

NMCPAC, FEC# C00365171
George Aandahl, Treasurer
Nuclear Management Company
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715-377-3414

May 10, 2001

Federal Election Commission
Jonathan Levin
Office of General Counsel
999 E Street, N.W.
Washington, D.C. 20463

Supplement to
AOR 2001-07

Subject: Email Request for Additional Information 5/8/01

Dear Mr. Levin:

NMCPAC is providing a response to each of your questions, as follows:

- 1. Describe the overlap of employees between NMC and each of the five owner companies. Specifically, state the number of persons who are currently employed by both NMC and each of the companies, the percentage that these employees comprise of each of the company's total employees, and the percentage that these employees comprise of the NMC employees (broken down by owner company). State also the number of NMC employees who were previously employed by the five companies. State the percentage of NMC employees that these numbers represent with respect to each of the five companies. State also the number of NMC officers who were previously employed by the five companies and the percentage of NMC officers that these numbers represent with respect to each of the five companies.***

See Attached Table 1. Please note that there is a formally established date on which nuclear employees transition from being employed by the owning company to being employed by NMC. This table presents CMS Energy nuclear employees as if that transition had already happened, while in fact their transition will occur July 1, 2001. Until July 1, those employees are actually employed by CMS Energy. Similarly, the Vice President of Engineering is presently a "loaned executive" from CMS who will become a Board-appointed officer effective with the July transition of CMS employees. Also note that NMC has eleven Board-appointed officers, two of which were not previously employed by owner utilities. Finally, this table presents that all NMC employees were previously employed by parent utilities, while in fact there are likely to be a few cases across the 3,285

people where new outside hires have replaced departing personnel since the January 1, 2001 transition of most employees.

- 2. State whether any employees or officers who formerly worked for NMC are now working for any of the five companies. State the numbers and percentages involved as in question 1. State whether there is any official program or plan by which employees move from NMC to the five companies (including any program entailing movement back and forth) and describe such a program or plan.*

The original NMC Corporate Counsel left NMC to work for the American Transmission Company, a new venture among WEC (his former employer) and other utilities. That is one board-elected officer position out of eleven, or 9%. There is no plan relating to rotation of either officers or employees between NMC and the owning utilities.

- 3. With respect to voting by either the directors at a board meeting or by the Members at a Members' meeting (where voting is either by proxy or by the director appointed by the Member), it is our understanding that the determination of whether a measure is passed (whether by a majority, supermajority, or unanimity) is based on the required percentage of all the directors or all the Members, not just on the required percentage of directors or members present at the vote. Please clarify whether this is the case.*

Voting percentages are applied as a percentage of all members, not as a percentage of a quorum.

- 4. Explain what is meant by the "NMC Steering Committee" in section 6.4 of the operating agreement. Describe the composition and powers of this committee.*

The reference in Section 6.4 to an "NMC Steering Committee" was included in case any owning utility chose to create an internal management oversight committee to monitor NMC's performance. Such a committee would be internal to that owner, and would not play a role in governance of the NMC. In practice, each utility has assigned an Asset Manager to monitor NMC's operation of that company's physical assets and act as a primary point of coordination between NMC and the utility.

- 5. State why WEC Nuclear Corporation (presumably the Wisconsin Electric Power Corporation) was designated as the initial Tax Matters Member. State whether this company is still the Tax Matters Member, why that is the case, and whether a different company will be designated in the foreseeable future.*

When NMC was being established WEC Nuclear Corporation was designated Tax Matters Member as a matter of convenience, since WEC was taking a lead role in drafting related portions of the Operating Agreement. WEC Nuclear Corporation is still designated as the Tax Matters Member. There is no reason to change the Tax Matters Member, and NMC has no plans to do so.

6. State whether NMCPAC will have received any funds or make any disbursements before the issuance of an advisory opinion. State whether NMC will have provided any support to NMCPAC prior to the issuance of an advisory opinion.

NMCPAC has received contributions from individual members. NMCPAC has refrained from making any contributions pending resolution of the Request for Advisory Opinion. NMCPAC has not received any material financial support from NMC, any of the owning utilities, or their PACs. There has been no administrative support. There have been no purchases of printed promotional material or incentive items. Most organizational work has been done by exempt personnel on an uncompensated overtime basis. Support has been limited to use of the corporate email system and occasional phone calls over the corporate phone system, for which the incremental expense is essentially zero.

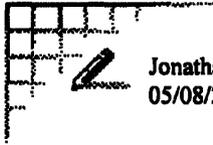
Thank you for your prompt attention to the NMCPAC Request for Advisory Opinion. Please continue to contact me with any questions.

Sincerely,

George Aandahl

Table 1

	NMC	Alliant Energy	CMS Energy	Wisconsin Energy Corp	Wisconsin Public Service	Xcel Energy
Total Headcount	3,285	7,882	11,652	10,458	2,984	15,812
Joint Employment Headcount: NMC/Owner	0	0	0	0	0	0
Joint Employment vs. Total Owner Headcount (%)	0	0	0	0	0	0
Joint Employment vs. Total NMC Headcount (%)	0	0	0	0	0	0
NMC Employees previously employed by Owner	3285	548	647	750	383	957
NMC Employees vs. Owner Headcount	100.0%	7.0%	5.6%	7.2%	12.8%	6.1%
NMC Officers originating at Owner Utility	9	3	1	1	1	3
Above as percentage of NMC officers	81.8%	27.3%	9.1%	9.1%	9.1%	27.3%



Jonathan Levin
05/08/2001 07:20 PM

To: geaandahl@nmcco.com
cc: Bradley Litchfield/FEC/US@FEC

Subject: Advisory Opinion Request 2001-07 - Nuclear Management Company PAC

As indicated in our phone conversation of this afternoon, the Office of General Counsel is preparing a draft response to your request for an advisory opinion with respect to the relationship of Nuclear Management Company LLC with its five members and the consequences for NMCPAC. According to 11 CFR 112.1(c), advisory opinion requests shall include a complete description of all facts relevant to the specific transaction or activity with respect to which the request is made. Therefore, this office requests that you provide responses to the following questions which pertain to the affiliation factors at 11 CFR 110.3(a)(3).

- (1) Describe the overlap of employees between NMC and each of the five owner companies. Specifically, state the number of persons who are currently employed by both NMC and each of the companies, the percentage that these employees comprise of each of the company's total employees, and the percentage that these employees comprise of the NMC employees (broken down by owner company). State also the number of NMC employees who were previously employed by the five companies. State the percentage of NMC employees that these numbers represent with respect to each of the five companies. State also the number of NMC officers who were previously employed by the five companies and the percentage of NMC officers that these numbers represent with respect to each of the five companies.
- (2) State whether any employees or officers who formerly worked for NMC are now working for any of the five companies. State the numbers and percentages involved as in question 1. State whether there is any official program or plan by which employees move from NMC to the five companies (including any program entailing movement back and forth) and describe such a program or plan.
- (3) With respect to voting by either the directors at a board meeting or by the Members at a Members' meeting (where voting is either by proxy or by the director appointed by the Member), it is our understanding that the determination of whether a measure is passed (whether by a majority, supermajority, or unanimity) is based on the required percentage of all the directors or all the Members, not just on the required percentage of directors or members present at the vote. Please clarify whether this is the case.
- (4) Explain what is meant by the "NMC Steering Committee" in section 6.4 of the operating agreement. Describe the composition and powers of this committee.
- (5) State why WEC Nuclear Corporation (presumably the Wisconsin Electric Power Corporation) was designated as the initial Tax Matters Member. State whether this company is

still the Tax Matters Member, why that is the case, and whether a different company will be designated in the foreseeable future.

(6) State whether NMCPAC will have received any funds or make any disbursements before the issuance of an advisory opinion. State whether NMC will have provided any support to NMCPAC prior to the issuance of an advisory opinion.

Upon receipt of your responses, this office will give further consideration to your request. The sixty day time period for the issuance of an advisory opinion by the Commission will be suspended from the date of your receipt of this message until the date of our receipt of your responses. If you have any questions about this letter or the advisory opinion process, please call me at 202-694-1542.