



MICHEHL R. GENT
President and CEO

NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

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

April 29, 2003

The Honorable Pete Domenici, Chairman
Committee on Energy and Natural Resources
United States Senate
328 Hart Senate Office Building
Washington, D.C. 20510

Dear Chairman Domenici:

The North American Electric Reliability Council (NERC) strongly supports the reliability provisions in the chairman's mark that you released April 24, 2003. A broad coalition joins NERC in supporting passage of this reliability legislation, including the American Public Power Association, the Canadian Electricity Association, the Edison Electric Institute, the Institute of Electrical and Electronics Engineers-USA, the National Association of Regulatory Utility Commissioners, the National Association of State Utility Consumer Advocates, the National Rural Electric Cooperative Association, PEPCO Holdings, Inc., Southern Company, the Transmission Access Policy Study Group, TXU, the Western Electricity Coordinating Council, and the Western Governors Association.

As you well know, the bulk electric system is under increasing stress as restructuring proceeds and investment in infrastructure is neglected. Today, there are no mandatory reliability rules enforceable against all users and operators of the bulk electric system. The reliability provisions in your draft bill would correct this situation.

Adding to the stresses the electric system is already facing is the prospect of terrorist attack. NERC is developing cyber security standards for the electric industry, but presently lacks the authority to enforce such standards. The reliability provisions in your draft bill would correct this situation.

It is critical that these reliability provisions be enacted as soon as possible to help ensure the reliability and security of the North American bulk electric system. For this reason, we urge you to pass legislation this year that includes the reliability provisions of your draft bill.

Sincerely,

cc: Senator Jeff Bingaman
Members of the Senate Energy and Natural Resources Committee