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EXHIBIT A – WECC Request to Rescind e-Tagging Waivers to INT-001-2 and INT-004-1

I. INTRODUCTION

The North American Electric Reliability Corporation (“NERC”), in compliance with the directive in paragraph 825 of Order No. 693¹, hereby submits its response regarding the Western Electric Coordinating Council (“WECC”) regional difference to NERC Reliability Standards INT-001-2 and INT-004-1 pertaining to tagging dynamic schedules and inadvertent payback. **Exhibit A** to this filing contains a letter from WECC requesting to rescind these regional differences.

II. NOTICES AND COMMUNICATIONS

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

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¹ Order No. 693, *Mandatory Reliability Standards for the Bulk-Power System*, 118 FERC ¶ 61,218 (issued Mar. 16, 2007).

III. ACTION PLAN FOR RESCINDING WECC WAIVERS TO INT-001-2 and INT-004-1

NERC filed Reliability Standards INT-001-2 and INT-004-1 for approval by the Commission on November 15, 2006 and August 28, 2006, respectively. This request for approval included the *WECC Tagging Dynamic Schedules and Inadvertent Payback Waiver* that exempted WECC from requirements related to tagging dynamic schedules and inadvertent payback that were in effect since November 21, 2002.

In Order No. 693, the Commission stated:

822. ...The Commission noted in the NOPR that WECC is developing a tagging requirement for dynamic schedules. The Commission requested information from NERC on the status of the proposed tagging requirement, the time frame for its development, its consistency with INT-001-1 and INT-004-1 and whether the need for an exemption would cease when the tagging requirements become effective. The Commission stated that it would not approve or remand an exemption until NERC submits this information. Rather, we stated that we would consider any regional differences contained in a proposed WECC tagging requirement for dynamic schedules when submitted by NERC for Commission review.

825. The Commission stressed in Order No. 672 that uniformity of Reliability Standards should be the goal and practice, "the rule rather than the exception." The Commission therefore stated in the NOPR that the absence of a tagging requirement for dynamic schedules in WECC is a matter of concern, and that for this reason it could not approve or remand this regional difference without the additional information it requested. To date the Commission has not received this information. Of particular importance in this compliance filing will be the ERO's demonstration that this practice is due to a physical difference in the system or results in a more stringent Reliability Standard. Without this information, we are unable to address Xcel's comments further. The Commission therefore directs the ERO to submit a filing within 90 days of the date of this order either withdrawing this regional difference or providing additional information. [Footnote omitted.]

In a letter dated May 10, 2007 from Louise McCarren, WECC Chief Executive Officer and included as **Exhibit A** to this filing, WECC requested NERC to rescind the e-tagging waivers for Reliability Standards INT-001-2 and INT-004-1. Accordingly, NERC will process WECC's request to rescind these waivers through its *Reliability Standard Development*

Procedure that requires permanent changes to Reliability Standards be properly noticed to the industry and balloted. In the interest of expediency to remove these WECC waivers, NERC will implement these changes through its urgent action process.

On June 6, 2007, NERC, through the approved actions of its Standard Committee at its June 4-5, 2007 meeting, posted its 30-day pre-ballot review announcement for these changes. These proposed standards that exclude the variances will be balloted after this notice period expires in July, 2007. If the revised standards are approved by vote of the ballot pool, the revised standards will be presented for approval by the NERC Board of Trustees at its meeting scheduled for July 31 - August 1, 2007. Assuming Board approval, NERC will file these standards with the Commission for approval shortly after this NERC Board meeting.

WECC stated in its May 10, 2007 letter that in the interim, it intends for its member participants to comply with the NERC continent-wide Reliability Standards INT-001-2 and INT-004-1 when they become mandatory and enforceable.² WECC also notes that it will provide assistance to those entities that may not be compliant with INT-001-2 and INT-004-1 by the effective date of these standards, in filing mitigation plans with the WECC Compliance Enforcement Department.

² The WECC letter refers to the date of June 4, 2007, which was originally anticipated to be the effective date for the mandatory Reliability Standards approved by the Commission in Order No. 693. On May 31, 2007, the Commission issued a notice stating that the General Accountability Office has determined the effective date of the Final Rule adopted in Order No. 693, and therefore of the mandatory Reliability Standards approved therein, will be June 18, 2007.

IV. CONCLUSION

The North American Electric Reliability Corporation respectfully requests that the Commission accept this filing as compliance with paragraph 825 of Order No. 693.

Respectfully submitted,

/s/ Rick Sergel

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Exhibit A

**WECC Request to Rescind e-Tagging Waivers
to INT-001-2 and INT-004-1**



Louise McCarren
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May 11, 2007

Gerry Adamski
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Vice President, General Counsel, and
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Don Lacen
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Vice-Chair NERC Interchange Subcommittee

David Taylor
Manager of Regional Standards

Subject: WECC Waivers

Gentlemen:

Western Electricity Coordinating Council (WECC) respectfully requests that NERC rescind the e-Tagging waivers it originally requested in 2002. These waivers were approved on November 21, 2002, and are referenced in both NERC Standards INT-001-2 and INT-004-1 (attached). Originally, the WECC Operating Committee and Interchange Scheduling and Accounting Subcommittee (ISAS) had requested these waivers to NERC Policy 3 in regards to e-Tagging requirements for inadvertent payback schedules and dynamic schedules. At that time, the e-Tagging requirements did not apply to operations in the Western Interconnection. The subject of rescinding both of these waivers was presented to the WECC ISAS at their April 2007 meeting. ISAS unanimously agreed that WECC no longer needed to retain these waivers.

FERC Order 693, Paragraphs 822 and 825 address the need to provide information to NERC on the status of the WECC waivers. As stated in paragraph 822, the WECC is developing an e-Tagging business practice (WECC Regional Criteria) for dynamic schedules. This Regional Criteria will be considered by the WECC Operating Committee for approval at their June 2007 meeting. Following approval by the WECC Operating Committee, it is anticipated that the Regional Criteria will be considered by the WECC Board at their July 2007 meeting. The Regional Criteria will not in any way conflict with the NERC INT

Standards. It should also be noted that the WECC has taken steps to comply with the e-Tagging of all inadvertent payback interchange schedules.

WECC would also like to note that our Staff will provide assistance to those entities that may not be compliant with INT-001-2 and INT-004-1 by June 4, in filing mitigation plans with the WECC Compliance Enforcement Department. We fully expect this process to be completed by September 1, 2007.

Thank you for your consideration of this request.

Sincerely,

Louise McCarren

Louise McCarren

Attachments

cc: Bill Chamberlain, WECC Chair
Steve Cobb, WECC OC Chair
Carol Ballantine, WECC ISAS Chair
Steve Ashbaker, WECC

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CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the foregoing document upon all parties listed on the official service list compiled by the Secretary in this proceeding.

Dated at Chicago, Illinois this 14th day of June, 2007.

/s/ Owen E. MacBride
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Submission Contents

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