundation
Priority	Important
DOE Addressee	Bill Richardson
Subject Text	Invites the Secretary to speak at the first post-election legislative conference – Nov. 21-25 (Rec'd in ES 11/18)
Topical Index	
Signature/Approval	NA
Action Requested	Information Only
Special Instructions	Per ES/Kennedy, control to ES files and relates to 1998-009930, copy attached
Folder Trigger	Invitation
Source	PM-O
Correspondence Date	9/30/98
RIDS Information	Head of Agency
Sensitivity	Not Applicable
Classification	None
Point of Contact	MACKALLB 202-586-8923 Mackall, Brenda
Action Office #	
Assigned To	ME-70
Date Due	
Date Completed	11/20/98



The Secretary of Energy  
Washington, DC 20585

1998-014298

November 18, 1998

Mrs. Robin Read  
President and Chief Executive Officer  
National Foundation for Women Legislators, Inc.  
910 16th Street, NW, Suite 100  
Washington, DC 20006

Dear Mrs. Read:

It was an honor to receive your invitation to address the 60th Anniversary Conference of the National Foundation for Women Legislators, Inc. I regret that I am not able to join you and your membership for this important meeting.

I am aware of the importance of NFWL, the value of your agenda, and your contributions to making a difference. I am confident that the audience that will attend this forum will greatly benefit from learning about the important information that will be shared and the influence of women legislators on the future of our Nation's legislative process.

With best wishes, I remain

Yours sincerely,

*Bill*  
Bill Richardson



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## NATIONAL FOUNDATION FOR WOMEN LEGISLATORS, INC.

September 30, 1998

Secretary of Energy William Richardson  
Department of Energy - Scheduling Office  
1000 Independence Ave., SW  
Washington, DC 20585

Dear Secretary Richardson,

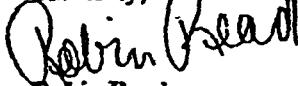
The National Foundation for Women Legislators, Inc. (NFWL) is pleased to invite you to speak at the first post-election legislative conference, the NOWL 60th Anniversary Conference being held in Charleston, SC, November 21 - 25. Hundreds of legislators from across the country and members of Congress are eager to hear from you. We would like you to keynote the breakfast or luncheon on Monday, November 23rd.

The legislators from all fifty states will be joined by private sector members such as Enron Corp., National Rural Electric Cooperative Association, SCANA and several other corporations with an interest in discussing energy policy. Your presentation will be included in our highly successful "Utility Restructuring" Certificate Program, which guarantees legislators will receive media training in order to become a spokesperson on energy issues. Since recent public opinion research shows that legislators are far more credible than scientists and experts in their field, and that today's women legislators are viewed as twice as credible as their male counterparts, this is a key group of decision makers who need to know you and learn more about ways to work with the Department of Energy.

Past speakers at NFWL events include Governor Ann Richards, Congresswoman Patsy Mink, Secretary of the Army Togo West, the Honorable Jack Kemp, Counselor to the President Paul Begala, Senate Majority Leader Trent Lott, Senator Mary Landrieu, author Jack Canfield and inspirational speaker and author Marianne Williamson among many others.

NFWL is proud to provide federal and state women legislators with a safe environment to learn from you. The legislators appreciate the opportunity to hear a variety of viewpoints and take the information back to their districts. It is your support that allows us to offer such substantive, issue-packed programs to professional women lawmakers. We hope you will confirm your participation at the NOWL 60th Anniversary Conference and educate the legislators on the issues they will be addressing in their upcoming session.

Sincerely,



Robin Read  
President & CEO

WOMEN LEGISLATORS  THE POWER TO MAKE A DIFFERENCE

910 16TH STREET, NW, SUITE 100 \* WASHINGTON, DC 20006 \* 202-337-3565 \* FAX 202-337-3566

The Foundation qualifies as a tax-exempt organization under 501(c)(3) of the Internal Revenue Code. Tax ID number 52-1480785.



DEPARTMENT OF ENERGY  
Washington, DC 20585

Brentall  
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## \*\*\*\*\* OFFICE OF SCHEDULING AND ADVANCE FACSIMILE COVER PAGE \*\*\*\*\*

TO: CAROL KENNEDYPHONE: 6-5230 FAX NO: 6-6936NO. OF PAGES INCLUDING COVER SHEET: 10FROM: ISABELLEPHONE: 202-586-5534 6655 FAX NO: 202-586-7573DATE: 11-17COMMENTS: WE DID ACCEPT AND THEN  
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Revised - November 12, 1998

Tentative AGENDA NOWL 1998 Annual Conference  
Charleston, South Carolina, November 20 – 25 1998

Friday, 11/20/98

2:00PM ~3:00PM	NOWL Executive Committee Meeting
3:00PM – 4:00PM	<i>Who You Are Will Echo</i> , Kishie McCracken
4:00PM – 5:00PM	NOWL / NFWL Board of Directors Meeting at City Hall Historical Introduction
7:00 PM -	Board Dinner off-site

Saturday, 11/21/98

8:00AM – 9:00AM	NFWL Board Breakfast @ CPH Grill
9:00AM – 6:00PM	Registration
9:00AM – 4:00PM	Certificate Program Media Training (One-on-Ones with consultants)
9:00 AM – 10:00AM	NOWL Nominating Committee Meeting
10:00AM – 11:30AM	NOWL General Membership Meeting (Nominations)
11:30AM-12:30 PM	NOWL Board & State Directors Presentation/Lunch
12:30PM – 2:00PM	NOWL General Membership Meeting & Elections
2:00PM – 4:00PM	Focus Groups (INTERNATIONAL) <ol style="list-style-type: none"><li>1. <i>Latin America</i> Carmela Lomellin, Executive, Inter-American Commission of Women Gil Coronado Arch Kielly, Special Assistant to the Director, The Selective Service System</li><li>2. <i>S. Africa</i> Representative Helen Giddings (TX) Lady Wright, Policy Adviser, U. S. Catholic Conference</li><li>3. <i>International Agriculture</i> Vera Wallie Halle, Representative, Liaison Office of the International Fund for Agricultural Development Kay McClanahan Gary Goldberg, Cora Growers of America</li><li>4. <i>Campaign/Political Training</i> Ralph Murphine</li><li>5. <i>Ambassador Program</i> People to People? Toby Fiorino</li></ol>
2:00PM – 6:00PM	Exhibits set-up

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4:00PM - 6:00PM      Speak to be Remembered  
**John Davies, President, Davies Communications**  
 (Certificate Program)

6:30PM - 9:00PM      Conference Kick-off at Grand Hall Exhibit Area  
 Jazz Ensemble (Recreating '38)  
 Senator Nancy Chard (VT)  
 Harriet Keyserling - Author Against the Tide

Sunday, 11/22/98

7:30AM - 10:00AM      Breakfast  
 Citadel Color Guard  
 Pledge of Allegiance  
 Prayer  
 Introduction of Board  
 Report from the States  
*Leadership in the Telecom Industry, Patrick Gaston, VP Strategic Alliances, Bell Atlantic*  
*Syzygy & Visionary Leadership: How Successful Women are able to Tap into Their Opposite Gender for Self Actualization, Gene Landrum, Author of numerous books, including Profiles of Power & Success*  
*Welcome to South Carolina, Congressman James Clyburn (SC)*  
*KEYNOTE SPEAKER - Humor Is Power, Liz Carpenter, Press Secretary for President Lyndon Johnson*

10:00AM - 11:00AM      Workshops  
*Urinary Incontinence: The Good, The Bad, the Ugly, Dr. Lyndsey Kerr & Dr. Kay Jewell, Mary Pat O'Connor, National Association for Continence.*

*The participant should be able to define incontinence and understand the impact incontinence has on patient lives. Review of the types of incontinence and treatment of chronic incontinence will be undertaken. Areas of further research and funding needs will be addressed.*

11:00AM - 12:00PM      Roundtables

1. *Evening the Playing Field for Telecom & Cable Industries, Loretta Cecil, Law & Government Affairs Vice President, AT&T*
2. *Empowering Women, How the Civil Justice System Safeguards Our Families, Roselyn A. Bonanti, State Affairs, Association of Trial Lawyers of America*

*This panel will cover the impact of tort reform on women and how tort reform destroys the benefits provided by the civil justice system that are necessary to keep women as well as our families safe. The protections currently provided by the civil justice system assist women in not only taking care of their families, should a tragedy take place, but in helping to ensure independence given the current imbalance in salaries, financial earnings, etc.*

3. *Electric Energy Services - The Cooperative Way, Adam Schwartz, Legislative, National Rural Electric Cooperative Association, Lou Green, Vice President for Communications, Electric Cooperatives of S. C., Chris Heagarty, Director of State Government Relations, N.C. Electric Membership Corp, Mary Wakefield, Director, Center for Health Policy, Capital Area Rural Health Roundtable, Martha Edgeworth, Government Policy Analyst, NRECA*

*This panel will address issues facing some of the most difficult to serve areas of the country - rural America. Because electric co-ops are led by people in local communities, they are also involved in the efforts to ensure that vital services are developed and sustained for everyone's benefit. Co-op leaders are civic leaders whose interests extend beyond electric utility service. These co-op leaders are aware that electric utility restructuring will affect all segments of life in rural areas. At risk is access to health care services and providers, telecommunications, housing, reliable electric service for small businesses and consumers and tax revenues.*

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4. *The Bone Mass Measurement Act: Access to Bone Density Testing for Medicare Patients*, Joanne Symons

12:00PM - 2:00PM

Lunch/Plenary session

Speaker of the Assembly Antonio Villaraigosa (CA)

*Anniversaries: Proclaiming the Past; Facing the Future*, Doris Weatherford,Author, *A History of the Suffragist Movement**WOW, We're on our Way!*, Elizabeth Mabry, Executive Director, South Carolina Department of Transportation

Don Fowler, 1995-97 National Chair, Democratic National Committee

KEYNOTE SPEAKER - Virginia Harris, Publisher, *The Christian Science Monitor**Monitor**Scholarship Recipient*, Karen Chan, Christian Science Monitor

2:00pm - 3:00pm

LEGISLATIVE EXCHANGE???

3:00PM-3:45PM

Roundtables

1. *Importance of Private Schools*, Dr. Lois M. Gerber, Chairman of the Board, National Independent Private Schools Association

*Why is private education so effective? There are some lessons to be learned from the private sector.*  
*Legislators need to look at standards, accountability, and competence.*

2. *Raising Safe Kids in an Unsafe World*, Jan Wagner, Author & Founder with Next Entertainment, Yello-Dyno Child Protection Package

Every incident of child sexual abuse costs the victim and society \$99,000 (Miller, Cohen and Wierseman, 1996). This forum will discuss the legislative options that focus on the solution – of prevention over the costs of suffering.

3. *Why Privatizing Social Security Means Greater Financial Security for Women*, Darcy Olsen, Entitlements Policy Analyst, CATO Institute

*This roundtable focuses on poor women, Social Security and personal retirement accounts. We will discuss today's Social Security system, how it affects women, and how a private system of individual retirement accounts would give women greater financial security than the present Social Security system.*

4. *How Procurement Affects Minority and Small Business Owners*, Mark Harris

5. *Building a Vision/Recruitment Retention Initiative to Assure Diversity on State College and University Campuses*, Delegate Sharon Spencer (WV), and Jim Damon

6. *Why State Religious Freedom Acts are Needed to Protect our First Freedom*, J. Brent Walker, General Counsel, Baptist Joint Committee

*This seminar will explore the history of the free exercise of religion, including the Federal Religious Freedom Restoration Act, its constitutionality as applied to the states and why the states must now act to protect religious liberty – our first freedom*

3:45PM - 4:30PM

*Speak to Persuade*, John Davies, President, Davies Communications  
(Certificate Program)

4:30PM - 7:00PM

(Certificate Program – One-on-ones)

Media Training

Public Speaking, Image &amp; various consulting

4:30PM - 6:00PM

Internet Training

5:00 PM - 7:00PM

Candidate Win or Lose Training

Certificate Program Presentations

*Leading with your Strength*, Benson Smith*How Attitude Affects Outcome*, Margo Cheverz, Speaker,

*Balancing Power: Balancing Ourselves with Our Roles*, David Woodward,  
Founder & President, The Milestones Institute

7:00PM

Minority Women's Reception –

Congresswoman Loretta Sanchez (California)

Congresswoman Donna M. Christian-Green (Virgin Islands)

Representative Barbara Marumoto

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Pete Homer  
 Lena Guerrero  
 Alma Stallworth/Representative Keith Stallworth (MI)

## Monday, 11/23/98

- 7:00AM - 9:00AM Breakfast/Picnury session  
 Report from the States  
*We're not OSHA; a look at the Occupational Safety and Health Review Commission (OSHRC) Stuart Weisberg, Chairman, US OSHRC*  
*Heroes of the Heart, Bill Halamandaris, Co-founder and President, The Heart of America Foundation*  
*NOD Grant Winners Awarded*  
*Speaker Chuck Berry, CO*  
*Foreign Trade & Your State Economy, Cong. Grace Napolitano (CA)*  
*KEYNOTE SPEAKER - JackAnderson, Syndicated Columnist*
- 9:00AM-10:00 AM Workshop  
*The Status, Trends and Issues in Energy Deregulation, Ashton B. Collins, Jr., President, RCI Consulting Group*  
*Holiday...More Than Ribbons and Blues (Dispelling and Debunking the Myths of Depression), Paula Bristol, Project Coordinator and Director of Carolina Counseling, Inc.*  
 How women of all ages can maintain their active lifestyles under stress; how to determine when the "blues" become depression. Clinical depression costs the business world \$44 billion dollars annually. Learn how to tackle this problem with an informative and fun presentation from the Breakfast Business & Professional Women of Spartanburg, SC.
- 10:00AM - 11:00PM Roundtables
1. *Mandating Mental Health Parity -- How it increases the ranks of the uninsured*, Bruce Wiseman, President, Citizens Commission on Human Rights  
 This roundtable will examine the effects that mandated mental health parity has created in some states where it has been implemented, and explore the impact of such mandates at both the state and national level.
  2. *HIPAA: State Solutions*. Leah Boron, Executive Director, Louisiana Health Insurance Association, Betty de Largy, General Counsel, Texas Health Insurance Risk Pool  
 The panelists will discuss state solutions for the individual health insurance markets and "Alternative-Mechanism" under the federal Health Insurance Probability And Accountability Act enacted 1996. Under HIPAA, states were required to adopt one of several alternative mechanism to provide portability for federally eligible individuals or else face federal enforcement in their state. Twenty-one states adopted a qualified risk pool; twenty-four states adopted a guarantee issue approach or some variation of the federal default; and five states (CA, MA, MI, MO & RI) failed to adopt alternative mechanisms. Many states that did not adopt the risk pool approach are finding that while portability theoretically exists for federally eligible individuals, affordability does not. The panelists will explain the benefits that high risk pools have provided for uninsurable individuals in their state.
  3. *Women's Health and Managed Care*, Dr. Mitzi Krackover, VP Women's Health, Humana  
 Women make the majority of healthcare decisions for their families and utilize more health care services than men, yet may feel less "well" than their male counterparts. In the past decade, recognition of these discrepancies have fueled a surge in research in women's health and a focus on women's healthcare, due, in significant part, to legislative efforts. This roundtable will focus on: the definition of women's health, the factors impacting on the health of American women, including the influence of legislation; and the impact of managed care on women's health and women's impact on the healthcare system.
  4. *Interstate Dairy Comacts, A Problem, Not a Solution*, Connie Tipton, Sr. VP, International Dairy Food Association  
 It's time to find a better way to address farm income! Dairy compacts are sweeping through state legislatures with little understanding of the implications for our families or our farms. Government policies that increase milk prices discriminate against the biggest milk drinkers 0 kids, and drive down milk consumption - especially among those with tight budgets. At the same time, farmers respond to higher prices by increasing milk production beyond market needs, pushing prices back down at the farm

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level. This is a chance to learn more about dairy compacts and their implications to your constituents. Come with your questions!

**5. Women & Social Security , Martha A. McSteen, President, National Committee to Preserve Social Security and Medicare**

11:00PM - 1:00PM

**Lunch/Plenary Session**

Youth Recognition Luncheon & Scholarship Awards  
*Armed with Pride*, Wayne LaPierre, Executive Vice President,  
 National Rifle Association  
 Emilie St. Onge sponsored by Representative Cathy Voyer (VT)  
 Georgianna Liptak sponsored by Representative Cele Hahn  
 Mele Coleman sponsored by Representative Barbara Marumoto  
 Kristen Van Diggelen sponsored by Representative Lynne Leech  
 Laura Rose sponsored by Representative Diane Grendell  
 Angela Freeman sponsored by Representative Elsie Rast Stuart  
 Chasity Morrow sponsored by Rep. Sharon Beasley Teague  
 Youth scholarship recipient, Kristen Van Diggelen  
 Pat Harrison, Co-Chair, Republican National Committee  
 Speaker of the House Harold Brubaker, NC  
*Golf as a Leadership Tool*, Tauuya Land, Peggy Kirk Bell, Pioneer  
 Women Golfers  
*You and your Health*, Hunter Harmon, VP, Community Relations,  
 Trident Health System  
**KEYNOTE SPEAKER - The Space Program: Present & Future, Dr. Linda Godwin, Astronaut, NASA**

1:00PM-2:00PM

**Workshop**  
*Global Climate Change*

2:00PM-5:00 PM

**Personal Wellness Afternoon**  
*Aromatherapy, massage, yoga, meditation, skincare & facials, nutrition, diet*  
*Self-Defense*, Sen. John Jenkins  
*Aromatherapy*, Donna Bayles Wallace, Owner & Operator Bayles Ranch

(Or)

1:30PM - 6:30PM

**Certificate Program**  
*(One-on-ones)*

(Or)

1:00PM

Bus departs from  
 Charleston Place for Kiawah

2:00M - 2:30PM

**Golf clinic**  

- Peggy Kirk
- Tauuya Land

2:30PM - 5:30PM

**NFWL Kiawah Golf Tournament**

5:30PM

Bus departs from Kiawah

6:30 PM

Charleston Merchants Silent Auction and Christmas Shopping Spree

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**Tuesday, 11/24/98**

8:00AM - 9:30PM

**Breakfast/Plenary session -**

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## Report from the States

*Where Does a 600 Hundred Pound Gorilla Sleep?*, Judge Alex Sanders, President, College of Charleston  
 Charleston Mayor Joe Riley, Jr.  
 Speaker of the House David H. Wilkins (SC)  
 Congressman George Nethercutt (WA)  
 KEYNOTE SPEAKER - *The Empowering of America*, Marianne Williamson, Author & Lecturer

9:30AM - 10:30AM      Corporate Citizen Workshop  
 (OR)

9:30 AM - 10:15AM      Roundtable(s)

1. *Year 2000 Program (Y2K)*, Rita Dozai, COO, LOGIX Solutions & Keith Rhodes, Technical Director, AIMD's Office of the Chief Scientist for Computers and Telecommunications

*The Year 2000 Program Presentation* is geared at placing a seemingly technical problem in a much broader strategic, economic and governmentwide perspective. The pitfalls of the Year 2000 and the key issues of the non ISVV portion of the overall year 2000 problem - Embedded Systems will be addressed. The need for government at every level, particularly state and local governments, to get a clear picture of their Y2K exposure and compliance efforts. The background of Y2K at the GAO and individual agency assessments with their impact on key national sectors and governmentwide progress will also be covered.

2. *The Year 2000 Legal Crisis: Legislative Reform*, Barbara Wheeler, Legislative Advocate, Association for California Tort Reform

Unfortunately, a successful implementation of a technical and communication response to Year 2000 will not assure that a company will be safe from legal attack. California's early legislative and judicial experience bears this out: Class action suits have been filed even though no Year 2000 date failure has occurred. The organized plaintiffs bar has stopped legislative attempts to modestly reduce liability by arguing, among other things, that any system, when developed, which is not Year 2000-compliant contains a "design defect." Literature, media and the Internet all indicate a hope among sectors of the "legal industry" that the Year 2000 will be the subject of the latest "mass tort." There is evidence that Year 2000 compliance is being delayed by a reluctance of some companies to communicate on the compliance status of their systems because of fear it will make them a target of lawsuits. In this light, every company's compliance plan should include support of legislation to enable freer compliance communication and prevent liability lawsuits that are driven by the prospect of huge judgments and settlements.

10:15AM - 11:00AM      Roundtable(s) -

1. *Conflict Management & Mediation: Legislative Success Stories & Hot Buttons*, Joanne M. Hartman, Associate Director, National Association for Community Mediation.

Discussion will include the positive and negative aspects of past and pending legislation regarding mediation and conflict resolution. Legislation that has been successful in providing Dispute Resolution service to the public will be examined. Ways of crafting such legislation, so that it effectively serves the public, the government and the corporate sector will also be discussed.

2. *Breaking the Psychological Glass Ceiling: How you can develop a psychology of greater ambition*, Dr. Heather Paul, Executive Director, National SAFE KIDS Campaign & Dr. Linda Austin, Dean, Public Education, Medical University South Carolina
3. *Wellness Issues in Women's Health - a complete approach*, Dr. David Soper & Dr. Melissa Holmes

Will look at women's health and wellness from a perspective of delivering medical care through an innovative approach that treats women in all phases of their lives. Share with doctors whose approach to healthcare is to provide medical, surgical, psychological, educational, and social services to empower women to maintain or regain health and balance in all phases of their lives. Come and be prepared to ask for more from your healthcare providers in the 21<sup>st</sup> Century.

4. *Why are we getting heavier as we move faster?*, Dr. Brent Egan, In the last 10 years, Americans have gained more weight than all the ships in the U.S. Navy combined. At the same time, we're getting fatter every year and spend lots of money on personal organizers and electronic calendars in an effort to keep up. Unfortunately, excess weight either directly or indirectly has adverse effects on virtually every system of the body. We'll take a look at our rush to destruct and discuss some healthy changes.

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5. How to make schools safe?, Peggy Kerns, US Dept of Education  
 6. Refugees in the US: Where They Come From, Where They're Going,  
 Lacy Wright, Policy Adviser, U.S. Catholic Conference

Refugees are people fleeing persecution, and our country currently welcomes about 78,000 each year from all over the world. This humanitarian effort has given us Henry Kissinger, Madeleine Albright, Tom Lantos and Gloria Estefan plus countless hardworking men and women -Southeast Asians, Bosnians, Cubans, Sudanese and many others - who have made our country stronger. It is important to understand how the United States today selects those it accepts from the 13 million refugees world-wide, and the unique partnership among Washington, state governments, and private voluntary agencies which starts victims of tragedy on their new lives here.

7. Census 2000: Counting and Redistricting, Marshall Turner, Chief, U.S. Census Bureau

In less than 18 months the Census Bureau will launch the country's largest peace-time mobilization as the decennial census begins. State legislators can play active roles in helping ensure an accurate accounting of their communities. This roundtable provides you with an up-to-date briefing on Census 2000 preparations by senior Bureau staff, a discussion of how local officials can check the accuracy of census address lists, and a preview of the new census redistricting data that will be provided to state legislatures in 2001.

11:00AM - 12:30PM	Focus Groups (issue-based prelude to Town Hall) Healthcare, Candace Campbell Social Security & Aging,
12:30PM - 1:30PM	Lunch KEYNOTE SPEAKER - US Secretary of Energy Bill Richardson
1:30PM- 3:30PM	TELEvised NATIONAL TOWN HALL SYMPOSIUM "Making Democracy Work: Restoring Hope at Home"
4:00PM-	Palmetto Carriage Rides & buses depart for Closing Reception
4:30PM	Closing Reception -
6:30PM	Buses leave "The Christmas Serenade Show" at the Historic Charleston Music Hall

## Wednesday, 11/25/98

8:00AM -10:30AM	Farewell Breakfast 21 Tips for Achieving Financial Security in the 21 <sup>st</sup> Century, Jonathan Pond, President, Financial Planning Information, Inc.
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### LEGISLATIVE EXCHANGE

#### MEDIA/CAMPAIN CONSULTANTS

Television as a Leadership Tool, Wade West, Director, The MediaPower Group  
 Voice Coach, Naomi Frankel, Director, The Working Voice  
 Speak to Win, John Davies, President, Davies Communications  
 Effective Television Communication, Lynn Scarborough, President, Effective  
 Television Communication  
*Up and Running*, Michelle Monopoli, Partner, Certain & Monopoli LLP  
*How to ask for money even if you hate to*, Nancy Borckor,

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## NATIONAL FOUNDATION FOR WOMEN LEGISLATORS, INC.



August 26, 1998

Secretary Richardson  
Department of Education  
Forrestal Building  
1000 Independence Ave, SW  
Washington, DC 20585

*Bill*  
Dear Secretary Richardson:

It is with great pleasure that I invite you on behalf of incumbent women legislators from across the country to be a keynote meal speaker on November 22, 23, or 24 at our 1998 Annual Conference in Charleston, South Carolina.

Some of the other Annual Conference invited guests and speakers include Vice President Al Gore, the Reverend Billy Graham, actress Whoopi Goldberg, Senate Majority Leader Trent Lott, and boxer Evander Holyfield. The legislators are looking forward to hearing from you and sincerely hope that your schedule permits your participation. Over 800 people attended the 1997 Annual Conference and as this year marks our Sixtieth Anniversary, our Commemorative Conference promises to be the best one yet.

NFWL events offer an ideal opportunity for leaders like you to interact with legislators, Cabinet Secretaries, members of Congress, Administration Officials, and corporate sponsors. Previous speakers include the Honorable Robert Dole, former Governor of Texas Ann Richards, author of *Chicken Soup for the Soul* Jack Canfield, Counselor to President Clinton Paul Begala, the Honorable Jack Kemp, National Restaurant Association President Herman Cain, NBC Foreign Affairs Correspondent Andrea Mitchell and House Speaker Newt Gingrich.

Founded in 1938, the National Order of Women Legislators is the first and only nonpartisan organization with specialized educational programs for both state and federal women officeholders. Our nationwide membership provides a supportive environment for the professional development of these important women leaders. We take pride in the high caliber programs we offer and we want you to join us.

Your presence at the Annual Conference will offer our members the type of excellent programs they have come to expect. I hope you can make arrangements in your busy schedule to join us at the 1998 NFWL Annual Conference. I look forward to hearing from you soon.

Sincerely,

*Robin*  
Robin Read  
President & CEO

*It was good to see you  
at La Raza - so grateful  
we have you in critical  
positions for our country!*

WOMEN LEGISLATORS & THE POWER TO MAKE A DIFFERENCE  
910 16TH STREET, NW, SUITE 100 • WASHINGTON, DC 20006 • 202-337-3585 • FAX 202-337-3566  
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