

Consideration of Comments on Initial Ballot of VSLs for Protection and Control Standards

Summary Consideration: The VSL DT appreciates the industry's comments received during the initial ballot of the proposed PRC Violation Severity Levels (VSLs). The FERC Order to replace Levels of Non-compliance with Violation Severity Levels has a firm due date of March 1, 2008. In the interest of delivering the best set of VSLs practical given the time constraints of this project, the Standards Committee has authorized the drafting team to use stakeholder comments from the initial ballot to make improvements to the VSLs before proceeding with another ballot. Several balloters made specific suggestions for improvements to the proposed VSLs, and, based on those comments the drafting team has revised the VSLs for the following requirements:

PRC-001-1 — System Protection Coordination

- Requirement 6

PRC-004-1 — Analysis and Mitigation of Transmission and Generation Protection System Misoperations

- Requirement 3

PRC-005-1 — Transmission and Generation Protection System Maintenance and Testing

- Requirement 1.1
- Requirement 1.2
- Requirement 2
- Requirement 2.1
- Requirement 2.2

PRC-008-0 — Implementation and Documentation of Underfrequency Load Shedding Equipment Maintenance Program

- Requirement 1
- Requirement 2

PRC-009-0 — Analysis and Documentation of Underfrequency Load Shedding.

- Requirement 2

PRC-010-0 — Technical Assessment of the Design and Effectiveness of Undervoltage Load

- Requirement 1

PRC-016-0 — Special Protection System Misoperations

- Requirement 1

PRC-018-1 — Disturbance Monitoring Equipment Installation and Data Reporting

- Requirement 1.1
- Requirement 3

The proposed set of VSLs represents a reasonable and consistent approach to classifying severity for a non-compliant condition. The VSL DT also recognizes that, as demonstrated by comments received, additional improvements are needed. Any additional VSL improvements are best made in concurrence with revising the language of the requirements. The VSL DT concludes that many of the comments received are related to the clarity of the requirement or the lack of clear measures within the standard, and not the VSLs themselves. It is important to note that the scope of this project is limited to replacing the Levels of Non-compliance with VSLs. The VSL DT cannot make revisions to requirements or measures within the scope of this project. Therefore we expect that additional improvements to the VSLs will occur as on-going and future standard drafting teams make revisions to the standards, including requirements, measures and compliance elements. All NERC Standards are slated for review in the course of the Reliability Standards Work Plan established by NERC. We encourage all stakeholders to participate in the standard development process.

In reviewing the comments, it was evident that many of the responders have similar concerns. The VSL DT offers the following response to the recurring comments.

DOUBLE JEOPARDY: The double jeopardy issue is outside the scope of the VSL DT. This is a compliance issue and we refer you to section 3.10 of the NERC Sanctions Guidelines for information on this issue. However, many of the stakeholders have asked the VSL DT for more information regarding the application of the VSLs in real-time and the potential for being exposed to double jeopardy, or multiple sanctions for a single violation. Per the FERC order, the VSL DT was required to assign at least one VSL on all requirements and sub-requirements that currently have a violation risk factor (VRF). These “parent-child” requirements are at the heart of the double jeopardy concerns. Most of the standards addressed in this project are “Version 0” standards that were translated from Operating Policies and Planning Standards without regard to the format of the requirement and its subrequirements. In some cases, a single subrequirement (child) was more important to reliability than the main requirement (parent). When the violation risk factors (VRFs) were assigned to these standards, because of the mismatch in importance between the “parent” and “child”, the VRF drafting team (which could not modify the requirements or subrequirements) defaulted to adding a VRF to each requirement and each subrequirement. The intent of the VRF DT was to ensure that none of the “children” critical to reliability were overlooked because they were associated with a “parent” requirement that was not critical to reliability. These standards are undergoing revision as part of the Reliability Standards Work Plan – and drafting teams that are revising these standards are only assigning a single VRF to the “parent” requirement – and are only required to develop a single set of VSLs for that requirement. These modifications will involve stakeholder participation.

GENERIC LANGUAGE: The VSL DT appreciates the commenters’ concerns around using generic language in the VSLs. Many of the commenters had concerns with terms such as “minor” or “significant” and the subjectivity that these terms create in application of the VSLs. Throughout the VSL development process, the VSL DT attempted to limit the use of the generic language in the VSLs. However, in some instances the existing requirements do not lend themselves to specific VSL language. It is expected that through on-going standards

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development projects and future projects, the use of generic language will be further refined to provide specific VSL language. This will require stakeholder participation in the standard development process.

BALLOTING PROCESS / GROUPINGS: The VSL DT received several comments regarding the ballot makeup. The ballot groupings were selected by the VSL DT to logically group standards for stakeholder input while ensuring that a quorum would be achieved in each of the ballots by not having too many ballots.

COMMENTS THAT CONSIDER RISK: Some comments received included discussion of “risk” (i.e. Violation Risk Factors). The VSL is a separate compliance element that does not take reliability-related risk into account. The VSLs are determined with no consideration of the risk associated with the requirement – VSLs are used to break down non-compliance into various levels to describe a range of performance from the level where an entity is mostly compliant (Lower VSL) to a level where the entity missed most or all of the requirement (Severe VSL). More detailed information is available in the VSL Development Guidelines Criteria document.

BINARY ISSUE: Many commenters observed that there is inconsistency in the assignment of VSL level for binary requirements. The VSL DT and the industry could not reach consensus on how best to address this issue. At this point in the process, and with consideration that this group of standards received an affirmative vote in the initial ballot, the VSL DT has decided not to make revisions to the proposed binary VSLs. It is expected that through on-going standards development projects and future projects, this issue will be addressed. These modifications will involve stakeholder participation.

FOR SPECIFIC VSL COMMENTS: The VSL DT thanks those that provided specific suggestions for improving a VSL. These comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.

AEP Service Corp. -- Transmission System AEP	1	Negative	<p>AEP does not support the proposed VSL in there current form, due to a number of overarching issues that should be addressed. AEP, in previous comments suggested that the Standard Drafting Team adhere to and develop the Violation Severity Levels using a similar approach as FERCs guidance on Violation Risk Factors. Where, per FERC's response in their consideration of the Violation Risk Factor, FERC stated that in determining Violation Risk Factor there should be; consistency within a Reliability Standard, i.e., among sub- and main Requirements of the same Reliability Standard, consistency among Reliability Standards with similar Requirements, consistency with NERC's proposed definition of the Violation Risk Factor level, and assignment of a Violation Risk Factor level to those Requirements in certain Reliability Standards that co-mingle a higher risk reliability objective and a lesser risk reliability objective. It is not clear, based on this draft of the VSLs, how the Standard Drafting Team consistently addresses the VSLs on each of the requirements and sub-requirements.</p> <p>Additionally, we cannot find any information that states that an entity will not be subject to double jeopardy for the same violation. For example, if an entity is non-compliant with respect to R1.3 of a standard and R1.3 is a sub-requirement of R1, can the entity be in</p>
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			<p>violation of the parent requirement as well? If not what will determine which requirement has been violated and what VRF and VSL will be applied in the penalty matrix? Depending upon the VSL and the VRF, it is possible the financial penalties will be different. This was discussed during the Standard Drafting Team led conference call, but there was not a clear answer to the situation. There are examples whereby a violation can fit into multiple VSL for a given requirements.</p> <p>Finally, there is no consistency in the application of the VSL between related standards in particular the MOD and PRC standards. The Standard Drafting Team has developed the Violation Severity Level Development Guidelines, but it is our understanding that guidelines will not be balloted any time soon and are subject to change. This appears to be putting the cart before the horse and if the guidelines are needed they should be included in the balloting. There is ambiguity regarding some of the VSL that are proposed. The drafting team has removed many instances of "minor" and other vague terms, but there are still many requirements that have VSL that are not clear. Similarly, it appears that some VSL provide additional details than what is written into the requirements or measures. Obviously, establishing fair, effective and consistent VSLs is a daunting task and we are confident that the Standard Drafting Team worked diligently to produce what could be done to meet the schedule. However, we feel that more time is needed and we should keep to the Standard Development process that has been developed.</p> <p>PRC-001 R2 --- Multiple layers of penalties</p> <p>PRC-001 R5 -- Multiple layers of penalties</p> <p>PRC-004 R3 -- Reporting Requirement only. VSL doesn't match VRF. No effect on Reliability</p> <p>PRC-005 R2 -- Reporting Requirement only. No effect on Reliability. No defined difference between Maintenance and Testing</p> <p>PRC- 005; 008; 011 and 017 Similar maintenance standards but VSLs are not consistent</p> <p>PRC-011 R1 Multiple layers of penalties</p> <p>PRC-017 R1 Multiple layers of penalties</p> <p>PRC-018 R1 Multiple layers of penalties</p> <p>PRC -16 Typo - SPC should be SPS</p> <p>PRC-022 R1 Multiple layers of penalties</p>
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Response: The VSL DT thanks you for your comments.

Reponses to General Comments:

As described in the VSL Development Guidelines Criteria document, the VRFs and VSLs are distinctly different compliance elements and are therefore developed differently. The VSL DT attempted to achieve consistency with the assignment of VSL within the guidelines. Some requirements do not fit neatly into one of the criteria “buckets” and have to be dealt with on a case by case basis. The VSLs will be refined through the on-going standards development process.

The double jeopardy issue is outside the scope of the VSL DT. This is a compliance issue and we refer you to section 3.10 of the NERC Sanctions Guidelines for information on this issue. However, many of the stakeholders have asked the VSL DT for more information regarding the application of the VSLs in real-time and the potential for being exposed to double jeopardy, or multiple sanctions for a single violation. Per the FERC order, the VSL DT was required to assign at least one VSL on all requirements and sub-requirements that currently have a violation risk factor (VRF). These “parent-child” requirements are at the heart of the double jeopardy concerns. It is expected that through on-going standards development projects and future projects, the application of VRFs and VSLs will be limited to the primary requirement and will not be assigned to subrequirements. This will require stakeholder participation.

The VSL Development Guidelines Criteria document was developed to provide guidance to the VSL DT in the assignment of VSLs per the FERC order and to help ensure consistency in the process. We are providing this document for other teams to use as a guideline for them to consider in development of VSLs. This document was posted twice for comment by the industry and appropriate revisions were made based on that feedback. The guidelines document is not a NERC standard or a part of a standard, and therefore does not require balloting. The VSL criteria will be provided to FERC for informational purposes; NERC will not ask for FERC approval of the VSL Development Guidelines Criteria document.

The VSL DT appreciates the commenter’s concerns around using generic language in the VSL. Many of the commenters had concerns with terms such as “minor” or “significant” and the subjectivity that these terms create in application of the VSL. Throughout the VSL development process, the VSL DT attempted to limit the use of the generic language in the VSLs. However, in some instances the existing requirements do not lend themselves to specific VSL language. It is expected that through on-going standards development projects and future projects, the use of generic language will be further refined to provide specific VSL language. This will require stakeholder participation in the standard development process.

Finally, some of your comments discuss risk. The VSL is a separate compliance element that does not take risk into account. The VSL DT has made a concerted effort to eliminate all risk indicators from the VSLs. The VSLs are determined with no consideration of the risk associated with the requirement. More detailed information is available in the VSL Development Guidelines Criteria document.

As to your specific comments on the standards, here are the VSL DT responses. All of your comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.

PRC-001 R2 - Multiple layers of penalties – See comments regarding “parent-child” requirements.

PRC-001 R5 -Multiple layers of penalties - See comments regarding “parent-child” requirements.

PRC-004 R3 - Reporting Requirement only. VSL doesn't match VRF. No effect on Reliability – See comments regarding separation of VSLs and

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<p>risk.</p> <p>PRC-005 R2 - Reporting Requirement only. No effect on Reliability. No defined difference between Maintenance and Testing – See comments regarding separation of VSLs and risk.</p> <p>PRC- 005; 008; 011 and 017 Similar maintenance standards but VSLs are not consistent –The VSL DT made modifications to the VSLs for PRC-005 and PRC-008 such that there is great similarity in the VSLs for PRC-005, PRC-008, PRC-011 and PRC-017.</p> <p>PRC-011 R1 Multiple layers of penalties - See comments regarding “parent-child” requirements.</p> <p>PRC-017 R1 Multiple layers of penalties - See comments regarding “parent-child” requirements.</p> <p>PRC-018 R1 Multiple layers of penalties - See comments regarding “parent-child” requirements.</p> <p>PRC -16 Typo - SPC should be SPS – This was fixed.</p> <p>PRC-022 R1 Multiple layers of penalties - See comments regarding “parent-child” requirements.</p>			
Ameren Services Company	1	Negative	<p>(1)The grouping of 83 standards into only nine ballots, mainly due to time constraint, does not provide the granularity required for voting on such an important issue.</p> <p>2) PRC-001-R1: The term “Familiar” is too vague in the sense that its interpretation could denote either general knowledge or very intimate knowledge.</p>
<p>Response: The VSL DT thanks you for your comment. The VSL DT received several comments regarding the ballot make up. The ballot groupings were selected by the VSL DT to maximize the opportunity for stakeholder input while ensuring that a quorum would be achieved in each of the ballots.</p> <p>In PRC-001-R1, the term “familiar” comes from the requirement itself. The VSL DT cannot make revisions to requirements within the scope of this project. Therefore we would expect that additional improvements to the VSLs will occur as on-going and future standard drafting teams make revisions to the standards, including requirements, measures and compliance elements.</p>			
American Transmission Company, LLC	1	Negative	<p>PRC-005-1, R1, High and Severe VSLs appear to be the same.</p> <p>PRC-008-0, R1, It would be more appropriate to make this a High VSL, not Severe.</p> <p>PRC-015-0, R1 – High VSL should read “two or more of the elements” since Severe states none of the elements were addressed.</p> <p>PRC-015-0, R2, I do not see the significance of severity levels just based on numbers of elements missed. Not all of the elements should be weighed the same. Look at an alternate way of severity, if possible.</p> <p>PRC-016-0, R1, I do not see the significance of severity levels just based on numbers of elements missed. Not all of the elements should be weighed the same. Look at an alternate</p>

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			<p>way of severity, if possible.</p> <p>PRC-016-0, R3, I do not see the significance of severity levels just based on number of days for the response. Either they respond on time or they are late. If late, then high VSL should be sufficient or look at an alternate way of severity, if possible.</p> <p>PRC-017-0, R1, I do not see the significance of severity levels just based on numbers of elements missed. Not all of the elements should be weighed the same. Look at an alternate way of severity, if possible.</p> <p>PRC-017-0, R1.1, I do not see the significance of severity levels just based on numbers of elements missed. Not all of the elements should be weighed the same. Look at an alternate way of severity, if possible.</p> <p>PRC-017-0, Applies to R1.1.1 - R 1.1.4, The percentages applied for severity levels does not make a lot of sense. If specific equipment is required and properly identified for the SPS maintenance and testing program, then either they are identified or not, and severity levels should be based on whether they are listed and properly maintained and tested.</p> <p>PRC-017-0, Applies to R1.2 - R 1.6, The percentages applied for severity levels does not make a lot of sense. If certain aspects of a SPS program are required, either they are included or not, and severity levels should be based on whether they are included with no allowance for missing some of the information.</p> <p>PRC-017-0, R2, I do not see the significance of severity levels just based on number of days for the response. Either they respond on time or they are late. If late, then high VSL should be sufficient or look at an alternate way of severity, if possible.</p> <p>The same or similar general comments apply to PRC-018-1 as I made for PRC-017-0.</p>
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Response: The VSL DT thanks you for your comments.

PRC-005-1, R1 - The High and Severe VSLs in R1 are differentiated by the use of the word "or" in the High VSL and "and" in the Severe VSL.

PRC-008-0, R1 - Based on your comments and those of other commenters, the VSLs for PRC-008 R1 have been revised and should address your concerns. The VSLs were revised to reference percentages of applicable relays and now include four VSLs.

PRC-015-0, R1 - Since there are only three elements, changing the High VSL as you suggest would create an overlapping condition between the High and Severe VSLs. Therefore, the VSL DT has elected to not make this change.

PRC-015-0, R2 and PRC-016-0, R1 and PRC-017-0, R1, and R1.1 - Your comments seem to touch on the subject of risk. The VSL is a separate compliance element that does not take risk into account. The VSL DT has made a concerted effort to eliminate all risk indicators from the VSLs.

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The VSLs are determined with no consideration of the risk associated with the requirement. More detailed information is available in the VSL Development Guidelines Criteria document.

PRC-016-0, R3 - Since the VSLs classify the severity of non-compliance, the VSL DT felt it was reasonable to specify time frames for reporting requirements.

PRC-017-0, R1.1.1 – R1.1.4 - Since the VSLs classify the severity of non-compliance, the VSL DT felt it was reasonable to specify levels of effort for implementation requirements.

PRC-017-0, R1.2 - R 1.6 - Since the VSLs classify the severity of non-compliance, the VSL DT felt it was reasonable to specify levels of effort for implementation requirements.

PRC-017-0, R2 - Since the VSLs classify the severity of non-compliance, the VSL DT felt it was reasonable to specify time frames for implementation requirements.

Please refer to the responses given in PRC-017-0.

Consolidated Edison Co. of New York	1	Negative	Con Edison would like to thank the drafting team for their effort in reviewing the standard requirements and developing VSL's. Our thoughts on this process is as follows: When a Requirement has Sub-requirements, only one or the other can have VSL's. This eliminates any potential "double jeopardy" issues. The following Requirements have Sub-Requirements with VSL's assigned. Therefore, the following list of Requirements should be assigned "NA" VSL's. They are: PRC-001-R2, R5, PRC-005-R1, R2, PRC-009-R1, PRC-001-R1, PRC-011-R1, PRC-017-R1, PRC-018-R1, R3, R6, PRC-021-R1, PRC-022-R1. The drafting team may also consider assigning VSL's to the Requirement, and eliminate the Sub-Requirement VSL.
<p>Response: The VSL DT thanks you for your comment. The double jeopardy issue is outside the scope of the VSL DT. This is a compliance issue and we refer you to section 3.10 of the NERC Sanctions Guidelines for information on this issue. However, many of the stakeholders have asked the VSL DT for more information regarding the application of the VSLs in real-time and the potential for being exposed to double jeopardy, or multiple sanctions for a single violation. Per the FERC order, the VSL DT was required to assign at least one VSL on all requirements and sub-requirements that currently have a violation risk factor (VRF). These "parent-child" requirements are at the heart of the double jeopardy concerns. It is expected that through on-going standards development projects and future projects, the application of VRFs and VSLs will be limited to the primary requirement and will not be assigned to subrequirements. This will require stakeholder participation.</p>			
Dominion Virginia Power	1	Negative	The announcement of the pre-ballot window stated that the drafting team has modified "more than half of the VSLs but does not have time to collect additional feedback on the acceptability of the modifications before proceeding to ballot". Consequently, Dominion Virginia Power cannot verify that the changes made to the VSLs are acceptable because we have no basis of comparison and no indication of what was specifically changed. In addition, the drafting team seems to have ignored many of the comments submitted by the SERC Operating Committee that Dominion Virginia Power helped prepare.

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Response: Response: The VSL DT thanks you for your comment. The VSL DT received many comments on the VSLs during the 45 day comment period. Each comment was considered in deciding whether any revisions were necessary. The revised VSLs were posted for the pre-ballot period without another comment period because NERC is required to file the VSLs with FERC by March 1, 2008.

<p>FirstEnergy Energy Delivery</p>	<p>1</p>	<p>Negative</p>	<p>GENERAL VSL COMMENTS EXPLANATORY TEXT: We commend the VSL SDT for removing references to the "Explanatory Text" VSL category described in its VSL guideline document. FE believes doing so is an improvement in the guidance being provided to future standard drafting teams. However, FE believes there are cases in the standards where a Violation Risk Factor (VRF) was inadvertently assigned to an explanatory type "requirement" and that steps should be taken at this point to remove the VRF which would negate the need for a VSL. As an example, in FAC-002, R3.1 states "Multiple sustained outages on an individual line, if caused by the same vegetation, shall be reported as one outage regardless of the actual number of outages within a 24-hour period" This is clearly explanatory to the parent (R3) requirement which requires quarterly reporting of vegetation management outages by a Transmission Owner to its Regional Reliability Organization. Requirement R3.1 now has a "Lower VSL" assigned to it which reads "The Transmission Owner failed to report, as a single outage, multiple sustained outages within a 24-hour period on an individual line, if caused by the same vegetation". It does not seem appropriate to penalize someone for reporting too much information and one must ask what the reliability risk the Bulk Electric System was exposed to by doing so. Clearly, the standards require improvement. FE supports the "explanatory requirement" VSL as the best approach for the interim based on the existing state of the standards with the understanding that the standards will be refined through the standards development process. To assist the SDT and NERC in identifying all the explanatory text in existence today that have a VRF assigned to them, FE will send a complete spreadsheet to the chair of the VSL SDT in a separate correspondence.</p> <p>PRC-001-1</p> <ul style="list-style-type: none"> - R3.1 – In an effort to improve clarity, we suggest a rewording of the SEVERE VSL as follows: "The Generator Operator failed to coordinate all new protective systems and all changes to existing protective systems with its Transmission Operator and Host Balancing Authority. - R3.2 – In an effort to improve clarity, we suggest a rewording of the SEVERE VSL as follows: "The Transmission Operator failed to coordinate all new protective systems and all changes to existing protective systems with neighboring Transmission Operators and Balancing Authorities". - R5, R5.1, and R5.2 – We believe that the severity level of each of the sub-requirements (R5.1 and R5.2) should be consistent with the main requirement (R5). We suggest moving the severity level of R5.1 and R5.2 from the HIGH level to the SEVERE level. - R6 – We believe the VSL for HIGH and SEVERE should be moved to MODERATE and HIGH, respectively. Also, we suggest adding a SEVERE VSL worded as follows: "The responsible entity failed to monitor the status of its Special Protection System and did not notify the affected Transmission Operators and Balancing Authorities of the change in status of a Special Protection System when
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			<p>it occurred”.</p> <p>PRC-004-1 - R3 – The HIGH VSL seems to be adding a requirement when it states “... but Corrective Actions have not been completed as planned.” R3 simply states that the Corrective Action plan must be provided and makes no mention of requiring the RRO to determine if the Corrective Action was subsequently completed as planned. Therefore we suggest deleting the HIGH VSL for this requirement.</p> <p>PRC-018-1 - R1.1 and R1.2 – For consistency, we suggest changes to the percentages in either R1.1 or R1.2 so that they are the same throughout these sub-requirements.</p> <p>- R6 – The VSL for sub-requirements R6.1 and R6.2 should not be broken out into percentages because these are requirements that are either met fully or not met at all in real world applications. And since the main R6 requirement already addresses the HIGH and SEVERE level of non-compliance, we suggest that only a LOWER VSL exist for sub-requirements R6.1 and R6.2 with the following suggested wording: “The responsible entity’s DME maintenance and testing program did not specify maintenance and testing intervals and their basis.”, and “The responsible entity’s DME maintenance and testing program did not specify a summary of maintenance and testing procedures”, respectively.</p>
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Response: The VSL DT thanks you for your comment. Removing or revising VRFs is outside the scope of this project. These comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.

Many commenters observed that there is inconsistency in the assignment of VSL level for binary requirements. The VSL DT and the industry could not reach consensus on how best to address this issue. At this point in the process, and with consideration that this group of standards received an affirmative vote in the initial ballot, the VSL DT has decided not to make revisions to the proposed binary VSLs. It is expected that through on-going standards development projects and future projects, this issue will be addressed. This will require stakeholder participation in the standard development process.

As to your specific comments on the standards, here are the VSL DT responses. All of your comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.

PRC-001-1 - R3.1 and R3.2 –Your comments on these requirements are related to the clarity of the requirements within the standard, and not the VSLs themselves. It is important to note that the VSLs are only intended to replace the Levels of Non-compliance and are to be used in determining sanctions for violation of requirements. The VSL DT cannot make revisions to requirements within the scope of this project. Therefore we would expect that additional improvements to the VSLs will occur as on-going and future standard drafting teams make revisions to the standards, including requirements, measures and compliance elements.

PRC-001-1- R5, R5.1, and R5.2 – See comments above regarding binary requirements.

PRC-001-R6 – See comments regarding binary requirements. The wording of the SEVERE VSL has been changed to “The responsible entity failed to monitor the status of each Special Protection System in their area, and did not notify affected Transmission Operators and Balancing Authorities of each change in status.”

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<p>PRC-004-1 - R3 – The VSLs for PRC-004-1 R3 were revised to better align with those in PRC-004-1-R1, and no longer expand on the associated requirement</p> <p>PRC-018-1 - R1.1 and R1.2 – A combination of input from the existing standard drafting team and from the existing Levels of Non-Compliance was used to determine the percentages used in the VSLs in PRC-018-01. Your comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.</p>			
<p>Kansas City Power & Light Co.</p>	<p>1</p>	<p>Negative</p>	<p>PRC-001-1 R2-This is a double jeopardy penalty. There should not be VSL's for sub-requirements when there are VSL's defined for the main requirement that are tied to the sub-requirements.</p> <p>PRC-001-1 R3.1, R3.2, R4-There is no credit given for working with neighbors and coordinating nearly all protection system changes-it is an all or nothing violation</p> <p>PRC-001-1 R5-This is a double jeopardy penalty. There should not be VSL's for sub-requirements when there are VSL's defined for the main requirement that are tied to the sub-requirements.</p> <p>PRC-005-1 R1, R2-This is a double jeopardy penalty. There should not be VSL's for sub-requirements when there are VSL's defined for the main requirement that are tied to the sub-requirements.</p> <p>PRC-010-0 R1.1-This is a double jeopardy penalty. There should not be VSL's for sub-requirements when there are VSL's defined for the main requirement that are tied to the sub-requirements.</p> <p>PRC-011-0 R1-This is a double jeopardy penalty. There should not be VSL's for sub-requirements when there are VSL's defined for the main requirement that are tied to the sub-requirements.</p> <p>PRC-021-1 R1.1-R1.5-these requirements should be reporting criteria but are covered under the multi-component criteria in requirement R1.</p> <p>PRC-017-0 R1-This is a double jeopardy penalty. There should not be VSL's for sub-requirements when there are VSL's defined for the main requirement that are tied to the sub-requirements.</p> <p>PRC-017-0 R1.3-Criteria-Explanatory text-text of this requirement is exclusively explanatory-all explanatory requirements that have a risk factor assigned to them should have a VSL of Lower assigned to them.</p> <p>PRC-018-1 R1-This is a double jeopardy penalty. There should not be VSL's for sub-requirements when there are VSL's defined for the main requirement that are tied to the</p>

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			<p>sub-requirements.</p> <p>PRC-018-1 R3-This is a double jeopardy penalty. There should not be VSL's for sub-requirements when there are VSL's defined for the main requirement that are tied to the sub-requirements.</p>
<p>Response: The VSL DT thanks you for your comments. The double jeopardy issue is outside the scope of the VSL DT. This is a compliance issue and we refer you to section 3.10 of the NERC Sanctions Guidelines for information on this issue. However, many of the stakeholders have asked the VSL DT for more information regarding the application of the VSLs in real-time and the potential for being exposed to double jeopardy, or multiple sanctions for a single violation. Per the FERC order, the VSL DT was required to assign at least one VSL on all requirements and sub-requirements that currently have a violation risk factor (VRF). These "parent-child" requirements are at the heart of the double jeopardy concerns. It is expected that through on-going standards development projects and future projects, the application of VRFs and VSLs/VRFs and VSLs will be limited to the primary requirement and will not be assigned to subrequirements. This will require stakeholder participation.</p> <p>As to your specific comments on the standards, here are the VSL DT responses. All of your comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.</p> <p>PRC-001-1 R2, R3.1, R3.2, R4- For each of these, the VSL DT replaced the single VSL with a set four VSLs that add granularity.</p> <p>PRC-005-1 R1, R2- See above comments on the double jeopardy issue. Based on comments from others, the VSL DT modified the VSLs for the subrequirements of R1 and R2.</p> <p>PRC-010-0 R1.1 - See above comments on the double jeopardy issue.</p> <p>PRC-011-0 R1 - See above comments on the double jeopardy issue.</p> <p>PRC-021-1 R1.1-R1.5- See above comments on the double jeopardy issue. The VSLs for these requirements were based on the VSL reporting criteria model.</p> <p>PRC-017-0 R1- See above comments on the double jeopardy issue.</p> <p>PRC-017-0 R1.3-This VSL is consistent with the other sub-requirements of PRC-017-0 R1.</p> <p>PRC-018-1 R1- See above comments on the double jeopardy issue.</p> <p>PRC-018-1 R3- See above comments on the double jeopardy issue.</p>			

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Manitoba Hydro	1	Negative	<p>The VSL Development Guidelines Criteria does not explain how penalties are assigned when a requirement and its sub requirements have a full range of VSLs. Is it possible to be penalized twice for the same violation? The application of penalties in these situations must be clarified. Refer to PRC-010-0 (R1.1 - R1.1.3), PRC-011-1 (R1 - R1.6), PRC-017-0 (R1 - R1.6), PRC-018-1 (R1 - R1.2), PRC-018-1 (R3 - R3.8), PRC-018-0 (R6 - R6.2), PRC-021-1 (R1 - R1.5), and PRC-022-1 (R1 - R1.5) as examples.</p>
<p>Response: The VSL DT thanks you for your comments. The double jeopardy issue is outside the scope of the VSL DT. This is a compliance issue and we refer you to section 3.10 of the NERC Sanctions Guidelines for information on this issue. However, many of the stakeholders have asked the VSL DT for more information regarding the application of the VSLs in real-time and the potential for being exposed to double jeopardy, or multiple sanctions for a single violation. Per the FERC order, the VSL DT was required to assign at least one VSL to each requirement and sub-requirement that currently has a violation risk factor (VRF). These "parent-child" requirements are at the heart of the double jeopardy concerns. It is expected that through on-going standards development projects and future projects, the application of VRFs and VSLs will be limited to the primary requirement and will not be assigned to subrequirements. This will require stakeholder participation.</p>			
National Grid	1	Negative	<p>Due to a lack of clarity with regard to the implementation of various Violation Severity Levels (VSLs) associated with some of the requirements, National Grid must vote "no" at this time. Specifically, it is unclear how requirements with sub-requirements will be treated when a sub-requirement is assigned a "low" to "severe" Violation Severity Level and the "parent" requirement specifies a numeric or percentage amount of violations to the sub-requirements resulting in a "low " to "severe" Violation Severity Level assigned to the overall requirement. If an entity violates only one sub-requirement (out of four), and does so in a "severe" manner as indicated by the sub-requirement VSL, does the VSL get "lowered" to a "low" VSL because only one sub-requirement was violated? If this is the case, then the assignment of more than just "low" to the sub-requirements is not necessary and causes confusion. If the intent of the "severe" VSL on the sub-requirements is to override the "low", "moderate" and "high" in the "parent" requirement, then there is no need to assign a number value to the "parent" requirement.</p> <p>Additionally, in order to ensure no "double jeopardy" sanctions occurring, it is of the understanding of National Grid that the assignment of a VSL on a sub-requirement cannot be assigned with an additional assignment of a VSL on the "parent" requirement, it has to be one or the other. This situation applies to PRC-010 R1, PRC-011 R1, PRC-017 R1, PRC-018 R1 R3 R6, PRC-021 R1, PRC-022 R1.</p>
<p>Response: The VSL DT thanks you for your comments. The double jeopardy issue is outside the scope of the VSL DT. This is a compliance issue and we refer you to section 3.10 of the NERC Sanctions Guidelines for information on this issue. However, many of the stakeholders have asked the VSL DT for more information regarding the application of the VSLs in real-time and the potential for being exposed to double jeopardy, or multiple sanctions for a single violation. Per the FERC order, the VSL DT was required to assign at least one VSL on all requirements and sub-requirements that currently have a violation risk factor (VRF). These "parent-child" requirements are at the heart of the double jeopardy concerns. It is expected that through on-going standards development projects and future projects, the application of VRFs and VSLs will be limited to the primary requirement and will not be assigned to subrequirements. This will require stakeholder participation.</p>			

Consideration of Comments on Initial Ballot of VSLs for Protection and Control Standards

Northeast Utilities	1	Affirmative	<p>1/28/08 Northeast Utilities Comments on NERC VSLs for Protection and Control</p> <p>PRC-001-1 R1. It seems unreasonable to have a High VSL when there may be thousands of schemes to be "familiar with". Perhaps something along the line of, "... shall have access to documentation in operating instructions describing the purpose and limitations ...".</p> <p>PRC-005-1 R2.1 & R2.2. The VSLs for these requirements should be structured similar to those for PRC-011-0, R.1.1-R1.6, or PRC-017, R1.1-R1.6.</p> <p>PRC-009-0 R2. This standard appears to me missing a Moderate VSL. It should read "The responsible entity has provided the documentation in 105 calendar days or more, but less than 129 calendar days". The High VSL should then read "The responsible entity has provided the documentation in more than 129 calendar days or more, but less than 145 calendar days".</p> <p>PRC-016-0 R1. The VSLs refer to SPCs rather than SPSs. ALL There are numerous grammatical errors throughout the VSLs. We trust someone will edit the document. Northeast Utilities also suggests NERC provide a formal interpretation of how VSLs will be applied when a requirement containing sub-requirements has been violated, to ensure no "double-jeopardy" sanctions occur.</p>
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Response: The VSL DT thanks you for your comments. Your comment on PRC-001-1 is related to the clarity of the requirement within the standard, and not the VSL itself. It is important to note that the VSLs are only intended to replace the Levels of Non-compliance and are to be used in determining sanctions for violation of requirements. The VSL DT cannot make revisions to requirements within the scope of this project. Therefore we would expect that additional improvements to the VSLs will occur as on-going and future standard drafting teams make revisions to the standards, including requirements, measures and compliance elements.

The double jeopardy issue is also outside the scope of the VSL DT. This is a compliance issue and we refer you to section 3.10 of the NERC Sanctions Guidelines for information on this issue. However, many of the stakeholders have asked the VSL DT for more information regarding the application of the VSLs in real-time and the potential for being exposed to double jeopardy, or multiple sanctions for a single violation. Per the FERC order, the VSL DT was required to assign at least one VSL on all requirements and sub-requirements that currently have a violation risk factor (VRF). These "parent-child" requirements are at the heart of the double jeopardy concerns. It is expected that through on-going standards development projects and future projects, the application of VRFs and VSLs/VRFs will be limited to the primary requirement and will not be assigned to subrequirements. This will require stakeholder participation.

As to your specific comments on the standards, here are the VSL DT responses. All of your comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.

PRC-001-1 R1. – See comments above clarity of the requirements.

PRC-005-1 R2.1 & R2.2. - The VSL DT agrees with your comments and revised the VSLs in support of your suggestion – the revised VSLs cover all four possible levels, and use percentages.

Consideration of Comments on Initial Ballot of VSLs for Protection and Control Standards

PRC-009-0 R2. The VSL DT thanks you for your good catch - the VSL DT added a Moderate VSL as proposed.

PRC-016-0 R1. The VSL DT thanks you for your good catch - The VSL DT changed, "SPC" to "SPS" as noted. See above comments on the double jeopardy issue.

Omaha Public Power District	1	Affirmative	<p>Standard Number: PRC-001-1</p> <ul style="list-style-type: none"> ▪ R2. Severe VSL should be N/A, consistent with R3. (R2. & R3. are headers for following subsections). ▪ R2.1. Statement listed under Moderate VSL should be moved to Lower VSL and Moderate VSL should be N/A. The penalty for failing to report but taking corrective action should be considerably less severe than reporting but failing to take corrective action. ▪ R2.2. Same as R2.1. <p>PRC-005-1 R2. Why doesn't this measure use a graduated scale like PRC-011-0 R2.? Both deal with documentation of a maintenance and testing program.</p> <p>PRC-007-0 R1. The values of 95, 90, and 85% under Moderate, High, and Severe VSL, respectively, are arbitrary. System Planning should comment on the District's ability to meet these values. R2. How can VSLs be assigned for deficiencies in "database reporting requirements" when no database reporting requirements are defined in the standard?</p> <p>PRC-008-0 R2. Why doesn't this measure use a graduated scale like PRC-011-0 R2.? Both deal with a maintenance and testing program.</p> <p>PRC-011-0 R1.2. Why doesn't this measure use the same VSLs as PRC-005-1 R1.1.?</p> <p>R1.3. Why doesn't this measure use the same VSLs as PRC-005-1 R1.2.? R1.6. Why doesn't this measure use the same VSLs as PRC-005-1 R2.2.?</p> <p>PRC-016-0 R2. Severity levels seem lenient for misoperation of an SPS.</p> <p>PRC-018-1 R1.2. Typo in wording for Severe VSL - "did not did not."</p>
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Response: The VSL DT thanks you for your comments. These comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.

As to your specific comments on the standards, here are the VSL DT responses.

Standard Number: PRC-001-1

- R2. There is an inconsistency in the standard in that R2 has an assigned VRF while R3 does not. Per the FERC order, the VSL DT was

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required to assign at least one VSL on all requirements. The VRFs are outside the scope of the VSL DT. Your comment will be made available to the PRC drafting team for consideration.

- R2.1. – Your comment seems to touch on the issue of risk. The VSL is a separate compliance element that does not take risk into account. The VSL DT has made a concerted effort to eliminate all risk indicators from the VSLs. The VSLs are determined with no consideration of the risk associated with the requirement. More detailed information is available in the VSL Development Guidelines Criteria document.
- R2.2. Same as R2.1. – See above comment.

PRC-005-1 R2. The VSL DT agrees with your comments and replaced the single, “Severe” VSL with four graduated VSLs.

PRC-007-0 R1. These values were based on the existing Levels of Non Compliance in PRC-007-0. Your comments will be made available to the PRC drafting team for use in developing the revised standard.

PRC-008-0 R2. The VSL DT agrees with your comments and replaced the single, “Severe” VSL with four graduated VSLs.

PRC-011-0 R1.2. The VSL DT has made revisions to make PRC-005 and PRC-011 more consistent in the final document.

R1.3. The VSL DT has made revisions to make PRC-005 and PRC-011 more consistent in the final document.

PRC-016-0 R2. Your comment seems to touch on the issue of risk. The VSL is a separate compliance element that does not take risk into account. The VSL DT has made a concerted effort to eliminate all risk indicators from the VSLs. The VSLs are determined with no consideration of the risk associated with the requirement. More detailed information is available in the VSL Development Guidelines Criteria document.

PRC-018-1 R1.2. The VSL DT thanks you for your good catch and will removed the duplicate words from R1.2.

PP&L, Inc.	1	Abstain	VSL for PRC-009-0, R2 (page 11 of the VSL document) has no "Moderate VSL" identified. In reading the lower, high and severe VSLs for this requirement, violations exist if documentation is late and the severity increases the later it takes an entity to supply the documentation. However, as it is written, the VSL suggests that if an entity initially failed to provide required documentation, they might as well wait for the time period between 106 and 128 days - the Moderate VSL indicates N/A. This must be an oversight.
Response: The VSL DT thanks you for your comment and your good catch. The VSL DT added a Moderate VSL as follows: " The responsible entity has provided the documentation in more than 105 calendar days but less than 129 calendar days."			
Sacramento Municipal Utility District	1	Negative	The VSLs are related to the requirements. The problem is that the requirements are very loose and are open to interpretation e.g. PRC-001-1 R2.1 “if protective relay or equipment failure reduces system reliability” ---- what is the measure of reduction in system reliability and how someone determines or calculates it. Each requirement should be clear, and should have a specific measurement, and the VSL should be based on the measurement and not on the requirement.

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<p>Response: The VSDLT concludes that many of the comments received were related to the clarity of the requirement or the lack of clear measures within the standard, and not the VSL itself. It is important to note that the VSLs are only intended to replace the Levels of Non-compliance and are to be used in determining sanctions for violation of requirements. The VSL DT cannot make revisions to requirements within the scope of this project. Therefore we would expect that additional improvements to the VSLs will occur as on-going and future standard drafting teams make revisions to the standards, including requirements, measures and compliance elements. All NERC Standards are slated for review in the course of the Standards Development Work Plan established by NERC. We encourage all stakeholders to participate in the standard development process.</p>			
Salt River Project	1	Negative	<p>SRP has identified issues with the proposed VSLs listed below. Our comments are included. We were unable to provide comments on all VSLs based on the short time frame available to us. However, we believe that there are other proposed VSLs that require modification. We will plan to comment on these in the second ballot.</p> <p>The VSL associated with this requirement does not address the violation severity level if not all the devices are maintained and/or tested. A Reliability Entity that failed to test one relay in the defined interval would have the same finding as someone who failed to test all relays during the defined interval.</p>
<p>Response: The VSL DT thanks you for your comment. Your comments seem to refer to the VSLs in PRC-005. The VSL DT has made revisions in the final document that should address your concern.</p>			
Santee Cooper	1	Negative	<p>Comments on Violation Severity Levels for Requirements in Protection and Control Standards</p> <p>PRC-001-1</p> <ul style="list-style-type: none"> ▪ R2 Violation is already covered by severity levels in R2.1 and R2.2. R2.1 covers if the entity involved is a Generator Operator, and R2.2 covers if the entity involved is a Transmission Operator. There is already a severe level in the subgroups. ▪ R2 should just be N/A like other main groupings. Also, if kept at all, the wording for R2 needs to be changed, because a Moderate Violation in R2.1 or R2.2 could be construed as a Severe Violation of R2, which doesn't seem to be what was intended. <p>PRC-001-1 R5 This is a parent requirement with 2 subrequirements (5.1 and 5.2). The violation of R5.1 or R5.2 is listed as High, but a violation of either one would naturally be a violation of the parent, which is listed as Severe. The parent requirement, R5, should just be N/A, since all violations are covered by R5.1 and R5.2</p> <p>PRC-004-1 R1 and R2 The High and Severe levels for both R1 and R2 are redundant. If the documentation is incomplete (High Level), there is no way to prove that the misoperations have been analyzed (failure of which puts you at the Severe Level). Suggest combining those two (High and Severe) under the High Level (same severity as not having corrective action plans, or else have Severe VSL state "No misoperations have been analyzed" meaning a complete failure of compliance.</p> <p>PRC-005-1 R2.1 and R2.2 Wording should be changed slightly. Moderate level has "responsible entity failed to have evidence ... devices were both maintained and tested</p>

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		<p>within the defined intervals." Using that terminology, if entity had one but not the other, they would be under Moderate Violation, but that is the definition for Lower Violation. Moderate Violation should be something like "The responsible entity neither has evidence the Protection System devices were maintained nor had evidence of testing within the defined intervals." Similar wording issue in R2.2. The documentation of these subrequirements should still be within 30 days, as the parent requirement states.</p> <p>PRC-009-0 R1 This is a parent requirement with 4 subrequirements. All subrequirements have only Lower severity levels, but parent (which just states you fail to do subrequirements) go all the way to Severe. Many other requirements just have N/A for the parent, which seems to be appropriate here.</p> <p>PRC-009-0 R2 Moderate Level seems to be missing. There seems to be a gap between 106 and 128 calendar days between Lower and High level.</p> <p>PRC-010-0 R1 Wording is confusing in Moderate and High levels. Should say "The responsible entity did not conduct an assessment of the effectiveness of its UVLS system for more than 5 years, but did in less than or equal to 7 years." As it is, it reads "did not conduct an assessment But less than or equal to 7 years." This is true for both middle levels.</p> <p>PRC-018-1 R1.1 Typographical error. Lower VSL has "did not" twice.</p> <p>PRC-018-1 R3 R3.1 through R3.8 cover requirements extensively. R3 should just be N/A as other parent requirements are. If multiple subrequirements are in violation, entities will already then have multiple violations.</p> <p>PRC-018-1 R3.1-R3.8 R3.1 through R3.8 have severity levels that are too extensive for their effect on the system. Instead of having multiple levels and percentages, they should be more like other VSLs, where the level is just "data is incomplete." For example, R3.2 is the make and model of the equipment. Not having this data (the model of the machine) will not affect the operation of the system, and would not even affect an entity from being to provide data for a major system event. These subrequirements should have levels of "data is incomplete" and should be just Lower to Moderate.</p> <p>PRC-018-1 R4 R4 is a reporting requirement. Other reporting requirements have levels based on how late the information is being reported to the RRO. In this one, the levels are based on what percentage of data is not provided. This would seem to be, for practical purposes, a hard percentage to figure out. For example, if an entity failed to provide the data in R3.3, would that be considered 1/8 th (12.5%). Then, if they didn't provide any data for one DME, you'd have to work out the percentage missing of that data and figure it in to the 12.5%? It seems like something more like the other reporting requirements (30 days late, etc.) with the harshest one being data was not provided, would be the more reliable way to judge this requirement.</p> <p>PRC-018-1 R6 R6 is a parent requirement. Subrequirements cover VSLs completely. If an</p>
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			<p>entity violates both subrequirements, they will already have multiple violations. If they don't include one of the subrequirements in their program, they will already be found non-compliant in the subrequirement, so having a VSL in the parent requirement is not needed.</p> <p>PRC-018-1 R6.1-6.2 Levels seems severe considering that this is monitoring equipment with no direct impact on the bulk electric system nor do they indicate the operational status of the recorder. That is covered in the R3 requirement. This is just the maintenance and testing intervals and their basis, and the summary of maintenance and testing procedures. This data is needed, but consider increasing ranges of percentages and having fewer levels.</p>
<p>Response: The VSL DT thanks you for your comments. The double jeopardy issue is outside the scope of the VSL DT. This is a compliance issue and we refer you to section 3.10 of the NERC Sanctions Guidelines for information on this issue. However, many of the stakeholders have asked the VSL DT for more information regarding the application of the VSLs in real-time and the potential for being exposed to double jeopardy, or multiple sanctions for a single violation. Per the FERC order, the VSL DT was required to assign at least one VSL on all requirements and sub-requirements that currently have a violation risk factor (VRF). These "parent-child" requirements are at the heart of the double jeopardy concerns. It is expected that through on-going standards development projects and future projects, the application of VRFs and VSLs will be limited to the primary requirement and will not be assigned to subrequirements. This will require stakeholder participation.</p> <p>As to your specific comments on the standards, here are the VSL DT responses. All of your comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.</p> <p>PRC-001-1</p> <ul style="list-style-type: none">▪ R2 - See above comments on double jeopardy.▪ R2 - See above comments on double jeopardy. <p>PRC-001-1 R5 - See above comments on double jeopardy.</p> <p>PRC-004-1 R1 and R2 Your comments will be made available to the PRC drafting team for use in the development of the revised standard.</p> <p>PRC-005-1 R2.1 and R2.2 . The VSL DT has made revisions to PRC-005 in the final document that should address your concern. Both R2.1 and R2.2 now have four VSLs that use percentages and more specific language.</p> <p>PRC-009-0 R1 See above comments on double jeopardy.</p> <p>PRC-009-0 R2 The VSL DT thanks you for your good catch. The VSL DT added a Moderate VSL as follows: " The responsible entity has provided the documentation in more than 105 calendar days but less than 129 calendar days."</p> <p>PRC-010-0 R1 The VSL DT thanks you for your comment and revised both the Medium and High VSLs in R1 as proposed.</p> <p>PRC-018-1 R1.1 The VSL DT thanks you for your good catch and removed the extra words from the Severe VSL for R1.1.</p>			

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PRC-018-1 R3 R3.1 through R3.8 See above comments on double jeopardy.

PRC-018-1 R3.1-R3.8 R3.1 through R3.8 Your comment touches on the subject of risk. The VSL is a separate compliance element that does not take risk into account. The VSL DT has made a concerted effort to eliminate all risk indicators from the VSLs. The VSLs are determined with no consideration of the risk associated with the requirement. More detailed information is available in the VSL Development Guidelines Criteria document.

PRC-018-1 R4 – The existing Levels of Non-Compliance was used to determine the percentages used in the VSLs in PRC-018-01. Your comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.

PRC-018-1 R6 See above comments on double jeopardy.

PRC-018-1 R6.1-6.2 See above comments on VSLs and risk.

Sierra Pacific Power Co.	1	Negative	<p>My negative vote on the PRC VSL's is based on two of the Standards, PRC-001 and PRC-005.</p> <p>PRC-001:</p> <ul style="list-style-type: none"> ▪ R1-The severity proposed for violation of R1 is too high. ▪ R3-R5-All of these requirements pertain to the failure to coordinate, whether it be between GO and BA, TO and BA, or an entity with its neighbors. While coordination is an essential part of system protection adequacy and effectiveness, the VSL's are far too high at "severe". The proposal fails to allow any tolerance whatsoever for minor, inconsequential changes to system protection components. The literal interpretation would lead to a severe violation for even the smallest adjustment in any protection system for the BES. This can't possibly be the intent of the PRC-001 relay coordination Standard. <p>PRC-005: R2-As written, the VSL's are based on the ability to produce evidence that maintenance and testing was done in accordance with the maintenance plan. In a practical matter, all entities will have evidence of what they have completed, but there is no allowance here for any deviation from the maintenance plan, no matter what the reason. What would be the VSL if an entity completed 999 of the 1000 relay maintenance tasks called for in its plan? My suggestion would be to measure the degree of completion of the planned maintenance (perhaps 90-100% completion is "low", 80-90% is medium, and so on).</p>
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Response: The VSL DT thanks you for your comments. All of your comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.

PRC-001:
R1- Your comment touches on the subject of risk. The VSL is a separate compliance element that does not take risk into account. The VSL DT

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has made a concerted effort to eliminate all risk indicators from the VSLs. The VSLs are determined with no consideration of the risk associated with the requirement. More detailed information is available in the VSL Development Guidelines Criteria document.

R3-R5- Your comment touches on the subject of risk. The VSL is a separate compliance element that does not take risk into account. The VSL DT has made a concerted effort to eliminate all risk indicators from the VSLs. The VSLs are determined with no consideration of the risk associated with the requirement. More detailed information is available in the VSL Development Guidelines Criteria document.

PRC-005: R2- The VSL DT has made revisions to the VSLs for PRC-005 R2 that provide a broader range of VSLs, that should address your concern.

Independent Electricity System Operator	2	Affirmative	<p>There are 2 issues with this set – binary requirements and incorrect assignment of the VSLs. It is clear that binary requirements are clear in their intent – either you take an action or you don’t – these however, have low VSLs associated with them. This is incorrect as these should have severe VSLs associated as it is a direct indication of failure to comply (there are no intermediate stages here). Examples of such binary requirements are: PRC-001, Requirements 5.1 and 5.2.</p> <p>Additionally, as mentioned before, there are incorrect VSL assignments. A clear example of incorrect assignments is PRC-005: R2.1 and R2.2 have VSLs at Low and Moderate levels. These should be moved to the High and Severe levels.</p>
<p>Response: The VSL DT thanks you for your comments. Many commenters observed that there is inconsistency in the assignment of VSL level for binary requirements. The VSL DT and the industry could not reach consensus on how best to address this issue. At this point in the process, and with consideration that this group of standards received an affirmative vote in the initial ballot, the VSL DT has decided not to make revisions to the proposed binary VSLs. It is expected that through on-going standards development projects and future projects, this issue will be addressed. This will require stakeholder participation in the standard development process.</p>			
Midwest ISO, Inc.	2	Affirmative	Please see our other comments for the BAL standards.
<p>Response: The VSL DT thanks you for your comments. The proposed set of VSLs represent a reasonable and consistent approach to classifying severity for a non-compliant condition. The VSL DT also recognizes that, as demonstrated by comments received, additional improvements are needed. Any additional VSL improvements are best made in concurrence with revising the language of the requirements. The VSL DT concludes that many of the comments received were related to the clarity of the requirement or the lack of clear measures within the standard, and not the VSL itself. It is important to note that the VSLs are only intended to replace the Levels of Non-compliance and are to be used in determining sanctions for violation of requirements. The VSL DT cannot make revisions to requirements within the scope of this project. Therefore we would expect that additional improvements to the VSLs will occur as on-going and future standard drafting teams make revisions to the standards, including requirements, measures and compliance elements. All NERC Standards are slated for review in the course of the Standards Development Work Plan established by NERC. We encourage all stakeholders to participate in the standard development process.</p> <p>Many commenters observed that there is inconsistency in the assignment of VSL level for binary requirements. The VSL DT and the industry could not reach consensus on how best to address this issue. At this point in the process, and with consideration that this group of standards received an affirmative vote in the initial ballot, the VSL DT has decided not to make revisions to the proposed binary VSLs. It is expected that through on-going standards development projects and future projects, this issue will be addressed. This will require stakeholder participation in the standard development process.</p>			

Consideration of Comments on Initial Ballot of VSLs for Protection and Control Standards

The VSL DT received several comments regarding the ballot make up. The ballot groupings were selected by the VSL DT to maximize the opportunity for stakeholder input while ensuring that a quorum would be achieved in each of the ballots.

<p>American Electric Power</p>	<p>3</p>	<p>Negative</p>	<p>Overall Comments AEP does not support the proposed VSL in there current form, due to a number of overarching issues that should be addressed. AEP, in previous comments suggested that the Standard Drafting Team adhere to and develop the Violation Severity Levels using a similar approach as FERCs guidance on Violation Risk Factors. Where, per FERC’s response in their consideration of the Violation Risk Factor, FERC stated that in determining Violation Risk Factor there should be; consistency within a Reliability Standard, i.e., among sub- and main Requirements of the same Reliability Standard, consistency among Reliability Standards with similar Requirements, consistency with NERC’s proposed definition of the Violation Risk Factor level, and assignment of a Violation Risk Factor level to those Requirements in certain Reliability Standards that co-mingle a higher risk reliability objective and a lesser risk reliability objective. It is not clear, based on this draft of the VSLs, how the Standard Drafting Team consistently addresses the VSLs on each of the requirements and sub-requirements.</p> <p>Additionally, we cannot find any information that states that an entity will not be subject to double jeopardy for the same violation. For example, if an entity is non-compliant with respect to R1.3 of a standard and R1.3 is a sub-requirement of R1, can the entity be in violation of the parent requirement as well? If not what will determine which requirement has been violated and what VRF and VSL will be applied in the penalty matrix? Depending upon the VSL and the VRF, it is possible the financial penalties will be different. This was discussed during the Standard Drafting Team led conference call, but there was not a clear answer to the situation. There are examples whereby a violation can fit into multiple VSL for a given requirements.</p> <p>Finally, there is no consistency in the application of the VSL between related standards in particular the MOD and PRC standards. The Standard Drafting Team has developed the Violation Severity Level Development Guidelines, but it is our understanding that guidelines will not be balloted any time soon and are subject to change. This appears to be putting the cart before the horse and if the guidelines are needed they should be included in the balloting. There is ambiguity regarding some of the VSL that are proposed. The drafting team has removed many instances of "minor" and other vague terms, but there are still many requirements that have VSL that are not clear. Similarly, it appears that some VSL provide additional details than what is written into the requirements or measures. Obviously, establishing fair, effective and consistent VSLs is a daunting task and we are confident that the Standard Drafting Team worked diligently to produce what could be done to meet the schedule. However, we feel that more time is needed and we should keep to the Standard Development process that has been developed.</p>
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			<p>Specifically:</p> <ul style="list-style-type: none"> ▪ PRC-001 R2 --- Multiple layers of penalties ▪ PRC-001 R5 -- Multiple layers of penalties ▪ PRC-004 R3 -- Reporting Requirement only. VSL doesn't match VRF. No effect on Reliability PRC-005 R2 -- Reporting Requirement only. No effect on Reliability. No defined difference between Maintenance and Testing ▪ PRC- 005; 008; 011 and 017 Similar maintenance standards but VSLs are not consistent ▪ PRC-011 R1 Multiple layers of penalties ▪ PRC-017 R1 Multiple layers of penalties ▪ PRC-018 R1 Multiple layers of penalties ▪ PRC -16 Typo - SPC should be SPS ▪ PRC-022 R1 Multiple layers of penalties
<p>Response: Response: The VSL DT thanks you for your comments. As described in the VSL Development Guidelines Criteria document, the VRFs and VSLs are distinctly different compliance elements and are therefore developed differently. The VSL DT attempted to achieve consistency with the assignment of VSL within the guidelines. Some requirements do not fit neatly into one of the criteria "buckets" and have to be dealt with on a case by case basis. The VSLs will be refined through the on-going standards development process.</p>			<p>The double jeopardy issue is outside the scope of the VSL DT. This is a compliance issue and we refer you to section 3.10 of the NERC Sanctions Guidelines for information on this issue. However, many of the stakeholders have asked the VSL DT for more information regarding the application of the VSLs in real-time and the potential for being exposed to double jeopardy, or multiple sanctions for a single violation. Per the FERC order, the VSL DT was required to assign at least one VSL on all requirements and sub-requirements that currently have a violation risk factor (VRF). These "parent-child" requirements are at the heart of the double jeopardy concerns. It is expected that through on-going standards development projects and future projects, the application of VRFs and VSLs/VRFs and VSLs will be limited to the primary requirement and will not be assigned to subrequirements. This will require stakeholder participation.</p> <p>The VSL Development Guidelines Criteria document was developed to provide guidance to the VSL DT in the assignment of VSLs per the FERC order and to help ensure consistency in the process. We are providing this document for other teams to use as a guideline for them to consider in development of VSLs. This document was posted twice for comment by the industry and appropriate revisions were made based on that feedback. The guidelines document is not a NERC standard or a part of a standard, and therefore does not require balloting. The VSL criteria will be provided to FERC for informational purposes; NERC will not ask for FERC approval of the VSL Development Guidelines Criteria document.</p> <p>The VSL DT appreciates the commenters' concerns around using generic language in the VSL. Many of the commenters had concerns with terms such as "minor" or "significant" and the subjectivity that these terms create in application of the VSL. Throughout the VSL development process, the VSL DT attempted to limit the use of the generic language in the VSLs. However, in some instances the existing requirements do not lend themselves to specific VSL language. It is expected that through on-going standards development projects and future projects, the use of generic language will be further refined to provide specific VSL language. This will require stakeholder participation in the standard</p>

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development process.

Finally, some of your comments discuss risk. The VSL is a separate compliance element that does not take risk into account. The VSL DT has made a concerted effort to eliminate all risk indicators from the VSLs. The VSLs are determined with no consideration of the risk associated with the requirement. More detailed information is available in the VSL Development Guidelines Criteria document.

As to your specific comments on the standards, here are the VSL DT responses. All of your comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.

PRC-001 R2 --- Multiple layers of penalties – See comments regarding “parent-child” requirements.

PRC-001 R5 -- Multiple layers of penalties - See comments regarding “parent-child” requirements.

PRC-004 R3 -- Reporting Requirement only. VSL doesn't match VRF. No effect on Reliability – See comments regarding separation of VSLs and risk.

PRC-005 R2 -- Reporting Requirement only. No effect on Reliability. No defined difference between Maintenance and Testing – See comments regarding separation of VSLs and risk.

PRC- 005; 008; 011 and 017 Similar maintenance standards but VSLs are not consistent – The VSL DT made modifications to the VSLs for PRC-005 and PRC-008 such that there is great similarity in the VSLs for PRC-005, PRC-008, PRC-011 and PRC-017.

PRC-011 R1 Multiple layers of penalties - See comments regarding “parent-child” requirements.

City of Tallahassee	3	Negative	<p>Since there wasn't that many problems i was able to include the specifics! It's still unfortunate that the voting couldn't be broken apart to individual standard items!</p> <p>PRC-001-R3.1 thru 001-R5: Lower VSL's for coordinating some but not all protection systems.</p> <p>PRC-008-R1: Lower VSL for providing some evidence.</p> <p>PRC-008-R2: Lower VSL for implementing program, but not reporting results.</p> <p>PRC-009-R2: Missing Moderate VSL. Should read "... more than 104 days, but less than 130 days ..."</p> <p>PRC-015-R1: Text and VSL's address</p> <p>PRC-013, unable to locate this PRC.</p> <p>PRC-015 doesn't have R1.1 – R1.3. PRC-015-R2 & 016-R1: Text and VSL's address</p> <p>PRC-012, unable to locate this PRC.</p>
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			PRC-018-R1 – R3, R4: Text and VSL’s address PRC-002, unable to locate this PRC.
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Response: The VSL DT thanks you for your response. The VSL DT received several comments regarding the ballot make up. The ballot groupings were selected by the VSL DT to maximize the opportunity for stakeholder input while ensuring that a quorum would be achieved in each of the ballots.

Finally, some of your comments discuss risk. The VSL is a separate compliance element that does not take risk into account. The VSL DT has made a concerted effort to eliminate all risk indicators from the VSLs. The VSLs are determined with no consideration of the risk associated with the requirement. More detailed information is available in the VSL Development Guidelines Criteria document.

As to your specific comments on the standards, here are the VSL DT responses. All of your comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.

PRC-001-R3.1 thru 001-R5: See above discussion on risk.

PRC-008-R1: See above discussion on risk.

PRC-008-R2: See above discussion on risk.

PRC-009-R2: The VSL DT thanks you for your good catch. The VSL DT added a Moderate VSL as follows:

“ The responsible entity has provided the documentation in more than 105 calendar days but less than 129 calendar days.”

PRC-015-R1: PRC-013 is a “fill-in-the-blank” standard and has not yet been approved by FERC although NERC REs may monitor them as Good Utility Practice. Check listing under BOT Approved Standards.

PRC-015 doesn’t have R1.1 – R1.3. – The R1.1 through R1.3 refer to PRC-013, not PRC-015.

PRC-015-R2 & 016-R1: PRC-012 is a “fill-in-the-blank” standard and has not yet been approved by FERC. Check listing under BOT Approved Standards.

PRC-018-R1 – R3, R4: PRC-002 is a “fill-in-the-blank” standard and has not yet been approved by FERC. Check listing under BOT Approved Standards.

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Consolidated Edison Co. of New York	3	Negative	<p>When a Requirement has Sub-requirements, only one or the other can have VSL's. This eliminates any potential "double jeopardy" issues. The following Requirements have Sub-Requirements with VSL's assigned. Therefore, the following list of Requirements should be assigned "NA" VSL's. They are: PRC-001-R2, R5, PRC-005-R1, R2, PRC-009-R1, PRC-001-R1, PRC-011-R1, PRC-017-R1, PRC-018-R1, R3, R6, PRC-021-R1, PRC-022-R1. The drafting team may also consider assigning VSL's to the Requirement, and eliminate the Sub-Requirement VSL.</p>
<p>Response: The VSL DT thanks you for your comments. The double jeopardy issue is outside the scope of the VSL DT. This is a compliance issue and we refer you to section 3.10 of the NERC Sanctions Guidelines for information on this issue. However, many of the stakeholders have asked the VSL DT for more information regarding the application of the VSLs in real-time and the potential for being exposed to double jeopardy, or multiple sanctions for a single violation. Per the FERC order, the VSL DT was required to assign at least one VSL on all requirements and sub-requirements that currently have a violation risk factor (VRF). These "parent-child" requirements are at the heart of the double jeopardy concerns. It is expected that through on-going standards development projects and future projects, the application of VRFs and VSLs/VRFs and VSLs will be limited to the primary requirement and will not be assigned to subrequirements. This will require stakeholder participation.</p>			
Consumers Energy Co.	3	Negative	<p>PRC-001 R2.1 - The evaluation criteria is "If a protective relay or equipment failure reduces system reliability" What protective relays or what type of equipment failure is not specified. Furthermore, it is unreasonable to require a GO evaluate impact on the BES, since the operator does not, and in many cases, cannot see the status of the BES at any given time.</p> <p>PRC-001 R3.1 - The severity level should not be Severe for all cases.</p> <p>PRC-005 R2 and PRC-008 R2 - The VSLs for this requirement should be similar to those for PRC-007 R3. Otherwise, there is not distinction between providing the information to the RE one day late, or not providing it at all.</p>
<p>Response: The VSL DT thanks you for your comments. All of your comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.</p> <p>PRC-001 R2.1 – Your comment refers the clarity of the requirement and not the VSL itself. It is important to note that the VSLs are only intended to replace the Levels of Non-compliance and are to be used in determining sanctions for violation of requirements. The VSL DT cannot make revisions to requirements within the scope of this project. Therefore we would expect that additional improvements to the VSLs will occur as on-going and future standard drafting teams make revisions to the standards, including requirements, measures and compliance elements.</p> <p>PRC-001 R3.1 - Many commenters observed that there is inconsistency in the assignment of VSL level for binary requirements. The VSL DT and the industry could not reach consensus on how best to address this issue. At this point in the process, and with consideration that this group of standards received an affirmative vote in the initial ballot, the VSL DT has decided not to make revisions to the proposed binary VSLs. It is expected that through on-going standards development projects and future projects, this issue will be addressed. This will require stakeholder participation in the standard development process.</p>			

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<p>PRC-005 R2 and PRC-008 R2 – The VSL DT has made revisions to PRC-005 and PRC-008 that should address your concern. The VSL DT replaced the single VSLs with sets of four VSLs that identify four ranges for classifying when the responsible entity provided the requested documentation.</p>			
<p>Dominion Resources, Inc.</p>	<p>3</p>	<p>Negative</p>	<p>Do not support PRC VSLs the assigned severe VSLs are given to the requirements and the subrequirements</p>
<p>Response: The VSL DT thanks you for your comments. The double jeopardy issue is outside the scope of the VSL DT. This is a compliance issue and we refer you to section 3.10 of the NERC Sanctions Guidelines for information on this issue. However, many of the stakeholders have asked the VSL DT for more information regarding the application of the VSLs in real-time and the potential for being exposed to double jeopardy, or multiple sanctions for a single violation. Per the FERC order, the VSL DT was required to assign at least one VSL on all requirements and sub-requirements that currently have a violation risk factor (VRF). These “parent-child” requirements are at the heart of the double jeopardy concerns. It is expected that through on-going standards development projects and future projects, the application of VRFs and VSLs will be limited to the primary requirement and will not be assigned to subrequirements. This will require stakeholder participation.</p>			
<p>FirstEnergy Solutions</p>	<p>3</p>	<p>Negative</p>	<p>PRC-001-1 –</p> <ul style="list-style-type: none"> ▪ R3.1 – In an effort to improve clarity, we suggest a rewording of the SEVERE VSL as follows: “The Generator Operator failed to coordinate all new protective systems and all changes to existing protective systems with its Transmission Operator and Host Balancing Authority. ▪ R3.2 – In an effort to improve clarity, we suggest a rewording of the SEVERE VSL as follows: “The Transmission Operator failed to coordinate all new protective systems and all changes to existing protective systems with neighboring Transmission Operators and Balancing Authorities”. ▪ R5, R5.1, and R5.2 – We believe that the severity level of each of the sub-requirements (R5.1 and R5.2) should be consistent with the main requirement (R5). We suggest moving the severity level of R5.1 and R5.2 from the HIGH level to the SEVERE level. ▪ R6 – We believe the VSL for HIGH and SEVERE should be moved to MODERATE and HIGH, respectively. Also, we suggest adding a SEVERE VSL worded as follows: “The responsible entity failed to monitor the status of its Special Protection System and did not notify the affected Transmission Operators and Balancing Authorities of the change in status of a Special Protection System when it occurred”. <p>PRC-004-1</p> <ul style="list-style-type: none"> ▪ R3 – The HIGH VSL seems to be adding a requirement when it states “... but Corrective Actions have not been completed as planned.” R3 simply states that the Corrective Action plan must be provided and makes no mention of requiring the RRO to determine if the Corrective Action was subsequently completed as planned. Therefore we suggest deleting the HIGH VSL for this requirement. <p>PRC-018-1</p> <ul style="list-style-type: none"> ▪ R1.1 and R1.2 – For consistency, we suggest changes to the percentages in either

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			<p>R1.1 or R1.2 so that they are the same throughout these sub-requirements.</p> <ul style="list-style-type: none"> ▪ R6 – The VSL for sub-requirements R6.1 and R6.2 should not be broken out into percentages because these are requirements that are either met fully or not met at all in real world applications. And since the main R6 requirement already addresses the HIGH and SEVERE level of non-compliance, we suggest that only a LOWER VSL exist for sub-requirements R6.1 and R6.2 with the following suggested wording: “The responsible entity’s DME maintenance and testing program did not specify maintenance and testing intervals and their basis.”, and “The responsible entity’s DME maintenance and testing program did not specify a summary of maintenance and testing procedures”, respectively. <p>GENERAL VSL COMMENTS EXPLANATORY TEXT: We commend the VSL SDT for removing references to the “Explanatory Text” VSL category described in its VSL guideline document. FE believes doing so is an improvement in the guidance being provided to future standard drafting teams. However, FE believes there are cases in the standards where a Violation Risk Factor (VRF) was inadvertently assigned to an explanatory type “requirement” and that steps should be taken at this point to remove the VRF which would negate the need for a VSL. As an example, in FAC-002, R3.1 states “Multiple sustained outages on an individual line, if caused by the same vegetation, shall be reported as one outage regardless of the actual number of outages within a 24-hour period” This is clearly explanatory to the parent (R3) requirement which requires quarterly reporting of vegetation management outages by a Transmission Owner to its Regional Reliability Organization. Requirement R3.1 now has a “Lower VSL” assigned to it which reads “The Transmission Owner failed to report, as a single outage, multiple sustained outages within a 24-hour period on an individual line, if caused by the same vegetation”. It does not seem appropriate to penalize someone for reporting too much information and one must ask what the reliability risk the Bulk Electric System was exposed to by doing so. Clearly, the standards require improvement. FE supports the “explanatory requirement” VSL as the best approach for the interim based on the existing state of the standards with the understanding that the standards will be refined through the standards development process. To assist the SDT and NERC in identifying all the explanatory text in existence today that have a VRF assigned to them, FE will send a complete spreadsheet to the chair of the VSL SDT in a separate correspondence.</p>
<p>Response: The VSL DT thanks you for your comment. Removing or revising VRFs is outside the scope of this project. These comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.</p> <p>Many commenters observed that there is inconsistency in the assignment of VSL level for binary requirements. The VSL DT and the industry could not reach consensus on how best to address this issue. At this point in the process, and with consideration that this group of standards received an affirmative vote in the initial ballot, the VSL DT has decided not to make revisions to the proposed binary VSLs. It is expected that through on-going standards development projects and future projects, this issue will be addressed. This will require stakeholder participation in the standard development process.</p> <p>As to your specific comments on the standards, here are the VSL DT responses. All of your comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.</p>			

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PRC-001-1 - R3.1 –Your comment on this requirement is related to the clarity of the requirement within the standard, and not the VSL itself. It is important to note that the VSLs are only intended to replace the Levels of Non-compliance and are to be used in determining sanctions for violation of requirements. The VSL DT cannot make revisions to requirements within the scope of this project. Therefore we would expect that additional improvements to the VSLs will occur as on-going and future standard drafting teams make revisions to the standards, including requirements, measures and compliance elements.

PRC-001-1 - R3.2 – Your comment on this requirement is related to the clarity of the requirement within the standard, and not the VSL itself. It is important to note that the VSLs are only intended to replace the Levels of Non-compliance and are to be used in determining sanctions for violation of requirements. The VSL DT cannot make revisions to requirements within the scope of this project. Therefore we would expect that additional improvements to the VSLs will occur as on-going and future standard drafting teams make revisions to the standards, including requirements, measures and compliance elements.

PRC-001-1- R5, R5.1, and R5.2 – See comments regarding binary requirements.

PRC-001-R6 – See comments regarding binary requirements. The wording of the SEVERE VSL has been changed to “The responsible entity failed to monitor the status of each Special Protection System in their area, and did not notify affected Transmission Operators and Balancing Authorities of each change in status.”

PRC-004-1 - R3 – The VSLs for PRC-004-1 R3 were revised to better align with those in PRC-004-1-R1 and no longer expand on the associated requirement

PRC-018-1 - R1.1 and R1.2 – A combination of input from the existing PRC project standard drafting team and from the existing Levels of Non-Compliance was used to determine the percentages used in the VSLs in PRC-018-01. Your comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.

Manitoba Hydro	3	Negative	The VSL Development Guidelines Criteria does not explain how penalties are assigned when a requirement and its sub requirements have a full range of VSLs. Is it possible to be penalized twice for the same violation? The application of penalties in these situations must be clarified. Refer to PRC-010-0 (R1.1 - R1.1.3), PRC-011-1 (R1 - R1.6), PRC-017-0 (R1 - R1.6), PRC-018-1 (R1 - R1.2), PRC-018-1 (R3 - R3.8), PRC-018-0 (R6 - R6.2), PRC-021-1 (R1 - R1.5), and PRC-022-1 (R1 - R1.5) as examples.
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Response: The VSL DT thanks you for your comments. The double jeopardy issue is outside the scope of the VSL DT. This is a compliance issue and we refer you to section 3.10 of the NERC Sanctions Guidelines for information on this issue. However, many of the stakeholders have asked the VSL DT for more information regarding the application of the VSLs in real-time and the potential for being exposed to double jeopardy, or multiple sanctions for a single violation. Per the FERC order, the VSL DT was required to assign at least one VSL on all requirements and sub-requirements that currently have a violation risk factor (VRF). These “parent-child” requirements are at the heart of the double jeopardy concerns. It is expected that through on-going standards development projects and future projects, the application of VRFs and VSLs will be limited to the primary requirement and will not be assigned to subrequirements. This will require stakeholder participation.

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<p>MidAmerican Energy Co.</p>	<p>3</p>	<p>Negative</p>	<p>The interpretation of PRC-001 alone could be construed that that system operators could be expected to know nearly as much as system protection personnel and the use of only high and severe VSLs for such expectations is unrealistic.</p> <p>For PRC-001, the notification of relay equipment failure that reduces system reliability is vague and too comprehensive and the use of only the moderate and higher VSLs is unrealistic.</p> <p>For PRC-018-R3, there are too many monitored devices, monitored elements, and monitored electrical quantities to base VSL compliance on 1 - 6 non-reports. A severe event that causes damage could damage 1 - 6 quantities by themselves causing a severe VSL which is unrealistic.</p>
<p>Response: The VSL DT thanks you for your comments. Your comment on PRC-001 relates to the clarity of the requirement, and not the VSL itself. It is important to note that the VSLs are only intended to replace the Levels of Non-compliance and are to be used in determining sanctions for violation of requirements. The VSL DT cannot make revisions to requirements within the scope of this project. Therefore we would expect that additional improvements to the VSLs will occur as on-going and future standard drafting teams make revisions to the standards, including requirements, measures and compliance elements. All NERC Standards are slated for review in the course of the Standards Development Work Plan established by NERC. We encourage all stakeholders to participate in the standard development process.</p> <p>Your comments on PRC-018 relate to the "parent-child" relationship. It is expected that through on-going standards development projects and future projects, the application of VRFs and VSLs will be limited to the primary requirement and will not be assigned to subrequirements. This will require stakeholder participation.</p>			
<p>Niagara Mohawk (National Grid Company)</p>	<p>3</p>	<p>Negative</p>	<p>Due to a lack of clarity with regard to the implementation of various Violation Severity Levels (VSLs) associated with some of the requirements, National Grid must vote "no" at this time. Specifically, it is unclear how requirements with sub-requirements will be treated when a sub-requirement is assigned a "low" to "severe" Violation Severity Level and the "parent" requirement specifies a numeric or percentage amount of violations to the sub-requirements resulting in a "low " to "severe" Violation Severity Level assigned to the overall requirement. If an entity violates only one sub-requirement (out of four), and does so in a "severe" manner as indicated by the sub-requirement VSL, does the VSL get "lowered" to a "low" VSL because only one sub-requirement was violated? If this is the case, then the assignment of more than just "low" to the sub-requirements is not necessary and causes confusion. If the intent of the "severe" VSL on the sub-requirements is to override the "low", "moderate" and "high" in the "parent" requirement, then there is no need to assign a number value to the "parent" requirement.</p> <p>Additionally, in order to ensure no "double jeopardy" sanctions occurring, it is of the understanding of National Grid that the assignment of a VSL on a sub-requirement cannot be assigned with an additional assignment of a VSL on the "parent" requirement, it has to be one or the other.</p>

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<p>Response: The VSL DT thanks you for your comments. The double jeopardy issue is outside the scope of the VSL DT. This is a compliance issue and we refer you to section 3.10 of the NERC Sanctions Guidelines for information on this issue. However, many of the stakeholders have asked the VSL DT for more information regarding the application of the VSLs in real-time and the potential for being exposed to double jeopardy, or multiple sanctions for a single violation. Per the FERC order, the VSL DT was required to assign at least one VSL on all requirements and sub-requirements that currently have a violation risk factor (VRF). These “parent-child” requirements are at the heart of the double jeopardy concerns. It is expected that through on-going standards development projects and future projects, the application of VRFs and VSLs will be limited to the primary requirement and will not be assigned to subrequirements. This will require stakeholder participation.</p>			
North Carolina Municipal Power Agency #1	3	Negative	<p>For PRC-009-0, R2, it appears that the Moderate severity level may be missing a description. The Lower level talks about 90-105 days, and the High level talks about 129 to 145 days. What happened to the days in between?</p> <p>For most of the PRC standards, it remains unclear how having severity levels for requirements and also for their sub-requirements, and in some cases even sub- sub-requirements, will be used to assess penalties. For example, in PRC-010-0 R1.1.3, if the entity failed to review 80% of its voltage set points and timing, that is a VSL of Severe. Let’s say it did address all the sub- sub-requirements, so there is no violation for R1.1, although there’s a violation for one of its sub-requirements. Also, let’s say the entity did conduct its assessment within the five years according to the requirements of R1. Now there’s no violation at the R1 level, none at the R1.1 level, but a Severe rating at the R1.1.3 level. How then are the VSLs used to determine the penalty for not fully meeting Requirement 1 of this standard?</p>
<p>Response: The VSL DT thanks you for your comments. The VSL DT has corrected the omission that appeared in PRC-009, R2. The VSL DT added a Moderate VSL as follows: “ The responsible entity has provided the documentation in more than 105 calendar days but less than 129 calendar days.”</p> <p>The double jeopardy issue is outside the scope of the VSL DT. This is a compliance issue and we refer you to section 3.10 of the NERC Sanctions Guidelines for information on this issue. However, many of the stakeholders have asked the VSL DT for more information regarding the application of the VSLs in real-time and the potential for being exposed to double jeopardy, or multiple sanctions for a single violation. Per the FERC order, the VSL DT was required to assign at least one VSL on all requirements and sub-requirements that currently have a violation risk factor (VRF). These “parent-child” requirements are at the heart of the double jeopardy concerns. It is expected that through on-going standards development projects and future projects, the application of VRFs and VSLs will be limited to the primary requirement and will not be assigned to subrequirements. This will require stakeholder participation.</p>			
Salt River Project	3	Negative	<p>The VSL associated with this requirement does not address the violation severity level if not all the devices are maintained and/or tested. A Reliability Entity that failed to test one relay in the defined interval would have the same finding as someone who failed to test all relays during the defined interval. SRP has identified issues with the proposed VSLs. Our comments are included. We were unable to provide comments on all VSLs based on the short time frame available to us. However, we believe that there are other proposed VSLs that require modification. We will plan to comment on these in the second ballot.</p>
<p>Response: The VSL DT thanks you for your comment. Your future comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.</p>			

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<p>Your comments seem to refer to the VSLs in PRC-005. The VSL DT has made revisions in the final document that should address your concern.</p>			
<p>Santee Cooper</p>	<p>3</p>	<p>Negative</p>	<p>PRC-001-1 R2 Violation is already covered by severity levels in R2.1 and R2.2. R2.1 covers if the entity involved is a Generator Operator, and R2.2 covers if the entity involved is a Transmission Operator. There is already a severe level in the subgroups.</p> <p>R2 should just be N/A like other main groupings. Also, if kept at all, the wording for R2 needs to be changed, because a Moderate Violation in R2.1 or R2.2 could be construed as a Severe Violation of R2, which doesn't seem to be what was intended.</p> <p>PRC-001-1 R5 This is a parent requirement with 2 subrequirements (5.1 and 5.2). The violation of R5.1 or R5.2 is listed as High, but a violation of either one would naturally be a violation of the parent, which is listed as Severe. The parent requirement, R5, should just be N/A, since all violations are covered by R5.1 and R5.2</p> <p>PRC-004-1 R1 and R2 The High and Severe levels for both R1 and R2 are redundant. If the documentation is incomplete (High Level), there is no way to prove that the misoperations have been analyzed (failure of which puts you at the Severe Level). Suggest combining those two (High and Severe) under the High Level (same severity as not having corrective action plans, or else have Severe VSL state "No misoperations have been analyzed" meaning a complete failure of compliance.</p> <p>PRC-005-1 R2.1 and R2.2 Wording should be changed slightly. Moderate level has "responsible entity failed to have evidence " devices were both maintained and tested within the defined intervals." Using that terminology, if entity had one but not the other, they would be under Moderate Violation, but that is the definition for Lower Violation. Moderate Violation should be something like "The responsible entity neither has evidence the Protection System devices were maintained nor had evidence of testing within the defined intervals." Similar wording issue in R2.2. The documentation of these subrequirements should still be within 30 days, as the parent requirement states.</p> <p>PRC-009-0 R1 This is a parent requirement with 4 subrequirements. All subrequirements have only Lower severity levels, but parent (which just states you fail to do subrequirements) go all the way to Severe. Many other requirements just have N/A for the parent, which seems to be appropriate here.</p> <p>PRC-009-0 R2 Moderate Level seems to be missing. There seems to be a gap between 106 and 128 calendar days between Lower and High level.</p> <p>PRC-010-0 R1 Wording is confusing in Moderate and High levels. Should say "The</p>

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			<p>responsible entity did not conduct an assessment of the effectiveness of its UVLS system for more than 5 years, but did in less than or equal to 7 years.” As it is, it reads “did not conduct an assessment”. But less than or equal to 7 years.” This is true for both middle levels.</p> <p>PRC-018-1 R1.1 Typographical error. Lower VSL has “did not” twice.</p> <p>PRC-018-1 R3 R3.1 through R3.8 cover requirements extensively. R3 should just be N/A as other parent requirements are. If multiple subrequirements are in violation, entities will already then have multiple violations.</p> <p>PRC-018-1 R3.1-R3.8 R3.1 through R3.8 have severity levels that are too extensive for their effect on the system. Instead of having multiple levels and percentages, they should be more like other VSLs, where the level is just “data is incomplete.” For example, R3.2 is the make and model of the equipment. Not having this data (the model of the machine) will not affect the operation of the system, and would not even affect an entity from being to provide data for a major system event. These subrequirements should have levels of “data is incomplete” and should be just Lower to Moderate.</p> <p>PRC-018-1 R4 R4 is a reporting requirement. Other reporting requirements have levels based on how late the information is being reported to the RRO. In this one, the levels are based on what percentage of data is not provided. This would seem to be, for practical purposes, a hard percentage to figure out. For example, if an entity failed to provide the data in R3.3, would that be considered 1/8 th (12.5%). Then, if they didn't provide any data for one DME, you'd have to work out the percentage missing of that data and figure it in to the 12.5%? It seems like something more like the other reporting requirements (30 days late, etc.) with the harshest one being data was not provided, would be the more reliable way to judge this requirement.</p> <p>PRC-018-1 R6 R6 is a parent requirement. Subrequirements cover VSLs completely. If an entity violates both subrequirements, they will already have multiple violations. If they don't include one of the subrequirements in their program, they will already be found non-compliant in the subrequirement, so having a VSL in the parent requirement is not needed.</p> <p>PRC-018-1 R6.1-6.2 Levels seems severe considering that this is monitoring equipment with no direct impact on the bulk electric system nor do they indicate the operational status of the recorder. That is covered in the R3 requirement. This is just the maintenance and testing intervals and their basis, and the summary of maintenance and testing procedures. This data is needed, but consider increasing ranges of percentages and having fewer levels.</p>
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Response: The VSL DT thanks you for your comments. The double jeopardy issue is outside the scope of the VSL DT. This is a compliance issue and we refer you to section 3.10 of the NERC Sanctions Guidelines for information on this issue. However, many of the stakeholders have asked the VSL DT for more information regarding the application of the VSLs in real-time and the potential for being exposed to double jeopardy, or multiple sanctions for a single violation. Per the FERC order, the VSL DT was required to assign at least one VSL on all

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requirements and sub-requirements that currently have a violation risk factor (VRF). These “parent-child” requirements are at the heart of the double jeopardy concerns. It is expected that through on-going standards development projects and future projects, the application of VRFs and VSLs will be limited to the primary requirement and will not be assigned to subrequirements. This will require stakeholder participation.

As to your specific comments on the standards, here are the VSL DT responses. All of your comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.

PRC-001-1

- R2 - See above comments on double jeopardy.
- R2 - See above comments on double jeopardy.

PRC-001-1 R5 - See above comments on double jeopardy.

PRC-004-1 R1 and R2 Your comments will be made available to the PRC drafting team for use in the development of the revised standard.

PRC-005-1 R2.1 and R2.2 . The VSL DT has made revisions to PRC-005 in the final document that should address your concern. Both R2.1 and R2.2 now have four VSLs that use percentages and more specific language.

PRC-009-0 R1 See above comments on double jeopardy.

PRC-009-0 R2 The VSL DT thanks you for your good catch. The VSL DT added a Moderate VSL as follows:
“ The responsible entity has provided the documentation in more than 105 calendar days but less than 129 calendar days.”

PRC-010-0 R1 The VSL DT thanks you for your comment and revised both the Medium and High VSLs in R1 as proposed.

PRC-018-1 R1.1 The VSL DT thanks you for your good catch. The VSL deleted the extra words from the Severe VSL for R1.1.

PRC-018-1 R3 R3.1 through R3.8 See above comments on double jeopardy.

PRC-018-1 R3.1 through R3.8 Your comment touches on the subject of risk. The VSL is a separate compliance element that does not take risk into account. The VSL DT has made a concerted effort to eliminate all risk indicators from the VSLs. The VSLs are determined with no consideration of the risk associated with the requirement. More detailed information is available in the VSL Development Guidelines Criteria document.

PRC-018-1 R4 – The existing Levels of Non-Compliance was used to determine the percentages used in the VSLs in PRC-018-01. Your comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.

PRC-018-1 R6 See above comments on double jeopardy.

PRC-018-1 R6.1-6.2 See above comments on VSLs and risk.

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<p>South Carolina Electric & Gas Co.</p>	<p>3</p>	<p>Negative</p>	<p>General Comments: 1. There is inconsistency in the approach to VSL assignment. For example, PRC-001-1, R3 is not assigned a VSL as R3 has 2 parts R3.1 and R3.2, each of which is assigned a VSL. This appears to be the rational approach. However, PRC-018-1, R1 consists of R1.1 and R1.2 while R1, R1.1, and R1.2 all are assigned VSL's. Assume that R1.1 is 100% non-compliant (greater than 50% non-compliant). Then R1.1 would receive a Severe VSL. Would also R1 receive a High VSL for the exact same reason? Again, if a requirement is made up of a number of sub-requirements, it appears appropriate to only assign VSL's to the sub-requirements.</p> <p>2. A number of requirements are assigned numbers (percentage of requirement, number of days late, etc) to determine the VSL. In a number of cases these numbers appear to be arbitrary and potentially arrived at due to a mindset that all four VSL's must be assigned.</p> <p>PRC-001-1, R1: There should be no severity levels for R1. PRC-001-1 standard provides no measures for R1. Additionally, the standard does not provide levels of non-compliance with R1. Comments of the NERC CEDST assigned to develop measures for this standard are as follows: "CEDST could not develop an effective measure for Requirement 1. The scope of Protection Systems that should be included needs to be defined. Words such as "be familiar with" need to be explained."</p> <p>PRC-001-1, R2, R2.1, R2.2: There should be no severity levels for R2, R2.1, and R2.2. PRC-001-1 standard provides no measures for R2. Additionally, the standard does not provide levels of non-compliance with R2. Comments of the NERC CEDST assigned to develop measures for this standard are as follows: "CEDST could not develop an effective measure for Requirement 2 since it is not always feasible to know if a protective relay or equipment failure will reduce system reliability The requirement needs clarification. "</p> <p>PRC-001-1, R4: There should be no severity levels for R4. PRC-001-1 standard provides no measures for R4. Additionally, the standard does not provide levels of non-compliance with R4. Comments of the NERC CEDST assigned to develop measures for this standard are as follows: "CEDST could not develop an effective measure for Requirement 4. The Requirement for Transmission Operators to coordinate with other Transmission Operators is included in R3.2. The Transmission Operator does not coordinate protection systems with neighboring generator operators, and Balancing Authorities do not get involved in this type of coordination."</p> <p>PRC-001-1, R5, R5.1, R5.2: There should be no severity levels for R5. PRC-001-1 standard provides no measures for R5. Additionally, the standard does not provide levels of non-compliance with R5. Comments of the NERC CEDST assigned to develop measures for this standard are as follows: "CEDST could not develop an effective measure for Requirement 5. The Generator Operator and Transmission Operator cannot always determine if a change in their system will require a change in protection systems in another entity. For known, recurring situations, there is usually a practice or agreement in place."</p> <p>PRC-004-1, R3: The existing moderate and high VSL should both be moved to Lower VSL.</p>
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			<p>There are many valid reasons why Corrective Actions might not be completed as planned including scheduling issues associated with load levels and other contingency operation considerations, delays by vendors in providing equipment, etc.</p> <p>PRC-007-0, R1: Because of load changes at distribution substations from year-to-year relative to peak demand, the 95, 90, and 85% of Regional requirement is unduly stringent. Suggest 85, 80, 75% as more reasonable.</p> <p>PRC-007-0, R2 & R3: These VSL’s appear to have been done with a mindset that one had to fill in all of the blanks. Is it reasonable to move from a Low VSL if more than 30 days and then by 10 day increments to Moderate, High, and Severe VSL? Suggest changing the Lower VSL to 30-60 days, NA for Moderate, greater than 60 days for High, NA for Severe.</p> <p>PRC-015-0, R3: These VSL’s appear to have been done with a mindset that one had to fill in all of the blanks. Is it rational to move from a Low VSL if more than 30 days and then by 10 day increments to Moderate, High, and Severe VSL? Suggest changing the Lower VSL to 30-60 days, NA for Moderate, greater than 60 days for High, NA for Severe.</p> <p>PRC-017-0, R2: These VSL’s appear to have been done with a mindset that one had to fill in all of the blanks. Is it reasonable to move from a Low VSL if more than 30 days and then by 10 day increments to Moderate, High, and Severe VSL? Suggest changing the Lower VSL to 30-60 days, NA for Moderate, greater than 60 days for High, NA for Severe.</p> <p>PRC-018-1, R1, R1.1, R1.2: R1 VSL’s are redundant in that R1.1 and R1.2 covers what is listed for R1.</p> <p>PRC-018-1, R3, R3.1-R3.8: R3 consists of R3.1-R3.8. R3 is redundant in that it is covered by R3.1-R3.8. For example, if the entity does not address 3.1, is that entity found non-compliant with both R3 and R3.1 and fined according to the VSL table for both?</p> <p>PRC-018-1 General Comment: Is it reasonable to assign a High or Severe level to any requirements for this standard since this a monitoring function?</p>
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Response: The VSL DT thanks you for your comments. All of your comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.

The double jeopardy issue is outside the scope of the VSL DT. This is a compliance issue and we refer you to section 3.10 of the NERC Sanctions Guidelines for information on this issue. However, many of the stakeholders have asked the VSL DT for more information regarding the application of the VSLs in real-time and the potential for being exposed to double jeopardy, or multiple sanctions for a single violation. Per the FERC order, the VSL DT was required to assign at least one VSL on all requirements and sub-requirements that currently have a violation risk factor (VRF). These “parent-child” requirements are at the heart of the double jeopardy concerns. It is expected that through on-going standards development projects and future projects, the application of VRFs and VSLs will be limited to the primary requirement and will not be assigned to subrequirements. This will require stakeholder participation.

- **General Comments:** 1. There is an inconsistency in the standard requirements in that R2 has an assigned VRF while R3 does not. Per the

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FERC order, the VSL DT was required to assign at least one VSL on all requirements. The VRFs are outside the scope of the VSL DT. Your comment will be made available to the PRC drafting team for consideration.

2. Since the VSLs classify the severity of non-compliance, the VSL DT felt it was reasonable to specify time frames for reporting requirements.

PRC-001-1, R1: Per the FERC order, the VSL DT was required to assign at least one VSL on all requirements. The VRFs are outside the scope of the VSL DT. Your comment will be made available to the PRC drafting team for consideration.

PRC-001-1, R2, R2.1, R2.2 : Per the FERC order, the VSL DT was required to assign at least one VSL on all requirements. The VRFs are outside the scope of the VSL DT. Your comment will be made available to the PRC drafting team for consideration.

PRC-001-1, R4: Per the FERC order, the VSL DT was required to assign at least one VSL on all requirements. The VRFs are outside the scope of the VSL DT. Your comment will be made available to the PRC drafting team for consideration.

PRC-001-1, R5, R5.1, R5.2: Per the FERC order, the VSL DT was required to assign at least one VSL on all requirements. The VRFs are outside the scope of the VSL DT. Your comment will be made available to the PRC drafting team for consideration.

PRC-004-1, R3: The VSL DT has reviewed your comment and has made revisions to PRC-004, R3.

PRC-007-0, R1: The levels in this requirement were taken from the existing Levels of Non-compliance in PRC-007. Your comment will be made available to the PRC drafting team for consideration.

PRC-007-0, R2 & R3: The associated requirements are focused on 'providing' data or information. The VSL DT felt it was reasonable to specify time frames for reporting requirements.

PRC-015-0, R3: The associated requirements are focused on 'providing' data or information. The VSL DT felt it was reasonable to specify time frames for reporting requirements.

PRC-017-0, R2: The associated requirements are focused on 'providing' data or information. The VSL DT felt it was reasonable to specify time frames for reporting requirements.

PRC-018-1, R1, R1.1, R1.2: See above comments on the double jeopardy issue.

PRC-018-1, R3, R3.1 - R3.8: See above comments on the double jeopardy issue.

PRC-018-1 General Comment: Your comment seems to deal with the issue of risk. The VSL is a separate compliance element that does not take risk into account. The VSL DT has made a concerted effort to eliminate all risk indicators from the VSLs. The VSLs are determined with no consideration of the risk associated with the requirement. More detailed information is available in the VSL Development Guidelines Criteria document.

Wisconsin Public	3	Negative	
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<p>Service Corp.</p>			<p>PRC-005-1, R1, High and Severe VSLs appear to be the same.</p> <p>PRC-015-0, R2, What is the significance of severity levels just based on numbers of elements missed? Not all elements are weighted the same; an alternate Severity method needs to be developed. PRC-015-0, R3, What is the significance of severity levels just based on number of days for the response? A response is on time or it's late. Suggest a HIGH VSL for a late response.</p> <p>PRC-016-0, R1, What is the significance of severity levels just based on numbers of elements missed? Not all elements are weighted the same; an alternate Severity method needs to be developed.</p> <p>PRC-016-0, R2, Applying percentages for severity levels does not make sense. When corrective actions are required to prevent future misoperations, they are either identified or not; severity levels should be based on whether corrective actions as planned have been met.</p> <p>PRC-016-0, R3, What is the significance of severity levels just based on number of days for the response? A response is on time or it's late. Suggest a HIGH VSL for a late response.</p> <p>PRC-017-0, R1, What is the significance of severity levels just based on numbers of elements missed? Not all elements are weighted the same; an alternate Severity method needs to be developed.</p> <p>PRC-017-0, R1.1, What is the significance of severity levels just based on numbers of elements missed? Not all elements are weighted the same; an alternate Severity method needs to be developed.</p> <p>PRC-017-0, Applies to R1.1.1 - R 1.1.4, Applying percentages for severity levels does not make sense. If specific equipment is required and properly identified for the SPS maintenance and testing program, then they are either identified or not; severity levels should be based on whether they are listed and properly maintained and tested.</p> <p>PRC-017-0, Applies to R1.2 - R 1.6, Applying percentages for severity levels does not make sense. If certain aspects of a SPS program are required, they are either included or not; severity levels should be based on whether they are included with no allowance for missing some of the information.</p> <p>PRC-017-0, R2, What is the significance of severity levels just based on number of days for the response? A response is on time or it's late. Suggest a HIGH VSL for a late response.</p> <p>The same or similar general comments apply to PRC-018-1 as made for PRC-017-0.</p>
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Response: The VSL DT thanks you for your comments. All of your comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.

PRC-005-1, R1, The High and Severe VSLs in R1 are differentiated by the use of the word “or” in the High VSL and “and” in the Severe VSL.

PRC-015-0, R2. Since the VSLs are used to classify the severity of non-compliance, the VSL DT felt that linking the VSLs to the “elements” of the companion standard was appropriate.

PRC-016-0, R1, The VSL DT will make your comments available to the PRC drafting team. It is important to note that the VSLs are only intended to replace the Levels of Non-compliance and are to be used in determining sanctions for violation of requirements. The VSL DT cannot make revisions to requirements within the scope of this project. Therefore we would expect that additional improvements to the VSLs will occur as on-going and future standard drafting teams make revisions to the standards, including requirements, measures and compliance elements.

PRC-016-0, R2, Since the VSLs are used to classify the severity of non-compliance, the VSL DT felt it was reasonable to specify levels of effort for implementation requirements. The use of percentages is particularly appropriate when the total number of actions (in this case the number of corrective actions) is unknown.

PRC-016-0, R3 , Since the VSLs are used to classify the severity of non-compliance, the VSL DT felt it was reasonable to specify time frames for reporting requirements such as this, where the “due date” is specified in the requirement. While it is true that a report is either “on time” or it is “not on time” – in most cases, it is worse to receive a report 100 days after the due date than it is to receive the report just 1 hour after the due date. The VSLs recognize that some entities may make a good faith effort to become fully compliant but, for whatever reason, the entity falls short.

PRC-017-0, R1, Note that the existing R1 does not address the “quality” of the maintenance and testing program, and therefore the VSLs for R1 cannot be linked to “quality,” The VSL DT will make your comments available to the PRC drafting team. It is important to note that the VSLs are only intended to replace the Levels of Non-compliance and are to be used in determining sanctions for violation of requirements. The VSL DT cannot make revisions to requirements within the scope of this project. Therefore we would expect that additional improvements to the VSLs will occur as on-going and future standard drafting teams make revisions to the standards, including requirements, measures and compliance elements. The use of percentages is particularly appropriate when the total number of actions (in this case the number of devices) is unknown.

PRC-017-0, R1.1, Since the VSLs classify the severity of non-compliance, the VSL DT felt it was reasonable to link the VSLs to the “elements” since these are clearly specified in the associated requirement.

PRC-017-0, Applies to R1.1.1 - R 1.1.4 and R1.2 - R 1.6, Since the VSLs classify the severity of non-compliance, the VSL DT felt it was reasonable to specify levels of effort for implementation requirements. The use of percentages is particularly appropriate when the total number of actions (in this case the number of devices) is unknown.

PRC-017-0, R2, Since the VSLs classify the severity of non-compliance, the VSL DT felt it was reasonable to specify time frames for reporting requirements such as this, where the “due date” is specified in the requirement.

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Consumers Energy Co.	4	Negative	<p>PRC-001 R2.1 - The evaluation criteria is "If a protective relay or equipment failure reduces system reliability" What protective relays or what type of equipment failure is not specified. Furthermore, it is unreasonable to require a GO evaluate impact on the BES, since the operator does not, and in many cases, cannot see the status of the BES at any given time.</p> <p>PRC-001 R3.1 - The severity level should not be Severe for all cases.</p> <p>PRC-005 R2 and PRC-008 R2 - The VSLs for this requirement should be similar to those for PRC-007 R3. Otherwise, there is not distinction between providing the information to the RE one day late, or not providing it at all.</p>
<p>Response: Response: The VSL DT thanks you for your comments. All of your comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.</p> <p>PRC-001 R2.1 – Your comment refers the clarity of the requirement and not the VSL itself. It is important to note that the VSLs are only intended to replace the Levels of Non-compliance and are to be used in determining sanctions for violation of requirements. The VSL DT cannot make revisions to requirements within the scope of this project. Therefore we would expect that additional improvements to the VSLs will occur as on-going and future standard drafting teams make revisions to the standards, including requirements, measures and compliance elements.</p> <p>PRC-001 R3.1 - Many commenters observed that there is inconsistency in the assignment of VSL level for binary requirements. The VSL DT and the industry could not reach consensus on how best to address this issue. At this point in the process, and with consideration that this group of standards received an affirmative vote in the initial ballot, the VSL DT has decided not to make revisions to the proposed binary VSLs. It is expected that through on-going standards development projects and future projects, this issue will be addressed. This will require stakeholder participation in the standard development process.</p> <p>PRC-005 R2 and PRC-008 R2 – The VSL DT has made revisions to PRC-005 and PRC-008 such that there is great similarity in the VSLs for PRC-005, PRC-008, PRC-011 and PRC-017 as well as similarity between PRC-005 and PRC-008.</p>			
Old Dominion Electric Coop.	4	Affirmative	<p>I have a general comment on PRC-007-0: The VSLs for this standard have no basis in technical reality. To rank the serverity based on a a percentage 85 to 100% without any technical basis, does not make sense. In some cases, having UFLS at 85% or even lower, might be the best solution for keeping the blackout from spreading, while in other cases, one might need 125+% or more. To base a monetary penalty on something that is not justified technically is not good compliance process design.</p>
<p>Response: The VSL DT thanks you for your comments. The existing Levels of Non-Compliance was used to determine the percentages used in the VSLs in PRC-007-0. Your comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.</p>			
Seminole Electric Cooperative, Inc.	4	Negative	<p>The VSL's should have been posted with solicitation of industry comment prior to balloting. The VSL's seem to change some Standard requirements (PRC-007-0, R1.)</p>

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Response: The VSL DT thanks you for your comments. The VSLs were posted for comment for 45 days prior to balloting without another comment period because NERC is required to file the VSLs with FERC by March 1, 2008. The existing Levels of Non-Compliance was used to determine the percentages used in the VSLs in PRC-007-0. Your comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.

AEP Service Corp.	5	Negative	<p>AEP does not support the proposed VSL in there current form, due to a number of overarching issues that should be addressed. AEP, in previous comments suggested that the Standard Drafting Team adhere to and develop the Violation Severity Levels using a similar approach as FERCs guidance on Violation Risk Factors. Where, per FERC’s response in their consideration of the Violation Risk Factor, FERC stated that in determining Violation Risk Factor there should be; consistency within a Reliability Standard, i.e., among sub- and main Requirements of the same Reliability Standard, consistency among Reliability Standards with similar Requirements, consistency with NERC’s proposed definition of the Violation Risk Factor level, and assignment of a Violation Risk Factor level to those Requirements in certain Reliability Standards that co-mingle a higher risk reliability objective and a lesser risk reliability objective. It is not clear, based on this draft of the VSLs, how the Standard Drafting Team consistently addresses the VSLs on each of the requirements and sub-requirements.</p> <p>Additionally, we cannot find any information that states that an entity will not be subject to double jeopardy for the same violation. For example, if an entity is non-compliant with respect to R1.3 of a standard and R1.3 is a sub-requirement of R1, can the entity be in violation of the parent requirement as well? If not what will determine which requirement has been violated and what VRF and VSL will be applied in the penalty matrix? Depending upon the VSL and the VRF, it is possible the financial penalties will be different. This was discussed during the Standard Drafting Team led conference call, but there was not a clear answer to the situation. There are examples whereby a violation can fit into multiple VSL for a given requirements.</p> <p>Finally, there is no consistency in the application of the VSL between related standards in particular the MOD and PRC standards. The Standard Drafting Team has developed the Violation Severity Level Development Guidelines, but it is our understanding that guidelines will not be balloted any time soon and are subject to change. This appears to be putting the cart before the horse and if the guidelines are needed they should be included in the balloting. There is ambiguity regarding some of the VSL that are proposed. The drafting team has removed many instances of "minor" and other vague terms, but there are still many requirements that have VSL that are not clear. Similarly, it appears that some VSL provide additional details than what is written into the requirements or measures. Obviously, establishing fair, effective and consistent VSLs is a daunting task and we are confident that the Standard Drafting Team worked diligently to produce what could be done to meet the schedule. However, we feel that more time is needed and we should keep to the Standard</p>
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			<p>Development process that has been developed.</p> <p>PRC-001 R2 --- Multiple layers of penalties</p> <p>PRC-001 R5 -- Multiple layers of penalties</p> <p>PRC-004 R3 -- Reporting Requirement only. VSL doesn't match VRF. No effect on Reliability</p> <p>PRC-005 R2 -- Reporting Requirement only. No effect on Reliability. No defined difference between Maintenance and Testing</p> <p>PRC- 005; 008; 011 and 017 Similar maintenance standards but VSLs are not consistent</p> <p>PRC-011 R1 Multiple layers of penalties</p> <p>PRC-017 R1 Multiple layers of penalties PRC-018 R1 Multiple layers of penalties</p> <p>PRC -16 Typo - SPC should be SPS</p> <p>PRC-022 R1 Multiple layers of penalties Thank you</p>
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Response: Response: The VSL DT thanks you for your comments. As described in the VSL Development Guidelines Criteria document, the VRFs and VSLs are distinctly different compliance elements and are therefore developed differently. The VSL DT attempted to achieve consistency with the assignment of VSL within the guidelines. Some requirements do not fit neatly into one of the criteria "buckets" and have to be dealt with on a case by case basis. The VSLs will be refined through the on-going standards development process.

The double jeopardy issue is outside the scope of the VSL DT. This is a compliance issue and we refer you to section 3.10 of the NERC Sanctions Guidelines for information on this issue. However, many of the stakeholders have asked the VSL DT for more information regarding the application of the VSLs in real-time and the potential for being exposed to double jeopardy, or multiple sanctions for a single violation. Per the FERC order, the VSL DT was required to assign at least one VSL on all requirements and sub-requirements that currently have a violation risk factor (VRF). These "parent-child" requirements are at the heart of the double jeopardy concerns. It is expected that through on-going standards development projects and future projects, the application of VRFs and VSLs will be limited to the primary requirement and will not be assigned to subrequirements. This will require stakeholder participation.

The VSL Development Guidelines Criteria document was developed to provide guidance to the VSL DT in the assignment of VSLs per the FERC order and to help ensure consistency in the process. We are providing this document for other teams to use as a guideline for them to consider in development of VSLs. This document was posted twice for comment by the industry and appropriate revisions were made based on that feedback. The guidelines document is not a NERC standard or a part of a standard, and therefore does not require balloting. The VSL criteria will be provided to FERC for informational purposes; NERC will not ask for FERC approval of the VSL Development Guidelines Criteria document.

The VSL DT appreciates the commenters' concerns around using generic language in the VSL. Many of the commenters had concerns with terms such as "minor" or "significant" and the subjectivity that these terms create in application of the VSL. Throughout the VSL development process, the VSL DT attempted to limit the use of the generic language in the VSLs. However, in some instances the existing requirements do

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not lend themselves to specific VSL language. It is expected that through on-going standards development projects and future projects, the use of generic language will be further refined to provide specific VSL language. This will require stakeholder participation in the standard development process.

Some of your comments discuss risk. The VSL is a separate compliance element that does not take risk into account. The VSL DT has made a concerted effort to eliminate all risk indicators from the VSLs. The VSLs are determined with no consideration of the risk associated with the requirement. More detailed information is available in the VSL Development Guidelines Criteria document.

As to your specific comments on the standards, here are the VSL DT responses. All of your comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.

PRC-001 R2 - Multiple layers of penalties – See comments regarding “parent-child” requirements.

PRC-001 R5 - Multiple layers of penalties - See comments regarding “parent-child” requirements.

PRC-004 R3 - Reporting Requirement only. VSL doesn't match VRF. No effect on Reliability – See comments regarding separation of VSLs and risk.

PRC-005 R2 - Reporting Requirement only. No effect on Reliability. No defined difference between Maintenance and Testing – See comments regarding separation of VSLs and risk.

PRC- 005; 008; 011 and 017 Similar maintenance standards but VSLs are not consistent – The VSL DT made modifications to the VSLs for PRC-005 and PRC-008 such that there is great similarity in the VSLs for PRC-005, PRC-008, PRC-011 and PRC-017.

PRC-011 R1 Multiple layers of penalties - See comments regarding “parent-child” requirements.

City of Tallahassee	5	Negative	<ol style="list-style-type: none"> 1. PRC-001-R3.1 thru 001-R5: There should be lesser VSL’s for coordinating some but not all protection systems. 2. PRC-008-R1: Lesser VSL for providing some evidence. 3. PRC-008-R2: Lesser VSL for implementing program, but not reporting results. 4. PRC-009-R2: Missing Moderate VSL. Should read “... more than 104 days, but less than 130 days ...” 5. PRC-015-R1: Text and VSL’s address PRC-013, unable to locate this PRC. PRC-015 doesn’t have R1.1 – R1.3. However the VSL’s severity levels flow correctly as for as less compliant, more severe. 6. PRC-015-R2 & 016-R1: Text and VSL’s address PRC-012, unable to locate this PRC. However the VSL’s severity levels flow correctly as for as less compliant, more severe.
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Consideration of Comments on Initial Ballot of VSLs for Protection and Control Standards

			7. PRC-018-R1 – R3, R4: Text and VSL’s address PRC-002, unable to locate this PRC. However the VSL’s severity levels flow correctly as for as less compliant, more severe.
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Response: Response: The VSL DT thanks you for your response. The VSL DT received several comments regarding the ballot make up. The ballot groupings were selected by the VSL DT to maximize the opportunity for stakeholder input while ensuring that a quorum would be achieved in each of the ballots.

Some of your comments discuss risk. The VSL is a separate compliance element that does not take risk into account. The VSL DT has made a concerted effort to eliminate all risk indicators from the VSLs. The VSLs are determined with no consideration of the risk associated with the requirement. More detailed information is available in the VSL Development Guidelines Criteria document.

As to your specific comments on the standards, here are the VSL DT responses. All of your comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.

PRC-001-R3.1 thru 001-R5: See above discussion on risk.

PRC-008-R1: See above discussion on risk.

PRC-008-R2: See above discussion on risk.

PRC-009-R2: The VSL DT thanks you for your good catch. The VSL DT added a Moderate VSL as follows:

“ The responsible entity has provided the documentation in more than 105 calendar days but less than 129 calendar days.”

PRC-015-R1: PRC-013 is a “fill-in-the-blank” standard and has not yet been approved by FERC. Check listing under BOT Approved Standards.

PRC-015 doesn’t have R1.1 – R1.3. – The R1.1 through R1.3 refer to PRC-013, not PRC-015.

PRC-015-R2 & 016-R1: PRC-012 is a “fill-in-the-blank” standard and has not yet been approved by FERC. Check listing under BOT Approved Standards.

PRC-018-R1 – R3, R4: PRC-002 is a “fill-in-the-blank” standard and has not yet been approved by FERC. Check listing under BOT Approved Standards.

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<p>FirstEnergy Solutions</p>	<p>5</p>	<p>Negative</p>	<p>GENERAL VSL COMMENTS EXPLANATORY TEXT: We commend the VSL SDT for removing references to the "Explanatory Text" VSL category described in its VSL guideline document. FE believes doing so is an improvement in the guidance being provided to future standard drafting teams. However, FE believes there are cases in the standards where a Violation Risk Factor (VRF) was inadvertently assigned to an explanatory type "requirement" and that steps should be taken at this point to remove the VRF which would negate the need for a VSL. As an example, in FAC-002, R3.1 states "Multiple sustained outages on an individual line, if caused by the same vegetation, shall be reported as one outage regardless of the actual number of outages within a 24-hour period" This is clearly explanatory to the parent (R3) requirement which requires quarterly reporting of vegetation management outages by a Transmission Owner to its Regional Reliability Organization. Requirement R3.1 now has a "Lower VSL" assigned to it which reads "The Transmission Owner failed to report, as a single outage, multiple sustained outages within a 24-hour period on an individual line, if caused by the same vegetation". It does not seem appropriate to penalize someone for reporting too much information and one must ask what the reliability risk the Bulk Electric System was exposed to by doing so. Clearly, the standards require improvement. FE supports the "explanatory requirement" VSL as the best approach for the interim based on the existing state of the standards with the understanding that the standards will be refined through the standards development process. To assist the SDT and NERC in identifying all the explanatory text in existence today that have a VRF assigned to them, FE will send a complete spreadsheet to the chair of the VSL SDT in a separate correspondence.</p> <p>PRC-001-1 -</p> <ul style="list-style-type: none"> ▪ R3.1 - In an effort to improve clarity, we suggest a rewording of the SEVERE VSL as follows: "The Generator Operator failed to coordinate all new protective systems and all changes to existing protective systems with its Transmission Operator and Host Balancing Authority. ▪ R3.2 - In an effort to improve clarity, we suggest a rewording of the SEVERE VSL as follows: "The Transmission Operator failed to coordinate all new protective systems and all changes to existing protective systems with neighboring Transmission Operators and Balancing Authorities". ▪ R5, R5.1, and R5.2 - We believe that the severity level of each of the sub-requirements (R5.1 and R5.2) should be consistent with the main requirement (R5). We suggest moving the severity level of R5.1 and R5.2 from the HIGH level to the SEVERE level. ▪ R6 - We believe the VSL for HIGH and SEVERE should be moved to MODERATE and HIGH, respectively. Also, we suggest adding a SEVERE VSL worded as follows: "The responsible entity failed to monitor the status of its Special Protection System and did not notify the affected Transmission Operators and Balancing Authorities of the change in status of a Special Protection System when it occurred". <p>PRC-004-1 - R3 - The HIGH VSL seems to be adding a requirement when it states "... but</p>
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Consideration of Comments on Initial Ballot of VSLs for Protection and Control Standards

			<p>Corrective Actions have not been completed as planned.” R3 simply states that the Corrective Action plan must be provided and makes no mention of requiring the RRO to determine if the Corrective Action was subsequently completed as planned. Therefore we suggest deleting the HIGH VSL for this requirement.</p> <p>PRC-018-1</p> <ul style="list-style-type: none"> ▪ R1.1 and R1.2 – For consistency, we suggest changes to the percentages in either R1.1 or R1.2 so that they are the same throughout these sub-requirements. ▪ R6 – The VSL for sub-requirements R6.1 and R6.2 should not be broken out into percentages because these are requirements that are either met fully or not met at all in real world applications. And since the main R6 requirement already addresses the HIGH and SEVERE level of non-compliance, we suggest that only a LOWER VSL exist for sub-requirements R6.1 and R6.2 with the following suggested wording: “The responsible entity’s DME maintenance and testing program did not specify maintenance and testing intervals and their basis.”, and “The responsible entity’s DME maintenance and testing program did not specify a summary of maintenance and testing procedures”, respectively.
<p>Response: The VSL DT thanks you for your comment. Removing or revising VRFs is outside the scope of this project. These comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.</p> <p>Many commenters observed that there is inconsistency in the assignment of VSL level for binary requirements. The VSL DT and the industry could not reach consensus on how best to address this issue. At this point in the process, and with consideration that this group of standards received an affirmative vote in the initial ballot, the VSL DT has decided not to make revisions to the proposed binary VSLs. It is expected that through on-going standards development projects and future projects, this issue will be addressed. This will require stakeholder participation in the standard development process.</p> <p>As to your specific comments on the standards, here are the VSL DT responses. All of your comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.</p> <p>PRC-001-1 - R3.1 –Your comment on this requirement is related to the clarity of the requirement within the standard, and not the VSL itself. It is important to note that the VSLs are only intended to replace the Levels of Non-compliance and are to be used in determining sanctions for violation of requirements. The VSL DT cannot make revisions to requirements within the scope of this project. Therefore we would expect that additional improvements to the VSLs will occur as on-going and future standard drafting teams make revisions to the standards, including requirements, measures and compliance elements.</p> <p>PRC-001-1 - R3.2 – Your comment on this requirement is related to the clarity of the requirement within the standard, and not the VSL itself. It is important to note that the VSLs are only intended to replace the Levels of Non-compliance and are to be used in determining sanctions for violation of requirements. The VSL DT cannot make revisions to requirements within the scope of this project. Therefore we would expect that additional improvements to the VSLs will occur as on-going and future standard drafting teams make revisions to the standards, including requirements, measures and compliance elements.</p> <p>PRC-001-1- R5, R5.1, and R5.2 – See comments regarding binary requirements.</p>			

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PRC-001-R6 – See comments regarding binary requirements. The wording of the SEVERE VSL has been changed to “The responsible entity failed to monitor the status of each Special Protection System in their area, and and did not notify affected Transmission Operators and Balancing Authorities of each change in status.”

PRC-004-1 - R3 – The VSLs for PRC-004-1 R3 were revised to better align with those in PRC-004-1-R1 and no longer expand on the associated requirement.

PRC-018-1 - R1.1 and R1.2 – A combination of input from the existing PRC project standard drafting team and from the existing Levels of Non-Compliance was used to determine the percentages used in the VSLs in PRC-018-01. Your comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.

Manitoba Hydro	5	Negative	The VSL Development Guidelines Criteria does not explain how penalties are assigned when a requirement and its sub requirements have a full range of VSLs. Is it possible to be penalized twice for the same violation? The application of penalties in these situations must be clarified. Refer to PRC-010-0 (R1.1 - R1.1.3), PRC-011-1 (R1 - R1.6), PRC-017-0 (R1 - R1.6), PRC-018-1 (R1 - R1.2), PRC-018-1 (R3 - R3.8), PRC-018-0 (R6 - R6.2), PRC-021-1 (R1 - R1.5), and PRC-022-1 (R1 - R1.5) as examples.
<p>Response: The VSL DT thanks you for your comments. The double jeopardy issue is outside the scope of the VSL DT. This is a compliance issue and we refer you to section 3.10 of the NERC Sanctions Guidelines for information on this issue. However, many of the stakeholders have asked the VSL DT for more information regarding the application of the VSLs in real-time and the potential for being exposed to double jeopardy, or multiple sanctions for a single violation. Per the FERC order, the VSL DT was required to assign at least one VSL on all requirements and sub-requirements that currently have a violation risk factor (VRF). These “parent-child” requirements are at the heart of the double jeopardy concerns. It is expected that through on-going standards development projects and future projects, the application of VRFs and VSLs will be limited to the primary requirement and will not be assigned to subrequirements. This will require stakeholder participation.</p>			
Ontario Power Generation Inc.	5	Negative	Internal inconsistencies exist between the VSL ratings associated with main requirements versus those associated with corresponding sub-requirements. This is a serious structural problem that occurs throughout the VSL documents and will lead to ambiguity regarding determination of the appropriate level of non-compliance, or potentially multiple penalties, for a given breach.
<p>Response: The VSL DT thanks you for your comments. The double jeopardy issue is outside the scope of the VSL DT. This is a compliance issue and we refer you to section 3.10 of the NERC Sanctions Guidelines for information on this issue. However, many of the stakeholders have asked the VSL DT for more information regarding the application of the VSLs in real-time and the potential for being exposed to double jeopardy, or multiple sanctions for a single violation. Per the FERC order, the VSL DT was required to assign at least one VSL on all requirements and sub-requirements that currently have a violation risk factor (VRF). These “parent-child” requirements are at the heart of the double jeopardy concerns. It is expected that through on-going standards development projects and future projects, the application of VRFs and VSLs will be limited to the primary requirement and will not be assigned to subrequirements. This will require stakeholder participation.</p>			

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PPL Generation LLC	5	Abstain	<p>VSL for PRC-009-0, R2 (page 11 of the VSL document) has no "Moderate VSL" identified. In reading the lower, high and severe VSLs for this requirement, violations exist if documentation is late and the severity increases the later it takes an entity to supply the documentation. However, as it is written, the VSL suggests that if an entity initially failed to provide required documentation, they might as well wait for the time period between 106 and 128 days - the Moderate VSL indicates N/A. This must be an oversight.</p>
<p>Response: The VSL DT thanks you for your comments and your good catch. The VSL DT added a Moderate VSL as follows: " The responsible entity has provided the documentation in more than 105 calendar days but less than 129 calendar days."</p>			
Salt River Project	5	Negative	<p>SRP has identified issues with the proposed VSLs listed below. Our comments are included. We were unable to provide comments on all VSLs based on the short time frame available to us. However, we believe that there are other proposed VSLs that require modification. We will plan to comment on these in the second ballot.</p> <p>The VSL associated with this requirement does not address the violation severity level if not all the devices are maintained and/or tested.</p> <p>A Reliability Entity that failed to test one relay in the defined interval would have the same finding as someone who failed to test all relays during the defined interval.</p>
<p>Response: The VSL DT thanks you for your comment. Your future comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.</p> <p>Your comments seem to refer to the VSLs in PRC-005. The VSL DT has made revisions in the final document that should address your concern.</p>			
AEP Service Corp.	6	Negative	<p>VSLs for Protection and Control</p> <p>PRC-001 R2 --- Multiple layers of penalties PRC-001 R5 -- Multiple layers of penalties</p> <p>PRC-004 R3 -- Reporting Requirement only. VSL doesn't match VRF. No effect on Reliability</p> <p>PRC-005 R2 -- Reporting Requirement only. No effect on Reliability. No defined difference between Maintenance and Testing</p> <p>PRC- 005; 008; 011 and 017 Similar maintenance standards but VSLs are not consistent</p> <p>PRC-011 R1 Multiple layers of penalties</p> <p>PRC-017 R1 Multiple layers of penalties PRC-018 R1 Multiple layers of penalties</p> <p>PRC -16 Typo - SPC should be SPS</p> <p>PRC-022 R1 Multiple layers of penalties</p>

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Response: The VSL DT thanks you for your comments. As described in the VSL Development Guidelines Criteria document, the VRFs and VSLs are distinctly different compliance elements and are therefore developed differently. The VSL DT attempted to achieve consistency with the assignment of VSL within the guidelines. Some requirements do not fit neatly into one of the criteria “buckets” and have to be dealt with on a case by case basis. The VSLs will be refined through the on-going standards development process.

The double jeopardy issue is outside the scope of the VSL DT. This is a compliance issue and we refer you to section 3.10 of the NERC Sanctions Guidelines for information on this issue. However, many of the stakeholders have asked the VSL DT for more information regarding the application of the VSLs in real-time and the potential for being exposed to double jeopardy, or multiple sanctions for a single violation. Per the FERC order, the VSL DT was required to assign at least one VSL on all requirements and sub-requirements that currently have a violation risk factor (VRF). These “parent-child” requirements are at the heart of the double jeopardy concerns. It is expected that through on-going standards development projects and future projects, the application of VRFs and VSLs will be limited to the primary requirement and will not be assigned to subrequirements. This will require stakeholder participation.

The VSL Development Guidelines Criteria document was developed to provide guidance to the VSL DT in the assignment of VSLs per the FERC order and to help ensure consistency in the process. We are providing this document for other teams to use as a guideline for them to consider in development of VSLs. This document was posted twice for comment by the industry and appropriate revisions were made based on that feedback. The guidelines document is not a NERC standard or a part of a standard, and therefore does not require balloting. The VSL criteria will be provided to FERC for informational purposes; NERC will not ask for FERC approval of the VSL Development Guidelines Criteria document.

The VSL DT appreciates the commenters’ concerns around using generic language in the VSL. Many of the commenters had concerns with terms such as “minor” or “significant” and the subjectivity that these terms create in application of the VSL. Throughout the VSL development process, the VSL DT attempted to limit the use of the generic language in the VSLs. However, in some instances the existing requirements do not lend themselves to specific VSL language. It is expected that through on-going standards development projects and future projects, the use of generic language will be further refined to provide specific VSL language. This will require stakeholder participation in the standard development process.

Finally, some of your comments discuss risk. The VSL is a separate compliance element that does not take risk into account. The VSL DT has made a concerted effort to eliminate all risk indicators from the VSLs. The VSLs are determined with no consideration of the risk associated with the requirement. More detailed information is available in the VSL Development Guidelines Criteria document.

As to your specific comments on the standards, here are the VSL DT responses. All of your comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.

PRC-001 R2 --- Multiple layers of penalties – See comments regarding “parent-child” requirements.

PRC-001 R5 -- Multiple layers of penalties - See comments regarding “parent-child” requirements.

PRC-004 R3 -- Reporting Requirement only. VSL doesn't match VRF. No effect on Reliability – See comments regarding separation of VSLs and risk.

PRC-005 R2 -- Reporting Requirement only. No effect on Reliability. No defined difference between Maintenance and Testing – See comments regarding separation of VSLs and risk. Note that the VSL DT modified these VSLs to use percentages of devices maintained/tested.

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<p>PRC- 005; 008; 011 and 017 Similar maintenance standards but VSLs are not consistent – The VSL DT made modifications to the VSLs for PRC-005 and PRC-008 such that there is great similarity in the VSLs for PRC-005, PRC-008, PRC-011 and PRC-017. PRC-011 R1 Multiple layers of penalties - See comments regarding “parent-child” requirements.</p>			
Consolidated Edison Co. of New York	6	Negative	<p>Con Edison would like to thank the drafting team for their effort in reviewing the standard requirements and developing VSL's. Our thoughts on this process is as follows: When a Requirement has Sub-requirements, only one or the other can have VSL's. This eliminates any potential "double jeopardy" issues. The following Requirements have Sub-Requirements with VSL's assigned. Therefore, the following list of Requirements should be assigned "NA" VSL's. They are: PRC-001-R2, R5, PRC-005-R1, R2, PRC-009-R1, PRC-001-R1, PRC-011-R1, PRC-017-R1, PRC-018-R1, R3, R6, PRC-021-R1, PRC-022-R1. The drafting team may also consider assigning VSL's to the Requirement, and eliminate the Sub-Requirement VSL.</p>
<p>Response: The VSL DT thanks you for your comments. The double jeopardy issue is outside the scope of the VSL DT. This is a compliance issue and we refer you to section 3.10 of the NERC Sanctions Guidelines for information on this issue. However, many of the stakeholders have asked the VSL DT for more information regarding the application of the VSLs in real-time and the potential for being exposed to double jeopardy, or multiple sanctions for a single violation. Per the FERC order, the VSL DT was required to assign at least one VSL on all requirements and sub-requirements that currently have a violation risk factor (VRF). These “parent-child” requirements are at the heart of the double jeopardy concerns. It is expected that through on-going standards development projects and future projects, the application of VRFs and VSLs will be limited to the primary requirement and will not be assigned to subrequirements. This will require stakeholder participation.</p>			
Manitoba Hydro	6	Negative	<p>The VSL Development Guidelines Criteria does not explain how penalties are assigned when a requirement and its sub requirements have a full range of VSLs. Is it possible to be penalized twice for the same violation? The application of penalties in these situations must be clarified. Refer to PRC-010-0 (R1.1 - R1.1.3), PRC-011-1 (R1 - R1.6), PRC-017-0 (R1 - R1.6), PRC-018-1 (R1 - R1.2), PRC-018-1 (R3 - R3.8), PRC-018-0 (R6 - R6.2), PRC-021-1 (R1 - R1.5), and PRC-022-1 (R1 - R1.5) as examples.</p>
<p>Response: The VSL DT thanks you for your comments. The double jeopardy issue is outside the scope of the VSL DT. This is a compliance issue and we refer you to section 3.10 of the NERC Sanctions Guidelines for information on this issue. However, many of the stakeholders have asked the VSL DT for more information regarding the application of the VSLs in real-time and the potential for being exposed to double jeopardy, or multiple sanctions for a single violation. Per the FERC order, the VSL DT was required to assign at least one VSL on all requirements and sub-requirements that currently have a violation risk factor (VRF). These “parent-child” requirements are at the heart of the double jeopardy concerns. It is expected that through on-going standards development projects and future projects, the application of VRFs and VSLs will be limited to the primary requirement and will not be assigned to subrequirements. This will require stakeholder participation.</p>			
PP&L, Inc.	6	Abstain	<p>VSL for PRC-009-0, R2 (page 11 of the VSL document) has no "Moderate VSL" identified. In reading the lower, high and severe VSLs for this requirement, violations exist if documentation is late and the severity increases the later it takes an entity to supply the documentation. However, as it is written, the VSL suggests that if an entity initially failed to provide required documentation, they might as well wait for the time period between 106 and 128 days - the Moderate VSL indicates N/A. This must be an oversight.</p>

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Response: The VSL DT thanks you for your comment and your good catch. The VSL DT added a Moderate VSL as follows:
 " The responsible entity has provided the documentation in more than 105 calendar days but less than 129 calendar days."

Santee Cooper	6	Negative	<p>PRC-001-1</p> <ul style="list-style-type: none"> ▪ R2 Violation is already covered by severity levels in R2.1 and R2.2. R2.1 covers if the entity involved is a Generator Operator, and R2.2 covers if the entity involved is a Transmission Operator. There is already a severe level in the subgroups. ▪ R2 should just be N/A like other main groupings. Also, if kept at all, the wording for R2 needs to be changed, because a Moderate Violation in R2.1 or R2.2 could be construed as a Severe Violation of R2, which doesn't seem to be what was intended. <p>PRC-001-1</p> <ul style="list-style-type: none"> ▪ R5 This is a parent requirement with 2 subrequirements (5.1 and 5.2). The violation of R5.1 or R5.2 is listed as High, but a violation of either one would naturally be a violation of the parent, which is listed as Severe. The parent requirement, R5, should just be N/A, since all violations are covered by R5.1 and R5.2 PRC-004-1 R1 and R2 The High and Severe levels for both R1 and R2 are redundant. If the documentation is incomplete (High Level), there is no way to prove that the misoperations have been analyzed (failure of which puts you at the Severe Level). Suggest combining those two (High and Severe) under the High Level (same severity as not having corrective action plans, or else have Severe VSL state "No misoperations have been analyzed" meaning a complete failure of compliance. <p>PRC-005-1</p> <ul style="list-style-type: none"> ▪ R2.1 and R2.2 Wording should be changed slightly. Moderate level has "responsible entity failed to have evidence ... devices were both maintained and tested within the defined intervals." Using that terminology, if entity had one but not the other, they would be under Moderate Violation, but that is the definition for Lower Violation. Moderate Violation should be something like "The responsible entity neither has evidence the Protection System devices were maintained nor had evidence of testing within the defined intervals." ▪ Similar wording issue in R2.2. The documentation of these subrequirements should still be within 30 days, as the parent requirement states. <p>PRC-009-0</p> <ul style="list-style-type: none"> ▪ R1 This is a parent requirement with 4 subrequirements. All subrequirements have only Lower severity levels, but parent (which just states you fail to do subrequirements) go all the way to Severe. Many other requirements just have N/A for the parent, which seems to be appropriate here. ▪ PRC-009-0 R2 Moderate Level seems to be missing. There seems to be a gap between 106 and 128 calendar days between Lower and High level.
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Consideration of Comments on Initial Ballot of VSLs for Protection and Control Standards

			<p>PRC-010-0 R1 Wording is confusing in Moderate and High levels. Should say "The responsible entity did not conduct an assessment of the effectiveness of its UVLS system for more than 5 years, but did in less than or equal to 7 years." As it is, it reads "did not conduct an assessment But less than or equal to 7 years." This is true for both middle levels.</p> <p>PRC-018-1</p> <ul style="list-style-type: none">▪ R1.1 Typographical error. Lower VSL has "did not" twice.▪ PRC-018-1 R3 R3.1 through R3.8 cover requirements extensively. R3 should just be N/A as other parent requirements are. If multiple subrequirements are in violation, entities will already then have multiple violations.▪ PRC-018-1 R3.1-R3.8 R3.1 through R3.8 have severity levels that are too extensive for their effect on the system. Instead of having multiple levels and percentages, they should be more like other VSLs, where the level is just "data is incomplete." For example, R3.2 is the make and model of the equipment. Not having this data (the model of the machine) will not affect the operation of the system, and would not even affect an entity from being to provide data for a major system event. These subrequirements should have levels of "data is incomplete" and should be just Lower to Moderate.▪ PRC-018-1 R4 R4 is a reporting requirement. Other reporting requirements have levels based on how late the information is being reported to the RRO. In this one, the levels are based on what percentage of data is not provided. This would seem to be, for practical purposes, a hard percentage to figure out. For example, if an entity failed to provide the data in R3.3, would that be considered 1/8 th (12.5%). Then, if they didn't provide any data for one DME, you'd have to work out the percentage missing of that data and figure it in to the 12.5%? It seems like something more like the other reporting requirements (30 days late, etc.) with the harshest one being data was not provided, would be the more reliable way to judge this requirement.▪ PRC-018-1 R6 R6 is a parent requirement. Subrequirements cover VSLs completely. If an entity violates both subrequirements, they will already have multiple violations. If they don't include one of the subrequirements in their program, they will already be found non-compliant in the subrequirement, so having a VSL in the parent requirement is not needed.▪ PRC-018-1 R6.1-6.2 Levels seems severe considering that this is monitoring equipment with no direct impact on the bulk electric system nor do they indicate the operational status of the recorder. That is covered in the R3 requirement. This is just the maintenance and testing intervals and their basis, and the summary of maintenance and testing procedures. This data is needed, but consider increasing ranges of percentages and having fewer levels.
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Consideration of Comments on Initial Ballot of VSLs for Protection and Control Standards

Response: The VSL DT thanks you for your comments. The double jeopardy issue is outside the scope of the VSL DT. This is a compliance issue and we refer you to section 3.10 of the NERC Sanctions Guidelines for information on this issue. However, many of the stakeholders have asked the VSL DT for more information regarding the application of the VSLs in real-time and the potential for being exposed to double jeopardy, or multiple sanctions for a single violation. Per the FERC order, the VSL DT was required to assign at least one VSL on all requirements and sub-requirements that currently have a violation risk factor (VRF). These “parent-child” requirements are at the heart of the double jeopardy concerns. It is expected that through on-going standards development projects and future projects, the application of VRFs and VSLs will be limited to the primary requirement and will not be assigned to subrequirements. This will require stakeholder participation.

As to your specific comments on the standards, here are the VSL DT responses. All of your comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.

PRC-001-1

- R2 - See above comments on double jeopardy.
- R2 - See above comments on double jeopardy.

PRC-001-1 R5 - See above comments on double jeopardy.

PRC-004-1 R1 and R2 Your comments will be made available to the PRC drafting team for use in the development of the revised standard.

PRC-005-1 R2.1 and R2.2 . The VSL DT has made revisions to PRC-005 in the final document that should address your concern.

PRC-009-0 R1 See above comments on double jeopardy.

PRC-009-0 R2 The VSL DT thanks you for your good catch. The VSL DT added a Moderate VSL as follows:

“ The responsible entity has provided the documentation in more than 105 calendar days but less than 129 calendar days.”

PRC-010-0 R1 The VSL DT thanks you for your comment and will make revisions in the final document to address your concern.

PRC-018-1 R1.1 The VSL DT thanks you for your good catch and will make revisions in the final document to address your concern.

PRC-018-1 R3 R3.1 through R3.8 See above comments on double jeopardy.

PRC-018-1 R3.1-R3.8 R3.1 through R3.8 Your comment touches on the subject of risk. The VSL is a separate compliance element that does not take risk into account. The VSL DT has made a concerted effort to eliminate all risk indicators from the VSLs. The VSLs are determined with no consideration of the risk associated with the requirement. More detailed information is available in the VSL Development Guidelines Criteria document.

PRC-018-1 R4 – The existing Levels of Non-Compliance was used to determine the percentages used in the VSLs in PRC-018-01. Your comments will be made available to future drafting teams to use in developing VSLs in the on-going standards development process.

Consideration of Comments on Initial Ballot of VSLs for Protection and Control Standards

<p>PRC-018-1 R6 See above comments on double jeopardy.</p> <p>PRC-018-1 R6.1-6.2 See above comments on VSLs and risk.</p>			
Wyoming Public Service Commission	9	Affirmative	Subsequent changes to these VSLs may require us to change our vote.
<p>Response: The VSL DT thanks you for your comment. The VSL DT has made some clarifying changes to the PRC VSLs based on the comments of other industry participants. In addition, typographical errors and inadvertent omissions were corrected.</p>			
Northeast Power Coordinating Council, Inc.	10	Affirmative	NPCC is concerned that the assignment of separate VSLs to requirements and sub-requirements within a standard may establish new obligations not previously in a standard and can create a potential for double jeopardy.
<p>Response: The VSL DT thanks you for your comments. The double jeopardy issue is outside the scope of the VSL DT. This is a compliance issue and we refer you to section 3.10 of the NERC Sanctions Guidelines for information on this issue. However, many of the stakeholders have asked the VSL DT for more information regarding the application of the VSLs in real-time and the potential for being exposed to double jeopardy, or multiple sanctions for a single violation. Per the FERC order, the VSL DT was required to assign at least one VSL on all requirements and sub-requirements that currently have a violation risk factor (VRF). These "parent-child" requirements are at the heart of the double jeopardy concerns. It is expected that through on-going standards development projects and future projects, the application of VRFs and VSLs will be limited to the primary requirement and will not be assigned to subrequirements. This will require stakeholder participation.</p>			
Western Electricity Coordinating Council	10	Negative	WECC recognizes and commends the drafting team for the effort in developing these VSLs and generally supports the majority of the VSLs in this group. However, because the VSLs are not balloted individually, WECC is voting NO for this group for the following reasons. For PRC-005-1 R2.1, the VSL fails to address the severity level if some but not all relays were tested and maintained in accordance with the entities plan. Is it the same severity level if only one of several hundred or thousand relays are not maintained and tested vs. if none of them were. WECC suggests the use of percentages.
<p>Response: The VSL DT thanks you for your comments. The VSL DT received several comments regarding the ballot make up. The ballot groupings were selected by the VSL DT to maximize the opportunity for stakeholder input while ensuring that a quorum would be achieved in each of the ballots.</p> <p>In addition, the VSL DT has made revisions to PRC-005 that should address your concern. The VSL DT replaced the single VSL with a set of four VSLs distinguished by the percent of applicable devices that were tested/maintained in support of your suggestion.</p>			