



NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

April 28, 2010

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

**Re: NERC Notice of Penalty regarding Wolverine Power Supply Cooperative, Inc.  
FERC Docket No. NP10-\_-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Notice of Penalty<sup>1</sup> regarding Wolverine Power Supply Cooperative, Inc. (Wolverine), NERC Registry ID# NCR00954,<sup>2</sup> in accordance with the Federal Energy Regulatory Commission's (Commission or FERC) rules, regulations and orders, as well as NERC Rules of Procedure including Appendix 4C (NERC Compliance Monitoring and Enforcement Program (CMEP)).<sup>3</sup>

On April 27, 2009, as amended on June 16, 2009,<sup>4</sup> and in advance of an upcoming audit, Wolverine self-reported a possible violation of PRC-005-1 Requirement (R) 2 to ReliabilityFirst

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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 (2010). *Mandatory Reliability Standards for the Bulk-Power System*, FERC Stats. & Regs. ¶ 31,242 (2007) (Order No. 693), *reh'g denied*, 120 FERC ¶ 61,053 (2007) (Order No. 693-A). See 18 C.F.R. § 39.7(c)(2).

<sup>2</sup> ReliabilityFirst Corporation confirmed that Wolverine was included on the NERC Compliance Registry as a Generator Operator, Generator Owner, Load Serving Entity, Purchasing-Selling Entity, Transmission Operator, Transmission Owner and Transmission Planner on May 30, 2007. Wolverine was also included as a Distribution Provider on October 4, 2007, and is a member of a type 1 JRO, #JRO00007, as of September 11, 2008 for that function. As a Distribution Provider, Generator Owner and Transmission Owner, Wolverine is subject to PRC-005-1, but only the Transmission Owner function is applicable to the alleged violations in this Notice of Penalty; as a Generator Operator, Load Serving Entity and Transmission Operator, Wolverine is subject to CIP-001-1; and as a Generator Owner and Transmission Owner, Wolverine is subject to FAC-008-1 and FAC-009-1.

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

<sup>4</sup> On April 27, 2009, Wolverine self-reported a possible violation of PRC-005-1 R2.1. On June 16, 2009, Wolverine revised its Self-Report to include PRC-005-1 R2.2, as well. The original Self Report submitted on April 27, 2009, included four (4) substations in possible violation of PRC-005-1, R 2.1. ReliabilityFirst contacted Wolverine Power to determine if all four substations met the ReliabilityFirst Bulk Electric System (BES) Definition. ReliabilityFirst determined that only the Wayland Substation met the BES Definition and that Wolverine was also in violation of Requirement 2.2. Wolverine updated its Self Report of April 27, 2009 on June 16, 2009 to reflect the above.

Corporation (ReliabilityFirst) for Wolverine's failure to maintain and test its Protection System<sup>5</sup> devices at its Wayland Substation within defined intervals.<sup>6</sup> Subsequently, during the on-site Compliance Audit that was conducted from June 2, 2009 through June 4, 2009 (Audit),<sup>7</sup> ReliabilityFirst identified additional possible violations of Reliability Standards CIP-001-1 R1, FAC-008-1 R1.2, FAC-009-1 R1 and PRC-005-1 R1.1. This Notice of Penalty is being filed with the Commission because ReliabilityFirst and Wolverine have entered into a Settlement Agreement to resolve all outstanding issues arising from a preliminary and non-public assessment resulting in ReliabilityFirst's determination and findings of the enforceable alleged violations of PRC-005-1 R2, CIP-001-1 R1, FAC-008-1 R1.2, FAC-009-1 R1 and PRC-005-1 R1.1. According to the Settlement Agreement, Wolverine neither admits nor denies the alleged violations, but has agreed to the proposed penalty of fifteen thousand dollars (\$15,000) to be assessed to Wolverine, in addition to other remedies and actions to mitigate the instant violations and facilitate future compliance under the terms and conditions of the Settlement Agreement. Accordingly, the alleged violations identified as NERC Violation Tracking Identification Numbers RFC200900128, RFC200900144, RFC200900145, RFC200900146 and RFC200900147 are being filed in accordance with the NERC Rules of Procedure and the CMEP.

### Statement of Findings Underlying the Alleged Violations

This Notice of Penalty incorporates the findings and justifications set forth in the Settlement Agreement executed on December 21, 2009, by and between ReliabilityFirst and Wolverine, which is included as Attachment c. 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 (2010), NERC provides the following summary table identifying each alleged 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 (\$)
Reliability First	Wolverine Power Supply	NOC-446	RFC200900128	PRC-005-1	2	High <sup>8</sup>	15,000
			RFC200900144	CIP-001-1	1	Medium	

<sup>5</sup> The NERC Glossary of Terms Used in Reliability Standards, updated April 20, 2009, defines Protection System as "Protective relays, associated communication systems, voltage and current sensing devices, station batteries and DC control circuitry."

<sup>6</sup> The Self-Report also identified other substations affected by the possible violation. However, as discussed below, ReliabilityFirst determined that the other substations did not meet their definition of the Bulk Electric System.

<sup>7</sup> Wolverine was notified of the audit on April 3, 2009.

<sup>8</sup> PRC-005-1 R2 has a "Lower" Violation Risk Factor (VRF); R2.1 and R2.2 each have a "High" VRF. During a final review of the standards subsequent to the March 23, 2007 filing of the Version 1 VRFs, NERC identified that some standards requirements were missing VRFs; one of these include PRC-005-1 R2.1. On May 4, 2007, NERC assigned PRC-005 R2.1 a "High" VRF. In the Commission's June 26, 2007 Order on Violation Risk Factors, the Commission approved the PRC-005-1 R2.1 "High" VRF as filed. Therefore, the "High" VRF was in effect from June 26, 2007.

Region	Registered Entity	NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Total Penalty (\$)
Corporation	Cooperative, Inc.		RFC200900145	FAC-008-1	1.2	Medium <sup>9</sup>	
			RFC200900146	FAC-009-1	1	Medium	
			RFC200900147	PRC-005-1	1.1	High <sup>10</sup>	

### PRC-005-1 R2

The purpose of Reliability Standard PRC-005-1 is to ensure all transmission and generation Protection Systems affecting the reliability of the bulk power system (BPS) are maintained and tested.

PRC-005-1 R2 requires each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System, such as Wolverine, to provide documentation of its Protection System maintenance and testing program and the implementation of that program to its Regional Entity on request (within 30 calendar days). The documentation of the program implementation shall include:

(R2.1) evidence Protection System devices were maintained and tested within the defined intervals; and

(R2.2) the date each Protection System device was last tested/maintained.

PRC-005-1 R2 has a “Lower” Violation Risk Factor (VRF) and its sub-requirements each have a “High” VRF.

On April 27, 2009, Wolverine provided the ReliabilityFirst Compliance Staff with a Self-Report of a potential violation of PRC-005-1 R2.1 at four (4) 138 kV tie substations: Grand Traverse Substation, Oden Substation, Redwood Substation, and Wayland Substation.

On May 7, 2009, ReliabilityFirst requested one-line diagrams from Wolverine to ascertain if, in fact, the substations in question were a part of the Bulk Electric System (BES) as defined by ReliabilityFirst. After a review by ReliabilityFirst’s Compliance Staff and Engineering Staff, it was determined that Grand Traverse Substation and Redwood Substation were not part of the BES.<sup>11</sup> RFC further determined that Oden Substation was also not part of the BES.<sup>12</sup> However,

<sup>9</sup> When NERC filed VRFs it originally assigned FAC-008-1 R1.1, R1.2, R1.2.1 and R1.2.2 “Lower” VRFs. The Commission approved the VRFs as filed; however, it directed NERC to submit modifications. NERC submitted the modified “Medium” VRFs and on February 6, 2008, the Commission approved the modified “Medium” VRFs. Therefore, the “Lower” VRFs for FAC-008-1 R1.1, R1.2, R1.2.1 and R1.2.2 were in effect from June 18, 2007 until February 6, 2008 when the “Medium” VRFs became effective. FAC-008-1 R1, R1.3 and R1.3.5 have “Lower” VRFs and FAC-008-1 R1.3.1, R1.3.2, R1.3.3 and R1.3.4 have “Medium” VRFs.

<sup>10</sup> When NERC filed VRF it originally assigned PRC-005-1 R1 a “Medium” VRF. The Commission approved the VRF as filed; however, it directed NERC to submit modifications. NERC submitted the modified “High” VRF and on August 9, 2007, the Commission approved the modified “High” VRF. Therefore, the “Medium” VRF for PRC-005-1 R1 was in effect from June 18, 2007 until August 9, 2007 when the “High” VRF became effective.

<sup>11</sup> See Example 1B of the “ReliabilityFirst Corporation Bulk Electric System (BES) Definition, Appendix A – Clarification to the Bulk Electric System (BES) Definition Regarding Protection Systems – Approved by the ReliabilityFirst Board of Directors May 9, 2007” (see Attachment a).

on June 5, 2009, ReliabilityFirst determined that Wayland Substation was part of the BES and so notified Wolverine.

On June 16, 2009, Wolverine revised its Self-Report to include Reliability Standard PRC-005-1 R2.1 and R2.2 for the Wayland Substation only.<sup>13</sup> Wolverine could not provide evidence that sixty-four (64)<sup>14</sup> out of 1,024 Protection System devices, specifically current transformers (CTs or current sensing devices) or DC circuitry that serve to sense and/or trip faults on BES related facilities, at the Wayland Substation were maintained and tested within defined intervals as required by PRC-005-1 R2.1. Additionally, testing and maintenance dates identifying when Protection System devices were last tested and maintained did not exist for these devices as required by PRC-005-1 R2.2.

ReliabilityFirst determined that Wolverine had a possible violation of PRC-005-1 R2 because Wolverine failed to provide sufficient evidence that its Protection System devices were maintained and tested within defined intervals as required by R2.1 and its documentation did not include the date each Protection System device was last tested and maintained as required by R2.2. ReliabilityFirst determined the duration of the alleged violation to be from June 18, 2007, the date the Standard became enforceable, through May 20, 2009, when Wolverine completed its Mitigation Plan.

ReliabilityFirst determined that the alleged violation of PRC-005-1 R2.1 and R2.2 did not pose a serious or substantial risk to the BPS because Wolverine has operational Station Supervisory Control and Data Acquisition (SCADA) monitoring of the Wayland Substation and the substation is inspected monthly during mid-month inspections. Additionally, Wolverine tested the Protection System devices to assure they were operable and within specifications, the Protection System devices were found to be fully functional and operable, and there were no occurrences of misoperations for the associated devices in question. The 64 devices were added to Wolverine's testing schedule and future testing of the devices would occur on a five (5) year interval.

#### CIP-001-1

The purpose of Reliability Standard CIP-001-1 is to report disturbances or unusual occurrences, suspected or determined to be caused by sabotage, to the appropriate systems, governmental agencies, and regulatory bodies.

CIP-001-1 R1 requires each Generator Operator, Load Serving Entity and Transmission Operator, such as Wolverine, to have procedures for the recognition

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<sup>12</sup> See Example 2B of the "ReliabilityFirst Corporation Bulk Electric System (BES) Definition, Appendix A – Clarification to the Bulk Electric System (BES) Definition Regarding Protection Systems."

<sup>13</sup> The date on the revised report is April 27, 2009, the original filing date, the revised report was received by ReliabilityFirst on June 16, 2009. The revised report also indicates the violation had previously been reported. This is not an indication of a repeat violation, but that Wolverine had originally reported the matter on April 27, 2009 and supplemented it by its June 16, 2009 submittal.

<sup>14</sup> While mitigating this violation, Wolverine discovered an additional three devices that had not been tested within its intervals.

of and for making its operating personnel aware of sabotage events on its facilities and multi-site sabotage affecting larger portions of the Interconnection. CIP-001-1 R1 has a “Medium” VRF.

During the Audit, ReliabilityFirst’s audit team (Audit Team) reviewed Wolverine’s procedure titled *WPSC CIP-001 Sabotage Reporting Document – Version 3* dated August 1, 2008 (SR Procedure). The SR Procedure contained procedures for recognizing sabotage and a list of contact telephone numbers for operating personnel. The SR Procedure also contained a flowchart detailing the procedural steps in identifying and reporting sabotage events. However, the flowchart classified sabotage incidents as reportable for only those affecting BPS operations. As a result, Wolverine personnel were not required to report sabotage events per its procedure on non-BPS facilities, as required by the Standard.

ReliabilityFirst determined that Wolverine had an alleged violation of CIP-001-1 R1 because Wolverine failed to provide sufficient evidence that it had procedures for identifying and reporting sabotage events on: (1) its facilities; and (2) for multi-site sabotage affecting larger portions of the Interconnection. Specifically, ReliabilityFirst determined that the alleged violation derived from a sabotage identification flowchart in Wolverine’s SR Procedure, which did not classify incidents, other than those affecting BPS operations, as sabotage. ReliabilityFirst determined the duration of the alleged violation to be from June 18, 2007, the date the Standard became enforceable, through June 15, 2009, when Wolverine completed its Mitigation Plan.

ReliabilityFirst determined that the alleged violation of CIP-001-1 R1 did not pose a serious or substantial risk to the BPS because, although Wolverine’s SR Procedure did not include non-BPS facilities, Wolverine had a sabotage reporting procedure and personnel were aware of how to recognize and report sabotage events on BPS facilities.

#### FAC-008-1

The purpose of Reliability Standard FAC-008-1 is to ensure that Facility Ratings used in the reliable planning and operation of the BPS are determined based on an established methodology or methodologies.

FAC-008-1 R1 requires Transmission Owners and Generator Owners, such as Wolverine, each to document its current methodology used for developing Facility Ratings (Facility Ratings Methodology) of its solely and jointly owned Facilities. The methodology shall include all of the following:

- (R1.1) a statement that a Facility Rating shall equal the most limiting applicable Equipment Rating of the individual equipment that comprises that Facility;
- (R1.2) the method by which the Rating (of major BPS equipment that comprises a Facility) is determined;
  - (R1.2.1) the scope of equipment addressed shall include, but not be limited to, generators, transmission conductors, transformers, relay protective devices, terminal equipment, and series and shunt compensation devices;



(R1.2.2) the scope of Ratings addressed shall include, as a minimum, both Normal and Emergency Ratings; and  
(R1.3) other considerations.

FAC-008-1 R1.2 and its sub-requirement each have a “Medium” VRF.

During the Audit, the Audit Team reviewed Wolverine’s Facility Ratings Methodology titled *WPSC FAC-008-1 Facility Rating Methodology – Version 1* dated January 29, 2009. The document stated that relay protective devices on BPS facilities owned by Wolverine are “set” to have a minimum reach of 150% of the Emergency Rating of the facility they are protecting. The Audit Team identified that this represents the settings of the relay protective devices and is not an acceptable method of determining ratings for relay protective devices. Specifically, Wolverine’s Facility Ratings Methodology document referred to a “setting” instead of a “rating” for relay protective devices.

ReliabilityFirst determined that Wolverine had a possible violation of FAC-008-1 R1.2 because Wolverine’s Facility Rating Methodology document did not contain an acceptable method of determining ratings for relay protective devices. ReliabilityFirst determined the duration of the alleged violation to be from June 18, 2007, the date the Standard became enforceable, through June 4, 2009, when Wolverine completed its Mitigation Plan.

ReliabilityFirst determined that the alleged violation of FAC-008-1 R1.2 did not pose a serious or substantial risk to the BPS because Wolverine had a Facility Ratings Methodology document, as presented during the Audit, although it referred to a “setting” instead of a “rating” for relay protective devices that did not comply with the Reliability Standard.

#### FAC-009-1

The purpose of Reliability Standard FAC-009-1 is to ensure that Facility Ratings used in the reliable planning and operation of the BPS are determined based on an established methodology or methodologies.

FAC-009-1 R1 requires each Transmission Owner and Generator Owner, such as Wolverine, to establish Facility Ratings for its solely and jointly owned Facilities that are consistent with the associated Facility Ratings Methodology. FAC-009-1 R1 has a “Medium” VRF.

During the Audit, the Audit Team reviewed Wolverine’s documents titled *WPSC 138-69 kV Transformer Ratings.xls*, *WPSC Conductor Ratings 3-27-2009.xls*, and *WPSC Connected Generators & Transformers rev2.xls*. The Audit Team found that: (1) the Facility Ratings sheets provided for transformers, conductors and generators, and ratings were not available for all elements of a transmission Facility; (2) the Generator Facility Rating Sheet did not clearly show the most limiting element of the Facility; and (3) the Conductor Rating Table did not show the limiting element of a transmission Facility. Specifically, the Audit Team found that the Facility Ratings provided by Wolverine were not consistent with the associated Facility Ratings Methodology which states, “Facility Ratings are based on the most limiting element comprising a Facility.”

ReliabilityFirst determined that Wolverine had an alleged violation of FAC-009-1 R1 for several reasons. First, Wolverine's Facility Ratings sheets did not list ratings for all elements of Wolverine's transmission facility. Second, they did not have consistent units (amps or MYA) to allow the limiting element to be easily identified; and third, the Facility Rating sheets provided did not identify the most limiting element comprising a Facility. ReliabilityFirst determined the duration of the alleged violation to be from June 18, 2007, the date the Standard became enforceable, through June 16, 2009, when Wolverine completed its Mitigation Plan.

ReliabilityFirst determined that the alleged violation of FAC-009-1 R1 did not pose a serious or substantial risk to the BPS because Wolverine had Facility Ratings that were consistent with its Facility Ratings Methodology, although the methodology was not consistent with the Reliability Standard, and the ratings included the most limiting element, even though the documentation was not clear. The information on ratings, methodology, and the most limiting element, although not explicitly or clearly determinable, was in a format that Wolverine's engineering group could interpret, extract and calculate appropriate rating values.

#### PRC-005-1 R1.1

The purpose of Reliability Standard PRC-005-1 is to ensure all transmission and generation Protection Systems affecting the reliability of the BPS are maintained and tested.

PRC-005-1 R1 requires Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System, such as Wolverine, to have a Protection System maintenance and testing program for Protection Systems that affect the reliability of the BPS. The program shall include:

(R1.1) maintenance and testing intervals and their basis; and

(R1.2) summary of maintenance and testing procedures.

PRC-005-1 R1 and each of its sub-requirements have a "High" VRF.

During the Audit, the Audit Team reviewed Wolverine's documents titled *WPSC Relay Review Procedure – ENG -010-0* dated March 5, 2008; *WPSC Battery Bank Test Procedure – MAINT-001-0* dated September 24, 2008; *WPSC Station Functional Test Procedure – MAINT-030-0* dated April 15, 2009; and *WPSC Relay Test Procedure – MAINT-038-0* dated June 29, 2006. Specifically, *WPSC Relay Review Procedure – ENG -010-0*, and *WPSC Relay Test Procedure – MAINT-038-0* did not provide the basis for the relay maintenance and testing intervals as required by PRC-005-1 R1.

ReliabilityFirst determined that Wolverine had an alleged violation of PRC-005-1 R1.1 because its Protection System maintenance and testing program did not include the basis for its relay maintenance and testing intervals. ReliabilityFirst determined the duration of the alleged violation to be from June 18, 2007, the date the Standard became enforceable, through June 9, 2009, when Wolverine completed its Mitigation Plan.

ReliabilityFirst determined that the alleged violation of PRC-005-1 R1.1 did not pose a serious or substantial risk to the BPS because Wolverine had a basis for its relay maintenance and testing

intervals which was contained in another Wolverine “audit guide” document titled *WAG\_PRC-005-1*.

#### Regional Entity’s Compliance Program

ReliabilityFirst reported that certain aspects of Wolverine’s Compliance Program were noteworthy, as follows:

1. Wolverine’s Compliance Program has the complete support of senior management in fostering a strong compliance culture.
2. Wolverine added a Compliance Coordinator to its staff in May 2009.
3. Standards are assigned to subject matter experts (SMEs) across four different departments. Departmental meetings are held monthly to discuss potential violations and interpretations with the Compliance Coordinator. SMEs are trained by the Compliance Coordinator who attends required necessary regional and national training and/or workshops/conferences.
4. Regular Compliance Meetings are conducted internally.
5. Bulletins from ReliabilityFirst and NERC as well as Midwest Independent System Operator, Inc. are distributed to employees.
6. Mock audits are conducted as self-assessment internal controls.
7. Funds are allocated for the implementation of third-party compliance auditing to begin in January 2010.
8. Wolverine has adopted Reliability Focused Design Practices that demonstrate commitment to design in reliability throughout Wolverine’s system.

Although unrelated to the instant alleged violations, an example of Wolverine’s commitment to compliance and reliability is Wolverine’s proactive approach to its Transmission Vegetation Management Plan. Although Wolverine has no lines at 200 kV or above, and no facilities designated as applicable by the Regional Entity, Wolverine voluntarily adheres to a Transmission Vegetation Management Plan. Wolverine utilizes PLCS CAD software and Light Detection and Ranging (LIDAR) data to identify transmission-line loading scenarios that take into account the effects of loads on transmission lines, poles and structures and to design for worst-case situations as accurately as possible. In addition to Wolverine’s vegetation management flyover program, Wolverine has aerial patrols of its entire transmission system (1,600 miles) twice a year to monitor for physical or electrical issues.

#### Regional Entity’s Basis for Penalty

ReliabilityFirst has assessed a penalty of fifteen thousand dollars (\$15,000) for the referenced alleged violations. In reaching this determination, ReliabilityFirst considered the following factors:

- (1) these alleged violations constituted Wolverine’s first occurrence of violations of NERC Reliability Standards;
- (2) ReliabilityFirst reported Wolverine was cooperative throughout the compliance enforcement process;
- (3) there was no evidence of any attempt to conceal a violation nor evidence of intent to do so;



- (4) Wolverine's culture of compliance; and
- (5) ReliabilityFirst determined that the alleged violations did not pose a serious or substantial risk to the BPS, as discussed above.

After consideration of the above factors, ReliabilityFirst determined that, in this instance, the penalty amount of fifteen thousand dollars (\$15,000) is appropriate and bears a reasonable relation to the seriousness and duration of the alleged violations.

### **Status of Mitigation Plans<sup>15</sup>**

#### **PRC-005-1 R2**

Wolverine's Mitigation Plan to address its alleged violation of PRC-005-1 R2 was submitted to ReliabilityFirst on June 8, 2009,<sup>16</sup> stating that it had been completed on May 20, 2009. The Mitigation Plan was accepted by ReliabilityFirst on June 30, 2009 and approved by NERC on September 18, 2009. The Mitigation Plan for this alleged violation is designated as MIT-07-1980 and was submitted as non-public information to FERC on September 23, 2009 in accordance with FERC orders.

Wolverine's Mitigation Plan stated that Wolverine had completed the following three actions:

- conduct testing and keep associated records for the 64 protection system devices at the Wayland Substation and created associated records for the devices;
- add the aforementioned devices to Wolverine's testing schedule, to ensure they will continue to be tested in the future; and
- review the overall Wolverine testing schedule to ensure no other Protection System devices associated with this Standard, are missing from the schedule.

Wolverine stated that the implementation of the above actions resulted in the following preventative actions to ensure future compliance with PRC-005-1:

- the devices that were missing test data are now permanently on the test schedule;
- future testing will occur on a five (5) year rotation;
- all test data is recorded and stored electronically on a redundant server;
- Wolverine has implemented a Microsoft SharePoint-based Maintenance Management system to assist and track the status of all control and Protection System maintenance and testing; and
- Wolverine's Protection System testing schedule will continue to undergo periodic reviews in the future, in order to insure all devices appropriate to this Standard are on the testing schedule.

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<sup>15</sup> See 18 C.F.R. § 39.7(d)(7).

<sup>16</sup> Wolverine submitted a Mitigation Plan on April 27, 2009, which contained four substations. After ReliabilityFirst determined that only one of the substations had an alleged violation, Wolverine submitted the June 8, 2009 revised Mitigation Plan, which was accepted by ReliabilityFirst.

Wolverine certified on July 28, 2009 that the above Mitigation Plan requirements were completed on May 20, 2009. As evidence of completion of its Mitigation Plan, Wolverine submitted the following:

Mitigation Plan Required Action #1 Evidence

1. *Inventory of Devices, Associated Looped Circuitry, and DC Control Circuitry related to PRC-005 Wayland Mitigation Plan.* This was submitted July 28, 2009 and identifies the 67 devices (initially reported as 64) that were not tested within defined intervals.
2. Associated Test Records:
  - *WDBR XFMR CT CKT129 052009.xls*
  - *WDBR XFMR CT CKT130 052009.xls*
  - *WDBR XFMR misc 052009.xls*
  - *WD 422 CT CKT 73\_74\_75.xls*
  - *WD DC Checkout 052009.xls*

The above were submitted July 28, 2009 and indicated the date on which the 13 CTs and 28 DC Control Circuitry were last tested as required by PRC-005-1 R2.2.

3. *Wolverine's Letter of Compliance* submitted September 11, 2009 that attests "the devices were tested successfully" and "found to be fully functional and operable."
4. *WPSC Station Functional Test Procedure*
5. *Transmission Substation CT and Functional Testing (South)*  
The evidence listed in numbers 4 & 5 were submitted December 11, 2009. This evidence indicated the date on which the 13 Grounds and 13 CT Associated Loop Circuitry were last tested as required by PRC-005-1 R2.2.
6. The combination of all of the above also:
  - provides evidence that the last test dates are within the defined testing interval as required by R2.1;
  - indicates that all devices were tested successfully and found to be fully functional and operable, with no misoperations; and
  - addresses the stated violation.
7. ReliabilityFirst staff verified that none of the identified devices was on the lists of misoperations from 2007 through the completion of the testing on May 20, 2009.

Mitigation Plan Required Action #2 Evidence

8. *Transmission Substation CT and Functional Testing (South)* submitted July 28, 2009, which shows that the devices were added to the testing schedule on April 27, 2009.

Mitigation Plan Required Action #3 Evidence

9. *WPSC Letter of Compliance* submitted July 28, 2009 attests that "a review of the overall maintenance testing schedule was performed on May 20, 2009."

On December 11, 2009, after reviewing Wolverine's submitted evidence, ReliabilityFirst verified that Wolverine's Mitigation Plan was completed on May 20, 2009 with respect to PRC-005-1 R2.

CIP-001-1

Wolverine's Mitigation Plan to address its alleged violation of CIP-001-1 R1 was submitted to ReliabilityFirst on August 5, 2009<sup>17</sup> stating that it had been completed on June 15, 2009. The Mitigation Plan was accepted by ReliabilityFirst on August 31, 2009 and approved by NERC on September 10, 2009. The Mitigation Plan for this alleged violation is designated as MIT-09-1926 and was submitted as non-public information to FERC on September 10, 2009 in accordance with FERC orders.

Wolverine's Mitigation Plan stated that it had expanded and rewritten its internal policies and procedures to mitigate this alleged violation and to fully address each requirement of the Standard, as follows:

- CIP-001-1 R1: To address the issue of awareness, Wolverine expanded its sabotage awareness training to include the energy control center, office area, and the field, as defined in section II, part D, of Wolverine's corporate policy titled *Incident and Disturbance Reporting Policy*. This is a new, re-written corporate umbrella policy, intended to address the overall requirements of CIP-001-1. In addition, specific sabotage awareness training content has been developed.

In addition to the actions required to mitigate the alleged violation, Wolverine stated that, in re-writing its *Incident, Disturbance, and Sabotage Reporting Procedure*, it had also expanded its internal policies as follows:

- CIP-001-1 R2: To address the issue of communication, Wolverine expanded its internal incidence and disturbance reporting procedure to include the subject of sabotage, and the associated communication requirements. (Ref. part 4 and 5 of *Incident, Disturbance, and Sabotage Reporting Procedure*.)
- CIP-001-1 R3: To address the issue of response guidelines and personnel contacts, Wolverine expanded its internal incidence and disturbance reporting procedure to include the subject of sabotage, and the associated response guidelines and contact information. (Ref. parts 3 through 7 of *Incident, Disturbance, and Sabotage Reporting Procedure*.)
- CIP-001-1 R4: To address the issue of establishing communications contacts, Wolverine has expanded its internal incidence and disturbance reporting procedure to include the subject of sabotage, and the associated communication contact information. (Ref. part 4 of *Incident, Disturbance, and Sabotage Reporting Procedure*.)

Wolverine certified in its Mitigation Plan submitted on August 5, 2009 that the above requirements were completed on June 15, 2009. As evidence of completion of its Mitigation Plan, Wolverine submitted a document titled *Wolverine Power Supply Cooperative Incident and Disturbance Reporting Policy*, Rev. 5 dated June 12, 2009. This is a new, re-written corporate umbrella policy that Wolverine is now using to address the overall requirements of CIP-001-1. Wolverine expanded and rewrote its internal policies and procedures to address the concerns of the Audit Team as well as to fully address CIP-001-1 R1. To address the issue of awareness, Wolverine expanded its sabotage awareness training to include the energy control center, office

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<sup>17</sup> Wolverine had submitted an original draft Mitigation Plan on June 5, 2009. However, the August 5, 2009 Mitigation Plan was the plan that was accepted by ReliabilityFirst.

area, and the field, as defined in section II, part D, of Wolverine's corporate policy titled *Incident and Disturbance Reporting Policy*. Additionally, Wolverine Power has developed specific sabotage awareness training.

On November 30, 2009, after reviewing Wolverine's submitted evidence, ReliabilityFirst verified that Wolverine's Mitigation Plan was completed on June 15, 2009 with respect to CIP-001-1 R1.

#### FAC-008-1

Wolverine's Mitigation Plan to address its alleged violation of FAC-008-1 R1.2 was submitted to ReliabilityFirst on August 5, 2009 stating that it had been completed as of June 4, 2009. The Mitigation Plan was accepted by ReliabilityFirst on August 31, 2009 and approved by NERC on September 10, 2009. The Mitigation Plan for this alleged violation is designated as MIT-09-1927 and was submitted as non-public information to FERC on September 10, 2009 in accordance with FERC orders.

The Mitigation Plan required Wolverine to revise its current Facility Ratings Methodology document to include its actual Facility Ratings Methodology.

Wolverine certified in its Mitigation Plan submitted on August 5, 2009 that the above requirement was completed on June 4, 2009. As evidence of completion of its Mitigation Plan, Wolverine submitted the following:

- A letter of attestation which stated that Wolverine had clarified its Facility Ratings Methodology to represent its actual (current and past) compliant methodology for Facility Ratings. This letter was provided to the Audit Team on June 3, 2009.
- An updated, clarified Facilities Ratings Methodology document, *Wolverine Engineering policy 304, version 2.0*, provided to the Audit Team on June 4, 2009. The section of this document titled *Protective Relay Devices* was updated to show Wolverine's actual Facility Ratings Methodology and is now based on the "Rating" of Relay Protective Devices.

On November 30, 2009, after ReliabilityFirst's review of Wolverine's submitted evidence, ReliabilityFirst verified that Wolverine's Mitigation Plan was completed on June 4, 2009 and notified Wolverine in a letter dated December 9, 2009 that it was in compliance with FAC-008-1 R1.2.

#### FAC-009-1

Wolverine's Mitigation Plan to address its alleged violation of FAC-009-1 R1 was submitted to ReliabilityFirst on August 5, 2009 stating that it had been completed on June 16, 2009. The Mitigation Plan was accepted by ReliabilityFirst on August 31, 2009 and approved by NERC on September 10, 2009. The Mitigation Plan for this alleged violation is designated as MIT-09-1928 and was submitted as non-public information to FERC on September 10, 2009 in accordance with FERC orders.

Wolverine's Mitigation Plan required Wolverine to rewrite and reconfigure the following Facilities Ratings documents:

- *BES Facility Ratings* which lists all transmission-related BPS elements and clearly defines the most limiting elements;
- *BES Generator Ratings* which lists two of Wolverine's generators and related elements that were currently listed in Wolverine's system restoration (black start) plans. It also defines the most limiting elements.<sup>18</sup>
- *Engineering Policy 304, version 4.0 - Facilities Ratings Methodology* which has been updated and clarified.

Wolverine certified in its Mitigation Plan submitted on August 5, 2009 that the above requirements were completed on June 16, 2009. As evidence of completion of its Mitigation Plan, Wolverine submitted the following:

- *Wolverine Engineering Policy #304, Facility Ratings Methodology, Version 2.0* dated June 3, 2009 which incorporates changes to clearly define its most limiting elements on the BPS.
- The Wolverine *BES Facility Ratings* document which lists all transmission-related BPS elements and clearly defines the most limiting elements.
- The Wolverine *BES Generator Ratings* document which lists two of Wolverine's generators and related elements that are currently listed in its system restoration (Black start) plans, defining the most limiting elements, as well.

On November 30, 2009, after ReliabilityFirst's review of Wolverine's submitted evidence, ReliabilityFirst verified that Wolverine's Mitigation Plan was completed on June 16, 2009 and notified Wolverine in a letter dated December 11, 2009 that it was in compliance with FAC-009-1 R1.

#### PRC-005-1 R1.1

Wolverine's Mitigation Plan to address its alleged violation of PRC-005-1 R1.1 was submitted to ReliabilityFirst on August 5, 2009 stating that it had been completed on June 9, 2009. The Mitigation Plan was accepted by ReliabilityFirst on August 31, 2009 and approved by NERC on September 10, 2009. The Mitigation Plan for this alleged violation is designated as MIT-09-1929 and was submitted as non-public information to FERC on September 10, 2009 in accordance with FERC orders.

Wolverine's Mitigation Plan required Wolverine to:

- create a new Engineering Policy 439, titled *Protection System Maintenance and Testing Program*, to address the basis for relay testing and maintenance intervals; and

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<sup>18</sup> Wolverine, during the course of the Audit and resulting discussions, was advised by the ReliabilityFirst Compliance Audit Team, that, because two of its Black Start generators were part of the system restoration plans, that they were considered connected and part of the BPS. As a result of this awareness, Wolverine immediately began revising their documentation to identify the most limiting facility at each location.



- move the testing and maintenance basis information from the Wolverine document *WAG\_PRC-005-1* to Engineering Policy 439.

Wolverine certified in its Mitigation Plan submitted on August 5, 2009 that the above requirements were completed on June 9, 2009. As evidence of completion of its Mitigation Plan, Wolverine submitted its *Engineering Policy 439, Protection System Maintenance and Testing Program, Version 1.0* dated June 9, 2009, which categorizes the Basis for Test Intervals as follows:

- Basis for Protective Relaying Test Intervals;
- Basis for Communication Systems Test Intervals;
- Basis for CT and PT Test Intervals;
- Basis for Station Battery Test Intervals; and
- Basis for DC Control Circuitry and Functional Test Intervals.

The Intervals are based on the following:

- Wolverine engineering and operations experience;
- Standard industry practice;
- Manufacturers recommendations;
- Industry consultant and neighboring utility recommendations; and
- Wolverine test intervals must meet or exceed the NERC Planning Committee White Paper *Protection System Maintenance, A Technical Reference*.

On November 30, 2009, after ReliabilityFirst's review of Wolverine's submitted evidence, ReliabilityFirst verified that Wolverine's Mitigation Plan was completed on June 9, 2009 and notified Wolverine in a letter dated December 11, 2009 that it was in compliance with PRC-005-1 R1.1.

## **Statement Describing the Proposed Penalty, Sanction or Enforcement Action Imposed<sup>19</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 Guidance Order,<sup>20</sup> the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on March 10, 2010. The NERC BOTCC approved the Settlement Agreement, including ReliabilityFirst's imposition of a financial penalty, assessing a penalty of fifteen thousand dollars (\$15,000) against Wolverine 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 alleged violations at issue.

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

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<sup>19</sup> See 18 C.F.R. § 39.7(d)(4).

<sup>20</sup> *North American Electric Reliability Corporation*, "Guidance Order on Reliability Notices of Penalty," 124 FERC ¶ 61,015 (2008).

- (1) these alleged violations constituted Wolverine's first occurrence of violations of NERC Reliability Standards;
- (2) ReliabilityFirst reported Wolverine was cooperative throughout the compliance enforcement process;
- (3) ReliabilityFirst reported Wolverine had a positive culture of compliance;
- (4) there was no evidence of any attempt to conceal a violation nor evidence of intent to do so; and
- (5) ReliabilityFirst determined that the alleged violations did not pose a serious or substantial risk to the BPS, as discussed above.

For the foregoing reasons, the NERC BOTCC approves the Settlement Agreement and believes that the proposed penalty of fifteen thousand dollars (\$15,000) is appropriate for the violations and circumstances in question, and is consistent with NERC's goal to promote and ensure reliability of the BPS.

Pursuant to Order No. 693, 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 and material:

- a) Wolverine's revised Self-Report for PRC-005-1 R2.1 and R2.2 dated June 16, 2009, included as Attachment a;
- b) ReliabilityFirst's Compliance Audit Report –Public Version for Wolverine for CIP-001-1 R1, FAC-008-1 R1.2, FAC-009-1 R1 and PRC-005-1 R1.1 dated July 25, 2009, included as Attachment b;
- c) Settlement Agreement by and between ReliabilityFirst and Wolverine executed December 21, 2009, included as Attachment c;
  - i. ReliabilityFirst's Clarification to the Bulk Electric System Definition Regarding Protection Systems included as Attachment a to the Settlement Agreement;
  - ii. Wolverine's Mitigation Plan designated as MIT-07-1980 for PRC-005-1 R2.1 and R2.2 submitted June 8, 2009, included as Attachment b to the Settlement Agreement;
  - iii. Wolverine's Certification of Completion of the Mitigation Plan for PRC-005-1 R2.1 and R2.2 dated July 28, 2009, included as Attachment c to the Settlement Agreement;

- iv. ReliabilityFirst's Verification of Completion of the Mitigation Plan for PRC-005-1 R2.1 and R2.2 dated December 11, 2009, included as Attachment d to the Settlement Agreement;
- v. Wolverine's Mitigation Plan designated as MIT-09-1926 for CIP-001-1 R1 submitted August 5, 2009 and Certification of Completion herein, included as Attachment e to the Settlement Agreement;
- vi. ReliabilityFirst's Verification of Completion of the Mitigation Plan for CIP-001-1 R1 dated November 30, 2009, included as Attachment f to the Settlement Agreement;
- vii. Wolverine's Mitigation Plan designated as MIT-09-1927 for FAC-008-1 R1.2 submitted August 5, 2009 and Certification of Completion herein, included as Attachment g to the Settlement Agreement;
- viii. ReliabilityFirst's Verification of Completion of the Mitigation Plan for FAC-008-1 R1.2 dated December 9, 2009, included as Attachment h to the Settlement Agreement;
- ix. Wolverine's Mitigation Plan designated as MIT-09-1928 for FAC-009-1 R1 submitted August 5, 2009 and Certification of Completion herein, included as Attachment i to the Settlement Agreement;
- x. ReliabilityFirst's Verification of Completion of the Mitigation Plan for FAC-009-1 R1 dated December 11, 2009, included as Attachment j to the Settlement Agreement;
- xi. Wolverine's Mitigation Plan designated as MIT-09-1929 for PRC-005-1 R1.1 submitted August 5, 2009 and Certification of Completion herein, included as Attachment k to the Settlement Agreement; and
- xii. ReliabilityFirst's Verification of Completion of the Mitigation Plan for PRC-005-1 R1.1 dated December 11, 2009, included as Attachment l to the Settlement Agreement.

#### **A Form of Notice Suitable for Publication<sup>21</sup>**

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

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<sup>21</sup> See 18 C.F.R. § 39.7(d)(6).

## Notices and Communications

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

<p>Gerald W. Cauley* President and Chief Executive Officer David N. Cook* Vice President and General Counsel North American Electric Reliability Corporation 116-390 Village Boulevard Princeton, N.J. 08540-5721 (609) 452-8060 (609) 452-9550 – facsimile gerry.cauley@nerc.net david.cook@nerc.net</p> <p>David J. Coyle* Compliance Specialist ReliabilityFirst Corporation 320 Springside Drive, Suite 300 Akron, Ohio 44333 (330) 456-2488 (330) 456-5408 – facsimile dave.coyle@rfirst.org</p> <p>Dan Wilkinson* Reliability Coordinator and Planner Wolverine Power Supply Cooperative, Inc. 10125 West Watergate Road Cadillac, Michigan 49601 (231) 775-5700 (231) 775-2077 – facsimile</p> <p>John Alberts* Compliance Coordinator Wolverine Power Supply Cooperative, Inc. 10125 West Watergate Road Cadillac, Michigan 49601 (231) 775-5700 (231) 775-2077 – facsimile</p> <p>*Persons to be included on the Commission's service list are indicated with an asterisk. NERC requests waiver of the Commission's rules and regulations to permit the inclusion of more than two people on the service list.</p>	<p>Rebecca J. Michael* Assistant General Counsel Holly A. Hawkins* Attorney North American Electric Reliability Corporation 1120 G Street, N.W. Suite 990 Washington, D.C. 20005-3801 (202) 393-3998 (202) 393-3955 – facsimile rebecca.michael@nerc.net holly.hawkins@nerc.net</p> <p>Timothy R. Gallagher* President &amp; CEO ReliabilityFirst Corporation 320 Springside Drive, Suite 300 Akron, Ohio 44333 (330) 456-2488 (330) 456-5390 – facsimile tim.gallagher@rfirst.org</p> <p>Raymond J. Palmieri* Vice President and Director of Compliance ReliabilityFirst Corporation 320 Springside Drive, Suite 300 Akron, Ohio 44333 (330) 456-2488 (330) 456-5408 – facsimile ray.palmieri@rfirst.org</p> <p>Robert K. Wargo* Manager of Compliance Enforcement ReliabilityFirst Corporation 320 Springside Drive, Suite 300 Akron, Ohio 44333 (330) 456-2488 (330) 456-5408 – facsimile bob.wargo@rfirst.org</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

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cc: Wolverine Power Supply Cooperative, Inc.  
ReliabilityFirst Corporation

Attachments



## **Attachment a**

### **Wolverine's revised Self-Report for PRC-005-1 R2.1 and R2.2 dated June 16, 2009**



## COMPLIANCE MONITORING AND ENFORCEMENT PROGRAM

### VIOLATION SELF-REPORTING FORM

*This Violation Self-Reporting Form can be used for submittals via e-mail or fax for violations of the Reliability Standards identified by a self- assessment.*

1. Date: 4/27/2009
2. Registered Entity: Wolverine Power Supply Cooperative, Inc.
3. NERC Registry ID: NCR 00954 Joint Registration ID (JRO) (if applicable):
4. Multiple Regional Registered Entity (MRRE) Regional Affiliates (if applicable):
5. Reliability Standard PRC-005-1 Requirement <sup>a</sup>: R2
6. Reporting for registered function(s): DP,GO,TO
7. Date Violation was Discovered: 4/27/09  
Beginning Date of Violation: 6/18/2007  
End or Expected End Date of Violation: 5/20/09
8. Has this violation been previously reported: Yes ☒ or No ☐  
If yes, Provide NERC Violation ID number: No ID number issued yet
9. Has this violation been reported to another region(s): Yes ☐ or No ☒  
If yes, Provide Region(s):
10. Is the violation still occurring: Yes ☐ or No ☒
11. Detail description and cause of the violation:

**Per PRC-005-1:**

**Requirement R2.1 Reads:** The documentation of the program implementation shall include: Evidence Protection System devices were maintained and tested within the defined intervals.

**Alleged violation to requirement R2.1:**

WPSC has discovered that one transmission substation (Wayland) contained devices that were not tested within defined intervals.

Specifically, testing was not completed within defined intervals, for DC control circuitry or CT's, and 69-138kV transformer DC circuitry or CT's

**Root cause: Oversight- Testing records recently underwent a detailed review, in which the devices listed above were discovered to have no test records.**

**Requirement R2.2 reads:**

The documentation of the program implementation shall include: Date each Protection System device was last tested/maintained.

**Alleged violation to requirement R2.2:**

WPSC has discovered that one transmission substation (Wayland) contained devices that did not have a date listed as to when they were last tested.

Specifically, testing was not completed within defined intervals, for DC control circuitry or CT's, and 69-138kV transformer DC circuitry or CT's

**Root cause: Oversight- Testing records recently underwent a detailed review, in which the devices listed above were discovered to have no test records, and therefore, no listed testing dates.**

12. Violation Risk Factor: Lower ( ) – Medium ( ) – High ( X ) – Not Specified ( ) Select One

13. Violation Severity Level: Lower ( ) – Moderate ( X ) – High ( ) – Severe ( ) Select One

Provide justification for this determination: Per the NERC document entitled *VIOLATION SEVERITY LEVELS DEVELOPMENT GUIDELINES CRITERIA*, dated January 4, 2008, we are using the definition of a “moderate” VSF, which is defined within this document as follows: “The responsible entity is non-compliant with respect to at least one significant element within the requirement”

14. Provide a determination of the Potential Impact to the Bulk Electric System:  
Minimal likelihood of potential impact to the BES

15. Mitigation Plan attached: Yes ☒ or No ☐

16. Additional Comments:

This is a re-submittal of the original Self-Report, originally submitted on 4/27/09 by Dan Wilkinson. Request for revision and re-submittal was made per Mr. Dave Coyle on 6-15-09.

Revision description: Original submittal listed requirement R2.1 – This re-submittal is revised to list requirement R2, per Dave Coyle's request.

17. Officer Verification: I understand that this information is being provided as required by the Reliability *First* Compliance Monitoring and Enforcement Program. Any review of this violation will require all information certified on this form be supported by appropriate documentation.

Officer's Name: John Alberts

Title: Compliance Coordinator

E-mail address: jalberts@wpsci.com

Phone: 231-779-3336

Primary Compliance Contact: John Alberts

E-mail address: jalberts@wpsci.com

Phone: 231-779-3336

**E-mail Submittals to [compliance@rfirst.org](mailto:compliance@rfirst.org) Subject Line: Violation Self-Report**  
**For any questions regarding compliance submittals, please e-mail [compliance@rfirst.org](mailto:compliance@rfirst.org).**

<sup>a</sup>. Report on a requirement basis. If the violation is to a sub requirement, or multiple sub requirements, include all sub requirements relevant to this violation.

## **Attachment b**

**ReliabilityFirst's Compliance Audit Report –  
Public Version for Wolverine for CIP-001-1 R1,  
FAC-008-1 R1.2, FAC-009-1 R1 and PRC-005-1  
R1.1 dated July 25, 2009**



# **Compliance Audit Report Public Version**

**Confidential Information (including Privileged and  
Critical Energy Infrastructure Information)  
Has Been Removed**

**Wolverine Power Supply Cooperative, Inc.  
NCR00954**

**Date of Audit  
June 2 - 4, 2009**

**Date of Report  
July 25, 2009**



## TABLE OF CONTENTS

Executive Summary .....	1
Audit Process .....	2
<i>Objectives</i> .....	2
<i>Scope</i> .....	2
<i>Confidentiality and Conflict of Interest</i> .....	2
<i>Off-site Audit</i> .....	3
<i>Methodology</i> .....	3
<i>Opening Briefing</i> .....	4
<i>Audit</i> .....	4
<i>Exit Briefing</i> .....	4
<i>Company Profile</i> .....	4
<i>Audit Specifics</i> .....	5
Audit Results .....	7
<i>Findings</i> .....	7
<i>Compliance Culture</i> .....	11

## Executive Summary

This compliance audit report is the public version. Confidential information (including privileged and critical energy infrastructure information) has been redacted from this report. The full final compliance audit report was submitted to the audited entity and NERC.

An on-site compliance audit of Wolverine Power Supply Cooperative, Inc. (WPSC) was conducted from June 2-4, 2009. ReliabilityFirst conducts compliance audits as part of the ReliabilityFirst Compliance Monitoring and Enforcement Program (CMEP). At the time of the audit, WPSC, NERC ID# - NCR00954 was registered for Transmission Owner (TO), Transmission Operator (TOP), Generator Owner (GO), Generator Operator (GOP), Distribution Provider (DP), Transmission Planner (TP), Purchasing Selling Entity (PSE) and Load Serving Entity (LSE) functions that it performs in the ReliabilityFirst region.

ReliabilityFirst provided a 60 day notification to WPSC which requested data and information to provide evidence of compliance with NERC Reliability Standards and ReliabilityFirst Regional Standards within the scope of the audit. WPSC submitted material that the audit team reviewed and used to assess WPSC's compliance with the NERC and ReliabilityFirst Standards. The audit team developed findings based on this review and assessment.

The audit team assessed WPSC for compliance with one hundred and fifteen (115) requirements in thirty four (34) NERC Reliability Standards and seven (7) requirements in three (3) ReliabilityFirst Standards for the period of June 18, 2007 to June 4, 2009. These standards are applicable to the TO, TOP, GO, GOP, DP, TP, PSE and LSE functions that WPSC is registered to perform in the ReliabilityFirst region.

Based on the information and documentation provided by WPSC, the audit team made the following determinations: of the thirty four (34) NERC Reliability Standards assessed, two (2) standards and six (6) requirements were determined to be not applicable to WPSC. WPSC was found to be compliant with thirty two (32) applicable NERC Reliability Standards and one hundred and five (105) of one hundred and nine (109) applicable requirements. WPSC was found to be compliant with all three (3) applicable ReliabilityFirst Standards and all seven (7) applicable requirements. The audit team identified four (4) Possible Alleged Violations (PAVs) associated with four (4) NERC Reliability Standards and no PAVs associated with ReliabilityFirst Standards. PAVs were identified for the following requirements; CIP-001-1 R1; FAC-008-1 R1; FAC-009-1 R1; PRC-005-1 R1.

These results for the PAVs are summarized in the Findings in the Audit Results section of this report which includes information from the audit team's determination of applicability and compliance for the Reliability Standards within the scope of the compliance audit. This information may be used to help determine the severity level of possible sanctions and penalties. The PAVs will be reported to the ReliabilityFirst Vice President and Director of Compliance and NERC. The PAVs will be processed as described in the ReliabilityFirst CMEP. Any further actions related to PAVs will be through the CMEP process.

## Audit Process

The compliance audit process steps are detailed in the *ReliabilityFirst* CMEP. The *ReliabilityFirst* CMEP generally conforms to the United States Government Accountability Office Government Auditing Standards and other generally accepted audit practices.

### **Objectives**

All Registered Entities are subject to audit for compliance with all Reliability Standards applicable to the functions for which the Registered Entity is registered.<sup>1</sup> The audit objectives are to:

- Review WPSC's compliance with the requirements of the Reliability Standards that are applicable to WPSC based on WPSC's registered function(s)
- Validate compliance with applicable Reliability Standards from the NERC 2009 Implementation Plan list of actively monitored Standards
- Validate evidence of self-reported violations and previous self-certifications, confirm compliance with other requirements of the Reliability Standard, and review the status of on-going mitigation plans
- Document WPSC's internal compliance culture
- Validate compliance with other NERC Reliability Standards outside the 2009 implementation plan as selected by *ReliabilityFirst*
- Validate compliance with *ReliabilityFirst* reliability standards that are applicable to WPSC

### **Scope**

The scope of the audit included Reliability Standards which were selected by NERC for monitoring via audit in the 2009 CMEP Implementation Plan, and additional Reliability Standard(s) selected by *ReliabilityFirst*. *ReliabilityFirst* also monitored all applicable *ReliabilityFirst* standards, self certifications, and on-going mitigation plans as appropriate for the period of June 18, 2007 through the date of the audit.

### **Confidentiality and Conflict of Interest**

Confidentiality and Conflict of Interest of the audit team are governed under the *ReliabilityFirst* Delegation Agreement with NERC and Section 1500 of the NERC Rules of Procedure. WPSC was informed of the *ReliabilityFirst* obligations and responsibilities under the agreement and procedures. The work history of each audit team member was provided to WPSC and they were given an opportunity to object to an audit team member on the basis of a possible conflict of interest or the existence of other circumstances that could interfere with the audit team member's impartial performance of duties. WPSC originally voiced possible concerns regarding the

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<sup>1</sup> North American Electric Reliability Corporation CMEP, paragraph 3.1, Compliance Audits

inclusion of one of the ReliabilityFirst compliance audit team members. WPSC's concerns were based on the previous employment history of the audit team member. This audit team member was questioned by the ReliabilityFirst Manager-Compliance Audits and no conflict of interest was determined. WPSC was informed of this decision, and was then in agreement. ReliabilityFirst found no conflict of interest for any of the audit team members.

### ***On-site Audit***

WPSC is subject to an audit once every three years as provided by the NERC Rules of Procedure. WPSC was provided a 60 day notification of this scheduled audit and at that time all necessary documents required by the NERC and ReliabilityFirst audit process were provided. The following documents were provided as part of the notification:

- 60 day Notification letter which contained a request for evidence, information, and data submittals
- Compliance Audit Survey
- Audit Agenda as applicable
- Internal Compliance Survey
- Audit Team Work History with discussion of the objection process
- General Instructions of Data or Information Submittals
- Reliability Standard Questionnaire/Reliability Standard Auditor Worksheet

Documents were provided to WPSC in electronic format.

ReliabilityFirst discussed the use of technical experts with the WPSC primary compliance contact and indicated that ReliabilityFirst would welcome the use of technical experts by WPSC as it deemed necessary to explain their compliance to the Reliability Standards. As such, WPSC had been notified to provide any technical experts or personnel that it deemed necessary in order to provide the Audit Team an understanding of the evidence provided to demonstrate compliance with Reliability Standards.

An audit agenda and schedule were provided to WPSC in advance to allow the necessary time to prepare for the audit. WPSC's cooperation and flexibility with the agenda was appreciated by the audit team.

The audit team reviewed WPSC's compliance processes for all applicable standards with WPSC technical experts and requested additional information to clarify information previously supplied to the team. These interviews in conjunction with evidence provided, supplied the audit team with a basis for using professional judgment when validating compliance to the Reliability Standards.

### ***Methodology***

The audit team reviewed the evidence provided by WPSC for each of the requirements that are applicable to the functions performed by the company to determine if the company complied

with those Reliability Standards and associated requirements. The audit team interviewed a shift operator to determine WPSC's compliance to appropriate standards, the effectiveness of their training program and application of NERC and ReliabilityFirst Standards. The team reviewed each requirement, discussed the levels of compliance and addressed each team member's observations from the audit to determine its findings from the review.

### ***Opening Briefing***

An Opening Briefing was conducted to discuss the following:

- Introduction of audit team
- Audit Objective and Scope
- Confidentiality of information
- Audit Team Expectations
- Discussion on Clarification Calls
- Audit Process
- Exit Briefing and schedule

### ***Audit***

The audit team reviewed each requirement and the evidence provided to determine if WPSC was compliant to the requirement. The team discussed its findings to determine WPSC's compliance to each of the standards. Upon request, WPSC provided additional information or clarified existing information during the review of its material with their subject matter experts.

### ***Exit Briefing***

The audit team presented its preliminary findings to the WPSC staff. The audit team lead explained the findings from the audit. The exit presentation also covered the reporting process going forward, confidentiality of information and the audit feedback forms that the region is using to improve the audit process. In addition, the audit team presented recommendations on quality of evidence that the team identified during the audit. WPSC was provided an opportunity to ask questions which the audit team addressed.

### ***Company Profile***

WPSC performs the following NERC functions in the ReliabilityFirst region and is registered with NERC/ReliabilityFirst for the following functions:

- Transmission Owner (TO)
- Transmission Operator (TOP)
- Generator Owner (GO)
- Generator Operator (GOP)
- Distribution Provider (DP)

- Transmission Planner (TP)
- Purchasing Selling Entity (PSE)
- Load Serving Entity (LSE)

Wolverine Power Supply Cooperative, Inc. (WPSC) is a nonprofit electric generation and transmission cooperative based in Cadillac, Michigan. WPSC is a supplier of wholesale power to six member companies.

WPSC has approximately 1,600 miles of transmission lines (over 69kV), 180 substations, nine gas turbine peaking generators and 6 diesel generators with a combined capacity of approximately 227 MW.

WPSC's distribution cooperatives serve more than 212,000 residential and commercial or industrial member customers in 35 counties in Michigan's Lower Peninsula.

### ***Audit Specifics***

The compliance audit was conducted from June 2 - 4, 2009 at the WPSC offices in Cadillac, Michigan.

### **Audit Team**

<b>Audit Team Role</b>	<b>Title</b>	<b>Company</b>
Lead	Senior Compliance Engineer	ReliabilityFirst
Member	Manager of Compliance Audits	ReliabilityFirst
Member	Senior Compliance Engineer	ReliabilityFirst
Member	Senior Compliance Consultant	ReliabilityFirst
Member	Consultant	Scott Porteous and Associates

### **WPSC Audit Participants**

<b>Title</b>	<b>Organization</b>
President & CEO	WPSC
VP Power Supply & ECC	WPSC
VP Engineering and Operations	WPSC
Engineering Manager	WPSC
Compliance Coordinator	WPSC
ECC Operations Manager	WPSC
Manager of Production	WPSC
IT Manager	WPSC
Electrical Engineer	WPSC
Electrical Engineer	WPSC

<b>Title</b>	<b>Organization</b>
Web Application Developer	WPSC
Power Coordinator	WPSC
Manager of Technical Services	WPSC
Relay Technician	WPSC
SCADA Programmer	WPSC



## Audit Results

The audit team assessed WPSC for compliance with one hundred and fifteen (115) requirements in thirty four (34) NERC Reliability Standards and seven (7) requirements in three (3) ReliabilityFirst Standards for the period since June 18, 2007. The audit team used data provided by WPSC to determine compliance with the standards. Based on the information provided by WPSC, of the thirty four (34) NERC Reliability Standards and three (3) ReliabilityFirst Standards audited, six (6) requirements and two (2) NERC Reliability Standards were determined to be not applicable to WPSC and all seven (7) requirements in all three (3) ReliabilityFirst Standards were determined to be applicable.

After reviewing all of the evidence presented, WPSC was found to be compliant with thirty two (32) applicable NERC Reliability Standards and one hundred and five (105) of one hundred and nine (109) applicable requirements. WPSC was found to be compliant with all three (3) applicable ReliabilityFirst Standards and all seven (7) applicable requirements.

The audit team identified four (4) PAVs associated with four (4) NERC Reliability Standards and no PAVs associated with ReliabilityFirst Standards.

## **Findings**

The following table summarizes the auditor findings relating to evidence reviewed for compliance with the Reliability Standards within the scope of the compliance audit.

**WPSC On-site Audit Findings Table**

<b>Reliability Standard</b>	<b>Requirement</b>	<b>Finding</b>
CIP-001-1	R1.	PAV
CIP-001-1	R2.	Compliant
CIP-001-1	R3.	Compliant
CIP-001-1	R4.	Compliant
COM-001-1	R1.	Compliant
COM-002-2	R1.	Compliant
EOP-001-0	R2.	Compliant
EOP-001-0	R3.	Compliant
EOP-001-0	R4.	Compliant
EOP-001-0	R5.	Compliant
EOP-001-0	R6.	Compliant
EOP-001-0	R7.	Compliant
EOP-002-2	R9.	Compliant
EOP-003-1	R1.	Compliant
EOP-003-1	R2.	Compliant
EOP-003-1	R3.	Compliant
EOP-003-1	R4.	Compliant
EOP-003-1	R5.	Compliant
EOP-003-1	R6.	Compliant
EOP-003-1	R7.	Compliant
EOP-003-1	R8.	Compliant
EOP-005-1	R1.	Compliant
EOP-005-1	R2.	Compliant
EOP-005-1	R3.	Compliant
EOP-005-1	R4.	Compliant
EOP-005-1	R5.	Compliant
EOP-005-1	R6.	Compliant
EOP-005-1	R7.	Compliant
EOP-005-1	R8.	Compliant
EOP-005-1	R9.	Compliant
EOP-005-1	R10.	Compliant
EOP-005-1	R11.	Compliant
EOP-008-0	R1.	Compliant
FAC-001-0	R1.	Compliant
FAC-001-0	R2.	Compliant
FAC-001-0	R3.	Compliant

FAC-003-1	R1.	N/A
FAC-003-1	R2.	N/A
FAC-008-1	R1.	PAV
FAC-008-1	R2.	Compliant
FAC-008-1	R3.	Compliant
FAC-009-1	R1.	PAV
FAC-009-1	R2.	Compliant
FAC-014-1	R5.	Compliant
IRO-001-1	R8.	Compliant
IRO-004-1	R3.	Compliant
IRO-004-1	R4.	Compliant
IRO-004-1	R7.	Compliant
IRO-005-2	R8.	Compliant
IRO-005-2	R12.	N/A
IRO-005-2	R13.	Compliant
PER-001-0	R1.	Compliant
PER-002-0	R1.	Compliant
PER-002-0	R2.	Compliant
PER-002-0	R3.	Compliant
PER-002-0	R4.	Compliant
PER-003-0	R1.	Compliant
PRC-001-1	R1.	Compliant
PRC-001-1	R2.	Compliant
PRC-001-1	R3.	Compliant
PRC-001-1	R4.	Compliant
PRC-001-1	R5.	Compliant
PRC-001-1	R6.	N/A
PRC-004-1	R1.	Compliant
PRC-004-1	R2.	Compliant
PRC-004-1	R3.	Compliant
PRC-005-1	R1.	PAV
PRC-005-1	R2.	Compliant
PRC-008-0	R1.	Compliant
PRC-008-0	R2.	Compliant
PRC-017-0	R1.	N/A
TOP-001-1	R1.	Compliant
TOP-001-1	R2.	Compliant
TOP-001-1	R3.	Compliant
TOP-001-1	R4.	Compliant
TOP-001-1	R5.	Compliant
TOP-001-1	R6.	Compliant
TOP-001-1	R7.	Compliant
TOP-001-1	R8.	Compliant
TOP-002-2	R1.	Compliant

TOP-002-2	R3.	Compliant
TOP-002-2	R4.	Compliant
TOP-002-2	R11.	Compliant
TOP-002-2	R13.	Compliant
TOP-002-2	R14.	Compliant
TOP-002-2	R15.	Compliant
TOP-002-2	R16.	Compliant
TOP-002-2	R17.	Compliant
TOP-002-2	R18.	Compliant
TOP-002-2	R19.	Compliant
TOP-004-1	R1.	Compliant
TOP-004-1	R2.	Compliant
TOP-004-1	R3.	N/A
TOP-004-1	R4.	Compliant
TOP-004-1	R5.	Compliant
TOP-006-1	R2.	Compliant
TOP-006-1	R6.	Compliant
TOP-006-1	R7.	Compliant
TOP-007-0	R1.	Compliant
TOP-007-0	R2.	Compliant
TOP-007-0	R3.	Compliant
TOP-008-1	R1.	Compliant
TOP-008-1	R2.	Compliant
TOP-008-1	R3.	Compliant
TPL-001-0	R1.	Compliant
TPL-002-0	R1.	Compliant
TPL-003-0	R1.	Compliant
VAR-001-1	R1.	Compliant
VAR-001-1	R2.	Compliant
VAR-001-1	R5.	Compliant
VAR-001-1	R7.	Compliant
VAR-001-1	R8.	Compliant
VAR-001-1	R9.	Compliant
VAR-001-1	R10.	Compliant
VAR-001-1	R12.	Compliant
EOP-001-RFC-01	R1.	Compliant
EOP-001-RFC-01	R2.	Compliant
EOP-501-RFC-01	R3.	Compliant
EOP-007-RFC-01	R1.	Compliant
EOP-007-RFC-01	R2.	Compliant
EOP-007-RFC-01	R3.	Compliant
EOP-007-RFC-01	R4.	Compliant

## ***Compliance Culture***

WPSC has an active, dedicated and integrated compliance process which incorporates all levels of management and employees. The compliance program incorporates twenty full-time employees, including three Vice Presidents. Wolverine formally plans its compliance/reliability strategy annually, and includes provisions to fund the program through its Operations and Maintenance budgeting process. Budgets are funded to meet or exceed all the applicable requirements of both the NERC and Reliability*First* Reliability Standards.

Standards/requirements are assigned to Subject Matter Experts (SMEs) across four different departments with meetings held, at a minimum, on a monthly basis. Possible Alleged Violations are addressed immediately with the Compliance Coordinator, and needed interpretations are sought from the SMEs and other technical resources.

The WPSC Compliance Coordinator monitors WPSC's compliance to NERC/Reliability*First* Reliability Standards. WPSC's approach to self sustaining compliance is to define common processes across all its departments and facilities. Event logs and relevant data storage files are designed to provide the objective compliance evidence required by NERC and Reliability*First*.

The Compliance Coordinator facilitates the periodic review of the operating process documents by the associated SMEs and stays current with new and revised NERC/RFC standards.

## **Attachment c**

**Settlement Agreement by and between  
ReliabilityFirst and Wolverine executed December  
21, 2009**



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In re

WOLVERINE POWER SUPPLY	) DOCKET NUMBER
COOPERATIVE, INC	)
	) RFC200900128
	) RFC200900144
	) RFC200900145
	) RFC200900146
	) RFC200900147
NERC Registry ID # NCR00954	)

**SETTLEMENT AGREEMENT  
OF  
RELIABILITYFIRST CORPORATION  
AND  
WOLVERINE POWER SUPPLY COOPERATIVE, INC**

**I. INTRODUCTION**

1. ReliabilityFirst Corporation (“ReliabilityFirst”) and Wolverine Power Supply Cooperative, Inc (“Wolverine”) enter into this Settlement Agreement ("Agreement") to resolve all outstanding issues arising from a preliminary and non-public assessment resulting in ReliabilityFirst’s determination and findings, pursuant to the North American Electric Reliability Corporation (“NERC”) Rules of Procedure, of violations by Wolverine of the NERC Reliability Standards PRC-005-1, Requirement 2.1 and Requirement 2.2; CIP-001-1, Requirement 1; FAC-008-1, Requirement 1.2, FAC-009-1, Requirement 1; and PRC-005-1, Requirement 1.1.

**II. STIPULATED FACTS**

2. The facts stipulated herein are stipulated solely for the purpose of resolving between Wolverine and ReliabilityFirst the matters discussed herein and do not constitute stipulations or admissions for any other purpose. Wolverine and ReliabilityFirst hereby stipulate and agree to the following:

## **A. Background**

3. Wolverine is a generation and transmission electric cooperative headquartered in Cadillac, Michigan. Wolverine is owned by and supplies wholesale electric power to six members: Cherryland Electric Cooperative (Grawn, MI), HomeWorks Tri-County Electric Cooperative (Portland, MI), Spartan Renewable Energy (Cadillac, MI), Great Lakes Energy (Boyne City, MI), Presque Isle Electric & Gas Co-op (Onaway, MI), and Wolverine Power Marketing Cooperative (Cadillac, MI). Wolverine owns and operates an extensive electric transmission network in western and northern portions of Michigan's Lower Peninsula. Wolverine's four transmission members supply power to more than 212,000 homes, businesses and farms in 35 counties. Wolverine's offices are located in Cadillac, Michigan.
4. Wolverine owns and operates nine (9) Gas Turbine Peaking Generators capable of producing approximately 220 megawatts of internal generation, primarily peaking capacity. Wolverine also owns and operates six (6) Diesel Generators capable of producing approximately 15 MW. The facilities are located in Tower, Gaylord, Hersey, Vestaburg and Burnips, MI.
5. Wolverine owns and operates approximately 1,600 miles of transmission lines and associated facilities: 64 miles of transmission are BES 138kV lines, the remainder are 69kV lines.
6. During the time period the alleged violation occurred, Wolverine was registered on the NERC Compliance Registry as Transmission Owner, Generator Owner and a Distribution Provider in the ReliabilityFirst region with the NERC Registry Identification Number NCR00954, and therefore, is subject to compliance with NERC Reliability Standards PRC-005-1, Requirement 2, CIP-001-1, Requirement 1, FAC-008-1, Requirement 1, FAC-009-1, Requirement 1, and PRC-005-1, Requirement 1.

## **B. Alleged Violation of PRC-005-1, Requirements 2.1 and 2.2 – RFC200900128**

7. NERC Reliability Standard PRC-005-1, "*Transmission and Generation Protection System Maintenance and Testing*", Requirement 2 states, "Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator owner that owns a generation Protection System shall provide documentation of its Protection System maintenance and testing program and the implementation of that program to its Regional Reliability Organization on request (within 30 calendar days). The documentation of the program implementation shall include:



**R2.1.** “Evidence Protection System devices were maintained and tested within defined intervals.”

**R2.2.** “Date each Protection System device was last tested/maintained.”

8. On April 27, 2009, Wolverine provided the ReliabilityFirst Compliance Staff with a Self Report indicating a potential violation of Reliability Standard PRC-005-1, Requirement 2.1 for four (4) 138 kV tie substations: Grand Traverse Substation, Oden Substation, Redwood Substation, and Wayland Substation.
9. On May 7, 2009, ReliabilityFirst requested one-line diagrams from Wolverine to ascertain if, in fact, the substations in question were a part of the Bulk Electric System (BES). After a thorough review by ReliabilityFirst Compliance Staff and Engineering Staff, it was determined that Grand Traverse Substation and Redwood Substation were not part of the BES as per Example 1B of the “ReliabilityFirst Corporation Bulk Electric System (BES) Definition, Appendix A – Clarification to the Bulk Electric System (BES) Definition Regarding Protection Systems – Approved by the ReliabilityFirst Board of Directors May 9, 2007” (see Attachment a). It was further determined that Oden Substation was not part of the BES as per Example 2B of the “ReliabilityFirst Corporation Bulk Electric System (BES) Definition, Appendix A – Clarification to the Bulk Electric System (BES) Definition Regarding Protection Systems”.
10. On June 5, 2009, ReliabilityFirst determined that Wayland Substation was part of the BES and notified Wolverine as such.
11. On June 16, 2009, Wolverine revised its Self Report to include Reliability Standard PRC-005-1, Requirement 2.1 and 2.2 for Wayland Substation only.<sup>1</sup>
12. Wolverine conducted an Internal Investigation to identify which Protection System devices at the Wayland Substation were not tested within the defined intervals of its maintenance and testing program. Testing was not completed within defined intervals for specific CT’s (current sensing devices) and DC control circuitry that serve to sense and/or trip faults on BES related facilities as required by Reliability Standard PRC-005-1, R 2.1.

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<sup>1</sup> The original Self Report provided by Wolverine to ReliabilityFirst on April 27, 2009, indicated a potential violation of Reliability Standard PRC-005-1, Requirement 2.1 for four (4) 138 kV tie substations; Grand Traverse Substation, Oden Substation, Redwood Substation, and Wayland Substation.

13. Specifically, Wolverine could not provide evidence that sixty-four (64) out of 1,024 Protection System devices at the Wayland Substation were maintained and tested within defined intervals as required by Reliability Standard PRC-005-1, R2.1.
14. Wolverine conducted an Internal Investigation to identify which Protection System devices at the Wayland Substation did not have dates listed as to when they were last tested/maintained. Testing/maintenance dates identifying when Protection System devices were last tested/maintained did not exist for specific CT's (current sensing devices) and DC control circuitry that serve to sense and/or trip faults on BES related facilities as required by Reliability Standard PRC-005-1, R 2.2.
15. Specifically, Wolverine could not provide the date that the sixty-four (64) out of 1,024 Protection System devices at the Wayland Substation were last tested/maintained as required by Reliability Standard PRC-005-1, R2.2.
16. Wolverine conducted testing of the sixty-four (64) protection system devices at the Wayland Substation and created associated documentation for such testing. The protection system devices were tested successfully and found to be fully functional and operable. There were no occurrences of misoperations for the associated devices in question between June 18, 2007 and May 20, 2009 when the protection system devices were tested successfully. The sixty-four (64) protection system devices were added to Wolverine's testing schedule, and future testing of the devices will occur on a five (5) year interval. All test data is recorded and stored electronically on a redundant server. Wolverine has implemented a Maintenance Management System to assist and track the status of all protection and control system maintenance and testing. Wolverine reviewed its overall testing schedule to ensure no other protection system devices associated with this standard were missing from the maintenance and testing schedule. The above referenced tasks were completed on May 20, 2009.
17. On June 8, 2009, Wolverine submitted a Mitigation Plan to ReliabilityFirst. The Mitigation Plan was completed and fully implemented on May 20, 2009.
18. The reliability of the Bulk Electric System was not placed at substantial risk as a result of this alleged violation. Wolverine tested the Protection System devices to assure they were operable and within specifications. The Protection System devices were tested successfully, found to be fully functional and operable, and there were no occurrences of misoperations for the associated devices in question.
19. ReliabilityFirst alleges that Wolverine failed to provide sufficient evidence that its Protection System devices were maintained and tested within defined intervals. Specifically, testing was not completed within defined intervals for DC

control circuitry or CT's and 69-138 kV transformer DC circuitry or CT's as required by Reliability Standard PRC-005-1, R 2.1.

20. ReliabilityFirst alleges that Wolverine failed to provide the date each Protection System device was last tested/maintained. Testing/maintenance dates identifying when Protection System devices were last tested/maintained did not exist for DC control circuitry or CT's and 69-138 kV transformer DC circuitry or CT's as required by Reliability Standard PRC-005-1, R 2.2.

### **C. Alleged Violation of CIP-001, Requirement 1 – RFC200900144**

21. NERC Reliability Standard CIP-001-1, "Sabotage Reporting", Requirement 1 states, "Each Reliability Coordinator, Balancing Authority, Transmission Operator, Generator Operator, and Load Serving Entity shall have procedures for the recognition of and for making their operating personnel aware of sabotage events on its facilities and multi-site sabotage affecting larger portions of the Interconnection."
22. On June 2-4, 2009, ReliabilityFirst conducted a Compliance Audit of Wolverine. Based on information and documentation provided by Wolverine, the Audit Team identified a Possible Alleged Violation of NERC Reliability Standard CIP-001-1, Requirement 1. ReliabilityFirst reviewed *WPSC CIP-001 Sabotage Reporting Document – Version 3 August 1, 2008* ("Document"). The Document contained procedures for recognizing sabotage and a list of contact telephone numbers for operating personnel. The Document contained a flowchart detailing the procedural steps in identifying and reporting sabotage events. However, the flowchart classified sabotage incidents as reportable for only those affecting BES operations. As a result, Wolverine personnel were not required to report sabotage events per their procedure, if they occurred, on non- BES facilities. The standard does not identify that it applies to BES facilities only. Specifically, to limit the procedure to BES facilities may result in sabotage events that are not reported which could be part of a multi-stage event which is required to be reported as part of the requirement.
23. Wolverine expanded and revised its internal policies and procedures to fully address each requirement of the standard as follows: 1) Wolverine expanded its sabotage awareness training to include the Energy Control Center, office area, and the field in its "Incident and Disturbance Reporting Policy". Specific sabotage awareness training content was developed; 2) Wolverine expanded its internal reporting procedure to include the subject of sabotage and associated communication requirements to appropriate parties in the Interconnection; 3) Wolverine expanded response guidelines and contact information for reporting disturbances due to sabotage events. Completion of the Mitigation Plan actions permanently modified Wolverine's internal processes and procedures to ensure

full compliance in the future. The above referenced mitigation activities were completed on June 15, 2009.

24. On August 5, 2009, Wolverine submitted a Mitigation Plan to ReliabilityFirst. The Mitigation Plan was completed and fully implemented on June 15, 2009.
25. The reliability of the Bulk Electric System was not placed at substantial risk as a result of this alleged violation. Wolverine expanded and revised its internal policies and procedures to include reporting of sabotage events on non BES facilities.
26. ReliabilityFirst alleges that Wolverine failed to provide sufficient evidence that they had procedures for the recognition of and for making their operating personnel aware of sabotage events on its facilities and multi-site sabotage affecting larger portions of the Interconnection.

#### **D. Alleged Violation of FAC-008-1, Requirement 1.2 – RFC200900145**

27. NERC Reliability Standard FAC-008-1, “Facility Ratings Methodology”, Requirement 1 states, “The Transmission Owner and Generator Owner shall each document its current methodology used for developing Facility Ratings (Facility Ratings Methodology) of its solely and jointly owned Facilities. The methodology shall include all of the following:  
  

**R1.2.**The method by which the Rating (of major BES equipment that comprises a Facility) is determined.”
28. On June 2-4, 2009, ReliabilityFirst conducted a Compliance Audit of Wolverine. Based on information and documentation provided by Wolverine, the Audit Team identified a Possible Alleged Violation of NERC Reliability Standard FAC-008-1, Requirement 1.2. ReliabilityFirst reviewed *WPSC FAC-008-1 Facility Rating Methodology – Version 1 January 29, 2009* (“Document”). Specifically, the Document stated that relay protective devices on BES facilities owned by Wolverine are set to have a minimum reach of 150% of the emergency rating of the facility they are protecting. The Audit Team identified that this represents the settings of the relay protective devices and is not an acceptable method of determining ratings for relay protective devices.
29. Wolverine updated and clarified its Facilities Rating Methodology document (Wolverine Engineering Policy 304 – Version 2.0) and provided the Audit Team a copy on June 4, 2009. The section of the document entitled “Protective Relay Devices” was revised to Wolverine’s actual ratings methodology. The mitigation activities were completed on June 4, 2009.

30. On August 5, 2009, Wolverine submitted a Mitigation Plan to ReliabilityFirst. The Mitigation Plan was completed and fully implemented on June 4, 2009.
31. The reliability of the Bulk Electric System was not placed at substantial risk as a result of this alleged violation. Wolverine's facility ratings methodology document, as presented during the audit, referred to a "setting" instead of a "rating" for relay protective devices. Wolverine updated and clarified its Facilities Rating Methodology document (Wolverine Engineering Policy 304 – Version 2.0) and provided the Audit Team a copy on June 4, 2009. The section of the document entitled "Protective Relay Devices" was revised to Wolverine's actual ratings methodology. These facts support the conclusion that there was no actual harm and no serious or substantial risk to the reliability of the BES as a result of this alleged violation.
32. ReliabilityFirst alleges that Wolverine failed to provide sufficient evidence in its Facility Ratings Methodology of the method by which the Rating of relay protective devices is determined.

#### **E. Alleged Violation of FAC-009-1, Requirement 1 – RFC200900146**

33. NERC Reliability Standard FAC-009-1, "Establish and Communicate Facility Ratings", Requirement 1 states, "The Transmission Owner and Generator Owner shall each establish Facility Ratings for its solely and jointly owned Facilities that are consistent with the associated Facility Ratings Methodology."
34. On June 2-4, 2009, ReliabilityFirst conducted a Compliance Audit of Wolverine. Based on information and documentation provided by Wolverine, the Audit Team identified a Possible Alleged Violation of NERC Reliability Standard FAC-009-1, Requirement 1. ReliabilityFirst reviewed *WPSC 138-69 kV Transformer Ratings.xls*, *WPSC Conductor Ratings 3-27-2009.xls*, and *WPSC Connected Generators & Transformers rev2.xls*. The Audit Team found that: 1). The Facility Ratings sheets provided for transformers, conductors and generators, and ratings were not available for all elements of a transmission facility; 2). The Generator Facility Rating Sheet did not clearly show the most limiting element of the facility; 3). The Conductor Rating Table did not show the limiting element of a transmission facility. Specifically, the Audit Team found that the Facility Ratings provided by Wolverine were not consistent with the associated Facility Ratings Methodology which states, "Facility Ratings are based on the most limiting element comprising a Facility."
35. Wolverine revised and reconfigured the *BES Facility Ratings*, *BES Generator Ratings*, and *Engineering Policy 304 – Version 4.0 – Facility Ratings Methodology*, June 9, 2009. *BES Facility Ratings* lists all transmission related

BES elements and clearly defines the most limiting elements. BES Generator Ratings lists two (2) of Wolverine's generators and related elements that are currently listed on Wolverine's system restoration plans. It also defines the most limiting elements. The mitigating activities were completed on June 16, 2009.

36. On August 5, 2009, Wolverine submitted a Mitigation Plan to ReliabilityFirst. The Mitigation Plan was completed and fully implemented on June 16, 2009.
37. The Bulk Electric System was not placed at substantial risk as a result of this alleged violation. The information on ratings, methodology, and the most limiting element, although not explicitly or clearly determinable by the ReliabilityFirst Audit team, was in a format that Wolverine's engineering group could interpret, extract and calculate appropriate rating values. Wolverine later revised and reconfigured the *BES Facility Ratings*, *BES Generator Ratings*, and *Engineering Policy 304 – Version 4.0 – Facility Ratings Methodology*, June 9, 2009,
38. ReliabilityFirst alleges that the Facility Ratings provided by Wolverine were not consistent with the associated Facility Ratings Methodology which states the "Facility ratings are based on the most limiting element comprising the facility." Specifically, the facility ratings sheets did not provide ratings for all elements comprising the facility and the facility rating sheets provided for transmission facilities and generation facilities did not identify the most limiting element comprising the facility as required by the Wolverine Facility Ratings Methodology.

#### **F. Alleged Violation of PRC-005-1, Requirement 1.1 – RFC200900147**

39. NERC Reliability Standard PRC-005-1, "Transmission and Generation Protection System Maintenance and Testing", Requirement 1 states, "Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System shall have a Protection System maintenance and testing program for Protection Systems that affect the reliability of the BES. The program shall include:  
**R1.1. Maintenance and testing intervals and their basis."**
40. On June 2-4, 2009, ReliabilityFirst conducted a Compliance Audit of Wolverine. Based on information and documentation provided by Wolverine, the Audit Team identified a Possible Alleged Violation of NERC Reliability Standard PRC-005-1, Requirement 1.1. ReliabilityFirst reviewed *WPSC Relay Review Procedure – ENG -010-0 – March 5, 2008*; *WPSC Battery Bank Test Procedure – MAINT-001-0 – September 24, 2008*; *WPSC Station Functional Test Procedure – MAINT-030-0 – April 15, 2009*; and *WPSC Relay Test Procedure – MAINT-038-0 – June 29, 2006*. Specifically, the WPSC documents *WPSC Relay*

*Review Procedure – ENG -010-0, and WPSC Relay Test Procedure – MAINT-038-0* did not provide the basis for the relay maintenance and testing intervals.

41. Wolverine created *Engineering Policy 439, Protection System Maintenance and Testing Program* (“Engineering Policy 439”) to address the alleged violation. Engineering Policy 439 addressed the basis for relay testing and maintenance intervals. The testing and maintenance basis information was moved from the “audit guide” document WAG\_PRC-005-1 to Engineering Policy 439. The mitigation activities were completed on June 9, 2009.
42. On August 5, 2009, Wolverine submitted a Mitigation Plan to ReliabilityFirst. The Mitigation Plan was completed and fully implemented on June 9, 2009.
43. The Bulk Electric System was not placed at substantial risk as a result of this alleged violation. Wolverine provided “WAG\_PRC-005-1” as evidence of the basis for its relay maintenance and testing intervals. Wolverine created Engineering Policy 439, Protection System Maintenance and Testing Program to address the alleged violation.
44. ReliabilityFirst alleges that Wolverine failed to provide evidence of that it had a specific policy to address the basis for relay testing and maintenance intervals.

### **III. PARTIES’ SEPARATE REPRESENTATIONS**

#### **STATEMENT OF RELIABILITYFIRST AND SUMMARY OF FINDINGS**

45. ReliabilityFirst considers this Agreement as the resolution of all issues in connection with the above captioned docket and binding on Wolverine in its commitment to perform actions hereafter enumerated and listed as conditions for this Agreement.
46. PRC-005-1, R 2 has a Violation Risk Factor (VRF) of High as evidenced by the VRF Matrix, October 21, 2009.
47. CIP-001-1, R 1 has a Violation Risk Factor (VRF) of Medium as evidenced by the VRF Matrix, October 21, 2009.
48. FAC-008-1, R 1.2 has a Violation Risk Factor (VRF) of Medium as evidenced by the VRF Matrix, October 21, 2009.
49. FAC-009-1, R 1 has a Violation Risk Factor (VRF) of Medium as evidenced by the VRF Matrix, October 21, 2009.
50. PRC-005-1, R 1.1 has a Violation Risk Factor (VRF) of High as evidenced by the VRF Matrix, October 21, 2009.

51. ReliabilityFirst found commendable and noteworthy certain aspects of Wolverine's Compliance Program. Wolverine's Compliance Program has the complete support of senior management in fostering a strong compliance culture. Wolverine added a Compliance Coordinator to its staff in May, 2009. Standards are assigned to Subject Matter Experts (SME) across four different departments. Departmental meetings are held monthly to discuss potential violations and interpretations with the Compliance Coordinator. SME's are trained by the Compliance Coordinator who attends required necessary regional and national training and/or workshops/conferences. Regular Compliance Meetings are conducted internally. Bulletins from ReliabilityFirst and NERC as well as MISO are distributed to employees. Mock audits are conducted as self assessment internal controls. Funds are allocated for the implementation of third party compliance auditing to begin in January 2010. Wolverine has adopted Reliability Focused Design Practices that demonstrate commitment to designed in reliability throughout Wolverine's system. As an example of Wolverine's commitment to compliance and reliability, Wolverine is proactive regarding its Transmission Vegetation Management Plan. Although Wolverine has no lines at 200 kv or above, and no facilities designated as applicable by the RRO, Wolverine voluntarily adheres to a Transmission Vegetation Management Plan. Wolverine utilizes PLCS CAD software and LIDAR data to identify transmission-line loading scenarios that take into account the effects of loads on transmission lines, poles and structures and to design for worst-case situations as accurately as possible. In addition to Wolverine's vegetation management fly-over program, Wolverine flies its entire transmission system (1600 miles) twice a year to monitor for physical or electrical issues.
52. ReliabilityFirst agrees that this Agreement is in the best interest of the parties and in the best interest of reliability of the Bulk Electric System.

**STATEMENT OF WOLVERINE POWER SUPPLY COOPERATIVE, INC.**

53. Wolverine neither admits nor denies the alleged violation of PRC-005-1, R2.1 and 2.2; CIP-001-1, R1; FAC-008-1, R1.2, FAC-009-1, R1; and PRC-005-1, R1.1, according to the Agreement, but Wolverine has agreed to the proposed penalty of Fifteen Thousand dollars (\$15,000) to be assessed to Wolverine, in addition to other remedies that include mitigation actions to prevent recurrence and ensure future compliance under the terms and conditions of the Agreement.
54. Wolverine has agreed to enter into this Agreement with ReliabilityFirst to avoid extended litigation with respect to the matters described or referred to herein, to avoid uncertainty, and to effectuate a complete and final resolution of the issues set forth herein. Wolverine agrees that this Agreement is in the best interest of the parties and in the best interest of maintaining a reliable electric infrastructure.



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

##### **G. Mitigating Actions for PRC-005-1, Requirement 2.1 and 2.2 – RFC200900128**

55. On June 8, 2009, Wolverine submitted to ReliabilityFirst a Mitigation Plan (Mitigation Plan Tracking # MIT-07-1980, *see* Attachment b) to address the alleged violation of PRC-005-1, R 2.1 and 2.2. On June 30, 2009, ReliabilityFirst accepted the Mitigation Plan. On June 30, 2009, ReliabilityFirst submitted the Mitigation Plan to NERC. NERC approved the Mitigation Plan on September 18, 2009 and submitted the Mitigation Plan to FERC as confidential, nonpublic information on September 23, 2009. Wolverine's Certification of Mitigation Plan Completion was received by ReliabilityFirst on July 28, 2009 (*see* Attachment c). On December 11, 2009, ReliabilityFirst verified that the Mitigation Plan was complete in accordance with its terms (*see* Attachment d, Summary and Review of Evidence of Mitigation Plan Completion, MIT-07-1980).
56. Wolverine conducted testing of the sixty-four (64) protection system devices at the Wayland Substation and created associated records for the devices. The protection system devices were tested successfully, found to be fully functional and operable, and there were no associated misoperations. The sixty-four (64) protection system devices were added to Wolverine's testing schedule. Future testing will occur on a five (5) year interval. All test data is recorded and stored electronically on a redundant server. Wolverine has implemented a Maintenance Management System to assist and track the status of all protection and control system maintenance and testing. Wolverine reviewed its overall testing schedule to ensure no other protection system devices associated with this standard were missing from the maintenance and testing schedule. The above referenced tasks were completed on May 20, 2009.

##### **H. Mitigating Actions for CIP-001-1, Requirement 1 – RFC200900144**

57. On August 5, 2009, Wolverine submitted to ReliabilityFirst a Mitigation Plan (Mitigation Plan Tracking # MIT-09-1926, *see* Attachment e) to address the alleged violation of CIP-001-1, R 1. On August 31, 2009, ReliabilityFirst accepted the Mitigation Plan. On September 3, 2009, ReliabilityFirst submitted the Mitigation Plan to NERC. NERC approved the Mitigation Plan on September 10, 2009 and submitted the Mitigation Plan to FERC as confidential, nonpublic information on September 10, 2009. Wolverine's Certification of Mitigation Plan Completion was received by ReliabilityFirst via Wolverine's Mitigation Plan submission on August 5, 2009. On November 30, 2009, ReliabilityFirst verified that the Mitigation Plan was complete in accordance with its terms (*see* Attachment f, Summary and Review of Evidence of Mitigation Plan Completion, MIT-09-1926).

58. Wolverine expanded and revised its internal policies and procedures to fully address each requirement of the standard as follows: 1) Wolverine expanded its sabotage awareness training to include the energy control center, office area, and the field in its “Incident and Disturbance Reporting Policy”. Specific sabotage awareness training content was developed; 2) Wolverine expanded its internal reporting procedure to include the subject sabotage and associated communication requirements to appropriate parties in the Interconnection; 3) Wolverine expanded response guidelines and contact information for reporting disturbances due to sabotage events; and 4) Wolverine expanded its internal incidence and disturbance reporting procedure to include the subject of sabotage, and the associated communication contact information. Completion of the Mitigation Plan actions permanently modified Wolverine’s internal processes and procedures to ensure full compliance in the future. The above referenced mitigation activities were completed on June 15, 2009.

#### **I. Mitigating Actions for FAC-008-1, Requirement 1.2 – RFC200800145**

59. On August 5, 2009, Wolverine submitted to ReliabilityFirst a Mitigation Plan (Mitigation Plan Tracking # MIT-09-1927, see Attachment g) to address the alleged violation of FAC-008-1, R 1.2. On August 31, 2009, ReliabilityFirst accepted the Mitigation Plan. On September 3, 2009, ReliabilityFirst submitted the Mitigation Plan to NERC. NERC approved the Mitigation Plan on September 10, 2009 and submitted the Mitigation Plan to FERC as confidential, nonpublic information on September 10, 2009. Wolverine’s Certification of Mitigation Plan Completion was received by ReliabilityFirst via Wolverine’s Mitigation Plan submission on August 5, 2009. On December 9, 2009, ReliabilityFirst verified that the Mitigation Plan was complete in accordance with its terms (see Attachment h, Summary and Review of Evidence of Mitigation Plan Completion, MIT-09-1927).
60. Wolverine updated and clarified its Facilities Rating Methodology document (Wolverine Engineering Policy 304 – Version 2.0) and provided the Audit Team a copy on June 4, 2009. The section of the document entitled “Protective Relay Devices” was revised to Wolverine’s actual ratings methodology. The mitigation activities were completed on June 4, 2009.

#### **J. Mitigating Actions for FAC-009-1, Requirement 1 – RFC200900146**

61. On August 5, 2009, Wolverine submitted to ReliabilityFirst a Mitigation Plan (Mitigation Plan Tracking # MIT-09-1928, see Attachment i) to address the alleged violation of FAC-009-1, R 1. On August 31, 2009, ReliabilityFirst accepted the Mitigation Plan. On September 3, 2009, ReliabilityFirst submitted the Mitigation Plan to NERC. NERC approved the Mitigation Plan on September 10, 2009 and submitted the Mitigation Plan to FERC as confidential,

nonpublic information on September 10, 2009. Wolverine's Certification of Mitigation Plan Completion was received by ReliabilityFirst via Wolverine's Mitigation Plan submission on August 5, 2009. On December 11, 2009, ReliabilityFirst verified that the Mitigation Plan was complete in accordance with its terms (see Attachment j, Summary and Review of Evidence of Mitigation Plan Completion, MIT-09-1928).

62. Wolverine revised and reconfigured the *BES Facility Ratings*, *BES Generator Ratings*, and *Engineering Policy 304 – Version 4.0 – Facility Ratings Methodology*. *BES Facility Ratings* lists all transmission related BES elements and clearly defines the most limiting elements. *BES Generator Ratings* lists two (2) of Wolverine's generators and related elements that are currently listed on our system restoration plans. It also defines the most limiting elements. The mitigating activities were completed on June 16, 2009.

**K. Mitigating Actions for PRC-005-1, Requirement 1.1 – RFC200900147**

63. On August 5, 2009, Wolverine submitted to ReliabilityFirst a Mitigation Plan (Mitigation Plan Tracking # MIT-09-1929, see Attachment k) to address the alleged violation of PRC-005-1, R 1.1. On August 31, 2009, ReliabilityFirst accepted the Mitigation Plan. On September 3, 2009, ReliabilityFirst submitted the Mitigation Plan to NERC. NERC approved the Mitigation Plan on September 10, 2009 and submitted the Mitigation Plan to FERC as confidential, nonpublic information on September 10, 2009. Wolverine's Certification of Mitigation Plan Completion was received by ReliabilityFirst via Wolverine's Mitigation Plan submission on August 5, 2009. On December 11, 2009, ReliabilityFirst verified that the Mitigation Plan was complete in accordance with its terms (see Attachment l, Summary and Review of Evidence of Mitigation Plan Completion, MIT-09-1929).
64. Wolverine created Engineering Policy 439, Protection System Maintenance and Testing Program to address the alleged violation. Engineering Policy 439 addressed the basis for relay testing and maintenance intervals. The testing and maintenance basis information was moved from the "audit guide" document WAG\_PRC-005-1 to Engineering Policy 439. The mitigation activities were completed on June 9, 2009.
65. Wolverine took action to reduce the risk to the reliability of the Bulk Power System for all alleged violations included above. It should be recognized that Wolverine has a compliance culture that demonstrates a proactive compliance posture with respect to all applicable ReliabilityFirst/NERC requirements. Wolverine personnel have been cooperative throughout the compliance enforcement process.
66. Wolverine shall pay a monetary penalty of \$15,000 to ReliabilityFirst. ReliabilityFirst will provide Wolverine with an invoice within twenty (20) days

after the Agreement is either approved by the Federal Energy Regulatory Commission or by operation of law, and ReliabilityFirst shall notify NERC if the payment is not received.

67. 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 Agreement, shall be deemed to be either the same alleged violations that initiated this Agreement and/or additional violation(s) and may subject Wolverine to new or additional enforcement, penalty or sanction actions in accordance with the NERC Rules of Procedure.
68. If Wolverine does not make the monetary penalty payment above at the times agreed by the parties, interest payable to ReliabilityFirst will begin to accrue pursuant to the Commission's regulations at 18 C.F.R. § 35.19(a)(2)(iii) from the date that payment is due, in addition to the penalty specified above.

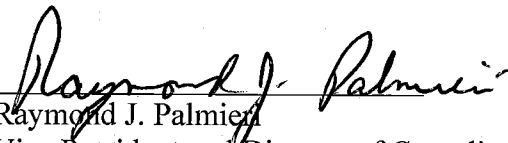
## **V. ADDITIONAL TERMS**

69. The signatories to the Agreement agree that they enter into the Agreement voluntarily and that, other than the recitations set forth herein, no tender, offer or promise of any kind by any member, employee, officer, director, agent or representative of ReliabilityFirst or Wolverine has been made to induce the signatories or any other party to enter into the Agreement.
70. ReliabilityFirst shall report the terms of all settlements of compliance matters to NERC. NERC will review the Agreement for the purpose of evaluating its consistency with other Agreements entered into for similar violations or under other, similar circumstances. Based on this review, NERC will either approve the Agreement or reject the Agreement and notify ReliabilityFirst and Wolverine of changes to the Agreement that would result in approval. If NERC rejects the Agreement, NERC will provide specific written reasons for such rejection and ReliabilityFirst will attempt to negotiate a revised Agreement with Wolverine including any changes to the Agreement specified by NERC. If a settlement cannot be reached, the enforcement process shall continue to conclusion. If NERC approves the Agreement, NERC will (i) report the approved Agreement to the Commission for the Commission's review and approval by order or operation of law and (ii) publicly post the alleged violation and the terms provided for in the settlement.
71. This Agreement shall become effective upon the Commission's approval of the Agreement by order or operation of law as submitted to it or as modified in a manner acceptable to the parties.
72. Wolverine agrees that this Agreement, when approved by NERC and the Commission, shall represent a final settlement of all matters set forth herein and

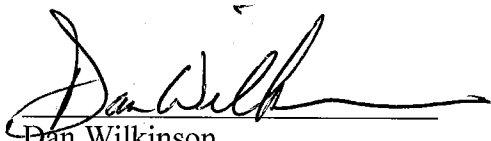
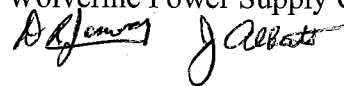
Wolverine waives its right to further hearings and appeal, unless and only to the extent that Wolverine contends that any NERC or Commission action on the Agreement contains one or more material modifications to the Agreement. ReliabilityFirst reserves all rights to initiate enforcement, penalty or sanction actions against Wolverine in accordance with the NERC Rules of Procedure in the event that Wolverine fails to comply with the mitigation plan and compliance program agreed to in this Agreement. In the event Wolverine fails to comply with any of the stipulations, remedies, sanctions or additional terms, as set forth in this Agreement, ReliabilityFirst will initiate enforcement, penalty, or sanction actions against Wolverine to the maximum extent allowed by the NERC Rules of Procedure, up to the maximum statutorily allowed penalty. Wolverine shall retain all rights to defend against such enforcement actions, also according to the NERC Rules of Procedure.

73. Wolverine consents to the use of ReliabilityFirst's determinations, findings, and conclusions set forth in this Agreement for the purpose of assessing the factors, including the factor of determining the company's history of violations, in accordance with the NERC Sanction Guidelines and applicable Commission orders and policy statements. Such use may be in any enforcement action or compliance proceeding under taken by NERC and/or any Regional Entity; provided, however, that Wolverine does not consent to the use of the specific acts set forth in this Agreement as the sole basis for any other action or proceeding brought by NERC and/or any Regional Entity nor does Wolverine consent to the use of this Agreement by any other party in any other action or proceeding.
74. Each of the undersigned warrants that he or she is an authorized representative of the entity designated, is authorized to bind such entity and accepts the Agreement on the entity's behalf.
75. The undersigned representative of each party affirms that he or she has read the Agreement, that all of the matters set forth in the Agreement are true and correct to the best of his or her knowledge, information and belief, and that he or she understands that the Agreement is entered into by such party in express reliance on those representations, provided, however, that such affirmation by each party's representative shall not apply to the other party's statements of position set forth in Section III of this Agreement.
76. The Agreement may be signed in counterparts.
77. The Agreement is executed in duplicate, each of which so executed shall be deemed to be an original.

Agreed to and accepted:

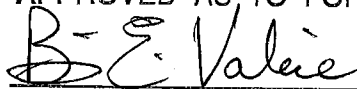
  
Raymond J. Palmieri  
Vice President and Director of Compliance  
ReliabilityFirst Corporation

12/18/09  
Date

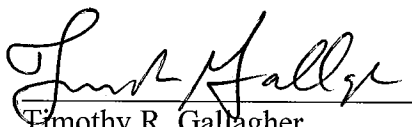
  
Dan Wilkinson  
Engineering Manager  
Wolverine Power Supply Cooperative, Inc  


12/18/2009  
Date

APPROVED AS TO FORM:

  
BRIAN E. VALICE, STAFF ATTORNEY

Approved by:

  
Timothy R. Gallagher  
President and Chief Executive Officer  
ReliabilityFirst Corporation

12/21/09  
Date

# **Attachment a**

## **Appendix A – Reliability *First* Clarification to the Bulk Electric System Definition Regarding Protection Systems**



## **ReliabilityFirst Corporation**

### **Bulk Electric System (BES) Definition**

**The Bulk Electric System within the ReliabilityFirst footprint is defined as all:**

- (1) individual generation resources larger than 20 MVA or a generation plant with aggregate capacity greater than 75 MVA that is connected via a step-up transformer(s) to facilities operated at voltages of 100 kV or higher,
- (2) lines operated at voltages of 100 kV or higher,
- (3) transformers (other than generator step-up) with both primary and secondary windings of 100 kV or higher, and
- (4) associated auxiliary and protection and control system equipment that could automatically trip a BES facility independent of the protection and control equipment's voltage level<sup>1</sup>

**The ReliabilityFirst Bulk Electric System excludes:**

- (1) radial facilities connected to load serving facilities or individual generation resources smaller than 20 MVA or a generation plant with aggregate capacity less than 75 MVA where the failure of the radial facilities will not adversely affect the reliable steady-state operation of other facilities operated at voltages of 100 kV or higher and
- (2) balance of generating plant control and operation functions (other than protection systems that directly control the unit itself and step-up transformer); these facilities would include relays and systems that automatically trip a unit for boiler, turbine, environmental, and/or other plant restrictions, and
- (3) all other facilities operated at voltages below 100 kV.

Approved by the ReliabilityFirst Board of Directors May 9, 2007

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<sup>1</sup> See RFC Clarification Document, Appendix A of RFC Definition



## APPENDIX A

### Clarification to the Bulk Electric System (BES) Definition Regarding Protection Systems

This is a clarification to section (4) above in the ReliabilityFirst BES definition regarding the inclusion of protection systems. Since it is impractical to document every situation for inclusion of protection systems in the BES, a general clarification is made.

Protective relays or other control devices are included in the BES, as part of this definition, for application of NERC PRC-series Standards. This inclusion does not classify owners/operators of such relays as Transmission Owners, Transmission Operators, and/or Transmission Planners. Further, the following provides additional clarification:

- Included:
  - Protective relays or other control devices (as defined in the NERC Glossary of Terms for Protection System) that are designed to automatically trip a BES facility (as established in the RFC definition of the Bulk Electric System) in the normal system configuration, when operating correctly for its intended function
  - Breaker failure relaying, whose operation trips BES facilities
- Excluded:
  - Protective relaying or other control devices that automatically trip a BES facility only if the BES system is operated in an abnormal configuration (e.g., if normally-closed breakers are being operated open)

The ReliabilityFirst Compliance Staff agrees with the above clarification and will use it in the monitoring of compliance to applicable reliability standards.

**Example 1A:** For example, if a 138/12.47 kV distribution transformer is tapped from a networked 138 kV line (i.e. not radial to load) which is included in the BES, and that distribution transformer contains protective relays that are designed to remove the networked 138 kV line from service; then that Protection System equipment (excluding breakers, ground switches, etc.) in the 138/12.47 kV distribution substation is included as part of the BES. (Reference Diagram 1A.)

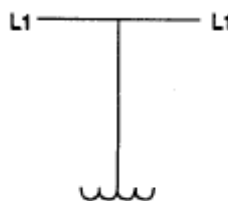


Diagram 1A

Relays protecting non-BES facility (e.g. transformer with secondary windings less than 100 kV) and trip Breakers at remote line terminals of L1 (BES networked line) are included as part of BES definition.

**Example 1B:** In another example, if a 138/12.47 kV distribution transformer is tapped from a networked 138 kV line which is included in the BES, and that transformer has protective relays (such as differential relays) that trip only the distribution transformer out-of-service and do not trip the networked 138 kV line; then those protective relays are not included as part of the BES definition. Breaker failure relaying on Breaker A, if any, is included if operation results in tripping of the networked 138kV line (Reference Diagram 1B.)

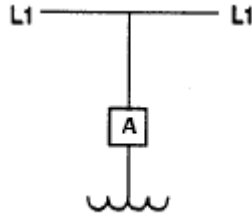


Diagram 1B

Relays protecting non-BES facility (e.g. transformer with secondary windings less than 100 kV) and tripping Breaker A are not included as part of BES.

**Example 2A:** For example, if a 138/12.47 kV distribution transformer, a 138/69 auto-transformer, or a radial 138 kV line shares a bus position in a 138 kV substation with a BES facility and that transformer or radial line contains protective relays that trip that device and the BES facility is interrupted then those protective relays are included as part of the BES. Any breaker failure schemes that trip both Breaker A and Breaker B are also included. (Reference Diagram 2A.)

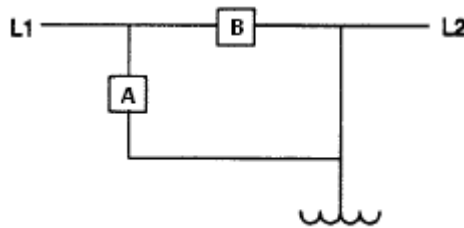


Diagram 2A

Relays protecting non-BES facility (e.g. transformer with secondary windings less than 100 kV) and trip Breakers A & B and remote terminal of L2 (BES network line) are included as part of BES.

**Example 2B:** In another example, if a 138/12.47 kV distribution transformer, a 138/69 auto-transformer, or a radial 138 kV line has its own bus position in a 138 kV substation (e.g. pi bus, ring bus, breaker and a half scheme) and that transformer or radial line contains protective relays that trip Breakers A and C only and no BES facility is interrupted then those protective relays are not included as part of the BES. However, any breaker failure schemes that trip Breaker B are included. (Reference Diagram 2B.)

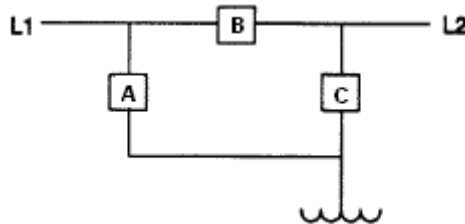


Diagram 2B

Relays protecting non-BES facility (e.g. transformer with secondary windings less than 100 kV) and tripping Breaker A and C are not included as part of BES.

Appendix A endorsed by the Reliability Committee – December 4, 2007

# **Attachment b**

Mitigation Plan (MIT-07-1980)

Submitted June 8, 2009

Mit Plan ID #:  
MIT-07-1980



RFC200900128

## Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: June 8, 2009

### **Section A: Compliance Notices & Mitigation Plan Requirements**

- A.1 Notices and requirements applicable to Mitigation Plans and this Submittal Form are set forth in "Attachment A - Compliance Notices & Mitigation Plan Requirements."
- A.2 This form must be used to submit required Mitigation Plans for review and acceptance by ReliabilityFirst and approval by NERC.
- A.3 ☒ 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: Wolverine Power Supply Cooperative Inc.

Company Address: 10125 W. Watergate Road Cadillac, MI 49601

NERC Compliance Registry ID: NCR 00954

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

Name: John Alberts

Title: Compliance Coordinator

Email: jalberts@wpsci.com

Phone: (231) 779-3336

For Public Release - April 28, 2010



RFC200900128

**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.

NERC Violation ID #	Reliability Standard	Requirement Number	Violation Risk Factor	Alleged or Confirmed Violation Date <sup>(*)</sup>	Method of Detection (e.g., Audit, Self-report, Investigation)
RFC200900128	PRC-005-1	R2.1	High	4/27/09	Self-Report
RFC200900128	PRC-005-1	R2.2	High	4/27/09	Self-Report

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

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

**Per PRC-005-1:**

**Requirement R2.1 Reads:** The documentation of the program implementation shall include: Evidence Protection System devices were maintained and tested within the defined intervals.

**Alleged violation to requirement R2.1:**

WPSC has discovered that one transmission substation (Wayland) contained devices that were not tested within defined intervals.

Specifically, testing was not completed within defined intervals, for DC control circuitry and CT's, and 69-138kV transformer DC circuitry and CT's.

A specific count determined that a total of **64 out of 1024** applicable devices were not tested.

**Root cause: Oversight- Testing records recently underwent a detailed review, in which the devices listed above were discovered to have no test records.**

**Requirement R2.2 reads:**

The documentation of the program implementation shall include: Date each Protection System device was last tested/maintained.

**Alleged violation to requirement R2.2:**

WPSC has discovered that one transmission substation (Wayland) contained devices that did not have a date listed as to when they were last tested. Specifically, testing was not completed within defined intervals, for DC control circuitry and CT's, and 69-138kV transformer DC circuitry and CT's.

A specific count determined that a total of **64 out of 1024** applicable devices were not tested.

**Root cause: Oversight- Testing records recently underwent a detailed review, in which the devices listed above were discovered to have no test records, and therefore, no listed testing dates.**

Note: If a formal root cause analysis evaluation was performed, submit a copy of the summary report.

- 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.

**This mitigation plan is a re-submittal of a plan originally submitted on 4/27/09. The original plan submittal on 4/27/09, listed four (4) substations with possible alleged violations. Since then, conversations and correspondence with RFC has clarified that of the four (4) substations listed in the original submittal, only one (1), (Wayland) actually has an interface with the BPS.**

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

- D.1 Identify and describe the action plan, including specific tasks and actions that your organization is proposing to undertake, or which it undertook if this Mitigation Plan has been completed, to correct the Alleged or Confirmed violations identified above in Part C.1 of this form. Additional detailed information may be provided as an attachment.

For Public Release - April 28, 2010

# RELIABILITY FIRST

RFC200900128

**Action Plan – In response to alleged violations as defined in Part C.2 above:**

- 1) Conduct testing and keep associated records for the aforementioned devices;
- 2) Add the aforementioned devices to WPSC's testing schedule, to insure they will continue to be tested in the future;
- 3) Review the overall WPSC testing schedule to insure no other protection system devices associated with this standard, are missing from the schedule.

## Mitigation Plan Timeline and Milestones

- D.2 Provide the date by which full implementation of the Mitigation Plan will be, or has been, completed with respect to the Alleged or Confirmed violations identified above. State whether the Mitigation Plan has been fully implemented, and/or whether the actions necessary to assure the entity has returned to full compliance have been completed.

**All mitigation actions, described in Part D.1 above, were completed on 5/20/09**

- D.3 Enter Key Milestone Activities (with due dates) that can be used to track and indicate progress towards timely and successful completion of this Mitigation Plan.

Key Milestone Activity	Proposed/Actual Completion Date* (shall not be more than 3 months apart)
Conduct testing and keep associated records for the aforementioned devices	Actual completion date: 5/20/09
Add the aforementioned devices to WPSC's testing schedule, to insure they will continue to be tested in the future.	Actual completion date: 5/20/09
Review the overall WPSC testing schedule to insure no other protection system devices associated with this standard, are missing from the schedule	Actual completion date: 5/20/09

(\*) Note: Additional violations could be determined for not completing work associated with accepted milestones.

## **Section E: Interim and Future Reliability Risk**





### **Abatement of Interim BPS Reliability Risk**

- E.1 While your organization is implementing this Mitigation Plan the reliability of the Bulk Power System (BPS) may remain at higher risk or be otherwise negatively impacted until the plan is successfully completed. To the extent they are, or may be, known or anticipated: (i) identify any such risks or impacts; and (ii) discuss any actions that your organization is planning to take to mitigate this increased risk to the reliability of the BPS. Additional detailed information may be provided as an attachment.
- (i) **WPSC has identified minimal reliability risk or impact to the BPS**
  - (ii) **Station SCADA monitoring of the Wayland substation is operational. The substation is inspected monthly during mid-month inspections. There are no known protection or control system anomalies with the station in question.**

### **Prevention of Future BPS Reliability Risk**

- E.2 Describe how successful completion of this Mitigation Plan by your organization will prevent or minimize the probability that the reliability of the BPS incurs further risk of similar violations in the future. Additional detailed information may be provided as an attachment.
- Implementation of the action plan defined in Part D.1 above, has resulted in the following preventive actions aimed at insuring future compliance:**
- a. **The devices that were missing test data are now permanently on the test schedule.**
  - b. **Future testing will occur on a five (5) year rotation.**
  - c. **All test data is recorded and stored electronically on a redundant server.**
  - d. **WPSC has implemented a Microsoft SharePoint-based Maintenance Management system to assist and track the status of all protection and control system maintenance and testing.**
  - e. **The WPSC protection system testing schedule will continue to undergo periodic reviews in the future, in order to insure all devices appropriate to this standard are on the testing schedule.**

### **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 ReliabilityFirst and approval by NERC, and

For Public Release - April 28, 2010



RFC200900128

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 Compliance Coordinator of Wolverine Power Supply Cooperative Inc. (Hereafter referred to as "WPSC").
2. I am qualified to sign this Mitigation Plan on behalf of WPSC.
3. I have read and am familiar with the contents of this Mitigation Plan.
4. WPSC agrees to comply with, this Mitigation Plan, including the timetable completion date, as accepted by ReliabilityFirst and approved by NERC.

Authorized Individual Signature

A handwritten signature in black ink, appearing to read "John Alberts", written over a horizontal line.

Name (Print): John Alberts

Title: Compliance Coordinator

Date: 6/29/2009  
(This is a revised version of the original plan submitted on 6/8/09)

### Section G: Regional Entity Contact

Please direct completed forms or any questions regarding completion of this form to the ReliabilityFirst Compliance e-mail address [mitigationplan@rfirst.org](mailto:mitigationplan@rfirst.org).

Please indicate the company name and reference the NERC Violation ID # (if known) in the subject line of the e-mail. Additionally, any ReliabilityFirst Compliance Staff member is available for questions regarding the use of this form. Please see the contact list posted on the ReliabilityFirst Compliance web page.



## **Attachment A – Compliance Notices & Mitigation Plan Requirements**

- I. 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.
  - (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) Key implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.
  - (9) Any other information deemed necessary or appropriate.
  - (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self-Certification or Self Reporting submittals.
- II. This submittal form must be used to provide a required Mitigation Plan for review and acceptance by ReliabilityFirst and approval by NERC.
- III. This Mitigation Plan is submitted to ReliabilityFirst and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
- IV. This Mitigation Plan Submittal Form may be used to address one or more related Alleged or Confirmed violations of one Reliability Standard. A separate

<sup>1</sup> "Compliance Monitoring and Enforcement Program" of the ReliabilityFirst Corporation;" a copy of the current version approved by the Federal Energy Regulatory Commission is posted on the ReliabilityFirst website.

For Public Release - April 28, 2010



RFC200900128

mitigation plan is required to address Alleged or Confirmed violations with respect to each additional Reliability Standard, as applicable.

- V. If the Mitigation Plan is accepted by ReliabilityFirst and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission in accordance with applicable Commission rules, regulations and orders.
- VI. ReliabilityFirst or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- VII. Remedial action directives also may be issued as necessary to ensure reliability of the BPS.

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RFC200900128

## DOCUMENT CONTROL

**Title:** Mitigation Plan Submittal Form  
**Issue:** Version 2.0  
**Date:** 11 July 2008  
**Distribution:** Public  
**Filename:** ReliabilityFirst Mitigation Plan Submittal Form - Ver 2.DOC  
**Control:** Reissue as complete document only

## DOCUMENT APPROVAL

Prepared By	Approved By	Approval Signature	Date
Robert K. Wargo Senior Consultant Compliance	Raymond J. Palmieri Vice President and Director Compliance	<i>Raymond J. Palmieri</i>	1/2/08

## DOCUMENT CHANGE/REVISION HISTORY

Version	Prepared By	Summary of Changes	Date
1.0	Robert K. Wargo	Original Issue – Replaces “Proposed Mitigation Plan” Form	1/2/08
2.0	Tony Purgar	Revised email address from <a href="mailto:compliance@rfirst.org">compliance@rfirst.org</a> to <a href="mailto:mitigationplan@rfirst.org">mitigationplan@rfirst.org</a>	7/11/08

# **Attachment c**

## **Certification of Mitigation Plan Completion**

**Dated July 28, 2009**



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### Certification of Mitigation Plan Completion

Submittal of a Certification of Mitigation Plan Completion shall include data or information sufficient for ReliabilityFirst Corporation to verify completion of the Mitigation Plan. ReliabilityFirst Corporation may request 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)

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Registered Entity Name: Wolverine Power Supply Cooperative, Inc.

NERC Registry ID:NCR 00954

Date of Submittal of Certification: 7/28/09

NERC Violation ID No(s):RFC200900128

Reliability Standard and the Requirement(s) of which a violation was mitigated:PRC-005-1 R2

Date Mitigation Plan was scheduled to be completed per accepted Mitigation Plan:May 20, 2009

Date Mitigation Plan was actually completed:May 20, 2009

Additional Comments (or List of Documents Attached):See attached files

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I certify that the Mitigation Plan for the above named violation has been completed on the date shown above and that all submitted information is complete and correct to the best of my knowledge.

Name:John Alberts

Title:Compliance Coordinator

Email:jalberts@wpsci.com

Phone:(231)779-3336

Authorized Signature

A handwritten signature in black ink, appearing to read "John Alberts", written over a horizontal line.

Date 7/28/09



---

Please direct completed forms or any questions regarding completion of this form to the ReliabilityFirst Compliance e-mail address [mitigationplan@rfirst.org](mailto:mitigationplan@rfirst.org).

Please indicate the company name and reference the NERC Violation ID # (if known) in the subject line of the e-mail. Additionally, any ReliabilityFirst Compliance Staff member is available for questions regarding the use of this form. Please see the contact list posted on the ReliabilityFirst Compliance web page.






## DOCUMENT CONTROL

**Title:** Certification of Mitigation Plan Completion  
**Issue:** Version 1  
**Date:** 5 January 2008  
**Distribution:** Public  
**Filename:** Certification of a Completed Mitigation Plan\_Ver1.doc  
**Control:** Reissue as complete document only

## DOCUMENT APPROVAL

Prepared By	Approved By	Approval Signature	Date
Robert K. Wargo Manager of Compliance Enforcement	Raymond J. Palmieri Vice President and Director Compliance		1/5/2009

## DOCUMENT CHANGE/REVISION HISTORY

Version	Prepared By	Summary of Changes	Date
1.0	Robert K. Wargo	Original Issue	1/5/2009

# **Attachment d**

## **Summary and Review of Mitigation Plan Completion**

**Dated December 11, 2009**



December 11, 2009

**Summary and Review of Evidence of Mitigation Plan Completion**

<b>NERC Violation ID #:</b>	<b>RFC200900128</b>
<b>NERC Plan ID:</b>	<b>MIT-07-1980</b>
<b>Registered Entity;</b>	<b>Wolverine Power Supply Cooperative, Inc.</b>
<b>NERC Registry ID:</b>	<b>NCR00954</b>
<b>Standard:</b>	<b>PRC-005-1</b>
<b>Requirements:</b>	<b>R2.</b>
<b>Status:</b>	<b>Compliant</b>

Wolverine Power Supply Cooperative, Inc. ("WPSC") submitted a Self Report of noncompliance with NERC Reliability Standard PRC-005-1, Requirement 2, on April 27, 2009. WPSC submitted a Proposed Mitigation Plan to ReliabilityFirst on June 8, 2009, whereby stating WPSC had completed all mitigating actions on May 20, 2009. This Mitigation Plan, designated MIT-07-1980, was accepted by ReliabilityFirst on June 30, 2009 and approved by NERC on September 18, 2009.

**Review Process:**

Wolverine Power Supply Cooperative, Inc. (WPSC) certified in its July 28, 2009 Certification of Mitigation Plan Completion that the Mitigation Plan for PRC-005-1, Requirement 2 has been completed. ReliabilityFirst requested and received evidence of completion for actions taken by WPSC as specified in the Mitigation Plan. ReliabilityFirst performed an in depth review to verify that all actions specified in the Mitigation Plan (MP) were successfully completed.

**PRC-005-1 Requirement 2** states: "Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System shall provide documentation of its Protection System maintenance and testing program and the implementation of that program to its Regional Reliability Organization on request (within 30 calendar days). The documentation of the program implementation shall include:

**R2.1.** Evidence Protection System devices were maintained and tested within the defined intervals.

**R2.2.** Date each Protection System device was last tested/maintained."



**Evidence Submitted:**

**Requirement R2.**

Inventory of Devices, Associated Looped Circuitry, and DC Control Circuitry related to PRC-005 Wayland Mitigation Plan

(The above was submitted July 28, 2009.) It identifies the 67 devices (initially reported as 64) that were not tested within defined intervals.

Associated test Records:

WDBR XFMR CT CKT129 052009.xls

WDBR XFMR CT CKT130 052009.xls

WDBR XFMR misc 052009.xls

WD 422 CT CKT 73 74 75.xls

WD DC Checkout 052009.xls

(The above were submitted July 28, 2009.) They indicated the date on which the 13 CTs and 28 DC Control Circuitry were last tested (R2.2.).

WPSC Letter of Compliance (September 11, 2009) submitted September 11, 2009 attests that “the devices were tested successfully” and “found to be fully functional and operable”.

WPSC Station Functional Test Procedure

Transmission Substation CT and Functional Testing (South)

(The above were submitted December 11, 2009.) They indicated the date on which the 13 Grounds and 13 CT Associated Loop Circuitry were last tested (R2.2.).

The combination of all of the above also:

- a. provides evidence that the last test dates are within the defined testing interval (R2.1.), i.e., no subsequent tests have been required,
- b. indicates that all devices were tested successfully and found to be fully functional and operable, with no misoperations,
- c. addresses the stated violation, and
- d. brings WPSC into Compliance with PRC-005-1 R2

ReliabilityFirst staff verified that none of the identified devices was on the lists of misoperations from 2007 through the completion of the testing on May 20, 2009.

**Mitigation Plan Completion**

There are three Parts to the approved Mitigation Plan (MP).

[Part 1 – Conduct testing and keep associated records for the 67 devices.](#)



This is addressed above and was completed May 20, 2009.

Part 2 – Add the aforementioned devices to WPSC’s testing schedule, to insure they will continue to be tested in the future.

Part 3 – Review the overall WSPC testing schedule to insure no other protection system devices associated with this standard, are missing from the schedule.

On July 28, 2009, WPSC submitted documents as evidence of the completion of Parts 2 and 3 of the Mitigation Plan.

**Evidence Submitted:**

Transmission Substation CT and Functional Testing (South), submitted July 28, 2009, indicates that the devices were added to the testing schedule on April 27, 2009. This completes MP Part 2.

WPSC Letter of Compliance (July 21, 2009) submitted July 28, 2009 attests that “a review of the overall maintenance testing schedule was performed on May 20, 2009”. This completes MP Part 3.

The entire Mitigation Plan was completed prior to its submission on June 8, 2009.

**Review Results:**

ReliabilityFirst Corporation reviewed the evidence the Wolverine Power Supply Cooperative, Inc. submitted in support of its Certification of Completion. On December 11, 2009 ReliabilityFirst verified that the Mitigation Plan was completed in accordance with its terms and has therefore deemed Wolverine Power Supply Cooperative, Inc. compliant to the aforementioned NERC Reliability Standard.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Robert K. Wargo". The signature is fluid and cursive, with a long horizontal stroke at the end.

Robert K. Wargo  
Manager of Compliance Enforcement  
ReliabilityFirst Corporation

# **Attachment e**

Mitigation Plan (MIT-09-1926)

Submitted August 5, 2009

Mit Plan ID #:  
MIT-09-1926



RFC200900144

## Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: August 5, 2009

### **Section A: Compliance Notices & Mitigation Plan Requirements**

- A.1 Notices and requirements applicable to Mitigation Plans and this Submittal Form are set forth in "Attachment A - Compliance Notices & Mitigation Plan Requirements."
- A.2 This form must be used to submit required Mitigation Plans for review and acceptance by ReliabilityFirst and approval by NERC.
- A.3 ☒ 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: Wolverine Power Supply Cooperative Inc.

Company Address: 10125 W. Watergate Road Cadillac, MI 49601

NERC Compliance Registry ID: NCR 00954

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

Name: John Alberts

Title: Compliance Coordinator

Email: jalberts@wpsci.com

Phone: (231) 779-3336

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RFC200900144

**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.

NERC Violation ID #	Reliability Standard	Requirement Number	Violation Risk Factor	Alleged or Confirmed Violation Date <sup>(*)</sup>	Method of Detection (e.g., Audit, Self-report, Investigation)
RFC200900144	CIP-001-1	R1	Med	6-4-09	RFC Audit

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

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

**PER CIP-001-1**

**Requirement R1 states that:** Each Reliability Coordinator, Balancing Authority, Transmission Operator, Generator Operator, and Load Serving Entity shall have procedures for the recognition of and for making their operating personnel aware of sabotage events on its facilities and multi-site sabotage affecting larger portions of the Interconnection.

**Alleged Violation:** (Using the RFC auditor's terminology from their audit exit briefing):

**"A sabotage identification flowchart, listed in Wolverine document entitled CIP-001 Sabotage Reporting, did not classify incidents, other than those affecting BES operations, as sabotage. The requirement seeks to address an entity's facilities and does not limit this to BES facilities."**

**Root Cause:** Wolverine incorrectly interpreted CIP-001-1 as pertaining to sabotage situations that could adversely affect the BES only. (Since most other NERC standards generally deal with the BES). During an RFC compliance audit conducted at Wolverine Power on June 2-4, 2009, the auditors reviewed the CIP-



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# RELIABILITY FIRST

RFC200900144

**001-1 standard and confirmed their interpretation to be that it applies to any facility, not just those affecting the BES**

Note: If a formal root cause analysis evaluation was performed, submit a copy of the summary report.

- 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.

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

### **Mitigation Plan Contents**

- D.1 Identify and describe the action plan, including specific tasks and actions that your organization is proposing to undertake, or which it undertook if this Mitigation Plan has been completed, to correct the Alleged or Confirmed violations identified above in Part C.1 of this form. Additional detailed information may be provided as an attachment.

**Wolverine Power has expanded and rewritten its internal policies and procedures, to address the concerns of the auditors as defined in Part C.2 above, as well as to fully address each requirement of the standard, as follows:**

**CIP-001-1, requirement R1 states:** .....shall have procedures for the recognition of and for making their operating personnel **aware** of sabotage events on its facilities and multi-site sabotage affecting larger portions of the Interconnection.

**R1 Action plan:** To address the issue of awareness, Wolverine has expanded its sabotage awareness training to include the energy control center, office area, and the field, as defined in section II, part D, of Wolverine's corporate policy entitled "Incident and Disturbance Reporting Policy". This is a new, re-written corporate umbrella policy, intended to address the overall requirements of CIP-001-1. In addition, specific sabotage awareness training content has been developed.

**CIP-001-1, requirement R2 states:**.....shall have procedures for the **communication** of information concerning sabotage events to appropriate parties in the Interconnection

**R2 Action plan:** To address the issue of communication, Wolverine has expanded its internal incidence and disturbance reporting procedure to include the subject of sabotage, and the associated communication requirements. (Ref. part 4 and 5 of Wolverine's internal procedure entitled "Incident, Disturbance, and Sabotage Reporting Procedure" .

For Public Release - April 28, 2010



RFC200900144

**CIP-001-1, requirement R3 states:**.... shall provide its operating personnel with sabotage response guidelines, including personnel to contact, for reporting disturbances due to sabotage events.

**R3 Action plan:** To address the issue of response guidelines and personnel contacts, Wolverine has expanded its internal incidence and disturbance reporting procedure to include the subject of sabotage, and the associated response guidelines and contact information. (Ref. parts 3 through 7 of Wolverine's internal procedure entitled "Incident, Disturbance, and Sabotage Reporting Procedure" .

**CIP-001-1, requirement R4 states:**.... shall establish communications contacts, as applicable, with local Federal Bureau of Investigation (FBI).....

**R4 Action plan:** To address the issue of establishing communications contacts, Wolverine has expanded its internal incidence and disturbance reporting procedure to include the subject of sabotage, and the associated communication contact information. (Ref. part 4 of Wolverine's internal procedure entitled "Incident, Disturbance, and Sabotage Reporting Procedure" .

Note: If a formal root cause analysis evaluation was performed, submit a copy of the summary report.

#### Mitigation Plan Timeline and Milestones

- D.2 Provide the date by which full implementation of the Mitigation Plan will be, or has been, completed with respect to the Alleged or Confirmed violations identified above. State whether the Mitigation Plan has been fully implemented, and/or whether the actions necessary to assure the entity has returned to full compliance have been completed.

#### **Mitigation actions fully completed by 6-15-09**

- D.3 Enter Key Milestone Activities (with due dates) that can be used to track and indicate progress towards timely and successful completion of this Mitigation Plan.

Key Milestone Activity	Proposed/Actual Completion Date* (shall not be more than 3 months apart)
Action plan: Update all internal documentation as defined in Part D.1 above	Actions completed by 6-15-09



RFC200900144

(\*) Note: Additional violations could be determined for not completing work associated with accepted milestones.

## **Section E: Interim and Future Reliability Risk**

### **Abatement of Interim BPS Reliability Risk**

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

**WPSC has identified minimal reliability risk or impact to the BPS**

### **Prevention of Future BPS Reliability Risk**

- E.2 Describe how successful completion of this Mitigation Plan by your organization will prevent or minimize the probability that the reliability of the BPS incurs further risk of similar violations in the future. Additional detailed information may be provided as an attachment.

**Completion of the mitigation actions as described in Part D.1 above, has permanently modified Wolverine's internal processes and procedures to insure full compliance.**

For Public Release - April 28, 2010



RFC200900144

**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 ReliabilityFirst 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 Compliance Coordinator of Wolverine Power Supply Cooperative Inc. (Hereafter referred to as "WPSC").
  2. I am qualified to sign this Mitigation Plan on behalf of WPSC.
  3. I have read and am familiar with the contents of this Mitigation Plan.
  4. WPSC agrees to comply with, this Mitigation Plan, including the timetable completion date, as accepted by ReliabilityFirst and approved by NERC.

**Authorized Individual Signature**

A handwritten signature in black ink, appearing to read "John Alberts", written over a horizontal line.

Name (Print):

John Alberts

Title:

Compliance Coordinator

Date:

8/5/2009

(revision to the original plan dated 6/5/09)

**Section G: Regional Entity Contact**

Please direct completed forms or any questions regarding completion of this form to the ReliabilityFirst Compliance e-mail address [mitigationplan@rfirst.org](mailto:mitigationplan@rfirst.org).

Please indicate the company name and reference the NERC Violation ID # (if known) in the subject line of the e-mail. Additionally, any ReliabilityFirst Compliance Staff member is available for questions regarding the use of this form. Please see the contact list posted on the ReliabilityFirst Compliance web page.



## **Attachment A – Compliance Notices & Mitigation Plan Requirements**

- I. 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.
  - (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) Key implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.
  - (9) Any other information deemed necessary or appropriate.
  - (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self-Certification or Self Reporting submittals.
- II. This submittal form must be used to provide a required Mitigation Plan for review and acceptance by ReliabilityFirst and approval by NERC.
- III. This Mitigation Plan is submitted to ReliabilityFirst and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
- IV. This Mitigation Plan Submittal Form may be used to address one or more related Alleged or Confirmed violations of one Reliability Standard. A separate

<sup>1</sup> "Compliance Monitoring and Enforcement Program" of the ReliabilityFirst Corporation;" a copy of the current version approved by the Federal Energy Regulatory Commission is posted on the ReliabilityFirst website.



mitigation plan is required to address Alleged or Confirmed violations with respect to each additional Reliability Standard, as applicable.

- V. If the Mitigation Plan is accepted by ReliabilityFirst and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission in accordance with applicable Commission rules, regulations and orders.
- VI. ReliabilityFirst or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- VII. Remedial action directives also may be issued as necessary to ensure reliability of the BPS.



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RFC200900144

**DOCUMENT CONTROL**

**Title:** Mitigation Plan Submittal Form  
**Issue:** Version 2.0  
**Date:** 11 July 2008  
**Distribution:** Public  
**Filename:** ReliabilityFirst Mitigation Plan Submittal Form - Ver 2.DOC  
**Control:** Reissue as complete document only

**DOCUMENT APPROVAL**

Prepared By	Approved By	Approval Signature	Date
Robert K. Wargo Senior Consultant Compliance	Raymond J. Palmieri Vice President and Director Compliance	<i>Raymond J. Palmieri</i>	1/2/08

**DOCUMENT CHANGE/REVISION HISTORY**

Version	Prepared By	Summary of Changes	Date
1.0	Robert K. Wargo	Original Issue – Replaces “Proposed Mitigation Plan” Form	1/2/08
2.0	Tony Purgar	Revised email address from <a href="mailto:compliance@rfirst.org">compliance@rfirst.org</a> to <a href="mailto:mitigationplan@rfirst.org">mitigationplan@rfirst.org</a>	7/11/08

# **Attachment f**

## **Summary and Review of Mitigation Plan Completion**

**Dated November 30, 2009**



November 30, 2009.

**Summary and Review of Evidence of Mitigation Plan Completion**

<b>NERC Violation ID #:</b>	<b>RFC200900144</b>
<b>NERC Plan ID:</b>	<b>MIT-09-1926</b>
<b>Registered Entity;</b>	<b>Wolverine Power Supply Cooperative</b>
<b>NERC Registry ID:</b>	<b>NCR00954</b>
<b>Standard:</b>	<b>CIP-001-1</b>
<b>Requirement:</b>	<b>1</b>
<b>Status:</b>	<b>Compliant</b>

**Background:**

Wolverine Power Supply Cooperative, Inc (“Wolverine”) was audited by ReliabilityFirst Compliance Staff on June 2-4, 2009. The Audit Team reported a Possible Violation of NERC Reliability Standard CIP-001-1, Requirement 1. Wolverine submitted a Proposed Mitigation Plan to ReliabilityFirst on August 5, 2009, whereby stating Wolverine would complete all mitigating actions on or about June 15, 2009. This Mitigation Plan, designated MIT-09-1926, was accepted by ReliabilityFirst on August 31, 2009 and approved by NERC on September 10, 2009.

**Review Process:**

On June 15, 2009, Wolverine certified that Mitigation Plan for CIP-001-1, Requirement 1 was completed as of June 15, 2009. ReliabilityFirst requested and received evidence of completion for actions taken by Wolverine as specified in the Mitigation Plan. ReliabilityFirst performed an in depth review of the information provided to verify that all actions specified in the Mitigation Plan were successfully completed.

**CIP-001-1, Requirement 1** states: “Each Reliability Coordinator, Balancing Authority, Transmission Operator, Generator Operator, and Load Serving Entity shall have procedures for the recognition of and for making their operating personnel aware of sabotage events on its facilities and multi-stage sabotage affecting larger portions of the Interconnection.”

**Evidence Submitted:**

**Requirement 1:**

Wolverine Power Supply Cooperative Incident and Disturbance Reporting Policy, Rev. 5, June 12, 2009.

The Possible Violation was based on a sabotage identification flowchart which was listed in Wolverine’s document entitled “CIP-00-1-1, Sabotage Reporting”, which did not

Summary and Review of Mitigation Plan Completion  
Wolverine Power Supply Cooperative  
November 30, 2009  
Page 2 of 2

classify incidents, other than those affecting BES operations, as sabotage. The Mitigation Plan was submitted on August 5, 2009, with mitigation actions completed June 15, 2009.

Wolverine has expanded and rewritten its internal policies and procedures, to address the concerns of the Audit Team, as well as to fully address Requirement 1. To address the issue of awareness, Wolverine expanded its sabotage awareness training to include the energy control center, office area, and the field, as defined in section II, part D, of Wolverine's corporate policy entitled "Incident and Disturbance Reporting Policy". This is a new, re-written corporate umbrella policy, that Wolverine is now using to address the overall requirements of CIP-001-1. Additionally, Wolverine Power has developed specific sabotage awareness training.

**Review Results:**

ReliabilityFirst Corporation reviewed the evidence Wolverine submitted in support of its Certification of Completion. On November 30, 2009, ReliabilityFirst verified that the Mitigation Plan was completed in accordance with its terms and has therefore deemed Wolverine compliant to the aforementioned NERC Reliability Standard.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Robert K. Wargo", with a stylized flourish at the end.

Robert K. Wargo  
Manager of Compliance Enforcement  
ReliabilityFirst Corporation

# **Attachment g**

**Mitigation Plan (MIT-09-1927)**

**Submitted August 5, 2009**

MIT-09-1927



RFC200900145

## Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: August 5, 2009

### **Section A: Compliance Notices & Mitigation Plan Requirements**

- A.1 Notices and requirements applicable to Mitigation Plans and this Submittal Form are set forth in "Attachment A - Compliance Notices & Mitigation Plan Requirements."
- A.2 This form must be used to submit required Mitigation Plans for review and acceptance by ReliabilityFirst and approval by NERC.
- A.3 ☒ 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: Wolverine Power Supply Cooperative Inc.

Company Address: 10125 W. Watergate Road Cadillac, MI 49601

NERC Compliance Registry ID: NCR 00954

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

Name: John Alberts

Title: Compliance Coordinator

Email: jalberts@wpsci.com

Phone: (231) 779-3336

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RFC200900145

**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.

NERC Violation ID #	Reliability Standard	Requirement Number	Violation Risk Factor	Alleged or Confirmed Violation Date <sup>(*)</sup>	Method of Detection (e.g., Audit, Self-report, Investigation)
RFC200900145	FAC-008-1	R1.2	Med	6-4-09	RFC Audit

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

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

**PER FAC-008-1**

**Requirement R1.2 states:** The methodology shall include.....The method by which the Rating (of major BES equipment that comprises a Facility) is determined.

**Alleged Violation:** (Background: RFC conducted a compliance audit at Wolverine on June 2-4, 2009. The following alleged violation is the RFC auditor's terminology from the audit exit briefing):

**"The WPSC Facility Ratings Methodology stated that the relay protective devices on BES facilities owned by Wolverine Power Supply Cooperative are set to have a minimum reach of 150% of the emergency rating of the facility they are protecting.**

**The standard addresses thermal ratings of all elements comprising a facility, not settings as provided in the WPSC Facility Ratings Methodology."**

**Root Cause:** Wolverine's facility ratings methodology document, as presented during the RFC audit, inadvertently referred to a "setting" instead of a "rating" for relay protective devices. Wolverine attests that its actual facility ratings methodology was and is compliant (see Part C.3 below for further explanation)

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**RELIABILITY FIRST**

RFC200900145

Note: If a formal root cause analysis evaluation was performed, submit a copy of the summary report.

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

**The date of the RFC compliance audit was June 2-4, 2009. Before the audit closed, Wolverine supplied RFC with the following mitigation evidence:**

- 1) **A letter of attestation which stated that Wolverine had clarified its Facility Ratings Methodology to represent our actual (current and past) compliant methodology for facilities ratings. (Letter provided to RFC auditors on June 3, 2009)**
- 2) **An updated, clarified facilities ratings methodology document (Ref. Wolverine Engineering policy 304, version 2.0, provided to RFC auditors on June 4, 2009) The section of this document entitled "Protective Relay Devices" was updated to show our actual ratings methodology.**

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

### **Mitigation Plan Contents**

- D.1 Identify and describe the action plan, including specific tasks and actions that your organization is proposing to undertake, or which it undertook if this Mitigation Plan has been completed, to correct the Alleged or Confirmed violations identified above in Part C.1 of this form. Additional detailed information may be provided as an attachment.

**The mitigation action plan is described in Part C.3 above.**

**While the RFC compliance audit was still underway, Wolverine provided mitigation for the alleged violations as described in Part C.3 above.**

### **Mitigation Plan Timeline and Milestones**

- D.2 Provide the date by which full implementation of the Mitigation Plan will be, or has been, completed with respect to the Alleged or Confirmed violations identified above. State whether the Mitigation Plan has been fully implemented, and/or whether the actions necessary to assure the entity has returned to full compliance have been completed.

**Mitigation actions, as defined in Part C.3 above, were fully completed on 6-4-09, before the RFC audit had ended**

- D.3 Enter Key Milestone Activities (with due dates) that can be used to track and indicate progress towards timely and successful completion of this Mitigation Plan.

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RFC200900145

Key Milestone Activity	Proposed/Actual Completion Date* (shall not be more than 3 months apart)
Update internal documentation as defined in Part C.3 above	Actual completion 6-4-09 – Mitigation evidence provided to RFC auditors before the audit exit briefing

(\*) Note: Additional violations could be determined for not completing work associated with accepted milestones.

## **Section E: Interim and Future Reliability Risk**

### **Abatement of Interim BPS Reliability Risk**

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

**WPSC has identified minimal reliability risk or impact to the BPS**

### **Prevention of Future BPS Reliability Risk**

- E.2 Describe how successful completion of this Mitigation Plan by your organization will prevent or minimize the probability that the reliability of the BPS incurs further risk of similar violations in the future. Additional detailed information may be provided as an attachment.

**Completion of the mitigation actions described in Part C.3 above, simply updated Wolverine's internal documentation to correctly reflect current and past (compliant) practices. Per the letter of attestation referred to in Part C.3, Wolverine attests that we were and are compliant with the standard – clarifying documentation was the only issue. Discussion about the preventive effects of mitigation on the BPS does not appear to be applicable in this case.**

## **Section F: Authorization**



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RFC200900145

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 ReliabilityFirst 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 Compliance Coordinator of Wolverine Power Supply Cooperative Inc. (Hereafter referred to as "WPSC").
  2. I am qualified to sign this Mitigation Plan on behalf of WPSC.
  3. I have read and am familiar with the contents of this Mitigation Plan.
  4. WPSC agrees to comply with, this Mitigation Plan, including the timetable completion date, as accepted by ReliabilityFirst and approved by NERC.

Authorized Individual Signature



Name (Print):

John Alberts

Title:

Compliance Coordinator

Date:

8/5/2009

(revision to the original plan dated 6/5/09)

**Section G: Regional Entity Contact**

Please direct completed forms or any questions regarding completion of this form to the ReliabilityFirst Compliance e-mail address [mitigationplan@rfirst.org](mailto:mitigationplan@rfirst.org).

Please indicate the company name and reference the NERC Violation ID # (if known) in the subject line of the e-mail. Additionally, any ReliabilityFirst Compliance Staff member is available for questions regarding the use of this form. Please see the contact list posted on the ReliabilityFirst Compliance web page.





## **Attachment A – Compliance Notices & Mitigation Plan Requirements**

- a. 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.
  - (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) Key implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.
  - (9) Any other information deemed necessary or appropriate.
  - (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self-Certification or Self Reporting submittals.
- b. This submittal form must be used to provide a required Mitigation Plan for review and acceptance by ReliabilityFirst and approval by NERC.
- c. This Mitigation Plan is submitted to ReliabilityFirst and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
- d. This Mitigation Plan Submittal Form may be used to address one or more related Alleged or Confirmed violations of one Reliability Standard. A separate

<sup>1</sup> "Compliance Monitoring and Enforcement Program" of the ReliabilityFirst Corporation;" a copy of the current version approved by the Federal Energy Regulatory Commission is posted on the ReliabilityFirst website.

For Public Release - April 28, 2010



RFC200900145

mitigation plan is required to address Alleged or Confirmed violations with respect to each additional Reliability Standard, as applicable.

- e. If the Mitigation Plan is accepted by ReliabilityFirst and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission in accordance with applicable Commission rules, regulations and orders.
- f. ReliabilityFirst or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- g. Remedial action directives also may be issued as necessary to ensure reliability of the BPS.

For Public Release - April 28, 2010

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RFC200900145

**DOCUMENT CONTROL**

**Title:** Mitigation Plan Submittal Form  
**Issue:** Version 2.0  
**Date:** 11 July 2008  
**Distribution:** Public  
**Filename:** ReliabilityFirst Mitigation Plan Submittal Form - Ver 2.DOC  
**Control:** Reissue as complete document only

**DOCUMENT APPROVAL**

Prepared By	Approved By	Approval Signature	Date
Robert K. Wargo Senior Consultant Compliance	Raymond J. Palmieri Vice President and Director Compliance	<i>Raymond J. Palmieri</i>	1/2/08

**DOCUMENT CHANGE/REVISION HISTORY**

Version	Prepared By	Summary of Changes	Date
1.0	Robert K. Wargo	Original Issue – Replaces “Proposed Mitigation Plan” Form	1/2/08
2.0	Tony Purgar	Revised email address from <a href="mailto:compliance@rfirst.org">compliance@rfirst.org</a> to <a href="mailto:mitigationplan@rfirst.org">mitigationplan@rfirst.org</a>	7/11/08

# **Attachment h**

## **Summary and Review of Mitigation Plan Completion**

**Dated December 9, 2009**

December 9, 2009

**Summary and Review of Evidence of Mitigation Plan Completion**

<b>NERC Violation ID #:</b>	<b>RFC200900145</b>
<b>NERC Plan ID:</b>	<b>MIT-09-1927</b>
<b>Registered Entity;</b>	<b>Wolverine Power Supply Cooperative</b>
<b>NERC Registry ID:</b>	<b>NCR00954</b>
<b>Standard:</b>	<b>FAC-008-1</b>
<b>Requirement:</b>	<b>1.2</b>
<b>Status:</b>	<b>Compliant</b>

**Background:**

Wolverine Power Supply Cooperative, Inc (“Wolverine”) was audited by ReliabilityFirst Compliance Staff on June 2-4, 2009. The Audit Team reported a Possible Violation of NERC Reliability Standard FAC-008-1, Requirement 1.2. Wolverine submitted a Proposed Mitigation Plan to ReliabilityFirst on August 5, 2009, whereby stating Wolverine would complete all mitigating actions on or about June 4, 2009. This Mitigation Plan, designated MIT-09-1927, was accepted by ReliabilityFirst on August 31, 2009 and approved by NERC on September 10, 2009.

**Review Process:**

On June 16, 2009, Wolverine certified that Mitigation Plan for FAC-008-1, Requirement 1.2 was completed as of June 4, 2009. ReliabilityFirst requested and received evidence of completion for actions taken by Wolverine as specified in the Mitigation Plan. ReliabilityFirst performed an in depth review of the information provided to verify that all actions specified in the Mitigation Plan were successfully completed.

**FAC-008-1, Requirement 1.2** states: “The Transmission Owner and Generator Owner shall each document its current methodology used for developing Facility Ratings (Facility Ratings Methodology) of its solely and jointly owned Facilities. The methodology shall include all of the following:

**R1.2.**The method by which the Rating (of major BES equipment that comprises a Facility) is determined.”

**Evidence Submitted:**

**Requirement 1.2:**

The Possible Violation was based on the “Wolverine Engineering Policy 304, Facility Ratings Methodology, Version 1, January 29, 2009”, which stated that the relay protective devices on BES facilities, owned by WPSC, are set to have a minimum reach

Summary and Review of Mitigation Plan Completion  
Wolverine Power Supply Cooperative  
November 30, 2009  
Page 2 of 2

of 150% of the emergency rating of the facility they are protecting. Wolverine's Facility Ratings Methodology document referred to a "setting" instead of a "rating" for relay protective devices. (The Standard addresses thermal ratings of all elements comprising a facility, not settings, as provided in the WPSC Facility Ratings Methodology).

Wolverine documentation, Wolverine Engineering Policy #304, Facility Ratings Methodology, Version 2.0, June 3, 2009 incorporated changes to reflect that Wolverine's Facility Ratings Methodology is now based on the "Rating" of Relay Protective Devices

**Review Results:**

ReliabilityFirst Corporation reviewed the evidence Wolverine submitted in support of its Certification of Completion. On November 30, 2009, ReliabilityFirst verified that the Mitigation Plan was completed in accordance with its terms and has therefore deemed Wolverine compliant to the aforementioned NERC Reliability Standard.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Robert K. Wargo", with a stylized flourish at the end.

Robert K. Wargo  
Manager of Compliance Enforcement  
ReliabilityFirst Corporation

# **Attachment i**

## **Mitigation Plan (MIT-09-1928)**

Submitted August 5, 2009



## Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: August 5, 2009

### **Section A: Compliance Notices & Mitigation Plan Requirements**

- A.1 Notices and requirements applicable to Mitigation Plans and this Submittal Form are set forth in "Attachment A - Compliance Notices & Mitigation Plan Requirements."
- A.2 This form must be used to submit required Mitigation Plans for review and acceptance by ReliabilityFirst and approval by NERC.
- A.3 ☒ 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: Wolverine Power Supply Cooperative Inc.

Company Address: 10125 W. Watergate Road Cadillac, MI 49601

NERC Compliance Registry ID: NCR 00954

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

Name: John Alberts

Title: Compliance Coordinator

Email: jalberts@wpsci.com

Phone: (231) 779-3336



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RFC200900146

**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.

NERC Violation ID #	Reliability Standard	Requirement Number	Violation Risk Factor	Alleged or Confirmed Violation Date <sup>(*)</sup>	Method of Detection (e.g., Audit, Self-report, Investigation)
RFC200900146	FAC-009-1	R1	Med	6-4-09	RFC Audit

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

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

**PER FAC-009-1**

**Requirement R1 states that:** The Transmission Owner and Generator Owner shall each establish Facility Ratings for its solely and jointly owned Facilities that are consistent with the associated Facility Ratings Methodology.

**Alleged Violation:** (Background: RFC conducted a compliance audit at Wolverine on June 2-4, 2009. The following alleged violation is the RFC auditor's terminology from the audit exit briefing):

**"The facility ratings provided are not consistent with the associated Facility Ratings Methodology which states the "Facility ratings are based on the most limiting element comprising a facility":**

- Wolverine's facility ratings sheets do not provide ratings for all elements comprising the facility and are not in consistent units (amps or MVA) to allow the limiting element to be easily identified.
- The facility rating sheets provided for transmission facilities do not identify the most limiting element comprising a facility."

**Root Cause:** Wolverine's facility ratings documents, as presented during the RFC audit, did not, in the auditor's opinions: 1) clearly show ratings for all the necessary



elements; 2) clearly show the most limiting element; and 3) clearly relate back to our stated facility ratings methodology of using the most limiting element.

Note: If a formal root cause analysis evaluation was performed, submit a copy of the summary report.

- 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.

Wolverine's engineering group feels that the necessary information on ratings, methodology, and the most limiting element was available at the time of the RFC audit, and was in a format that they (engineering) could interpret and extract. However, the documented audit evidence was not clear or compelling enough from the auditor's point of view.

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

### **Mitigation Plan Contents**

- D.1 Identify and describe the action plan, including specific tasks and actions that your organization is proposing to undertake, or which it undertook if this Mitigation Plan has been completed, to correct the Alleged or Confirmed violations identified above in Part C.1 of this form. Additional detailed information may be provided as an attachment.

**Wolverine will address the alleged violations listed in Part C.2 above, per the following action plan:**

#### **Action Plan:**

To address the auditor's concerns, Wolverine has rewritten and reconfigured the following facilities ratings documents:

- 1) **BES Facility Ratings:** This document lists all transmission-related BES elements and clearly defines the most limiting elements.
- 2) **BES Generator Ratings:** This document lists two of Wolverine's generators and related elements that are currently listed in our system restoration (black start) plans. It also defines the most limiting elements.

Note: Through discussion that took place during the RFC audit, Wolverine understood RFC to consider these two generators as part of the BES. Therefore, Wolverine is including this document as well, as part of the mitigation actions.

- 3) **Engineering Policy 304, version 4.0 – Facilities Ratings Methodology:** This document has also been updated and clarified.

### **Mitigation Plan Timeline and Milestones**

For Public Release - April 28, 2010

# RELIABILITY FIRST

RFC200900146

- 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, and/or whether the actions necessary to assure the entity has returned to full compliance have been completed.

**Mitigation actions, as defined in Part D.1 above, were fully completed on 6-16-09**

- D.3 Enter Key Milestone Activities (with due dates) that can be used to track and indicate progress towards timely and successful completion of this Mitigation Plan.

Key Milestone Activity	Proposed/Actual Completion Date* (shall not be more than 3 months apart)
Action Plan: Update the facilities ratings documents as described in part D.1 above	Actions completed on 6-16-09

(\*) Note: Additional violations could be determined for not completing work associated with accepted milestones.

## **Section E: Interim and Future Reliability Risk**

### **Abatement of Interim BPS Reliability Risk**

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

**WPSC has identified minimal reliability risk or impact to the BPS**

### **Prevention of Future BPS Reliability Risk**

- E.2 Describe how successful completion of this Mitigation Plan by your organization will prevent or minimize the probability that the reliability of the BPS incurs further risk of similar violations in the future. Additional detailed

For Public Release - April 28, 2010



RFC200900146

information may be provided as an attachment.

**Completion of the mitigation actions as described in Part D.1 above, has permanently modified Wolverine's internal processes and procedures so as to insure full compliance in the future.**

### **Section F: Authorization**

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

- a) Submits this Mitigation Plan for acceptance by ReliabilityFirst 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 Compliance Coordinator of Wolverine Power Supply Cooperative Inc. (Hereafter referred to as "WPSC").
  2. I am qualified to sign this Mitigation Plan on behalf of WPSC.
  3. I have read and am familiar with the contents of this Mitigation Plan.
  4. WPSC agrees to comply with, this Mitigation Plan, including the timetable completion date, as accepted by ReliabilityFirst and approved by NERC.

**Authorized Individual Signature**

A handwritten signature in black ink, appearing to read "John Alberts", written over a horizontal line.

Name (Print): John Alberts

Title: Compliance Coordinator

Date: 8/5/2009  
(revision to the original plan dated 6/5/09)

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

Please direct completed forms or any questions regarding completion of this form to the ReliabilityFirst Compliance e-mail address [mitigationplan@rfirst.org](mailto:mitigationplan@rfirst.org).

Please indicate the company name and reference the NERC Violation ID # (if known) in the subject line of the e-mail. Additionally, any ReliabilityFirst Compliance Staff member is available for questions regarding the use of this

For Public Release - April 28, 2010



RFC200900146

form. Please see the contact list posted on the ReliabilityFirst Compliance web page.



## **Attachment A – Compliance Notices & Mitigation Plan Requirements**

- I. 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.
  - (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) Key implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.
  - (9) Any other information deemed necessary or appropriate.
  - (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self-Certification or Self Reporting submittals.
- II. This submittal form must be used to provide a required Mitigation Plan for review and acceptance by ReliabilityFirst and approval by NERC.
- III. This Mitigation Plan is submitted to ReliabilityFirst and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
- IV. This Mitigation Plan Submittal Form may be used to address one or more related Alleged or Confirmed violations of one Reliability Standard. A separate

<sup>1</sup> "Compliance Monitoring and Enforcement Program" of the ReliabilityFirst Corporation;" a copy of the current version approved by the Federal Energy Regulatory Commission is posted on the ReliabilityFirst website.



For Public Release - April 28, 2010



RFC200900146

mitigation plan is required to address Alleged or Confirmed violations with respect to each additional Reliability Standard, as applicable.

- V. If the Mitigation Plan is accepted by ReliabilityFirst and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission in accordance with applicable Commission rules, regulations and orders.
- VI. ReliabilityFirst or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- VII. Remedial action directives also may be issued as necessary to ensure reliability of the BPS.

For Public Release - April 28, 2010



RFC200900146

**DOCUMENT CONTROL**

**Title:** Mitigation Plan Submittal Form  
**Issue:** Version 2.0  
**Date:** 11 July 2008  
**Distribution:** Public  
**Filename:** ReliabilityFirst Mitigation Plan Submittal Form - Ver 2.DOC  
**Control:** Reissue as complete document only

**DOCUMENT APPROVAL**

Prepared By	Approved By	Approval Signature	Date
Robert K. Wargo Senior Consultant Compliance	Raymond J. Palmieri Vice President and Director Compliance	<i>Raymond J. Palmieri</i>	1/2/08

**DOCUMENT CHANGE/REVISION HISTORY**

Version	Prepared By	Summary of Changes	Date
1.0	Robert K. Wargo	Original Issue – Replaces “Proposed Mitigation Plan” Form	1/2/08
2.0	Tony Purgar	Revised email address from <a href="mailto:compliance@rfirst.org">compliance@rfirst.org</a> to <a href="mailto:mitigationplan@rfirst.org">mitigationplan@rfirst.org</a>	7/11/08



# **Attachment j**

## **Summary and Review of Mitigation Plan Completion**

**Dated December 11, 2009**

December 11, 2009

**Summary and Review of Evidence of Mitigation Plan Completion**

<b>NERC Violation ID #:</b>	<b>RFC200900146</b>
<b>NERC Plan ID:</b>	<b>MIT-09-1928</b>
<b>Registered Entity;</b>	<b>Wolverine Power Supply Cooperative</b>
<b>NERC Registry ID:</b>	<b>NCR00954</b>
<b>Standard:</b>	<b>FAC-009-1</b>
<b>Requirement:</b>	<b>1</b>
<b>Status:</b>	<b>Compliant</b>

**Background:**

Wolverine Power Supply Cooperative, Inc (“Wolverine”) was audited by ReliabilityFirst Compliance Staff on June 2-4, 2009. The Audit Team reported a Possible Violation of NERC Reliability Standard FAC-009-1, Requirement 1. Wolverine submitted a Proposed Mitigation Plan to ReliabilityFirst on August 5, 2009, whereby stating Wolverine had completed all mitigating actions by June 16, 2009. This Mitigation Plan, designated MIT-09-1928, was accepted by ReliabilityFirst on August 31, 2009 and approved by NERC on September 10, 2009.

**Review Process:**

On June 16, 2009, Wolverine certified that Mitigation Plan for FAC-009-1, Requirement 1, was completed as of June 16, 2009. ReliabilityFirst requested and received evidence of completion for actions taken by Wolverine as specified in the Mitigation Plan. ReliabilityFirst performed an in depth review of the information provided to verify that all actions specified in the Mitigation Plan were successfully completed.

**FAC-009-1, Requirement 1** states: “The Transmission Owner and Generator Owner shall each establish Facility Ratings for its solely and jointly owned Facilities that are consistent with the associated Facility Ratings Methodology.”

**Evidence Submitted:**

**Requirement 1:**

The Possible Violation was based on the “Wolverine Engineering Policy 304, Facility Ratings Methodology, Version 1, January 29, 2009”, that their facility ratings were not consistent with the associated Facility Ratings Methodology, which states that their “Facility Ratings are based on the most limiting element comprising a facility”.

1. The facility rating sheets do not provide ratings for all elements comprising the facility.

Summary and Review of Mitigation Plan Completion  
Wolverine Power Supply Cooperative  
November 30, 2009  
Page 2 of 2

2. The facility rating sheets that were provided for Wolverine transmission facilities and generation facilities do not identify the most limiting element comprising the facility.

Wolverine Engineering Policy #304, Facility Ratings Methodology, Version 2.0, June 3, 2009 incorporated changes to clearly define their most limiting elements on the BES. The Wolverine BES Facility Ratings document lists all transmission-related BES elements and clearly defines the most limiting elements. The Wolverine BES Generator Ratings Document lists two of Wolverine's generators and related elements that are currently listed in their system restoration (Black start) plans, defining the most limiting elements, as well.<sup>1</sup>

**Review Results:**

ReliabilityFirst Corporation reviewed the evidence Wolverine submitted in support of its Certification of Completion. On November 30, 2009, ReliabilityFirst verified that the Mitigation Plan was completed in accordance with its terms and has therefore deemed Wolverine compliant to the aforementioned NERC Reliability Standard.

Respectfully Submitted,



Robert K. Wargo  
Manager of Compliance Enforcement  
ReliabilityFirst Corporation

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<sup>1</sup> Wolverine, during the course of the audit and resulting discussions, was advised by the ReliabilityFirst Compliance Audit Team, that, because two of their Black Start generators were part of their system restoration plans, that they were considered connected and part of the BES. As a result of this awareness, Wolverine immediately began revising their documentation to identify the most limiting facility at each location.

# **Attachment k**

**Mitigation Plan (MIT-09-1929)**

**Submitted August 5, 2009**



## Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: August 5, 2009

### **Section A: Compliance Notices & Mitigation Plan Requirements**

- A.1 Notices and requirements applicable to Mitigation Plans and this Submittal Form are set forth in "Attachment A - Compliance Notices & Mitigation Plan Requirements."
- A.2 This form must be used to submit required Mitigation Plans for review and acceptance by ReliabilityFirst and approval by NERC.
- A.3 ☒ 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: Wolverine Power Supply Cooperative Inc.

Company Address: 10125 W. Watergate Road Cadillac, MI 49601

NERC Compliance Registry ID: NCR 00954

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

Name: John Alberts

Title: Compliance Coordinator

Email: jalberts@wpsci.com

Phone: (231) 779-3336

For Public Release - April 28, 2010



RFC200900147

**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.

NERC Violation ID #	Reliability Standard	Requirement Number	Violation Risk Factor	Alleged or Confirmed Violation Date <sup>(*)</sup>	Method of Detection (e.g., Audit, Self-report, Investigation)
RFC200900147	PRC-005-1	R1.1	High	6-4-09	RFC Audit

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

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

**Per PRC-005-1:**

**Requirement R1.1 states:**

Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System shall have a Protection System maintenance and testing program for Protection Systems that affect the reliability of the BES. The program shall include:

- Maintenance and testing intervals and their basis.

**Alleged violation to requirement R1.1:**

(Background: RFC conducted a compliance audit at Wolverine on June 2-4, 2009. The following alleged violation is the RFC auditor's terminology from the audit exit briefing):  
**"The Wolverine Power Cooperative documents Relay Review Procedure (ENG-010) and Relay Test Procedure (MAINT-038) did not provide the basis for relay maintenance and testing intervals."**

**Root Cause:** The procedures referred to above, which were reviewed by the RFC auditors during the June 2-4 compliance audit, did not include the basis for relay



**maintenance or testing intervals. However, the basis information was available in another Wolverine document. (See Part C.3 below)**

Note: If a formal root cause analysis evaluation was performed, submit a copy of the summary report.

- 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.

**During the audit, Wolverine did have and did provide as evidence, a current and active "audit guide" document (Ref. Wolverine document entitled WAG\_PRC-005-1), which did in fact include the basis for relay maintenance and testing intervals.**

**While the auditors did acknowledge that the "WAG\_PRC-005-1" document included the testing and maintenance basis information in question, their collective opinion was that this information properly belonged in the actual procedures themselves. In response to the audit findings, Wolverine has created Engineering Policy 439, as described in part D.1 below.**

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

### **Mitigation Plan Contents**

- D.1 Identify and describe the action plan, including specific tasks and actions that your organization is proposing to undertake, or which it undertook if this Mitigation Plan has been completed, to correct the Alleged or Confirmed violations identified above in Part C.1 of this form. Additional detailed information may be provided as an attachment.

**Wolverine has addressed the alleged violations listed in Part C.2 above, per the following action plan:**

#### **Action Plan:**

- 1) **Create new Engineering Policy 439, entitled "Protection System Maintenance and Testing Program", to address the basis for relay testing and maintenance intervals. Move the testing and maintenance basis information from the aforementioned Wolverine "audit guide" document WAG\_PRC-005-1, to Engineering Policy 439.**

### **Mitigation Plan Timeline and Milestones**

- D.2 Provide the date by which full implementation of the Mitigation Plan will be, or has been, completed with respect to the Alleged or Confirmed violations identified above. State whether the Mitigation Plan has been fully implemented,

For Public Release - April 28, 2010

# RELIABILITY FIRST

RFC200900147

and/or whether the actions necessary to assure the entity has returned to full compliance have been completed.

**Mitigation actions, as defined in Part D.1 above, were fully completed on 6-9-09**

- D.3 Enter Key Milestone Activities (with due dates) that can be used to track and indicate progress towards timely and successful completion of this Mitigation Plan.

Key Milestone Activity	Proposed/Actual Completion Date* (shall not be more than 3 months apart)
Action Plan: Update the documents as described in part D.1 above	Actions completed on 6-9-09

(\*) Note: Additional violations could be determined for not completing work associated with accepted milestones.

## Section E: Interim and Future Reliability Risk

### Abatement of Interim BPS Reliability Risk

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

**WPSC has identified minimal reliability risk or impact to the BPS**

### Prevention of Future BPS Reliability Risk

- E.2 Describe how successful completion of this Mitigation Plan by your organization will prevent or minimize the probability that the reliability of the BPS incurs further risk of similar violations in the future. Additional detailed information may be provided as an attachment.



For Public Release - April 28, 2010



RFC200900147

Completion of the mitigation actions described in Part D.1 above, simply adjusted Wolverine's internal documentation to a format designed to address the auditor's concerns. Wolverine attests that we were and are compliant with the standard (i.e. we have always had a testing and maintenance basis). The clarification of documentation is the central issue of this mitigation plan. Discussion about the preventive effects of this mitigation on the BPS does not appear to be applicable in this case.

For Public Release - April 28, 2010


**RELIABILITY FIRST**

RFC200900147

**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 ReliabilityFirst 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 Compliance Coordinator of Wolverine Power Supply Cooperative Inc. (Hereafter referred to as "WPSC").
  2. I am qualified to sign this Mitigation Plan on behalf of WPSC.
  3. I have read and am familiar with the contents of this Mitigation Plan.
  4. WPSC agrees to comply with, this Mitigation Plan, including the timetable completion date, as accepted by ReliabilityFirst and approved by NERC.

**Authorized Individual Signature**  
\_\_\_\_\_

Name (Print): John Alberts

Title: Compliance Coordinator

Date: 8/5/2009  
(revision to original plan dated 6/5/09)**Section G: Regional Entity Contact**

Please direct completed forms or any questions regarding completion of this form to the ReliabilityFirst Compliance e-mail address [mitigationplan@rfirst.org](mailto:mitigationplan@rfirst.org).

Please indicate the company name and reference the NERC Violation ID # (if known) in the subject line of the e-mail. Additionally, any ReliabilityFirst Compliance Staff member is available for questions regarding the use of this form. Please see the contact list posted on the ReliabilityFirst Compliance web page.



## **Attachment A – Compliance Notices & Mitigation Plan Requirements**

- I. 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.
  - (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) Key implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.
  - (9) Any other information deemed necessary or appropriate.
  - (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self-Certification or Self Reporting submittals.
- II. This submittal form must be used to provide a required Mitigation Plan for review and acceptance by ReliabilityFirst and approval by NERC.
- III. This Mitigation Plan is submitted to ReliabilityFirst and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
- IV. This Mitigation Plan Submittal Form may be used to address one or more related Alleged or Confirmed violations of one Reliability Standard. A separate

<sup>1</sup> "Compliance Monitoring and Enforcement Program" of the ReliabilityFirst Corporation;" a copy of the current version approved by the Federal Energy Regulatory Commission is posted on the ReliabilityFirst website.

For Public Release - April 28, 2010



RFC200900147

mitigation plan is required to address Alleged or Confirmed violations with respect to each additional Reliability Standard, as applicable.

- V. If the Mitigation Plan is accepted by ReliabilityFirst and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission in accordance with applicable Commission rules, regulations and orders.
- VI. ReliabilityFirst or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- VII. Remedial action directives also may be issued as necessary to ensure reliability of the BPS.

For Public Release - April 28, 2010

# RELIABILITY FIRST

RFC200900147

## DOCUMENT CONTROL

**Title:** Mitigation Plan Submittal Form  
**Issue:** Version 2.0  
**Date:** 11 July 2008  
**Distribution:** Public  
**Filename:** ReliabilityFirst Mitigation Plan Submittal Form - Ver 2.DOC  
**Control:** Reissue as complete document only

## DOCUMENT APPROVAL

Prepared By	Approved By	Approval Signature	Date
Robert K. Wargo Senior Consultant Compliance	Raymond J. Palmieri Vice President and Director Compliance	<i>Raymond J. Palmieri</i>	1/2/08

## DOCUMENT CHANGE/REVISION HISTORY

Version	Prepared By	Summary of Changes	Date
1.0	Robert K. Wargo	Original Issue -- Replaces "Proposed Mitigation Plan" Form	1/2/08
2.0	Tony Purgar	Revised email address from <a href="mailto:compliance@rfirst.org">compliance@rfirst.org</a> to <a href="mailto:mitigationplan@rfirst.org">mitigationplan@rfirst.org</a>	7/11/08

# **Attachment I**

## **Summary and Review of Mitigation Plan Completion**

**Dated December 11, 2009**

December 11, 2009.

**Summary and Review of Evidence of Mitigation Plan Completion**

<b>NERC Violation ID #:</b>	<b>RFC200900147</b>
<b>NERC Plan ID:</b>	<b>MIT-09-1929</b>
<b>Registered Entity;</b>	<b>Wolverine Power Supply Cooperative</b>
<b>NERC Registry ID:</b>	<b>NCR00954</b>
<b>Standard:</b>	<b>PRC-005-1</b>
<b>Requirement:</b>	<b>1.1</b>
<b>Status:</b>	<b>Compliant</b>

**Background:**

Wolverine Power Supply Cooperative, Inc (“Wolverine”) was audited by ReliabilityFirst Compliance Staff on June 2-4, 2009. The Audit Team reported a Possible Violation of NERC Reliability Standard PRC-005-1, Requirement 1.1. Wolverine submitted a Proposed Mitigation Plan to ReliabilityFirst on August 5, 2009, whereby stating Wolverine had completed all mitigating actions by June 9, 2009. This Mitigation Plan, designated MIT-09-1929, was accepted by ReliabilityFirst on August 31, 2009 and approved by NERC on September 10, 2009.

**Review Process:**

On June 9, 2009, Wolverine certified that Mitigation Plan for PRC-005-1, Requirement 1.1 was completed as of June 9, 2009. ReliabilityFirst requested and received evidence of completion for actions taken by Wolverine as specified in the Mitigation Plan. ReliabilityFirst performed an in depth review of the information provided to verify that all actions specified in the Mitigation Plan were successfully completed.

**PRC-005-1, Requirement 1.1** states: “Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System shall have a Protection System maintenance and testing program for Protection Systems that affect the reliability of the BES. The program shall include:

**R1.1.** Maintenance and testing intervals and their basis.”

**Evidence Submitted:**

**Requirement 1.1:** Wolverine promulgated “Engineering Policy 439, Protection System Maintenance and Testing Program, Version 1.0, June 9, 2009”, which incorporated the testing and maintenance basis information previously existing as a separate audit guide document “Wolverine Audit Guideline WAG\_PRC-005-1”, which included the testing

Summary and Review of Mitigation Plan Completion  
Wolverine Power Supply Cooperative  
November 30, 2009.  
Page 2 of 2

and maintenance basis information at the time of the audit. "Engineering Policy 439; categorizes the Basis for Test Intervals as follows:

1. Basis for Protective Relaying Test Intervals
2. Basis for Communication Systems Test Intervals
3. Basis for CT and PT Test Intervals
4. Basis for Station Battery Test Intervals
5. Basis for DC Control Circuitry and Functional Test Intervals

The Intervals are based on the following:

- Wolverine engineering and operations experience.
- Standard industry practice.
- Manufacturers recommendations.
- Industry consultant and neighboring utility recommendations.
- Wolverine test intervals must meet or exceed the NERC Planning Committee White Paper "Protection System Maintenance, A Technical Reference."

**Review Results:**

ReliabilityFirst Corporation reviewed the evidence Wolverine submitted in support of its Certification of Completion. On November 30, 2009, ReliabilityFirst verified that the Mitigation Plan was completed in accordance with its terms and has therefore deemed Wolverine compliant to the aforementioned NERC Reliability Standard.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Robert K. Wargo", with a stylized flourish at the end.

Robert K. Wargo  
Manager of Compliance Enforcement  
ReliabilityFirst Corporation



**Attachment d**

**Notice of Filing**

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Wolverine Power Supply Cooperative, Inc.

Docket No. NP10-\_\_\_\_-000

NOTICE OF FILING  
April 28, 2010

Take notice that on April 28, 2010, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding Wolverine Power Supply Cooperative, Inc. in the Reliability *First* 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