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NEW YORK INDEPENDENT SYSTEM OPERATOR COMMENDS BLACKOUT REPORT

--Says Reliability Standards Should Become Mandatory--

(Guilderland, NY) – The New York Independent System Operator (NYISO) –the organization responsible for operating the State’s bulk electric system and administering its wholesale electricity markets – today praised the efforts of the U.S. Canada Power System Task Force and the excellent Interim Report: Causes of the August Blackout in the U.S. and Canada, which was issued on Wednesday, November 19th, 2003.

NYISO President and CEO, William J. Museler said, “the NYISO agrees with Energy Secretary Spencer Abraham,” who concluded that, 'this blackout was largely preventable.' The report explains that the root cause of the Blackout was a failure to follow well-established reliability and operating standards established by the North American Electric Reliability Council (NERC), an organization that is responsible for the reliability of the U.S. electric grid. Secretary Abraham, who headed the inquiry, along with Herbert Dhaliwal, the Canadian minister of natural resources, explained that 'a number of relatively small problems combined to create a very big one.'

“The report supports the premise that reliability standards set by NERC, which are now voluntary, should be made mandatory. This is something the NYISO has been strongly advocating for a number of years,” said William J. Museler. Museler further explained, “We also believe that the standards should mandate significantly improved communications and operating protocols among the various regions of the country.”

The NYISO will continue to cooperate with the international Task Force as it prepares the Final Report, which will contain recommendations on how to minimize the likelihood and scope of future blackouts and will work with the New York Market Participants, neighboring ISO’s, the Public Service Commission, and the New York State Reliability Council to develop any required design or operational improvements for New York.

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The New York Independent System Operator (“NYISO”)—www.nyiso.com-- is a not-for-profit corporation established in 1999 to facilitate the restructuring of New York State’s electric industry. Based in New York’s Capital Region, in addition to administering the State’s wholesale energy markets, the NYISO operates the State’s high voltage electric transmission system. Since 1999, the NYISO’s market volume exceeded \$16.2 billion, more than all of the other Northeast markets combined.