

Federal Energy Regulatory Commission
Washington, D.C. 20426
December 18, 2020

Re: Fifteenth Determination
Release Letter
FOIA No. FY19-30

VIA ELECTRONIC MAIL ONLY

Michael Mabee



CivilDefenseBook@gmail.com

Dear Mr. Mabee:

This is a response to your correspondence received on January 16, 2020, in which you requested information pursuant to the Freedom of Information Act (FOIA),¹ and the Federal Energy Regulatory Commission's (Commission) FOIA regulations, 18 C.F.R. § 388.108 (2019).

By letter dated December 4, 2020, the submitter and the concerned Unidentified Registered Entities (URE) were informed that a copy of the public version of the Notices of Penalty associated with Docket Nos. NP11-223 and NP11-251, along with the names of the relevant UREs inserted on the first page, would be disclosed to you no sooner than five calendar days from that date. *See* 18 C.F.R. § 388.112(e). The five-day notice period has elapsed and the documents are enclosed.

¹ 5 U.S.C. § 552 (2018).

On November 18, 2019, you filed suit in the U.S. District Court for the District of Columbia asserting claims in connection with this FOIA request. *See Mabee v. Fed. Energy Reg. Comm'n.*, Civil Action No. 19-3448 (KBJ) (D.D.C.). Because this FOIA request is currently in litigation, this letter does not contain information regarding administrative appeal of the response to the FOIA request. For any further assistance or to discuss any aspect of your request, you may contact Assistant United States Attorney April D. Seabrook by email at april.seabrook@usdoj.gov, by phone at (202) 252-2525, or by mail at United States Attorney's Office – Civil Division, U.S. Department of Justice, 555 Fourth Street, N.W., Washington, DC 20530.

Sincerely,

MARY
O'DRISCOLL

Digitally signed by MARY
O'DRISCOLL
Date: 2020.12.18 16:58:12
-05'00'

for

Lindsee Gentry
Director
Office of External Affairs

Cc

Mr. Peter Sorenson, Esq.
Counsel for Mr. Mabee
petesorenson@gmail.com

James M. McGrane
Senior Counsel
North American Electric Reliability Corporation
1325 G Street N.W. Suite 600
Washington, D.C. 20005
James.McGrane@nerc.net

Bcc URE(s)



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

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HAS BEEN REMOVED FROM THIS PUBLIC VERSION

NP11-223

Oklahoma Gas & Electric Company

June 29, 2011

Ms. Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

**Re: NERC Abbreviated Notice of Penalty regarding Unidentified Registered Entity,
FERC Docket No. NP11-__-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Abbreviated Notice of Penalty (NOP) regarding Unidentified Registered Entity (URE), with information and details regarding the nature and resolution of the violations¹ discussed in detail in the Settlement Agreement (Attachment a) and the Disposition Documents attached thereto, in accordance with the Federal Energy Regulatory Commission's (Commission or FERC) rules, regulations and orders, as well as NERC Rules of Procedure including Appendix 4C (NERC Compliance Monitoring and Enforcement Program (CMEP)).²

This NOP is being filed with the Commission because Southwest Power Pool Regional Entity (SPP RE) and URE have entered into a Settlement Agreement to resolve all outstanding issues arising from SPP RE's determination and findings of the violations of FAC-003-1 Requirement (R) 2, FAC-008-1 R1 and CIP-003-1 R1. According to the Settlement Agreement, URE neither admits nor denies the violations and has agreed to the assessed penalty of thirty thousand dollars (\$30,000), in addition to other remedies and actions to mitigate the instant violations and facilitate future compliance under the terms and conditions of the Settlement Agreement.

¹ For purposes of this document, each violation at issue is described as a "violation," regardless of its procedural posture and whether it was a possible, alleged or confirmed violation.

² *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards* (Order No. 672), III FERC Stats. & Regs. ¶ 31,204 (2006); *Notice of New Docket Prefix "NP" for Notices of Penalty Filed by the North American Electric Reliability Corporation*, Docket No. RM05-30-000 (February 7, 2008). See also 18 C.F.R. Part 39 (2011). *Mandatory Reliability Standards for the Bulk-Power System*, FERC Stats. & Regs. ¶ 31,242 (2007) (Order No. 693), *reh'g denied*, 120 FERC ¶ 61,053 (2007) (Order No. 693-A). See 18 C.F.R. § 39.7(c)(2).

NERC Notice of Penalty

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Accordingly, the violations identified as NERC Violation Tracking Identification Numbers SPP200700001, SPP200800062 and SPP200900149 are being filed in accordance with the NERC Rules of Procedure and the CMEP.

Statement of Findings Underlying the Violations

This NOP incorporates the findings and justifications set forth in the Settlement Agreement executed on April 27, 2011, by and between SPP RE and URE. The details of the findings and the basis for the penalty are set forth in the Disposition Documents. This NOP filing contains the basis for approval of the Settlement Agreement by the NERC Board of Trustees Compliance Committee (NERC BOTCC). In accordance with Section 39.7 of the Commission's regulations, 18 C.F.R. § 39.7, NERC provides the following summary table identifying each violation of a Reliability Standard resolved by the Settlement Agreement, as discussed in greater detail below.

NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Duration	Total Penalty (\$)
NOC-096	SPP200700001	FAC-003-1	2	High ³	6/27/07-6/27/07	30,000
NOC-096	SPP200800062	FAC-008-1	1	Medium	6/18/07-10/15/10	
NOC-096	SPP200900149	CIP-003-1	1	Lower ⁴	7/1/09-11/13/09	

The text of the Reliability Standards at issue and further information on the subject violations are set forth in the Disposition Documents.

FAC-003-1 R2 - OVERVIEW

URE identified and removed vegetation that contacted its 161 kV transmission line⁵ and reported it to SPP RE in a periodic data submittal on August 1, 2007. SPP RE determined that URE did not effectively implement its annual Transmission Vegetation Management Plan (TVMP). Specifically, URE did not ensure that its vegetation management work was completed according to its work specifications, which resulted in a six-minute outage of its transmission line.

FAC-008-1 R1 - OVERVIEW

During a Compliance Audit of URE, SPP RE determined that URE did not have a generation Facility Ratings Methodology meeting all the sub-requirements of FAC-008-1 R1. Specifically, URE did not: (1) include a statement that the Facility Rating for its generating Facilities shall

³ At the time of the violation, the Standard had Levels of Non-Compliance (LNCs) instead of VSLs. SPP RE determined a "Level 3" LNC because the instant transmission vegetation-related outage, described below, was the single Category 1 transmission vegetation-related outage reported by URE in 2007. SPP RE equated the applicable LNC to a "High" VSL for sanctioning pursuant to the NERC Sanction Guidelines. NERC subsequently filed proposed VSLs for several standards, including FAC-003-1, that was approved by FERC in an Order dated June 19, 2008.

⁴ CIP-003-1 R1 has a "Medium" Violation Risk Factor (VRF); R1.1, R1.2 and R1.3 each have a "Lower" VRF. In the context of this case, SPP RE determined the violation related to R1.1, and therefore a "Lower" VRF is appropriate.

⁵ At the time of the violation, the 161 kV transmission line was designated a critical facility for the purposes of compliance with FAC-003-1.

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equal the most limiting applicable Equipment Rating of the individual equipment that comprises the generating Facility; (2) include the scope of the equipment addressed in determining the generator Facility Rating, including the Rating of such equipment; (3) address Normal and Emergency Ratings; nor (4) consider Ratings provided by equipment manufacturers and design criteria.

CIP-003-1 R1 - OVERVIEW

During a Spot Check of URE, SPP RE determined that URE did not document and implement a cyber security policy that addressed all the requirements in Standards CIP-002 through CIP-009. Specifically, URE's cyber security policy did not conform to the password complexity defined in CIP-007-1 R5.3.2.⁶

Statement Describing the Assessed Penalty, Sanction or Enforcement Action Imposed⁷

Basis for Determination

Taking into consideration the Commission's direction in Order No. 693, the NERC Sanction Guidelines, the Commission's July 3, 2008, October 26, 2009 and August 27, 2010 Guidance Orders,⁸ the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on April 11, 2011. The NERC BOTCC approved the Settlement Agreement, including SPP RE's assessment of a thirty thousand dollar (\$30,000) financial penalty against URE and other actions to facilitate future compliance required under the terms and conditions of the Settlement Agreement. In approving the Settlement Agreement, the NERC BOTCC reviewed the applicable requirements of the Commission-approved Reliability Standards and the underlying facts and circumstances of the violations at issue.

In reaching this determination, the NERC BOTCC considered the following factors:⁹

1. The violations constituted URE's first occurrence of violation of the subject NERC Reliability Standards;
2. SPP RE reported that URE was cooperative throughout the compliance enforcement process;
3. there was no evidence of any attempt to conceal a violation nor evidence of intent to do so;
4. SPP RE determined that the violations posed a minimal risk and did not pose a serious or substantial risk to the reliability of the bulk power system (BPS), as discussed in the Disposition Documents; and

⁶ SPP RE will evaluate URE's compliance with the password requirements of CIP-007-1 R5.3.2 outside of this proceeding.

⁷ See 18 C.F.R. § 39.7(d)(4).

⁸ *North American Electric Reliability Corporation*, "Guidance Order on Reliability Notices of Penalty," 124 FERC ¶ 61,015 (2008); *North American Electric Reliability Corporation*, "Further Guidance Order on Reliability Notices of Penalty," 129 FERC ¶ 61,069 (2009); *North American Electric Reliability Corporation*, "Notice of No Further Review and Guidance Order," 132 FERC ¶ 61,182 (2010).

⁹ SPP RE considered URE's compliance program a neutral factor in determining the penalty, as discussed in the Disposition Documents.

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Unidentified Registered Entity

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5. SPP RE reported that there were no other mitigating or aggravating factors or extenuating circumstances that would affect the assessed penalty.

For the foregoing reasons, the NERC BOTCC approved the Settlement Agreement and believes that the assessed penalty of thirty thousand dollars (\$30,000) is appropriate for the violations and circumstances at issue, and is consistent with NERC's goal to promote and ensure reliability of the BPS.

Pursuant to 18 C.F.R. § 39.7(e), the penalty will be effective upon expiration of the 30 day period following the filing of this NOP with FERC, or, if FERC decides to review the penalty, upon final determination by FERC.

Request for Confidential Treatment

Information in and certain attachments to the instant NOP include confidential information as defined by the Commission's regulations at 18 C.F.R. Part 388 and orders, as well as NERC Rules of Procedure including the NERC CMEP Appendix 4C to the Rules of Procedure. This includes non-public information related to certain Reliability Standard violations, certain Regional Entity investigative files, Registered Entity sensitive business information and confidential information regarding critical energy infrastructure.

In accordance with the Commission's Rules of Practice and Procedure, 18 C.F.R. § 388.112, a non-public version of the information redacted from the public filing is being provided under separate cover.

Because certain of the attached documents are deemed confidential by NERC, Registered Entities and Regional Entities, NERC requests that the confidential, non-public information be provided special treatment in accordance with the above regulation.

Attachments to be included as Part of this Notice of Penalty

The attachments to be included as part of this NOP are the following documents:

- a) Settlement Agreement by and between SPP RE and URE executed April 27, 2011, included as Attachment a;
 - i. Disposition Document for Common Information, included as Attachment 1 to the Settlement Agreement;
 - ii. Disposition Document for FAC-003-1 R2, included as Attachment 1.a to the Settlement Agreement;
 - iii. Disposition Document for FAC-008-1 R1, included as Attachment 1.b to the Settlement Agreement; and
 - iv. Disposition Document for CIP-003-1 R1, included as Attachment 1.c to the Settlement Agreement.
- b) Record Documents for FAC-003-1 R2, included as Attachment b;

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- i. URE's NERC Quarterly Vegetation Outage Report for 2nd Quarter of 2007 for FAC-003-1 R2, included as Attachment b-1;
 - ii. URE's Mitigation Plan MIT-07-0528, included as Attachment b-2; and
 - iii. URE's Certification of Mitigation Plan Completion, included as Attachment b-3.
- c) Record Documents for FAC-008-1 R1, included as Attachment c;
 - i. SPP RE's Compliance Audit Report for URE, included as Attachment c-1;
 - ii. URE's Mitigation Plan MIT-07-2254, included as Attachment c-2;
 - iii. URE's Certification of Mitigation Plan Completion, included as Attachment c-3; and
 - iv. SPP RE's Verification of Mitigation Plan Completion, included as Attachment c-4.
- d) Record Documents for CIP-003-1 R1, included as Attachment d.
 - i. SPP RE's Spot Check Report for URE, included as Attachment d-1;
 - ii. URE's Mitigation Plan MIT-08-2188, included as Attachment d-2;
 - iii. URE's Certification of Mitigation Plan Completion, included as Attachment d-3; and
 - iv. SPP RE's Verification of Mitigation Plan Completion dated April 16, 2010, included as Attachment d-4.

A Form of Notice Suitable for Publication¹⁰

A copy of a notice suitable for publication is included in Attachment e.

¹⁰ See 18 C.F.R. § 39.7(d)(6).

NERC Notice of Penalty
Unidentified Registered Entity
June 29, 2011
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PRIVILEGED AND CONFIDENTIAL INFORMATION
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Notices and Communications

Notices and communications with respect to this filing may be addressed to the following:

<p>Gerald W. Cauley President and Chief Executive Officer David N. Cook* Sr. Vice President and General Counsel North American Electric Reliability Corporation 116-390 Village Boulevard Princeton, NJ 08540-5721 (609) 452-8060 (609) 452-9550 – facsimile david.cook@nerc.net</p> <p>Stacy Dochoda* General Manager Southwest Power Pool Regional Entity 16101 La Grande, Ste 103 Little Rock, AR 72223 (501) 688-1730 (501) 821-8726 – facsimile sdochoda@spp.org</p> <p>Joe Gertsch* Manager of Enforcement Southwest Power Pool Regional Entity 16101 La Grande, Ste 103 Little Rock, AR 72223 (501) 688-1672 (501) 821-8726 – facsimile jgertsch@spp.org</p> <p>Machelle Smith* Regional Entity Clerk Southwest Power Pool Regional Entity 16101 La Grande, Ste 103 Little Rock, AR 72223 (501) 688-1681 (501) 821-8726 – facsimile spprefileclerk@spp.org</p>	<p>Rebecca J. Michael* Associate General Counsel for Corporate and Regulatory Matters Sonia C. Mendonça* Attorney North American Electric Reliability Corporation 1120 G Street, N.W. Suite 990 Washington, DC 20005-3801 (202) 393-3998 (202) 393-3955 – facsimile rebecca.michael@nerc.net sonia.mendonca@nerc.net</p> <p>*Persons to be included on the Commission's service list are indicated with an asterisk. NERC requests waiver of the Commission's rules and regulations to permit the inclusion of more than two people on the service list.</p>
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NERC Notice of Penalty

PRIVILEGED AND CONFIDENTIAL INFORMATION

Unidentified Registered Entity

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Conclusion

Accordingly, NERC respectfully requests that the Commission accept this Abbreviated NOP as compliant with its rules, regulations and orders.

Respectfully submitted,

Gerald W. Cauley
President and Chief Executive Officer
David N. Cook
Sr. Vice President and General Counsel
North American Electric Reliability Corporation
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/s/ Rebecca J. Michael
Rebecca J. Michael
Associate General Counsel for Corporate
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Sonia C. Mendonça
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cc: Unidentified Registered Entity
Southwest Power Pool Regional Entity

Attachments

NERC

NORTH AMERICAN ELECTRIC
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Disposition Document for Common Information

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Attachment 1

DISPOSITION OF VIOLATION¹
INFORMATION COMMON TO INSTANT VIOLATIONS
Dated April 13, 2011

REGISTERED ENTITYUnidentified Registered Entity
(URE)**NERC REGISTRY ID**

NCRXXXXX

NOC#

NOC-0096

REGIONAL ENTITY

Southwest Power Pool Regional Entity (SPP RE)

IS THERE A SETTLEMENT AGREEMENT YES ☒ NO ☐**WITH RESPECT TO THE VIOLATION(S), REGISTERED ENTITY**

NEITHER ADMITS NOR DENIES IT (SETTLEMENT ONLY)	YES	<input checked="" type="checkbox"/>
ADMITS TO IT	YES	<input type="checkbox"/>
DOES NOT CONTEST IT (INCLUDING WITHIN 30 DAYS)	YES	<input type="checkbox"/>

**WITH RESPECT TO THE ASSESSED PENALTY OR SANCTION,
REGISTERED ENTITY****ACCEPTS IT/DOES NOT CONTEST IT** YES ☒**I. PENALTY INFORMATION****TOTAL ASSESSED PENALTY OR SANCTION OF \$30,000 FOR three (3)
VIOLATIONS OF RELIABILITY STANDARDS.****(1) REGISTERED ENTITY'S COMPLIANCE HISTORY**

**PREVIOUSLY FILED VIOLATIONS OF ANY OF THE INSTANT
RELIABILITY STANDARD(S) OR REQUIREMENT(S) THEREUNDER**
YES ☐ NO ☐

LIST VIOLATIONS AND STATUS**ADDITIONAL COMMENTS**

¹ For purposes of this document and attachments hereto, the violations at issue are described as "violations," regardless of their procedural posture and whether they were possible, alleged, or confirmed violations.

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Attachment 1

**PREVIOUSLY FILED VIOLATIONS OF OTHER RELIABILITY
STANDARD(S) OR REQUIREMENTS THEREUNDER**

YES ☐ NO ☐

LIST VIOLATIONS AND STATUS

ADDITIONAL COMMENTS

**(2) THE DEGREE AND QUALITY OF COOPERATION BY THE REGISTERED
ENTITY (IF THE RESPONSE TO FULL COOPERATION IS "NO," THE
ABBREVIATED NOP FORM MAY NOT BE USED.)**

FULL COOPERATION YES ☒ NO ☐
IF NO, EXPLAIN

**(3) THE PRESENCE AND QUALITY OF THE REGISTERED ENTITY'S
COMPLIANCE PROGRAM**

IS THERE A DOCUMENTED COMPLIANCE PROGRAM
YES ☐ NO ☒ **UNDETERMINED** ☐

EXPLAIN

SPP RE determined that URE had elements of a compliance program in place at the time of the violations, but did not consider it a factor in the determination of the penalty.

**DOES SENIOR MANAGEMENT TAKE ACTIONS THAT
SUPPORT THE COMPLIANCE PROGRAM, SUCH AS
TRAINING, COMPLIANCE AS A FACTOR IN EMPLOYEE
EVALUATIONS, OR OTHERWISE**

YES ☒ NO ☐

EXPLAIN

**EXPLAIN SENIOR MANAGEMENT'S ROLE AND
INVOLVEMENT WITH RESPECT TO THE REGISTERED
ENTITY'S COMPLIANCE PROGRAM**

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Attachment 1

(4) ANY ATTEMPT BY THE REGISTERED ENTITY TO CONCEAL THE VIOLATION(S) OR INFORMATION NEEDED TO REVIEW, EVALUATE OR INVESTIGATE THE VIOLATION.

YES ☐ NO ☒

IF YES, EXPLAIN

(5) ANY EVIDENCE THE VIOLATION(S) WERE INTENTIONAL (IF THE RESPONSE IS "YES," THE ABBREVIATED NOP FORM MAY NOT BE USED.)

YES ☐ NO ☒

IF YES, EXPLAIN

(6) ANY OTHER MITIGATING FACTORS FOR CONSIDERATION

YES ☐ NO ☒
IF YES, EXPLAIN

(7) ANY OTHER AGGRAVATING FACTORS FOR CONSIDERATION

YES ☐ NO ☒
IF YES, EXPLAIN

(8) ANY OTHER EXTENUATING CIRCUMSTANCES

YES ☐ NO ☒
IF YES, EXPLAIN

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Attachment 1

OTHER RELEVANT INFORMATION:**NOTICE OF ALLEGED VIOLATION AND PROPOSED PENALTY OR
SANCTION ISSUED**

SPP200700001	DATE: December 18, 2007
SPP200800062	DATE: December 2, 2009
SPP200900149	DATE: December 9, 2009

SETTLEMENT REQUEST DATE

SPP200700001	DATE: February 8, 2008
SPP200800062	DATE: December 21, 2009
SPP200900149	DATE: January 8, 2010

NOTICE OF CONFIRMED VIOLATION ISSUED

SPP200700001	N/A <input checked="" type="checkbox"/>
SPP200800062	N/A <input checked="" type="checkbox"/>
SPP200900149	N/A <input checked="" type="checkbox"/>

SUPPLEMENTAL RECORD INFORMATIONDATE(S) OR N/A ☒**REGISTERED ENTITY RESPONSE CONTESTED**FINDINGS ☐ PENALTY ☐ BOTH ☒ NO CONTEST ☐**HEARING REQUESTED**YES ☐ NO ☒

DATE

OUTCOME

APPEAL REQUESTED

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

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Disposition Document for FAC-003-1 R2

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Attachment 1.a

DISPOSITION OF VIOLATION

Dated April 13, 2011

NERC TRACKING NO.
SPP20070001

REGIONAL ENTITY TRACKING NO.
2007-001

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
FAC-003-1	2		High	High ¹

PURPOSE OF THE RELIABILITY STANDARD AND TEXT OF RELIABILITY STANDARD AND REQUIREMENT(S)/SUB-REQUIREMENT(S)

The purpose statement of FAC-003-1 provides:

To improve the reliability of the electric transmission systems by preventing outages from vegetation located on transmission rights-of-way (ROW) and minimizing outages from vegetation located adjacent to ROW, maintaining clearances between transmission lines and vegetation on and along transmission ROW, and reporting vegetation related outages of the transmission systems to the respective Regional Reliability Organizations (RRO) and the North American Electric Reliability Council (NERC).

FAC-003-1 R2 provides:

R2. The Transmission Owner shall create and implement an annual plan for vegetation management work to ensure the reliability of the system. The plan shall describe the methods used, such as manual clearing, mechanical clearing, herbicide treatment, or other actions. The plan should be flexible enough to adjust to changing conditions, taking into consideration anticipated growth of vegetation and all other environmental factors that may have an impact on the reliability of the transmission systems. Adjustments to the plan shall be documented as they occur. The plan should take into consideration the time required to obtain permissions or permits from landowners or regulatory authorities. Each Transmission Owner shall have systems and procedures for documenting and tracking the planned vegetation management work and ensuring that the vegetation management work was completed according to work specifications.

¹ See Compliance Filing of the North American Electric Reliability Corporation in Response to FERC Order, 118 FERC ¶ 61,030, January 17, 2008, at P 92 providing that “until such time as Violation Severity Levels are assigned individually for each requirement of each Reliability Standard, the existing Levels of Non-Compliance will serve as the basis of or, where warranted, be used “as is” as, Violation Severity Levels for sanctioning pursuant to the Sanctions Guidelines.”

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Attachment 1.a

FAC-003-1 applies to all transmission lines operated at 200 kV and above and to any lower voltage lines designated by the RRO, which in this case is SPP RE, as critical to the reliability of the electric system in the region.

VIOLATION DESCRIPTION

URE submitted a quarterly vegetation contact report to SPP RE. Therein, URE identified a vegetation contact on a 161 kV transmission line. The vegetation contact caused an outage of the transmission line lasting for approximately six (6) minutes. No URE load was interrupted by the outage. The vegetation contact was caused by a willow tree that had grown inside the ROW, next to the transmission line. The vegetation contact was confirmed by URE via an aerial inspection performed later the same day. The tree was removed by a ground crew immediately thereafter. Removal of the tree did not require the 161 kV transmission line to be de-energized.

URE's 2007 2nd Quarter vegetation contact report classified the outage as a Category 1 outage to the transmission line. A Category 1 outage is an outage caused by vegetation growing in the ROW that contacts the transmission line. The vegetation may be located in the sides of the ROW or on the ground area below or alongside the transmission line.

At the time of the vegetation contact, the 161 kV transmission line was four (4) years into an eight-year clear-cut cycle. The last encroachment clear-cut was performed in 2004. The ROW floor of the 161 kV transmission line was mowed in 2005 and spot treated with herbicide in 2005. Prior to the vegetation contact, URE had conducted an aerial inspection of the 161 kV transmission line on June 15, 2007. The aerial inspection was conducted in accordance with the schedule established in URE's Transmission Vegetation Management Plan (TVMP). The tree that was the cause of the outage was not reported during the June 15, 2007 aerial inspection. The inspector performing the post-outage aerial inspection of the 161 kV transmission line on the day of the outage, noted that the standing water in the ROW created the illusion that the tree was not as close to the line as it actually was, and that but for the burned sections of the tree, he might not have reported it as a danger tree.² In addition to the aerial inspection performed June 15, 2007, a ground spot inspection of the 161 kV transmission line was performed on March 9, 2007 by an URE Transmission Line Coordinator. The Coordinator did not identify any vegetation that posed an imminent threat to the transmission line.

Because the 161 kV transmission line operates below 200 kV, SPP RE confirmed the 161 kV transmission line was on the *Southwest Power Pool (SPP) OPSI* listing of 'critical

² The URE *Vegetation Management Transmission Outage Incident Summary* indicated the willow tree was located mid-span between two structures. The conductor was between 24 and 25 feet from the ground. The tree was 20.5 feet tall and standing in about 5 feet of water. The surrounding weeds and water created the illusion the tree was 15 feet tall.

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Attachment 1.a

facilities,³ and, therefore, subject to compliance with FAC-003-1. SPP RE staff reviewed the URE internal reports of the incident, photographs of the area and the ROW, reviewed the log of the last aerial patrol for the 161 kV transmission line, checked the meteorological data for the area, reviewed the URE 2004 through 2007 historical reports of reportable outages in the SPP RE footprint and finally, checked the encroachment and ground clearing schedules for the 161 kV transmission line to determine if the maintenance of the 161 kV transmission line was on-schedule.

Through its investigation SPP RE staff determined that:

- (a) The vegetation contact was caused by a willow tree that grew in the established ROW and was not the result of a fall-in or storm activity;
- (b) URE acted within the same day to remove the tree from the 161 kV ROW by cutting it down within hours of the outage;
- (c) URE's TVMP operates on an encroachment trimming cycle of 8 years and a ground clearance cycle of 3 years;
- (d) The maintenance of the 161 kV transmission line was on-schedule and within the intervals established in the URE TVMP;
- (e) URE's annual ROW inspection program was being performed on schedule and all critical transmission facilities were being inspected on a quarterly basis;
- (f) URE's records indicate a ground inspection of the 161 kV transmission line was performed on March 9, 2007;
- (g) Greater than normal rainfall in the months preceding the contact contributed to standing water in the 161 kV transmission line ROW creating an ideal growing environment for the willow tree that caused the outage;
- (h) Willow trees thrive in wet conditions and can grow 5 to 8 feet in a growing season;

³ On July 1, 2004, the Southwest Power Pool Operating Reliability Working Group approved a revised procedure for reporting vegetation contacts. Therein, the term "critical facility" for purposes of identifying those facilities requiring the reporting of vegetation contacts was given the same definition of "critical facilities" used in other SPP programs, i.e., those facilities requiring SPP approval prior to removal from service for a maintenance outage. Prior to July 1, 2005, the 161 kV transmission line was identified as a critical transmission facility. Subsequent to implementation of the SPP vegetation reporting procedure in 2004, all previously identified SPP critical transmission facilities, including the 161 kV transmission line, were designated critical transmission facilities for the purpose of compliance with FAC-003-1.

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

Attachment 1.a

(i) The aerial patrol of the 161 kV transmission line conducted June 15, 2007, failed to spot the contact willow tree. Consequently, URE ground crews were not previously notified of a potential danger tree in the 161 kV ROW;

(j) Standing water in the 161 kV ROW was a contributing factor in the line inspector's failure to identify the danger tree during the June 15, 2007 aerial patrol; and

(k) Prior to the vegetation contact, URE had not experienced a reportable vegetation contact outage since the reporting of such incidents began in the 1st Quarter 2004.

URE took the following proactive steps following the vegetation contact to ensure similar conditions did not exist in the URE system and to improve the effectiveness of the URE vegetation management program:

(a) An emergency inspection of all critical transmission facilities was performed to determine if there were similar potential vegetation contact problems;

(b) URE added the 161 kV transmission line to the database of transmission lines that receive a ground inspection every year;

(c) URE added an aerial inspection by helicopter of critical transmission facilities to compliment the four (4) fixed aerial patrols that are performed every year;

(d) Training was provided to aerial patrol personnel to improve the quality of inspections; and

(e) URE reviewed the overall maintenance cycle for both side and ground trimming and treatments. The Vegetation Management specialists at URE evaluated the types of herbicide used in the program to determine if a problem existed with the effectiveness against willow trees.

SPP RE determined that because URE's inspectors did not discover the offending tree during the March 9, 2007 ground inspection or during the June 15, 2007 aerial inspection, URE did not effectively implement its annual TVMP, and did not ensure that its vegetation management work was completed according to its work specifications, in violation of FAC-003-1 R2.

SPP RE assigned URE's violation of FAC-003-1 R2 a Violation Severity Level (VSL) of "High." Because the violation occurred on June 27, 2007, and FERC had not approved the VSLs proposed by NERC (approved June 19, 2008), SPP RE established the VSL consistent with the Levels of Non-Compliance (LNC) in the FAC-003-1 Reliability Standard. In the Standard, a Level 3 LNC is appropriate under the following conditions:

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HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

Attachment 1.a

Level 3:

2.3.1. The Transmission Owner reported one Category 1 or multiple Category 2 transmission vegetation-related outages in a calendar year, or;

2.3.2. The Transmission Owner did not maintain a set of clearances (Clearance 2), as defined in Requirement 1.2.2, to prevent flashover between vegetation and overhead ungrounded supply conductors, or;

2.3.3. The TVMP was incomplete in three of the requirements specified in any subpart of Requirement 1.

The instant transmission vegetation-related outage described above was the only Category 1 transmission vegetation-related outage reported by URE in 2007. Accordingly, SPP RE assigned the violation a Level 3 LNC, which equates to a “High” VSL for sanctioning pursuant to the NERC Sanction Guidelines.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

SPP RE determined that the violation did not pose a serious or substantial risk to the reliability of the bulk power system (BPS). Although the 161 kV transmission line was on the *SPP OPSI* critical transmission facilities list in 2007, the SPP Reliability Coordinator has since determined an outage on the 161 kV line does not pose the risk of a cascading outage on the BPS, and has removed the 161 kV transmission line from the *SPP OPSI* list of critical transmission facilities. On July 1, 2004, SPP adopted the same definition of critical transmission facilities utilized in SPP operating procedures (those facilities which required notification of SPP prior to removal from service for a maintenance outage) to also designate critical facilities for the purpose of compliance with FAC-003-1. Accordingly, by operation of the SPP Operating Reliability Working Group, the 161 kV transmission line was identified as a critical transmission facility for purposes of compliance with FAC-003-1. Because the 2004 definition was too expansive and inconsistent with the purpose of FAC-003-1, in April 2009, the SPP Markets and Operations Policy Committee (MOPC), approved a change to the SPP Criteria⁴ and the designation of critical transmission facilities applicable to FAC-003-1. For the purpose of compliance with FAC-003-1, the SPP MOPC defined critical transmission facilities as all transmission facilities greater than 200 kV and all those less than 200 kV that comprise an element of an Interconnection Reliability Operating Limit (IROL) flowgate, as published in the SPP IROL Relief Guides. The 161 kV transmission line operates at 161 kV and is not presently, nor was it in 2007, an element of an SPP IROL flowgate. Accordingly, the 161 kV transmission line is no longer considered a critical transmission facility, and a similar vegetation contact today would not result in a violation of FAC-003-1 R2. SPP RE has determined that notwithstanding SPP’s designation of the 161 kV

⁴ The Southwest Power Pool Criteria provides detail policies and standards of conduct for SPP members governing the coordinated planning and operation of the members interconnected electric systems. Section 5, Reliability Coordination was amended to include Section 5.2.1.2 Vegetation Management and the designation of transmission facilities subject to compliance with FAC-003-1.

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

Attachment 1.a

transmission line as a critical transmission facility in 2004, an outage of the 161 kV transmission line does not presently nor did it in 2007, give rise to the level of risk to the BPS contemplated in FAC-003-1.

The vegetation contact on the 161 kV transmission line resulted in an outage of approximately six (6) minutes. The 161 kV transmission line was loaded at 27% of its capacity, and no URE load was lost as a consequence of the outage. The contact vegetation was identified and removed in the same day.

SPP RE found the resulting actual and potential risk to the reliability of the BPS caused by the 2007 vegetation contact on the 161 kV transmission line to be minimal.

II. DISCOVERY INFORMATION

METHOD OF DISCOVERY

SELF-REPORT	<input type="checkbox"/>
SELF-CERTIFICATION	<input type="checkbox"/>
COMPLIANCE AUDIT	<input type="checkbox"/>
COMPLIANCE VIOLATION INVESTIGATION	<input type="checkbox"/>
SPOT CHECK	<input type="checkbox"/>
COMPLAINT	<input type="checkbox"/>
PERIODIC DATA SUBMITTAL	<input checked="" type="checkbox"/>
EXCEPTION REPORTING	<input type="checkbox"/>

DURATION DATE(S) day of the outage

DATE REPORTED TO REGIONAL ENTITY Periodic Data Submittal

IS THE VIOLATION STILL OCCURRING

YES ☐ **NO** ☒

IF YES, EXPLAIN

REMEDIAL ACTION DIRECTIVE ISSUED	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>
PRE TO POST JUNE 18, 2007 VIOLATION	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>

III. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO.	MIT-07-0528
DATE SUBMITTED TO REGIONAL ENTITY	8/17/07
DATE ACCEPTED BY REGIONAL ENTITY	8/28/07
DATE APPROVED BY NERC	4/30/08
DATE PROVIDED TO FERC	4/30/08

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

Attachment 1.a

**IDENTIFY AND EXPLAIN ALL PRIOR VERSIONS THAT WERE ACCEPTED
OR REJECTED, IF APPLICABLE**

The URE Mitigation Plan was originally submitted as complete on August 1, 2007. SPP RE requested URE resubmit the Mitigation Plan and include information supporting its completion. URE submitted a revised completed Mitigation Plan on August 17, 2008. The revised completed Mitigation Plan was subsequently submitted to NERC on April 30, 2008.

MITIGATION PLAN COMPLETED YES ☒ NO ☐

EXPECTED COMPLETION DATE 12/31/07

EXTENSIONS GRANTED None

ACTUAL COMPLETION DATE 1/9/08

DATE OF CERTIFICATION LETTER 1/18/08

CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF 1/9/08

DATE OF VERIFICATION LETTER N/A

VERIFIED COMPLETE BY REGIONAL ENTITY AS OF 1/9/08

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

- (a) On the same day the vegetation contact occurred, URE located the cause of the vegetation contact and removed the tree from the 161 kV transmission line ROW.
- (b) URE performed an emergency inspection of all of its critical transmission facilities to determine if similar potential vegetation contact problems existed on its transmission system.
- (c) URE added the 161 kV transmission line to the database of transmission lines that receive a ground inspection every year.
- (d) URE added an aerial inspection by helicopter of critical transmission facilities to complement the four (4) fixed aerial patrols that are performed every year
- (e) Training was provided to aerial patrol personnel to improve the quality of inspections.
- (f) The Vegetation Management specialists at URE evaluated the types of herbicide used in the program to determine if a problem existed with the effectiveness against willow trees. This review led to changes in the inspection activities for the transmission ROW.

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

Attachment 1.a

(g) URE reviewed the overall maintenance cycle for both side and ground trimming and treatments; the effectiveness of helicopter and fixed wing video documentation; the aerial patrol schedule, quantity and method (fixed v. helicopter); and the transmission line maintenance manpower and contract resources.

**LIST OF EVIDENCE REVIEWED BY REGIONAL ENTITY TO EVALUATE
COMPLETION OF MITIGATION PLAN OR MILESTONES (FOR CASES IN
WHICH MITIGATION IS NOT YET COMPLETED, LIST EVIDENCE
REVIEWED FOR COMPLETED MILESTONES)**

URE submitted the following as evidence of completion of its Mitigation Plan:

- (a) URE Mitigation Plan with attachments documenting removal of the tree and the actions taken by URE;
- (b) URE line clearing report – documenting the aerial patrol and actions taken to remove the tree from the 161 kV ROW;
- (c) URE 2008 Transmission Line Aerial Inspection data – documenting the additional aerial inspections of critical transmission facilities;
- (d) URE Transmission Vegetation Management Report – documenting the URE TVMP program and inclusive of the changes identified in the URE Mitigation Plan;
- (e) URE Compliance Audit Report, documenting both the review, by the SPP RE Audit Team, and the additional aerial inspections and changes to the URE TVMP;
- (f) URE Internal e-mail attesting to the modification of the URE vegetation management database to incorporate a ground inspection of the 161 kV transmission line;
- (g) Screen shot from the URE vegetation management database illustrating the schedule of maintenance activities for the 161 kV transmission line;
- (h) URE e-mail in response to SPP RE's request for information providing excerpt from 2008 ground patrol log showing inclusion of 161 kV transmission line; and,
- (i) URE Internal e-mail identifying the training and communications between the URE transmission coordinator and the aerial inspector.

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

Attachment 1.a

EXHIBITS:

URE's NERC Quarterly Vegetation Outage Report for 2nd Quarter of 2007

URE's Mitigation Plan

URE Certification of Mitigation Plan Completion

NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Disposition Document for FAC-008-1 R1

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

Attachment 1.b

DISPOSITION OF VIOLATION

Dated April 13, 2011

NERC TRACKING NO.

SPP200800062

REGIONAL ENTITY TRACKING NO.

2008-012

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
FAC-008-1	1	1.1,1.2,1.3	Medium	Severe

PURPOSE OF THE RELIABILITY STANDARD AND TEXT OF RELIABILITY STANDARD AND REQUIREMENT(S)/SUB-REQUIREMENT(S)

The purpose statement of FAC-008-1 provides: "To ensure that Facility Ratings used in the reliable planning and operation of the Bulk Electric System (BES) are determined based on an established methodology or methodologies."

FAC-008-1 R1 provides:

R1. The Transmission Owner and Generator Owner shall each document its current methodology used for developing Facility Ratings (Facility Ratings Methodology) of its solely and jointly owned Facilities. The methodology shall include all of the following:

R1.1. A statement that a Facility Rating shall equal the most limiting applicable Equipment Rating of the individual equipment that comprises that Facility.

R1.2. The method by which the Rating (of major BES equipment that comprises a Facility) is determined.

R1.2.1. The scope of equipment addressed shall include, but not be limited to, generators, transmission conductors, transformers, relay protective devices, terminal equipment, and series and shunt compensation devices.

R1.2.2. The scope of Ratings addressed shall include, as a minimum, both Normal and Emergency Ratings.

R1.3. Consideration of the following:

R1.3.1. Ratings provided by equipment manufacturers.

R1.3.2. Design criteria (e.g., including applicable references to industry Rating practices such as manufacturer's warranty, IEEE, ANSI or other standards).

R1.3.3. Ambient conditions.

R1.3.4. Operating limitations.

R1.3.5. Other assumptions.

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

Attachment 1.b

VIOLATION DESCRIPTION

During a Compliance Audit of URE, SPP RE found URE to be in violation of FAC-008-1 R1. SPP RE determined the URE procedure, *Facility Ratings Methodology*, did not meet the requirements of FAC-008-1 R1. Specifically, the URE policy references to the Southwest Power Pool (SPP) Criteria¹ and the URE Compliance data management tool did not meet the requirements in R1 to document URE's current methodology used for developing Facility Ratings of its facilities. With regard to generating facilities, the SPP Criteria did not: (1) include a statement that the Facility Rating for a generating Facility shall equal the most limiting applicable Equipment Rating of the individual equipment that comprises the generating Facility; (2) include the scope of the equipment addressed in determining the generator Facility Rating, including the Rating of such equipment; (3) address Normal and Emergency Ratings; nor (4) consider Ratings provided by equipment manufacturers and design criteria².

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

SPP RE determined that the violation did not pose a serious or substantial risk to the reliability of the bulk power system (BPS) because URE established its Facility Ratings in accordance with SPP Criteria. SPP Criteria required the development of a net capability rating for generating facilities by requiring the performance of a capability test under specific parameters, including but not limited to test duration and specific ambient conditions. The generator facility capacity tests performed by URE achieved a Facility Rating consistent with the spirit of FAC-008-1. The results of these tests were communicated to SPP, and were utilized to establish the Ratings of OGE's generator facilities. Accordingly, URE's failure to fulfill the administrative requirements of FAC-008-1 R1 had minimal potential and actual impact on the reliability of the BPS.

II. DISCOVERY INFORMATION**METHOD OF DISCOVERY**

SELF-REPORT
SELF-CERTIFICATION
COMPLIANCE AUDIT
COMPLIANCE VIOLATION INVESTIGATION
SPOT CHECK
COMPLAINT
PERIODIC DATA SUBMITTAL
EXCEPTION REPORTING

<input type="checkbox"/>
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<input checked="" type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

¹ The Southwest Power Pool Criteria provides detailed policies and standards of conduct for SPP members governing the coordinated planning and operation of the members interconnected electric systems. Section 12, Electrical Facility Ratings, addresses the rating of generation and transmission facilities.

² While the SPP Criteria did not originally fulfill all of the requirements of FAC-008, it has since been revised to follow the requirements of FAC-008-1.

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

Attachment 1.b

DURATION DATE(S): June 18, 2007 (when the Standard became enforceable) through October 15, 2010 (Mitigation Plan completion).

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY

Audit

IS THE VIOLATION STILL OCCURRING

YES ☐ NO ☒

IF YES, EXPLAIN

REMEDIAL ACTION DIRECTIVE ISSUED YES ☐ NO ☒
PRE TO POST JUNE 18, 2007 VIOLATION YES ☐ NO ☒

III. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO. MIT-07-2254
DATE SUBMITTED TO REGIONAL ENTITY 12/21/09
DATE ACCEPTED BY REGIONAL ENTITY 1/7/10
DATE APPROVED BY NERC 1/12/10
DATE PROVIDED TO FERC 1/12/10

**IDENTIFY AND EXPLAIN ALL PRIOR VERSIONS THAT WERE
ACCEPTED OR REJECTED, IF APPLICABLE**

MITIGATION PLAN COMPLETED YES ☒ NO ☐

EXPECTED COMPLETION DATE Submitted as complete
EXTENSIONS GRANTED
ACTUAL COMPLETION DATE 10/15/10

DATE OF CERTIFICATION LETTER 3/17/10
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF 4/17/09

DATE OF VERIFICATION LETTER 10/19/10
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF 10/15/10

**ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT
RECURRENCE**

URE documented its generator Facility Rating Methodology by creating and adopting *Facility Ratings Testing Methodology*. The testing and annual review

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

Attachment 1.b

required by the procedure is tracked in URE's plant maintenance management system.

**LIST OF EVIDENCE REVIEWED BY REGIONAL ENTITY TO
EVALUATE COMPLETION OF MITIGATION PLAN OR MILESTONES
(FOR CASES IN WHICH MITIGATION IS NOT YET COMPLETED,
LIST EVIDENCE REVIEWED FOR COMPLETED MILESTONES)**

(a) URE Facility Rating Methodology procedure

EXHIBITS:

SPP RE's Compliance Audit Report for URE

URE's Mitigation Plan

URE's Certification of Mitigation Plan Completion

SPP RE's Verification of Mitigation Plan Completion

NERC

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PRIVILEGED AND CONFIDENTIAL INFORMATION HAS BEEN REMOVED FROM THIS PUBLIC VERSION

Disposition Document for CIP-003-1 R1

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

Attachment 1.c

DISPOSITION OF VIOLATION

Dated April 13, 2011

NERC TRACKING NO.
SPP200900149

REGIONAL ENTITY TRACKING NO.
2009-079

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
CIP-003-1	1	1.1	Lower ¹	N/A ²

PURPOSE OF THE RELIABILITY STANDARD AND TEXT OF RELIABILITY STANDARD AND REQUIREMENT(S)/SUB-REQUIREMENT(S)

The purpose statement of CIP-003-1 provides in pertinent part: “Standard CIP-003 requires that that Responsible Entities^[3] have minimum security management controls in place to protect Critical Cyber Assets....”

CIP-003-1 R1 provides, in pertinent part:

R1. Cyber Security Policy — The Responsible Entity shall document and implement a cyber security policy that represents management’s commitment and ability to secure its Critical Cyber Assets. The Responsible Entity shall, at minimum, ensure the following:

R1.1. The cyber security policy addresses the requirements in Standards CIP-002 through CIP-009, including provision for emergency situations.

(Footnote added.)

The purpose statement of CIP-007-1 provides in pertinent part: “Standard CIP-007-1 requires Responsible Entities to define methods, processes, and procedures for securing

¹ CIP-003-1 R1 has a “Medium” Violation Risk Factor (VRF); R1.1, R1.2 and R1.3 each have a “Lower” VRF. In the context of this case, SPP RE determined the violation related to R1.1, and therefore a “Lower” VRF is appropriate.

² At the time of the violation, no VSLs were in effect for CIP-003-1. On June 30, 2009, NERC submitted VSLs for the CIP-002-1 through CIP-009-1 Reliability Standards. On March 18, 2010, the Commission approved the VSLs as filed, but directed NERC to submit modifications.

³ Within the text of Standard CIP-002 through CIP-009, “Responsible Entity” shall mean Reliability Coordinator, Balancing Authority, Interchange Authority, Transmission Service Provider, Transmission Owner, Transmission Operator, Generator Owner, Generator Operator, Load Serving Entity, NERC, and Regional Reliability Organizations.

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

Attachment 1.c

those systems determined to be Critical Cyber Assets, as well as the non-critical Cyber Assets within the Electronic Security Perimeter(s)....”

R5.3 provides:

R5.3. At a minimum, the Responsible Entity shall require and use passwords, subject to the following, as technically feasible:

R5.3.1. Each password shall be a minimum of six characters.

R5.3.2. Each password shall consist of a combination of alpha, numeric, and “special” characters.

R5.3.3. Each password shall be changed at least annually, or more frequently based on risk.

VIOLATION DESCRIPTION

During a Spot Check of URE, SPP RE found URE to be in violation of CIP-003-1 R1.1. Specifically, URE’s cyber security policy did not conform to the password complexity defined in CIP-007-1 R5.3.2. CIP-003-1 R1.1 requires that each Registered Entity’s cyber security policy addresses all the requirements in Reliability Standards CIP-002 through CIP-009. CIP-007-1 R5.3.2 required that each password used by the Responsible Entity, shall consist of a combination of alpha, numeric, and “special” characters.

URE’s *NERC CIP Handbook for the Corporate Cyber Security Policy* in the Password Construction section stated: “Create passwords which contain at least three of the four following characteristics: (1) At least one numeric character; (2) At least one special character; (3) At least one lower case character; and (4) At least one upper case character.” The URE policy was a violation of CIP-007-1 R5.3.2 because it allowed URE employees to choose three of the four characteristics, meaning employees could choose a password combination that would not contain a special character or a numeric character as required by the Standard.⁴

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

SPP RE determined that the violation did not pose a serious or substantial risk to the reliability of the Bulk Electric System because although the password construction policy originally established by URE was less prescriptive than the password construction requirements of CIP-007-1 R5.3.2, URE’s policies provided for strong passwords and met the spirit of the requirements.

⁴ SPP RE will evaluate URE’s compliance with the password requirements of CIP-007-1 R5.3.2 outside of this proceeding.

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

Attachment 1.c

The password construction policy established by URE allowed the use of upper case alpha, lower case alpha, numeric and special characters. An employee in the course of creating a password was required to utilize three of the four character sets in establishing a password of at least six characters. Additionally, URE's *NERC CIP Handbook for the Corporate Cyber Security Policy* provided that employees were not to construct a password utilizing:

- (a) an individual word found in a dictionary;
- (b) the company name or any other affiliate company name;
- (c) organization name or abbreviation
- (d) product names
- (e) user's name, UserID, or Username
- (f) sports teams or locale specific information; or
- (g) months/days of the week.

II. DISCOVERY INFORMATION

METHOD OF DISCOVERY

SELF-REPORT

☐

SELF-CERTIFICATION

☐

COMPLIANCE AUDIT

☐

COMPLIANCE VIOLATION INVESTIGATION

☐

SPOT CHECK

☒

COMPLAINT

☐

PERIODIC DATA SUBMITTAL

☐

EXCEPTION REPORTING

☐

DURATION DATE(S) 7/1/09 (when the Standard became mandatory and enforceable for URE) through 11/13/09 (Mitigation Plan completion)

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY Spot Check

IS THE VIOLATION STILL OCCURRING

YES ☐ NO ☒

IF YES, EXPLAIN

REMEDIAL ACTION DIRECTIVE ISSUED YES ☐ NO ☒
PRE TO POST JUNE 18, 2007 VIOLATION YES ☐ NO ☒

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

Attachment 1.c

III. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO.	MIT-08-2188
DATE SUBMITTED TO REGIONAL ENTITY	11/20/09
DATE ACCEPTED BY REGIONAL ENTITY	12/18/09
DATE APPROVED BY NERC	12/21/09
DATE PROVIDED TO FERC	12/21/09

**IDENTIFY AND EXPLAIN ALL PRIOR VERSIONS THAT WERE
ACCEPTED OR REJECTED, IF APPLICABLE**

MITIGATION PLAN COMPLETED YES ☒ NO ☐

EXPECTED COMPLETION DATE Submitted as complete

EXTENSIONS GRANTED

ACTUAL COMPLETION DATE 11/13/09

DATE OF CERTIFICATION LETTER 3/17/10

CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF 11/13/09

DATE OF VERIFICATION LETTER 4/16/10

VERIFIED COMPLETE BY REGIONAL ENTITY AS OF 11/13/09

**ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT
RECURRENCE**

URE modified its password construction requirements for employee access to its Critical Cyber Assets to comply with the requirements of CIP-007-1 R5.3.2. URE notified its employees of the change and required them to change their password configuration to comply. URE's *NERC CIP Handbook for the Corporate Cyber Security Policy* was revised to reflect the requirements of CIP-007-1 R5.3.2.

**LIST OF EVIDENCE REVIEWED BY REGIONAL ENTITY TO
EVALUATE COMPLETION OF MITIGATION PLAN OR MILESTONES
(FOR CASES IN WHICH MITIGATION IS NOT YET COMPLETED,
LIST EVIDENCE REVIEWED FOR COMPLETED MILESTONES)**

(a) Screen shot of password notice on SCADA/EMS system notifying users of the password construction requirements.

(b) E-mail to SCADA/EMS system users notifying them of changes to the password construction requirements and requiring them to change their passwords.

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

Attachment 1.c

(c) E-mail to cyber system users notifying them of changes to the password construction requirements and requiring them to change their passwords.

(d) URE's *NERC CIP Handbook for the Corporate Cyber Security Policy*.

EXHIBITS:

SPP RE's Spot Check Report for URE

URE's Mitigation Plan

URE's Certification of Mitigation Plan Completion

SPP RE's Verification of Mitigation Plan Completion

Document Content(s)

Public_FinalFiled_ANOP_NOC-096.PDF.....1



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION

NP11-251

Black Hills Power, Inc.

July 28, 2011

Ms. Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

**Re: NERC Abbreviated Notice of Penalty regarding Unidentified Registered Entity,
FERC Docket No. NP11-__-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Abbreviated Notice of Penalty (NOP) regarding Unidentified Registered Entity (URE), with information and details regarding the nature and resolution of the violation¹ discussed in detail in the Settlement Agreement (Attachment a) and the Disposition Document (Attachment b), in accordance with the Federal Energy Regulatory Commission's (Commission or FERC) rules, regulations and orders, as well as NERC Rules of Procedure including Appendix 4C (NERC Compliance Monitoring and Enforcement Program (CMEP)).²

This NOP is being filed with the Commission because Western Electricity Coordinating Council (WECC) and URE have entered into a Settlement Agreement to resolve all outstanding issues arising from WECC's determination and findings of the violation of CIP-006-1 Requirement (R) 1.1. According to the Settlement Agreement, URE admits to the stipulated violation facts and has agreed to the assessed penalty of seven thousand dollars (\$7,000), in addition to other remedies and actions to mitigate the instant violation and facilitate future compliance under the terms and conditions of the Settlement Agreement. Accordingly, the violation identified as NERC Violation Tracking Identification Number WECC201002031 is being filed in accordance with the NERC Rules of Procedure and the CMEP.

¹ For purposes of this document, each violation at issue is described as a "violation," regardless of its procedural posture and whether it was a possible, alleged or confirmed violation.

² *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards* (Order No. 672), III FERC Stats. & Regs. ¶ 31,204 (2006); *Notice of New Docket Prefix "NP" for Notices of Penalty Filed by the North American Electric Reliability Corporation*, Docket No. RM05-30-000 (February 7, 2008). See also 18 C.F.R. Part 39 (2011). *Mandatory Reliability Standards for the Bulk-Power System*, FERC Stats. & Regs. ¶ 31,242 (2007) (Order No. 693), *reh'g denied*, 120 FERC ¶ 61,053 (2007) (Order No. 693-A). See 18 C.F.R. § 39.7(c)(2).

NERC Notice of Penalty

PRIVILEGED AND CONFIDENTIAL INFORMATION

Unidentified Registered Entity

HAS BEEN REMOVED FROM THIS PUBLIC VERSION

July 28, 2011

Page 2

Statement of Findings Underlying the Violation

This NOP incorporates the findings and justifications set forth in the Settlement Agreement executed on March 9, 2011, by and between WECC and URE. The details of the findings and the basis for the penalty are set forth in the Disposition Document. This NOP filing contains the basis for approval of the Settlement Agreement by the NERC Board of Trustees Compliance Committee (NERC BOTCC). In accordance with Section 39.7 of the Commission's regulations, 18 C.F.R. § 39.7, NERC provides the following summary table identifying each violation of a Reliability Standard resolved by the Settlement Agreement, as discussed in greater detail below.

NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Duration	Total Penalty (\$)
NOC-840	WECC201002031	CIP-006-1	1.1	Medium ³	12/31/09-9/21/10	7,000

The text of the Reliability Standard at issue and further information on the subject violations are set forth in the Disposition Document.

CIP-006-1 R1.1 - OVERVIEW

URE submitted its Self-Certification to WECC citing a violation of CIP-006-1 R1.1. WECC determined that URE failed to ensure all Cyber Assets within its Electronic Security Perimeter were located within an identified Physical Security Perimeter (PSP) defined as a "six-walled" border when it identified five Critical Cyber Assets outside of the identified PSP.

Statement Describing the Assessed Penalty, Sanction or Enforcement Action Imposed⁴**Basis for Determination**

Taking into consideration the Commission's direction in Order No. 693, the NERC Sanction Guidelines, the Commission's July 3, 2008, October 26, 2009 and August 27, 2010 Guidance Orders,⁵ the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on June 10, 2011. The NERC BOTCC approved the Settlement Agreement, including WECC's assessment of a seven thousand dollar (\$7,000) financial penalty against URE and other actions to facilitate future compliance required under the terms and conditions of the Settlement Agreement. In approving the Settlement Agreement, the NERC BOTCC reviewed the applicable requirements of the Commission-approved Reliability Standards and the underlying facts and circumstances of the violation at issue.

³ CIP-006-1 R1, R1.1, R1.2, R1.3, R1.4, R1.5 and R1.6 are each assigned a Medium Violation Risk Factor (VRF) and CIP-006-1 R1.7, R1.8 and R1.9 are each assigned a Lower VRF.

⁴ See 18 C.F.R. § 39.7(d)(4).

⁵ *North American Electric Reliability Corporation*, "Guidance Order on Reliability Notices of Penalty," 124 FERC ¶ 61,015 (2008); *North American Electric Reliability Corporation*, "Further Guidance Order on Reliability Notices of Penalty," 129 FERC ¶ 61,069 (2009); *North American Electric Reliability Corporation*, "Notice of No Further Review and Guidance Order," 132 FERC ¶ 61,182 (2010).

NERC Notice of Penalty

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In reaching this determination, the NERC BOTCC considered the following factors:

1. the violation constituted URE's first occurrence of violation of the subject NERC Reliability Standard;
2. WECC reported that URE was cooperative throughout the compliance enforcement process;
3. URE had a compliance program at the time of the violation which WECC considered a mitigating factor, as discussed in the Disposition Document;
4. there was no evidence of any attempt to conceal a violation nor evidence of intent to do so;
5. WECC determined that the violation did not pose a serious or substantial risk to the reliability of the bulk power system (BPS), as discussed in the Disposition Document; and
6. WECC reported that there were no other mitigating or aggravating factors or extenuating circumstances that would affect the assessed penalty.

For the foregoing reasons, the NERC BOTCC approved the Settlement Agreement and believes that the assessed penalty of seven thousand dollars (\$7,000) is appropriate for the violation and circumstances at issue, and is consistent with NERC's goal to promote and ensure reliability of the BPS.

Pursuant to 18 C.F.R. § 39.7(e), the penalty will be effective upon expiration of the 30 day period following the filing of this NOP with FERC, or, if FERC decides to review the penalty, upon final determination by FERC.

Request for Confidential Treatment

Information in and certain attachments to the instant NOP include confidential information as defined by the Commission's regulations at 18 C.F.R. Part 388 and orders, as well as NERC Rules of Procedure including the NERC CMEP Appendix 4C to the Rules of Procedure. This includes non-public information related to certain Reliability Standard violations, certain Regional Entity investigative files, Registered Entity sensitive business information and confidential information regarding critical energy infrastructure.

In accordance with the Commission's Rules of Practice and Procedure, 18 C.F.R. § 388.112, a non-public version of the information redacted from the public filing is being provided under separate cover.

Because certain of the attached documents are deemed confidential by NERC, Registered Entities and Regional Entities, NERC requests that the confidential, non-public information be provided special treatment in accordance with the above regulation.

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Attachments to be included as Part of this Notice of Penalty

The attachments to be included as parts of this NOP are the following documents:

- a) Settlement Agreement by and between WECC and URE executed March 9, 2011, included as Attachment a;
- b) Disposition Document, included as Attachment b;
- c) URE's Self-Certification, included as Attachment c;
- d) URE's Mitigation Plan, included as Attachment d;
- e) URE's Certification of Mitigation Plan Completion, included as Attachment e; and
- f) WECC's Verification of Mitigation Plan Completion, included as Attachment f.

A Form of Notice Suitable for Publication⁶

A copy of a notice suitable for publication is included in Attachment g.

⁶ See 18 C.F.R. § 39.7(d)(6).

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Notices and Communications

Notices and communications with respect to this filing may be addressed to the following:

<p>Gerald W. Cauley President and Chief Executive Officer David N. Cook* Sr. Vice President and General Counsel North American Electric Reliability Corporation 116-390 Village Boulevard Princeton, NJ 08540-5721 (609) 452-8060 (609) 452-9550 – facsimile david.cook@nerc.net</p> <p>Mark Maher* Chief Executive Officer Western Electricity Coordinating Council 155 North 400 West, Suite 200 Salt Lake City, UT 84103 (360) 213-2673 (801) 582-3918 – facsimile Mark@wecc.biz</p> <p>Constance White* Vice President of Compliance Western Electricity Coordinating Council 155 North 400 West, Suite 200 Salt Lake City, UT 84103 (801) 883-6855 (801) 883-6894 – facsimile CWhite@wecc.biz</p> <p>Sandy Mooy* Associate General Counsel Western Electricity Coordinating Council 155 North 400 West, Suite 200 Salt Lake City, UT 84103 (801) 819-7658 (801) 883-6894 – facsimile SMooy@wecc.biz</p>	<p>Rebecca J. Michael* Associate General Counsel for Corporate and Regulatory Matters Davis Smith* Attorney North American Electric Reliability Corporation 1120 G Street, N.W. Suite 990 Washington, DC 20005-3801 (202) 393-3998 (202) 393-3955 – facsimile rebecca.michael@nerc.net davis.smith@nerc.net</p> <p>Christopher Luras* Manager of Compliance Enforcement Western Electricity Coordinating Council 155 North 400 West, Suite 200 Salt Lake City, UT 84103 (801) 883-6887 (801) 883-6894 – facsimile CLuras@wecc.biz</p> <p>*Persons to be included on the Commission's service list are indicated with an asterisk. NERC requests waiver of the Commission's rules and regulations to permit the inclusion of more than two people on the service list.</p>
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Conclusion

Accordingly, NERC respectfully requests that the Commission accept this Abbreviated NOP as compliant with its rules, regulations and orders.

Respectfully submitted,

Gerald W. Cauley
President and Chief Executive Officer
David N. Cook
Sr. Vice President and General Counsel
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/s/ Rebecca J. Michael
Rebecca J. Michael
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cc: Unidentified Registered Entity
Western Electricity Coordinating Council

Attachments



NERC

NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Attachment b

Disposition Document

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Attachment b

DISPOSITION OF VIOLATION¹

Dated June 10, 2011

NERC TRACKING NO.	REGIONAL ENTITY TRACKING NO.	NOC#
WECC201002031	WECC2010-609887	NOC-840
REGISTERED ENTITY		NERC REGISTRY ID
Unidentified Registered Entity (URE)		NCRXXXXX
REGIONAL ENTITY		
Western Electricity Coordinating Council (WECC)		

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
CIP-006-1	1	1.1	Medium²	N/A³

PURPOSE OF THE RELIABILITY STANDARD AND TEXT OF RELIABILITY STANDARD AND REQUIREMENT(S)/SUB-REQUIREMENT(S)

The purpose statement of CIP-006-1 provides in pertinent part: “Standard CIP-006 is intended to ensure the implementation of a physical security program for the protection of Critical Cyber Assets. Standard CIP-006 should be read as part of a group of standards numbered Standards CIP-002 through CIP-009.”

CIP-006-1 R1 provides in pertinent part:

R1. Physical Security Plan — The Responsible Entity¹⁴ shall create and maintain a physical security plan, approved by a senior manager or delegate(s) that shall address, at a minimum, the following:

¹ For purposes of this document and attachments hereto, each violation at issue is described as a “violation,” regardless of its procedural posture and whether it was a possible, alleged or confirmed violation.

² CIP-006-1 R1, R1.1, R1.2, R1.3, R1.4, R1.5 and R1.6 are each assigned a Medium Violation Risk Factor (VRF) and CIP-006-1 R1.7, R1.8 and R1.9 are each assigned a Lower VRF.

³ At the time of the violations, no VSLs were in effect for CIP-006-1. On June 30, 2009, NERC submitted VSLs for the CIP-002-1 through CIP-009-1 Reliability Standards. On March 18, 2010, the Commission approved the VSLs as filed, but directed NERC to submit modifications.

⁴ Within the text of Standard CIP-006, “Responsible Entity” shall mean Reliability Coordinator, Balancing Authority, Interchange Authority, Transmission Service Provider, Transmission Owner, Transmission Operator, Generator Owner, Generator Operator, Load Serving Entity, NERC, and Regional Reliability Organizations.

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R1.1. Processes to ensure and document that all Cyber Assets within an Electronic Security Perimeter also reside within an identified Physical Security Perimeter. Where a completely enclosed (“six-wall”) border cannot be established, the Responsible Entity shall deploy and document alternative measures to control physical access to the Critical Cyber Assets.

(Footnote added.)

VIOLATION DESCRIPTION

URE submitted a Self-Certification of noncompliance with CIP-006-1 R1.1 to WECC stating that at a facility, five Critical Cyber Assets (CCAs) thought to be within an identified Physical Security Perimeter (PSP) were discovered outside the identified PSP.

A WECC Compliance Subject Matter Expert (SME) reviewed URE’s Self-Certification and six documents that together comprise the Physical Security Plan for URE. The SME confirmed that URE identified a single PSP at the facility. The five CCAs, were discovered outside the identified PSP, however they were within an Electronic Security Perimeter (ESP). Therefore, URE created and implemented its Physical Security Plan (Plan), but processes in place did not ensure all Cyber Assets within an ESP were located within an “identified PSP,” which in this case was the control room. This failure was a violation of CIP-006-1 R1.1.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

WECC determined that the violation posed a minimal risk and did not pose a serious or substantial risk to the reliability of the bulk power system (BPS) because although URE failed to locate five CCAs within an identified PSP, each CCA was contained within a secured physical area. The CCAs were secured within a layered security area. The facility is surrounded by eight foot high gates with access points monitored and controlled by security personnel and controlled key access. Further, each CCA was located within a building with some form of access control and monitoring. Additionally, each device was identified as a CCA and further protected by within a locker. URE provided evidence demonstrating its Plan did ensure all other CCAs at the facility resided within an identified PSP secured by measures under Requirements 2 and 3. Further, each Cyber Asset contained within these borders had some measure of access control and security monitoring.

IS THERE A SETTLEMENT AGREEMENT

YES ☒

NO ☐

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WITH RESPECT TO THE VIOLATION(S), REGISTERED ENTITY

NEITHER ADMITS NOR DENIES IT (SETTLEMENT ONLY) YES ☐ADMITS TO IT YES ☒**Stipulates to the facts of the violation**DOES NOT CONTEST IT (INCLUDING WITHIN 30 DAYS) YES ☐WITH RESPECT TO THE ASSESSED PENALTY OR SANCTION, REGISTERED
ENTITYACCEPTS IT/ DOES NOT CONTEST IT YES ☒**III. DISCOVERY INFORMATION**

METHOD OF DISCOVERY

SELF-REPORT ☐SELF-CERTIFICATION ☒COMPLIANCE AUDIT ☐COMPLIANCE VIOLATION INVESTIGATION ☐SPOT CHECK ☐COMPLAINT ☐PERIODIC DATA SUBMITTAL ☐EXCEPTION REPORTING ☐

DURATION DATE(S) 1/1/10 through 9/21/10 (Mitigation Plan completion)

DATE DISCOVERED BY OR REPORTED
TO REGIONAL ENTITY**Self-Certification**IS THE VIOLATION STILL OCCURRING YES ☐ NO ☒

IF YES, EXPLAIN

REMEDIAL ACTION DIRECTIVE ISSUED YES ☐ NO ☒PRE TO POST JUNE 18, 2007 VIOLATION YES ☐ NO ☒**IV. MITIGATION INFORMATION**

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO.

MIT-09-2992

DATE SUBMITTED TO REGIONAL ENTITY

10/14/10

DATE ACCEPTED BY REGIONAL ENTITY

11/10/10

DATE APPROVED BY NERC

12/13/10

DATE PROVIDED TO FERC

12/14/10

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IDENTIFY AND EXPLAIN ALL PRIOR VERSIONS THAT WERE ACCEPTED OR REJECTED, IF APPLICABLE

On February 10, 2010, URE submitted a Mitigation Plan followed by its Certification of Mitigation Plan Completion submitted on March 15, 2010. The WECC SME reviewed URE's Completed Mitigation Plan as well as evidence demonstrating completion as of March 15, 2010. The WECC SME originally accepted URE's completed Mitigation Plan and Certification of Mitigation Completion on June 23, 2010. WECC Enforcement reviewed URE's Mitigation Plan on August 1, 2010 and determined that the WECC SME erred in accepting URE's Completed Mitigation Plan. URE had failed to demonstrate mitigation of the violation because all identified PSPs did not constitute a "six-walled" border. Accordingly, WECC sent URE a letter on September 15, 2010 requesting URE revise its Mitigation Plan to include the full scope of mitigation action taken.

MITIGATION PLAN COMPLETED YES ☒ NO ☐

EXPECTED COMPLETION DATE Submitted as complete

EXTENSIONS GRANTED

ACTUAL COMPLETION DATE 9/21/10⁵

DATE OF CERTIFICATION LETTER 10/6/10⁶

CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF 9/21/10⁷

DATE OF VERIFICATION LETTER 11/10/10

VERIFIED COMPLETE BY REGIONAL ENTITY AS OF 9/21/10

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

- **Six individual PSPs were established within the facility perimeter fence.**
- **Five individual PSPs were established to contain the five CCAs**
- **Each PSP restricts access to the CCA therein**
- **Locks were changed to further restrict access to the controlled keys.**
- **Four additional cameras were installed to provide complete coverage for the perimeter fence and within the facility's yard. (Completed**

⁵ URE voluntarily submitted a revised Mitigation Plan to include all mitigation undertaken after March 15, 2010. Action on the original Mitigation Plan was completed as of March 15, 2010. The Mitigation Plan submitted in October included a more complete description of URE's mitigation action including documentation revisions.

⁶ The Certification of Mitigation Plan Completion Letter is dated October 6, 2010, but was not submitted until October 14, 2010.

⁷ The Certification of Mitigation Plan Completion lists an incorrect completion date of March 15, 2010, which was the completion date of the previously rejected Mitigation Plan.

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3/5/2010) These cameras are monitored 24/7 by the security operations center.

- **Badge readers were added to the two main perimeter fence gates. These readers act as the identification mechanism for those accessing the facility's yard. (Completed 3/10/2010)**
- **Gate position sensors were added to the two main perimeter fence gates. A direct connect "push-button" phone was also added to the main vehicle entry gate to allow direct, communication with the security operations center. The badge readers and gate position switches are monitored 24/7 by the URE's security operations center. (Completed on 3/10/2010)**
- **Three perimeter fence gates which were no longer required for access to the site were welded shut. (Completed 3/10/2010)**
- **The operational vehicle access gate on east side of perimeter is locked and has gate position sensors in place to alarm when gate is opened. (Completed 3/10/2010)**
- **Finally, URE revised its Physical Security Plan, and Physical Security process and policies, to correctly define "PSP" as a "six-walled" border with controlled access. (Completed 9/21/10)**

LIST OF EVIDENCE REVIEWED BY REGIONAL ENTITY TO EVALUATE COMPLETION OF MITIGATION PLAN (FOR CASES IN WHICH MITIGATION IS NOT YET COMPLETED, LIST EVIDENCE REVIEWED FOR COMPLETED MILESTONES)

- **Training presentation provided to SMEs, Class attendance sheet**
- **PSP Documentation**
 - **Pre-mitigation location of PSPs and CCAs**
 - **Post mitigation location of individual PSPs**
- **Evidence of completed milestone activity**
 - **Project tracker task list indicating tasks, vendors, and completion dates**
 - **Photograph of CCAs enclosure lock and Corporate Security notice on CCA enclosure**
 - **Photograph of CCA door tamper switch**
 - **Photograph of welded portion of gate**
 - **Photograph of gate position sensors, card reader, and direct dial phone.**
 - **"Receiving Document" for delivery of 4 added cameras**
 - **Receipt for CCA enclosures locks and tamper switches**
 - **Emails indicating completion of locks and document updates**

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V. PENALTY INFORMATION

TOTAL ASSESSED PENALTY OR SANCTION OF **\$7,000** FOR **ONE** VIOLATION OF RELIABILITY STANDARDS.

(1) REGISTERED ENTITY'S COMPLIANCE HISTORY

PREVIOUSLY FILED VIOLATIONS OF ANY OF THE INSTANT
RELIABILITY STANDARD(S) OR REQUIREMENT(S) THEREUNDER

YES ☐ NO ☐

LIST VIOLATIONS AND STATUS

ADDITIONAL COMMENTS

PREVIOUSLY FILED VIOLATIONS OF OTHER RELIABILITY
STANDARD(S) OR REQUIREMENTS THEREUNDER

YES ☐ NO ☐

LIST VIOLATIONS AND STATUS

ADDITIONAL COMMENTS

**(2) THE DEGREE AND QUALITY OF COOPERATION BY THE REGISTERED
ENTITY (IF THE RESPONSE TO FULL COOPERATION IS "NO," THE
ABBREVIATED NOP FORM MAY NOT BE USED.)**

FULL COOPERATION
IF NO, EXPLAIN

YES ☒ NO ☐

**(3) THE PRESENCE AND QUALITY OF THE REGISTERED ENTITY'S
COMPLIANCE PROGRAM**

IS THERE A DOCUMENTED COMPLIANCE PROGRAM

YES ☒ NO ☐ UNDETERMINED ☐

EXPLAIN

**WECC reviewed URE's Internal Compliance Program (ICP), in place
at the time of the violation, and found it to be a mitigating factor in
determining the penalty.**

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EXPLAIN SENIOR MANAGEMENT'S ROLE AND INVOLVEMENT WITH RESPECT TO THE REGISTERED ENTITY'S COMPLIANCE PROGRAM, INCLUDING WHETHER SENIOR MANAGEMENT TAKES ACTIONS THAT SUPPORT THE COMPLIANCE PROGRAM, SUCH AS TRAINING, COMPLIANCE AS A FACTOR IN EMPLOYEE EVALUATIONS, OR OTHERWISE.

(4) ANY ATTEMPT BY THE REGISTERED ENTITY TO CONCEAL THE VIOLATION(S) OR INFORMATION NEEDED TO REVIEW, EVALUATE OR INVESTIGATE THE VIOLATION.

YES ☐ NO ☒
IF YES, EXPLAIN

(5) ANY EVIDENCE THE VIOLATION(S) WERE INTENTIONAL (IF THE RESPONSE IS "YES," THE ABBREVIATED NOP FORM MAY NOT BE USED.)

YES ☐ NO ☒
IF YES, EXPLAIN

(6) ANY OTHER MITIGATING FACTORS FOR CONSIDERATION

YES ☐ NO ☒
IF YES, EXPLAIN

(7) ANY OTHER AGGRAVATING FACTORS FOR CONSIDERATION

YES ☐ NO ☒
IF YES, EXPLAIN

(8) ANY OTHER EXTENUATING CIRCUMSTANCES

YES ☐ NO ☒
IF YES, EXPLAIN

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EXHIBITS:

SOURCE DOCUMENT
URE's Self-Certification

MITIGATION PLAN
URE's Revised Mitigation Plan MIT-09-2992

CERTIFICATION BY REGISTERED ENTITY
URE's Certification of Mitigation Plan Completion

VERIFICATION BY REGIONAL ENTITY
WECC's Verification of Mitigation Plan Completion

OTHER RELEVANT INFORMATION:

NOTICE OF ALLEGED VIOLATION AND PROPOSED PENALTY OR
SANCTION ISSUED

DATE: **9/16/10** OR N/A ☐

SETTLEMENT REQUEST DATE

DATE: **10/29/10** OR N/A ☐

NOTICE OF CONFIRMED VIOLATION ISSUED

DATE: OR N/A ☒

SUPPLEMENTAL RECORD INFORMATION

DATE(S) OR N/A ☒

REGISTERED ENTITY RESPONSE CONTESTED

FINDINGS ☐ PENALTY ☐ BOTH ☐ DID NOT CONTEST ☒

HEARING REQUESTED

YES ☐ NO ☒

DATE

OUTCOME

APPEAL REQUESTED

Document Content(s)

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