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October 30, 2006

Mr. Sam R. Jones
President and Chief Executive Officer
Electric Reliability Council of Texas, Inc.
7620 Metro Center Drive
Austin, Texas 78744

Dear Mr. Jones:

Regional Standards Development Procedure

NERC is in the early stages of establishing a regional standards development program. We are working with each of the regions to attain a high level of consistency among the proposed regional standards development procedures. NERC has created a *Pro Forma Regional Reliability Standards Development Procedure* in conjunction with establishing the regional standards development program. NERC prefers that each regional entity adopt the pro forma procedure as its own. As an alternative, each region may adopt its own procedure incorporating the 34 common attributes NERC has identified within the *pro forma* regional procedure.

NERC posted the *Texas Regional Entity Standards Development Process* on the NERC Web site for public comment from September 20 through October 20, 2006. Concurrent with the public comment posting, NERC staff reviewed the ERCOT procedure and compared the process to the NERC pro forma and did not identify any notable differences.

NERC staff recommends that the NERC Board of Trustees approve the *Texas Regional Entity Standards Development Process* as a regional standards development procedure.

Thank you and your staff for assisting NERC staff in establishing NERC's regional standards development program.

Sincerely,

A handwritten signature in cursive script that reads "Gerry Cauley".

Gerry Cauley
Vice President and Director of Standards

GWC:sbc

cc: David Taylor — NERC
Steven Myers — ERCOT
Larry Grimm — ERCOT