

## Conference Call Draft Minutes Member Representatives Committee

September 24, 2008 | 11 a.m. EDT  
Dial-In: 866-503-3045  
Code: 63292284

Member Representatives Committee (MRC) Chairman Steve Hickok called to order a duly noticed conference call meeting of the North American Electric Reliability Corporation Member Representatives Committee on September 24, 2008 at 11 a.m., EDT. A quorum was not reached; however, no votes were scheduled for this meeting. The meeting announcement, agenda, and list of attendees are attached as **Exhibits A, B, and C**, respectively.

### **NERC Antitrust Compliance Guidelines**

David Cook, vice president and general counsel, called attention to the NERC Antitrust Compliance Guidelines (**Exhibit D**).

### **Agenda Review**

Chairman Hickok informed the committee that the main purpose of the call was to preview the preliminary agendas for the next regular MRC and Board of Trustees (BOT) meetings on October 28 and 29 in Arlington, and to address a number of items including the new 24-hour meeting cycle for the MRC and BOT meetings.

### **MRC Special Election**

Chairman Hickok reminded the committee that a special election in sector 1 begins on Oct 6 and ends on October 16, 2008. The nominating period for this election has closed.

### **Discussion of 24-hour Meeting Cycle**

Chairman Hickok explained that the 24-hour meeting cycle refers to the period (currently scheduled from noon the first day to noon the second day) during which time the regular quarterly MRC and BOT meetings occur back-to-back. In discussions he and Vice Chairman Steve Naumann have had with Board of Trustees Chairman Richard Drouin, Rick Sergel, and David Whiteley about how to increase the effectiveness of the quarterly meetings, the group decided to implement changes beginning with the October meetings. These changes include moving items that will not require discussion by MRC or BOT members out of this period and into conference-call meetings. Further, most information-only items will be reduced to written material to be provided as background attached to

the agendas. Those informational items needing live presentations (e.g., to afford opportunity for clarifying questions) will be scheduled over the lunch period on the first day for optional attendance by members, with the regular meeting of the MRC beginning at about 1:00 p.m. Agenda items requiring dialogue will be slotted in either the MRC or BOT agenda, but not both, after determining which agenda best accommodates the discussion. Additionally, it may be determined that MRC and Trustee dialogue on a particular subject would best occur in the course of a board committee meeting, and for that purpose such committee would be given time in the 24-hour period, probably immediately following conclusion of the business of the MRC meeting.

Feedback on the effectiveness of these changes, as they are experienced, should be sent to Chairman Hickok, Vice Chairman Naumann, and Dave Whiteley.

Chairman Hickok explained that during the October 24-hour period the Board of Trustees Compliance Committee (BOTCC) will meet immediately following the MRC. The BOTCC agenda will include a discussion of certain aspects of the compliance monitoring and enforcement program that involve issues that were raised by the MRC in its earlier meetings this year. The BOTCC wishes to engage the MRC in a discussion of progress made to address these issues. The BOTCC meeting will convene after the MRC meeting without changing meeting rooms or seating around the table.

### **Upcoming MRC Officer Elections**

Chairman Hickok reported that the nomination period for the two officer positions of the MRC opened on September 2, 2008. This is a 30-day period and closes October 3. Officer elections will occur during the October 28, 2008 meeting. In addition, the 60-day nomination period for new sector representatives opened on September 2 and will close on October 31, 2008. One of the two seats from each of the sectors is up for election. Chairman Hickok explained that the latter nominating period was positioned to allow the ability to fill any sector vacancies that result from a sector representative being elected to an officer position.

### **Discussion of Call-In Capabilities for Future Meetings**

David Whiteley, executive vice president, stated that NERC is working with the Westin Arlington Gateway to see if they can accommodate call-in capabilities for the October meeting. The hotel has not yet confirmed whether technology is available and is still developing a cost estimate. Mr. Whiteley stated that we will attempt to deploy this option, if cost-effective and practical, for the October 28, 2008 meeting.

Chairman Hickok stressed the importance of attending the quarterly meetings in person, and reminded the call participants that as elected representatives of their sectors they should be making every effort to attend the meetings for the rare and highly valuable opportunity they provide for face-to-face time with the MRC members and the Trustees. He acknowledged that some members nevertheless may be unable to attend or to send or find a proxy from their sector, and that he is particularly sensitive to the small consumer

representatives who have indicated that budgets of their organizations are now extremely tight.

### **Long Term Reliability Assessment and Climate Change**

Chairman Hickok began this discussion by explaining that Rick Sergel had solicited the entire NERC membership for suggestions about the potential reliability impacts of climate change initiatives in order to provide input to the NERC Long Term Reliability Assessment (LTRA). Mark Lauby, manager of reliability assessments, provided a brief update on the status of the LTRA, and acknowledged that the section on climate change initiatives had not yet been written. He stated that the LTRA draft is being reviewed by the Planning Committee for endorsement and that NERC is currently summarizing the input received from the climate change survey. Kelly Ziegler, communications specialist, has taken the lead on that section of the LTRA and has reported that NERC received over 100 pages of responses from 50 different entities. The major points and supporting quotes from those responses will be used to build this section of the LTRA. NERC will post the draft section on its assessment of impacts of climate change initiatives no later than Monday, September 29, 2008. Comments on this particular section of the LTRA should be sent via email to [Kelly Ziegler](#) by October 3.

### **Overview of Preliminary Agendas for October 28 and 29 — Board of Trustees and the Member Representatives Meetings**

David Whiteley gave an overview of the preliminary agenda for the October 29, 2008 Board of Trustees meeting (**Exhibit E**). The MRC discussed the agenda and NERC staff provided input on the material that would be covered as part of each item.

### **Member Representatives Committee**

Chairman Hickok provided an overview of the Member Representatives Committee agenda (**Exhibit F**) and briefly touched on each agenda item. In closing he reminded the MRC that BOTCC Chairman Paul Barber will convene his committee meeting immediately following the MRC meeting on October 28.

### **Adjournment**

There being no further business, Chairman Hickok adjourned the meeting at 12:12 p.m.

Submitted by,



David Whiteley  
Secretary



## Conference Call: Member Representatives Committee

Chairman Steve Hickok has called a conference call of the NERC Member Representatives Committee to discuss the agendas for the MRC and Board of Trustees October 28-29 meetings. The agenda for this call will be sent out under separate cover.

The call details are as follows:

**DATE:** Wednesday, September 24, 2008  
**TIME:** 11 a.m. EDT  
**DIAL-IN:** 866-503-3045  
**CODE:** 63292284

This call is expected to last approximately 90 minutes.

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NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

## Agenda Member Representatives Committee Conference Call

September 24, 2008 | 11 a.m. EDT  
Dial-In: 866-503-3045  
Code: 63292284

### Call to Order and Determination of a Quorum

**Antitrust      Compliance Guidelines**

### Introductions and Chairman's Remarks

1. **Agenda Overview**
2. **Discussion of 24-hour Meeting Cycle**
3. **Upcoming MRC Officer Elections**
4. **Discussion of Call-In Capabilities for Future Meetings**
5. **[LTRA and Climate Change](#)** (this is an embargoed copy of the current 2008 Draft LTRA and is password protected—password to go out under separate cover to MRC members only)
- \* 6. **Overview of Preliminary Agendas for October 28 and 29**
  - a. Board of Trustees
  - b. Member Representatives Committee

\* Background materials included

**Conference Participant Report**  
**Conf. Date: 9/24/2008**  
**Conf. Time:10:00CT**

**Company: North American Electric**  
**Leader: Steve Hickock**  
**Conference ID: 63292284**

Start Time	End Time	Name	Company
9:56.01	11:09.14	MR S HICKOCK LDR	
9:53.38	11:09.11	MR D WHITELEY SPK	
10:13.16	11:09.15	MR M LAUBY SPK	
9:56.32	11:09.07	MR S NAUMANN SPK	
9:26.21	9:54.23	JEFF JOHNSON	KENTUCKY PUBLIC SERVICE COMMISSION
9:51.00	11:09.10	ALICE DRUFFEL	XCEL ENERGY
9:54.30	11:09.08	CHARLES YEUNG	SOUTHWEST POWER POOL
9:54.42	11:09.10	WILLIAM GALLAGHER	VERMONT PUBLIC POWER
9:54.58	11:09.04	KAREN SPOLAR	NERC
9:55.07	10:48.40	CARMINE MARCELLO	HYDRO ONE
9:55.13	11:09.11	LORI CHANCES	NERC
9:55.36	11:08.57	LOUISE MCCARREN	WECC
9:55.40	11:09.09	JULIUS PATAKY	BC TRANSMISSION
9:55.47	11:09.05	ED TYMOFICHUK	MANITOBA HYDRO
9:55.48	11:09.11	ED SCHWERDT	NORTHEAST POWER
9:55.55	10:55.46	MICHAEL GILDEA	CONSTELLATION ENGERY
9:55.58	11:09.07	DAVID DWORZAK	E EI
9:56.20	11:09.05	WILLIAM TAYLOR	CALPINE
9:56.25	11:08.59	SCOTT HELYER	TENASKA
9:56.26	11:09.09	MARLO LAIR	CEA
9:56.30	10:00.54	JOHN ANDERSON	ELCON
9:56.31	11:09.04	SARAH ROGERS	FRCC
9:56.35	11:09.12	TAB GANGOPADHYAY	NATL ENERGY CANADA
9:56.37	11:09.31	MARK WESTENDORF	MIDWEST I S O
9:56.38	11:09.06	MURRAY MARGOLIS	POWEREX
9:56.39	11:09.08	JENNIFER MATTIELLO	NPCC
9:56.50	11:09.05	MARTIN BAUER	BUREAU OF RECLAMATIO
9:57.02	11:09.05	DAVID GOULDING	NPCC
9:57.12	11:09.10	PAUL MURPHY	IESO
9:57.22	11:09.06	PETER SHANLEY	OFFICE OF CONSUMER COUNCEL

**Conference Participant Report**  
**Conf. Date: 9/24/2008**  
**Conf. Time:10:00CT**

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**Leader: Steve Hickock**  
**Conference ID: 63292284**

<b>Start Time</b>	<b>End Time</b>	<b>Name</b>	<b>Company</b>
9:58.12	10:34.36	AMADOU FALL	ACES POWER MARKETING
9:58.12	11:09.10	ROMAN CARTER	SOUTHERN COMPANY
9:58.20	11:09.09	BIJU GOPI	IESO
9:59.10	11:09.09	AULIA SOUDER	NERC
9:59.36	11:09.06	BARRY LAWSON	NRECA
9:59.44	11:09.11	STEPHEN AHEARN	ARIZONA RECO
10:00.21	11:09.12	PATRICK BROWN	HIGH PARK GROUP
10:00.32	10:21.38	DAN SKAAR	MRO
10:01.06	11:09.07	JOHN ANDERSON	EOCON
10:02.19	10:18.40	JIM KELLER	WISCONSIN ELECTRIC
10:05.23	11:09.09	DAVID MOHRE	NRECA
10:07.12	10:12.55	MARK LAUBY	NERC
10:15.55	11:09.14	MIKE YEALLAND	IESO
10:18.26	11:09.04	RICHARD LORDAN	EPRI
10:19.09	11:09.07	JIM KELLERJR	WISCONSIN ELECTRIC
10:20.36	11:09.21	ELLEN OSWALD	NERC
10:21.37	11:09.09	MAUREEN BORKOWSKI	AMEREN
10:27.38	11:09.18	ROBERT MARTINKO	FIRST ENERGY
10:28.53	11:09.10	CHET LYONS	BEACON POWER CORP
10:54.37	11:09.10	TIM ARLT	NPPD



## **NERC Antitrust Compliance Guidelines**

### **I. General**

It is NERC's policy and practice to obey the antitrust laws and to avoid all conduct that unreasonably restrains competition. This policy requires the avoidance of any conduct that violates, or that might appear to violate, the antitrust laws. Among other things, the antitrust laws forbid any agreement between or among competitors regarding prices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that unreasonably restrains competition.

It is the responsibility of every NERC participant and employee who may in any way affect NERC's compliance with the antitrust laws to carry out this commitment.

Antitrust laws are complex and subject to court interpretation that can vary over time and from one court to another. The purpose of these guidelines is to alert NERC participants and employees to potential antitrust problems and to set forth policies to be followed with respect to activities that may involve antitrust considerations. In some instances, the NERC policy contained in these guidelines is stricter than the applicable antitrust laws. Any NERC participant or employee who is uncertain about the legal ramifications of a particular course of conduct or who has doubts or concerns about whether NERC's antitrust compliance policy is implicated in any situation should consult NERC's General Counsel immediately.

### **II. Prohibited Activities**

Participants in NERC activities (including those of its committees and subgroups) should refrain from the following when acting in their capacity as participants in NERC activities (e.g., at NERC meetings, conference calls and in informal discussions):

- Discussions involving pricing information, especially margin (profit) and internal cost information and participants' expectations as to their future prices or internal costs.
- Discussions of a participant's marketing strategies.
- Discussions regarding how customers and geographical areas are to be divided among competitors.
- Discussions concerning the exclusion of competitors from markets.
- Discussions concerning boycotting or group refusals to deal with competitors, vendors or suppliers.

### **III. Activities That Are Permitted**

From time to time decisions or actions of NERC (including those of its committees and subgroups) may have a negative impact on particular entities and thus in that sense adversely impact competition. Decisions and actions by NERC (including its committees and subgroups) should only be undertaken for the purpose of promoting and maintaining the reliability and

adequacy of the bulk power system. If you do not have a legitimate purpose consistent with this objective for discussing a matter, please refrain from discussing the matter during NERC meetings and in other NERC-related communications.

You should also ensure that NERC procedures, including those set forth in NERC's Certificate of Incorporation and Bylaws are followed in conducting NERC business. Other NERC procedures that may be applicable to a particular NERC activity include the following:

- Reliability Standards Process Manual
- Organization and Procedures Manual for the NERC Standing Committees
- System Operator Certification Program

In addition, all discussions in NERC meetings and other NERC-related communications should be within the scope of the mandate for or assignment to the particular NERC committee or subgroup, as well as within the scope of the published agenda for the meeting.

No decisions should be made nor any actions taken in NERC activities for the purpose of giving an industry participant or group of participants a competitive advantage over other participants. In particular, decisions with respect to setting, revising, or assessing compliance with NERC reliability standards should not be influenced by anti-competitive motivations.

Subject to the foregoing restrictions, participants in NERC activities may discuss:

- Reliability matters relating to the bulk power system, including operation and planning matters such as establishing or revising reliability standards, special operating procedures, operating transfer capabilities, and plans for new facilities.
- Matters relating to the impact of reliability standards for the bulk power system on electricity markets, and the impact of electricity market operations on the reliability of the bulk power system.
- Proposed filings or other communications with state or federal regulatory authorities or other governmental entities.
- Matters relating to the internal governance, management and operation of NERC, such as nominations for vacant committee positions, budgeting and assessments, and employment matters; and procedural matters such as planning and scheduling meetings.

Any other matters that do not clearly fall within these guidelines should be reviewed with NERC's General Counsel before being discussed.

# NERC

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

## Draft Agenda Board of Trustees

October 29, 2008 | 8–11 a.m.  
The Westin Arlington Gateway  
801 North Glebe Road  
Arlington, Virginia  
703-717-6200

### **Introductions and Chairman's Remarks**

### **Antitrust Compliance Guidelines**

### **Consent Agenda — Approve**

#### **\*1. Minutes**

- June 24, 2008 Action Without a Meeting
- July 15, 2008 Conference Call
- July 30, 2008 Meeting
- August 8, 2008 Action Without a Meeting
- August 26, 2008 Conference Call

#### **\*2. Standing Committees**

#### **\*3. Future Meetings**

### **Regular Agenda**

#### **4. President's Report**

#### **\*5. Standards**

- a. "Standards Work Plan
- b. WECC Tier 1 Standards
- c. Errata and Errata Procedure

#### **\*6. Recommendations from Corporate Governance and Human Resources Committee on Standards Process**

#### **\*7. Cyber**

## **Committee, Group, and Forum Reports (Item 8)**

[Compliance and Certification Committee](#)

[Critical Infrastructure Protection Committee](#)

[Member Representatives Committee](#)

[Operating Committee](#)

[Personnel Certification Governance Committee](#)

[Planning Committee](#)

[Regional Entity Management Group](#)

[Standards Committee](#)

[Transmission Owners and Operators Forum](#)

## **Board Committee Reports**

- \* 9. **Finance and Audit**
- 10. **Nominating Committee**
- 11. **Compliance**
- 12. **Corporate Governance and Human Resources**
- 13. **Technology**
- 14. **Other Business**

\* Background materials included

## Draft Agenda Member Representatives Committee

October 28, 2008 | 12–3 p.m.  
The Westin Arlington Gateway  
801 North Glebe Road  
Arlington, Virginia  
703-717-6200

### **Informational Presentation (during lunch) — Events Analysis**

#### **Introductions and Chairman's Remarks**

#### **Antitrust Compliance Guidelines**

#### **Consent Agenda -- Approve**

- \*1. **Minutes**
  - [July 29, 2008 Meeting](#)
- \*2. **Future Meetings**

#### **Regular Agenda**

- 3. **Officer Elections**
- \*4. **Three-Year Performance Assessment — Discussion**
- 5. **Canadian Issues -- Discussion**
- \*6. **Winter Assessment — Discussion**
- \*7. **Regional Response to Rick Sergel's August 18<sup>th</sup> Letter — Discussion**
- 8. **Comments by Observers**
- 9. **Other Business**

**Information Only — No Discussion**

10. **Readiness Transition**
11. **Benchmarking Update**
12. **Training**
13. **Regulatory Update**
14. **Situation Awareness and Infrastructure Security Update**

\* Background material included