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March 6, 2002

The Honorable Daniel K. Akaka  
Senator of Hawaii  
United States Senate  
SH-720 HSOB  
Washington, DC 20510-1103

Dear Senator Akaka:


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 several provisions remain problematic for Western states. Much of this progress is due to the efforts Western Senators have made to protect our region's interests, and we thank each of you for that.

The progress includes the fact that the Administration has taken off the table for now the issue of granting FERC eminent domain power over electric transmission lines. 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. 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 we stand ready to assist you as the legislation moves forward.

Sincerely,

  
Jane Dee Hull  
Governor of Arizona

Attachments