



February 20, 2006

Mr. Mark Ladrow
Manager – Standards Development
North American Electric Reliability Council
116-390 Village Boulevard
Princeton, New Jersey 08540-5731

Re.: Interpretation of Standard

Dear Mark,

Hydro One's role and responsibilities in the operation of the Ontario transmission system combined with its review of the NERC Standards PER-002-0 "Operating Personnel Training" and PER-003-0 "Operating Personnel Credentials" has raised some issues about the application of the standards that require clarification.

Clarity is sought to ensure that Hydro One's operating responsibilities are accomplished effectively and compliance to appropriate NERC standards is achieved.

In the Province of Ontario, Canada, two entities, namely the Independent Electricity System Operator (IESO) and Hydro One Networks Inc. (Hydro One) have registered as Transmission Operators. This registration is consistent with (a) their defined responsibilities for the operation of Hydro One's transmission system and (b) NERC's Functional Model. Consequently, the IESO and Hydro One registered with NERC as Transmission Operators on January 28th, 2005.

According to Ontario's law, regulation and the formal Operating Agreement between IESO and Hydro One, the IESO has the responsibility of directing the operation of the Bulk Electricity System while Hydro One has the responsibility for physically operating transmission elements. Once the IESO directs Hydro One to perform operating actions, Hydro One is responsible for determining and executing the necessary sequence of switching operations to implement IESO's direction in a manner which addresses safety, asset and customer considerations.

In accordance with the Interpretation of Standards procedure described in the Special Procedures Section of the NERC Reliability Standards Process Manual, Hydro One Networks Inc. is hereby submitting a request for the interpretation of these Standards.

Requirement R1 in the PER-003-0 Standard reads as follows:

- R1.** Each Transmission Operator, Balancing Authority, and Reliability Coordinator shall staff all operating positions that meet both of the following criteria with personnel that are NERC certified for the applicable functions:
 - R1.1.** Positions that have the primary responsibility, either directly or through communications with others, for the real-time operation of the interconnected Bulk Electric System.
 - R1.2.** Positions directly responsible for complying with NERC standards.

The issue requiring clarification relates to which personnel need to be NERC Certified in compliance with PER-003-0. The interpretation should consider:

- (a) the knowledge and competencies that NERC certification seeks to confirm; and
- (b) the extent to which this knowledge is essential for the effective execution of Hydro One's operating responsibilities.

At present, two levels of Hydro One supervisors (both immediate and one level above) who oversee personnel that perform switching operations at the Hydro One Control Centre are NERC certified. Specifically, the questions that Hydro One wishes to clarify are:

- Do personnel performing switching operations, under the supervision of certified supervisors also require certification?
- Are personnel performing support work, such as outage planning, to be certified?

We trust our request for interpretation will be given prompt attention. I may be contacted by phone at 705-792-3003 or e-mail at paul.tremblay@HydroOne.com to provide any further information concerning the Ontario market structure and Hydro One's responsibilities.

Yours,

A handwritten signature in blue ink, appearing to read "Paul Tremblay", is positioned to the left of a vertical line.

Paul Tremblay
Director, Network Operating
Hydro One Networks Inc.

cc. Wayne Smith
Carmine Marcello
Mike Penstone