As congressional negotiators begin trying to resolve differences between House and Senate versions of major energy legislation this week, many of the big business lobbies that often help shape such measures are divided, battling one another over key provisions. The lack of consensus, especially in the electricity industry, has complicated the lawmakers' work, raising concerns that the final product could be a patchwork of compromises that does not solve such urgent problems as how to streamline the nation's power grid to avoid blackouts such as the one that crippled the Northeast in mid-August. The divisions may also force Republican lawmakers, who have taken charge of drafting the final package, to pick and choose among industries and companies that are among their party's largest and most loyal supporters.

Last month, Atlanta-based Southern Co., which has been the top utility company contributor to Republicans since 1989, scored a lobbying victory when the Bush administration agreed to delay a regulatory plan meant to strengthen the nation's aging power transmission system. But this week utility commissioners from half a dozen Northern and mid-Atlantic states came to Capitol Hill to plead with lawmakers not to include the deal in the final energy package.

Such conflicts set the energy bill apart from others in which industries have shown a more united front. For example, U.S. pharmaceutical companies, using hefty political contributions and lobbying power, have left their stamp on Republican proposals to create a new prescription drug benefit for Medicare.

The energy bill has produced no such solidarity. Oil and gas companies, pipeline operators, railroads and wildcatters are competing for the limited pot of new tax breaks under consideration. Tax lobbyists are seeking to preserve credits for big utility companies that convert coal into synthetic fuels, and Midwestern agribusiness companies that make ethanol are squaring off against Gulf Coast refiners of fuel additives.

The stakes for the electricity industry in the pending legislation are particularly large. The fine print of the final House-Senate compromise package will determine whether federal taxpayers, retail customers, unregulated generators of power or big industrial power purchasers pay the largest share.

Yet regional differences in the way the power industry evolved have led to a hodgepodge of federal and state regulations, not to mention markedly different interests. Transmission lines in much of the Northeast and California now are controlled by seven "independent operators," which are supposed to ensure that utility company monopolies cannot hog the wires when competitors -- unregulated power producers -- want to use them. But in the West and South, the lines are mainly owned and controlled by private or public utilities, supervised by state regulators.

To bring greater uniformity to the system nationwide, the Federal
Energy Regulatory Commission (FERC) has proposed rules requiring utilities to join "regional transmission organizations," or RTOs. Utilities would sell their power lines, or surrender control of them to independent operators.

Yesterday, the Bush administration told congressional leaders that it favors "voluntary regional transmission organizations that would provide certainty to the marketplace, prevent undue discrimination and assist in eliminating transmission constraints."

FERC officials say independent operators are needed to keep the lines open to all power producers and promote the growth of a wholesale electricity market that can wheel power efficiently to points of peak demand. Utility monopolies, they argue, have little incentive to expand transmission to handle power sales by unregulated competitors.

The plan has strong support in the North and Midwest, where a competitive market for power is seen as easing traditionally high energy costs. However, the plan has run into strong opposition elsewhere.

Southern Co, which serves retail customers in five southeastern states, opposes FERC's efforts. Last month, Sen. Richard C. Shelby (R-Ala.) worked out a deal with Vice President Cheney and Senate Energy Committee Chairman Pete V. Domenici (R-N.M.) that would bar FERC from requiring membership in RTOs until 2007 or later. Shelby has long-standing ties to Southern Co. and its local subsidiary, Alabama Power Co. Southern defends its position on pragmatic grounds.

"People are saying we should follow this or that model, but we think we already have a model that works well and provides high reliability at low cost," Executive Vice President Dwight H. Evans said. Without prodding from FERC, he said, the company plans to invest $4 billion in new transmission capacity by 2007.

Southern's allies include the Consumer Federation of America and utility regulators in the Pacific Northwest, who are still smarting from FERC's refusal to step in when wholesale electricity prices skyrocketed in 2001.

Marilyn Showalter, chairman of the Washington state Utilities and Transportation Commission, branded the FERC plan a "jurisdictional grab" that "doesn't fit our part of the country." Showalter co-chairs the Alliance of State Leaders Protecting Electricity Consumers, made up of officials from the Northwest and Southeast who oppose strengthened authority for FERC.

Mark Cooper, the consumer organization's director of research, says the FERC plan would shove aside state regulators, weaken public accountability and "fix" a system that is not broken. "Southern Company has done a much better job for their customers than people in the North," he said, "and it wants to hold onto its advantage."

But utility regulators from the North, Midwest and mid-Atlantic states with established RTOs support greater authority for FERC.

"What's going on is an attempt to derail a 15-year federal policy of creating competitive wholesale markets," said Glen Thomas, a Pennsylvania public utility commissioner who speaks for the group. "We need a federal traffic cop to make sure the electricity superhighway
is being run effectively, efficiently and fairly." The situation is further complicated by the loyalties of key House and Senate negotiators.

Entergy Corp., another utility giant based in the home state of Rep. W. J. "Billy" Tauzin (R-La.), top House negotiator on the energy bill, declared in May that it did "not support legislation that would delay implementing" a nationwide standard for electricity markets. But on another issue, Southern Co. and Entergy are pressing for rules that would allow them to pass on more of the costs of upgrading transmission lines to the unregulated power companies. Entergy's concern is that Louisiana's ready supply of natural gas and network of gas pipelines have created opportunities in the state for unregulated companies to generate power from gas-fired turbines, which could put new burdens on Entergy's power lines.

But other electric utilities such as Cinergy Corp., which serves the Midwest and Kentucky, and Tampa-based TECO Energy Inc., have a different interest. They have been entering the unregulated business, and are fighting against language that would force them to pay more than a fair share to upgrade the grid.

To push their interests, players in the electricity industry have invested heavily in politics. The 57 members of the House Energy and Commerce Committee collected $2.3 million in the 2002 election cycle from electric utility employees and their families, and from political action committees, according to the Center for Responsive Politics. Federal election records list 83 law and lobbying firms involved in electricity issues at the end of 2002, according to PoliticalMoneyLine, which tracks contributions.

But in the case of the energy bill, big donors are often arrayed against one another. Chemical and paper companies, including ExxonMobil, ChevronTexaco and International Paper Co., are seeking to prevent repeal of a 1978 law that required regulated utilities to buy the electricity they produce as a byproduct of manufacturing. Backing the effort are such big business groups as the Electricity Consumers Resource Council, American Chemistry Council, American Petroleum Institute and the American Forest and Paper Association.

On the other side, a former deputy secretary of energy, Linda Stuntz, represents a disparate group of large utilities that is lobbying to repeal the law. Her group wants the mandatory purchase requirement set aside at least in locations where manufacturers can sell excess electricity into a competitive wholesale market. Several versions of the bill before the conferees would accomplish that.