



Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

POWER BUSINESS LINE

April 21, 2000

In reply refer to: PS-6

Dear Customers and Interested Parties:

In January the United Steelworkers of America submitted a proposal to BPA asking that a Good Corporate Citizenship Clause be included in BPA's 2001 power sales contracts. This clause would require purchasers of Federal power to demonstrate an acceptable record in the several different areas, including environmental, labor, and safety standards in order to qualify for continued access to low-cost Federal power. Interested parties throughout the region were invited to comment on this proposal.

The reaction to this clause was mixed. Much of the public comment was in support of including the clause in the power sales contracts, primarily those contracts with the Direct Service Industries (DSIs). There was also strong encouragement from several Northwest Congressional delegation members to include a Good Corporate Citizenship clause in Subscription contracts. However, nearly all of the BPA customer comments opposed the clause by saying it was too onerous and duplicated laws and regulations already in place.

BPA carefully reviewed all of the comments received during the public process, and subsequently consulted with the Secretary of Energy. BPA and the Department of Energy (DOE) believe that there are some good public policy arguments in favor of including a Good Corporate Citizenship clause in power sales contracts with DSIs. One of the primary reasons for considering this clause in DSI contracts is because of the fundamental differences between the DSIs and BPA's utility customers. BPA's investor-owned utility customers are regulated by state utility commissions whose job it is to protect the public interest. BPA's public utility customers must answer to boards elected to represent the interests of utility ratepayers. Since DSIs are not similarly regulated and do not answer to publicly elected boards, BPA is considering including some type of Good Corporate Citizenship clause in the DSI power sales contracts.

Before a final decision is made about whether to include this or any other such clause in DSI contracts, BPA is once again opening a public comment period. A copy of a proposed Good Corporate Citizenship clause is enclosed with this letter. The intent of this clause closely parallels the proposal submitted to BPA by the United Steelworkers of America in January. Please comment on the scope of the clause and the implementation procedures, and also let us know whether or not it should be included in DSI power sales contracts.

Comments will be accepted through close of business on May 31, 2000. Written comments should be sent to:

Bonneville Power Administration
P.O. Box 12999
Portland, Oregon 97212

You can also send comments electronically to: comment@bpa.gov

If you have questions regarding this public comment process, please contact your BPA Account Executive.

Sincerely,

Sydney D. Berwager
Subscription Policy Manager

Enclosure
Proposed Good Corporate Citizenship Clause