

Agreement Regarding Cooperation amongst the Comisión Reguladora de Energía of Mexico, the Federal Energy Regulatory Commission of the United States of America and the National Energy Board of Canada

1) Signatories

The Comisión de Reguladora de Energía of Mexico (CRE), the Federal Energy Regulatory Commission of the United States (FERC) and the National Energy Board of Canada (NEB) are the principal federal regulatory bodies in the natural gas and electric power industries in our respective countries. While the specific responsibilities vary across the three agencies, each has responsibilities that impact upon the development and transportation of natural gas and electric power, both within our respective boundaries and across our international boundaries.

2) General Statement of Purpose

The purpose of this agreement is to express the desire of the three regulatory agencies to cooperate in the ways specified in this agreement, but generally to:

- share information on regulatory approaches and current events
- seek to provide compatible regulatory approaches while respecting our legislative mandates to act in the best interests of our respective nations.

3) Specific Areas of Cooperation

The primary meaning of cooperation within the context of this agreement is the promotion of ongoing open information exchanges between the three agencies. It is the intent of the three agencies to regularly share information on:

- our respective regulatory approaches
- management practices within our respective agencies
- developments in our energy markets
- the energy policy context within which we each operate
- specific energy projects, specifically cross-border projects that will require assessment by more than one of our respective agencies

4) Expected Benefits of Cooperation

- i) Regular exchanges of information on regulatory and management approaches will help promote best practices in our respective regulatory and internal management approaches.

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ii) Regular exchanges of information on developments in our energy markets will assist the efficiency of each agency by providing early information on developing trends that will impact each agency.

iii) Regular exchanges of information on the energy policy context within our respective nations will help ensure that each agency makes regulatory decisions with full knowledge of the energy context of its neighbouring country, thereby avoiding potential unintended negative cross-border impacts.

iv) Regular exchanges of information on specific cross-border projects will assist us to implement compatible regulatory approaches (when such action would not be in contravention of our respective mandates).

In summary, cooperation between our agencies will result in more efficient and effective regulatory processes.

5) Frequency of Information Exchanges

It is the intent of the three regulatory agencies to meet three times a year, alternating between Mexico, the United States and Canada. The site of these meetings may be altered and any specific meeting may be postponed or cancelled by mutual agreement. The frequency of meetings will be revisited from time to time.

It is also our intent to maintain regular contact throughout the year via telephone and e-mail. It is expected that our respective staffs will informally exchange information within their specific areas of responsibility on an ongoing basis.

6) Statement of Limitations

- Each regulatory agency recognizes our mutual independence and fundamental responsibility to regulate in the best interests of our respective nations.
- Nothing in this agreement binds any of the three regulatory agencies to any specific course of action. Each agency is autonomous and will act as it sees fit in the circumstances of any decision that it must take.
- This is an informal agreement and it has no legal force on any of the signatories and has no standing in either domestic or international law.

7) Confidentiality and Release of Information

The signatories will normally exchange information that is in the public domain within our respective nations or that could be released without breaching any confidentiality concerns. However, if any confidential information is shared, such information will be identified as such and will be respected as confidential by each signatory.

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8) Representatives

The chief representatives of the signatories with respect to this agreement are:

Comisión Reguladora de Energía:	Executive Secretary
Federal Energy Regulatory Commission:	Director, Office of Energy Projects
National Energy Board:	Chief Operating Officer

These representatives will normally act as the chef d'equipe during the meetings. However, such authority may be delegated.

If any question arises with respect to the interpretation of this agreement, the above-noted individuals are responsible for resolving the question. Parties agree to attempt to resolve any such questions through the above representatives.

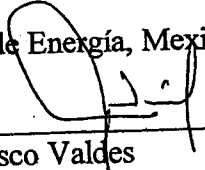
9) Term of Agreement

This agreement is in effect for three years from the date of execution. The intent is to review and renew our commitment to ongoing cooperation at three-year intervals. This arrangement may be amended, modified or terminated at any time by written agreement of all of the signatories.

The agreement may also be terminated by any one of the parties through written notice to the other two parties at least 30 days in advance of the proposed termination.

This agreement is effective from the date of approval by our respective representatives, as per their signatures below.

Executive Secretary, Comisión Reguladora de Energía, Mexico




Francisco Valdes

Director of the Office of Energy Projects, Federal Energy Regulatory Commission,
United States of America



Mark Robinson

 Chief Operating Officer, National Energy Board, Canada



John McCarthy

Dated the 26th of September, 2003

