

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

OFFICE OF ELECTRIC RELIABILITY

North American Electric Reliability Corporation  
Docket Nos. RR06-1-012  
RR07-3-002  
RR07-8-002

July 15, 2008

North American Electric Reliability Corporation  
1120 G Street, N.W., Suite 990  
Washington, D.C. 2005-3801

Attention: Rebecca J. Michael, Attorney

Reference: Docket Nos. RR06-1-012 and RR07-3-002 – Compliance Filing of the North American Electric Reliability Corporation and Northeast Power Coordinating Council, Inc. in Response to Paragraph 174 of March 21, 2008 Commission Order  
Docket Nos. RR06-1-012 and RR07-8-002 – Compliance Filing of the North American Electric Reliability Corporation and Florida Reliability Coordinating Council in Response to Paragraph 252 of March 21, 2008 Commission Order

Dear Ms. Michael:

1. On May 19, 2008, the North American Electric Reliability Corporation (NERC) submitted a filing that contains: (1) the NERC and Northeast Power Coordinating Council, Inc. (NPCC) response to P 174 of the Commission's March 21, 2008 Order in Docket No. RR06-1-012 *et al.*;<sup>1</sup> and (2) the NERC and the Florida Reliability Coordinating Council (FRCC) response to P 252 of the March 21 Order.

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<sup>1</sup> *Order Addressing Revised Delegation Agreements*, 122 FERC ¶ 61,245 (2008) (March 21 Order), *order on reh'g*, 123 FERC ¶ 61,276 (2008).

2. In P 174 of its March 21, 2008 Order, the Commission required NERC and NPCC to submit, within 60 days, a schedule for ending the technical committee review process described by NPCC in section 3.0 of Exhibit D to its delegation agreement, or a justification supporting its continuation. In P 252 of its March 21, 2008 Order, with respect to section 3.0 of the FRCC Compliance Monitoring and Enforcement Program (CMEP), the Commission required NERC and FRCC to submit a schedule for ending the stakeholder compliance committee review process, or a justification supporting its continuation.
3. Notice of this filing was issued on May 21, 2008, with comments, protests or motions to intervene due on or before June 18, 2008.
4. Notices of intervention and unopposed timely filed motions to intervene are granted pursuant to the operation of Rule 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.214). Any opposed or untimely filed motion to intervene is governed by the provisions of Rule 214. No protests or adverse comments were filed.
5. In its filing, NERC explains that NPCC is revising its compliance enforcement process to address the Commission's concerns by clarifying that the NPCC compliance staff will have sole responsibility for determining whether to issue notices regarding violations, and that the NPCC compliance staff may consult with NPCC technical committees, on a non-decisional basis, only for advice on complex technical matters but not for making compliance determinations. NERC states that these changes will be reflected in revisions to Exhibit D in the revised delegation agreement between NPCC and NERC that will be submitted along with other responses to the March 21 Order in the 120-day compliance filing due on or before July 21, 2008.
6. In its filing, NERC also explains that it and FRCC believe there is a continuing need for the FRCC stakeholder compliance committee to perform a technical advisory role in the FRCC compliance enforcement process until December 31, 2010. However, NERC states that FRCC will revise its process to remove provisions requiring the stakeholder compliance committee's involvement and to make consultation with the stakeholder compliance committee on technical matters optional for the FRCC compliance staff and only on a non-decisional basis. These revisions to the FRCC CMEP will be included in the compliance filing to directives in the March 21 Order that is due on or before July 21, 2008. According to NERC, on or before January 21, 2011, NERC and FRCC will file a report with the Commission advising of the termination of this compliance committee role, or providing a justification for its continuation for an additional, finite period.
7. NERC's uncontested filing is accepted as meeting the 60-day submission requirements ordered by the Commission, pursuant to the relevant authority delegated to the Director, Office of Electric Reliability under 18 C.F.R. § 375.314. We will review

the proposed revisions for compliance with the Commission's directives when they are actually filed as part of the 120-day compliance filing, due on or before July 21, 2008.

8. This action shall not be construed as accepting any contingency plan pursuant to 18 C.F.R. § 375.314(a)(1)(i) or accepting any data or report pursuant to 18 C.F.R. § 375.314 (b)(3)(iv). This action shall not be construed as approving any application including Electric Reliability Organization or Regional Entity rules or procedures pursuant to 18 C.F.R. § 375.314(a)(2)(i). Such acceptance or approval shall not be deemed as recognition of any claimed right or obligation associated therewith; and such acceptance or approval is without prejudice to any findings or orders which have been or which may hereafter be made by the Commission in any proceeding now or pending or hereafter instituted by or against NERC or NPCC or FRCC.

9. This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.

Sincerely,

Joseph H. McClelland, Director  
Office of Electric Reliability

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