



**NORTH AMERICAN ENERGY STANDARDS BOARD**

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September 23<sup>rd</sup>, 2002

Mr. William J. Museler  
Chairman and CEO  
NYISO  
3890 Curman Road  
Schenectady, NY 12303

Re: NAESB and ISO/RTO Relationship

Dear *Bill* Mr. Museler:

Thank you for your letter of the 12<sup>th</sup> regarding the relationship we both hope to have between the ISO/RTO community and NAESB. I especially appreciate the fact that you called me in advance and that we had the opportunity to talk for a while. I hope we can do more of that in the future.

We have done a preliminary review of your draft of a Memorandum of Understanding (MOU), and I will give you my current impressions. First, the draft MOU contains many useful concepts and some specific suggestion regarding communications protocols, and I think that we should begin a dialog to arrive at an agreement that makes both NAESB and your constituency comfortable. I hope that this can begin sooner rather than later.

Second, as you may know, the WEQ directors were seated at today's NAESB Board meeting. A group of the directors will be meeting with NERC to discuss an MOU between our two groups, following the Letter of Intent Richard Drouin of NERC and I signed on August 15th. Therefore, I think it proper that there be discussions between the WEQ directors and the your ISOs/RTOs to see what sort of a relationship makes the most sense for both groups. I briefed the Board on your letter (it was included in the Board book mailed out last week) and on our telephone conversation, so they are aware of this.

Third, whether an eventual agreement is an MOU, a formal advisory role such as the one NAESB's Board is already on record as supporting (the Technical Advisory Council), or some other arrangement, is really secondary to the need for input from the ISO/RTO community. Recommendations from the WEQ directors as to what this relationship ought to be will be reviewed by the NAESB Board, as will be the case with their recommendations concerning the NERC/NAESB relationship.

We look forward to working with you to ensure that the process unfolds in an efficient manner, one that enhances our mutual goal of providing for a properly-functioning North American energy market.

Sincerely,

A handwritten signature in black ink that reads "Bill Boswell". The signature is written in a cursive style and is underlined with a single horizontal line.

William P. Boswell  
Chairman and CEO

cc: FERC Commissioners  
Daniel Larcamp, FERC  
Marvin Rosenberg, FERC  
Rae McQuade, NAESB  
NAESB Board