

COMMENTS ON THE DRAFT REVISIONS TO THE NERC RULES OF
PROCEDURE SECTION 500, APPENDIX 5,

Pacific Gas and Electric Company (PG&E) is concerned that Section 507, Paragraph 2, as modified, is ambiguous and apparently conflicts with Section 501. Section 501, Paragraph 1.2.5 allows parties to agree in writing upon a division of compliance responsibility, provided that there is a written agreement that clearly specifies their respective responsibilities; and Paragraph 1.2.6 describes the separate and distinct situation when a JRO is necessary. In contrast, Section 507, Paragraph 2 apparently requires that all parties that have entered into an agreement that specifies a division of compliance responsibilities must become members of a JRO.

PG&E (along with Southern California Edison (SCE), and San Diego Gas & Electric Company (SDG&E)), has entered into an agreement with the California Independent System Operator (CAISO) -- which has been submitted to WECC as the Regional Entity (with copies to NERC and FERC) -- which clearly allocate responsibilities for standards applicable to Transmission Operators. This arrangement clearly falls within Section 501, Paragraph 1.2.5. To require the CAISO and the IOUs to create a separate entity to qualify as a JRO to govern this situation appears to confuse the responsibilities and creates unnecessary level of bureaucracy, administration, and documentation requirements.

PG&E requests that NERC clarify that Section 507, Paragraph 2, does not apply to the situation described in Section 501, Paragraph 1.2.5.