FEDERAL ENERGY REGULATORY COMMISSION WASHINGTON, D.C. 20426 OFFICE OF ELECTRIC RELIABILITY

North American Electric Reliability Corporation Docket No. RD10-10-000

May 16, 2011

North American Electric Reliability Corporation 1120 G Street N.W., Suite 990 Washington, D.C. 20005-3801

Attention: Holly A. Hawkins, Attorney

Reference: Compliance Filing

Dear Ms. Hawkins:

- 1. On April 19, 2010, the North American Electric Reliability Corporation (NERC) submitted a filing making revisions to one Violation Risk Factor and to three Violation Severity Levels in response to the Commission's March 18, 2010 Order, approving the proposed Transmission Relay Loadability (PRC-023-1) Reliability Standard (Final Rule). On December 1, 2010, NERC submitted revised Violation Severity Levels for Reliability Standard PRC-023-1 in its compliance filing in response to the Commission's June 19, 2008 Order approving Violation Severity Levels.
- 2. In the Final Rule, the Commission directed NERC to submit a compliance filing modifying the Violation Risk Factor assigned to Requirement R3 from

¹ Transmission Relay Loadability Reliability Standard, Order No. 733, 130 FERC ¶ 61,221 (2010).

² North American Electric Reliability Corporation, 123 FERC ¶ 61,284 (2008). See also, North American Electric Reliability Corporation, Compliance Filing of the North American Reliability Corporation in Response to the Order on Violation Severity Levels Proposed by the Electric Reliability Organization, Docket No. RR08-4-006.

- "Medium" to "High." The Final Rule also modified the Violation Severity Level assignment of Requirements R1, R2, and R3 from gradated to binary.³
- 3. Notice of this filing was issued on April 20, 2010 with comments, protests, or motions to intervene due on or before May 19, 2010.
- 4. A motion to intervene was filed by American Municipal Power, Inc. No protests or adverse comments were filed. Notices of intervention and unopposed timely filed motions to intervene are granted pursuant to the operation of Rule 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.214).
- 5. NERC's uncontested filing is accepted pursuant to the authority delegated to the Director, Office of Electric Reliability, under 18 C.F.R. § 375.303.
- 6. This action shall not be construed as accepting any other contingency plan pursuant to 18 C.F.R. § 375.303(a)(1)(i) or any other data or report pursuant to C.F.R. § 375.303(b)(3)(iv). This action shall not be construed as approving any other application including Electric Reliability Organization or Regional Entity Rules or procedures pursuant to 18 C.F.R. § 375.303(a)(2)(i). Such acceptance or approval shall not be deemed as recognition of any claimed right or obligation associated therewith; and such acceptance or approval is without prejudice to any findings or orders which have been or which may hereafter be made by the Commission in any proceeding now or pending or hereafter instituted by or against NERC.
- 7. This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.

Sincerely,

Joseph H. McClelland, Director Office of Electric Reliability

³ Requirements of Reliability Standards where compliance is defined in terms of "pass" or "fail" are referred to by NERC as "binary." In *North American Electric Reliability Corporation*, 127 FERC ¶ 61,293 (2009), the Commission approved NERC's designation of "severe" for the single violation severity level assignment appropriate for binary requirements.

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