

NORTH AMERICAN ENERGY STANDARDS BOARD 1301 Fannin, Suite 2350 Houston, Texas 77002 713-356-0060/Fax 713-356-0067

Contact:

S. Lawrence Paulson Cheryl W. Hoffman (301) 779-6863 Fax (301) 779-9263 For Immediate Release Monday, June 27, 2005

NAESB Sends FERC Gas-Electric Industry Communications Standards, Report of Board-Level Committee on Interdependency

HOUSTON — The North American Energy Standards Board (NAESB) today sent a progress report to the Federal Energy Regulatory Commission (FERC) on NAESB's efforts to develop business practice standards to enhance coordination between the natural gas and electric industries.

NAESB told FERC in its report that business practice standards have been developed for one of three standards requests it has received on gas-electric issues: to address daily communications between pipelines and entities that control power generation facilities. The standards were approved by the NAESB Executive Committee on May 25 and are in the process of being ratified by the membership of both wholesale gas and wholesale electric quadrants.

Work is pending on two other requests: to develop a standard gas-electric energy day and to develop standards relating to electric transaction scheduling

and timelines. In a letter accompanying the report, NAESB President Rae McQuade said work on those standards "may not begin until outstanding policy issues are resolved and further direction from both the industry and regulatory agencies is received."

Also included in NAESB's filing at FERC is a report from the Gas and Electric Interdependency Committee (GEIC), a committee formed by the NAESB Board of Directors. The GEIC met over the past six months, NAESB's filing said, "to identify issues that warranted additional industry attention but that may not necessarily result in standards development activities by NAESB."

NAESB Chairman Mark Maassel, president of Northern Indiana Public Service Co., said the communications standards were the result of five months of work by NAESB volunteers in the Wholesale Gas and Wholesale Electric Quadrants. "These standards make a real contribution to the goal of a more competitive and efficient natural gas and electric service market," Maassel said. "Everyone should be commended for the hard work that went into this process."

Michael Desselle, immediate past chairman of the NAESB Board of Directors and director of public policy for American Electric Power, said, "While we are awaiting further guidance on the other two standards requests on gaselectric interdependency, we should keep in mind that these communications standards stand on their own as important tools to bring about needed cooperation between the wholesale gas and electric industries."

GEIC Chairman Jim Templeton, principal of Comprehensive Energy Services, stated, "The NAESB Board of Directors determined that the issue of gas-electric coordination was of sufficient strategic interest to warrant the creation of a board-level committee. It's our hope that the commission will find our report to be helpful as it continues its consideration of this crucial issue."

The NAESB report to FERC and the cover letter can be downloaded at www.naesb.org.

NAESB is an independent and voluntary North American organization that develops and promotes the use of business practices and electronic communications standards for the wholesale and retail natural gas and electricity industries. Its members include over 300 companies and organizations that participate actively in the retail and wholesale natural gas and electricity markets.

###