



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

July 30, 2010

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

**Re: NERC Deficiency Notice of Penalty regarding DTE Energy Trading, Inc.,
FERC Docket No. NP10-__-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Deficiency Notice of Penalty (Deficiency NOP) regarding DTE Energy Trading, Inc. (DTE Energy Trading) as listed in the Disposition Document (Attachment B to the Notice of Penalty Waiver and Settlement Agreement),¹ in accordance with the Federal Energy Regulatory Commission's (Commission or FERC) rules, regulations and orders, as well as NERC Rules of Procedure including Appendix 4C (NERC Compliance Monitoring and Enforcement Program (CMEP)). Violations² addressed within a Deficiency NOP are administrative, minor or documentation in nature. Deficiency NOP treatment is appropriate in this case because the violation was minor and of low risk, as the delta in the schedule was only 22 MW from the +/- 25 MW-hours bandwidth and would have been available to implement the schedule if dispatched (discussed further in the Disposition Document).

The Settlement Agreement resolves all outstanding issues arising from SERC's determination and findings of the enforceable violation of INT-004-2 R2. According to the Settlement Agreement, DTE Energy Trading admit to the violation, and has agreed to the assessed penalty of zero dollars (\$0) in addition to other remedies and actions to mitigate the instant violation and facilitate future compliance under the terms and conditions of the Settlement Agreement.

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

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

Taking into consideration the Commission's direction in Order No. 693, the NERC Sanction Guidelines and the Commission's July 3, 2008 and October 26, 2009 Guidance Orders,³ the NERC BOTCC reviewed the findings and assessed penalty or sanction and approved the Settlement Agreement on July 12, 2010, including SERC's assessment of a zero dollar (\$0) financial penalty against DTE Energy Trading and other actions to facilitate future compliance required under the terms and conditions of the Settlement Agreement.

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

Attachments to be included as Part of this Notice of Penalty

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

- a) Notice of Penalty Waiver and Settlement Agreement executed on July 26, 2010 included as Attachment a;
 - a. Disposition of Violation included as Attachment B to the Notice of Penalty Waiver and Settlement Agreement;
- b) DTE Energy Trading's Self-Report dated December 1, 2009, included as Attachment b;
- c) DTE Energy Trading's Mitigation Plan, submitted on December 1, 2009, included as Attachment c; and
- d) DTE Energy Trading's Certification of Mitigation Plan Completion, dated December 29, 2009, included as Attachment d.

A Form of Notice Suitable for Publication⁴

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

³ *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).

⁴ See 18 C.F.R. § 39.7(d)(6).

Notices and Communications

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

<p>Gerald W. Cauley* President and Chief Executive Officer David N. Cook* Sr. Vice President and General Counsel North American Electric Reliability Corporation 116-390 Village Boulevard Princeton, NJ 08540-5721 (609)452-8060 (609) 452-9550 – facsimile gerry.cauley@nerc.net david.cook@nerc.net</p> <p>Kenneth B. Keels, Jr.* Manager of Compliance Enforcement SERC Reliability Corporation 2815 Coliseum Centre Drive Charlotte, NC 28217 (704) 940-8214 (704) 357-7914 – facsimile kkeels@serc1.org</p> <p>Raymond Wieszczyk, Jr. * Director – Asset Operations DTE Energy Trading, Inc. 414 South Main St., Suite 200 Ann Arbor, MI 48104 (734) 887-2041 (734) 887-2092 - facsimile wieszczykr@dteenergy.com</p> <p>Gregory V. Staton General Counsel/Energy Trading DTE Energy Trading, Inc. 414 South Main St., Suite 200 Ann Arbor, MI 48104 (734) 887-2121 (734) 887-2235 - facsimile statong@dteenergy.com</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>R. Scott Henry* President and CEO SERC Reliability Corporation 2815 Coliseum Centre Drive Charlotte, NC 28217 (704) 940-8202 (704) 357-7914 – facsimile shenry@serc1.org</p> <p>Marisa A. Sifontes* Interim Compliance Director and Legal Counsel Jacqueline E. Carmody* Contract Attorney SERC Reliability Corporation 2815 Coliseum Centre Drive, Suite 500 Charlotte, NC 28217 (704) 494-7775 (704) 357-7914 – facsimile msifontes@serc1.org jcarmody@serc1.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 Deficiency NOP as compliant with its rules, regulations and orders.

Respectfully submitted,

Gerald W. Cauley
President and Chief Executive Officer
David N. Cook
Sr. Vice President and General Counsel
North American Electric Reliability Corporation
116-390 Village Boulevard
Princeton, NJ 08540-5721
(609) 452-8060
(609) 452-9550 – facsimile
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: DTE Energy Trading, Inc.
SERC Reliability Corporation

Attachments

Attachment a

Notice of Penalty Waiver and Settlement Agreement executed on July 48, 2010

Notice of Penalty Waiver and Settlement Agreement


DTE Energy Trading, Inc. ("DTE Energy Trading") and SERC Reliability Corporation ("SERC") agree to the following:

1. DTE Energy Trading admits the violation of INT-004-2, R2.2 and has agreed to the proposed penalty to be assessed to DTE Energy Trading, in addition to mitigation actions undertaken to mitigate the instant alleged violation.
2. Acceptance of this Settlement Agreement results in the assessment of a penalty of zero dollars (\$0) for the violation listed in Attachment A, subject to approval or modification by the North American Electric Reliability Corporation ("NERC") and the Federal Energy Regulatory Commission ("FERC" or "Commission"). Payment terms, if applicable, will be set forth in the invoice to be submitted by SERC after Commission approval of the instant Notice of Penalty.
3. DTE Energy Trading has agreed to enter into this Settlement Agreement with SERC 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. DTE Energy Trading agrees that this Settlement Agreement is in the best interest of the parties and in the best interest of bulk-power system reliability.
4. [DTE Energy Trading may make additional statements here if desired.] *HVS none*
5. The violation listed in Attachment A will be considered a Confirmed Violation for all purposes and may be used as an aggravating factor in accordance with the NERC Sanction Guidelines for determining appropriate monetary penalties or sanctions for future violations.
6. DTE Energy Trading has verified that the violation listed in Attachment A has been mitigated as of December 1, 2009.
7. The expedited disposition agreed to herein represents a full and final disposition of the violation listed in Attachment A, subject to approval or modification by NERC and FERC with notice to both SERC and DTE Energy Trading in accordance with the NERC Rules of Procedure. DTE Energy Trading waives its right to further hearings and appeal, unless and only to the extent that DTE Energy Trading contends that any NERC or Commission action on this Settlement Agreement contains one or more material modifications to this Settlement Agreement.


8. In the event DTE Energy Trading fails to comply with any of the stipulations, remedies, sanctions or additional terms, as set forth in this Settlement Agreement, SERC will initiate enforcement, penalty, or sanction actions against DTE Energy Trading to the maximum extent allowed by the NERC Rules of Procedure, up to the maximum statutorily allowed penalty. Except as otherwise specified in this Settlement Agreement, DTE Energy Trading shall retain all rights to defend against such enforcement actions, also according to the NERC Rules of Procedure.
9. 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 Settlement Agreement on the entity's behalf.
10. The undersigned representative of each party affirms that he or she has read the Settlement Agreement, that all of the matters set forth in the Settlement Agreement are true and correct to the best of his or her knowledge, information and belief, and that he or she understands that the Settlement Agreement is entered into by such party in express reliance on those representations.

Accepted:

HWS


Kevin Watler
Vice President - Trading
DTE ENERGY TRADING, INC.


Date


R. Scott Henry
President and CEO
SERC RELIABILITY CORPORATION


Date

ATTACHMENT A

List of Violations

SERC Tracking #	NERC Violation ID	Registered Entity	Standard	Requirement	Penalty
09-171	SERC200900409	DTE Energy Trading	INT-004-2	R2.2	\$0

DISPOSITION OF VIOLATION¹

July 26, 2010

NERC TRACKING NO. REGIONAL ENTITY TRACKING NO.
SERC200900409 09-171

NOC#
576

REGISTERED ENTITY
DTE Energy Trading, Inc. (DTE Energy Trading)

NERC REGISTRY ID.
NCR00760

REGIONAL ENTITY (IES)
SERC Reliability Corporation (SERC)

I. REGISTRATION INFORMATIONENTITY IS REGISTERED FOR THE FOLLOWING FUNCTIONS:²

BA	DP	GO	GOP	IA	LSE	PA	PSE	RC	RP	RSG	TO	TOP	TP	TSP
							X							
							5/31/07							

* VIOLATION(S) APPLIES TO SHADED FUNCTIONS

DESCRIPTION OF THE REGISTERED ENTITY

DTE Energy Trading, Inc. (DTE Energy Trading) is a gas and power marketing company and a subsidiary of DTE Energy, a utility with more than 150 years of energy expertise. DTE Energy Trading provides energy sourcing and management solutions for investor-owned gas and electric utilities, municipalities, electric cooperatives, independent power producers and retail energy suppliers. DTE Energy Trading manages a significant portfolio of gas transport and storage as well as power generation and transmission assets in the Midwest, Northeast, and Texas markets.

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

² DTE Energy Trading is also registered, under the same NERC Compliance Registry number, in the Northeast Power Coordinating Council, ReliabilityFirst Corporation and Southwest Power Pool regions as a Purchasing-Selling Entity.

II. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF*(S)	VSL**(S)
INT-004-2	R2	R2.2	Lower	Lower

**Violation Risk Factor (VRF)*

***Violation Severity Level (VSL)*

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

The purpose statement of INT-004-2 provides: “to ensure that Dynamic Transfers are adequately tagged to be able to determine their reliability impacts.”

INT-004-2, R2 provides in pertinent part:

R2. The Purchasing-Selling Entity responsible for tagging a Dynamic Interchange Schedule shall ensure the tag is updated for the next available scheduling hour and future hours when any one of the following occurs:

R2.2. The average energy profile in an hour is less than or equal to 250 MW and in that hour the actual hourly integrated energy deviates from the hourly average energy profile indicated on the tag by more than +/-25 megawatt-hours.

VIOLATION DESCRIPTION

On December 1, 2009, DTE Energy Trading as a Purchasing-Selling Entity (PSE) self-reported a possible violation of INT-004-2, R2.2 associated with one instance of failing to update tags for its Dynamic Interchange Schedule from the PSE’s generating resource into an adjacent Balancing Authority. DTE Energy Trading is the PSE for a 47 MW generator. DTE Energy Trading normally tags a Dynamic Interchange Schedule for the full output of the unit one day per month for 24 hours per day.

The Craven County Wood Energy Generator 47 MW generating unit, for which DTE Energy Trading is the PSE, was offline for an outage on November 5, 2009. The outage was scheduled to take place from November 5, 2009 through November 9, 2009, with the unit returning to service and resuming its Dynamic Schedule of 47 MW on November 10, 2009.³ In advance of this outage, DTE Energy Trading submitted a tag adjusted to zero for the period of November 5, 2009 through November 9, 2009, to cover the period the unit was expected to be out of service, and

³ The self-report incorrectly states that the unit returned to service and resumed its Dynamic Schedule of 47 MW on November 11, 2009.

then resumed the 47 MW schedule on November 10, 2009, after the outage was scheduled to be completed.

The generating unit began and ended its outage early on November 5, 2009 and returned to economic dispatch status, available to be called upon to resume a Scheduled Interchange, but the unit was not scheduled and remained offline until November 30, 2009 because the marginal price for the facility's output was below the unit's incremental dispatch cost. On November 30, 2009, the generation unit decided to self-schedule and it was discovered that the tag was not adjusted to zero when the unit was offline.

From its assessment, SERC staff found that DTE Energy Trading did not update the tag for the next available scheduling hour beginning on November 9, 2009 when the actual hourly integrated energy (0 MW) deviated from the hourly average energy profile indicated on the tag (47 MW) by more than 25 megawatt-hours, as required by INT-004-2, R2.2. The failure to re-adjust the Dynamic Interchange Schedule tag to zero occurred while the unit was offline during the period from November 10, 2009 until November 30, 2009 and was not discovered until DTE Energy Trading observed that the marginal price for the facility's output fell below the unit's incremental dispatch cost and the generation unit decided to self-schedule into the day ahead market on November 30, 2009.

INT-004-2, R2.2 requires that a tag for a Dynamic Interchange Schedule of less than 250 MW be updated if the actual hourly-integrated energy deviates from the hourly average energy profile indicated on the tag by more than +/-25 megawatt-hours. SERC staff finds that DTE Energy Trading violated INT-004-2, R2.2 because it failed to update its Dynamic Interchange Schedule tag for the next available scheduling hour and future hours when the actual hourly integrated energy (0 MW) deviated from the hourly average energy profile indicated on the tag submitted to the Balancing Authority (47 MW) by more than 25 megawatt-hours for an Interchange Transaction with an average energy profile of less than 250 MW, as required by INT-004-2, R2.2.

DTE Energy Trading's Dynamic Interchange Schedule associated with its 47 MW generating resource should have been updated to zero MW for the period beginning November 10, 2009 until November 30, 2009. Instead, the tag remained at 47 MW during such period while the generating unit remained in economic dispatch status. As a result, SERC staff found that DTE Energy Trading was in violation of INT-004-2, R2.2.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

SERC determined that the violation of INT-004-2 R2.2 did not pose a serious or substantial risk to the reliability of the bulk power system (BPS), because the generation was made available for dispatch following its outage and thus would

have been available to implement the schedule if dispatched during that period. Additionally, the average energy profile from this facility is always significantly less than 250 MW in any hour (at most, the profile is 47 MW in an hour) and the delta in the schedule was only 22 MW from the bandwidth (+/- 25 megawatt-hours) set forth in R2.2.

IS THERE A SETTLEMENT AGREEMENT YES ☒ NO ☐

WITH RESPECT TO THE ALLEGED/CONFIRMED VIOLATION, REGISTERED ENTITY

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

WITH RESPECT TO THE PROPOSED PENALTY OR SANCTION, REGISTERED ENTITY

ACCEPTS IT/ DOES NOT CONTEST IT YES ☒

III. 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):

November 10, 2009, when the scheduling deviation began, until November 30, 2009, when a new schedule was entered for the generating resource

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY:

December 1, 2009

IS THE ALLEGED/CONFIRMED VIOLATION STILL OCCURRING

YES ☐ NO ☒

IF YES, EXPLAIN

See above.

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"/>

IV. MITIGATION INFORMATION

MITIGATION PLAN NO. **MIT-09-2340**

DATE OF MITIGATION PLAN	December 1, 2009
DATE ACCEPTED BY REGIONAL ENTITY	February 18, 2010
DATE APPROVED BY NERC	March 1, 2010
DATE PROVIDED TO FERC	March 1, 2010

IDENTIFY AND EXPLAIN VERSIONS THAT WERE REJECTED

N/A

MITIGATION PLAN COMPLETED YES ☒ NO ☐

EXPECTED COMPLETION DATE	December 1, 2009
EXTENSIONS GRANTED	N/A
ACTUAL COMPLETION DATE	December 1, 2009

DATE OF CERTIFICATION LETTER **December 29, 2009**
 CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **December 1, 2009**

DATE OF VERIFICATION **March 16, 2010**
 VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **December 1, 2009**

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT
 RECURRENCE

To correct the violation of INT-004-2, R2.2, DTE Energy Trading revised its Generation Log to include the following daily documentation: Plant Running (Y/N) confirmation, Tag MW, Tag Adjusted, PJM eMarket status, and additional comments. These additional information items will provide complete documentation for turnover from shift to shift to help avoid the documented violation in the future. The Hourly Desk Manager communicated these changes via email to all Hourly Desk Personnel as detailed in its mitigation plan.

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

1. The revised Generation Log for the plant showing the additional detail added to prevent recurrence of the violation; and
2. An email generated by DTE Energy Trading's Hourly Desk Manager to personnel as notification of changes.

V. PENALTY INFORMATION

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

(1) REGISTERED ENTITY'S COMPLIANCE HISTORY

PRIOR VIOLATIONS OF THIS RELIABILITY STANDARD 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

FULL COOPERATION YES ☒ NO ☐
EXPLAIN

DTE Energy Trading cooperated in a timely and satisfactory manner with SERC staff during the assessment of the self-report. DTE Energy Trading provided prompt responses to all of SERC staff's data requests and cooperated with SERC staff during meetings between the parties to discuss these issues. Further, DTE Energy Trading's Senior Management was actively involved in addressing and resolving these issues.

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

IS THERE A DOCUMENTED COMPLIANCE PROGRAM YES ☒ NO ☐

EXPLAIN

DTE Energy Trading has a documented compliance program, widely disseminated throughout the organization and a compliance team including representatives from its Legal, Compliance, and Regulatory Affairs departments, and is led by the Director of Asset Management.

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

EXPLAIN

According to DTE Energy Trading, DTE Energy Trading’s senior management has an established Enterprise Compliance Office and the Chief Compliance Officer periodically meets with senior management to discuss compliance matters, including the NERC Reliability Standards.

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

YES ☐ NO ☒

IF YES, EXPLAIN

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

YES ☐ NO ☒

IF YES, EXPLAIN

(6) ANY OTHER MITIGATING FACTORS FOR CONSIDERATION

YES ☐ NO ☒

IF YES, EXPLAIN

(7) ANY OTHER AGGRAVATING FACTORS FOR CONSIDERATION

YES ☐ NO ☒

IF YES, EXPLAIN

(8) ANY OTHER EXTENUATING CIRCUMSTANCES

YES ☐ NO ☒

IF YES, EXPLAIN

EXHIBITS:

SOURCE DOCUMENT

DTE Energy Trading Self Report, dated December 1, 2009

MITIGATION PLAN

DTE Energy Trading Mitigation Plan, submitted on December 1, 2009

CERTIFICATION BY REGISTERED ENTITY

DTE Energy Trading Certification of Completion, dated December 29, 2009

OTHER RELEVANT INFORMATION:

NOTICE OF ALLEGED VIOLATION AND PROPOSED PENALTY OR SANCTION
ISSUED

DATE: 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

ISSUANCE HISTORY

(Current version to be retained at each issuance)

REASON

DATE

NAVAPS

SETTLEMENT

NOCV

FERC FILING

OTHER (Explain)

BCC Submittal

April 27, 2010

Attachment b

**DTE Energy Trading's Self-Report dated
December 1, 2009**



Non-Public and CONFIDENTIAL
(until filed with FERC)

Self-Reporting Form

Date Submitted by Registered Entity: 12/01/2009

Region: SERC

NERC Registry ID: NCR00760

Joint Registration Organization (JRO) ID:

Registered Entity: DTE Energy Trading, Inc.

Registered Entity Contact Name: Raymond Wieszczyk, Jr.

Registered Entity Contact Email: wieszczykr@dteenergy.com

Registered Entity Contact Telephone: 734-887-2041

Function(s) Applicable to Self-Report: PSE

Standard: INT-004-2

Requirement: R2.2

Has this possible alleged violation previously been reported or discovered: ☐ Yes ☒ No
If Yes selected: Provide NERC Violation ID (if known):

Date violation occurred: 11/10/2009

Date violation discovered: 11/30/2009

Is the violation still occurring? ☐ Yes ☒ No

Detailed explanation and cause of violation: The Craven County Wood Energy Generator (47 MW from Progress Energy CA), which is dynamically scheduled into PJM, was offline for an outage on 11/5/2009. The etag was adjusted to zero through 11/09/2009. The tag adjustment was done by a person at the time of the outage in expectation that the unit would be back online by 11/11/2009. Craven 1 ended it's outage on 11/5/2009 and went on economic status. The economic status did not lead to dispatch by PJM and the unit remained offline. The etag should have been adjusted to zero for the rest of November and then readjusted, if the unit came back on line. The etag was not adjusted to zero after 11/09/2009 and showed a generation value of 47 MW. The unit remained on economic status and offline. Craven 1 decided to self schedule on 11/30/2009 and this is when it was discovered that the etag was not adjusted to zero, as we normally do at all other times, when the unit is offline.

Reliability Impact: Minimal

Reliability Impact Description: Craven 1 unit was offline due to economics. With unit offline, dynamic schedule was not in place. However, tag was indicating 47 MW unit output from 11/10/2009 to 11/30/2009.



**Non-Public and CONFIDENTIAL
(until filed with FERC)**

Additional Comments: Tag was adjusted to zero back to 11/24/2009 on 11/30/2009.

NOTE: *While submittal of a mitigation plan is not required until after a determination of a violation is confirmed, early submittal of a mitigation plan to address and remedy an identified deficiency is encouraged. Submittal of a mitigation plan shall not be deemed an admission of a violation. (See NERC Rules of Procedure, Appendix 4C, Section 6.4.)*

**SERC Staff will contact the person providing the report as soon as possible.
If you do not receive a response from SERC Staff within 2 business days please contact
the SERC office (704-357-7372).**

Please complete the form as completely as possible and email to serccomply@serc1.org.

Attachment c

DTE Energy Trading's Mitigation Plan, submitted on December 1, 2009



Mitigation Plan Submittal Form

**Please refer to
SERC Guidelines for Mitigation Plan Submission.pdf available at
<http://www.serc1.org/Application/ContentPageView.aspx?ContentId=22>**

Date this Mitigation Plan is being submitted: 12/01/2009

If this Mitigation Plan has already been completed:

- Check this box ☒ and
- Provide the Date of Completion of the Mitigation Plan: 12/01/2009

Section A: Compliance Notices

- 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

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.



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.
- This submittal form shall be used to provide a required Mitigation Plan for review and approval by SERC and NERC.
 - The Mitigation Plan shall be submitted to SERC and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
 - This Mitigation Plan form may be used to address one or more related violations of one Reliability Standard. A separate mitigation plan is required to address violations with respect to each additional Reliability Standard, as applicable.
 - If the Mitigation Plan is approved by SERC and 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.
 - SERC or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
 - Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.

Section B: Registered Entity Information

B.1 Identify your organization:

Company Name: DTE Energy Trading, Inc.

Company Address: 414 South Main Street, Suite 200, Ann Arbor, MI 48104

NERC Compliance Registry ID *[if known]*: NCR00760

B.2 Identify the individual in your organization who will serve as the Contact to SERC regarding this Mitigation Plan. This person shall be technically knowledgeable regarding this Mitigation Plan and authorized to respond to SERC regarding this Mitigation Plan.

Name: Raymond Wieszczyk, Jr.

Title: Director - Asset Operations

Email: wieszczykr@dteenergy.com

Phone: 734-887-2041



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

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

C.1 Standard: INT-004-2
[Identify by Standard Acronym (e.g. FAC-001-1)]

C.2 Requirement(s) violated and violation dates:
[Enter information in the following Table]

NERC Violation ID # [if known]	SERC Violation ID # [if known]	Requirement Violated (e.g. R3.2)	Violation Date ^(*)
		R2.2	11/10/2009

(*) Note: The Violation Date shall be: (i) the date that the violation occurred; (ii) the date that the violation was self-reported; or (iii) the date that the violation has been deemed to have occurred on by SERC. Questions regarding the date to use should be directed to SERC.

C.3 Identify the cause of the violation(s) identified above:

Etag was not adjusted to zero for the period 11/10/2009 through 11/30/2009, while the Craven County Wood Energy (Craven 1) unit was offline due to economics.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

C.4 **[Optional]** Provide any relevant additional information regarding the violations associated with this Mitigation Plan:

Etag was adjusted to zero through 11/9/2009 due to maintenance outage. Craven 1 returned from outage on 11/5/09, but remained offline due to economics.



[Provide your response here; additional detailed information may be provided as an attachment as necessary]



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 violations identified above in Part C.2 of this form:

Revise Craven 1 Generation Log to include the following daily documentation: Plant Running (Y/N) confirmation, Tag MW, Tag Adjusted, PJM eMarket status and Additional Comments. These additional information items will provide complete documentation for turnover from shift to shift to help avoid the documented violation in the future. The Hourly Desk Manager related these changes in the form of an email to all Hourly desk Personnel.
[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Check this box ☒ and proceed to Section E of this form if this Mitigation Plan, as set forth in Part D.1, has already been completed; otherwise respond to Part D.2, D.3 and, optionally, Part D.4, below.

Mitigation Plan Timeline and Milestones

- D.2 Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the violations associated with this Mitigation Plan are corrected:
- D.3 Enter Milestone Activities, with completion dates, that your organization is proposing for this Mitigation Plan:

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

(*) Note: 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.



[Note: Provide your response here; additional detailed information may be provided as an attachment as necessary]



Additional Relevant Information (Optional)

- D.4 If you have any relevant additional information that you wish to include regarding the mitigation plan, milestones, milestones dates and completion date proposed above you may include it here:

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Section E: Interim and Future Reliability Risk

Check this box ☒ and proceed and respond to Part E.2 and E.3, below, if this Mitigation Plan, as set forth in Part D.1, has already been completed.

Abatement of Interim BPS Reliability Risk

- E.1 While your organization is implementing the Mitigation Plan proposed in Part D of this form, the reliability of the Bulk Power System may remain at higher risk or be otherwise negatively impacted until the plan is successfully completed. To the extent they are, or may be, known or anticipated: (i) identify any such risks or impacts; and (ii) discuss any actions that your organization is planning to take or is proposing as part of the Mitigation Plan to mitigate any increased risk to the reliability of the bulk power system while the Mitigation Plan is being implemented:

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Prevention of Future BPS Reliability Risk

- E.2 Describe how successful completion of the Mitigation Plan as laid out in Part D of this form will prevent or minimize the probability that your organization incurs further violations of the same or similar reliability standards requirements in the future:

The information laid out in the revised generation log along with a complete turnover by the Hourly Desk Staff will provide appropriate awareness of the status of the Craven 1 unit and the tag at all times. It will also act as a way of initiating the checking of these statuses by the shift staff.



[Provide your response here; additional detailed information may be provided as an attachment as necessary]

- E.3 Your organization may be taking or planning other action, beyond that listed in the Mitigation Plan, as proposed in Part D.1, to prevent or minimize the probability of incurring further violations of the same or similar standards requirements listed in Part C.2, or of other reliability standards. If so, identify and describe any such action, including milestones and completion dates:

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Continued on Next Page

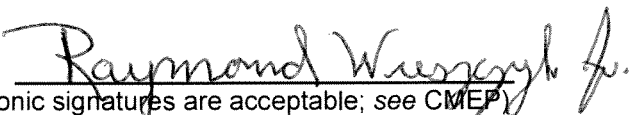


Section F: Authorization

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

- a) Submits the Mitigation Plan, as laid out in Section D of this form, to SERC for acceptance by SERC and approval by NERC, and
- b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- c) Acknowledges:
 - 1. I am Raymond Wieszczyk, Jr. of DTE Energy Trading, Inc.
 - 2. I am qualified to sign this Mitigation Plan on behalf of DTE Energy Trading, Inc.
 - 3. I have read and understand DTE Energy Trading, Inc., 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)).
 - 4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
 - 5. DTE Energy Trading, Inc., agrees to be bound by, and comply with, the Mitigation Plan, including the timetable completion date, as approved by SERC and approved by NERC.

Authorized Individual Signature


(Electronic signatures are acceptable; see CMEP)

Name (Print): Raymond Wieszczyk, Jr.

Title: Director - Asset Operations

Date: 12/01/2009



Section G: Comments and Additional Information

You may use this area to provide comments or any additional relevant information not previously addressed in this form.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Submittal Instructions:

Please convert the completed and signed document to a text-searchable Adobe .pdf document using the following naming convention:

[(MP Entity Name (STD-XXX) MM-DD-YY.pdf)]

Email the pdf file to serccomply@serc1.org.

Please direct any questions regarding completion of this form to:

Ken Keels
Manager, Compliance Enforcement
SERC Reliability Corporation
704-357-7372
kkeels@serc1.org

Attachment d

DTE Energy Trading's Certification of Mitigation Plan Completion, dated December 29, 2009



DTE Energy Trading
414 South Main Street, Suite 200
Ann Arbor, Michigan 48104
Tel: 734-887-2000

December 29, 2009

Certification of a Completed Mitigation Plan

SERC Reliability Corporation Violation Mitigation Plan Closure Form

Name of Registered Entity submitting certification: DTE ENERGY TRADING, Inc.

Date of Certification: 12/01/2009

Name of Standard and the Requirement(s) of mitigated violation(s): INT-004-2, R2.2

SERC Tracking Number (contact SERC if not known): 09-171

NERC Violation ID Number (if assigned):

Date of completion of the Mitigation Plan: 12/01/2009

Summary of all actions described in Part D of the relevant mitigation plan: **Revise Craven 1 Generation Log to include the following daily documentation: Plant Running (Y/N) confirmation, Tag MW, Tag Adjusted, PJM eMarket status and Additional Comments. These additional information items will provide complete documentation for turnover from shift to shift to help avoid the documented violation in the future. The Hourly Desk Manager related these changes in the form of an email to all Hourly desk Personnel.**

Description of the information provided to SERC for their evaluation: **Originally, the Self-Reporting and Mitigation Plan Submittal forms were provided. In addition, a copy of the updated Craven 1 Generation Log used by DTE Energy Trading is provided as an attachment to show mitigation plan actual documentation.**

I certify that the mitigation plan for the above-named violation has been completed on the date shown above. In doing so, I certify that all required mitigation plan actions described in Part D of the relevant mitigation plan have been completed, compliance has been restored, the above-named entity is currently compliant with all of the requirements of the referenced standard, and that all information submitted information is complete and correct to the best of my knowledge.

Name: Raymond Wieszczyk, Jr.
Title: Director - Asset Operations
Entity: DTE Energy Trading, inc.
Email: wieszczykr@dteenergy.com
Phone: 734-887-2041

Designated Signature Raymond Wieszczyk, Jr. Date: 12/29/2009

[NOTE – Closure Form should be signed by same individual that signed Mitigation Plan]

(Form Revised August 13, 2008)

Attachment e

Notice of Filing

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

DTE Energy Trading, Inc.

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 DTE Energy Trading, Inc. in the SERC Reliability Corporation 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