

Title:

Power Industry Addresses Security Dallas Morning News, The (TX), Sep 10, 2002

## **Power Industry Addresses Security**

Sep. 10--Long before Sept. 11, there were plenty of storms, tornadoes and hurricanes to knock out a region's electricity supply.

But it took a coordinated attack on the nation to jolt industry and government leaders. Executives such as Erle Nye, chairman and chief executive of Dallas-based TXU Corp., were put on alert to find new ways to secure the nation's infrastructure.

At TXU, officials quickly upgraded security and arranged for additional power reserves. But some of the industry's tasks are more complicated, such as building new transmission lines and diversifying fuel sources.

One of the most prominent fears raised after Sept. 11 was an attack on a nuclear power plant. But Mr. Nye said TXU's Comanche Peak plant is adequately secured with 5-foot-thick walls and limited access to outsiders.

"If I'm going to be in a facility where somebody attacks us, I want to be at Comanche Peak," he said. "It is the nearest thing to a hardened military fortification that we have outside the U.S. military."

The last year wasn't the industry's first look at infrastructure threats. The 1993 World Trade Center bombing, 1995 Oklahoma City bombing and Y2K fears all led to panels and task forces.

After Sept. 11, Mr. Nye co-chaired the Edison Electric Institute's CEO Task Force on Infrastructure Security and served on the Texas Homeland Security team. In 1997, he was an advisory committee member on the President's Commission on Critical Infrastructure Protection.

The Dallas Morning News sat down with Mr. Nye for an update on the industry's efforts over the last year:

**QUESTION:** What do you view as the biggest threats to infrastructure today?

**ANSWER:** We've grown up with a big commitment to building systems and to operating systems in such a fashion that there's some redundancy in them. Because one of these trucks can hit a tower, or a fire can burn up a substation, or even a plane can take out multiple transmission lines. There's a variety of man-made and natural disasters -- lightning, tornadoes, floods -- that can jeopardize reliability of electric service.

These systems are built in contemplation of what we call a reasonable set of contingencies. ... But because you've got to honor cost, they're not designed to accommodate many, many layers of contingencies.

**Q:** How did security practices change for electrical infrastructure across the country?

A: First of all, you provide additional security personnel. You strengthen facilities, whether it's office buildings or substations or what have you. You provide additional fencing, TV cameras, detection devices, roving security, permanent security. ...

The CEO Task Force was meeting on a weekly basis, either by phone or in person. And in turn their operations persons and their security people were meeting and so we were trading back and forth. So if somebody came up with a good idea, there was an exchange of best practices.

I worry a little more about the smaller operations than I do the big operations. The big operations have the resources; they build on systems that are already in place. But I would say all aspects of the industry have done a much better job. There will always be a question of, is enough enough? Should you do more? And I will tell you that I believe we should and we will be doing more.

Q: After the Oklahoma City bombing there was a task force, and some people have said that there wasn't much change after that report came out. Do you think there's a risk of the same thing happening again?

A: There's always a tendency to resort to the normal. We're all creatures of habit. But I would say that the emotional and intellectual impact of 9-11 will not be lost very soon on the American people, and certainly not on the government and those of us who are privileged to be in leadership positions. ... We know this is a new set of circumstances, and we're making enhancements every day. We're still vulnerable. We're spread out all over, and we've got to live with that recognition that there's going to be some vulnerability. But I'm pretty confident.

Q: The industry is undergoing a lot of change with deregulation and the collapse of Enron. How does this issue complicate security?

A: It complicates the matter. You would much prefer to have a series of strong enterprises when you are under this sort of stress. When you have an enterprise that's weak financially, you naturally are concerned about it.

Now, I think that reliability is so deeply entrenched in the industry that we'd go without food before we compromise reliability. So I don't think it's a problem, but it is a complicating factor in doing a big-picture appraisal of this.

Q: On a policy level, what needs to be done to strengthen the infrastructure?

A: Our delivery systems in this country are being challenged. We've enjoyed tremendous economic growth over the last 10-12 years. We've not really grown the systems by their proportion. And we're a little behind. It's estimated we're going to need 30,000 miles of transmission systems over the next 10 years. Best I can tell, we're going to build about 10 [thousand]. And you've got to say, 'Well, that's not good enough.' And it isn't.

The energy policy that the president has proposed would facilitate our ability to build additional transmission systems. ... It's replete with all sorts of incentives and penalties and what have you that will help to make a more efficient and a more reliable system.