

**NERC**

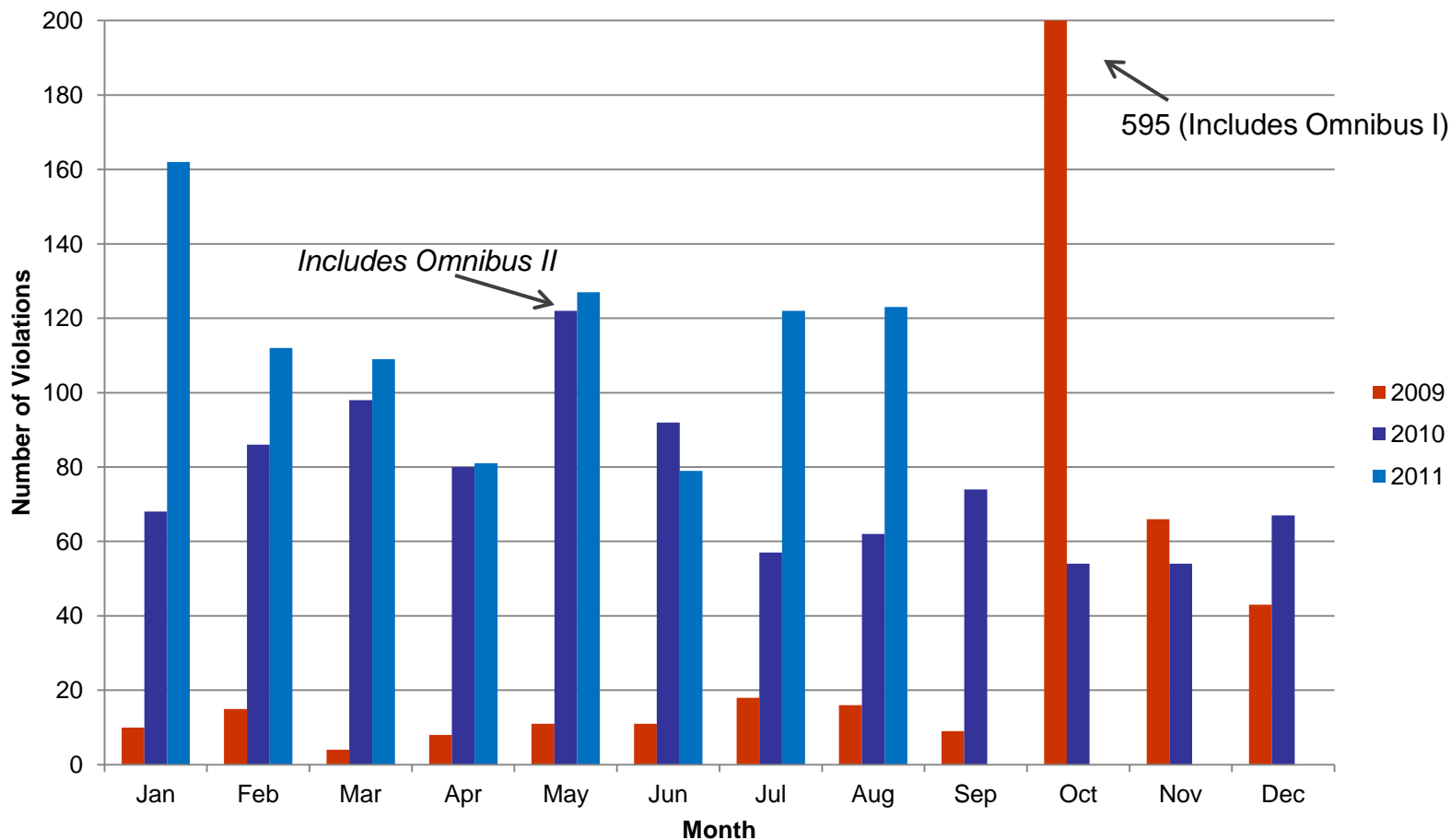
NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

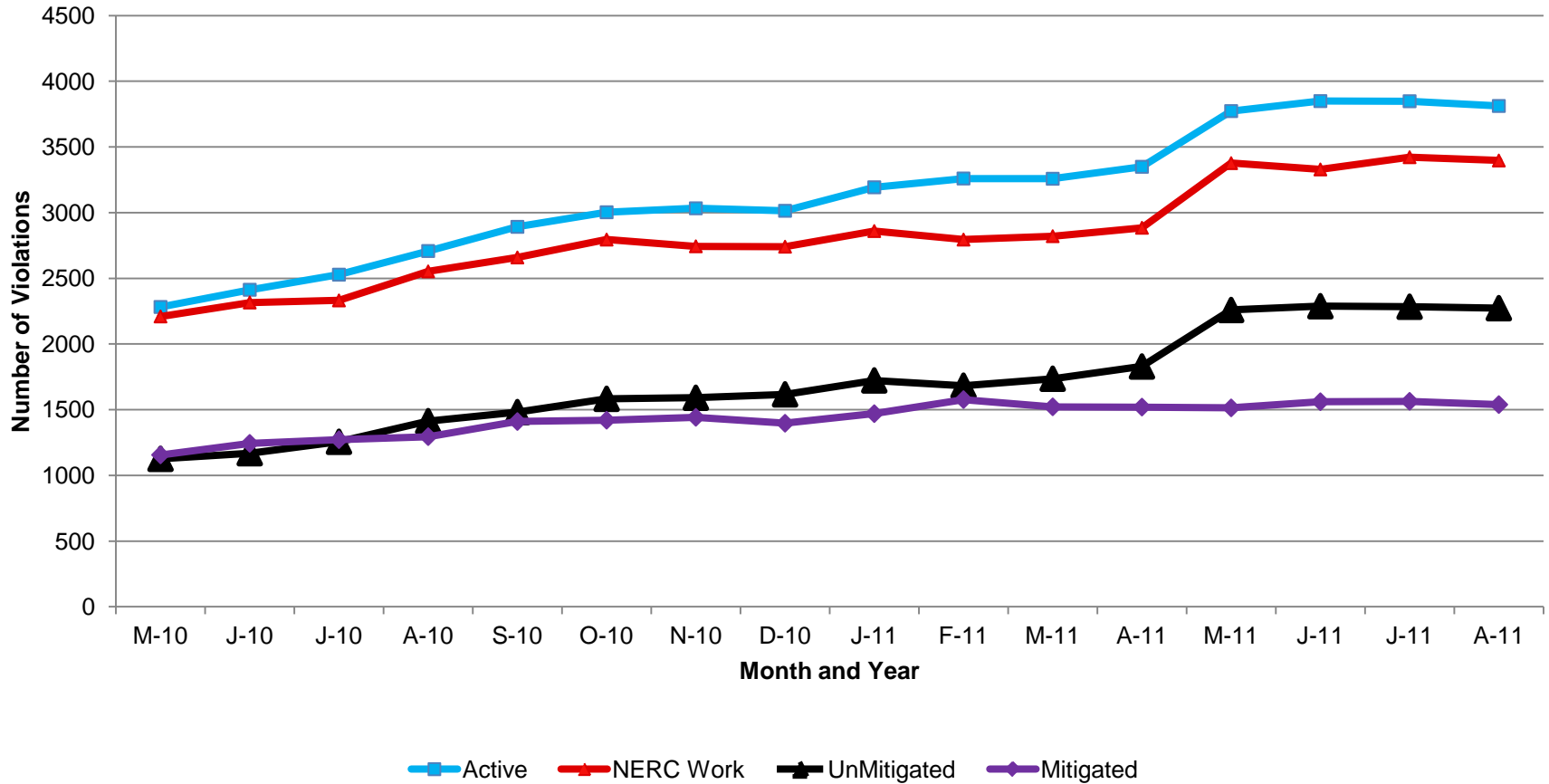
# Key Compliance Trends – Item 2.A

September 19, 2011

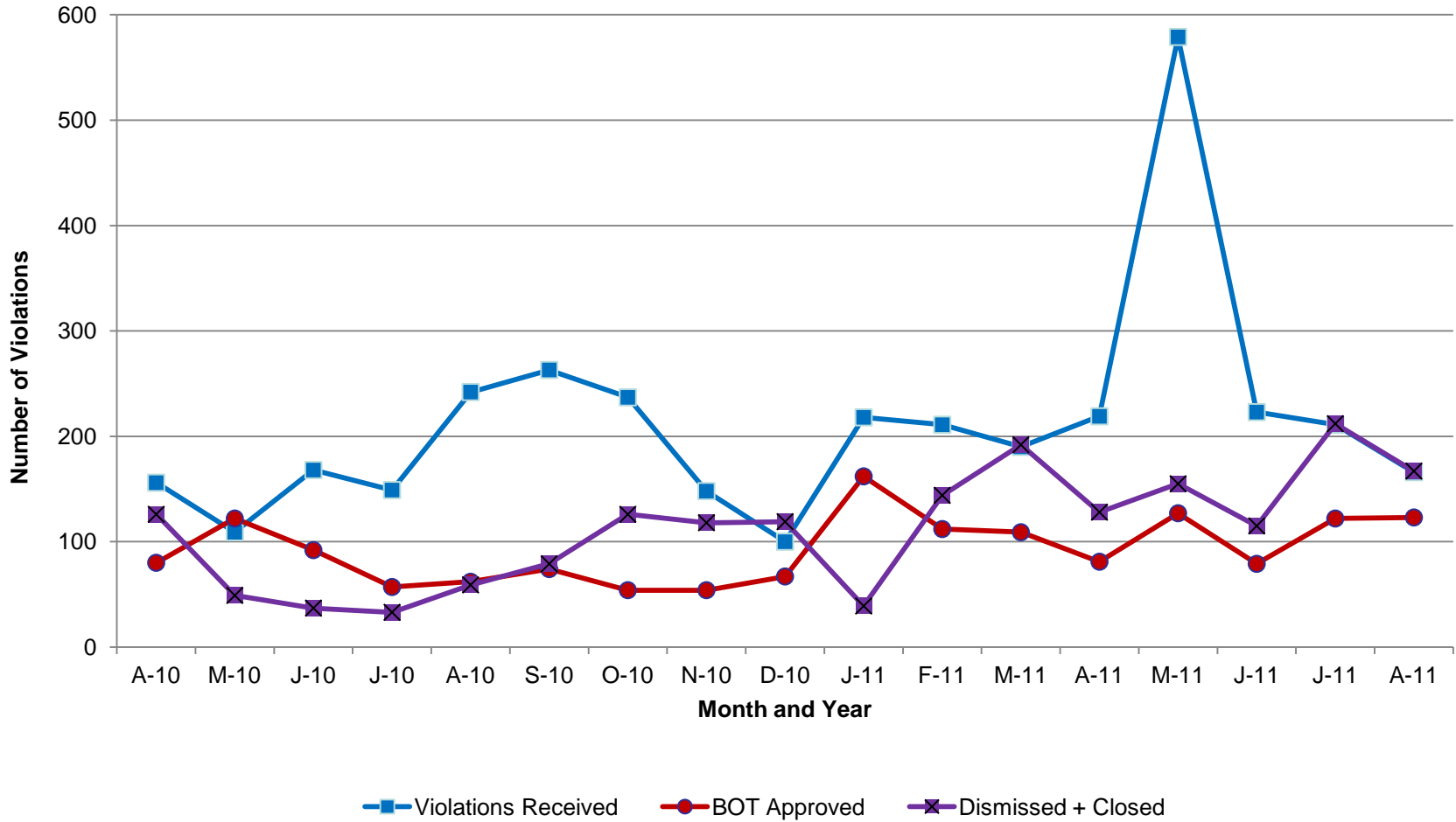
**RELIABILITY | ACCOUNTABILITY**



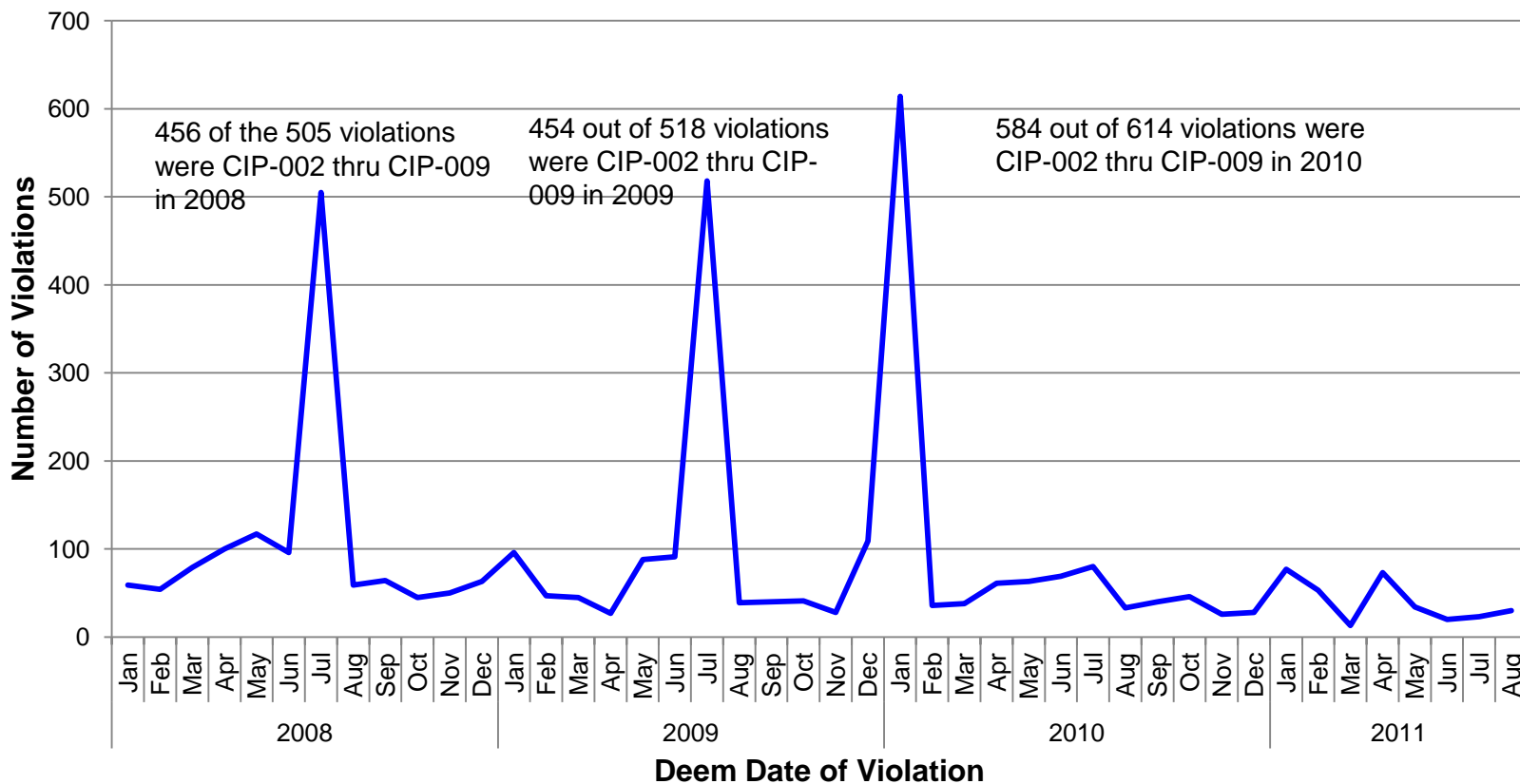


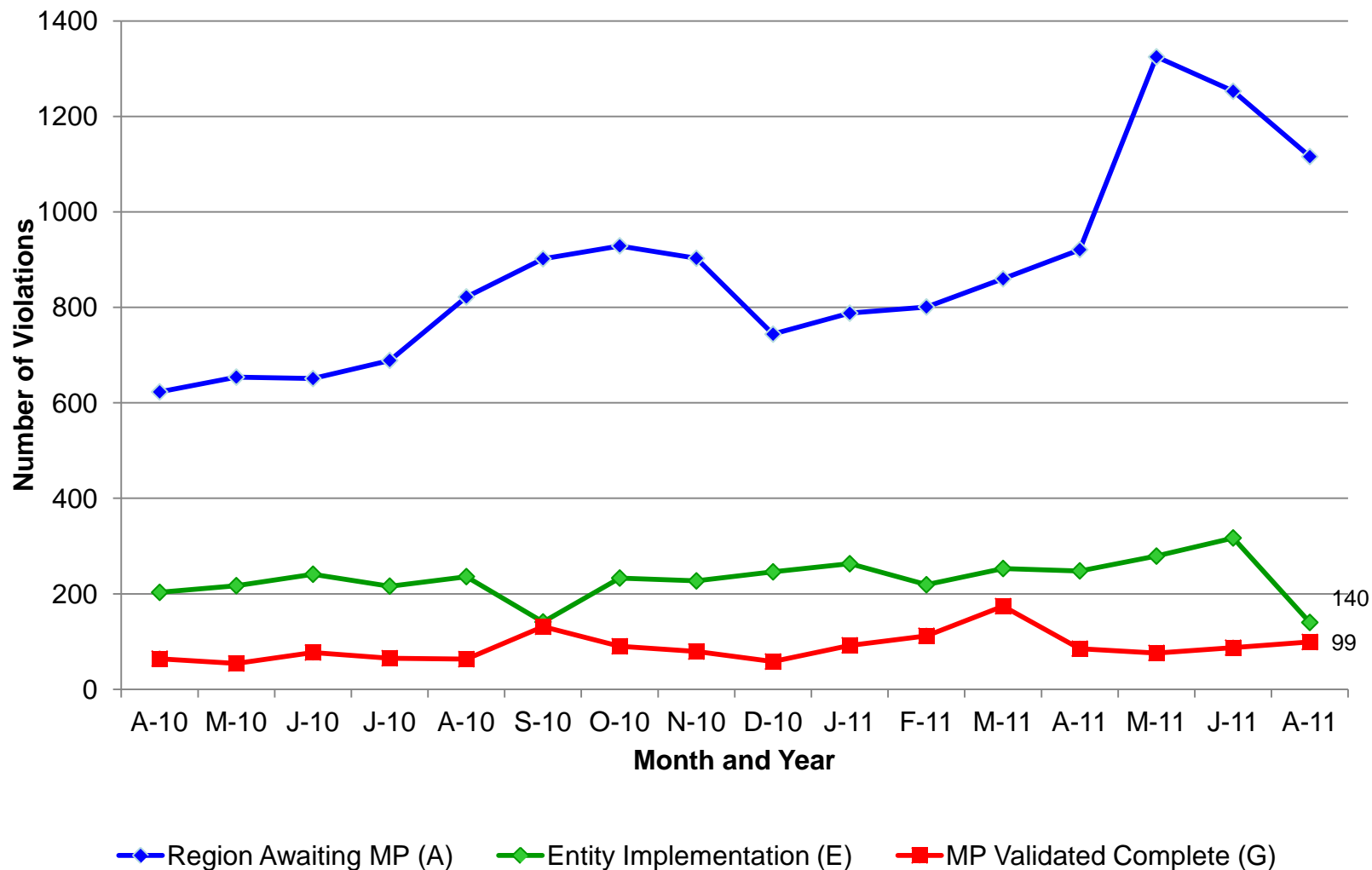


- **Active** – All Violations that have not been Closed or Dismissed
  - *Closed Violations have all the following characteristics: Violation NOP approved by FERC, Verified Completion of Mitigation Plan, and Payment of any associated Penalties.*
- **NERC Work** – Active Violations minus Violation Sub State I (NERC Issues NOP)
- **Unmitigated** – Violations where Mitigation Plans have not been received or not yet been closed minus completed Mitigation Plans that NERC is reviewing
  - *Closed Mitigation Plan: Regional Entity has Verified Completion of all Mitigated Elements specified by Plan*
- **Mitigated** – Active Violations minus Unmitigated
- **Deem Date** – Date of the violation which the Regional Entity is using for purposes of calculating penalties and / or sanctions

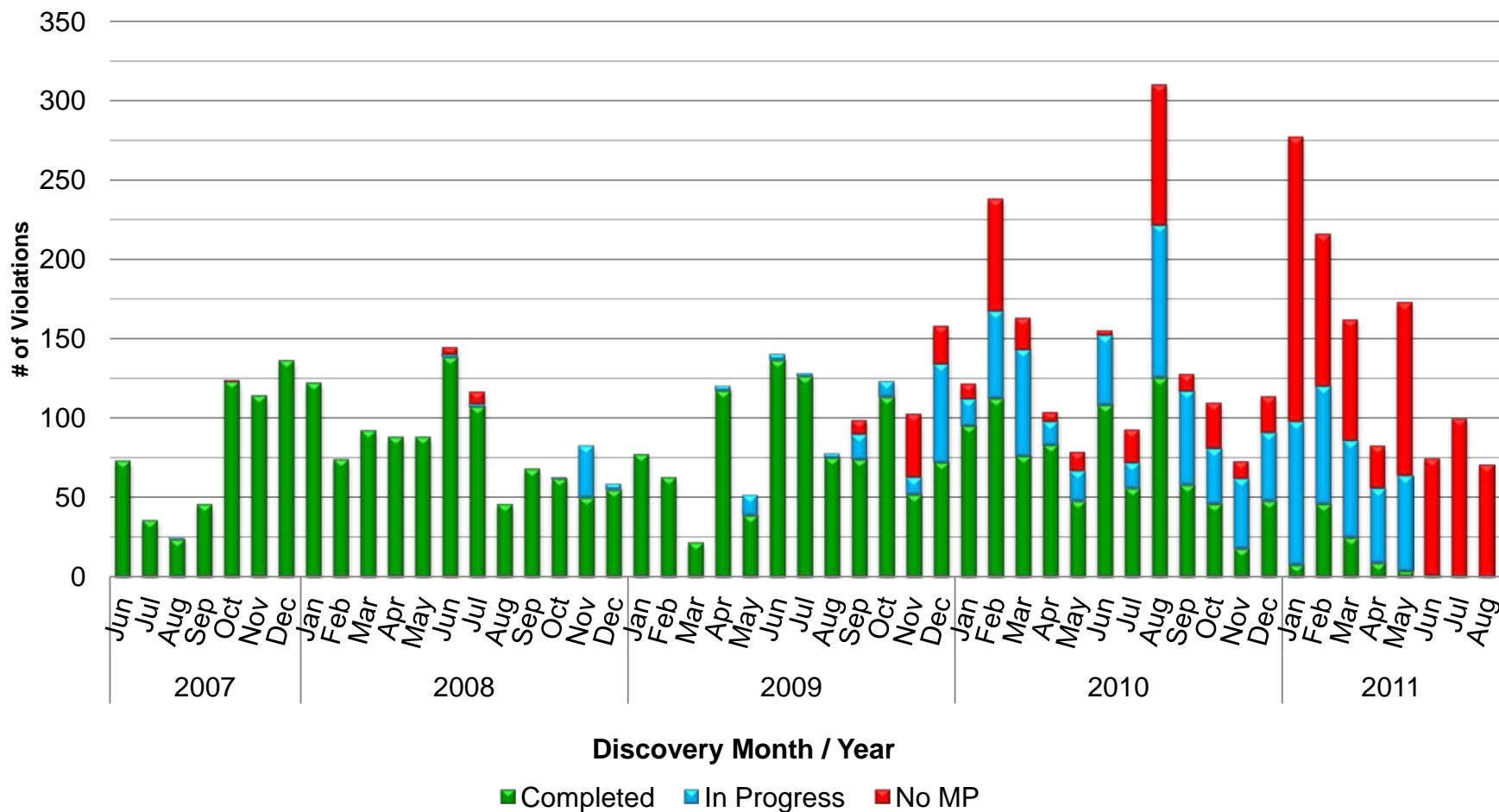


# Deem Date Trend for Active and Closed Violations

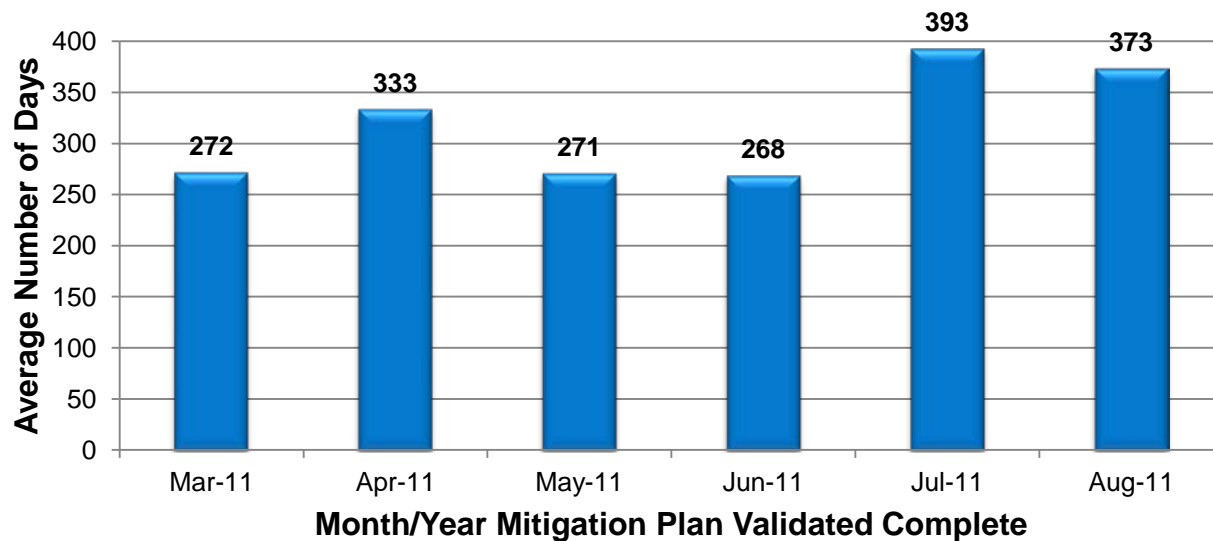




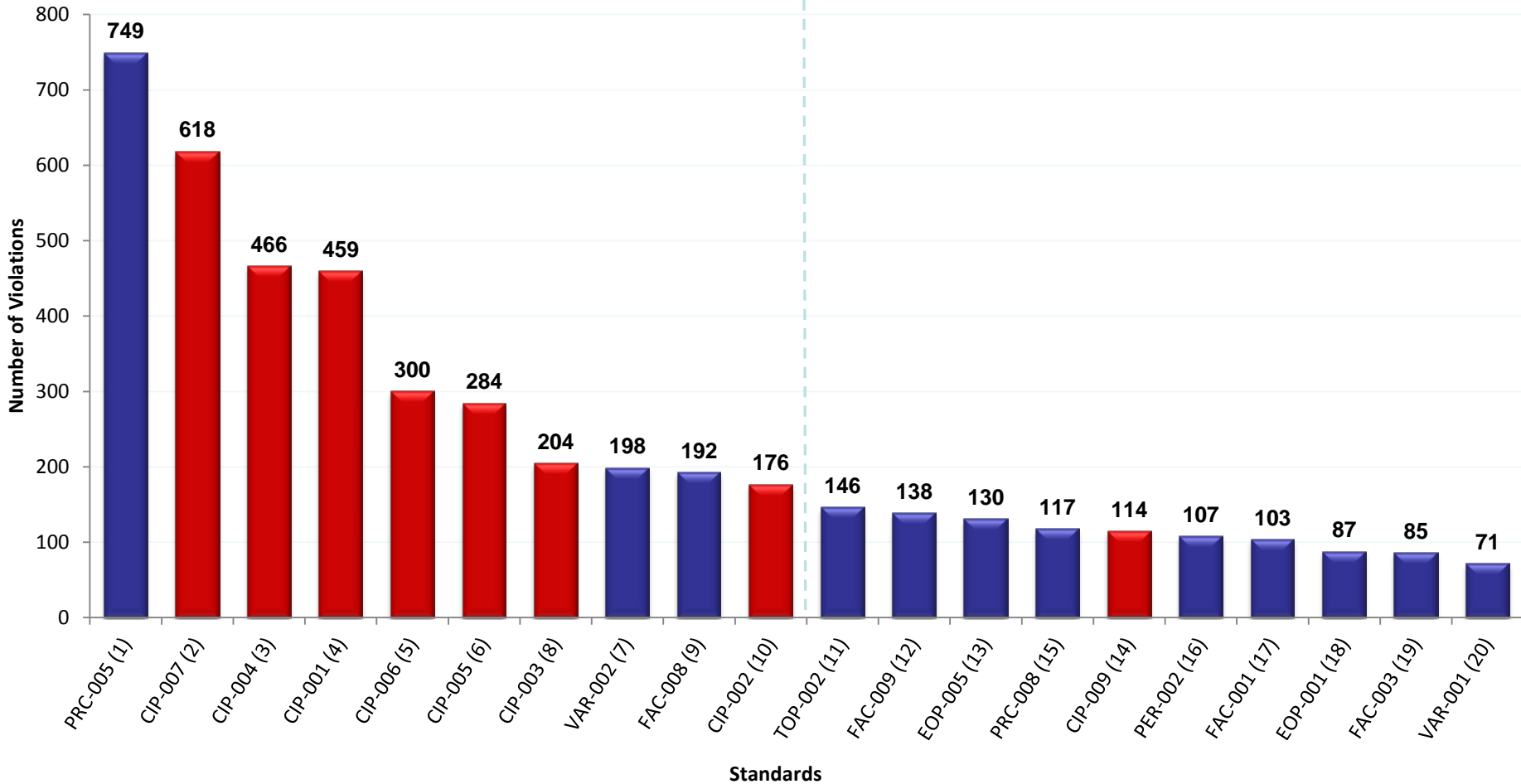
# Mitigation Plan Status by Discovery Month for Open Violations - June 2007 thru August 2011



**Total of 533 violations with a 6 month average days to validate of 314**

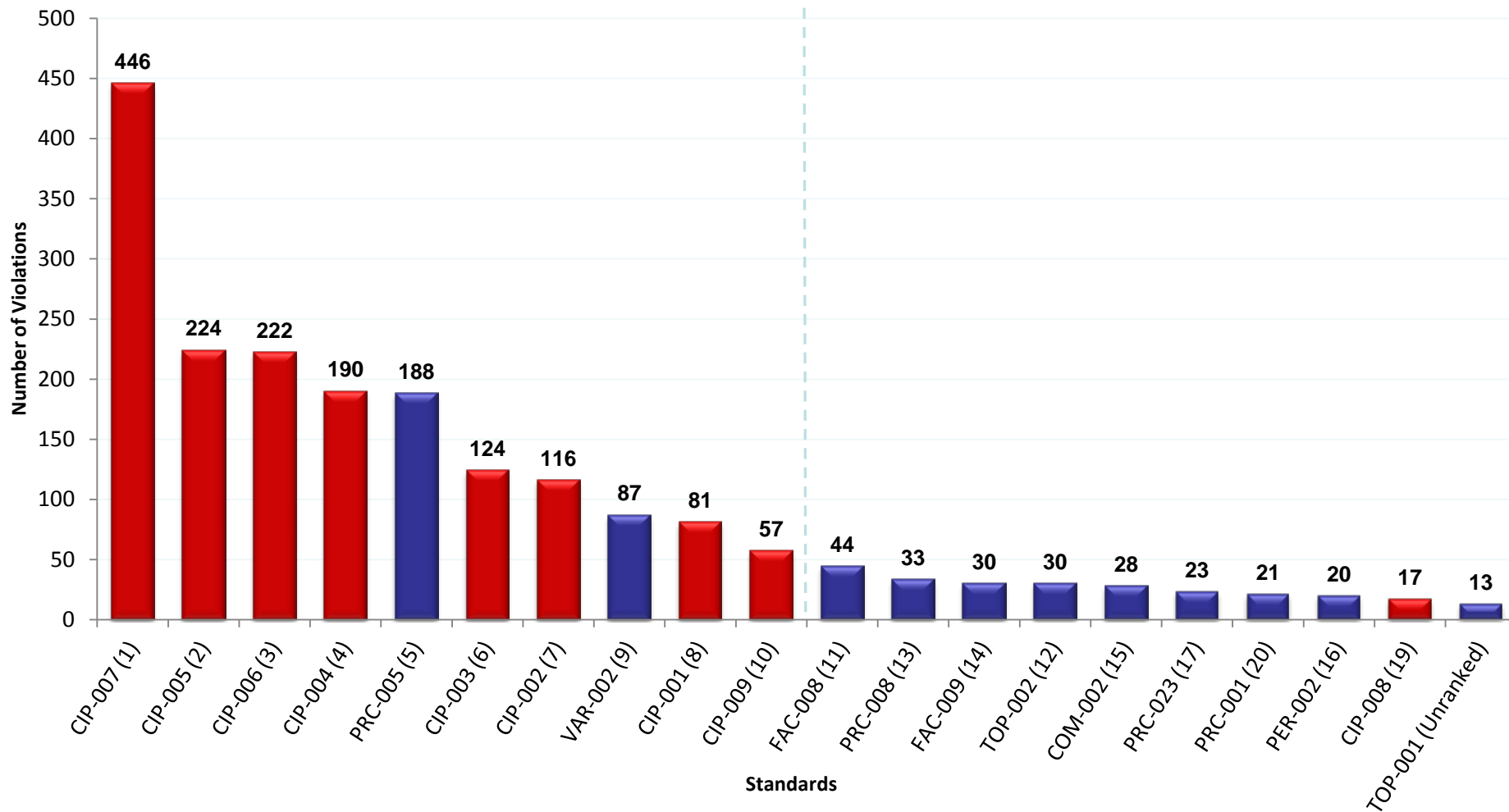


## All-Time Violations Through August 31, 2011



Analysis Complete: PRC-005, CIP-004, FAC-008, FAC-009, CIP-001, VAR-002, PER-002, CIP-006, CIP-007, EOP-005

## Previous 12 Months Violations Through August 31, 2011



Analysis Complete: PRC-005, CIP-004, FAC-008, FAC-009, CIP-001, VAR-002, PER-002, CIP-006, CIP-007, EOP-005

### C-RATS Violation Process State Summary Table — Active FERC Enforceable Alleged Violations

Below is a breakdown, as of August 31, 2011 of the Compliance Monitoring and Enforcement Program (CMEP) Violation “state” summary for the 5769 active violations.

Region (New)	State 1 Assessment and Validation	State 2 Confirmation					State 3 Regulatory Filings	State 4 Filed/Awaiting Closing Actions	State 5 Completed and Closed	Total	
	Substate A (NERC Reviewing)	Substate C (NERC Reviewing NAVAP and awaiting RE Response)	Substate D (Region Preparing NOCV)	Substate E (Pending Hearing)	Substate F (RE Hearing Process)	Substate G (NERC Appeal Process)	Substate K (Settlement Negotiations)	Substate H (NERC Reviewing NOCV / Settlement)	Substate I (NERC Issues NOP)		Substate J (Violation Closed)
FRCC (17)	86	0	0	0	0	0	94	34	49	126	389
MRO (7)	133	0	0	0	0	0	18	13	20	98	282
NCEA (4)	54	0	0	0	0	0	0	4	0	17	75
NPCC (5)	48	0	0	3	0	0	61	12	19	92	235
RFC (8)	357	0	43	0	4	0	20	203	102	211	940
SERC (16)	342	0	0	0	2	0	141	33	28	258	804
SPP (23)	179	0	0	0	0	0	169	50	39	101	538
TRE (44)	173	0	18	0	0	0	45	35	18	53	342
WECC (42)	322	52	5	3	22	0	454	169	140	997	2164
<b>TOTAL (166)</b>	<b>1694</b>	<b>52</b>	<b>66</b>	<b>6</b>	<b>28</b>	<b>0</b>	<b>1002</b>	<b>553</b>	<b>415</b>	<b>1953</b>	<b>5769</b>
<b>Percentage of Total</b>	<b>29.36%</b>	<b>0.90%</b>	<b>1.14%</b>	<b>0.10%</b>	<b>0.49%</b>	<b>0.00%</b>	<b>17.37%</b>	<b>9.59%</b>	<b>7.19%</b>	<b>33.85%</b>	
<b>State Totals</b>	<b>1694</b>	<b>152</b>					<b>1002</b>	<b>553</b>	<b>415</b>	<b>1953</b>	

#### Definitions

Substate A = Preliminary Notice of Alleged violation information has been received from the Region and NERC is awaiting receipt of Notice of Alleged Violation Proposed Penalty or Sanction from the Region.

Substate C = NERC has received Notice of Alleged Violation Proposed Penalty or Sanction and is awaiting acceptance, auto acceptance or contest.

Substate D = Region received acceptance letter from Registered Entity, or 30 day clock expired and violation is Auto Accepted and is now Confirmed.

Substate E = Region has received letter contesting violation from Registered Entity.

Substate F = Region has received request for Hearing from Registered Entity.

Substate G = NERC has received request for Appeal from Registered Entity.

Substate H = NERC has received a Notice of Confirmed Violation or a Settlement Agreement from the Region.

Substate I = Violation is Confirmed/Settled and a Notice of Penalty has been issued by NERC to Registered Entity and submitted to FERC.

Substate J = Payment of Penalties, Fulfillment of Sanctions, Completion of Mitigation Plan, Exhaustion of Administrative and Judicial Remedies, and Fulfillment of Settlement terms have all been met and violation is closed.

Substate K = Settlement negotiations are in progress.

\* Includes new violations received through 8/31/2011.

**C-RATS  
Mitigation Plans Process State Table — Active FERC Enforceable Alleged Violations**

Below is a breakdown, as of August 31, 2011, of the Compliance Monitoring and Enforcement Program (CMEP) Mitigation Plan “state” summary for the 2047 active violations.

Region	(Regional Assessment)		(NERC Assessment)			(Mitigation Plan Implementation)	(Regional Verification of Completion)	(Closing)	Total
	Substate A	Substate B	Substate C		Substate D	Substate E	Substate F	Substate G	
	Region Awaiting	Region Reviewing	Accepted MP Not Received from Region	NERC Reviewing Active MP	NERC Reviewing Completed MP	Registered Entity Implementation	Regional Verification of MP Completion	Mitigation Plan Validated Complete	
FRCC	53	7	15	5	1	4	0	0	85
MRO	104	2	3	2	2	9	0	13	135
NCEA	58	0	0	0	0	0	0	0	58
NPCC	15	1	10	5	1	8	0	0	40
RFC	269	17	58	0	0	40	4	34	422
SERC	151	281	17	4	2	6	2	0	463
SPP	126	0	17	9	0	6	0	8	166
TRE	104	70	35	0	9	9	0	15	242
WECC	236	56	14	10	11	58	22	29	436
<b>TOTAL</b>	<b>1116</b>	<b>434</b>	<b>169</b>	<b>35</b>	<b>26</b>	<b>140</b>	<b>28</b>	<b>99</b>	<b>2047</b>
<b>State Totals</b>	<b>1550</b>		<b>230</b>			<b>140</b>	<b>28</b>	<b>99</b>	

**Definitions**

Substate A = Region is still awaiting receipt of mitigation plan from Registered Entity.

Substate B = Region has received mitigation plan and is reviewing.

Substate C = NERC has received mitigation plan and is reviewing. Also includes any mitigation plans not yet received by NERC.

Substate D = Mitigation plan has been verified completed by the Region but is still awaiting approval by NERC.

Substate E = Mitigation plan has been approved by NERC, and sent to FERC, but has not been completed.

Substate F = Mitigation Plan has been completed per Registered Entity but is being verified by the Region.

Substate G = Mitigation plan has been verified completed by Region, has been approved by NERC, and sent to FERC.

- Includes Mitigation Plans received through 8/31/2011.
- Mitigation information reported at the violation level.