



For Immediate Release

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ISO New England and the New York ISO Withdraw Proposal to Create Northeast Regional Transmission Organization

Holyoke, MA – (November, 22, 2002) – The Board of Directors for ISO New England Inc. (ISO-NE) and the New York ISO (NYISO) today mutually agreed to withdraw their joint petition to the Federal Energy Regulatory Commission (FERC), proposing the creation of a Northeast Regional Transmission Organization (NERTO) for the seven-state northeastern region. ISO New England and the New York ISO had filed their application with FERC on August 28 to form a regional transmission organization and create a single wholesale electricity marketplace.

“Today, ISO-NE and the NYISO have reluctantly withdrawn their NERTO proposal with FERC,” said Gordon van Welie, President and CEO of ISO New England Inc. “This decision was made after careful consideration of all the comments filed on November 8th, the change in schedule for issuance of the Standard Market Design (SMD) final rule, and the great uncertainty of potential litigation even if the merger is approved. It is clear that the Market Participants want us to focus on development of SMD and resolving seams issues between our control areas. Removing the uncertainty created by the merger will only help us in these efforts.”

“We still believe a natural marketplace exists between the two regions,” said William J. Museler, President and Chief Executive Officer of the New York ISO. “As both organizations work aggressively to become SMD compliant, we will continue to work collaboratively on a number of issues of critical importance, including elimination of market ‘seams’ and working with our Canadian counterparts to further improve the Northeast electricity markets. The strong working relationship developed between ISO New England and New York ISO over the past several months will help us achieve these goals and realize the full benefits of industry restructuring for both regions.” Both organizations will continue discussions with their stakeholders on next steps.

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ISO New England Inc. is the not-for-profit corporation responsible for the day-to-day reliable operation of New England’s bulk generation and transmission systems with an installed capacity of more than 28,000 megawatts. In addition to operating the bulk power grid, ISO New England is the administrator of the region’s wholesale electricity marketplace and the Open Access Transmission Tariff on behalf of the New England Power Pool.

The New York Independent System Operator (NYISO) is a not-for-profit corporation established in 1999 to facilitate the restructuring of New York State’s electric industry. In addition to administering the State’s wholesale energy markets, the NYISO operates the State’s high voltage electric transmission system. Last year, the NYISO’s market volume (including energy, ancillary services, ICAP and TCC auctions) exceeded \$5.6 billion.