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**NAESB Praises FERC for Proposal to Incorporate Standards
On Improved Natural Gas–Electric Industry Coordination**

HOUSTON – Officials of the North American Energy Standards Board (NAESB) have applauded the Federal Energy Regulatory Commission’s notice of proposed rulemaking (NOPR) on improved coordination between the natural gas and electric industries.

The NOPR calls for incorporating by reference into FERC regulations standards developed by NAESB’s Wholesale Gas Quadrant (WGQ) and Wholesale Electric Quadrant (WEQ) to establish communication protocols between interstate pipelines and power plant operators and transmission owners and operators.

“We greatly appreciate the confidence that FERC continues to show in NAESB and its standards-setting process,” said Michael Desselle, WEQ vice

chairman of the NAESB Board of Directors. “The NOPR demonstrates that FERC recognizes NAESB’s unique ability, as an organization representing all segments of the gas and electric industries, to look at all sides of an issue, bridge industry-specific barriers and develop solutions that promote competition and market efficiency.”

Desselle, vice president for process integrity and chief administrative officer of the Southwest Power Pool, added, “Electric transmission operators, including ISOs and RTOs, will see a real benefit from these NAESB standards, as they will ensure that the gas pipeline information needs that could affect the operation of the power grid, and vice versa, are communicated and coordinated in a timely manner.”

Joe Stepenovitch, NAESB CEO and chairman of the Board of Directors, said, “The wholesale natural gas and wholesale electric industries demonstrated an ability to work through difficult and controversial issues in good faith and with the best interests of the energy industry in mind. Developing these communications standards was a very constructive process.”

He added, “FERC and NAESB continue to have an excellent working relationship, as this NOPR shows. Energy consumers are the ultimate beneficiaries of this strong public-private partnership.”

Stepenovitch continued, “I’d also like to thank both the Department of Energy and the National Regulatory Research Institute for their excellent contributions to the cause of gas-electric coordination.” He explained that DOE issued a summary of a NAESB report to FERC on coordination issues and NRRI released a briefing report on the topic. “Both these reports aided understanding of a complex and fast-changing issue,” he said.

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.

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