

Subj: **Thoughts on Comments Received**
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From: John Anderson - ELCON

Please circulate my few thoughts on a few of the comments received to date on the MOU. While I am commenting on only a few of the excellent comments, this should not be taken as a criticism of the others.

Reliant -- Section 2.6 *"The other Party shall assume an advisory-only role, although its members and constituents are strongly encouraged ..."*

What does an advisory role encompass? Does it mean that some point in the process, an opinion is required from the other party? Can that Party file comments during the process? Can they file protests? I would like to see that if NERC agrees that it is a NAESB Standard, that they don't in the end try to take it back under their review, i.e. the Generator Interconnection NOPR comments.

To me, an "advisory-only role" means that the organization without development authority takes no official action on the proposed standard -- They neither hold committee meetings nor prepare formal comments. If both Parties were allowed to develop comments, there will, by definition, be duplication. I suggest that this clarification be stated clearly in the MOU.

Reliant -- Section 3.2 *"All filings shall include, verbatim, any comments submitted by the Party that did not develop the standard, as well as comments of other interested parties."*

NERC does not have to file its standards with anyone. So NERC can comment on a NAESB FERC filing, but NAESB can do nothing. Especially when NAESB members believe NAESB should not file any advocacy positions at FERC!!! There is no symmetry in this requirement as written. There should be recognition that allows NAESB to submit comments to the NERC Board of Trustees for consideration. If a NERC standard impacts a NAESB standard that has been adopted by FERC or will be adopted by FERC, NAESB should at least inform FERC of that matter.

I agree that there is not as much symmetry in this requirement as I would like. We should continue to push NERC to file all standards with FERC whether required to or not -- but not in the MOU. However, I am strongly opposed to having the Party without development authority filing formal comments with the other Party. This will simply result in duplication between the two Parties. Either Party can make any filing they wish to FERC at any time on any issue. This will not be changed by the MOU.

Reliant -- Section 6.1 *"The Parties agree to meet no later than the anniversary month of the signing of this MOU..."*

The intent of this provision was to require the Parties to meet no later than 1 YEAR after the signing of this MOU to see what needs to be changed in the MOU. This should be clearly stated. It is not.

Mike Gildea -- Section 2.3 *-- not sure this will resolve the deadlock in some cases. Suggestion additional language to the effect that if Chairperson of the Parties can not reach resolution in say 10 days or 15 days, some type of ADR language be adopted.*

I would prefer to avoid a formal ADR process and simply send the unresolved issue to FERC. I believe this will encourage the Board Chairpersons to make the decisions as they will not like to have to state that they cannot make such decisions.

Mike Gildea – Section 3.2 - clarification needed,..do not think we want all "verbatim, any comments submitted..." Suggest language to the effect that summary statements may be included in final submissions of all minority opinions and positions. (Grieved parties are free to file supporting documentation is believe so necessary.)

I would NOT like to see only summaries of comments filed with FERC. Any and all comments received that are not satisfied to the extent needed by the filer must be sent, **verbatim**, to FERC. Additionally, the developing Party should be required to file with FERC any actions they have taken to try to meet the needs of the person filing the comments. However, nothing should be filed with FERC if comments are received and changes are made that satisfy the persons that filed the comments. Perhaps this point could be clarified in the MOU.

Scott Brown – the "Whereas" in Lines 24 & 25 - suggest the NERC-NAESB MOU Team re-visit the need for this whereas statement. This MOU will take precedence over the 2 existing standards development process by the fact that both parties are agreeing to cooperate, jointly review requests and abide by the decisions of the process. We realize the statement does not prohibit changes to existing standards process, but it sets a tone of distrust for those that will review the finished product of the effort. We suggest striking the entire whereas or limiting it to a commitment not to denigrate the charters.

I agree that this Whereas clause should be dropped. The more I think about it, the more I recognize that explicitly stating that neither Party shall be obligated to change its existing process says that there will be no change. Scott's point is very good that the MOU will (or at least should) take precedence over the 2 existing standards development process. Either Party must be ready to change their existing process if necessary to be sure that there is no duplication and assure that the MOU that is agreed to can and will actually implemented.