

United States Senate
WASHINGTON, DC 20510

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OFFICE OF
June 20, 2006 EXTERNAL AFFAIRS

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FEDERAL ENERGY
REGULATORY COMMISSION

ORIGINAL

The Honorable Joseph Kelliher
Chairman
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Dear Chairman Kelliher:

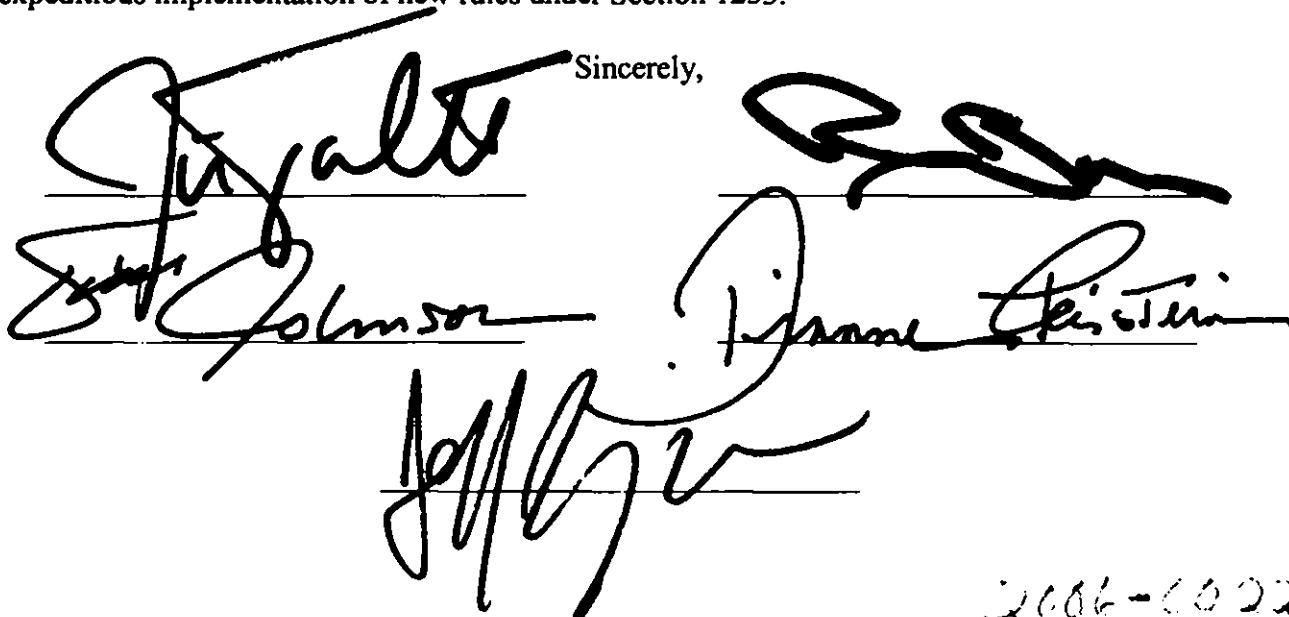
One of the central features of the Electricity Title of the Energy Policy Act of 2005 was the section directing FERC to protect and promote the ability of load serving entities to secure transmission rights to meet their service obligations. Included within Section 1233 was a requirement that FERC initiate a rulemaking to provide for long-term transmission rights in organized markets. We are pleased that the Commission understands the importance of this directive and has initiated that rulemaking. Further, we are pleased with the general policy direction reflected in the proposed rule.

As you know, long-term transmission rights are an important prerequisite for load-serving entities to enter into long-term power supply arrangements. Without such rights, parties cannot know the cost or deliverability of power supplies over time and will be reluctant to build needed generation or enter into long-term power contracts.

It is important to note that Section 1233 was one of the most debated and discussed provisions of the Energy Policy Act of 2005 – and was central to the broad bipartisan support that the electricity title received. As the key Senate supporters of that provision, we urge you to fulfill both the letter and spirit of the provision and to resist efforts to encourage the Commission to weaken or delay its effective implementation.

Thank you for your consideration of our views. We look forward to the Commission's expeditious implementation of new rules under Section 1233.

Sincerely,



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