

## Compliance Application Notice — 0008

PRC-005-1 R2 Pre-June 18, 2007 Evidence

**Posted: April 19, 2011**

**Revised: Month XX, 2011**

### Primary Interest Groups

Compliance Enforcement Authority (CEA)<sup>1</sup>

NERC

Regional Entity

Transmission Owner (TO)

Generation Owner (GO)

Distribution Provider (DP) that owns a transmission Protection System

### Issue: Under what circumstances are CEAs required to consider evidence dated before June 18, 2007 in connection with their review of issues related to PRC-005-1 R2?

For the purpose of aiding a CEA, this CAN provides instruction for assessing whether an entity was following its Protection System<sup>2</sup> maintenance and testing program starting from June 18, 2007.

### Compliance Application

CEAs are to obtain the last date a registered entity tested and maintained its Protection System devices in order to verify compliance with PRC-005-1 R2. Compliance with PRC-005-1 R2 is to be verified starting from June 18, 2007.

PRC-005-1 R2 provides, in pertinent part:

**R2.** *Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System shall provide documentation of its Protection System maintenance and testing program and the implementation of that program to its Regional Reliability Organization<sup>[3]</sup> on request (within 30 calendar days). The documentation of the program implementation shall include:*

**R2.1.** *Evidence Protection System devices were maintained and tested within the defined intervals.*

<sup>1</sup> Compliance Enforcement Authorities include ERO auditors, investigators, enforcement personnel or any person authorized to assess issues of concern, potential non-compliance, and possible, alleged or confirmed violations of NERC Reliability Standards and requirements.

<sup>2</sup> The *NERC Glossary of Terms Used in Reliability Standards* defines Protection System as “Protective relays, associated communication systems, voltage and current sensing devices, station batteries and DC control circuitry.”

<sup>3</sup> For this standard, the Regional Reliability Organization refers to the Regional Entity.

***R2.2. Date each Protection System device was last tested/maintained.***

The last maintenance or test date is necessary for a CEA to determine whether a registered entity is conducting maintenance and testing within the intervals defined by its own Protection System maintenance and testing program, including in circumstances when the interval began prior to June 18, 2007, the mandatory and enforceable date of the standard.

A CEA is to verify that the registered entity included the date each Protection System device was last tested and maintained in its documentation of the registered entity's program implementation; and a CEA is to validate these documented dates.

To the extent that prior maintenance/test dates for specific devices occurred prior to June 18, 2007, the CEA is instructed to request evidence of such maintenance/testing because:

- 1) the evidence documents the last date the registered entity performed maintenance and testing if that occurred prior to June 18, 2007,
- 2) the evidence demonstrates that the registered entity was following its program starting from June 18, 2007, and
- 3) the evidence provides the basis for the registered entity's post-June 18, 2007 determination of its next maintenance and testing date.

**Evidence of Compliance**

A CEA is to obtain corroborating evidence regarding the pre-June 18, 2007 maintenance and testing date from the registered entity including, but not limited to:

- invoices
- maintenance reports
- emails
- orders for parts
- hand-written notes
- an attestation

Additionally, CEAs are to verify evidence of when the last conducted maintenance and testing was performed on a registered entity's equipment over the entire audit period. Some examples are as follows:

***Example 1***

In this example, the registered entity has its first audit on April 10, 2010; it has a documented maintenance and testing interval of six years, and it conducted maintenance and testing on its equipment in November 2009. CEAs are to verify:

- 1) evidence of the registered entity's maintenance and testing activities in November 2009 (demonstrating compliance beginning in November 2009), and
- 2) evidence or records sufficient to demonstrate that of the registered entity's prior maintenance and testing activity occurred in November 2003 or sooner (to show compliance from June 18, 2007 through November 2009).

*Example 2*

In this example, the registered entity has its first audit on April 10, 2010; it has a documented maintenance and testing interval of six years, it is due to conduct maintenance and testing in November 2012, and it has not conducted maintenance and testing on its equipment since the June 18, 2007 mandatory and enforceable date for the standard.

- 1) The CEA is to obtain evidence of the registered entities maintenance and testing activities in November 2006 (demonstrating compliance beginning on June 18, 2007).
- 2) In this situation the CEA would not require evidence of the registered entity's November 2000 maintenance and testing.
- 3) During the next audit, the CEA would require evidence of the registered entity's November 2012 maintenance and testing.

**Effective Period for CAN**

This revised CAN supersedes the original CAN, as well as all prior communications. CEAs are to use this CAN to assess compliance from April 19, 2011, regardless of the start date of the violation. It will remain in effect until such time that a future version of a FERC or other applicable government authority approved standard or interpretation becomes effective and addresses the specific issue contained in this CAN.

For any enforcement action in process and for audits that have been initiated,<sup>4</sup> a CEA is to apply the appropriate discretion, including consideration of the specific facts and circumstances of the non-compliance, in determining whether to assess compliance pursuant to this CAN.

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*This document is designed to convey compliance monitoring instruction to achieve a measure of consistency among auditors and Compliance Enforcement Authorities. It is not intended to establish new requirements under NERC's Reliability Standards or*

<sup>4</sup> "Initiated" means that a registered entity has received notification of the upcoming audit.

*to modify the requirements in any existing NERC Reliability Standard. Compliance will continue to be assessed based on language in the currently enforceable NERC Reliability Standards. This document is not intended to define the exclusive method an entity must use to comply with a particular standard or requirement, or foreclose a registered entity's demonstration by alternative means that it has complied with the language and intent of the standard or requirement, taking into account the facts and circumstances of a particular registered entity. Implementation of information in this document is not a substitute for compliance with requirements in NERC's Reliability Standards.*

## Revision History

Posted Date	Action	Revision
April 19, 2011	Posted Final CAN	
Month XX, 2011	Posted Revised CAN	Revised target audience to CEA