



March 25, 2008

Mr. William Head  
MAPPCOR  
1970 Oakcrest Avenue  
Suite 200  
Roseville, MN 55113

**RE: RES-501-MRO-01**

Dear Mr. Head:

On March 7, 2008, Midwest Reliability Organization ("MRO") notified each Load Serving Entity ("LSE") listed on the MRO Registry of the requirements contained in RES-501-MRO-01. MAPPCOR, contractor to the Mid-Continent Area Power Pool ("MAPP") and its Generation Reserve Sharing Pool ("GRSP") sought clarification of these requirements. The answers to MAPPCOR's specific questions are set forth below.

**1. If the MAPP LSEs desire to delegate responsibility under RES-501-MRO-01 to the MAPP GRSP, what are the ramifications of such a delegation relative to compliance and enforcement to the one accepting the delegation?**

*The purpose of RES-501-MRO-01 is to establish common criteria to assess resource adequacy in the MRO region for the ten-year planning horizon. To the extent LSEs designate a registered Reserve Sharing Group to meet the requirements of RES-501-MRO-01 on its behalf, and such Reserve Sharing Group accepts the designation, the individual LSEs still retains responsibility for compliance with the requirements of RES-501-MRO-01. The LSEs in the MRO region could also meet the requirements through the joint registration process, whereby the LSEs would jointly agree to meet the requirements of RES-501-MRO-01, perhaps through the use of an agent such as the MAPP GRSP.*

**2. What does "accepting" this role mean? Is this a contract? If so, with whom? What would be appropriate documentation of the delegation of responsibility and acceptance? By what means would the MRO verify the delegations?**

*Because the LSEs retain the responsibility for compliance with RES-501-MRO-01, the MAPP GRSP's acceptance of the LSEs' designation of it as the entity assigned to perform the activities necessary to meet the standard's requirements does not require the execution of a formal contract with the LSEs. The LSEs could adopt a resolution, reflected in the MAPP Pool Administrative Committee minutes, designating the MAPP GRSP. This would constitute sufficient documentation for MRO reporting and compliance purposes. The LSEs could then provide the resolution and minutes to the MRO as verification of the designation of the MAPP GRSP.*

### **3. What happens if a LSE violates RES-501-MRO-01?**

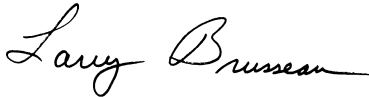
*Because RES-501-MRO-01 has not yet been approved by the North American Electric Reliability Corporation ("NERC"), it cannot be enforced as a Reliability Standard at this time. Thus, currently no civil penalties or sanction could be assessed under RES-501-MRO-01. If NERC approves RES-501-MRO-01 as a Reliability Standard, and applicable Regulatory Authorities (FERC in the USA) approves the Standard, penalty and sanctions could be assessed against a LSE, or LSEs, in accordance with the NERC penalty matrix.*

*RES-501-MRO-01 cannot be treated as an Organizational Standard under the MRO bylaws because its subject matter is within the authority of NERC. See MRO Bylaws, Section 1.18.*

*Thus, at the present time a failure to meet the requirements of RES-501-MRO-01 would be considered a violation of "good utility practice."*

If you have any further questions please feel free to contact me via telephone at (651) 855-1735 or via email at [le.brusseau@midwestreliability.org](mailto:le.brusseau@midwestreliability.org).

Sincerely,

A handwritten signature in cursive script that reads "Larry Brusseau".

Larry Brusseau  
Midwest Reliability Organization