

Memorandum of Understanding

Interstate Oil and Gas Compact Commission and U.S. Federal Energy Regulatory Commission

A Memorandum of Understanding (MOU) between the Interstate Oil and Gas Compact Commission (IOGCC) and the United States Federal Energy Regulatory Commission (FERC) regarding regulatory oversight of energy pipeline activities.

Whereas, the IOGCC is a congressionally chartered organization of governors of 37 oil and natural gas producing states, with the responsibility to protect and develop the states' oil and gas resources, avoid waste of those resources and protect the environment, and

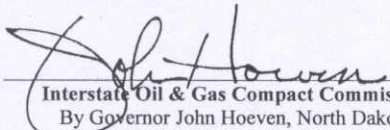
Whereas, the governors through the IOGCC seek to develop and conserve domestic resources in an efficient and effective manner, and

Whereas, the FERC is charged with regulating various aspects of the nation's interstate oil and natural gas industries, and

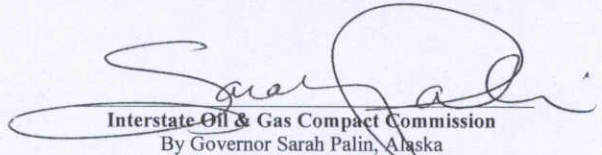
Whereas, an MOU between the IOGCC and the FERC will facilitate more open and timely communication resulting in better integrated, transparent, and more collaborative promotion of energy security.

Now, Therefore, the IOGCC and the FERC agree as follows:

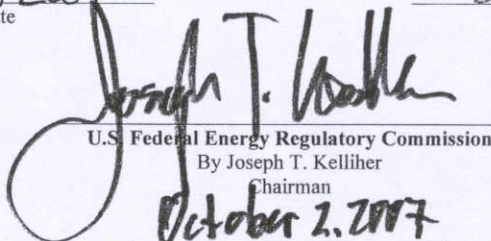
- Purpose:** The purpose of the MOU is to improve regulatory cooperation among the states and the FERC in order to promote infrastructure development and environmental protection in a cost-effective manner, expedite decision-making, increase efficiencies, enable the exchange of information and expertise, and increase communication between the states and the FERC.
- Objective:** The objective of the MOU is to establish a joint Task Force that will:
 - Provide long-term improvement in communication between the states and the FERC;
 - Institute a high-level IOGCC/FERC relationship that will foster national energy security based on a mutual understanding of each other's missions, responsibilities, and authority/jurisdiction;
 - Identify issues of concern between the states and the FERC that can be addressed in the short and long term;
 - Create a permanent means of consultation as new issues emerge; and
 - Identify and implement mutually beneficial joint activities including, among other things, training opportunities, field visits and technical symposiums.
- Background:** States have delegated responsibility to implement certain federal statutes that relate to projects and services over which the FERC has jurisdiction. States and the FERC also have independent jurisdiction that may be complementary when effectively coordinated.
- Authorities and Limitations:**
 - Nothing in this MOU alters the responsibilities or statutory authorities of the FERC or the individual states.
 - This MOU does not, in and of itself, obligate either party to take any actions.
- Responsibilities:** The IOGCC and the FERC agree to:
 - Assemble a Task Force and working subgroups to accomplish the objective described herein and provide periodic reports to the Chairman of the FERC and to the Chairman of the IOGCC, covering both topical and procedural issues. Such reports will be made available to the public on the FERC and the IOGCC websites. The Task Force will include senior representatives from state oil and gas commissions, the IOGCC, and the FERC; such representatives must be employees of a state, the IOGCC, or the FERC.
 - Identify areas of concern.
 - Consult and coordinate with other state and federal agencies, Indian tribes, and other organizations as deemed appropriate.
- Authentication:** This MOU becomes effective upon the signatures of all parties listed below and will be in effect for two years or until modified by mutual consent. At the end of two years, IOGCC and the FERC agree to discuss an extension of the MOU for mutual benefit. Either party may terminate the MOU upon providing written notice to the other party at least 90 days before the termination date.


Interstate Oil & Gas Compact Commission
By Governor John Hoeven, North Dakota
Chairman, 2006-2007

Sept. 24, 2007
Date


Interstate Oil & Gas Compact Commission
By Governor Sarah Palin, Alaska
Chairman, 2007-2008

Sept. 24, 2007
Date


U.S. Federal Energy Regulatory Commission
By Joseph T. Kelliher
Chairman
October 2, 2007
Date