

## Department of Energy

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

POWER BUSINESS LINE

August 9, 2000

In reply refer to: PS-6

Dear Customers and Interested Parties:

In January 2000 the United Steelworkers of America submitted a proposal to the Bonneville Power Administration (BPA) asking that a Good Corporate Citizenship Clause (GCCC) be included in BPA's 2001 power sales contracts with Direct Service Industry (DSI) customers.

After an extensive public comment process and after consulting with the Secretary of Energy, BPA has decided to include the GCCC in DSI contracts, with certain changes. This was not an easy decision, as evidenced by the more than 2,400 form letters, 350 individual comments and almost 34,000 petition signatures that BPA received on this topic. Since cost-based Federal power is not available to all corporations, we believe that those that do receive it should demonstrate good citizenship.

The clause (see enclosure) requires DSI purchasers of Federal power to demonstrate an acceptable record in several different areas, including environmental, labor, and safety laws and regulations in order to qualify for continued access to low-cost Federal power. The GCCC sets forth the conditions under which the BPA Administrator, with the consent of the Secretary of Energy, may determine that a customer is not in compliance as well as the sanctions the Administrator may choose to implement.

BPA wishes to thank its customers, interested parties throughout the Northwest and the many individuals who took the time to comment on this subject. Your willingness to share your views was invaluable in helping us reach resolution on this on this important public policy matter.

Sincerely,

Sydney D. Berwager  
Subscription Policy Manager

Enclosure:  
Good Corporate Citizenship Clause

## GOOD CORPORATE CITIZENSHIP CLAUSE

August 2, 2000

### 18. Good Corporate Citizenship Clause

(a) BPA is directed by statute to market Federal power in the Northwest first to public bodies and cooperatives, then to investor-owned utilities, and then, at the Administrator's discretion, to direct-service industries. Customer freely agrees that the Administrator enters into this Agreement with a direct-service industrial Customer only with the express qualification that during the term of this Agreement, the Customer shall remain in compliance as determined by the Administrator, in his or her sole discretion, with all applicable federal, state, and local laws, and all regulations and orders implementing such laws, whether civil or criminal, as a condition of Customer's right to receive power under this Agreement. Customer acknowledges BPA's obligations and policies pursuant to such applicable laws, and that Customer will act in good faith as it relates to such laws and policies.

(b) In the event that the Administrator determines, in his or her sole discretion, that the Customer is using power provided by the BPA for the furtherance of an enterprise that is not in compliance with all applicable federal, state, and local laws, and all regulations and orders implementing such laws, whether civil or criminal, Customer agrees that the Administrator, in his or her sole discretion, may temporarily or permanently curtail the sale of some or all of the power available under this Agreement or require Customer to pay, as damages, an amount as calculated in (d) below.

(c) The Administrator's determination that the Customer is using power provided by the BPA for the furtherance of an enterprise that is not in compliance with all applicable federal, state, and local laws, and all regulations and orders implementing such laws, whether civil or criminal, shall only be made with the consent of the Secretary of Energy, and after providing notice to the Customer. In making such determinations, the Administrator shall consider any relevant information that may be obtained from the Customer, federal or state agencies or courts, or any other entity. The Administrator shall promptly notify the Customer before any such determination becomes final.

(d) Customer agrees that in the event the Administrator makes a determination as set forth in either (a), (b) or (c) above, with the consent of the Secretary of Energy, and based upon a final, nonappealable order of a federal or state court or agency, but elects not to terminate power, the Administrator may, as a condition to continuing to purchasing power, and, as damages, require Customer to reimburse BPA an amount equal to the difference between the weighted average of the Dow Jones Mid-Columbia Firm and Non-Firm electricity indexes as reported in the Wall Street Journal, or if those indices are no longer in existence, appropriate surrogate indices, and what Customer paid to BPA for power purchased under section 4 of this Agreement, calculated from the date BPA first had notice of the violation of the Customer until either (1) the end of the contract term during which the violation occurred or (2) the date of the final nonappealable order.