



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

November 5, 2010

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

Re: NERC Abbreviated Notice of Penalty regarding Lee County Electric Cooperative, Inc, FERC Docket No. NP11-__-000

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Abbreviated Notice of Penalty (NOP) regarding Lee County Electric Cooperative, Inc (LCEC), with information and details regarding the nature and resolution of the violation¹ discussed in detail in the Settlement Agreement (Attachment b) and the Disposition Documents attached thereto, 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 March 13, 2009, the Florida Reliability Coordinating Council, Inc. (FRCC) Compliance Staff conducted a Spot Check to determine LCEC's compliance with Reliability Standards PRC-005-1 and FAC-003-1. FRCC discovered violations of PRC-005-1 Requirement (R) 1 and R2 because (1) LCEC's Protection System³ maintenance and testing program for Protection Systems was not sufficient to meet the subject Standards requirement and (2) LCEC failed to maintain and test, within its defined interval, seven (7) electro-mechanical relays out of fifty nine (59) total protective relays.

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).

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."

FRCC also discovered violations of FAC-003-1 R1 and R2 because LCEC could not (1) provide sufficient evidence that personnel directly involved in the design and implementation of LCEC’s transmission vegetation management program (TVMP) held the appropriate qualifications and training; (2) ensure that it had systems and procedures for documenting and tracking planned vegetation management work; and (3) that it had properly documented that vegetation management work was completed according to work specifications.

This NOP is being filed with the Commission because FRCC and LCEC 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, FAC-003-1 R2, PRC-005-1 R1 and PRC-005-1 R2. According to the Settlement Agreement, LCEC neither admits nor denies the violation, but has agreed to the assessed penalty of thirty thousand dollars (\$30,000), 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 FRCC200900157, FRCC200900158, FRCC200900159 and FRCC200900160 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 9, 2010, by and between FRCC and LCEC. 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	Lee County Electric Cooperative, Inc	NOC-175	FRCC200900157	PRC-005-1	1	High ⁴	30,000
			FRCC200900158	PRC-005-1	2	High ⁵	
			FRCC200900159	FAC-003-1	1/1.3	High	
			FRCC200900160	FAC-003-1	2	High	

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

⁴ When NERC filed Violation Risk Factors (VRFs) for PRC-005-1, NERC originally assigned a “Medium” VRF to PRC-005-1 R1. 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 9, 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” Violation Risk Factor (VRF); R2.1 and R2.2 each have a “High” VRF. FRCC determined a “High” VRF for the violation.

PRC-005-1 R1 - OVERVIEW⁶

FRCC determined that LCEC, as a Transmission Owner, did not include in its Protection System maintenance and testing program (1) a basis for the maintenance and testing interval of associated communication systems, DC control circuitry, voltage and current sensing devices, and station batteries; (2) an interval for station batteries and associated communication systems; or (3) a summary of maintenance and testing procedures for station batteries and associated communications systems.

The duration of the PRC-005-1 R1 violation was from June 18, 2007, when the Standard became mandatory and enforceable, through December 21, 2009, the date LCEC completed its Mitigation Plan.

FRCC determined that this violation did not pose a serious or substantial risk to the reliability of the bulk power system (BPS) because, even though LCEC did not have a complete PRC-005-1 program in place, all of LCEC's communication systems, DC control circuitry, voltage & current sensing devices and station batteries were inspected monthly by LCEC field crews.

PRC-005-1 R2 - OVERVIEW⁷

FRCC determined that LCEC, as a Transmission Owner, did not maintain and test, within LCEC's defined interval, seven (7) electro-mechanical relays out of fifty-nine (59) total protective relays. Evidence indicates the testing and maintenance of the 7 relays was outside of established interval from October 2007 through December 2007.

The duration of the PRC-005-1 R2 violation was from October 1, 2007, the date by which the subject relays should have been tested, through December 31, 2007, the date LCEC completed maintenance and testing on the subject relays.

FRCC determined that the violation did not pose a serious or substantial risk to the reliability of the bulk power system because even though LCEC failed to maintain and test the 7 relays within its defined intervals, LCEC performed maintenance and testing on the relays well within the 60 month interval for un-monitored relays defined in NERC's *Protection System Maintenance – A Technical Reference* dated September 13, 2007.

FAC-003-1 R1/1.3 - OVERVIEW⁸

FRCC determined that LCEC, as a Transmission Owner, did not demonstrate that personnel directly involved in the design and implementation of LCEC's TVMP hold the appropriate qualifications and training, as defined by LCEC, to perform their duties. Specifically, the LCEC Supervisor (Vegetation Management) was required to have a Bachelor of Science degree in construction, electrical engineering, or an administration field and experience in managing line

⁶ Further information on this violation is contained in the Disposition Document included as Attachment B to the Settlement Agreement.

⁷ Further information on this violation is contained in the Disposition Document included as Attachment C to the Settlement Agreement.

⁸ Further information on this violation is contained in the Disposition Document included as Attachment D to the Settlement Agreement.

construction personnel in scheduling, construction and restoration of overhead and underground distribution lines and overhead transmission lines.

The duration of the FAC-003-1 R1.3 violation was from June 18, 2007, when the Standard became mandatory and enforceable, through August 5, 2009, the date LCEC completed its Mitigation Plan.

FRCC determined that this violation did not pose a serious or substantial risk to the reliability of the BPS because, even though the LCEC Supervisor (Vegetation Management) did not hold the required degree and experience in managing line construction personnel, the individual held a Bachelor of Arts degree and had multiple years of supervisory experience, including field experience with the entity.

FAC-003-1 R2 - OVERVIEW⁹

FRCC determined that LCEC, as a Transmission Owner, did not ensure (1) that it had systems and procedures for documenting and tracking planned vegetation management work and (2) that it had properly documented that vegetation management work was completed in accordance with work specifications.

The duration of the FAC-003-1 R2 violation was from June 18, 2007, when the Standard became mandatory and enforceable, through June 12, 2009, the date LCEC completed its Mitigation Plan.

FRCC determined that the violation did not pose a serious or substantial risk to the reliability of the bulk power system because, even though LCEC's systems and procedures for documenting and tracking the planned vegetation management work fell short of the subject Standard requirement, there was evidence to show that LCEC was doing follow up although not on a consistent basis.

Statement Describing the Assessed Penalty, Sanction or Enforcement Action Imposed¹⁰

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,¹¹ the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on August 3, 2010. The NERC BOTCC approved the Settlement Agreement, including FRCC's assessment of a thirty thousand dollar (\$30,000) financial penalty against LCEC and other actions to facilitate future compliance required under the terms and conditions of the Settlement Agreement. In

⁹ Further information on this violation is contained in the Disposition Document included as Attachment E to the Settlement Agreement.

¹⁰ See 18 C.F.R. § 39.7(d)(4).

¹¹ *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).

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 LCEC's first occurrence of violation of the subject NERC Reliability Standards;
2. FRCC reported that LCEC was cooperative throughout the compliance enforcement process;
3. LCEC has a compliance program,¹² 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. FRCC reported that 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 thirty thousand dollars (\$30,000) is appropriate for the violations and circumstances at issue, and is consistent with NERC's goal to promote and ensure reliability of the BPS.

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 NOP 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) FRCC's summary document regarding the 2008 Spot Check report of LCEC dated October 25, 2010, included as Attachment a;
- b) Settlement Agreement by and between FRCC and LCEC executed August 9, 2010, included as Attachment b;
 - i. Disposition Document for Common Information, included as Attachment A to the Settlement Agreement;
 - ii. Disposition Document for PRC-005-1 R1 as B to the Settlement Agreement;
 - iii. Disposition Document for PRC-005-1 R2 as C to the Settlement Agreement;
 - iv. Disposition Document for FAC-003-1 R1.3 as Attachment D to the Settlement Agreement; and

¹² FRCC considered LCEC's internal compliance program to be a mitigating factor in the penalty determination.

- v. Disposition Document for FAC-003-1 R2 as Attachment E to the Settlement Agreement.
- c) Record documents for the violations of PRC-005-1 R1, included as Attachment c;
 1. LCEC's Mitigation Plan designated as MIT-07-1686 for PRC-005-1 R1 submitted April 9, 2009;
 2. LCEC's revised Mitigation Plan designated as MIT-07-1686 for PRC-005-1 R1 submitted June 5, 2009;
 3. LCEC's Certification of Completion of the Mitigation Plan for PRC-005-1 R1 dated December 21, 2009; and
 4. FRCC's Verification of Completion of the Mitigation Plan for PRC-005-1 R1 dated February 24, 2010.
 - d) Record documents for the violations of PRC-005-1 R2, included as Attachment d;
 1. LCEC's Mitigation Plan designated as MIT-07-1687 for PRC-005-1 R2 submitted April 10, 2009;
 2. LCEC's Certification of Completion of the Mitigation Plan for PRC-005-1 R2 dated July 28, 2009; and
 3. FRCC's Verification of Completion of the Mitigation Plan for PRC-005-1 R2 dated August 4, 2009.
 - e) Record documents for the violations of FAC-003-1 R1.3, included as Attachment e;
 1. LCEC's Mitigation Plan designated as MIT-07-1688 for FAC-003-1 R1.3 submitted April 9, 2009;
 2. LCEC's revised Mitigation Plan designated as MIT-07-1688 for FAC-003-1 R1.3 submitted June 24, 2009;
 3. LCEC's Certification of Completion of the Mitigation Plan for FAC-003-1 R1.3 dated August 6, 2009; and
 4. FRCC's Verification of Completion of the Mitigation Plan for FAC-003-1 R1.3 dated October 27, 2009.
 - f) Record documents for the violations of FAC-003-1 R2, included as Attachment f;
 1. LCEC's Mitigation Plan designated as MIT-07-1689 for FAC-003-1 R2 submitted April 9, 2009;
 2. LCEC's Certification of Completion of the Mitigation Plan for FAC-003-1 R2 dated July 8, 2009; and
 3. FRCC's Verification of Completion of the Mitigation Plan for FAC-003-1 R2 dated July 28, 2009.

A Form of Notice Suitable for Publication¹³

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

¹³ See 18 C.F.R. § 39.7(d)(6).

Notices and Communications

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

<p>Gerald W. Cauley* President and Chief Executive Officer David N. Cook* Sr. Vice President and General Counsel North American Electric Reliability Corporation 116-390 Village Boulevard Princeton, NJ 08540-5721 (609) 452-8060 (609) 452-9550 – facsimile gerry.cauley@nerc.net david.cook@nerc.net</p> <p>John W. Delucca* Compliance Coordinator Lee Country Electric Cooperative, Inc 4980 Bayline Drive North Fort Myers, FL 33917-3910 (239) 656-2190 (239) 656-2239 – facsimile john.delucca@lcec.net</p> <p>Richard Gilbert* Manager of Compliance Enforcement Florida Reliability Coordinating Council, Inc. 3000 Bayport Drive, Suite 690 Tampa, Florida 33607-4512 (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, Florida 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, Florida 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 Drive, Suite 690 Tampa, Florida 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
Sr. Vice President and General Counsel
North American Electric Reliability Corporation
116-390 Village Boulevard
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/s/ Rebecca J. Michael
Rebecca J. Michael
Assistant General Counsel
North American Electric Reliability
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1120 G Street, N.W.
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Washington, DC 20005-3801
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(202) 393-3955 – facsimile
rebecca.michael@nerc.net

cc: Lee County Electric Cooperative, Inc
Florida Reliability Coordinating Council, Inc.

Attachments

Attachment a

**FRCC's summary document regarding the 2008 Spot
Check report of LCEC dated October 25, 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

SOURCE DOCUMENT INFORMATION
Dated 10/25/10

Registered Entity: LEE COUNTY ELECTRIC COOPERATIVE (LCEC)
NERC Registry ID #:NCR00045

	NERC #	STANDARD NUMBER	REQUIREMENT	DISCOVERY	DISCOVERY DATE	FINDING
1	FRCC200900157	PRC-005-1	R1	2008 Spot Check	3/13/09	NON-COMPLIANT- LCEC, as a Transmission Owner, did not include in its Protection System maintenance and testing program (1) a basis for the maintenance and testing interval of associated communication systems, DC control circuitry, voltage and current sensing devices, and station batteries; (2) an interval for station batteries and associated communication systems; or (3) a summary of maintenance and testing procedures for station batteries and associated communications systems
2	FRCC200900158	PRC-005-1	R2	2008 Spot	3/13/09	NON-COMPLIANT- LCEC, as a

				Check		Transmission Owner, did not maintain and test, within LCEC's defined interval, seven (7) electro-mechanical relays out of fifty-nine (59) total protective relays.
3	FRCC200900159	FAC-003-1	R1	2008 Spot Check	3/13/09	NON-COMPLIANT- LCEC, as a Transmission Owner, did not demonstrate that personnel directly involved in the design and implementation of LCEC's TVMP hold the appropriate qualifications and training, as defined by LCEC, to perform their duties
4	FRCC200900160	FAC-003-1	R2	2008 Spot Check	3/13/09	NON-COMPLIANT- LCEC, as a Transmission Owner, did not ensure (1) that it had systems and procedures for documenting and tracking planned vegetation management work and (2) that it had properly documented that vegetation management work was completed in accordance with work specifications.

Attachment b

Settlement Agreement by and between FRCC and LCEC executed August 9, 2010



FLORIDA RELIABILITY COORDINATING COUNCIL, INC.
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**SETTLEMENT AGREEMENT
OF
FLORIDA RELIABILITY COORDINATING COUNCIL, INC.
AND
LEE COUNTY ELECTRIC COOPERATIVE, INC.**

NERC Registry ID #: NCR00045

I. Introduction

1. Florida Reliability Coordinating Council, Inc. ("FRCC") and Lee County Electric Cooperative ("LCEC") 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 four alleged violations¹ by LCEC of the following NERC Reliability Standards and Requirements:
 - i. PRC-005-1, Requirement 1 [NERC Tracking #: FRCC200900157]
 - ii. PRC-005-1, Requirement 2 [NERC Tracking #: FRCC200900158]
 - iii. FAC-003-1, Requirement 1 [NERC Tracking #: FRCC200900159]
 - iv. FAC-003-1, Requirement 2 [NERC Tracking #: FRCC200900160]

¹ At the time of this Settlement Agreement, these violations were possible violations. For purposes of this document, the violations at issue are described as "violations", regardless of their procedural posture and whether they were possible, alleged, or confirmed violations.

2. Pursuant to the Settlement Agreement, LCEC neither admits nor denies the alleged violations of PRC-005-1, R1 (FRCC200900157), PRC-005-1, R2 (FRCC200900158), FAC-003-1, R1 (FRCC200900159) and FAC-003-1, R2 (FRCC200900160) but, LCEC has agreed to the proposed penalty of thirty thousand dollars (\$30,000) to be assessed to LCEC, 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 LCEC and FRCC, the matters discussed herein and do not constitute stipulations or admissions for any other purpose, including in any administrative proceeding. LCEC and FRCC hereby stipulate and agree to the following:

A. Background

4. See Section I of the Disposition documents (Attachment A) for a description of LCEC.

B. Alleged Violations

5. See Section I of the Disposition documents (Attachments B, C, D and E) for the description of the violations.

III. PARTIES' SEPARATE REPRESENTATIONS

Statement of FRCC

6. Regarding the violation of PRC-005-1, R1 (FRCC200900157)
 - i. FRCC Compliance Staff during the 2008 Spot Check of PRC-005-1 found that LCEC did not provide evidence that LCEC's Protection System maintenance and testing program for Protection Systems that affect the Bulk Electric System included a **basis** for the maintenance and testing interval of associated communication systems, DC control circuitry, and voltage and current sensing devices and station batteries since June 18, 2007. There was insufficient evidence to demonstrate that the Protection System maintenance and testing program for Protection Systems that affect the Bulk Electric System included an **interval** for station batteries and associated communication systems from June 18, 2007 until August 7, 2008. There was insufficient evidence to demonstrate that the Protection System maintenance and testing program for Protection Systems that affect the Bulk Electric System included a **summary of maintenance and**

testing procedures for station batteries and associated communications systems from June 18, 2007 until August 7, 2008.

- ii. *Impact on the Bulk Power System:* The FRCC Enforcement Compliance Staff concluded the impact of the violation to be a violation that did not constitute a serious or substantial risk to the bulk power system as discussed in the Disposition – ‘Attachment B’ document.

7. Regarding the violation of PRC-005-1, R2 (FRCC200900158)

- i. FRCC Compliance Staff during the 2008 Spot Check of PRC-005-1 found that LCEC did not provide evidence to demonstrate that LCEC’s Protection System maintenance and testing program for Protection System that affect the Bulk Electric System were maintained and tested within the defined intervals. Evidence provided by LCEC indicates that seven (7) electro-mechanical relays of fifty-nine (59) total protective relays were tested outside of their 36 month interval. Evidence indicates the testing and maintenance of the relays were outside of established interval from October 2007 thru December 2007.
- ii. *Impact on the Bulk Power System:* The FRCC Enforcement Compliance Staff concluded the impact of the violation to be a violation that did not constitute a serious or substantial risk to the bulk power system as discussed in the Disposition – ‘Attachment C’ document.

8. Regarding the violation of FAC-003-1, R1 (FRCC200900159)

- i. FRCC Compliance Staff during the 2008 Spot Check of FAC-003-1 found that LCEC failed to demonstrate that personnel directly involved in the design and implementation of LCEC’s Transmission Vegetation Management Program held the appropriate qualifications and training, as defined by LCEC, to perform their duties from June 18, 2007.
- ii. *Impact on the Bulk Power System:* The FRCC Enforcement Compliance Staff concluded the impact of the violation to be a violation that did not constitute a serious or substantial risk to the bulk power system as discussed in the Disposition – ‘Attachment D’ document.

9. Regarding the violation of FAC-003-1, R2 (FRCC200900160)

- i. FRCC Compliance Staff during the 2008 Spot Check of FAC-003-1 found that LCEC failed to demonstrate that LCEC had systems and procedures

for documenting and tracking planned vegetation management work and had ensured that work was completed according to work specifications.

- ii. *Impact on the Bulk Power System:* The FRCC Enforcement Compliance Staff concluded the impact of the violation to be a violation that did not constitute a serious or substantial risk to the bulk power system as discussed in the Disposition – ‘Attachment E’ document

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

STATEMENT OF LEE COUNTY ELECTRIC COOPERATIVE, INC.

11. LCEC neither admits nor denies the facts set forth and agreed to by the parties for purposes of this Agreement which constitutes violations of PRC-005-1, R1 (FRCC200900157), PRC-005-1, R2 (FRCC200900158), FAC-003-1, R1 (FRCC200900159) and FAC-003-1, R2 (FRCC200900160).
12. LCEC 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. LCEC 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

13. FRCC and LCEC agree that LCEC has completed and FRCC has verified completion of the mitigation actions set forth in Section III of the Disposition documents (Attachments B, C, D and E).
14. FRCC Staff also considered the specific facts and circumstances of the violations and LCEC actions in response to the violations in determining a proposed penalty that meets the requirement in Section 215 of the Federal Power Act that “[a]ny penalty imposed under this section shall bear a reasonable relation to the seriousness of the violation and shall take into consideration the efforts of [LCEC] to remedy the violation in a timely manner.” The factors considered by FRCC Staff in the determination of the appropriate penalty are set forth in Section II of the Disposition documents (Attachment A).
15. Based on the above factors, as well as the mitigation actions and preventative measures taken, LCEC shall pay a monetary penalty for the violation of PRC-005-1, R1 (FRCC200900157), PRC-005-1, R2 (FRCC200900158), FAC-003-1, R1 (FRCC200900159) and FAC-003-1, R2 (FRCC200900160) of **\$30,000** (thirty thousand dollars). FRCC shall present an invoice to LCEC within twenty

(20) days after the Agreement is either approved by FERC or by operation of law, and FRCC shall notify NERC if the payment is not received.

16. 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 LCEC to new or additional enforcement, penalty or sanction actions in accordance with the NERC Rules of Procedure.
17. If LCEC 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

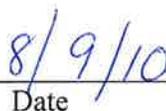
18. The signatories to the Agreement agree that they enter into the Agreement voluntarily and that, other than the recitations set forth herein, no tender, offer or promise of any kind by any member, employee, officer, director, agent or representative of FRCC or LCEC has been made to induce the signatories or any other party to enter into the Agreement. The signatories agree that the terms and conditions of the Settlement Agreement are consistent with Commission's regulations and orders, and NERC's Rules of Procedure.
19. 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 LCEC 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 LCEC 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.
20. 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.

21. LCEC agrees that this Agreement, when approved by NERC and FERC, shall represent a final settlement of all matters set forth herein and LCEC waives its right to further hearings and appeal, unless and only to the extent that LCEC contends that any NERC or FERC action on the Agreement contains one or more material modifications to the Agreement.
22. FRCC reserves all rights to initiate enforcement, penalty or sanction actions against LCEC in accordance with the NERC Rules of Procedure in the event that LCEC fails to comply with the mitigation plan and compliance program agreed to in this Agreement. In the event LCEC 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 LCEC to the maximum extent allowed by the NERC Rules of Procedure, up to the maximum statutorily allowed penalty. LCEC shall retain all rights to defend against such enforcement actions, also according to the NERC Rules of Procedure.
23. LCEC 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 LCEC 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 LCEC consent to the use of this Agreement by any other party in any other action or proceeding.
24. 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.
25. 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.
26. The Agreement may be signed in counterparts.
27. This Agreement is executed in duplicate, each of which so executed shall be deemed to be an original.

Agreed to and accepted:



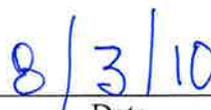
Linda D. Campbell
VP and Executive Director Standards &
Compliance
Florida Reliability Coordinating Council, Inc.



Date



Frank R. Cain, Jr.
Director Regulatory and Governmental Relations,
Chief Risk/Compliance Officer
Lee County Electric Cooperative, Inc.



Date

**Disposition Document for Common Information,
included as Attachment A to the Settlement
Agreement**

DOES NOT CONTEST IT (INCLUDING WITHIN 30 DAYS) YES

WITH RESPECT TO THE ASSESSED PENALTY OR SANCTION, REGISTERED ENTITY

ACCEPTS IT/ DOES NOT CONTEST IT YES

II. PENALTY INFORMATION

TOTAL ASSESSED PENALTY OR SANCTION OF **\$30,000** FOR **FOUR** 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

During a July 24, 2009 review of LCEC's compliance program, FRCC found that LCEC had a documented Internal Compliance Program (ICP) that was in draft form. The document had not been signed, which if signed would indicate that it was reviewed and approved by an Authorized Entity Officer or equivalent. The draft ICP document included training for employees that have a direct responsibility for compliance with reliability standards.

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.

The LCEC Compliance manager provides LCEC's CEO quarterly updates on LCEC's compliance program.

(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

² FRCC considered LCEC's internal compliance program to be a mitigating factor in the penalty determination.

(7) ANY OTHER AGGRAVATING FACTORS FOR CONSIDERATION

YES NO
IF YES, EXPLAIN

(8) ANY OTHER EXTENUATING CIRCUMSTANCES

YES NO
IF YES, EXPLAIN

OTHER RELEVANT INFORMATION:

NOTICE OF ALLEGED VIOLATION AND PROPOSED PENALTY OR
SANCTION ISSUED

DATE: OR N/A

SETTLEMENT DISCUSSIONS COMMENCED

DATE: **March 31, 2009** OR N/A

NOTICE OF CONFIRMED VIOLATION ISSUED

DATE: OR N/A

SUPPLEMENTAL RECORD INFORMATION

DATE(S) OR N/A

REGISTERED ENTITY RESPONSE CONTESTED

FINDINGS PENALTY BOTH NO CONTEST

HEARING REQUESTED

YES NO

DATE

OUTCOME

APPEAL REQUESTED

**Disposition Document for PRC-005-1 R1 as B to
the Settlement Agreement**

DISPOSITION OF VIOLATION

Dated August 9, 2010

NERC TRACKING NO.	REGIONAL ENTITY TRACKING NO.
FRCC200900157	LCEC_2009_01

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
PRC-005-1	1	1.1 and 1.2	HIGH¹	MODERATE

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 provides: “To ensure all transmission and generation Protection Systems^[2] affecting the reliability of the Bulk Electric System (BES) are maintained and tested.” (footnote added)

PRC-005-1 R1 provides:

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.

¹ When NERC filed Violation Risk Factors (VRFs) for PRC-005-1, NERC originally assigned a “Medium” VRF to PRC-005-1 R1. 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 9, 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.

² *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.”

VIOLATION DESCRIPTION

On March 13, 2009, FRCC Compliance Staff conducted a Spot Check to determine LCEC's compliance with PRC-005-1 for 2008. FRCC discovered a violation of PRC-005-1 R1 because LCEC's Protection System maintenance and testing program for Protection Systems did not include (1) a basis for the maintenance and testing interval of associated communication systems, DC control circuitry, voltage and current sensing devices, and station batteries; (2) an interval for station batteries and associated communication systems; or (3) a summary of maintenance and testing procedures for station batteries and associated communications systems.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

FRCC determined the violation did not pose a serious or substantial risk to the reliability of the bulk power system (BPS) because, even though LCEC did not have a complete PRC-005-1 program in place, all of LCEC's communication systems, DC control circuitry, voltage and current sensing devices and station batteries were inspected monthly by LCEC field crews.

II. DISCOVERY INFORMATION

METHOD OF DISCOVERY

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

DURATION DATE(S) 6/18/07 (when the Standard became mandatory and enforceable) through 12/21/09 (Mitigation Plan completion)

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY 03/13/09

IS THE VIOLATION STILL OCCURRING

YES NO

IF YES, EXPLAIN

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

III. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO. **MIT-07-1686**
 DATE SUBMITTED TO REGIONAL ENTITY **6/5/09**
 DATE ACCEPTED BY REGIONAL ENTITY **6/23/09**
 DATE APPROVED BY NERC **7/28/10**
 DATE PROVIDED TO FERC **7/28/10**

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

On April 9, 2008, LCEC submitted a Mitigation Plan with a proposed completion date of July 30, 2009. The Mitigation Plan was accepted by FRCC on April 30, 2009 and approved by NERC on May 28, 2009. The Mitigation Plan for this violation is designated as MIT-07-1686 and was submitted as non-public information to FERC on May 28, 2009 in accordance with FERC orders.

On June 24, 2009, LCEC submitted a revised Mitigation Plan in which it requested an extension of time to complete its Mitigation Plan so LCEC could test its Instrument Transformers and Protected Related Communication Systems. The revised Mitigation Plan had a proposed completion date of December 31, 2009.

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE **7/30/2009**
 EXTENSIONS GRANTED **1 to 12/31/09 (see above)**
 ACTUAL COMPLETION DATE **12/21/09**

DATE OF CERTIFICATION LETTER **12/21/09**
 CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **12/21/09**

DATE OF VERIFICATION LETTER **2/24/10**
 VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **12/21/09**

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

The following actions were taken to mitigate the issue and prevent recurrence:

- LCEC used the NERC *Protection System Maintenance* document for the source to establish a basis for LCEC's maintenance and testing intervals of associated communications systems, DC control circuitry, voltage and current sensing devices and station batteries.**

2. **LCEC reviewed the NERC *Protection System Maintenance* document with operating personnel.**
3. **LCEC added interval tables for the Protection System devices in its Protection System maintenance and testing program for Protection Systems that affect the BPS.**
4. **LCEC reviewed the updated procedure and process with its Compliance Manager.**
5. **LCEC added the intervals and summary of testing and maintenance procedures for testing station batteries and associated equipment to its Protection System document.**
6. **LCEC implemented a new revision control procedure that will ensure that it will maintain document control and to supply a continuous document trail from August 8, 2008 going forward.**
7. **LCEC tested all the BES Instrument Transformers and Related Communication Systems so that they conformed with LCEC's 2009 PRC-005-1 policy - *Transmission and Generation Protection System Maintenance and Testing*.**

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)

FRCC Compliance Staff reviewed the following documents:

1. **LCEC-001 – Relay test data for each of LCEC's protective relays showing last test date and the next test date for each relay;**
2. **LCEC-002 – LCEC test documentation for BES voltage / current sensing devices and associated communication systems dated December 18, 2009; and**
3. **LCEC-003 – LCEC's *Transmission and Generation Protection System Maintenance and Testing* policy, revision 9.2 dated August 24, 2009.**

EXHIBITS:

SOURCE DOCUMENT

FRCC's summary document of the 2008 Spot Check Report dated October 25, 2010

MITIGATION PLAN

LCEC's original FRCC Mitigation Plan Submittal Form dated April 9, 2009 and the revised FRCC Mitigation Plan Submittal Form dated June 5, 2009

CERTIFICATION BY REGISTERED ENTITY
**LCEC's FRCC Mitigation Plan Completion Form - Certification of a
Completed Mitigation Plan dated December 21, 2009**

VERIFICATION BY REGIONAL ENTITY
FRCC's Verification of Mitigation Plan Completion dated February 24, 2010

**Disposition Document for PRC-005-1 R2 as C to
the Settlement Agreement**

DISPOSITION OF VIOLATION

Dated August 9, 2010

NERC TRACKING NO.	REGIONAL ENTITY TRACKING NO.
FRCC200900158	LCEC_2009_02

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
PRC-005-1	2		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 provides: “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:

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.

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

VIOLATION DESCRIPTION

On March 13, 2009, FRCC Compliance Staff conducted a Spot Check to determine LCEC’s compliance with PRC-005-1 R2 for 2008. FRCC discovered a violation of PRC-005-1 R2 for LCEC’s failure to maintain and test, within LCEC’s defined 36-month interval, seven (7) electro-mechanical relays out of fifty-nine (59) total

¹ PRC-005-1 R2 has a “Lower” Violation Risk Factor (VRF); R2.1 and R2.2 each have a “High” VRF. FRCC determined a “High” VRF for the violation.

protective relays. Evidence indicates the testing and maintenance of the 7 relays was outside of established interval for 3 months, from October 2007 through December 2007.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

FRCC determined that the violation did not pose a serious or substantial risk to the reliability of the bulk power system because even though LCEC failed to maintain and test the 7 relays within its defined intervals,² LCEC performed maintenance and testing on the relays well within the 60 month interval for un-monitored relays defined in NERC's *Protection System Maintenance – A Technical Reference* dated September 13, 2007.

II. DISCOVERY INFORMATION

METHOD OF DISCOVERY

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

DURATION DATE(S) 10/01/07 (the due date of the subject testing interval) to 12/31/07 (the date testing and maintenance was completed)

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY 3/13/09

IS THE VIOLATION STILL OCCURRING
 YES NO
 IF YES, EXPLAIN

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

² The Mitigation Plan incorrectly states that there were nine relays that were failed to have maintenance performed.

III. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO. **MIT-07-1687³**
 DATE SUBMITTED TO REGIONAL ENTITY **4/10/09**
 DATE ACCEPTED BY REGIONAL ENTITY **4/30/09**
 DATE APPROVED BY NERC **5/28/09**
 DATE PROVIDED TO FERC **5/28/09**

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

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE **7/30/09**
 EXTENSIONS GRANTED **N/A**
 ACTUAL COMPLETION DATE **7/28/09**

DATE OF CERTIFICATION LETTER **7/28/09**
 CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **7/28/09**

DATE OF VERIFICATION LETTER **8/04/09**
 VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **7/28/09**

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

The following actions were taken to mitigate the issue and prevent recurrence:

- LCEC established a notification process in the Open Access Technology International, Inc. (OATI)⁴ compliance software to send notifications that maintenance windows for Protection System devices have been entered. The notifications are designed to notify with increasing urgency until maintenance tasks have been completed. The notifications are sent to LCEC's Compliance Coordinator and the Manager of Technical Services in addition to the responsible LCEC Supervisor of any impending violation. These alarms will continue to be tested on Monday of each week until relay maintenance has been completed. The severity of the alarms will increase as the deadline for maintenance completion approaches.**

³ The Mitigation Plan incorrectly states that the violation date is December 31, 2007.

⁴ 'OATI' corporate offices located in Minneapolis, MN, offers a standards-tracking service to assist organizations in meeting mandates.

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)

FRCC Compliance Staff reviewed the following documents:

- 1. LCEC-001 – Relay test data for each of LCEC’s protective relays showing last test date and the next test date for each relay. File name ‘Relay Spreadsheet 2010.xlsm; and**
- 2. LCEC-002 – Documentation related to the creation and testing of LCEC’s new notification system using the OATI software, dated July 21, 2009.**

EXHIBITS:

SOURCE DOCUMENT

FRCC summary document of the 2008 Spot Check Report dated October 25, 2009

MITIGATION PLAN

LCEC’s FRCC Mitigation Plan Submittal Form dated April 10, 2009

CERTIFICATION BY REGISTERED ENTITY

LCEC’s FRCC Mitigation Plan Completion Form - Certification of a Completed Mitigation Plan dated July 28, 2009

VERIFICATION BY REGIONAL ENTITY

FRCC’s Verification of Mitigation Plan Completion dated August 4, 2009

**Disposition Document for FAC-003-1 R1.3 as
Attachment D to the Settlement Agreement**

DISPOSITION OF VIOLATION

Dated August 9, 2010

NERC TRACKING NO.	REGIONAL ENTITY TRACKING NO.
FRCC200900159	LCEC_2009_03

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 Reliability Organizations (RRO) and the North American Electric Reliability [Corporation] (NERC).

FAC-003-1 R1 provides in pertinent part:

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.

VIOLATION DESCRIPTION

On March 13, 2009, FRCC Compliance Staff conducted a Spot Check to determine LCEC's compliance with FAC-003-1 for 2008. FRCC discovered a violation of FAC-003-1 R1.3 for LCEC's failure to provide sufficient evidence that personnel directly involved in the design and implementation of LCEC's TVMP held the

appropriate qualifications and training, as defined by the Transmission Owner, to perform their duties from June 18, 2007. Specifically, the LCEC Supervisor (Vegetation Management) did not meet the specified requirement to have a Bachelor of Science degree in construction, electrical, or administration field and experience in managing line construction personnel in scheduling, construction and restoration of overhead and underground distribution lines and overhead transmission lines.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

FRCC determined that the violation did not pose a serious or substantial risk to the reliability of the bulk power system because, even though the LCEC Supervisor (Vegetation Management) did not hold the required degree and experience in managing line construction personnel, the individual held a Bachelor of Arts degree and had multiple years of supervisory experience, including field experience with the entity.

II. DISCOVERY INFORMATION

METHOD OF DISCOVERY

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

DURATION DATE(S) **6/18/07 (when the Standard became mandatory and enforceable) through 8/5/09 (Mitigation Plan completion)**

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY **03/13/2009**

IS THE VIOLATION STILL OCCURRING

YES NO

IF YES, EXPLAIN

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

III. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO. **MIT-07-1688**
 DATE SUBMITTED TO REGIONAL ENTITY **6/24/09**
 DATE ACCEPTED BY REGIONAL ENTITY **6/23/09¹**
 DATE APPROVED BY NERC **7/28/10**
 DATE PROVIDED TO FERC **7/28/10**

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

On April 9, 2008, LCEC submitted a Mitigation Plan with a proposed completion date of June 30, 2009. The Mitigation Plan was accepted by FRCC on April 30, 2009 and approved by NERC on May 28, 2009. The Mitigation Plan for this violation is designated as MIT-07-1688 and was submitted as non-public information to FERC on May 28, 2009 in accordance with FERC orders.

On June 24, 2009, LCEC submitted a revised Mitigation Plan in which it requested an extension of time to complete its Mitigation Plan because it would not be able to reach the June 30, 2009 completion date. The revised Mitigation Plan had a proposed completion date of September 30, 2009.

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE **6/30/09**
 EXTENSIONS GRANTED **1 to 9/30/09 (see above)**
 ACTUAL COMPLETION DATE **8/05/09**

DATE OF CERTIFICATION LETTER **8/06/09**
 CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **8/05/09**

DATE OF VERIFICATION LETTER **10/27/09**
 VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **8/05/09**

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

The following actions were taken to mitigate the issue and prevent recurrence:

¹ On June 23, 2009, FRCC received an e-mail from LCEC requesting to extend its Mitigation Plan completion date. FRCC accepted LCEC's e-mail on June 23, 2009, and on June 24, 2009, LCEC submitted a formal revised Mitigation Plan.

1. **LCEC reviewed the required qualification and training in the job descriptions of the positions directly involved in the design and implementation of LCEC's TVMP.**
2. **Revisions were made in the required qualifications and training.**
3. **Work history and experience of the incumbents of the position were reviewed against the revised requirements; where gaps between the requirements and the incumbents are found, action would be taken to either close the gaps or remove the personnel from the position.**
4. **A review of the hiring, promotion, filling of position procedure was conducted.**
5. **LCEC required the incumbent Vegetation Management Supervisor to attain the required qualifications – specifically the obtaining of an ISA Arborist Certification.²**

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)

FRCC Compliance Staff reviewed the following documents during the 2009 On-site Compliance Audit of LCEC from August 24, 2009 through August 28, 2009:

1. ***LCEC-249– Construction and Maintenance Transmission Vegetation Management Program for 230 kV Bulk Electric Transmission System, version 5.0 dated July 20, 2009, which provided evidence to demonstrate LCEC's personnel directly involved in the design and implementation of LCEC's TVMP hold the qualification identified in this procedure; and***
2. ***LCEC – 01- ISA Certified Arborist certification for LCEC's Vegetation Management Supervisor dated July 28, 2009.***

EXHIBITS:

SOURCE DOCUMENT

FRCC's summary of the 2008 Spot Check Report dated October 25, 2010

MITIGATION PLAN

LCEC's FRCC Mitigation Plan Submittal Form dated April 9, 2009 and LCEC's revised FRCC Mitigation Plan Submittal Form dated June 24, 2009

² ISA - International Society of Arboriculture

**CERTIFICATION BY REGISTERED ENTITY
LCEC's FRCC Mitigation Plan Completion Form - Certification of a
Completed Mitigation Plan dated August 6, 2009**

**VERIFICATION BY REGIONAL ENTITY
FRCC's Verification of Mitigation Plan Completion dated October 27, 2009**

**Disposition Document for FAC-003-1 R2 as
Attachment E to the Settlement Agreement**

DISPOSITION OF VIOLATION

Dated August 9, 2010

NERC TRACKING NO.	REGIONAL ENTITY TRACKING NO.
FRCC200900160	LCEC_2009_04

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
FAC-003-1	2		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 Reliability Organizations (RRO) and the North American Electric Reliability [Corporation] (NERC).

FAC-003-1 R2 provides:

The Transmission Owner shall create and implement an annual plan for vegetation management work to ensure the reliability of the system. The plan shall describe the methods used, such as manual clearing, mechanical clearing, herbicide treatment, or other actions. The plan should be flexible enough to adjust to changing conditions, taking into consideration anticipated growth of vegetation and all other environmental factors that may have an impact on the reliability of the transmission systems. Adjustments to the plan shall be documented as they occur. The plan should take into consideration the time required to obtain permissions or permits from landowners or regulatory authorities. Each Transmission Owner shall have systems and procedures for documenting and tracking the planned vegetation management work and ensuring that the vegetation management work was completed according to work specifications.

VIOLATION DESCRIPTION

On March 13, 2009, FRCC Compliance Staff conducted a Spot Check to determine LCEC's compliance with FAC-003-1 for 2008. FRCC discovered a violation of FAC-003-1 R2 for LCEC's failure to ensure (1) that it had systems and procedures for documenting and tracking planned vegetation management work and (2) that it had properly documented that vegetation management work was completed according to work specifications from June 18, 2007.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

FRCC determined that the violation did not pose a serious or substantial risk to the reliability of the bulk power system because, even though LCEC's systems and procedures for documenting and tracking the planned vegetation management work fell short of the subject Standard requirement, there was evidence to show that LCEC was doing follow up although not on a consistent basis.

II. DISCOVERY INFORMATION

METHOD OF DISCOVERY

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

DURATION DATE(S) 6/18/07 (when the Standard became mandatory and enforceable) through 6/12/09 (Mitigation Plan completion)

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY 03/13/09

IS THE VIOLATION STILL OCCURRING

YES NO

IF YES, EXPLAIN

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

III. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO. **MIT-07-1689**
 DATE SUBMITTED TO REGIONAL ENTITY **4/09/09**
 DATE ACCEPTED BY REGIONAL ENTITY **4/30/09**
 DATE APPROVED BY NERC **5/28/09**
 DATE PROVIDED TO FERC **5/28/09**

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

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE **6/15/09**
 EXTENSIONS GRANTED **N/A**
 ACTUAL COMPLETION DATE **6/12/09**

DATE OF CERTIFICATION LETTER **7/08/09**
 CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **6/12/09**

DATE OF VERIFICATION LETTER **7/28/09**
 VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **6/12/09**

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

The following actions were taken to mitigate the issue and prevent recurrence:

- 1. LCEC conducted a review of the existing system and procedures against FAC-003-1 R2;**
- 2. If LCEC discovered insufficient clarity and/or specificity was encountered with respect to what systems and procedures are required then examples of “acceptable” / “fully compliant” TVMPs will be maintained and reviewed;**
- 3. LCEC identified gaps between LCEC’s current systems and procedures ant the requirements of FAC003-1;**
- 4. LCEC integrated corrective actions into LCEC’s TVMP to eliminate the gaps;**
- 5. LCEC reviewed its revised TVMP to ensure that changes have not adversely affected or compromised other aspects of the TVMP; and**
- 6. LCEC implemented the new TVMP systems and procedures.**

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)

FRCC Compliance Staff reviewed the following documents:

1. *LCEC-001– Construction and Maintenance Transmission Vegetation Management Program for 230 kV Bulk Electric Transmission System, version 5.0 dated July 20, 2009;*
2. *LCEC-002- LCEC Transmission Work Reporting Procedure” dated March 30, 2009; and*
3. *LCEC-003 – Evidence of training LCEC personnel on the purpose and implementation of the Transmission Work Reporting dated May 28, 2009 and May 29, 2009.*

EXHIBITS:

SOURCE DOCUMENT

FRCC’s summary of the 2008 Spot Check Report dated October 25, 2010

MITIGATION PLAN

LCEC’s FRCC Mitigation Plan Submittal Form dated April 9, 2009

CERTIFICATION BY REGISTERED ENTITY

LCEC’s FRCC Mitigation Plan Completion Form - Certification of a Completed Mitigation Plan dated July 8, 2009

VERIFICATION BY REGIONAL ENTITY

FRCC’s Verification of Mitigation Plan Completion dated July 28, 2009.

Attachment c

Record documents for the violations of PRC-005-1 R1

- 1. LCEC's Mitigation Plan designated as MIT-07-1686 for PRC-005-1 R1 submitted April 9, 2009**
- 2. LCEC's revised Mitigation Plan designated as MIT-07-1686 for PRC-005-1 R1 submitted June 5, 2009**
- 3. LCEC's Certification of Completion of the Mitigation Plan for PRC-005-1 R1 dated December 21, 2009**
- 4. FRCC's Verification of Completion of the Mitigation Plan for PRC-005-1 R1 dated February 24, 2010**



Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: *April 9, 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: *Lee County Electric Cooperative, Inc. (LCEC)*
Company Address: *4980 Bayline Drive*
North Fort Myers, Florida 33917
NERC Compliance Registry ID: *NCR00045*

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

Name: *John W. Delucca*
Title: *Compliance Coordinator*
Email: *john.delucca@lcec.net*
Phone: *239-656-2190*



**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)
FRCC2009 00157	PRC-005-1	R1	High	06/18/07	2008 Spot Check 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:

Documentation provided by LCEC was insufficient to demonstrate that the Protection System maintenance and testing program for Protection System that affects the Bulk Electric System included a basis for the maintenance and testing interval of associated communication systems, DC control circuitry, voltage and current sensing devices and station batteries since June 18, 2007.

There was insufficient evidence to demonstrate that the Protection System maintenance and testing program for Protection System that affects the Bulk Electric System included an interval for station batteries and associated communication systems from June 18, 2007 until August 7, 2008.

There was insufficient evidence to demonstrate that the Protection System maintenance and testing program for Protection System that affects the Bulk Electric System included a summary of maintenance and testing procedures for station batteries and associated communications systems from June 18, 2007 until August 7, 2008.

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:



LCEC was confident that the information supplied to the auditors was sufficient as evidenced in the 2006 Compliance Audit which LCEC was found to be "Fully Compliant" and during the 2006 Readiness Audit, the transmission and relay maintenance program and testing procedures were found to be very good and considered it a positive observation. Since the standard did not change, LCEC assumed there was no reason to suspect that the company would be out of compliance supplying similar evidence for the 2008 Spot Audit for the basis for the maintenance and testing interval of associated communication systems, DC control circuitry, voltage and current sensing devices and station batteries. While LCEC did not have the basis for testing intervals and did not include the interval in its policy along with the summary of maintenance and testing procedures, LCEC did have in fact Substation Inspection Check sheets for the period in question and they show the work was done on a monthly basis.

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:

LCEC will use the NERC "Protection System Maintenance" document as the source for a basis for the maintenance and testing interval of associated communications systems, DC control circuitry, voltage and current sensing devices and station batteries.

- *Review the NERC Protection System Maintenance document with operating personnel.*
- *Add the reference to NERC Protection System Maintenance document in LCEC Policy Document.*
- *Add to the LCEC procedures the actual interval tables from the NERC Protection System Maintenance document.*
- *Review the updated procedure and process with the Compliance Manager.*

LCEC did add in to its procedures in August of 2008 the intervals for testing station batteries and associated equipment. Also LCEC implemented a new revision control procedure that will ensure that we will maintain document



control and to a supply a continuous document trail from August 8, 2008 moving forward.

A summary of testing and maintenance procedures for station batteries and associated communications systems was added to the LCEC procedures in August 2008.

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:

Expected date of full implementation of the Mitigation Plan is July 30, 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)
<i>Review NERC Protection System Maintenance document with operating personnel</i>	<i>April 30, 2009</i>
<i>Add the reference to NERC Protection System Maintenance document in LCEC Policy Document.</i>	<i>May 30, 2009</i>
<i>Add to the LCEC procedures the actual interval tables from the NERC Protection System Maintenance document.</i>	<i>May 30, 2009</i>
<i>Review the updated procedure and process with the Compliance Manager.</i>	<i>July 30, 2009</i>

(*) 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:

Failure to provide sufficient evidence that included the basis for testing intervals for the associated communications systems, DC control circuitry, voltage and current sensing devices and station batteries had no detrimental impact on the BPS. The testing was being performed on a regular basis and recorded in the Substation Inspection Check sheets for the period in question and they show the work was done on a monthly basis.

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:

See answer D1



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 – Design & Engineering (also responsible for functioning as the Compliance Manager) of Lee County Electric Cooperative, Inc. (LCEC).*
 - 2. *I am qualified to sign this Mitigation Plan on behalf of Lee County Electric Cooperative, Inc. (LCEC).*
 - 3. *I understand Lee County Electric Cooperative, Inc.'s (LCEC'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 CMEM)).*
 - 3. *I have read and am familiar with the contents of this Mitigation Plan.*
 - 4. *Lee County Electric Cooperative, Inc. (LCEC) agrees to comply with, this Mitigation Plan, including the timetable completion date, as accepted by the FRCC and approved by NERC.*

Authorized Individual Signature

A handwritten signature in black ink, appearing to read "Clark Hawkins", written over a horizontal line.

Name (Print): *Clark Hawkins*
Title: *Manager – Design & Engineering*
Date: *April 9, 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.



Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: *April 9, 2009 (revised June 5, 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: *Lee County Electric Cooperative, Inc. (LCEC)*
Company Address: *4980 Bayline Drive*
North Fort Myers, Florida 33917
NERC Compliance Registry ID: *NCR00045*

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

Name: *John W. Delucca*
Title: *Compliance Coordinator*
Email: *john.delucca@lcec.net*
Phone: *239-656-2190*



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)
FRCC2009 00157	PRC-005-1	R1	High	06/18/07	2008 Spot Check 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:

Documentation provided by LCEC was insufficient to demonstrate that the Protection System maintenance and testing program for Protection System that affects the Bulk Electric System included a basis for the maintenance and testing interval of associated communication systems, DC control circuitry, voltage and current sensing devices and station batteries since June 18, 2007.

There was insufficient evidence to demonstrate that the Protection System maintenance and testing program for Protection System that affects the Bulk Electric System included an interval for station batteries and associated communication systems from June 18, 2007 until August 7, 2008.

There was insufficient evidence to demonstrate that the Protection System maintenance and testing program for Protection System that affects the Bulk Electric System included a summary of maintenance and testing procedures for station batteries and associated communications systems from June 18, 2007 until August 7, 2008.

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:



LCEC was confident that the information supplied to the auditors was sufficient as evidenced in the 2006 Compliance Audit which LCEC was found to be "Fully Compliant" and during the 2006 Readiness Audit, the transmission and relay maintenance program and testing procedures were found to be very good and considered it a positive observation. Since the standard did not change, LCEC assumed there was no reason to suspect that the company would be out of compliance supplying similar evidence for the 2008 Spot Audit for the basis for the maintenance and testing interval of associated communication systems, DC control circuitry, voltage and current sensing devices and station batteries. While LCEC did not have the basis for testing intervals and did not include the interval in its policy along with the summary of maintenance and testing procedures, LCEC did have in fact Substation Inspection Check sheets for the period in question and they show the work was done on a monthly basis.

Section D: Details of Proposed Mitigation Plan

Mitigation Plan Contents (revised June 5, 2009)

- 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:

LCEC will use the NERC "Protection System Maintenance" document as the source for a basis for the maintenance and testing interval of associated communications systems, DC control circuitry, voltage and current sensing devices and station batteries.

- *Review the NERC Protection System Maintenance document with operating personnel.*
- *Add the reference to NERC Protection System Maintenance document in LCEC Policy Document.*
- *Add to the LCEC procedures the actual interval tables from the NERC Protection System Maintenance document.*
- *Review the updated procedure and process with the Compliance Manager.*
- ***(REVISION) All the BES Instrument Transformers and Related Communication Systems will be tested in conformance with LCEC's 2009 PRC-005-1 by December 31, 2009.***



LCEC did add in to its procedures in August of 2008 the intervals for testing station batteries and associated equipment. Also LCEC implemented a new revision control procedure that will ensure that we will maintain document control and to a supply a continuous document trail from August 8, 2008 moving forward.

A summary of testing and maintenance procedures for station batteries and associated communications systems was added to the LCEC procedures in August 2008.

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:

*Expected date of full implementation of the Mitigation Plan is July 30, 2009.
Revision: Expected date for full implementation of the mitigation Plan is December 31, 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)
<i>Review NERC Protection System Maintenance document with operating personnel</i>	<i>April 30, 2009</i>
<i>Add the reference to NERC Protection System Maintenance document in LCEC Policy Document.</i>	<i>May 30, 2009</i>
<i>Add to the LCEC procedures the actual interval tables from the NERC Protection System Maintenance document.</i>	<i>May 30, 2009</i>
<i>Review the updated procedure and process with the Compliance Manager.</i>	<i>July 30, 2009</i>



REVISION:	
<i>LCEC's BES Instrument Transformers and Protection Associated communication Systems will be inventoried and identified. Maintenance forms and record keeping system will be created. Detailed procedures are written for Relay Technicians to follow to perform tests.</i>	<i>August 31, 2009</i>
<i>50% of the LCEC BES Instrument Transformers and Protected Related Communication Systems will be tested</i>	<i>October 31, 2009</i>
<i>100% of the LCEC BES Instrument Transformers and Protected Related Communication Systems will be tested</i>	<i>December 31, 2009</i>

(*) 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:

Failure to provide sufficient evidence that included the basis for testing intervals for the associated communications systems, DC control circuitry, voltage and current sensing devices and station batteries had no detrimental impact on the BPS. The testing was being performed on a regular basis and recorded in the Substation Inspection Check sheets for the period in question and they show the work was done on a monthly basis.

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:

See answer D1



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 – Design & Engineering (also responsible for functioning as the Compliance Manager) of Lee County Electric Cooperative, Inc. (LCEC).*
 - 2. *I am qualified to sign this Mitigation Plan on behalf of Lee County Electric Cooperative, Inc. (LCEC).*
 - 3. *I understand Lee County Electric Cooperative, Inc.'s (LCEC'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. *Lee County Electric Cooperative, Inc. (LCEC) agrees to comply with, this Mitigation Plan, including the timetable completion date, as accepted by the FRCC and approved by NERC.*

Authorized Individual Signature

A handwritten signature in black ink, appearing to read "Clark Hawkins", written over a horizontal line.

Name (Print): *Clark Hawkins*
Title: *Manager – Design & Engineering*
Date: *April 9, 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: **Lee County Electric Cooperative Inc.**
Company Address: **4980 Bayline Drive North Ft. Myers, FL 33917-3910**
NERC Compliance Registry ID : **NCR00045**

Date Original Mitigation Plan was submitted to FRCC: April 9, 2009 (revised June 5, 2009)

Date Mitigation Plan was completed: December 21, 2009

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

NERC Violation ID # : FRCC200900157

Date of Certification: December 21, 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 information submitted information is complete and correct to the best of my knowledge.

Name: Frank Cain
Title: Director, Regulatory/Government Relations/Chief Risk Compliance Officer
Email: FRANK.CAIN@lcec.net
Phone: 239-656-2347

Authorized Individual Signature_

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

Print on Registered Entity's Corporate Letterhead



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 24, 2010

Mr. Frank Cain
Director, Regulatory/Government Relations
/Chief Risk Compliance Office
Lee County Electric Cooperative
P.O. Box 3455
North Fort Myers, FL 33918

**Re: Lee County Electric Cooperative
Mitigation Plans for NERC Standards**

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- **PRC-005-1 R1 FRCC200900157**
- [REDACTED]
- [REDACTED]

Dear Mr. Cain,

The Mitigation Plan Certification of Completion Forms together with the evidence submitted by Lee County Electric Cooperative (LCEC) for the above referenced violations has been received by the Florida Reliability Coordinating Council, Inc. (FRCC). After review, the FRCC finds these mitigation plans for the above reference violations to be completed.

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

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

Respectfully,

Barry Pagel
Director of Compliance
bpagel@frcc.com

BP/rr

Attachment d

Record documents for the violations of PRC-005-1 R2

- 1. LCEC's Mitigation Plan designated as MIT-07-1687 for PRC-005-1 R2 submitted April 10, 2009**
- 2. LCEC's Certification of Completion of the Mitigation Plan for PRC-005-1 R2 dated July 28, 2009**
- 3. FRCC's Verification of Completion of the Mitigation Plan for PRC-005-1 R2 dated August 4, 2009**



Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: *April 10, 2009 (Revision 1)*

Revision 1: Corrected C.1 information ("NERC Violation ID #" and "Alleged or Confirmed Violation Date").

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: *Lee County Electric Cooperative, Inc. (LCEC)*
Company Address: *4980 Bayline Drive*
North Fort Myers, Florida 33917
NERC Compliance Registry ID: *NCR00045*

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

Name: *John W. Delucca*
Title: *Compliance Coordinator*
Email: *john.delucca@lcec.net*
Phone: *239-656-2190*



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)
FRCC2009 00158	PRC-005-1	R2	Lower	12/31/2007	2008 Spot Check 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:

Nine relays failed to have maintenance performed within the identified interval. The failure to maintain the relays was a result of oversight.

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:

The Supervisor responsible for ensuring that the relays were maintained was experiencing a family crisis that ultimately resulted in the death of a parent. Once the crisis had passed the Supervisor returned to work and completed the maintenance of the relays.

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:

LCEC's mitigation for this violation will consists of two remedial actions.

- 1) *The use of OATI compliance software as an enterprise system for maintaining compliance information.*
- 2) *Using the OATI software to send notifications that maintenance windows have been entered and continue to notify with increasing urgency until maintenance tasks have been completed.*
- 3) *Notifying the Compliance Coordinator and the Manager of Technical Services in addition to the responsible Supervisor of any impending violations.*

LCEC will create notifications and alarms that will notify the LCEC Compliance Manager, the Compliance Coordinator and the Manager of Technical Services in addition to the Supervisor of Communication Services that the maintenance window for these devices has begun. These alarms will continue to be issued on Monday of each week until the relay maintenance has been completed. The severity of the alarms will increase as the deadline for maintenance completion approaches.

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:

Expected date of full implementation of the Mitigation Plan is July 30, 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)
<i>Establish notification process within OATI.</i>	<i>June 30, 2009</i>
<i>Test notification process.</i>	<i>July 30, 2009</i>

(*) 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:

The actual maintenance of the specific relays has been completed. Testing of the relays at the time maintenance was performed did not identify any failures that placed the BPS at risk.

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:

Completion of the mitigation plan will provide email notification of impending compliance exception and will provide this to multiple individuals.



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 – Design & Engineering (also responsible for functioning as the Compliance Manager) of Lee County Electric Cooperative, Inc. (LCEC).*
 - 2. *I am qualified to sign this Mitigation Plan on behalf of Lee County Electric Cooperative, Inc. (LCEC).*
 - 3. *I understand Lee County Electric Cooperative, Inc.'s (LCEC'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. *Lee County Electric Cooperative, Inc. (LCEC) agrees to comply with, this Mitigation Plan, including the timetable completion date, as accepted by the FRCC and approved by NERC.*

Authorized Individual Signature

A handwritten signature in black ink, appearing to read "Clark Hawkins", is written over a horizontal line.

Name (Print): *Clark Hawkins*
Title: *Manager – Design & Engineering*
Date: *April 10, 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: Lee County Electric Cooperative, Inc.
Company Address: 4980 Bayline Drive North Fort Myers, FL 33917
NERC Compliance Registry ID (NCR00045):

Date Original Mitigation Plan was submitted to FRCC: April 10, 2009

Date Mitigation Plan was completed: July 28, 2009

Name of Standard and the Requirement(s) covered under the accepted Mitigation Plan: [PRC-005 R2](#)

NERC Violation ID # (FRCC200900158):

Date of Certification: [July 28, 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 information submitted information is complete and correct to the best of my knowledge.

Name: John W. Delucca

Title: [Compliance Coordinator](#)

Email: john.delucca@lcec.net

Phone: 239-656-2190

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 E-MAIL

August 4, 2009

Mr. Clark Hawkins
Manager, Design & Engineering
Lee County Electric Cooperative
P.O. Box 3455
North Fort Myers, FL 33918

**Re: Lee County Electric Cooperative
Mitigation Plan for NERC Standard
PRC-005-1, R2**

NERC Violation ID: FRCC200900158

Dear Mr. Hawkins,

The mitigation plan certification of completion form together with the evidence submitted by Lee County Electric Cooperative (LCEC) for the above referenced violation has been received by the Florida Reliability Coordinating Council, Inc. (FRCC). After review, the FRCC finds this mitigation plan for PRC-005-1, R2, to be completed.

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

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

Respectfully,

Barry Pagel
of Compliance

Manager
bpagel@frcc.com

Attachment e

Record documents for the violations of FAC-003-1 R1.3

- 1. LCEC's Mitigation Plan designated as MIT-07-1688 for FAC-003-1 R1.3 submitted April 9, 2009**
- 2. LCEC's revised Mitigation Plan designated as MIT-07-1688 for FAC-003-1 R1.3 submitted June 24, 2009**
- 3. LCEC's Certification of Completion of the Mitigation Plan for FAC-003-1 R1.3 dated August 6, 2009**
- 4. FRCC's Verification of Completion of the Mitigation Plan for FAC-003-1 R1.3 dated October 27, 2009**



Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: *April 9, 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: *Lee County Electric Cooperative, Inc. (LCEC)*
Company Address: *4980 Bayline Drive*
North Fort Myers, FL 33917
NERC Compliance Registry ID: *NCR00045*

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

Name: *John W. Delucca*
Title: *Compliance Coordinator*
Email: *john.delucca@lcec.net*
Phone: *239-656-2190*



**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)
FRCC2009 00159	FAC-003-1	R1	High	06/18/2007	2008 Annual 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:

Documents supplied by LCEC for the 2008 Spot Check Audit provided insufficient evidence that personnel directly involved in the design and implementation of the TVMP held the appropriate qualifications and training, as defined by the Transmission Owner, to perform their duties from June 18th 2007 till present.

In the LCEC document “Construction and Maintenance Transmission Vegetation Management Program for 230 kV Bulk Electric Transmission System”, the following are two required qualifications of the Supervisor (Vegetation Management): 1) a Bachelor of Science Degree in construction, electrical, or administration field; and 2) Supervisory experience in managing line construction personnel in scheduling, construction, and restoration of overhead and underground distribution lines and overhead transmission lines.

1) Although the position incumbent possesses a higher education degree, it is a Bachelor of Arts degree – not a Bachelor of Science degree.

2) Although the position incumbent possesses multiple years of supervisory experience (including utility experience), at the time of



selection into the position, this experience was not in the specific area of “line construction personnel”.

- 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:

LCEC was confident that the information supplied to the auditors was sufficient as evidenced in the 2006 Compliance Audit which LCEC was found to be “Fully Compliant” for this standard. Since the standard did not change, LCEC assumed there was no reason to suspect that the company would be out of compliance supplying similar evidence for the 2008 Spot Audit.

Although the position incumbent lacked the two specific required qualifications (she possessed what was deemed at the time to be “equivalent” qualifications), she successfully executed LCEC’s TVMP in order to maintain and improve the reliability of LCEC’s electric transmission system.

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:

The required qualifications and training in the job descriptions of the positions directly involved in the design and implementation of LCEC’s TVMP will be reviewed. Where improvements can be made in the required qualifications and training, these changes will be made. The work history and experience of the incumbents of these positions will be reviewed against the revised requirements. Where gaps between the requirements and the incumbents are found, action will be taken to either close the gaps or remove the personnel from the positions. A review of the hiring, promotion, filling of position procedures will be conducted. Where opportunities to improve the procedures to insure that candidates meet required qualifications are found, appropriate actions will be taken.

The following action plan will be implemented to correct and prevent recurrence:



- *The required qualifications and training in the job descriptions of the positions directly involved in the design and implementation of LCEC's TVMP will be reviewed.*
- *Where improvements can be made in the required qualifications and training, these changes will be made.*
- *The work history and experience of the incumbents of these positions will be reviewed against the revised requirements.*
- *Where gaps between the requirements and the incumbents are found, action will be taken to either close the gaps or remove the personnel from the positions.*
- *A review of the hiring, promotion, filling of position procedures will be conducted.*
- *Where opportunities to improve the procedures to insure that candidates meet required qualifications are found, appropriate actions will be taken.*

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:

Expected date of full implementation of the Mitigation Plan is June 30, 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)
<i>The required qualifications and training in the job descriptions of the positions directly involved in the design and implementation of LCEC's TVMP will be reviewed.</i>	<i>April 15, 2009</i>
<i>Where improvements can be made in the required qualifications and training, these changes will be made.</i>	<i>April 22, 2009</i>



<i>The work history and experience of the incumbents of these positions will be reviewed against the revised requirements.</i>	<i>April 30, 2009</i>
<i>Where gaps between the requirements and the incumbents are found, action will be taken to either close the gaps or remove the personnel from the positions.</i>	<i>May 1, 2009 – June 30, 2009</i> <i>NOTE: Completion of this activity will depend upon gap(s) found.</i>
<i>A review of the hiring, promotion, filling of position procedures will be conducted.</i>	<i>May 15, 2009</i>
<i>Where opportunities to improve the procedures to insure that candidates meet required qualifications are found, appropriate actions will be taken.</i>	<i>May 31, 2009</i>

(* 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:

(i) Risks/Impacts:

- a) Incumbent(s) incapable of implementing the TVMP; and*
- b) Replacement personnel for incumbent(s) incapable of immediately implementing the TVMP.*

(ii) Actions planned to mitigate risks/impacts:

- a) None. Incumbent(s) have successfully implemented the TVMP; and*
- b) During the interim period required to get qualified and trained replacement personnel for incumbent(s) fully capable of implementing the TVMP, “support” resources (internal and/or external) will be identified*



and utilized until such time as TVMP is implemented by appropriate personnel.

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:

Completion of this Mitigation Plan will ensure that personnel directly involved in the design and implementation of the TVMP will hold the appropriate qualifications and training.



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 – Design & Engineering (also responsible for functioning as the Compliance Manager) of Lee County Electric Cooperative, Inc. (LCEC).*
 - 2. *I am qualified to sign this Mitigation Plan on behalf of Lee County Electric Cooperative, Inc. (LCEC).*
 - 3. *I understand Lee County Electric Cooperative, Inc.'s (LCEC'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. *Lee County Electric Cooperative, Inc. (LCEC) agrees to comply with, this Mitigation Plan, including the timetable completion date, as accepted by the FRCC and approved by NERC.*

Authorized Individual Signature

A handwritten signature in black ink that reads "Clark Hawkins". The signature is written in a cursive style and is positioned above a horizontal line.

Name (Print): *Clark Hawkins*
Title: *Manager – Design & Engineering*
Date: *April 9, 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.



Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: *April 9, 2009 (revised June 24, 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: *Lee County Electric Cooperative, Inc. (LCEC)*
Company Address: *4980 Bayline Drive*
North Fort Myers, FL 33917
NERC Compliance Registry ID: *NCR00045*

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

Name: *John W. Delucca*
Title: *Compliance Coordinator*
Email: *john.delucca@lcec.net*
Phone: *239-656-2190*



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)
FRCC2009 00159	FAC-003-1	R1	High	06/18/2007	2008 Annual 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:

Documents supplied by LCEC for the 2008 Spot Check Audit provided insufficient evidence that personnel directly involved in the design and implementation of the TVMP held the appropriate qualifications and training, as defined by the Transmission Owner, to perform their duties from June 18th 2007 till present.

In the LCEC document "Construction and Maintenance Transmission Vegetation Management Program for 230 kV Bulk Electric Transmission System", the following are two required qualifications of the Supervisor (Vegetation Management): 1) a Bachelor of Science Degree in construction, electrical, or administration field; and 2) Supervisory experience in managing line construction personnel in scheduling, construction, and restoration of overhead and underground distribution lines and overhead transmission lines.

1) Although the position incumbent possesses a higher education degree, it is a Bachelor of Arts degree – not a Bachelor of Science degree.

2) Although the position incumbent possesses multiple years of supervisory experience (including utility experience), at the time of



selection into the position, this experience was not in the specific area of “line construction personnel”.

- 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:

LCEC was confident that the information supplied to the auditors was sufficient as evidenced in the 2006 Compliance Audit which LCEC was found to be “Fully Compliant” for this standard. Since the standard did not change, LCEC assumed there was no reason to suspect that the company would be out of compliance supplying similar evidence for the 2008 Spot Audit.

Although the position incumbent lacked the two specific required qualifications (she possessed what was deemed at the time to be “equivalent” qualifications), she successfully executed LCEC’s TVMP in order to maintain and improve the reliability of LCEC’s electric transmission system.

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:

The required qualifications and training in the job descriptions of the positions directly involved in the design and implementation of LCEC’s TVMP will be reviewed. Where improvements can be made in the required qualifications and training, these changes will be made. The work history and experience of the incumbents of these positions will be reviewed against the revised requirements. Where gaps between the requirements and the incumbents are found, action will be taken to either close the gaps or remove the personnel from the positions. A review of the hiring, promotion, filling of position procedures will be conducted. Where opportunities to improve the procedures to insure that candidates meet required qualifications are found, appropriate actions will be taken.

The following action plan will be implemented to correct and prevent recurrence:



- *The required qualifications and training in the job descriptions of the positions directly involved in the design and implementation of LCEC's TVMP will be reviewed.*
- *Where improvements can be made in the required qualifications and training, these changes will be made.*
- *The work history and experience of the incumbents of these positions will be reviewed against the revised requirements.*
- *Where gaps between the requirements and the incumbents are found, action will be taken to either close the gaps or remove the personnel from the positions.*
- *A review of the hiring, promotion, filling of position procedures will be conducted.*
- *Where opportunities to improve the procedures to insure that candidates meet required qualifications are found, appropriate actions will be taken.*
- ***(Revision)***
Action by the incumbent Vegetation Management Supervisor to attain the improvements in the required qualifications – specifically the obtaining of an ISA Arborist Certification – is likely to extend beyond the June 30th target date.

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:

Expected date of full implementation of the Mitigation Plan is June 30, 2009.
Revision: Expected date for full implementation of the Mitigation Plan is September 30, 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)
--------------------	---



<i>The required qualifications and training in the job descriptions of the positions directly involved in the design and implementation of LCEC's TVMP will be reviewed.</i>	<i>April 15, 2009</i>
<i>Where improvements can be made in the required qualifications and training, these changes will be made.</i>	<i>April 22, 2009</i>
<i>The work history and experience of the incumbents of these positions will be reviewed against the revised requirements.</i>	<i>April 30, 2009</i>
<i>Where gaps between the requirements and the incumbents are found, action will be taken to either close the gaps or remove the personnel from the positions.</i>	<i>May 1, 2009 – June 30, 2009</i> <i>NOTE: Completion of this activity will depend upon gap(s) found.</i>
<i>A review of the hiring, promotion, filling of position procedures will be conducted.</i>	<i>May 15, 2009</i>
<i>Where opportunities to improve the procedures to insure that candidates meet required qualifications are found, appropriate actions will be taken.</i>	<i>May 31, 2009</i>
REVISION:	
<i>Action by the incumbent Vegetation Management Supervisor to attain the improvements in the required qualifications – specifically the obtaining of an ISA Arborist Certification – is likely to extend beyond the June 30th target date.</i>	<i>September 30, 2009</i>

(*) 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:

(i) Risks/Impacts:

- a) Incumbent(s) incapable of implementing the TVMP; and*
- b) Replacement personnel for incumbent(s) incapable of immediately implementing the TVMP.*

(ii) Actions planned to mitigate risks/impacts:

- a) None. Incumbent(s) have successfully implemented the TVMP; and*
- b) During the interim period required to get qualified and trained replacement personnel for incumbent(s) fully capable of implementing the TVMP, "support" resources (internal and/or external) will be identified and utilized until such time as TVMP is implemented by appropriate personnel.*

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:

Completion of this Mitigation Plan will ensure that personnel directly involved in the design and implementation of the TVMP will hold the appropriate qualifications and training.



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 – Design & Engineering (also responsible for functioning as the Compliance Manager) of Lee County Electric Cooperative, Inc. (LCEC).*
 - 2. *I am qualified to sign this Mitigation Plan on behalf of Lee County Electric Cooperative, Inc. (LCEC).*
 - 3. *I understand Lee County Electric Cooperative, Inc.'s (LCEC'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. *Lee County Electric Cooperative, Inc. (LCEC) agrees to comply with, this Mitigation Plan, including the timetable completion date, as accepted by the FRCC and approved by NERC.*

Authorized Individual Signature

A handwritten signature in black ink, appearing to read "Clark Hawkins", is written over a horizontal line.

Name (Print): *Clark Hawkins*
Title: *Manager – Design & Engineering*
Date: *April 9, 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: Lee County Electric Cooperative
Company Address: 4980 Bayline Drive North Fort Myers, FL 33917
NERC Compliance Registry ID (NCR00045):

Date Original Mitigation Plan was submitted to FRCC: April 9, 2009 (revised June 24, 2009)

Date Mitigation Plan was completed: August 5, 2009

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

NERC Violation ID # (FRCC200900159):

Date of Certification: [August 6, 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 information submitted information is complete and correct to the best of my knowledge.

Name: John W. Delucca
Title: [Compliance Coordinator](#)
Email: john.delucca@lcec.net
Phone: [239-656-2190](tel:239-656-2190)
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 E-MAIL

October 27, 2009

Frank Cain
Director of Regulatory and Governmental
& Chief Risk / Compliance Officer
Lee County Electric Cooperative
4980 Bayline Drive.
North Fort Myers, FL 33917

**Re: Lee County Electric Cooperative, Inc.
Mitigation Plans – 2008 Spot Check
violation of NERC Standard FAC-003-1
R1.
FRCC200900159**

Dear Mr. Cain,

The mitigation plan submitted by Lee County Electric Cooperative, Inc. (LCEC) for the above referenced violation has been received by the Florida Reliability Coordinating Council, Inc. (FRCC). After review, the FRCC finds this mitigation plan for FAC-003-1 R1 is completed. The FRCC will notify the North American Electric Reliability Corporation (NERC) accordingly.

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

Respectfully,

Barry Pagel
Manager of Compliance
bpagel@frcc.com

BP/rr

Attachment f

Record documents for the violations of FAC-003-1 R2

- 1. LCEC's Mitigation Plan designated as MIT-07-1689 for FAC-003-1 R2 submitted April 9, 2009**
- 2. LCEC's Certification of Completion of the Mitigation Plan for FAC-003-1 R2 dated July 8, 2009**
- 3. FRCC's Verification of Completion of the Mitigation Plan for FAC-003-1 R2 dated July 28, 2009**



Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: *April 9, 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: *Lee County Electric Cooperative, Inc. (LCEC)*
Company Address: *4980 Bayline Drive*
North Fort Myers, FL 33917
NERC Compliance Registry ID: *NCR00045*

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

Name: *John W. Delucca*
Title: *Compliance Coordinator*
Email: *john.delucca@lcec.net*
Phone: *239-656-2190*

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)
FRCC2009 00160	FAC-003-1	R2	High	06/18/2007	2008 Annual 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:

Documents supplied by LCEC for the 2008 Spot Check Audit provided insufficient and/or no evidence to ensure that LCEC has systems and procedures for documenting and tracking planned vegetation management work or has ensured that work was completed according to work specifications.

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:

LCEC was confident that the information supplied to the auditors was sufficient as evidenced in the 2006 Compliance Audit which LCEC was found to be "Fully Compliant" for this standard. Since the standard did not change. LCEC assumed there was no reason to suspect that the company would be out of compliance supplying similar evidence for the 2008 Spot Audit.

Although LCEC's systems and procedures have been found insufficient, LCEC's utilization of personnel, tools, and documents (to establish, plan, execute, inspect, and update the TVMP) has resulted in a reliable electric transmission system – as demonstrated by the absence of vegetation-related outages.

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:

The deficiencies in the systems and procedures of LCEC's TVMP must be identified and corrected. This will require a thorough review of the existing system and procedures against that which is required (and specified) in the FAC-003 Standard. If insufficient clarity and/or specificity is encountered with respect to what systems and procedures are required, then examples of "acceptable" / "fully compliant" Transmission Vegetation Management Programs must be obtained and reviewed. Gaps must be identified between LCEC's current systems and procedures and the requirements of FAC-003 (and/or the characteristics of a "fully compliant" TVMP). Corrective actions must be taken to eliminate those gaps. The revised TVMP must then be reviewed to ensure that changes have not adversely affected or compromised other aspects of the TVMP. Once satisfied with the revised TVMP, any new systems and procedures must be implemented.

The following action plan will be implemented to correct and prevent recurrence:

- *LCEC will conduct a thorough review of the existing system and procedures against that which is required (and specified) in the FAC-003 Standard.*
- *If insufficient clarity and/or specificity is encountered with respect to what systems and procedures are required, then examples of "acceptable" / "fully compliant" Transmission Vegetation Management Programs will be obtained and reviewed.*
- *Gaps will be identified between LCEC's current systems and procedures and the requirements of FAC-003 (and/or the characteristics of a "fully compliant" TVMP).*
- *Corrective actions will be taken to eliminate any gaps.*
- *The revised TVMP will be reviewed to ensure that changes have not adversely affected or compromised other aspects of the TVMP.*
- *The new TVMP systems and procedures will be implemented.*



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:

Expected date of full implementation of the Mitigation Plan is June 15, 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)
<i>LCEC will conduct a thorough review of the existing system and procedures against that which is required (and specified) in the FAC-003 Standard.</i>	<i>April 24, 2009</i>
<i>If insufficient clarity and/or specificity is encountered with respect to what systems and procedures are required, then examples of “acceptable” / “fully compliant” Transmission Vegetation Management Programs will be obtained and reviewed.</i>	<i>May 8, 2009</i> <i>NOTE: Need and subsequent completion of this activity will depend upon ability to extract gap(s) from Standard. Completion dates of subsequent activities are based upon this activity being required.</i>
<i>Gaps will be identified between LCEC’s current systems and procedures and the requirements of FAC-003 (and/or the characteristics of a “fully compliant” TVMP).</i>	<i>May 15, 2009</i>
<i>Corrective actions will be integrated into TVMP to eliminate any gaps.</i>	<i>May 29, 2009</i>
<i>The revised TVMP will be reviewed to ensure that changes have not adversely affected or compromised other aspects of the TVMP.</i>	<i>June 12, 2009</i>
<i>The new TVMP systems and procedures will be implemented.</i>	<i>June 15, 2009</i>

(*) 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:

(i) Risks/Impacts:

Continued insufficient systems and procedures results in vegetation-related outage.

(ii) Actions planned to mitigate risks/impacts:

Schedule and perform additional visual inspection(s) of the Bulk Electric System Transmission Right-of-Ways until completion of Mitigation Plan.

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:

Completion of this Mitigation Plan will ensure that the TVMP has no deficiencies which could result in a negative impact to the reliability of the Bulk Electric System Transmission System.



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 – Design & Engineering (also responsible for functioning as the Compliance Manager) of Lee County Electric Cooperative, Inc. (LCEC).*
- 2. *I am qualified to sign this Mitigation Plan on behalf of Lee County Electric Cooperative, Inc. (LCEC).*
- 3. *I understand Lee County Electric Cooperative, Inc.'s (LCEC'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 CMEM)).*
- 3. *I have read and am familiar with the contents of this Mitigation Plan.*
- 4. *Lee County Electric Cooperative, Inc. (LCEC) 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): *Clark Hawkins*
Title: *Manager – Design & Engineering*
Date: *April 9, 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: Lee County Electric Cooperative
Company Address: 4980 Bayline Drive North Fort Myers, FL 33917
NERC Compliance Registry ID (NCR00045):

Date Original Mitigation Plan was submitted to FRCC: April 9, 2009

Date Mitigation Plan was completed: June 12, 2009

Name of Standard and the Requirement(s) covered under the accepted Mitigation Plan: FAC-003 R2.

NERC Violation ID # (FRCC200900160):

Date of Certification: July 08, 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 information submitted information is complete and correct to the best of my knowledge.

Name: John W. Delucca

Title: Compliance Coordinator

Email: john.delucca@lcec.net

Phone: 239-656-2190

Authorized Individual Signature

To close out a completed Mitigation Plan, fill out this form, save and email it to compliance@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 E-MAIL

July 28, 2009

Clark Hawkins
Manager, Design & Engineering
Lee County Electric Cooperative
P.O. Box 3455.
North Fort Myers, FL 33918

**Re: Lee County Electric Cooperative, Inc.
Mitigation Plans – 2008 Spot Check
violations of NERC Standard FAC-003-1
R2.
FRCC200900160**

Dear Mr. Hawkins,

The mitigation plans submitted by Lee County Electric Cooperative, Inc. (LCEC) for the above referenced violation have been received by the Florida Reliability Coordinating Council, Inc. (FRCC). After review, the FRCC finds this mitigation plans for FAC-003-1 R2 is completed. The FRCC will forward the submitted mitigation plans to the North American Electric Reliability Corporation (NERC) for its review and approval and NERC will send them to the Federal Energy Regulatory Commission.

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

Respectfully,

Barry Pagel
Manager of Compliance
bpagel@frcc.com

BP/rr

Attachment g

Notice of Filing

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Lee County Electric Cooperative, Inc

Docket No. NP11-____-000

NOTICE OF FILING
November 5, 2010

Take notice that on November 5, 2010, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding Lee County Electric Cooperative, Inc 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