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March 6, 2002

The Honorable Joe Barton, Chairman
The Honorable Rick Boucher, Ranking
House Subcommittee on Energy & Air Quality
2125 Rayburn House Office Building
Washington, DC 20515-6115

Dear Representatives Barton and Boucher:

Please find enclosed copies of correspondence recently exchanged between the Western Governors and their Association and the U.S. Department of Energy concerning electricity provisions in pending Senate energy legislation. You will note that we have made important progress toward resolving our concerns but that several provisions remain problematic for Western states. We are hopeful that progress can also be made in the House consideration of electricity provisions.

The progress includes the fact that the Administration has taken off the table for now eminent domain power over electric transmission lines for FERC in their discussions with the Senate. The Administration also states they support an amendment to the electric reliability section that would substitute language developed by the Western governors, our transmission industry and the North American Electric Reliability Council for the current provision. This is the provision we sent you on February 6, and includes a subsection entitled 'Regional Advisory Bodies'. We understand that this provision is now a part of the manager's package of amendments. These are important advances that need to be implemented in the final legislation.

Several provisions that pre-empt historic state regulatory authority over retail activities also need to be corrected. We think amendments that would prevent their application in states that have already adopted rules in the subject area is a viable approach. We look forward to working with you to craft and implement these amendments.

The electricity provisions in this legislation will have important implications for our region's future development, security and prosperity. We thank you for the work you have done to protect and advance the interests of our region and stand ready to assist you as the legislation moves forward.

Sincerely,

Jane Dee Hull
Governor of Arizona

Attachments

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