

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D. C. 20426

OFFICE OF ELECTRIC RELIABILITY

North American Electric
Reliability Corporation
Docket No. RR07-15-000

November 29, 2007

North American Electric Reliability Corp.
1120 G Street, N.W., Suite 990
Washington, D.C. 20005-3801

Attention: Rebecca J. Michael, Attorney

Reference: Filing of Northeast Power Coordinating Council, Inc. (NPCC)
amended and restated bylaws and request for substitution of NPCC
as the Regional Entity

Dear Ms. Michael:

On August 21, 2007, the North American Electric Reliability Corporation (NERC) filed revised Northeast Power Coordinating Council, Inc. (NPCC) amended and restated bylaws and a request to substitute NPCC as the Regional Entity, as successor in interest to Northeast Power Coordinating Council: Cross Border Regional Entity, Inc. (NPCC-CBRE).

Notice of this filing was issued on August 28, 2007 with comments, protests or motions to intervene due on or before September 20, 2007.

Notices of intervention and unopposed timely filed motions to intervene are granted pursuant to the operation of Rule 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.214). Any opposed or untimely filed motion to intervene is governed by the provisions of Rule 214. No protests or adverse comments were filed.

NERC's uncontested filing is approved pursuant to the relevant authority delegated to the Director, Office of Electric Reliability under 18 C.F.R. § 375.314.

On October 30, 2007, NERC submitted a revised delegation agreement with NPCC including updated bylaws dated July 24, 2007 in Docket No. RR07-3-002 that, among other things, reflects the fact that NPCC is to be the Regional Entity as the successor in interest to NPCC-CBRE. This approval is subject to the outcome of that proceeding.

In addition, as submitted in the instant filing, the revised bylaws at section VI.C. provide that ". . . the Board may not . . . establish, modify, or eliminate any of NPCC's Regional Reliability Standards, regionally-specific reliability criteria, guides, programs or procedures . . ." At section IX.A.(2)(d)(iii), the bylaws also provide that each Full Member of NPCC shall "assure that, whenever it enters into arrangements with non-members which could have an impact on the reliability of the international, interconnected bulk-power systems of Northeastern North America, the arrangements will not adversely impact the ability of the Full Members to comply with regionally-specific criteria established by NPCC, ERO Standards, or the criteria of regional reliability organizations established in areas in which the facilities used for such arrangements are located".

In the *Order Certifying North American Electric Reliability Corporation As The Electric Reliability Organization And Ordering Compliance Filing*, 116 FERC ¶ 61,062 (2006), issued on July 20, 2006, the Commission noted that regional Reliability Standards should not exist independently from NERC Reliability Standards and further that allowing regional Reliability Standards otherwise accepted as mandatory within a particular region is not consistent with EPCRA and the Commission's regulations. "Only a Reliability Standard (including a regional Reliability Standard or a variance) approved by the Commission is enforceable in the United States under section 215 of the [Federal Power Act]." (P 277) The Commission further noted that it understands regional criteria to be standards of behavior of a voluntary nature that are not enforceable under the Federal Power Act and cannot preempt a Commission-approved Reliability Standard, and that a Regional Entity must avoid adopting any voluntary rules that detract from or circumvent a Commission-approved Reliability Standard. (P 282 and P 616) Therefore, in accordance with the July 20, 2006 order, the operation of section IX.A.(2)(d)(iii) of the revised bylaws may not preclude, without the prior approval of the Commission, instances where a Full Member intends to enter into an arrangement with a non-member to further the goals and objectives of a Commission approved Reliability Standard that might be interpreted by NPCC as adversely impacting the ability of Full Members complying with regionally-specific criteria established by NPCC or the criteria of regional reliability organizations established in areas in which the facilities used for such arrangements are located within the United States.

This action shall not be construed as accepting any other contingency plan pursuant to 18 C.F.R. § 375.314(a)(1)(i) or any other data or report pursuant to 18 C.F.R. § 375.314(b)(3)(iv). This action shall not be construed as approving any other application including Electric Reliability Organization or Regional Entity rules or procedures pursuant to 18 C.F.R. § 375.314(a)(2)(i). Such acceptance or approval shall not be deemed as recognition of any claimed right or obligation associated therewith; and such acceptance or approval is without prejudice to any findings or orders which have been or which may hereafter be made by the Commission in any proceeding now or pending or hereafter instituted by or against NERC or NPCC-CBRE.

This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.

Sincerely,

Joseph H. McClelland, Director
Office of Electric Reliability

cc: All Parties