



June 4, 2010

## Request for Comments on proposed changes to NERC Rules of Procedure - Section 300

Kansas City Power & Light Company and KCP&L – Greater Missouri Operations Company (collectively will be referred to herein as “KCP&L”) provide these comments on NERC’s proposed changes to the Rules of Procedure (“RoP”) sections related to the principle change for the addition of Rule 321, Special Rule to Address Certain Regulatory Directives. Although it is recognized that the existing standards development procedures or processes do not address regulatory directives in an immediate action, the proposed rule addition threatens to invalidate the existing process instead of incorporating a solution within the current process to address the regulatory directive. KCP&L offers no comments on the proposed time periods within Rule 321 or task related steps as proposed given that we do not endorse the addition of the rule to address directives outside of the existing standards process.

From a broader context, the proposal to add Rule 321 to the Rules of Procedure jeopardizes the essential requirements of Due Process as established by ANSI and adopted by NERC and the industry participants as standard practice in the enforcement of reliability standards. The FERC approved Rules of Procedures were developed in accordance with ANSI to ensure equitable and fair application of the standards processes and requirements. By making the proposed changes with the addition of Rule 321, this places the process developed to ensure equity at risk.

### Rule 321, Section 2

Special provisions for adoption of a proposed standard addressing specific FERC directives or concerns by the NERC BOT that has failed to reach established criteria for approval may circumvent the statutory design of the standards development process. The sources for the creation of a standard or modification of a standard can come from the Industry, NERC and/or FERC and are driven by the reliability based concerns of all parties involved. The existing processes for the submission and approval of proposals for a new standard or modifications to an existing standard are at a level with significant rigor to ensure the following:

- Clarity and removal of ambiguity
- Measurable and auditable requirements
- Complete in addressing concerns including the technical merit and basis
- Collaboration and democratic process to ensure reliability to primary consideration



The proposed addition of rule 321 will undermine the existing process and place less rigor around that process that ensures the integrity of the current standards. The existing process for standards development is in place to ensure that each requirement has the following items:

- Technical merit
- Achieves reliability and integrity of the Bulk Electric System
- Attributes to ensure feasibility of implementation
- Identified mechanisms for auditability of requirements

Currently, Standards that do not achieve the current two-thirds majority by segment do not reach approval for many reasons and are an indication that a standard needs additional work to ensure the desired affect to reliability is achieved. The standards process is a quality check for the standard to be applied in a way implementation for the industry is feasible and that the regulatory bodies have a mechanism to ensure that standard is adhered to. Changing the process solely because of FERC reliability concerns suggests that FERC reliability concerns and expertise exceed those of the Industry and NERC. This action is undermining the expertise of NERC and the Industry as well as the process established by FERC, NERC and the Industry. Again, KCP&L recognizes there is a need for a procedure to ensure FERC directives are responded to in a timely manner. This process should work collaboratively with the existing processes developed between NERC and Industry participants, not work outside of or invalidate those processes.

### Rule 321, Section 2.2

The proposal to differentiate negative votes between those with substantive comments and those without substantive comments in the standards development process is subjective and does not follow due process or ANSI standards. Guidelines for what is deemed a substantive comment are not transparent and subjective consideration of comments should not be a criterion for a vote that is counted or thrown out. If the vote is thrown out for lack of substantive comment, it cannot and should not be counted to establish quorum as that entities considerations for reasons the proposed standard should not pass have clearly been devalued. The proposal here is to limit the application of negative votes toward approval consideration with those that have “substantive comment”. There is no documented process to prevent managing the proposed standard through the process using the added Rule 321 to achieve a desired outcome. This does not promote a transparent and open process and threatens to invalidate the entire approval process. In addition, these changes do not promote the compliance environment where all entities are working together to ensure reliable operation of the BES as these votes become dictations to the industry without basis or technical expertise gathered from those operating the BES. The dangers of establishing standards that cannot practically be applied in operation or audited with any effective outcomes grow exponentially by creating a response to FERC directives outside the established process.