

Subj: **Note to NERC NAESB MOU Team**
Date: 10/23/2002 11:35:40 AM Central Daylight Time
From: Naesb1
To: <mailto:JrtempltonJrtemplton>

Dear NERC NAESB MOU Team and NAESB WEQ Board Members,

In review of the draft MOU, I have some comments that I think would strengthen the agreement and encourage compromise. Specifically where the NERC and NAESB teams on the JIC are unable to reach a decision on where standards development should take place, then instead of turning the decision over to two individuals who may or may not represent the wishes of their respective groups, then the standards development should be passed on to a separate group from the JIC composed of both NERC and NAESB representatives. The representatives would be populated from the Executive Committee of NAESB and the Board of Trustees or their designees, and would be chosen as representatives by the NAESB WEQ Executive Committee and the NERC Board of Trustees. Each group would have equal voting power. If there is no possibility of working out the differences, then the request for standards development, the transcripts of the related meetings and all working papers would be filed with the Commission for their action. No standards development would take place.

While this approach may at first glance seem to endorse less efficiency than is currently present in both organizations, it will deter duplicative efforts and give decision making authority to larger groups, selected by larger groups with more knowledge of the requests. . If all parties understand the outcome would be decided by an outside authority when agreement is not reached, there will be a strong incentive to settle differences. No one wants duplicative efforts or delay in developing standards, nor will they want to appeal to the Commission unless both sides have very strong supporting arguments for their respective positions. As background, with regard to contentious issues that GISB was unable to resolve, GISB was able to provide a full record including transcripts to the Commission for its consideration. This event happened rarely, as parties came to the realization that it was in their best interests to reach compromise.

Sincerely,

Jim Templeton
NAESB Member of the Wholesale Gas and Wholesale Electric Quadrants
NAESB Board Member and prior Chairman & CEO, Gas Industry Standards Board