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**NAESB Membership Ratifies Standards to Implement FERC
Affiliate Order; Quick Action by Wholesale Gas Quadrant Praised**

HOUSTON – Standards to implement Federal Energy Regulatory Commission (FERC) Order 2004 have been ratified by members of the North American Energy Standards Board (NAESB).

Order 2004 provides standards of conduct governing the relationship between companies that transmit energy and their affiliates. It was originally scheduled to go into effect on June 1, but in an April 14 order on rehearing, FERC delayed implementation until Sept. 1.

To implement Order 2004, NAESB's Wholesale Gas Quadrant (WGQ) Executive Committee approved a package of modifications to NAESB standards that included six modifications to existing definitions and standards, the deletion of several principles and definitions, the creation of a new principle and the modification of one interpretation. NAESB members approved the standards in balloting that closed June 25.

“The WGQ deserves high praise for acting so quickly and efficiently to review and modify their existing standards to implement FERC’s affiliate order,” said Michael Desselle, chairman of the NAESB Board of Directors and director of public policy for American Electric Power (AEP). “Although FERC has delayed implementation of its order, the WGQ was on track to meet the commission’s original June 1 deadline.”

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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