

Memorandum of Understanding

among

National Association of Regulatory Utility Commissioners

and

Public Utilities Commission of Ohio

and

State Electricity Regulatory Commission (SERC)

Federation Electricity Regulatory Commission (FERC)

Republika Srpska Energy Regulatory Commission (RSERC)



MEMORANDUM OF UNDERSTANDING AMONG NATIONAL ASSOCIATION OF REGULATORY UTILITY COMMISSIONERS AND PUBLIC UTILITIES COMMISSION OF OHIO AND STATE ELECTRICITY REGULATORY COMMISSION (SERC) FEDERATION ELECTRICITY REGULATORY COMMISSION (FERC) REPUBLIKA SRPSKA ENERGY REGULATORY COMMISSION (RSERC) (Collectively "Participants")

Under the auspices of the National Association of Regulatory Utility Commissioners' (NARUC) Cooperative Agreement with the United States Agency for International Development (USAID), and pursuant to the terms of that Cooperative Agreement, NARUC will organize and implement a regulatory partnership among NARUC and State Electricity Regulatory Commission (SERC), Federation Electricity Regulatory Commission (FERC), and Republika Srpska Energy Regulatory Commission (RSERC) (SERC, FERC and RSERC collectively hereinafter "BiH Regulators"). Multiple NARUC U.S. Commissions will participate in this partnership [hereinafter, the "Regulatory Partnership" or the "NARUC Partnership"] and the Public Utilities Commission of Ohio will serve as the lead commission. This Regulatory Partnership is a part of NARUC's Energy Regulatory & Security Program in Europe & Eurasia and is funded by the USAID Mission in Bosnia and Herzegovina pursuant to the Cooperative Agreement.

The USAID Mission in Bosnia and Herzegovina provides technical assistance to help the Government of Bosnia and Herzegovina advance the regulatory reform process orientated toward the gradual integration with the European Union institutions through the Treaty Establishing the Energy Community (Energy Treaty). The Energy Treaty together with the institutional peculiarities that are intrinsic to the country, have placed growing demands on the regulatory commissions to identify regulatory priorities and to carefully balance the interests of the utility industry, consumers, and other stakeholders. The NARUC Partnership would support USAID's goals by encouraging the BiH Regulators to further develop their technical regulatory capacity and independence, as well as deepen transparency of their procedures and practices.

The purpose of this Memorandum of Understanding (MOU) is to illustrate the respective roles of all Participants to achieve the objectives described in this MOU. Specific partnership activities and topics will be determined by the Participants as the Regulatory Partnership progresses, in consultation with USAID. Through exchanges, Participants will share experiences, lessons learned and best practices as the BiH Regulators continue to create and implement fair and independent regulations to ensure the efficient, transparent, and stable functioning of the electricity sector while protecting the interests of consumers and investors. This Regulatory Partnership envisions a mutually constructive exchange of ideas and information to the benefit of all Participants.

Subject to the availability of funds and mutual agreement of the Participants, the PUC of Ohio, the participating members of NARUC and the BiH Regulators will be expected to provide personnel resources, expertise, pertinent written material, and facilities, as deemed necessary to

the success of the partnership. The expectations of U.S. Commissions and the BiH Regulators include the following:

- 1. Consult with and provide information to NARUC in accordance with NARUC's workplan in order to capture the regulatory progress.
- 2. Cooperate with NARUC Field Consultants who will assist in coordination among Participants in meeting Regulatory Partnership targets and in applying lessons learned to achieve results
- 3. NARUC and BiH Regulators will develop a work plan focusing on pressing issues and challenges, as well as the exchange of personnel, technical information, and experience.
- 4. Make available facilities, management, and expert personnel during exchanges and planned activities, as necessary, to achieve partnership objectives. In addition, BiH Regulators will make translators available as necessary.
- 5. Participate in planning sessions involving NARUC, USAID, and U.S. and BiH regulatory representatives to identify key issues and activity needs.
- 6. Co-sponsor programs of mutual interest and assist in publicizing these programs locally to enhance support and participation.
- 7. Provide speakers on regulatory issues and other personnel (management or technical) as needed to effectively implement the programs.
- 8. NARUC is to be copied and fully informed on all correspondence between U.S. Commissions and BiH Regulators.

If the Cooperative Agreement between NARUC and USAID or the approval for this particular partnership is canceled or terminated for any reason, the cancellation or termination of this MOU shall be deemed to be immediately effective upon written notification to the involved U.S. Commissions and BiH regulators by NARUC. The dissolution or discontinuation of any of the named organizations renders this Memorandum null and void as to that dissolved or discontinued organization. All obligations of NARUC under the Cooperative Agreement are subject to the continued availability of funding from and the agreement of USAID.

Participants mutually release each other from liability for damage and/or injury caused by negligence on the part of their employees, officers, assigns, subsidiaries, agents and/or any other individuals who may, or may purport to represent Participants or any of their respective subsidiaries, as a result of participation under this MoU. Participants also agree that in their respective roles in the Regulatory Partnership or any planned activities under this MOU, no Participant will represent, either directly or through its conduct, that it has the authority and/or capacity to represent another Participant; nor will any Participant seek contribution, in full or in part, from any other Participant for any liability to third parties which may be incurred as a result of participation under this MOU. Any of the Participants may terminate participation in this MOU upon a 30 day written notification to the other Participants.

The following individuals are the points of contact for the Regulatory Partnership and authorized to represent their respective organizations during the course of the partnership:

The Honorable Mirsad Salkic, Chairman of the State Electricity Regulatory Commission (SERC); The Honorable Risto Mandrapa, President of the Regulatory Commission for Electricity in Federation Bosnia and Herzegovina (FERK); The Honorable Milenko Cokorilo, President of the Regulatory Commission for Energy of Republika Srpska (RSERC); The Honorable Todd A. Snitchler, Chairman of the Public Utilities Commission of Ohio; and Ms. Umida Hashimova, Program Officer, International Programs, NARUC.

National Association of Regulatory Utility Commissioners

29. JAN 2014Umida HashimovaDateProgram Officer, International Programs, NARUC

The Public Utilities Commission of Ohio

29. JAN 2014Todd A. SnitchlerDateChairman, Public Utilities Commission of Ohio

State Electricity Regulatory Commission (SERC)

<u>29. JAN 2014</u> Mirsad Salkic Date Chairman, State Electricity Regulatory Commission (SERC)

Regulatory Commission for Electricity in Federation Bosnia and Herzegovina (FERK)

<u>29. JAN 2014</u>

Risto Mandrapa Date President, Regulatory Commission for Electricity in Federation Bosnia and Herzegovina (FERK)

Regulatory Commission for Energy of Republika Srpska (RSERC)

<u>29. JAN 2014</u>

Milenko CokoriloDatePresident, Regulatory Commission for Energy of Republika Srpska (RSERC)

Witnessed by:

<u>29. JAN 2014</u>

David Barth Date Mission Director, USAID/Bosnia and Herzegovina