

WASHINGTON -- David Sokol on Thursday accused a high-ranking congressional Democrat of trying to intimidate him this week after Sokol spoke out against proposed climate change legislation.

The congressman, Rep. Edward Markey of Massachusetts, denied the charge through a spokesman.

Sokol, chairman of MidAmerican Energy Holdings Co., and other witnesses testified Tuesday before a House subcommittee. The subject was a proposal that would cap greenhouse gas emissions and require utility companies such as MidAmerican to obtain allowances for the greenhouse gases they release.

Sokol testified that that approach would result in higher electricity rates for his customers in Iowa and other states.

Markey, chairman of the subcommittee and co-author of the legislation, sent a letter to the Federal Energy Regulatory Commission on the same day as Sokol's testimony.

The subject of that letter had nothing to do with cap and trade. It related to the 2005 repeal of regulations aimed at protecting utility investors and ratepayers from "complex utility holding company structures, risky diversification and unsound financing structures."

Sokol was among proponents of the repeal who argued the regulations were preventing utilities from making much-needed investments in power transmission infrastructure.

Markey's letter posed a list of general questions to the commission about the repeal before specifically bringing up Sokol.

The letter pointed out that Sokol said in 2001 that the regulations had prevented MidAmerican from investing in electricity infrastructure in California that would have helped that state's energy crisis. Markey wrote that Sokol told Congress MidAmerican investor Warren Buffett intended to invest \$15 billion in the industry once the regulations were repealed.

The letter then asked the commission how many miles of transmission lines MidAmerican has built in California and elsewhere since the repeal and whether "Mr. Buffett actually invested the \$15 billion in transmission and distribution assets that Mr. Sokol predicted would occur?"

The letter also raised questions about MidAmerican's purchase of a real estate brokerage and stated that losses by that brokerage underscore the risk of letting utilities diversify.

Sokol said the letter was intended as a message for him to back off on the cap and trade issue, but Markey spokesman Daniel Reilly said it was a general examination of issues surrounding repeal of the regulations.

"There was neither an attempt nor intent to intimidate any witness," Reilly said. He provided a second letter that Markey sent to the commission Thursday to clarify the mentions of MidAmerican.

"I did not intend for the Commission to focus on just one company but rather on the industry as a whole," Markey wrote in that second letter.

Reilly added that Markey "has reached out to MidAmerican to . . . let them know that they are not the focus of the inquiry."

Still, Sokol said the second letter doesn't make sense, given that he was singled out by name in the first letter. Sokol said he wants a written apology and a better explanation.

Republicans on the House Energy and Commerce Committee could make an issue of Markey's first letter.

Rep. Lee Terry, R-Neb., a member of the committee, suggested Markey's initial letter was

retaliation for Sokol's testimony and intended as a message for future witnesses.

"Having Warren and Dave's credibility questioned like that-- the whole result of that is to intimidate the next witness," Terry said.

The letter may be a violation of House ethics rules, Terry said.

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