

## ETEXT ATTACHMENT

10/14/2002 17 : 28

DYNEGY INC. POLITICAL ACTION COMMITTEE  
1000 Louisiana  
Suite 5800  
Houston, TX 77002

October 14, 2002

Federal Election Commission  
Reports Analysis Division  
999 E Street NW  
Washington, DC 20463  
Attn: Jim Krebs

Re: DRQ-5 July and August 2002 Monthly Reports

In response to your letter dated September 27, 2002 concerning the above referenced reports, Dynegy Inc. Political Action Committee (Dynegy PAC) responds as follows:

Regarding the payroll deduction designation of frequency referenced on both letters above, Dynegy PAC states again the following explanation (see August 22, 2002 response to same issue):

11 C.F.R. Section 104.8(b) provides: "In each case where a contribution received from an individual in a reporting period is added to previously unitemized contributions from the same individual and the aggregate exceeds \$200 in a calendar year (or in an election cycle, in the case of an authorized committee) the reporting political committee shall disclose the identification of such individual along with the date of receipt and amount of any such contribution. Except for contributions by payroll deduction, each additional contribution from the individual shall be separately itemized. In the case of a political committee other than an authorized committee which receives contributions through a payroll deduction plan, such committee is not required to separately itemize each additional contribution received from the contributor during the reporting period. In lieu of separate itemization, such committee may report: the aggregate amount of contributions received from the contributor through the payroll deduction plan during the reporting period; the identification of the individual; and a statement of the amount deducted per pay period."

Notwithstanding the allowable and optional method of reporting receipts when an individual's deductions aggregate over \$200.00 in a calendar year, Dynegy PAC has chosen to separately itemize each additional contribution received from each individual contributor during each monthly reporting period. There does not appear to be any requirement in the regulation that the frequency of payroll withholdings be stated.

But given that Dynegy PAC reports on a monthly basis and the amount withheld for each such contributor is shown in each

**ETEXT ATTACHMENT**

monthly report, the fact that such withholdings are made semi-monthly is evident from the face of the reports. I respectfully submit that such method of reporting by the Committee is consistent with 11 C.F.R. Section 104.8(b) and

that the amendments requested by your September 27, 2002 letter regarding payroll deduction frequency are not required.

In addition, I further request that the Federal Election Commission (FEC) representative discontinue sending letters

with this request, as Dynegy PAC intends to continue to report itemized payroll transactions. It is also needlessly

burdensome to repeatedly file this letter and electronically file it in accordance with FEC guidelines.

If you have any questions or concerns, please call me at (713) 507-3964.

nnnnnnnnSincerely,

uuuuuuuuSteven F. Dalhoff  
nnnnnnnnTreasurer