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## Policy and Procedure 9: Consolidated Hearing Process

### 1. Objective

The objective of this policy and procedure is to set forth the Midwest Reliability Organization (MRO) policies regarding the selection and compensation of MRO Regional Representatives to serve on an ERO Hearing Body as described in in Section 403.14B (“Consolidated Hearing Process”) of the NERC Rules of Procedure (ROP) and detailed in Attachment 2 (“Hearing Procedures”) of Appendix 4C of the NERC Rules of Procedure (“Compliance Monitoring and Enforcement Program” or “CMEP” established to address MRO matters).

### 2. Policy

The ERO Hearing Body will have the authority to conduct hearings and render decisions on compliance issues in which a registered entity contests the finding of an alleged violation, proposed penalty or sanction, proposed Remedial Action Directives or components of a proposed mitigation plan. The details of the hearing process and duties of the Hearing Body are identified in the applicable sections of the NERC ROP.

### 3. Responsibilities

#### A. Selection of MRO Regional Representatives:

When selecting individuals to serve as MRO Regional Representatives on an ERO Hearing Body, the Governance and Personnel Committee will appoint individuals with the requisite expertise related to the technical or procedural aspect(s) of the contested issue. The Governance and Personnel Committee may appoint individuals who have previously served on the MRO Board of Directors or on an MRO organizational group.

If the Governance and Personnel Committee determines that there are no former MRO board members or organizational group members available to serve on an ERO Hearing Body, the Governance and Personnel Committee may appoint one or more individuals who have industry experience in the MRO region. If the Governance and Personnel Committee is not able to identify individuals with the requisite knowledge and expertise, the Governance and Personnel Committee may seek nominations from the current list of MRO members, in which case such nominees must be a member.

The Governance and Personnel Committee will not appoint two individuals whose most recent employer, or the employer with which the individual spent the majority of his/her career, are from the same industry sector. In appointing Representatives, the Governance and Personnel Committee will consider any real, or perceived, conflicts of interest an individual may have in serving as a Representative. Representatives may not be employed by, or conducting work for, any entity on the NERC Registry. Representatives may not have more than a *de minimus* equity interest (as defined in MRO’s Policy and Procedure 10: Conflict of Interest) in the registered entity that is the party to the hearing.



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## **B. Compensation:**

Individuals appointed to serve as an MRO Regional Representative on an ERO Hearing Body will be compensated as follows:

- For time spent in reviewing documentation and preparing for a hearing, including time to obtain necessary training, an MRO Regional Representative will receive compensation of \$5,000.
- For attendance at a hearing, an MRO Regional Representative will receive a flat per day rate of \$3,000 for each day of the hearing<sup>1</sup> for each of the first ten (10) days during which the hearing is conducted. Starting on day 11, and for each day after, the flat per day rate will be \$1,500 for each day of hearing until the maximum compensation amount has been reached.
- The maximum compensation per hearing appointment to be paid to an MRO Regional Representative is \$50,000. Requests for compensation for reasonable time spent in excess of the maximum total amount will be subject to review and approval of the MRO Finance and Audit Committee.
- In addition to compensation outlined above, MRO Regional Representatives will receive reimbursement of reasonable out-of-pocket expenses incurred in attending a hearing including, but not limited to, travel, meals, and accommodations.

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<sup>1</sup> Travel to and from the hearing the day before or the day after the hearing is not considered a hearing day for purpose of this fee. A day(s) spent in post-hearing deliberations required by the hearing is considered a hearing day for the purpose of this fee.