



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

September 30, 2010

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

**Re: NERC Abbreviated Notice of Penalty
Orlando Utilities Commission (OUC), FERC Docket No. NP10-__-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Abbreviated Notice of Penalty (NOP) regarding OUC, with information and details regarding the nature and resolution of the violation¹ discussed in detail in the Settlement Agreement (Attachment c) and the Disposition Documents (Attachment d), 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)).²

On November 3, 2008, OUC self-reported a violation of PRC-005-1 Requirement (R) 2.1 to Florida Reliability Coordinating Council, Inc. (FRCC) for OUC's failure to perform monthly testing and maintenance of transmission station batteries, during the period from September 2007 through September 2008, within OUC's defined maintenance and testing program interval. Additionally, during a February 3, 2009 Spot Check, FRCC discovered violations of Reliability Standard FAC-003-1 R1.3 and PRC-005-1 R1 for OUC's failure to (1) define the appropriate qualifications and training for all personnel directly involved in the design and implementation of its Transmission Vegetation Management Program (TVMP) and (2) include generation station

¹ 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.

² *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards* (Order No. 672), III FERC Stats. & Regs. ¶ 31,204 (2006); *Notice of New Docket Prefix "NP" for Notices of Penalty Filed by the North American Electric Reliability Corporation*, Docket No. RM05-30-000 (February 7, 2008). See also 18 C.F.R. Part 39 (2010). *Mandatory Reliability Standards for the Bulk-Power System*, FERC Stats. & Regs. ¶ 31,242 (2007) (Order No. 693), *reh'g denied*, 120 FERC ¶ 61,053 (2007) (Order No. 693-A). See 18 C.F.R. § 39.7(c)(2).

batteries in its Protection System³ maintenance and testing program. This NOP is being filed with the Commission because FRCC and OUC have entered into a Settlement Agreement to resolve all outstanding issues arising from FRCC's determination and findings of the enforceable violations of FAC-003-1 R1.3, PRC-005-1 R1 and PRC-005-1 R2.1. According to the Settlement Agreement, OUC neither admits nor denies the violation, but has agreed to the assessed penalty of sixty thousand five hundred dollars (\$60,500) in addition to other remedies and actions to mitigate the instant violations and facilitate future compliance under the terms and conditions of the Settlement Agreement. Accordingly, the violations identified as NERC Violation Tracking Identification Numbers FRCC200900147, FRCC200900146 and FRCC200800110 are being filed in accordance with the NERC Rules of Procedure and the CMEP.

Statement of Findings Underlying the Violations

This NOP incorporates the findings and justifications set forth in the Settlement Agreement executed on August 30, 2010, by and between FRCC and OUC. The details of the findings and the basis for the penalty are set forth in the Disposition Documents. This NOP filing contains the basis for approval of the Settlement Agreement by the NERC Board of Trustees Compliance Committee (NERC BOTCC). In accordance with Section 39.7 of the Commission's regulations, 18 C.F.R. § 39.7, NERC provides the following summary table identifying each violation of a Reliability Standard resolved by the Settlement Agreement, as discussed in greater detail below.

Region	Registered Entity	NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Total Penalty (\$)
FRCC	Orlando Utilities Commission	NOC-146	FRCC200900147	FAC-003-1	1.3	High	60,500
			FRCC200900146	PRC-005-1	1	High ⁴	
			FRCC200800110	PRC-005-1	2.1	High ⁵	

The text of the Reliability Standards at issue is set forth in the Disposition Documents.

³ 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."

⁴ When NERC filed VRFs for PRC-005-1, NERC originally assigned a "Medium" VRF to PRC-005-1 R1. In the Commission's May 18, 2007 Order on Violation Risk Factors, the Commission approved the VRF as filed but directed modifications. On June 1, 2007, NERC filed a modified "High" VRF for PRC-005 R1 for approval. On August 6, 2007, the Commission issued an Order approving the modified VRF. Therefore, the "Medium" VRF was in effect from June 18, 2007 until August 9, 2007 and the "High" VRF has been in effect since August 9, 2007.

⁵ PRC-005-1 R2 has a "Lower" VRF; R2.1 and R2.2 each have a "High" VRF. During a final review of the standards subsequent to the March 23, 2007 filing of the Version 1 VRFs, NERC identified that some standards requirements were missing VRFs; one of these include PRC-005-1 R2.1. On May 4, 2007, NERC assigned PRC-005 R2.1 a "High" VRF. In the Commission's June 26, 2007 Order on Violation Risk Factors, the Commission approved the PRC-005-1 R2.1 "High" VRF as filed. Therefore, the "High" VRF was in effect from June 26, 2007.

FAC-003-1 R1.3 - OVERVIEW⁶

FRCC determined that OUC, as a Transmission Owner, did not define qualifications and training required for all personnel directly involved in the design and implementation of its TVMP.

The duration of the FAC-003-1 R1.3 violation was from June 18, 2007, when the Standard became mandatory and enforceable, through May 1, 2009, the date OUC completed its Mitigation Plan.

FRCC determined that the violation did not pose a serious or substantial risk to the bulk power system (BPS) because OUC's employees held qualifications which met the requirements ultimately established by OUC.⁷

PRC-005-1 R1 - OVERVIEW⁸

FRCC determined that OUC, as a Generator Owner, did not include its generation station batteries in its Protection System maintenance and testing program document, *CEP-PRG-003*.

The duration of the PRC-005-1 R1 violation was from June 18, 2007, when the Standard became mandatory and enforceable, through May 1, 2009, the date OUC completed its Mitigation Plan.

FRCC concluded that this violation did not pose a serious or substantial risk to the reliability of the BPS because OUC had been performing routine maintenance and testing on its generating station batteries even though the batteries were not included in OUC's Protection System maintenance and testing program.

PRC-005-1 R2.1 - OVERVIEW⁹

FRCC determined upon receipt and review of a Self-Report submitted by OUC on November 3, 2008 that OUC, as a Distribution Provider and Transmission Owner, did not perform transmission station battery tests at sixteen different times¹⁰ at ten different substations¹¹ out of 34 substations per the defined intervals in OUC's Protection System maintenance and testing program from September 2007 through September 2008.

The duration of the PRC-005-1 R2.1 violation was from September 14, 2007, when monthly testing and maintenance of station batteries was first missed, through November 3, 2008, the date OUC completed its Mitigation Plan.

⁶ Further information on this violation is contained in the Disposition Document included as Attachment d-1.

⁷ OUC had hired "Certified Arborists" and people with resumes that showed extensive experience in tree and forest management, but they had not actually "defined qualifications required" per their TVMP. So people who were originally qualified (held certificates) needed for those types of positions were in them and the TVMP needed to be updated to reflect the need for "defining" such.

⁸ Further information on this violation is contained in the Disposition Document included as Attachment d-2.

⁹ Further information on this violation is contained in the Disposition Document included as Attachment d-3.

¹⁰ The Mitigation Plan states that OUC discovered 7 instances where OUC failed to perform monthly maintenance and testing of the substation batteries within the defined intervals. However, when OUC self-reported, it did not include in its count the violations they considered "documentation issues" but which were in fact violations.

¹¹ The Settlement Agreement incorrectly states that the OUC failed to perform monthly maintenance and testing of station batteries within the defined intervals at sixteen different substations.

FRCC determined that this violation did not pose a serious or substantial risk to the reliability of the BPS because OUC system operators perform constant alarm monitoring of alarms related to station batteries and station battery chargers. Upon receipt of a station battery alarm, OUC would have dispatched crews to investigate the alarm.

Statement Describing the Assessed Penalty, Sanction or Enforcement Action Imposed¹²

Basis for Determination

Taking into consideration the Commission's direction in Order No. 693, the NERC Sanction Guidelines, the Commission's July 3, 2008 and October 26, 2009 Guidance Orders,¹³ the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on June 10, 2010. The NERC BOTCC approved the Settlement Agreement, including FRCC's assessment of a sixty thousand five hundred dollars (\$60,500) financial penalty against OUC and other actions to facilitate future compliance required under the terms and conditions of the Settlement Agreement. In approving the Settlement Agreement, the NERC BOTCC reviewed the applicable requirements of the Commission-approved Reliability Standards and the underlying facts and circumstances of the violations at issue.

In reaching this determination, the NERC BOTCC considered the following factors:

1. the violations constituted OUC's first occurrence of violations of the subject NERC Reliability Standards;
2. FRCC reported that OUC was cooperative throughout the compliance enforcement process;
3. OUC has a compliance program,¹⁴ as discussed in the Disposition Documents;
4. there was no evidence of any attempt to conceal a violation nor evidence of intent to do so;
5. FRCC determined that the violations did not pose a serious or substantial risk to the reliability of the BPS, as discussed above and in the Disposition Documents; and
6. there were no other mitigating or aggravating factors or extenuating circumstances that would affect the assessed penalty.

For the foregoing reasons, the NERC BOTCC approves the Settlement Agreement and believes that the assessed penalty of sixty thousand five hundred dollars (\$60,500) is appropriate for the violations and circumstances at issue, and is consistent with NERC's goal to promote and ensure reliability of the BPS.

¹² See 18 C.F.R. § 39.7(d)(4).

¹³ *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 of Penalty," 129 FERC ¶ 61,069 (2009). See also *North American Electric Reliability Corporation*, "Notice of No Further Review and Guidance Order," 132 FERC ¶ 61,182 (2010).

¹⁴ The internal compliance program was a neutral factor in the penalty determination.

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 Notice of Penalty with FERC, or, if FERC decides to review the penalty, upon final determination by FERC.

Attachments to be included as Part of this Notice of Penalty

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

- a) OUC's Self-Report for PRC-005-1 R2.1 dated November 3, 2008, included as Attachment a;
- b) FRCC's 2008 Annual Spot Check Summary of Findings for FAC-003-1 R1.3 and PRC-005-1 R1 dated February 10, 2009, included as Attachment b;
- c) Settlement Agreement by and between FRCC and OUC executed August 30, 2010, included as Attachment c;
 - i. Record documents for the violation of FAC-003-1 R1.3:
 - 1. OUC's Mitigation Plan MIT-07-1643 submitted March 20, 2009, included as Attachment c-1;
 - 2. OUC's Certification of Completion dated May 1, 2009, included as Attachment c-2; and
 - 3. FRCC's Verification of Completion dated March 4, 2010, included as Attachment c-3.
 - ii. Record documents for the violation of PRC-005-1 R1:
 - 1. OUC's Mitigation Plan MIT-07-1642 submitted March 20, 2009, included as Attachment c-4;
 - 2. OUC's Certification of Completion dated May 1, 2009, included as Attachment c-5; and
 - 3. FRCC's Verification of Completion dated May 13, 2009, included as Attachment c-6.
 - iii. Record documents for the violation of PRC-005-1 R2.1, included as Attachment e:
 - 1. OUC's Mitigation Plan MIT-08-1483 submitted January 27, 2009, included as Appendix c-7;
 - 2. OUC's Certification of Completion dated January 27, 2009, included as Attachment c-8; and
 - 3. FRCC's Verification of Completion dated February 25, 2009, included as Attachment c-9.

- d) Disposition Document for Common Information, included as Attachment d:
 - i. Disposition Document for FAC-003-1 R1.3, included as Attachment d-1
 - ii. Disposition Document for PRC-005-1 R1, included as Attachment d-2; and
 - iii. Disposition Document for PRC-005-1 R2.1, included as Attachment d-3.

A Form of Notice Suitable for Publication¹⁵

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

¹⁵ 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* 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 gerry.cauley@nerc.net david.cook@nerc.net</p> <p>Richard Kinas* Manager of Standards Compliance Orlando Utilities Commission 6003 Pershing Ave. Orlando, FL 32822 (407) 384-4063 (407) 275-4148 – facsimile rkinas@ouc.com</p> <p>Richard Gilbert* Manager of Compliance Enforcement Florida Reliability Coordinating Council, Inc. 3000 Bayport Dr., Suite 690 Tampa, FL 33607-8402 (813) 207-7991 (813) 289-5648 – facsimile rgilbert@frcc.com</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>Sarah Rogers* President and Chief Executive officer Florida Reliability Coordinating Council, Inc. 1408 N. Westshore Blvd., Suite 1002 Tampa, FL 33607-4512 (813) 289-5644 (813) 289-5646 – facsimile srogers@frcc.com</p> <p>Linda Campbell* VP and Executive Director Standards & Compliance Florida Reliability Coordinating Council, Inc. 1408 N. Westshore Blvd., Suite 1002 Tampa, FL 33607-4512 (813) 289-5644 (813) 289-5646 – facsimile lcampbell@frcc.com</p> <p>Barry Pagel* Director of Compliance Florida Reliability Coordinating Council, Inc. 3000 Bayport Dr., Suite 690 Tampa, FL 33607-8402 (813) 207-7968 (813) 289-5648 – facsimile bpagel@frcc.com</p>
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Conclusion

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

Respectfully submitted,

Gerald W. Cauley
President and Chief Executive Officer
David N. Cook
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
gerry.cauley@nerc.net
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: Orlando Utilities Commission
Florida Reliability Coordinating Council, Inc.

Attachments

Attachment a

**OUC's Self-Report for PRC-005-1 R2.1 dated
November 3, 2008**

FRCC Compliance Self Reporting Form

Registered Entity Orlando Utilities Commission

Date of Violation: Month November Day 3 Year 2008

Time of Violation _____

(As appropriate, based upon the time frame associated with the reliability standard)

For EACH violation, please provide the following:

1. The Reliability Standard and requirement violated.
PRC-005-1 Requirement 2.1
2. Violation Severity Level.
Lower
3. The specifics of the violation and the reliability impact of the violation to the bulk power system.
Impact of violation: LOW – OUC performs constant alarm monitoring, by the system operator, for all alarms including all station batteries and batteries chargers.

In creating a spreadsheet to document completion of monthly maintenance and testing intervals, OUC identified some instances where the actual intervals exceeded those defined within our System Protection Program. The attached spreadsheet “Inspection Log.xls” identifies those instances.

- Entries highlighted in Grey are within the 45 day window for completion as identified within our System Protection Program.
 - Entries highlighted in yellow are instances where we exceeded our 45 day window.
 - Entries highlighted in green are instances where it looks as though we exceeded our 45 day window, however in March and April of 2008, we experienced a problem with our substation maintenance tracking software where uploads of completed tests were not properly transferred, therefore it is not possible to demonstrate that testing did occur during these times, resulting in the identified values.
4. Company contact persons name, title, and contact number(s).
Richard Kinas
Manager of Standards Compliance
Office: 407-384-4063
Cell: 407-716-0001

5. Describe any confidentiality issues

None

6. Actions taken or to be taken (include timetable) to ensure violation is corrected. Attach completed Mitigation Plan if appropriate.

OUC is committed to operating a reliable Bulk Power System and is modifying our current process to insure that all battery testing occurs as specified within our program. The following changes are being immediately implemented:

- All battery testing will be scheduled for completion the first week of every month.
- All battery testing not completed within the first week of every month will be reported on weekly basis directly to the Vice President of Energy Delivery Business Unit and the Manager of Standards Compliance.
- Dedicated battery testing staff will be identified and supplemented as needed to maintain schedule

Additional Comments: ☐ Comments attached.

Submitted by: Richard Kinas

Title: Manager of Standards Compliance

Please send your completed form to compliancemanager@frcc.com

Attachment b

FRCC's 2008 Annual Spot Check Summary of Findings for FAC-003-1 R1.3 and PRC-005-1 R1 dated February 10, 2009



FLORIDA RELIABILITY COORDINATING COUNCIL, INC.
1408 N. WESTSHORE BLVD., SUITE 1002
TAMPA, FLORIDA 33607-4512
PHONE 813.289.5644 • FAX 813.289.5646
WWW.FRCC.COM

VIA E-MAIL

February 10, 2009

Mr. Richard Kinas
Standards Compliance Manager
Orlando Utilities Commission
6003 Pershing Ave.
Orlando, FL 32822

**Re: 2008 FRCC Annual Spot Check for
Reliability Standards:
FAC-003-1 All Requirement
PRC-005-1 All Requirements
VAR-002-1 All Requirements**

Dear Mr. Kinas,

The evidence submitted by the Orlando Utilities Commission (OUC), NCR00057, for the above referenced 2008 FRCC Annual Spot Check of the NERC Reliability Standards has been received by the Florida Reliability Coordinating Council, Inc. (FRCC). After review, the FRCC 2008 Annual Spot Check Audit Team has determined OUC to be:

Reliability Standard	Requirement	Finding
FAC-003-1	R1.	Possible violation
FAC-003-1	R2.	Compliant
FAC-003-1	R3.	Not Applicable
FAC-003-1	R4.	Not Applicable
PRC-005-1	R1.	Possible violation
PRC-005-1	R2.	Possible violation
VAR-002-1	R1.	Compliant
VAR-002-1	R2.	Compliant
VAR-002-1	R3.	Not Applicable
VAR-002-1	R4.	Not Applicable
VAR-002-1	R5.	Not Applicable

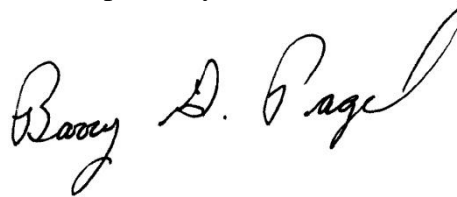
The following items are follow-up actions and are in accordance with the FRCC Compliance Monitoring and Enforcement Program (CMEP):

- The FRCC compliance staff will prepare a draft Spot Check Audit Report and forward it to OUC for review.

- OUC is to provide written comments to FRCC within fourteen (14) days of receipt of the draft report.
- FRCC will complete and document the assessment of OUC for compliance with the Reliability Standards and will provide a final report to OUC indicating the results of the spot check.
- If FRCC concludes that a reasonable basis exists for believing a violation of a Reliability Standard has occurred, FRCC will send OUC an Initial Notice of Alleged Violation.
- Settlement negotiations may occur at any time, including prior to the issuance of a Notice of Alleged Violation and Penalty and Sanctions until a notice of penalty is filed with FERC.
- A Mitigation Plan may be submitted at any time but shall have been submitted by the Registered Entity within thirty (30) days after being served the Notice of Alleged Violation and Penalty or Sanction, if the Registered Entity does not contest the violation and penalty or sanction. Section 6.0 of the FRCC CMEP defines the minimum requirements for the Mitigation Plan. A form for the Mitigation Plan is available on the FRCC website at:
<https://www.frcc.com/Compliance/default.aspx?RootFolder=%2fCompliance%2fShared%20Documents%2fReporting%20Forms&FolderCTID=%26View=%7b7FA24B58%2dC9D9%2d4205%2d84AF%2d8D212758CE14%7d>
- Subject to the initiation of any Settlement negotiations, enforcement actions may proceed per Section 5.0 of the FRCC CMEP. Including the issuance of a Notice of Alleged Violation and Penalty and Sanction.

Should you have any questions, please feel free to contact me at 813-207-7968.

Respectfully,



Barry G. Pagel
 Manager of Compliance
bpagel@frcc.com

cc: S. Rogers, FRCC
 L. Campbell, FRCC
 NERC mailbox

Attachment c

Settlement Agreement by and between FRCC and OUC executed August 30, 2010



FLORIDA RELIABILITY COORDINATING COUNCIL, INC.
1408 N. WESTSHORE BLVD., SUITE 1002
TAMPA, FLORIDA 33607-4512
PHONE 813.289.5644 • FAX 813.289.5646
WWW.FRCC.COM

**SETTLEMENT AGREEMENT
OF
FLORIDA RELIABILITY COORDINATING COUNCIL, INC.
AND
ORLANDO UTILITIES COMMISSION**

NERC Registry ID #: NCR00057

I. Introduction

1. Florida Reliability Coordinating Council, Inc. ("FRCC") and Orlando Utilities Commission ("OUC") enter into this Settlement Agreement ("Agreement") to resolve all outstanding issues arising from a preliminary and non-public assessment resulting in FRCC determination and findings, pursuant to the North American Electric Reliability Corporation ("NERC") Rules of Procedure, of violations by OUC of the following NERC Reliability Standards and Requirements:
 - i. PRC-005-1, Requirement 2.1 [NERC Tracking #: FRCC200800110]
 - ii. PRC-005-1, Requirement 1 [NERC Tracking #: FRCC200900146]
 - iii. FAC-003-1, Requirement 1(R1.3) [NERC Tracking #: FRCC200900147]
2. Pursuant to the Settlement Agreement, OUC neither admits nor denies the alleged violations of PRC-005-1, R2.1, PRC-005-1, R1 or FAC-003-1, R1 (specifically R1.3) but OUC has agreed to the proposed penalty of sixty thousand, five hundred dollars (\$60,500) to be assessed to OUC, in addition to other remedies and mitigation actions to mitigate the instant alleged violation and ensure future compliance under the terms and conditions of the Settlement Agreement.

II. Stipulation

3. The facts stipulated herein are stipulated solely for the purpose of resolving between OUC and FRCC the matters discussed herein and do not constitute stipulations or admissions for any other purpose, including in any administrative proceeding. OUC and FRCC hereby stipulate and agree to the following:

A. Background

4. OUC is engaged in the generation, transmission and distribution of electricity in central Florida. Its principal offices are located in Orlando, Florida. OUC serves approximately 254,000 residential, commercial and industrial customers.
5. OUC has 1,320 MW of generation. OUC has a peak load of over 1,200 MW which represents approximately 2.4% of the FRCC regional peak load. OUC owns and operates approximately 326 miles of 230kV and 115kV bulk power system (BPS) transmission in Florida which represents approximately 3% of the FRCC regional transmission.
6. FRCC staff confirmed that OUC is registered on the NERC Compliance Registry as a Distribution Provider ("DP"), Generator Owner ("GO") and Transmission Owner ("TO"), among other functions in the FRCC region with the NERC Registry Identification Number of NCR00057, and is, therefore, subject to compliance with FAC-003-1 Requirement R1 (R1.3), PRC-005-1 Requirement 1 and PRC-005-1 Requirement 2.1.

B. Alleged Violations

7. The related Requirements of the Reliability Standards read as follows:

PRC-005-1, "Transmission and Generation Protection System Maintenance and Testing" (FRCC200800110)

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 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.

PRC-005-1, Requirement 2.1 has a Violation Risk Factor (VRF) of High.

PRC-005-1, R2.1 (FRCC200800110): On November 3rd, 2008, OUC submitted to FRCC a Self-Report in which OUC identified Non-Compliance with Requirement 2.1 of Reliability Standard PRC-005-1. OUC reported that during the period from September 2007 through September 2008, OUC failed to perform monthly testing and maintenance of station batteries within OUC's defined maintenance and testing program interval. This occurred sixteen different times at sixteen different substations. According to evidence provided, OUC has a total of 34 substations. The maximum number of days beyond the designated interval was one occurrence of 14 days.

PRC-005-1, "Transmission and Generation Protection System Maintenance and Testing" (FRCC200900146)

R1. Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System shall have a Protection System maintenance and testing program for Protection Systems that affect the reliability of the BES. The program shall include:

R1.1 Maintenance and testing intervals and their basis.

R1.2 Summary of maintenance and testing procedures.

PRC-005-1, Requirement 1 has a Violation Risk Factor (VRF) of High.

The duration of the violation is from June 18th, 2007 (enforceable date) to March 20th, 2009 (Mitigation Plan acceptance date).

PRC-005-1, R1 (FRCC200900146): As identified during FRCC's 2008 Spot Check February 3rd, 2009, review of OUC on PRC-005-1, R1 and as confirmed during the 2009 Compliance Audit of OUC on February 20th, 2009, FRCC determined that OUC was not compliant with PRC-005-1, R1 from June 18th, 2007 until the submittal to FRCC of an accepted Mitigation Plan on March 20th, 2009.

OUC had failed to include generating station batteries in its Protection System maintenance and testing program as required by PRC-005-1, R1 and as defined by the NERC Glossary of Terms Used in Reliability Standards document¹.

¹ According to the NERC Glossary of Terms Used in Reliability Standards (dated November 13, 2008), a Protection System is defined as protective relays, associated communication systems, voltage and current sensing devices, station batteries, and DC control circuitry.

**FAC-003-1, “Transmission Vegetation Management Program”
(FRCC200900147)**

R1. The Transmission Owner shall prepare, and keep current, a formal transmission vegetation management program (TVMP). The TVMP shall include the Transmission Owner’s objectives, practices, approved procedures, and work specifications.

R1.3. All personnel directly involved in the design and implementation of the TVMP shall hold appropriate qualifications and training, as defined by the Transmission Owner, to perform their duties.

FAC-003-1, Requirement 1 (R1.3) has a VRF of High.

The duration of the violation is from June 18th, 2007 (enforceable date) to March 20th, 2009 (Mitigation Plan acceptance date).

FAC-003-1, R1 (R1.3) (FRCC200900147): As identified during FRCC’s 2008 Spot Check February 3rd, 2009 review of OUC on FAC-003-1, R1 (R1.3) and as confirmed during the 2009 Compliance Audit of OUC on February 20th, 2009, FRCC determined that OUC was not compliant with FAC-003-1, R1 (R1.3) from June 18th, 2007 until the submittal to FRCC of an accepted Mitigation Plan on March 20th, 2009.

A violation was identified by FRCC Compliance Staff that OUC’s TVMP did not define the appropriate qualifications and training for all personnel directly involved in the design and implementation of the TVMP.

III. PARTIES’ SEPARATE REPRESENTATIONS

Statement of FRCC

8. Regarding the violation of PRC-005-1, R2.1 (FRCC200800110)
 - i. FRCC Compliance Staff found that OUC failed to perform battery tests per the defined intervals in OUC’s Protections System maintenance and testing program for Protections Systems. FRCC Compliance Staff issued an Initial Notice of Alleged Violation on February 13th, 2009. OUC requested settlement discussions regarding the violation prior to a Notice of Alleged Violation being issued.
 - ii. *Impact on the Bulk Power System:* The FRCC Enforcement Compliance Staff determined the impact of the violation of R2.1 to be a violation that

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did not constitute a serious or substantial risk to the bulk power system because, according to OUC, it performs constant alarm monitoring by the system operators for alarms related to station batteries and station battery chargers. Upon receipt of a station battery alarm, OUC would have dispatched crews to investigate the alarm. In addition, the maximum number of days beyond the designated testing and maintenance interval was one occurrence of 14 days, with an overall average of 8 days. FRCC also determined that other Standards were not affected by this violation.

9. Regarding the violation of PRC-005-1, R1 (FRCC200900146)

- i. FRCC Compliance Staff determined that OUC failed to include its generating station batteries in its Protection System maintenance and testing program. FRCC Compliance Staff issued an Initial Notice of Alleged Violation on March 10th, 2009. OUC requested settlement discussions regarding the violation prior to a Notice of Alleged Violation being issued.
- ii. *Impact on the Bulk Power System:* The FRCC Enforcement Compliance Staff determined the impact of the violation of R1 to be a violation that did not constitute a serious or substantial risk to the bulk power system because the OUC provided an attestation that their power plant division had performed routine maintenance and testing on its generating station batteries even though the batteries were not included in OUC's Protection System maintenance and testing program.
- iii. FRCC also determined that other Reliability Standards were not affected by this violation.

10. Regarding the violation of FAC-003-1, R1 (specifically R1.3)
(FRCC200900147)

- i. FRCC Compliance Staff determined that OUC failed to include in its TVMP the defined qualifications and training required for all personnel directly involved in the design and implementation of its TVMP. FRCC Compliance Staff issued an Initial Notice of Alleged Violation on March 10th, 2009. OUC requested settlement discussions regarding the violation prior to a Notice of Alleged Violation being issued.
- ii. *Impact on the Bulk Electric System:* The FRCC Enforcement Compliance Staff determined the impact of the violation of R1 to be a violation that did not constitute a serious or substantial risk to the bulk power system, because evidence reviewed during the 2008 Spot Check revealed that OUC had defined appropriate qualifications and training requirements within their corporate level job description documents and the employees

within those positions met the corporately defined qualifications. Regarding this, FRCC reviewed the following evidence provided by OUC: personnel resumes, affidavits attesting to annual aerial inspection, ground inspection, and work specification training, and Arborist Certifications from the International Society of Arboriculture.

FRCC has found that OUC has an established compliance program. According to OUC, it has named and staffed an Internal Compliance Program (ICP) oversight position which is supervised by a high level position. According to OUC's program, executive and senior management are key participants in the corporate level and individual business unit oversight of the compliance program. The oversight position has direct access to the CEO and/or Board of Directors. The program is managed and operated fully independent of the work groups that are responsible for complying with Reliability Standards. OUC senior management reviews periodic reports of its ICP and ensures corrective actions are taken when necessary. The ICP is reviewed at least annually. OUC provides detailed training for employees that have a direct responsibility for compliance with Reliability Standards which includes overview awareness training for other employees. OUC's program includes disciplinary actions for employees involved in Reliability Standards violations. The program has internal control including self-assessment and self-enforcement to prevent reoccurrence of Reliability Standard violations.

11. FRCC agrees this Agreement is in the best interest of the parties, FRCC and OUC, and in the best interest of bulk power system reliability.

STATEMENT OF ORLANDO UTILITIES COMMISSION

12. OUC neither admits nor denies the facts set forth and agreed to by the parties for purposes of this Agreement constitute violations of PRC-005-1, R2.1 (FRCC200800110), PRC-005-1, R1 (FRCC200900146) and FAC-003-1, R1 (R1.3) (FRCC200900147).
13. OUC has agreed to enter into this Settlement Agreement with FRCC to avoid extended litigation with respect to the matters described or referred to herein, to avoid uncertainty, and to effectuate a complete and final resolution of the issues set forth herein. OUC agrees that this agreement is in the best interest of the parties and in the best interest of maintaining a reliable electric infrastructure.

IV. MITIGATING ACTIONS, REMEDIES AND SANCTIONS

14. **PRC-005-1, R2.1 (FRCC200800110)**: On January 27th, 2009, OUC submitted a Mitigation Plan that was accepted by the FRCC Compliance Staff on February 11th, 2009. In the Mitigation Plan, OUC committed to:

- a) Review with personnel the importance of meeting the intervals as defined within OUC's maintenance and testing program.
- b) According to evidence provided by OUC, the OUC System Protection Maintenance and Testing Program CEP-PRG-03 v0.11, batteries are scheduled for inspection and testing on a monthly basis and must be completed within 45 days. OUC committed to modifying the battery testing schedule for the completion of testing and maintenance to be the first week of every month (the first week of the 45 day testing and maintenance window). All battery testing not completed within the first week of every month will be reported on a weekly basis directly to the OUC Vice President of Energy Delivery Business Unit and the Manager of Standards Compliance.
- c) OUC committed to identifying dedicated battery testing staff that will be supplemented as needed to maintain the schedule.

The Mitigation Plan was approved by NERC on March 16th, 2009 and was submitted by NERC to FERC on March 18th, 2009. The Mitigation Plan is designated as MIT-08-1483.

FRCC performed an audit-like review of the evidence that OUC submitted in support of its Certification of a Completed Mitigation Plan, in order to verify that all actions specified in OUC's Mitigation Plan were successfully completed. The review included utilizing NERC's Reliability Standard Audit Worksheet for PRC-005-1 R2.1. FRCC reviewed documentation provided by OUC during the 2009 Compliance Audit on February 20th, 2009 at OUC offices. The evidence was found to be acceptable by FRCC Compliance auditors and on February 21st, 2009 FRCC verified the Mitigation Plan was completed.

15. **PRC-005-1, R1 (FRCC200900146)**: On March 9th, 2009, OUC submitted a Mitigation Plan that was not accepted by the FRCC Compliance Staff. The Mitigation Plan was rejected because the format did not meet NERC template guidelines (the Mitigation Plan included mitigative actions to multiple Reliability Standards). OUC resubmitted a revised Mitigation Plan on March 20th, 2009 which was accepted by FRCC Compliance Staff on April 3rd, 2009.

In the Mitigation Plan, OUC committed to:

- a) OUC will modify its System Protection Maintenance and Testing Program CEP-PRG-03 v0.11 to include generating station batteries.

- b) OUC will develop and implement its Performance and Evidence Verification Program (CEP-PRG-021) which will be used to ensure that OUC will perform maintenance and testing per documented programs. This Program will also be used to maintain accurate records to be used as evidence of performance.

The Mitigation Plan was approved by NERC on April 29th, 2009 and was submitted by NERC to FERC on April 30th, 2009. The Mitigation Plan is designated as MIT-07-1642.

FRCC performed an audit-like review of the evidence that OUC submitted in support of its Certification of a Completed Mitigation Plan, in order to verify that all actions specified in OUC's Mitigation Plan were successfully completed. The review included utilizing NERC's Reliability Standard Audit Worksheet for PRC-005-1 R1.

Documents reviewed included the following evidence provided by OUC in support of completion of its Mitigation Plan:

- a) OUC-001- System Protection Maintenance and Testing Program (CEP-PRG-03 v1.2). This document demonstrated that OUC included generating station batteries in their Protection System maintenance and testing program.
- b) OUC-002- Performance and Evidence Verification Program (CEP-PRG-021 v1.0). This document demonstrates a program identifying the schedule and contents of records to be uploaded to the OUC Compliance Webserver for the components related to PRC-005-1².

On May 13th, 2009 FRCC verified the Mitigation Plan was completed.

16. **FAC-003-1, R1 (specifically R1.3) (FRCC200900147)**: On March 9th, 2009, OUC submitted a Mitigation Plan that was not accepted by the FRCC Compliance Staff. The Mitigation Plan was rejected because the format did not meet NERC template guidelines (the Mitigation Plan included mitigative actions to multiple Reliability Standards). OUC resubmitted a revised Mitigation Plan on March 20th, 2009 which was accepted by FRCC Compliance Staff on April 3rd, 2009.

² According to the NERC Glossary of Terms Used in Reliability Standards (dated November 13, 2008), a Protection System is defined as protective relays, associated communication systems, voltage and current sensing devices, station batteries, and DC control circuitry.

In the Mitigation Plan, OUC committed to:

- a) Revisions to the OUC TVMP documentation to define the appropriate qualifications and training for all personnel directly involved in the design and implementation of the TVMP per the requirements of FAC-003-1, R1 (R1.3).
- b) OUC will create an identification document (TVMP Qualifications CEP-IDE-018) showing the qualifications of each individual in meeting the requirements for the position within the TVMP they hold.

The Mitigation Plan was approved by NERC on April 29th, 2009 and was submitted by NERC to FERC on April 30, 2009. The Mitigation Plan is designated as MIT-07-1643.

FRCC performed an audit-like review of the evidence that OUC submitted in support of its Certification of a Completed Mitigation Plan, in order to verify that all actions specified in OUC's Mitigation Plan were successfully completed. The review included utilizing NERC's Reliability Standard Audit Worksheet for FAC-003-1, R1 (R1.3).

Documents reviewed included the following evidence provided by OUC in support of completion of its Mitigation Plan:

- a) OUC-001-OUC Transmission Vegetation Management Program (CEP-PRG-022 v1.6). This document demonstrates revisions were made to OUC's TVMP to define the appropriate qualifications and training for all personnel directly involved in the design and implementation of the TVMP.
- b) OUC-002- TVMP Qualifications (CEP-IDE-018). This document demonstrates the qualifications of each individual in meeting the requirements for the position within the TVMP they hold.
- c) OUC-003-TVMP initial training roster and training material used by OUC in training its personnel directly involved in the design and implementation of its TVMP dated June 3rd, 2009 and November 11th, 2009.

On March 3rd, 2010 FRCC verified that the Mitigation Plan was completed.

- 17. For purposes of settling and all disputes arising from FRCC's investigation into the matters discovered by FRCC in the November 3rd, 2008 Self-Report of PRC-005-1 R2.1 (FRCC200800110), the February 20th, 2009 Compliance Audit of PRC-005-1, R1 (FRCC200900146) and the February 20th, 2009 Compliance Audit of FAC-003-1, R1 (specifically R1.3) (FRCC200900147), FRCC and

OUC agree that on and after the effective date of this Agreement, as set forth in subsection, below, OUC shall pay a monetary penalty for the violation of PRC-005-1, R2.1 (FRCC200800110), PRC-005-1, R1 (FRCC200900146) and FAC-003-1 R1 (specifically R1.3) (FRCC200900147) of \$60,500 (sixty thousand five hundred dollars). FRCC shall present an invoice to OUC within twenty days after the Agreement is either approved by FERC or by operation of law, and FRCC shall notify the North American Electric Reliability Corporation if the payment is not received.

18. Failure to make a timely penalty payment or to comply with any of the terms and conditions agreed to herein, or any other conditions of this Settlement Agreement, shall be deemed to be either the same alleged violations that initiated this Settlement and/or additional violation(s) and may subject OUC to new or additional enforcement, penalty or sanction actions in accordance with the NERC Rules of Procedure.
19. If OUC does not make the monetary penalty payment above at the times agreed by the parties, interest payable to FRCC will begin to accrue pursuant to FERC's regulations at 18 C.F.R. § 35.19(a)(2)(iii) from the date that payment is due, in addition to the penalty specified above.

V. ADDITIONAL TERMS

20. The signatories to the Agreement agree that they enter into the Agreement voluntarily and that, other than the recitations set forth herein, no tender, offer or promise of any kind by any member, employee, officer, director, agent or representative of FRCC or OUC has been made to induce the signatories or any other party to enter into the Agreement.
21. FRCC shall report the terms of all settlements of compliance matters to NERC. NERC will review the settlement for the purpose of evaluating its consistency with other settlements entered into for similar violations or under other, similar circumstances. Based on this review, NERC will either approve the settlement or reject the settlement and notify the FRCC and OUC of changes to the settlement that would result in approval. If NERC rejects the settlement, NERC will provide specific written reasons for such rejection and the FRCC will attempt to negotiate a revised settlement agreement with OUC including any changes to the settlement specified by NERC. If a settlement cannot be reached, the enforcement process shall continue to conclusion. If NERC approves the settlement, NERC will (i) report the approved settlement to FERC for the FERC's review and approval by order or operation of law and (ii) publicly post the alleged violation and the terms provided for in the settlement.
22. This Agreement shall become effective upon FERC's approval of the Agreement by order or operation of law as submitted to it or upon FERC's approval of the

Agreement by order or operation of law as modified in a manner acceptable to the parties.

23. OUC agrees that this Agreement, when approved by NERC and FERC, shall represent a final settlement of all matters set forth herein and OUC waives its right to further hearings and appeal, unless and only to the extent that OUC contends that any NERC or FERC action on the Agreement contains one or more material modifications to the Agreement.
24. FRCC reserves all rights to initiate enforcement, penalty or sanction actions against OUC in accordance with the NERC Rules of Procedure in the event that OUC fails to comply with the mitigation plan and compliance program agreed to in this Agreement. In the event OUC fails to comply with any of the stipulations, remedies, sanctions or additional terms, as set forth in this Agreement, FRCC will initiate enforcement, penalty, or sanction actions against OUC to the maximum extent allowed by the NERC Rules of Procedure, up to the maximum statutorily allowed penalty. OUC shall retain all rights to defend against such enforcement actions, also according to the NERC Rules of Procedure.
25. OUC consents to the use of FRCC's determinations, findings, and conclusions set forth in this Agreement for the purpose of assessing the factors including the factor of determining the company's history of violations, in accordance with the NERC Sanction Guidelines and applicable FERC orders and policy statements. Such use may be in an enforcement action or compliance proceeding undertaken by NERC and/or any Regional Entity; provided however, that OUC does not consent to the use of the specific acts set forth in this Agreement as the sole basis for any other action or proceeding brought by NERC and/or FRCC, nor does OUC consent to the use of this Agreement by any other party in any other action or proceeding.
26. Each of the undersigned warrants that he or she is an authorized representative of the entity designated, is authorized to bind such entity and accepts the Agreement on the entity's behalf.
27. The undersigned representative of each party affirms that he or she has read the Agreement, that all of the matters set forth in the Agreement are true and correct to the best of his or her knowledge, information and belief, and that he or she understands that the Agreement is entered into by such party in express reliance on those representations, provided, however, that such affirmation by each party's representative shall not apply to the other party's statements of position set forth in Section III of this Agreement.
28. The Agreement may be signed in counterparts.

29. This Agreement is executed in duplicate, each of which so executed shall be deemed to be an original.

Agreed to and accepted:



Linda D. Campbell

VP and Executive Director Standards &
Compliance

Florida Reliability Coordinating Council, Inc.



Date



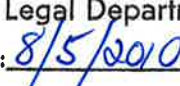

Clint Bullock

Vice President, Energy Delivery Business Unit
Orlando Utilities Commission



Date

Approved as to form and legality
OUC Legal Department

DATE:  BY: 

**Record documents for the violation of FAC-003-1
R1.3:**

- i. OUC's Mitigation Plan MIT-07-1643
submitted March 20, 2009**
- ii. OUC's Certification of Completion dated
May 1, 2009**
- iii. FRCC's Verification of Completion dated
March 4, 2010**



Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: March 20, 2009

Section A: Compliance Notices & Mitigation Plan Requirements

- A.1 Notices and requirements applicable to Mitigation Plans and this Submittal Form are set forth in "Attachment A - Compliance Notices & Mitigation Plan Requirements" to this form.
- A.2 ☒ I have reviewed Attachment A and understand that this Mitigation Plan Submittal Form will not be accepted unless this box is checked.

Section B: Registered Entity Information

- B.1 Identify your organization:

Company Name: Orlando Utilities Commission
Company Address: 6113 Pershing Avenue, Orlando FL 32822
NERC Compliance Registry ID: NCR00057

- B.2 Identify the individual in your organization who will be the Entity Contact regarding this Mitigation Plan.

Name: Richard Kinas
Title: Manager of Standards Compliance
Email: rkinas@ouc.com
Phone: 407-384-4063

Section C: Identification of Alleged or Confirmed Violation(s) Associated with this Mitigation Plan

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



Applicable Standard, Requirement(s) and dates:

NERC Violation ID #	Reliability Standard	Requirement Number	Violation Risk Factor	Alleged or Confirmed Violation Date ^(*)	Method of Detection (e.g., Audit, Self-report, Investigation)
FRCC200900147	FAC-003-1	1.3	High	02/20/09	Spot-Check

(*) Note: The Alleged or Confirmed Violation Date shall be expressly specified by Registered Entity, and subject to modification by the FRCC, as: (i) the date the Alleged or Confirmed violation occurred; (ii) the date that the Alleged or Confirmed violation was self-reported; or (iii) the date that the Alleged or Confirmed violation has been deemed to have occurred on by the FRCC. Questions regarding the date to use should be directed to the FRCC contact identified in Section G of this form.

- C.2 Identify the cause of the Alleged or Confirmed violation(s) identified above. Additional detailed information may be provided as an attachment:

FAC-003-1 R1.3 states that all personnel directly involved in the design and implementation of the TVMP shall hold appropriate qualifications and training, as defined by the Transmission Owner, to perform their duties. During the 2008 Spot-Check, the auditors found that "OUC did not provide sufficient evidence that all personnel directly involved in the design and implementation of the Transmission Owner's TVMP held the appropriate qualifications and training to perform their duties as defined in OUC's TVMP." The cause of this violation was that within OUC's Vegetation Management Program, OUC identified individuals and their qualifications that allowed them to perform specific functions within the program, instead of identifying functions with minimum requirements and providing evidence that individuals performing those functions had the required qualifications.

- C.3 Provide any additional relevant information regarding the Alleged or Confirmed violations associated with this Mitigation Plan. Additional detailed information may be provided as an attachment:

Section D: Details of Proposed Mitigation Plan

Mitigation Plan Contents

- 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 Alleged or Confirmed violations identified above in Part C.1 of this form. Additional detailed information may be provided as an attachment:



Correcting the finding: OUC has modified its Transmission Vegetation Management Program documentation as presented during the Feb 16-20, 2009 On-Site Compliance Audit. OUC submitted our vegetation management program as evidence that more clearly identified positions and qualifications as identified as a possible violation in the 2008 Spot-Check.

Correcting the Cause: OUC will migrate our TVMP into our standard document format (Transmission Vegetation Management Program (CEP-PRG-022)) where each requirement in the standard will be clearly identified including the positions and their requirements. Additionally OUC will create an identification document (TVMP Qualifications (CEP-IDE-018)) showing the qualifications of each individual in meeting the requirements for the position within the TVMP they hold. Both of these documents will be completed and released by May 1, 2009.

Mitigation Plan Timeline and Milestones

- D.2 Provide the date by which full implementation of the Mitigation Plan will be, or has been, completed with respect to the Alleged or Confirmed violations identified above. State whether the Mitigation Plan has been fully implemented: OUC will complete this mitigation plan by May 1, 2009.
- D.3 Enter Milestone Activities, with due dates, that your organization is proposing, or has completed, for this Mitigation Plan:

Milestone Activity	Proposed/Actual Completion Date* (shall not be more than 3 months apart)
Release of CEP-PRG-022 (OUC TVMP)	5/1/09
Release of CEP-IDE-018 (Qualifications)	5/1/09

(*) Note: Implementation milestones no more than three (3) months apart are permissible only for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.



Section E: Interim and Future Reliability Risk

Abatement of Interim BPS Reliability Risk

E.1 While your organization is implementing this Mitigation Plan the reliability of the Bulk Power System (BPS) 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 to mitigate this increased risk to the reliability of the BPS. Additional detailed information may be provided as an attachment:

- This was a documentation issue only; at no time was the BPS at increased risk from this violation.

Prevention of Future BPS Reliability Risk

E.2 Describe how successful completion of this Mitigation Plan will prevent or minimize the probability that your organization incurs further risk or Alleged violations of the same or similar reliability standards requirements in the future. Additional detailed information may be provided as an attachment:

- This was a documentation issue only; at no time was the BPS at increased risk from this violation.



Section F: Authorization

An authorized individual must sign and date this Mitigation Plan Submittal Form. By doing so, this individual, on behalf of your organization:

- a) Submits this Mitigation Plan for acceptance by the FRCC and approval by NERC, and
- b) If applicable, certifies that this Mitigation Plan was completed on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- c) Acknowledges:
 - 1. I am Manager of Standards Compliance of Orlando Utilities Commission.
 - 2. I am qualified to sign this Mitigation Plan on behalf of Orlando Utilities Commission.
 - 3. I understand Orlando Utilities Commission'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, including Appendix 4(C) (Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation" (NERC CMEP)).
 - 3. I have read and am familiar with the contents of this Mitigation Plan.
 - 4. Orlando Utilities Commission agrees to comply with, this Mitigation Plan, including the timetable completion date, as accepted by the FRCC and approved by NERC.

Authorized Individual Signature

Name (Print): Richard Kinas
Title: Manager of Standards Compliance
Date: March 20, 2009



Section G: Regional Entity Contact

Please direct any questions regarding completion of this form to:

Madeline Alba, FRCC Compliance Program Administrator
813-207-7965
malba@frcc.com



Attachment A – Compliance Notices & Mitigation Plan Requirements

- I. Section 6.2 of the CMEP¹ 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 2.0.
 - (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 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.
- II. This submittal form must be used to provide a required Mitigation Plan for review and acceptance by the FRCC and approval by NERC.
- III. This Mitigation Plan is submitted to the FRCC and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.

¹ "Uniform Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation;" a copy of the current version approved by the Federal Energy Regulatory Commission is posted on NERC's website.



- IV. This Mitigation Plan Submittal 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.
- V. If the Mitigation Plan is accepted by the FRCC and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission in accordance with applicable Commission rules, regulations and orders.
- VI. The FRCC or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- VII. Remedial action directives also may be issued as necessary to ensure reliability of the BPS.



FRCC Mitigation Plan Completion Form

Certification of a Completed Mitigation Plan

All Mitigation Plan Completion Certification submittals shall include data or information sufficient for FRCC to verify completion of the Mitigation Plan. FRCC may request such 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 Information

Company Name: Orlando Utilities Commission

Company Address: 6113 Pershing Avenue, Orlando FL 32822

NERC Compliance Registry ID (if known): NCR00057

Date Original Mitigation Plan was submitted to FRCC: March 20, 2009

Date Mitigation Plan was completed: May 1, 2009

Name of Standard and the Requirement(s) covered under the accepted Mitigation Plan: FAC-003-1 R1.3

NERC Violation ID # (if known): FRCC200900147

Date of Certification: May 1, 2009

I certify that the mitigation plan for the above named alleged or confirmed 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: Richard K. Kinas

Title: Manager of Standards Compliance

Email: rkinas@ouc.com

Phone: 407-384-4063

Authorized Individual Signature

To close out a completed Mitigation Plan, fill out this form, save and email it to compliancemanager@frcc.com.



FLORIDA RELIABILITY COORDINATING COUNCIL, INC.
1408 N. WESTSHORE BLVD., SUITE 1002
TAMPA, FLORIDA 33607-4512
PHONE 813.289.5644 • FAX 813.289.5646
WWW.FRCC.COM

VIA EMAIL

March 4, 2010

Mr. Richard Kinas
Manager of Standards Compliance
Orlando Utilities Commission
6003 Pershing Ave.
Orlando, FL 32822

**Re: OUC-Mitigation Plan –
FAC-003-1, Requirement 1,
FRCC200900147**

Dear Mr. Kinas,

The Florida Reliability Coordinating Council, Inc. (FRCC) has received the Orlando Utilities Commission (OUC) mitigation plan completion form dated May 1, 2009 and supporting evidence which was submitted for the above referenced standard and requirement. After completion of the review of the submitted evidence the FRCC staff has determined your mitigation plan to be complete.

The FRCC will notify the North American Electric Reliability Corporation (NERC) that OUC has completed its mitigation plan.

If you have any questions you may reach me at 813-207-7968.

Respectfully,

Barry G. Pagel
Director of Compliance
bpagel@frcc.com

BP/gw

**Record documents for the violation of PRC-005-1
R1:**

- 1. OUC's Mitigation Plan MIT-07-1642
submitted March 20, 2009**
- 2. OUC's Certification of Completion dated
May 1, 2009**
- 3. FRCC's Verification of Completion dated
May 13, 2009**



Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: March 20, 2009

Section A: Compliance Notices & Mitigation Plan Requirements

- A.1 Notices and requirements applicable to Mitigation Plans and this Submittal Form are set forth in "Attachment A - Compliance Notices & Mitigation Plan Requirements" to this form.
- A.2 ☒ I have reviewed Attachment A and understand that this Mitigation Plan Submittal Form will not be accepted unless this box is checked.

Section B: Registered Entity Information

- B.1 Identify your organization:

Company Name: Orlando Utilities Commission
Company Address: 6113 Pershing Avenue, Orlando FL 32822
NERC Compliance Registry ID: NCR00057

- B.2 Identify the individual in your organization who will be the Entity Contact regarding this Mitigation Plan.

Name: Richard Kinas
Title: Manager of Standards Compliance
Email: rkinas@ouc.com
Phone: 407-384-4063

Section C: Identification of Alleged or Confirmed Violation(s) Associated with this Mitigation Plan

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



Applicable Standard, Requirement(s) and dates:

NERC Violation ID #	Reliability Standard	Requirement Number	Violation Risk Factor	Alleged or Confirmed Violation Date ^(*)	Method of Detection (e.g., Audit, Self-report, Investigation)
FRCC200900146	PRC-005-1	1	High	2/20/2009	Compliance Audit

(*) Note: The Alleged or Confirmed Violation Date shall be expressly specified by Registered Entity, and subject to modification by the FRCC, as: (i) the date the Alleged or Confirmed violation occurred; (ii) the date that the Alleged or Confirmed violation was self-reported; or (iii) the date that the Alleged or Confirmed violation has been deemed to have occurred on by the FRCC. Questions regarding the date to use should be directed to the FRCC contact identified in Section G of this form.

C.2 Identify the cause of the Alleged or Confirmed violation(s) identified above.
Additional detailed information may be provided as an attachment:

During the audit it was discovered that the OUC system protection program (CEP-PRG-003) was missing both the testing intervals and their basis and the summary of procedures relating to generation batteries. Upon investigation into the cause of the issue (why were generation batteries not included in our protection program), it was discovered that a lack of communication between different business units performing individual functions was the issue. Specifically, the Energy Delivery Business Unit (EDBU) performs most of the functions of Transmission Owner (TO) and Distribution Provider (DP) while the Power Resources Business Unit (PRBU) performs most of the function of Generator Owner (GO). EDBU performs all the maintenance and testing of all protection system components for Generators with the exception of station batteries. Generation station batteries and their maintenance have always fallen under PRBU. Hence lack of interdepartmental communications was the root cause of the issue.

Section D: Details of Proposed Mitigation Plan

Mitigation Plan Contents

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 Alleged or Confirmed violations identified above in Part C.1 of this form. Additional detailed information may be provided as an attachment:

Correcting the finding: OUC's system protection program (CEP-PRG-003) is being modified to include both the testing and maintenance intervals and the



summary of procedures relating to generator batteries (to be completed by March 16, 2009).

Correcting the Cause: To provide more governance and oversight over protection system testing and maintenance, OUC is developing a new Performance and Evidence Verification Program (CEP-PRG-021). This program will be used to ensure that OUC both performs maintenance and testing per documented programs and maintains accurate records to be used as evidence of performance. This new program will identify data and records to be uploaded to the OUC compliance web server on a predefined schedule. The compliance department will review the uploaded material and verify that it is both sufficient and complete. The schedule for upload and verification shall be such that sufficient time remains to correct any deficiencies identified such that a violation of a reliability standard will not occur. (This new program will be in place and cover all system protection activities by May 1, 2009).

Mitigation Plan Timeline and Milestones

- D.2 Provide the date by which full implementation of the Mitigation Plan will be, or has been, completed with respect to the Alleged or Confirmed violations identified above. State whether the Mitigation Plan has been fully implemented: OUC will complete this mitigation plan by May 1, 2009.
- D.3 Enter Milestone Activities, with due dates, that your organization is proposing, or has completed, for this Mitigation Plan:

Milestone Activity	Proposed/Actual Completion Date* (shall not be more than 3 months apart)
Completion of changes to CEP-PRG-003	3/23/09
Implementation of CEP-PRG-021	5/1/09

(*) Note: Implementation milestones no more than three (3) months apart are permissible only for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.



Section E: Interim and Future Reliability Risk

Abatement of Interim BPS Reliability Risk

While your organization is implementing this Mitigation Plan the reliability of the Bulk Power System (BPS) 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 to mitigate this increased risk to the reliability of the BPS. Additional detailed information may be provided as an attachment:

To mitigate the generation battery testing issue, OUC immediately (2/23/09) scheduled technicians to perform a full suite of battery testing and maintenance for all generation station batteries. All generation station battery testing was performed from (2/24/09 – 2/26/09). The testing resulted in the following maintenance actions:

- Stanton Unit 2 – replaced cells #32, #83, and #97 on Inverter Battery Bank 2APJ-BTY-1
- Indian River CT A & CT B minor repairs to battery cabinet to be made

Prevention of Future BPS Reliability Risk

- E.1 Describe how successful completion of this Mitigation Plan will prevent or minimize the probability that your organization incurs further risk or Alleged violations of the same or similar reliability standards requirements in the future. Additional detailed information may be provided as an attachment:

OUC's new Performance and Evidence Verification Program (CEP-PRG-021) will ensure that OUC both performs maintenance and testing per the documented program and maintains accurate records to be used as evidence of performance.



Section F: Authorization

An authorized individual must sign and date this Mitigation Plan Submittal Form. By doing so, this individual, on behalf of your organization:

- a) Submits this Mitigation Plan for acceptance by the FRCC and approval by NERC, and
- b) If applicable, certifies that this Mitigation Plan was completed on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- c) Acknowledges:
 - 1. I am Manager of Standards Compliance of Orlando Utilities Commission.
 - 2. I am qualified to sign this Mitigation Plan on behalf of Orlando Utilities Commission.
 - 3. I understand Orlando Utilities Commission'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, including Appendix 4(C) (Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation" (NERC CMEP)).
 - 3. I have read and am familiar with the contents of this Mitigation Plan.
 - 4. Orlando Utilities Commission agrees to comply with, this Mitigation Plan, including the timetable completion date, as accepted by the FRCC and approved by NERC.

Authorized Individual Signature



Name (Print): Richard Kinas
Title: Manager of Standards Compliance
Date: March 20, 2009



Section G: Regional Entity Contact

Please direct any questions regarding completion of this form to:

Madeline Alba, FRCC Compliance Program Administrator
813-207-7965
malba@frc.com



Attachment A – Compliance Notices & Mitigation Plan Requirements

- I. Section 6.2 of the CMEP¹ 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 2.0.
 - (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 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.
- II. This submittal form must be used to provide a required Mitigation Plan for review and acceptance by the FRCC and approval by NERC.
- III. This Mitigation Plan is submitted to the FRCC and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.

¹ "Uniform Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation;" a copy of the current version approved by the Federal Energy Regulatory Commission is posted on NERC's website.



- IV. This Mitigation Plan Submittal 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.
- V. If the Mitigation Plan is accepted by the FRCC and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission in accordance with applicable Commission rules, regulations and orders.
- VI. The FRCC or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- VII. Remedial action directives also may be issued as necessary to ensure reliability of the BPS.



FRCC Mitigation Plan Completion Form

Certification of a Completed Mitigation Plan

All Mitigation Plan Completion Certification submittals shall include data or information sufficient for FRCC to verify completion of the Mitigation Plan. FRCC may request such 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 Information

Company Name: Orlando Utilities Commission
Company Address: 6113 Pershing Avenue, Orlando FL 32822
NERC Compliance Registry ID (if known): NCR00057

Date Original Mitigation Plan was submitted to FRCC: March 20, 2009

Date Mitigation Plan was completed: May 1, 2009

Name of Standard and the Requirement(s) covered under the accepted Mitigation Plan: PRC-005-1 R1

NERC Violation ID # (if known): FRCC200900146

Date of Certification: May 1, 2009

I certify that the mitigation plan for the above named alleged or confirmed 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: Richard K. Kinas
Title: Manager of Standards Compliance
Email: rkinas@ouc.com
Phone: 407-384-4063
Authorized Individual Signature

To close out a completed Mitigation Plan, fill out this form, save and email it to compliancemanager@frcc.com.



FLORIDA RELIABILITY COORDINATING COUNCIL, INC.
1408 N. WESTSHORE BLVD., SUITE 1002
TAMPA, FLORIDA 33607-4512
PHONE 813.289.5644 • FAX 813.289.5646
WWW.FRCC.COM

Via Email

May 13, 2009

Richard Kinas
Standards Compliance Manager
Orlando Utilities Commission
6003 Pershing Ave.
Orlando, FL 32822

**Re: OUC - Mitigation Plan – PRC-005-1,
Requirement 1**

Dear Mr. Anderson,

The Florida Reliability Coordinating Council, Inc. (FRCC) has received the Orlando Utilities Commission (OUC) mitigation plan completion form dated May 1, 2009 and supporting evidence which was submitted for the above referenced standard and requirements. After completion of the review of the submitted evidence the FRCC staff has determined your mitigation plan to be complete.

The FRCC will notify the North American Electric Reliability Corporation (NERC) that OUC has completed its mitigation plan.

If you have any questions you may reach me at 813-207-7968.

Respectfully,

Barry G. Pagel
Manager of Compliance
bpagel@frcc.com

BP/tb

**Record documents for the violation of PRC-005-1
R2.1:**

- 1. OUC's Mitigation Plan MIT-08-1483
submitted January 27, 2009**
- 2. OUC's Certification of Completion dated
January 27, 2009**
- 3. FRCC's Verification of Completion dated
February 23, 2009**



Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: January 27, 2009

Section A: Compliance Notices & Mitigation Plan Requirements

- A.1 Notices and requirements applicable to Mitigation Plans and this Submittal Form are set forth in "Attachment A - Compliance Notices & Mitigation Plan Requirements" to this form.
- A.2 ☒ I have reviewed Attachment A and understand that this Mitigation Plan Submittal Form will not be accepted unless this box is checked.

Section B: Registered Entity Information

- B.1 Identify your organization:

Company Name: Orlando Utilities Commission
Company Address: 6113 Pershing Avenue, Orlando FL 32822
NERC Compliance Registry ID: NCR00057

- B.2 Identify the individual in your organization who will be the Entity Contact regarding this Mitigation Plan.

Name: Richard Kinas
Title: Manager of Standards Compliance
Email: rkinas@ouc.com
Phone: 407-384-4063

Section C: Identification of Alleged or Confirmed Violation(s) Associated with this Mitigation Plan

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



Applicable Standard, Requirement(s) and dates:

NERC Violation ID #	Reliability Standard	Requirement Number	Violation Risk Factor	Alleged or Confirmed Violation Date ^(*)	Method of Detection (e.g., Audit, Self-report, Investigation)
aaaaaYYY Ynnnnn	PRC-005-1	2.1	High	11/03/08	Self-report

(*) Note: The Alleged or Confirmed Violation Date shall be expressly specified by Registered Entity, and subject to modification by the FRCC, as: (i) the date the Alleged or Confirmed violation occurred; (ii) the date that the Alleged or Confirmed violation was self-reported; or (iii) the date that the Alleged or Confirmed violation has been deemed to have occurred on by the FRCC. Questions regarding the date to use should be directed to the FRCC contact identified in Section G of this form.

C.2 Identify the cause of the Alleged or Confirmed violation(s) identified above. Additional detailed information may be provided as an attachment:

Requirement 2.1 of PRC-005-1 states that an entity shall provide documentation of it s Protection System maintenance and testing program to include Evidence Protection System devices were maintained and tested within the defined intervals.

During preparation of documentation showing the actual maintenance testing for the substation battery portion of our maintenance program, we identified 7 instances since June 2007 where we exceeded the intervals defined within our program. Upon investigation, it was determined that, a simple misunderstanding in the importance of strictly maintaining our program intervals was the root cause.

C.3 Provide any additional relevant information regarding the Alleged or Confirmed violations associated with this Mitigation Plan. Additional detailed information may be provided as an attachment:

OUC performs constant alarm monitoring, by the system operator, for all alarms including all station batteries and battery chargers, so the potential impact to the Bulk Power System was minimal.

Section D: Details of Proposed Mitigation Plan

Mitigation Plan Contents



- 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 Alleged or Confirmed violations identified above in Part C.1 of this form. Additional detailed information may be provided as an attachment:

OUC has reviewed with personnel, the importance of meeting the intervals as defined within our program. Additionally, to ensure that this review has been fully understood, and to prevent this issue from reoccurring in the future, the following changes were immediately implemented:

- All battery testing will be scheduled for completion the first week of every month.
- All battery testing not completed within the first week of every month will be reported on weekly basis directly to the Vice President of Energy Delivery Business Unit and the Manager of Standards Compliance.
- Dedicated battery testing staff will be identified and supplemented as needed to maintain the schedule

Mitigation Plan Timeline and Milestones

- D.2 Provide the date by which full implementation of the Mitigation Plan will be, or has been, completed with respect to the Alleged or Confirmed violations identified above. State whether the Mitigation Plan has been fully implemented: OUC completed the mitigation plan on November 3, 2008.
- D.3 Enter Milestone Activities, with due dates, that your organization is proposing, or has completed, for this Mitigation Plan:

Milestone Activity	Proposed/Actual Completion Date* (shall not be more than 3 months apart)
Mitigation Plan Completed	November 3, 2008

(*) Note: Implementation milestones no more than three (3) months apart are permissible only for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.



Section E: Interim and Future Reliability Risk

Abatement of Interim BPS Reliability Risk

- E.1 While your organization is implementing this Mitigation Plan the reliability of the Bulk Power System (BPS) 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 to mitigate this increased risk to the reliability of the BPS. Additional detailed information may be provided as an attachment:

Mitigation was immediately performed; hence there are no interim risks to mitigate.

Prevention of Future BPS Reliability Risk

- E.2 Describe how successful completion of this Mitigation Plan will prevent or minimize the probability that your organization incurs further risk or Alleged violations of the same or similar reliability standards requirements in the future. Additional detailed information may be provided as an attachment:

OUC's new process of scheduling and completing all battery testing within the first week of every month and weekly reporting of any testing not completed within this first week, will provide the proper oversight and ensure that resources, time and priority are correctly adjusted to accommodate completion of testing within the intervals defined within our maintenance program.



Section F: Authorization

An authorized individual must sign and date this Mitigation Plan Submittal Form. By doing so, this individual, on behalf of your organization:

- a) Submits this Mitigation Plan for acceptance by the FRCC and approval by NERC, and
- b) If applicable, certifies that this Mitigation Plan was completed on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- c) Acknowledges:
 - 1. I am Manager of Standards Compliance of Orlando Utilities Commission.
 - 2. I am qualified to sign this Mitigation Plan on behalf of Orlando Utilities Commission.
 - 3. I understand Orlando Utilities Commission'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, including Appendix 4(C) (Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation" (NERC CMEP)).
 - 3. I have read and am familiar with the contents of this Mitigation Plan.
 - 4. Orlando Utilities Commission agrees to comply with, this Mitigation Plan, including the timetable completion date, as accepted by the FRCC and approved by NERC.

Authorized Individual Signature

Name (Print): Richard Kinas
Title: Manager of Standards Compliance
Date: August 21, 2008



Section G: Regional Entity Contact

Please direct any questions regarding completion of this form to:

Madeline Alba, FRCC Compliance Program Administrator
813-207-7965
malba@frcc.com



Attachment A – Compliance Notices & Mitigation Plan Requirements

- I. Section 6.2 of the CMEP¹ 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 2.0.
 - (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 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.
- II. This submittal form must be used to provide a required Mitigation Plan for review and acceptance by the FRCC and approval by NERC.
- III. This Mitigation Plan is submitted to the FRCC and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.

¹ "Uniform Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation;" a copy of the current version approved by the Federal Energy Regulatory Commission is posted on NERC's website.



- IV. This Mitigation Plan Submittal 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.
- V. If the Mitigation Plan is accepted by the FRCC and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission in accordance with applicable Commission rules, regulations and orders.
- VI. The FRCC or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- VII. Remedial action directives also may be issued as necessary to ensure reliability of the BPS.



FRCC Mitigation Plan Completion Form

Certification of a Completed Mitigation Plan

All Mitigation Plan Completion Certification submittals shall include data or information sufficient for FRCC to verify completion of the Mitigation Plan. FRCC may request such 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 Information

Company Name: Orlando Utilities Commission
Company Address: 6113 Pershing Avenue, Orlando FL 32822
NERC Compliance Registry ID (if known): NCR00057

Date Original Mitigation Plan was submitted to FRCC: November 3, 2008

Date Mitigation Plan was completed: November 3, 2008

Name of Standard and the Requirement(s) covered under the accepted Mitigation Plan: PRC-005-1 R2.1

NERC Violation ID # (if known):

Date of Certification: January 27, 2009

I certify that the mitigation plan for the above named alleged or confirmed 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: Richard K. Kinas

Title: Manager of Standards Compliance

Email: rkinas@ouc.com

Phone: 407-384-4063

Authorized Individual Signature

To close out a completed Mitigation Plan, fill out this form, save and email it to compliancemanager@frcc.com.



FLORIDA RELIABILITY COORDINATING COUNCIL, INC.
1408 N. WESTSHORE BLVD., SUITE 1002
TAMPA, FLORIDA 33607-4512
PHONE 813.289.5644 • FAX 813.289.5646
WWW.FRCC.COM

VIA EMAIL

February 23, 2009

Mr. Richard Kinas
Manager of Standards Compliance
Orlando Utilities Commission
6003 Pershing Ave.
Orlando, FL 32822

**Re: OUC-Mitigation Plan – PRC-005-1,
Requirement 2.1**

Dear Mr. Kinas,

The mitigation plan submitted on January 27, 2009, by Orlando Utilities Commission (OUC), for the above referenced self-reported violation, has been received by the Florida Reliability Coordinating Council, Inc. (FRCC). After review, the FRCC found this mitigation plan for PRC-005-1 to be acceptable. The FRCC forwarded the submitted mitigation plan to the North American Electric Reliability Corporation (NERC) for its review and approval. NERC then sends it to the Federal Energy Regulatory Commission (FERC).

After a review was conducted during the 2009 OUC Compliance Audit, the FRCC Staff finds this mitigation plan to be completed. The FRCC will also notify the North American Electric Reliability Corporation (NERC) that OUC has completed this mitigation plan.

If you have any question, feel free to contact me at 813-207-7968.

Respectfully,

Barry G. Pagel
Manager of Compliance
bpagel@frcc.com

Attachment d

Disposition Document for Common Information

DISPOSITION OF VIOLATION¹

INFORMATION COMMON TO INSTANT VIOLATIONS

REGISTERED ENTITY
**Orlando Utilities Commission
(OUC)**

NERC REGISTRY ID
NCR00057

NOC#
NOC-146

REGIONAL ENTITY
Florida Reliability Coordinating Council, Inc. (FRCC)

I. REGISTRATION INFORMATION

ENTITY IS REGISTERED FOR THE FOLLOWING FUNCTIONS:

BA	DP	GO	GOP	IA	LSE	PA	PSE	RC	RP	RSG	TO	TOP	TP	TSP
	X	X	X		X	X			X		X	X	X	X
	5/29/07	5/29/07	5/29/07		5/29/07	5/29/07			5/29/07		5/29/07	5/29/07	5/29/07	5/29/07

DESCRIPTION OF THE REGISTERED ENTITY

OUC is engaged in the generation, transmission and distribution of electricity in central Florida. Its principal offices are located in Orlando, Florida. OUC serves approximately 254,000 residential, commercial and industrial customers. OUC has 1,320 MW of generation and its peak load of over 1,200 MW represents approximately 2.4% of the FRCC regional peak load. OUC owns and operates approximately 326 miles of 230 kV and 115 kV bulk power system (BPS) transmission line in Florida which represents approximately 3% of FRCC regional transmission line.

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

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.

ACCEPTS IT/ DOES NOT CONTEST IT

YES ☒

II. PENALTY INFORMATION

TOTAL ASSESSED PENALTY OR SANCTION OF **\$60,500** FOR **THREE** VIOLATIONS OF RELIABILITY STANDARDS.

(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

ADDITIONAL COMMENTS

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

YES ☐ NO ☒

LIST ANY PRIOR CONFIRMED OR SETTLED VIOLATIONS AND STATUS

ADDITIONAL COMMENTS

(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 PROGRAM²
YES ☒ NO ☐
EXPLAIN

² The internal compliance program was not considered a mitigating factor in this settlement.

OUC's established compliance program is reviewed at least annually and has an Internal Compliance Program (ICP) oversight position which is supervised by a high level position. OUC provides detailed training for employees that have a direct responsibility for compliance with Reliability Standards, which includes overview awareness training for other employees. OUC's program includes disciplinary actions for employees involved in Reliability Standards violations. The program has internal control including self-assessment and self-enforcement to prevent reoccurrence of Reliability Standard violations.

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.

EXPLAIN

According to OUC's program, executive and senior management are key participants in the corporate level and individual business unit oversight of the compliance program. The oversight position has direct access to the CEO and/or Board of Directors. The program is managed and operated fully independent of the work groups that are responsible for complying with Reliability Standards. OUC senior management reviews periodic reports of its ICP and ensures corrective actions are taken when necessary.

(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

(9) ADDITIONAL SUPPORT FOR ASSESSED PENALTY OR SANCTION

OTHER RELEVANT INFORMATION:

NOTICE OF ALLEGED VIOLATION AND PROPOSED PENALTY OR
SANCTION ISSUED

DATE: OR N/A ☒

SETTLEMENT DISCUSSIONS COMMENCED

DATE: **11/3/2008 & 3/2/2009** OR N/A ☐

NOTICE OF CONFIRMED VIOLATION ISSUED

DATE: OR N/A ☒

SUPPLEMENTAL RECORD INFORMATION

DATE(S) **3/4/2010** OR N/A ☐

REGISTERED ENTITY RESPONSE CONTESTED

FINDINGS ☐ PENALTY ☐ BOTH ☐ NO CONTEST ☒

HEARING REQUESTED

YES ☐ NO ☒

DATE

OUTCOME

APPEAL REQUESTED

Disposition Document for FAC-003-1 R1.3

DISPOSITION OF VIOLATION

NERC TRACKING	REGIONAL ENTITY TRACKING	
NO.	NO.	
FRCC200900147	OUC_2009_02	

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
FAC-003-1	1	1.3	High	Lower

VIOLATION APPLIES TO THE FOLLOWING FUNCTIONS:

BA	DP	GO	GOP	IA	LSE	PA	PSE	RC	RP	RSG	TO	TOP	TP	TSP
											X			

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

The purpose statement of FAC-003-1 provides:

To improve the reliability of the electric transmission systems by preventing outages from vegetation located on transmission rights-of-way (ROW) and minimizing outages from vegetation located adjacent to ROW, maintaining clearances between transmission lines and vegetation on and along transmission ROW, and reporting vegetation related outages of the transmission systems to the respective Regional [Entity] and the North American Electric Reliability [Corporation].

FAC-003-1 R1.3 provides: “All personnel directly involved in the design and implementation of the [Transmission Vegetation Management Program (TVMP)] shall hold appropriate qualifications and training, as defined by the Transmission Owner, to perform their duties.”

VIOLATION DESCRIPTION

During a February 3, 2009 Spot Check, FRCC identified a violation of FAC-003-1 R1.3. FRCC determined that OUC failed to define qualifications and training required for all personnel directly involved in the design and implementation of its TVMP.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

FRCC determined that the violation did not pose a serious or substantial risk to the bulk power system (BPS) because OUC's employees held qualifications which met the requirements ultimately established by OUC.¹

II. DISCOVERY INFORMATION

METHOD OF DISCOVERY

SELF-REPORT	<input type="checkbox"/>
SELF-CERTIFICATION	<input type="checkbox"/>
COMPLIANCE AUDIT	<input type="checkbox"/>
COMPLIANCE VIOLATION INVESTIGATION	<input type="checkbox"/>
SPOT CHECK	<input checked="" type="checkbox"/>
COMPLAINT	<input type="checkbox"/>
PERIODIC DATA SUBMITTAL	<input type="checkbox"/>
EXCEPTION REPORTING	<input type="checkbox"/>

DURATION DATE(S) 6/18/2007, the date the Standard became enforceable, through 5/1/2009, the date OUC completed its Mitigation Plan.

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY 2/3/2009

IS THE VIOLATION STILL OCCURRING

YES ☐ NO ☒

IF YES, EXPLAIN

REMEDIAL ACTION DIRECTIVE ISSUED	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
PRE TO POST JUNE 18, 2007 VIOLATION	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>

III. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO. **MIT-07-1643**

DATE SUBMITTED TO REGIONAL ENTITY **3/20/2009**

DATE ACCEPTED BY REGIONAL ENTITY **3/31/2009²**

DATE APPROVED BY NERC **4/29/2009**

DATE PROVIDED TO FERC **4/30/2009**

¹ OUC had hired "Certified Arborists" and people with resumes that showed extensive experience in tree and forest management, but they had not actually "defined qualifications required" per their TVMP. So people who were originally qualified (held certificates) needed for those types of positions were in them and the TVMP needed to be updated to reflect the need for "defining" such.

² The Settlement Agreement incorrectly states the Mitigation Plan was accepted by the Regional Entity on April 3, 2009.

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

On March 9, 2009, OUC submitted a Mitigation Plan that was not accepted by the FRCC Compliance Staff. The Mitigation Plan was rejected because the Mitigation Plan was too broad in scope and did not focus on mitigating the instant violation.

MITIGATION PLAN COMPLETED YES ☒ NO ☐

EXPECTED COMPLETION DATE **5/1/2009**

EXTENSIONS GRANTED **N/A**

ACTUAL COMPLETION DATE **5/1/2009**

DATE OF CERTIFICATION LETTER **5/1/2009**

CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **5/1/2009**

DATE OF VERIFICATION LETTER **03/04/10**

VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **5/1/2009**

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

- 1. OUC revised its TVMP documentation, *CEP-PRG-022 v1.6*, to define the appropriate qualifications and training for all personnel directly involved in the design and implementation of the TVMP;³**

³ There are many levels of qualifications and training in the new TVMP for employees such as:

- Manager Transmission Vegetation Maintenance: Qualifications – The individual shall require an engineering degree or business degree with a minimum of 7 years experience in transmission/distribution design or construction work. (Years of experience may be substituted for educational requirement). Training – Vegetation training and continuing education shall be followed by participating in classes given by the International Society of Arboriculture, Arbor Day Foundation, or other accredited vegetation related organizations;
- Transmission Vegetation Inspector: Qualifications – The employee shall be a qualified Lineman I, II, or III trained to distinguish transmission conductors and clearances outlined within the OUC TVMP. The individual shall be familiar with requirements of IEEE Standard 516-2003, NERC reliability requirements FAC-003-1 (R1.2.1 and R1.2.2 .Clearance2.) and the TVMP 15 ft. minimum conductor clearance during on-site inspections of the transmission system. Training – Initial training of applicable standards and review preceding annual aerial and ground inspections will insure standards and specifications are followed during vegetation inspections;
- Transmission Arborist: Qualifications – An employee with supervision responsibilities must be a certified Arborist and / or Utility Arborist, by an accredited organization such as the International Society of Arboriculture. That person must have knowledge of common native and non-native plants within the ROW, how they function, and what treatment methods are most effective and efficient. Training – The individual(s) shall be trained, to be with familiar with OUC's Transmission Vegetation Management Program requirements, IEEE Standard 516-2003, and NERC reliability requirements FAC-003-1; and
- Line Clearance Personnel: Qualifications – Line Clearance personnel must meet requirements contained within OUC's vegetation contract specifications. Training – An annual review of ROW clearances will be conducted annually. Training will consist of ROW line clearances for both Urban and Rural areas.

2. OUC created an identification document, *TVMP Qualifications CEP-IDE-018*, showing the qualifications of each individual in meeting the requirements for the position within the TVMP they hold; and
3. OUC provided training to its personnel directly involved in the design and implementation of its TVMP.⁴

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

1. OUC provided *TVMP CEP-PRG-02*;
2. *Transmission Vegetation Management Personnel Qualifications CEP-IDE-018*; and
3. OUC provided the training roster and training material.

EXHIBITS (SEE ATTACHMENTS TO THE NOTICE OF PENALTY):

SOURCE DOCUMENT

FRCC's 2008 Annual Spot Check Summary of Findings for OUC dated May 29, 2009

MITIGATION PLAN

OUC's Mitigation Plan submitted March 20, 2009

CERTIFICATION BY REGISTERED ENTITY

OUC's Certification of Completion dated May 1, 2009

⁴ The "Goal of the Training" was to "Review Inspection Guidelines." That included Aerial vegetation inspections, Transmission Vegetation Maintenance Work order clearances, identification of vegetation encroachment, vegetation clearances, danger trees and use of a Cobra GPS.

Disposition Document for PRC-005-1 R1

DISPOSITION OF VIOLATION

NERC TRACKING NO.	REGIONAL ENTITY TRACKING NO.	
FRCC200900146	OUC_2009_01	

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
PRC-005-1	1		High¹	Lower

VIOLATION APPLIES TO THE FOLLOWING FUNCTIONS:

BA	DP	GO	GOP	IA	LSE	PA	PSE	RC	RP	RSG	TO	TOP	TP	TSP
		X												

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

The purpose statement of PRC-005-1 states: “To ensure all transmission and generation Protection Systems affecting the reliability of the Bulk Electric System (BES) are maintained and tested.”

PRC-005-1 R1 provides:

Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System shall have a Protection System maintenance and testing program for Protection Systems that affect the reliability of the BES. The program shall include:

R1.1. Maintenance and testing intervals and their basis.

R1.2. Summary of maintenance and testing procedures.

VIOLATION DESCRIPTION

During a February 3, 2009 Spot Check, FRCC identified a violation of PRC-005-1. FRCC determined that OUC had failed to include generation station batteries in its Protection System maintenance and testing program document, *CEP-PRG-003*, as

¹ When NERC filed VRFs for PRC-005-1, NERC originally assigned a “Medium” VRF to PRC-005-1 R1. In the Commission’s May 18, 2007 Order on Violation Risk Factors, the Commission approved the VRF as filed but directed modifications. On June 1, 2007, NERC filed a modified “High” VRF for PRC-005 R1 for approval. On August 6, 2007, the Commission issued an Order approving the modified VRF. Therefore, the “Medium” VRF was in effect from June 18, 2007 until August 9, 2007 and the “High” VRF has been in effect since August 9, 2007.

required by PRC-005-1 R1 and as defined by *The NERC Glossary of Terms Used in Reliability Standards* document.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

FRCC determined that the violation did not pose a serious or substantial risk to the bulk power system (BPS) because OUC's power plant division had performed routine maintenance and testing on its generation station batteries even though the batteries were not included in OUC's Protection System maintenance and testing program.

II. DISCOVERY INFORMATION

METHOD OF DISCOVERY

SELF-REPORT	<input type="checkbox"/>
SELF-CERTIFICATION	<input type="checkbox"/>
COMPLIANCE AUDIT	<input type="checkbox"/>
COMPLIANCE VIOLATION INVESTIGATION	<input type="checkbox"/>
SPOT CHECK	<input checked="" type="checkbox"/>
COMPLAINT	<input type="checkbox"/>
PERIODIC DATA SUBMITTAL	<input type="checkbox"/>
EXCEPTION REPORTING	<input type="checkbox"/>

DURATION DATE(S) 6/18/2007, the date the Standard became enforceable, through 5/1/2009, the date OUC completed its Mitigation Plan.

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY 2/3/2009

IS THE VIOLATION STILL OCCURRING

YES ☐ NO ☒

IF YES, EXPLAIN

REMEDIAL ACTION DIRECTIVE ISSUED	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
PRE TO POST JUNE 18, 2007 VIOLATION	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>

III. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO. **MIT-07-1642**

DATE SUBMITTED TO REGIONAL ENTITY **3/20/2009**

DATE ACCEPTED BY REGIONAL ENTITY **3/31/2009²**

DATE APPROVED BY NERC **4/29/2009**

DATE PROVIDED TO FERC **4/30/2009**

² The Settlement Agreement incorrectly states that the Mitigation Plan was accepted on April 3, 2009.

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

On March 9, 2009, OUC submitted a Mitigation Plan that was rejected by FRCC because the Mitigation Plan did not focus on mitigating the instant violation.

MITIGATION PLAN COMPLETED YES ☒ NO ☐

EXPECTED COMPLETION DATE **5/1/2009**

EXTENSIONS GRANTED **N/A**

ACTUAL COMPLETION DATE **5/1/2009**

DATE OF CERTIFICATION LETTER **5/1/2009**

CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF: **5/1/2009**

DATE OF VERIFICATION LETTER **5/13/2009**

VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **5/1/2009**

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

1. **OUC modified its *System Protection Maintenance and Testing Program CEP-PRG-003 v0.11* to include generation station batteries; and**
2. **OUC developed and implemented its *Performance and Evidence Verification Program CEP-PRG-021* which will be used to ensure that OUC will perform maintenance and testing per documented programs. This program will also be used to maintain accurate records to be used as evidence of performance.**

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

1. ***OUC-001- System Protection Maintenance and Testing Program (CEP-PRG-003 v1.2)*. This document demonstrated that OUC included generating station batteries in its Protection System maintenance and testing program; and**
2. ***OUC-002- Performance and Evidence Verification Program (CEP-PRG-021 v1.0)*. This document demonstrates a program identifying the schedule and contents of records to be uploaded to the OUC Compliance Webserver for the components related to PRC-005-1.**

EXHIBITS (SEE ATTACHMENTS TO THE NOTICE OF PENALTY):

SOURCE DOCUMENT

FRCC's 2008 Annual Spot Check Summary of Findings for OUC dated May 29, 2009

MITIGATION PLAN

OUC's Mitigation Plan submitted March 20, 2009

CERTIFICATION BY REGISTERED ENTITY

OUC's Certification of Completion dated May 1, 2009

Disposition Document for PRC-005-1 R2.1

DISPOSITION OF VIOLATION

NERC TRACKING NO.	REGIONAL ENTITY TRACKING NO.	
FRCC200800110	OUC_2008_02	

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
PRC-005-1	2	2.1	High¹	Lower

VIOLATION APPLIES TO THE FOLLOWING FUNCTIONS:

BA	DP	GO	GOP	IA	LSE	PA	PSE	RC	RP	RSG	TO	TOP	TP	TSP
	X										X			

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

The purpose statement of PRC-005-1 states: “To ensure all transmission and generation Protection Systems affecting the reliability of the Bulk Electric System (BES) are maintained and tested.”

PRC-005-1 R2 provides:

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 [Entity] 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.

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

¹ PRC-005-1 R2 has a “Lower” VRF; R2.1 and R2.2 each have a “High” VRF. During a final review of the standards subsequent to the March 23, 2007 filing of the Version 1 VRFs, NERC identified that some standards requirements were missing VRFs; one of these include PRC-005-1 R2.1. On May 4, 2007, NERC assigned PRC-005 R2.1 a “High” VRF. In the Commission’s June 26, 2007 Order on Violation Risk Factors, the Commission approved the PRC-005-1 R2.1 “High” VRF as filed. Therefore, the “High” VRF was in effect from June 26, 2007.

VIOLATION DESCRIPTION

On November 3, 2008, OUC self-reported to FRCC a violation of PRC-005-1 R2.1 for its failure to perform monthly testing and maintenance of transmission station batteries within OUC's defined maintenance and testing program interval. According to the self-report, from September 2007 through September 2008, OUC failed to perform monthly maintenance and testing of station batteries within the defined intervals at sixteen different times² at thirteen different substations.³ According to evidence provided, OUC has a total of 34 substations. The maximum number of days beyond the designated interval was one occurrence of fourteen (14) days and the overall average of days beyond the designated interval was eight (8).

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

FRCC determined that the violation did not pose a serious or substantial risk to the bulk power system because OUC's system operators perform constant alarm monitoring for alarms related to station batteries and station battery chargers. Upon receipt of a station battery alarm, OUC would have dispatched crews to investigate the alarm.

II. DISCOVERY INFORMATION

METHOD OF DISCOVERY

SELF-REPORT	<input checked="" type="checkbox"/>
SELF-CERTIFICATION	<input type="checkbox"/>
COMPLIANCE AUDIT	<input type="checkbox"/>
COMPLIANCE VIOLATION INVESTIGATION	<input type="checkbox"/>
SPOT CHECK	<input type="checkbox"/>
COMPLAINT	<input type="checkbox"/>
PERIODIC DATA SUBMITTAL	<input type="checkbox"/>
EXCEPTION REPORTING	<input type="checkbox"/>

DURATION DATE(S) 9/14/2007, the first date OUC missed a testing interval, through 11/3/2008, the date OUC completed its Mitigation Plan.

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY 11/3/2008

IS THE VIOLATION STILL OCCURRING

YES ☐ NO ☒

IF YES, EXPLAIN

² The Mitigation Plan states that OUC discovered 7 instances where OUC failed to perform monthly maintenance and testing of the substation batteries within the defined intervals. However, when OUC self-reported, it did not include in its count the violations they considered "documentation issues" but were in fact violations.

³ The Settlement Agreement incorrectly states that the OUC failed to perform monthly maintenance and testing of station batteries within the defined intervals at sixteen different substations.

REMEDIAL ACTION DIRECTIVE ISSUED	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>
PRE TO POST JUNE 18, 2007 VIOLATION	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>

III. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO.	MIT-08-1483
DATE SUBMITTED TO REGIONAL ENTITY	1/27/2009
DATE ACCEPTED BY REGIONAL ENTITY	1/29/2009⁴
DATE APPROVED BY NERC	3/16/2009
DATE PROVIDED TO FERC	3/18/2009

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

MITIGATION PLAN COMPLETED YES ☒ NO ☐

EXPECTED COMPLETION DATE	11/3/2008
EXTENSIONS GRANTED	N/A
ACTUAL COMPLETION DATE	11/3/2008

DATE OF CERTIFICATION LETTER **1/27/2009**
 CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF: **11/3/2008**

DATE OF VERIFICATION LETTER **2/23/2009**
 VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **11/3/2008**

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

- 1. Reviewed with personnel the importance of meeting the intervals as defined within OUC's maintenance and testing program;**
- 2. OUC modified its System Protection Maintenance and Testing Program such that the battery testing schedule for the completion of testing and maintenance to be the first week of every month (the first week of the 45 day testing and maintenance window). Additionally, all battery testing not completed within the first week of every month will be reported on a weekly basis directly to the OUC Vice President of Energy Delivery Business Unit and the Manager of Standards Compliance; and**

⁴ The Settlement Agreement incorrectly states that FRCC accepted the Mitigation Plan on February 11, 2009.

3. **OUC identified dedicated battery testing staff that will be supplemented as needed to maintain the schedule.**

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

1. **Evidence that OUC conducted testing on all of the outstanding batteries applicable to the instance violation;**
2. **OUC's *System Protection Maintenance and Testing Program CEP-PRG-03 v0.11*; and**
3. **Documentation showing that OUC identified dedicated battery testing staff that will be supplemented as needed to maintain the schedule.**

EXHIBITS (SEE ATTACHMENTS TO THE NOTICE OF PENALTY):

SOURCE DOCUMENT

OUC's Self-Report form dated November 3, 2008

MITIGATION PLAN

OUC's Mitigation Plan submitted January 27, 2009

CERTIFICATION BY REGISTERED ENTITY

OUC's Certification of Completion for dated January 27, 2009

Attachment e

Notice of Filing

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Orlando Utilities Commission

Docket No. NP10-____-000

NOTICE OF FILING
September 30 2010

Take notice that on September 30, 2010, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding Orlando Utilities Commission in the Florida Reliability Coordinating Council, Inc. 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