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**BEFORE THE
PROVINCE OF MANITOBA**

**NORTH AMERICAN ELECTRIC)
RELIABILITY CORPORATION)**

**NOTICE OF FILING OF THE
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION
OF REVISED VIOLATION RISK FACTORS AND VIOLATION SEVERITY LEVELS
FOR PRC-023-1 —TRANSMISSION RELAY LOADABILITY RELIABILITY
STANDARD**

I. INTRODUCTION

The North American Electric Reliability Corporation (“NERC”), hereby submits revisions to one Violation Risk Factor (“VRF”), and the three Violation Severity Levels (“VSLs”) with respect to the Transmission Relay Loadability Reliability Standard (PRC-023-1). These revisions were made to comply with the directives in paragraphs 297, 308, 310, 311 and 312 of the Federal Energy Regulatory Commission’s (“FERC”) Transmission Relay Loadability Reliability Standard, (“Order No. 733”) issued on March 18, 2010.¹

Exhibit A to this filing includes the proposed modification to one VRF. **Exhibit B** to this filing contains the proposed modifications to the three VSLs. **Exhibit C** to this filing contains the complete matrix of VRFs assigned for each Reliability Standard, as well as the proposed modification to the VRF associated with the instant filing. **Exhibit D** to this filing contains the complete matrix of VSLs assigned for each Reliability Standard, as well as the proposed modifications to the VSLs associated with the instant filing.

¹ *Transmission Relay Loadability Reliability Standard*, 130 FERC 61,221 (2010) (“Order No. 733”). In addition, FERC directed NERC to develop modifications to this Reliability Standard. On April 19, 2010, NERC concurrently submitted a request for clarification, and in the alternative rehearing, of Order No. 733.

The instant filing only includes the specific revision to the VRF and the revisions to the VSLs as set forth in Order No. 733 that FERC directed to be made no later than 30 days after the date of the Final Rule (April 19, 2010):

- VRF for PRC-023-1

Requirement R3 (from Medium to High).

- VSLs for PRC-023-1

Requirement R1 (from Moderate and Severe to Severe);

Requirement R2 (from Lower to Severe); and

Requirement R3 (from Moderate, High, and Severe to Severe).

The purpose of this filing is to comply with the specific directives of FERC Order No. 733. The revisions to the Reliability Standard were approved by the NERC Board of Trustees on its April 16, 2010 conference call.

NERC submitted this filing to FERC on April 19, 2010, and is submitting this filing to the other applicable governmental authorities in Canada.

II. NOTICES AND COMMUNICATIONS

Notices and communications with respect to this filing may be addressed to the following:

Gerald W. Cauley
President and Chief Executive Officer
David N. Cook
Vice President and General Counsel
North American Electric Reliability
Corporation
116-390 Village Boulevard
Princeton, N.J. 08540-5721
(609) 452-8060
(609) 452-9550 – facsimile
david.cook@nerc.net

Rebecca J. Michael
Assistant General Counsel
V. Davis Smith
Attorney (admitted in IN; not admitted in
D.C. or NJ)
North American Electric Reliability
Corporation
1120 G Street, N.W.
Suite 990
Washington, D.C. 20005-3801
(202) 393-3998
(202) 393-3955 – facsimile
rebecca.michael@nerc.net
davis.smith@nerc.net

III. REVISED VIOLATION RISK FACTOR AND VIOLATION SEVERITY LEVELS FOR PRC-023-1 — TRANSMISSION RELAY LOADABILITY RELIABILITY STANDARD TO COMPLY WITH FERC’S DIRECTIVES IN ORDER No. 733

Background

In its August 4, 2008 Notice of Filing of the proposed Transmission Relay Loadability (PRC-023-1) Reliability Standard, NERC identified and proposed VRF and VSL assignments for each requirement of Reliability Standard PRC-023-1. The NERC Board of Trustees approved the proposed Reliability Standard VRF and VSL assignments on February 12, 2008.

On March 18, 2010, FERC approved NERC’s proposed PRC-023-1 Reliability Standard in Order No. 733.² FERC directed NERC to make specific changes to one VRF and three VSLs. Specifically, FERC approved the VRFs for Requirements R1 and R2 in paragraph 293 and

² *Transmission Relay Loadability Reliability Standard*, 130 FERC 61,221 (2010) (“Order No. 733”). In addition, the Commission directed NERC to develop modifications to this Reliability Standard. On April 19, 2010, NERC concurrently submitted a request for clarification, and in the alternative rehearing, of Order No. 733.

directed NERC to modify the VRF for Requirement R3 in paragraph 297. In paragraphs 308, 310, 311, and 312, FERC directed NERC to modify the VSLs from a graduated approach to binary VSLs at the Severe level. FERC directed NERC to make the modifications no later than 30 days after the date of this Final Rule (April 19, 2010). These modifications are addressed in the instant compliance filing.

VRF Review by FERC

As a result of its review of the proposed VRF assignments for PRC-023-1, FERC approved a VRF assignment for Requirement R1 of High and a VRF assignment for Requirement R2 of Medium. FERC directed NERC to make the following change to the VRF assignment for Requirement R3:

PRC-023-1 Requirement R3 (from Medium to High).

VSL Review by the FERC

NERC proposed multiple VSLs for Requirements R1, R2, and R3 in its July 30, 2008 petition. As a result of its review of the proposed VSL assignments for PRC-023-1, FERC directed NERC to make the following changes to the VSL assignments:

Requirement R1 (from Moderate and Severe to Severe);

Requirement R2 (from Lower to Severe); and

Requirement R3 (from Moderate, High, and Severe to Severe).

Respectfully submitted,

/s/ V. Davis Smith

Rebecca J. Michael
Assistant General Counsel
V. Davis Smith, Attorney
(admitted in IN;
not admitted in D.C. or NJ)
North American Electric Reliability
Corporation
1120 G Street, N.W., Suite 990
Washington, D.C. 20005-3801
(202) 393-3998
(202) 393-3955 – facsimile
rebecca.michael@nerc.net
davis.smith@nerc.net

Exhibits A – D

(Available on the NERC Website at

http://www.nerc.com/fileUploads/File/Filings/Attachments_to_PRC-023_VRF-VSL_Filing.pdf