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January 13, 2014

Chairman Michael McCaul
Committee on Homeland Security
United States House of Representatives
Washington, DC 20515

Ranking Member Bennie Thompson
Committee on Homeland Security
United States House of Representatives
Washington, DC 20515

Dear Chairman McCaul and Ranking Member Thompson,

As an owner and operator of transmission and distribution systems across a diverse geographic region and subject to federal and multiple state regulatory frameworks, Pepeco Holdings Inc. (PHI) takes the security of the electric grid system very seriously. PHI's cybersecurity plan addresses deterrence, detection, response and recovery. Our procedures are shaped through voluntary and mandatory standards developed by industry and regulatory organizations. Since the passage of the Energy Policy Act of 2005, PHI has been subject to numerous compliance audits and participated in multiple threat and risk assessments. PHI has also participated in voluntary government and industry initiatives to improve coordination with the government and to identify and test for vulnerabilities. Still, more can be done.

The efforts you have made to create a system through which government and the private sector can voluntarily coordinate their efforts to protect critical infrastructure from cyber threats are deeply appreciated. We strongly support the National Cybersecurity and Critical Infrastructure Protection Act (NCCIP) as a very important step that not only complements the cybersecurity threat information sharing provisions in the Cyber Intelligence Sharing and Protection Act (CISPA) already passed by the House but also creates a vehicle for effective private-public coordination for event response and recovery.

PHI believes it is very important that Congress and the federal agencies continue working with the private sector to address cybersecurity in a fashion that strengthens public-private partnerships, clarifies federal authority, limits duplicative regulatory frameworks and increases the ability to defend our nation's critical infrastructure and train our workforce to counter advanced cyber threats. PHI is particularly concerned that, in the absence of prompt Congressional action on cybersecurity legislation, state and local governments may feel compelled to develop their own jurisdiction-by-jurisdiction regulations leading to a patchwork of duplicative or conflicting

cybersecurity directives. To this end, PHI supports your efforts to increase clarity around the voluntary protocols for public-private and federal-state coordination during a cyber event and the resulting recovery effort. PHI further seeks assurance that the investments the company has made and continues to make to protect the nation's critical infrastructure will be recoverable through transmission and distribution rates and other mechanisms for timely and fair recovery.

PHI intends to continue to promote these cybersecurity objectives in any legislation that complements your very important NCCIP bill as well as the already passed CISPA bill. The Company appreciates the bipartisanship you have shown in drafting this bill and your work to coordinate your efforts with those of your colleagues in the House Permanent Select Committee on Intelligence.

Sincerely,

A handwritten signature in cursive script that reads "William Gausman".

William Gausman