

Standards Committee

of the North American Electric Reliability Corporation

February 27, 2009

Compliance and Certification Committee
Tom Abrams, chair

Dear Tom,

This shall serve as notice that the Standards Committee deviated from the Reliability Standards Development Procedure. On October 24, 2008, the Standards Committee's Executive Committee adopted and on November 6, 2008 the Standards Committee ratified the following two actions:

Project 2007-07 — ATC/TTC/AFC and CBM/TRM — the committee authorized the drafting team to make modifications to MOD-004-1 between the initial and recirculation ballots. This is inconsistent with the Reliability Standards Development Procedure as the process does not allow any modifications to a standard between the initial and recirculation ballot. The reason for this deviation was as follows:

The ATC Standard Drafting Team reported that it received several comments submitted with negative ballots asking for minor clarifications to some of the terms used in the proposed standard and one balloter asked for a correction to a time horizon. None of the changes are significant in that none of them change the scope, intent or applicability of the requirements. The team hopes that the modifications may sway enough balloters to modify their vote from "negative" to "affirmative" such that the standard will receive a high enough approval rating to "pass" in the recirculation ballot. With the understanding that the standard must be filed with FERC by November 21, 2008, the Standards Committee concluded that sufficient time to post the revisions for a new "30-day pre-ballot review" period did not exist.

Project 2007-23 — VSLs — the committee authorized the drafting team to post its Violation Severity Levels (VSLs) for an abbreviated 20-day comment period. This is inconsistent with the Reliability Standards Development Procedure as the process requires a "standard" to be posted for at least one, 45-day comment period before it is balloted, and the intent is to post the VSLs for only one, 20-day comment period. The reason for this deviation was as follows:

The VSL drafting team reported that it cannot meet its FERC-imposed deadline of filing revised VSLs by December 19, 2008 and also post the VSLs for comment periods with the durations specified in the Reliability Standards Development Procedure. NERC requested rehearing on FERC's VSL Order and the drafting team wanted to use the information from any modification to the VSL Order in making revisions to VSLs. FERC has not responded to NERC's request for rehearing on the VSL Order, and the drafting team must work with the assumption that the revised VSLs will need to be filed by December 19, 2008.

Sincerely,

R. Scott Henry
Chair

cc: Gerry Adamski, NERC
John Blazekovich, Exelon Corporation
David Hilt, NERC