Compliance Audit Report
Public Version

Dairyland Power Cooperative
NCR00979
January 30-31, 2008

Confidential Information
(including Privileged and Critical Energy Infrastructure Information)
Has Been Removed

February 4, 2008

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Executive Summary

This final compliance audit report is the public version. Confidential information (including privileged and critical energy infrastructure information) has been redacted from this report. The full final compliance audit report was submitted to the audited entity and NERC.

NERC has designated a subset of Reliability Standards for active compliance monitoring and reporting by the regional entities in their 2008 implementation plan. For 2008, NERC has identified 62 standards as "actively monitored" which contain 294 requirements. The 2008 compliance audits focus on the last 12 months.

DPC is registered with the MRO as conducting 10 different functions. As a result of this registration and for this audit, DPC is Responsible for meeting compliance with 47 Reliability Standards which contain 229 requirements. DPC is found to be in full compliance with 186 requirements and found 2 instances of alleged non-compliance. An additional 8 standards and their requirements were monitored as a part of the 2007 CIPs (Critical Infrastructure Protection) survey.

DPC staff completed an Audit Questionnaire and provided the MRO with supporting documentation prior to the on site audit. The MRO staff spent several days sorting through the questionnaire and supporting documentation at the MRO offices. Upon completion of the initial review of evidence, the audit team requested additional documentation as well as identified the subject matter experts we desired to interview.

Once on site, the DPC staff was found to be quite cordial and willing to clarify any questions and when needed, direct the audit team to the correct evidence. The subject matter experts were open with their responses and were cooperative throughout the process.

During the review of the supporting evidence for PRC-005-1, Transmission and Generation Protection System Maintenance and Testing, and PRC-008-0 UFLS Equipment Maintenance the audit team requested further supporting documentation of theses programs. DPC was able to provide sufficient evidence indicating the testing and maintenance activities were being conducted on this equipment. However, the audit team felt, in its professional judgment, there was insufficient documentation of the testing and maintenance programs for these two standards.

This audit report includes information about how far DPC missed the requirements for the alleged compliance violations. This information will be used to help determine the severity level of sanctions and penalties. The possible compliance violations will be processed through the MRO's NERC Compliance Monitoring and Enforcement Program. Any further actions related to possible compliance violations will be through that process.

Audit Process

The compliance audit process steps are detailed in the NERC CMEP. The NERC CMEP generally conforms to the United States Government Accountability Office Government Auditing Standards and other generally accepted audit practices.

Objectives

All registered entities are subject to audit for compliance with all reliability standards applicable to the functions for which the registered entity is registered.[1] The audit objectives are:

- Independently review DPC's compliance with the requirements of the reliability standards that are applicable to DPC based on the DPC's registered functions.
- Validate compliance with applicable reliability standards from the NERC 2008 Implementation Plan list of actively monitored standards.
- Validate evidence of self-reported violations and previous self-certifications, confirm compliance with other requirements of the reliability standard, and review the status of associated mitigation plans.
- Document the DPC's compliance culture.
- Review compliance of the MRO standard MBAL-002.

Scope

The DPC Compliance Audit was conducted as a part of its normal three year cycle. The 2008 Compliance Program consists of 54 actively monitored Standards. Eight of these Standards were deemed not applicable, seven of which are related directly to the RC function and FAC-003-1, Transmission and Vegetation Management. DPC does not own any transmission at the 200 kV level or above or any lower deemed by the RRO as being critical to the Bulk Electric System. Documentation was viewed for the past 12 months.

Confidentiality and Conflict of Interest

Confidentiality agreements and code of conduct documentation for the NERC representative and regional entity staff were available to the audited entity in advance of the audit. Work history and conflict of interest forms submitted by each audit team member were available to the audited entity if requested. The audited entity was given an opportunity to object to an audit team member on the basis of a possible conflict of interest or the existence of other circumstances that could interfere with the audit team member's impartial performance of duties. The audited entity accepted the audit team member participants with no objections.

[1] North American Electric Reliability Corporation CMEP, paragraph 3.1, Compliance Audits

On-site Audit

Upon arrival the first day, DPC was given the opportunity to present and overview of their company. The MRO presented an opening presentation which gave a high level overview of the status of the compliance audit.

The auditor code of conduct was reviewed. MRO staff must adhere to confidentiality as required through the NERC Delegation Agreement. NERC staff has their own Code of Conduct. MRO staff requested DPC's cooperation in complying with the following guidelines: MRO must be billed for all meals and snacks, auditors may not fraternize with employees of DPC during breaks and outside of work during the period of the audit, and the audit team members may not accept gifts, regardless of value.

Methodology

Audit criteria included standards, measures, and expectations based on best practices. The criteria were objective, measurable, complete and relevant to the objectives. The audit team accepted and was not limited to policies, procedures, screen-prints of EMS, copies of operator logs, audio clips, and correspondence. If needed, additional supporting documentation or clarification was requested.

The Audit team used the Reliability Standards Auditor Worksheets (RSAW) to review each reliability standard during the compliance audit. This is done to ensure consistency and fairness during each compliance audit.

Audit Overview

In September of 2007 DPC agreed to the MRO's proposed schedule of conducting a Compliance Audit January 30-31, 2008. The 60 day packet went out November 28, 2007. In the packet, DPC received a copy of the Two Month Prior On-Site Audit Notification, the Pre-Audit Survey, an Audit Questionnaire, the MRO Regional Procedure for conducting audits, the MRO Preparing for Compliance and Compliance Audit document and the Subject Matter Expert Document. In addition, the Midwest ISO Reliability Coordinator was requested to fill out a questionnaire regarding DPC's response to reliability concerns on the bulk electric system.

Audit

DPC supplied the MRO office with approximately 80% of the supporting documentation needed to show compliance on DPC's behalf prior to the site visit. The MRO requested additional documentation prior to the on site visit which DPC produced prior to the visit.

Prior to the site visit, MRO staff reviewed the documentation in the MRO offices. The compliance staff utilized the NERC Standards and the RSAW while reviewing the supporting documents and the Audit Questionnaire provided by DPC.

Prior to the on site visit, the MRO requested DPC to have subject matter experts available for the following Standards: BAL-002, BAL-003, BAL-005, COM-001, COM-002, EOP-001, EOP-004, EOP-005, IRO-004, IR0-005, PER-002, PRC-004, PRC-005, PRC-008, TOP-002, TOP-003, TOP-005, TPL-001 through 004, and VAR-001.

The audit team leader requested interviews with DPC employees representing subject matter expertise regarding the previously mentioned Standards. These interviews in conjunction with evidence provide the audit team with a basis for professional judgment when validating compliance with reliability standards.

During the review of the supporting evidence for PRC-005-1 requirement 1, Transmission and Generation Protection System Maintenance and Testing, and PRC-008-0 requirement 1, UFLS Equipment Maintenance the audit team requested further supporting documentation of theses programs. DPC was able to provide sufficient evidence indicating the testing and maintenance activities were being conducted on this equipment. However, the audit team felt, in its professional judgment, there was insufficient documentation of the testing and maintenance programs for these two standards.

In 2007, DPC self-reported a violation of PRC-005. DPC had scheduled relay testing and maintenance at two of its substations in 2006 which was not completed. The MRO audit team requested relay and maintenance test records of these two substations as a part of the audit. The testing and maintenance of the relays at these two substations was verified as being complete.

Exit Briefing

Upon completion of the audit process, the MRO presented DPC staff with the exit PowerPoint presentation. This presentation covered the future activities needed to complete the audit process, the audit findings and DPC's options as a result of the audit.

Due to the nature of the MRO compliance audits starting at the MRO office, the MRO has the supporting documentation needed as evidence for the alleged violations. All documentation is stored on site in a fire proof locked cabinet.

Company Profile

With headquarters in La Crosse, Wis., Dairyland Power Cooperative is a generation and transmission cooperative (G&T) that provides the wholesale electrical requirements and other services for 25 electric distribution cooperatives and 18 municipal utilities in the Upper Midwest. In turn, these cooperatives and municipals deliver the electricity to consumers--meeting the energy needs of more than half a million people.

Dairyland was formed in December 1941. Today, the cooperative's generating stations (coal, hydro, natural gas, landfill gas, animal waste-to-energy) have more than 1,100 megawatt capacity. Dairyland delivers electricity via more than 3,100 miles of transmission lines and nearly 300 substations located throughout the system's 44,500 square mile service area.

Dairyland's service area encompasses 62 counties in four states (Wisconsin, Minnesota, Iowa and Illinois). Dairyland, a Touchstone Energy Cooperative, has provided low-cost, reliable electrical energy and related services for 65 years.

DPC is a balancing authority, a transmission operator, and operates its own control center for the operation of its transmission system, generating plants and sets interchange schedules with its neighboring systems.

DPC owns coal-fired units at the Genoa, Alma, and JPM stations that provide the majority of the capacity and energy for the DPC system. Capacity and energy is also provided by gas/oil fired combustion turbines at Elk Mound, the Flambeau hydro station, the McNeilus Winds Farm, biogas (manure digesters), landfill gas, and municipal utility systems with gas or oil-fired diesels. The total MAPP-accredited capacity is approximately 1,200 MW when including municipal generation and other generation under contract.

DPC operates transmission lines at 34.5, 69, 115, and 161 kV.

DPC is a member of the Midwest Reliability Organization. The DPC Reliability Coordinator is MISO, under contract with MAPP. DPC registration with NERC includes Balancing Authority, Generator Operator, Generator Owner, Resource Planner, Transmission Owner, Transmission Planner, Transmission Service Provider, and Load Serving Entity.

Audit Specifics

The compliance audit was conducted on January 30-31, 2008 at the DPC office in La Crosse, WI.

Audit Team

Audit Team Role	Title	Company
Lead	Russel Mountjoy	MRO
Member	Jim Burley	MRO
Member	Wayne Van Osdol	MRO

DPC Audit Participants

Title	[Audited Entity] Organization
Director	Plant Operations
Manager	System Operations Center
Team Leader	Transmission Security
Director	System Operations
Manager	Operations Compliance and Support
Manager	Operations Control Systems
Information Security	Operations Control Systems
Manager	Telecommunications Services
Engineer	System Operations, Transmission and Security
Director	Electrical Engineering
Dispatcher	System Operations
Dispatcher	System Operations
Dispatcher	System Operations
Vice President	Power Delivery Division

Audit Results

- DPC has supplied the audit team with a significant amount of supporting documentation. The team received approximately 80% of the supporting documentation needed prior to the site visit. The audit team reviewed each requirement and then identified how DPC met the requirement in the supporting documentation. Any questions the team had regarding the documents were recorded and addressed while on site.
- DPC supplied the audit team with a number of documents covering policies and procedures that take into consideration the reliability standards. To show DPC follows these procedures, they openly discussed instances where these procedures had been put into action.
- All DPC personnel were open in their communications with the audit team. Management allowed employees to speak freely without interruption.
- The Midwest ISO RC supplied a response to the MRO questionnaire; there are no instances of non-compliance associated with the RC.
- Through their supporting documentation, management interviews, and subject matter expert interviews, DPC has exhibited a commitment to safe and reliable operation of the bulk electric system.
- The audit reviewed supporting documentation from a self reported violation in 2007 regarding relay testing and maintenance. The audit team found DPC compliant on this issue.
- The Vice-President of the Power Delivery Division was available for the opening and exit presentations and is aware of the two possible violations.

Findings

[Reliability Standard	Requirement	Finding
BAL-001-0	R1.	Compliant
BAL-001-0	R2.	Compliant
BAL-001-0	R3.	Compliant
BAL-001-0	R4.	Compliant
BAL-002-0	R1.	Compliant
BAL-002-0	R2.	N/A
BAL-002-0	R3.	Compliant
BAL-002-0	R4.	Compliant
BAL-002-0	R5.	Compliant
BAL-002-0	R6.	Compliant
BAL-003-0	R1.	Compliant
BAL-003-0	R2.	Compliant
BAL-003-0	R3.	Compliant
BAL-003-0	R4.	Compliant
BAL-003-0	R5.	Compliant
BAL-003-0	R6.	Compliant
BAL-004-0	R1.	N/A
BAL-004-0	R2.	N/A
BAL-004-0	R3.	Compliant
BAL-004-0	R4.	Compliant
BAL-005-0	R1.	Compliant
BAL-005-0	R2.	Compliant
BAL-005-0	R3.	Compliant
BAL-005-0	R4.	Compliant
BAL-005-0	R5.	Compliant
BAL-005-0	R6.	Compliant
BAL-005-0	R7.	Compliant
BAL-005-0	R8.	Compliant
BAL-005-0	R9.	Compliant
BAL-005-0	R10.	Compliant
BAL-005-0	R11.	Compliant
BAL-005-0	R12.	Compliant
BAL-005-0	R13.	Compliant
BAL-005-0	R14.	Compliant
BAL-005-0	R15.	Compliant
BAL-005-0	R16.	Compliant
BAL-005-0	R17.	Compliant
BAL-006-1	R1.	Compliant
BAL-006-1	R2.	Compliant

[Reliability Standard	Requirement	Finding
BAL-006-1	R3.	Compliant
BAL-006-1	R4.	Compliant
BAL-006-1	R5.	Compliant
CIP-001-1	R1.	Compliant
CIP-001-1	R2.	Compliant
CIP-001-1	R3.	Compliant
CIP-001-1	R4.	Compliant
COM-001-1	R2.	Compliant
COM-001-1	R5.	Compliant
COM-002-2	R1.	Compliant
COM-002-2	R2.	Compliant
EOP-001-0	R1.	Compliant
EOP-001-0	R2.	Compliant
EOP-001-0	R3.	Compliant
EOP-001-0	R4.	Compliant
EOP-001-0	R5.	Compliant
EOP-001-0	R6.	Compliant
EOP-001-0	R7.	Compliant
EOP-002-2	R1.	Compliant
EOP-002-2	R2.	Compliant
EOP-002-2	R3.	Compliant
EOP-002-2	R4.	Compliant
EOP-002-2	R5.	Compliant
EOP-002-2	R6.	Compliant
EOP-002-2	R7.	Compliant
EOP-002-2	R8.	N/A
EOP-002-2	R9.	Compliant
EOP-003-1	R1.	Compliant
EOP-003-1	R2.	Compliant
EOP-003-1	R3.	Compliant
EOP-003-1	R4.	Compliant
EOP-003-1	R5.	Compliant
EOP-003-1	R6.	Compliant
EOP-003-1	R7.	Compliant
EOP-003-1	R8.	Compliant
EOP-004-1	R1.	N/A
EOP-004-1	R2.	Compliant
EOP-004-1	R3.	Compliant
EOP-004-1	R4.	N/A
EOP-004-1	R5.	N/A
EOP-005-1	R1.	Compliant
EOP-005-1	R2.	Compliant

[Reliability Standard	Requirement	Finding
EOP-005-1	R3.	Compliant
EOP-005-1	R4.	Compliant
EOP-005-1	R5.	Compliant
EOP-005-1	R6.	Compliant
EOP-005-1	R7.	Compliant
EOP-005-1	R8.	Compliant
EOP-005-1	R9.	Compliant
EOP-005-1	R10.	Compliant
EOP-005-1	R11.	Compliant
EOP-006-1	R1.	N/A
EOP-006-1	R2.	N/A
EOP-006-1	R3.	N/A
EOP-006-1	R4.	N/A
EOP-006-1	R5.	N/A
EOP-006-1	R6.	N/A
EOP-008-0	R1.	Compliant
EOP-009-0	R1.	Compliant
EOP-009-0	R2.	Compliant
FAC-003-1	R1.	Compliant
FAC-003-1	R2.	Compliant
FAC-003-1	R3.	Compliant
FAC-003-1	R4.	N/A
FAC-008-1	R1.	Compliant
FAC-008-1	R2.	Compliant
FAC-008-1	R3.	Compliant
FAC-009-1	R1.	Compliant
FAC-009-1	R2.	Compliant
FAC-013-1	R1.	N/A
FAC-013-1	R2.	N/A
INT-001-2	R1.	Compliant
INT-001-2	R2.	Compliant
INT-003-2	R1.	Compliant
INT-004-1	R1.	Compliant
INT-004-1	R2.	Compliant
IRO-001-1	R1.	N/A
IRO-001-1	R2.	N/A
IRO-001-1	R3.	N/A
IRO-001-1	R4.	N/A
IRO-001-1	R5.	N/A
IRO-001-1	R6.	N/A
IRO-001-1	R7.	N/A
IRO-001-1	R8.	Compliant

[Reliability Standard	Requirement	Finding
IRO-001-1	R9.	N/A
IRO-003-2	R1.	N/A
IRO-003-2	R2.	N/A
IRO-004-1	R1.	N/A
IRO-004-1	R2.	N/A
IRO-004-1	R3.	Compliant
IRO-004-1	R4.	Compliant
IRO-004-1	R5.	N/A
IRO-004-1	R6.	N/A
IRO-004-1	R7.	Compliant
IRO-005-1	R1.	N/A
IRO-005-1	R2.	N/A
IRO-005-1	R3.	N/A
IRO-005-1	R4.	N/A
IRO-005-1	R5.	N/A
IRO-005-1	R6.	N/A
IRO-005-1	R7.	N/A
IRO-005-1	R8.	Compliant
IRO-005-1	R9.	N/A
IRO-005-1	R10.	N/A
IRO-005-1	R11.	N/A
IRO-005-1	R12.	Compliant
IRO-005-1	R13.	Compliant
IRO-005-1	R14.	Compliant
IRO-005-1	R15.	N/A
IRO-005-1	R16.	N/A
IRO-005-1	R17.	N/A
IRO-006-3	R1.	N/A
IRO-006-3	R2.	N/A
IRO-006-3	R3.	N/A
IRO-006-3	R4.	N/A
IRO-006-3	R5.	N/A
IRO-006-3	R6.	Compliant
IRO-014-1	R1.	N/A
IRO-014-1	R2.	N/A
IRO-014-1	R3.	N/A
IRO-014-1	R4.	N/A
IRO-015-1	R1.	N/A
IRO-015-1	R2.	N/A
IRO-015-1	R3.	N/A
IRO-016-1	R1.	N/A
IRO-016-1	R2.	N/A

[Reliability Standard	Requirement	Finding
PER-002-0	R1.	Compliant
PER-002-0	R2.	Compliant
PER-002-0	R3.	Compliant
PER-002-0	R4.	Compliant
PER-003-0	R1.	Compliant
PER-004-1	R1.	N/A
PER-004-1	R2.	N/A
PER-004-1	R3.	N/A
PER-004-1	R4.	N/A
PER-004-1	R5.	N/A
PRC-004-1	R1.	Compliant
PRC-004-1	R2.	Compliant
PRC-004-1	R3.	Compliant
PRC-005-1	R1.	Possible Violation
PRC-005-1	R2.	Compliant
PRC-008-0	R1.	Possible Violation
PRC-008-0	R2.	Compliant
PRC-010-0	R1.	Compliant
PRC-010-0	R2.	Compliant
PRC-011-0	R1.	Compliant
PRC-011-0	R2.	Compliant
PRC-016-0	R1.	Compliant
PRC-016-0	R2.	Compliant
PRC-016-0	R3.	Compliant
PRC-017-0	R1.	Compliant
PRC-017-0	R2.	Compliant
PRC-021-1	R1.	Compliant
PRC-021-1	R2.	Compliant
TOP-002-2	R1.	Compliant
TOP-002-2	R2.	Compliant
TOP-002-2	R3.	Compliant
TOP-002-2	R4.	Compliant
TOP-002-2	R5.	Compliant
TOP-002-2	R6.	Compliant
TOP-002-2	R7.	Compliant
TOP-002-2	R8.	Compliant
TOP-002-2	R9.	Compliant
TOP-002-2	R10.	Compliant
TOP-002-2	R11.	Compliant
TOP-002-2	R12.	Compliant
TOP-002-2	R13.	Compliant

[Reliability Standard	Requirement	Finding
TOP-002-2	R14.	Compliant
TOP-002-2	R15.	Compliant
TOP-002-2	R16.	Compliant
TOP-002-2	R17.	Compliant
TOP-002-2	R18.	Compliant
TOP-002-2	R19.	Compliant
TOP-003-0	R1.	Compliant
TOP-003-0	R2.	Compliant
TOP-003-0	R3.	Compliant
TOP-003-0	R4.	N/A
TOP-004-1	R6.	Compliant
TOP-005-1	R1.	Compliant
TOP-005-1	R2.	Compliant
TOP-005-1	R3.	Compliant
TOP-005-1	R4.	N/A
TOP-007-0	R1.	Compliant
TOP-007-0	R2.	Compliant
TOP-007-0	R3.	Compliant
TOP-007-0	R4.	N/A
TPL-001-0	R1.	Compliant
TPL-001-0	R2.	Compliant
TPL-001-0	R3.	Compliant
TPL-002-0	R1.	Compliant
TPL-002-0	R2.	Compliant
TPL-002-0	R3.	Compliant
TPL-003-0	R1.	Compliant
TPL-003-0	R2.	Compliant
TPL-003-0	R3.	Compliant
TPL-004-0	R1.	Compliant
TPL-004-0	R2.	Compliant
VAR-001-1	R1.	Compliant
VAR-001-1	R2.	Compliant
VAR-001-1	R3.	Compliant
VAR-001-1	R4.	Compliant
VAR-001-1	R5.	N/A
VAR-001-1	R6.	Compliant
VAR-001-1	R7.	Compliant
VAR-001-1	R8.	Compliant
VAR-001-1	R9.	Compliant
VAR-001-1	R10.	Compliant
VAR-001-1	R11.	Compliant
VAR-001-1	R12.	Compliant

[Reliability Standard	Requirement	Finding
VAR-002-1	R1.	Compliant
VAR-002-1	R2.	Compliant
VAR-002-1	R3.	Compliant
VAR-002-1	R4.	Compliant
VAR-002-1	R5.	Compliant

Compliance Culture

The DPC compliance culture was not reviewed by the audit team. The Regional Entity compliance staff will review the DPC's compliance culture at a future date.

Procedural Summary for Possible Violations Identified in an Audit	
Regional Entity Tracking Number	(Enter the Regional Entity tracking number, if applicable) MRO200800047 and MRO200800048
Registered Entity	(Enter the Registered Entity name) Dairyland Power Cooperative
Audit Date	(Enter the compliance audit start date) January 30 and 31, 2008
Standard	(Enter the standard which the possible violation applies to) PRC-005-1 and PRC-008-0
Requirement	(Enter the requirement which the possible violation applies to) R1 for both Standards
Sufficient Basis for Violation	(Enter "Yes" if possible violation is confirmed. Enter "No" if possible violation is dismissed) YES
Factual Basis	(Provide a factual basis for the possible violation) During a scheduled compliance audit on January 30 and 31, 2008, DPC was unable to produce a document or documents that provided a summary of the protective system maintenance and testing procedures, including testing intervals and their basis as required by PRC-005-1, R1. DPC was also unable to produce a document that provided a summary of the UFLS protection system maintenance and testing procedures, including testing intervals and their basis as required by PRC-008-0, R1. With regard to Reliability Standard PRC-005-1, R1, MRO staff determined that DPC staff was able to verbally describe the DPC philosophy, scope, maintenance and testing intervals, and provided details of the actual maintenance and testing activity. However, the compliance evidence provided to the audit team consisted of a spreadsheet containing data that included transmission, generator, and UFLS relay maintenance and testing information. MRO audit staff was informed that information found in the tab of the spreadsheet called "notes" represented the DPC Transmission and Generation Protection System and UFLS Equipment Maintenance and Testing Program. There were six statements found in the "notes" tab including the policies for: testing intervals; acceptable "grace" periods for electro-mechanical substation relays; acceptable "grace" periods for electronic substation relays; prohibiting removal from service for testing of generator relays

Procedural Summary for Possible Violations Identified in an Audit	
	while a unit is in operation; scheduling UFLS testing on the same day as relay testing; and testing and maintaining all relays per manufacturer's specifications. MRO determined that these six statements were inadequate to meet the requirement and intent of Reliability Standard PRC-005-1, Requirement 1 and Reliability Standard PRC-008-0, Requirement 1. The evidence provided by DPC during the audit did not adequately identify maintenance and testing procedures for protective relays, associated communication systems, station batteries, and DC control circuitry and also did not adequately identify maintenance and testing procedures for UFLS equipment.
Conclusion Violation Summary	(Provide a summary of the conclusions and status of the possible violation) After receiving the Notice of Alleged Violation and Proposed Penalty or Sanction dated March 7, 2008, DPC contested the violations and requested a hearing. Pursuant to § 5.2 of the CMEP, whenever a Registered Entity submits a response contesting an Alleged Violation or the proposed sanction, a conference must be scheduled within 10 days. The purpose of the conference is to allow the Registered Entity to state its position and provide supporting information and documents. Upon receipt of DPC's letter dated April 3, 2008, contesting the Alleged Violations and requesting a hearing, the MRO Compliance Committee conducted a conference with DPC on April 17, 2008. Four representatives from DPC attended and participated in the conference, including the Vice President of Power Delivery Division; Director of Electrical Engineering; Manager of Operations Compliance and Support; and Manager of System Operations Center. As a result of the CMEP conference, MRO and DPC entered into settlement discussions. These discussions continued until October 2008 when DPC verbally indicated its intent to accept the violations and proposed $10,000 penalty and allow the enforcement process to proceed. Via letter dated November 10, 2008, DPC formally accepted and acknowledged the alleged violations. DPC also submitted a comprehensive "Protection System Maintenance and Testing Procedure" updated to reflect comments and suggestions received during the CMEP conference.
NERC BOTCC Determination	(Provide a summary of the NERC BOTCC position) The NERC BOTCC approved the assessment of a ten thousand dollar

Procedural Summary for Possible Violations Identified in an Audit	
	($10,000) penalty against DPC based upon MRO's findings and determinations, the NERC BOTCC's review of the applicable requirements of the Commission-approved Reliability Standards and the underlying facts and circumstances of the violations at issue. In reaching this determination, NERC BOTCC considered the following: 1. The violations of PRC-005-1 R1 and PRC-008-0 R1 were deemed not to be violations that put bulk power system reliability at serious or substantial risk, because the protection system maintenance and testing was being performed, but the comprehensive program and UFLS equipment maintenance program was not adequately documented; 2. The violations are the first incidence of violations of PRC-005-1, R1 and PRC-008-0, R1by DPC; 3. DPC was cooperative and forthcoming throughout the audit; 4. DPC's commitment to compliance was demonstrated through the participation and presence of executive level management throughout the audit and enforcement process; 5. The violations were mitigated and MRO has verified DPC's Certification of Completion; and 6. The actions taken by DPC ensure that reliability is maintained.
NERC Violation Number	(Enter the NERC violation number) MR0200800047 and MRO200800048
NOC Number	(Enter the NOC number) NOC-136
NOP Number	(Enter the NOP number) NP09-29-000
FERC Docket Number	(Enter the FERC docket number) NP09-29-000, approved by Order dated August 7, 2009