

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE FEDERAL ENERGY REGULATORY COMMISSION
AND
THE ELECTRICITY AND GAS MARKET SURVEILLANCE COMMISSION
OF JAPAN**

1. The Federal Energy Regulatory Commission (FERC) has exclusive jurisdiction within the United States over, among other things, the transmission of electric energy in interstate commerce and the sale of electric energy at wholesale in interstate commerce by public utilities, as described in section 201 of the Federal Power Act (FPA), 16 U.S.C. § 824; and the transportation of natural gas in interstate commerce and certain sales in interstate commerce of natural gas for resale as set forth in section 1 of the Natural Gas Act (NGA), 15 U.S.C. § 717, and section 601(a) of the Natural Gas Policy Act (NGPA), 15 U.S.C. § 3431(a); certain other transportation and sales of natural gas authorized pursuant to section 311 of the NGPA, 15 U.S.C. § 3371; and reliability of the bulk-power system pursuant to section 215 of the FPA, 16 U.S.C. § 824o.
2. The Electricity and Gas Market Surveillance Commission (EGC) was established in Japan under the Minister of Economy, Trade and Industry, as described in Article 66-2 of the Electricity Business Act, in order to strengthen monitoring of the electricity, gas and heat power trading market for the liberalization of energy market reform.

EGC has the authority to:

- (1) collect reports, conduct on-site inspections, provide recommendations to businesses, and exercise sole authority in mediation/arbitration; and
- (2) make suggestions/proposals to the Minister of Economy, Trade and Industry regarding the policy related to electricity, gas and heat power business.

EGC conducts appropriate monitoring of the electricity, gas and heat power market and enforces strict regulations to ensure neutrality of electricity and gas networks.

3. In recognition of the regulatory responsibilities and common interests of both FERC and EGC (hereinafter the “Participants”) and the benefits to both organizations that result from sharing information about the markets they oversee and their regulatory experiences and practices, the Participants hereby declare their intent to cooperate and share information pursuant to this Memorandum of Understanding (MOU).

4. The Participants intend that cooperation under this MOU may include, but is not limited to, the following:
 - a. Sharing by EGC, at FERC's request, of information and data related to:
 - i. EGC's monitoring and investigative processes and methods; and
 - ii. EGC's market monitoring and oversight activities, including, but not limited to, staff insights and analyses.
 - b. Sharing by FERC, at EGC's request, of information and data related to:
 - i. FERC's monitoring and investigative processes and methods; and
 - ii. FERC's market monitoring and oversight activities, including, but not limited to, staff insights and analyses.
 - c. Discussion of energy issues of mutual interest related to the United States and Japanese energy markets.
 - d. Joint visits that could include FERC, EGC, and other regulatory entities.
 - e. Meetings, webinars, workshops, teleconferences, training activities, and/or email exchanges.
5. Each Participant to this Memorandum of Understanding (hereinafter "MOU") should keep any information furnished by the other Participant in accordance with this MOU (hereinafter "Information") non-public, and should not disclose or make Information provided in confidence available to any other person or entity except pursuant to the applicable laws and regulations of the United States and Japan, or by consent of the other Participant.
6. If a third party subsequently requests the Participant receiving Information in accordance with this MOU to disclose or otherwise produce Information, the said Participant should consult with the other Participant prior to responding to the third-party request.
7. This MOU is not intended to be a binding contract or agreement enforceable in a court of law or in an administrative forum, and it is not intended to impose any legal commitments on either Participant. It is intended only to establish a process for further cooperation between the Participants.

8. Nothing contained in this MOU requires either Participant to take any action that would be inconsistent with any existing or future laws, regulations, and policy directives applicable to it.
9. The Participants bear their own respective shares of financial costs of participating in the activities under this MOU, unless they decide otherwise. All activities are subject to approval of funding by each Participant.
10. This MOU is expected to become operative when signed by each of the Participants. This MOU may be modified at any time by the mutual consent of the Participants. The Participants intend that any such modification be set forth in writing. The Participants intend that either of them may discontinue cooperation under the MOU at any time, but should endeavor to provide thirty (30) days written notice to the other. During this period, the Participants should make good-faith efforts to resolve any disagreement.

Signed at _____, on September 28, 2016 in the English language.

Mr. Norman Bay, Chairman
Federal Energy Regulatory Commission

Dr. Tatsuo Hatta, Chairman
Electricity and Gas Market Surveillance Commission
Ministry of Economy, Trade and Industry
