

Consideration of Comments Submitted with Initial Ballots on Proposed Modifications to the Standard Processes Manual

Summary Consideration: An initial ballot of proposed modifications to the Standard Processes Manual was conducted from October 28 through November 7, 2010. The ballot achieved a quorum with 81.61% of the ballot pool returning a ballot, and achieved an overall weighted segment approval of 93.72%. Most stakeholders agreed with the proposed modification to the manual and some stakeholders provided suggestions for additional improvements. We will consider the suggestions for additional modifications the next time the manual is revised. No changes were made to the manual following the initial ballot.

Segment	Entity	Member	Ballot	Comments
2	Independent Electricity System Operator	Kim Warren	Affirmative	We provide the same suggestions we submitted during the comment period. While we agree that the proposed modifications to the Standards Process Manual adequately address the September 3, 2010 Directive, we do have some suggestions for improving the text of the document. We consider the heading "Requirements and Elements Necessary to Demonstrate Compliance and Monitor and Assess Compliance with Requirements" to be rather cumbersome. We therefore recommend modifying the heading to read "Requirements and Elements Necessary to Monitor, Assess and Demonstrate Compliance with Requirements". In addition we would suggest amending the preceding paragraph (that commences "A reliability standard includes several components...") as follows: The components of a reliability standard include mandatory requirements, and elements necessary to demonstrate as well as monitor and assess compliance with requirements. A separate informational section of a standard could also be provided for reference purposes.
<p>Response: Thank you for your affirmative vote. We agree that this section of the manual would benefit from additional improvements, and will consider the additional modifications proposed for this section of the manual the next time the manual is revised.</p>				

Segment	Entity	Member	Ballot	Comments
2	Midwest ISO, Inc.	Jason L Marshall	Affirmative	We are supportive of the changes to the extent that they eliminate the possibility that new requirements can arise out of the supporting areas of the standard such as the compliance elements. However, we do believe that these supporting areas can and should be used to help understand what the requirements mean, how the requirements are applied, and how to comply with the requirements. For example, the applicability section of FAC-003-1 that limits applicability to 200 kV and above should not have to be moved into the requirements for it to be clear that the requirements do not apply to sub-200 kV facilities. Furthermore, it appears that the Commission has acknowledged that supporting elements of the standard do help to set the context when they approved PRC-023-1 in Order 729. There was a long discussion in that order and the associated NOPR regarding the applicability of the standard to sub-200 kV facilities in context of the applicability section.
Response: Thank you for your affirmative vote.				
1 3 5	MidAmerican Energy Co.	Terry Harbour Thomas C. Mielnik Christopher Schneider	Negative	The NERC proposed changes do not properly reflect FERC's directives in Dockets RR10-12-000 and Order 693 that the only essential elements determining compliance in a NERC standard are the requirements and that all other material provides useful support and guidance only. The words "Requirements and Elements Necessary to Demonstrate Compliance and Monitor and Assess Compliance with Requirements" need to be deleted and replaced with a discussion that clearly states, 1) the only essential elements determining compliance in a NERC standard are the requirements, and 2) all other material provides useful support and guidance only.

Segment	Entity	Member	Ballot	Comments
<p>Response: We did not interpret the Order as mandating that the manual specifically distinguish the Requirement as the sole enforceable element. The Order included the following sentence: "Further, while the distinction between those elements of a Reliability Standard that are enforceable and those elements that are not is important, it is not clear that it is necessary to draw this distinction in the Standard Processes Manual." The proposed modification to the manual avoids making the distinction between what is/is not enforceable in the Standard Processes Manual.</p>				
3	Consumers Energy	David A. Lapinski	Negative	The changes on pg 6 do not appear to reflect the spirit or intent of the FERC directive. FERC indicated that NERC should make clear that only the Requirements of a standard are enforceable. NERC has changed the text so that, rather than being enforceable, other elements are " Necessary to Demonstrate Compliance and Monitor and Assess Compliance with Requirements." It sounds like it is still saying they are "enforceable," just using different words.
4		David Frank Ronk		
5		James B Lewis		
<p>Response: We did not interpret the Order as mandating that the manual specifically distinguish the Requirement as the sole enforceable element. The Order included the following sentence: "Further, while the distinction between those elements of a Reliability Standard that are enforceable and those elements that are not is important, it is not clear that it is necessary to draw this distinction in the Standard Processes Manual." The proposed modification to the manual avoids making the distinction between what is/is not enforceable in the Standard Processes Manual.</p>				
6	Kansas City Power & Light Co.	Jessica L Klinghoffer	Affirmative	<ol style="list-style-type: none"> 1. Violation Risk Factor is by definition an indication of the impact a requirement has on the Bulk Electric System and requires a judgment in reliability. VRF should be included as a part of the standards process for industry review and binding approval by the industry. 2. Under the "Process for Appealing and Action or Inaction" on page 34, the criteria for the appointment of a panel by the Board of Trustees is that there be no affiliation with the participants in the appeal. There should be additional criteria to consider the credentials and expertise appropriate to the appeal content for an effective appointment.
<p>Response: Thank you for your affirmative vote. The comments provided will be considered the next time the manual is revised.</p>				

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9	Commonwealth of Massachusetts Department of Public Utilities	Donald E. Nelson	Affirmative	Although the changes made do reflect the FERC Directive, the language could be improved to better clarify with regard to which elements are enforceable.
<p>Response: Thank you for your affirmative vote. We agree that this section of the manual would benefit from additional improvements, and will consider the additional modifications proposed for this section of the manual the next time the manual is revise</p>				