

**Consideration of Comments on Initial Ballot — Proposed Revision to the Standard Processes Manual**  
**Date of Initial Ballot: November 9 – 13, 2010**

**Summary Consideration:**

If you feel that the drafting team overlooked your comments, please let us know immediately. Our goal is to give every comment serious consideration in this process. If you feel there has been an error or omission, you can contact the Vice President and Director of Standards, Herb Schrayshuen, at 609-452-8060 or at [herb.schrayshuen@nerc.net](mailto:herb.schrayshuen@nerc.net). In addition, there is a NERC Reliability Standards Appeals Process.<sup>1</sup>

Voter	Entity	Segment	Vote	Comment
Terry Harbour	MidAmerican Energy Co.	1	Negative	The NERC proposed changes do not properly reflect FERC's directives in Dockets RR10-12-000 and Order 693 that the only essential elements determining compliance in a NERC standard are the requirements and that all other material provides useful support and guidance only. The words "Requirements and Elements Necessary to Demonstrate Compliance and Monitor and Assess Compliance with Requirements" need to be deleted and replaced with a discussion that clearly states, 1) the only essential elements determining compliance in a NERC standard are the requirements, and 2) all other material provides useful support and guidance only.
<b>Response:</b>				
Kim Warren	Independent Electricity System Operator	2	Affirmative	We provide the same suggestions we submitted during the comment period. While we agree that the proposed modifications to the Standards Process Manual adequately address the September 3, 2010 Directive, we do have some suggestions for improving the text of the document. We consider the heading "Requirements and Elements Necessary to Demonstrate Compliance and Monitor and Assess Compliance with Requirements" to be rather cumbersome. We therefore recommend modifying the heading to read "Requirements and Elements Necessary to Monitor, Assess and Demonstrate Compliance with Requirements". In addition we would suggest amending the preceding paragraph (that commences "A reliability standard includes several components...") as follows: The components of a reliability standard include mandatory requirements, and elements necessary to demonstrate as well as monitor and assess compliance with requirements. A separate informational section of a standard could also be provided for reference purposes.

<sup>1</sup> The appeals process is in the Reliability Standards Development Procedure: [http://www.nerc.com/files/RSDP\\_V6\\_1\\_12Mar07.pdf](http://www.nerc.com/files/RSDP_V6_1_12Mar07.pdf).

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<b>Response:</b>				
Jason L Marshall	Midwest ISO, Inc.	2	Affirmative	We are supportive of the changes to the extent that they eliminate the possibility that new requirements can arise out of the supporting areas of the standard such as the compliance elements. However, we do believe that these supporting areas can and should be used to help understand what the requirements mean, how the requirements are applied, and how to comply with the requirements. For example, the applicability section of FAC-003-1 that limits applicability to 200 kV and above should not have to be moved into the requirements for it to be clear that the requirements do not apply to sub-200 kV facilities. Furthermore, it appears that the Commission has acknowledged that supporting elements of the standard do help to set the context when they approved PRC-023-1 in Order 729. There was a long discussion in that order and the associated NOPR regarding the applicability of the standard to sub-200 kV facilities in context of the applicability section.
<b>Response:</b>				
David A. Lapinski	Consumers Energy	3	Negative	The changes on pg 6 do not appear to reflect the spirit or intent of the FERC directive. FERC indicated that NERC should make clear that only the Requirements of a standard are enforceable. NERC has changed the text so that, rather than being enforceable, other elements are " Necessary to Demonstrate Compliance and Monitor and Assess Compliance with Requirements." It sounds like it is still saying they are "enforceable," just using different words.
<b>Response:</b>				
Thomas C. Mielnik	MidAmerican Energy Co.	3	Negative	The NERC proposed changes do not properly reflect FERC's directives in Dockets RR10-12-000 and Order 693 that the only essential elements determining compliance in a NERC standard are the requirements and that all other material provides useful support and guidance only. The words "Requirements and Elements Necessary to Demonstrate Compliance and Monitor and Assess Compliance with Requirements" need to be deleted and replaced with a discussion that clearly states, 1) the only essential elements determining compliance in a NERC standard are the requirements, and 2) all other material provides useful support and guidance only.

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<b>Response:</b>				
David Frank Ronk	Consumers Energy	4	Negative	The changes on pg 6 do not appear to reflect the spirit or intent of the FERC directive. FERC indicated that NERC should make clear that only the Requirements of a standard are enforceable. NERC has changed the text so that, rather than being enforceable, other elements are " Necessary to Demonstrate Compliance and Monitor and Assess Compliance with Requirements." It sounds like it is still saying they are "enforceable," just using different words.
<b>Response:</b>				
Joseph G. DePoorter	Madison Gas and Electric Co.	4	Negative	MGE views the proposed changes to the Standards Process Manual, Elements of a Reliability Standard, very confusing and do not take into consideration the FERC directive of "In particular, the Commission stated in Order No. 693 that the essential element of a Reliability Standard is its Requirement and that compliance with a standard "will in all cases be measured by determining whether a party met or failed to meet the Requirement given the specific facts and circumstances of its use, ownership or operation of the Bulk-Power System." In order for an entity to understand and determine the applicability and scope of a Standard, current standards have several filtering sections that are provided within a Standard. These are all the other sections within a Standard, other than the actual Requirement. As stated within the Elements of a Reliability Standard, these sections work collectively to identify what entities should do to meet their reliability-related obligations. NERC should simple state that the Requirement(s) within a Standard are the only reliability-related obligation within the Standard that shall be met by the applicable entities of the Standard. Then continue to state that the other sections of the Standard are provided as informational sections that should be considered to demonstrate compliance with the standard.
<b>Response:</b>				
James B Lewis	Consumers Energy	5	Negative	The changes on pg 6 do not appear to reflect the spirit or intent of the FERC directive. FERC indicated that NERC should make clear that only the Requirements of a standard are enforceable. NERC has changed the text so that, rather than being enforceable, other elements are " Necessary to Demonstrate Compliance and Monitor and Assess Compliance with Requirements." It sounds like it is still saying they are "enforceable," just using different words.

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<b>Response:</b>				
Christopher Schneider	MidAmerican Energy Co.	5	Negative	The NERC proposed changes do not properly reflect FERC's directives in Dockets RR10-12-000 and Order 693 that the only essential elements determining compliance in a NERC standard are the requirements and that all other material provides useful support and guidance only. The words "Requirements and Elements Necessary to Demonstrate Compliance and Monitor and Assess Compliance with Requirements" need to be deleted and replaced with a discussion that clearly states, 1) the only essential elements determining compliance in a NERC standard are the requirements, and 2) all other material provides useful support and guidance only.
<b>Response:</b>				
Leonard Rentmeester	Wisconsin Public Service Corp.	5	Negative	The proposed changes add additional confusion and are unresponsive to FERC's issue. We recommend the following to address FERC's concerns and provide clarity: 1) Recommend rewording the 2nd sentence under "Elements of a Reliability Standard" to read: The components of a reliability standard include mandatory requirements, sections necessary to demonstrate, monitor and assess compliance with requirements, informational sections of the standard, and enforcement assessment sections of the standard. 2) Keep the header "Mandatory and Enforceable Section of a Standard", and list only Requirements under this header. 3) Change the newly proposed header to: "Sections Necessary to Demonstrate, Monitor and Assess Compliance with Requirements". 4) Retain the original section "Informational Sections of a Standard". List the following under this header: Application Guidelines, Procedures, Compliance Enforcement Authority, and Compliance Monitoring and Assessment Processes. 5) Create a new section called "Enforcement Assessment Sections of a Standard". List the following under this header: Violation Risk Factors and Violation Severity Levels, Violation Risk Factors and Violation Severity Levels. Additionally, we feel the use of the word "element(s)" should be avoided in this section, since several standards have attachments that include elements. (Such as EOP-001) As recommended above, we suggest instead using the word "section(s)".
<b>Response:</b>				

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Jessica L Klinghoffer	Kansas City Power & Light Co.	6	Affirmative	1. Violation Risk Factor is by definition an indication of the impact a requirement has on the Bulk Electric System and requires a judgment in reliability. VRF should be included as a part of the standards process for industry review and binding approval by the industry. 2. Under the "Process for Appealing and Action or Inaction" on page 34, the criteria for the appointment of a panel by the Board of Trustees is that there be no affiliation with the participants in the appeal. There should be additional criteria to consider the credentials and expertise appropriate to the appeal content for an effective appointment.
<b>Response:</b>				
Donald E. Nelson	Commonwealth of Massachusetts Department of Public Utilities	9	Affirmative	Although the changes made do reflect the FERC Directive, the language could be improved to better clarify with regard to which elements are enforceable.
<b>Response:</b>				