

**UNITED STATES OF AMERICA**  
**Before the**  
**FEDERAL ENERGY REGULATORY COMMISSION**

<b>NORTH AMERICAN ELECTRIC</b>	)	
<b>RELIABILITY CORPORATION</b>	)	
	)	<b>Docket No. RR12-8-000</b>
<b>Petition for Approval of Revisions to its</b>	)	
<b>Rules of Procedure</b>	)	

**MOTION OF THE**  
**NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION**  
**TO SUBMIT ANSWER TO COMMENTS ON**  
**PETITION FOR APPROVAL OF REVISIONS TO THE**  
**NERC RULES OF PROCEDURE**

The North American Electric Reliability Corporation (“NERC”), pursuant to 18 C.F.R. §§385.212 and 385.213, respectfully requests leave to submit this answer to the comments filed in response to NERC’s Petition for Approval of Revisions to its Rules of Procedure filed on May 7, 2012 in this docket (“Petition”). Four sets of substantive comments were filed in response to NERC’s Petition.<sup>1</sup> NERC requests leave to file this Answer to the comments filed by the Trade Associations and OEVC concerning the need for changes to NERC’s processes for revising its Rules of Procedure (“ROP”).

**I. MOTION FOR LEAVE TO FILE ANSWER**

The Commission’s rules do not permit the filing of answers to protests, unless otherwise ordered. *See* 18 C.F.R. §385.213(a)(2) (2010). The Commission has, however, granted motions for leave to file such answers if they will clarify the issues in dispute, ensure a complete and accurate record, or otherwise provide information that will assist the

---

<sup>1</sup> Comments were filed by (1) American Public Power Association, Edison Electric Institute, Electric Consumers Resource Council, Electric Power Supply Association, and National Rural Electric Cooperative Association (“Trade Associations”), (2) Occidental Energy Ventures Corp. (“OEVC”), (3) Midwest Independent Transmission System Operator, Inc., and (4) the ISO/RTO Council.

Commission in its decision-making process.<sup>2</sup> NERC requests leave to submit this answer to the comments of the Trade Associations and OECV, in order to clarify the issues in dispute and provide information that will assist the Commission in its decisionmaking process. NERC's proposed Answer addresses only the portions of the Trade Association and OECV comments concerning the processes for revising NERC's ROP.

## **II. ANSWER**

As noted, NERC is only responding to the sections of the Trade Association and OECV comments concerning the processes for revising NERC's ROP.<sup>3</sup> NERC is not responding to any of the comments on the specific revisions to the NERC ROP for which NERC has requested approval in its Petition in this docket. NERC's Petition adequately explains the bases for the proposed revisions to the ROP, and sufficiently addresses the points raised in the various parties' comments on those proposed revisions.

The Trade Associations and OECV each request that NERC be directed to make certain changes to, or adopt certain additional steps in, its processes for developing and obtaining approval of revisions to the NERC ROP. First, NERC notes that with the exception of one specific proposed revision to the ROP, which is not the subject of nor the basis for the Trade Association and OECV comments, NERC's Petition does not request approval for any

---

<sup>2</sup> See, e.g., *San Diego Gas & Electric v. Sellers of Energy and Ancillary Services*, 108 FERC ¶ 61,219, at P14, n. 7 (2004) (answer was accepted as it “provided information that assisted [the Commission in its] decision-making process”); *Michigan Electric Transmission Co.*, 106 FERC ¶ 61,064, at P 3 (2004) (the permitted answer “provides information that clarifies the issues”); *North American Electric Reliability Corporation*, 116 FERC ¶ 61,062, at P 24 (2006) (reply comments of NERC and others accepted “because they have provided information that assisted us in our decisionmaking process”); *North American Electric Reliability Corporation*, 117 FERC ¶ 61,091, at P 18 (2006) (same); *North American Electric Reliability Corporation*, 119 FERC ¶ 61,248, at P 6 (2007) (same); *North American Electric Reliability Corporation*, 127 FERC ¶ 61,209 (2009), at P 5 (same).

<sup>3</sup> Trade Association Comments at 8-9; OECV Comments at 11-13.

changes to its procedures for revising the ROP.<sup>4</sup> NERC's Petition that initiated this docket does not propose any changes or additions to NERC's processes for revising its ROP of the nature requested by the Trade Associations and OEVC. It would be premature for the Commission, in this docket, to direct NERC to make changes or additions to its processes for revising the ROP, when NERC has not yet developed any such changes or additions through its internal processes, obtained NERC Board approval for any such changes or revisions, or proposed any such changes or additions in its Petition in this docket.

NERC is, however, fully cognizant of the Trade Association and OEVC comments concerning NERC's processes for developing and obtaining approval of revisions to its ROP. During the stakeholder posting and comment periods at NERC for the ROP revisions that are the subject of the Petition, other stakeholders also submitted comments concerning the processes by which NERC develops and obtains approval of revisions to its ROP, and suggesting changes to those processes. NERC has developed, posted for stakeholder comment, and obtained NERC Board and Commission approval of many new or revised ROP provisions since being certified as the Electric Reliability Organization, without stakeholders expressing particular concerns about the ROP revision processes. In connection with the development of the ROP revisions that are the subject of NERC's Petition in this docket, however, a number of stakeholders did express concerns about various aspects of the processes followed in developing the proposed revisions and presenting them to stakeholders.

In light of the stakeholder comments that were received concerning the processes for developing and obtaining approval of revisions to the ROP, both in the NERC stakeholder comment period and in the comments of the Trade Associations and OECV filed with the

---

<sup>4</sup> The one exception is that NERC has requested approval of a revision to §1401 of the ROP concerning the number of Members of NERC required to request amendment or repeal of a ROP provision. NERC Petition at 24-25 and Attachment 1B at 92. This specific revision is not mentioned in any of the comments filed with the Commission in this Docket.

Commission, NERC staff is reviewing those processes and whether any changes or enhancements to the processes are needed. NERC staff intends to present a report on this topic to the NERC Member Representatives Committee and Board of Trustee at their respective meetings in August 2012, and to provide for discussion on this topic at those meetings. The staff report will identify recommended changes or enhancement to the processes to be followed in developing and obtaining approval for revisions to the ROP. Further, if any of the recommended changes that are endorsed by the Board require revisions or additions to NERC's existing ROP, NERC will seek formal adoption of those ROP revisions through the stakeholder posting and comment process, NERC Board approval and a filing for Commission approval.

### **III. CONCLUSION**

NERC respectfully requests that the Commission: (1) grant NERC's motion for leave to file this Answer; and (2) take this Answer into consideration in arriving at its Order in this docket.

Respectfully submitted,

Gerald W. Cauley  
President and Chief Executive Officer  
North American Electric Reliability Corporation  
3353 Peachtree Road  
Suite 600, North Tower  
Atlanta, GA 30326  
(404) 446-2560  
(404) 467-0474 – facsimile

David N. Cook  
Senior Vice President and General Counsel  
Rebecca J. Michael, Associate General Counsel  
for Corporate and Regulatory Matters  
North American Electric Reliability Corporation  
1325 G Street, N.W., Suite 600  
Washington, D.C. 20005  
(202) 400-3000  
(202) 644-8099 – facsimile  
[David.cook@nerc.net](mailto:David.cook@nerc.net)  
[Rebecca.michael@nerc.net](mailto:Rebecca.michael@nerc.net)

/s/ Owen E. MacBride  
Owen E. MacBride  
Debra Ann Palmer  
Schiff Hardin LLP  
1666 K Street, N.W., Suite 300  
Washington, DC 20036-4390  
(202) 778-6400  
(202) 778-6460 – facsimile  
[omacbride@schiffhardin.com](mailto:omacbride@schiffhardin.com)  
[dpalmer@schiffhardin.com](mailto:dpalmer@schiffhardin.com)

**CERTIFICATE OF SERVICE**

I hereby certify that I have served a copy of the foregoing document upon all parties listed on the official service list compiled by the Secretary in this proceeding.

Dated at Chicago, Illinois, this 7th day of June, 2012.

/s/ Owen E. MacBride  
Owen E. MacBride

Attorney for North American  
Electric Reliability Corporation