

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;  
Sudeen G. Kelly, Marc Spitzer,  
and Jon Wellinghoff.

Delegation Agreement Between the North American  
Electric Reliability Corporation and Texas Regional  
Entity, a division of ERCOT Docket No. RR07-1-000

Delegation Agreement Between the North  
American Electric Reliability Corporation and  
Midwest Reliability Organization Docket No. RR07-2-000

Delegation Agreement Between the North American  
Electric Reliability Corporation and Northeast  
Power Coordinating Council: Cross Border  
Regional Entity, Inc. Docket No. RR07-3-000

Delegation Agreement Between the North American  
Electric Reliability Corporation and Reliability *First*  
Corporation Docket No. RR07-4-000

Delegation Agreement Between the North American  
Electric Reliability Corporation and SERC Reliability  
Corporation Docket No. RR07-5-000

Delegation Agreement Between the North American  
Electric Reliability Corporation and Southwest Power  
Pool, Inc. Docket No. RR07-6-000

Delegation Agreement Between the North American  
Electric Reliability Corporation and Western  
Electricity Coordinating Council Docket No. RR07-7-000

Delegation Agreement Between the North American  
Electric Reliability Corporation and Florida  
Reliability Coordinating Council. Docket No. RR07-8-000

ORDER ACCEPTING THE SUBMISSION OF  
EXECUTED ERO/REGIONAL ENTITY DELEGATION AGREEMENTS  
AND ESTABLISHING LIMITED COMMENT PROCEDURES

(Issued June 5, 2007)

1. On May 18, 2007, the North America Electric Reliability Corporation (NERC) submitted executed agreements providing for the delegation of Electric Reliability Organization (ERO) functions to eight Regional Entities,<sup>1</sup> as authorized and directed by our order issued in this proceeding on April 19, 2007.<sup>2</sup>
2. The *Delegation Agreements Order* specified that NERC's Delegation Agreements, as submitted by NERC in unexecuted form on November 29, 2006, would become effective upon execution and re-filing, within 30 days of the Commission's order. In addition, the *Delegation Agreements Order* directed that certain modifications be made to the Delegation Agreements. However, the Commission required that these modifications be submitted in a filing due 180 days from the date of the Commission's order. The Commission also held that these required modifications would not otherwise impede the implementation of the Delegation Agreements.
3. NERC, in the transmittal material accompanying its submittals, states that it has fully complied with the *Delegation Agreements Order*'s 30-day filing requirement as to: (i) the MRO Delegation Agreement ; (ii) the NPCC Delegation Agreement; (iii) the RFC Delegation Agreement; (iv) the SERC Delegation Agreement; (v) the WECC Delegation Agreement; and (vi) the FRCC Delegation Agreement. Specifically, NERC states that these executed agreements are identical to the proposed, unexecuted agreements before the Commission when it issued the *Delegation Agreements Orders*.

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<sup>1</sup> The eight Regional Entities are: (i) Texas Regional Entity, a Division of the Electric Reliability Council of Texas (TRE); (ii) Midwest Reliability Organization (MRO); (iii) Northwest Power Coordinating Council: Cross Border Regional Entity, Inc. (NPCC); (iv) ReliabilityFirst Corporation (RFC); (v) SERC Reliability Corporation (SERC); (vi) Southwest Power Pool, Inc. (SPP); (vii) Western Electricity Coordinating Council (WECC); and (viii) Florida Reliability Coordinating Council (FRCC).

<sup>2</sup> See *North American Electric Reliability Corporation*, 119 FERC ¶ 61,060 at P 5 (2007) (*Delegation Agreements Order*), *reh'g pending*.

4. NERC states, however, that three minor revisions have been made to the TRE Delegation Agreement at Exhibit B. First, NERC states that at Exhibit B, at p. 2, under Criterion 2, in section 6.1 of the ERCOT bylaws, the word “authorize” has been added.<sup>3</sup> Second, NERC states that at Exhibit B, at p. 3, under Criterion 2, in section 6.3 of the ERCOT bylaws, the words “who will report to the CCO” have been added with reference to the financial director of TRE.<sup>4</sup> Third, NERC states that at Exhibit B, at p. 6, under Criterion 3, in section 3.4 of the ERCOT bylaws, the following sentence has been added: “Any Member may request that the Member’s Annual Member Service Fees be waived for good cause shown.”

5. NERC states that the SPP Delegation Agreement has also been revised to comply with the modification required by P 428 of the *Delegation Agreements Order*.<sup>5</sup> NERC states that in the SPP Delegation Agreement, at Exhibit E, references to “balancing authorities” have been changed to “load-serving entities.”

6. We accept all eight of NERC’s executed Delegation Agreements. Subject to future action limited to the changes cited above, we will also establish limited comment procedures addressing the above-identified changes to the TRE Delegation Agreement and the SPP Delegation Agreement. Interested parties may file comments addressing these matters on, or before, 30 days of the date of this order.

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<sup>3</sup> The relevant text reads as follows: “The TRE shall form a Reliability Standards Committee (“RSC”), comprised of members from all ERCOT Segments, to propose, receive, consider, *authorize*, and vote on Reliability Standards and Reliability Variances, in accordance with the Texas Regional Entity Standards Development Process and procedures” (emphasis added).

<sup>4</sup> The relevant text reads as follows: “The Board may also appoint a financial director *who will report to the CCO*, with responsibility for overseeing the budgeting, finance and accounting functions necessary for the independent operation of the TRE” (emphasis added).

<sup>5</sup> The *Delegation Agreements Order*, at P 428, required, as a 180-day compliance item, that Exhibit E of the SPP Delegation Agreement be modified, consistent with SPP’s commitment to allocate its costs to its load serving entities rather than to its balancing authorities.

The Commission orders:

(A) Each of the NERC Delegation Agreements is hereby accepted, subject to future action limited to the changes discussed in the body of this order.

(B) Comments addressing the limited issues identified in this order may be filed on or before 30 days of the date of this order, as discussed in the body of this order.

By the Commission. Commissioner Moeller not participating.

( S E A L )

Kimberly D. Bose,  
Secretary.