PROPOSED CHANGES TO NERC RULES OF PROCEDURE SECTIONS 100-1600 & APPENDICES 3C, 4B, 4C, 5A, 6, 8
Comments of ACES Power Marketing, Old Dominion Electric Cooperative, Wabash Valley Power Association, Buckeye Power, Inc. and North Carolina Electric Membership Corporation

Comments: Thank you for the opportunity to comment on these Rules of Procedure (ROP) changes. Our comments are as follows.

Sections 100-1600 Comments

Section 409.1 (Appeals from Final Decisions of Regional Entities – Time for Appeal) and Section 5.7 Appendix 4C (NERC Appeal Process) have been modified to give the regional entity acting as the compliance enforcement authority the right to appeal their hearing body's decision. Why should a regional entity be allowed to appeal its own hearing body's determination? The hearing body is acting on behalf of the region. To allow the regional entity to appeal the hearing body's determination is equivalent to allowing the regional entity compliance program to appeal its own compliance program determinations. We recommend this change should be removed.

In Section 400 (Compliance Enforcement), references to the NERC director of compliance have been changed to NERC director of enforcement. However, the following sections still reference the director of compliance: Section 414.3 (1st and last sentences); 414.4 (2nd and 4th sentences).

The NERC Personnel Certification Governance Committee (PCGC) is defined in Section 601 (Scope of Personnel Certification) as the governing body. In Sections 602.4 and 602.7 the words "personnel certification program governing body" are used. Since PCGC has already been defined in Section 601, using it in place of "personnel certification program governing body" simplifies the sentences making them easier to comprehend.

Section 807c (Analysis of Major Events) and Section 808.3 (Analysis of Off-Normal Occurrences, Bulk Power System Performance, and Bulk Power System Vulnerabilities) both reference EOP-004 which is currently undergoing revision. We are somewhat concerned with referencing standards in the ROP as changes to them during the standards development process may necessitate modifications to the ROP. In addition, both Sections state that "EOP-004 sets forth specific criteria and procedures for reporting the bulk power system disturbances and events described in that reliability standard." EOP-004 sets forth requirements not procedures.

Comments on Appendices 3C, 4B, 4C, 5A, 6 and 8

We agree with the reasoning behind deleting Appendices 3C (Procedure for Coordinating Reliability Standards Approvals, Remands and Directives) and 6 (System Operator Certification Manual).

Attachment 1 of Appendix 4C (Process for Non-Submittal of Requested Data) allows NERC to assess a violation of the reliability standard at the Severe Violation Severity Level (VSL). NERC should not be able to assess a Severe VSL unless it has evidence to demonstrate the violation is Severe to be consistent with the compliance program.

Sub-section 1.2.12 b2 in Attachment 2 of Appendix 4C (Interventions) is quite wordy and difficult to understand. We recommend restating this bullet item for clarity.

Appendix 8 (NERC Event Response Procedures) categorizes a Significant event into three sub-categories: Significant by Act of Sabotage; Significant by Recurring and Significant by Alert. Significant by Recurring and Significant by Alert seem

to blur together a bit. Significant by Recurring implies that NERC Alerts, recommendations or lessons learned have been issued but not implemented thus contributing to an event. Significant by Alert is an event type that has been described previously in a NERC Alert usually in the format of a Recommendation or Essential Action. Is Significant by Alert assuming that the event may have also occurred because of lack of implementation of a NERC Alert? The two sub-categories are not clearly distinguishable from one another and should be clarified.

The table included in Appendix 8 that describes the reports that Registered Entities have to submit by Event Category should be clarified further. Is the timeframe listed for a Category 1 event in the last column (Close Event Analysis) measured from receipt of the "final" Brief Report? Since two reports are required, a draft and a final, this should be made clear.

Finally, since the ERO Event Analysis Process has not been approved by the NERC Operating Committee yet, we are concerned about the coordination of its approval with the approval of these ROP changes.