

June 17, 2014

VIA OVERNIGHT MAIL

Sheri Young, Secretary of the Board
National Energy Board
444 Seventh Avenue SW
Calgary, Alberta
T2P 0X8

Re: *North American Electric Reliability Corporation*

Dear Ms. Young:

The North American Electric Reliability Corporation (“NERC”) submits a proposed revision to a Violation Severity Level (“VSL”) assigned to Requirement R1 in Protection System Maintenance (“PRC”) Reliability Standard PRC-005-2. NERC has also made the same change to proposed Reliability Standard PRC-005-3, which has been adopted by the NERC Board of Trustees¹ and since submitted.²

The proposed VSL revision to PRC-005-2, provided in Attachment A hereto, is consistent with the Federal Energy Regulatory Commission’s (“FERC”) directive in Order No. 793³. Attachment B includes a replacement “Exhibit A” to NERC’s PRC-005-3 filing that reflects the same VSL change in the proposed PRC-005-3 Reliability Standard (included as PRC-005-3.1 to reflect an errata change made).⁴

As background, on December 19, 2013, FERC issued Order No. 793, approving Reliability Standard PRC-005-2 – Protection System Maintenance, stating that the “Reliability Standard contains overall improvements over the four existing Reliability Standards.” However, FERC directed one change to the VSL assignment in Requirement R1 regarding the failure to include station batteries in a time-based maintenance program, noting that “the level of risk associated with the failure to test a given battery is not an appropriate consideration in the context of assigning violation severity levels, but rather, should be

¹ The agenda for the May 7, 2014 Board of Trustees meeting is available at http://www.nerc.com/gov/bot/Agenda%20highlights%20and%20minutes%202013/board_agenda_package_May_2014.pdf

² On February 21, 2014, NERC submitted a Notice of Filing of proposed Reliability Standard PRC-005-3 (Protection System Maintenance). (“PRC-005-3 filing”)

³ *Protection System Maintenance Reliability Standard*, Order No. 793, 145 FERC ¶ 61,253 (2013).

⁴ This replacement exhibit is the same replacement exhibit included with an errata filing to NERC’s Notice of Filing of proposed Reliability Standard PRC-005-3, which has been separately this day.

3353 Peachtree Road NE
Suite 600, North Tower
Atlanta, GA 30326
404-446-2560 | www.nerc.com

considered when assigning a violation risk factor.” FERC, therefore, directed NERC to submit a compliance filing changing the VSL for the failure to include station batteries in a time-based maintenance program to “severe.”

The proposed VSL revision is just, reasonable, not unduly discriminatory or preferential, and in the public interest for PRC-005-2..

Respectfully submitted,

/s/ William H. Edwards

William H. Edwards

Counsel

North American Electric Reliability Corporation

1325 G St., NW, Suite 600

Washington, DC 20005

(202) 400-3000

(202) 644-8099 – facsimile

william.edwards@nerc.net

Attachments A – B

(Available on the NERC Website at

http://www.nerc.com/FilingsOrders/ca/Canadian%20Filings%20and%20Orders%20DL/Attachments_PR_C-005_VSL_filing.pdf