



FLORIDA RELIABILITY COORDINATING COUNCIL, INC.

1408 N. WESTSHORE BLVD., SUITE 1002 • TAMPA, FL. 33607-4512
(813) 289-5644 • FAX (813) 289-5646
WWW.FRCC.COM

November 4, 2002

Mr. David Cook
NERC
Princeton Forrestal Village
116-390 Village Boulevard
Princeton, NJ 08540-5731

Dear David:

We have reviewed the October 31, 2002 draft of the MOU between NERC and NAESB, and have lingering concerns.

In my letter of October 23, 2002, Paragraph (1), we were concerned that the JIC would usurp some of the responsibilities of SAC as defined in the NERC Reliability Standards Process Manual. We understand that in the "Whereas", it states:

"neither party shall be obliged to change its existing standards approval process....".

However, it goes on in Section 1.2 to state:

"the JIC will evaluate each standard development proposal¹ with this recognition in mind to **determine** (emphasis added) whether NAESB or NERC should develop the proposed standard.²" This language has the definite connotation that JIC will make the determination, not SAC.

In Section 2.4, it states:

"The JIC will determine whether a particular standard should be developed by NERC or by NAESB, based upon the coordination guidelines in Appendix A....."

Again, this indicates the JIC will "determine", not "recommend", as the last version indicates. This MOU must be perfectly clear in its intent.

¹ The JIC is not limited to new standards but can receive existing proposed standards referred to it by either Party.

² While the JIC will evaluate the disposition of standards with the recognition that most standards have both reliability and business standards and communication protocols implications, the intent of NERC and NAESB (through the JIC) is that the coordination process should work toward the development of "standards for the industry" and avoid characterizing standards, wherever possible.

Mr. David Cook
November 4, 2002
Page Two

In Section 3, "Filings with Governmental Authorities", this remains unchanged from the prior version. As I indicated in my previous letter, this wording can be interpreted to require NERC to file standards with regulatory authorities. This needs to be changed to allow NERC to have the "discretion", as to whether or not to file.

We appreciate the opportunity to provide our comments on this draft MOU.

Sincerely,



KEN WILEY
President and CEO

KW/ab

c: Mr. Mike Gent
Mr. Tim Gallagher
Mr. Glenn Ross