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**NAESB Makes Progress on Business Practice Standards
For Electric Industry, Including Ratifying 114 OASIS Standards**

HOUSTON – Three recent developments highlight the substantial progress the North American Energy Standards Board (NAESB) has made in developing business practice standards for the wholesale electric industry:

- NAESB members have ratified 114 standards related to the Open Access Same-Time Information System (OASIS). These business practice standards on electronic scheduling, known as OASIS I, were adopted by the Federal Energy Regulatory Commission (FERC) in Orders 605, 638 and 889. While these standards were already present in FERC orders, by making them NAESB business practice standards as well, NAESB has provided a platform for future work that would suggest changes to reflect today's market practices.

- The NAESB Wholesale Electric Quadrant (WEQ) Executive Committee unanimously approved a set of business practice standards on coordinate interchange. These standards, relating to the bulk electric system, were the first to be developed by NAESB in collaboration with the North American Electric Reliability Council (NERC) and have been sent to the NAESB membership for ratification. Ratification is expected by the end of June. The 41 business practice standards complement the reliability standards under development by NERC for the coordinate interchange function.

- The WEQ has begun a joint effort with NERC to convert NERC's existing reliability policies into separate reliability and business practice standards. NERC has described this effort as the creation of "Level 0" reliability standardization. Working collaboratively with NERC, we will identify the business practices that reflect the policies as they exist today and ensure consistency with NERC's recently approved functional model. NAESB will then adopt the business practice standards as NAESB standards. . This work is expected to be completed by the end of the year and will provide the baseline for future business practice changes as they are needed.

"These developments show that the WEQ is moving quickly and efficiently in handling a large number of pressing issues," said Michael Desselle, chairman of the NAESB Board of Directors and director of public policy for American Electric Power (AEP). "Ratification of the OASIS standards is particularly important because these standards will serve as a basis for NAESB's work on OASIS IA, which will recognize today's market conditions.

"Concurrently, we are starting to move forward on the next generation of OASIS standards, known as OASIS II," Desselle added. "What we've done in adopting these OASIS standards is to create a foundation for us to build on in order to meet the electric industry's future needs."

Leonard Haynes, former chairman of the NAESB Board of Directors and executive vice president and chief marketing officer of Southern Company, praised the WEQ Executive Committee for its "excellent work in providing us with a starting point for a productive ongoing relationship with both NERC and FERC on electric issues."

Haynes said, "The industry is facing some very difficult issues, but the very high level of cooperation that we have already established will serve us well as we go forward."

NAESB, formed in January 2002, 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. NAESB is the successor to and is modeled after the Gas Industry Standards Board, which was established in 1994 and now constitutes the wholesale gas quadrant of NAESB. NAESB's members include over 400 companies and organizations that participate actively in the retail and wholesale natural gas and electricity markets.

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