

To: Officers
Re: Campaign Contributions

June 25, 2002

I want to thank each of you for your participation in the past round of campaign contributions. As I mentioned in the previous memo there will be several rounds of contributions on the federal level. We have reach round two.

First, I want to explain why we are involved in the federal issues and who the latest round of recipients are ... and why they are important.

1. The House and Senate conference committee on the Energy Bill has been appointed. This legislation has several key elements, but most importantly for the company, it includes the repeal of PUHCA. While most of the electric utility industry is happy with the concept of this repeal, this action has the potential of harming our financial restructuring efforts. Without PUHCA we will need some relief from a regulatory regime, which could make the restructuring impossible. The good news is that we were successful in getting language providing the appropriate relief in the House version of the bill. Now we are working to get the Senate to adopt a modified version of the House bill. Our effort is focused on getting the House members of the committee to strongly defend our provision, and finding a few Senate conferees who can support it.
2. In this second round of contributions we are targeting only one House Member. Representative Billy Tauzin of Louisiana is the Chairman of the House Energy and Commerce committee. Right now, we have made significant progress with House Majority Whip Tom Delay, and Energy Subcommittee chairman Joe Barton. The contributions made in the first round were successful in opening the appropriate dialogue. Now, as the conference committee begins meeting, Representative Tauzin will play a key role. Beyond serving on the conference committee, Representative Tauzin as chairman of the full committee, is extremely influential in the decision to maintain the House position on our provision.

The total contribution we have identified for Representative Tauzin is \$5,000 for a fundraiser in New Orleans which will be attended by our lobbyist in Washington DC.

WE 0107093

Using the same formula for suggested contributions for this amount, as used in the previous round here are the proposed contributions:

David Wittig	\$ 1,500.00
Doug Lake ✓	\$ 1,000.00
Doug Sterbenz ✓	\$ 500.00
Paul Geist ✓	\$ 425.00
Dick Dixon ✓	\$ 300.00
Jo Hunt ✓	\$ 225.00
Doug Lawrence ✓	\$ 150.00
Lee Wages ✓	\$ 150.00
Bruce Akin	\$ 150.00
Larry Irick ✓	\$ 150.00
Peggy Loyd ✓	\$ 150.00
Caroline Williams ✓	\$ 150.00
Kelly Harrison ✓	\$ 150.00

We have a short deadline for response because of an FEC deadline. Please forward your checks to my office as soon as possible. We need to have this effort funded by Friday. If you have any questions, please don't hesitate to call me at 575-8411.

Thank You.
Doug Lawrence

WE 0107094