



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

December 22, 2010

Ms. Kimberly Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

**Re: NERC Deficiency Notice of Penalty regarding Great River Energy
FERC Docket No. NP11-__-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Deficiency Notice of Penalty (Deficiency NOP) and Disposition Documents regarding Great River Energy (GRE),¹ in accordance with the Federal Energy Regulatory Commission's (Commission or FERC) rules, regulations and orders, as well as NERC Rules of Procedure including Appendix 4C (NERC Compliance Monitoring and Enforcement Program (CMEP)). Violations² addressed within a Deficiency NOP are administrative, minor or documentation in nature. In this case, a Deficiency NOP is warranted because GRE mistakenly performed the test of the blackstart unit three-days³ before the interval period started on the belief that the test would satisfy the Reliability Standard.

GRE does not dispute the violation of EOP-009-0 Requirement (R) 1 and the assessed zero dollar (\$0) penalty.

Taking into consideration the Commission's direction in Order No. 693, the NERC Sanction Guidelines and the Commission's July 3, 2008, October 26, 2009 and August 27, 2010 Guidance Orders,⁴ the NERC BOTCC reviewed the NOCV and supporting documentation on December

¹ The Disposition Document addresses: (1) all relevant facts, in sufficient detail, to indicate the nature of the violation cited and its duration; (2) sufficient information on whether an entity did not perform the action required by the relevant Reliability Standard or failed to document that the action had been performed; (3) a linkage between specific facts and the penalty factors listed as relevant to the penalty determination; (4) specific information in a mitigation plan how a registered entity will comply with the requirements it has violated; and (5) specific information on how a Regional Entity verified that a registered entity timely completed a mitigation plan.

² For purposes of this document, each violation at issue is described as a "violation," regardless of its procedural posture and whether it was a possible, alleged or confirmed violation.

³ The Self-Report incorrectly states that the black start unit was tested on December 28, 2008.

⁴ *North American Electric Reliability Corporation*, "Guidance Order on Reliability Notices of Penalty," 124 FERC ¶ 61,015 (2008); *North American Electric Reliability Corporation*, "Further Guidance Order on Reliability Notices

10, 2010. The NERC BOTCC approved the NOCV and the assessment of a zero dollar (\$0) financial penalty against GRE.

Pursuant to 18 C.F.R. § 39.7(e), the penalty will be effective upon expiration of the 30 day period following the filing of this Deficiency NOP with the Commission, or, if the Commission decides to review the penalty, upon final determination by the Commission.

Attachments to be included as Part of this Notice of Penalty

The attachments to be included as part of this Deficiency NOP are the following documents:

- a) Disposition of Violation dated December 10, 2010 and Verification of Mitigation Plan Completion therein, included as Attachment a;
- b) GRE's Self-Report dated June 2, 2010, included as Attachment b;
- c) GRE's Mitigation Plan submitted October 12, 2010, included as Attachment c; and
- d) GRE's Certification of Mitigation Plan Completion dated October 12, 2010, included as Attachment d.

A Form of Notice Suitable for Publication⁵

A copy of a notice suitable for publication is included in Attachment e.

of Penalty," 129 FERC ¶ 61,069 (2009); *North American Electric Reliability Corporation*, "Notice of No Further Review and Guidance Order," 132 FERC ¶ 61,182 (2010).

⁵ See 18 C.F.R § 39.7(d)(6).

Notices and Communications

Notices and communications with respect to this filing may be addressed to the following:

<p>Gerald W. Cauley President and Chief Executive Officer David N. Cook* Sr. Vice President and General Counsel North American Electric Reliability Corporation 116-390 Village Boulevard Princeton, NJ 08540-5721 (609) 452-8060 (609) 452-9550 – facsimile david.cook@nerc.net</p> <p>Daniel P. Skaar* President Midwest Reliability Organization 2774 Cleveland Avenue North Roseville, MN 55113 (651) 855-1731 dp.skaar@midwestreliability.org</p> <p>Sara E. Patrick* Director of Regulatory Affairs and Enforcement Midwest Reliability Organization 2774 Cleveland Avenue North Roseville, MN 55113 (651) 855-1708 se.patrick@midwestreliability.org</p> <p>*Persons to be included on the Commission’s service list are indicated with an asterisk. NERC requests waiver of the Commission’s rules and regulations to permit the inclusion of more than two people on the service list.</p>	<p>Rebecca J. Michael* Assistant General Counsel North American Electric Reliability Corporation 1120 G Street, N.W. Suite 990 Washington, DC 20005-3801 (202) 393-3998 (202) 393-3955 – facsimile rebecca.michael@nerc.net</p> <p>Gordon Pietsch* Director, Transmission Planning & Operations Great River Energy 17845 East Highway 10 PO Box 800 Elk River MN 55330-0800 (763) 445-5941 gpietsch@GREnergy.com</p> <p>Joe Knight* Compliance Specialist Great River Energy 17845 East Highway 10 PO Box 800 Elk River MN 55330-0800 (763) 241 -5633 jknight@GREnergy.com</p>
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Conclusion

Accordingly, NERC respectfully requests that the Commission accept this Deficiency NOP as compliant with its rules, regulations and orders.

Respectfully submitted,

Gerald W. Cauley
President and Chief Executive Officer
David N. Cook
Sr. Vice President and General Counsel
North American Electric Reliability Corporation
116-390 Village Boulevard
Princeton, NJ 08540-5721
(609) 452-8060
(609) 452-9550 – facsimile
david.cook@nerc.net

/s/ Rebecca J. Michael
Rebecca J. Michael
Assistant General Counsel
North American Electric Reliability
Corporation
1120 G Street, N.W.
Suite 990
Washington, DC 20005-3801
(202) 393-3998
(202) 393-3955 – facsimile
rebecca.michael@nerc.net

cc: Great River Energy
Midwest Reliability Organization

Attachments

Attachment a

Disposition of Violation dated December 10, 2010 and Verification of Mitigation Plan Completion therein

DISPOSITION OF VIOLATION¹

Dated December 10, 2010

NERC TRACKING NO.	REGIONAL ENTITY TRACKING NO.	NOC#
MRO201000182	MRO201000182	NOC-693

REGISTERED ENTITY Great River Energy (GRE)	NERC REGISTRY ID NCR00992
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REGIONAL ENTITY
Midwest Reliability Organization (MRO)

I. REGISTRATION INFORMATION

ENTITY IS REGISTERED FOR THE FOLLOWING FUNCTIONS:

BA ²	DP	GO	GOP	IA	LSE	PA	PSE	RC	RP	RSG	TO	TOP	TP	TSP
X	X	X	X		X		X		X		X	X	X	
5-30-07	5-30-07	5-30-07	5-30-07		5-30-07		5-30-07		5-30-07		5-30-07	5-30-07	5-30-07	

* VIOLATION APPLIES TO SHADED FUNCTIONS

DESCRIPTION OF THE REGISTERED ENTITY

GRE is a Generation and Transmission non-profit cooperative, with 28 member cooperatives who serve 645,000 member consumers, or about 1.7 million people, throughout the State of Minnesota. GRE owns 2,944 miles of 69 kV or less transmission line; 381 miles of 115 kV transmission line; 49 miles of 161 kV transmission line; 523 miles of 230 kV transmission line; 75 miles of 345 kV transmission line; 70 miles of 500 kV transmission line; and 436 miles of +/- 400 kV DC Line. GRE also owns 107 associated transmission substations and DC converter facilities.

GRE's main base-load generation (about 1,129 MW) is in North Dakota at the Coal Creek station, with delivery via the DC facility from Underwood, North Dakota to Dickinson Minnesota, and at Stanton Station. GRE's total generation is approximately 3,224 MW.

¹ For purposes of this document and attachments hereto, each violation at issue is described as a "violation," regardless of its procedural posture and whether it was a possible, alleged or confirmed violation.

² GRE is a member of a Coordinated Functional Registration for its Balancing Authority function (JRO00001).

II. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
EOP-009-0	R1		Medium	Lower³

PURPOSE OF THE RELIABILITY STANDARD AND TEXT OF RELIABILITY STANDARD AND REQUIREMENT(S)/SUB-REQUIREMENT(S)

The purpose of EOP-009-0 provides: “A system Blackstart Capability Plan (BCP) is necessary to ensure that the quantity and location of system blackstart generators are sufficient and that they can perform their expected functions as specified in overall coordinated Regional System Restoration Plans.”

EOP-009-0 R1 provides:

The Generator Operator of each blackstart generating unit shall test the startup and operation of each system blackstart generating unit identified in the BCP as required in the Regional BCP (Reliability Standard EOP-007-0_R1). Testing records shall include the dates of the tests, the duration of the tests, and an indication of whether the tests met Regional BCP requirements.

VIOLATION DESCRIPTION

On June 2, 2010, GRE self-reported a violation of Reliability Standard EOP-009-0 R1 because it had failed to test one-third of its blackstart units during the 2009 calendar year. GRE has 3 black-start capable units, and is required to conduct at least one black-start test of its black start capable units each calendar year.

To satisfy the 2008 calendar year requirement, GRE tested its Rock Lake unit in the black-start mode on August 14, 2008. In late December of 2008, GRE conducted maintenance on its Rock Lake unit. The Rock Lake operator was aware that GRE was required to conduct a black start test of 1/3 of its black start capable units each year. During the otherwise scheduled maintenance, the Rock Lake operator conducted a black start test of the unit on December 29, 2008.⁴ The Rock Lake operator mistakenly believed that the test conducted on December 29, 2008, would satisfy the 2009 calendar year requirement to conduct a black start test of 1/3 of the GRE black start capable units each year. GRE’s next black start test was conducted on May 24, 2010 on its Maple Lake unit.

³ MRO assigned a Lower VSL because the testing was completed and test records maintained, but GRE missed the Regional requirement that testing be completed within the calendar year by conducting the BCP test 3 days before the 2009 calendar year began.

⁴ The Self-Report incorrectly states that the black start unit was tested on December 28, 2008.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

MRO determined that this violation did not pose a serious or substantial risk to reliability of the Bulk Electric System (BES) because if GRE had conducted the black start test three days later, there would not have been a violation.

IS THERE A SETTLEMENT AGREEMENT YES NO

WITH RESPECT TO THE VIOLATION(S), REGISTERED ENTITY

NEITHER ADMITS NOR DENIES IT (SETTLEMENT ONLY) YES
ADMITS TO IT YES
DOES NOT CONTEST IT (INCLUDING WITHIN 30 DAYS) YES

WITH RESPECT TO THE ASSESSED PENALTY OR SANCTION, REGISTERED ENTITY

ACCEPTS IT/ DOES NOT CONTEST IT YES

III. DISCOVERY INFORMATION

METHOD OF DISCOVERY

SELF-REPORT
SELF-CERTIFICATION
COMPLIANCE AUDIT
COMPLIANCE VIOLATION INVESTIGATION
SPOT CHECK
COMPLAINT
PERIODIC DATA SUBMITTAL
EXCEPTION REPORTING

DURATION DATE(S) **1/1/09 (Date the testing interval for blackstart units began) through 12/31/09 (Date the testing interval for blackstart units ended)**

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY **6/2/10**

IS THE VIOLATION STILL OCCURRING

YES NO

IF YES, EXPLAIN

REMEDIAL ACTION DIRECTIVE ISSUED YES NO
PRE TO POST JUNE 18, 2007 VIOLATION YES NO

IV. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO.	MIT-09-2943
DATE SUBMITTED TO REGIONAL ENTITY:	10/12/2010 ⁵
DATE ACCEPTED BY REGIONAL ENTITY	10/12/2010
DATE APPROVED BY NERC	10/27/10
DATE PROVIDED TO FERC	10/27/10

IDENTIFY AND EXPLAIN ALL PRIOR VERSIONS THAT WERE ACCEPTED OR REJECTED, IF APPLICABLE

N/A

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE	5/20/2010
EXTENSIONS GRANTED	N/A
ACTUAL COMPLETION DATE	5/20/2010

DATE OF CERTIFICATION LETTER	10/12/2010 ⁶
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF	5/20/2010

DATE OF VERIFICATION	10/12/2010 ⁷
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF	5/20/2010

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

GRE discovered this violation on May 19 2010. On May 20, 2010 all black start units had been added to the GRE asset management system and their recurring tests had been set up. One unit is scheduled for testing each year on a rolling three year schedule.

GRE has set its asset management system to automatically create a work order to test one black start unit each year. This work order will be generated at the start of each calendar year. GRE believes that having the asset management system automatically generate a work order each year will prevent this violation from being repeated.

⁵ The Mitigation Plan was signed on October 11, 2010.

⁶ The Certification of Completion was signed on October 11, 2010.

⁷ This Disposition Document serves as MRO's Verification of Mitigation Plan Completion.

LIST OF EVIDENCE REVIEWED BY REGIONAL ENTITY TO EVALUATE COMPLETION OF MITIGATION PLAN (FOR CASES IN WHICH MITIGATION IS NOT YET COMPLETED, LIST EVIDENCE REVIEWED FOR COMPLETED MILESTONES)

1. E-mail confirming that black start units had been set up in asset management system
2. 2010 Black start unit test results
3. Screen shot of Maple Lake recurring test setup in asset management system
4. Screen shot of Rock Lake recurring test setup in asset management system
5. Screen shot of Cambridge Unit 1 recurring test setup in asset management system

On October 12, 2010, MRO reviewed the documents provided by GRE and verified that the Mitigation Plan was completed as of May 20, 2010. MRO verified that GRE had set up a work order in its asset management system to ensure that its black start units are tested on a rolling three year schedule as of May 20, 2010. Additionally, MRO verified that GRE had conducted the required black start unit testing for calendar year 2010 on May 24, 2010.

V. PENALTY INFORMATION

TOTAL ASSESSED PENALTY OR SANCTION OF \$0 FOR ONE VIOLATION OF RELIABILITY STANDARD.

(1) REGISTERED ENTITY'S COMPLIANCE HISTORY

PRIOR VIOLATIONS OF ANY OF THE INSTANT RELIABILITY STANDARD(S) OR REQUIREMENT(S) THEREUNDER

YES NO

LIST ANY CONFIRMED OR SETTLED VIOLATIONS AND STATUS

N/A

PRIOR VIOLATIONS OF OTHER RELIABILITY STANDARD(S) OR REQUIREMENTS THEREUNDER

YES NO

LIST ANY PRIOR CONFIRMED OR SETTLED VIOLATIONS AND STATUS

On February 25, 2010, MRO and GRE entered into a Settlement Agreement to resolve violations of Reliability Standards FAC-003-1 R1.5; PRC-005-1 R1 and R2; PRC-008-0 R1 and R2; and PRC-017-0 R1. The Settlement Agreement included a financial penalty of \$125,000 in addition to certain above and beyond measures undertaken by GRE to improve its compliance with NERC Reliability

Standards and improve reliability of the BPS. A Notice of Penalty, NP10-111-000, was filed on June 2, 2010 and the Commission determined on July 2, 2010 that it would not engage in further review of that Notice of Penalty.

MRO determined that the prior violations should not serve as a basis for aggravating the penalty because they involved standards that are not the same or similar to the instant standard. Moreover, there was nothing in the record to suggest that broader corporate issues were implicated.

(2) THE DEGREE AND QUALITY OF COOPERATION BY THE REGISTERED ENTITY (IF THE RESPONSE TO FULL COOPERATION IS "NO," THE ABBREVIATED NOP FORM MAY NOT BE USED.)

FULL COOPERATION YES NO
IF NO, EXPLAIN

(3) THE PRESENCE AND QUALITY OF THE REGISTERED ENTITY'S COMPLIANCE PROGRAM

IS THERE A DOCUMENTED COMPLIANCE PROGRAM
YES NO
EXPLAIN

As part of the Settlement Agreement in NP10-111-000, GRE developed and implemented a formal Compliance Program. The Compliance Program includes: (i) systems and protocols for monitoring, identifying, preventing, reporting and correcting violations, (ii) a management culture that demands compliance among GRE employees, and (iii) tools and training sufficient to enable employees to comply with Commission requirements in policy statements on enforcement and compliance. MRO considered GRE's compliance program a neutral factor in determining the penalty.

EXPLAIN SENIOR MANAGEMENT'S ROLE AND INVOLVEMENT WITH RESPECT TO THE REGISTERED ENTITY'S COMPLIANCE PROGRAM, INCLUDING WHETHER SENIOR MANAGEMENT TAKES ACTIONS THAT SUPPORT THE COMPLIANCE PROGRAM, SUCH AS TRAINING, COMPLIANCE AS A FACTOR IN EMPLOYEE EVALUATIONS, OR OTHERWISE.

GRE's Chief Executive Officer disseminated the Compliance Program document to all operations management and GRE senior management, along with a message highlighting the importance of compliance and the role each employee is expected to play in ensuring GRE remains compliant with NERC Reliability

Standards. To ensure that all employees are aware of the Compliance Program the same message was distributed to all GRE employees on December 23, 2009.

(4) ANY ATTEMPT BY THE REGISTERED ENTITY TO CONCEAL THE VIOLATION(S) OR INFORMATION NEEDED TO REVIEW, EVALUATE OR INVESTIGATE THE VIOLATION.

YES NO
IF YES, EXPLAIN

(5) ANY EVIDENCE THE VIOLATION(S) WERE INTENTIONAL (IF THE RESPONSE IS "YES," THE ABBREVIATED NOP FORM MAY NOT BE USED.)

YES NO
IF YES, EXPLAIN

(6) ANY OTHER MITIGATING FACTORS FOR CONSIDERATION

YES NO
IF YES, EXPLAIN

(7) ANY OTHER AGGRAVATING FACTORS FOR CONSIDERATION

YES NO
IF YES, EXPLAIN

(8) ANY OTHER EXTENUATING CIRCUMSTANCES

YES NO
IF YES, EXPLAIN

EXHIBITS:

- 1. GRE's Self Report, dated June 2, 2010**
- 2. GRE's Mitigation Plan, submitted on October 12, 2010**
- 3. GRE's Certification of Mitigation Plan Completion, dated October 12, 2010**

OTHER RELEVANT INFORMATION:

NOTICE OF ALLEGED VIOLATION AND PROPOSED PENALTY OR SANCTION
ISSUED

DATE: OR N/A

SETTLEMENT DISCUSSIONS COMMENCED

DATE: OR N/A

NOTICE OF CONFIRMED VIOLATION ISSUED

DATE: **10/14/10** OR N/A

SUPPLEMENTAL RECORD INFORMATION

DATE(S) OR N/A

REGISTERED ENTITY RESPONSE CONTESTED

FINDINGS PENALTY BOTH NO CONTEST

HEARING REQUESTED

YES NO

DATE

OUTCOME

APPEAL REQUESTED

Attachment b

GRE's Self-Report dated June 2, 2010



Midwest Reliability Organization
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October 14, 2010

Self Report - 2010

Entity Name: Great River Energy
NERC Compl. Registry ID: NCR00992
Address: 17845 East Highway 10
PO Box 800
Elk River MN 55330-0800

Standard Requirement: EOP-009-0 R1

The Generator Operator of each blackstart generating unit shall test the startup and operation of each system blackstart generating unit identified in the BCP as required in the Regional BCP (Reliability Standard EOP-007-0_R1). Testing records shall include the dates of the tests, the duration of the tests, and an indication of whether the tests met Regional BCP requirements.

Date of Alleged Violation: December 31, 2009

Date Submitted: June 02, 2010

Self Report Status: After review, it was determined to be a Violation.

Description and Cause: The alleged violation is that Great River Energy (GRE) failed to test one-third of its blackstart units during 2009. This violation was caused because a blackstart unit was tested four days too early in 2008 (12/28/08) to allow it to be counted as tested in 2009.

Potential Impact to the Bulk Power System: GRE believes that the potential impact to the Bulk Power System from this alleged violation is low due to the fact that the alleged violation occurred because a unit was tested four days too early to be counted as tested in 2009.

Additional Information

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Attachment c

**GRE's Mitigation Plan submitted October 12,
2010**



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October 14, 2010

Mitigation Plan

Registered Entity: Great River Energy
NERC Violation ID: MRO201000182
Requirement: EOP-009-0 R1
Violation Validated On: September 07, 2010
Mitigation Plan Submitted On: October 12, 2010
Mitigation Plan Accepted On: October 12, 2010
Mitigation Plan Proposed Completion Date: May 20, 2010
Actual Completion Date of Mitigation Plan: October 12, 2010
Mitigation Plan Certified Complete by GRE On: October 12, 2010
Mitigation Plan Completion Validated by MRO On: October 12, 2010
Mitigation Plan Completed? (Yes/No): Yes

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October 14, 2010

Section A: Compliance Notices

Section 6.2 of the NERC CMEP sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:

- (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section B.
- (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
- (3) The cause of the Alleged or Confirmed Violation(s).
- (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
- (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed violation(s).
- (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
- (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
- (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined or recommended to the applicable governmental authorities for not completing work associated with accepted milestones.
- (9) Any other information deemed necessary or appropriate.
- (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self Certification or Self Reporting submittals.
- (11) This submittal form may be used to provide a required Mitigation Plan for review and approval by regional entity(ies) and NERC.

- The Mitigation Plan shall be submitted to the regional entity(ies) and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
- This Mitigation Plan form may be used to address one or more related alleged or confirmed violations of one Reliability Standard. A separate mitigation plan is required to address alleged or confirmed violations with respect to each additional Reliability Standard, as applicable.
- If the Mitigation Plan is accepted by regional entity(ies) and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission or filed with the applicable governmental authorities for approval in Canada.
- Regional Entity(ies) or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.
- The user has read and accepts the conditions set forth in these Compliance Notices.

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October 14, 2010

Section B: Registered Entity Information

B.1 Identify your organization:

Entity Name: Great River Energy
NERC Compliance Registry ID: NCR00992
Address: 17845 East Highway 10
PO Box 800
Elk River MN 55330-0800

B.2 Identify the individual in your organization who will serve as the Contact to the Regional Entity regarding

Name: Joe Knight
Title: Compliance Specialist
Email: jknight@greenergy.com
Phone: 763-241-5633

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October 14, 2010

Section C: Identity of Reliability Standard Violation Associated with this Mitigation Plan

C.1 This Mitigation Plan is associated with the following violation(s) of the reliability standard listed below:

Standard Requirement: EOP-009-0 R1

Description: The Generator Operator of each blackstart generating unit shall test the startup and operation of each system blackstart generating unit identified in the BCP as required in the Regional BCP (Reliability Standard EOP-007-0_R1). Testing records shall include the dates of the tests, the duration of the tests, and an indication of whether the tests met Regional BCP requirements.

Violation Date: May 19, 2010

C.2 Identify the cause of the violation(s) identified above:

The alleged violation is that Great River Energy (GRE) failed to test one-third of its blackstart units during 2009. This violation was caused because a blackstart unit was tested three days too early in 2008 (12/29/08) to allow it to be counted as tested in 2009.

C.3 Provide any relevant information regarding the violations associated with this Mitigation Plan: [If known]

GRE discovered this violation on May 19 2010. On May 20, 2010 all Blackstart units had been added to the GRE asset management system and their recurring tests had been set up. One unit is scheduled for test each year on a rolling three year schedule.

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Section D: Details of Proposed Mitigation Plan

- D.1 Identify and describe the action plan, including specific tasks and actions that your organization is proposing to undertake, or which it undertook if this Mitigation Plan has been completed, to correct the violation(s) identified above in Section C.1 of this form:

GRE believes that this alleged violation has been successfully mitigated both by the successful testing of the Maple Lake unit in 2010 and the scheduling of its recurring testing in the GRE asset management system.

- D.2 Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the violations associated with this Mitigation Plan are corrected:

Proposed Completion date of Mitigation Plan: May 20, 2010

- D.3 Milestone Activities, with completion dates, that your organization is proposing for this Mitigation Plan:

- D.4 Additional Relevant Information (Optional)

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October 14, 2010

Section E: Interim and Future Reliability Risk

E.1 Abatement of Interim BES Reliability Risk

While your organization is implementing the Mitigation Plan proposed in Section D of this form, the reliability of the Bulk Power System may remain at higher risk or be otherwise negatively impacted until the plan is successfully completed. To the extent they are, or may be, known or anticipated: (i) identify any such risks or impacts; and (ii) discuss any actions that your organization is planning to take or is proposing as part of the Mitigation Plan to mitigate any increased risk to the reliability of the bulk power system while the Mitigation Plan is being implemented:

GRE believes that the potential impact to the Bulk Power System from this alleged violation is low due to the fact that the alleged violation occurred because a unit was tested three days too early to be counted as tested in 2009. In addition GRE has successfully tested the Blackstart unit that was scheduled for 2010.

E.2 Prevention of Future BES Reliability Risk

Describe how successful completion of the Mitigation Plan as laid out in Section D of this form will prevent or minimize the probability that your organization incurs further violations of the same or similar reliability standards requirements in the future:

GRE has set its asset management system to automatically create a work order to test one Blackstart unit each year. This work order will be generated at the start of each calendar year. GRE believes that having the asset management system automatically generate a work order each year, will prevent this violation from being repeated.

E.3 Your organization may be taking or planning other action, beyond that listed in the Mitigation Plan, as proposed in Section D.1, to prevent or minimize the probability of incurring further violations of the same or similar standards requirements listed in Section C.1, or of other reliability standards. If so, identify and describe any such action, including milestones and completion dates:

Subsequent to the reporting of this alleged violation, a presentation was made to the group responsible for the Blackstart units on the importance of complying with the letter and spirit of the NERC standards.

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October 14, 2010

Section F: Authorization

An authorized individual must sign and date the signature page. By doing so, this individual, on behalf of your organization:

(a) Submits the Mitigation Plan, as laid out in Section D, to the Regional Entity for acceptance and approval by NERC, and

(b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and

(c) Acknowledges:

1. I am Director of Planning and Operations of Great River Energy
2. I am qualified to sign this Mitigation Plan on behalf of Great River Energy
3. I have read and understand Great River Energy's obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure and the NERC CMEP currently in effect or the NERC CMEP-Province of Manitoba, Schedule B currently in effect, whichever is applicable.
4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
5. Great River Energy Agrees to be bound by, and comply with, this Mitigation Plan, including the timetable completion date, as accepted by the Regional Entity, NERC, and if required, the applicable governmental authorities in Canada.

Authorized Individual Signature: _____

(Electronic signature was received by the Regional Office via CDMS. For Electronic Signature Policy see CMEP.)

Name: Gordon Pietsch

Title: Director of Planning and Operations

Authorized On: October 11, 2010

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Attachment d

GRE's Certification of Mitigation Plan Completion dated October 12, 2010



MIDWEST
RELIABILITY
ORGANIZATION



Certification of Mitigation Plan Completion

Submittal of a Certification of Mitigation Plan Completion shall include data or information sufficient for Midwest Reliability Organization to verify completion of the Mitigation Plan. Midwest Reliability Organization may request additional data or information and conduct follow-up assessments, on-site or other Spot Checking, or Compliance Audits as it deems necessary to verify that all required actions in the Mitigation Plan have been completed and the Registered Entity is in compliance with the subject Reliability Standard. (CMEP Section 6.6)

Registered Entity Name: Great River Energy

NERC Registry ID: NCR00992

Date of Submittal of Certification: 10/12/10

NERC Violation ID No(s): MRO201000182

Reliability Standard and the Requirement(s) of which a violation was mitigated: EOP-009-0 R1

Date Mitigation Plan was scheduled to be completed per accepted Mitigation Plan: 05/20/10

Date Mitigation Plan was actually completed: 05/20/10

Additional Comments (or List of Documents Attached):

I certify that the Mitigation Plan for the above named violation has been completed on the date shown above and that all submitted information is complete and correct to the best of my knowledge.

Name: Gordon Pietsch

Title: Director, Transmission Planning & Operations

Email: gpietsch@GREnergy.com

Phone: 763-445-5941

Authorized Signature:  Date 10/14/10

Please direct any questions regarding completion of this form to the Midwest Reliability Organization e-mail address mco@midwestreliability.org



CONFIDENTIAL



Attachment e

Notice of Filing

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Great River Energy

Docket No. NP11-____-000

NOTICE OF FILING
December 22, 2010

Take notice that on December 22, 2010, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding Great River Energy in the Midwest Reliability Organization region.

Any person desiring to intervene or to protest this filing must file in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211, 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a notice of intervention or motion to intervene, as appropriate. Such notices, motions, or protests must be filed on or before the comment date. On or before the comment date, it is not necessary to serve motions to intervene or protests on persons other than the Applicant.

The Commission encourages electronic submission of protests and interventions in lieu of paper using the "eFiling" link at <http://www.ferc.gov>. Persons unable to file electronically should submit an original and 14 copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426.

This filing is accessible on-line at <http://www.ferc.gov>, using the "eLibrary" link and is available for review in the Commission's Public Reference Room in Washington, D.C. There is an "eSubscription" link on the web site that enables subscribers to receive email notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please email FERCOnlineSupport@ferc.gov, or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Comment Date: [BLANK]

Kimberly D. Bose,
Secretary