

## **Consideration of Comments on 1<sup>st</sup> Draft of a SAR and Associated VSLs for TOP-004-2, Transmission Operations — Project 2008-16**

The Standards Committee thanks all commenters who submitted comments on the 1st draft of the SAR and associated VSLs for TOP-004-2. These documents were posted for a 30-day public comment period from October 1–30, 2008. Stakeholders were asked to provide feedback on the SAR and VSLs through a special Electronic Comment Form. There were 19 sets of comments, including comments from more than 50 different people from approximately 50 companies representing 8 of the 10 Industry Segments as shown in the table on the following pages. In this report, the comments have been organized so that it is easier to see where there is consensus. Comments can also be viewed at the following site:

[http://www.nerc.com/filez/standards/Project\\_2008-16\\_Trans\\_Ops\\_VSLs.html](http://www.nerc.com/filez/standards/Project_2008-16_Trans_Ops_VSLs.html)

If you feel that your comment has been overlooked, 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, Gerry Adamski, at 609-452-8060 or at [gerry.adamski@nerc.net](mailto:gerry.adamski@nerc.net). In addition, there is a NERC Reliability Standards Appeals Process.<sup>1</sup>

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<sup>1</sup> The appeals process is in the Reliability Standards Development Procedures: <http://www.nerc.com/standards/newstandardsprocess.html>.

**Index to Questions, Comments, and Responses**

1. The Violation Severity Levels for TOP-004-2 were not revised to reflect the approved modifications to Requirements R3 and R6. Do you agree that the VSLs should be updated so that the compliance elements for the modified TOP-004 are in place when needed? If not, please explain in the comment area. .... 6
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The Industry Segments are:

- 1 — Transmission Owners
- 2 — RTOs, ISOs
- 3 — Load-serving Entities
- 4 — Transmission-dependent Utilities
- 5 — Electric Generators
- 6 — Electricity Brokers, Aggregators, and Marketers
- 7 — Large Electricity End Users
- 8 — Small Electricity End Users
- 9 — Federal, State, Provincial Regulatory or other Government Entities
- 10 — Regional Reliability Organizations, Regional Entities

Commenter		Organization		Industry Segment																
				1	2	3	4	5	6	7	8	9	10							
1.	Guy Zito (NPCC)	NPCC																		X
	Additional Member	Additional Organization	Region	Segment Selection																
1.	Ralph Rufrano	New York Power Authority	NPCC	5																
2.	Kathleen Goodman	ISO - New England	NPCC	2																
3.	Frederick White	Northeast Utilities	NPCC	1																
4.	Roger Champagne	Hydro-Quebec TransEnergie	NPCC	2																
5.	Brian Evans-Mongeon	Utility Services	NPCC	6																
6.	Tony Elacqua	New York Independent System Operator	NPCC	2																
7.	Michael Gildea	Constellation Energy	NPCC	6																
8.	Brian Gooder	Ontario Power Generation Incorporated	NPCC	5																
9.	David Kiguel	Hydro One Networks Inc.	NPCC	1																
10.	Kurtis Chong	Independent Electricity System Operator	NPCC	2																
11.	Chris DeGraffenried	Consolidated Edison Co. of New York, Inc.	NPCC	1																
12.	Sylvain Clermont	Hydro-Quebec TransEnergie	NPCC	1																

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					1	2	3	4	5	6	7	8	9	10																		
13	Michael Schiavone	National Grid	NPCC	1																												
14	Donald E. Nelson	Massachusetts Dept. of Public Utilities	NPCC	9																												
15	Michael Garton	Dominion Resources, Inc.	NPCC	5																												
16	Guy Zito	NPCC	NPCC	10																												
17	Lee Pedowicz	NPCC	NPCC	10																												
18	Gerry Dunbar	NPCC	NPCC	10																												
2.	Thad Ness	AEP			x		x		x	x																						
3.	Alan Gale	City of Tallahassee (TAL)							x																							
4.	Sandra Shaffer (PacifiCorp)	PacifiCorp																														
5.	Dan Rochester	Independent Electricity System Operator - Ontario				x																										
6.	Jeff Hackman	Ameren			x																											
7.	Patrick Burke	Orange & Rockland Utilities, Inc			x		x																									
8.	Rao Somayajula	ReliabilityFirst Corporation																		x												
9.	Peter A. Heidrich	Florida Reliability Coordinating Council																		x												
10.	Kris Manchur	Manitoba Hydro			x		x		x	x																						
11.	Greg Ward / Darryl Curtis	Oncor Electric Delivery			x																											
12.	Denise Koehn (BPA)	BPA Transmission Reliability Program																														
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2. Mike Viles	Transmission Technical Operations	WECC	1																													
13.	Jason Shaver	American Transmission Company			x																											
14.	Patrick Brown (PJM)	PJM Interconnection				x																										
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15.	JT Wood (Southern)	Southern Company - Transmission			x																											
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				1	2	3	4	5	6	7	8	9	10	
16.	Greg Rowland	Duke Energy		x		x		x	x					
17.	Richard Kafka	Pepco Holdings, Inc												
18.	Phil Riley	Public Service Commission of South Carolina											x	
19.	Michael Brytowski (MRO)	MRO NERC Standards Review Subcommittee												
Additional Member	Additional Organization	Region	Segment Selection											
1.	Neal Balu	WPS	MRO	3, 4, 5, 6										
2.	Terry Bilke	MISO	MRO	2										
3.	Carol Gerou	MP	MRO	1, 3, 5, 6										
4.	Jim Haigh	WAPA	MRO	1, 6										
5.	Charles Lawrence	ATC	MRO	1										
6.	Ken Goldsmith	ALTW	MRO	4										
7.	Terry Harbour	MEC	MRO	1, 3, 5, 6										
8.	Pam Sordet	XCEL	MRO	1, 3, 5, 6										
9.	Dave Rudolph	BEPC	MRO	1, 3, 5, 6										
10.	Eric Ruskamp	LES	MRO	1, 3, 5, 6										
11.	Joseph Knight	GRE	MRO	1, 3, 5, 6										
12.	Joe DePoorter	MGE	MRO	3, 4, 5, 6										
13.	Larry Brusseau	MRO	MRO	10										

**Consideration of Comments on 1st Draft of a SAR and Associated VSLs for TOP-004-2, Transmission Operations — Project 2008-16**

1. The Violation Severity Levels for TOP-004-2 were not revised to reflect the approved modifications to Requirements R3 and R6. Do you agree that the VSLs should be updated so that the compliance elements for the modified TOP-004 are in place when needed? If not, please explain in the comment area.

**Summary Consideration:** All stakeholders who responded to this question indicated support for updating the VSLs to that the compliance elements for the modified TOP-004 are in place when needed.

Organization	Question 1:	Question 1 Comments:
PJM Interconnection	Yes	The VSL for R3 is acceptable. The VSLs for R6 would penalize a TOP for failure to include other TOPs. Both the requirement and the VSL fail to account for which party is at fault. If TOP-A offered to jointly develop a procedure but TOP-B did not agree to cooperate, why should TOP-A be held non-compliant? Further, each sub-requirement of R6 has a penalty assigned to it; however R6 already includes penalties for each sub-element. It would appear that either the VSLs for R6 are not needed or the individual sub-requirement VSLs are not needed. (e.g. if a TOP failed to included sub-requirement R6.1, then that TOP would be assigned a Moderate VSL under R6 as well a Lower VSL under R6.1.
<b>Response: The SAR does not include modifying the requirements in TOP-004. The VSLs for R6 support the associated requirement.</b>		
NPCC	Yes	
AEP	Yes	
City of Tallahassee (TAL)	Yes	
PacifiCorp	No	
Independent Electricity System Operator - Ontario	Yes	
Ameren	Yes	
Orange & Rockland Utilities, Inc	Yes	
ReliabilityFirst Corporation	Yes	

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<b>Organization</b>	<b>Question 1:</b>	<b>Question 1 Comments:</b>
Florida Reliability Coordinating Council	Yes	
Manitoba Hydro	Yes	
Oncor Electric Delivery	Yes	
BPA Transmission Reliability Program	Yes	
American Transmission Company	Yes	
Southern Company - Transmission	Yes	
Duke Energy	Yes	
Pepco Holdings, Inc	Yes	
Public Service Commission of South Carolina	Yes	

**Consideration of Comments on 1st Draft of a SAR and Associated VSLs for TOP-004-2, Transmission Operations — Project 2008-16**

2. The Violation Severity Levels for TOP-004-1 have already been approved. The modifications made to the VSLs for TOP-004-2 have been limited to those changes needed to accurately reflect the approved changes to Requirements R3 and R6. Do you agree that the modifications proposed to the VSLs for R3 and R6? If not, please explain in the comment area.

**Summary Consideration:** Some commenters indicated that the proposed VSLs reference the wrong version of the standard, and these references were corrected. Several commenters indicated that there should be additional modifications made to the requirements, measures and VSLs for R3 or R6 beyond the conforming modifications proposed. There is a project underway (Project 2007-03 – Real Time Operations) that includes making changes to requirements, measures and compliance elements in TOP-004. The SAR for this project is limited to making conforming changes to the VSLs so that the VSLs accurately reflect the approved changes to Requirements R3 and R6 that were made when FAC-010-1, FAC-011-1, and FAC-014-1 were approved. Commenters did not identify any VSLs that were modified in a manner that did not support the conforming changes to Requirements R3 and R6 – thus no further modifications were made to the VSLs.

Organization	Question 2:	Question 2 Comments:
AEP	No	The Lower VSLs for R6.1 through R6.4 contradict with the Moderate VSL for R6. Either the VSLs for R6.1-R6.4 or VSLs for R6 should be eliminated or the VSLs should be modified so they are consistent with each other.
<b>Response:</b> The VSLs for TOP-004-1 were vetted with the industry and approved — the only modifications made to the VSLs are conforming changes made to bring the VSLs into alignment with the modifications made to the requirements when FAC-010-1, FAC-011-1, and FAC-014-1 were approved. Making modifications to improve the requirements, measures and compliance elements of TOP-004 (including making changes to the VSLs) is under the scope of the Standard Drafting Team working on Project 2007-03 — Real Time Operations.		
Orange & Rockland Utilities, Inc	No	The proposed VSL for R3 states: "The Transmission Operator failed to operate to protect against instability, uncontrolled separation, or cascading outages resulting from multiple outages, as specified by its Reliability Coordinator." Though accepted good industry practice is a relevant yardstick there is no formal Measure, defined in TOP-004-2, to objectively measure whether a TOP met or failed to meet the requirement.
<b>Response:</b> The SAR for this project did not include adding any measures — the SAR is limited to making just conforming changes to the VSLs to ensure that the VSLs line up with the changes made to the requirements when FAC-010-1, FAC-011-1 and FAC-014-1 were approved. Making modifications to improve the requirements, measures and compliance elements of TOP-004 (including making changes to the VSLs) is under the scope of the Standard Drafting Team working on Project 2007-03 — Real Time Operations.		
PJM Interconnection	No	see response to Q1
<b>Response:</b> See response to comment on Q1.		

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Organization	Question 2:	Question 2 Comments:
Florida Reliability Coordinating Council	No	<p>The Violation Severity Levels (VSLs) identified for Requirement 6, 6.1, 6.2, 6.3 and 6.4 are not consistent. R6 VSL indicates that an omission of 'one of the elements listed in TOP-004-1 R6.1 through R6.4' translates into a 'Moderate' VSL, however R6.1 - R6.4 VSLs indicate that the same omission translates into a 'Lower' VSL. The NERC Drafting Team Guidelines, dated: July 1, 2007 state, "The violation severity levels may be combined to cover multiple requirements, as long as it is clear which requirements are included and that all requirements are included". R6.1 through 6.4 are specific aspects of the 'formal policies and procedures' identified in R6 and the omission of one or more of these aspects is sufficiently covered in the VSL for R6. The VSLs for R6.1 through R6.4 should be eliminated.</p>
<p><b>Response:</b> The VSLs for TOP-004-1 were vetted with the industry and approved — the only modifications made to the VSLs are conforming changes made to bring the VSLs into alignment with the modifications made to the requirements when FAC-010-1, FAC-011-1, and FAC-014-1 were approved. Making modifications to improve the requirements, measures and compliance elements of TOP-004 (including making changes to the VSLs) is under the scope of the Standard Drafting Team working on Project 2007-03 — Real Time Operations.</p>		
BPA Transmission Reliability Program	No	<p>We have 2 comments on R6 under the Lower VSL and Moderate VSL ratings. For the Lower VSL, we thought it should include the following: "or failed to include one of the elements listed in TOP-004-1 R6.1 through R6.4." as noted below. , but failed to include other Transmission Operators in the development of said policies and procedures or failed to include one of the elements listed in TOP-004-1 R6.1 through R6.4.</p> <p>For Moderate VSL, we thought it should include the following: "and failed to include other Transmission Operators in the development of said policies and procedures." as noted below, but failed to include one of the elements listed in TOP-004-1 R6.1 through R6.4 and failed to include other Transmission Operators in the development of said policies and procedures.</p> <p>In addition, we believe that the Lower VSL rating for R6.1 through R6.4 is contradicting with the Moderate VSL rating for R6.</p>
<p><b>Response:</b> The VSLs for TOP-004-1 were vetted with the industry and approved — the only modifications made to the VSLs are conforming changes made to bring the VSLs into alignment with the modifications made to the requirements when FAC-010-1, FAC-011-1, and FAC-014-1 were approved. The proposed changes go beyond “conforming” changes associated with the modifications made to the requirements when FAC-010-1, FAC-011-1 and FAC-014-1 were approved. Making modifications to improve the requirements, measures and compliance elements of TOP-004 (including making changes to the VSLs) is under the scope of the Standard Drafting Team working on Project 2007-03 — Real Time Operations.</p>		
Southern	No	1) The Violation Severity Level chart should be modified to include references to the

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Organization	Question 2:	Question 2 Comments:
Company - Transmission		approved version of the standard, TOP-004-2. We note that each VSL column, Lower to Severe, makes reference to requirements in the previous version of the standard, TOP-004-1.2) VSL for Requirement 6 is OK. However, for Requirement 3, I don't understand how you could prove that "the Transmission Operator failed to operate to protect against instability, uncontrolled separation, or cascading outages resulting from multiple outages, as specified by its Reliability Coordinator" (that is, unless a blackout actually occurred!)
<p><b>Response:</b> The VSLs were modified to reference the correct version of TOP-004 in support of your comment. The VSLs for TOP-004-1 were vetted with the industry and approved — the language in the VSL for Requirement 3 was modified to remove the phrase, “when practical” and to replace the reference to “Regional Reliability Organization” with “Reliability Coordinator.” The language “the Transmission Operator failed to operate to protect against instability, uncontrolled separation, or cascading outages resulting from multiple outages, . . .” was not modified. Making modifications to improve the requirements, measures and compliance elements of TOP-004 (including making changes to the VSLs) is under the scope of the Standard Drafting Team working on Project 2007-03 — Real Time Operations.</p>		
Duke Energy	No	The proposed changes have been limited to those changes needed to accurately reflect the approved changes under the FAC-010-1, FAC-011-1 and FAC-014-1 project, but we think there is a better way of making those already approved changes. The sub-requirements R6.1 - 6.4 should be rolled into R6 to eliminate the "double jeopardy" issue where if you violate one or more of the sub-requirements you are also in violation of the main requirement. The VSLs for R6 are okay the way they are now, and the VSLs for the sub-requirements should be deleted. Here is the text of the revised R6: “Transmission Operators, individually and jointly with other Transmission Operators, shall develop, maintain, and implement formal policies and procedures to provide for transmission reliability by addressing the execution and coordination of activities that impact inter- and intra-Regional reliability, including monitoring and controlling voltage levels and real and reactive power flows, switching transmission elements, planned outages of transmission elements, and responding to IROL and SOL violations.”
<p><b>Response:</b> The VSLs for TOP-004-1 were vetted with the industry and approved – the only modifications made to the VSLs are conforming changes made to bring the VSLs into alignment with the modifications made to the requirements when FAC-010-1, FAC-011-1, and FAC-014-1 were approved. The proposed changes go beyond “conforming” changes associated with the modifications made to the requirements when FAC-010-1, FAC-011-1 and FAC-014-1 were approved. Making modifications to improve the requirements, measures and compliance elements of TOP-004 (including making changes to the VSLs) is under the scope of the Standard Drafting Team working on Project 2007-03 — Real Time Operations.</p>		
Pepco Holdings, Inc	No	We recognize that R6 cannot be changed at this time, however it introduces a problem when a TOP requests the cooperation of another TOP and that cooperation is not given (unlikely but possible). This is highlighted in the LOWER VSL for R6.

**Consideration of Comments on 1st Draft of a SAR and Associated VSLs for TOP-004-2, Transmission Operations — Project 2008-16**

Organization	Question 2:	Question 2 Comments:
		<p>Would evidence of a request for cooperation be sufficient evidence of compliance? Additionally, there is double jeopardy in the remaining VSL levels for R6 and the LOWER VSL for the R6.1 — R6.4 elements. The subrequirements should not have VSLs — this could be addressed in the VSLs for R6.</p>
<p><b>Response:</b> You are correct that the scope of this SAR does not include making modifications to Requirement R6. There is a drafting team working on modifications to TOP-004 under Project 2007-03 — Real Time Operations. The VSLs for TOP-004-1 were vetted with the industry and approved – the only modifications made to the VSLs are conforming changes made to bring the VSLs into alignment with the modifications made to the requirements when FAC-010-1, FAC-011-1, and FAC-014-1 were approved. The proposed changes go beyond “conforming” changes associated with the modifications made to the requirements when FAC-010-1, FAC-011-1 and FAC-014-1 were approved.</p>		
Public Service Commission of South Carolina	Yes	
NPCC	Yes	
City of Tallahassee (TAL)	Yes	
PacifiCorp	Yes	
Independent Electricity System Operator - Ontario	Yes	
Ameren	Yes	
ReliabilityFirst Corporation	Yes	
Manitoba Hydro	Yes	
Oncor Electric Delivery	Yes	
American Transmission Company	Yes	

**Consideration of Comments on 1st Draft of a SAR and Associated VSLs for TOP-004-2, Transmission Operations — Project 2008-16**

3. If you have any other changes to propose to the SAR or the proposed modifications to the already approved VSLs, please provide them here.

**Summary Consideration:** Most commenters indicated no additional comments. One commenter indicated that the SAR should be expanded to include modifications to the requirements, but modifications to the requirements are included in Project 2007-03 and are outside the scope of this project. One commenter asked if TOP-004-2 had been approved by FERC, and it has not. One commenter indicated that references to TOP-004-1 should be changed to "TOP-004-2" and that change was made.

Organization	Question 3:	Question 3 Comments:
BPA Transmission Reliability Program	Yes	In the VSLs, there are references to "TOP-004-1", believe they should be changed to "TOP-004-2" to reference current version.
<b>Response:</b> Agreed. All references to "TOP-004-1" were corrected to "TOP-004-2" in response to your comment.		
PJM Interconnection	Yes	The SAR should be revised to update TOP-004-2 to include language that clearly identifies individual obligations as well as which entity is responsible when more then one entity is involved.
<b>Response:</b> The intent of this SAR was simply to modify the VSLs so that when TOP-004-2 becomes effective, the VSLs would match the approved requirements in TOP-004-2. Modifying the requirements in TOP-004-2 is assigned to the SDT working on Project 2007-03 — Real-time Operations.		
American Transmission Company	No	Question: What is the status of TOP-004-2 in FERC's docket system? Please provide the docket number. TOP-004-2 currently contains Levels of Non-Compliance not VSLs. Is it the intention of the SDT to delete the Levels of Non-compliance and replace it with the proposed VSLs? If so, then a version number change is appropriate in order for the industry to recognize the replacement of Levels of Non-Compliance with VSLs. Changed to TOP-004-3.
<b>Response:</b> FERC has not approved TOP-004-2 and the drafting team does not know when it will be approved. The drafting team will update the version number for TOP-004 when it files the modified VSLs. There are many standards that have Levels of Non-compliance in addition to Violation Severity Levels. FERC directed that the VSLs be developed to replace the Levels of Non-compliance, but new forms of the standards that contain approved VRFs and VSLs have not been developed. We expect to make a single, across the boards, revision to the set of standards to add VRFs and replace Levels of Non-compliance with VSLs.		
Pepco Holdings, Inc	No	Just address those listed in response to Question 2
<b>Response:</b> Please see the response to comments on Question 2.		
NPCC	No	
AEP	No	

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<b>Organization</b>	<b>Question 3:</b>	<b>Question 3 Comments:</b>
City of Tallahassee (TAL)		None
PacifiCorp		No comments.
Independent Electricity System Operator - Ontario	No	
Ameren	No	
Orange & Rockland Utilities, Inc		
ReliabilityFirst Corporation	No	
Florida Reliability Coordinating Council	No	
Manitoba Hydro	No	
Oncor Electric Delivery	No	
Southern Company - Transmission	No	
Duke Energy	No	
Public Service Commission of South Carolina	No	