



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

January 31, 2011

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

**Re: NERC Abbreviated Notice of Penalty regarding City of Lake Worth,
FERC Docket No. NP11-__-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Abbreviated Notice of Penalty (NOP) regarding City of Lake Worth (LWU), with information and details regarding the nature and resolution of the violations¹ discussed in detail in the Settlement Agreement (Attachment a) 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

This NOP is being filed with the Commission because Florida Reliability Coordinating Council, Inc. (FRCC) and LWU have entered into a Settlement Agreement to resolve all outstanding issues arising from FRCC's determination and findings of the enforceable violations of FAC-008-1 Requirement (R) 1 and FAC-009-1 R1. According to the Settlement Agreement, LWU 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

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).

FRCC200900251 and FRCC200900252 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 January 17, 2011, by and between FRCC and LWU. 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.

NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Duration	Total Penalty (\$)
NOC-699	FRCC200900251	FAC-008-1	1	Medium ³	6/18/07-11/18/08 ⁴	5,000
	FRCC200900252	FAC-009-1	1	Medium	6/18/07-9/12/09	

The text of the Reliability Standards at issue and further information on the subject violations are set forth in the Disposition Documents.

FAC-008-1 R1 - OVERVIEW

This violation was discovered during an on-site audit on September 2, 2009 and September 3, 2009 (Audit). FRCC determined that LWU, as a Transmission Owner and Generator Owner, did not provide documents sufficient to demonstrate that its Facility Ratings Methodology included the scope of relay protective devices in its methodology from June 18, 2007 to November 18, 2008.

FAC-009-1 R1- OVERVIEW

This violation was discovered during the Audit. FRCC determined that LWU, as a Transmission Owner, did not provide documents sufficient to demonstrate that the Facility Ratings for its solely and jointly owned facilities are consistent with the Facility Ratings Methodology.

³ FAC-008-1 R1, R1.3 and R1.3.5 each have a “Lower” VRF; R1.1, R1.2, R1.2.1, R1.2.2, R1.3.1-4 each have a “Medium” VRF. When NERC filed VRFs it originally assigned FAC-008-1 R1.1, R1.2, R1.2.1 and R1.2.2 “Lower” VRFs. The Commission approved the VRFs as filed; however, it directed NERC to submit modifications. NERC submitted the modified “Medium” VRFs and on February 6, 2008, the Commission approved the modified “Medium” VRFs. Therefore, the “Lower” VRFs for FAC-008-1 R1.1, R1.2, R1.2.1 and R1.2.2 were in effect from June 18, 2007 until February 6, 2008 when the “Medium” VRFs became effective.

⁴ The Mitigation Plan at Section C2 incorrectly states that as of November 18, 2009 the entity has been compliant.

Statement Describing the Assessed Penalty, Sanction or Enforcement Action Imposed⁵

Basis for Determination

Taking into consideration the Commission's direction in Order No. 693, the NERC Sanction Guidelines, the Commission's July 3, 2008, October 26, 2009 and August 27, 2010 Guidance Orders,⁶ the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on January 10, 2011. The NERC BOTCC approved the Settlement Agreement, including FRCC's assessment of a five thousand dollar (\$5,000) financial penalty against LWU 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:⁷

1. the violations constituted LWU's first occurrence of violation of the subject NERC Reliability Standards;⁸
2. FRCC reported that LWU was cooperative throughout the compliance enforcement process;
3. there was no evidence of any attempt to conceal a violation nor evidence of intent to do so;
4. FRCC determined that the violations did not pose a serious or substantial risk to the reliability of the bulk power system (BPS), as discussed in the Disposition Documents; and
5. 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 violations and circumstances at issue, and is consistent with NERC's goal to promote and ensure reliability of the BPS.

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

⁵ See 18 C.F.R. § 39.7(d)(4).

⁶ *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); *North American Electric Reliability Corporation*, "Notice of No Further Review and Guidance Order," 132 FERC ¶ 61,182 (2010).

⁷ LWU did not receive credit for having a compliance program, as discussed in the Disposition Documents.

⁸ FRCC determined that prior violations of affiliate entities should not serve as a basis for aggravating the penalty in this case, as discussed in detail in the Disposition Document.

Attachments to be included as Part of this Notice of Penalty

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

- a) Settlement Agreement by and between FRCC and LWU executed January 17, 2011, included as Attachment a;
 - i. Disposition Document for Common Information, included as Attachment 1 to the Settlement Agreement;
 - ii. Disposition Document for FAC-008-1 R1, included as Attachment 1a to the Settlement Agreement;
 - iii. Disposition Document for FAC-009-1 R1, included as Attachment 1b to the Settlement Agreement;
- b) FRCC's Source Document for FAC-008-1 R1 and FAC-009-1 R1 dated January 4, 2011, included as Attachment b;
- c) LWU's Mitigation Plan MIT-07-2600 for FAC-008-1 R1 dated September 8, 2009, included as Attachment c;⁹
- d) LWU's Certification of Mitigation Plan MIT-07-2600 Completion for FAC-008-1 R1 dated September 9, 2009, included as Attachment d;
- e) FRCC's Verification of Mitigation Plan MIT-07-2600 Completion for FAC-008-1 R1 dated June 25, 2010, included as Attachment e;
- f) LWU's Mitigation Plan MIT-07-2601 for FAC-009-1 R1 dated September 8, 2009, included as Attachment f;¹⁰
- g) LWU's Certification of Mitigation Plan MIT-07-2601 Completion for FAC-009-1 R1 dated September 12, 2009, included as Attachment g; and
- h) FRCC's Verification of Mitigation Plan MIT-07-2601 Completion for FAC-009-1 R1 dated June 22, 2010, included as Attachment h.

A Form of Notice Suitable for Publication¹¹

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

⁹ LWU submitted the Mitigation Plan and Certification of Mitigation Plan Completion electronically on September 9, 2009 (as evidenced by the entity's sent e-mails) but the documents were not received until requested by FRCC on June 2, 2010.

¹⁰ LWU submitted the Mitigation Plan and Certification of Mitigation Plan Completion electronically on September 12, 2009 (as evidenced by the entity's sent e-mails) but the documents were not received until requested by FRCC on June 2, 2010.

¹¹ See 18 C.F.R. § 39.7(d)(6).

Notices and Communications

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

<p>Gerald W. Cauley President and Chief Executive Officer David N. Cook* Sr. Vice President and General Counsel North American Electric Reliability Corporation 116-390 Village Boulevard Princeton, NJ 08540-5721 (609) 452-8060 (609) 452-9550 – facsimile david.cook@nerc.net</p> <p>Sarah Rogers* President and Chief Executive officer Florida Reliability Coordinating Council, Inc. 1408 N. Westshore Blvd., Suite 1002 Tampa, Florida 33607-4512 (813) 289-5644 (813) 289-5646 – facsimile srogers@frcc.com</p> <p>Linda Campbell* VP and Executive Director Standards & Compliance Florida Reliability Coordinating Council, Inc. 1408 N. Westshore Blvd., Suite 1002 Tampa, Florida 33607-4512 (813) 289-5644 (813) 289-5646 – facsimile lcampbell@frcc.com</p> <p>Barry Pagel* Director of Compliance Florida Reliability Coordinating Council, Inc. 3000 Bayport Drive, Suite 690 Tampa, Florida 33607-8402 (813) 207-7968 (813) 289-5648 – facsimile bpagel@frcc.com</p>	<p>Rebecca J. Michael* Assistant General Counsel North American Electric Reliability Corporation 1120 G Street, N.W. Suite 990 Washington, DC 20005-3801 (202) 393-3998 (202) 393-3955 – facsimile rebecca.michael@nerc.net</p> <p>Richard Gilbert* Manager of Compliance Enforcement Florida Reliability Coordinating Council, Inc. 3000 Bayport Drive, Suite 690 Tampa, Florida 33607-4512 (813) 207-7991 (813) 289-5648 – facsimile rgilbert@frcc.com</p> <p>Walt Gill* Senior System Operator City of Lake Worth Utilities 1900 2nd Ave. N. Lake Worth, FL 33461 (561) 586-1759 (561) 586-1706 facsimile wgill@lakeworth.org</p> <p>*Persons to be included on the Commission's service list are indicated with an asterisk. NERC requests waiver of the Commission's rules and regulations to permit the inclusion of more than two people on the service list.</p>
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Conclusion

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

Respectfully submitted,

Gerald W. Cauley
President and Chief Executive Officer
David N. Cook
Sr. Vice President and General Counsel
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(609) 452-9550 – facsimile
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david.cook@nerc.net

/s/ Rebecca J. Michael
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Assistant General Counsel
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Corporation
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(202) 393-3955 – facsimile
rebecca.michael@nerc.net

cc: City of Lake Worth
Florida Reliability Coordinating Council, Inc.

Attachments

Attachment a

Settlement Agreement by and between FRCC and LWU executed January 39, 2011



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 LAKE WORTH**

NERC Registry ID #: NCR00043

I. Introduction

1. Florida Reliability Coordinating Council, Inc. (“FRCC”) and City of Lake Worth (“LWU”) 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 two violations¹ by LWU of the following NERC Reliability Standards and Requirements:
 - i. FAC-008-1, Requirement 1 [NERC Tracking #: FRCC200900251]
 - ii. FAC-009-1, Requirement 1 [NERC Tracking #: FRCC200900252]
2. Pursuant to the Settlement Agreement, LWU neither admits nor denies the violation of FAC-008-1, R1 (FRCC200900251) and FAC-009-1, R1 (FRCC200900252) but, LWU has agreed to the proposed penalty of five thousand dollars (\$5,000) to be assessed to LWU, in addition to other remedies and mitigation actions to mitigate the instant violation and ensure future compliance under the terms and conditions of the Settlement Agreement.

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

II. Stipulation

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

A. Background

4. See Section I of the Disposition document (Attachment 1) for a description of LWU.

B. Violations

5. See Section I of the Disposition documents (Attachment 1a and 1b) for the description of the violations.

III. PARTIES' SEPARATE REPRESENTATIONS

Statement of FRCC

6. Regarding the violation of FAC-008-1, R1 (FRCC200900251)
 - i. FRCC Compliance Staff found that LWU as a Transmission Owner, LWU's documents were insufficient to demonstrate that its Facility Ratings Methodology included the scope of relay protective devices from June 18, 2007 to November 18, 2008. FRCC Compliance Staff issued an Initial Notice of Alleged Violation on September 14, 2009. LWU 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 FAC-008-1, 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 1a' document.
7. Regarding the violation of FAC-009-1, R1 (FRCC200900252)
 - iii. FRCC Compliance Staff found that LWU as a Transmission Owner, LWU's documents were insufficient to demonstrate that its Facility Ratings for its solely and jointly owned facilities are consistent with its Facility Ratings Methodology as the entity's disconnect switches at the Hypoluxo substation and the circuit breakers at the Plant substation were not addressed in the document from June 18, 2007 to present. FRCC

Compliance Staff issued an Initial Notice of Alleged Violation on September 14, 2009. LWU requested settlement discussions regarding the violation prior to a Notice of Alleged Violation being issued.

iv. *Impact on the Bulk Power System:* The FRCC Enforcement Compliance Staff concluded the impact of the violation of FAC-009-1, 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 1b’ document.

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

Statement of CITY OF LAKE WORTH

9. LWU neither admits nor denies the facts set forth and agreed to by the parties for purposes of this Agreement constitute a violation of FAC-008-1, R1 (FRCC200900251), and FAC-009-1, R1 (FRCC200900252).
10. LWU 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. LWU 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

11. FRCC and LWU agree that LWU has completed and FRCC has verified completion of the mitigation actions set forth in Section III of the Disposition documents (Attachment 1a and 1b).
12. FRCC Staff also considered the specific facts and circumstances of the violation and LWU actions in response to the violation 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 [LWU] to remedy the violation in a timely manner.” The factors considered by FRCC Staff in the determination of the appropriate penalty are set forth in Section II of the Disposition document (Attachment 1).
13. Failure 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 violation that initiated this Settlement and/or additional violation(s) and may subject LWU to new or additional enforcement, penalty or sanction actions in accordance with the NERC Rules of Procedure.

14. Based on the above factors, as well as the mitigation actions and preventative measures taken, LWU shall pay a monetary penalty for the violations of FAC-008-1, R1 (FRCC200900251) and FAC-009-1, R1 (FRCC200900252), of \$5,000 (five thousand dollars). FRCC shall present an invoice to LWU 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 violation that initiated this Settlement and/or additional violation(s) and may subject LWU to new or additional enforcement, penalty or sanction actions in accordance with the NERC Rules of Procedure.
16. If LWU 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

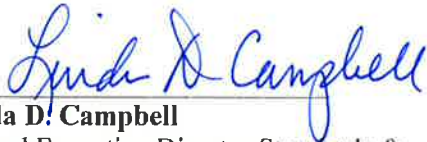
17. The signatories to the Agreement agree that they enter into the Agreement voluntarily and that, other than the recitations set forth herein, no tender, offer or promise of any kind by any member, employee, officer, director, agent or representative of FRCC or LWU has been made to induce the signatories 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 LWU 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 LWU 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 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. LWU agrees that this Agreement, when approved by NERC and FERC, shall represent a final settlement of all matters set forth herein and LWU waives its right to further hearings and appeal, unless and only to the extent that LWU 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 LWU in accordance with the NERC Rules of Procedure in the event that LWU fails to comply with the mitigation plan and compliance program agreed to in this Agreement. In the event LWU 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 LWU to the maximum extent allowed by the NERC Rules of Procedure, up to the maximum statutorily allowed penalty. LWU shall retain all rights to defend against such enforcement actions, also according to the NERC Rules of Procedure.
22. LWU 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 LWU 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 LWU 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.



Date



Rebecca Matley
Utilities Director
City of Lake Worth



Date

Disposition Document for Common Information

II. PENALTY INFORMATION

TOTAL ASSESSED PENALTY OR SANCTION OF **\$5,000** FOR **TWO** 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

During a June 7, 2010 review of LWU's compliance program, FRCC found that LWU has a partially documented Internal Compliance Program (ICP) as the document is signed and dated but not by a senior officer. FRCC did not consider the ICP as a factor in the

penalty determination. FRCC determined the ICP was deficient in several areas.

Specifically, and in addition to the issues noted above, the ICP needs to be managed independently, widely disseminated, there is no indication of routine participation by senior management, document language does not include a temporal basis for reviewing the ICP, there is no language committing to internal auditing on a set periodic basis.

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
See above.

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

YES NO
IF YES, EXPLAIN

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

YES NO
IF YES, EXPLAIN

(6) ANY OTHER MITIGATING FACTORS FOR CONSIDERATION

YES NO
IF YES, EXPLAIN

(7) ANY OTHER AGGRAVATING FACTORS FOR CONSIDERATION

YES NO
IF YES, EXPLAIN

(8) ANY OTHER EXTENUATING CIRCUMSTANCES

YES NO
IF YES, EXPLAIN

OTHER RELEVANT INFORMATION:

NOTICE OF ALLEGED VIOLATION AND PROPOSED PENALTY OR
SANCTION ISSUED

DATE: OR N/A

SETTLEMENT DISCUSSIONS COMMENCED

DATE: **10/21/09** OR N/A

NOTICE OF CONFIRMED VIOLATION ISSUED

DATE: OR N/A

SUPPLEMENTAL RECORD INFORMATION

DATE(S) OR N/A

REGISTERED ENTITY RESPONSE CONTESTED

FINDINGS PENALTY BOTH NO CONTEST

HEARING REQUESTED

YES NO

DATE

OUTCOME

APPEAL REQUESTED

Disposition Document for FAC-008-1 R1

DISPOSITION OF VIOLATION

Dated January 17, 2011

NERC TRACKING NO.	REGIONAL ENTITY TRACKING NO.
FRCC200900251	LWU_2009_01

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
FAC-008-1	1	1.2.1	Medium¹	Moderate

VIOLATION APPLIES TO THE FOLLOWING FUNCTIONS:

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

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

The purpose statement of FAC-008-1 provides: “To ensure that Facility Ratings used in the reliable planning and operation of the Bulk Electric System (BES) are determined based on an established methodology or methodologies.”

FAC-008-1 R1 provides in pertinent part:

The Transmission Owner and Generator Owner shall each document its current methodology used for developing Facility Ratings (Facility Ratings Methodology) of its solely and jointly owned Facilities. The methodology shall include all of the following:

R1.2.1. The scope of equipment addressed shall include, but not be limited to, generators, transmission conductors, transformers, relay protective devices, terminal equipment, and series and shunt compensation devices.

VIOLATION DESCRIPTION

During an on-site compliance audit conducted on September 2, 2009 and September 3, 2009 (Audit), the audit team reviewed documentation in hardcopy and electronic

¹ FAC-008-1 R1, R1.3 and R1.3.5 each have a “Lower” VRF; R1.1, R1.2, R1.2.1, R1.2.2, R1.3.1-4 each have a “Medium” VRF. When NERC filed VRFs it originally assigned FAC-008-1 R1.1, R1.2, R1.2.1 and R1.2.2 “Lower” VRFs. The Commission approved the VRFs as filed; however, it directed NERC to submit modifications. NERC submitted the modified “Medium” VRFs and on February 6, 2008, the Commission approved the modified “Medium” VRFs. Therefore, the “Lower” VRFs for FAC-008-1 R1.1, R1.2, R1.2.1 and R1.2.2 were in effect from June 18, 2007 until February 6, 2008 when the “Medium” VRFs became effective.

forms provided by LWU. LWU’s document, *LWU-016*, was insufficient to demonstrate that its Facility Ratings Methodology (FRM) included the scope of relay protective devices in its methodology from June 18, 2007 to November 18, 2008. LWU had revised its FRM on November 19, 2008 to include protective relay devices and provided documents *LWU-018* and *LWU-019* to FRCC, that demonstrated that LWU’s FRM included the scope of equipment addressed, but was not limited to generators, transmission conductors, transformers, relay protective devices, terminal equipment, and series and shunt compensation devices from November 19, 2008 to present.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

FRCC did not find the violation to pose a serious or substantial risk to the bulk power system (BPS) because LWU’s Protection System engineers developed Protection System schemes prior to the installation of Protection Systems and used Facility Ratings in accordance with the Standard, with the exception of not documenting those Protection Systems that would not limit the Facility Rating. LWU’s protection engineers developed the protection schemes to purposefully not be limiting factors. The LWU protection engineers documented their rating after design and installation and corrected the deficiency later in 2008. Through execution of the Mitigation Plan, LWU confirmed that the Protection Systems are not the limiting elements of the Facility. Therefore, since the Facility Ratings in use were the actual correct ratings, and LWU was simply confirming that these ratings were correct, there was no impact or risk to reliability to the BPS.

II. DISCOVERY INFORMATION

METHOD OF DISCOVERY

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

DURATION DATE(S) **6/18/07 (when the Standard became mandatory and enforceable) through 11/19/08 (when LWU revised its FRM)²**

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY **9/3/09³**

² The Mitigation Plan at Section C2 incorrectly states that as of November 18, 2009 the entity has been compliant.

IS THE VIOLATION STILL OCCURRING

YES NO

IF YES, EXPLAIN

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

III. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO. **MIT-07-2600**
DATE SUBMITTED TO REGIONAL ENTITY **9/9/09 (dated 9/8/09)**
DATE ACCEPTED BY REGIONAL ENTITY **10/14/09**
DATE APPROVED BY NERC **7/1/10**
DATE PROVIDED TO FERC **7/1/10**

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

NONE

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE **9/9/09**
EXTENSIONS GRANTED **NONE**
ACTUAL COMPLETION DATE **9/9/09**

DATE OF CERTIFICATION LETTER **9/9/09**
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **9/9/09**

DATE OF VERIFICATION LETTER **6/25/10**
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **9/9/09⁴**

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

LWU revised its FRM documents to include, but not be limited to, generators, transmission conductors, transformers, relay protective devices, terminal equipment, and series and shunt compensation devices.

³ The Mitigation Plan submitted by LWU lists the discovery date as September 2, 2009. September 3, 2009 was the last day of the Audit. FRCC typically uses the last day of the Audit as the discovery date while LWU listed the first date of the Audit.

⁴ LWU submitted the Mitigation Plan and Certification of Mitigation Plan Completion electronically on September 9, 2009 (as evidenced by the entity's sent e-mails) but the documents were not received until requested by FRCC on June 2, 2010.

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)

LWU-001 LWU's <i>City of Lake Worth Utilities Facility Ratings Methodology and Calculations and Attachment: #1 FAC-008-1 Requirement:1.2.1 [3] Generator Facility Rating Methodology documents</i>	Dated 11/19/08, Rev 1
---	------------------------------

EXHIBITS:

SOURCE DOCUMENT

FRCC's Source Document for LWU's violations of FAC-008-1 R1 and FAC-009-1 R1 dated January 4, 2011

MITIGATION PLAN

LWU's Mitigation Plan MIT-07-2600 dated September 8, 2009

CERTIFICATION BY REGISTERED ENTITY

LWU's Certification of Mitigation Plan Completion dated September 9, 2009

VERIFICATION BY REGIONAL ENTITY

FRCC's Verification of Mitigation Plan Completion dated June 25, 2010

Disposition Document for FAC-009-1 R1

DISPOSITION OF VIOLATION

Dated January 17, 2011

NERC TRACKING NO.	REGIONAL ENTITY TRACKING NO.
FRCC200900252	LWU_2009_02

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
FAC-009-1	1		Medium	High

VIOLATION APPLIES TO THE FOLLOWING FUNCTIONS:

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

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

The purpose statement of FAC-009-1: "To ensure that Facility Ratings used in the reliable planning and operation of the Bulk Electric System (BES) are determined based on an established methodology or methodologies."

FAC-009-1 R1 provides: "The Transmission Owner and Generator Owner shall each establish Facility Ratings for its solely and jointly owned Facilities that are consistent with the associated Facility Ratings Methodology."

VIOLATION DESCRIPTION

During an on-site compliance audit conducted on September 2, 2009 and September 3, 2009 (Audit), the audit team reviewed documentation in hardcopy and electronic forms provided by LWU. LWU's documents were insufficient to demonstrate that the Facility Ratings for its solely and jointly owned facilities were consistent with its Facility Ratings Methodology in more than one significant area. Specifically, the LWU disconnect switches at the Hypoluxo Substation and the circuit breakers at the Plant Substation did not have ratings from June 18, 2007 until September 12, 2009.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

FRCC found that this violation did not pose a significant or serious risk to the bulk power system (BPS) because LWU's disconnect switches at the Hypoluxo Substation and the circuit breakers at its Plant Substation are not the limiting elements to the Facility Ratings at either Facility; hence, the ratings in use are accurate and there was no substantial risk to reliability. When the substations were designed

everything was properly designed to engineering standards, but LWU did not document the ratings of each element. LWU properly installed switches at 287 MVA for a line rated at 232 MVA (the limiting element).

II. DISCOVERY INFORMATION

METHOD OF DISCOVERY

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

DURATION DATE(S) **6/18/07 (when the Standard became mandatory and enforceable) to 9/12/09 (Mitigation Plan completion)**

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY **9/3/09¹**

IS THE VIOLATION STILL OCCURRING

YES NO

IF YES, EXPLAIN

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

III. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO. **MIT-07-2601**
 DATE SUBMITTED TO REGIONAL ENTITY **9/12/09 (dated 9/8/09)**
 DATE ACCEPTED BY REGIONAL ENTITY **6/17/10**
 DATE APPROVED BY NERC **7/1/10**
 DATE PROVIDED TO FERC **7/1/10**

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

NONE

MITIGATION PLAN COMPLETED YES NO

¹ The Mitigation Plan submitted by LWU lists the discovery date as September 2, 2009. September 3, 2009 was the last day of the Audit. FRCC typically uses the last day of the Audit as the discovery date while LWU listed the first date of the Audit.

EXPECTED COMPLETION DATE **9/12/09**
 EXTENSIONS GRANTED **NONE**
 ACTUAL COMPLETION DATE **9/12/09**

DATE OF CERTIFICATION LETTER **9/12/09**
 CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **9/12/09**

DATE OF VERIFICATION LETTER **6/22/10**
 VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **9/12/09**²

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT
 RECURRENCE

LWU revised its Facility Ratings listing documents to address the disconnect switches at the Hypoluxo Substation and the circuit breakers at its Main Plant Substation.

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)

LWU-001 LWU's City of Lake Worth Utilities NERC Standard:FAC-009-1 Establish and Communicate Facility Ratings document	Dated 9/11/09, Rev 1
LWU-002 LWU's One Line System Drawing	Dated 4/25/07
LWU-003 LWU's City of Lake Worth Utilities Typical Specification For 145 kV 63 kA SF6 Dead Tank Power Circuit Breakers	Not Dated

EXHIBITS:³

SOURCE DOCUMENT
FRCC's Source Document for LWU's violations of FAC-008-1 R1 and FAC-009-1 R1 dated January 4, 2011

MITIGATION PLAN
LWU's Mitigation Plan MIT-07-2601 dated submitted September 12, 2009 and dated September 8, 2009

² LWU submitted the Mitigation Plan and Certification of Mitigation Plan Completion electronically on September 12, 2009 (as evidenced by the entity's sent e-mails) but the documents were not received until requested by FRCC on June 2, 2010.

³ *Id.*

CERTIFICATION BY REGISTERED ENTITY
**LWU's Certification of Mitigation Plan Completion dated September 12,
2009**

VERIFICATION BY REGISTERED ENTITY
FRCC's Verification of Mitigation Plan Completion dated June 22, 2010

Attachment b

**FRCC's Uqwt eg'F qewo gpv'f cvgf 'Lcpwct { '6.'4233
hqt 'HCE/22: /3'T3'c'pf 'FAC-009-1 R1**



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

SOURCE DOCUMENT INFORMATION

Dated 1/4/11

Registered Entity: City of Lake Worth (LWU)

NERC Registry ID #:NCR000043

	NERC #	STANDARD NUMBER	REQUIREMENT	DISCOVERY	DISCOVERY DATE	FINDING
1	FRCC200900251	FAC-008-1	1	Compliance Audit	9/3/09	NON-COMPLIANT- The entity's documents were insufficient to demonstrate that its facility ratings methodology included the scope of relay protective devices in its methodology from June 18, 2007 to November 18, 2008.
2	FRCC200900252	FAC-009-1	1	Compliance Audit	9/3/09	NON-COMPLIANT- The entity's disconnect switches at the Hypoluxo substation and the circuit breakers at its Plant substation are not the limiting elements to the Facility Ratings at either Facility; hence, the ratings in use are accurate and there was no substantial risk to reliability.

Attachment c

**LWU's Mitigation Plan MIT-07-2600 for FAC-
008-1 R1 dated September 8, 2009**



Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: 09/08/2009

Section A: Compliance Notices & Mitigation Plan Requirements

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

Section B: Registered Entity Information

- B.1 Identify your organization:

Company Name: CLWU
Company Address: 1900 2ND Ave N Lake Worth FL, 33460
NERC Compliance Registry ID: NCR00043

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

Name: Walt Gill
Title: Senior Systems Operator
Email: wgill@lakeworth.org
Phone: 561-586-1706

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)
FRCC20090 0251	FAC-008-1	R1	Level 4	09/02/09	AUDIT

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

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

CLWU DID NOT PROVIDE SUFFICIENT EVIDENCE TO DEMEOSTRATE THAT LWU’s FACILITY RATINGS METHODOLOGY INCLUDED THE SCOPE OF RELAY PROTECTIVE DEVICES IN IT’S METHODOLOGY FROM 06/18/07 – 11/18/08. AS OF 11/18/09 TO THE PRESENT,CLWU HAS BEEN COMPLIANT WITH FAC-008-1 R.1

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

THE ALLEGED VIOLATION WAS DISCOVERED DURING LWU’s ONSITE AUDIT ON 09/02/09 – 09/03/09

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:

LWU WILL SUBMIT A MITIGATION PLAN FOR THE ALLEGED VIOLATION. THEN CLWU WILL SUBMIT A COMPLETED MITIGATION PLAN WITH EVIDENCE SHOWING COMPLIANCE.

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: 09/08/09, YES

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)
SUBMIT MITIGATION PLAN	09/08/09
SUBMIT COMPLETED MITIAGATION PLAN WITH EVIDENCE SHOWING COMPLIANCE	09/09/09

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



Section E: Interim and Future Reliability Risk

Abatement of Interim BPS Reliability Risk

- E.1 While your organization is implementing this Mitigation Plan the reliability of the Bulk Power System (BPS) may remain at higher risk or be otherwise negatively impacted until the plan is successfully completed. To the extent they are, or may be, known or anticipated: (i) identify any such risks or impacts; and (ii) discuss any actions that your organization is planning to take to mitigate this increased risk to the reliability of the BPS. Additional detailed information may be provided as an attachment:

MINIMUM RISK TO THE BES

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:

CLWU WILL PROVIDE DOCUMENTATION WHEN REQUESTED TO SHOW AND DEMOSTRATE COMPLIANCE.




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 Walt Gill, Senior Systems Operator of CLWU.
 - 2. I am qualified to sign this Mitigation Plan on behalf of CLWU.
 - 3. I understand CLWU'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. CLWU agrees to comply with, this Mitigation Plan, including the timetable completion date, as accepted by the FRCC and approved by NERC.

Authorized Individual Signature

A handwritten signature in blue ink, appearing to read "Walt Gill", is written over a solid horizontal line.

Name (Print): Walt Gill
Title: Senior Systems Operator
Date: 09/08/09 



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 d

LWU's Certification of Mitigation Plan MIT-07- 2600 Completion for FAC-008-1 R1 dated September 9, 2009



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: CLWU

Company Address: 1900 2nd Ave N Lake Worth FL 33460

NERC Compliance Registry ID (if known): NCR00043

Date Original Mitigation Plan was submitted to FRCC: 09/08/09

Date Mitigation Plan was completed: 09/09/09

Name of Standard and the Requirement(s) covered under the accepted Mitigation Plan: **FAC-008-1 R1**

NERC Violation ID # (if known): FRCC200900251

Date of Certification: **09/09/09**

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: **Walt Gill**

Title: **Senior System Operator**

Email: **wgill@lakeworth.org**

Phone: **561-586-1706**

Authorized Individual Signature

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

Attachment e

FRCC's Verification of Mitigation Plan MIT-07-2600 Completion for FAC-008-1 R1 dated June 25, 2010



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

Via Email

June 25, 2010

Walt Gill
Senior System Operator
City of Lake Worth Utilities
1900 2nd Ave N
Lake Worth, FL 33461

**Re: LWU - Mitigation Plan – FAC-008-1,
Requirement 1 (FRCC200900251)**

Dear Mr. Gill,

The Florida Reliability Coordinating Council, Inc. (FRCC) has received the City of Lake Worth Utilities (LWU) mitigation plan dated September 9, 2009 and supporting evidence which was submitted for the 2009 LWU Compliance Audit for the above referenced standard and requirement. After completion of the review of the submitted evidence the FRCC staff has determined your mitigation plan to be accepted and completed. The FRCC will forward the submitted mitigation plan to the North American Electric Reliability Corporation (NERC) for its review and approval and NERC will send the mitigation plan to the Federal Energy Regulatory Commission (FERC) as non-public confidential information.

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

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

Respectfully,

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

BP/ma

Attachment f

**LWU's Mitigation Plan MIT-07-2601 for FAC-
009-1 R1 dated September 8, 2009**



Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: 09/08/2009

Section A: Compliance Notices & Mitigation Plan Requirements

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

Section B: Registered Entity Information

- B.1 Identify your organization:

Company Name: CLWU
Company Address: 1900 2ND Ave N Lake Worth FL, 33460
NERC Compliance Registry ID: NCR00043

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

Name: Walt Gill
Title: Senior Systems Operator
Email: wgill@lakeworth.org
Phone: 561-586-1706

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)
FRCC20090 0252	FAC-009-1	R1	Level 4	09/02/09	AUDIT

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

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

CLWU DID NOT PROVIDE SUFFICIENT EVIDENCE TO DEMEOSTRATE THAT LWU ESTABLISHED ITS FACILITY RATINGS FOR ITS SOLELY OWNED FACILITIES THAT ARE CONSISTANT WITH ITS FACILITY RATINGS METHODOLOGY.

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

THE ALLEGED VIOLATION WAS DISCOVERED DURING LWU’S ONSITE AUDIT ON 09/02/09 – 09/03/09

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:

LWU WILL SUBMIT A MITIGATION PLAN FOR THE ALLEGED VIOLATION. THEN CLWU WILL SUBMIT A COMPLETED MITIGATION PLAN WITH EVIDENCE SHOWING COMPLIANCE.

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: 09/08/09, YES

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)
SUBMIT MITIGATION PLAN	09/08/09
SUBMIT COMPLETED MITIAGATION PLAN WITH EVIDENCE SHOWING COMPLIANCE	09/12/09

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



Section E: Interim and Future Reliability Risk

Abatement of Interim BPS Reliability Risk

- E.1 While your organization is implementing this Mitigation Plan the reliability of the Bulk Power System (BPS) may remain at higher risk or be otherwise negatively impacted until the plan is successfully completed. To the extent they are, or may be, known or anticipated: (i) identify any such risks or impacts; and (ii) discuss any actions that your organization is planning to take to mitigate this increased risk to the reliability of the BPS. Additional detailed information may be provided as an attachment:

MINIMUM RISK TO THE BES

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:

CLWU WILL PROVIDE DOCUMENTATION WHEN REQUESTED TO SHOW AND DEMOSTRATE COMPLIANCE.




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 Walt Gill, Senior Systems Operator of CLWU.
 - 2. I am qualified to sign this Mitigation Plan on behalf of CLWU.
 - 3. I understand CLWU'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. CLWU agrees to comply with, this Mitigation Plan, including the timetable completion date, as accepted by the FRCC and approved by NERC.

Authorized Individual Signature

A handwritten signature in blue ink, appearing to read "Walt Gill", is written over a horizontal line.

Name (Print): Walt Gill
Title: Senior Systems Operator
Date: 09/08/09 



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 g

**LWU's Certification of Mitigation Plan MIT-07-
2601 Completion for FAC-009-1 R1 dated
September 12, 2009**



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: CLWU
Company Address: 1900 2nd Ave N Lake Worth FL 33460
NERC Compliance Registry ID (if known): NCR00043

Date Original Mitigation Plan was submitted to FRCC: 09/08/09

Date Mitigation Plan was completed: 09/12/09

Name of Standard and the Requirement(s) covered under the accepted Mitigation Plan: **FAC-009-1 R1**

NERC Violation ID # (if known): **FRCC200900252**

Date of Certification: **09/12/09**

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: **Walt Gill**

Title: **Senior System Operator**

Email: **wgill@lakeworth.org**

Phone: **561-586-1706**

Authorized Individual Signature

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

Attachment h

**FRCC's Verification of Mitigation Plan MIT-07-
2601 Completion for FAC-009-1 R1 dated June
22, 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

Via Email

June 22, 2010

Walt Gill
Senior System Operator
City of Lake Worth Utilities
1900 2nd Ave N
Lake Worth, FL 33461

**Re: LWU - Mitigation Plan – FAC-009-1,
Requirement (1) - (FRCC200900252)**

Dear Mr. Gill,

The Florida Reliability Coordinating Council, Inc. (FRCC) has received the City of Lake Worth Utilities (LWU) mitigation plan dated September 12, 2009 and supporting evidence. After completion of the review of the submitted evidence the FRCC staff has determined your mitigation plan to be accepted and completed. The FRCC will forward the submitted mitigation plan to the North American Electric Reliability Corporation (NERC) for its review and approval and NERC will send the mitigation plan to the Federal Energy Regulatory Commission (FERC) as non-public confidential information.

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

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

Respectfully,

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

BP/tb

Attachment i

Notice of Filing

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

City of Lake Worth

Docket No. NP11-____-000

NOTICE OF FILING
January 31, 2011

Take notice that on January 31, 2011, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding City of Lake Worth 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