

July 30, 2010

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

**Re: NERC Abbreviated Notice of Penalty
Tallahassee, City of (TAL), FERC Docket No. NP10-___-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Abbreviated Notice of Penalty (NOP) regarding TAL, with information and details regarding the nature and resolution of the violation¹ discussed in detail in the Settlement Agreement (Attachment d) 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 December 8, 2008, TAL self-reported a violation of MOD-006-0 Requirement (R) 2 for its failure to make its Capacity Benefit Margin (CBM) use procedure available on a web site accessible to certain entities. On November 21, 2008, during preparation of an upcoming compliance audit, TAL self-reported violations BAL-003-0 R2.1 and BAL-001-0 R1 because TAL could not provide evidence that it had correctly calculated its Frequency Bias and that it was operating within specified limits.³ This NOP is being filed with the Commission because FRCC and TAL have entered into a Settlement Agreement to resolve all outstanding issues

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 Although violations of both BAL-001-0 R1 and BAL-003-0 R2.1 were identified, both violations stemmed from the same act of non-compliance, which was considered in FRCC's determination of penalty.

resulting in FRCC's determination and findings of the enforceable violations of MOD-006-0 R2, BAL-003-0 R2.1 and BAL-001-0 R1. According to the Settlement Agreement, TAL neither admits nor denies the violations, but has agreed to the assessed penalty of five thousand dollars (\$5,000) 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 FRCC200800121, FRCC200800155 and FRCC200800156 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 July 27, 2010, by and between FRCC and TAL. 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	Tallahassee, City of	NOC-183	FRCC200800121	MOD-006-0 ⁴	2	Lower	\$5,000
			FRCC200800155	BAL-003-0 ⁵	2.1	Lower ⁶	

⁴ MOD-006-0 was enforceable from June 18, 2007 through May 12, 2009. MOD-006-0.1 is the current enforceable version of the Standard effective May 13, 2009.

⁵ BAL-003-0 was enforceable from June 18, 2007 through August 27, 2008. BAL-003-0a was approved by the Commission and became enforceable on August 28, 2008. BAL-003-0.1b is the current enforceable Standard as of May 13, 2009. BAL-003-0b was approved by the Commission and implemented as of May 21, 2009. The subsequent interpretations provide clarity regarding the responsibilities of a registered entity and do not change the meaning or language of the original NERC Reliability Standard and its requirements. For consistency in this filing, the original Standard, BAL-003-0, is used throughout.

⁶ When NERC filed VRFs for BAL-003-0, NERC originally assigned a "Lower" VRF to BAL-003-0 R2. The Commission approved the VRF as filed but directed modifications. On December 17, 2007, NERC filed the modified "Medium" VRF for BAL-003-0 R2 for approval. On February 6, 2008, the Commission issued an Order approving the modified VRF. Therefore, the "Lower" VRF was in effect from June 18, 2007 until February 6, 2008 and the "Medium" VRF has been in effect since February 6, 2008.

			FRCC200800156	BAL-001-0 ⁷	1	Medium ⁸	
--	--	--	---------------	------------------------	---	---------------------	--

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

MOD-006-0 R2 - OVERVIEW⁹

FRCC determined that TAL, as a Transmission Service Provider, did not have evidence that it made its CBM use procedure available on a website accessible by the Regional Entities, NERC, and transmission users. TAL migrated to a new OASIS vendor with a cutover date of June 28, 2007, and during the setup and migration to the new OASIS system, the CBM document was not posted. The CBM document was then uploaded to the OATi hosted OASIS website when the violation was discovered, which made it accessible by the Regional Entities, NERC, and transmission users as required by MOD-006-0 R2.

The duration of the MOD-006-0 R2 violation was from June 18, 2007, when the Standard became mandatory and enforceable, through December 8, 2008, the date TAL completed its Mitigation Plan by immediately uploading the document.

FRCC concluded that this violation did not pose a serious or substantial risk to the reliability of the bulk power system (BPS) because TAL had a CBM use procedure. It was available on a website accessible by the Regional Entities, NERC and transmission users prior to June 28, 2007. The procedure was available upon request.

BAL-003-0 R2.1 - OVERVIEW¹⁰

FRCC determined that TAL, as a Balancing Authority, did not have evidence to demonstrate it was determining the fixed Frequency Bias value by observing and averaging the Frequency Response for several disturbances because TAL's Supervisory Control and Data Acquisition (SCADA) system had overridden the 4-second data that had been used to calculate its annual Bias calculation for the period from January 1, 2007 to May 8, 2008.

⁷ BAL-001-0 was approved by the Commission and became enforceable on June 18, 2007. On August 28, 2008, BAL-001-0a was approved by the Commission and became enforceable. On May 13, 2009, BAL-001-0.1a was approved by the Commission and became enforceable. The interpretation provides clarity regarding the responsibility of a registered entity and does not change the meaning or language of the NERC Reliability Standard and its requirements. The erratum corrects typographical errors and does not change the meaning or language of the NERC Reliability Standard and its requirements. For consistency in this filing, the original Standard, BAL-001-0, is used throughout.

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

⁸ When NERC filed VRFs for BAL-001-0, NERC originally assigned a "Lower" VRF to BAL-001-0 R1. The Commission approved the VRF as filed but directed modifications. On December 17, 2007, NERC filed the modified "Medium" VRF for BAL-001-0 R1 for approval. On February 6, 2008, the Commission issued an Order approving the modified VRF. Therefore, the "Lower" VRF was in effect from June 18, 2007 until February 6, 2008 and the "Medium" VRF has been in effect since February 6, 2008.

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

¹⁰ Further information on this violation is contained in the Disposition Document included as Attachment A to the Settlement Agreement.

The duration of the BAL-003-0 R2.1 violation was from June 18, 2007, when the Standard became mandatory and enforceable, through November 20, 2008, the date the violation was mitigated.

FRCC concluded that this violation did not pose a serious or substantial risk to the reliability of the BPS because TAL calculated its Frequency Bias setting using historical data prior to the period when the 4-second data was not retained. It continued to use this setting until an accurate Frequency Bias calculation was made using recent historical data. The bias setting was 1.44 as compared to the minimum of 1.0 required.

BAL-001-0 R1 - OVERVIEW¹¹

FRCC determined that although TAL, as a Balancing Authority, was operating within specified limits, it did not have evidence to demonstrate this because TAL's SCADA system had overridden the 4-second data that had been used to calculate its annual Bias calculation for the period from January 1, 2007 to May 8, 2008.

The duration of the BAL-001-0 R1 violation was from June 18, 2007, when the Standard became mandatory and enforceable, through November 20, 2008, the date the violation was mitigated.

FRCC concluded that this violation did not pose a serious or substantial risk to the reliability of the BPS because TAL calculated its Frequency Bias setting using historical data prior to the period when the 4-second data was not retained. It continued to use this setting until an accurate Frequency Bias calculation was made using recent historical data. The bias setting was 1.44 as compared to the minimum of 1.0 required.

Statement Describing the Assessed Penalty, Sanction or Enforcement Action Imposed¹²

Basis for Determination

Taking into consideration the Commission's direction in Order No. 693, the NERC Sanction Guidelines, the Commission's July 3, 2008 and October 26, 2009 Guidance Orders,¹³ the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on June 10, 2010. The NERC BOTCC approved the Settlement Agreement, including FRCC's assessment of a five thousand dollar (\$5,000) financial penalty against TAL and other actions to facilitate future compliance required under the terms and conditions of the Settlement Agreement. In approving the Settlement Agreement, the NERC BOTCC reviewed the applicable requirements of the Commission-approved Reliability Standards and the underlying facts and circumstances of the violations at issue.

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

¹¹ Further information on this violation is contained in the Disposition Document included as Attachment C to the Settlement Agreement.

¹² See 18 C.F.R § 39.7(d)(4).

¹³ *North American Electric Reliability Corporation*, "Guidance Order on Reliability Notices of Penalty," 124 FERC ¶ 61,015 (2008); *North American Electric Reliability Corporation*, "Further Guidance Order on Reliability Notices of Penalty," 129 FERC ¶ 61,069 (2009).

1. the violations constituted TAL's first occurrence of violations of the subject NERC Reliability Standards;
2. TAL self-reported the violations;
3. FRCC reported that TAL was cooperative throughout the compliance enforcement process;
4. the quality of the TAL compliance program, as discussed in the Disposition Documents;
5. there was no evidence of any attempt to conceal a violation nor evidence of intent to do so;
6. the violations did not pose a serious or substantial risk to the BPS, as discussed above and in the Disposition Documents; and
7. 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 five thousand dollars (\$5,000) is appropriate for the violation 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 Notice of Penalty with FERC, or, if FERC decides to review the penalty, upon final determination by FERC.

Attachments to be included as Part of this Notice of Penalty

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

- a) TAL's Self-Report for MOD-006-0 R2 dated December 8, 2008, included as Attachment a;
- b) TAL's Self-Report for BAL-003-0 R2.1 dated November 18, 2008 and submitted November 21, 2008, included as Attachment b;¹⁴
- c) TAL's Self-Report for BAL-001-0 R1 dated November 18, 2008 and submitted November 21, 2008, included as Attachment c;¹⁵
- d) Settlement Agreement by and between FRCC and TAL executed July 27, 2010, included as Attachment d;
 - i. Disposition Document for Common Information included as Attachment A to the Settlement Agreement;
 - i. Disposition Document for MOD-006-0 R2 and Verification of Completion therein included as Attachment A-1 to the Settlement Agreement;
 - ii. Disposition Document for BAL-003-0 R2.1 and Verification of Completion therein included as Attachment A-2 to the Settlement Agreement;
 - iii. Disposition Document for BAL-001-0 R1 and Verification of Completion therein included as Attachment A-3 to the Settlement Agreement;
- e) TAL's Mitigation Plan MIT-08-1300 for MOD-006-0 R2 dated December 8, 2008 and submitted December 29, 2008, included as Attachment e;
- f) TAL's Certification of Completion of the Mitigation Plan for MOD-006-0 R2 dated December 8, 2008, included as Attachment f;
- g) TAL's Mitigation Plan MIT-08-1547 for BAL-003-0 R2.1 submitted November 24, 2008, included as Attachment g;
- h) TAL's Certification of Completion of the Mitigation Plan for BAL-003-0 R2.1 dated November 24, 2008, included as Attachment h;
- i) TAL's Mitigation Plan MIT-08-1545 for BAL-001-0 R1 submitted November 24, 2008, included as Attachment i; and
- j) TAL's Certification of Completion of the Mitigation Plan for BAL-001-0 R1 dated November 24, 2008, included as Attachment j.

A Form of Notice Suitable for Publication¹⁶

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

¹⁴ Although TAL submitted a self-report, the violation was discovered in preparation of an upcoming audit.

¹⁵ *Id.*

¹⁶ See 18 C.F.R. § 39.7(d)(6).

Notices and Communications

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

<p>Gerald W. Cauley* President and Chief Executive Officer David N. Cook* Vice President and General Counsel North American Electric Reliability Corporation 116-390 Village Boulevard Princeton, NJ 08540-5721 (609) 452-8060 (609) 452-9550 – facsimile gerry.cauley@nerc.net david.cook@nerc.net</p> <p>Brian Horton* Manager, Electric System Compliance City of Tallahassee 400 E. Van Buren Street Tallahassee, FL 32301 (850) 891-3121 (850) 891-3138 – facsimile brian.horton@talgov.com</p> <p>Richard Gilbert* Manager of Compliance Enforcement Florida Reliability Coordinating Council, Inc. 3000 Bayport Dr., Suite 690 Tampa, FL 33607-8402 (813) 207-7991 (813) 289-5648 – facsimile rgilbert@frcc.com</p> <p>*Persons to be included on the Commission's service list are indicated with an asterisk. NERC requests waiver of the Commission's rules and regulations to permit the inclusion of more than two people on the service list.</p>	<p>Rebecca J. Michael* Assistant General Counsel Holly A. Hawkins* Attorney 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 holly.hawkins@nerc.net</p> <p>Sarah Rogers* President and Chief Executive officer Florida Reliability Coordinating Council, Inc. 1408 N. Westshore Blvd., Suite 1002 Tampa, FL 33607-4512 (813) 289-5644 (813) 289-5646 – facsimile srogers@frcc.com</p> <p>Linda Campbell* VP and Executive Director Standards & Compliance Florida Reliability Coordinating Council, Inc. 1408 N. Westshore Blvd., Suite 1002 Tampa, FL 33607-4512 (813) 289-5644 (813) 289-5646 – facsimile lcampbell@frcc.com</p> <p>Barry Pagel* Director of Compliance Florida Reliability Coordinating Council, Inc. 3000 Bayport Dr., Suite 690 Tampa, FL 33607-8402 (813) 207-7968 (813) 289-5648 – facsimile bpagel@frcc.com</p>
--	---

Conclusion

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

Respectfully submitted,

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

/s/ Rebecca J. Michael
Rebecca J. Michael
Assistant General Counsel
Holly A. Hawkins
Attorney
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
holly.hawkins@nerc.net

cc: Tallahassee, City of
Florida Reliability Coordinating Council, Inc.

Attachments

Attachment a

**TAL's Self-Report for MOD-006-0 R2 dated
December 8, 2008**

FRCC Compliance Self Reporting Form

Registered Entity ____ City of Tallahassee (TAL) _____

Date of Violation: Month ____ 12 ____ Day ____ 08 ____ Year ____ 2008 ____

Time of Violation _____

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

For EACH violation, please provide the following:

1. The Reliability Standard and requirement violated.

MOD-006-0, R2

2. Violation Severity Level.

Level 4

3. The specifics of the violation and the reliability impact of the violation to the bulk power system.

Historical data (from 6/18/07 to 12/08/08) to prove compliance is not available.

Since TAL is using no CBM, TAL feels the failure to post the policy on OASIS did not represent a threat to the BPS.

4. Company contact persons name, title, and contact number(s).

Gary Brinkworth

Manager, Strategic Planning

Work: (850) 891-3066

Cell: (850) 933-3961

5. Describe any confidentiality issues.

None

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

Current CBM document was uploaded to OASIS on 12/08/08.

Mitigation plan is attached.

Additional Comments: ☐ Comments attached.

Submitted by: 

Gary Brinkworth

Title: Manager, Strategic Planning

Please send your completed form to compliancemanager@frcc.com

Attachment b

**TAL's Self-Report for BAL-003-0 R2.1 dated
November 18, 2008 and submitted November 21,
2008**

FRCC Compliance Self Reporting Form

Registered Entity ____ City of Tallahassee (TAL) ____

Date of Violation: Month ____ 11 ____ Day ____ 18 ____ Year ____ 2008 ____

Time of Violation ____

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

For EACH violation, please provide the following:

1. The Reliability Standard and requirement violated.

BAL-003-0a, R2.1

2. Violation Severity Level.

Lower

3. The specifics of the violation and the reliability impact of the violation to the bulk power system.

Historical data (from 01/01/07 to 5/8/08) to support Bias calculations is not available.

TAL is operating with a Bias setting that is 1.44% of expected peak load, well in excess of the minimum required by R5. TAL feels that no threat exists to the BPS.

4. Company contact persons name, title, and contact number(s).

Rusty Foster

Manager, System Reliability and Transmission Services

Work: (850) 891-2367

Cell: (850) 694-8208

5. Describe any confidentiality issues.

None

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

4-second data is now retained for 6 months in the SCADA system. Data is also transferred to an external storage application as a backup against similar data destruction in the future. Mitigation plan is attached.

Additional Comments: ☒ Comments attached.

E-mail from GE.

Submitted by: **Rusty Foster**



Title: **Manager, System Reliability and Transmission Services**

Please send your completed form to compliancemanager@frcc.com

Attachment c

**TAL's Self-Report for BAL-001-0 R1 dated
November 18, 2008 and submitted November 21,
2008**

FRCC Compliance Self Reporting Form

Registered Entity ____ City of Tallahassee (TAL) _____

Date of Violation: Month ____ 11 ____ Day ____ 18 ____ Year ____ 2008 ____

Time of Violation _____

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

For EACH violation, please provide the following:

1. The Reliability Standard and requirement violated.
BAL-001-0a, R1
2. Violation Severity Level.
Not specified
3. The specifics of the violation and the reliability impact of the violation to the bulk power system.
Historical data (from 6/18/07 to 5/8/08) to support CPS calculations is not available. CPS was within standard limits when the calculations were made for initial reporting. No impact to the BPS since this is an administrative violation.
4. Company contact persons name, title, and contact number(s).
Rusty Foster
Manager, System Reliability and Transmission Services
Work: (850) 891-2367
Cell: (850) 694-8208
5. Describe any confidentiality issues
None
6. Actions taken or to be taken (include timetable) to ensure violation is corrected.
Attach completed Mitigation Plan if appropriate.
4-second data is now retained for 6 months in the SCADA system. Data is also transferred to an external storage application for a full year as a backup against similar data destruction in the future. Mitigation plan is attached.

Additional Comments: ☒ Comments attached.

E-mail from GE.

Submitted by: **Rusty Foster**



Title: **Manager, System Reliability and Transmission Services**

Please send your completed form to compliancemanager@frcc.com

Attachment d

**Settlement Agreement by and between FRCC and
TAL executed July 49, 2010**



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

**SETTLEMENT AGREEMENT
OF
FLORIDA RELIABILITY COORDINATING COUNCIL, INC.
AND
CITY OF TALLAHASSEE**

NERC Registry ID #: NCR00073

I. Introduction

1. Florida Reliability Coordinating Council, Inc. ("FRCC") and City of Tallahassee ("TAL") 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 three alleged violations by TAL of the following NERC Reliability Standards and Requirements:
 - i. MOD-006-0, Requirement 2 [NERC Tracking #: FRCC200800121]
 - ii. BAL-003-0, Requirement 2.1 [NERC Tracking #: FRCC200800155]
 - iii. BAL-001-0, Requirement 1 [NERC Tracking #: FRCC200800156]
2. Pursuant to the Settlement Agreement, TAL neither admits nor denies the alleged violations of MOD-006-0 R2 (FRCC200800121), BAL-003-0 R2.1 (FRCC200800155) and BAL-001-0 R1 (FRCC200800156) but, TAL has agreed to the proposed penalty of five thousand dollars (\$5,000) to be assessed to TAL, 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

Page 1 of 6

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

A. Background

4. See Section I of the Disposition document (attachment A) for a description of TAL.

B. Alleged Violations

5. See Section II of the Disposition documents (attachment A thru C) for the description of the violations.

III. PARTIES' SEPARATE REPRESENTATIONS

Statement of FRCC

6. Regarding the violation of MOD-006-0, R2 (FRCC200800121)
 - i. FRCC Compliance Staff found that TAL failed to make its Capacity Benefit Margin use procedure available on a web site accessible by the Regional Reliability Organizations, NERC, and transmission users. FRCC Compliance Staff issued an Initial Notice of Alleged Violation on January 7, 2009. TAL requested settlement discussions regarding the violation prior to a Notice of Alleged Violation being issued.
 - ii. *Impact on the Bulk Power System:* The FRCC Enforcement Compliance Staff concluded the impact of the violation of R2 to be a violation that did not constitute a serious or substantial risk to the bulk power system as discussed in the Disposition – 'Attachment A' document.
7. Regarding the violation of BAL-003-0, R2.1 (FRCC200800155)
 - i. FRCC Compliance Staff found that TAL could not provide evidence to demonstrate that it determined its Frequency Bias value by observing and averaging the Frequency Response for several disturbances because TAL's SCADA system was not storing the 4-second data need to calculate its annual Bias calculation. FRCC Compliance Staff issued an Initial Notice of Alleged Violation on March 16, 2009. TAL requested settlement discussions regarding the violation prior to a Notice of Alleged Violation being issued.

- ii. *Impact on the Bulk Power System:* The FRCC Enforcement Compliance Staff concluded the impact of the violation of R2.1 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.

8. Regarding the violation of BAL-001-0, R1 (FRCC200800156)

- i. FRCC Compliance Staff found that TAL failed to fully address all requirements of BAL-001-0 R1 because TAL’s SCADA system was not storing the 4-second data needed to calculate its annual Bias calculation. FRCC Compliance Staff issued an Initial Notice of Alleged Violation on March 16, 2009. TAL requested settlement discussions regarding the violation prior to a Notice of Alleged Violation being issued.
- ii. *Impact on the Bulk Power System:* The FRCC Enforcement Compliance Staff concluded the impact of the violation of R1 to be a violation that did not constitute a serious or substantial risk to the bulk power system as discussed in the Disposition – ‘Attachment C’ document.

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

STATEMENT OF THE CITY OF TALLAHASSEE

10. TAL neither admits nor denies the facts set forth and agreed to by the parties for purposes of this Agreement related to alleged violations of MOD-006-0 R2 (FRCC200800121), BAL-003-0 R2.1 (FRCC200800155) and BAL-001-0 R1 (FRCC200800156).
11. TAL 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. TAL 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

12. FRCC and TAL agree that TAL has completed and FRCC has verified completion of the mitigation actions set forth in Section IV of the Disposition documents (attachment A thru C).

13. FRCC Staff also considered the specific facts and circumstances of the violations and TAL 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 [TAL] 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 V of the Disposition documents (attachment A thru C).
14. Based on the above factors, as well as the mitigation actions and preventative measures taken, TAL shall pay a monetary penalty for the violation of MOD-006-0 R2 (FRCC200800121), BAL-003-0 R2.1 (FRCC200800155) and BAL-001-0 R1 (FRCC200800156) of \$5,000 (five thousand dollars). FRCC shall present an invoice to TAL within twenty days after the Agreement is either approved by FERC or by operation of law, and FRCC shall notify the North American Electric Reliability Corporation if the payment is not received.
15. 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 TAL to new or additional enforcement, penalty or sanction actions in accordance with the NERC Rules of Procedure.
16. If TAL 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

17. 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 TAL 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.
18. 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 TAL 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 TAL 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.

19. 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.
20. TAL agrees that this Agreement, when approved by NERC and FERC, shall represent a final settlement of all matters set forth herein and TAL waives its right to further hearings and appeal, unless and only to the extent that TAL contends that any NERC or FERC action on the Agreement contains one or more material modifications to the Agreement.
21. FRCC reserves all rights to initiate enforcement, penalty or sanction actions against TAL in accordance with the NERC Rules of Procedure in the event that TAL fails to comply with the mitigation plan and compliance program agreed to in this Agreement. In the event TAL 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 TAL to the maximum extent allowed by the NERC Rules of Procedure, up to the maximum statutorily allowed penalty. TAL shall retain all rights to defend against such enforcement actions, also according to the NERC Rules of Procedure.
22. TAL 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 TAL 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 TAL consent to the use of this Agreement by any other party in any other action or proceeding.

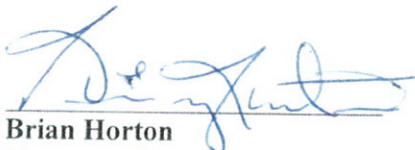
23. Each of the undersigned warrants that he or she is an authorized representative of the entity designated, is authorized to bind such entity and accepts the Agreement on the entity's behalf.
24. The undersigned representative of each party affirms that he or she has read the Agreement, that all of 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.
25. The Agreement may be signed in counterparts.
26. 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.

7/27/10
Date



Brian Horton
Manager – Electric System Compliance
City of Tallahassee

7/27/2010
Date

Attachment A to the Settlement Agreement

Disposition Document for Common Information

DISPOSITION OF VIOLATION¹

INFORMATION COMMON TO INSTANT VIOLATIONS

REGISTERED ENTITY
Tallahassee, City of (TAL)

NERC REGISTRY ID
NCR00073²

NOC#
NOC-183

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

I. REGISTRATION INFORMATION

ENTITY IS REGISTERED FOR THE FOLLOWING FUNCTIONS:

BA	DP	GO	GOP	IA	LSE	PA	PSE	RC	RP	RSG	TO	TOP	TP	TSP
X	X	X	X	X	X	X	X		X		X	X	X	X
5/29/2007	5/29/2007	5/29/2007	5/29/2007	6/2/2008	5/29/2007	5/29/2007	5/29/2007		5/29/2007		5/29/2007	5/29/2007	5/29/2007	5/29/2007

DESCRIPTION OF THE REGISTERED ENTITY

TAL's electric system has a total generating capacity of 800 MW with approximately 187 miles of bulk power system (BPS) transmission lines. TAL owns and operates approximately 1.5% of FRCC's BPS. TAL serves over 115,000 homes and businesses in the Tallahassee area and has provided electric service to the capital city of Florida for over 100 years.

IS THERE A SETTLEMENT AGREEMENT YES ☒ NO ☐

WITH RESPECT TO THE VIOLATION(S), REGISTERED ENTITY

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

WITH RESPECT TO THE ASSESSED PENALTY OR SANCTION, REGISTERED ENTITY

ACCEPTS IT/ DOES NOT CONTEST IT YES ☒

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

² The Mitigation Plans and Certification of Completion documents incorrectly state that the NERC Registry ID is NCR000073.

PENALTY INFORMATION

TOTAL ASSESSED PENALTY OR SANCTION OF **FIVE THOUSAND DOLLARS (\$5,000)** FOR **THREE (3)** 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 PROGRAM

YES ☒ NO ☐

EXPLAIN

On the July 29, 2009 review of TAL's Compliance Program, FRCC found that TAL had established a partially documented internal compliance program as it was not signed by a senior officer.³

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

EXPLAIN

TAL's senior management has TAL's Compliance Program disseminated to TAL employees that are involved in the development and implementation of the internal compliance program. A compliance manager position was created and filled. TAL's compliance program did not specifically include disciplinary actions for employees involved in Reliability Standard violations.⁴

TAL's Compliance Program oversight position is a senior management position and is supervised by the TAL's General Manager – Electric Utility.

(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

³ At the time of the review, TAL had a documented ICP that was not signed; however, FRCC states that to its knowledge the document has been updated and the ICP is adequate. The November 5, 2009 review of TAL's Compliance Program confirmed that TAL had updated their program and that a senior officer had signed the later version.

⁴ The November 5, 2009 review of TAL's Compliance Program found that TAL had plans in place to disseminate to all TAL employees and that TAL had updated its ICP document to include disciplinary action for employees involved in Reliability Standard violations.

(7) ANY OTHER AGGRAVATING FACTORS FOR CONSIDERATION

YES ☐ NO ☒
IF YES, EXPLAIN

(8) ANY OTHER EXTENUATING CIRCUMSTANCES

YES ☐ NO ☒
IF YES, EXPLAIN

(9) ADDITIONAL SUPPORT FOR ASSESSED PENALTY OR SANCTION

OTHER RELEVANT INFORMATION:

NOTICE OF ALLEGED VIOLATION AND PROPOSED PENALTY OR
SANCTION ISSUED

DATE: OR N/A ☒

SETTLEMENT DISCUSSIONS COMMENCED

DATE: **4/14/2009** 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

Attachment A-1 to the Settlement Agreement

Disposition Document for MOD-006-0 R2 and Verification of Completion therein

DISPOSITION OF VIOLATION

NERC TRACKING	REGIONAL ENTITY TRACKING
NO.	NO.
FRCC200800121	TAL_2008_03

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
MOD-006-0¹	2		LOWER	SEVERE

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 Reliability Standard MOD-006-0 – Procedures for the Use of Capacity Benefit Margin Values, provides: “To promote the consistent and uniform use of transmission Transfer Capability margins calculations among transmission system users.”

MOD-006-0 R2 provides: “Each Transmission Service Provider shall make its [Capacity Benefit Margin (CBM)] use procedure available on a web site accessible by the Regional [Entities], NERC, and transmission users.”

VIOLATION DESCRIPTION

TAL self-reported that it did not have evidence that it made its CBM use procedure available on a website accessible by the Regional Entities, NERC, and transmission users from June 18, 2007 to December 8, 2008.

According to the entity, it migrated to a new OASIS vendor with a cutover date of June 28, 2007 and during the setup and migration to the new OASIS system, the CBM document was not posted. The CBM document was then uploaded to OASIS on December 8, 2008.

¹ MOD-006-0 was enforceable from June 18, 2007 through May 12, 2009. MOD-006-0.1 is the current enforceable version of the Standard effective May 13, 2009.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

FRCC finds that the violation did not pose a serious or substantial risk to the reliability of the bulk power system (BPS) because TAL had created a CBM use procedure. It was available on a website accessible by the Regional Reliability Organization, NERC and transmission users prior to June 28, 2007. The procedure was also available upon request.

II. DISCOVERY INFORMATION

METHOD OF DISCOVERY

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

DURATION DATE(S) 6/18/07 (enforceable date) to 12/08/08 (Mitigation Plan completed)

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY 12/08/08

IS THE VIOLATION STILL OCCURRING

YES ☐ NO ☒

IF YES, EXPLAIN

The Mitigation Plan was completed on 12/08/08.

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

III. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO.	MIT-08-1300
DATE SUBMITTED TO REGIONAL ENTITY	12/29/08²
DATE ACCEPTED BY REGIONAL ENTITY	12/31/08
DATE APPROVED BY NERC	01/19/09
DATE PROVIDED TO FERC	01/19/09

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

² The revised Mitigation Plan was submitted using the original December 8, 2008 date.

A Mitigation Plan submitted on 12/08/08 was not accepted as it had a typographical error in section C.1, that BAL-006-0 was the reported Standard when in fact it was MOD-006-0. The Mitigation Plan was rejected on 12/13/08 and TAL then submitted a corrected Mitigation Plan on 12/29/08.

MITIGATION PLAN COMPLETED YES ☒ NO ☐

EXPECTED COMPLETION DATE **12/08/08**

EXTENSIONS GRANTED **N/A**

ACTUAL COMPLETION DATE **12/08/08**

DATE OF CERTIFICATION LETTER **12/08/08**

CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **12/08/08**

DATE OF VERIFICATION LETTER **01/07/09³**

VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **12/08/08**

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

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

The current CBM document was immediately uploaded to the OATi hosted OASIS website. By posting TAL's CBM policy, it was placed on a website accessible by the Regional Entities, NERC, and transmission users as required by MOD-006-0 R2.

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:

TAL-001 Screen shot of OATi website showing TAL's CBM document. The document was posted on 12/08/08.

EXHIBITS (SEE ATTACHMENTS TO THE NOTICE OF PENALTY):

SOURCE DOCUMENT

TAL's 'FRCC Compliance Self Reporting Form' dated 12/08/08

MITIGATION PLAN

TAL's revised 'FRCC Mitigation Plan Submittal Form' dated 12/08/08 and submitted 12/29/08

³ The Verification document is incorrectly dated January 7, 2008.

CERTIFICATION BY REGISTERED ENTITY
TAL's 'FRCC Mitigation Plan Completion Form – Certification of a
Completed Mitigation Plan' dated 12/08/08



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

VIA EMAIL

January 7, 2008

Mr. Gary Brinkworth
Manager, Strategic Planning
City of Tallahassee
400 E. Van Buren St.
Tallahassee, FL 32301

**Re: TAL – Self Report / Mitigation Plan –
MOD-006-0, R2**

Dear Mr. Brinkworth,

The Florida Reliability Coordinating Council, Inc. (FRCC) received the City of Tallahassee (TAL) revised Self-Report and Mitigation Plan, including evidence of completion, submitted by Mr. Alan Gale, on December 29, 2008, for MOD-006-0, R2. After review, the FRCC compliance staff finds the Mitigation Plan is **accepted** and that TAL **has completed** its mitigation plan for MOD-006-0, requirement 2.

The FRCC will notify the North American Electric Reliability Organization (NERC) accordingly.

Feel free to contact me with any questions.

Respectfully,

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

BP: ma

Attachment A-2 to the Settlement Agreement

Disposition Document for BAL-003-0 R2.1 and Verification of Completion therein

DISPOSITION OF VIOLATION

NERC TRACKING	REGIONAL ENTITY TRACKING	
NO.	NO.	
FRCC200800155	TAL_2008_02	

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
BAL-003-0¹		2.1	LOWER²	SEVERE

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 Reliability Standard BAL-003-0 – Frequency Response and Bias, provides: “This standard provides a consistent method for calculating the Frequency Bias component of [Area Control Error (ACE)].”

BAL-003-0 R2 provides:

R2. Each Balancing Authority shall establish and maintain a Frequency Bias Setting that is as close as practical to, or greater than, the Balancing Authority’s Frequency Response. Frequency Bias may be calculated several ways:

R2.1. The Balancing Authority may use a fixed Frequency Bias value which is based on a fixed, straight-line function of Tie Line deviation versus Frequency Deviation. The Balancing Authority shall determine the fixed value by observing and averaging the Frequency Response for several Disturbances during on-peak hours.

¹ BAL-003-0 was enforceable from June 18, 2007 through August 27, 2008. BAL-003-0a was approved by the Commission and became enforceable on August 28, 2008. BAL-003-0.1b is the current enforceable Standard as of May 13, 2009. BAL-003-0b was approved by the Commission and implemented as of May 21, 2009. The subsequent interpretations provide clarity regarding the responsibilities of a registered entity and do not change the meaning or language of the original NERC Reliability Standard and its requirements. For consistency in this filing, the original Standard, BAL-003-0, is used throughout.

² When NERC filed VRFs for BAL-003-0, NERC originally assigned a “Lower” VRF to BAL-003-0 R2. The Commission approved the VRF as filed but directed modifications. On December 17, 2007, NERC filed the modified “Medium” VRF for BAL-003-0 R2 for approval. On February 6, 2008, the Commission issued an Order approving the modified VRF. Therefore, the “Lower” VRF was in effect from June 18, 2007 until February 6, 2008 and the “Medium” VRF has been in effect since February 6, 2008.

VIOLATION DESCRIPTION

In preparation for an upcoming compliance audit, TAL discovered a data gap and self-reported a violation of BAL-003-0 R2.1³ on November 21, 2008. TAL determined it did not have evidence to demonstrate it was determining the fixed Frequency Bias value by observing and averaging the Frequency Response for several disturbances because the entity's Supervisory Control and Data Acquisition (SCADA) system had overridden the 4-second data that had been used to calculate its annual Bias calculation for the period from January 1, 2007 to May 8, 2008. This was due to an improper configuration setting that occurred during the commissioning of a new SCADA system. The settings changed during the upgrade and were later restored to correctly retain annual data.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

FRCC finds that the violation did not pose a serious or substantial risk to the reliability of the bulk power system (BPS) because TAL calculated its Frequency Bias setting using historical data prior to the period when the 4-second data was not retained. It continued to use this setting until an accurate Frequency Bias calculation was made using recent historical data. The bias setting was 1.44 as compared to the minimum of 1.0 required.

II. DISCOVERY INFORMATION

METHOD OF DISCOVERY

SELF-REPORT ⁴	<input checked="" type="checkbox"/>
SELF-CERTIFICATION	<input type="checkbox"/>
COMPLIANCE AUDIT	<input type="checkbox"/>
COMPLIANCE VIOLATION INVESTIGATION	<input type="checkbox"/>
SPOT CHECK	<input type="checkbox"/>
COMPLAINT	<input type="checkbox"/>
PERIODIC DATA SUBMITTAL	<input type="checkbox"/>
EXCEPTION REPORTING	<input type="checkbox"/>

DURATION DATE(S) **06/18/07 (enforceable date) to 05/08/08 (violation was mitigated)**

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY **11/21/08**

IS THE VIOLATION STILL OCCURRING

YES ☐ NO ☒

IF YES, EXPLAIN

³ Although violations of both BAL-001-0 R1 and BAL-003-0 R2.1 were identified, both violations stemmed from the same act of non-compliance, which was considered in FRCC's determination of penalty.

⁴ Although TAL submitted a self-report, the violation was discovered in preparation of an upcoming audit.

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

III. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO. **MIT-08-1547**
 DATE SUBMITTED TO REGIONAL ENTITY **11/24/08⁵**
 DATE ACCEPTED BY REGIONAL ENTITY **03/16/09**
 DATE APPROVED BY NERC **4/13/09**
 DATE PROVIDED TO FERC **4/13/09**

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

N/A

MITIGATION PLAN COMPLETED YES ☒ NO ☐

EXPECTED COMPLETION DATE **11/20/08**
 EXTENSIONS GRANTED **N/A**
 ACTUAL COMPLETION DATE **11/20/08**

DATE OF CERTIFICATION LETTER **11/24/08**
 CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **11/20/08**

DATE OF VERIFICATION LETTER **3/16/09**
 VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **11/20/08**

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

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

The FRCC received TAL's e-mail (discussed below) which provided attestation that TAL can calculate a fixed Frequency Bias value which is based on a fixed, straight-line function of Tie Line deviation versus Frequency Deviation from May 9, 2008. Also, 4-second data is now retained for 6 months in TAL's SCADA system. Data is also transferred to an external storage application for a full year as a backup against similar data loss in the future.

⁵ The Mitigation Plan is dated November 20, 2009.

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 an e-mail from David Tidwell to Alan Gale re: Loss of historical data dated November 19, 2008.

EXHIBITS (SEE ATTACHMENTS TO THE NOTICE OF PENALTY):

SOURCE DOCUMENT

TAL's 'FRCC Compliance Self Reporting Form' dated 11/18/08 and submitted 11/21/08

MITIGATION PLAN

TAL's 'FRCC Mitigation Plan Submittal Form' dated 11/20/08 and submitted 11/24/08

CERTIFICATION BY REGISTERED ENTITY

TAL's 'FRCC Mitigation Plan Completion Form – Certification of a Completed Mitigation Plan' dated 11/24/08



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

March 16, 2009

Mr. Rusty Foster
Manager System Reliability & Transmission
City of Tallahassee
400 E Van Buren St.
Tallahassee, FL 32301

**Re: City of Tallahassee
Mitigation Plan – Self- Report Violation of
NERC Standards: BAL-003-0a, R2.1**

FRCC200800155, TAL_2008_02

Dear Mr. Foster,

The revised mitigation plan and evidence submitted by the City of Tallahassee (TAL) for the above referenced self-reported violation has been received by the Florida Reliability Coordinating Council, Inc. (FRCC). After review, the FRCC finds this mitigation plan to be **completed**. The FRCC will notify the North American Electric Reliability Corporation (NERC) for its information.

Feel free to contact me at 813-207-7968 with any questions.

Respectfully,

Barry Pagel
Manager of Compliance
bpagel@frcc.com

cc: BP:rg

Attachment A-3 to the Settlement Agreement

Disposition Document for BAL-001-0 R1 and Verification of Completion therein

DISPOSITION OF VIOLATION

NERC TRACKING NO.	REGIONAL ENTITY TRACKING NO.	
FRCC200800156	TAL_2008_01	

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
BAL-001-0 ¹		1	MEDIUM ²	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 Reliability Standard BAL-001-0 – Real Power Balancing Control Performance, provides: “To maintain Interconnection steady-state frequency within defined limits by balancing real power demand and supply in real-time.”

BAL-001-1 R1 provides in pertinent part:

Each Balancing Authority shall operate such that, on a rolling 12-month basis, the average of the clock-minute averages of the Balancing Authority’s Area Control Error (ACE) divided by 10B (B is the clock-minute average of the Balancing Authority Area’s Frequency Bias) times the corresponding clock-minute averages of the Interconnection’s Frequency Error is less than a specific limit. This limit... is a constant derived from a targeted frequency bound (separately calculated for each Interconnection) that is reviewed and set as necessary by the NERC Operating Committee.

[See Standard for equation]

¹ BAL-001-0 was approved by the Commission and became enforceable on June 18, 2007. On August 28, 2008, BAL-001-0a was approved by the Commission and became enforceable. On May 13, 2009, BAL-001-0.1a was approved by the Commission and became enforceable. The interpretation provides clarity regarding the responsibility of a registered entity and does not change the meaning or language of the NERC Reliability Standard and its requirements. The erratum corrects typographical errors and does not change the meaning or language of the NERC Reliability Standard and its requirements. For consistency in this filing, the original Standard, BAL-001-0, is used throughout.

² When NERC filed VRFs for BAL-001-0, NERC originally assigned a “Lower” VRF to BAL-001-0 R1. The Commission approved the VRF as filed but directed modifications. On December 17, 2007, NERC filed the modified “Medium” VRF for BAL-001-0 R1 for approval. On February 6, 2008, the Commission issued an Order approving the modified VRF. Therefore, the “Lower” VRF was in effect from June 18, 2007 until February 6, 2008 and the “Medium” VRF has been in effect since February 6, 2008.

The equation for ACE is:

$ACE = (NI_A - NI_S) - 10B (F_A - F_S) - I_{ME}$ where:

- NI_A is the algebraic sum of actual flows on all tie lines.
- NI_S is the algebraic sum of scheduled flows on all tie lines.
- B is the Frequency Bias Setting (MW/0.1 Hz) for the Balancing Authority. The constant factor 10 converts the frequency setting to MW/Hz.
- F_A is the actual frequency.
- F_S is the scheduled frequency. F_S is normally 60 Hz but may be offset to effect manual time error corrections.
- I_{ME} is the meter error correction factor typically estimated from the difference between the integrated hourly average of the net tie line flows (NI_A) and the hourly net interchange demand measurement (megawatt-hour). This term should normally be very small or zero.

VIOLATION DESCRIPTION

In preparation of an upcoming compliance audit, TAL self-reported a violation of BAL-001-0 R1.³ Although TAL was operating within specified limits, TAL determined it did not have evidence to demonstrate it was operating within specified limits because the entity's Supervisory Control and Data Acquisition (SCADA) system had overridden the 4-second data that had been used to calculate its annual Bias calculation for the period from January 1, 2007 to May 8, 2008. This was due to an improper configuration setting that occurred during the commissioning of a new SCADA system. The settings changed during the upgrade and were later restored to correctly retain annual data.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

FRCC finds that the violation did not pose a serious or substantial risk to the reliability of the bulk power system (BPS) because TAL calculated its Frequency Bias setting using historical data prior to the period when the 4-second data was not retained. It continued to use this setting until an accurate Frequency Bias calculation was made using recent historical data. The bias setting was 1.44 as compared to the minimum of 1.0 required.

³ Although violations of both BAL-001-0 R1 and BAL-003-0 R2.1 were identified, both violations stemmed from the same act of non-compliance, which was considered in FRCC's determination of penalty.

II. DISCOVERY INFORMATION

METHOD OF DISCOVERY

SELF-REPORT ⁴	<input checked="" type="checkbox"/>
SELF-CERTIFICATION	<input type="checkbox"/>
COMPLIANCE AUDIT	<input type="checkbox"/>
COMPLIANCE VIOLATION INVESTIGATION	<input type="checkbox"/>
SPOT CHECK	<input type="checkbox"/>
COMPLAINT	<input type="checkbox"/>
PERIODIC DATA SUBMITTAL	<input type="checkbox"/>
EXCEPTION REPORTING	<input type="checkbox"/>

DURATION DATE(S) **06/18/07 (enforceable date) to 5/8/08 (violation mitigated date)**

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY **11/21/08**

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-08-1545**

DATE SUBMITTED TO REGIONAL ENTITY **11/24/08⁵**

DATE ACCEPTED BY REGIONAL ENTITY **03/16/09**

DATE APPROVED BY NERC **4/13/09**

DATE PROVIDED TO FERC **4/13/09**

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

N/A

MITIGATION PLAN COMPLETED YES ☒ NO ☐

EXPECTED COMPLETION DATE **11/20/08**

EXTENSIONS GRANTED **N/A**

ACTUAL COMPLETION DATE **11/20/08**

⁴ Although TAL submitted a self-report, the violation was discovered in preparation of an upcoming audit.

⁵ The Mitigation Plan is dated November 20, 2009.

DATE OF CERTIFICATION LETTER **11/24/08**
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **11/20/08**

DATE OF VERIFICATION LETTER **3/16/09**
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **11/20/08**

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT
RECURRENCE

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

The FRCC reviewed TAL's e-mail (discussed below) which provides attestation that TAL can calculate a fixed Frequency Bias value which is based on a fixed, straight-line function of Tie Line deviation versus Frequency Deviation from May 9, 2008 to present. Also, 4-second data is now retained for 6 months in TAL's SCADA system. Data is also transferred to an external storage application for a full year as a backup against similar data loss in the future.

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 an e-mail from David Tidwell to Alan Gale re: Loss of historical data dated November 19, 2008.

EXHIBITS (SEE ATTACHMENTS TO THE NOTICE OF PENALTY):

SOURCE DOCUMENT

TAL's 'FRCC Compliance Self Reporting Form' dated 11/18/08 and submitted 11/21/08

MITIGATION PLAN

TAL's 'FRCC Mitigation Plan Submittal Form' dated 11/20/08 and submitted 11/24/08

CERTIFICATION BY REGISTERED ENTITY

TAL's 'FRCC Mitigation Plan Completion Form – Certification of a Completed Mitigation Plan' dated 11/24/08



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

March 16, 2009

Mr. Rusty Foster
Manager System Reliability & Transmission
City of Tallahassee
400 E Van Buren St.
Tallahassee, FL 32301

**Re: City of Tallahassee
Mitigation Plan – Self- Report Violation of
NERC Standards: BAL-001-0, R1**

FRCC200800156, TAL_2008_01

Dear Mr. Foster,

The revised mitigation plan and evidence submitted by the City of Tallahassee (TAL) for the above referenced self-reported violation has been received by the Florida Reliability Coordinating Council, Inc. (FRCC). After review, the FRCC finds this mitigation plan to be **completed**. The FRCC will notify the North American Electric Reliability Corporation (NERC) for its information.

Feel free to contact me at 813-207-7968 with any questions.

Respectfully,

Barry Pagel
Manager of Compliance
bpagel@frcc.com

cc: BP:rg

Attachment e

TAL's Mitigation Plan MIT-08-1300 for MOD-006-0 R2 dated December 8, 2008 and submitted December 29, 2008



Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: 12/08/08

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: City of Tallahassee
Company Address: 400 E Van Buren St., Tallahassee, FL 32301
NERC Compliance Registry ID: NCR000073

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

Name: Gary Brinkworth
Title: Manager, Strategic Planning
Email: Gary.brinkorth@talgov.com
Phone: (850) 891-3066

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)
	MOD-006-0	R2	Lower	12/08/08	Self-report

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

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

Historical data (from 6/18/07 to 12/08/08) to prove compliance is not available.

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:

FRCC and TAL migrated to a new OASIS vendor with a cutover date of 6/28/07. During the setup and migration to the new system, the TAL CBM document was evidently not posted. Several personnel in upper management remember seeing it on "OASIS" but cannot recall whether it was the new or old system. Current CBM document was uploaded to OASIS on 12/08/08.

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:

Current CBM document was immediately uploaded to the OATi hosted OASIS site.

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:

This Mitigation Plan has been fully implemented.
It was completed on 12/08/08.

- D.3 Enter Milestone Activities, with due dates, that your organization is proposing, or has completed, for this Mitigation Plan:

Milestone Activity	Proposed/Actual Completion Date* (shall not be more than 3 months apart)
Completion	12/08/08

(*) 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:

N/A – Proposed mitigation plan is complete. No additional threat exists to the BPS.

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:

By posting TAL's CBM policy, it is available to all transmission users as required by MOD-006-0, R2.



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 Gary Brinkworth of The City of Tallahassee.
 - 2. I am qualified to sign this Mitigation Plan on behalf of The City of Tallahassee.
 - 3. I understand The City of Tallahassee'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. The City of Tallahassee 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): Gary Brinkworth
Title: Manager, Strategic Planning
Date: 12/08/08



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.

Attachment f

TAL's Certification of Completion of the Mitigation Plan for MOD-006-0 R2 dated December 8, 2008



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: City of Tallahassee

Company Address: 400 E Van Buren St, Tallahassee, FL 32301

NERC Compliance Registry ID (if known): NCR000073

Date Original Mitigation Plan was submitted to FRCC: 12/08/08

Date Mitigation Plan was completed: 12/08/08

Name of Standard and the Requirement(s) covered under the accepted Mitigation Plan: MOD-006-0 (Procedure for the Use of Capacity Benefit Margin Values), R2

NERC Violation ID # (if known):

Unknown

Date of Certification: 12/08/08

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: Gary Brinkworth

Title: Manager, Strategic Planning

Email: gary.brinkworth@talgov.com

Phone: (850) 891-3066

Authorized Individual Signature

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

Attachment g

**TAL's Mitigation Plan MIT-08-1547 for BAL-
003-0 R2.1 submitted November 24, 2008**



Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: 11/20/08

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: City of Tallahassee
Company Address: 400 E Van Buren St., Tallahassee, FL 32301
NERC Compliance Registry ID: NCR000073

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

Name: Rusty Foster
Title: Manager, System Reliability and Transmission Services
Email: rusty.foster@talgov.com
Phone: (850) 891-2366

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)
	BAL-003-0a	R2.1	Lower	11/20/08	Self-report

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

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

Historical data (from 01/01/07 to 5/8/08) to support Bias calculations is not available.

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:

Historical data retention settings were verified during the commissioning of the new xA/21 SCADA system. The settings became changed during the recent upgrade and were restored to the necessary annual retention as explained in the attached e-mail from the SCADA vendor to Dave Tidwell, and forwarded to Alan Gale and Rusty Foster. The loss of data was not immediately forwarded up the chain of command for proper disposition. Data gap was discovered during preparation for annual self-certification.

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:

4-second data is now retained for 6 months in the SCADA system. Data is also transferred to an external storage application as a backup against similar data destruction in the future.

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:

This Mitigation Plan has been fully implemented.

It was completed on 11/20/08.

- D.3 Enter Milestone Activities, with due dates, that your organization is proposing, or has completed, for this Mitigation Plan:

Milestone Activity	Proposed/Actual Completion Date* (shall not be more than 3 months apart)
Completion	11/20/08

(*) 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:

N/A – Proposed mitigation plan is complete. No additional threat exists to the BPS.

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:

4-second data is now retained for 6 months in the SCADA system. Data is also transferred to an external storage application for a full year as a backup against similar data destruction in the future.



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 Rusty Foster of The City of Tallahassee.
 - 2. I am qualified to sign this Mitigation Plan on behalf of The City of Tallahassee.
 - 3. I understand The City of Tallahassee'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. The City of Tallahassee 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): Rusty Foster

Title: Manager, System Reliability and Transmission Services

Date: ~~11/20/08~~ 11/24/8



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.

Attachment h

TAL's Certification of Completion of the Mitigation Plan for BAL-003-0 R2.1 dated November 24, 2008



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: City of Tallahassee

Company Address: 400 E Van Buren St, Tallahassee, FL 32301

NERC Compliance Registry ID (if known): NCR000073

Date Original Mitigation Plan was submitted to FRCC: 11/20/08

Date Mitigation Plan was completed: 11/20/08

Name of Standard and the Requirement(s) covered under the accepted Mitigation Plan: **BAL-003-0a (Frequency Response and Bias), R2.1**

NERC Violation ID # (if known):

Unknown

Date of Certification: **11/24/08**

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: Rusty Foster

Title: **Manager, System Reliability and Transmission Services**

Email: **rusty.foster@talgov.com**

Phone: **(850) 891-2367**

Authorized Individual Signature

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

Attachment i

**TAL's Mitigation Plan MIT-08-1545 for BAL-
001-0 R1 submitted November 24, 2008**



Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: 11/20/08

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: City of Tallahassee
Company Address: 400 E Van Buren St., Tallahassee, FL 32301
NERC Compliance Registry ID: NCR000073

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

Name: Rusty Foster
Title: Manager, System Reliability and Transmission Services
Email: rusty.foster@talgov.com
Phone: (850) 891-2366

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)
	BAL-001-0a	R1	Medium	11/18/08	Self-report

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

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

Historical data (from 6/18/07 to 5/8/08) to support CPS calculations is not available.

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:

Historical data retention settings were verified during the commissioning of the new xA/21 SCADA system. The settings became changed during the recent upgrade and were restored to the necessary annual retention as explained in the attached e-mail from the SCADA vendor to Dave Tidwell, and forwarded to Alan Gale and Rusty Foster. The loss of data was not immediately forwarded up the chain of command for proper disposition. Data gap was discovered during preparation for annual self-certification.

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:

4-second data is now retained for 6 months in the SCADA system. Data is also transferred to an external storage application for a full year as a backup against similar data destruction in the future.

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:

This Mitigation Plan has been fully implemented.

It was completed on 11/20/08.

- D.3 Enter Milestone Activities, with due dates, that your organization is proposing, or has completed, for this Mitigation Plan:

Milestone Activity	Proposed/Actual Completion Date* (shall not be more than 3 months apart)
Completion	11/20/08

(*) 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:

N/A – Proposed mitigation plan is complete. No additional threat exists to the BPS.

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:

4-second data is now retained for 6 months in the SCADA system. Data is also transferred to an external storage application for a full year as a backup against similar data destruction in the future.

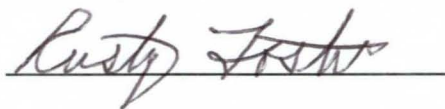


Section F: Authorization

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 Rusty Foster of The City of Tallahassee.
 - 2. I am qualified to sign this Mitigation Plan on behalf of The City of Tallahassee.
 - 3. I understand The City of Tallahassee'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. The City of Tallahassee 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): Rusty Foster

Title: Manager, System Reliability and Transmission Services

Date: 11/24/08



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.

Attachment j

TAL's Certification of Completion of the Mitigation Plan for BAL-001-0 R1 dated November 24, 2008



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: City of Tallahassee

Company Address: 400 E Van Buren St, Tallahassee, FL 32301

NERC Compliance Registry ID (if known): NCR000073

Date Original Mitigation Plan was submitted to FRCC: 11/20/08

Date Mitigation Plan was completed: 11/20/08

Name of Standard and the Requirement(s) covered under the accepted Mitigation Plan: **BAL-001-0a (Real Power Balancing Control Performance), R1**

NERC Violation ID # (if known):

Unknown

Date of Certification: **11/24/08**

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: Rusty Foster

Title: **Manager, System Reliability and Transmission Services**

Email: **rusty.foster@talgov.com**

Phone: **(850) 891-2367**

Authorized Individual Signature

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

Attachment k

Notice of Filing

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Progress Energy Florida

Docket No. NP10-____-000

NOTICE OF FILING
July 30, 2010

Take notice that on July 30, 2010, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding Progress Energy Florida 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