



DAVID R. NEVIUS
Senior Vice President

NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

Princeton Forrestal Village, 116-390 Village Boulevard, Princeton, New Jersey 08540-5731

June 2, 2005

Luis A. Reyes
Executive Director for Operations
United States Nuclear Regulatory Commission
Washington, D.C. 20555-0001

Dear Mr. Reyes,

Enclosed are signed originals of the four appendices to the Memorandum of Agreement between the North American Electric Reliability Council and the U.S. Nuclear Regulatory Commission.

I am very pleased that we have reached agreement on these appendices and look forward to commencing our collaborative work on grid reliability analyses with your staff.

Sincerely,

Enclosures

A New Jersey Nonprofit Corporation

Phone 609-452-8060 ■ Fax 609-452-9550 ■ URL www.nerc.com

APPENDIX I TO NUCLEAR REGULATORY COMMISSION - NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL MEMORANDUM OF AGREEMENT

Appendix I: Coordination plan for communications and information sharing during or immediately following emergencies

This appendix has been developed under the framework of the Memorandum of Agreement (MOA) between the U.S. Nuclear Regulatory Commission (NRC) and the North American Electric Reliability Council (NERC) dated August 27, 2004 (ML042520329). The appendix should be implemented consistent with the terms and conditions of the MOA.

The purpose of this plan is to describe how NERC and the NRC will communicate and share information during or immediately following grid disturbances or unusual grid events that impact or could potentially impact the reliability of offsite power to one or more nuclear power plants (NPPs).

1. NERC, in its capacity as the Electricity Sector Coordinator and the operator of the Information Sharing and Analysis Center (ESISAC), will contact the NRC Headquarters Operations Officer (HOO) at 301-816-5100 or hoo1@nrc.gov when NERC becomes aware of a significant grid disturbance or an unusual grid event that has impacted or may impact the reliability of offsite power to one or more NPPs.
2. Learning through reports from licensees or other sources about grid events or conditions that have affected or could potentially affect the reliability of offsite power to one or more NPPs, NRC HOO or designee will contact NERC, through the ESISAC at 609-452-1422 or ESISAC@nerc.com.
3. The procedures in 10 §2.390, "Public inspections, exemptions, requests for withholding," shall govern any NERC submittal to the NRC in which NERC seeks to have the information, or a portion thereof, withheld from public disclosure. Any documents the NRC gives to NERC will be provided in accordance with applicable legal requirements and policies.

AGREEMENT

 Date: 5/27/05
Luis A. Reyes
Executive Director for Operations
U.S. Nuclear Regulatory Commission

 Date: 6/2/05
David R. Nevius
Senior Vice President
North American Electric Reliability Council

**APPENDIX II TO NUCLEAR REGULATORY COMMISSION - NORTH AMERICAN ELECTRIC
RELIABILITY COUNCIL MEMORANDUM OF AGREEMENT**

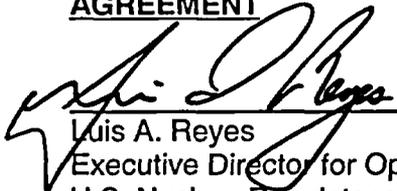
Appendix II: Coordination plan for specific event investigations and analysis and follow-up review activities

This appendix has been developed under the framework of the Memorandum of Agreement (MOA) between the U.S. Nuclear Regulatory Commission (NRC) and the North American Electric Reliability Council (NERC) dated August 27, 2004 (ML042520329). The appendix should be implemented consistent with the terms and conditions of the MOA.

The purpose of this plan is to describe how NERC and the NRC will communicate and cooperate in how they share information on a case-by-case basis on their respective investigations and analyses of specific events that affect the reliability of offsite power supply to one or more NPPs.

1. NERC and NRC will share event data and information from their respective inspections and analyses where doing so is judged beneficial to the other party. Such information may include reports on followup review activities. The parties recognize that they need to give each other certain information as designated by each party where such information could not otherwise be made available.
2. Following a specific event, the NRC Director of the Office of Nuclear Reactor Regulation and the NERC Senior Vice-President or their designees, may contact each other to identify an event analysis that the other may need including data, analyses, observations, findings, and conclusions or to invite the other to participate in a group followup. The NRC and NERC will promote and encourage the free flow of such information between NRC and NERC-designated central points of contact.
3. NERC may also invite the NRC to participate in a group formed to collect information, inspect, or provide an event report. NERC may request each industry nominee to sign a statement regarding proprietary information, conflicts of interest, or waivers. Each participant will be requested to comply with the procedures established for the event.
4. The procedures in 10 §2.390, "Public inspections, exemptions, requests for withholding," shall govern any NERC submittal to the NRC in which NERC seeks to have the information, or a portion thereof, withheld from public disclosure. Any documents the NRC gives to NERC will be provided in accordance with applicable legal requirements and policies.

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Date: 5/27/05
Luis A. Reyes
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U.S. Nuclear Regulatory Commission


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David R. Nevius
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North American Electric Reliability Council

APPENDIX III TO NUCLEAR REGULATORY COMMISSION - NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL MEMORANDUM OF AGREEMENT

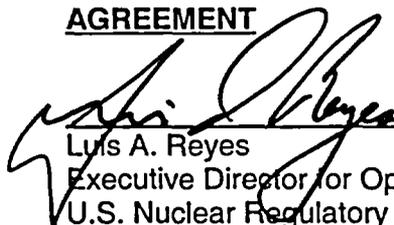
Appendix III: *Coordination plan for the exchange of operational experience data and information*

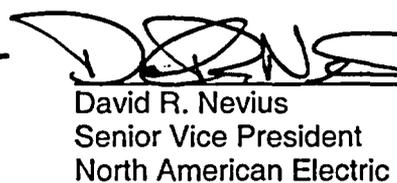
This appendix has been developed under the framework of the Memorandum of Agreement (MOA) between the U.S. Nuclear Regulatory Commission (NRC) and the North American Electric Reliability Council (NERC) dated August 27, 2004 (ML042520329). The appendix should be implemented consistent with the terms and conditions of the MOA.

The purpose of this plan is to describe how NERC and the NRC will communicate and cooperate regarding the assessment of collective grid performance data over time to identify changes, emerging trends, potential vulnerabilities, local problems, statistics, probabilistic risk assessments, etc.

1. The NRC Director of the Office of Nuclear Reactor Regulation and the NERC Senior Vice-President, or their designees will meet at least annually to identify areas of mutual interest and review available data. Both parties will facilitate the exchange of information needed to complete ongoing tasks. NERC may give the NRC access to data, tools to analyze data, and other information appropriate for assessing grid reliability performance. Additional agreements regarding access and use of the data will be developed on a case-by-case basis.
2. NERC may also invite the NRC to participate in a group formed to periodically analyze operational data. Technical oversight will be performed by the NERC designees. NERC may request each industry nominee to sign a statement regarding proprietary information, conflicts of interest, or waivers. Each participant will be requested to comply with the procedures established for the event.
3. NERC, in conjunction with its regional council members, will work to include nuclear power plant operating parameters in regional and interregional reliability studies.
4. NERC and NRC agree to collaborate on technical assessments of grid reliability performance where doing so would be mutually beneficial.
5. The procedures in 10 §2.390, "Public inspections, exemptions, requests for withholding," shall govern any NERC submittal to the NRC in which NERC seeks to have the information, or a portion thereof, withheld from public disclosure. Any documents the NRC gives to NERC will be provided in accordance with applicable legal requirements and policies.

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**APPENDIX IV TO NUCLEAR REGULATORY COMMISSION - NORTH AMERICAN ELECTRIC
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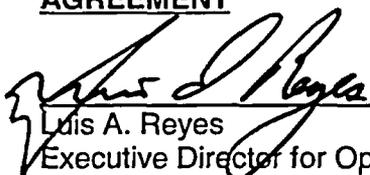
Appendix IV: *Coordination plan for participation by Nuclear Regulatory Commission staff in North American Electric Reliability Council committee and subgroup activities*

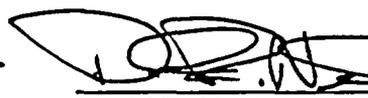
This appendix has been developed under the framework of the Memorandum of Agreement (MOA) between the U.S. Nuclear Regulatory Commission (NRC) and the North American Electric Reliability Council (NERC) dated August 27, 2004 (ML042520329). The appendix should be implemented consistent with the terms and conditions of the MOA.

The purpose of this plan is to facilitate participation by NRC technical staff in NERC technical committee and subgroup activities.

1. The NRC Director of the Office of Nuclear Reactor Regulation and the NERC Senior Vice-President, or their designees will meet at least annually, or as needed, to identify and prioritize areas of interest, the terms, and roles and responsibilities in the group. They will also discuss the status and benefit to ongoing participation as well as educational opportunities within NERC for NRC employees.
2. NERC supports participation by NRC technical staff in its technical committees and subgroups. Such participation is expected to result in improved awareness and understanding of the interface requirements between grid operations and nuclear power plant operations.
3. In general, participation or collaboration will focus on broad technical issues, and not issues affecting a single entity. Either party can conduct additional research beyond the scope of the project. NERC may request each industry nominee to sign a statement regarding proprietary information, conflicts of interest, or waivers. Either party can terminate participation. Participation will be at NRC expense. Each participant will be requested to comply with the procedures established for the event.
4. The areas where NRC technical staff would benefit by more direct participation are:
 - a. Reliability standards development
 - b. Reliability assessments
 - c. Reliability readiness audits
 - d. Critical infrastructure protection (both cyber security and physical security)
 - e. Reliability compliance
5. The procedures in 10 §2.390, "Public inspections, exemptions, requests for withholding," shall govern any NERC submittal to the NRC in which NERC seeks to have the information, or a portion thereof, withheld from public disclosure. Any documents the NRC gives to NERC will be provided in accordance with applicable legal requirements and policies.

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