



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

**ATC/TTC/CBM/TRM Standards Drafting Team
Meeting, Conference Call, and Web Ex**

June 12, 2007 8:00 — 5:00 p.m. PACIFIC

**Hilton San Francisco Fisherman's Wharf
2620 Jones Street
San Francisco, CA**

Agenda

- 1. Welcome**
 - Antitrust Guidelines
 - Introduction of Attendees
 - Adoption of Agenda
 - Approval of Minutes from previous meeting
- 2. NERC Staff Report and Review of Timeline**
- 3. Review of Future Meetings**
- 4. Identification of Additional Work**
 - Methodology Names and Definition
 - Sharing and Using Data from Third Parties
 - Addressing Counterflows
 - Same POR, different PODs, and Generator Nameplate
 - Source to Sink Analysis and Treatment
 - Respecting 3rd Party Limits
 - Retirement of FAC-012, FAC-013
 - Development of Compliance Effort
 - “Undesignated” resources and impacts on calcs
 - Others?
- 5. New Business**
- 6. Split into two groups**
 - Suggested Split:
 - Compliance Team – begin drafting initial compliance elements, traceable to requirements, for all standards as currently written (deferring if requirements are related to items in 3 above)
 - Additional Work Team – discuss items in 3 above, resolve where possible
- 7. NERC/NAESB Joint Meeting**
 - *See agenda below*
- 8. If time permits, continue work from previous day -split into two groups**
 - Suggested Split:

- Compliance Team – continue drafting initial compliance elements, traceable to requirements, for all standards as currently written (deferring if requirements are related to items in 3 above)
- Additional Work Team – continue discussion of items in 3 above, resolve where possible

9. Adjourn

**Joint Meeting of
ATC/TTC/CBM/TRM Standards Drafting Team
NAESB WEQ Business Practices Subcommittee
NAESB Electronic Scheduling Subcommittee/
Information Technology Subcommittee
Meeting, Conference Call, and Web Ex**

June 13, 2007 8:00 — 5:00 p.m. PACIFIC

**Hilton San Francisco Fisherman's Wharf
2620 Jones Street
San Francisco, CA**

Joint Agenda

- 1. Welcome**
 - Antitrust Guidelines
 - Introduction of Attendees
 - Review of Joint Agenda
- 2. Review of Future Meetings**
- 3. Joint Review of Work**
 - NERC Status Report
 - Review of Reliability Standards (high-level; focuses on Q&A)
 - NAESB comments on NERC Draft Standards posted for comment
 - NAESB “handoff” items for NERC Draft MOD001, MOD004, MOD008, MOD028, MOD029, and MOD030
 - NAESB Status Report
 - Review of Business Practice Standards work
- 4. New Business**
- 5. Adjourn**

Conference Call and Web Ex Information

- **June 12, 2007**

- Conference Call

- Dial in: 732-694-2061
- Conference Code: 1205061207

- Web Ex

- Topic: ATCTDT June 12 2007
Date: Tuesday, June 12, 2007
Time: 10:30 am, Eastern Daylight Time (GMT -04:00, New York)
Meeting Number: 713 051 749
Meeting Password: standards

Please click the link below to see more information about the meeting, including its agenda, or to join the meeting.

-

To join the online meeting

1. Go to <https://nerc.webex.com/nerc/j.php?ED=98107612&UID=0>
2. Enter your name and email address.
3. Enter the meeting password: standards
4. Click "Join".
5. Follow the instructions that appear on your screen

- **June 13, 2007**

- Conference Call

- Dial in: 732-694-2061
- Conference Code: 1205061207

- Web Ex

- Topic: ATCTDT June 13 2007
Date: Wednesday, June 13, 2007
Time: 10:30 am, Eastern Daylight Time (GMT -04:00, New York)
Meeting Number: 710 520 293
Meeting Password: standards

Please click the link below to see more information, or to join the meeting.

To join the online meeting

1. Go to <https://nerc.webex.com/nerc/j.php?ED=98107657&UID=0>
2. Enter your name and email address.
3. Enter the meeting password: standards
4. Click "Join".



NERC ANTITRUST COMPLIANCE GUIDELINES

I. GENERAL

It is NERC's policy and practice to obey the antitrust laws and to avoid all conduct that unreasonably restrains competition. This policy requires the avoidance of any conduct that violates, or that might appear to violate, the antitrust laws. Among other things, the antitrust laws forbid any agreement between or among competitors regarding prices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that unreasonably restrains competition.

It is the responsibility of every NERC participant and employee who may in any way affect NERC's compliance with the antitrust laws to carry out this commitment.

Antitrust laws are complex and subject to court interpretation that can vary over time and from one court to another. The purpose of these guidelines is to alert NERC participants and employees to potential antitrust problems and to set forth policies to be followed with respect to activities that may involve antitrust considerations. In some instances, the NERC policy contained in these guidelines is stricter than the applicable antitrust laws. Any NERC participant or employee who is uncertain about the legal ramifications of a particular course of conduct or who has doubts or concerns about whether NERC's antitrust compliance policy is implicated in any situation should consult NERC's General Counsel immediately.

II. PROHIBITED ACTIVITIES

Participants in NERC activities (including those of its committees and subgroups) should refrain from the following when acting in their capacity as participants in NERC activities (e.g., at NERC meetings, conference calls and in informal discussions):

- Discussions involving pricing information, especially margin (profit) and internal cost information and participants' expectations as to their future prices or internal costs.
 - Discussions of a participant's marketing strategies.
 - Discussions regarding how customers and geographical areas are to be divided among competitors.
 - Discussions concerning the exclusion of competitors from markets.
- Discussions concerning boycotting or group refusals to deal with competitors, vendors or suppliers.

III. ACTIVITIES THAT ARE PERMITTED

From time to time decisions or actions of NERC (including those of its committees and subgroups) may have a negative impact on particular entities and thus in that sense adversely impact competition. Decisions and actions by NERC (including its committees and subgroups) should only be undertaken for the purpose of promoting and maintaining the reliability and adequacy of the bulk power system. If you do not have a legitimate purpose consistent with this objective for discussing a matter, please refrain from discussing the matter during NERC meetings and in other NERC-related communications.

You should also ensure that NERC procedures, including those set forth in NERC's Certificate of Incorporation and Bylaws are followed in conducting NERC business. Other NERC procedures that may be applicable to a particular NERC activity include the following:

- Reliability Standards Process Manual
- Organization and Procedures Manual for the NERC Standing Committees

- System Operator Certification Program

In addition, all discussions in NERC meetings and other NERC-related communications should be within the scope of the mandate for or assignment to the particular NERC committee or subgroup, as well as within the scope of the published agenda for the meeting.

No decisions should be made nor any actions taken in NERC activities for the purpose of giving an industry participant or group of participants a competitive advantage over other participants. In particular, decisions with respect to setting, revising, or assessing compliance with NERC reliability standards should not be influenced by anti-competitive motivations.

Subject to the foregoing restrictions, participants in NERC activities may discuss:

- Reliability matters relating to the bulk power system, including operation and planning matters such as establishing or revising reliability standards, special operating procedures, operating transfer capabilities, and plans for new facilities.
- Matters relating to the impact of reliability standards for the bulk power system on electricity markets, and the impact of electricity market operations on the reliability of the bulk power system.
- Proposed filings or other communications with state or federal regulatory authorities or other governmental entities.
- Matters relating to the internal governance, management and operation of NERC, such as nominations for vacant committee positions, budgeting and assessments, and employment matters; and procedural matters such as planning and scheduling meetings.

Any other matters that do not clearly fall within these guidelines should be reviewed with NERC's General Counsel before being discussed.

Approved by NERC Board of Trustees, June 14, 2002 Technical revisions, May 13, 2005 2

ATCTDT Drafting Team Meeting Minutes

A regular meeting of the ATCT Drafting Team was held on the following days and times:

- May 15, 2007 8am (08:00) EDT – 5:45pm (17:45) EDT
- May 16, 2007 8am (08:00) EDT – 6pm (18:00) EDT
- May 17, 2007 8am (08:00) EDT – 4pm (17:00) EDT

The ACDT Drafting Team met jointly with representatives from the NAESB Business Practices Subcommittee on May 17, from 10am (10:00) EDT to approximately 2:30pm (14:30) EDT.

The agenda and attendance lists are affixed as Exhibits A and B, respectively. Chairman pro tem Laura Lee presided. NERC staff (Andrew Rodriguez) served as facilitator, and was assisted by additional NERC staff (Maureen Long, Dave Taylor).

Antitrust Guidelines

Mr. Rodriguez summarized the NERC Antitrust Compliance Guidelines.

Introductions and Roll Call

Participants around the room introduced themselves, and participants on the phone announced their presence. Mr. Stephen Tran requested to be added to the ATCTDT_plus list. Mr. Rodriguez will add him to the list.

Mr. Ross Kovacs was thanked for his generosity in arranging for meeting space.

A sympathy card was circulated for Chairman Larry Middleton, at the loss of his wife.

Agenda

The ATCT Drafting Team reviewed and approved the meeting agenda.

Approval of Meeting Minutes

The ATCT Drafting Team reviewed and approved the minutes from the following meetings:

- September 22, 2006
- March 1-2, 2007
- April 11-12, 2007
- April 24-25, 2007
- May 3, 2007

Assignment Review

Members of the Drafting Team reviewed their assignments from the previous conference call.

- Mr. DuShaune Carter reviewed the CBM standard.
- Ms. Laura Lee reviewed the TRM standard.
- Mr. Chuck Falls reviewed the Rated System Path methodology.
- Mr. Kiko Barredo reviewed the Network Response for TTC methodology.
- Mr. Dennis Kimm reviewed the standards conformance with Orders 693 and 890.
- Mr. Rodriguez reviewed a list of 890 and 693 requirements.

The Drafting Team Split

The Drafting Team broke into two groups. The first group worked on refining the TRM and CBM standards, while the second group worked on all the ATC-related standards.

Posting Strategy

The Drafting Team reconvened en-masse and discussed the appropriate strategy for posting the standard. Several options were considered for posting:

- Option 1
 - a CBM Standard (MOD-004)
 - a TRM Standard (MOD-008)
 - an ETC Standard (MOD-028)

- an ATC Standard (MOD-001)
 - a TTC Standard (FAC-012)
- Option 2
 - a CBM Standard (MOD-004)
 - a TRM Standard (MOD-008)
 - a ATC/AFC/ETC standard (MOD-001)
- Option 3
 - a CBM Standard (MOD-004)
 - a TRM Standard (MOD-008)
 - a Transfer Capability Standard (MOD-001)
 - a NRM Standard (MOD-028)
 - a RSP Standard (MOD-029)
 - a NRM Flowgate Standard (MOD-030)
- Option 4
 - a CBM Standard (MOD-004)
 - a TRM Standard (MOD-008)
 - a Transfer Capability Standard (MOD-001)
 - three MOD-001 Attachments, one for each of NRM, RSP, and NRM Flowgate

The Drafting Team agreed on Option 3 as the approach to undertake. Mr. Rodriguez agreed to consolidate the documents and prepare them for the group to review in the morning.

Evening Adjournment

Ms. Lee adjourned the meeting for the evening.

Morning Reconvention

Ms. Lee reconvened the meeting.

Standard Reviews

The Drafting Team reviewed the TRM standard, as well as the new MOD standards. Mr. Shannon Black, Mr. Falls, and Mr. Kovacs noted several areas where the merging and consolidation resulted in missing information related to ETC. Mr. Rodriguez agreed to re-incorporate the missing information. Changes were suggested and modifications made. Mr. Rodriguez noted additional changes to be made outside of meeting time.

The Drafting Team deviated from the agenda, and elected to continue reviewing the draft standards in the afternoon.

Evening Adjournment

Ms. Lee adjourned the meeting for the evening.

Morning Reconvening

Ms. Lee reconvened the meeting.

Standard Reviews

The Drafting Team continued review of the CBM standard, the TRM Standard, and the new MOD standards. Changes were suggested and modifications made. Mr. Rodriguez noted additional changes to be made outside of meeting time.

Joint NAESB Review

The Drafting Team reviewed the current standards with representatives from the NAESB Business Practices Subcommittee. Areas were highlighted where coordination was needed to ensure consistency between reliability standard and business practice.

Joint Schedule Review

The NERC and NAESB teams reviewed the posting schedule, and discussed when to schedule meetings.

| | | | |
|---------------------|--|----------|---------------------------------|
| May 22, 2007 | | | Finalize MOD-1 Comment Response |
| ConCall/Webex | | 11-3 EDT | Finalize Comment Forms |
| | | | Last Review of Standards |
| | | | Review of any other documents |

| | | | |
|-------------------------|-------|---------|-------------------------|
| June 12-13, 2007 | DAY 1 | 8-5 PDT | Work on Standards |
| SAN FRANCISCO | DAY 2 | 8-5 PDT | Joint Review with NAESB |
| | | | Review of NAESB Work |

| | | | |
|----------------------|--|---------|------------------------------|
| June 28, 2007 | | | Review Comments |
| ConCall/WebEx | | 1-3 EDT | Assign Comments for Reposnes |

| | | | |
|----------------------|--|----------|--|
| July 11, 2007 | | | Joint Review of Initial Resposnes with NAESB |
| ConCall/WebEx | | 11-3 EDT | Review of NAESB work |

| | | | |
|----------------------------|-------|-----------------|---|
| July 16-19, 2007 | DAY 1 | 12-5 Local Time | |
| VANCOUVER or CHICAGO | DAY 2 | 8-5 Local Time | Redrafting of Standards to address comments |
| | DAY 3 | 8-5 Local Time | |
| | DAY 4 | 8-5 Local Time | |
| | | | Joint Review of Changes with NAESB |
| | | | Review of NAESB work |

Work Assignments

The Drafting Team assigned members of the team to work on the standard Comment Forms, with drafts to be presented on the May 22 Conference Call. Assignments were as follows:

- MOD-001 (ATC) – Mr. Nathan Schweighart
- MOD-004 (CBM) – Mr. Carter
- MOD-008 (TRM) – Mr. Barredo
- MOD-028 (NR-TTC) – Ms. Lee
- MOD-029 (RSP) – Mr. Falls
- MOD-030 (NR-FG) – Ms. Abbie Nulph

Mr. Kimm volunteered to recheck the standards against orders 693 and 890 for compliance.

Mr. Rodriquez agreed to send out draft comment forms worked on by Mr. Dave Taylor to the group for reference and to be use as starting points.

Standard Reviews

The Drafting Team continued review of the CBM standard, the TRM Standard, and the new MOD standards. Changes were suggested and modifications made. Mr. Rodriquez noted additional changes to be made outside of meeting time.

Mr. Nick Henery expressed concern that the new posting structure was inappropriate based on the responses from the industry and the FERC regarding TTC and FAC-012.

Mr. Rodriquez agreed to take the Drafting Team's input, rewrite the standards, and return to the Drafting Team the updated documents no later than OOB May 18, 2007.

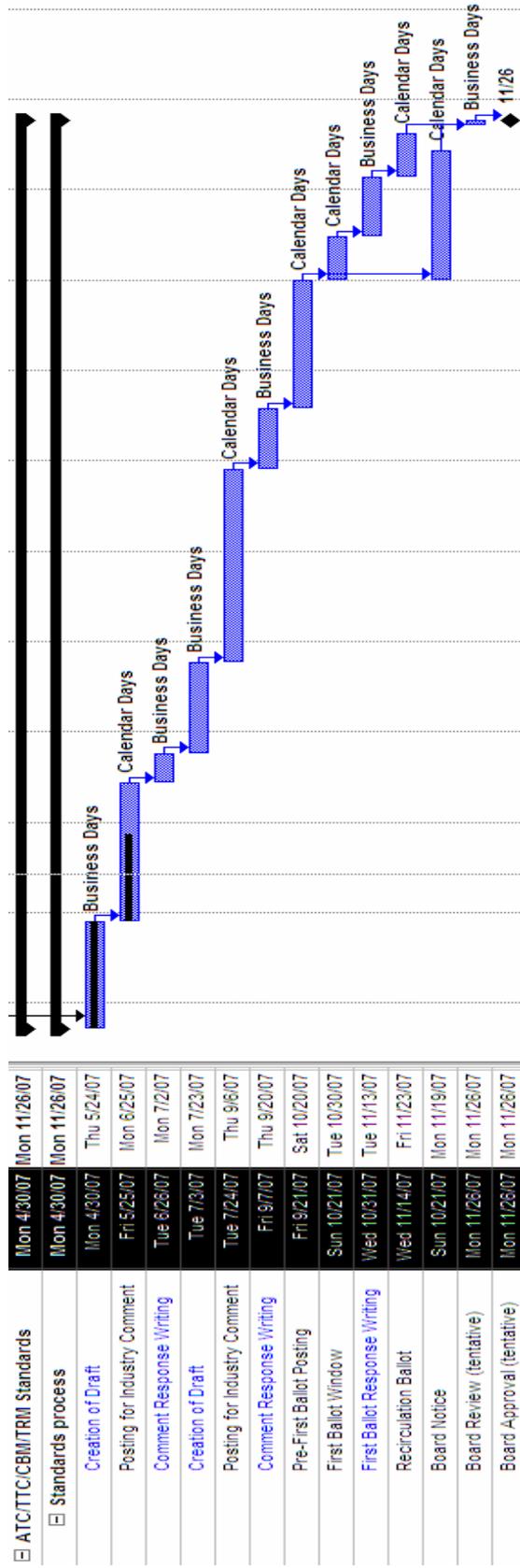
Adjourn

Ms. Lee adjourned the meeting.

May 15-16-17 2007 Attendance List

| | |
|--------------------|--|
| Laura Lee | Duke Energy |
| Daryn Barker | E.ON-US Energy Services, Inc. |
| Kiko Barredo | Florida Power and Light Company |
| Rebecca Berdahl | Bonneville Power Administration |
| Shannon Black | Sacramento Municipal Utility District |
| Jim Busbin | Southern Company |
| Ron Carlson | Southern Company |
| DuShuane Carter | Southern Company |
| Chuck Falls | Salt River Project |
| Nick Henery | American Public Power Association |
| Ray Kershaw | ITC Transmission |
| Dennis Kimm | MidAmerican Energy Company |
| Ross Kovacs | Georgia Transmission Corporation |
| Cheryl Mendrala | ISO New England |
| Abbey Nulph | Bonneville Power Administration |
| Brian Pederson | Midwest ISO |
| Marjorie Perlman | Rochester Gas and Electric Corporation |
| Alan Prtichard | Duke Energy |
| Barbara Rehman | Bonneville Power Administration |
| Narinder Saini | Entergy Services, Inc. |
| Nathan Schweighart | Tennessee Valley Authority |
| Jerry Smith | Arizona Public Service |
| Jim Stanton | ICF Consulting |
| Dana Stone | Tennessee Valley Authority |
| Stephen Tran | British Columbia Transmission Company |
| JT Wood | Southern Company |
| Kathy York | Tennessee Valley Authority |
| Laura Kennedy | NAESB |
| Maureen Long | NERC |
| Dave Taylor | NERC |
| Andrew Rodriquez | NERC |

Timeline



Future Meetings

| | | |
|----------------------|---------|------------------------------|
| June 28, 2007 | 1-3 EDT | Review Comments |
| ConCall/WebEx | | Assign Comments for Reposnes |

| | | |
|----------------------|----------|--|
| July 11, 2007 | 11-3 EDT | Joint Review of Initial Resposnes with NAESB |
| ConCall/WebEx | | Review of NAESB work |

| | | | |
|---|-------|-----------------|---|
| July 16-19, 2007 VANCOUVER or CHICAGO | DAY 1 | 12-5 Local Time | Redrafting of Standards to address comments |
| | DAY 2 | 8-5 Local Time | |
| | DAY 3 | 8-5 Local Time | |
| | DAY 4 | 8-5 Local Time | Joint Review of Changes with NAESB |
| | | | Review of NAESB work |