

Following are Allegheny Energy Supply's comments on the latest MOU draft:

In Appendix A, the first "In general" statement where standards are assigned to NAESB should include "balancing authority" and "interchange authority" functions. These functions need to be deleted from the standards assigned to NERC. Standards related to the balancing and interchange authority have direct commercial implications. Any standards, which have a commercial implication, should be developed by NAESB. NERC's role should be limited to strictly core reliability standards that do not have any commercial implications.

If NERC's role cannot be limited to such, then NERC and NAESB will jointly develop standards that have both commercial and reliability issues. This concept should be incorporated into Appendix A.