



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

April 16, 2010

Ms. Kimberly Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: North American Electric Reliability Corporation, Docket No. RR10-7-000

Dear Ms. Bose:

On March 10, 2010, the North American Electric Reliability Corporation (“NERC”) submitted to the Commission a *Petition of the North American Electric Reliability Corporation for Approval of Compliance Monitoring and Enforcement Agreements between SERC Reliability Corporation and Florida Reliability Coordinating Council and Southwest Power Pool Regional Entity and Related Amendments to Delegation Agreements* in the above Docket (“NERC Petition”). On March 31, the Midwest Reliability Organization (“MRO”) submitted a Motion to Intervene and Protest (“MRO Protest”) in response to the NERC Petition.

To ensure that the Commission has a full and complete record in this proceeding, NERC offers the following response to the MRO Protest. MRO is not a party to the agreements and would not be subject to any actions taken under the agreements. MRO raised its concerns in the MRO Protest, on February 16, 2010, at the time the NERC Board of Trustees considered the agreements at issue in this proceeding.

NERC and the Board of Trustees considered MRO’s concerns and arguments and found them unpersuasive. First, the Commission has allowed Regional Entities to engage in non-statutory functions, including registered entity functions, to the extent that appropriate protections are in place. Second, the Commission also has approved an agreement by which NERC assumed Compliance Enforcement Authority (“CEA”) responsibilities for one of the Regional Entities that has registered entity functions. Regional Entities are CEAs for registered entities. The approach in the agreements simply allows a Regional Entity to take on the CEA responsibility for another registered entity, with appropriate protections and NERC oversight. Third, while there are agreements between the Regional Entities, the authorization for SERC to act as a CEA for FRCC and SPP is delegated by NERC and does not arise out of the agreements between the Regional Entities.

NERC supports the approach set forth in the agreements as a way for dealing with Regional Entities that have registered functions. It allows an independent party to perform compliance activities on such a registered entity. For these reasons, the Commission should promptly approve the agreements.

NERC requests waiver of the Commission's applicable regulations to the extent necessary to permit this response.

Conclusion

NERC respectfully requests that the Commission approve NERC's March 10 Filing in this proceeding.

Respectfully submitted,

/s/ Rebecca J. Michael

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