

Consideration of Comments

Project 2011-INT-01 – Interpretation of MOD-028 R3.1 for FPL

The 2011-INT-01 – Interpretation Drafting Team thanks all commenters who submitted comments on the SAR and draft MOD-028-2 standard (Area Interchange Methodology). These standards were posted for a 45-day public comment period from October 3, 2011 through November 16, 2011. Stakeholders were asked to provide feedback on the standards and associated documents through a special electronic comment form. There were 9 sets of comments, including comments from 51 different people from approximately 43 companies representing all of the 10 Industry Segments as shown in the table on the following pages.

Ballots indicated general support with a quorum of 88.05% and an affirmative vote of 85.53%.

Summary Consideration:

Most comments indicated the use of a “Rapid” approach to clarify the standard is acceptable. Some comments expressed concern regarding the updates to the compliance sections of the standard. These changes were administrative in nature and do not indicate changes to the stakeholder-approved requirements of the standard.

The majority of the comments received indicate the issue raised in the interpretation request has been satisfactorily resolved.

Two comments questioned if the intent of the standard was to go beyond the changes written, and to require an hourly load forecast for use in an hourly TTC and a daily load forecast for use in a daily TTC. The intent of the standard is to allow for either daily or hourly load forecasts in the specified situation. In other words, a “daily” load forecast is the minimum acceptable performance, but an “hourly” forecast is also acceptable to meet the requirement.

Specifically, some commenters questioned the data retention section of the standard and how it should be applied. Data should be retained as stated in the original standard. The added language gives instruction for when the retention period is shorter than the time since the last audit. According to Section 3.1.4.2 of Appendix 4c to NERC’s Rules of Procedure, an entity is responsible for compliance for the entire time since the last audit and will be expected to demonstrate its compliance. The paragraph that was added to the Data Retention section of the standard was written by NERC Legal staff to notify entities of this responsibility and is not specific to MOD-028-2; this paragraph is being added to all standards as they are revised.

One commenter identified a capitalization error in R3.1, which has been corrected as noted so that the term “daily” is not capitalized. Additionally, the capitalization of the word “monthly” was removed, and a formatting error corrected. No other changes were made to the standard.

All comments submitted may be reviewed in their original format on the standard's project page:

<http://www.nerc.com/filez/standards/2011-INT-01 Interpretation MOD-028-1 FPL.html>

If you feel that your comment has been overlooked, please let us know immediately. Our goal is to give every comment serious consideration in this process! If you feel there has been an error or omission, you can contact the Vice President and Director of Standards, Herb Schrayshuen, at 404-446-2560 or at herb.schrayshuen@nerc.net. In addition, there is a NERC Reliability Standards Appeals Process.¹

¹ The appeals process is in the Reliability Standards Development Procedures: <http://www.nerc.com/standards/newstandardsprocess.html>.

Index to Questions, Comments, and Responses

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The Industry Segments are:

- 1 — Transmission Owners
- 2 — RTOs, ISOs
- 3 — Load-serving Entities
- 4 — Transmission-dependent Utilities
- 5 — Electric Generators
- 6 — Electricity Brokers, Aggregators, and Marketers
- 7 — Large Electricity End Users
- 8 — Small Electricity End Users
- 9 — Federal, State, Provincial Regulatory or other Government Entities
- 10 — Regional Reliability Organizations, Regional Entities

Group/Individual		Commenter	Organization	Registered Ballot Body Segment											
				1	2	3	4	5	6	7	8	9	10		
1.	Group	Guy Zito	Northeast Power Coordinating Council												X
Additional Member		Additional Organization		Region		Segment Selection									
1.	Alan Adamson	New York State Reliability Council, LLC		NPCC	10										
2.	Greg Campoli	New York Independent System Operator		NPCC	2										
3.	Sylvain Clermont	Hydro-Quebec TransEnergie		NPCC	1										
4.	Chris de Graffenried	Consolidate Edison Co. of New York, Inc.		NPCC	1										
5.	Gerry Dunbar	Northeast Power Coordinating Council		NPCC	10										
6.	Brian Evans-Mongeon	Utility Services		NPCC	8										
7.	Mike Garton	Dominion Resources Services, Inc.		NPCC	5										
8.	Kathleen Goodman	ISO - New England		NPCC	2										

Group/Individual	Commenter	Organization	Registered Ballot Body Segment																	
			1	2	3	4	5	6	7	8	9	10								
9.	Chantel Haswell	FPL Group, Inc.	NPCC	5																
10.	David Kiguel	Hydro One Networks Inc.	NPCC	1																
11.	Michael R. Lombardi	Northeast Utilities	NPCC	1																
12.	Randy MacDonald	New Brunswick Power Transmission	NPCC	9																
13.	Bruce Metruck	New York Power Authority	NPCC	6																
14.	Lee Pedowicz	Northeast Power Coordinating Council	NPCC	10																
15.	Robert Pellegrini	The United Illuminating Company	NPCC	1																
16.	Si-Truc Phan	Hydro-Quebec TransEnergie	NPCC	1																
17.	David Ramkalawan	Ontario Power Generation, Inc.	NPCC	5																
18.	Saurabh Saksena	National Grid	NPCC	1																
19.	Michael Schiavone	National Grid	NPCC	1																
20.	Wayne Sipperly	New York Power Authority	NPCC	5																
21.	Tina Teng	Independent Electric System Operator	NPCC	2																
22.	Donald Weaver	New Brunswick System Operator	NPCC	2																
23.	Ben Wu	Orange and Rockland Utilities	NPCC	1																
24.	Peter Yost	Consolidated Edison Co. of New York, Inc.	NPCC	3																
2.	Group	James R. Manning	NCEMC Reps			X		X	X	X	X									
No additional members listed.																				
3.	Group	Jason L. Marshall	ACES Power Marketing Standards Collaborators									X								
Additional Member Additional Organization Region Segment Selection																				
1.	James Jones	AEPCO/SWTC	WECC	1, 5																
4.	Group	Will Smith	MRO NSRF			X	X	X	X	X	X	X	X	X						X
Additional Member Additional Organization Region Segment Selection																				
1.	Mahmood Safi	OPPD	MRO	1, 3, 5, 6																
2.	Chuck Lawrence	ATC	MRO	1																
3.	Tom Webb	WPS	MRO	3, 4, 5, 6																
4.	Jodi Jenson	WAPA	MRO	1, 6																
5.	Ken Goldsmith	ALTW	MRO	4																
6.	Alice Ireland	XCEL/NSP	MRO	1, 3, 5, 6																
7.	Dave Rudolph	BEPC	MRO	1, 3, 5, 6																

Group/Individual		Commenter	Organization	Registered Ballot Body Segment											
				1	2	3	4	5	6	7	8	9	10		
8.	Eric Ruskamp	LES	MRO	1, 3, 5, 6											
9.	Joe DePoorter	MGE	MRO	3, 4, 5, 6											
10.	Scott Nickels	RPU	MRO	4											
11.	Terry Harbour	MEC	MRO	1, 3, 5, 6											
12.	Marie Knox	MISO	MRO	2											
13.	Lee Kittelson	OTP	MRO	1, 3, 4, 5											
14.	Scott Bos	MPW	MRO	1, 3, 5, 6											
15.	Tony Eddleman	NPPD	MRO	1, 3, 5											
16.	Mike Brytowski	GRE	MRO	1, 3, 5, 6											
17.	Richard Burt	MPC	MRO	1, 3, 5, 6											
5.	Individual	Anthony Jablonski	ReliabilityFirst												X
6.	Individual	Greg Rowland	Duke Energy		X		X		X	X					
7.	Individual	Ross Kovacs	Georgia Transmission Corporation		X										
8.	Individual	Joe Petaski	Manitoba Hydro		X		X		X	X					
9.	Individual	Annie Lauterbach/Laura Trolese	Bonneville Power Administration		X		X		X	X					

1. Do you agree with the use of this “Rapid” approach to clarify the standard, rather than clarifying the standard through an Interpretation? If No, please explain your concerns

Summary Consideration: Most comments indicated the use of a “Rapid” approach to clarify the standard is acceptable. Some comments expressed concern regarding the updates to the compliance sections of the standard; however, these changes were administrative in nature related to language used to enforce compliance, and do not indicate changes to the stakeholder-approved requirements of the standard.

Organization	Yes or No	Question 1 Comment
Northeast Power Coordinating Council	Yes	
NCEMC Reps	Yes	
ACES Power Marketing Standards Collaborators	Yes	We agree that the “Rapid” modification approach will work for a standard such as this where clarification of a single requirement is needed. This seems to be a much quicker way to get the clarification we need.
Response: The Drafting Team thanks you for your comment.		
MRO NSRF	Yes	
ReliabilityFirst	Yes	
Georgia Transmission Corporation	Yes	
Manitoba Hydro	Yes	It is appropriate to use the rapid development process in this case because only clarifications, not substantive changes, have been made to the standard.
Response: The Drafting Team thanks you for your comment.		

Organization	Yes or No	Question 1 Comment
Duke Energy	No	<p>The Rapid approach method would have been sufficient had the response been limited to only the request for clarification. This revision goes beyond the scope of the original request for clarification by modifying the VRFs as well as the Compliance Enforcement and Data Retention portions of Section D. While these additional changes may simply be conforming changes to match a new Standards pro-forma template, they should be addressed and explained along with the other provided background information.</p>
<p>Response: The Drafting Team thanks you for your comment. The indication of “Pending” for the VRFs is intended to indicate that the VRFs are not approved by FERC. The VRFs were not filed with the original filing, and were addressed separately due to NERC staff concerns they did not comply with NERC’s VRF guidelines. Staff proposed VRFs were posted for industry comment January 7, 2009 through January 28, 2009. Staff made changes based on stakeholder feedback, and those VRFs were presented to and approved by the NERC Board of Trustees on November 4, 2010. The VRFs were filed with the Commission on December 1, 2010; FERC has not yet acted on them.</p> <p>The other changes were administrative in nature related to language used to enforce compliance, and do not indicate changes to the stakeholder-approved requirements of the standard.</p>		
Bonneville Power Administration		

2. Does the language in the SAR adequately represent the issue raised in the interpretation request? If No, please provide your suggestions to modify the SAR.

Summary Consideration: The comments received indicate the language in the SAR adequately represents the issue raised in the interpretation request.

Organization	Yes or No	Question 2 Comment
Northeast Power Coordinating Council	Yes	
NCEMC Reps	Yes	
ACES Power Marketing Standards Collaborators	Yes	
MRO NSRF	Yes	
ReliabilityFirst	Yes	
Duke Energy	Yes	
Georgia Transmission Corporation	Yes	
Manitoba Hydro	Yes	
Bonneville Power Administration		

3. Does the proposed revision resolve the issue raised in the interpretation request? If No, please provide your suggestions to modify the standard.

Summary Consideration: The majority of the comments received indicate the issue has been satisfactorily resolved. Some comments expressed concern regarding the updates to the compliance sections of the standard; however, these changes were administrative in nature related to language used to enforce compliance, and do not indicate changes to the stakeholder-approved requirements of the standard.

Two comments questioned if the intent of the standard was to go beyond the changes written, and to require an hourly load forecast for use in an hourly TTC and a daily load forecast for use in a daily TTC. This is not the intent of the standard. The intent of the standard is to allow for either daily or hourly load forecasts in the specified situation.

Organization	Yes or No	Question 3 Comment
Duke Energy	Yes	We are OK with the changes made to Requirement 3, but, in the interest of full disclosure, we expect that some explanatory language should be included to address the changes made not related to the FPL Request for Interpretation.
<p>Response: The Drafting Team thanks you for your comment. The indication of “Pending” for the VRFs is intended to indicate that the VRFs are not approved by FERC. The VRFs were not filed with the original filing, and were addressed separately due to NERC staff concerns they did not comply with NERC’s VRF guidelines. Staff proposed VRFs were posted for industry comment January 7, 2009 through January 28, 2009. Staff made changes based on stakeholder feedback, and those VRFs were presented to and approved by the NERC Board of Trustees on November 4, 2010. The VRFs were filed with the Commission on December 1, 2010; FERC has not yet acted on them.</p> <p>The other changes were administrative in nature related to language used to enforce compliance, and do not indicate changes to the stakeholder-approved requirements of the standard.</p>		
Northeast Power Coordinating Council	Yes	
MRO NSRF	Yes	

Organization	Yes or No	Question 3 Comment
ReliabilityFirst	Yes	
Manitoba Hydro	Yes	
Southwest Transmission Cooperative, Inc.	Negative	<p>We agree that the “Rapid” modification approach will work for a standard such as this where clarification of a single requirement is needed. This seems to be a much quicker way to get the clarification we need. The proposed changes do not appear to solve the original ambiguity. Because 3.1.2 describes using “A daily or hourly load forecast for TTCs used in current-day and next-day ATC calculations”, a registered entity might still believe that it has to calculate hourly TTCs. A clarification is needed that hourly load forecasts are required if the TOP uses hourly TTCs and daily load forecasts are needed if the TOP calculates a single TTC for a day.</p>
<p>Response: The Drafting Team thanks you for your comment. The standard is not intended to require an hourly load forecast for hourly TTCs. Rather, it is intended to indicate that entities may use daily OR hourly forecasts in the TTC calculation for TTCs used in the current-day and next-day time frames. In other words, a daily load forecast is the minimum, but entities may also use hourly if they so choose.</p>		
ACES Power Marketing	Negative	We do not think the issue has been fully addressed. Please see our formal comments.
<p>Response: The Drafting Team thanks you for your comment.</p>		
ACES Power Marketing Standards Collaborators and NCEMC Reps	No	<p>The proposed changes do not appear to solve the original ambiguity. Because 3.1.2 describes using “A daily or hourly load forecast for TTCs used in current-day and next-day ATC calculations”, a registered entity might still believe that it has to calculate hourly TTCs. A clarification is needed that hourly load forecasts are required if the TOP uses hourly TTCs and daily load forecasts are needed if the TOP calculates a single TTC for a day.</p>
<p>Response: The Drafting Team thanks you for your comment. The standard is not intended to require an hourly load forecast for hourly TTCs. Rather, it is intended to indicate that entities may use daily OR hourly forecasts in the TTC calculation for TTCs used</p>		

Organization	Yes or No	Question 3 Comment
<p>in the current-day and next-day time frames. In other words, a daily load forecast is the minimum, but entities may also use hourly if they so choose.</p>		
<p>Georgia Transmission Corporation</p>	<p>No</p>	<p>The proposed revision goes beyond the issue raised in the interpretation request. The VRF levels have been changed to "PENDING". The SAR states, "Because FERC has not yet ruled on the VRFs for this standard, they have been marked as PENDING in order to not distract from the discussion of the modification." Please describe what input was given by the Interpretation Team. Please describe how this change was done in accordance with Reliability Standards Consensus Development Process - Step 5 of the Reliability Standards Development Procedure. In Order 729, "the Commission accepts the ERO's commitment to reevaluate the violation risk factors and violation severity levels associated with these MOD Reliability Standards through an open stakeholder process to ensure that they are consistent with the intent of violation risk factor definitions and Commission precedent." Changing the VRF levels in this "Rapid" approach and requesting a parallel vote prior to obtaining industry feedback (1) is not an open stakeholder process, (2) is making changes to one MOD standard while leaving the other MOD standards unchanged, (3) leaves auditors and the industry without any guidance as to the VRFs for MOD-028-2 requirements, and (4) does not appear in accordance with the Reliability Standards Development Procedure. GTC recommends following the Commission's determination outlined in Order 729 to reevaluate the VRFs associated with ALL of the proposed MOD Reliability Standards through a separate, open stakeholder process which could ensure the VRFs and VSLs are consistent with the intent of violation risk factor definitions and Commission precedent. Until this can be done, the VRFs should remain the same as MOD-028-1.</p>

Response: The Drafting Team thanks you for your comment. The indication of “Pending” for the VRFs is intended to indicate that the VRFs are not approved by FERC. The VRFs were not filed with the original filing, and were addressed separately due to NERC staff concerns that they did not comply with NERC’s VRF guidelines. Staff proposed VRFs were posted for industry comment January 7, 2009 through January 28, 2009. Staff made changes based on stakeholder feedback, and those VRFs were presented to and approved by the NERC Board of Trustees on November 4, 2010. The VRFs were filed with the Commission on December 1, 2010 (see http://www.nerc.com/files/Final_Final_VSL_filing_complete.pdf); FERC has not yet acted on them.

Bonneville Power Administration		
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4.

If you have any other comments on the SAR or on the proposed Standard that you have not provided above, please provide them here.

Summary Consideration: Several commenters expressed concern regarding the updates to the compliance sections of the standard; however, these changes were administrative in nature related to language used to enforce compliance, and do not indicate changes to the stakeholder-approved requirements of the standard.

Specifically, some commenters questioned the data retention section of the standard and how it should be applied. Data should be retained as stated in the original standard. The added language gives instruction for when the retention period is shorter than the time since the last audit. An entity is responsible for compliance for the entire time since the last audit and will be expected to demonstrate its compliance. The paragraph that was added to the Data Retention section of the standard was written by NERC Legal staff to notify entities of this responsibility and is not specific to MOD-028-2; this paragraph is being added to all standards as they are revised.. This paragraph is not intended to mandate that entities retain data beyond the data retention periods specified, but entities should be prepared to provide some form of evidence to indicate the standard was complied with. Retaining data is one way (but not the only way) in which such compliance could be demonstrated.

For reference, the relevant text from Appendix 4C of NERC's Rules of Procedure is included below:

3.1.4.2 Period Covered

The Registered Entity's data and information should show compliance with the Reliability Standards that are the subject of the Compliance Audit for the period beginning with the day after the prior audit by the Compliance Enforcement Authority ended (or the later of June 18, 2007 or the Registered Entity's date of registration if the Registered Entity has not previously been subject to a Compliance Audit), and ending with the End Date for the Compliance Audit. However, if another Compliance Monitoring and Enforcement process has been conducted with respect to the Registered Entity subsequent to the date that would otherwise be the start of the period, the period covered by the Compliance Audit may, in the Regional Entity's discretion, begin with the completion of that Compliance Monitoring and Enforcement process for those Reliability Standards requirements that were the subject of the Compliance Monitoring and Enforcement process. The End Date will be stated in the Compliance Enforcement Authority's notification of the Compliance Audit issued to the Registered Entity pursuant to Section 3.1.1. The Registered Entity will be expected to demonstrate compliance for the entire period described above. However, if a Reliability Standard specifies a document retention period that does not cover the entire period described above, the Registered Entity will not be found in noncompliance solely on the basis of the lack of specific information that has rightfully not been retained based on the retention period specified in the Reliability Standard. However, in such cases, the Compliance Enforcement Authority will require the Registered Entity to demonstrate compliance through other means.

One commenter identified a capitalization error in R3.1, which has been corrected as noted so that the term “daily” is not capitalized.

Organization	Yes or No	Question 4 Comment
Northern Indiana Public Service Co.	Abstain	In MISO, not covered by this standard
<p>Response: The Drafting Team thanks you for your comment.</p>		
Keys Energy Services	Affirmative	<p>Although the added language in the Data Retention section of the standard reflects the current language in the Rules of Procedure, it is unwise to have to change standards on a Rules of Procedure change, e.g., if the Rules of Procedure language on data retention is changed, would all the standards that mirrored that language also need to be changed and resubmitted to FERC for approval? This is too burdensome. The added wording should be stricken. Another possible solution is to refer to the section of the Rules of Procedure in the standard such that if a change to the RoP occurs, the standard would not need to be changed. This would require that the section numbering of the RoP remain consistent to not cause a change in the standard, but, such a numbering change is less likely to occur than a change in the wording.</p>
<p>Response: The Drafting Team thanks you for your comment. The changes to which you refer are administrative in nature related to language used to enforce compliance, and do not indicate changes to the stakeholder-approved requirements of the standard.</p> <p>Data should be retained as stated in the original standard. The added language gives instruction for when the retention period is shorter than the time since the last audit. An entity is responsible for compliance for the entire time since the last audit and will be expected to demonstrate its compliance. The paragraph that was added to the Data Retention section of the standard was written by NERC Legal staff to notify entities of this responsibility and is not specific to MOD-028-2; this paragraph is being added to all standards as they are revised.. This is not intended to mandate that entities retain data beyond the data retention periods specified, but entities should be prepared to provide some form of evidence to indicate the standard was complied with. Retaining data is one way (but not the only way) in which such compliance could be demonstrated.</p>		

Organization	Yes or No	Question 4 Comment
Florida Municipal Power Agency	Affirmative	<p>Although the added language in the Data Retention section of the standard reflects the current language in the Rules of Procedure, FMPA believes it is unwise to have to change standards on a Rules of Procedure change, e.g., if the Rules of Procedure language on data retention is changed, would all the standards that mirrored that language also need to be changed and resubmitted to FERC for approval? FMPA believes this is too burdensome. The added wording should be stricken. Another possible solution is to refer to the section of the Rules of Procedure in the standard such that if a change to the RoP occurs, the standard would not need to be changed. This would require that the section numbering of the RoP remain consistent to not cause a change in the standard, but, such a numbering change is less likely to occur than a change in the wording.</p>
<p>Response: The Drafting Team thanks you for your comment. The changes to which you refer are administrative in nature related to language used to enforce compliance, and do not indicate changes to the stakeholder-approved requirements of the standard.</p> <p>An entity is responsible for compliance for the entire time since the last audit and will be expected to demonstrate its compliance. The paragraph that was added to the Data Retention section of the standard was written by NERC Legal staff to notify entities of this responsibility and is not specific to MOD-028-2; this paragraph is being added to all standards as they are revised.. The added language gives instruction for when the retention period is shorter than the time since the last audit. An entity may be asked to show compliance for the entire time since the last audit. This is not intended to mandate that entities retain data beyond the data retention periods specified, but entities should be prepared to provide some form of evidence to indicate the standard was complied with. Retaining data is one way (but not the only way) in which such compliance could be demonstrated.</p> <p>Your suggestion to refer to the section of the Rules of Procedures is inconsistent with the current guidance to drafting teams, but will be submitted to NERC Legal for consideration for future drafting efforts.</p>		
Cleco Power LLC	Negative	<p>Reference section 1.2 NERC should be clearer about what data time frames they wish for us to retain data. If they want us to retain all data or other supporting data since the last audit, they should just say "all data since the last audit should be retained."</p>
<p>Response: The Drafting Team thanks you for your comment. The changes to which you refer are administrative in nature related to</p>		

Organization	Yes or No	Question 4 Comment
<p>language used to enforce compliance, and do not indicate changes to the stakeholder-approved requirements of the standard.</p> <p>Data should be retained as stated in the original standard. The added language gives instruction for when the retention period is shorter than the time since the last audit. An entity is responsible for compliance for the entire time since the last audit and will be expected to demonstrate its compliance. The paragraph that was added to the Data Retention section of the standard was written by NERC Legal staff to notify entities of this responsibility and is not specific to MOD-028-2; this paragraph is being added to all standards as they are revised.. This is not intended to mandate that entities retain data beyond the data retention periods specified, but entities should be prepared to provide some form of evidence to indicate the standard was complied with. Retaining data is one way (but not the only way) in which such compliance could be demonstrated.</p>		
<p>Gainesville Regional Utilities</p>	<p>Negative</p>	<p>I am OK with the changes in R3 to consolidate the two time frames which are sensible and consistent with the intent of the original standard. But, the changes under section D1.1 are not within the scope of the SAR and were not part of the interpretation request. The changes under Section D1.2 were not part of the SAR or interpretation request and are inconsistent with the original standard drafted by the technical experts, and approved by the industry. I understand that the standards team was aware of the amount of data potentially involved with the different requirements, set specific time lines to allow for verification of compliance with the standard without creating an undue burden in terms of data management, storage and recovery. The Team and the Industry in approving the standard felt that those time frames were appropriate, and that not every piece of data - some of which changes multiple times in an hour - need to be retained for three plus years. Ideally the SAR team would reconsider this change and return to the time frames originally determined by the drafting team and industry. At a minimum however the SAR team should allow 180 days after regulatory approval since multiple applications provided by various third party vendors may need to be modified to accommodate this change. The Team should also clarify that this expanded evidence requirement applies from the effective date of MOD 028-2 and beyond since MOD 028-1 did not require this longer term retention and data may already have been deleted.</p>
<p>Response: The Drafting Team thanks you for your comment. The changes to which you refer are administrative in nature related to</p>		

Organization	Yes or No	Question 4 Comment
<p>language used to enforce compliance, and do not indicate changes to the stakeholder-approved requirements of the standard.</p> <p>Data should be retained as stated in the original standard. The added language gives instruction for when the retention period is shorter than the time since the last audit. An entity is responsible for compliance for the entire time since the last audit and will be expected to demonstrate its compliance. The paragraph that was added to the Data Retention section of the standard was written by NERC Legal staff to notify entities of this responsibility and is not specific to MOD-028-2; this paragraph is being added to all standards as they are revised.. This is not intended to mandate that entities retain data beyond the data retention periods specified, but entities should be prepared to provide some form of evidence to indicate the standard was complied with. Retaining data is one way (but not the only way) in which such compliance could be demonstrated.</p>		
<p>Georgia Transmission Corporation</p>	<p>Negative</p>	<p>The proposed revision goes beyond FP&L’s request for interpretation. The VRF levels have been changed to “PENDING”. The SAR states, “Because FERC has not yet ruled on the VRFs for this standard, they have been marked as PENDING in order to not distract from the discussion of the modification.” Please describe what input was given by the Interpretation Team. Please describe how this change was done in accordance with Reliability Standards Consensus Development Process - Step 5 of the Reliability Standards Development Procedure. In Order 729, “the Commission accepts the ERO’s commitment to reevaluate the violation risk factors and violation severity levels associated with these MOD Reliability Standards through an open stakeholder process to ensure that they are consistent with the intent of violation risk factor definitions and Commission precedent.” Changing the VRF levels in this “Rapid” approach and requesting a parallel vote prior to obtaining industry feedback (1) is not an open stakeholder process, (2) is making changes to one MOD standard while leaving the other MOD standards unchanged, (3) leaves auditors and the industry without any guidance as to the VRFs for MOD-028-2 requirements, and (4) does not appear in accordance with the Reliability Standards Development Procedure. GTC recommends following the Commission’s determination outlined in Order 729 to reevaluate the VRF associated with ALL of the proposed MOD Reliability Standards through a separate, open stakeholder process which could ensure the VRFs and VSLs are consistent with the intent of violation risk factor definitions and Commission precedent.</p>

Organization	Yes or No	Question 4 Comment
<p>Response: The Drafting Team thanks you for your comment. The indication of “Pending” for the VRFs is intended to indicate that the VRFs are not approved by FERC. The VRFs were not filed with the original filing, and were addressed separately due to NERC staff concerns that they did not comply with NERC’s VRF guidelines. Staff proposed VRFs were posted for industry comment January 7, 2009 through January 28, 2009. Staff made changes based on stakeholder feedback, and those VRFs were presented to and approved by the NERC Board of Trustees on November 4, 2010. The VRFs were filed with the Commission on December 1, 2010 (http://www.nerc.com/files/Final_Final_VSL_filing_complete.pdf); FERC has not yet acted on them.</p>		
Lakeland Electric	Negative	<p>While the clarification provided is acceptable, the standard was also unacceptably modified to add increased data retention requirements as discussed in NERC Compliance Process Bulletin #2011-001. As the general rules governing data are subject to change they should not be placed within standards, especially when they seem to increase the data retention requirements beyond the SDT's original intent. Note that if the general rule changes - the standard will still have this additional data retention requirement and this is unacceptable.</p>
<p>Response: The Drafting Team thanks you for your comment. The changes to which you refer are administrative in nature related to language used to enforce compliance, and do not indicate changes to the stakeholder-approved requirements of the standard.</p> <p>Data should be retained as stated in the original standard. The added language gives instruction for when the retention period is shorter than the time since the last audit. An entity is responsible for compliance for the entire time since the last audit and will be expected to demonstrate its compliance. The paragraph that was added to the Data Retention section of the standard was written by NERC Legal staff to notify entities of this responsibility and is not specific to MOD-028-2; this paragraph is being added to all standards as they are revised. This is not intended to mandate that entities retain data beyond the data retention periods specified, but entities should be prepared to provide some form of evidence to indicate the standard was complied with. Retaining data is one way (but not the only way) in which such compliance could be demonstrated.</p>		
Orlando Utilities Commission	Negative	<p>The changes under Section D1.2 were not part of the SAR or interpretation request and are inconsistent with the original standard drafted by the technical experts, and approved by the industry. The standards team was aware of the amount of data potentially involved with the different requirements, and set specific storage limits to allow for verification of compliance with the standard without creating an undue</p>

Organization	Yes or No	Question 4 Comment
		burden in terms of data management, storage and recovery. As written this revised version effectively set's aside the time limits set by the drafting team and would require every piece of data to be indexed and retained for three years.
<p>Response: The Drafting Team thanks you for your comment. The changes to which you refer are administrative in nature related to language used to enforce compliance, and do not indicate changes to the stakeholder-approved requirements of the standard.</p> <p>Data should be retained as stated in the original standard. The added language gives instruction for when the retention period is shorter than the time since the last audit. An entity is responsible for compliance for the entire time since the last audit and will be expected to demonstrate its compliance. The paragraph that was added to the Data Retention section of the standard was written by NERC Legal staff to notify entities of this responsibility and is not specific to MOD-028-2; this paragraph is being added to all standards as they are revised. This is not intended to mandate that entities retain data beyond the data retention periods specified, but entities should be prepared to provide some form of evidence to indicate the standard was complied with. Retaining data is one way (but not the only way) in which such compliance could be demonstrated.</p>		
Seminole Electric Cooperative, Inc.	Negative	The reason for voting against this is the insertion of language in section D.1.2. (Compliance, Data Retention) which is unreasonably broad and imposes new and immediate evidence requirements. Significant modifications to systems will likely be required to meet these requirements.
<p>Response: The Drafting Team thanks you for your comment. The changes to which you refer are administrative in nature related to language used to enforce compliance, and do not indicate changes to the stakeholder-approved requirements of the standard.</p> <p>Data should be retained as stated in the original standard. The added language gives instruction for when the retention period is shorter than the time since the last audit. An entity is responsible for compliance for the entire time since the last audit and will be expected to demonstrate its compliance. The paragraph that was added to the Data Retention section of the standard was written by NERC Legal staff to notify entities of this responsibility and is not specific to MOD-028-2; this paragraph is being added to all standards as they are revised. This is not intended to mandate entities retain data beyond the data retention periods specified, but entities should be prepared to provide some form of evidence to indicate the standard was complied with. Retaining the data is one way (but not the only way) in which such compliance could be demonstrated.</p>		
Cleco Power Cleco Power	Negative	Reference section 1.2 NERC should be clearer about what data time frames they wish

Organization	Yes or No	Question 4 Comment
LLC Cleco Corporation		for us to retain data. If they want us to retain all data or other supporting data since the last audit, they should just say "all data since the last audit should be retained."
<p>Response: The Drafting Team thanks you for your comment. The changes to which you refer are administrative in nature related to language used to enforce compliance, and do not indicate changes to the stakeholder-approved requirements of the standard.</p> <p>Data should be retained as stated in the original standard. The added language gives instruction for when the retention period is shorter than the time since the last audit. An entity is responsible for compliance for the entire time since the last audit and will be expected to demonstrate its compliance. The paragraph that was added to the Data Retention section of the standard was written by NERC Legal staff to notify entities of this responsibility and is not specific to MOD-028-2; this paragraph is being added to all standards as they are revised. This is not intended to mandate entities retain data beyond the data retention periods specified, but entities should be prepared to provide some form of evidence to indicate the standard was complied with. Retaining the data is one way (but not the only way) in which such compliance could be demonstrated.</p>		
Orlando Utilities Commission	Negative	Interpretation requests are for clarifying a standard, but cannot by definition change what the standard requires. The changes to the evidence required and the retention period is a change from the original standard and should not be made through an interpretation process, especially when the interpretation did not address evidence or retention period.
<p>Response: The Drafting Team thanks you for your comment. The changes to which you refer are administrative in nature related to language used to enforce compliance, and do not indicate changes to the stakeholder-approved requirements of the standard.</p> <p>Data should be retained as stated in the original standard. The added language gives instruction for when the retention period is shorter than the time since the last audit. An entity is responsible for compliance for the entire time since the last audit and will be expected to demonstrate its compliance. The paragraph that was added to the Data Retention section of the standard was written by NERC Legal staff to notify entities of this responsibility and is not specific to MOD-028-2; this paragraph is being added to all standards as they are revised. This is not intended to mandate entities retain data beyond the data retention periods specified, but entities should be prepared to provide some form of evidence to indicate the standard was complied with. Retaining the data is one way (but not the only way) in which such compliance could be demonstrated.</p>		
ReliabilityFirst		ReliabilityFirst agrees with that the redlined changes further clarify the intent of R3.1

Organization	Yes or No	Question 4 Comment
		but noticed one typo. The term “Daily” in part 3.1.3 should not be capitalized since the term “Daily” is not a definition listed in the NERC Glossary of terms.
<p>Response: The Drafting Team thanks you for your comment. R3.1 has been corrected as noted so that the term “daily” is not capitalized.</p>		
Northeast Power Coordinating Council		
NCEMC Reps		
ACES Power Marketing Standards Collaborators		
MRO NSRF		NONE
Duke Energy		
Georgia Transmission Corporation		
Manitoba Hydro		
Bonneville Power Administration		BPA has no comments or concerns at this time as BPA does not implement this standard.

END OF REPORT