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November 12, 2009

**VIA ELECTRONIC FILING**

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

**Re: North American Electric Reliability Corporation  
Docket No. RR10-\_\_\_\_-000  
Petition for Approval of Amendment to Delegation Agreements with  
Regional Entities to Extend Initial Term of Agreements to May 2011**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby submits a Petition in accordance with Section 215(e) of the Federal Power Act and 18 C.F.R. §39.8, requesting approval of an amendment to NERC's Delegation Agreements with the eight Regional Entities. The proposed amendment would extend the initial term of the Delegation Agreements by one year, to May 2, 2011. As shown in Attachment 1 to this filing, the proposed amendments have been approved by the NERC Board of Trustees and by the governing bodies of each of the eight Regional Entities.

NERC's filing consists of: (1) this transmittal letter, (2) NERC's Petition, and (3) Attachment 1 to the Petition, all of which are submitted in a single pdf file.

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

Respectfully submitted,

/s/ Owen E. MacBride  
Owen E. MacBride

Attorney for North American Electric  
Reliability Corporation



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**Attachment 1:** Documentation of Approval of Proposed Amendment to Delegation Agreements by Regional Entity and NERC Governing Bodies

## I. INTRODUCTION

The North American Electric Reliability Corporation (“NERC”), in accordance with §215(e) of the Federal Power Act (“FPA”) and 18 C.F.R. §39.8, respectfully requests Commission approval of an amendment to §11(b) of NERC’s Delegation Agreement with each of the eight Regional Entities, for the purpose of extending the initial term of each Delegation Agreement by one year, to May 2, 2011.<sup>1</sup> The purpose of the proposed amendments is provide sufficient time for NERC and the Regional Entities to negotiate, obtain stakeholder comments on, finalize, obtain approval from their respective governing bodies for, and file with the Commission, and obtain approval of, amended Delegation Agreements reflecting areas for change identified specifically in NERC’s *Three-Year Electric Reliability Organization Performance Assessment Report*,<sup>2</sup> and more generally as a result of the experience gained by NERC and the Regional Entities in operating under the current Delegation Agreements since they originally became effective, pursuant to Commission Order, in May 2007.<sup>3</sup>

Because the proposed extension of the initial term of the Delegation Agreements by one year only requires amendment of one sentence in §11(b) of each base Delegation Agreement,

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<sup>1</sup> The eight Regional Entities are Florida Reliability Coordinating Council (“FRCC”), Midwest Reliability Organization (“MRO”), Northeast Power Coordinating Council, Inc. (“NPCC”), ReliabilityFirst Corporation (“ReliabilityFirst”), SERC Reliability Corporation (“SERC”), Southwest Power Pool (“SPP”), Texas Regional Entity, a division of the Electric Reliability Council of Texas (“Texas RE”), and Western Electricity Coordinating Council (“WECC”).

<sup>2</sup> NERC filed its *Three-Year Electric Reliability Organization Performance Assessment Report* (“*Three-Year ERO Performance Report*”), required by 18 C.F.R. §39.3(c), on July 20, 2009, and it is now the subject of Docket No. RR09-07-000.

<sup>3</sup> The Commission initially approved the Delegation Agreements with the Regional Entities in an Order issued April 19, 2007. *Order Accepting ERO Compliance Filing, Accepting ERO/Regional Entity Delegation Agreements, and Accepting Regional Entity 2007 Business Plans*, 119 FERC ¶ 61,060 (2007). The Order specified that the Delegation Agreements were to be effective upon execution and refiling within 30 days following the date of the Order. *Id.* at PP 4-5 and ordering paragraph (B).

NERC is not burdening the Commission by filing clean and redlined copies of the complete Delegation Agreement, including Exhibits and attachments, with each Regional Entity. Rather, the specific text of the proposed amendment to the first sentence of §11(b) of each Delegation Agreement is provided in §III.B of this Petition.

**Attachment 1** to this Petition contains documentation from each Regional Entity and NERC showing that their respective governing bodies have approved the proposed amendment to its Delegation Agreement to extend the initial term by one year, to May 2011.

## **II. NOTICES AND COMMUNICATIONS**

Notices and communications with respect to this filing may be addressed to:

Rick Sergel  
President and Chief Executive Officer  
David N. Cook\*  
Vice President and General Counsel  
North American Electric Reliability  
Corporation  
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[david.cook@nerc.net](mailto:david.cook@nerc.net)

\*Persons to be included on the  
Commission’s official service list.

Owen E. MacBride\*  
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## **III. PROPOSED AMENDMENT TO DELEGATION AGREEMENTS**

### **A. Reason for Proposed Amendment**

Currently (as shown specifically in §III.B, below), §11(b) of each Delegation Agreement provides that the initial term of the Delegation Agreement ends in May 2010; thereafter, assuming the Regional Entity continued to meet the applicable statutory and regulatory requirements to be eligible for delegation, the Delegation Agreement would be renewed for an

additional five year term. As the end of the initial term of the Delegation Agreements approached, NERC and the Regional Entities began to identify provisions in the Delegation Agreements that should be considered for amendment, and new topics that should be considered for addition to the Delegation Agreements, based on the experience of NERC and the Regional Entities in operating under the Delegation Agreements since May 2007. In addition, the *Three-Year ERO Performance Report* identified a number of issues that should be addressed in the next version of the Delegation Agreements. In October of this year, NERC and the Regional Entities recognized that in light of the numerous issues to be considered, the approximately seven months remaining in the initial term of the Delegation Agreements was not sufficient time to negotiate amendments, post draft amended Delegation Agreements and obtain stakeholder comments, finalize the amended Delegation Agreements, obtain necessary approvals for the amended Delegation Agreements from their respective governing bodies, file the amended Delegation Agreements with the Commission for approval, and obtain a Commission order approving the amended Delegation Agreements. Accordingly, NERC and the Regional Entities concluded that the Delegation Agreements should be amended to extend the initial term of the Delegation Agreements by one year, to May 2011.

Section 215(e)(4) of the FPA provides that the Commission shall issue regulations authorizing the Electric Reliability Organization to enter into agreements to delegate authority to Regional Entities, and that the Commission may modify a delegation. The Commission has adopted such regulations in 18 C.F.R. §39.8. Section 39.8(d) states that the Commission may modify a delegation it has previously approved.

NERC and the Regional Entities have established a timeline for negotiating amendments to the Delegation Agreements and obtaining the necessary approvals.<sup>4</sup> The timeline contemplates that amended Delegation Agreements would be finalized and submitted for approval to the respective boards of NERC and the Regional Entities in April and early May of 2010, and then filed with the Commission for approval later in May of 2010. Assuming the Commission approves the amendments proposed in this Petition to extend the initial term of the Delegation Agreements to May 2011, the Commission (based on the timeline) would have approximately eleven months to consider the proposed amended Delegation Agreements and issue an order, prior to expiration of the extended initial term.

**B. Specific Proposed Amendments to §11(b) of the Delegation Agreements**

The text of the specific proposed amendments to the first sentence of §11(b) of each Delegation Agreement, to extend the initial term to May 2011, are shown below. As will be seen, the first sentence of §11(b) of each Delegation Agreement, and the proposed amendments, are virtually identical for every Delegation Agreement with the exception of the NERC-Texas RE Delegation Agreement.

**FRCC Delegation Agreement**

The currently effective version of the base Delegation Agreement between NERC and FRCC was approved by the Commission in an Order issued June 1, 2009, on a compliance filing submitted by NERC on February 17, 2009.<sup>5</sup> The proposed amendment to the first sentence of §11(b) of the Delegation Agreement between NERC and FRCC is as follows:

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<sup>4</sup> The timeline is available at: [http://www.nerc.com/files/Discussion\\_Paper\\_for\\_Regional\\_Delegation\\_Agreement\\_Workshop.pdf](http://www.nerc.com/files/Discussion_Paper_for_Regional_Delegation_Agreement_Workshop.pdf).

<sup>5</sup> *Order on Compliance Filing*, 127 FERC ¶ 61,209 (2009) (“June 1, 2009 Order”).

The initial term of the Agreement shall be ~~three (3)~~ four (4) years, from the original effective date of May 2, 2007, prior to which time NERC shall conduct an audit pursuant to subsections 6(e) and 7(i) to ensure that FRCC continues to meet all applicable statutory and regulatory requirements necessary to maintain its eligibility for delegation.

#### **MRO Delegation Agreement**

The currently effective version of the base Delegation Agreement between NERC and MRO was approved by the Commission in an Order issued December 19, 2008, on a compliance filing submitted by NERC on July 21, 2008.<sup>6</sup> The proposed amendment to the first sentence of §11(b) of the Delegation Agreement between NERC and MRO is as follows:

The initial term of the Agreement shall be ~~three (3)~~ four (4) years from the original effective date of May 2, 2007, prior to which time NERC shall conduct an audit pursuant to subsections 6(e) and 7(i) to ensure that Midwest Reliability Organization continues to meet all applicable statutory and regulatory requirements necessary to maintain its eligibility for delegation.

#### **NPCC Delegation Agreement**

The currently effective version of the base Delegation Agreement between NERC and NPCC was approved by the Commission in the *June 1, 2009 Order* on the compliance filing submitted by NERC on February 17, 2009. The proposed amendment to the first sentence of §11(b) of the Delegation Agreement between NERC and NPCC is as follows:

The initial term of the Agreement shall be ~~three (3)~~ four (4) years from the original effective date of May 2, 2007, prior to which time NERC shall conduct an audit pursuant to subsections 6(e) and 7(i) to ensure that NPCC continues to meet all applicable statutory and regulatory requirements necessary to maintain its eligibility for delegation.

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<sup>6</sup> *Order Accepting Compliance Filings, Subject to Conditions*, 125 FERC ¶ 61,330 (2008) (“*December 19, 2008 Order*”). The *December 19, 2008 Order* stated that the July 21, 2008 compliance filing would be effective 15 days from the date of the *December 19, 2008 Order*, thereby making the versions of the Delegation Agreements approved in the *December 19, 2008 Order* effective on January 3, 2009. *Id.* at P 1 and ordering paragraph (A).

### **ReliabilityFirst Delegation Agreement**

The currently effective version of the base Delegation Agreement between NERC and ReliabilityFirst was approved by the Commission in the *June 1, 2009 Order* on the compliance filing submitted by NERC on February 17, 2009. The proposed amendment to the first sentence of §11(b) of the Delegation Agreement between NERC and ReliabilityFirst is as follows:

The initial term of the Agreement shall be ~~three (3)~~ four (4) years from the original effective date of May 2, 2007, prior to which time NERC shall conduct an audit pursuant to subsections 6(e) and 7(i) to ensure that ReliabilityFirst continues to meet all applicable statutory and regulatory requirements necessary to maintain its eligibility for delegation.

### **SERC Delegation Agreement**

The currently effective version of the base Delegation Agreement between NERC and SERC was approved by the Commission in the *December 19, 2008 Order* on the compliance filing submitted by NERC on July 21, 2008. The proposed amendment to the first sentence of §11(b) of the Delegation Agreement between NERC and SERC is as follows:

The initial term of the Agreement shall be ~~three (3)~~ four (4) years from the original effective date of May 2, 2007, prior to which time NERC shall conduct an audit pursuant to subsections 6(e) and 7(i) to ensure that SERC continues to meet all applicable statutory and regulatory requirements necessary to maintain its eligibility for delegation.

### **SPP Delegation Agreement**

The currently effective version of the base Delegation Agreement between NERC and SPP was approved by the Commission in the *December 19, 2008 Order* on the compliance filing submitted by NERC on July 21, 2008. The proposed amendment to the first sentence of §11(b) of the Delegation Agreement between NERC and SPP is as follows:

The initial term of the Agreement shall be ~~three (3)~~ four (4) years from the original effective date of May 2, 2007, prior to which time NERC shall conduct an audit pursuant to subsections 6(e) and 7(i) to ensure that SPP continues to meet

all applicable statutory and regulatory requirements necessary to meet its eligibility for delegation.

### **Texas RE Delegation Agreement**

The currently effective version of the base Delegation Agreement between NERC and Texas RE was approved by the Commission in the *December 19, 2008 Order* on the compliance filing submitted by NERC on July 21, 2008. In addition, the original effective date of the Texas RE Delegation Agreement was May 16, 2007 (versus May 2, 2007 for the other Delegation Agreements), due to the need, at that time, to obtain approval of the ERCOT Board for amended and restated bylaws providing for the operation of Texas RE as a division of ERCOT, which approval was obtained on May 16, 2007. NERC and Texas RE have now agreed that the initial term of the Texas RE Delegation Agreement should expire on the same date as the initial terms of the other Regional Entity Delegation Agreements, and therefore that §11(b) of the Texas RE Delegation Agreement should be amended to state that its original effective date was May 2, 2007. Accordingly, the proposed amendment to the first sentence of §11(b) of the Delegation Agreement between NERC and Texas RE is as follows:

The initial term of the Agreement shall be ~~three (3)~~ four (4) years from the original effective date of May ~~16~~ 2, 2007, prior to which time NERC shall conduct an audit pursuant to subsections 6(e) and 7(i) to ensure that Texas RE continues to meet all applicable statutory and regulatory requirements necessary to maintain its eligibility for delegation.

### **WECC Delegation Agreement**

The currently effective version of the base Delegation Agreement between NERC and WECC was approved by the Commission in the *June 1, 2009 Order* on the compliance filing submitted by NERC on February 17, 2009. The proposed amendment to the first sentence of §11(b) of the Delegation Agreement between NERC and WECC is as follows:

The initial term of the Agreement shall be ~~three (3)~~ four (4) years from the original effective date of May 2, 2007, prior to which time NERC shall conduct an audit to ensure that WECC continues to meet all applicable statutory and regulatory requirements necessary to maintain its eligibility for delegation.

**C. Filing of Current, Executed Delegation Agreements with the Commission**

In a compliance filing submitted on July 30, 2009, in response to the *June 1, 2009 Order*, in which NERC submitted for approval several revisions to its uniform Compliance Monitoring and Enforcement Program (Appendix 4C to the NERC Rules of Procedure), NERC stated: “Upon acceptance by the Commission of the revisions to the uniform CMEP being submitted in this filing, and assuming no further directives for changes, NERC intends to file with the Commission a complete, executed set of the current Delegation Agreements.”<sup>7</sup> In its letter Order issued October 2, 2009 on the *July 30, 2009 Compliance Filing*, the Commission noted: “Upon acceptance by the Commission of the revisions of the CMEP, NERC states that it will file with the Commission a complete, executed set of the current Delegation Agreements.”<sup>8</sup>

NERC did intend, as stated in the *July 30, 2009 Compliance Filing*, to file with the Commission complete, executed copies of the current versions of the Delegation Agreements with the eight Regional Entities after receiving the Commission’s Order approving the *July 30, 2009 Compliance Filing*. NERC has not yet made this filing, because by the time NERC received the Commission’s October 2, 2009 Order on the *July 30, 2009 Compliance Filing*, it had become apparent that a further amendment to the Delegation Agreements would be necessary – namely, to extend the initial term by one year (*see* §III.A, above). Accordingly,

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<sup>7</sup> *Compliance Filing of the North American Electric Reliability Corporation in Response to June 1, 2009 Order*, filed July 30, 2009 in Docket Nos. RR06-1-021 *et al.* (“*July 30, 2009 Compliance Filing*”), at 2.

<sup>8</sup> Letter Order from the Office of Enforcement, dated October 2, 2009, accepting NERC’s *July 30, 2009 Compliance Filing*, at 2.

NERC now states that following the Commission's approval of the Delegation Agreement amendments that are the subject of this Petition, NERC will file with Commission complete, executed copies of the current versions of the Delegation Agreements with the eight Regional Entities. These versions of the Delegation Agreements will then serve as the baseline for comparison and evaluation of the renegotiated, amended Delegation Agreements that NERC expects to file with the Commission, for approval, by late May of 2010.

#### **IV. NERC AND REGIONAL ENTITY APPROVAL OF THE DELEGATION AGREEMENT AMENDMENTS**

The board of each Regional Entity has approved the proposed amendment to its Delegation Agreement to extend the initial term by one year, to May 2011. **Attachment 1** contains documentation provided by each of the eight Regional Entities evidencing that its board has approved the proposed amendment to extend the initial term of the Delegation Agreement by one year. The NERC Board of Trustees approved the proposed amendment to the Delegation Agreements at its meeting held on November 5, 2009. A copy of the NERC Board resolution is included in **Attachment 1**.

#### **V. CONCLUSION**

For the reasons stated in this filing, the North American Electric Reliability Corporation respectfully requests that the Commission issue an order approving the proposed amendment to §11(b) of its Delegation Agreements with each of the eight Regional Entities, in order to extend the initial term of the Delegation Agreements by one year, to May 2, 2011.

Respectfully submitted,

/s/ David N. Cook

Rick Sergel  
President and Chief Executive Officer  
David N. Cook  
Vice President and General Counsel  
North American Electric Reliability  
Corporation  
116-390 Village Boulevard  
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/s/ Owen E. MacBride

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**ATTACHMENT 1**

**DOCUMENTATION OF APPROVAL OF PROPOSED AMENDMENT  
TO DELEGATION AGREEMENTS BY  
REGIONAL ENTITY AND NERC GOVERNING BODIES**

**RESOLUTION  
EXTENDING THE FRCC DELEGATION AGREEMENT**

WHEREAS, the initial terms of the agreement between NERC and FRCC by which NERC has delegated certain authority and responsibility to the FRCC currently expires in May, 2010, as specified in section 11(b) of the agreement; and

WHEREAS, NERC and FRCC has determined it is appropriate to consider and develop a number of changes to the currently effective delegation agreement and have begun a process to do so; and

WHEREAS, it will take an extended period of time to renegotiate the delegation agreement, obtain the approvals of the renegotiated agreement by FRCC Board of Directors and the NERC Board of Trustees, and file and obtain approval of the renegotiated agreement from the Federal Energy Regulatory Commission; and

WHEREAS, it is appropriate to extend the initial term of the currently effective agreement, at the current terms and conditions, for an additional year to provide time to complete work on and obtain regulatory approval of the renegotiated agreement; and

WHEREAS, the FRCC Board of Directors has agreed to amendments to section 11(b) of their respective agreement to extend the initial term of the currently effective agreement for an additional year, to May 2011;

NOW THEREFORE BE IT RESOLVED:

- (1) that the FRCC Board of Directors approves amendments to section 11(b) of the delegation agreement with NERC to effect a one-year extension of the initial terms of such agreements, until May, 2011, under the terms and conditions of the current agreements, and
- (2) that upon approval of the NERC Board of Trustees, NERC management shall file a request with the Federal Energy Regulatory Commission for approval of such amendments.



*Daniel P. Skaar, President*  
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November 9<sup>th</sup>, 2009

Mr. David Cook  
Vice President and General Counsel  
North American Electric Reliability Corporation  
Princeton Forrestal Village  
116-390 Village Boulevard  
Princeton, New Jersey 08540-5721

RE: Extension to the NERC and MRO Regional Delegation Agreement

Dear Mr. Cook,

Midwest Reliability Organization (MRO) Board of Directors has approved the extension of the existing delegation agreement between NERC and MRO by one calendar year. On November 9<sup>th</sup>, 2009, via electronic ballot, the MRO Board of Directors unanimously approved extending the current Delegation Agreement to May, 2011.

Sincerely,

Daniel P. Skaar  
President  
Midwest Reliability Organization  
2774 Cleveland Ave.  
North Roseville, MN 55113





NORTHEAST POWER COORDINATING COUNCIL, INC.  
1040 AVE OF THE AMERICAS, NEW YORK, NY 10018 TELEPHONE (212) 540-1070 FAX (212) 302-2782

**RESOLUTIONS OF  
NORTHEAST POWER COORDINATING COUNCIL, INC. (NPCC)  
BOARD OF DIRECTORS**

**[EXTENDING REGIONAL DELEGATION AGREEMENT]**

WHEREAS, the initial term of the regional delegation agreement between NERC and Northeast Power Coordinating Council, Inc. (NPCC) by which NERC has delegated certain authority and responsibility to NPCC's Regional Entity Division currently expires in May 2010, as specified in section 11(b) of that agreement; and

WHEREAS, NERC and the Regional Entities have determined that it is appropriate to consider and develop a number of changes to the currently effective regional delegation agreements and have begun a process to do so; and

WHEREAS, NERC and the Regional Entities have determined that it will take an extended period of time to renegotiate the regional delegation agreements, obtain the approvals of the renegotiated agreements by the respective governing bodies of the Regional Entities and the NERC Board of Trustees, and file and obtain approval of the renegotiated agreements from the Federal Energy Regulatory Commission; and

WHEREAS, NPCC proposes to extend the initial term of the currently effective regional delegation agreement for an additional year to provide sufficient time to complete work on and obtain regulatory approval of the renegotiated agreement;

NOW THEREFORE, BE IT:

RESOLVED, that the NPCC Board of Directors hereby approves an amendment to section 11(b) of the regional delegation agreement with NERC to extend the initial term of such agreement by one year so that the agreement will expire in May 2011; and be it

FURTHER RESOLVED, that the proper officers of NPCC are hereby authorized and directed to (i) execute and deliver said amendment and when executed and delivered as authorized herein, the regional delegation agreement amendment shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein; and (ii) file a request with the Federal Energy Regulatory Commission for approval of said amendment.

October 27, 2009

\_\_\_\_\_  
Andrianna S. Payson, Esq.  
NPCC Assistant Secretary



Timothy R. Gallagher

President and CEO

320 SPRINGSIDE DRIVE, SUITE 300, AKRON, OH 44333-4500 Telephone (330) 456-2488 Fax (330) 456-5408

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November 3, 2009

David Cook  
Vice President and General Counsel  
North American Electric Reliability Corporation  
1120 G Street, NW, Suite 990  
Washington, DC 20005-3801

Dear David:

On October 8, 2009, our Board met and unanimously approved an extension of our current Regional Delegation Agreement with NERC through May 2, 2011. You may view the Board agenda item at: <http://www.rfirst.org/Documents/BoardOfDirectors/RFC%20BOD%2010.8.09%20Agenda%20Package.pdf> It is listed as agenda item ten.

Upon preparation of the extension documents, I have Board approval to sign on behalf of ReliabilityFirst. Should you require any further information, please do not hesitate to ask.

Sincerely,

A handwritten signature in black ink, appearing to read "Tim R. Gallagher".

Timothy R. Gallagher  
President and CEO  
ReliabilityFirst Corporation

cc: Owen MacBride, Jim Keller, Sue Ivey, Larry Bugh



Gerry Cauley, President and CEO  
SERC Reliability Corporation  
2815 Coliseum Centre Drive | Suite 500  
Charlotte, NC 28217  
704.357.7372 | Fax 704.357.7914 | [www.serc1.org](http://www.serc1.org)

November 2, 2009

Mr. David N. Cook  
Vice President & General Counsel  
North American Electric Reliability Corporation  
1120 G Street, N.W., Suite 990  
Washington, D.C. 20005

Re: Extension of Term of Delegation Agreement

Dear David:

Per your request, attached is a copy of the Resolution Extending Delegation Agreement with NERC which was approved at the October 28, 2009 SERC Board of Directors meeting. Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink that reads 'Gerry Cauley'.



SERC Reliability Corporation  
2815 Coliseum Centre Drive | Suite 500  
Charlotte, NC 28217  
704.357.7372 | Fax 704.357.7914 | [www.serc1.org](http://www.serc1.org)

## RESOLUTION EXTENDING DELEGATION AGREEMENT WITH NERC

WHEREAS, the terms of the agreement between NERC and SERC by which NERC has delegated certain authority and responsibility to SERC currently expires in May, 2010, as specified in section 11(b) of the agreement; and

WHEREAS, NERC and the Regional Entities, including SERC, have determined it is appropriate to consider and develop a number of changes to the currently effective delegation agreements and have begun a process to do so; and

WHEREAS, it will take an extended period of time to renegotiate the delegation agreements, obtain the approvals of the renegotiated agreements by the respective governing bodies of the Regional Entities and the NERC Board of Trustees, and file and obtain approval of the renegotiated agreements from the Federal Energy Regulatory Commission; and

WHEREAS, it is appropriate to extend the initial terms of the currently effective agreement between NERC and SERC, at its current terms and conditions, as may be amended, for an additional year to provide time to complete work on and obtain regulatory approval of the renegotiated agreement; and

NOW THEREFORE BE IT RESOLVED:

That the SERC Board of Directors approves the amendment to section 11(b) of its delegation agreement with NERC to effect a one-year extension of the terms of such agreements, until May, 2011, under the terms and conditions of the currently effective agreement.



Ms. Stacy Dochoda  
Regional Entity General Manager  
[sdochoda@spp.org](mailto:sdochoda@spp.org)

Southwest Power Pool Regional Entity  
415 N. McKinley, Ste 140  
Little Rock, AR 72205-3020  
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November 2, 2009

David N. Cook  
Vice President & General Counsel  
NERC  
1120 G St. NW, Suite 990  
Washington, DC 20005

**Re: SPP Regional Entity Delegation Agreement Extension**

Dear David:

The SPP Regional Entity Trustees met on October 28, 2009 and unanimously approved the following motion:

*Motion to approve extending the existing term of the SPP RE Delegation Agreement for one year, until May 2011.*

The minutes from the meeting are attached. Please do not hesitate to contact me with questions.

Regards,

*Stacy Dochoda*

Stacy Dochoda  
Regional Entity General Manager



**Southwest Power Pool Regional Entity**  
**SPP REGIONAL ENTITY TRUSTEE MEETING**

**October 28, 2009**

**Warren Place Doubletree Hotel – Tulsa, OK**

**• MINUTES •**

**Agenda Item 1 – Administrative Items**

Chairman John Meyer called the meeting order at 8:30 a.m. Others in attendance were Trustees Dave Christiano and Gerry Burrow; Stacy Dochoda; Ron Ciesiel; Machel Smith; Sheila Scott; David Hodges (SPP); Fred Meyer (XCEL Energy); Tracy Stewart (SWPA) and Alison Hayes, Staff Secretary. Attending via teleconference were ; Charles Yeung (SPP); John Allen (City of Springfield); Alice Murdock (XCEL Energy); Darryl Boggess (Western Farmers); Timothy Arlt (NPPD) and Ronnie Tharp (Western Farmers).

Minutes from April, June and July 2009 Trustee meetings were presented for approval. The following changes will be made on the July minutes: Under Agenda Item 2, The Supplemental Budget year will be changed from 2009 to 2010. Under Agenda Item 5, the last sentence of the first paragraph shall be struck. Under Agenda Item 6, paragraph 3, the word “day” will be added after “30”. Gerry Burrows made a motion to accept all 3 sets of minutes with the amendments reflected in these minutes. Dave Christiano seconded the motion, which passed unanimously. (Attachment 1)

**Agenda Item 2 – Past Action Items**

Alison Hayes reported that there are no open Action Items.

**Agenda Item 3 – General Manager’s Report – Stacy Dochoda**

- a. Delegation Agreement Extension – All Regions are proposing an extension for terms of Delegation Agreements in order for renegotiations to continue. Gerry Burrows made the following Motions:

***Motion to approve extending the existing term of the SPP RE Delegation Agreement for one year, until May 2011.***

John Meyer seconded. The Motion passed unanimously.

***Motion to accept the changes to SPP RE Delegation Agreement as referenced in Attachment 1, Section 4, Application of Penalties Section of the Delegation Agreement Draft and to authorize Stacy Dochoda to facilitate the above referenced change to the Delegation Agreement on behalf of SPP RE.***

John Meyer Seconded. The Motion passed unanimously.

(Attachment 2)

(At this time the SPP RE Antitrust Guidelines were addressed and distributed.)

- b. SPP, Inc Compliance Monitoring Plan: SERC, SPP and FRCC are jointly filing the Pleading requesting approval of the plan and the contractual agreements to FERC. The date for consideration by NERC is undetermined. (Attachment 3)
1. Highlights of the plan
    1. 3-year term
    2. SERC will audit SPP RTO in 2010
    3. 2010 estimate cost of \$40,000 due to audit expense

4. Penalties will come back to SPP RE budget

Dave Christiano made the following Motion:

***Move to amend the original RE Trustee action stating that NERC will conduct audits of SPP Registered functions and SERC will conduct all other monitoring functions, to now read, SERC will conduct all monitoring functions, to include audits, of SPP RTO.***

***In addition, Stacy Dochoda, General Manager, will have authority to sign said agreement with SERC on behalf of SPP RE.***

Gerry Burrows Seconded. The Motion passed unanimously.

- c. Organization and Staffing – The new organizational chart was presented and explained and position changes were announced. (Attachment 4)
- d. SPP RE Survey Results –SPP RE received 33 responses to the survey. Results will be posted on website. (Attachment 5)
- e. NERC 3-year Assessment of SPP RE – The Assessment and SPP’s response were discussed. (Attachment 6).
- f. September 2009 Financials – SPP RE \$810,768 under budget due to change in indirect costs mid-year and because approved positions have not been filled. (Attachment 7)
- g. FERC Order on 2010 SPP RE budget – FERC issued Order approving RE budgets. Submitted 3 questions to SPP RE:
  1. Provide further explanation of reduction in training costs.
  2. Is the \$24,000 line item a consultant fee or software costs?
  3. Explain the restrictions of the SPP RE on the SPP, Inc line of credit.
- h. SPP RE Appointments to NERC Committees – Stacy Dochoda proposed notifying registered entities and SPP members when nominations are open. She will present nominations and bios to Trustees for selection
- i. Trustee Self-Assessment – Discussed that Assessment must be completed prior to the SPP Board of Director’s December Meeting.

**Agenda Item 4 – Compliance Report – Ron Ciesiel**

(Attachment 8)

**Agenda Item 5 – Settlement Report – Alison Hayes**

(Attachment 9)

**Agenda Item 6 – Regional Standards Report – Mak Nagle**

Second draft of UFLS standard has been posted and comment period has closed. The Drafting Team is having a technical study done. (Attachment 10)

**Agenda Item 7 – NERC 2009 Long-Term Reliability Assessment – Mak Nagle**

(Attachment 11)

**Agenda Item 8 – Summary of New Action Items – Alison Hayes**

1. Update the Trustees on Delegation Agreement status at each meeting.
2. Consider how to design periodic program utilizing industry volunteer presenters on reliability information.

3. Stacy will meet with Nick or Tom regarding funding for 5 year technical study. Report at January meeting.

**Agenda Item 9 – Future Meetings**

The next Trustee Meeting is currently scheduled for January 28, 2009 in New Orleans, LA. However, due to the NERC Mock Hearing and Enforcement Workshop scheduled on the same day, the Trustees rescheduled their meeting to Monday, January 25, 2009 in New Orleans, LA.; 8:00 a.m. – 2:00 p.m.

With no further business, the meeting was adjourned to Executive Session where CIP issues, settlement approval processes and personnel issues were discussed.

Respectfully submitted,

Alison Hayes  
Staff Secretary

RESOLUTION OF THE BOARD OF DIRECTORS OF  
TEXAS REGIONAL ENTITY, A DIVISION OF  
ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.

**October 19, 2009**

WHEREAS, the initial term of the agreement between Texas Regional Entity, a division of the Electric Reliability Council of Texas, Inc. (ERCOT), by which North American Electric Reliability Corporation (NERC) has delegated certain authority and responsibility to Texas Regional Entity currently expires on May 15, 2010, as specified in section 11(b) of the agreement; and

WHEREAS NERC and all Regional Entities have determined it is appropriate to consider and develop a number of changes to the currently effective delegation agreements and have begun a process to do so; and

WHEREAS, it will take an extended period of time to renegotiate the delegation agreements, obtain the approvals of the renegotiated agreements by the respective governing bodies of the Regional Entities and the NERC Board of Trustees, and file and obtain approval of the renegotiated agreements from the Federal Energy Regulatory Commission; and

WHEREAS the effective date of the other Regional Entity agreements is May 2, 2007, and the effective date of the Texas Regional Entity agreement is May 16, 2007, due to the need to obtain Board approval at a May 16, 2007 meeting; and

WHEREAS, the Board of Directors ("Board") of Texas Regional Entity, has determined it to be appropriate and in the best interest of Texas Regional Entity to modify the effective date of the Texas Regional Entity delegation agreement to be May 2, 2007 and extend the initial term of the currently effective agreement, at its current terms and conditions except the modified effective date, for an additional year, to provide time to complete work on and obtain regulatory approval of the renegotiated agreements, until May 2, 2011;

NOW THEREFORE BE IT RESOLVED that the Board approves amendments to the Texas Regional Entity delegation agreement with NERC, as follows:

- (1) Modify the effective date to be May 2, 2007; and
- (2) Modify section 11(b) to effect a one-year extension of the initial term of the delegation agreement with NERC, until May 2, 2011, under the terms and conditions of the current agreement, except for the modified effective date.

BE it FURTHER RESOLVED that Texas Regional Entity staff is hereby authorized to immediately take such actions and the Chief Executive Officer Larry Grimm is authorized to sign such documents as are needed to authorize the modification of the effective date and an extension of the delegation agreement for a one-year period.

**CORPORATE SECRETARY'S CERTIFICATE**

I, Susan Vincent, Corporate Secretary of Texas Regional Entity, do hereby certify that, at the October 19, 2009 Texas Regional Entity Board of Directors Meeting, the Board of Directors of Texas Regional Entity approved the above referenced resolution. The motion passed by unanimous voice vote.

IN WITNESS WHEREOF, I have hereunto set my hand this 19<sup>th</sup> day of October, 2009.

  
\_\_\_\_\_  
Susan Vincent  
Corporate Secretary



**Matthew McVee**  
General Counsel & Corporate Secretary

360.567.4068  
mmcvee@wecc.biz

November 2, 2009

David Cook  
General Counsel  
North American Electric Reliability Corporation  
1120 G Street NW, Suite 990  
Washington, D.C. 20005

RE: Extension of Delegation Agreement

Dear Mr. Cook:

On October 22, 2009, the Western Electricity Coordinating Council's Board of Directors approved the proposed one year extension of the Delegation Agreement with the North American Electric Reliability Corporation. If you have any further questions, please contact me.

Sincerely,

Matthew McVee  
General Counsel

**RESOLUTION RE EXTENSION OF DELEGATION AGREEMENTS  
(Adopted by NERC Board of Trustees, November 5, 2009)**

WHEREAS, the initial terms of the agreements between NERC and the Regional Entities by which NERC has delegated certain authority and responsibility to the Regional Entities currently expire in May 2010, as specified in section 11(b) of the respective agreements; and

WHEREAS, NERC and the Regional Entities have determined it is appropriate to consider and develop a number of changes to the currently effective delegation agreements and have begun a process to do so; and

WHEREAS, it will take an extended period of time to renegotiate the delegation agreements, obtain the approvals of the renegotiated agreements by the respective governing bodies of the Regional Entities and the NERC Board of Trustees, and file and obtain approval of the renegotiated agreements from the Federal Energy Regulatory Commission; and

WHEREAS, it is appropriate to extend the initial terms of the currently effective agreements, at their current terms and conditions, for an additional year to provide time to complete work on and obtain regulatory approval of the renegotiated agreements; and

WHEREAS, the Regional Entities have agreed to amendments to section 11(b) of their respective agreements to extend the initial terms of the currently effective agreements for an additional year, to May 2011,

**RESOLVED:**

- (1) that the NERC Board of Trustees approves amendments to section 11(b) of the delegation agreements with the Regional Entities to effect a one-year extension of the initial terms of such agreements, until May 2011, under the terms and conditions of the current agreements, and
- (2) that management shall file a request with the Federal Energy Regulatory Commission for approval of such amendments.