



Canadian Electricity Association  
Association canadienne de l'électricité

[www.canelect.ca](http://www.canelect.ca)

December 14, 2007

Mr. David Cook  
Vice President, General Counsel and  
Director of Regulatory Services  
North American Electric Reliability Council  
116-390 Village Boulevard  
Princeton, New Jersey 08540-5721

Dear David:

I am writing this letter as a follow up to conversations you had with CEA's Regulatory Development Task Group (RDTG) on November 9 in Washington, D.C. CEA appreciates the time you spent with the group and found the discussions very informative. In this letter, I would like to highlight an issue raised in the meeting regarding NERC's recent FERC filing requesting approval of section 1600 of its Rules of Procedure.

As you are aware, CEA and some of its members submitted comments to NERC on the draft section 1600 rules. In the comments, CEA had asked for certain changes to the rules, arguing that the rules could be interpreted to provide NERC with authority it may not have over Canadian entities. In your filing with FERC seeking approval of section 1600, you explained that such changes were not required, since the lack of authority goes to the question of what happens in the event an entity fails to provide the requested data.

Certain of those data requests, however, have raised concerns among CEA members. Specifically, broad-based data requests by NERC in response to directives of an external regulator for that regulator's sole use (such as FERC) are not appropriate. In the discussions on November 9, all parties agreed that requests such as these are not appropriate. We indicated that several Canadian entities do voluntarily participate in externally based data and event reporting activities and had been doing so for a considerable time. We also indicated that Canadian users, owners and operators have historically been solid members in the NERC community and certainly wish to remain such. But requiring CEA members to provide data and information requested by FERC would be inappropriate and would not be sanctioned by any Canadian regulatory authority.

You explained that it was not NERC's intention to have Canadian utilities provide information solely to satisfy a FERC directive, and agreed to try to resolve this issue by clarifying your position in terms of implementing section 1600.

Clarifying NERC's interpretation of adherence to the Rules of Procedures in instances such as this would address a significant concern within our membership. And this clarification must be explained consistent with section 1603, which requires that all owners, operators and users of the bulk-power system that are registered in the NERC Compliance Registry comply with authorized requests for data and information. (See Section 1603). If you respond in a letter clarifying that NERC will not seek data or information pursuant to section 1600 where such information requests originate from a single jurisdictional entity, we will be satisfied that our concerns are addressed. We believe that responses to such requests from a single jurisdiction would be considered voluntary

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by parties in other jurisdictions. But, importantly, these parties would also not be considered in violation of NERC's Rules of Procedure in these or similar instances should they choose not to participate or participate in partial mode. We would appreciate NERC's acknowledgement in this regard, as well. We believe this would be consistent with what NERC has previously done in similar circumstances, such as section 1505 of its Rules of Procedures.

In closing we would like to reiterate our appreciation of NERC's efforts in creating an international ERO and we welcome NERC's speedy resolution of this issue.

Yours sincerely,

CANADIAN ELECTRICITY ASSOCIATION

A handwritten signature in black ink, appearing to read "Hans R. Konow".

Hans R. Konow  
President and Chief Executive Officer

c.c. Kim Warren, Chair, Regulatory Development Task Group, CEA

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