



MICHEHL R. GENT
President and CEO

NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

Princeton Forrestal Village, 116-390 Village Boulevard, Princeton, New Jersey 08540-5731

May 23, 2002

The Honorable W. J. Tauzin
Chairman
House Energy and Commerce
Committee
2125 Rayburn House Office Bldg.
Washington, D.C. 20515

The Honorable Jeff Bingaman
Chairman
Senate Energy and Natural Resources
Committee
364 Senate Dirksen Office Building
Washington, D.C. 20510

Dear Chairman Tauzin and Chairman Bingaman:

Reliability Legislation

The organizations listed below support the electric reliability language contained in section 206 of H.R. 4, as passed by the Senate.

Representing consumers, state regulators and the electric industry, we have worked together to develop and seek enactment of legislation protecting the reliability of the bulk power system while respecting the important roles that states and regions must play in assuring reliable electric service. Our specific legislative language has changed over time to address questions that have been raised (for example, the appropriate role for states and regional entities), but we remain of the view that the best way to protect the reliability of the North American bulk power transmission system is for Congress to authorize the creation of an industry-led organization to set and enforce compliance with reliability standards, subject to oversight in the U.S. by the Federal Energy Regulatory Commission. The Senate has now twice approved such a proposal, and the House has consistently included in its electricity bills this same statutory approach.

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With the exception of minor technical and clarifying changes that may be appropriate, we urge you and your fellow H.R. 4 conferees to adopt section 206 of H.R. 4 as approved by the Senate. We firmly believe that passage of this reliability legislation is essential to ensure the reliability of the North American bulk power system. We welcome the opportunity to work with you and your staff to enact this language into law.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael R. Gund", with a long horizontal line extending to the right.

For:

American Public Power Association (APPA)
Canadian Electricity Association (CEA)
Edison Electric Institute (EEI)
Institute of Electrical and Electronics Engineers — USA (IEEE-USA)
National Association of Regulatory Utility Commissioners (NARUC)
National Association of State Energy Officials (NASEO)
National Association of State Utility Consumer Advocates (NASUCA)
National Electrical Manufacturers Association (NEMA)
National Rural Electric Cooperative Association (NRECA)
North American Electric Reliability Council (NERC)
Potomac Electric and Power Company
Southern Company Services, Inc.
TXU
Transmission Access Policy Study Group (TAPS)
Western Governors' Association (WGA)

cc: Senate Conferees
Congressman John D. Dingell
Congressman Joe Barton
Congressman Rick Boucher