

TIG Development Memorandum of Intent (Development MOI) Principles and Content

The purpose of the Development MOI is to demonstrate Parties' intent to take the TIG proposal to the next stage of development and implementation. The Development MOI will be attached to an amended Participating and Funding Agreement that commits the Parties to funding TIG implementation for the next 12 months. *[The number of Parties that either execute the Development MOI or give all other TIG parties written notice that they are engaged in a process to get approval to sign the MOI, by September 23rd, will provide a meaningful indication of the level of support for TIG.]*

The Development MOI will contain the following principles and stipulations:

- The Development MOI will only become effective if Bonneville indicates at Decision Point 2 that it will pursue implementation of the TIG proposal and executes the Development MOI. Parties may sign the Development MOI either before Decision Point 2 or prior to the expiration of the MOI;
- Parties will commit time and money to the development and implementation effort over the term of the Development MOI;
- The intent is to finalize TIG contracts and/or implementation plans that can be signed by the Parties at or prior to the expiration of the Development MOI and amended Participation and Funding Agreement;
- The Parties will work in good faith to negotiate these contracts and implementation plans, and the proposal will remain within the parameters described in the August 1, 2005, TIG proposal;
- The Development MOI will include a schedule for completing contracts and implementation plans that the Parties intend to follow;
- The August 1, 2005, TIG proposal will form the sideboards for further development and Parties will not rehash issues that define these sideboards;
- Further development of the TIG proposal will be an open process and all regional utilities, transmission users, and trade associations will be encouraged to sign the Development MOI and participate in the development process, however, only the Parties that have signed the Development MOI will participate in decision making.

The Parties will develop the TIG coordination agreement that is described in the proposal and committees will be formed to develop the contracts and implementation plans for the various functions described in the proposal. When the Parties sign the Development MOI they will indicate committees in which they will participate and designate the individuals who will represent them in each committee. The committees may form sub-committees

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to develop specific parts of the proposal. For example, the reliability/operating committee could form separate sub-committees for reserves, visibility, congestion management, and RABA. These sub-committees could be designated in the Development MOI with some flexibility for the committees to adjust their structure as needed.