

Transmission Vegetation Management Standard Drafting Team

August 28, 2007 — 8 a.m.–5 p.m.

August 29, 2007 — 8 a.m.–5 p.m.

August 30, 2007 — 8 a.m.–noon

**Doubletree Hotel San Francisco Airport
835 Airport Boulevard
Burlingame, California**

Meeting Agenda

- 1) Administrative**
 - a) Introductions
- 2) Review NERC Antitrust Compliance Guidelines — Harry Tom (Attachment 1)**
- 3) Ensure team members understand Standards Committee's expectations and review the Standard Development Process — Harry Tom**
- 4) Review Meeting Agenda & Objectives — Richard Dearman**
 - a) Review SAR and June 26, 2007 FERC Order on Violation Risk Factors paragraphs 10 and 11. **(Attachment 2)**
 - b) Technical White Paper progress report
 - c) Standard writing assignments:
 - i) Section A. — Introduction
 - (1) Title
 - (2) Number
 - (3) Purpose
 - (4) Applicability
 - (5) Effective Dates
 - ii) Section B. — Requirements and Violation Risk Factors
 - (a) High Risk Requirement

- (b) Medium Risk Requirement
 - (c) Lower Risk Requirement
 - iii) Section C. — Measures
 - iv) Section D. — Compliance
 - (1) Compliance Monitoring Process
 - (a) Compliance Monitoring Responsibility
 - (b) Compliance Monitoring Period and Reset
 - (c) Data Retention
 - (d) Additional Compliance Information
 - (2) Violation Severity Levels
 - (a) Lower
 - (b) Moderate
 - (c) High
 - (d) Severe
- 5) Cross check Draft Standard against SAR — Richard Dearman and team**
- 6) Develop a Comment Form to solicit feedback from stakeholders with respect to the first draft of the standard. — Richard Dearman and team**
- 7) Select date and time for next meetings — Richard Dearman and team**
- 8) Action Items — All**
- 9) Adjourn**



NERC Antitrust Compliance Guidelines

I. General

It is NERC's policy and practice to obey the antitrust laws and to avoid all conduct that unreasonably restrains competition. This policy requires the avoidance of any conduct that violates, or that might appear to violate, the antitrust laws. Among other things, the antitrust laws forbid any agreement between or among competitors regarding prices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that unreasonably restrains competition.

It is the responsibility of every NERC participant and employee who may in any way affect NERC's compliance with the antitrust laws to carry out this commitment.

Antitrust laws are complex and subject to court interpretation that can vary over time and from one court to another. The purpose of these guidelines is to alert NERC participants and employees to potential antitrust problems and to set forth policies to be followed with respect to activities that may involve antitrust considerations. In some instances, the NERC policy contained in these guidelines is stricter than the applicable antitrust laws. Any NERC participant or employee who is uncertain about the legal ramifications of a particular course of conduct or who has doubts or concerns about whether NERC's antitrust compliance policy is implicated in any situation should consult NERC's General Counsel immediately.

II. Prohibited Activities

Participants in NERC activities (including those of its committees and subgroups) should refrain from the following when acting in their capacity as participants in NERC activities (e.g., at NERC meetings, conference calls and in informal discussions):

- Discussions involving pricing information, especially margin (profit) and internal cost information and participants' expectations as to their future prices or internal costs.
- Discussions of a participant's marketing strategies.
- Discussions regarding how customers and geographical areas are to be divided among competitors.
- Discussions concerning the exclusion of competitors from markets.
- Discussions concerning boycotting or group refusals to deal with competitors, vendors or suppliers.

III. Activities That Are Permitted

From time to time decisions or actions of NERC (including those of its committees and subgroups) may have a negative impact on particular entities and thus in that sense adversely

impact competition. Decisions and actions by NERC (including its committees and subgroups) should only be undertaken for the purpose of promoting and maintaining the reliability and adequacy of the bulk power system. If you do not have a legitimate purpose consistent with this objective for discussing a matter, please refrain from discussing the matter during NERC meetings and in other NERC-related communications.

You should also ensure that NERC procedures, including those set forth in NERC's Certificate of Incorporation, Bylaws, and Rules of Procedure are followed in conducting NERC business.

In addition, all discussions in NERC meetings and other NERC-related communications should be within the scope of the mandate for or assignment to the particular NERC committee or subgroup, as well as within the scope of the published agenda for the meeting.

No decisions should be made nor any actions taken in NERC activities for the purpose of giving an industry participant or group of participants a competitive advantage over other participants. In particular, decisions with respect to setting, revising, or assessing compliance with NERC reliability standards should not be influenced by anti-competitive motivations.

Subject to the foregoing restrictions, participants in NERC activities may discuss:

- Reliability matters relating to the bulk power system, including operation and planning matters such as establishing or revising reliability standards, special operating procedures, operating transfer capabilities, and plans for new facilities.
- Matters relating to the impact of reliability standards for the bulk power system on electricity markets, and the impact of electricity market operations on the reliability of the bulk power system.
- Proposed filings or other communications with state or federal regulatory authorities or other governmental entities.
- Matters relating to the internal governance, management and operation of NERC, such as nominations for vacant committee positions, budgeting and assessments, and employment matters; and procedural matters such as planning and scheduling meetings.

Any other matters that do not clearly fall within these guidelines should be reviewed with NERC's General Counsel before being discussed.