



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

September 30, 2010

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

**Re: NERC Deficiency Notice of Penalty regarding City of Ruston, LA ,
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 the City of Ruston, LA (DERS) as listed in the Disposition Document as 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. Specifically, this violation was minor because it was related to a reporting deficiency.

The Settlement Agreement resolves all outstanding issues arising from SERC Reliability Corporation's (SERC) determination and findings of the enforceable violation of EOP-004-1 Requirement (R) 3. According to the Settlement Agreement, DERS admits 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 on July 12, 2010, the Settlement Agreement, including SERC's assessment of a zero dollar (\$0) financial penalty against DERS 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, included as Attachment a;
 - a. Disposition of Violation included as Attachment B to the Notice of Penalty Waiver and Settlement Agreement;
- b) DERS's Self-Report dated November 2, 2009, included as Attachment b;
- c) DERS's Mitigation Plan dated November 2, 2009, included as Attachment c; and
- d) DERS's Certification of Mitigation Plan Completion, dated December 15, 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>CJ Ingersoll* Director Constellation Energy Control and Dispatch, LLC 500 Dallas Street Suite 3015 Houston, Texas 77002 (713) 332-2906 (443) 213-3246 - facsimile c.j.ingersoll@constellation.com</p> <p>Darrell Caraway* Utilities General Manager Ruston Light & Power 1801 McDonald Ave. Ruston, Louisiana 71273 (318) 255-0800 (318) 251-8638 - facsimile DCaraway@ruston.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>	<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>R. Scott Henry* President and Chief Executive Officer SERC Reliability Corporation 2815 Coliseum Centre Drive, Suite 500 Charlotte, NC 28217 (704) 940-8202 (704) 357-7914 – facsimile shenry@serc1.org</p> <p>Marisa A. Sifontes* General Counsel Jacqueline E. Carmody*Legal Counsel 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>Kenneth B. Keels, Jr.* Director of Compliance Andrea Koch* Manager of Compliance Enforcement and Mitigation SERC Reliability Corporation 2815 Coliseum Centre Drive, Suite 500 Charlotte, NC 28217 (704) 940-8214 (704) 357-7914 – facsimile kkeels@serc1.org akoch@serc1.org</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
North American Electric Reliability
Corporation
1120 G Street, N.W.
Suite 990
Washington, DC 20005-3801
(202) 393-3998
(202) 393-3955 – facsimile
rebecca.michael@nerc.net

cc: City of Ruston, LA
SERC Reliability Corporation

Attachments

Attachment a

Notice of Penalty Waiver and Settlement Agreement

Notice of Penalty Waiver and Settlement Agreement

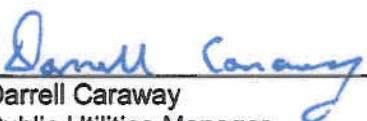
The City of Ruston, LA (DERS) ("DERS") and SERC Reliability Corporation ("SERC") agree to the following:

1. DERS admits the violation of NERC Reliability Standard EOP-004-1, R3.1 and has agreed to the proposed penalty to be assessed to DERS, in addition to mitigation actions undertaken to mitigate the instant 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. DERS 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. DERS agrees that this Settlement Agreement is in the best interest of the parties and in the best interest of bulk-power system reliability.
4. 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.
5. DERS has verified that the violation listed in Attachment A has been mitigated as of December 15, 2009.
6. 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 DERS in accordance with the NERC Rules of Procedure. DERS waives its right to further hearings and appeal, unless and only to the extent that DERS contends that any NERC or Commission action on this Settlement Agreement contains one or more material modifications to this Settlement Agreement.
7. In the event DERS 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 DERS 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, DERS shall retain all rights to

defend against such enforcement actions, also according to the NERC Rules of Procedure.

8. 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.
9. 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:



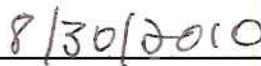
Darrell Caraway
Public Utilities Manager
CITY OF RUSTON, LA (DERS)



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
09-117	SERC200900356	DERS	EOP-004-1	R3.1	\$0

**Disposition of Violation included as Attachment B
to the Notice of Penalty Waiver and Settlement
Agreement**

DISPOSITION OF VIOLATION¹

August 30, 2010

NERC TRACKING NO.	REGIONAL ENTITY TRACKING NO.	NOC#
SERC200900356	09-117	577

REGISTERED ENTITY City of Ruston, LA (DERS)	NERC REGISTRY ID. NCR01203
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REGIONAL ENTITY
SERC Reliability Corporation (SERC)

I. REGISTRATION INFORMATION

ENTITY IS REGISTERED FOR THE FOLLOWING FUNCTIONS:

BA	DP	GO	GOP	IA	LSE	PA	PSE	RC	RP	RSG	TO	TOP	TP	TSP
X				X										
5/31/2007				7/30/2008										

* VIOLATION(S) APPLIES TO SHADED FUNCTIONS

DESCRIPTION OF THE REGISTERED ENTITY

City of Ruston, LA (DERS) is a small Balancing Authority operated by Constellation Energy Control and Dispatch (CECD) out of a control center in Houston, Texas. Constellation Energy is a Fortune 200 competitive energy company based in Baltimore, MD with businesses that include Constellation Energy Control and Dispatch, the Baltimore Gas and Electric, a regulated utility, power generation and wholesale marketing entity.

DERS is a load-only Balancing Authority serving a single municipal electric distribution utility located in Ruston, LA, with one interconnection tie-line to the bulk power system (BPS).

II. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF*(S)	VSL**(S)
EOP-004-1	R3	R3.1	Lower	Moderate

*Violation Risk Factor ("VRF")

**Violation Severity Level ("VSL")

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.

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

The purpose statement of EOP-004-1 provides Disturbances or unusual occurrences that jeopardize the operation of the Bulk Electric System, or result in system equipment damage or customer interruptions, need to be studied and understood to minimize the likelihood of similar events in the future.

EOP-004-1 R3 provides in pertinent part:

R3. A Reliability Coordinator, Balancing Authority, Transmission Operator, Generator Operator or Load Serving Entity experiencing a reportable incident shall provide a preliminary written report to its Regional Reliability Organization^[2] and NERC.

R3.1. The affected Reliability Coordinator, Balancing Authority, Transmission Operator, Generator Operator or Load Serving Entity shall submit within 24 hours of the disturbance or unusual occurrence either a copy of the report submitted to the Department of Energy (DOE)³, or, if no DOE report is required, a copy of the NERC Interconnection Reliability Operating Limit (IROL) and Preliminary Disturbance Report form⁴. Events that are not identified until some time after they occur shall be reported within 24 hours of being recognized.

VIOLATION DESCRIPTION

On November 2, 2009, DERS submitted a self-report stating that it had a possible violation of EOP-004-1, R3.1. In its self-report, DERS explained that it had dropped 28 MW of load affecting 11,000 customers at 08:49 CDT on October 30, 2009, due to the loss of its radial 115 kV line and that DERS personnel had initiated restoration efforts and placed a backup transformer in service.

On October 30, 2009,⁵ DERS had a system event. DERS was required to submit a written report within 24 hours of the disturbance or unusual occurrence, but DERS

² Consistent with applicable FERC precedent, the term “Regional Reliability Organization” in this context refers to SERC.

³ Paragraph 4 of Attachment 2-EOP-004 U.S. Department of Energy Disturbance Reporting Requirements specifies that the DOE OE-417 report must be submitted if an entity experiences a “[c]omplete operational failure or shut-down of the transmission and/or distribution electrical system.”

⁴ Attachment 1-EOP-004 NERC Disturbance Report Form

Relevant Reportable Incident: Equipment failures/system operational actions which result in the loss of firm system demands for more than 15 minutes, as described below:

a. Entities with a previous year recorded peak demand of more than 3,000 MW are required to report all such losses of firm demands totaling more than 300 MW.
b. All other entities are required to report all such losses of firm demands totaling more than 200 MW or 50% of the total customers being supplied immediately prior to the incident, whichever is less.

⁵ In its self-report, DERS explained that it had dropped 28 MW of load affecting 11,000 customers at 08:49 CDT on October 30, 2009, due to the loss of its radial 115 kV line. DERS's 2009 peak was 67 MW, and

failed to timely do so.⁶ In accordance with the standard, an EOP-004 Preliminary Disturbance Report (or alternatively a copy of the OE-417 Report) should have been submitted within 24 hours of the event (before 8:49 CDT on October 31, 2009). However, a Preliminary Disturbance Report was not submitted until the following day (October 31, 2009, at 15:14 CDT), 30 hours and 25 minutes after the event, and the OE-417 Report was not submitted to the Regional Entity, NERC, and the DOE with the required information regarding the equipment failure, until November 2, 2009, at 16:59 CDT, 80 hours and 10 minutes after the event. The individual responsible for submitting the reports failed to submit the reports in a timely fashion, as required by the standard and in accordance with DERS' procedures.

SERC staff concluded that DERS violated NERC Reliability Standard EOP-004-1, R3.1 for failing to submit a written report within 24 hours of the disturbance.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

SERC staff determined that the violation did not pose a serious or substantial risk to the reliability of the BPS, because:

1. the 28 MW load loss was limited to a single radial line and restoration efforts commenced immediately following the event;
2. the outage endured for less than five hours and a back-up transformer was placed in service;
3. DERS reported the loss of load to its Transmission Operator within 3 minutes of the loss of load; and
4. DERS submitted the disturbance report within 25 to 36 hours of the disturbance or discovery of the disturbance.

IS THERE A SETTLEMENT AGREEMENT YES ☒ NO ☐

WITH RESPECT TO THE VIOLATION, REGISTERED ENTITY

ADMITS TO IT	YES	<input checked="" type="checkbox"/>
NEITHER ADMITS NOR DENIES IT (SETTLEMENT ONLY)	YES	<input type="checkbox"/>
DOES NOT CONTEST IT (INCLUDING WITHIN 30 DAYS)	YES	<input type="checkbox"/>

WITH RESPECT TO THE PROPOSED PENALTY OR SANCTION, REGISTERED ENTITY

ACCEPTS IT/ DOES NOT CONTEST IT YES ☒

customer load at the time of the event was 28 MW. The loss of the line was the result of a bushing failure on the high side of the main transformer on the A phase, resulting in the loss of 100% of its 28 MW load at the time. DERS initiated restoration efforts and placed a backup transformer in service. DERS was able to restore load at 13:15 CDT on October 30, 2009.

⁶ See n.3 *supra*.

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):

October 31, 2009 at 08:49 CDT (24 hours after the disturbance) until October 31, 2009, at 15:14 CDT (when DERS submitted the Preliminary Disturbance report)

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY

November 2, 2009

IS THE ALLEGED/CONFIRMED VIOLATION STILL OCCURRING

YES ☐ NO ☒

IF YES, EXPLAIN

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

IV. MITIGATION INFORMATION

MITIGATION PLAN NO. **MIT-09-2317**

DATE OF MITIGATION PLAN	November 2, 2009
DATE ACCEPTED BY REGIONAL ENTITY	February 4, 2010
DATE APPROVED BY NERC	February 9, 2010
DATE PROVIDED TO FERC	February 9, 2010
IDENTIFY AND EXPLAIN VERSIONS THAT WERE REJECTED	
N/A	

MITIGATION PLAN COMPLETED YES ☒ NO ☐

EXPECTED COMPLETION DATE	January 1, 2010
EXTENSIONS GRANTED	N/A
ACTUAL COMPLETION DATE	December 15, 2009

DATE OF CERTIFICATION LETTER	December 15, 2009
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF	December 15, 2009

DATE OF VERIFICATION **April 5, 2010**
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF
December 15, 2009

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT
RECURRENCE

To prevent future violations of EOP-004-1, all System Operators at DERS have been required to repeat EOP-004-1 training to include the completion of both DOE and NERC disturbance reporting forms. The EOP procedure was posted in the Operator Required Reading folder with a fact pattern from this event. The EOP-004-1 training will be continued on an annual basis to ensure that operating personnel are familiar with the reporting timelines and forms that need to be submitted following a qualifying disturbance.

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. DERS's EOP-004-1 SharePoint required reading action dated November 3, 2009;**
- 2. DERS's EOP-004-1 training tracking and results report of December 15, 2009**

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

NOC-39 (NP09-11-000) was filed on January 21, 2009. FERC issued an order on February 19, 2009 indicating that the Commission will not further review, on its own motion, the subject Notice of Penalty which covered the violation of PER-002-0, R3.1.⁷

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

DERs cooperated in a timely and satisfactory manner with SERC staff during the assessment of the self-report. DERs provided prompt responses to all of SERC staff's data requests and cooperated with SERC staff during phone calls between the parties to discuss these issues. Further, DERs'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 PROGRAM⁸

YES ☒ NO ☐
EXPLAIN

According to DERs, CECD provides and maintains a well-documented compliance program for DERs as part of its services to Balancing Authorities which is widely disseminated throughout the organization and to its Balancing Authorities. A CECD Director has compliance responsibilities for the Balancing Authorities that include monitoring implementation and development of the NERC Reliability Standards, establishing related operating procedures and protocols and interfacing with CECD compliance committees.

⁷ SERC determined that the prior violations should not serve as a basis for aggravating the penalty because the subject of NOC-39 involved an unrelated standard and the mitigation plan in NOC-39 would not have resolved or prevented the instant violation. Moreover, there was nothing in the record to suggest that broader corporate issues were implicated.

⁸ This Notice of Penalty was done when the Commission's August 27, 2010 Guidance Order was issued. SERC does not have a list of other CECD clients and did not evaluate whether such other CECD clients have common procedures and similar violations.

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

According to DERS, CECD has a full-time position dedicated to compliance activities that impact Balancing Authority operations and who communicates compliance issues to CECD Vice President and representatives of DERS. Per CECD, Constellation Energy has formed committees to engage each of its business units in compliance activities, including a NERC Compliance Committee charged with monitoring and communicating compliance information to Constellation Energy business units.

(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

DERS Self Report dated November 2, 2009

MITIGATION PLAN

DERS Mitigaiton Plan dated November 2, 2009

CERTIFICATION BY REGISTERED ENTITY

DERS Certification of Completion of Mitigation Plan dated December 15, 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)

Attachment b

DERS's Self-Report dated November 2, 2009



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

Self-Reporting Form

Date Submitted by Registered Entity: 11/02/09

Region: SERC

NERC Registry ID: NCR01203

Joint Registration Organization (JRO) ID:

Registered Entity: City of Ruston

Registered Entity Contact Name: CJ Ingersoll

Registered Entity Contact Email: c.j.ingersoll@constellation.com

Registered Entity Contact Telephone: 713-332-2906

Function(s) Applicable to Self-Report: BA

Standard: EOP-004

Requirement: R3.1

Has this possible alleged violation previously been reported or discovered: ☐ Yes ☒ No

If Yes selected: Provide NERC Violation ID (if known):

Date violation occurred: 10/30/2009

Date violation discovered: 10/31/2009

Is the violation still occurring? ☐ Yes ☒ No

Detailed explanation and cause of violation: The City of Ruston dropped 28 megawatts of load at 08:49 CDT on October 30, 2009. Upon investigation the loss of a radial 115 kV line (Frazier) serving load was the result of the brushing blowing on the high side of the main transformer, on the A phase. The city personnel initiated restoration efforts and placed a backup transformer in service. The city was able to restore load at 13:15 CDT on October 30, 2009. A disturbance report was not submitted inadvertently until the following day October 31, 2009, at 15:14 CDT. On November 2, 2009, a DOE-417 was submitted, which was also inadvertently not submitted containing the information described herein..

Reliability Impact: Minimal

Reliability Impact Description: The impact to reliability is minimal because the operating personnel responded and initiated restoration efforts appropriately immediately following the event. Getting equipment back in service to restore the system as soon as possible. The loss was limited to a single radial line that services only the City of Ruston, so the disturbance did not impact any other parties.

Additional Comments:



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

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

DERS's Mitigation Plan dated November 2, 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: 11/02/09

If this Mitigation Plan has already been completed:

- Check this box ☐ and
- Provide the Date of Completion of the Mitigation Plan: 1/1/10

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: City of Ruston
Company Address: 500 Dallas Street, Suite 3015, Houston, Texas
77002
NERC Compliance Registry ID *[if known]*: NCR01203

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: Cj Ingersoll
Title: Director
Email: c.j.ingersoll@constellation.com
Phone: 713-332-2906



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: EOP-004, R3.1
[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 ^(*)
SERCYYYYnnnnn	YYYY-nnn	R3.1	10/30/2009

(*) 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:

Failure to report a disturbance within 24 hours.

[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:

A report was submitted the following day upon discovery that the report had inadvertently not been submitted within the 24 hour window.

[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:

All system operators will be required to repeat EOP-004 training by 01/1/10, including completion of both the DOE and NERC disturbance reporting forms as they should have been completed for this event.

[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: Post EOP-004 procedure in the Operator Required Reading folder, with a fact pattern from this event.
- 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)
Post EOP-004 procedure in the Operator Required Reading folder, with a fact pattern from this event, and EOP-004 knowledge verification material.	11/3/09
Review operator knowledge verification material and follow up with specific operators as appropriate.	12/15/09
Submit documents closing mitigation plan to SERC.	1/1/10



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(*) 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:

The impact to reliability is minimal because the operating personnel responded and initiated restoration efforts appropriately immediately following the event. Getting equipment back in service to restore the system as soon as possible. The loss was limited to a single radial line that services only the City of Ruston, so the disturbance did not impact any other parties.
[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 EOP-004 training will be continued on an annual basis to ensure that operating personnel are familiar with the reporting timelines and forms that need to be submitted following a qualifying disturbance.

[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:

n/a

[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 [Vice President] of [Constellation Energy Control and Dispatch, LLC].
 2. I am qualified to sign this Mitigation Plan on behalf of City of Ruston.
 3. I have read and understand City of Ruston'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)).
 4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
 5. City of Ruston and Constellation Energy Control and Dispatch 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): JT Thompson

Title: Vice President Constellation Energy Control and Dispatch, LLC

Date: 11/02/09



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

DEERS's Certification of Mitigation Plan Completion, dated December 15, 2009

Print on Registered Entity's Corporate Letterhead

To Close Out a Completed Mitigation Plan, fill out this form, save it as a text searchable pdf file or MS Word file, and email it to serccomply@serc1.org. Note that electronic signatures are acceptable.

All Mitigation Plan Completion Certification submittals shall include data or information sufficient for SERC to verify completion of the Mitigation Plan. SERC 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) Data or information submitted may become part of a public record upon final disposition of the possible violation, therefore any confidential information contained therein should be marked as such in accordance with the provisions of Section 1500 of the NERC Rules of Procedure.

Certification of a Completed Mitigation Plan

SERC Reliability Corporation Violation Mitigation Plan Closure Form

Name of Registered Entity submitting certification: CECD on behalf of the City of Ruston

Date of Certification: 12/15/09

Name of Standard and the Requirement(s) of mitigated violation(s): EOP-004, R3.1

SERC Tracking Number (contact SERC if not known):

NERC Violation ID Number (if assigned):

Date of completion of the Mitigation Plan: 12/ 15/09

Summary of all actions described in Part D of the relevant mitigation plan: (1). EOP-004 Training and materials posted on the CECD Sharepoint site on 11/03/09. (2). 11/03/09 - 12/11/09 Operators completed the training and submitted tests and disturbance reporting forms for review to Director of Compliance.(3). Completed review of operator exams and disturbance reporting forms. 12/15/09

Description of the information provided to SERC for their evaluation: S harepoint Posting and Summary of Operator training results.

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

Print on Registered Entity's Corporate Letterhead

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: JT Thompson

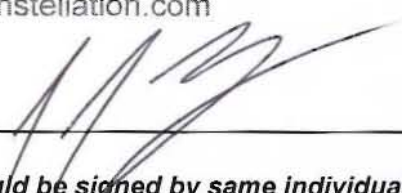
Title: Vice President, CECD

Entity: CECD on behalf of the City of Ruston

Email: jt.thompson@constellation.com

Phone: 713-332-2901

Designated Signature



Date

12/15/2009

[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

City of Ruston, LA

Docket No. NP10-____-000

NOTICE OF FILING
September 30, 2010

Take notice that on September 30, 2010, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding City of Ruston, LA 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