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October 12, 2001

Honorable Richard B. Cheney
Vice President
Eisenhower Executive Office Building
Washington, D.C. 20501

Dear Mr. Vice President:

We are concerned that the current plans within the U.S. Senate to take up an energy bill on the floor, without full consideration of proposals in committee, may preclude consideration of provisions critical to the West. As you know, Western governors have addressed our energy problems aggressively and with positive results. However, we fear that some proposals within the Congress will fail to accomplish the very goals the President holds most dear -- a reliable, robust and efficient electricity system for our region and the nation.

Central to improving security of the Western electrical interconnection is timely and efficient decision-making among all parties involved in the siting, expansion, and operation of the Western electrical grid and the generators feeding into the interconnection.

Over the last half century, the Western electrical interconnection has developed among 11 states and portions of Canada and Mexico, and the reliability of this system has been managed entirely within the system in conjunction with the Western states and Canadian provinces. Unlike other regions in the U.S. (with the exception of Texas), the necessary private-public sector institutions and relationships have developed in the West on an interconnection-wide basis to assure reliability, security and protection of the public interest.

There are two critical elements in the successful development of the Western interconnection: (1) participation by the individual states to assure timely decision-making and full accommodation of the public accountability and (2) the participation by all entities involved in the generation and transmission of power.

The Honorable Richard B. Cheney

October 12, 2001

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To accommodate the regional and international nature of electricity markets, it is necessary for Congress to allow states to create regional mechanisms to decide regional power issues including, but not limited to, the creation and operation of regional transmission organizations, reliability of the Western power grid, transmission system planning and expansion, maintenance requirements and market monitoring. The Federal Energy Regulatory Commission (FERC) should be required to defer to decisions of these regional groups.

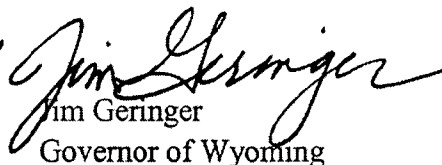
The most efficient and least disruptive way to assure the stability and security of the Western interconnection is to build on the long-term, successful relationships and institutional roles that have evolved over the past decades. This is why it is so important that any Federal legislation allow us to build on our success to meet emerging market, consumer and security needs of the Western interconnection and direct FERC to defer to such decisions.

Sincerely,



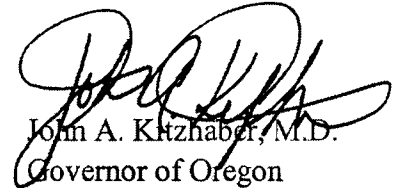
Jane Dee Hull
Governor of Arizona

Chairman, WGA



Jim Geringer
Governor of Wyoming

Co-Lead Governor



John A. Kitzhaber, M.D.
Governor of Oregon

Co-Lead Governor

cc: President George W. Bush
Secretary Spencer Abraham
Members, Energy and Natural Resources Committee
Western Senators
Western Governors