

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

North American Electric Reliability Corporation)
) **Docket No. FA11-21-000**

**COMPLIANCE FILING OF THE NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION**

The North American Electric Reliability Corporation (“NERC”)¹ submits this compliance filing in accordance with the Commission’s January 16, 2013 Order in Docket No. FA11-21-000.² In the January 16 Order, the Commission approved a Settlement Agreement between the Office of Enforcement (“Enforcement”) and NERC related to Enforcement’s findings and recommendations arising out of its 2012 performance audit of NERC. Specifically, Section II.10(d) of the Settlement Agreement states:

With respect to implementation of Recommendation Nos. 22-24, NERC agrees to develop: (i) policies and procedures that identify the costs to be recorded as employee rewards and recognition; and (ii) policies and procedures for how NERC will provide such rewards and recognition. NERC will file these policies and procedures for Commission review no more than sixty days after they are finalized.³

Attached hereto is the NERC Employee Rewards and Recognition Policy, developed and finalized in accordance with Section II.10(d) of the Settlement Agreement. This

¹ NERC was certified by FERC as the electric reliability organization (“ERO”) authorized by Section 215 of the Federal Power Act. FERC certified NERC as the ERO in its order issued July 20, 2006 in Docket No. RR06-1-000. *Order Certifying North American Electric Reliability Corporation as the Electric Reliability Organization and Ordering Compliance Filing*, 116 FERC ¶ 61,062 (2006) (“ERO Certification Order”).

² See *North American Electric Reliability Corporation, Order Approving Settlement Agreement*, 142 FERC ¶ 61,042 (2013) (“January 16 Order”).

³ *Id.*

policy was finalized by NERC management in May 2013 after prior review and approval of the approach by NERC's Corporate Governance and Human Resources Committee.

I. NOTICES AND COMMUNICATIONS

Notices and communications with respect to this filing may be addressed to:⁴

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*Persons to be included on the
Commission's official service list

⁴ Persons to be included on the Commission's service list are identified by an asterisk. NERC respectfully requests a waiver of Rule 203 of the Commission's regulations, 18 C.F.R. § 385.203 (2012), to allow the inclusion of more than two persons on the service list in this proceeding.

II. CONCLUSION

NERC respectfully requests that the Commission accept this filing as compliant with Section II.10(d) of the Settlement Agreement and the Commission's January 16 Order in Docket No. FA11-21-000.

Respectfully submitted,

/s/ Rebecca J. Michael

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*Counsel for North American Electric
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Dated: May 28, 2013

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 Washington, D.C. this 28th day of May, 2013.

/s/ Meredith M. Jolivert

Meredith M. Jolivert
*Attorney for North American
Electric Reliability Corporation*

ATTACHMENT

Employee Rewards and Recognition Policy

Summary

NERC is committed to providing appropriate incentives to employees and groups of employees to maximize their contributions to the company and enhance the company's ability to hire and retain qualified employees in competitive labor markets within the boundaries of budgetary limitations and the economic environment within which the company operates, with due recognition of the cost of company operations to consumers.

It is the company policy that annual performance and salary review process be utilized as the primary method to evaluate and recognize employee contributions. In addition, the president and chief executive officer may determine that special circumstances may on occasion warrant the granting of interim raises or additional one time awards of compensation to individual employees, other than officers, based on exceptional performance which is above and beyond expectations together with a review of the employee's total remuneration compared to market. All compensation of officers shall continue to be subject to the prior review and approval of the Corporate Governance and Human Resources Committee (CGHRC). In addition to the foregoing, the company may from time to time establish other programs to recognize and reward employee contributions and which do not involve the payment of additional compensation.

The Human Resources Department shall be responsible for the administration, implementation and maintenance of the company's employee rewards and recognition programs. The Finance and Accounting Department shall ensure that the costs of such programs are appropriately recorded in the company's books and records and that the funding of such programs are appropriately addressed and reported in connection with the preparation and administration of the company's annual budget.