

Version 0 Risk Factors — Protection and Control

Summary Consideration: While several commenters made suggestions to change one or more of the ratings, there was no consensus to change any one of the ratings, therefore, no changes were made to the violation risk factors for this set of requirements.

Company	Segment	Balloter	Comments
ALCOA Yadkin/Tapoco Divisions	1	Marion Lucas	PRC-001-0 R2.1 and R2.2 should be medium. The corrective action is "as soon as possible" so a high VRF does not fit. PRC-002-0 R1.8 should be lower. It falls into the administrative category of requirements. Testing and maintenance of equipment is good preventative measure. The requirements of PRC-005 should be ranked as medium and not high. The requirement is for a testing and maintenance program. This almost falls to the lower category in that is an administrative/documentation requirement. PRC-006-0 R1 rank as medium. It is a coordinated document of procedure.
Response: The industry determined the VRFs for the standards/requirements by majority vote. There are not enough comments on the standards/requirements you reference to override the industry's VRF values. Changes to Standards will be addressed by the NERC Reliability Standards Development Plan: 2007-2009 which will review and revise as necessary all reliability standards. Please refer to the posted work plan for details.			
Ameren Services Company AMSE	1	Peggy L Ladd	The following changes should be made: PRC-002-0 R1.8 to Low Administrative PRC-005-0 R1 to High A testing program should be in place. PRC-005-0 R1.6 to Medium Testing behind schedule is unlikely to lead to electric system instability, separation, or cascading failures. There is no standard for testing requirement intervals.
Response: The industry determined the VRFs for the standards/requirements by majority vote. There are not enough comments on the standards/requirements you reference to override the industry's VRF values. Changes to Standards will be addressed by the NERC Reliability Standards Development Plan: 2007-2009 which will review and revise as necessary all reliability standards. Please refer to the posted work plan for details.			
American Transmission Company LLC ATC	1	Douglas Johnson	PRC-005-0, Requirement 1 has a "medium" risk rating, while the sub-requirements R1.1, R1.2, R1.3, etc; all have a "high" risk factor assigned. For Standard PRC-005-0, the basic requirement (R1) should have the same risk rating as assigned to the sub-requirements.
Response: The industry determined the VRFs for the standards/requirements by majority vote. There are not enough comments on the standards/requirements you reference to override the industry's VRF values. Changes to Standards will be addressed by the NERC Reliability Standards Development Plan: 2007-2009 which will review and revise as necessary all reliability standards. Please refer to the posted work plan for details.			
APPA	1	E. Nick Henery	Requesting the SDT to reduce the VRF to the lowest amounts on all

Consideration of Comments on Initial Ballot of Version 0 Violation Risk Factors for Protection and Control Standards

Company	Segment	Balloter	Comments
			requirements in standards that have not been approved as mandatory and enforceable in the NOPR without requiring modification. If these standards are not sufficient to be made mandatory and enforceable without requiring the standard to be submitted to the industry for modification, exposure to anything but the minimum penalty will result in excessive appeals and that will hurt the compliance program for those standards that are mandatory and enforceable without need for modification.
Response: The industry determined the VRFs for the standards/requirements by majority vote. There are not enough comments on the standards/requirements you reference to override the industry's VRF value(s). Changes to Standards will be addressed by the NERC Reliability Standards Development Plan: 2007-2009 which will review and revise as necessary all reliability standards. Please refer to the posted work plan for details. Note that violation risk factors will only be applicable to standards that receive applicable regulatory approvals.			
Dominion Virginia Power VAP	1	William Thompson	Many requirements in PRC-001 are rated high risk but do not rise to that level as high is defined. PRC-005 requirement for a test and maintenance plan is rated med. but each sub-requirement is rated high.
Response: The industry determined the VRFs for the standards/requirements by majority vote. There are not enough comments on the standards/requirements you reference to override the industry's VRF values.			
Entergy EES	1	George Bartlett	PRC-001, -005, and -017 are High in the standard and we recommend a Medium VRF.
Response: The industry determined the VRFs for the standards/requirements by majority vote. There are not enough comments on the standards/requirements you reference to override the industry's VRF values.			
JDRJC Associates	1	Jim Cyrulewski	Many of the standards will likely be revised because of the FERC NOPR. Thus voting on only risk factors is premature.
Response: NERC expects that most of the standards will be approved by FERC and other regulatory authorities. Note that violation risk factors will only be applicable to standards that receive applicable regulatory approvals.			
Manitoba Hydro		Robert George Coish	Requirement R6 in PRC-001-0 has been assigned a "Medium" risk factor. However, Special Protection Systems could be installed to prevent major network instability and potential widespread failures. If the protection is not functional and/or not appropriately monitored, or proper notification of non-functional status is not made to concerned parties, the worst contingency could result in network instability. This merits a "High" risk factor rating. The definition of a High risk factor is flawed because it excludes some important items that don't necessarily lead to an outage.
Response: The industry determined the VRFs for the Standards/requirements by majority vote. There are not enough comments on the standards/requirements you reference to override the industry's VRF value(s). The drafting team cannot make changes to the definitions for 'High, Medium and Lower' risk factors.			
Northern Indiana Public Service	1	JC Dobes	However, we believe that requirement, PRC-006-0 _ R1.4.2 should

Consideration of Comments on Initial Ballot of Version 0 Violation Risk Factors for Protection and Control Standards

Company	Segment	Balloter	Comments
Company NIPS			have its Violation Risk Factor reduced to MEDIUM.
Response: The industry determined the VRFs for the Standards/requirements by majority vote. There are not enough comments on the standard/requirement you reference to override the industry's VRF value.			
Pacific Gas & Electric PG&E	1	Chifong Thomas	PG&E understands that the VRF Drafting Team assigned the Violation Risk Factors (VRF) based on the VRF definitions filed by NERC. However, PG&E continues to believe that inconsistency exists in the assignments of the VRFs -- High, Medium or Lower -- amongst similar standards. That is, while the VRF assigned to each requirement may appear reasonable individually, they are not always consistent when compared to other similar requirements in similar standards. Therefore, PG&E's affirmative vote is made with the expectation that the VRFs will be further reviewed and refined during the three-year review of the entire set of standards planned to be accomplished by NERC's Reliability standards Development Plan: 2007-2009. PG&E also urges that field tests be conducted to refine the VRFs and to ensure smooth implementation.
Response: Changes to Standards will be addressed by the NERC Reliability Standards Development Plan: 2007-2009 which will review and revise as necessary all reliability standards. Please refer to the posted work plan for details.			
Potomac Electric Power Company PEPW	1	Richard Kafka	Several of the Requirements have risk factors that are not consistent with those of the sub-requirements. PRC-001-0 R2 is rated MEDIUM, its sub-requirements are rated HIGH PRC-002-0, R1 is LOWER, R 1.8 is MEDIUM PRC-005-0, R1 is MEDIUM, its sub-requirements are rated HIGH PRC-006-0, R1.2 is MEDIUM, its sub-requirements are rated HIGH Many sub-requirements are just lists and should not have separate risk factors.
Response: The industry determined the VRFs for the standards/requirements by majority vote. There are not enough comments on the standards/requirements you reference to override the industry's VRF values.			
Westar Energy WR	1	Allen Klassen	Does not consistently apply the three levels of risk as defined in Appendix 4 of the ERO Sanction Guidelines document.
Response: The industry determined the VRFs for the standards/requirements by majority vote.			
Xcel Energy	1	Gregory Pieper	Requirements are rated high based on importance rather than their risk.
Response: There are 142 Violation Risk Factors addressed with this ballot, and less than a third of these were allocated a 'HIGH' rating. The industry determined the VRFs for the standards/requirements by majority vote - the definitions for 'High, Medium, and Lower' risk factors were provided for reference when determining an appropriate risk factor.			
British Columbia Transmission Corporation	2	Phil Park	See attached document which includes comments on six PRC VRFs.
Response: The drafting team added your comments and its response to those comments to the end of this document.			

Consideration of Comments on Initial Ballot of Version 0 Violation Risk Factors for Protection and Control Standards

Company	Segment	Balloter	Comments
California Independent System Operator	2	David Hawkins	Many of the PRC risk factors are rated Medium to High which is appropriate as the relay protection systems are critical to reliability of the power system Response: Thank you for your support of the posted risk factors – the industry determined the VRFs for the standards/requirements by majority vote.
ISO New England Inc ISNE	2	Kathleen Goodman	Although ISO New England is voting for the adoption of the Violation Risk Factors as drafted for adoption in these standards, we believe that there is more work to be done in this area. We support adoption of these Risk Factors for the purpose of moving forward with enforceable Reliability standards but request that, as these standards are reviewed and revised to enhance and improve them, these facets, along with the Requirements and other aspects of the standards be revisited to achieve the ultimate goal of having specific, clear and unambiguous Reliability standards as envisioned by the industry. Response: Changes to Standards will be addressed by the NERC Reliability Standards Development Plan: 2007-2009 which will review and revise as necessary all reliability standards. Please refer to the posted work plan for details.
Midwest Independent Transmission System Operator, Inc.	2	Terry Bilke	See comments for Modeling ballot. Response: See Modeling Response.
Ontario - Independent Electricity Market Operator IMO	2	Don Tench	PRC-014 R1, R2, R3.1, R3.2 and R3.5 requirements appear to be missing in the ballot. Response: These requirements are on the ballot form posted on the NERC website during the balloting process in non-numerical order.
Cleco Utility Group CLEC	3	Bryan Harper	PRC-001-0, R2 change to "HIGH" because both sub requirements are "HIGH". PRC-005-0, R1.1 thru R1.6 change to "MEDIUM" because the lack of maintenance will not directly cause or contribute to the bulk electric system instability. PRC-014-0, R3.5 add "MEDIUM" to be consistent with other standards. PRC-017-0, R1.0 thru R1.5 change to "MEDIUM" because the lack of maintenance will not directly cause or contribute to the bulk electric system instability. Response: The industry determined the VRFs for the standards/requirements by majority vote. There are not enough comments on the standards/requirements you reference to override the industry's VRF values.
Consumers Energy CETR	3	David Lapinski	In PRC-005-0, Subitems R1.1 through R1.6 are listed as having a higher Violation Risk Factor than the associated R1 heading item. As a matter of form, subitems should have a VRF equal to or less than the heading item. Furthermore, in this case, we believe that subitems R1.1 through R1.6 relate to documentation rather than functionality and should be listed as "MEDIUM".

Consideration of Comments on Initial Ballot of Version 0 Violation Risk Factors for Protection and Control Standards

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Response: The industry determined the VRFs for the standards/requirements by majority vote. There are not enough comments on the standards/requirements you reference to override the industry's VRF values.			
Lincoln Electric System LES	3	Bruce E Merrill	Too many Requirements are rated as HIGH based on their importance rather than their risk.
Response: There are 142 Violation Risk Factors addressed with this ballot, and less than a third of these were allocated a 'HIGH' rating. The industry determined the VRFs for the standards/requirements by majority vote - the definitions for 'High, Medium, and Lower' risk factors were provided for reference when determining an appropriate risk factor.			
Manitoba Hydro MHEB	3	Ronald Dacombe	Requirement R6 in PRC-001-0 has been assigned a "Medium" risk factor. However, Special Protection Systems could be installed to prevent major network instability and potential widespread failures. If the protection is not functional and/or not appropriately monitored, or proper notification of non-functional status is not made to concerned parties, the worst contingency could result in network instability. This merits a "High" risk factor rating. The definition of a High risk factor is flawed because it excludes some important items that don't necessarily lead to an outage.
Response: The industry determined the VRFs for the standards/requirements by majority vote. There are not enough comments on the standard/requirement you reference to override the industry's VRF value. The drafting team cannot change the definitions for 'High, Medium and Lower' risk factors.			
Municipal Electric Authority of Georgia MPWR	3	Steven Jackson	There is still too much uncertainty and ambiguity with the final language and actual method of compliance with these standards to accept these risk factors.
Response: NERC expects that most of the standards will be approved by FERC and other regulatory authorities. Note that violation risk factors will only be applicable to standards that receive applicable regulatory approvals.			
Pacific Gas & Electric Company PGEU	3	Kevin Dasso	We believe a trial period should be included
Response: Based on the preliminary comments from FERC, we do not anticipate approval of a comprehensive trial period.			
Wisconsin Electric Power Marketing WEPM	3	James Keller	PRC-001-0 R2 is medium as the introductory statement. R2.1 and R2.2 must be medium also. PRC-003-0 R3 and R3.1 both should be a lower risk factor, MEDIUM at the highest. Relay additions or replacements themselves do not constitute a high risk because they do not truly contribute to potential system instability. The settings and coordination of relays are critical and are covered under other present or forthcoming standards. PRC-005-0 R1 sub-requirements should all be medium.
Response: The industry determined the VRFs for the standards/requirements by majority vote. There are not enough comments on the standards/requirements you reference to override the industry's VRF values. Changes to Standards will be addressed by the NERC Reliability			

Consideration of Comments on Initial Ballot of Version 0 Violation Risk Factors for Protection and Control Standards

Company	Segment	Balloter	Comments
Standards Development Plan: 2007-2009 which will review and revise as necessary all reliability standards. Please refer to the posted work plan for details.			
Wisconsin Public Service Corporation WPS	3	James Maenner	Too many requirements within the Protection and Control standards, which are important components of the standard and for compliance, are rated too high relative to reliability risk impact.
Response: The industry determined the VRFs for the Standards/requirements by majority vote. There are 142 Violation Risk Factors addressed with this ballot, and less than a third of these were allocated a 'HIGH' rating. The definitions for 'High, Medium, and Lower' risk factors were provided for reference when determining an appropriate risk factor.			
American Public Power Association	4	Allen Mosher	APPA support for these risk factors is predicated on their application only to TOPs that are part of and LSEs, DPs and GOPs that are connected to the BES as now defined. Application of medium or high VRF to violations by entities that have little or no potential to have a material impact on interconnected system operations of the BES is inappropriate.
Response: The NERC Compliance Organizational Registration process will determine the entities that need to register with the Regional Entities for compliance with the Reliability Standards.			
Consumers Energy CETR	4	David Frank Ronk	In PRC-005-0, Subitems R1.1 through R1.6 are listed as having a higher Violation Risk Factor than the associated R1 heading item. As a matter of form, subitems should have a VRF equal to or less than the heading item. Furthermore, in this case, we believe that subitems R1.1 through R1.6 relate to documentation rather than functionality and should be listed as "MEDIUM".
Response: The industry determined the VRFs for the standards/requirements by majority vote. There are not enough comments on the standards/requirements you reference to override the industry's VRF values.			
Grant County PUD No.2 GCPD	4	Kevin John Conway	Grant County Supports the development of these factors, but recommends that the violation penalties always be assessed at the lowest monetary levels.
Response: The NERC and Regional Compliance Entities will determine penalties in accordance with the Sanctions Guidelines in the ERO Rules of Procedure.			
Madison Gas and Electric Company MGE	4	Joe Buch	The PRC standards that impact Generator Owners and/or Generator Operators are inappropriately assigned a risk factor of HIGH. For example, protection systems already include redundancy, thus protective relay failure or equipment failure should not be placing the BES at "HIGH" risk for widespread outages.
Response: The industry determined the VRFs for the Standards/requirements by majority vote. There are not enough comments on the standards you reference to override the industry's VRF values.			
Snohomish County PUD SNPD	4	John Martinsen	It is difficult to assess violation levels of standards when the applicability of the standards is still unclear and has not been addressed. For example standards which apply to Transmission

Consideration of Comments on Initial Ballot of Version 0 Violation Risk Factors for Protection and Control Standards

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			<p>Operators or Transmission Planners should have a much different risk factor whether we are describing a 69 kV networked transmission line serving a local load area of 80 MW versus a 500 kV transmission line that is transferring firm power between large regions, and multiple balancing authorities. The functional model defines Transmission Operator, Transmission Planner, and so on, but does not define transmission, local networks, distribution, and so on. Using the definitions from the NERC reliability standards, "Bulk Electric System" or "Transmission Line" provides no distinction of scale of the system or whether they would have a material impact on reliability of the electric system beyond a local area. Transmission Line: A system of structures, wires, insulators and associated hardware that carry electric energy from one point to another in an electric power system. Lines are operated at relatively high voltages varying from 69 kV up to 765 kV, and are capable of transmitting large quantities of electricity over long distances Bulk Electric System: As defined by the Regional Reliability Organization, the electrical generation resources, transmission lines, interconnections with neighboring systems, and associated equipment, generally operated at voltages of 100 kV or higher. Radial transmission facilities serving only load with one transmission source are generally not included in this definition. Without clear definition of the applicability of the NERC reliability standards I cannot assess the reliability risk associated with violating a particular NERC reliability standard.</p>
<p>Response: The sanctions guidelines provide some latitude in assigning penalties. NERC recognizes the need to refine the applicability section of standards to add more specificity to the description of the entities and facilities addressed by each standard and included the upgrade of the applicability section of standards as one of the focus areas in the NERC Reliability Standards Development Plan: 2007-2009 which will review and revise as necessary all reliability standards. Please refer to the posted work plan for details.</p>			
Wisconsin Energy Corporation - PM WEC	4	Anthony Jankowski	<p>PRC-001-0 R2 is medium as the introductory statement. R2.1 and R2.2 must be medium also. PRC-003-0 R3 and R3.1 both should be a lower risk factor, MEDIUM at the highest. Relay additions or replacements themselves do not constitute a high risk because they do not truly contribute to potential system instability. The settings and coordination of relays are critical and are covered under other present or forthcoming standards. PRC-005-0 R1 sub-requirements should all be medium.</p>
<p>Response: The industry determined the VRFs for the standards/requirements by majority vote. There are not enough comments on the standards/requirements you reference to override the industry's VRF values. Changes to Standards will be addressed by the NERC Reliability</p>			

Consideration of Comments on Initial Ballot of Version 0 Violation Risk Factors for Protection and Control Standards

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Standards Development Plan: 2007-2009 which will review and revise as necessary all reliability standards. Please refer to the posted work plan for details.			
APGI – Yadkin division	5	Alan Jones	PRC-001-0 R2.1 and R2.2 should be medium. 'As soon as possible' does not seem to indicate a high risk. PRC-002-0 R1.8 is an administrative category of requirements and should be lower. Testing and maintenance of equipment in of itself shouldn't be considered high risk and should be lower
Response: The industry determined the VRFs for the standards/requirements by majority vote. There are not enough comments on the standards/requirements you reference to override the industry's VRF values.			
City Water Light & Power CWLP	5	Karl Kohlrus	R6 dealing with Special Protection Systems should have a HIGH risk associated with it.
Response: The industry determined the VRFs for the standards/requirements by majority vote. There are not enough comments on the standard/requirement you reference to override the industry's VRF value.			
Dairyland Power Cooperative DPC	5	Warren Schaefer	Risk factors too heavily weighted to HIGH rating
Response: The industry determined the VRFs for the Standards/requirements by majority vote. There are 142 Violation Risk Factors addressed with this ballot, and less than a third of these were allocated a 'HIGH' rating. The definitions for 'High, Medium, and Lower' risk factors were provided for reference when determining an appropriate risk factor.			
Detroit Edison	5	Ronald Bauer	Similar concerns as MISO.
Response: See MISO Response			
Florida Power & Light FPL	5	Bob Birch	PRC 006 Regional UFLS Program - Underfrequency conditions requiring load shedding are relatively rare, low probability events. The High VRFs assigned to PRC-006 should be reduced to Medium.
Response: The industry determined the VRFs for the standards/requirements by majority vote. There are not enough comments on the standard you reference to override the industry's VRF values. Probability is not considered in the definition of risk factors.			
Manitoba Hydro Power Supply	5	Mark Aikens	Requirement R6 in PRC-001-0 has been assigned a "Medium" risk factor. However, Special Protection Systems could be installed to prevent major network instability and potential widespread failures. If the protection is not functional and/or not appropriately monitored, or proper notification of non-functional status is not made to concerned parties, the worst contingency could result in network instability. This merits a "High" risk factor rating. The definition of a High risk factor is flawed because it excludes some important items that don't necessarily lead to an outage.
Response: The industry determined the VRFs for the standards/requirements by majority vote. There are not enough comments on the standard/requirement you reference to override the industry's VRF value.			
Michigan Public Power Agency MPPA	5	James Nickel	MPPA's support for these Risk Factors is predicated on the understanding that they will be applied only to those entities which actually have a significant impact on the Bulk Electric System as now defined. Application of medium or high VRFs to violations by

Consideration of Comments on Initial Ballot of Version 0 Violation Risk Factors for Protection and Control Standards

Company	Segment	Balloter	Comments
			entities that have little or no potential to have a material impact on interconnected system operations of the BES is inappropriate.
<p>Response: The NERC registration process will make these determinations. The sanctions guidelines provide some latitude in assigning penalties. NERC recognizes the need to refine the applicability section of standards to add more specificity to the description of the entities and facilities addressed by each standard and included the upgrade of the applicability section of standards as one of the focus areas in the NERC Reliability Standards Development Plan: 2007-2009 which will review and revise as necessary all reliability standards. Please refer to the posted work plan for details.</p>			
Municipal Electric Authority of Georgia MEAG	5	Roger Brand	There is still too much uncertainty with the final language of these standards to accept these risk factors.
<p>Response: NERC expects that most of the standards will be approved by FERC and other regulatory authorities. Note that violation risk factors will only be applicable to standards that receive applicable regulatory approvals. Changes to Standards will be addressed by the NERC Reliability Standards Development Plan: 2007-2009 which will review and revise as necessary all reliability standards. Please refer to the posted work plan for details.</p>			
Pacific Gas & Electric Company PGEU	5	Richard Padilla	<p>PG&E understands that the VRF Drafting Team assigned the Violation Risk Factors (VRF) based on the VRF definitions filed by NERC. However, PG&E continues to believe that inconsistency exists in the assignments of the VRFs -- High, Medium or Lower -- amongst similar standards. That is, while the VRF assigned to each requirement may appear reasonable individually, they are not always consistent when compared to other similar requirements in similar standards. Therefore, PG&E's affirmative vote is made with the expectation that the VRFs will be further reviewed and refined during the three-year review of the entire set of standards planned to be accomplished by NERC's Reliability standards Development Plan: 2007-2009. PG&E also urges that field tests be conducted to refine the VRFs and to ensure smooth implementation.</p>
<p>Response: Changes to Standards will be addressed by the NERC Reliability Standards Development Plan: 2007-2009 which will review and revise as necessary all reliability standards. Please refer to the posted work plan for details.</p>			
PPL Generation	5	Mark Heimbach	<p>1) There are too many HIGH risks in almost all of the areas. The only HIGH ones should be related to "situational awareness" and "vegetation management." 2) There are several inconsistencies. A couple of examples: TOP-006-0 R3. Each Reliability Coordinator, Transmission Operator, and Balancing Authority shall provide appropriate technical information concerning protective relays to their operating personnel. LOWER PRC-001-0 R1. Each Transmission Operator, Balancing Authority, and Generator Operator shall be familiar with the purpose and limitations of protection system schemes applied in its area. MEDIUM It is MEDIUM risk if a TOP doesn't know the protective schemes but it is</p>

Consideration of Comments on Initial Ballot of Version 0 Violation Risk Factors for Protection and Control Standards

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			<p>LOWER risk if you are not provided with the information. VAR-001-0 R4. The Transmission Operator shall know the status of all transmission reactive power resources, including the status of voltage regulators and power system stabilizers. MEDIUM TOP-002-0 R14. Generator Operators shall, without any intentional time delay, notify their Balancing Authority and Transmission Operator of changes in capabilities and characteristics including but not limited to: MEDIUM TOP-002-0 R14.1. Changes in real and reactive output capabilities. HIGH TOP-002-0 R14.2. Automatic Voltage Regulator status and mode setting. LOWER Is voltage regulator status and generator reactive capability, which is affected by the VR status during a disturbance, HIGH, MEDIUM, or LOW? IRO-002-0 R6. Each Reliability Coordinator shall monitor Bulk Electric System elements (generators, transmission lines, buses, transformers, breakers, etc.) that could result in SOL or IROL violations within its Reliability Coordinator Area. Each Reliability Coordinator shall monitor both real and reactive power system flows, and operating reserves, and the status of Bulk Electric System elements that are or could be critical to SOLs and IROLs and system restoration requirements within its Reliability Coordinator Area. HIGH PER-004-0 R5. Reliability Coordinator operating personnel shall place particular attention on SOLs and IROLs and inter-tie facility limits. The Reliability Coordinator shall ensure protocols are in place to allow Reliability Coordinator operating personnel to have the best available information at all times. MEDIUM Is paying attention to SOL & IROL limits HIGH or MEDIUM?</p>
<p>Response: There are 142 requirements in the Protection & Control sequence of standards, and less than a third of the requirements have a HIGH rating. Only one of the standards/requirements referenced in your comments is in this Protection and Control sequence of standards addressed by this ballot. The industry determined the VRFs for the standards/requirements by majority vote. There are not enough comments on the standards/requirements you reference to override the industry's VRF values.</p>			
Wisconsin Electric Power Company	5	Linda Horn	<p>PRC-001-0 R2 is medium as the introductory statement. R2.1 and R2.2 must be medium also. PRC-003-0 R3 and R3.1 both should be a lower risk factor, MEDIUM at the highest. Relay additions or replacements themselves do not constitute a high risk because they do not truly contribute to potential system instability. The settings and coordination of relays are critical and are covered under other present or forthcoming standards. PRC-005-0 R1 sub-requirements should all be medium.</p>
<p>Response: The industry determined the VRFs for the Standards/requirements by majority vote. There are not enough comments on the</p>			

Consideration of Comments on Initial Ballot of Version 0 Violation Risk Factors for Protection and Control Standards

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standards/requirements you reference to override the industry's VRF values.			
Manitoba Hydro Electric Board MHEB	6	Daniel C Prowse	Requirement R6 in PRC-001-0 has been assigned a 'Medium' risk factor. However, Special Protection Systems could be installed to prevent major network instability and potential widespread failures. If the protection is not functional and/or not appropriately monitored, or proper notification of non-functional status is not made to concerned parties, the worst contingency could result in network instability. This merits a 'High' risk factor rating. The definition of a High risk factor is flawed because it excludes some important items that don't necessarily lead to an outage.
Response: The industry determined the VRFs for the standards/requirements by majority vote. There are not enough comments on the standard/requirement you reference to override the industry's VRF value. The drafting team cannot change the definitions for 'High, Medium and Lower' risk factors.			
Xcel Energy Services Inc	6	David Lemmons	Generally, the standards are still heavily weighted to the high risk end of the matrix and this does not seem reasonable.
Response: The industry determined the VRFs for the Standards/requirements by majority vote. Less than a third of the VRFs in the set of 142 Protection and Control VRFs was rated as 'HIGH'.			
ALCOA Inc.	7	Thomas Gianneschi	PRC-001-0 R2.1 and R2.2 should be medium. The corrective action is 'as soon as possible' so a high VRF does not fit. PRC-002-0 R1.8 should be lower. It falls into the administrative category of requirements. Testing and maintenance of equipment is good preventative measure. The requirements of PRC-005 should be ranked as medium and not high. The requirement is for a testing and maintenance program. This almost falls to the lower category in that is an administrative/documentation requirement. PRC-006-0 R1 rank as medium. It is a coordinated document of procedure.
Response: The industry determined the VRFs for the standards/requirements by majority vote. There are not enough comments on the standards/requirements you reference to override the industry's VRF values.			
Alcoa Inc.	8	Michael Caufield	A high rating for PRC-001-0 R2.1 and R2.2 seems to be too much. Should be medium rating given the corrective action is "as soon as possible". A medium rating for PRC-002-0 R1.8 is too much. Should be a lower rating.
Response: The industry determined the VRFs for the standards/requirements by majority vote. There are not enough comments on the standards/requirements you reference to override the industry's VRF values.			

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BCTC has some concerns with the recommended VRFs. However, the value of implementing the majority of VRFs for this group of standards overrides the need to resolve our remaining concerns at this time. We provide the following comments for future consideration.

Standard Requirement	NERC VRF	BCTC VRF	Explanation of BCTC VRF
FAC-005-0 R1	Lower	Medium	This VRF refers to having the rating data and should be consistent with R1.1. R1.1 refers to the requirement of rating methodology consistency and has VRF of Medium.
FAC-005-0 R2	Lower	Medium	This VRF refers to the need of providing the rating data and should be consistent with R1.
INT – 001–0 R1 to R5.	Medium	Lower	Violation Risk Factor should be “Lower” as all tagging issues are prior to check out for next hour and implementation into AGC.
INT – 002–0 R1 to R5.	Medium	Lower	Violation Risk Factor should be “Lower” as all tagging issues are prior to check out for next hour and implementation into AGC.
MOD-010-0 R1	Lower	Medium	This is the Requirement for Functional Entities to submit data to RROs, in conjunction with MOD-011-0 R1. This data is used by RROs and other parallel Functional Entities to model interconnected system performance. RROs make this data available for Functional Entities to model other interconnected Entities systems, and this is often the primary source of data. Although the violation risk is not well defined by the Medium category, the risk is certainly higher than that associated with an administrative function. Also, MOD-011-0 R1 is considered High. Violation of MOD-010-0 R1 impinges on the results of performing MOD-011-0 R1, which also supports at least a Medium VRF for MOD-010-0 R1. VRF for MOD-010-0 R1 should be the same as MOD-012-0 R1, R2, and Version 1 MOD Requirements, which are Medium.
MOD-010-0 R2	Lower	Medium	Same explanation as for MOD-010-0 R1. This will make the VRF for MOD-010-0 R2 consistent with the VRF for MOD-011-0 R1.
MOD-011-0 R1	High	Medium	This Requirement is a reporting procedure that applies in conjunction MOD-010-1 R1, specifying how the data is to be reported. While it is certainly an important Requirement, it does not equate to the risk level that could contribute to a widespread outage or delay system restoration. Literally read, it appears to be an administrative function. For the same reasons as MOD-010-0 R1, BCTC believes this requirement should have a VRF of Medium.
MOD-004-0 R1	Lower	Medium	This Requirement is for development and documentation of a methodology. We accept that the documentation is a Lower VRF. However, the development methodology, how CBM is determined, can affect the state of the electrical system, and is therefore a Medium VRF. Subrequirements can remain Lower as they primarily address the requirements of the documentation. Possibly these subrequirements would be more appropriately listed under MOD-005-0 R2, although we understand this is beyond the scope of the Drafting Team. A Medium VRF is consistent with Version 1 MOD Requirements which are Medium.

Consideration of Comments on Initial Ballot of Version 0 Violation Risk Factors for Protection and Control Standards

MOD-008-0 R1	Lower	Medium	Same as for MOD-004-0 R1. A Medium VRF is consistent with Version 1 MOD Requirements which are Medium.
MOD-016-0 R1 and MOD-017-0 R1	Medium Lower	Lower Medium	The VRFs for these two Requirements are reversed. Provision of the data is Medium; documentation is administrative and is Lower.
PRC-005-0 R1.1 to R1.6	High	Medium	PRC-005-0 R1 has a Violation Risk Factor of "Medium" all subsections should have a Violation Risk Factor equal to or less than Medium.
TOP-002-0 R2	Medium	Lower	This is a requirement to ensure Balancing Authority and Transmission Operator personnel participate in system planning and design process. Failure to comply will not lead to a violation that could directly affect the electrical state or the capability of the bulk electric system.
TOP-002-0 R3 & R4	Medium	Lower	This is a requirement that only applies if confidentiality agreements are in place and does not apply to the whole of the bulk power system therefore the factor should be lower.
TOP-002-0 R14.1	High	Medium	The "High" Violation Risk Factor should be reduced to "Medium" as a change in the generator real or reactive power output limit will not lead in itself system instability or cascading.
TOP-002-0 R18	Medium	Lower	Failure to use uniform line identifiers will not affect the state of the electric system. Line identifiers are an administrative matter.
VAR-001-0 R4	Medium	High	If a Transmission Operator of these facilities, incorrect assumptions can directly contribute to widespread outage. Incorrect assumptions regarding reactive power sources can directly contribute to voltage instability. Incorrect assumptions on PSS can directly contribute to transient instability.

Consideration: The industry determined the VRFs for the Standards/requirements by majority vote. There are not enough comments on the standards/requirements you reference to override the industry's VRF value(s).