

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

**Standards for Business Practices and
Communication Protocols for Public
Utilities**)) **Docket No. RM05-5-000**
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)

STATEMENT OF THE
NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL
IN SUPPORT OF COMMENTS AND PROGRESS REPORT BY
NORTH AMERICAN ENERGY STANDARDS BOARD

The North American Electric Reliability Council (“NERC”) supports the comments and progress report filed by the North American Energy Standards Board today in Docket RM05-5-000, “Standards for Business Practices and Communication Protocols for Public Utilities.”

As background, on June 24, 2005, NERC filed comments in this docket requesting that the Commission defer action on three proposed business practices that have reliability components:

1. Area Control Error (ACE) Equation Special Cases (WEQBPS – 003-000);
2. Inadvertent Interchange Payback (WEQBPS – 005-000); and
3. Manual Time Error Correction (WEQBPS – 004-000).

NERC now withdraws that request and recommends that the Commission consider approving these Version 0 business practice standards. The standards complement and are consistent with the existing NERC Version 0 reliability standards.

NERC and the North American Energy Standards Board are finalizing new procedures for coordinating the development of standards in areas that affect both reliability and business practices, such as power interchange and congestion management. This new approach will allow the reliability requirements to be developed through the NERC process and the business practices to be developed through the NAESB process, with the actual development work being

done by a joint team sponsored by NERC and NAESB. Thus the standards will be separate but closely integrated. This approach will be more effective than previous efforts to assign standards to either NERC or NAESB when the subject matter obviously contains both reliability and business practice elements.

Using this new process for coordination, we propose to review the three standards listed above and other standards of mutual interest to determine which might be future candidates for further development to refine the distinction between the reliability and business practice elements. In the meantime, there is no reason to withhold the approval of the proposed business practice standards listed above.

NORTH AMERICAN
ELECTRIC RELIABILITY COUNCIL

By:

A handwritten signature in black ink that reads "David N. Cook". The signature is written in a cursive style with a large, stylized 'D' and 'C'.

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