



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

May 17, 2011

VIA ELECTRONIC FILING

Ms. Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, D.C. 20426

Re: NERC's December 1, 2010 Compliance Filing in Response to Federal Energy Regulatory Commission's September 3, 2010 Order Approving Petition and Directing Compliance Filing in Docket No. RR10-12-000

Dear Ms. Bose:

The North American Electric Reliability Corporation (“NERC”), in accordance with Section 215(f) of the Federal Power Act (“FPA”) and 18 C.F.R. Section 39.10, respectfully submits to Federal Energy Regulatory Commission (“FERC”) this clarification letter related to NERC’s December 1, 2010 compliance filing seeking approval of a modification to NERC’s *Standard Processes Manual*.¹ On June 10, 2010, NERC filed a Petition for Approval of the Reliability Standard Processes Manual Incorporating Proposed Revisions to the Reliability Standards development process (“June 10 Filing”).² On September 3, 2010, FERC issued an Order³ (“September 3 Order”) approving NERC’s *Standards Processes Manual* filing and directing a modification to the section of the manual that identifies the elements of a Reliability Standard that are designated as enforceable. This modification was approved by the NERC

¹ *Compliance Filing of the North American Electric Reliability Corporation in Response to the Federal Energy Regulatory Commission's September 3, 2010 Order Approving Petition and Directing Compliance Filing*, Docket No. RR10-12-000 (December 1, 2010).

² *Petition of the North American Electric Reliability Corporation for Approval of the Reliability Standard Processes Manual Incorporating Proposed Revisions to the Reliability Standards Development Process* Docket No. RR10-12-000 (June 10, 2010)

³ *Order Approving Petition and Directing Compliance Filing*, 132 FERC ¶ 61,200 (September 3, 2010)

Board of Trustees on November 19, 2010. The revised *Standard Processes Manual* was submitted to the Commission on December 1, 2010.

In response to question raised by Commission staff, NERC wishes to clarify the meaning of the word “necessary” as used in heading on page 6 of the revised *Standard Processes Manual*. In response to the Commission’s directive in the September 3 Order directing a modification to the section of the manual that identifies the elements of a Reliability Standard that are designated as enforceable, NERC revised the heading on page 6 of the revised manual to remove the words “Mandatory and Enforceable Sections of a Standard” and replace it with “Requirements and Elements Necessary to Demonstrate Compliance and Monitor and Assess Compliance with Requirements.” NERC clarifies by this letter that the use of the word “necessary” in the revised heading is intended to indicate that standards developed under the process described in the *Standard Processes Manual* must conform to a template that includes all of the elements identified under this heading. The use of the word “necessary” is not intended to have any connotation relative to enforcement.

Respectfully submitted,

/s/ Holly A. Hawkins
Holly A. Hawkins
*Attorney for North American Electric
Reliability Corporation*