

December 31, 2012

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

**Re: NERC Full Notice of Penalty regarding Southwest Power Pool, Inc. - ICTE,  
FERC Docket No. NP13-\_-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Notice of Penalty<sup>1</sup> regarding Southwest Power Pool, Inc. - ICTE (SPP - ICTE), NERC Registry ID# NCR01323,<sup>2</sup> in accordance with the Federal Energy Regulatory Commission's (Commission or FERC) rules, regulations and orders, as well as NERC's Rules of Procedure including Appendix 4C (NERC Compliance Monitoring and Enforcement Program (CMEP)).<sup>3</sup>

As part of its FERC-approved role as the Independent Coordinator of Transmission (ICTE) for the SPP - ICTE transmission system, SPP - ICTE performs the RC function for Entergy. Entergy's transmission system covers parts of four southern states: Texas, Arkansas, Louisiana and Mississippi.

This Notice of Penalty is being filed with the Commission because SERC Reliability Corporation (SERC) and SPP - ICTE have entered into a Settlement Agreement to resolve all outstanding issues arising from SERC's determination and findings of the violations<sup>4</sup> of COM-002-2 R2. According to the Settlement

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<sup>1</sup> *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 (2011). *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).

<sup>2</sup> SERC confirmed that SPP - ICTE was included on the NERC Compliance Registry as a Reliability Coordinator (RC) on May 31, 2007. As a RC, SPP - ICTE is subject to the requirements of NERC Reliability Standard COM-002-2 R2.

<sup>3</sup> See 18 C.F.R § 39.7(c)(2).

<sup>4</sup> 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.

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Agreement, SPP - ICTE neither admits nor denies the violations, but has agreed to the assessed penalty of thirty-five thousand dollars (\$35,000), in addition to other remedies and actions to mitigate the instant violations and to facilitate future compliance under the terms and conditions of the Settlement Agreement. SPP - ICTE will pay for the assessed penalty by reducing the credit otherwise applied to SPP Regional Transmission Organization’s operating costs from the revenue received by SPP - ICTE.<sup>5</sup> Accordingly, the violations identified as NERC Violation Tracking Identification Numbers SERC200900256, SERC201000563 and SERC201000635 are being filed in accordance with the NERC Rules of Procedure and the CMEP.

**Statement of Findings Underlying the Violations**

This Notice of Penalty incorporates the findings and justifications set forth in the Settlement Agreement executed on December 19, 2012, by and between SERC and SPP - ICTE, which is included as Attachment a. The details of the findings and basis for the penalty are set forth in the Settlement Agreement and herein. This Notice of Penalty 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 (2012), NERC provides the following summary table identifying each violation of a Reliability Standard resolved by the Settlement Agreement, as discussed in greater detail below.

| Region                       | Registered Entity                 | NOC ID   | NERC Violation ID | Reliability Std. | Req. (R) | VRF    | Total Penalty |
|------------------------------|-----------------------------------|----------|-------------------|------------------|----------|--------|---------------|
| SERC Reliability Corporation | Southwest Power Pool, Inc. - ICTE | NOC-1714 | SERC200900256     | COM-002-2        | R2       | Medium | \$35,000      |
|                              |                                   |          | SERC201000563     | COM-002-2        | R2       | Medium |               |
|                              |                                   |          | SERC201000635     | COM-002-2        | R2       | Medium |               |

COM-002-2

The purpose statement of Reliability Standard COM-002-2 provides: “To ensure Balancing Authorities, Transmission Operators, and Generator Operators have adequate communications and that these communications capabilities are staffed and available for addressing a real-time emergency condition. To ensure communications by operating personnel are effective.”

<sup>5</sup> SPP - ICTE Servs., Inc., 115 FERC ¶ 61,095, order on reh’g, 116 FERC ¶ 61,275 (2006).

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COM-002-2 R2 provides: “Each Reliability Coordinator, Transmission Operator, and Balancing Authority shall issue directives in a clear, concise, and definitive manner; shall ensure the recipient of the directive repeats the information back correctly; and shall acknowledge the response as correct or repeat the original statement to resolve any misunderstandings.”

SERC200900256

COM-002-2 R2 has a “Medium” Violation Risk Factor (VRF) and a “High” Violation Severity Level (VSL). The subject violation applies to SPP - ICTE’s Reliability Coordinator (RC) function.

On April 3, 2009, SPP - ICTE self-reported that on January 11, 2009, it had a violation of COM-002-2 R2. Specifically, SPP - ICTE failed to use three-part communication when directing a Transmission Operator (TOP) to return a transmission line to service. SPP - ICTE failed to ensure that the recipient of the directive repeated the information back correctly and to acknowledge the response as correct or repeat the original statement to resolve any misunderstandings.

During its assessment of the violation, SERC reviewed the voice recordings of the communication at issue between SPP - ICTE and the TOP. On January 11, 2009, SPP - ICTE issued a directive to the TOP to close a breaker at a substation to avoid a condition that could threaten the reliability of its area. Although SPP - ICTE issued the directive in a clear and concise manner, SPP - ICTE failed to ensure that the TOP repeated the information back correctly, acknowledged the response as correct, or repeated the original statement to resolve any misunderstandings.

SERC determined that SPP - ICTE violated COM-002-2 R2 because although it issued a directive in a clear, concise and definitive manner, it failed to require the directive recipient to repeat the directive back in order to confirm that the directive was correctly understood, as required by the Standard.

SERC determined that the violation lasted one day, January 11, 2009, when SPP - ICTE failed to require the directive recipient to repeat the directive as required by the Standard.

SERC determined that this violation posed a moderate risk to the reliability of the bulk power system (BPS), but did not pose a serious or substantial risk. The violation posed a moderate risk to the reliability of the BPS because the RC’s failure to confirm receipt of the directive could have resulted in the TOP misunderstanding the directive and failing to execute the directed action. The risk to the BPS was mitigated because SPP - ICTE and the TOP had been discussing the situation and the TOP understood the action that was to be taken, which alleviated the contingency.

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SERC201000563

COM-002-2 R2 has a “Medium” VRF and a “Severe” VSL. The subject violation applies to SPP - ICTE’s RC function.

On June 29, 2010, SPP - ICTE self-reported a violation of COM-002-2 R2. On May 22, 2010, at approximately 2200 Central Standard Time (CST), SPP - ICTE issued a Transmission Loading Relief (TLR) 5B, noting an imminent System Operating Limit (SOL) on Flow Gate (FG) 1324 due to heavy inflows. In issuing the TLR, SPP - ICTE ordered the curtailment of several hundred MW of contract flows to alleviate loading on FG 1324. In the following hour, SPP - ICTE declared another TLR 5B and ordered additional curtailments for the same reliability concern on FG 1324.

An RC issues a TLR 5B anytime the RC needs relief within 15 minutes of when the TLR 5B is issued. The Interchange Distribution Calculator (IDC) is “[t]he mechanism used by Reliability Coordinators in the Eastern Interconnection to calculate the distribution of Interchange Transactions over specific Flowgates. It includes a database of all Interchange Transactions and a matrix of the Distribution Factors for the Eastern Interconnection.”<sup>6</sup> Under the IDC, an alarm is issued to the RC issuing a TLR 5B if the affected Balancing Authority (BA) does not acknowledge the curtailment within 10 minutes of the issuance. The RC would then contact the affected BA and direct it to acknowledge the curtailments.

During its assessment, SERC reviewed the recorded conversation and read the corresponding transcript of the communication at issue between SPP - ICTC and the affected BA. The RC on shift received a telephone call from the BA. The BA was concerned that it had removed units from service in anticipation of being able to rely on purchased power to replace the energy from the units and, due to the TLR 5B, those purchases had been curtailed for two hours in a row. The BA discussed denying the curtailment tags, but was directed by SPP - ICTC to acknowledge the tags. The conversation continued with the BA explaining its concern with the timing of the curtailments. The RC explained that the curtailments were immediate and that the timing was not controllable. The RC explained that the BA must acknowledge the curtailments because they were a reliability concern. Shortly after the call, at 2320 CST, the BA confirmed the tags. The curtailments began at 2325, which was within the 15 minute timeframe of TLR 5B issuance.

SERC determined that SPP - ICTE had a violation of COM-002-2 R2 because it did not issue a clear, concise and definitive directive to the BA and did not require the BA to repeat the directive to confirm its understanding as required by the Standard.

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<sup>6</sup> NERC Glossary of Terms.

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SERC determined that the violation lasted one day, May 22, 2010, when SPP - ICTE failed to require the directive recipient to repeat the directive as required by the Standard.

SERC determined that this violation posed a moderate risk to the reliability of the BPS, but did not pose a serious or substantial risk. The violation posed a moderate risk to the reliability of the BPS because SPP - ICTE was experiencing a real-time loading problem. In addition, the 15-minute deadline for acknowledging the curtailment tags had not elapsed when the BA called SPP - ICTE. Furthermore, without the BA's call, the RC's directive would not have been given. While SPP - ICTE did not use three-part communications, the risk to the reliability of the BPS was mitigated because the BA complied and acknowledged the curtailment tags.

#### SERC201000635

COM-002-2 R2 has a "Medium" VRF and a "High" VSL. The subject violation applies to SPP - ICTE's RC function.

On March 10, 2010, SERC sent SPP - ICTE an initial Notice of Compliance Audit scheduled for May 10, 2010 through May 14, 2010, which was subsequently rescheduled for September 27, 2010 through October 1, 2010. On September 30, 2010, the SERC Audit Team reported a violation of COM-002-2 R2 because SPP - ICTE failed to ensure that the directive recipient repeated the directive back in order to confirm that it was correctly understood.

During its assessment of the violation, SERC reviewed the voice recordings of the communication at issue between SPP - ICTE and the BA. On July 10, 2008, SPP - ICTE called the BA to discuss how to alleviate a problem on the Slander-Hopkins interconnection by reducing the imports on Amite-South. Amite-South was, at the time, over its import limit by 33 MW. SPP - ICTE believed that reducing the imports to Amite-South's limit would reduce the flow problem on Slanders-Hopkins line. After some discussion, the two parties agreed that reducing the imports on Amite-South would help. The BA stated that if SPP - ICTE issued a directive to match the imports on Amite-South to its limit, then the BA would do so. SPP - ICTE issued the directive to match the Amite-South imports to its limit. Although SPP - ICTE issued the directive in a clear and concise manner, it failed to have the BA repeat the directive to confirm its understanding as required by the Standard. Immediately following the call, the BA executed the actions requested by the RC.

Although this violation occurred prior to the two other COM-002-2 R2 violations, discussed above, neither SPP - ICTE nor SERC became aware of the violation until it was discovered during the onsite

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Compliance Audit conducted from September 27, 2010 through October 1, 2010. The discovery of the instant violation followed the completion of SPP - ICTE's Mitigation Plan associated with SERC201000563.

Because SERC was aware of three separate COM-002-2 R2 violations, further investigation was warranted in order to ensure that these were isolated incidents and were not indicative of a systemic problem within SPP - ICTE. On November 19, 2010, SERC issued a Request for Information (RFI) to SPP - ICTE that included: 1) a series of questions regarding the scope of the issues; 2) the training provided for SPP - ICTE operators; and 3) any changes to its compliance program as a result of these communications failures. On December 22, 2010, SPP - ICTE provided a written response to SERC's RFI. Based on these responses and the facts associated with the issues, SERC determined that the three separate violations did not represent a systemic failure of SPP - ICTE's compliance program.

SERC determined that SPP - ICTE had a violation of COM-002-2 R2 because although it issued a directive in a clear, concise and definitive manner, it did not require the directive recipient to repeat the directive in order to confirm the directive was correctly understood, as required by the Standard.

SERC determined that the violation lasted one day, July 10, 2008, when SPP - ICTE failed to require the directive recipient to repeat the directive as required by the Standard.

SERC determined that this violation posed a moderate risk to the reliability of the BPS, but did not pose a serious or substantial risk. The violation posed a moderate risk to the reliability of the BPS because SPP - ICTE was experiencing a real-time loading problem and action was required from the BA. The failure of SPP - ICTE to require that the directive be repeated could have resulted in the BA misunderstanding and failing to execute the required directive. The risk to the reliability of the BPS was mitigated because SPP - ICTE and the BA discussed the situation in real-time and each understood the action that was to be taken, and the BA executed the directed action.

#### Regional Entity's Basis for Penalty

According to the Settlement Agreement, SERC has assessed a penalty of thirty-five thousand dollars (\$35,000) for the referenced violations. In reaching this determination, SERC considered the following factors:

1. SPP - ICTE has no previously-filed violations of the same or similar Standard;
2. SPP - ICTE was cooperative throughout the compliance enforcement process;

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3. SERC reviewed SPP - ICTE's internal compliance program (ICP) and considered it a mitigating factor in the penalty determination;<sup>7</sup>
4. There was no evidence of any attempt by SPP - ICTE to conceal the violations;
5. There was no evidence that SPP - ICTE's violations were intentional;
6. SERC determined that the violations posed a moderate risk and did not pose a serious or substantial risk to the reliability of the BPS; and
7. SERC reported that there were no other mitigating or aggravating factors or extenuating circumstances that would affect the assessed penalty.

After consideration of the above factors, SERC determined that, in this instance, the penalty amount of thirty-five thousand dollars (\$35,000) is appropriate and bears a reasonable relation to the seriousness and duration of the violations.

#### **Status of Mitigation Plan<sup>8</sup>**

##### SERC200900256

SPP - ICTE's Mitigation Plan to address its violation of COM-002-2 R2 was submitted to SERC on April 3, 2009 stating that it had been completed on March 16, 2009. The Mitigation Plan was accepted by SERC on April 21, 2009 and approved by NERC on April 29, 2009. The Mitigation Plan for this violation is designated as MIT-09-1641 and was submitted as non-public information to FERC on April 30, 2009 in accordance with FERC orders.

SPP - ICTE's Mitigation Plan required SPP - ICTE to:

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<sup>7</sup> SERC found that: SPP - ICTE's ICP is documented and includes a compliance charter, compliance program, compliance distribution plan, audit preparation plan, internal assessment schedule, evaluation process, self-reporting and Mitigation Plan and an SPP - ICTE organizational chart; the ICP is reviewed annually and updated as necessary; the ICP requires that all supervisory-level employees be responsible for ensuring that their subordinates cooperate, are aware of, and understand the ICP; the Director of Compliance reports to the Vice-President and Chief Compliance Officer of Process Integrity and Chief Administrative Officer; and the Director of Compliance reports quarterly to the Oversight Committee of the Board of Directors and has open access to all SPP - ICTE officers, including the President.

<sup>7</sup> See 18 C.F.R § 39.7(d)(7).

<sup>8</sup> See 18 C.F.R § 39.7(d)(7).

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1. Document the event using the Operations Review Request Form as a means to notify management of an issue. The event was reviewed with the RC staff on duty at the time of the event;
2. Modify the written procedure to include specifications for issuing directives;
3. Issue a reminder about the use of directives at the SPP - ICTE staff meeting; and
4. Discuss the event with the TOP.

SPP - ICTE certified on April 13, 2009 that the above Mitigation Plan requirements were completed on March 16, 2009. As evidence of completion of its Mitigation Plan, ICTE submitted the following:

1. Documentation of the event and extenuating circumstances;
2. The modified procedure;
3. Notes from the SPP - ICTE RC staff meeting on March 16, 2009; and
4. Documentation representing the discussion of the event with the TOP.

On August 30, 2011, after reviewing SPP - ICTE's submitted evidence, SERC verified that SPP - ICTE's Mitigation Plan was completed on March 16, 2009.

#### SERC201000563

SPP - ICTE's Mitigation Plan to address its violation of COM-002-2 R2 was submitted to SERC on August 5, 2011 stating it had been completed on November 18, 2010. The Mitigation Plan was accepted by SERC on August 5, 2011 and approved by NERC on September 8, 2011. The Mitigation Plan for this violation, designated as SERCMIT005413-2, was submitted as non-public information to FERC on September 9, 2011 in accordance with FERC orders.

SPP - ICTE's Mitigation Plan required SPP - ICTE to:

1. Create a procedure that describes the process for tracking directives in a usable format that ensures the detail of the directive is available to the other RCs;
2. Hold an executive meeting to discuss the proper use of reliability directives, mitigation plans and communication to members;
3. Conduct a formal investigation and submit a recommendation of discipline of the RC that issued the directive to the Vice President of Operations;

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4. Require operations personnel to take a self-study course to review the three-part communication protocol and NERC Standard, COM-002;
5. Provide a reference sheet to each operator that provides step-by-step instructions regarding effective three-part communication and methods to reduce human errors;
6. Hold one-day course designed to provide employees with skills for conducting conversations that effectively attend to external and internal customers' human and business needs;
7. Hold SPP Control Room Principles and Successful Communication course;
8. Conduct sub-regional restoration drills;
9. Create a training module that focused on control room situational awareness and real-time critical decision-making;
10. Display awareness posters in the control center and backup center to remind operations personnel of the components of three-part communication; and
11. Perform regional restoration drills.

SPP - ICTE certified on August 18, 2011 that the above Mitigation Plan requirements were completed on November 18, 2010. As evidence of completion of its Mitigation Plan, SPP - ICTE submitted the following:

1. SPP - ICTE procedure describing the process for tracking directives for RCs;
2. Copy of an Outlook meeting appointment with a list of all attendees;
3. Document describing the executive meeting held on June 21, 2010 during which the May 22, 2010 communication event was discussed;
4. PowerPoint presentation covering the course material for three-part communication and attendance sheets;
5. Examples of reference sheets provided to personnel as quick reminders for the proper use of three-part communication;
6. Copy of workbook used by operators during the Guiding Customer Conversations training and the training presentation for system operators;
7. Copy of textbook, PowerPoint presentation and training form used for communication training course;
8. SPP - ICTE Formal Training Plan Form and course training book for sub-regional restoration drills;

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9. Training course materials for the SPP System Operations Conference;
10. Poster displayed in the control center and backup center to remind operations personnel of the components of three-part communication; and
11. Course training book provided at the three-day course for SPP's Regional System Restoration Drill Conference and operator training records of participation.

On August 30, 2011, after reviewing SPP - ICTE's submitted evidence, SERC verified that SPP - ICTE's Mitigation Plan was completed on November 18, 2010.

#### SERC201000635

SPP - ICTE's Mitigation Plan to address its violation of COM-002-2 R2 was submitted to SERC on June 29, 2011 stating that it had been completed on November 18, 2010. The Mitigation Plan was accepted by SERC on July 28, 2011 and approved by NERC on August 12, 2011. The Mitigation Plan for this violation is designated as SERCMIT005414-1 and was submitted as non-public information to FERC on August 12, 2011 in accordance with FERC orders.

SPP - ICTE's Mitigation Plan required SPP - ICTE to:

1. Create a procedure that describes the process for tracking directives in a usable format that ensures the detail of the directive is available to the other RCs;
2. Hold an executive meeting to discuss the proper use of reliability directives, mitigation plans and communication to members;
3. Conduct a formal investigation and submit a recommendation of discipline of the RC that issued the directive to the Vice President of Operations;
4. Require operations personnel to take a self-study course to review the three-part communication protocol and NERC Standard, COM-002;
5. Provide a reference sheet to each operator that provides step-by-step instructions regarding effective three-part communication and methods to reduce human errors;
6. Hold a one-day course designed to provide employees with skills for conducting conversations that effectively attend to external and internal customers' human and business needs;
7. Hold the SPP Control Room Principles and Successful Communication course;
8. Conduct sub-regional restoration drills;

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9. Create a training module that focused on control room situational awareness and real time critical decision-making;
10. Display awareness posters in the control center and backup center to remind operations personnel of the components of three-part communication; and
11. Perform regional restoration drills.

SPP - ICTE certified on August 1, 2011 that the above Mitigation Plan requirements were completed on November 18, 2010. As evidence of completion of its Mitigation Plan, SPP - ICTE submitted the following:

1. Document describing the communication event;
2. SPP - ICTE procedures describing the process for recording system events and tracking directives for RCs;
3. Copy of the March 16, 2009 staff meeting agenda;
4. Copy of the Outlook meeting appointment held on March 12, 2009 discussing the January 11, 2009 directive;
5. SPP - ICTE procedure for accessing, recording and tracking directives;
6. Examples of reference sheets provided to personnel as quick reminders for the proper use of three-part communication;
7. Document describing the executive meeting held on June 21, 2010 discussing the May 22, 2010 communication event;
8. Copy of textbook, PowerPoint presentation and training form used for communication training course, and attendance sheets;
9. Summary report of the May 22, 2010 communication event provided to the Vice President of Operations;
10. Copy of textbook, PowerPoint presentation and training form used for the communication training course;
11. Training course materials for the SPP System Operator course;
12. SPP - ICTE Formal Training Plan Form and course training book for sub-regional restoration drills;
13. Training course materials for the SPP System Operations Conference;

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14. Poster displayed in the control center and backup center to remind operations personnel of the components of three-part communication; and
15. Course training book provided at the three-day course for SPP's Regional System Restoration Drill Conference and operator training records of participation.

On August 31, 2011, after reviewing SPP - ICTE's submitted evidence, SERC verified that SPP - ICTE's Mitigation Plan was completed on November 18, 2010.

### **Statement Describing the Assessed Penalty, Sanction or Enforcement Action Imposed<sup>9</sup>**

#### **Basis for Determination**

Taking into consideration the Commission's direction in Order No. 693, the NERC Sanction Guidelines and the Commission's July 3, 2008, October 26, 2009 and August 27, 2010 Guidance Orders,<sup>10</sup> the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on December 10, 2012. The NERC BOTCC approved the Settlement Agreement, including SERC's assessment of a thirty-five thousand dollar (\$35,000) financial penalty against ICTE 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:

1. SPP - ICTE has no previously-filed violations of the same or similar Standard;
2. SPP - ICTE was cooperative throughout the compliance enforcement process;
3. SERC reviewed SPP - ICTE's ICP and considered it a mitigating factor in penalty determination, as described above;
4. There was no evidence of any attempt by SPP - ICTE to conceal the violations;
5. There was no evidence that SPP - ICTE's violations were intentional;

<sup>9</sup> See 18 C.F.R. § 39.7(d)(4).

<sup>10</sup> *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).

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6. SERC determined that the violations posed a moderate risk and did not pose a serious or substantial risk to the reliability of the BPS; and
7. SERC 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 approved the Settlement Agreement and believes that the assessed penalty of thirty-five thousand dollars (\$35,000) 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 Notice of Penalty with FERC, or, if FERC decides to review the penalty, upon final determination by FERC.

#### **Attachments to be Included as Part of this Notice of Penalty**

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

- a) Settlement Agreement by and between SERC and SPP - ICTE executed December 19, 2012, included as Attachment a;
  1. SERC's Disposition of Violation, included as Attachment A to the Settlement Agreement;
- b) Record documents for the violation of COM-002-2 R2 (SERC200900256), included as Attachment b:
  1. SERC's Self-Report dated April 3, 2009;
  2. SPP - ICTE's Mitigation Plan designated as MIT-09-1641 submitted April 3, 2009; and
  3. SPP - ICTE's Certification of Mitigation Plan Completion dated April 13, 2009.
- c) Record documents for the violation of COM-002-2 R2 (SERC201000563), included as Attachment c:
  1. SERC's Self-Report dated June 29, 2010;
  2. SPP - ICTE's Mitigation Plan designated as SERCMIT005413-2 submitted August 5, 2011; and
  3. SPP - ICTE's Certification of Mitigation Plan Completion dated August 18, 2011.
- d) Record documents for the violation of COM-002-2 R2 (SERC201000635), included as Attachment d:
  1. SERC's Post Audit/Spot Check Screening Worksheet dated September 30, 2010;
  2. SPP - ICTE's Mitigation Plan designated as SERCMIT005414-1 submitted June 29, 2011; and
  3. SPP - ICTE's Certification of Mitigation Plan Completion dated August 1, 2011.

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**A Form of Notice Suitable for Publication<sup>11</sup>**

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

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<sup>11</sup> See 18 C.F.R § 39.7(d)(6).

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

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|---|--|
| <p>Gerald W. Cauley<br/>                 President and Chief Executive Officer<br/>                 North American Electric Reliability Corporation<br/>                 3353 Peachtree Road NE<br/>                 Suite 600, North Tower<br/>                 Atlanta, GA 30326<br/>                 (404) 446-2560</p>  | <p>Rebecca J. Michael*<br/>                 Associate General Counsel for Corporate and<br/>                 Regulatory Matters<br/>                 Nina H. Jenkins-Johnston*<br/>                 Attorney<br/>                 North American Electric Reliability Corporation<br/>                 1325 G Street N.W.<br/>                 Suite 600</p>   |
| <p>Charles A. Berardesco*<br/>                 Senior Vice President and General Counsel<br/>                 North American Electric Reliability Corporation<br/>                 1325 G Street N.W., Suite 600<br/>                 Washington, DC 20005<br/>                 (202) 400-3000<br/>                 (202) 644-8099 – facsimile<br/>                 charles.berardesco@nerc.net</p> | <p>Washington, DC 20005<br/>                 (202) 400-3000<br/>                 (202) 644-8099 – facsimile<br/>                 rebecca.michael@nerc.net<br/>                 nina.johnston@nerc.net</p>  |
| <p>John R. Twitchell*<br/>                 VP and Chief Program Officer<br/>                 SERC Reliability Corporation<br/>                 2815 Coliseum Centre Drive, Suite 500<br/>                 Charlotte, NC 28217<br/>                 (704) 940-8205<br/>                 (704) 357-7914 – facsimile<br/>                 jtwitchell@serc1.org</p>                                     | <p>Marisa A. Sifontes*<br/>                 General Counsel<br/>                 Maggie A. Sallah*<br/>                 Senior Counsel<br/>                 SERC Reliability Corporation<br/>                 2815 Coliseum Centre Drive, Suite 500<br/>                 Charlotte, NC 28217<br/>                 (704) 494-7775<br/>                 (704) 357-7914 – facsimile<br/>                 msifontes@serc1.org<br/>                 msallah@serc1.org</p> |
| <p>Stacy Duckett*<br/>                 Vice President and Chief Compliance Officer<br/>                 Southwest Power Pool, Inc.<br/>                 201 Worthen Drive<br/>                 Little Rock, AR 72223<br/>                 (501) 614-3296<br/>                 (501) 482-2022 – facsimile<br/>                 Sduckett@spp.org</p>  | <p>Andrea B. Koch*<br/>                 Manager, Compliance Enforcement<br/>                 SERC Reliability Corporation<br/>                 2815 Coliseum Centre Drive, Suite 500<br/>                 Charlotte, NC 28217<br/>                 (704) 940-8219<br/>                 (704) 357-7914 – facsimile<br/>                 akoch@serc1.org</p>   |

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|   |  |
|---|--|
| <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**

NERC respectfully requests that the Commission accept this Notice of Penalty as compliant with its rules, regulations and orders.

Respectfully submitted,

/s/ Rebecca J. Michael

Rebecca J. Michael  
Associate General Counsel for Corporate  
and Regulatory Matters  
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cc: Southwest Power Pool, Inc. - ICTE  
SERC Reliability Corporation

Attachments

## **Attachment a**

### **Settlement Agreement by and between SERC and SPP - ICTE executed December 19, 2012**

- 1. SERC's Disposition of Violation, included  
as Attachment A**
-

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**SETTLEMENT AGREEMENT**  
**OF**  
**SERC RELIABILITY CORPORATION**  
**AND**  
**SOUTHWEST POWER POOL, INC. - ICTE**

**I. INTRODUCTION**

1. SERC Reliability Corporation (SERC) and Southwest Power Pool, Inc. on behalf of Southwest Power Pool, Inc.-ICTE<sup>1</sup> (SPP-ICTE) enter into this Settlement Agreement (Settlement Agreement) to resolve all outstanding issues arising from a preliminary and non-public assessment resulting in SERC's determination and findings, pursuant to the North American Electric Reliability Corporation (NERC) Rules of Procedure, of three confirmed violations.

| <b>Reliability Standard</b> | <b>Requirement</b> | <b>SERC Tracking No.</b> | <b>NERC Violation ID</b> |
|-----------------------------|--------------------|--------------------------|--------------------------|
| COM-002-2                   | R2                 | 09-011                   | SERC200900256            |
| COM-002-2                   | R2                 | SERC2010-400654          | SERC201000563            |
| COM-002-2                   | R2                 | SERC2010-400764          | SERC201000635            |

2. SPP – ICTE neither admits nor denies responsibility for the three violations and has agreed to the proposed penalty of thirty-five thousand dollars (\$35,000) in addition to other remedies and actions to mitigate the instant violations and to promote future compliance under the terms and conditions of this Settlement Agreement.

**II. STIPULATION**

3. The facts stipulated herein are stipulated solely for the purpose of resolving between SPP - ICTE and SERC the matters discussed herein and do not constitute stipulations or admissions for any purpose. SPP - ICTE and SERC hereby stipulate and agree to the following:

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<sup>1</sup> As part of its FERC approved role as the Independent Coordinator of Transmission, Southwest Power Pool, Inc. performs the Reliability Coordinator (RC) function for Entergy.

## **Background**

4. See Section I of the Disposition of Violation, which is made a part of this Settlement Agreement and is attached hereto as Attachment A, for a description of SPP - ICTE.

## **Violations of NERC Reliability Standards**

5. See Section II of Attachment A for the description of the violations.

## **III. PARTIES' SEPARATE REPRESENTATIONS**

### **Statement of SERC and Summary of Findings**

6. SERC determined that SPP - ICTE, as a Reliability Coordinator (RC), was in violation of COM-002-2 R2 because it issued a directive on January 11, 2009 in a clear, concise and definitive manner but did not require the directive recipient to repeat the directive in order to confirm the directive was correctly understood, as required.
7. SERC determined that SPP - ICTE, as a RC, was in violation of COM-002-2 R2 because on May 22, 2010, it failed to issue a clear, concise and definitive directive and to require the recipient to repeat the directive to confirm its understanding, as required. This is a repeat violation.
8. SERC determined that SPP - ICTE, as a RC, was in violation of COM-002-2 R2 because on July 10, 2008, it issued a directive in a clear, concise and definitive manner but did not require the directive recipient to repeat the directive in order to confirm the directive was correctly understood, as required.
9. SERC identifies the risk of each violation to the bulk power system (BPS) in Attachment A.
10. SERC has agreed to enter into this Settlement Agreement to avoid extended litigation with respect to all matters described or referred to herein, to avoid uncertainty, and to effectuate a complete and final resolution of the allegations set forth herein. SERC concludes that this Settlement Agreement is in the best interest of the parties and in the best interest of BPS reliability.

### **Statement of SPP - ICTE**

11. SPP - ICTE neither admits nor denies that the facts set forth and agreed to by the parties for purposes of this Settlement Agreement constitute violations of COM-002-2 R2.
12. SPP - ICTE has agreed to enter into this Settlement Agreement to avoid extended litigation with respect to all matters described or referred to herein, to avoid

uncertainty, and to effectuate a complete and final resolution of the issues set forth herein. SPP - ICTE concludes that this Settlement Agreement is in the best interest of the parties and in the best interest of BPS reliability.

#### IV. MITIGATING ACTIONS, REMEDIES AND SANCTIONS

13. SERC and SPP - ICTE agree that SPP - ICTE has completed and SERC has verified the completion of the mitigating actions set forth in Section IV of Attachment A. The Mitigating Actions, Remedies and Sanctions are discussed in detail in Attachment A.
14. SERC also considered the specific facts and circumstances of the violations and SPP - ICTE's actions in response to the violations in determining a proposed penalty that meets the requirement in Section 215 of the Federal Power Act that "[a]ny penalty imposed under this section shall bear a reasonable relation to the seriousness of the violation and shall take into consideration the efforts of an entity to remedy the violation in a timely manner."<sup>2</sup> The factors considered by SERC in the determination of the appropriate penalty are set forth in Section II of Attachment A.
  - i. Based on the above factors, as well as the mitigation actions and preventative measures taken, SPP - ICTE shall pay thirty-five thousand dollars (\$35,000) to SERC as set forth in this Settlement Agreement. SPP - ICTE will fund the \$35,000 payment by reducing the credit otherwise applied to SPP RTO's operating costs from the revenue received by SPP - ICTE. *Entergy Servs., Inc.*, 115 FERC ¶ 61,095, *order on reh'g*, 116 FERC ¶ 61,275 (2006). SPP - ICTE shall remit the payment to SERC via check, or by wire transfer to an account to be identified by SERC within thirty days after the Agreement is either approved by the Federal Energy Regulatory Commission (Commission) or by operation of law. SERC shall notify NERC, and NERC shall notify the Commission, if the payment is not timely received. If SPP - ICTE does not remit the payment by the required date, interest payable to SERC will begin to accrue pursuant to the Commission's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date that payment is due, and shall be payable in addition to the payment.
15. Failure to make a timely penalty payment or to comply with any of the terms and conditions agreed to herein, or any other conditions of this Settlement Agreement shall be deemed to be either the same alleged violations that initiated this Settlement Agreement and/or additional violations and may subject SPP - ICTE to new or additional enforcement, penalty or sanction actions in accordance with the NERC Rules of Procedure. SPP - ICTE shall retain all rights to defend against such additional enforcement actions in accordance with NERC Rules of Procedure.

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<sup>2</sup> 16 U.S.C. § 824o(e)(6).

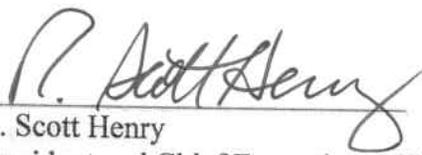
## V. ADDITIONAL TERMS

16. The signatories to the Settlement Agreement agree that they enter into the Settlement 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 SERC or SPP - ICTE has been made to induce the signatories or any other party to enter into the Settlement Agreement. The signatories agree that the terms and conditions of this Settlement Agreement are consistent with the FERC's regulations and orders, and NERC's Rules of Procedure.
17. SERC 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 SERC and SPP - ICTE 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 SERC will attempt to negotiate a revised settlement agreement with SPP - ICTE 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 the FERC for the FERC's review and approval by order or operation of law and (ii) publicly post this Settlement Agreement.
18. This Settlement Agreement shall become effective upon the FERC's approval of the Settlement Agreement by order or operation of law as submitted to it or as modified in a manner acceptable to the parties.
19. SPP - ICTE agrees that this Settlement Agreement, when approved by NERC and the Commission, shall represent a final settlement of all matters set forth herein and SPP - ICTE waives its right to further hearings and appeal, unless and only to the extent that SPP - ICTE contends that any NERC or Commission action on the Settlement Agreement contains one or more material modifications to the Settlement Agreement. SERC reserves all rights to initiate enforcement, penalty or sanction actions against SPP - ICTE in accordance with the NERC Rules of Procedure in the event that SPP - ICTE does not comply with the Mitigation Plans and compliance program agreed to in this Settlement Agreement. In the event SPP - ICTE 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 SPP - ICTE 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, SPP - ICTE shall retain all rights to defend against such enforcement actions, also according to the NERC Rules of Procedure.
20. SPP - ICTE consents to the use of SERC's determinations, findings, and conclusions set forth in this Settlement Agreement for the purpose of assessing the factors,

including the factor of determining SPP-ICTE history of violations, in accordance with the NERC Sanction Guidelines and applicable Commission orders and policy statements. Such use may be in any enforcement action or compliance proceeding undertaken by NERC and/or any Regional Entity; provided, however, that SPP - ICTE does not consent to the use of the specific acts set forth in this Settlement Agreement as the sole basis for any other action or proceeding brought by NERC and/or SERC, nor does SPP - ICTE consent to the use of this Settlement Agreement by any other party in any other action or proceeding.

- 21. 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.
- 22. 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, 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 Settlement Agreement.
- 23. The Settlement Agreement may be signed in counterparts.
- 24. If this Settlement Agreement is executed in duplicate, each of which so executed shall be deemed to be an original.

Agreed to and accepted:

  
 R. Scott Henry  
 President and Chief Executive Officer  
**SERC RELIABILITY CORPORATION**

12/19/2012  
 Date

  
 Stacy Duckett  
 Vice President, Chief Compliance Officer  
**SOUTHWEST POWER POOL, INC.**

12/19/12  
 Date

APPROVED  
 MBR  
 BY



WITH RESPECT TO THE ASSESSED PENALTY OR SANCTION, REGISTERED ENTITY

ACCEPTS IT/ DOES NOT CONTEST IT YES

**II. VIOLATION INFORMATION**

| RELIABILITY STANDARD | REQUIREMENT(S) | SUB-REQUIREMENT(S) | VRF(S) | VSL(S) |
|----------------------|----------------|--------------------|--------|--------|
| COM-002-2            | 2              |                    | Medium | High   |
| COM-002-2            | 2              |                    | Medium | Severe |
| COM-002-2            | 2              |                    | Medium | High   |

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

The purpose statement of COM-002-2 provides:

To ensure Balancing Authorities, Transmission Operators, and Generator Operators have adequate communications and that these communications capabilities are staffed and available for addressing a real-time emergency condition. To ensure communications by operating personnel are effective.

COM-002-2 provides:

R2 Each Reliability Coordinator, Transmission Operator, and Balancing Authority shall issue directives in a clear, concise, and definitive manner; shall ensure the recipient of the directive repeats the information back correctly; and shall acknowledge the response as correct or repeat the original statement to resolve any misunderstandings.

**VIOLATION DESCRIPTION**

SERC200900256:

On April 3, 2009, SPP - ICTE, as a RC, self-reported that on January 11, 2009, it failed to use three-way communication when directing a Transmission Operator (TOP) to return a transmission line to service.

During its assessment, SERC listened to the recorded conversation. On January 11, 2009, SPP - ICTE issued a directive to the TOP to close a breaker at a substation to avoid a potential reliability contingency. While the directive was given in a clear and concise manner, SPP - ICTE failed to ensure the recipient of the directive understood the directive by having the recipient repeat the information back correctly. SPP-ICTE and the TOP had been discussing the situation and the TOP understood the action that was to be taken, which alleviated the contingency.

SERC determined that SPP - ICTE, as a RC, was in violation of COM-002-2, R2 because it issued a directive on January 11, 2009 in a clear, concise and definitive manner but did

not require the directive recipient to repeat the directive in order to confirm the directive was correctly understood, as required.

SERC assessed a Violation Severity Level (VSL) of “High” in accordance with the December 19, 2008 VSL Matrix because SPP - ICTE provided a clear directive in a clear, concise and definitive manner, but did not require the recipient to repeat the directive.

SERC201000563:

On June 29, 2010, SPP - ICTE, as a RC, self-reported a possible violation of COM-002-2 R2.

On May 22, 2010, at approximately 2200, SPP - ICTE issued a Transmission Loading Relief (TLR) 5B, noting an imminent System Operating Limit (SOL) on Flow Gate (FG) 1324 due to heavy inflows. In issuing the TLR, SPP - ICTE ordered the curtailment of several hundred MW of contract flows to alleviate loading on FG 1324. In the following hour, SPP - ICTE declared another TLR 5B and ordered additional curtailments for the same reliability concern on FG 1324.

An RC will issue a Transmission Loading Relief (TLR) 5B anytime the RC needs relief within 15 minutes of when the TLR is issued. The Interchange Distribution Calculator (IDC) is “[t]he mechanism used by Reliability Coordinators in the Eastern Interconnection to calculate the distribution of Interchange Transactions over specific Flowgates. It includes a database of all Interchange Transactions and a matrix of the Distribution Factors for the Eastern Interconnection.” (NERC Glossary of Terms) Under the IDC, an alarm is issued to the RC issuing a TLR 5B if the affected Balancing Authority (BA) does not acknowledge the curtailment within 10 minutes of the issuance. The RC would then contact the affected BA and direct it to acknowledge the curtailments.

During its assessment, SERC listened to the recorded conversation and read the corresponding transcript. The RC on shift received a telephone call from one of the affected BAs. The BA was concerned that it had removed units from service in anticipation of being able to rely on purchased power to replace the energy from the units and, due to the TLR 5B, those purchases had been curtailed for two hours in a row. The BA discussed denying the curtailment tags and was informed by the RC that the BA had no choice but to acknowledge the tags. The conversation continued with the BA explaining its concern with the timing of the curtailments; the RC explained that the curtailments were immediate and he was unable to control the timing. The RC explained that the BA must acknowledge the curtailments because they were a reliability concern. Shortly after the call, at 2320, the BA confirmed the tags. The curtailments began at 2325, which was within the 15 minute timeframe of TLR 5B issuance.

SERC determined that SPP - ICTE, as a RC, was in violation of COM-002-2 R2 because it failed to issue a clear, concise and definitive directive and to require the recipient to repeat the directive to confirm its understanding, as required. This is a repeat violation.

SERC determined the VSL to be “Severe” based on the May 3, 2010 VSL matrix because SPP - ICTE failed to provide a clear directive in a clear, concise and definitive manner when required.

SERC201000635:

On March 10, 2010, SERC sent SPP - ICTE an initial notice of compliance audit scheduled for May 10-14, 2010, which was subsequently re-scheduled for September 27-October 1, 2010. On September 30, 2010, the SERC audit team reported a Possible Violation of COM-002-2 R 2 because SPP - ICTE, as a RC, did not require the directive recipient to repeat the directive in order to confirm that it was correctly understood, as required.

During its assessment, SERC listened to the recorded conversation at issue. On July 10, 2008, SPP- ICTE called the BA to discuss how to alleviate a problem on the Slander-Hopkins interconnection by reducing the imports on Amite-South. Amite-South was, at the time, over its import limit by 33 MW. SPP - ICTE believed that reducing the imports to Amite-South’s limit would reduce the flow problem on Slanders-Hopkins line. After some discussion, the two parties agreed that reducing the imports on Amite-South would help. The BA stated that if SPP - ICTE issued a directive to match the imports on Amite-South to its limit then SPP - ICTE would do so. SPP - ICTE gave the directive to match the Amite-South imports to its limit. Although SPP - ICTE issued the directive in a clear and concise manner, it failed to have the recipient repeat the directive to confirm its understanding as required by the standard. Immediately following the call, the BA executed the actions requested by the RC.

Although this violation occurred prior to the two other SPP - ICTE COM-002-2 R2 violations processed by SERC (SERC violation ID numbers SERC2010-400654 and SERC2010-400764), neither SPP - ICTE nor SERC became aware of the violation until it was discovered during the onsite audit conducted on September 29, 2010. The SERC2010-400654 violation occurred on January 11, 2009 and was self-reported to SERC on April 3, 2009. The SERC2010-400764 violation occurred on May 22, 2010 and was self-reported to SERC on June 29, 2010. The discovery of the present violation followed the completion of SPP - ICTE’s mitigation plan associated with SERC2010-400654.

Because SERC was aware of three separate COM-002-2 R2 violations, further investigation was warranted in order to ensure these were isolated incidents and were not indicative of a programmatic problem within SPP - ICTE. On November 19, 2010, SERC issued a Request for Information (RFI) to SPP - ICTE that included a series of questions regarding the scope of the issues, the training provided for SPP - ICTE operators, and any changes to its compliance program as a result of these communications failures. On December 22, 2010, SPP - ICTE provided a written response to SERC’s RFI. Based on these responses and the facts associated with the issues, SERC determined that the three separate violations did not represent a systemic failure of SPP - ICTE’s compliance program.

SERC determined that SPP - ICTE, as a RC, was in violation of COM-002-2 R2 because it issued a directive in a clear, concise and definitive manner but did not require the directive recipient to repeat the directive in order to confirm the directive was correctly understood, as required.

SERC determined the VSL to be “High” based on the March, 1, 2008 VSL matrix because SPP - ICTE did not require the recipient to repeat the directive after it had been received.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

SERC200900256:

SERC determined that the violation posed a moderate risk to the reliability of the bulk power system (BPS) because the RC’s failure to confirm the receipt of the directive could have resulted in the TOP misunderstanding the directive and failing to execute the directed action. However, SPP-ICTE and the TOP had been discussing the situation and the TOP understood the action that was to be taken.

SERC201000563:

SERC determined that the violation posed a moderate risk to the BPS because:

- 1. SPP - ICTE was experiencing a real-time loading problem;
- 2. While the BA did not use three way communications, it did comply and acknowledge the curtailment tags; and
- 3. The 15 minute deadline for acknowledging the curtailment tags had not elapsed when the BA called SPP - ICTE; without the BA’s call, the RC’s directive would not have been given.

SERC201000635:

SERC determined that the violation posed a moderate risk to the BPS because:

- 1. SPP - ICTE was experiencing a real-time loading problem and action was required from the BA; and,
- 2. The failure of SPP - ICTE to require the directive to be repeated could have resulted in the BA misunderstanding and failing to execute the required directive. However, SPP - ICTE and the BA had been discussing the situation. Each understood the action that was to be taken.

**III. DISCOVERY INFORMATION**

METHOD OF DISCOVERY

|                                    |                                     |
|------------------------------------|-------------------------------------|
| SELF-REPORT                        | <input checked="" type="checkbox"/> |
| SELF-CERTIFICATION                 | <input type="checkbox"/>            |
| COMPLIANCE AUDIT                   | <input checked="" type="checkbox"/> |
| COMPLIANCE VIOLATION INVESTIGATION | <input type="checkbox"/>            |
| SPOT CHECK                         | <input type="checkbox"/>            |
| COMPLAINT                          | <input type="checkbox"/>            |

PERIODIC DATA SUBMITTAL  
EXCEPTION REPORTING

DURATION DATE(S)

SERC200900256: 1/11/09 (event driven)

SERC201000563: 5/22/10 (event driven)

SERC201000635: 7/10/08 (event driven)

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY

SPP - ICTE self-reported the initial violation on April 3, 2009. The subsequent violations were reported to or discovered by SERC on the following dates (in the order discussed in the Violation Description section above):

1. June 29, 2010
2. September 30, 2010.

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

**IV. MITIGATION INFORMATION**

FOR FINAL ACCEPTED MITIGATION PLAN for the SERC200900256 violation:

|                                   |             |
|-----------------------------------|-------------|
| MITIGATION PLAN NO.               | MIT-09-1641 |
| DATE SUBMITTED TO REGIONAL ENTITY | 4/3/09      |
| DATE ACCEPTED BY REGIONAL ENTITY  | 4/21/09     |
| DATE APPROVED BY NERC             | 4/29/09     |
| DATE PROVIDED TO FERC             | 4/30/09     |

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

MITIGATION PLAN COMPLETED      YES       NO

|                          |                       |
|--------------------------|-----------------------|
| EXPECTED COMPLETION DATE | Submitted as complete |
| EXTENSIONS GRANTED       | None                  |
| ACTUAL COMPLETION DATE   | 3/16/09               |

DATE OF CERTIFICATION LETTER:      4/13/09  
 CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF 3/16/09

VERIFIED COMPLETE BY REGIONAL ENTITY AS OF 8/3/09<sup>2</sup>

**ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE**

SPP - ICTE completed the following actions detailed in its Mitigation Plan:

1. Documented the event using the Operations Review Request Form as a means to notify management of an issue. The event was reviewed with the RC on duty at the time of the event.
2. Modified the written procedure to include specifications for issuing directives.
3. Issued a reminder about the use of directives at the SPP - ICTE staff meeting.
4. Discussed the event with the TOP.

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

1. Documentation of the event and extenuating circumstances.
2. The modified procedure.
3. Notes from the SPP - ICT Reliability Coordinator Staff Meeting on 3/16/09.
4. Documentation representing the discussion of the event with the TOP.

FOR FINAL ACCEPTED MITIGATION PLAN for the SERC201000563 violation:

|                                   |              |
|-----------------------------------|--------------|
| MITIGATION PLAN NO.               | SERCMIT00543 |
| DATE SUBMITTED TO REGIONAL ENTITY | 8/5/11       |
| DATE ACCEPTED BY REGIONAL ENTITY  | 8/17/11      |
| DATE APPROVED BY NERC             | 9/8/11       |
| DATE PROVIDED TO FERC             | 9/9/11       |

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

MITIGATION PLAN COMPLETED      YES          NO   

|                          |                       |
|--------------------------|-----------------------|
| EXPECTED COMPLETION DATE | Submitted as complete |
| EXTENSIONS GRANTED       | None                  |
| ACTUAL COMPLETION DATE   | 11/18/10              |

DATE OF CERTIFICATION LETTER:      8/18/11  
 CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF 11/18/10

VERIFIED COMPLETE BY REGIONAL ENTITY AS OF 8/30/11<sup>3</sup>

<sup>2</sup> This Disposition Document serves as SERC's Verification of Mitigation Plan Completion.

<sup>3</sup> This Disposition Document serves as SERC's Verification of Mitigation Plan Completion.

## ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

SPP - ICTE completed the following actions detailed in its Mitigation Plan:

1. Created a procedure that describes the process for tracking directives in a usable format that ensures the detail of the directive is available to the other Reliability Coordinators.
2. Held executive meeting to discuss the proper use of reliability directives, mitigation plans, and communication to members.
3. Conducted a formal investigation and a recommendation of discipline of the Reliability Coordinator that issued the directive was submitted to the Vice President of Operations.
4. Required Operations personnel to take a self-study course for to review the three-way communication protocol and NERC Standard, COM-002.
5. Provided a reference sheet to each operator that provides step-by-step instructions regarding effective three-part communication and methods to reduce human errors.
6. Held one day course designed to provide employees with skills for conducting conversations that effectively attend to external and internal customers' human and business needs.
7. Held SPP Control Room Principles and Successful Communication course.
8. Conducted sub-regional restoration drills.
9. Training module that focused on control room situational awareness and real time critical decision-making.
10. Created awareness posters in the control center and backup center to remind operations personnel of the components of three-part communication.
11. Performed regional restoration drills.

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

1. SPP ICTE Procedure describing the process for tracking directives for Reliability Coordinators.
2. Copy of Outlook Meeting Appointment with a listing of all the attendees.
3. Document describing the executive meeting held on June 21, 2010 discussing the communication event of 5/22/2010.
4. PowerPoint presentation covering the course material for Three-Part communication and attendance sheets.
5. Examples of reference sheets provided to personnel as quick reminders for the proper use of three-part communication.
6. Copy of workbook used by operators during the Guiding Customer Conversations training and the training presentation for system operators.
7. Copy of textbook, PowerPoint presentation and training form used for communication training course.

- 8. SPP Formal Training Plan Form and Course training book for Sub-Regional Restoration Drills.
- 9. Training Course Materials for SPP System Operations Conference.
- 10. Example of poster used in the control center and backup center to remind operations personnel of the components of three-part communication.
- 11. Course training book for 3-day course for SPP's Regional System Restoration Drill Conference and operator training records of participation.

FOR FINAL ACCEPTED MITIGATION PLAN for the SERC2010-400689 violation:

|                                   |                 |
|-----------------------------------|-----------------|
| MITIGATION PLAN NO.               | SERCMIT005414-1 |
| DATE SUBMITTED TO REGIONAL ENTITY | 6/29/11         |
| DATE ACCEPTED BY REGIONAL ENTITY  | 7/28/11         |
| DATE APPROVED BY NERC             | 8/12/11         |
| DATE PROVIDED TO FERC             | 8/12/11         |

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

MITIGATION PLAN COMPLETED      YES          NO   

|                          |                       |
|--------------------------|-----------------------|
| EXPECTED COMPLETION DATE | Submitted as complete |
| EXTENSIONS GRANTED       | None                  |
| ACTUAL COMPLETION DATE   | 11/18/10              |

DATE OF CERTIFICATION LETTER:      8/1/11  
 CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF 11/18/10

VERIFIED COMPLETE BY REGIONAL ENTITY AS OF 8/31/11<sup>4</sup>

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

SPP - ICTE completed the following actions detailed in its Mitigation Plan:

1. Documented the incident.
2. Changed the existing procedure so that directives can only be given by the Shift Supervisor, and to notify the Manager of ICT Reliability Coordination when directives are issued.
3. Held an ICTE Reliability Coordinator Staff meeting to discuss, among other topics, the use of directives, documentation changes, and a review of the COM-002 requirements.
4. Held a meeting to discuss the COM-002, R2 requirement with Transmission Operator's Manager of Security Operations.
5. Created a new procedure for tracking directives in a usable format that ensures the detail of the directive is available to the other Reliability Coordinators.

<sup>4</sup> This Disposition Document serves as SERC's Verification of Mitigation Plan Completion.

6. Held an executive meeting to discuss the proper use of reliability directives, mitigation plans, and communication to members.
7. Required Operations personnel to take a self-study course for to review the three-part communication protocol and NERC Standard, COM-002.
8. Provided a reference sheet to each operator that provides step-by-step instructions regarding effective three-part communication and methods to reduce human errors.
9. Held one day course designed to provide employees with skills for conducting conversations that effectively attend to external and internal customers' human and business needs.
10. Held SPP Control Room Principles and Successful Communication course.
11. Conducted sub-regional restoration drills.
12. Training module that focused on control room situational awareness and real time critical decision-making.
13. Created awareness posters in the control center and backup center to remind operations personnel of the components of three-part communication.
14. Performed regional restoration drills.

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

1. The official Company document recording the communication event.
2. The procedure defining requirements for recording system events and RC actions, and the steps for successful completion of process and the document describing the communication process and protocol for the SPP - ICTE RC function.
3. The Agenda for the March 16, 2009 staff meeting.
4. A copy of Outlook appointment for Thursday, March 12, 2009 to discuss the Directive issued on January 11.
5. The Procedure for accessing, recording and tracking directives
6. A copy of reference sheets for effective communication
7. Document describing the executive meeting held on June 21, 2010 discussing the communication event.
8. The PowerPoint presentation covering the course material for Three-Part communication and attendance sheets.
9. Summary report of May 22, 2010 communication event to the Vice President of Operations.
10. Copy of workbook, PowerPoint and training form used for communication training course.
11. Training Course Materials for SPP System Operator course
12. SPP Formal Training Plan Form and Course training book for Sub-Regional Restoration Drills.
13. Details for the participants and curriculum for the System Operator Conferences.

14. Example of poster used in the control center and backup center to remind operations personnel of the components of three-part communication.

15. Course training book for SPP's Regional System Restoration Drill Conference and operator training records of participation.

**V. PENALTY INFORMATION**

**TOTAL ASSESSED PENALTY OR SANCTION OF THIRTY-FIVE THOUSAND DOLLARS (\$35,000) FOR THREE VIOLATIONS OF RELIABILITY STANDARDS.**

**(1) REGISTERED ENTITY'S COMPLIANCE HISTORY**

**PRIOR VIOLATIONS OF ANY OF THE INSTANT RELIABILITY STANDARD(S) OR REQUIREMENT(S) THEREUNDER IN THE SERC REGION**

YES  NO

LIST ANY CONFIRMED OR SETTLED VIOLATIONS AND STATUS

ADDITIONAL COMMENTS

**PRIOR VIOLATIONS OF OTHER RELIABILITY STANDARD(S) OR REQUIREMENTS THEREUNDER IN THE SERC REGION**

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

SPP - ICTE's Internal Compliance Program (ICP) is documented and includes a Compliance Charter, Compliance Program, Compliance Distribution Plan, Audit Preparation Plan, Internal Assessment Schedule, Evaluation Process, Self Reporting and Mitigation Plan and an SPP Organizational Chart. The ICP is reviewed annually and updated as necessary. The existence of SPC - ICTE's compliance program was a mitigating factor in determining the penalty.

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

The ICP requires that all supervisory level employees be responsible for ensuring that their subordinates cooperate, are aware of and understand the Compliance Program. The Director of Compliance reports to the Vice-President and Chief Compliance Officer of Process Integrity and Chief Administrative Officer. In addition, the Director of Compliance reports quarterly to the Oversight Committee of the Board of Directors and has open access to all SPP Officers, including the President.

(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: 5/31/12 OR N/A

SETTLEMENT DISCUSSIONS COMMENCED

DATE: 12/14/11 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

EXHIBITS:

EXHIBITS:

SOURCE DOCUMENT

SPP - ICTE Self-Report dated 4/3/09

SPP - ICTE Self-Report dated 6/29/10

SERC Post Audit Screening Worksheet 9/30/10

MITIGATION PLAN

SPP - ICTE Mitigation Plan submitted on 4/7/09

SPP - ICTE Mitigation Plan submitted on 8/5/11

SPP - ICTE Mitigation Plan submitted on 6/29/11

CERTIFICATION BY REGISTERED ENTITY

SPP - ICTE Certification of Completed Mitigation Plan dated 4/13/09

SPP - ICTE Certification of Completed Mitigation Plan dated 8/18/11

SPP - ICTE Certification of Completed Mitigation Plan dated 8/11/11

**VERIFICATION BY REGIONAL ENTITY**

This Disposition document serves as SERC's Verification of Mitigation Plan Completion.

## **Attachment b**

### **Record documents for the violation of COM-002-2 R2 (SERC200900256):**

- 1. SERC's Self-Report dated April 3, 2009**
  - 2. SPP - ICTE's Mitigation Plan designated as MIT-09-1641 submitted April 3, 2009**
  - 3. SPP - ICTE's Certification of Mitigation Plan Completion dated April 13, 2009**
-



### SERC Reliability Corporation Self-Reporting / Complaint Form Template Revision 1 (10-25-07)

Report Type (please check):  Self-Report     Complaint

Date of Report: April 3, 2009

| NAME OF PERSON REPORTING POSSIBLE STANDARD VIOLATION(S)   |  |   |
|---|--|---|
| CONTACT NAME<br>David Hodges  | CONTACT TELEPHONE NUMBER<br>501-614-3567 |   |
| CONTACT E-MAIL<br>dhodges@spp.org   | CONTACT FAX<br>501-664-9553              |   |
| REPORTING COMPANY NAME<br>Southwest Power Pool, Inc. - ICTE   | ANONYMOUS? (Y/N)<br>No                   |   |
| NERC OR REGIONAL STANDARD(S) AND SPECIFIC REQUIREMENT(S) POSSIBLY VIOLATED  |  |   |
| NAME OF COMPANY POSSIBLY VIOLATING STANDARD(S)<br>Southwest Power Pool, Inc. - ICTE   |  | ENTITY FUNCTION TYPE(S)<br>RC                     |
| STANDARD # AND VERSION<br>COM-002-2   | MEASURE / REQUIREMENT<br>R 2             | DATE OF POSSIBLE VIOLATION(S)<br>January 11, 2009 |
| POSSIBLE VIOLATION DESCRIPTION, REASON FOR COMPLAINT, OR QUESTION   |  |   |
| The ICTE Reliability Coordinator issued a directive on January 11, 2009 in a clear, concise and definitive manner, but did not ensure the recipient of the directive repeat the information back correctly. |  |   |
| RELIABILITY IMPACT (IF KNOWN)   |  |   |
| No reliability impact.  |  |   |

**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](mailto:serccomply@serc1.org).**



# Mitigation Plan Submittal Form

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

Date this Mitigation Plan is being submitted: 4/3/2009

If this Mitigation Plan has already been completed:

- Check this box  and
- Provide the Date of Completion of the Mitigation Plan: 3/16/09

## **Section A: Compliance Notices**

- Section 6.2 of the CMEP<sup>1</sup> 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

<sup>1</sup> "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: Southwest Power Pool, Inc. - ICTE  
Company Address: 415 N. McKinley Suite 140 Little Rock, AR 72205  
NERC Compliance Registry ID *[if known]*: NCR01323

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: Don Shipley  
Title: Manager, ICT Security Administration  
Email: dshipley@spp.org  
Phone: 501-614-3581



**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: COM-002-2  
*[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 #<br>[if known] | SERC Violation ID #<br>[if known] | Requirement Violated<br>(e.g. R3.2) | Violation Date <sup>(*)</sup> |
|-----------------------------------|-----------------------------------|-------------------------------------|-------------------------------|
| SERCYYYYnnnnn                     | YYYY-nnn                          | R2.                                 | 01/11/2009                    |
|                                   |                                   |                                     |                               |
|                                   |                                   |                                     |                               |
|                                   |                                   |                                     |                               |
|                                   |                                   |                                     |                               |
|                                   |                                   |                                     |                               |
|                                   |                                   |                                     |                               |

(\*) 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:

The ICTE Reliability Coordinator issued a directive on January 11, 2009 in a clear, concise and definitive manner, but did not ensure the recipient of the directive repeat the information back correctly.

*[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:

On 1/11/2009, the ICT RC issued a directive to the Entergy System Operations center (SOC) operator on duty to close a breaker (#20565) at WEBRE substation and to have the Entergy SOC Operator's supervisor contact the ICT RC for further discussion. The ICT RC failed to ensure the recipient of the



directive understood the directive by not having the recipient repeat the information back correctly.

See Attachment 1 - Item 2 for additional information contained in the Operations - Review Form. See Attachment - Item 3 for ICT RC Operator Logs.

[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:

The mitigation plan is included below and in Attachment 1 - Item 1.  
 [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: The Mitigation Plan has been completed. The milestone dates are listed in the table in Section D3.

D.3 Enter Milestone Activities, with completion dates, that your organization is proposing for this Mitigation Plan:

| Milestone Activity  | Proposed Completion Date*<br>(shall not be more than 3 months apart) |
|---|--|
| Documented the Event - The event was documented using the Operations Review Request Form when the event was brought up with potential issues. The Review Request Process is a means to notify management of an operational or procedural issue, request clarification on appropriate response to a given situation, or provide detailed information regarding the circumstances of an event that may qualify as a departure from documented | 3/5/09   |



|  |   |
|--|---|
| <p>procedure, company policy, or best practices. Incident Review - The Operations Review Request Form was reviewed with the Reliability Coordinator on duty at the time of the incident.</p>   |   |
| <p>Written Procedure Changes - The written procedures are modified to include specification of issuing directives only to the Shift Supervisor and to notify the Manager of ICT Reliability Coordination when Directives are issued. Documents changed include the ICTE Reliability: Reliability Coordinator Communication and ICTE Reliability: Reliability Coordinator Notes.</p> <p>RC Log Review - The Manager of ICT Reliability Coordination, or designee, reviews the logs monthly. The additional step to search for "directives" will be included in the next monthly review.</p> | <p>3/11/09</p> <p>The Log Review changes will be implemented for the next Monthly log review, 4/1/2009.</p> |
| <p>Staff Reminder of Standard Requirements and Procedure Changes - An ICT Reliability Coordinator Staff meeting was held on March 16, 2009. One topic for discussion in the meeting is the use of Directives, documentation changes, and a review of the COM-002-2 requirements. Attendance at this meeting was mandatory for the ICT RC Team and all RCs were present.</p>  | <p>3/16/09</p>  |
| <p>Discussion with Entergy regarding Communication - The ICT RC Manager will set up a meeting to discuss with Mark Thomas, Manager of Security Operations, the COM-002-2 R2 requirement.</p>   | <p>Completed on 3/16/2009.</p>  |



(\*) 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:

As part of the ICT mitigation plan for this incident, the ICT discussed with Entergy Operations (Mark Thomas) on a March 16 conference call the procedure change on issuing a directive that the ICT RC will use. This change is in effect and states that all RC directives will use 3-way communication as stated in NERC STD COM-002 and be given to the Entergy Shift Supervisor. [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 portions of the mitigation plan that have been completed reduces the risk of a similar lack of ICT RC three-way communication when directives are issued. The ICT Reliability Coordinators have been reminded of the importance of providing clear, concise and definitive instructions and to verify that the instructions have been heard and interpreted correctly. The discussion with Entergy will serve as a reminder for the Shift Supervisor and SOC operators to also require this from their staff in response to receiving a directive. [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 Reliability Coordinator involved in the incident and all other ICT RCs received subsequent training to reinforce their understanding of the requirement to issue directives in a clear, concise and definitive manner and the importance of having the recipient of the directive repeat the information back with confirmation that it is correct. The process/procedure documentation has been updated providing the most up to date information and team requirements for future directives, the appropriate management staff has been notified, and our counterpart at Entergy will be informed of the ICT RC actions for this event. This mitigation plan increases awareness, ensures accountability, and serves as a reminder to the Reliability Coordinators the importance of adhering to COM-002-2 R2.

[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:

Attached is a Powerpoint presentation for COM-002-2 R2 training which also includes an assessment.

[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 VP - Process Integrity of Southwest Power Pool, Inc..
  2. I am qualified to sign this Mitigation Plan on behalf of Southwest Power Pool, Inc..
  3. I have read and understand Southwest Power Pool, Inc.'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. Southwest Power Pool, 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**

A handwritten signature in black ink, appearing to read 'Michael Desselle', is written over a horizontal line.

(Electronic signatures are acceptable; see CMEP)

Name (Print): Michael Desselle

Title: VP - Process Integrity

Date: 3-30-09



**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](mailto: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](mailto:kkeels@serc1.org)



HELPING OUR MEMBERS WORK TOGETHER  
TO KEEP THE LIGHTS ON... TODAY AND IN THE FUTURE

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## Certification of a Completed Mitigation Plan

### SERC Reliability Corporation Violation Mitigation Plan Closure Form

Name of Registered Entity submitting certification: Southwest Power Pool, Inc. -  
ICTE

Date of Certification: 4-13-09

Name of Standard and the Requirement(s) of mitigated violation(s): COM-002 R2

SERC Tracking Number (contact SERC if not known): 09-011

NERC Violation ID Number (if assigned):

**Date of completion of the Mitigation Plan:** 03-16-09

Summary of all actions described in Part D of the relevant mitigation plan:

- Documented the Event – The event was documented using the Operations Review Request Form when the event was brought up with potential issues. The Review Request process is a means to notify management of an operational or procedural issue, request clarification on appropriate response to a given situation, or provide detailed information regarding the circumstances of an event that may qualify as a departure from documented procedures, company policy, or best practices. Incident Review – The Operations Review Request Form was reviewed with the



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TO KEEP THE LIGHTS ON... TODAY AND IN THE FUTURE

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Reliability Coordinator on duty at the time of the incident. **Completed 3/5/09.**

- Written Procedures Changes – The written procedures are modified to include specification of issuing directives only to the Shift Supervisor and to notify the Manager of ICT Reliability Coordination when Directives are issued. Documents changed include the ICTE Reliability: Reliability Coordinator Communication and ICTE Reliability: Reliability Coordinator Notes. **Completed 3/11/09**
- RC Log Review – The Manager of ICT Reliability Coordination, or designee, reviews the logs monthly. The additional step to search for “directives” will be included in the next monthly review. **Completed 4/1/09**
- Staff Reminder of Standard Requirements and Procedure Changes – an ICT Reliability Coordinator Staff meeting was held on March 16, 2009. One topic for discussion in the meeting is the use of Directives, documentation changes, and a review of the COM-002-2 requirements. Attendance at this meeting was mandatory for the ICT RC Team and all RCs were present. **Completed 3/16/09**
- Discussion with Entergy regarding Communication – The ICT RC Manager will set up a meeting to discuss with Mark Thomas, Manager of Security Operations the COM-002-2 R2 requirement. **Completed 3/16/09**

Description of the information provided to SERC for their evaluation:

SPP submitted a Mitigation Plan to SERC which was completed on 3/16/09.

Voice recordings were also sent to SERC as requested.



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TO KEEP THE LIGHTS ON... TODAY AND IN THE FUTURE

---

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: Michael Desselle

Title: Vice President – Process Integrity

Entity: Southwest Power Pool, Inc.

Email: mdesselle@spp.org

Phone: 501-614-3206

Designated Signature  Date 4/13/2009

## **Attachment c**

**Record documents for the violation of  
COM-002-2 R2 (SERC201000563):**

- 1. SERC's Self-Report dated June 29, 2010**
  - 2. SPP - ICTE's Mitigation Plan designated  
as SERCMIT005413-2 submitted  
August 5, 2011**
  - 3. SPP - ICTE's Certification of Mitigation  
Plan Completion dated August 18, 2011**
-

Logged in as:

Andrea Koch

Log Out

- ▶ System Administration
- ▶ Committees
- ▶ Compliance
- ▶ Self Reports
- ▶ Complaints
- ▶ TFE Request
- ▶ Data Reporting
- ▶ Mitigation Plans
- ▶ Violation Retractions
- ▶ Reliability Assessments
- ▶ Plants/Generators
- ▶ Annual Voting Rights Surveys
- ▶ Recommendations
- ▶ Meetings

## Self Report Form - 2010

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**This form was submitted on 6/29/2010.**

\* Required Fields

Status: Saved

Region: SERC

NERC Registry ID: NCR01323

Joint Registration Organization (JRO) ID:

Registered Entity: Southwest Power Pool, Inc. - ICTE

Registered Entity Contact Information:

\* David Hodges (dhodges@spp.org) 501-614-3567

Standard Applicable to Self-Report: COM-002-2

Requirement Applicable to Self-Report: R2.

Sub Requirements Applicable to Self-Report:

Function Applicable to Self-Report: RC

Has this possible alleged violation previously been reported or discovered: \*  Yes  No

Provide NERC Violation ID (If known):

Date violation occurred: \* 5/22/2010

Date violation discovered: \* 5/25/2010

Is the violation still occurring? \*  Yes  No

Detail explanation and cause of violation: \*

The SPP Reliability Coordinator issued a directive on May 22, 2010 in a clear, concise and definitive manner, but did not require the recipient to repeat the directive.

Reliability Impact: \* Minimal

Reliability Impact Description: \*

No potential impact to the Bulk Power System since the directive was completed immediately by the recipient of the directive.

Additional Comments:

The NRG operator called the SPP Reliability Coordinator to complain about consecutive hours curtailments and the short notice of cuts. The SPP Reliability Coordinator attempted to explain the current reliability issues, however the NRG operator was only concerned with their tags. The NRG operator said that they would not acknowledge the curtailments in IDC because they were late. The SPP Reliability Coordinator explained that the curtailments were for reliability reasons and that NRG had no choice but to acknowledge the curtailments in IDC. The SPP Reliability Coordinator directed NRG to acknowledge the curtailments regarding TLR 5B on FG 1324.

**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.)

For Public Release - December 31, 2012

 Submit Self Report

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Logged in as:

Stacy Duckett

Log Out

**Edit - Mitigation Plan**

Save PDF | Return To Search Results | Mitigation Plan Closure | Prev Mit Plan Rev 1 | Create Revision

Original Mitigation Plan

\* Required Fields

Status: Saved

**Mitigation Plan Summary**

|                                  |                                  |
|----------------------------------|----------------------------------|
| <b>Mitigation Plan Status:</b>   | Region reviewing Mitigation Plan |
| <b>NERC Mitigation Plan #:</b>   |                                  |
| <b>Associated Violations:</b>    | SERC201000563                    |
| <b>Mitigation Plan Due Date:</b> |                                  |
| <b>Expected Completion Date:</b> | 11/18/2010                       |

**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:                | Southwest Power Pool, Inc. - ICTE                              |
| Company Address:             | 415 North McKinley Suite 140<br>Little Rock, Arkansas<br>72205 |
| NERC Compliance Registry ID: | NCR01323   |
- B.2 Identify the individual in your organization who will be the Entity Contact regarding this Mitigation Plan.
 

|         |  |
|---------|--|
| Name: * | <input type="text" value="Philip Propes"/> |
| E-Mail: | ppropes@spp.org                            |

**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 Date Reported to Region: |  |
| Standard:  | <input type="text" value="COM-002-2"/> |
| <input type="checkbox"/> COM-002-2 R2. (06/29/2010)              |  |
- C.2 Identify the cause of the Alleged or Confirmed violation(s) identified above. Additional detailed information may be provided as an attachment:
 

|   |
|---|
| * <input type="text" value="Improper execution of 3-part communication during issuance of a directive."/> |
|---|
- 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:
 

|  |
|--|
| <p>The ICTE Reliability Coordinator improperly executed 3-part communication during issuance of a directive.</p> <p>* The May 22, 2010 incident was the last of three incidents that involved a possible violation of COM-002, R2. However, this incident was an isolated incident of poor customer service. Chronologically, the first incident (SERC Tracking Number 10-764) occurred in July 2008, but was not discovered until SERC's audit of SPP in September 2010. The second incident (SERC Tracking Number 09-011) occurred in January 2009, and was discovered on March 3, 2009 in preparation for a NERC audit of Entergy. Sixteen months later, this incident occurred in May 2010, and was quickly self-reported.</p> |
|--|

## Section D: Details of Proposed Mitigation Plan

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:

### Changes in Training and Processes

On June 29, 2010, the ICTE self reported this incident as a possible violation of COM-002, R2. As a result of this incident, a meeting was held between the Vice President of Operations, Vice President of Process Integrity, Director of Compliance, Manager of Training, and the Manager of Reliability Coordination, to discuss the proper use of reliability directives, mitigation plans, and communication to members.

SPP initiated a process to document each instance of a reliability directive being issued. As a result, when a Reliability Coordinator issues a reliability directive, a directive form is completed in the Reliability Coordinator log data base, and an e-mail is automatically generated to the Director, Reliability Coordination, and the relevant Supervisor, Reliability Coordination. The Director, Reliability Coordination, and the Supervisor, Reliability Coordination review the event to ensure the directive was correctly issued by listening to the voice recordings to verify that three-part communication was used consistent with COM-002, R2. As part of that process, this particular incident was captured and self-reported.

As part of this review process, each recording is analyzed for consistency with internal processes and COM-002, R2 requirements. If an inconsistency is identified, SPP first reviews the event to ensure that reliability of the bulk electric system was not impaired and that the issue was resolved. Additionally, suspected compliance violations are documented, reviewed, and evaluated by all appropriate parties including senior management. Opportunities for improvement are identified and any findings/recommendations are communicated. Any potential violations will be immediately self-reported and properly mitigated.

The SPP Training Department developed and delivered mandatory training for all Operations personnel, titled "Guiding Customer Conversations" in the fall 2010. This one-day course guided operators through the communication process and included instruction on proper three part communication. It was designed to provide operators with skills for conducting conversations that effectively attend to external and internal customers' human and business needs. Participants completed a variety of individual and group activities, skills practice, video segments, and large group discussions. Through the training, operators learned to:

- recognize and practice three-part communication;
- recognize and overcome the barriers to effective customer conversations;
- open a customer conversation in a way that gains customer confidence and cooperation;
- learn what customers need by demonstrating effective probing techniques, including gently refocusing conversations in a more productive direction;
- reply with information that has a positive focus and helps customers make decisions, including linking features and benefits to advice and recommendations, and presenting unwelcome information, and
- close a customer conversation in a way that maintains customer confidence.

The Training and Performance Support Department designed posters for the control center to remind operations personnel of the components of three-part communication, Cooper's Color Codes, and situational awareness. Performance support tools (reference sheets) were also developed to provide step-by-step instructions regarding effective three-part communication and methods to reduce human errors (e.g., Safety Task Action Reporting (STAR)).

The Training and Performance Support Department continues to develop and deliver communication training courses, to include COM-002, R2 compliance training. These courses are mandatory for Operations personnel.

### Changes in SPP - ICTE's Internal Compliance Program

\* The SPP Internal Compliance Program (ICP) is a set of governing documents used by the Compliance Department to manage compliance within the organization. Since the incident in question, there has been a change in the oversight position for the ICP. That position, held by the Director of Compliance, has changed and now reports to the Vice President and Chief Compliance Officer. The SPP ICP is well documented, including a Compliance Charter, Compliance Program, Compliance Distribution Plan, Audit Preparation Plan, Internal Assessment Schedule, Evaluation Process, Self Reporting and Mitigation Plan, and SPP Organizational Chart. The Program is reviewed annually and updated as necessary. The most recent revision occurred in March 2011. Each business unit is responsible for developing their own processes and procedures necessary to complete the compliance work. While the Compliance Department has oversight of all departmental processes and procedures, the individual business units are responsible for adhering to their specific compliance requirements, policies and procedures.

The ICTE has modified its departmental processes and procedures in response to this self reported possible violation. In addition to the specific ICTE activities, Operations has implemented a number of department-wide compliance activities.

These quality improvements have been completed, and include the following:

1. Establishment of formal communication channels between Operations, Training, Performance Support, and Compliance including meetings to share lessons learned, results of needs analyses, and discuss human error prevention.

- Operations Training Advisory Committee (OTAC) - The OTAC consists of unit leaders from Operations, Operations Engineering, Compliance, Training, Performance Support, and subject matter experts and other specialists where appropriate. The OTAC meets monthly to examine, evaluate and provide feedback regarding proposed, new, and established training and performance support programs to ensure training and performance support initiatives are designed to effectively and efficiently close competency gaps. OTAC activities focus on training and performance improvement interventions as related to operations training for SPP operations personnel. This committee also provides a venue to examine lessons learned and human error prevention.

- Operations Manager's Meeting – The biweekly Operations Manager's meeting includes unit leaders from Operations, Operations Engineering, IT, Compliance, Training, and Performance Support. These meetings provide a venue to examine Operations initiatives, lessons learned, initiatives that impact Operations (e.g., IT, facilities, etc.), training programs, and compliance concerns.

- Compliance/Training Meeting – A representative from the Compliance department meets monthly with the Director, Stakeholder Services Group to discuss areas of partnership such as human error prevention training, Standards training, Compliance Forums, results of needs analyses, and compliance-related requests from the SPP Operations-Training Working Group (OTWG).

2. Compliance department review of and feedback on all Operations procedures. As part of the Operations process development process, Compliance Department staff serve as subject matter experts and approvers in advance of process implementation.

3. Operations Directive Policy - SPP has developed an Operations Directive Policy to clearly identify the instances in which a Reliability Coordinator should use a reliability directive to secure the bulk electric system. This policy focuses on two instances appropriate for issuing a reliability directive: 1) a real time transmission issue that must be resolved as soon as practicable, but no longer than thirty minutes, and 2) reliability issues identified during the next day analysis process.

4. Performance Support - The Operations Performance Support unit was created to ensure optimum "performance" within the operations environment by providing staff with the right information, tools, and training at the right time (learning at the moment of need). The Performance Support unit is an integral part of Operations, working closely with Operations management and Operations personnel to ensure they have the performance support tools they need to minimize error and maximize performance (e.g., quick reference sheets, job aids, manuals, maps, business process documents, etc.)

5. Quality Assurance Program - The Quality Assurance Program (QAP) was created to ensure Operations Department compliance with NERC Reliability Standards. The QAP provides for a monthly review of reliability processes by the reliability staff. The review identifies areas of procedure and process improvement and allows the Director, Reliability Coordination an opportunity to evaluate the effectiveness of the established procedures and processes, and a documented method for reviewing performance of each Reliability Coordinator on a monthly basis.

**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:**

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

| Milestone   | Status              | Due Date   | Completed Date |                        |
|---|---------------------|------------|----------------|------------------------|
| Written Procedure Change (May 27, 2010)   | Milestone Completed | 5/27/2010  | 5/27/2010      | <a href="#">Detail</a> |
| Executive Meeting (June 21, 2010)   | Milestone Completed | 6/21/2010  | 6/21/2010      | <a href="#">Detail</a> |
| Documented the Event (June 22, 2010)  | Milestone Completed | 6/22/2010  | 6/22/2010      | <a href="#">Detail</a> |
| Three Part Communication Course (June 2010)   | Milestone Completed | 6/30/2010  | 6/30/2010      | <a href="#">Detail</a> |
| Performance Support Tools (reference sheet) (June 2010)   | Milestone Completed | 6/30/2010  | 6/30/2010      | <a href="#">Detail</a> |
| Guiding Customer Conversations for Operations (Course was offered beginning July 13, 2010)                | Milestone Completed | 7/13/2010  | 7/13/2010      | <a href="#">Detail</a> |
| SPP Control Room Principles and Successful Communication (Course was offered beginning September 7, 2010) | Milestone Completed | 9/7/2010   | 9/7/2010       | <a href="#">Detail</a> |
| Sub-Regional Restoration Drills (October 20, 2010)  | Milestone Completed | 10/20/2010 | 10/20/2010     | <a href="#">Detail</a> |
| System Operations Conferences (October 25-28, 2010)   | Milestone Completed | 10/28/2010 | 10/28/2010     | <a href="#">Detail</a> |
| Performance Support Tools (awareness posters for control center and backup center) (November 2010)        | Milestone Completed | 11/1/2010  | 11/1/2010      | <a href="#">Detail</a> |
| Regional Restoration Drills (November 18, 2010)   | Milestone Completed | 11/18/2010 | 11/18/2010     | <a href="#">Detail</a> |

**Section E: Interim and Future Reliability Risk****Abatement of Interim BPS Reliability Risk**

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

**Additional detailed information may be provided as an attachment:**

\* The actions that were taken to implement this Mitigation Plan began almost immediately after the May 22, 2010 incident. With the completion of each part of the Mitigation Plan, there was a reduction of the risk associated with three-part communication when issuing directives. Through the increased training associated with three-part communication, the ICTE RCs have been reminded, and will continue to be reminded, of the importance of providing clear, concise, and definitive instructions when issuing a directive, and to verify that the recipient has heard and interpreted the directive correctly by having the recipient repeat it back.

**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 of Alleged violations of the same or similar reliability standards requirements in the future.**

**Additional detailed information may be provided as an attachment:**

\* All ICTE RCs have received extensive training to reinforce their understanding of the requirement to issue directives in a clear, concise, and definitive manner, and the importance of having the recipient of the directive repeat the information back in order to confirm accuracy. Further, the process/procedure documentation has been updated to provide the Director, Reliability Coordination with up to date information regarding directives that are issued to help ensure that directives are correctly issued with three-part communication. Finally, Executives, Directors, and Managers from 5 different relevant areas met shortly after the incident in order re-emphasize the importance of this requirement, and through this Mitigation Plan, to increase the RCs awareness of and adherence to COM-002, R2. Each of the above-listed milestone activities reflect SPP's commitment to developing, delivering, and supporting continued improvement for communications and related reliability standard compliance.

As a result of the substantial activities detailed previously, the risk of improper communication and associated COM-002, R2 non-compliance is significantly minimized. This translates to enhanced Operations communications and improved BES reliability.

**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:

For Public Release - December 31, 2012

- a) Submits this Mitigation Plan for acceptance by **SERC** 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 **Stacy Duckett** of **Southwest Power Pool, Inc. - ICTE**
  2. I am qualified to sign this Mitigation Plan on behalf of **Southwest Power Pool, Inc. - ICTE**
  3. I understand **Southwest Power Pool, Inc. - ICTE'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 this Mitigation Plan
  5. **Southwest Power Pool, Inc. - ICTE** agrees to comply with, this Mitigation Plan, including the timetable completion date, as accepted by **SERC** and approved by NERC

**Authorized Signatory Stacy Duckett notified on 8/4/2011**

**Signed By Stacy Duckett on 8/5/2011**

---

### **Section G: Regional Entity Contact**

Please direct any questions regarding completion of this form to:

John Wolfmeyer  
SERC Compliance Engineer  
SERC Reliability Corporation  
704-940-8216  
jwolfmeyer@serc1.org

---

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Logged in as:

Stacy Duckett

Log Out

- ▶ System Administration
- ▶ Committees
- ▶ Compliance
- ▶ Self Reports
- ▶ Complaints
- ▶ Data Reporting
- ▶ Mitigation Plans
- ▶ Violation Retractions
- ▶ Reliability Assessments
- Surveys
- Recommendations
- Meetings

**Edit**

 Save PDF | [Return to Mitigation Plan](#)

\* Required Fields

**Status: Saved**

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.

Name of Registered Entity submitting certification: **Southwest Power Pool, Inc. - ICTE**

Date of Certification: 08/18/2011

Name of Standard of mitigation violation(s): COM-002-2

Mitigated information:

| Requirement | Tracking Number | Violation ID  |
|-------------|-----------------|---------------|
| R2.         | SERC2010-400654 | SERC201000563 |

Date of completion of the Mitigation Plan:

11/18/2010 

Summary of all actions described in Part D of the releveant mitigation plan:

Enhanced communications training was developed and delivered to each Reliability Coordinator. Multiple performance support tools were created to improve performance and processes. Finally, the internal compliance program (ICP) was modified, shifting oversight responsibility to additional staff. Each of these actions are detailed in the attached documents. 

Description of the information provided to SERC for their evaluation:

The attached zip file ("Mitigation Plan Evidence - 10-654.zip") provides additional detail on each activity undertaken as part of the mitigation plan. Activities 1 - 11b are detailed.

**Authorized Signatory Stacy Duckett notified on 8/18/2011**

**Signed By Stacy Duckett on 8/18/2011**

## **Attachment d**

### **Record documents for the violation of COM-002-2 R2 (SERC201000635):**

- 1. SERC's Post Audit/Spot Check Screening Worksheet dated September 30, 2010**
  - 2. SPP - ICTE's Mitigation Plan designated as SERCMIT005414-1 submitted June 29, 2011**
  - 3. SPP - ICTE's Certification of Mitigation Plan Completion dated August 1, 2011**
-



## Post Audit/Spot Check Screening Worksheet

**Prepared By: Mike Vastano/ Todd Curl /Steve Gibe-Audit Team Lead**

**Date: 9/30/2010**

**Registered Entity: SPP-ICTE**

**Function(s) Applicable to Audit/Spot Check Finding of Possible Violation:**

- |                              |  |                              |                              |                              |                              |
|------------------------------|--|------------------------------|------------------------------|------------------------------|------------------------------|
| <input type="checkbox"/> BA  | <input type="checkbox"/> TOP           | <input type="checkbox"/> TO  | <input type="checkbox"/> GO  | <input type="checkbox"/> GOP | <input type="checkbox"/> LSE |
| <input type="checkbox"/> DP  | <input type="checkbox"/> PSE           | <input type="checkbox"/> TSP | <input type="checkbox"/> PA  | <input type="checkbox"/> RP  | <input type="checkbox"/> TP  |
| <input type="checkbox"/> RSG | <input checked="" type="checkbox"/> RC | <input type="checkbox"/> IA  | <input type="checkbox"/> RRO |                              |                              |

**Standard: COM-002-2**

**Requirement: 2**

**Violation previously reported or discovered (open violations):**

- Yes    No    Unknown

**Has this violation been reported to any other region:**    Yes    No    Unknown

**If Yes selected: Provide the other region(s):**

- |                               |                               |                               |                              |                               |                                 |
|-------------------------------|-------------------------------|-------------------------------|------------------------------|-------------------------------|---------------------------------|
| <input type="checkbox"/> FRCC | <input type="checkbox"/> MRO  | <input type="checkbox"/> NPCC | <input type="checkbox"/> RFC | <input type="checkbox"/> SERC | <input type="checkbox"/> SPP RE |
| <input type="checkbox"/> TxRE | <input type="checkbox"/> WECC |                               |                              |                               |                                 |

**Date violation occurred: July 10, 2008@1640 hour**

**Date violation discovered (End Date of Audit/Spot Check): 9/30/2010**

**Is the violation still occurring?**    Yes    No

**Detailed explanation and cause of violation: On July 10, 2008 the RC gave a directive to the Entergy BA; however the RC did not ensure the recipient of the directive (Entergy BA) repeated the information back correctly.**

**Audit/Spot Check Team Preliminary Assessment of Potential Impact to the Bulk Power System: The audit team listened to seven other wav files regarding directives which were requested utilizing the sampling methodology. The RC operators followed the Standards requirement and NERC industry advisory regarding COM-**



**002-2 dated July 15, 2009. With this being case, in the audit team's professional opinion the potential impact to the bulk electric system was minimal.**

**Additional Comments: There is an open enforcement action with determinations in progress regarding the same standard and requirement. The SERC ID Number is 'SERC 2010-400654'. SERC requested 8 samples during the audit and did not ask for any additional samples after the recorded tapes were reviewed.**

---

Please complete the form as completely as possible and email to [serccomply@serc1.org](mailto:serccomply@serc1.org).

Logged in as:

Stacy Duckett

Log Out

System Administration

Committees

Compliance

Self Reports

Complaints

Data Reporting

Mitigation Plans

Violation Retractions

Reliability Assessments

Surveys

Recommendations

Meetings

## Edit - Mitigation Plan

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Original Mitigation Plan

\* Required Fields

Status: Saved

### Mitigation Plan Summary

|                           |                                  |
|---------------------------|----------------------------------|
| Mitigation Plan Status:   | Region reviewing Mitigation Plan |
| NERC Mitigation Plan #:   |                                  |
| Associated Violations:    | SERC201000635                    |
| Mitigation Plan Due Date: |                                  |
| Expected Completion Date: | 11/18/2010                       |

### 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: Southwest Power Pool, Inc. - ICTE  
 Company Address: 415 North McKinley Suite 140  
 Little Rock, Arkansas  
 72205  
 NERC Compliance Registry ID: NCR01323

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

Name: \* Philip Propes  
 E-Mail: ppropes@spp.org

### 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 Date Reported to Region:
- Standard: COM-002-2
- COM-002-2 R2. (09/30/2010)
- C.2 Identify the cause of the Alleged or Confirmed violation(s) identified above. Additional detailed information may be provided as an attachment:
- \* On July 10, 2008, the ICTE RC issued a directive in a clear, concise, and definitive manner, but did not ensure that the recipient repeat the information back correctly.
- 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:
- On July 10, 2008, the ICTE RC issued a directive in a clear, concise, and definitive manner, but did not ensure that the recipient repeat the information back correctly.
- This was the first of three incidents that involved a possible violation of COM-002, R2. Chronologically, this incident occurred in July 2008, but was not discovered until SERC's audit

of SPP in September 2010. The second incident (SERC Tracking Number 09-011) occurred in January 2009, and was discovered on March 3, 2009 in preparation for a NERC audit of Entergy. SPP has conducted a significant amount of targeted training since the mitigation plan was submitted for the second incident in April 2009. Sixteen months later, the May 22, 2010 incident (SERC Tracking Number 10-654) occurred, and was quickly self-reported.

Because of the measures taken by SPP from March 2009 through the end of 2010 as described herein, there have been no further possible violations of COM-002, R2. With the significant amount of targeted training that SPP has conducted, the expectation is that there will be no subsequent possible violations of COM-002, R2.

## **Section D: Details of Proposed Mitigation Plan**

**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:**

### Changes in Training and Processes

On March 5, 2009, the January 11, 2009 incident was documented using the Operations Review Request Form after the incident was raised as a potential issue during the preparation for NERC's audit of the Transmission Operator. The Review Request Process is a means to notify management of an operational or procedural issue, request clarification on appropriate response to a given situation, or provide detailed information regarding the circumstances of an event that may qualify as a departure from documented procedure, company policy, or best practices. The Operations Review Request Form was reviewed with the Reliability Coordinator on duty at the time of the January 11, 2009 incident.

On March 11, 2009, the ICTE's written procedures were changed so that directives can only be given by the Shift Supervisor, and to notify the Manager of ICT Reliability Coordination when directives are issued. The documents changed were the ICTE Reliability: Reliability Coordinator Communication and ICTE Reliability: Reliability Coordinator Notes. Further, the process for reviewing RC Log, which is reviewed monthly, is changed so that an additional step of searching for "directive" will be included.

On March 16, 2009, an ICTE Reliability Coordinator Staff meeting was held to discuss, among other topics, the use of directives, documentation changes, and a review of the COM-002 requirements. Attendance at this meeting was mandatory for the ICTE RC Team, and all RCs were present.

Also on March 16, 2009, the ICTE RC Manager set up a meeting to discuss the COM-002, R2 requirement with Transmission Operator's Manager of Security Operations.

On June 29, 2010, the ICTE self reported the May 22, 2010 incident as a possible violation of COM-002, R2. As a result of this incident, a meeting was held between the Vice President of Operations, Vice President of Process Integrity, Director of Compliance, Manager of Training, and Manager of Reliability Coordination, to discuss the proper use of reliability directives, mitigation plans, and communication to members.

Following SPP's self-report of a potential violation of COM-002, R2 (January 11, 2009 incident), and to ensure future compliance, SPP initiated a process to document each instance of a reliability directive being issued. When a Reliability Coordinator issues a reliability directive, a directive form is completed in the Reliability Coordinator log data base, and an e-mail is automatically generated to the Director, Reliability Coordination, and the relevant Supervisor, Reliability Coordination. The Director, Reliability Coordination, and the Supervisor, Reliability Coordination review the event to ensure the directive was correctly issued by listening to the voice recordings to verify that three-part communication was used consistent with COM-002, R2. As part of that process, this particular incident was captured and self-reported.

Now, if SPP determines that an inconsistency in communications protocol with COM-002, R2 has occurred; SPP first reviews the event to ensure that reliability of the bulk electric system was not impaired and that the issue was resolved. Additionally, suspected compliance violations are documented, reviewed, and evaluated by all appropriate parties, including senior management. Opportunities for improvement are identified and any findings/recommendations are communicated. Any potential violations will be immediately self-reported and properly mitigated.

As part of the mitigation efforts resulting from this incident, the SPP Training and Performance Support Department developed a customized training course entitled, Guiding Customer Conversations, which includes human error prevention techniques. Each Reliability Coordinator was required to complete this training.

In addition, the Training and Performance Support department designed posters for the control center to remind operations personnel of the components of three-part Communication, Cooper's Color Codes and situational awareness. Performance support tools (reference sheets) were also developed to provide step-by-step instructions regarding effective three-part communication and methods to reduce human errors (e.g., Safety Task Action Reporting (STAR)).

In the fall of 2010, SPP operator curriculum was expanded to include professional soft skill training for operators. Due to the amount of customer interactions operators have, this type of training was added to the curriculum.

The SPP Training Department proposed that all Operations personnel attend Guiding Customer Conversations for Operators in the fall 2010. This one-day course guided operators through the communication process and included instruction on proper three part communication. It was designed to provide operators with skills for conducting conversations that effectively attend to external and internal customers' human and business needs. Participants completed a variety of individual and group activities, skills practice, video segments, and large group discussions. Through the training, operators learned to:

- recognize and practice three-part communication;
- recognize and overcome the barriers to effective customer conversations;
- open a customer conversation in a way that gains customer confidence and cooperation;
- \* • learn what customers need by demonstrating effective probing techniques, including gently refocusing conversations in a more productive direction;
- reply with information that has a positive focus and helps customers make decisions, including linking features and benefits to advice and recommendations, and presenting unwelcome information, and
- close a customer conversation in a way that maintains customer confidence.

#### Changes in SPP - ICTE's Internal Compliance Program

The SPP Internal Compliance Program (ICP) is a set of governing documents used by the Compliance Department to manage compliance within the organization. Since the incident in question, there has been a change in the oversight position for the ICP. That position, held by the Director of Compliance, has changed and now reports to the Vice President and Chief Compliance Officer. The SPP ICP is well documented, including a Compliance Charter, Compliance Program, Compliance Distribution Plan, Audit Preparation Plan, Internal Assessment Schedule, Evaluation Process, Self Reporting and Mitigation Plan, and SPP Organizational Chart. The Program is reviewed annually and updated as necessary. The most recent revision occurred in March 2011. Each business unit is responsible for developing their own processes and procedures necessary to complete the compliance work. While the Compliance Department has oversight of all departmental processes and procedures, the individual business units are responsible for adhering to their specific compliance requirements, policies and procedures.

The ICTE has modified its departmental processes and procedures in response to the January 11, 2009 incident and the May 22, 2010 incident. In addition, the ICTE has involvement and input into numerous interdepartmental compliance-related activities.

Quality improvements include:

1. Establishment of formal communication channels between Operations, Training, Performance Support, and Compliance including meetings to share lessons learned, results of needs analyses, and discuss human error prevention.

• Operations Training Advisory Committee - The (OTAC) consists of unit leaders from

Operations, Operations Engineering, Compliance, Training, Performance Support, and subject matter experts and other specialists where appropriate. The OTAC meets monthly to examine, evaluate and provide feedback regarding proposed, new, and established training and performance support programs to ensure training and performance support initiatives are designed to effectively and efficiently close competency gaps. OTAC activities focus on training and performance improvement interventions as related to operations training for SPP operations personnel. This committee also provides a venue to examine lessons learned and human error prevention.

- Operations Manager’s Meeting – The biweekly Operations Manager’s meeting includes unit leaders from Operations, Operations Engineering, IT, Compliance, Training, and Performance Support. These meetings provide a venue to examine Operations initiatives, lessons learned, initiatives that impact Operations (e.g., IT, facilities, etc.), training programs, and compliance concerns.
- Compliance/Training Meeting – A representative from the Compliance department meets monthly with the Director, Stakeholder Services Group to discuss areas of partnership such as human error prevention training, Standards training, Compliance Forums, results of needs analyses, and OTWG compliance-related requests.

2. Compliance department review of and feedback on all Operations procedures.

3. Operations Directive Policy - SPP has developed an Operations Directive Policy to clearly identify the instances in which a Reliability Coordinator should use a reliability directive to secure the bulk electric system. This policy focuses on two instances appropriate for issuing a reliability directive: 1) a real time transmission issue that must be resolved as soon as practicable, but no longer than thirty minutes, and 2) reliability issues identified during the next day analysis process.

By clearly identifying the circumstances where it is appropriate to use a reliability directive the expectation is the Reliability Coordinator will have a greater focus while issuing a reliability directive and be able to clearly communicate the required reliability action.

4. Performance Support - The goal of performance support is to ensure optimum operator “performance” within the operations environment by providing the right people with the right information, tools, and training at the right time (learning at the moment of need). The Performance Support unit is an integral part of Operations, working closely with Operations management and Operations personnel to ensure they have the performance support tools they need to minimize error and maximize performance (e.g., quick reference sheets, job aids, manuals, maps, business process documents, etc.)

5. Quality Assurance Program - The Quality Assurance Program (QAP) was created to ensure compliance with all NERC Reliability Standards. The QAP provides for a monthly review of reliability processes by the reliability staff. The review identifies areas of procedure and process improvement and allows the Reliability Manager an opportunity to evaluate the effectiveness of the established procedures and processes, and a documented method for reviewing performance of each Reliability Coordinator on a monthly basis.

**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:**

\*  

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

| Milestone   | Status              | Due Date  | Completed Date |                        |
|---|---------------------|-----------|----------------|------------------------|
| Documented the January 11, 2009 Incident                      | Milestone Completed | 3/5/2009  | 3/5/2009       | <a href="#">Detail</a> |
| Written Procedures Changed                                    | Milestone Completed | 3/11/2009 | 3/11/2009      | <a href="#">Detail</a> |
| Staff Reminder of COM-002 Requirements and Procedures Changes | Milestone Completed | 3/16/2009 | 3/16/2009      | <a href="#">Detail</a> |
| Meeting with Entergy Regarding Communication                  | Milestone Completed | 3/16/2009 | 3/16/2009      | <a href="#">Detail</a> |
| Written Procedure Change (May 27, 2010)                       | Milestone Completed | 5/27/2010 | 5/27/2010      | <a href="#">Detail</a> |

|   |                     |            |            |                        |
|---|---------------------|------------|------------|------------------------|
| Performance Support Tools (reference sheet) (June 2010)   | Milestone Completed | 6/1/2010   | 6/1/2010   | <a href="#">Detail</a> |
| Three Part Communication Course (June 2010)   | Milestone Completed | 6/1/2010   | 6/1/2010   | <a href="#">Detail</a> |
| Executive Meeting (June 21, 2010)   | Milestone Completed | 6/21/2010  | 6/21/2010  | <a href="#">Detail</a> |
| Documented the May 22, 2010 Incident  | Milestone Completed | 6/22/2010  | 6/22/2010  | <a href="#">Detail</a> |
| Guiding Customer Conversations for Operations (Course was offered beginning July 13, 2010)                | Milestone Completed | 7/13/2010  | 7/13/2010  | <a href="#">Detail</a> |
| SPP Control Room Principles and Successful Communication (Course was offered beginning September 7, 2010) | Milestone Completed | 9/7/2010   | 9/7/2010   | <a href="#">Detail</a> |
| Sub-Regional Restoration Drills (October 20, 2010)  | Milestone Completed | 10/20/2010 | 10/20/2010 | <a href="#">Detail</a> |
| System Operations Conferences (October 25-28, 2010)   | Milestone Completed | 10/28/2010 | 10/28/2010 | <a href="#">Detail</a> |
| Performance Support Tools (awareness posters for control center and backup center) (November 2010)        | Milestone Completed | 11/1/2010  | 11/1/2010  | <a href="#">Detail</a> |
| Regional Restoration Drills (November 18, 2010)   | Milestone Completed | 11/18/2010 | 11/18/2010 | <a href="#">Detail</a> |

## Section E: Interim and Future Reliability Risk

### Abatement of Interim BPS Reliability Risk

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

\* The actions that were taken to implement this Mitigation Plan actually began prior to the discovery of this incident in September 2010, as a result of the discovery of the incidents in January 2009 and May 2010, and the actions taken to mitigate those incidents. With the completion of each part of the Mitigation Plan, there was a reduction of the risk that three-part communication would not be fully implemented when the ICTE RC issues a directive. Through the increased training associated with three-part communication, the ICTE RCs have been reminded, and will continue to be reminded, of the importance of providing clear, concise, and definitive instructions when issuing a directive, and to verify that the recipient has heard and interpreted the directive correctly by having the recipient repeat it back.

### 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 of Alleged violations of the same or similar reliability standards requirements in the future. Additional detailed information may be provided as an attachment:**

\* The Reliability Coordinator involved in this incident, and all other ICTE RCs have received extensive subsequent training to reinforce their understanding of the requirement to issue directives in a clear, concise, and definitive manner, and the equal importance of having the recipient of the directive to repeat the information back in order to confirm that it is correct. Further, the process/procedure documentation has been updated to require that only the Shift Supervisor is to issue a directive, and to provide the Manager of Reliability Coordination with up to date information regarding directives that are issued to help ensure that directives are correctly issued with three-part communication. Finally, Executives, Directors, and Managers from 5 different relevant areas met shortly after the last incident (May 22, 2010) in order re-emphasize the importance of this requirement, and through this Mitigation Plan, to increase the RCs awareness and importance of adherence to COM-002, R2, as well as ensuring accountability.

As a result of the substantive actions taken herein, the expectation is that there will be no subsequent possible violations of COM-002, R2.

## Section F: Authorization

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

- a) Submits this Mitigation Plan for acceptance by **SERC** and approval by NERC, and  
**For Public Release - December 31, 2012**
- 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 **Stacy Duckett** of **Southwest Power Pool, Inc. - ICTE**
  2. I am qualified to sign this Mitigation Plan on behalf of **Southwest Power Pool, Inc. - ICTE**
  3. I understand **Southwest Power Pool, Inc. - ICTE'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 this Mitigation Plan
  5. **Southwest Power Pool, Inc. - ICTE** agrees to comply with, this Mitigation Plan, including the timetable completion date, as accepted by **SERC** and approved by NERC

**Authorized Signatory Stacy Duckett notified on 6/28/2011**

**Signed By Stacy Duckett on 6/29/2011**

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### **Section G: Regional Entity Contact**

Please direct any questions regarding completion of this form to:

John Wolfmeyer  
SERC Compliance Engineer  
SERC Reliability Corporation  
704-940-8216  
jwolfmeyer@serc1.org

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\* Required Fields

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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.

Name of Registered Entity submitting certification: **Southwest Power Pool, Inc. - ICTE**

Date of Certification: 08/01/2011

Name of Standard of mitigation violation(s): COM-002-2

Mitigated information:

| Requirement | Tracking Number | Violation ID  |
|-------------|-----------------|---------------|
| R2.         | SERC2010-400764 | SERC201000635 |

Date of completion of the Mitigation Plan:

11/18/2010 

Summary of all actions described in Part D of the releveant mitigation plan:

Enhanced communications training was developed and delivered to each Reliability Coordinator. Multiple performance support tools were created to improve performance and processes. Finally, the internal compliance program (ICP) was modified, shifting oversight responsibility to additional staff. Each of these actions are detailed in the attached documents. 

Description of the information provided to SERC for their evaluation:

The attached zip file ("Mitigation Plan Evidence - 10-764.zip") provides additional detail on each activity undertaken as part of the mitigation plan. Activities 1 - 15b are detailed.

**Authorized Signatory Stacy Duckett notified on 8/1/2011**

**Signed By Stacy Duckett on 8/1/2011**

**Attachment e**

**Notice of Filing**

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UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Southwest Power Pool, Inc. - ICTE

Docket No. NP13-\_\_\_\_-000

NOTICE OF FILING  
December 31, 2012

Take notice that on December 31, 2012, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding Southwest Power Pool, Inc. - ICTE 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](mailto:FERCOnlineSupport@ferc.gov), or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Comment Date: [BLANK]

Kimberly D. Bose,  
Secretary