

MEMORANDUM OF UNDERSTANDING
Between
NATIONAL ENERGY BOARD
And
FEDERAL ENERGY REGULATORY COMMISSION

The National Energy Board (NEB) and the Federal Energy Regulatory Commission (FERC), as parties to this Memorandum of Understanding (MOU), hereby acknowledge and declare as follows:

1. The NEB regulates aspects of the energy industry in Canada including the construction and operation of interprovincial and international pipelines; pipeline traffic, tolls and tariffs; the construction and operation of international and designated interprovincial power lines; the export and import of natural gas; the export of oil and electricity; and Frontier oil and gas activities.

2. The FERC regulates aspects of the energy industry in the United States, including the transportation and sale of natural gas for resale in interstate commerce, the transmission of oil by pipeline in interstate commerce, and the transmission and sale of electricity for resale in interstate commerce. It also certifies the construction and abandonment of interstate natural gas pipelines and facilities for the import and export of natural gas; licences and inspects private, municipal and state hydroelectric projects; and administers accounting and financial reporting regulation and conduct of jurisdictional companies.

3. The parties recognize that the conduct of their responsibilities has and will in the future require them to examine, regulate, or otherwise oversee interconnecting facilities or activities.

4. The parties further recognize that appropriate coordination of their efforts could promote the public interest through increased efficiency, expedited and coordinated action on significant energy infrastructure projects, and cost savings to both the public and regulated entities. The parties agree that the regulatory efforts of both the NEB and FERC will benefit from increased communication and cooperation concerning the timing and other procedural aspects of related matters that may be pending before both agencies.

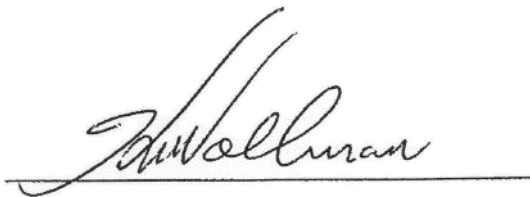
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(Cont'd)

5. The parties contemplate that coordinated reviews may be considered in cases where related matters are pending before both agencies. The parties further contemplate that the two agencies will, where practicable, coordinate the timing of related decision making, including but not limited to coordinating the submission of evidence, the timing of developing findings of facts and conclusions of law, and the ultimate resolution of the related matters.

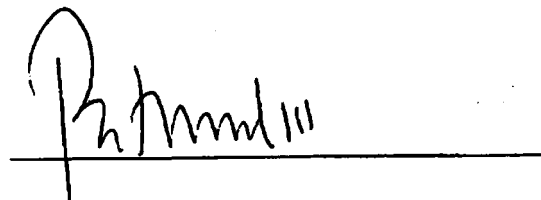
6. When either party becomes aware that a proceeding before it involves matters that may also be pending before the other party, it will notify the other party accordingly. For this purpose, such notification to the NEB should be directed to the NEB Secretary and to FERC should be directed to the Chairman with a copy to the FERC Secretary.

7. Nothing in this Memorandum shall be interpreted as requiring either party to take any action that would be contrary to applicable legal authority.

8. This agreement comes into effect upon signing by the parties and will be effective until the same date in 2014 unless reviewed or renewed by mutual consent.



National Energy Board



Federal Energy Regulatory Commission

2004.05.10
Date

10 May 2004
Date