

September 27, 2016

VIA OVERNIGHT MAIL

Doreen Friis
Regulatory Affairs Officer/Clerk
Nova Scotia Utility and Review Board
3rd Floor
1601 Lower Water Street
P.O. Box 1692, Unit "M"
Halifax, Nova Scotia B3J 3S3

Re: *North American Electric Reliability Corporation*

Dear Ms. Friis:

The North American Electric Reliability Corporation hereby submits Supplemental Clarification Filing of the North American Electric Reliability Corporation Concerning Proposed 2017 Business Plan and Budget of Northeast Power Coordinating Council, Inc.

Please contact the undersigned if you have any questions concerning this filing.

Respectfully submitted,

/s/ Holly A. Hawkins

Holly A. Hawkins
*Associate General Counsel for the North
American Electric Reliability Corporation*

Enclosure

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**BEFORE THE
NOVA SCOTIA UTILITIES AND REVIEW BOARD
THE PROVINCE OF NOVA SCOTIA**

**NORTH AMERICAN ELECTRIC)
RELIABILITY CORPORATION)**

**SUPPLEMENTAL CLARIFICATION FILING OF THE
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION
CONCERNING PROPOSED 2017 BUSINESS PLAN AND BUDGET OF
NORTHEAST POWER COORDINATING COUNCIL, INC.**

The North American Electric Reliability Corporation (“NERC”) respectfully submits this supplemental clarification filing to its September 15, 2016 filing, “Notice of Filing of the North American Electric Reliability Corporation of its 2017 Business Plan and Budget and the 2017 Business Plans and Budgets of Regional Entities and of Proposed Assessments to Fund Budgets” (“2017 Business Plan and Budget Filing”). Specifically, it has been brought to NERC’s attention that certain items in the proposed 2017 Business Plans and Budget of the Northeast Power Coordinating Council, Inc. (“NPCC”) may require clarification.

I. NPCC 2017 Business Plan and Budget

The following statement appears at page 59 of NPCC’s 2017 Business Plan and Budget (Attachment 3 to the 2017 Business Plan and Budget Filing), in the section “Regional Entity Assessment Analysis – NPCC Cost Assessment Methodology”: “In order to reflect and respect the international membership and nature of NPCC, any sub-regional reliability assessment costs in response to U.S. only regulatory initiatives will be considered for allocation to U.S. only BAAs [Balancing Authority Areas] consistent with NERC Rules of Procedure section 1102.” This statement relates to the following 2017 activity of the NPCC Reliability Assessment and Performance Analysis program described on page 34 of NPCC’s 2017 Business Plan and Budget: “Support related reliability activities, including consideration of any requests for sub-regional assessments or NPCC’s identification of the necessity for such assessments consistent

with NERC Rules of Procedure section 805, associated with implementation of the U.S. EPA Clean Power Plan.”

To be clear, in its 2017 Business Plan and Budget Filing and the related proposed assessments for 2017, NPCC is not proposing any allocation of any specific “sub-regional reliability assessment costs in response to U.S. only regulatory initiatives” to U.S.-only BAAs, or an allocation of costs of its 2017 activities of the Reliability Assessment and Performance Analysis program in any manner other than on the basis of Net Energy for Load (“NEL”), nor is NPCC requesting pre-approval of any such allocation of such costs to U.S.-only BAAs,. Any such allocation could and would be requested only in a future year’s business plan and budget filing (or in a supplemental filing requesting approval to revise assessments), based on specific activities and costs and with complete supporting information. Further, before being included in a future year’s business plan and budget filing, any such proposed allocation would first be presented to and approved by (1) the NPCC Board of Directors, (2) the NERC Finance and Audit Committee (“FAC”), and (3) the NERC Board of Trustees. In approving NPCC’s 2017 Business Plan and Budget, NERC did not approve any special or separate allocation process for the allocation of costs of any such studies; and the NERC FAC advised NPCC that any such separate allocation, if proposed, would need to be reviewed based on the particular facts and circumstances surrounding any such study, if and when it were undertaken.

NERC has discussed this matter with NPCC and can state that NPCC is in agreement with the statements in the preceding paragraph.

Respectfully submitted,

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Financial and Administrative Officer
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Date: September 27, 2016