

Congress of the United States
Washington, DC 20515

June 5, 2002

The Honorable J. Dennis Hastert
Speaker of the House of Representatives
H232 Capitol
Washington, DC 20515

The Honorable Billy Tauzin, Chairman
Energy and Commerce Committee
2125 Rayburn House Office Building
Washington, DC 20515

Dear Speaker Hastert and Chairman Tauzin,

We urge you to initiate a full investigation of the business conduct and pricing practices of the Enron Corporation and other energy suppliers in California and the West during 2000 and 2001 at the House Energy and Commerce Committee. Many Members have been asking for such an inquiry for more than three months and we've never received a reply to our requests.

In the House, we've had critical and exhaustive hearings on the accounting practices of Enron. The investigations and our hearings have led to an important debate about the accounting industry and accounting practices.

Enron, however, is an energy marketer not an accounting company. Despite a conclusive record that Enron engaged in deceptive business practices to turn debts into profits in its annual report, there seems to be disbelief that Enron gouged consumers. Indeed, the House has ignored reports that Enron and other energy companies gamed the energy market, charging astronomical prices in violation of the "just and reasonable" standard of the Federal Power Act. We have dealt with the aspects of Enron's business that harmed investors...it is now time to examine how Enron and others hurt consumers.

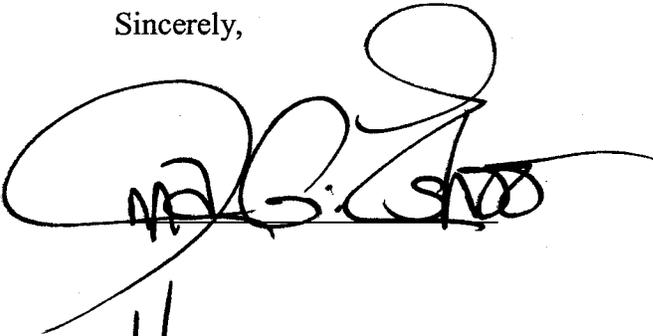
On May 15, 2002, the Senate Commerce Subcommittee on Consumer Affairs, Foreign Commerce and Tourism held a hearing on Enron's deceptive practices in the West in 2000-2001. At that hearing, Senators heard from the company's lawyers how Enron used deceptive schemes called *Ricochet*, *Death Star*, *Inc-ing*, *Get Shorty*, and *Fat Boy* to gouge consumers throughout the West. These practices were detailed in a December 6, 2000 memorandum written by Enron's lawyers.

Mr. Richard Sanders, Assistant General Counsel for Enron Wholesale Services, told senators he was surprised not that the unethical and possibly illegal practices occurred but that the company's attorneys had memorialized the practices in a memorandum. Handwritten notes from an October 2000 meeting (part of the Senate hearing record) indicate that Enron's lawyers did not want a paper trail of how the company had gamed the market and gouged consumers.

A steady stream of revelations about the shady deals of other energy companies that figured prominently in the Western energy crisis have appeared in the press over the last week. With Members of the House about to enter into conference with the Senate on comprehensive energy legislation, we need to learn about the flaws in our energy markets.

The House of Representatives cannot be silent. California and the Pacific Northwest were brought to their economic knees by the schemes which some energy companies have now actually acknowledged. The American people deserve the full truth and have us consider the legislative remedies to this shameful debacle in our energy markets.

Sincerely,



Henry A. Waxman

Jane Harman

Nancy Pelosi

Ed Markey

Barbara Lee

Zoe Lofgren

Richard L. Stephenson

Lois Capps

Sam Lane

Patrick Murphy

J. Amodeo

Tommy

Bob

Art Bluff

Earl Blumen

Carolyn C. Kefauver

Dennis J. Kravitz

Daniel E. Berman

Barney Frank

Charles B. Rangel

Eliot L. Engel

Maureen Handberg

Jan Schakowsky

Hilda R. Solis

Bill Pascrell Jr.

Pat Sul

Lois Linn

Rosa L. Law

Marcy Kaptur

John Lougheed Jr.

Cardyn B. Maloney

Tammy Baldwin

Danny K. Davis

Loretta Sanchez

Julia Carson

Bob Stange

Pat A. Brady

~~Jim Langrish~~

Jim Langrish

Frank Pallone, Jr.

John W. Olson

Tom Banett

Karen McCarthy

Erl J. Helms

Mont West

Cynthia McKinney

John F. Tierney

Bill Bachman

James P. McInerney

Corine Brown

Grace F. Kapaletona

Nita M. Lowry

Robert E. And

Bob L. Best

Juni Langerin

Tom Allen

Jason R. Rasmussen

**June 5, 2002 letter to Speaker Hastert and Chairman Tauzin
Signers:**

Member
1) Eshoo
2) Waxman
3) Capps
4) Harman
5) Gephardt
6) Lee
7) Tauscher
8) Watson
9) Woolsey
10) Towns
11) Engel
12) Roybal-Allard
13) George Miller
14) Blumenauer
15) Stark
16) Lantos
17) Markey
18) Inslee
19) Etheridge
20) McGovern
21) Honda
22) Carolyn Maloney
23) Sherman
24) Filner
25) Baird
26) Olver
27) Hinchey
28) Tierney
29) Susan Davis
30) DeFazio
31) Frank
32) Barrett
33) Baldwin
34) Napolitano
35) Pallone
36) Hilliard
37) Baca
38) Hooley
39) DeLauro
40) Karen McCarthy

41) Julia Carson
42) Pelosi
43) Rangel
44) Farr
45) Thompson
46) Matsui
47) Berman
48) Waters
49) Condit
50) Langevin
51) Sanders
52) Solis
53) Millender-McDonald
54) Lofgren
55) Corrine Brown
56) Jesse Jackson, Jr.
57) Wexler
58) Bonior
59) Sanchez
60) Schiff
61) Tom Allen
62) Danny K. Davis
63) McKinney
64) Conyers
65) Cheeks-Kilpatrick
66) Pascrell
67) Robert Brady
68) Kucinich
69) Rush
70) Kaptur
71) Schakowsky
72) Evans
73) Lowey
74) Andrews
75) Becerra