

November 27, 2013

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

**Re: NERC Full Notice of Penalty regarding Whiting Clean Energy, Inc.
FERC Docket No. NP14-_-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Notice of Penalty¹ regarding Whiting Clean Energy, Inc. (WCE), NERC Registry ID# NCR00417,² 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)).³

WCE operates a 525 megawatt combined cycle gas cogeneration facility in Whiting, Indiana. WCE is connected to the Bulk Power System (BPS) by two 138 kV transmission lines at Northern Indiana Public Service Company substations. WCE's parent company is BP Alternative Energy North America Inc.

This Notice of Penalty is being filed with the Commission because ReliabilityFirst Corporation (ReliabilityFirst) and WCE have entered into a Settlement Agreement to resolve all outstanding issues arising from ReliabilityFirst's determination and findings of the violations⁴ of PRC-005-1 R1, CIP-001-1

¹ *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 (2013). *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).

² ReliabilityFirst confirmed that WCE was included on the NERC Compliance Registry as a Generator Owner (GO) and Generator Operator (GOP) on July 9, 2008. As a GO, WCE is subject to compliance with PRC-005-1, FAC-008-1, FAC-009-1, and VAR-002-1.1b. In its capacity as a GOP, WCE is subject to compliance with CIP-001-1, PRC-001-1 and VAR-002-1.1b.

³ See 18 C.F.R § 39.7(c)(2).

⁴ For purposes of this document, each violation at issue is described as a "violation," regardless of its procedural posture and whether it was a possible, alleged or confirmed violation.

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R2, FAC-008-1 R1, FAC-009-1 R1, PRC-001-1 R1, PRC-005-1 R2, and VAR-002-1.1b R2. According to the Settlement Agreement, WCE neither admits nor denies the violations, but has agreed to the assessed monetary penalty of thirty-five thousand dollars (\$35,000) and non-monetary sanction involving ReliabilityFirst’s unscheduled audit of WCE before the next six-year audit cycle concludes, in addition to other remedies and actions to mitigate the instant violations and facilitate future compliance under the terms and conditions of the Settlement Agreement. Accordingly, the violations identified as NERC Violation Tracking Identification Numbers RFC2012010746, RFC2012011350, RFC2012011351, RFC2012011352, RFC2012011353, RFC2012011354, and RFC2012011355 are being filed in accordance with the NERC Rules of Procedure and the CMEP.

Statement of Findings Underlying the Violations

This Notice of Penalty incorporates the findings and justifications set forth in the Settlement Agreement executed on October 2, 2013, by and between ReliabilityFirst and WCE, which is included as **Attachment a**. The details of the findings and basis for the penalty are set forth in the Settlement Agreement and herein. This Notice of Penalty filing contains the basis for approval of the Settlement Agreement by the NERC Board of Trustees Compliance Committee (NERC BOTCC). In accordance with Section 39.7 of the Commission’s regulations, 18 C.F.R. § 39.7 (2013), NERC provides the following summary table identifying each violation of a Reliability Standard resolved by the Settlement Agreement, as discussed in greater detail below.

Region	Registered Entity	NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Total Penalty
ReliabilityFirst Corporation	Whiting Clean Energy, Inc. (WCE)	NOC-2211	RFC2012010746	PRC-005-1	R1	High	\$35,000
			RFC2012011350	CIP-001-1	R2	Medium	
			RFC2012011351	FAC-008-1	R1	Lower	
			RFC2012011352	FAC-009-1	R1	Medium	
			RFC2012011353	PRC-001-1	R1	High	
			RFC2012011354	PRC-005-1	R2; R2.1; R2.2	High	

			NERC Violation ID	Reliability Std.	Req. (R)	VRF	
			RFC2012011355	VAR-002-1.1b	R2	Medium	

PRC-005-1 R1 and R2

The purpose statement of Reliability Standard PRC-005-1 provides: “To ensure all transmission and generation Protection Systems affecting the reliability of the Bulk Electric System (BES) are maintained and tested.”

PRC-005-1 R1 provides:

- R1. Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each [GO] 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.
 - R1.2. Summary of maintenance and testing procedures.

PRC-005-1 R2 provides:

- R2. Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each [GO] 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.

PRC-005-1 R1 has a “High” Violation Risk Factor (VRF) and a “High” Violation Severity Level (VSL). The subject violation applies to WCE’s GO function.

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PRC-005-1 R2 has a “High” VRF⁵ and a “Severe” VSL. The subject violation applies to WCE’s GO function.

On July 5, 2012, WCE submitted a Self-Report to ReliabilityFirst identifying a possible violation of PRC-005-1 R1. WCE assumed operational responsibility for its facility from General Electric (GE) in December 2009.⁶ However, WCE continued to rely on GE to conduct Protection System maintenance and testing in accordance with NERC’s *Protection System Maintenance: A Technical Reference*. Consequently, WCE did not maintain adequate oversight of its Protection System maintenance and testing program, and it instead relied on contracts to ensure Protection System maintenance and testing within the intervals recommended by NERC and device manufacturers.

On June 25, 2012, WCE hired a full-time maintenance and engineering manager and, concurrently, began to administer its own Protection System maintenance and testing program. On June 26, 2012, as part of its preparation for the Compliance Audit conducted from September 10, 2012 to September 13, 2012 (Compliance Audit), WCE engaged a consulting firm to provide input and guidance with respect to, among other things, WCE’s compliance status with Reliability Standard PRC-005-1. This consultant determined that WCE did not maintain sufficient evidence demonstrating WCE had implemented a Protection System maintenance and testing program.

During the Compliance Audit, ReliabilityFirst identified a violation of PRC-005-1 R2. Based on the evidence provided by WCE during the Compliance Audit, ReliabilityFirst was unable to determine the intervals on which WCE tested Protection System equipment, and, therefore, ReliabilityFirst could not determine whether WCE tested its Protection System equipment within its defined intervals. Additionally, WCE had not performed maintenance and testing on its current and voltage sensing devices during the duration of the violation.⁷ WCE has 106 total Protection System devices, which

⁵ 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 included 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.

In the context of this case, ReliabilityFirst determined that the violation related to both R2.1 and R2.2, and therefore a “High” VRF is appropriate.

⁶ Although WCE assumed operational responsibility for the facility in December 2009, WCE, as the Registered Entity, has been responsible for compliance with the NERC Reliability Standards since the day of its registration on July 9, 2008.

⁷ ReliabilityFirst reported that WCE did not understand that voltage and current sensing devices had to be tested by the date WCE was required to comply with PRC-005-1. Therefore, WCE scheduled maintenance and testing to occur in 2012

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include 41 voltage and current sensing devices, 30 relays, 2 associated communication systems, 4 batteries, and 29 DC control circuits.

ReliabilityFirst determined that WCE had a violation of PRC-005-1 R1 by failing to have a Protection System maintenance and testing program for Protection Systems that affect the reliability of the BPS.

ReliabilityFirst also determined that WCE had a violation of PRC-005-1 R2 by failing to provide evidence that it implemented a Protection System maintenance and testing program.

ReliabilityFirst determined the duration of the violation of PRC-005-1 R1 to be from July 9, 2008, the date WCE registered as a GO, to October 31, 2012, the date WCE completed actions to mitigate the violation.

ReliabilityFirst determined the duration of the violation of PRC-005-1 R2 to be from July 9, 2008, the date WCE registered as a GO, to December 19, 2012, the date WCE completed actions to mitigate the violation.

ReliabilityFirst determined that these violations posed a minimal and not serious or substantial risk to the reliability of the BPS. A violation of PRC-005-1 R1 or R2 has the potential to affect the reliable operation of the BPS by allowing Protection System devices to remain unmaintained and untested. However, ReliabilityFirst considered these violations to be primarily documentation issues. Although WCE did not have a documented maintenance and testing program, WCE represents that maintenance and testing was completed by GE and its subcontractors from 2009 to 2012. WCE represents that it performed testing on Protection System devices in accordance with the intervals enumerated in NERC's *Protection System Maintenance: A Technical Reference* during this period.⁸ For the duration of the violations, WCE used a preventive and corrective maintenance software package to schedule electrical preventive maintenance. The software package generated a work order, which was assigned to WCE's electrical high voltage contractor for execution. For each activity, the contractor generated a report that was issued to WCE. All reports were reviewed and any documented items or issues that required further action were entered so that a new work order could be issued and the corrective actions taken. WCE verified that the work has been completed in accordance with the maintenance and testing procedures detailed in the work orders.

and 2013, which would be inside the seven-year interval included in NERC's *Protection System Maintenance: A Technical Reference*.

⁸ This NERC document recommends maintenance and testing on Protection System devices as follows: Protective Relays - 5 years; voltage and current sensing devices - 7 years; DC control circuitry - 5 years; station batteries - monthly; and associated communications systems - 6 months.

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In addition, WCE's Protective Systems are partially monitored, with critical devices connected to the control room so that operators receive real-time status updates and can respond to alarms.

PRC-001-1 R1

The purpose statement of PRC-001-1 provides, "To ensure system protection is coordinated among operating entities."

PRC-001-1 R1 provides:

- R1. Each Transmission Operator, Balancing Authority, and [GOP] shall be familiar with the purpose and limitations of protection system schemes applied in its area.

PRC-001-1 R1 has a "High" VRF and a "Severe" VSL. The subject violation applies to WCE's GOP function.

During the Compliance Audit, *ReliabilityFirst* identified a violation of PRC-001-1 R1. WCE provided as evidence a training presentation titled "System Protection Overview for Whiting Clean Energy," dated July 29, 2012. WCE provided no evidence of its operators' awareness of Protection System schemes prior to July 29, 2012. Furthermore, *ReliabilityFirst* analyzed this training presentation and determined that it provided a general overview of Protection System schemes but lacked sufficient detail to demonstrate WCE operators' awareness of the application of Protection System schemes in the WCE area.

ReliabilityFirst determined that WCE violated PRC-001-1 R1 by failing to provide evidence of its operators' familiarity with the purpose and limitations of protection system schemes applied in its area.

ReliabilityFirst determined the duration of the violation to be from July 9, 2008, the date WCE registered as a GOP, to December 12, 2012, the date WCE completed actions to mitigate the violation.

ReliabilityFirst determined that this violation posed a minimal risk and not a serious or substantial risk to the BPS based on the following factors. WCE represents that training for staff was provided by GE using plant design criteria, reference manuals, and NERC documents on Protection System devices. However, WCE could not locate the training records. The new leadership team, which WCE brought on in June 2012, provided PRC-001 training to site operators and instrumentation staff in July 2012. WCE provided additional training in October 2012.

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CIP-001-1 R2

The purpose statement of Reliability Standard CIP-001-1 provides, “Disturbances or unusual occurrences, suspected or determined to be caused by sabotage, shall be reported to the applicable systems, governmental agencies, and regulatory bodies.”

CIP-001-1 R2 provides:

- R2. Each Reliability Coordinator, Balancing Authority, Transmission Operator, [GOP], and Load Serving Entity shall have procedures for the communication of information concerning sabotage events to appropriate parties in the Interconnection.

CIP-001-1 R2 has a “Medium” VRF and a “High” VSL. The subject violation applies to WCE’s GOP function.

During the Compliance Audit, ReliabilityFirst determined that WCE provided insufficient evidence documenting its procedures for the communication of information concerning sabotage events to appropriate parties in the Interconnection. Specifically, ReliabilityFirst determined that WCE’s procedure required WCE to notify the BP Energy Desk, a power marketer serving as WCE’s real-time desk, of sabotage events. That procedure, however, did not require the BP Energy Desk to notify WCE’s Transmission Operator or Reliability Coordinator, both of whom were appropriate parties in the Interconnection. There were no attempted acts of sabotage to the WCE site during the violation period.

ReliabilityFirst determined that WCE violated CIP-001-1 R2 by failing to provide evidence that it developed adequate procedures for the communication of information concerning sabotage events to appropriate parties in the Interconnection.

ReliabilityFirst determined the duration of the violation to be from July 9, 2008, the date WCE registered as a GOP, to January 10, 2013, the date WCE completed actions to mitigate the violation.

ReliabilityFirst determined that the violation posed a minimal and not serious or substantial risk to the BPS based on the following factors. WCE had sabotage reporting procedures incorporated in its 2008 Facility Procedures Manual, which included notifications to its Transmission Operator, the local police, the Federal Bureau of Investigation, and plant emergency responders. In the version of the WCE CIP-001 procedure in place at the time of the Compliance Audit, WCE would notify the BP Energy Desk in the event of sabotage. The BP Energy Desk would then ask if WCE had notified its Reliability

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Coordinator, Balancing Authority, and Transmission Operator and make the calls if WCE were unable to do so.

FAC-008-1 R1 and FAC-009-1 R1

The purpose statements of Reliability Standards FAC-008-1 and FAC-009-1 provide, “To ensure that Facility Ratings used in the reliable planning and operation of the Bulk Electric System (BES) are determined based on an established methodology or methodologies.”

In pertinent part, FAC-008-1 R1 provides:

R1. The Transmission Owner and [GO] 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:

R1.1. 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 BES 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.

* * * * *

R1.3. Consideration of the following:

R1.3.1. Ratings provided by equipment manufacturers.

R1.3.2. Design criteria (e.g., including applicable references to industry Rating practices such as manufacturer’s warranty, IEEE, ANSI or other standards).

R1.3.3. Ambient conditions.

R1.3.4. Operating limitations.

R1.3.5. Other assumptions.

FAC-009-1 R1 provides:

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- R1. The Transmission Owner and [GO] shall each establish Facility Ratings for its solely and jointly owned Facilities that are consistent with the associated Facility Ratings Methodology.

FAC-008-1 R1 has a “Lower” VRF and a “Moderate” VSL. FAC-009-1 R1 has a “Medium” VRF and a “Moderate” VSL. The subject violations apply to WCE’s GO function.

During the Compliance Audit, *ReliabilityFirst* determined that WCE did not have a method for determining ratings for protective relay devices. In addition, *ReliabilityFirst* identified unresolved discrepancies in WCE’s Facility Ratings that were inconsistent with its Facility Ratings Methodology.

ReliabilityFirst determined that WCE violated FAC-008-1 R1 by failing to provide evidence of its method for determining ratings for protective relay devices.

ReliabilityFirst determined that WCE violated FAC-009-1 R1 by failing to provide evidence that it has adequately established Facility Ratings that are consistent with the associated Facility Ratings.

ReliabilityFirst determined the duration of these violations to be from July 9, 2008, the date WCE registered as a GO, to December 12, 2012, the date WCE completed actions to mitigate the violations.

ReliabilityFirst determined that these violations posed a minimal and not serious or substantial risk to the reliability of the BPS based on the following factors. WCE based the ratings of its transmission conductors and relays on their respective instruction manuals. In addition, WCE included the ratings of disconnect switches in its one-line diagram. Furthermore, WCE conducted a facility rating study in June 2012 which demonstrated that the relays and voltage and current sensing devices were not the most limiting elements. Therefore, WCE did not have to change its Facility Ratings.

VAR-002-1.1b R2

The purpose statement of Reliability Standard VAR-002-1.1b provides, “To ensure generators provide reactive and voltage control necessary to ensure voltage levels, reactive flows, and reactive resources are maintained within applicable Facility Ratings to protect equipment and the reliable operation of the Interconnection.”

VAR-002-1.1b R2 provides:

- R2. Unless exempted by the Transmission Operator, each [GOP] shall maintain the generator voltage or Reactive Power output (within applicable Facility Ratings as directed by the Transmission Operator).

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- R2.1. When a generator's automatic voltage regulator is out of service, the [GOP] shall use an alternative method to control the generator voltage and reactive output to meet the voltage or Reactive Power schedule directed by the Transmission Operator.
- R2.2. When directed to modify voltage, the [GOP] shall comply or provide an explanation of why the schedule cannot be met.

VAR-002-1.1b R2 has a "Medium" VRF and a "Severe" VSL. The subject violation applies to WCE's GOP function.

During the Compliance Audit, *ReliabilityFirst* determined that, on two occasions, WCE operated below the lower limit of its defined voltage schedule without an exemption from its Transmission Operator. On the first occasion, WCE operated outside its voltage schedule for approximately six-and-a-half hours. On the second occasion, WCE operated outside its voltage schedule for approximately five hours.

ReliabilityFirst determined that WCE violated VAR-002-1.1b R2 by failing to either maintain the generator voltage or Reactive Power output as directed by the Transmission Operator or to obtain an exemption.

ReliabilityFirst determined the duration of the violation to be for approximately six-and-a-half hours on May 29, 2012 and approximately five hours on June 11, 2012.

ReliabilityFirst determined that the violation posed a minimal and not serious or substantial risk to the BPS based on the following factors. WCE operated its units in Automatic Voltage Regulator mode, and thus the units automatically responded to fluctuations in system voltage. WCE operators were instructed to respond to any requests by WCE's Transmission Operator to change the volt-ampere reactive (VAR) values to support system voltage. On the two occasions *ReliabilityFirst* identified WCE operating outside its voltage schedule, WCE operators manually responded to requests to increase VARs.

Regional Entity's Basis for Penalty

According to the Settlement Agreement, *ReliabilityFirst* has assessed a penalty of thirty-five thousand dollars (\$35,000) for the referenced violations.

In addition, *ReliabilityFirst* shall impose the non-monetary sanction of conducting an unscheduled audit of WCE before the next six-year scheduled audit cycle concludes. *ReliabilityFirst* will include the

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Reliability Standards described in this Notice of Penalty within the scope of the unscheduled audit of WCE, allowing *ReliabilityFirst* to verify that the set of improvements made by WCE since mid-2012 has brought WCE into compliance and prevented recurrence. *ReliabilityFirst* will conduct the unscheduled compliance audit pursuant to section 3.1.3 of the NERC Compliance Monitoring and Enforcement Program (CMEP). *ReliabilityFirst* has determined the time frame during which it will conduct the unscheduled audit of WCE and will provide notification to WCE in accordance with the CMEP.

In reaching this determination, *ReliabilityFirst* considered the following factors:

1. The violations constituted WCE's first occurrence of violations of the subject NERC Reliability Standards;
2. WCE self-reported the violation of PRC-005-1 R1;⁹
3. WCE was cooperative throughout the compliance enforcement process;
4. WCE had a compliance program in place at the time of the violations, certain aspects of which were considered a mitigating factor by *ReliabilityFirst*;¹⁰
5. *ReliabilityFirst* considered WCE's performance during the Compliance Audit as an aggravating factor. Specifically, *ReliabilityFirst* determined that WCE did not have a comprehensive understanding of its responsibilities under the NERC Reliability Standards or of its own processes and procedures. Further, *ReliabilityFirst* determined that the lack of, and incomplete, documentation provided during the Compliance Audit and the violations described in the Settlement Agreement demonstrated a programmatic failure of WCE's document management controls;
6. *ReliabilityFirst* determined that, while individually the violations posed a minimal risk to the reliability of the BPS, the cumulative effect of WCE's violations posed a moderate risk to the reliability of the BPS;
7. *ReliabilityFirst* determined that the violations relate predominately to documentation deficiencies arising during the transition period after WCE purchased the facility and before the current management team was put in place in mid-2012;

⁹ *ReliabilityFirst* applied partial mitigating credit for WCE's discovery of the violation of PRC-005-1 R1 because WCE submitted the Self-Report during the weeks leading up to the Compliance Audit.

¹⁰ *ReliabilityFirst* considered certain aspects of WCE's compliance program as mitigating factors. *ReliabilityFirst* based this determination on corrective action WCE took prior to the start of the Compliance Audit and the timely response to evidence requests and availability of WCE staff during the Compliance Audit. *ReliabilityFirst* also favorably considered WCE's continued efforts to mitigate the violations following the Compliance Audit.

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8. ReliabilityFirst considered the cost of the unscheduled audit to WCE in terms of time, resources, and risk of additional exposure when determining the amount of the monetary penalty;
9. there was no evidence of any attempt to conceal a violation nor evidence of intent to do so;
10. there were no other mitigating or aggravating factors or extenuating circumstances that would affect the assessed penalty.

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

Status of Mitigation Plans¹¹

PRC-005-1 R1 and PRC-005-1 R2

WCE's Mitigation Plan to address its violation of PRC-005-1 R1 was submitted to ReliabilityFirst on August 31, 2012 with a proposed completion date of October 31, 2012. The Mitigation Plan was accepted by ReliabilityFirst on September 25, 2012 and approved by NERC on October 15, 2012. The Mitigation Plan for this violation is designated as RFCMIT007965 and was submitted as non-public information to FERC on October 17, 2012 in accordance with FERC orders.

WCE's Mitigation Plan required WCE to:

1. appoint a new full-time maintenance and engineering manager to administer the Protection System maintenance and testing program;
2. implement a comprehensive compliance program;
3. develop a formal Protection System maintenance and testing program; and
4. conduct a lessons-learned training session.

WCE certified on October 31, 2012 that the above Mitigation Plan requirements were completed on October 30, 2012. As evidence of completion of its Mitigation Plan, WCE submitted the following:

1. a letter from the WCE general manager appointing responsibility of NERC reliability compliance officer to the WCE commercial manager;
2. the presentation from third-party consultants given to WCE staff concerning NERC's reliability compliance program and the attendance record from the training;

¹¹ See 18 C.F.R § 39.7(d)(7).

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3. the training presentation prepared by a third-party consultant for relevant staff;
4. a review of the final report from the third-party consultant stating that there are no outstanding issues;
5. Version 0 and Revision 1 of WCE's protection system maintenance and testing program procedure;
6. the statement of work to a third party to perform testing during the Unit 2 outage; and
7. a document demonstrating a lessons-learned discussion with third-party consultants.

On January 24, 2013, after ReliabilityFirst's review of WCE's submitted evidence, ReliabilityFirst verified that WCE's Mitigation Plan was completed on October 31, 2012.

WCE's Mitigation Plan to address its violation of PRC-005-1 R2 was submitted to ReliabilityFirst on December 13, 2012 with a proposed completion date of December 31, 2012. The Mitigation Plan was accepted by ReliabilityFirst on December 28, 2012 and approved by NERC on January 15, 2013. The Mitigation Plan for this violation is designated as RFCMIT008535 and was submitted as non-public information to FERC on January 15, 2013 in accordance with FERC orders.

WCE's Mitigation Plan required WCE undertake the following activities in addition to the activities described in the Mitigation Plan addressing its violation of PRC-005-1 R1:

1. issue a Statement of Work to the third party responsible for line-to-line testing during an outage;
2. appoint a full-time compliance coordinator to assist its compliance officer in maintaining and enforcing compliance;
3. provide a scope of work for the testing scheduled for the spring 2013 outage; and
4. test relays and voltage and current sensing devices in accordance with the schedule outlined in the Mitigation Plan.

WCE certified on December 19, 2012 that the above Mitigation Plan requirements were completed on December 19, 2012. As evidence of completion of its Mitigation Plan, WCE submitted the following:

1. a quote from a third-party vendor to provide testing for WCE in the fall of 2012;
2. emails to new personnel, including a new compliance coordinator, indicating start dates;

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3. emails to MISO requesting outages for spring 2013, to a third-party contractor requesting quotes for performing maintenance and testing work during spring 2013, and from the third-party contractor, providing quotes for testing to WCE for spring 2013 testing;
4. follow-up emails regarding the results of the completed testing.

On March 20, 2013, after ReliabilityFirst's review of WCE's submitted evidence, ReliabilityFirst verified that WCE's Mitigation Plan was completed on December 19, 2012.

PRC-001-1 R1

WCE's Mitigation Plan to address its violation of PRC-001-1 R1 was submitted to ReliabilityFirst on December 12, 2012 stating it had been completed on December 12, 2012. The Mitigation Plan was accepted by ReliabilityFirst on January 8, 2013 and approved by NERC on February 22, 2013. The Mitigation Plan for this violation is designated as RFCMIT008529 and was submitted as non-public information to FERC on February 22, 2013 in accordance with FERC orders.

WCE's Mitigation Plan required WCE to:

1. appoint a compliance coordinator;
2. conduct operator training;
3. provide additional PRC-001 training for operators and instructional staff; and
4. issue a new procedure to ensure continued compliance with PRC-001.

WCE certified on December 12, 2012 that the above Mitigation Plan requirements were completed on December 12, 2012. As evidence of completion of its Mitigation Plan, WCE submitted the following:

1. WCE-NERC-PRC-001_Mitigation_Plan20121212.pdf;
 - a. Exhibit 1: Compliance Coordinator Appointment – August 29, 2012;
 - b. Exhibit 2: WCE FAC-008/009 Procedure – July 2, 2012;
 - c. Exhibit 3: WCE FAC-008/009 Procedure –November 28, 2012;
 - d. Exhibit 4: System Protection Overview – July 29, 2012;
 - e. Exhibit 5: System Protection Overview Record –July 30, 2012;
 - f. Exhibit 6: System Protection Overview –October 2, 2012;
 - g. Exhibit 7: System Protection Overview Record –October 2, 2012;

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- h. Exhibit 8: Reliability Compliance Training –June 28, 2012;
- i. Exhibit 9: Reliability Compliance Training Record – June 28, 2012;
- j. Exhibit 10: WCE PRC-001 Procedure – November 30, 2012.

On March 1, 2013, after ReliabilityFirst's review of WCE's submitted evidence, ReliabilityFirst verified that WCE's Mitigation Plan was completed on December 12, 2012.

CIP-001-1 R2

WCE's Mitigation Plan to address its violation of CIP-001-1 R2 was submitted to ReliabilityFirst on December 13, 2012 with a proposed completion date of January 11, 2013. The Mitigation Plan was accepted by ReliabilityFirst on December 28, 2012 and approved by NERC on January 15, 2013. The Mitigation Plan for this violation is designated as RFCMIT008533 and was submitted as non-public information to FERC on January 15, 2013 in accordance with FERC orders.

WCE's Mitigation Plan required WCE to:

1. update its procedures to define responsibilities and notifications that must be made in the event of sabotage. WCE revised its procedure so that WCE would make the notifications to its Reliability Coordinator, Balancing Authority, and Transmission Operator directly, but could still ask the BP Energy Desk for assistance if necessary;
2. perform training for its staff on the updated sabotage reporting procedure and train the BP Energy Desk operators on WCE's reporting procedure;
3. train security supervisors on WCE's sabotage reporting procedure; and
4. conduct a live drill including WCE, BP security, and BP Energy Desk staff to ensure that all required notifications were made.

WCE certified on January 10, 2013 that the above Mitigation Plan requirements were completed on January 10, 2013. As evidence of completion of its Mitigation Plan, WCE submitted the following:

1. WCE's Cyber Security Incident Reporting Procedures, Version 0 (dated July 12, 2012) and Version 1 (dated November 7, 2012);
2. Revision 1 of WCE's CIP-001 procedure, with updated reporting diagrams;
3. Revision 2 of WCE's CIP-001 procedure, with reporting diagrams reflecting changes made after the live drill;

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4. Training presentation used in training the WCE staff on sabotage reporting procedures, a sign-in attendance sheet for the WCE meeting with BP security on sabotage reporting, and emails stating that all employees and security staff have been trained on the sabotage reporting procedure; and
5. Logs and results of the sabotage reporting drill.

On March 8, 2013, after ReliabilityFirst's review of WCE's submitted evidence, ReliabilityFirst verified that WCE's Mitigation Plan was completed on January 10, 2013.

FAC-008-1 R1 and FAC-009-1 R1

WCE's Mitigation Plan to address its violation of FAC-008-1 R1 was submitted to ReliabilityFirst on December 12, 2012 stating it had been completed on December 12, 2012. The Mitigation Plan was accepted by ReliabilityFirst on January 2, 2013 and approved by NERC on February 22, 2013. The Mitigation Plan for this violation is designated as RFCMIT008528 and was submitted as non-public information to FERC on February 22, 2013 in accordance with FERC orders.

WCE's Mitigation Plan to address its violation of FAC-009-1 R1 was submitted to ReliabilityFirst on December 12, 2012 stating it had been completed on December 12, 2012. The Mitigation Plan was accepted by ReliabilityFirst on January 2, 2013 and approved by NERC on February 22, 2013. The Mitigation Plan for this violation is designated as RFCMIT008531 and was submitted as non-public information to FERC on February 22, 2013 in accordance with FERC orders.

WCE's Mitigation Plans required WCE to:

1. conduct a Facility Rating Methodology study;
2. create and approve a new Facility Rating Methodology procedure; and
3. conduct training on the new procedure for generator operator personnel.

WCE certified on December 12, 2012 that the above Mitigation Plan requirements were completed on December 12, 2012. As evidence of completion of its Mitigation Plans, WCE submitted the following:

1. WCE_FAC-008_Mitigation_Plan20121212.pdf;
 - a. Exhibit 1: Facility Rating Study Worksheet –June 27, 2012;
 - b. Exhibit 2: WCE FAC-008/009 Procedure – July 2, 2012;
 - c. Exhibit 3: Communication of facility rating to NIPSCO – July 2, 2012;

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- d. Exhibit 4: WCE FAC-008/009 Procedure – November 28, 2012;
 - e. Exhibit 5: Compliance Coordinator Appointment – August 29, 2012;
 - f. Exhibit 6: System Protection Training – July 29, 2012;
 - g. Exhibit 7: System Protection Training Record – July 30, 2012;
 - h. Exhibit 8: Updated System Protection Training Record – October 2, 2012;
 - i. Exhibit 9: Updated System Protection Training Record – October 2, 2012;
 - j. Exhibit 10: Reliability Compliance Training – June 28, 2012;
 - k. Exhibit 11: Reliability Compliance Training Record – June 28, 2012;
2. WCE-NERC-FAC-009-Mitigation_Plan20121212.pdf;
- a. Exhibit 1: Facility Rating Study Worksheet – June 27, 2012;
 - b. Exhibit 2: WCE FAC-008/009 Procedure – July 2, 2012;
 - c. Exhibit 3: Communication of facility rating to NIPSCO – July 2, 2012;
 - d. Exhibit 4: WCE FAC-008/009 Procedure – November 28, 2012;
 - e. Exhibit 5: Compliance Coordinator Appointment – August 29, 2012;
 - f. Exhibit 6: System Protection Training – July 29, 2012;
 - g. Exhibit 7: System Protection Training Record – July 30, 2012;
 - h. Exhibit 8: Updated System Protection Training Record – October 2, 2012;
 - i. Exhibit 9: Updated System Protection Training Record – October 2, 2012;
 - j. Exhibit 10: Reliability Compliance Training – June 28, 2012; and
 - k. Exhibit 11: Reliability Compliance Training Record – June 28, 2012.

On March 1, 2013, after ReliabilityFirst's review of WCE's submitted evidence, ReliabilityFirst verified that WCE's Mitigation Plans were completed on December 12, 2012.

VAR-002-1.1b

WCE's Mitigation Plan to address its violation of VAR-002-1.1b was submitted to ReliabilityFirst on December 12, 2012. The Mitigation Plan was accepted by ReliabilityFirst on December 28, 2012 and approved by NERC on January 15, 2013. The Mitigation Plan for this violation is designated as

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RFCMIT008530 and was submitted as non-public information to FERC on January 15, 2013 in accordance with FERC orders.

WCE's Mitigation Plan required WCE to:

1. issue an operating instruction to ensure that generator operators comply with an updated voltage schedule;
2. appoint a compliance coordinator and engage a third-party consultant to provide input and guidance with respect to voltage control;
3. enhance the operator display with audible and flashing alarms;
4. begin verbal status checks with its Transmission Operator at shift changes to verify that WCE is maintaining network voltage schedules;
5. issue a new procedure regarding voltage maintenance and conduct an associated lessons-learned session; and
6. begin conducting weekly reviews of network voltage schedules.

WCE certified on December 12, 2012 that the above Mitigation Plan requirements were completed on December 12, 2012. As evidence of completion of its Mitigation Plan, WCE submitted the following:

1. updated operating instructions, reinforcing the need for operators to comply with the voltage schedule;
2. an email informing the new compliance coordinator of his start date and an email between the new compliance manager and a third-party consultant discussing the contract to provide guidance in voltage control and maintenance and testing programs;
3. an email sent to operators informing them of the installation of new alarms;
4. a revision of the operating instructions informing operators to perform a verbal status check with the Transmission Operator at shift change;
5. Revision 0 of WCE's VAR-002-2b compliance procedure, including a copy of its voltage schedule, as well as an attendance log of the associated informal lessons-learned session;
6. examples of the compliance coordinator's weekly review of voltage schedules.

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On February 11, 2013, after ReliabilityFirst's review of WCE's submitted evidence, ReliabilityFirst verified that WCE's Mitigation Plans were completed on December 12, 2012.

Statement Describing the Assessed Penalty, Sanction or Enforcement Action Imposed¹²

Basis for Determination

Taking into consideration the Commission's direction in Order No. 693, the NERC Sanction Guidelines and the Commission's July 3, 2008, October 26, 2009 and August 27, 2010 Guidance Orders,¹³ the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on November 5, 2013. The NERC BOTCC approved the Settlement Agreement, including ReliabilityFirst's assessment of a thirty-five thousand dollar (\$35,000) financial penalty against WCE and other actions to facilitate future compliance required under the terms and conditions of the Settlement Agreement. In approving the Settlement Agreement, the NERC BOTCC reviewed the applicable requirements of the Commission-approved Reliability Standards and the underlying facts and circumstances of the violations at issue.

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

1. the violations constituted WCE's first occurrence of violations of the subject NERC Reliability Standards;
2. WCE self-reported the violation of PRC-005-1 R1;
3. ReliabilityFirst reported that WCE was cooperative throughout the compliance enforcement process;
4. WCE had a compliance program at the time of the violations, aspects of which ReliabilityFirst considered a mitigating factor, as discussed above;
5. WCE's performance during the Compliance Audit reflected a lack of comprehensive understanding of its responsibilities under the Reliability Standards and a failure of document controls, which ReliabilityFirst considered an aggravating factor, as discussed above;
6. ReliabilityFirst determined that the cumulative effect of WCE's violations posed a moderate risk to the reliability of the BPS, as discussed above;

¹² See 18 C.F.R. § 39.7(d)(4).

¹³ *North American Electric Reliability Corporation*, "Guidance Order on Reliability Notices of Penalty," 124 FERC ¶ 61,015 (2008); *North American Electric Reliability Corporation*, "Further Guidance Order on Reliability Notices of Penalty," 129 FERC ¶ 61,069 (2009); *North American Electric Reliability Corporation*, "Notice of No Further Review and Guidance Order," 132 FERC ¶ 61,182 (2010).

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7. ReliabilityFirst determined that the instant violations relate predominately to documentation deficiencies arising before the current management team was put in place, as discussed above;
8. ReliabilityFirst imposed a non-monetary penalty (the unscheduled audit) that will result in additional costs to WCE in terms of time, resources, and risk of additional exposure;
9. there was no evidence of any attempt to conceal a violation nor evidence of intent to do so;
10. ReliabilityFirst reported that there were no other mitigating or aggravating factors or extenuating circumstances that would affect the assessed penalty.

For the foregoing reasons, the NERC BOTCC approved the Settlement Agreement and believes that the assessed monetary penalty of thirty-five thousand dollars (\$35,000) in conjunction with the non-monetary penalty consisting of ReliabilityFirst's forthcoming unscheduled audit of WCE before the next six-year scheduled audit cycle concludes is appropriate for the violations and circumstances at issue, and is consistent with NERC's goal to promote and ensure reliability of the BPS.

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

Attachments to be Included as Part of this Notice of Penalty

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

- a) Settlement Agreement by and between ReliabilityFirst and WCE executed October 2, 2013, included as **Attachment a**;
- b) Record documents for the violation of PRC-005-1 R1, included as **Attachment b**;
 1. WCE's Self-Report for PRC-005-1 R1 dated July 5, 2012;
 2. WCE's Mitigation Plan designated as RFCMIT007965 for PRC-005-1 R1 submitted August 31, 2012;
 3. WCE's Certification of Mitigation Plan Completion for PRC-005-1 R1 submitted October 31, 2012;
 4. ReliabilityFirst's Verification of Mitigation Plan Completion for PRC-005-1 R1 dated January 24, 2013;
- c) Record documents for the violation of PRC-005-1 R2, included as **Attachment c**;

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1. ReliabilityFirst's Possible Violation Identification Form for PRC-005-1 R2 dated September 13, 2012;
 2. WCE's Mitigation Plan designated as RFCMIT008535 for PRC-005-1 R2 submitted December 13, 2012;
 3. WCE's Certification of Mitigation Plan Completion for PRC-005-1 R2 submitted December 19, 2012;
 4. ReliabilityFirst's Verification of Mitigation Plan Completion for PRC-005-1 R2 dated March 20, 2013;
- d) Record documents for the violation of PRC-001-1 R1, included as **Attachment d**;
1. ReliabilityFirst's Possible Violation Identification Form for PRC-001-1 R1 dated September 13, 2012;
 2. WCE's Mitigation Plan designated as RFCMIT008529 for PRC-001-1 R1 submitted December 12, 2012;
 3. WCE's Certification of Mitigation Plan Completion for PRC-001-1 R1 submitted December 12, 2012;
 4. ReliabilityFirst's Verification of Mitigation Plan Completion for PRC-001-1 R1 dated March 1, 2013;
- e) Record documents for the violation of CIP-001-1 R2, included as **Attachment e**;
1. ReliabilityFirst's Possible Violation Identification Form for CIP-001-1 R2 dated September 13, 2012;
 2. WCE's Mitigation Plan designated as RFCMIT008533 for CIP-001-1 R2 submitted December 13, 2012;
 3. WCE's Certification of Mitigation Plan Completion for CIP-001-1 R2 submitted January 10, 2013;
 4. ReliabilityFirst's Verification of Mitigation Plan Completion for CIP-001-1 R2 dated March 8, 2013;
- f) Record documents for the violation of FAC-008-1 R1, included as **Attachment f**;
1. ReliabilityFirst's Possible Violation Identification Form for FAC-008-1 R1 dated September 13, 2012;

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2. WCE's Mitigation Plan designated as RFCMIT008528 for FAC-008-1 R1 submitted December 12, 2012;
 3. WCE's Certification of Mitigation Plan Completion for FAC-008-1 R1 submitted December 12, 2012;
 4. ReliabilityFirst's Verification of Mitigation Plan Completion for FAC-008-1 R1 dated March 1, 2013;
- g) Record documents for the violation of FAC-009-1 R1, included as **Attachment g**;
1. ReliabilityFirst's Possible Violation Identification Form for FAC-009-1 R1 dated September 13, 2012;
 2. WCE's Mitigation Plan designated as RFCMIT008531 for FAC-009-1 R1 submitted December 12, 2012;
 3. WCE's Certification of Mitigation Plan Completion for FAC-009-1 R1 submitted December 12, 2012;
 4. ReliabilityFirst's Verification of Mitigation Plan Completion for FAC-009-1 R1 dated March 1, 2013;
- h) Record documents for the violation of VAR-002-1.1b R2, included as **Attachment h**;
1. ReliabilityFirst's Possible Violation Identification Form for VAR-002-1.1b R2 dated September 13, 2012;
 2. WCE's Mitigation Plan designated as RFCMIT008530 for VAR-002-1.1b R2 submitted December 12, 2012;
 3. WCE's Certification of Mitigation Plan Completion for VAR-002-1.1b R2 submitted December 12, 2012; and
 4. ReliabilityFirst's Verification of Mitigation Plan Completion for VAR-002-1.1b R2 dated February 11, 2013.

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

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*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.

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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/ Sonia Mendonça

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cc: Whiting Clean Energy, Inc.
ReliabilityFirst Corporation

Attachments

Attachment a

**Settlement Agreement by and between
ReliabilityFirst and WCE executed
October 2, 2013**



<i>In re:</i> WHITING CLEAN ENERGY, INC.	)	Violation ID Nos.:
	)	RFC2012010746 (PRC-005-1 R1);
	)	RFC2012011350 (CIP-001-1 R2);
NERC Registry ID No. NCR00417	)	RFC2012011351 (FAC-008-1 R1);
	)	RFC2012011352 (FAC-009-1 R1);
	)	RFC2012011353 (PRC-001-1 R1);
	)	RFC2012011354 (PRC-005-1 R2); and
	)	RFC2012011355 (VAR-002-1.1b R2)
)	

**SETTLEMENT AGREEMENT
BETWEEN RELIABILITYFIRST CORPORATION AND
WHITING CLEAN ENERGY, INC.**

I. INTRODUCTION

1. ReliabilityFirst Corporation (“ReliabilityFirst”) and Whiting Clean Energy (“WCE”) enter into this Settlement Agreement (“Agreement”) to resolve alleged violations by WCE of the above-captioned Reliability Standard Requirements.
2. WCE and ReliabilityFirst agree and stipulate to this Agreement in its entirety. The facts stipulated herein are stipulated solely for the purpose of resolving between WCE and ReliabilityFirst the subject matter of this Agreement and do not constitute admissions or stipulations for any purpose. WCE neither admits nor denies that the facts stipulated herein constitute violations of the Reliability Standards discussed below.

Overview of WCE

3. WCE operates a 525 megawatt combined cycle gas cogeneration facility in Whiting, Indiana. WCE is connected to the Bulk Power System by two 138kV transmission lines at Northern Indiana Public Service Company substations. WCE’s parent company is BP Alternative Energy North America Inc.
4. WCE is registered as a Generator Owner (“GO”) and Generator Operator (“GOP”) on the NERC Compliance Registry. In its capacity as a GO, WCE is subject to compliance with PRC-005-1, FAC-008-1, FAC-009-1, PRC-005-1 and

VAR-002-1.1b. In its capacity as a GOP, WCE is subject to compliance with CIP-001-1, PRC-001-1 and VAR-002-1.1b.

Overview of Alleged Violations

5. ReliabilityFirst conducted a Compliance Audit of WCE from September 10, 2012 to September 13, 2012 (the "Compliance Audit"). ReliabilityFirst discovered all but one of the Possible Violations through the Compliance Audit. WCE self-reported the remaining Possible Violation prior to the Compliance Audit. WCE discovered the condition underlying the Self-Report as it was preparing for the Compliance Audit.

II. ALLEGED VIOLATIONS

A. PRC-005-1 R1 and R2 (RFC2012010746 and RFC2012011354)

6. PRC-005-1 increases the reliability of the Bulk Power system by ensuring maintenance and testing of all transmission and generation Protection Systems, which isolate segments of the Bulk Power System when faults occur.
7. A violation of PRC-005-1 R1 has the potential to affect the reliable operation of the Bulk Power system by allowing Protection System devices to remain unmaintained and untested. PRC-005-1 R1 states:
 - R1.** Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each [GO] 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.
 - R1.2.** Summary of maintenance and testing procedures.
8. A violation of PRC-005-1 R2 has the potential to affect the reliable operation of the Bulk Power System by allowing Protection System devices to remain unmaintained and untested. PRC-005-1 R2 states:
 - R2.** Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each [GO] 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.

9. ReliabilityFirst alleges that WCE violated PRC-005-1 R1 by failing to have a Protection System maintenance and testing program for Protection Systems that affect the reliability of the Bulk Power System.
10. ReliabilityFirst alleges that WCE violated PRC-005-1 R2 by failing to provide evidence that it implemented a Protection System maintenance and testing program.¹

Description of Alleged Violations and Risk Assessment

11. On July 5, 2012, WCE submitted a Self-Report to ReliabilityFirst identifying a possible violation of PRC-005-1 R1. *See* Self Report – 2012 (attached as **Attachment A**). WCE assumed operation responsibility for the facility from General Electric (“GE”) in December 2009.² However, WCE continued to rely on GE to conduct Protection System maintenance and testing in accordance with NERC’s *Protection System Maintenance: A Technical Reference*. Consequently, WCE did not maintain adequate oversight of its Protection System maintenance and testing program, and instead relied on contracts to ensure Protection System maintenance and testing within the intervals recommended by NERC and device manufacturers.
12. On June 25, 2012, WCE hired a full-time maintenance and engineering manager and, concurrently, began to administer its own Protection System maintenance and testing program. On June 26, 2012, as part of its preparation for the Compliance Audit, WCE engaged a consulting firm to provide input and guidance with respect to, among other things, WCE’s compliance status with Reliability Standard PRC-005-1. This consultant determined that WCE did not maintain sufficient evidence demonstrating it implemented a Protection System maintenance and testing program.
13. During the Compliance Audit, ReliabilityFirst identified a Possible Violation of PRC-005-1 R2. Based on the evidence provided by WCE during the Compliance Audit, ReliabilityFirst was unable to determine the intervals on which WCE tested Protection System equipment, and, therefore, ReliabilityFirst could not determine whether WCE tested its Protection System equipment within its defined intervals.

¹ WCE has 106 total Protection System devices. These include thirty relays, two associated communication systems, forty-one voltage and current sensing devices, four batteries, and twenty-nine DC control circuits.

² Although WCE assumed operation responsibility for the facility in December 2009, WCE, as the Registered Entity, has been responsible for compliance with the NERC Reliability Standards since July 9, 2008.

Additionally, WCE had not performed maintenance and testing on its current and voltage sensing devices during the duration of the alleged violation.³

14. The duration of the alleged violation of PRC-005-1 R1 is from July 9, 2008, the date WCE was required to comply with PRC-005-1, to October 31, 2012, the date WCE completed actions to mitigate the violation.
15. The duration of the alleged violation of PRC-005-1 R2 is from July 9, 2008, the date WCE was required to comply with PRC-005-1, to December 19, 2012, the date WCE completed actions to mitigate the violation.
16. ReliabilityFirst determined that these alleged violations posed a minimal risk to the reliability of the Bulk Power system based on the following factors.⁴ ReliabilityFirst considered these violations to be primarily documentation issues. They are documentation issues because, although WCE did not have a documented maintenance and testing program, WCE represents maintenance and testing was completed by GE and its subcontractors from 2009 to 2012. From taking over operations in 2009 to the establishment of the maintenance and testing procedure on June 29, 2012, WCE represents that it performed testing on Protection System devices in accordance with the intervals enumerated in NERC's *Protection System Maintenance: A Technical Reference*.⁵ For the duration of the alleged violation, WCE used a preventive and corrective maintenance software package to schedule electrical preventive maintenance. The software package generates a work order, which is assigned to WCE's electrical high voltage contractor for execution. For each activity, the contractor generates a report that is issued to WCE. All reports are reviewed and any documented items or issues that require further action are entered so that a new work order can be issued and the corrective actions taken. WCE verified that the work has been completed in accordance with the maintenance and testing procedures detailed in the statements. WCE's Protective Systems are partially monitored, with critical devices connected to the control room so that operators receive real-time status updates and can respond to alarms.

³ WCE did not understand that voltage and current sensing devices had to be tested by the date WCE was required to comply with PRC-005-1. Therefore, WCE scheduled maintenance and testing to occur in 2012 and 2013, which would be inside the seven year interval included in NERC's *Protection System Maintenance: A Technical Reference*.

⁴ PRC-005-1 R1 has a Violation Risk Factor ("VRF") of "High." ReliabilityFirst determined that the alleged violation warranted a "High" Violation Severity Level ("VSL"). PRC-005-1 R2 has a VRF of "Lower." ReliabilityFirst determined that the alleged violation warranted a "Severe" VSL.

⁵ This NERC document recommends maintenance and testing on Protection System devices as follows: Protective Relays = 5 years, voltage and current sensing devices = 7 years, DC control circuitry = 5 years, station batteries = monthly, associated communications systems = 6 months.

Mitigating Actions

17. On August 31, 2012, WCE submitted to ReliabilityFirst its mitigation plan to address the alleged violation of PRC-005-1 R1. *See* Mitigation Plan (attached as **Attachment B**). ReliabilityFirst accepted the mitigation plan on September 25, 2012, and on September 26, 2012, submitted it to NERC for approval.
18. In the mitigation plan, WCE memorialized the actions it took to address the alleged violation of PRC-005-1 R1. WCE implemented a comprehensive compliance program on June 25, 2012 and appointed a new full-time Maintenance and Engineering Manager to administer the Protection System maintenance and testing program. WCE conducted a lessons-learned session on June 27, 2012, twenty-four hours after the potential violation was reported to WCE's General Manager. Finally, WCE developed a formal Protection System maintenance and testing program.
19. On October 31, 2012, WCE certified it completed the mitigation plan for PRC-005-1 R1 to ReliabilityFirst. *See* Certification of Mitigation Plan Completion (attached as **Attachment C**). On January 24, 2013, ReliabilityFirst verified that WCE successfully completed the mitigating activities described in its mitigation plan. *See* Verification of Mitigation Plan Completion (attached as **Attachment D**).
20. On December 13, 2012, WCE submitted to ReliabilityFirst its mitigation plan to address the alleged violation of PRC-005-1 R2. *See* Mitigation Plan (attached as **Attachment E**). ReliabilityFirst accepted the mitigation plan on December 28, 2012 and submitted it to NERC for approval.
21. In the mitigation plan, WCE memorialized the actions it took to address the alleged violation of PRC-005-1 R2. In addition to the activities described above, WCE issued a Statement of Work to a third party for line-to-line testing during an outage. WCE appointed a full time Compliance Coordinator to assist its Compliance Officer in maintaining and enforcing compliance at the WCE Site. In addition to the items noted above, WCE provided ReliabilityFirst with a scope of work for the testing to be performed during the spring 2013 outage, and proceeded to test relays and voltage and current sensing devices in accordance with the mitigation plan.
22. On December 19, 2012, WCE certified it completed the mitigation plan for PRC-005-1 R2 to ReliabilityFirst. *See* Certification of Mitigation Plan Completion (attached as **Attachment F**). On March 20, 2013, ReliabilityFirst verified that WCE successfully completed the mitigating activities described in its mitigation plan. *See* Verification of Mitigation Plan Completion (attached as **Attachment G**).

B. PRC-001-1 R1 (RFC2012011353)

23. PRC-001-1 ensures that system protection is coordinated among operating entities.
24. A violation of PRC-001-1 R1 has the potential to affect the reliable operation of the Bulk Power system by allowing important Protection System devices to remain uncoordinated among operating entities which could cause damage to plant equipment and also affect an interconnected facility. PRC-001-1 R1 states:

R1. Each Transmission Operator, Balancing Authority, and [GOP] shall be familiar with the purpose and limitations of protection system schemes applied in its area.
25. ReliabilityFirst alleges that WCE violated PRC-001-1 R1 by failing to provide evidence of its operators' familiarity with the purpose and limitations of protection system schemes applied in its area.

Description of Alleged Violations and Risk Assessment

26. During the Compliance Audit, ReliabilityFirst identified a possible violation of PRC-001-1 R1. WCE provided a training presentation titled "System Protection Overview for Whiting Clean Energy," dated July 29, 2012. WCE provided no evidence of its operators' awareness of protection system schemes prior to July 29, 2012. Therefore, ReliabilityFirst identified a Possible Violation for the period prior to July 29, 2012. Furthermore, ReliabilityFirst analyzed this training presentation and determined that it provided a general overview of protection system schemes but lacked sufficient detail to demonstrate WCE operators' awareness of the application of protection system schemes in the WCE area. Therefore, ReliabilityFirst identified a Possible Violation for the period after July 29, 2012.
27. The duration of the alleged violation of PRC-001-1 R1 is from July 9, 2008, the date WCE was required to comply with PRC-001-1, to December 12, 2012, the date WCE completed actions to mitigate the possible violation.
28. ReliabilityFirst determined that the alleged violation posed a minimal risk to the Bulk Power System based on the following factors.⁶ WCE represents that training for staff was provided by GE using plant design criteria, reference manuals, and NERC documents on Protection System Devices. However, WCE could not locate the training records. The new leadership team, which WCE brought on in June 2012, provided PRC-001 training to site operators and instrumentation staff in July 2012, with additional training performed in October 2012.

⁶ PRC-001-1 R1 has a VRF of "High." ReliabilityFirst determined the alleged violation warranted a "Severe" VSI.

Mitigating Actions

29. On December 12, 2012, WCE submitted to ReliabilityFirst its mitigation plan to address the alleged violation of PRC-001-1 R1. *See* Mitigation Plan (attached as **Attachment H**). ReliabilityFirst accepted the mitigation plan on January 8, 2013 and on January 9, 2013 submitted it to NERC for approval.
30. In the mitigation plan, WCE memorialized the actions it took to address the alleged violation of PRC-001-1 R1. WCE conducted operator training, appointed a Compliance Coordinator, and provided additional PRC-001 training for operators and instrumentation staff. Finally, WCE issued a new procedure to ensure continued compliance with PRC-001.
31. On December 12, 2012, WCE certified it completed the mitigation plan for PRC-001-1 R1 to ReliabilityFirst. *See* Certification of Mitigation Plan Completion (attached as **Attachment I**). On March 1, 2013, ReliabilityFirst verified that WCE successfully completed the mitigating activities described in its mitigation plan. *See* Verification of Mitigation Plan Completion (attached as **Attachment J**).

C. CIP-001-1 R2 (RFC2012011350)

32. CIP-001-1 ensures that suspected or determined sabotage events are properly reported to the appropriate systems, governmental agencies, and regulatory bodies.
33. A violation of CIP-001-1 R2 has the potential to affect the reliable operation of the Bulk Power System by reducing a Registered Entity's ability to effectively respond to cyber threats. CIP-001-1 R2 states:

R2. Each Reliability Coordinator, Balancing Authority, Transmission Operator, [GOP], and Load Serving Entity shall have procedures for the communication of information concerning sabotage events to appropriate parties in the Interconnection.
34. ReliabilityFirst alleges that WCE violated CIP-001-1 R2 by failing to provide evidence that it developed adequate procedures for the communication of information concerning sabotage events to appropriate parties in the interconnection.

Description of Alleged Violations and Risk Assessment

35. During the Compliance Audit, ReliabilityFirst identified a Possible Violation of CIP-001-1 R2. ReliabilityFirst determined that there was insufficient evidence provided by WCE documenting its procedures for the communication of

information concerning sabotage events to appropriate parties in the Interconnection. Specifically, ReliabilityFirst determined that WCE's procedure required WCE to notify the BP Energy Desk, a power marketer serving as WCE's real-time desk, of sabotage events. That procedure, however, did not require the BP Energy Desk to notify WCE's Transmission Operator or Reliability Coordinator, both of whom are appropriate parties in the Interconnection.

36. The duration of the alleged violation of CIP-001-1 R2 is from July 9, 2008, the date WCE was required to comply with CIP-001-1, to January 10, 2013, the date WCE completed actions to mitigate the possible violation.
37. ReliabilityFirst determined that the alleged violation posed a minimal risk to the Bulk Power System based on the following factors.⁷ WCE had sabotage reporting procedures incorporated in its 2008 Facility Procedures Manual, which included notifications to its Transmission Operator, local police, FBI, and plant emergency responders. In the version of the WCE CIP-001 procedure in place at the time of the Compliance Audit, WCE would notify the BP Energy Desk in the event of sabotage. The BP Energy Desk would ask if WCE had notified its Reliability Coordinator, Balancing Authority, Transmission Operator and make the calls if WCE was unable to do so. WCE revised its procedure as part of the CIP-001 mitigation plan so that WCE would make the notifications to its Reliability Coordinator, Balancing Authority, Transmission Operator directly, but could still ask the BP Energy Desk for assistance if necessary. There were no attempted acts of sabotage to the WCE site during the alleged violation period.

Mitigating Actions

38. On December 13, 2012, WCE submitted to ReliabilityFirst its mitigation plan to address the alleged violation of CIP-001-1 R2. *See* Mitigation Plan (attached as **Attachment K**). ReliabilityFirst accepted the mitigation plan on December 28, 2012 and submitted it to NERC for approval.
39. In the mitigation plan, WCE memorialized the actions it took to address the alleged violation of CIP-001-1 R2. WCE updated its procedures to define responsibilities and notifications that must be made in the event of sabotage. WCE performed training for its staff on the updated sabotage reporting procedure and trained the BP Energy Desk operators on WCE's sabotage reporting procedure. In addition, WCE trained security supervisors on WCE's sabotage reporting procedure. Finally, WCE conducted a live drill including WCE, BP security, and BP Energy Desk staff, to ensure that all required notifications were made.
40. On January 10, 2013, WCE certified it completed the mitigation plan for CIP-001-1 R2 to ReliabilityFirst. *See* Certification of Mitigation Plan Completion

⁷ CIP-001-1 R2 has a VRF of "Medium." ReliabilityFirst determined the alleged violation warranted a "High" VSL.

(attached as **Attachment L**). On March 8, 2013, ReliabilityFirst verified that WCE successfully completed the mitigating activities described in its mitigation plan. See Verification of Mitigation Plan Completion (attached as **Attachment M**).

D. FAC-008-1 R1 and FAC-009-1 R1 (RFC2012011351 and RFC2012011352)

41. FAC-008-1 and FAC-009-1 ensure that Responsible Entities consider all applicable equipment, when developing Facility Ratings and develop Facility Ratings pursuant to an established methodology.
42. A violation of FAC-008-1 R1 has the potential to affect the reliable operation of the Bulk Power System by enabling Registered Entities to incorrectly or incompletely determine Facility Ratings. In pertinent part, FAC-008-1 R1 states:

R1. The Transmission Owner and [GO] 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:

R1.1. 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 BES 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.

* * * * *

R1.3. Consideration of the following:

R1.3.1. Ratings provided by equipment manufacturers.

R1.3.2. Design criteria (e.g., including applicable references to industry Rating practices such as manufacturer's warranty, IEEE, ANSI or other standards).

R1.3.3. Ambient conditions.

R1.3.4. Operating limitations.

R1.3.5. Other assumptions.

43. A violation of FAC-009-1 R1 has the potential to affect the reliable operation of the Bulk Power System by increasing the likelihood that a Responsible Entity will operate their equipment outside the necessary Facility Rating. FAC-009-1 R1 states:
- R1.** The Transmission Owner and [GO] shall each establish Facility Ratings for its solely and jointly owned Facilities that are consistent with the associated Facility Ratings Methodology.
44. ReliabilityFirst alleges that WCE violated FAC-008-1 R1 by failing to provide evidence of its method for determining ratings for protective relays devices.
45. ReliabilityFirst alleges that WCE violated FAC-009-1 R1 by failing to provide evidence that it has adequately established Facility Ratings that are consistent with the associated Facility Ratings.

Description of Alleged Violations and Risk Assessment

46. During the Compliance Audit, ReliabilityFirst identified Possible Violations of FAC-008-1 R1 and FAC-009-1 R1. Specifically, ReliabilityFirst determined that WCE did not have a method for determining ratings for protective relays devices. In addition, ReliabilityFirst identified unresolved discrepancies in WCE's facility ratings that were inconsistent with its Facility Ratings Methodology.
47. The duration of these alleged violations is from July 9, 2008, the date WCE was required to comply with FAC-008-1 and FAC-009-1, to December 12, 2012, the date WCE completed actions to mitigate the possible violations.
48. ReliabilityFirst determined that these alleged violations posed a minimal risk to the reliability of the Bulk Power System based on the following factors.⁸ WCE based the ratings of its transmission conductors and relay on their respective instruction manuals. Further, WCE included the ratings of disconnect switches in its one-line diagram. WCE conducted a facility rating study in June 2012 which demonstrated that the relays and voltage and current sensing devices were not the most limiting elements. Therefore, WCE did not have to change its Facility Ratings.

Mitigating Actions

49. On December 12, 2012, WCE submitted to ReliabilityFirst mitigation plans to address the alleged violations of FAC-008-1 R1 and FAC-009-1 R1. *See* Mitigation Plans (attached as **Attachments N** and **O**). ReliabilityFirst accepted

⁸ FAC-008-1 R1 has a VRF of "Lower." ReliabilityFirst determined the alleged violation warranted a "Moderate" VSL.

the mitigation plans on January 2, 2013 and on January 7, 2013 submitted them to NERC for approval.

50. In the mitigation plans, WCE memorialized the actions it took to address the alleged violations of FAC-008-1 R1 and FAC-009-1 R1. WCE conducted a Facility Rating Methodology Study and created and approved a new Facility Rating Methodology Procedure. WCE conducted training for the generator operator personnel.
51. On December 12, 2012, WCE certified it completed the mitigation plans for FAC-008-1 R1 and FAC-009-1 R1 to ReliabilityFirst. *See* Certifications of Mitigation Plan Completion (attached as **Attachments P and Q**). On March 1, 2013, ReliabilityFirst verified that WCE successfully completed the mitigating activities described in its mitigation plans. *See* Verifications of Mitigation Plan Completion (attached as **Attachments R and S**).

E. VAR-002-1.1b R2 (RFC2012011355)

52. VAR-002-1.1b ensures that generators provide reactive and voltage control necessary to ensure voltage levels, reactive flows, and reactive resources within applicable Facility Ratings in order to protect equipment and the reliable operation of the Interconnection.
53. A violation of VAR-002-1.1b R2 has the potential to affect the reliable operation of the Bulk Power System by allowing generator voltage or reactive power output at levels detrimental to the Bulk-Power System's voltage or reactive power level. VAR-002-1.1b R2 states:

R2. Unless exempted by the Transmission Operator, each [GOP] shall maintain the generator voltage or Reactive Power output (within applicable Facility Ratings as directed by the Transmission Operator).

R2.1. When a generator's automatic voltage regulator is out of service, the [GOP] shall use an alternative method to control the generator voltage and reactive output to meet the voltage or Reactive Power schedule directed by the Transmission Operator.

R2.2. When directed to modify voltage, the [GOP] shall comply or provide an explanation of why the schedule cannot be met.

54. ReliabilityFirst alleges that WCE violated VAR-002-1.1b R2 by failing to either maintain the generator voltage or Reactive Power output as directed by the

Transmission Operator or to obtain exemption.

Description of Alleged Violations and Risk Assessment

55. During the Compliance Audit, ReliabilityFirst identified a Possible Violation of VAR-002-1.1b R2. ReliabilityFirst determined that, on two occasions, WCE operated below the lower limit of its defined voltage schedule without an exemption from its Transmission Operator.
56. The duration of this alleged violation includes two occasions, one on May 29, 2012 and another on June 11, 2012, during which WCE first operated outside the defined voltage schedule. The duration of the occasions during which WCE operated outside its voltage schedule were approximately six and half hours and five hours, respectively.
57. ReliabilityFirst determined that the alleged violation posed a minimal risk to the Bulk Power System based on the following factors.⁹ WCE operated its units in Automatic Voltage Regulator mode, and thus automatically responds to fluctuations in system voltage. WCE operators were instructed to respond to any requests by WCE's Transmission Operator to change vars to support system voltage. On the two occasions ReliabilityFirst identified WCE operating outside its voltage schedule, WCE operators manually responded to requests to increase vars.

Mitigating Actions

58. On December 12, 2012, WCE submitted to ReliabilityFirst its mitigation plan to address the alleged violation of VAR-002-1.1b R2. *See* Mitigation Plan (attached as **Attachment T**). ReliabilityFirst accepted the mitigation plan on December 28, 2012 and submitted it to NERC for approval.
59. In the mitigation plan, WCE memorialized the actions it took to address the alleged violation of VAR-002-1.1b R2. WCE issued an operating instruction to ensure that its generator operators comply with an updated voltage schedule. WCE appointed a Compliance Coordinator and engaged a third-party consultant to provide input and guidance with respect to voltage control. WCE enhanced the operator display with audible and flashing alarms and began verbal status checks with its Transmission Operator at shift changes to verify that WCE is maintaining network voltage schedules. In addition, WCE issued a new procedure regarding voltage maintenance and conducted an associated lessons-learned session. Finally, WCE began conducting weekly reviews of network voltage schedules.

⁹ VAR-002-1.1b R2 has a VRF of "Medium." ReliabilityFirst determined that the alleged violation warranted a "Severe" VSI.

60. On December 12, 2012, WCE certified it completed the mitigation plan for VAR-002-1.1b R2 to ReliabilityFirst. *See* Certification of Mitigation Plan Completion (attached as **Attachment U**). On February 11, 2013, ReliabilityFirst verified that WCE successfully completed the mitigating activities described in its mitigation plan. *See* Verification of Mitigation Plan Completion (attached as **Attachment V**).

III. ADJUSTMENT FACTORS

66. In addition to the above paragraphs, which are incorporated herein by reference, ReliabilityFirst considered the following factors.
67. ReliabilityFirst considered WCE's performance during the Compliance Audit as an aggravating factor. Specifically, ReliabilityFirst determined that WCE did not have a comprehensive understanding of its responsibilities under the NERC Reliability Standards or of its own processes and procedures. Further, ReliabilityFirst determined that the lack of, and incomplete, documentation provided during the Compliance Audit and the alleged violations described in this Agreement demonstrated a programmatic failure of WCE's document management controls. ReliabilityFirst determined that, while individually the alleged violations described in this Agreement each posed a minimal risk to the reliability of the Bulk Power System, the cumulative impact of WCE's lack of understanding of the NERC Reliability Standards and its processes and procedures posed a moderate risk the reliability of Bulk Power System.
68. ReliabilityFirst considered certain aspects of WCE's compliance program as mitigating factors. ReliabilityFirst based this determination on corrective action WCE took prior to the start of the Compliance Audit and the timely response to evidence requests and availability of WCE staff during the Compliance Audit. ReliabilityFirst also favorably considered WCE's continued efforts to mitigate the alleged violations following the Compliance Audit and WCE's cooperation throughout the enforcement action.
69. ReliabilityFirst considered that the instant alleged violations relate predominately to documentation deficiencies arising during the transition period after WCE purchased the facility and before the current management team was in place as of mid-2012. ReliabilityFirst is encouraged by the actions WCE has taken since mid-2012 and views these actions as positive signs of WCE's commitment to address compliance issues, prevent recurrence, and improve the reliability of the Bulk Power System.
70. ReliabilityFirst applied partial mitigating credit for WCE's discovery of the alleged violation of PRC-005-1 R1 because WCE submitted the Self-Report during the weeks leading up to the Compliance Audit. Effective oversight of the reliability of the bulk power system depends on robust internal processes and controls that allow Registered Entities to effectively, comprehensively, and timely

detect reliability and vulnerability risks, timely and effectively correct those issues, and perform the appropriate self-reporting to ReliabilityFirst.

71. ReliabilityFirst considered whether the facts of these alleged violations constitute repetitive infractions by analyzing whether they evidenced any (a) repeated or continuing conduct similar to that underlying a prior violation of the same or a closely-related Reliability Standard Requirement; (b) conduct addressed in any previously submitted mitigation plan for a prior violation of the same or a closely-related Reliability Standard Requirement; or (c) multiple violations of the same Standard and Requirement. The alleged violations described in this Agreement are WCE's first violations of the Reliability Standards. As a result, ReliabilityFirst did not consider WCE's violation history as an aggravating factor.

IV. MONETARY AND NON-MONETARY SANCTIONS

72. Based upon the foregoing, WCE shall pay a monetary penalty of \$35,000 to ReliabilityFirst. Additionally, ReliabilityFirst shall impose the non-monetary sanction of conducting an unscheduled audit of WCE before the next six year scheduled audit cycle concludes.¹⁰ ReliabilityFirst shall include the Reliability Standards at issue in this Agreement within the scope of the unscheduled audit of WCE.¹¹ This will allow ReliabilityFirst to verify that the improvements made by WCE since mid-2012 have brought WCE into compliance and prevented recurrence. ReliabilityFirst considered the cost of the unscheduled audit to WCE in terms of time, resources, and risk of additional exposure when determining the appropriate monetary penalty amount.
73. ReliabilityFirst shall present an invoice to WCE within 20 days after the Agreement is approved by the Federal Energy Regulatory Commission (the "Commission") or affirmed by operation of law. Upon receipt, WCE shall have 30 days to remit payment. ReliabilityFirst will notify NERC if it does not timely receive the payment from WCE.
74. If WCE fails to timely remit the monetary penalty payment to ReliabilityFirst, interest will commence to accrue on the outstanding balance, pursuant to 18 C.F.R. § 35.19a (a)(2)(iii), on the earlier of (a) the 31st day after the date on the invoice issued by ReliabilityFirst to WCE for the monetary penalty payment or (b) the 51st day after the Agreement is approved by the Commission or operation of law.

¹⁰ ReliabilityFirst shall conduct the unscheduled compliance audit pursuant to section 3.1.3 of the NERC Compliance Monitoring and Enforcement Program ("CMEP"). ReliabilityFirst has determined the time frame during which it will conduct the unscheduled audit of WCE, and will provide notification to WCE in accordance with the CMEP.

¹¹ ReliabilityFirst shall not limit the scope of the unscheduled audit to include only those Reliability Standards at issue in this Agreement.

V. ADDITIONAL TERMS

75. ReliabilityFirst and WCE agree that this Agreement is in the best interest of Bulk Electric System reliability. The terms and conditions of the Agreement are consistent with the regulations and orders of the Commission and the NERC Rules of Procedure.
76. 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 settlements entered into for similar violations or under similar circumstances. Based on this review, NERC will either approve or reject this Agreement. If NERC rejects the Agreement, NERC will provide specific written reasons for such rejection and ReliabilityFirst will attempt to negotiate with WCE a revised settlement agreement that addresses NERC's concerns. If a settlement cannot be reached, the enforcement process shall continue to conclusion. If NERC approves the Agreement, NERC will (a) report the approved settlement to the Commission for review and approval by order or operation of law and (b) publicly post the Alleged Violations and the terms provided for in this Agreement.
77. This Agreement shall become effective upon the Commission's approval of the proposed resolution of the above Alleged Violations as set forth in this Agreement by order or operation of law or as modified in a manner acceptable to the parties. WCE agrees that this Agreement, upon its effective date, shall represent a final settlement of all matters set forth herein and binds WCE to perform the actions enumerated herein. WCE expressly waives its right to any hearing or appeal concerning any matter set forth herein, unless and only to the extent that WCE contends that any NERC or Commission action constitutes a material modification to this Agreement.
78. ReliabilityFirst reserves all rights to initiate enforcement actions against WCE in accordance with the NERC Rules of Procedure in the event that WCE fails to comply with any of the terms or conditions of this Agreement, including failure to timely complete Mitigation Plans or other remedies of this Agreement. In the event WCE fails to comply with any of the terms or conditions of this Agreement, ReliabilityFirst may initiate an action or actions against WCE to the maximum extent allowed by the NERC Rules of Procedure, including, but not limited to, the imposition of the maximum statutorily allowed monetary penalty. WCE will retain all rights to defend against such action or actions in accordance with the NERC Rules of Procedure.
79. WCE consents to ReliabilityFirst's future use of this Agreement for the purpose of assessing the factors within the NERC Sanction Guidelines and applicable Commission orders and policy statements, including, but not limited to, the factor evaluating WCE's history of violations. Such use may be in any enforcement action or compliance proceeding undertaken by NERC or any Regional Entity or both, provided however that WCE does not consent to the use of the conclusions,

determinations, and findings set forth in this Agreement as the sole basis for any other action or proceeding brought by NERC or any Regional Entity or both, nor does WCE consent to the use of this Agreement by any other party in any other action or proceeding.

80. WCE affirms that all of the matters set forth in this Agreement are true and correct to the best of its knowledge, information, and belief, and that it understands that ReliabilityFirst enters into this Agreement in express reliance on the representations contained herein, as well as any other representations or information provided by WCE to ReliabilityFirst during any WCE interaction with ReliabilityFirst relating to the subject matter of this Agreement.
81. Upon execution of this Agreement, ReliabilityFirst and WCE stipulate that ReliabilityFirst will be deemed to have determined that each Possible Violation addressed herein constitutes an Alleged Violation. ReliabilityFirst and WCE further stipulate that all required, applicable information listed in Section 5.3 of the CMEP is included within this Agreement.
82. Each of the undersigned agreeing to and accepting this Agreement warrants that he or she is an authorized representative of the entity designated below, is authorized to bind such entity, and accepts the Agreement on the entity's behalf.
83. The undersigned agreeing to and accepting this Agreement warrant that they enter into this 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 WCE has been made to induce the signatories or any other party to enter into this Agreement.
84. The Agreement may be signed in counterparts.
85. This Agreement is executed in duplicate, each of which so executed shall be deemed to be an original.

[SIGNATURE PAGE TO FOLLOW]

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ENDORSED BY:



Nicole D. Schaefer
Managing Enforcement Attorney
ReliabilityFirst Corporation

9/20/13
Date

AGREED TO AND ACCEPTED BY:

Whiting Clean Energy, Inc.:



Erika Harding
General Manager
Whiting Clean Energy, Inc.

10-2-13
Date

ReliabilityFirst Corporation:



Timothy R. Gallagher
President & Chief Executive Officer
ReliabilityFirst Corporation

9/26/13
Date

Attachment b

Record documents for the violation of PRC-005-1 R1

- 1. WCE's Self-Report for PRC-005-1 R1 dated July 5, 2012;**
 - 2. WCE's Mitigation Plan designated as RFCMIT007965 for PRC-005-1 R1 submitted August 31, 2012;**
 - 3. WCE's Certification of Mitigation Plan Completion for PRC-005-1 R1 submitted October 31, 2012;**
 - 4. ReliabilityFirst's Verification of Mitigation Plan Completion for PRC-005-1 R1 dated January 24, 2013.**
-

Self Report - 2012

Entity Name: Whiting Clean Energy, Inc.

NERC ID: NCR00417

Address: 2155 Standard Ave.
Whiting IN 46394

Standard Requirement: PRC-005-1 R1

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:

Date of Alleged Violation: January 01, 2010

Date Submitted: July 05, 2012

Self Report Status: Self Report has been submitted

Description and Cause: As part of the pre-audit preparation, on June 26, 2012 Whiting Clean Energy (WCE) engaged Burns & McDonnell, a consulting firm for NERC Reliability Standard compliance and Electric Power Systems, to provide input and guidance with respect to, among other things, WCE's compliance status with the PRC-005-1.1b standard.

The information and materials reviewed by Burns & McDonnell were insufficient to confirm compliance with PRC-005-1.1b within the defined intervals, specifically a Protection System maintenance and testing program for Protection Systems that affect the reliability of the BES that includes:

- i) Maintenance and testing intervals and their basis and
- ii) Summary of maintenance and testing procedures.

WCE took over the operation of the plant from GE in December 2009. Subsequently, WCE continued to rely on GE to administer WCE's protection system maintenance and testing program for protection systems, conduct maintenance and testing in accordance with NERC's Protection System Maintenance: A Technical Reference, September 13, 2007. WCE began to administer our own program on June 25, 2012, when the full-time maintenance and engineering manager commenced in his position.

Consequently, for the specified time period, WCE did not use an oversight approach to our program. Instead of a documented program, WCE wrote contracts to cover our protection system within the time cycle recommended by NERC and manufacturer's recommendations.

WCE keeps track of the maintenance and testing that have been completed by GE and GE's subcontractor(s).

WCE has verified that the work has been completed in accordance with the maintenance and testing procedures detailed in the statements of work.

Potential Impact to the Bulk Power System: Low

Self Report - 2012

Additional Comments		
From	Comment	User Name
Entity	<p>WCE has appointed a new full-time Maintenance and Engineering Manager to administer the protection system maintenance and testing program as of June 26, 2012.</p> <p>A lessons-learned session was conducted on June 27, 2012, twenty-four (24) hours after the potential violation was reported to the General Manager.</p> <p>WCE has engaged Burns & McDonnell to provide the new leadership team detailed training of NERC Reliability Standard Compliance and the factors of an effective compliance program on June 28, 2012.</p> <p>Personnel have been assigned to compile a robust protection system maintenance and testing program as soon as practical with specific maintenance and testing intervals and their basis, and a summary of maintenance and testing procedures.</p> <p>On June 27, 2012, a statement of work was issued to Electric Power Systems for a quotation for the upcoming maintenance and testing work for September 2012 during the Unit 2 outage. An outage maintenance request was submitted to MISO, the Balancing Authority on June 27, 2012 for the proposed maintenance and testing.</p> <p>WCE's current management team is committed to diligent adherence to an effective compliance program and culture going forward.</p>	Brian Odelson

Mitigation Plan

Registered Entity: Whiting Clean Energy, Inc.

Mit Plan Code	NERC Violation ID	Requirement	Violation Validated On	Mit Plan Version
RFCMIT007965	RFC2012010746	PRC-005-1 R1	null	1

Mitigation Plan Submitted On: August 31, 2012

Mitigation Plan Accepted On:

Mitigation Plan Proposed Completion Date: October 31, 2012

Actual Completion Date of Mitigation Plan:

Mitigation Plan Certified Complete by WCE On:

Mitigation Plan Completion Verified by RFC On:

Mitigation Plan Completed? (Yes/No): No

Section A: Compliance Notices

Section 6.2 of the NERC CMEP sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:

- (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section B.
 - (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
 - (3) The cause of the Alleged or Confirmed Violation(s).
 - (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
 - (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed violation(s).
 - (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
 - (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
 - (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined or recommended to the applicable governmental authorities 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.
 - (11) This submittal form may be used to provide a required Mitigation Plan for review and approval by regional entity(ies) and NERC.
- The Mitigation Plan shall be submitted to the regional entity(ies) and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
 - This Mitigation Plan form may be used to address one or more related alleged or confirmed violations of one Reliability Standard. A separate mitigation plan is required to address alleged or confirmed violations with respect to each additional Reliability Standard, as applicable.
 - If the Mitigation Plan is accepted by regional entity(ies) and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission or filed with the applicable governmental authorities for approval in Canada.
 - Regional Entity(ies) or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
 - Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.
 - The user has read and accepts the conditions set forth in these Compliance Notices.

Section B: Registered Entity Information

B.1 Identify your organization:

Entity Name: Whiting Clean Energy, Inc.

NERC Compliance Registry ID: NCR00417

Address: 2155 Standard Ave.
Whiting IN 46394

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

Name: Brian Odelson

Title: Commercial Manager

Email: brian.odelson@bp.com

Phone: 219-473-0653

Section C: Identification of Reliability Standard Violation(s) Associated with this Mitigation Plan

C.1 This Mitigation Plan is associated with the following violation(s) of the reliability standard listed below:

Violation ID	Date of Violation	Requirement
Requirement Description		
RFC2012010746	01/01/2010	PRC-005-1 R1
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:		

C.2 Brief summary including the cause of the violation(s) and mechanism in which it was identified above:

Whiting failed to implement, maintain and document a Protection System maintenance and testing program for Protection Systems that affect the reliability of the BES as required.

C.3 Provide any relevant information regarding the identification of the violation(s) associated with this Mitigation Plan:

As part of the pre-audit preparation, on June 26, 2012 Whiting Clean Energy (WCE) engaged Burns & McDonnell, a consulting firm for NERC Reliability Standard compliance and Electric Power Systems, to provide input and guidance with respect to, among other things, WCE's compliance status with the PRC-005-1.1b standard.

The information and materials reviewed by Burns & McDonnell were insufficient to confirm compliance with PRC-005-1.1b within the defined intervals, specifically a Protection System maintenance and testing program for Protection Systems that affect the reliability of the BES that includes:

- i) Maintenance and testing intervals and their basis and
- ii) Summary of maintenance and testing procedures.

WCE took over ownership of the plant in July 2008 and registered as a GO and GOP with NERC on July 9, 2008 and then took over the operation of the plant from GE in December 2009. Subsequently, WCE continued to rely on GE to administer a protection system maintenance and testing program for protection systems, conduct maintenance and testing in accordance with NERC's Protection System Maintenance: A Technical Reference, September 13, 2007. WCE began to administer our own program on June 25, 2012, when the full-time maintenance and engineering manager commenced in his position.

Consequently, for the specified time period, WCE did not use an oversight approach to our program. Instead of a documented program, WCE wrote contracts to cover our protection system within the time cycle recommended by NERC and manufacturers' recommendations.

WCE keeps track of the maintenance and testing that have been completed by GE and GE's subcontractor(s). WCE has verified that the work has been completed in accordance with the maintenance and testing procedures detailed in the statements of work.

Section D: Details of Proposed Mitigation Plan

- D.1 Identify and describe the action plan, including specific tasks and actions that your organization is proposing to undertake, or which it undertook if this Mitigation Plan has been completed, to correct the violation(s) identified above in Section C.1 of this form:

¶,§ WCE implemented a comprehensive compliance program on June 25, 2012:

PURPOSE

To foster a culture that promotes reliable operation of Whiting Clean Energy (WCE), (NERC Compliance Registry ID #: NCR00417 for the registered functions of GO and GOP)â€™s electric power system and compliance with all applicable FERC, NERC, Regional Entities (including MRO), or other reliability agency regulations, reporting requirements, and reliability standards.

To provide an overarching policy framework for more detailed and specific departmental reliability compliance programs, practices, and procedures.

RESPONSIBILITY

Corey Correnti, Senior Vice President of Sales, Supply and Marketing, and Erika Harding, General Manager, Whiting Clean Energy, shall have overall responsibility to see that the objectives of Whiting Clean Energy are met in full compliance with reliability standards and shall appoint the members of the WCE Management Oversight Committee.

A WCE Management Oversight Committee composed of General Manager, Commercial Manager, Operations Manager, Maintenance and Engineering Manager, and HSSE Manager shall have general oversight responsibilities to ensure that program practices and procedures result in: a.) Prevention of violations; b.) Prompt detection of any violations; c.) Prompt cessation of any violation causing activities; d.) Self reporting of any violations to appropriate agency; and e.) Effective remediation of any violation causing activities.

The General Manager has the responsibility to see that appropriate first line supervisors have adequate resources, training, understanding, and support to carry out departmental reliability compliance programs, practices, and procedures.

Appropriate first line supervisors will ensure that all employees and contractors have the necessary training, equipment, and understanding to accomplish their work in a manner consistent with all applicable Reliability Standards.

Compliance with Reliability Standards is the responsibility of all Whiting Clean Energy personnel.

Compliance with Reliability Standards is a guiding principle for Whiting Clean Energy, Inc. employees, business plans, practices and decisions. Whiting Clean Energy, Inc.â€™s culture of safe, compliant, and reliable operations embodies the corporate values.

1. Reliability compliance activities, procedures, and policies are open, available, and transparent to the maximum possible extent.
2. Reliability compliance activities, procedures, and policies are executed and applied coherently and uniformly throughout Whiting Clean Energy.
3. Reliability compliance activities, procedures, and policies are regularly reviewed by reliability compliance staff and modified, amended, revised, and disseminated, and posted on the reliability compliance department SharePoint page, to assure continuous compliance with all applicable regulations and facilitate improvement in the program.
4. Management encourages employees to identify and recommend improvements to practices and procedures that will improve reliability and/or compliance.
5. Management encourages identification and reporting of regulatory compliance and reliability concerns or questions, and promotes employee trust and confidence that issues identified by and questions from employees are welcome and promptly evaluated and addressed.
6. Management provides a process for compliance and reliability issue identification and resolution.

7. Management assumes responsibility for identified and documented reliability issues and is accountable for resolution.
8. The Performance Manager is responsible for ensuring that appropriate actions consistent with policies are taken and that materials to document compliance are accurate and complete.
9. Training on reliability standards is mandatory for appropriate Whiting Clean Energy, Inc. employees and provided on no less than an annual basis and as required by major changes in standards, policies or procedures.
10. Departments are responsible for ensuring that data retention policy is strictly followed; auditable compliance evidence is tracked and archived. Document control of procedural documents includes three levels of accountability: subject matter experts/preparers; reviewers; and approvers.
11. Whiting Clean Energy subject matter experts are actively engaged in regional and national level of industry activities to promote reliability and coordination among users and owners of the bulk power system.

Reporting Identified Opportunities or Concerns

12. All personnel are encouraged to discuss opportunities and strategies for improving reliability and/or compliance with their immediate supervisors.
13. All personnel shall report any violations, potential violations, or identified compliance and reliability issues promptly without delay, and in a clear and accurate manner.
14. Personnel shall report regulatory compliance and reliability concerns at any time to any of the following: immediate supervisor/manager; and supervisors/managers outside of their normal chain of command, if deemed necessary.

¶,§ WCE has appointed a new full-time Maintenance and Engineering Manager to administer the protection system maintenance and testing program as of June 25, 2012.

¶,§ A lessons-learned session was conducted on June 27, 2012, twenty-four (24) hours after the potential violation was reported to the General Manager.

¶,§ WCE has engaged Burns & McDonnell to provide the new leadership team detailed training of NERC Reliability Standard Compliance and the factors of an effective compliance program on June 28, 2012.

¶,§ Personnel have been assigned to compile a robust protection system maintenance and testing program as soon as practical with specific maintenance and testing intervals and their basis, and a summary of maintenance and testing procedures. On June 29, 2012, the WCE-NERC-PRC-005-1b-PD-1, protection system maintenance and testing program procedure was approved and enforced.

¶,§ On June 27, 2012, a statement of work was issued to Electric Power Systems for a quotation for the upcoming maintenance and testing work for September 2012 during the Unit 2 outage. An outage maintenance request was submitted to MISO, the Balancing Authority and NIPSCO, the TOP, on June 27, 2012 for the proposed maintenance and testing and has been approved.

¶,§ On August 8, 2012, Maintenance and Engineering personnel and the Compliance Oversight Team, as appropriate, participated in a detailed training on the WCE-NERC-PRC-005-1b-PD-1, protection system maintenance and testing program procedure and enforcement.

¶,§ Based on the input gathered from the training session, WCE revised the WCE-NERC-PRC-005-1b-PD-1, protection system maintenance and testing program procedure with more detailed information. Revision 1 was released and enforced as of August 10, 2012 with document control and detailed change history.

Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the violations associated with this Mitigation Plan are corrected:

Proposed Completion date of Mitigation Plan: October 31, 2012

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

Milestone Activity	Description	*Proposed Completion Date (Shall not be greater than 3 months apart)	Actual Completion Date
June 25, 2012 - October 31, 2012	See attached pdf file.	10/31/2012	

D.4 Additional Relevant Information (Optional)

Section E: Interim and Future Reliability Risk

E.1 Abatement of Interim BPS Reliability Risk

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

WCE believes the risk and impact to the Bulk Power System (BPS) is low because WCE keeps track of the maintenance and testing that have been completed by GE and GE's subcontractor(s). WCE has verified that the work has been completed in accordance with the maintenance and testing procedures detailed in the statements of work.

The Compliance Officer shall conduct quarterly random spot checks using the NERC Reliability Compliance Review Checklist with the standard owner; the oversight committee will conduct annual review prior to WCE's self-certification.

E.2 Prevention of Future BPS Reliability Risk

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

WCE believes it has taken the steps necessary to ensure that the organization learns from this experience through training and ongoing dialog and enforcement oversight. WCE's current management team is committed to diligent adherence to an effective compliance program and culture going forward:

1. Management provides a process for compliance and reliability issue identification and resolution.
2. Management assumes responsibility for identified and documented reliability issues and is accountable for resolution.
3. The Performance Manager is responsible for ensuring that appropriate actions consistent with policies are taken and that materials to document compliance are accurate and complete.
4. All personnel are encouraged to discuss opportunities and strategies for improving reliability and/or compliance with their immediate supervisors.
5. All personnel shall report any violations, potential violations, or identified compliance and reliability issues promptly without delay, and in a clear and accurate manner.
6. Personnel shall report regulatory compliance and reliability concerns at any time to any of the following: immediate supervisor/manager; and supervisors/managers outside of their normal chain of command, and BP's Compliance Hotline via "OpenTalk", if and as appropriate.

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

Section F: Authorization

An authorized individual must sign and date the signature page. By doing so, this individual, on behalf of your organization:

- (a) Submits the Mitigation Plan, as laid out in Section D, to the Regional Entity for acceptance and approval by NERC, and
- (b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- (c) Acknowledges:
 1. I am General Manager of Whiting Clean Energy, Inc.
 2. I am qualified to sign this Mitigation Plan on behalf of Whiting Clean Energy, Inc.
 3. I have read and understand Whiting Clean Energy, Inc.'s obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure and the NERC CMEP currently in effect or the NERC CMEP-Province of Manitoba, Schedule B currently in effect, whichever is applicable.
 4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
 5. Whiting Clean Energy, Inc. Agrees to be bound by, and comply with, this Mitigation Plan, including the timetable completion date, as accepted by the Regional Entity, NERC, and if required, the applicable governmental authorities in Canada.

Authorized Individual Signature: _____
(Electronic signature was received by the Regional Office via CDMS. For Electronic Signature Policy see CMEP.)

Authorized Individual

Name: Erika A. Harding

Title: General Manager

Authorized On: August 31, 2012

Certification of Mitigation Plan Completion

Submittal of a Certification of Mitigation Plan Completion shall include data or information sufficient for the Regional Entity to verify completion of the Mitigation Plan. The Regional Entity 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)

Registered Entity Name: Whiting Clean Energy, Inc.

NERC Registry ID: NCR00417

NERC Violation ID(s): RFC2012010746

Mitigated Standard Requirement(s): PRC-005-1 R1,

Scheduled Completion as per Accepted Mitigation Plan: October 31, 2012

Date Mitigation Plan completed: October 31, 2012

RFC Notified of Completion on Date: October 31, 2012

Entity Comment: On October 30, 2012, WCE has fully implemented the Mitigation Plan to assure WCE has returned to full compliance. Evidence of all key milestone activities is attached to this certified form.

Additional Documents			
From	Document Name	Description	Size in Bytes
Entity	WCE_RFC2012010746_Mitigation_Plan20120831.pdf		4,877,639
Entity	WCE_RFC2012010746_Mitigation_Plan_Completion_Submittal_Approved20121031.pdf		4,945,243

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

Name: Erika A. Harding

Title: General Manager

Email: erika.harding@bp.com

Phone: 1 (219) 473-0653

Authorized Signature _____ Date _____

(Electronic signature was received by the Regional Office via CDMS. For Electronic Signature Policy see CMEP.)



<i>In re:</i> WHITING CLEAN ENERGY, INC.	)	Docket No. RFC2012010746
)	
)	
NERC Registry ID No. NCR00417	)	NERC Reliability Standard:
	)	PRC-005-1, Requirement 1

**VERIFICATION OF MITIGATION PLAN COMPLETION
FOR
RFCMIT007965**

I. RELEVANT BACKGROUND

On July 5, 2012, Whiting Clean Energy, Inc. (“WCE”) submitted a self report to ReliabilityFirst Corporation (“ReliabilityFirst”) of non-compliance with Reliability Standard PRC-005-1, R1, stating that for a period of time, WCE did not have a documented Protection System maintenance and testing program that included maintenance and testing intervals and their bases and a summary of maintenance and testing procedures.

On August 31, 2012, WCE submitted a proposed mitigation plan to ReliabilityFirst stating WCE would complete all mitigating actions on October 31, 2012. On September 25, 2012, ReliabilityFirst accepted this mitigation plan, designated RFCMIT007965, and on October 15, 2012, the North American Electric Reliability Corporation (“NERC”) approved it.

II. MITIGATION PLAN COMPLETION REVIEW PROCESS

On October 31, 2012, WCE certified that it completed the mitigation plan for PRC-005-1, R1 as of October 31, 2012. ReliabilityFirst requested and received evidence of completion for the actions WCE took as specified in the mitigation plan. ReliabilityFirst performed an in-depth review of the information provided to verify that WCE successfully completed all actions specified in the mitigation plan.

A. Evidence Reviewed per Standard and Requirement.

<u>Evidence Reviewed</u>		<u>Applicable Standard and Requirement</u>
1.	WCE_RFC2012010746_Mitigation_Plan_Completion_Submittal_Approved20121031.pdf	PRC-005-1, R1

B. Verification of Mitigation Plan Completion.

PRC-005-1, R1 states:

R1. 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.

R1.2. Summary of maintenance and testing procedures.

Milestone 1: Maintenance and Engineering Manager Appointment

Page 24 of the evidence file is a letter from the WCE general manager appointing responsibility of NERC Reliability Compliance Officer to the WCE Commercial Manager.

This evidence demonstrates successful completion of Milestone 1.

Milestone 2: Lessons-learned session conducted

Pages 25 and 26 of the evidence file contain the lessons learned discussion with third-party consultants.

This evidence demonstrates successful completion of Milestone 2.

Milestone 3: Engaged third-party consultant to review WCE Compliance Program and provided training to the Compliance Oversight Team

Pages 27 through 63 of the evidence file contain the presentation from third-party consultants given to WCE staff concerning NERC’s reliability compliance program and how to prepare for RFC’s upcoming audit. Page 64 is the attendance record from the training.

This evidence demonstrates successful completion of Milestone 3.

Milestone 4: Developed and approved WCE-NERC-PRC-005-1b PD-1, protection system maintenance and testing program procedure

Pages 93 through 115 of the evidence file is Version 0 of WCE-NERC-PRC-005-1b PD-1, protection system maintenance and testing program procedure.

This evidence demonstrates successful completion of Milestone 4.

Milestone 5: Issued Statement of Work to third-party for line-to-line testing during Unit 2 outage

Pages 140 and 141 of the evidence file are the statement of work to a third-party to perform the testing during the Unit 2 outage.

This evidence demonstrates successful completion of Milestone 5.

Milestone 6: Provided Maintenance and Engineering personnel and the Compliance Oversight Team detailed training of the WCE-NERC-PRC-005-1b PD-1

Page 65 through 88 of the evidence file is the training presentation prepared by a third-party consultant for relevant staff.

This evidence demonstrates successful completion of Milestone 6.

Milestone 7: Issued Revision 1 of WCE-NERC-PRC-005-1b-PD-1

Pages 116 through 139 of the evidence file are Revision 1 of WCE-NERC-PRC-005-1b-PD-1.

This evidence demonstrates successful completion of Milestone 7.

Milestone 8: Completion of review of the final reports from third-party for the end-to-end line relay testing

Pages 142 through 143 of the evidence file are a review of the final report from the third-party stating that there are no outstanding issues.

This evidence demonstrates successful completion of Milestone 8.

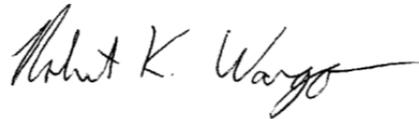
III. CONCLUSION

Reliability*First* reviewed the evidence WCE submitted in support of its Certification of Mitigation Plan Completion. Reliability*First* determined this evidence demonstrates WCE

successfully completed the mitigating activities in mitigation plan RFCMIT007965 associated with PRC-005-1, R1.

Reliability*First* verifies that WCE completed the mitigation plan associated with the possible violation of the Reliability Standard in accordance with its terms and conditions.

Approved:

A handwritten signature in black ink that reads "Robert K. Wargo". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Robert K. Wargo
Director of Analytics & Enforcement
Reliability*First* Corporation

Date: January 24, 2013

Attachment c

Record documents for the violation of PRC-005-1 R2

- 1. Reliability *First's* Possible Violation Identification Form for PRC-005-1 R2 dated September 13, 2012;**
 - 2. WCE's Mitigation Plan designated as RFCMIT008535 for PRC-005-1 R2 submitted December 13, 2012;**
 - 3. WCE's Certification of Mitigation Plan Completion for PRC-005-1 R2 submitted December 19, 2012;**
 - 4. Reliability *First's* Verification of Mitigation Plan Completion for PRC-005-1 R2 dated March 20, 2013.**
-



Possible Violation (PV) / Find, Fix, and Track (“FFT”) Identification Form

INSTRUCTIONS

1. In the “Violation Reported By” field, specify name of the reporting auditor. For audits/spot-checks, this would be the Audit Team Lead (ATL). For all other compliance monitoring processes, it would be the selected reporting auditor.
2. In the “Submittal Date” field, enter the date this PV/FFT will be submitted to Enforcement.
3. If this possible violation is a “Candidate for FFT treatment,” check the “YES” box. Otherwise, check the “NO” box.
4. Enter the “Registered Entity’s” name and the associated “NERC Registry ID#” (NCR number) as they appear on the [NERC Compliance Registry](#) or the available audit records (e.g. pre-audit survey).
5. Choose the appropriate “Compliance Monitoring Process.”
6. In “Standard, Version and Requirement,” list all versions of the standard in violation based on the period of the violation. List requirement(s) and the specific sub-requirement(s), if applicable, since each PV summary is to include a rollout of all violated sub-requirements under a single PV.
For example: CIP-004-1, 2, 3 R4 (R4.1, R4.2).
7. Enter the “Registered Function(s) in Violation.” Include only those functions to which the violation is applicable. For example, if an entity is registered as GO and GOP and is in violation of FAC-009-1 R1 (applicable to only GO and TO), then only list “GO.”
8. Enter the date the PV was discovered by ReliabilityFirst. For example, this may be the date of the exit briefing of an audit.
9. To the best of the auditor’s ability, determine the beginning date of the violation (or the first date of the audit period if the violation began before the audit period) and select that date from the “Date for Determination of Penalty/Sanction” date field.
 - a. Note: For CIP, depending on the registered functions, different C-Compliance dates apply based on the CIP Ver. 1 Implementation Plan. If the violation was in effect for the entire audit review period going back to the C-Compliance date, specify the date and function per the following:
 - i. For TOP/BA functions, the C-Compliance date is 7/1/2009.
 - ii. For GO/GOP/LSE/TO functions, the C-Compliance date is 1/1/2010.
 - b. If the entity was previously audited or spot-checked after its C-Compliance date, specify the date after the Exit Briefing of that audit or spot-check.
10. For FFT Candidates:
 - a. Specify the “End Date of the Possible Violation,” typically the date the violation was mitigated. If not mitigated, list “Not Mitigated.”
 - b. Skip Instruction 11 below.
 - c. Complete Instructions 12 – 17 below.
 - d. Complete the “FFT Candidates ONLY” section at the bottom of the form.
11. For non-FFT candidates:
 - a. Obtain the most recent VRF Matrix from www.nerc.com -> Standards -> Reliability Standards -> VRF Matrix (Left Menu). If the PV addresses a single requirement, select the appropriate VRF level from the pull-down menu in this form. If the PV addresses a requirement and sub-requirement(s), list out the appropriate VRF for each requirement/sub-requirement.
 - b. Obtain the most recent VSL Matrix from www.nerc.com -> Standards -> Reliability Standards -> VSL Matrix (Left Menu). If the PV addresses a single requirement, select the appropriate VSL level from the pull-down menu in this form. If the PV addresses a



- requirement and sub-requirement(s), list out the appropriate VSL for each requirement/sub-requirement.
- c. Choose a Potential Impact from the pull-down list (Example definitions are italicized):
 - i. Minimal: *This violation is document related, or poses only a small risk to the BES.*
 - ii. Moderate: *This violation puts the BES at risk, but is not a serious, imminent threat.*
 - iii. Severe: *This violation constitutes a serious, imminent threat to the BES.*
 - d. Under "Provide Explanation for Selection," explain the choice of Potential Impact above.
 - e. Complete the Instructions 12-17 below.
12. Enter a brief summary of the "Basis for the PV," for each requirement/sub-requirement, as applicable.
 - a. For example, consider what was not met in the requirement or what was lacking in the evidence. Mention any additional information, as applicable or relevant (i.e., self report, OEA, etc.)
 13. Under "Evidence," list only the evidence documents reviewed to substantiate the PV.
 14. Under "Facts," discuss how the entity is in violation and how each of the evidence documents demonstrates this.
 15. Save this revised template as a pattern for each of the PVs/FFT Candidates identified for this entity and perform the steps outlined above.
 16. Before finalizing the PV/FFT Candidate and circulating for Management review, remove these instructions and the Template's revision history.
 17. Once approved by the Manager, save a copy with the Manager's approval note on the P Drive in the folder entitled "13 – PV Summary Report" within the applicable entity folder and send to Enforcement.

Note: Enter "X" in the appropriate YES, NO boxes in the following pages.



Possible Violation (PV) / Find, Fix, and Track (“FFT”) Identification Form

This document is to be completed upon identification of a possible violation, typically within 5 business days of the audit exit brief, and emailed to Veronica Miller (Paralegal) with a copy to: Ray Palmieri (Sr. Vice President), Gary Campbell (Manager, Ops & Planning Audits) or Tony Purgar (Manager, CIP Audits) or Jim Uhrin (Manager, Compliance Services and Investigations) and Mike Austin (Managing Enforcement Attorney).

For non-FFT candidates: Upon receipt of this document, Enforcement will coordinate with the reporting auditor and Enforcement to initiate the Enforcement processing of this possible violation.

Violation Reported By: [Audit Team Member](#)

Submittal Date: 9/13/12

Candidate for FFT Treatment: YES NO

Registered Entity: Whiting Clean Energy, Inc

NERC Registry ID#: NCR00417

Compliance Monitoring Process: Compliance Audits

Standard, Version and Requirement in Violation: PRC-005-1 R2, sub-requirements R2.1 and R2.1

Registered Function(s) in Violation: GO

Initial PV Date (Actual Date Discovered by ReliabilityFirst): 9/13/12

Date for Determination of Penalty/Sanction (Beginning Date of Violation): 7/9/2008

End Date of Possible Violation: When corrected

For Non-FFT Candidate ONLY

Violation Risk Factor: VRF - High

Violation Severity Level: Moderate VSL

Potential Impact to Bulk Electrical System (BES): Severe

Provide Explanation for Selection:

Whiting Clean Energy, Inc. purchased the power plant from NIPSCO on 7/7/2008 and registered as a GO/GOP with ReliabilityFirst on 7/9/2008. Whiting Clean Energy did not have maintenance and testing program until June 2012.

When the GO does not have a program and does not perform the necessary maintenance and testing, the reliability of the BES is at risk due to the possibility of malfunctions of the devices. Malfunctions



can include bad wiring, misplaced wiring, missed calibration, loose connections, etc. The Relay Protective devices must function as designed, and a proactive preventive way to ensure the proper functioning of the devices is by performing maintenance and testing.

For Non-FFT and FFT Candidates

Basis for the PV:

Facts and Evidence pertaining to the PV:

R2. 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:

- EPS Apr-2009_Relay Test Report.pdf
- EPS Apr-2010_Relay Test Report.pdf
- EPS Apr-2012_Relay Test Report.pdf
- NCR00417 Attachment C - Whiting Clean Energy Data Sample Request

Facts:

The audit team reviewed *EPS Apr-2009_Relay Test Report.pdf*, *EPS Apr-2010_Relay Test Report.pdf* and *EPS Apr-2012_Relay Test Report.pdf* for the requested Protective relays defined in *NCR00417 Attachment C - Whiting Clean Energy Data Sample Request*. The audit team could not determine the interval for the equipment tested since there was no maintenance and testing program before June 2012. The audit team reviewed the last test date for each Protection System device. The audit team could not determine the last test (no records provided to audit team) for 4 of the 9 requested Protective relays, 1EY-ALS-LFCB102-51, 136-SEL-321-51, 1EY-SEL-387-51, and 1EY-SEL-387-23. The audit team received no maintenance and testing records for voltage and current sensing devices for the 9 requested Protective relays.

For FFT Candidates ONLY

1. Why did this possible violation pose a minimal risk:

[Click here to enter text.](#)

2. Has Registered Entity mitigated this possible violation: YES NO

a. If yes, describe mitigating actions and state the date that Registered Entity completed the mitigating actions:



[Click here to enter text.](#)

3. Please answer the following questions to determine whether this possible violation constitutes a “clear on its face” FFT candidate or a “close call.” If the answer to any of the following questions is yes, this possible violation will be treated as a “close call.” Otherwise, this possible violation will be treated as a “clear on its face” FFT candidate.

A. Is there any disagreement amongst the audit team on whether the PV is a “clear on its face” or “close call” candidate: YES NO

a. If yes, explain why:

[Click here to enter text.](#)

B. Does this possible violation reveal a serious shortcoming in registered entity’s reliability-related processes (e.g. a systematic compliance program failure):

YES NO

a. If yes, explain why:

[Click here to enter text.](#)

C. Are there any additional facts the audit team needs to know in order to comfortably designate this possible violation for FFT treatment: YES NO

a. If yes, state those facts:

[Click here to enter text.](#)

4. Did audit team inform registered entity that this possible violation qualifies for FFT treatment? YES NO

a. If so, on what date? [Enter Date.](#)

Mitigation Plan

Registered Entity: Whiting Clean Energy, Inc.

Mit Plan Code	NERC Violation ID	Requirement	Violation Validated On	Mit Plan Version
	RFC2012011354	PRC-005-1 R2	null	1

Mitigation Plan Submitted On: December 13, 2012

Mitigation Plan Accepted On:

Mitigation Plan Proposed Completion Date: December 31, 2012

Actual Completion Date of Mitigation Plan:

Mitigation Plan Certified Complete by WCE On:

Mitigation Plan Completion Verified by RFC On:

Mitigation Plan Completed? (Yes/No): No

Section A: Compliance Notices

Section 6.2 of the NERC CMEP sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:

- (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section B.
 - (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
 - (3) The cause of the Alleged or Confirmed Violation(s).
 - (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
 - (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed violation(s).
 - (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
 - (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
 - (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined or recommended to the applicable governmental authorities 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.
 - (11) This submittal form may be used to provide a required Mitigation Plan for review and approval by regional entity(ies) and NERC.
- The Mitigation Plan shall be submitted to the regional entity(ies) and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
 - This Mitigation Plan form may be used to address one or more related alleged or confirmed violations of one Reliability Standard. A separate mitigation plan is required to address alleged or confirmed violations with respect to each additional Reliability Standard, as applicable.
 - If the Mitigation Plan is accepted by regional entity(ies) and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission or filed with the applicable governmental authorities for approval in Canada.
 - Regional Entity(ies) or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
 - Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.
 - The user has read and accepts the conditions set forth in these Compliance Notices.

Section B: Registered Entity Information

B.1 Identify your organization:

Entity Name: Whiting Clean Energy, Inc.

NERC Compliance Registry ID: NCR00417

Address: 2155 Standard Ave.
Whiting IN 46394

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

Name: Brian Odelson

Title: Commercial Manager

Email: brian.odelson@bp.com

Phone: 219-473-0653

Section C: Identification of Reliability Standard Violation(s) Associated with this Mitigation Plan

C.1 This Mitigation Plan is associated with the following violation(s) of the reliability standard listed below:

Violation ID	Date of Violation	Requirement
Requirement Description		
RFC2012011354	07/09/2008	PRC-005-1 R2
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 30calendar days). The documentation of the program implementation shall include:		

C.2 Brief summary including the cause of the violation(s) and mechanism in which it was identified above:

R2.1 The audit team determined that no maintenance and testing interval could be established for the generation Protection Systems, since Whiting Clean Energy did not have a maintenance and testing program until June 29, 2012.

R2.2 The audit team was unable to locate evidence of a last test date for voltage and current sensing devices, and the following protective relays - based on the data sample selection:

1EY-SEL-387-51

1EY-SEL-387-23

C.3 Provide any relevant information regarding the identification of the violation(s) associated with this Mitigation Plan:

As part of the pre-audit preparation, on June 26, 2012 Whiting Clean Energy (WCE) engaged Burns & McDonnell, a consulting firm for NERC Reliability Standard compliance and Electric Power Systems, to provide input and guidance with respect to, among other things, WCE's compliance status with the PRC-005-1.1b standard.

The information and materials reviewed by Burns & McDonnell were insufficient to confirm compliance with PRC-005-1.1b within the defined intervals, specifically a Protection System maintenance and testing program for Protection Systems that affect the reliability of the BES that includes:

- i) Maintenance and testing intervals and their basis and
- ii) Summary of maintenance and testing procedures.

WCE took over ownership of the plant in July 2008 and registered as a GO and GOP with NERC on July 9, 2008 and then took over the operation of the plant from GE in December 2009. Subsequently, WCE continued to rely on GE to administer a protection system maintenance and testing program for protection systems, conduct maintenance and testing in accordance with NERC's Protection System Maintenance: A Technical Reference, September 13, 2007. WCE began to administer our own program on June 25, 2012, when the full-time maintenance and engineering manager commenced in his position.

Consequently, for the specified time period, WCE did not use an oversight approach to our program. Instead of a documented program, WCE wrote contracts to cover our protection system within the time cycle recommended by NERC in the 2007 Technical Reference and manufacturers' recommendations.

WCE keeps track of the maintenance and testing that have been completed by GE and GE's subcontractor(s). WCE has verified that the work has been completed in accordance with the maintenance and testing procedures detailed in the statements of work.

As indicated in WCE's Self-report for R1, dated July 5, 2012, WCE's contractor followed the conduct maintenance and testing in accordance with NERC's Protection System Maintenance: A Technical Reference, September 13, 2007.

On Thursday June 28, 2012, WCE called RFC to discuss the self-report of R1. The RFC representative, Glenn Kaht, recommended WCE put in the self-report that WCE's maintenance intervals adhered to

NERC's Technical Reference, therefore, WCE only self-reported on R1 but not R2.

In accordance with the NERC's Protection System Maintenance: A Technical Reference, September 13, 2007, Table 1, the maximum allowed verification interval of partial monitored Voltage and Current Sensing devices and associated communication systems is seven (7) years, therefore, 1EY-SEL-387-51 and 1EY-SEL-387-23 were tested during the September 2012 outage, as scheduled.

Section D: Details of Proposed Mitigation Plan

- D.1 Identify and describe the action plan, including specific tasks and actions that your organization is proposing to undertake, or which it undertook if this Mitigation Plan has been completed, to correct the violation(s) identified above in Section C.1 of this form:
- WCE submitted a mitigation plan on August 31, 2012 to address the self-reported violation of PRC-005-1.1b R2.1. The mitigation plan was accepted by RFC on September 25, 2012 and WCE submitted a certificate of completion on October 31, 2012.
 - WCE has appointed a new full-time Maintenance and Engineering Manager to administer the protection system maintenance and testing program as of June 25, 2012.
 - A lessons-learned session was conducted on June 27, 2012, twenty-four (24) hours after the potential violation was reported to the General Manager.
 - WCE has engaged Burns & McDonnell to provide the new leadership team detailed training of NERC Reliability Standard Compliance and the factors of an effective compliance program on June 28, 2012.
 - Personnel have been assigned to compile a robust protection system maintenance and testing program as soon as practical with specific maintenance and testing intervals and their basis, and a summary of maintenance and testing procedures. On June 29, 2012, the WCE-NERC-PRC-005-1b-PD-1, protection system maintenance and testing program procedure was approved and enforced.
 - On June 27, 2012, a statement of work was issued to Electric Power Systems for a quotation for the upcoming maintenance and testing work for September 2012 during the Unit 2 outage. EPS provided a quote on July 2, 2012. An outage maintenance request was submitted to MISO, the Balancing Authority and NIPSCO, the TOP, on June 27, 2012 for the proposed maintenance and testing and was approved.
 - On August 9, 2012, maintenance and instrumentation personnel and the Compliance Oversight Team, as appropriate, participated in a detailed training on the WCE-NERC-PRC-005-1b-PD-1, protection system maintenance and testing program procedure and enforcement.
 - Based on the input gathered from the training session, WCE revised the WCE-NERC-PRC-005-1b-PD-1, protection system maintenance and testing program procedure with more detailed information. Revision 1 was released and enforced as of August 10, 2012 with document control and detailed change history.
 - WCE has appointed a new full-time Compliance Coordinator to assist the Compliance Officer to administer the NERC Compliance Program and assist subject matter experts with compliance evidence as of September 4, 2012.
 - The 1EY-SEL-387-51 and 1EY-SEL-387-23 relays and some voltage and current sensing devices were tested, during the September 10-15, 2012 outage. Functional and end-to-end testing on NIPSCO line relays were also completed during this outage.
 - WCE provided a summary of the test results to NIPSCO on October 30, 2012 indicating that WCE did not identify any problems. NIPSCO acknowledged the email on November 15, 2012.
 - On November 28, 2012, WCE submitted outage requests to MISO for the Spring 2013 outages. The generator voltage and current sensing devices will be tested during these outages. MISO approved the outage requests on November 29, 2012.

- On December 5, 2012, WCE issued a request to EPS to provide a quote to conduct testing of the generator voltage and current sensing devices during the 2013 spring outage. We expect to receive a quote from EPS by December 31, 2012.

- WCE implemented documentation control for all NERC compliance programs and procedures in a shared drive. Access privileges are restricted to those who have the "need-to-know". Each program and procedure is consisted of a document control template which specifies three levels of accountability, issue date, revision history, and the next review date.

D.2 Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the violations associated with this Mitigation Plan are corrected:

Proposed Completion date of Mitigation Plan: December 31, 2012

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

Milestone Activity	Description	*Proposed Completion Date (Shall not be greater than 3 months apart)	Actual Completion Date
Appoint Maintenance and Engineering Manager	Appoint a full-time Maintenance and Engineering Manager for the WCE site.	06/25/2012	06/25/2012
Request quote for Fall 2012 testing	Issued Statement of Work to third-party for line-to-line testing during Unit 2 outage	06/27/2012	06/27/2012
Conduct lessons learned session	Lessons-learned session conducted on maintenance and testing program.	06/27/2012	06/27/2012
Conduct compliance oversight training	Engaged third-party consultant to review WCE Compliance Program and provided training to the Oversight Committee	06/28/2012	06/28/2012
Develop and approve WCE PRC-005 procedure	Developed and approved WCE-NERC-PRC-005-1b PD-1, protection system maintenance and testing program procedure	06/29/2012	06/29/2012
Train WCE staff on PRC-005	Provided Maintenance and Engineering personnel and the Compliance Oversight Team detailed training of the WCE PRC-005 procedure.	08/09/2012	08/09/2012
Update WCE PRC-005 procedure	Update the WCE PRC-005 procedure.	08/10/2012	08/10/2012
Appoint compliance coordinator	Appoint full-time Compliance Coordinator to assist the Compliance Officer in maintaining and enforcing compliance at the WCE site.	09/04/2012	09/04/2012
Complete relay and voltage and current sensing device testing	Completion of relay and voltage and current sensing devices testing (including the 1EY-SEL-387-51 and 1EY-SEL-387-23 relays and the NIPSCO line relays)	09/15/2012	09/15/2012

Milestone Activity	Description	*Proposed Completion Date (Shall not be greater than 3 months apart)	Actual Completion Date
Review test results	Completion of review of the final reports from EPS for all relays and voltage and current sensing devices tested during the September 10-15, 2012 outage	10/29/2012	10/29/2012
Provide test results to NIPSCO	Provided a summary of the end-to-end testing results to NIPSCO indicating no issues for follow-up	10/30/2012	10/30/2012
Schedule spring 2013 testing	Submit outage request to MISO for Spring 2013 outages during which the voltage and current sensing devices will be tested.	11/28/2012	11/28/2012
Request quote for spring 2013 testing	Request quote from EPS to conduct voltage and current sensing device testing during the Spring 2013 outage.	12/05/2012	12/05/2012
Receive quote for spring 2013 testing	Receive quote from EPS to conduct voltage and current sensing device testing during the Spring 2013 outage.	12/31/2012	

D.4 Additional Relevant Information (Optional)

WCE implemented a comprehensive compliance program on June 25, 2012:

PURPOSE

To foster a culture that promotes reliable operation of Whiting Clean Energy (WCE), (NERC Compliance Registry ID #: NCR00417 for the registered functions of GO and GOP)â€™s electric power system and compliance with all applicable FERC, NERC, Regional Entities (including MRO), or other reliability agency regulations, reporting requirements, and reliability standards.

To provide an overarching policy framework for more detailed and specific departmental reliability compliance programs, practices, and procedures.

RESPONSIBILITY

Corey Correnti, Senior Vice President of Sales, Supply and Marketing, and Erika Harding, General Manager, Whiting Clean Energy, shall have overall responsibility to see that the objectives of Whiting Clean Energy are met in full compliance with reliability standards and shall appoint the members of the WCE Management Oversight Committee.

A WCE Management Oversight Committee composed of General Manager, Commercial Manager, Operations Manager, Maintenance and Engineering Manager, and HSSE Manager shall have general oversight responsibilities to ensure that program practices and procedures result in: a.) Prevention of violations; b.) Prompt detection of any violations; c.) Prompt cessation of any violation causing activities; d.) Self reporting of any violations to appropriate agency; and e.) Effective remediation of any violation causing activities.

The General Manager has the responsibility to see that appropriate first line supervisors have adequate resources, training, understanding, and support to carry out departmental reliability compliance programs, practices, and procedures.

Appropriate first line supervisors will ensure that all employees and contractors have the necessary training, equipment, and understanding to accomplish their work in a manner consistent with all applicable Reliability Standards.

Compliance with Reliability Standards is the responsibility of all Whiting Clean Energy personnel.

Compliance with Reliability Standards is a guiding principle for Whiting Clean Energy, Inc. employees, business plans, practices and decisions. Whiting Clean Energy, Inc.'s culture of safe, compliant, and reliable operations embodies the corporate values.

1. Reliability compliance activities, procedures, and policies are open, available, and transparent to the maximum possible extent.
2. Reliability compliance activities, procedures, and policies are executed and applied coherently and uniformly throughout Whiting Clean Energy.
3. Reliability compliance activities, procedures, and policies are regularly reviewed by reliability compliance staff and modified, amended, revised, and disseminated, and posted on the reliability compliance department SharePoint page, to assure continuous compliance with all applicable regulations and facilitate improvement in the program.
4. Management encourages employees to identify and recommend improvements to practices and procedures that will improve reliability and/or compliance.
5. Management encourages identification and reporting of regulatory compliance and reliability concerns or questions, and promotes employee trust and confidence that issues identified by and questions from employees are welcome and promptly evaluated and addressed.
6. Management provides a process for compliance and reliability issue identification and resolution.
7. Management assumes responsibility for identified and documented reliability issues and is accountable for resolution.
8. The Compliance Officer is responsible for ensuring that appropriate actions consistent with policies are taken and that materials to document compliance are accurate and complete.
9. Training on reliability standards is mandatory for appropriate Whiting Clean Energy, Inc. employees and provided on no less than an annual basis and as required by major changes in standards, policies or procedures.
10. Departments are responsible for ensuring that data retention policy is strictly followed; auditable compliance evidence is tracked and archived. Document control of procedural documents includes three levels of accountability: subject matter experts/preparers; reviewers; and approvers.
11. Whiting Clean Energy subject matter experts are actively engaged in regional and national level of industry activities to promote reliability and coordination among users and owners of the bulk power system.

Reporting Identified Opportunities or Concerns

12. All personnel are encouraged to discuss opportunities and strategies for improving reliability and/or compliance with their immediate supervisors.
13. All personnel shall report any violations, potential violations, or identified compliance and reliability issues promptly without delay, and in a clear and accurate manner.
14. Personnel shall report regulatory compliance and reliability concerns at any time to any of the following: immediate supervisor/manager; and supervisors/managers outside of their normal chain of command, if deemed necessary.

Section E: Interim and Future Reliability Risk

E.1 Abatement of Interim BPS Reliability Risk

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

WCE believes the risk and impact to the Bulk Power System (BPS) is low because in accordance with the NERC's Protection System Maintenance: A Technical Reference, September 13, 2007, Table 1, the maximum allowed verification interval of partial monitored Voltage and Current Sensing devices and associated communication systems is seven (7) years, therefore, 1EY-SEL-387-51 and 1EY-SEL-387-23 were tested during the September 2012 outage, as scheduled.

The Compliance Officer conducts random spot checks using the NERC Reliability Compliance Review Checklist with the standard owner; the oversight committee will conduct annual review prior to WCE's self-certification.

E.2 Prevention of Future BPS Reliability Risk

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

WCE believes it has taken the steps necessary to ensure that the organization learns from this experience through training and ongoing dialog and enforcement oversight. WCE's current management team is committed to diligent adherence to an effective compliance program and culture going forward:

1. Management provides a process for compliance and reliability issue identification and resolution.
2. Management assumes responsibility for identified and documented reliability issues and is accountable for resolution.
3. The Compliance Manager is responsible for ensuring that appropriate actions consistent with policies are taken and that materials to document compliance are accurate and complete.
4. All personnel are encouraged to discuss opportunities and strategies for improving reliability and/or compliance with their immediate supervisors.
5. All personnel shall report any violations, potential violations, or identified compliance and reliability issues promptly without delay, and in a clear and accurate manner.
6. Personnel shall report regulatory compliance and reliability concerns at any time to any of the following: immediate supervisor/manager; and supervisors/managers outside of their normal chain of command, and BP's Compliance Hotline via "OpenTalk", if and as appropriate.

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

Section F: Authorization

An authorized individual must sign and date the signature page. By doing so, this individual, on behalf of your organization:

(a) Submits the Mitigation Plan, as laid out in Section D, to the Regional Entity for acceptance and approval by NERC, and

(b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and

(c) Acknowledges:

1. I am General Manager of Whiting Clean Energy, Inc.
2. I am qualified to sign this Mitigation Plan on behalf of Whiting Clean Energy, Inc.
3. I have read and understand Whiting Clean Energy, Inc.'s obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure and the NERC CMEP currently in effect or the NERC CMEP-Province of Manitoba, Schedule B currently in effect, whichever is applicable.
4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
5. Whiting Clean Energy, Inc. Agrees to be bound by, and comply with, this Mitigation Plan, including the timetable completion date, as accepted by the Regional Entity, NERC, and if required, the applicable governmental authorities in Canada.

Authorized Individual Signature: _____
(Electronic signature was received by the Regional Office via CDMS. For Electronic Signature Policy see CMEP.)

Authorized Individual

Name: Erika Harding

Title: General Manager

Authorized On: December 13, 2012

Certification of Mitigation Plan Completion

Submittal of a Certification of Mitigation Plan Completion shall include data or information sufficient for the Regional Entity to verify completion of the Mitigation Plan. The Regional Entity 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)

Registered Entity Name: Whiting Clean Energy, Inc.

NERC Registry ID: NCR00417

NERC Violation ID(s): RFC2012011354

Mitigated Standard Requirement(s): PRC-005-1 R2,

Scheduled Completion as per Accepted Mitigation Plan: December 31, 2012

Date Mitigation Plan completed: December 19, 2012

RFC Notified of Completion on Date: December 19, 2012

Entity Comment: This proposed mitigation plan is fully implemented as of December 19, 2012. All actions outlined in this plan to return WCE to compliance with PRC-005 have been completed.

Additional Documents			
From	Document Name	Description	Size in Bytes
Entity	WCE-NERC-PRC-005-1b_Mitigation_Plan20121213.pdf		222,179
Entity	WCE-NERC-PRC-005-1b_Mitigation_Plan_Completion-20121219.pdf		14,592,479

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

Name: Erika Harding

Title: General Manager

Email: erika.harding@bp.com

Phone: 1 (219) 473-0653

Authorized Signature _____ Date _____

(Electronic signature was received by the Regional Office via CDMS. For Electronic Signature Policy see CMEP.)



<i>In re:</i> WHITING CLEAN ENERGY, INC.	)	Docket No. RFC2012011354
)	
NERC Registry ID No. NCR00417	)	NERC Reliability Standard:
	)	PRC-005-1, Requirement 2

**VERIFICATION OF MITIGATION PLAN COMPLETION
FOR
RFCMIT008535**

I. RELEVANT BACKGROUND

From September 10, 2012 to September 13, 2012 ReliabilityFirst Corporation (“ReliabilityFirst”) conducted a compliance audit of Whiting Clean Energy, Inc. (“WCE”) during which ReliabilityFirst identified a possible violation of Reliability Standard PRC-005-1, R2. WCE did not have a defined protective system maintenance and testing program in place until June 2012. As a result, WCE was unable to provide evidence that all WCE protection system devices were tested and maintained within defined intervals. In addition, WCE was unable to provide the date certain protection system devices were last tested and maintained.

On December 13, 2012, WCE submitted a proposed mitigation plan to ReliabilityFirst stating WCE had completed all mitigating actions on December 31, 2012. On December 28, 2012, ReliabilityFirst accepted this mitigation plan, designated RFCMIT008535, and on January 15, 2013, the North American Electric Reliability Corporation (“NERC”) approved it.

II. MITIGATION PLAN COMPLETION REVIEW PROCESS

On December 19, 2012, WCE certified that it completed the mitigation plan for PRC-005-1, R2 as of December 19, 2012. ReliabilityFirst requested and received evidence of completion for the actions WCE took as specified in the mitigation plan. ReliabilityFirst performed an in-depth review of the information provided to verify that WCE successfully completed all actions specified in the mitigation plan.

A. Evidence Reviewed per Standard and Requirement.

<u>Evidence Reviewed</u>		<u>Applicable Standard and Requirement</u>
1.	WCE-NERC-PRC-005-1b_Mitigation_Plan_Completion-20121219.pdf	PRC-005-1, R2
2.	WCE-NERC-PRC-005 1b_Mitigation_Plan_Completion_Supplemental-20130213.pdf	

B. Verification of Mitigation Plan Completion.

PRC-005-1, R2 states:

R2. 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.

Milestone 1: Appoint Maintenance and Engineering Manager

Exhibit 3 of File No. 1 is an email sent to the new Maintenance and Engineering Manager, with a start date of June 25, 2012.

This evidence demonstrates successful completion of Milestone 1.

Milestone 2: Request quote for fall 2012 testing

Exhibit 6 of File No. 1 is a quote from Electric Power Systems (“EPS”) to perform testing for WCE in the fall of 2012. The testing scope includes relays function testing, end-to-end testing for communication with NIPSCO relays, CT & PT testing, and trip coil verification.

This evidence demonstrates successful completion of Milestone 2.

Milestone 3: Conduct lessons learned session

Exhibit 4 of File No. 1 is the summary notes from the lessons learned session. WCE determined that they did not have sufficient oversight of the maintenance and testing program from the time they bought the facility from GE until WCE started its own program on June 25, 2012.

This evidence demonstrates successful completion of Milestone 3.

Milestone 4: Conduct compliance oversight training

File No. 2 is the attendance record from the compliance oversight training performed on June 28, 2012.

This evidence demonstrates successful completion of Milestone 4.

Milestone 5: Develop and approve WCE PRC-005 procedure

Exhibit 5 of File No. 1 is Revision 0 of WCE's PRC-005 Procedure.

This evidence demonstrates successful completion of Milestone 5.

Milestone 6: Train WCE staff on PRC-005 procedure

Exhibit 7 of File No. 1 is the slides WCE used in the staff PRC-005 procedure training. Exhibit 8 is the attendance records from this training.

This evidence demonstrates successful completion of Milestone 6.

Milestone 7: Update WCE PRC-005 procedure

Exhibit 9 of File No. 1 is Revision 1 of WCE's PRC-005 Procedure. The changes WCE made include adding the definition of the Bulk Electric System, adding details on performing CT tests, and adding reporting procedures. The revisions were minor and do not necessitate retraining the individuals from milestone 6.

This evidence demonstrates successful completion of Milestone 7.

Milestone 8: Appoint compliance coordinator

Exhibit 10 of File No. 1 is an email sent to the new Compliance Coordinator, informing him of his start date of September 4, 2012.

This evidence demonstrates successful completion of Milestone 8.

Milestone 9: Complete relay and voltage and current sensing device testing

Exhibit 11 of File No. 1 is the report from EPS on their relay and voltage and current sensing device testing.

This evidence demonstrates successful completion of Milestone 9.

Milestone 10: Review test results

Exhibit 12 of File No. 1 is an email WCE sent to NIPSCO, informing them of the results of EPS's completed testing. In the email, a WCE plant engineer says that she reviewed the results and found no outstanding issues to follow-up.

This evidence demonstrates successful completion of Milestone 10.

Milestone 11: Provide test results to NIPSCO

Exhibit 12 of File No. 1 is an email WCE sent to NIPSCO, informing them of the results of EPS's completed testing. In the email, a WCE plant engineer says that she reviewed the results and found no outstanding issues to follow-up.

This evidence demonstrates successful completion of Milestone 11.

Milestone 12: Schedule spring 2013 testing

Exhibit 13 of File No. 1 is an outage request WCE sent to MISO requesting outages on three units for maintenance and testing in the spring of 2013. MISO approved all requests.

This evidence demonstrates successful completion of Milestone 12.

Milestone 13: Request quote for spring 2013 testing

Exhibit 14 of File No. 1 is an email sent from a WCE plant engineer to EPS, requesting a quote for performing maintenance and testing work in the spring of 2013.

This evidence demonstrates successful completion of Milestone 13.

Milestone 14: Receive quote for spring 2013 testing

Exhibit 6 of File No. 1 is a quote from EPS to perform testing for WCE in the spring of 2013.

This evidence demonstrates successful completion of Milestone 14.

III. CONCLUSION

Reliability*First* reviewed the evidence WCE submitted in support of its Certification of Mitigation Plan Completion. Reliability*First* determined this evidence demonstrates WCE successfully completed the mitigating activities in mitigation plan RFCMIT008535 associated with PRC-005-1, R2.

Reliability*First* verifies that WCE completed the mitigation plan associated with the possible violation of the Reliability Standard in accordance with its terms and conditions.

Approved:

A handwritten signature in black ink, appearing to read "Carl J. Dister". The signature is written in a cursive style with a large initial "C".

Carl J. Dister
Senior Risk & Analytics Engineer
ReliabilityFirst Corporation

Date: March 20, 2013

Attachment d

Record documents for the violation of PRC-001-1 R1

- 1. Reliability *First's* Possible Violation Identification Form for PRC-001-1 R1 dated September 13, 2012;**
 - 2. WCE's Mitigation Plan designated as RFCMIT008529 for PRC-001-1 R1 submitted December 12, 2012;**
 - 3. WCE's Certification of Mitigation Plan Completion for PRC-001-1 R1 submitted December 12, 2012;**
 - 4. Reliability *First's* Verification of Mitigation Plan Completion for PRC-001-1 R1 dated March 1, 2013.**
-



Possible Violation (PV) / Find, Fix, and Track (“FFT”) Identification Form

INSTRUCTIONS

1. In the “Violation Reported By” field, specify name of the reporting auditor. For audits/spot-checks, this would be the Audit Team Lead (ATL). For all other compliance monitoring processes, it would be the selected reporting auditor.
2. In the “Submittal Date” field, enter the date this PV/FFT will be submitted to Enforcement.
3. If this possible violation is a “Candidate for FFT treatment,” check the “YES” box. Otherwise, check the “NO” box.
4. Enter the “Registered Entity’s” name and the associated “NERC Registry ID#” (NCR number) as they appear on the [NERC Compliance Registry](#) or the available audit records (e.g. pre-audit survey).
5. Choose the appropriate “Compliance Monitoring Process.”
6. In “Standard, Version and Requirement,” list all versions of the standard in violation based on the period of the violation. List requirement(s) and the specific sub-requirement(s), if applicable, since each PV summary is to include a rollout of all violated sub-requirements under a single PV.
For example: CIP-004-1, 2, 3 R4 (R4.1, R4.2).
7. Enter the “Registered Function(s) in Violation.” Include only those functions to which the violation is applicable. For example, if an entity is registered as GO and GOP and is in violation of FAC-009-1 R1 (applicable to only GO and TO), then only list “GO.”
8. Enter the date the PV was discovered by ReliabilityFirst. For example, this may be the date of the exit briefing of an audit.
9. To the best of the auditor’s ability, determine the beginning date of the violation (or the first date of the audit period if the violation began before the audit period) and select that date from the “Date for Determination of Penalty/Sanction” date field.
 - a. Note: For CIP, depending on the registered functions, different C-Compliance dates apply based on the CIP Ver. 1 Implementation Plan. If the violation was in effect for the entire audit review period going back to the C-Compliance date, specify the date and function per the following:
 - i. For TOP/BA functions, the C-Compliance date is 7/1/2009.
 - ii. For GO/GOP/LSE/TO functions, the C-Compliance date is 1/1/2010.
 - b. If the entity was previously audited or spot-checked after its C-Compliance date, specify the date after the Exit Briefing of that audit or spot-check.
10. For FFT Candidates:
 - a. Specify the “End Date of the Possible Violation,” typically the date the violation was mitigated. If not mitigated, list “Not Mitigated.”
 - b. Skip Instruction 11 below.
 - c. Complete Instructions 12 – 17 below.
 - d. Complete the “FFT Candidates ONLY” section at the bottom of the form.
11. For non-FFT candidates:
 - a. Obtain the most recent VRF Matrix from www.nerc.com -> Standards -> Reliability Standards -> VRF Matrix (Left Menu). If the PV addresses a single requirement, select the appropriate VRF level from the pull-down menu in this form. If the PV addresses a requirement and sub-requirement(s), list out the appropriate VRF for each requirement/sub-requirement.
 - b. Obtain the most recent VSL Matrix from www.nerc.com -> Standards -> Reliability Standards -> VSL Matrix (Left Menu). If the PV addresses a single requirement, select the appropriate VSL level from the pull-down menu in this form. If the PV addresses a



- requirement and sub-requirement(s), list out the appropriate VSL for each requirement/sub-requirement.
- c. Choose a Potential Impact from the pull-down list (Example definitions are italicized):
 - i. Minimal: *This violation is document related, or poses only a small risk to the BES.*
 - ii. Moderate: *This violation puts the BES at risk, but is not a serious, imminent threat.*
 - iii. Severe: *This violation constitutes a serious, imminent threat to the BES.*
 - d. Under "Provide Explanation for Selection," explain the choice of Potential Impact above.
 - e. Complete the Instructions 12-17 below.
12. Enter a brief summary of the "Basis for the PV," for each requirement/sub-requirement, as applicable.
 - a. For example, consider what was not met in the requirement or what was lacking in the evidence. Mention any additional information, as applicable or relevant (i.e., self report, OEA, etc.)
 13. Under "Evidence," list only the evidence documents reviewed to substantiate the PV.
 14. Under "Facts," discuss how the entity is in violation and how each of the evidence documents demonstrates this.
 15. Save this revised template as a pattern for each of the PVs/FFT Candidates identified for this entity and perform the steps outlined above.
 16. Before finalizing the PV/FFT Candidate and circulating for Management review, remove these instructions and the Template's revision history.
 17. Once approved by the Manager, save a copy with the Manager's approval note on the P Drive in the folder entitled "13 – PV Summary Report" within the applicable entity folder and send to Enforcement.

Note: Enter "X" in the appropriate YES, NO boxes in the following pages.



Possible Violation (PV) / Find, Fix, and Track (“FFT”) Identification Form

This document is to be completed upon identification of a possible violation, typically within 5 business days of the audit exit brief, and emailed to Veronica Miller (Paralegal) with a copy to: Ray Palmieri (Sr. Vice President), Gary Campbell (Manager, Ops & Planning Audits) or Tony Purgar (Manager, CIP Audits) or Jim Uhrin (Manager, Compliance Services and Investigations) and Mike Austin (Managing Enforcement Attorney).

For non-FFT candidates: Upon receipt of this document, Enforcement will coordinate with the reporting auditor and Enforcement to initiate the Enforcement processing of this possible violation.

Violation Reported By: [Audit Team Member](#)

Submittal Date: 9/13/12

Candidate for FFT Treatment: YES NO

Registered Entity: Whiting Clean Energy, Inc.

NERC Registry ID#: NCR00417

Compliance Monitoring Process: Compliance Audits

Standard, Version and Requirement in Violation: PRC-001-1, R1

Registered Function(s) in Violation: GOP

Initial PV Date (Actual Date Discovered by ReliabilityFirst): 9/13/12

Date for Determination of Penalty/Sanction (Beginning Date of Violation): 7/9/2008

End Date of Possible Violation: When corrected

For Non-FFT Candidate ONLY

Violation Risk Factor: VRF - High

Violation Severity Level: Severe VSL

Potential Impact to Bulk Electrical System (BES): Severe

Provide Explanation for Selection:

The GOP not being familiar with the purpose of protection system schemes applied in its area, including protection systems at the plant can cause an event to occur on the BES. Events caused by operator interaction can not only cause damage to the plant equipment but can also affect the interconnected facility.

For Non-FFT and FFT Candidates



Basis for the PV:

R1. Each Transmission Operator, Balancing Authority, and Generator Operator shall be familiar with the purpose and limitations of protection system schemes applied in its area.

Facts and Evidence pertaining to the PV:

Evidence:

- WCE_NERC PRC-001 Control Room Operator Training20120730, dated July 30, 2012

Facts:

Whiting Clean Energy provided *WCE_NERC PRC-001 Control Room Operator Training20120730*. The audit team reviewed the training slides and found that the slides were not specific to the plant and relevant to the protection schemes in the Whiting Clean Energy Area. Slides 6 and 8 are generic slides showing two terminals of a time-step distance relay. The audit team requested evidence of a program in place prior to July 30, 2012 (which was 2 days before the 40 day submittal was due to ReliabilityFirst). No previous program was provided to the audit team. The current version of the training was created on 7/29/12, which is after the 90-day notification (6/12/21012). Although the audit team reviewed the training, it was not used to assess compliance. Due to the insufficient nature of the current training program and lack of evidence of any prior training the audit team determined that the evidence was insufficient to meet the requirement of the standard for the audit period.

For FFT Candidates ONLY

1. Why did this possible violation pose a minimal risk:

[Click here to enter text.](#)

2. Has Registered Entity mitigated this possible violation: YES NO

- a. If yes, describe mitigating actions and state the date that Registered Entity completed the mitigating actions:

[Click here to enter text.](#)

3. Please answer the following questions to determine whether this possible violation constitutes a “clear on its face” FFT candidate or a “close call.” If the answer to any of the following questions is yes, this possible violation will be treated as a “close call.” Otherwise, this possible violation will be treated as a “clear on its face” FFT candidate.

A. Is there any disagreement amongst the audit team on whether the PV is a “clear on its face” or “close call” candidate: YES NO

- a. If yes, explain why:

[Click here to enter text.](#)

B. Does this possible violation reveal a serious shortcoming in registered entity’s reliability-related processes (e.g. a systematic compliance program failure):



YES

NO

a. If yes, explain why:

[Click here to enter text.](#)

C. Are there any additional facts the audit team needs to know in order to comfortably designate this possible violation for FFT treatment: YES NO

a. If yes, state those facts:

[Click here to enter text.](#)

4. Did audit team inform registered entity that this possible violation qualifies for FFT treatment? YES NO

a. If so, on what date? [Enter Date.](#)

Mitigation Plan

Registered Entity: Whiting Clean Energy, Inc.

Mit Plan Code	NERC Violation ID	Requirement	Violation Validated On	Mit Plan Version
	RFC2012011353	PRC-001-1 R1	null	1

Mitigation Plan Submitted On: December 12, 2012

Mitigation Plan Accepted On:

Mitigation Plan Proposed Completion Date: December 12, 2012

Actual Completion Date of Mitigation Plan:

Mitigation Plan Certified Complete by WCE On: December 12, 2012

Mitigation Plan Completion Verified by RFC On:

Mitigation Plan Completed? (Yes/No): No

Section A: Compliance Notices

Section 6.2 of the NERC CMEP sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:

- (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section B.
 - (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
 - (3) The cause of the Alleged or Confirmed Violation(s).
 - (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
 - (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed violation(s).
 - (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
 - (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
 - (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined or recommended to the applicable governmental authorities 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.
 - (11) This submittal form may be used to provide a required Mitigation Plan for review and approval by regional entity(ies) and NERC.
- The Mitigation Plan shall be submitted to the regional entity(ies) and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
 - This Mitigation Plan form may be used to address one or more related alleged or confirmed violations of one Reliability Standard. A separate mitigation plan is required to address alleged or confirmed violations with respect to each additional Reliability Standard, as applicable.
 - If the Mitigation Plan is accepted by regional entity(ies) and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission or filed with the applicable governmental authorities for approval in Canada.
 - Regional Entity(ies) or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
 - Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.
 - The user has read and accepts the conditions set forth in these Compliance Notices.

Section B: Registered Entity Information

B.1 Identify your organization:

Entity Name: Whiting Clean Energy, Inc.

NERC Compliance Registry ID: NCR00417

Address: 2155 Standard Ave.
Whiting IN 46394

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

Name: Brian Odelson

Title: Commercial Manager

Email: brian.odelson@bp.com

Phone: 219-473-0653

Section C: Identification of Reliability Standard Violation(s) Associated with this Mitigation Plan

C.1 This Mitigation Plan is associated with the following violation(s) of the reliability standard listed below:

Violation ID	Date of Violation	Requirement
Requirement Description		
RFC2012011353	07/09/2008	PRC-001-1 R1
Each Transmission Operator, Balancing Authority, and Generator Operator shall be familiar with the purpose and limitations of protection system schemes applied in its area.		

C.2 Brief summary including the cause of the violation(s) and mechanism in which it was identified above:

The audit team determined that there was no evidence provided that the GOP was familiar with the purpose and limitation of protection system schemes applied in its area.

C.3 Provide any relevant information regarding the identification of the violation(s) associated with this Mitigation Plan:

Training was provided to WCE Control Room Operators during the handover of the plant from GE to BP Whiting personnel in December 2009. WCE Control Room Operators and Maintenance Personnel understand the overall design of the protection and control system is to strike a balance between dependability and security as defined in the IEEE Standard C37.100-1992: "The facet of reliability that relates to the degree of certainty that a relay or relay system will operate correctly." "That facet of reliability that relates to the degree of certainty that a relay or relay system will not operate incorrectly." Due to the change of plant management, the training records were not located for the audit.

WCE completed the Facility Rating Methodology (FRM) Study on June 27, 2012 and the procedure was approved by WCE management on July 2, 2012.

On July 30, 2012, WCE distributed training materials to lead operators on the purpose and limitation of protection system schemes.

On October 2, 2012, classroom training was conducted for the Control Room Operators and I&C (Instrumentation and Controls) Personnel, with follow up training provided for staff not available for the classroom session.

Section D: Details of Proposed Mitigation Plan

- D.1 Identify and describe the action plan, including specific tasks and actions that your organization is proposing to undertake, or which it undertook if this Mitigation Plan has been completed, to correct the violation(s) identified above in Section C.1 of this form:

WCE implemented a comprehensive compliance program on June 25, 2012:

PURPOSE

To foster a culture that promotes reliable operation of Whiting Clean Energy (WCE), (NERC Compliance Registry ID #: NCR00417 for the registered functions of GO and GOP)â€™s electric power system and compliance with all applicable FERC, NERC, Regional Entities (including MRO), or other reliability agency regulations, reporting requirements, and reliability standards.

To provide an overarching policy framework for more detailed and specific departmental reliability compliance programs, practices, and procedures.

RESPONSIBILITY

Corey Correnti, Senior Vice President of Sales, Supply and Marketing, and Erika Harding, General Manager, Whiting Clean Energy, shall have overall responsibility to see that the objectives of Whiting Clean Energy are met in full compliance with reliability standards and shall appoint the members of the WCE Management Oversight Committee.

A WCE Management Oversight Committee composed of General Manager, Commercial Manager, Operations Manager, Maintenance and Engineering Manager, and HSSE Manager shall have general oversight responsibilities to ensure that program practices and procedures result in: a.) Prevention of violations; b.) Prompt detection of any violations; c.) Prompt cessation of any violation causing activities; d.) Self reporting of any violations to appropriate agency; and e.) Effective remediation of any violation causing activities.

The General Manager has the responsibility to see that appropriate first line supervisors have adequate resources, training, understanding, and support to carry out departmental reliability compliance programs, practices, and procedures.

Appropriate first line supervisors will ensure that all employees and contractors have the necessary training, equipment, and understanding to accomplish their work in a manner consistent with all applicable Reliability Standards.

Compliance with Reliability Standards is the responsibility of all Whiting Clean Energy personnel.

Compliance with Reliability Standards is a guiding principle for Whiting Clean Energy, Inc. employees, business plans, practices and decisions. Whiting Clean Energy, Inc.â€™s culture of safe, compliant, and reliable operations embodies the corporate values.

1. Reliability compliance activities, procedures, and policies are open, available, and transparent to the maximum possible extent.
2. Reliability compliance activities, procedures, and policies are executed and applied coherently and uniformly throughout Whiting Clean Energy.
3. Reliability compliance activities, procedures, and policies are regularly reviewed by reliability compliance staff and modified, amended, revised, and disseminated, and posted on the reliability compliance department SharePoint page, to assure continuous compliance with all applicable regulations and facilitate improvement in the program.
4. Management encourages employees to identify and recommend improvements to practices and procedures that will improve reliability and/or compliance.
5. Management encourages identification and reporting of regulatory compliance and reliability concerns

or questions, and promotes employee trust and confidence that issues identified by and questions from employees are welcome and promptly evaluated and addressed.

6. Management provides a process for compliance and reliability issue identification and resolution.

7. Management assumes responsibility for identified and documented reliability issues and is accountable for resolution.

8. The Compliance Officer is responsible for ensuring that appropriate actions consistent with policies are taken and that materials to document compliance are accurate and complete.

9. Training on reliability standards is mandatory for appropriate Whiting Clean Energy, Inc. employees and provided on no less than an annual basis and as required by major changes in standards, policies or procedures.

10. Departments are responsible for ensuring that data retention policy is strictly followed; auditable compliance evidence is tracked and archived. Document control of procedural documents includes three levels of accountability: subject matter experts/preparers; reviewers; and approvers.

11. Whiting Clean Energy subject matter experts are actively engaged in regional and national level of industry activities to promote reliability and coordination among users and owners of the bulk power system.

Reporting Identified Opportunities or Concerns

12. All personnel are encouraged to discuss opportunities and strategies for improving reliability and/or compliance with their immediate supervisors.

13. All personnel shall report any violations, potential violations, or identified compliance and reliability issues promptly without delay, and in a clear and accurate manner.

14. Personnel shall report regulatory compliance and reliability concerns at any time to any of the following: immediate supervisor/manager; and supervisors/managers outside of their normal chain of command, if deemed necessary.

- WCE has appointed a new full-time Compliance Coordinator to administer the NERC Compliance Program as of September 4, 2012.

- WCE completed the Facility Rating Methodology (FRM) Study on June 27, 2012 and the procedure was approved by WCE management on July 2, 2012. The FRM was revised on November 28, 2012 to incorporate suggestions received from the audit team.

- WCE provided training on the protective systems to the lead operators on July 30, 2012. Additional training was provided to the operators and instrumentation staff on October 2, 2012. This session also covered the root cause analysis of a recent trip on one of the operating units and how it related to the protective relays.

- WCE has engaged Burns & McDonnell to provide the new leadership team detailed training of NERC Reliability Standard Compliance and the factors of an effective compliance program on June 28, 2012.

- WCE approved a new procedure for PRC-001 on November 30, 2012.

- WCE implemented documentation control for all NERC compliance programs and procedures in a shared drive. Access privileges are restricted to those who have the "need-to-know". Each procedure contains a document control template which specifies three levels of accountability, issue date, revision history, and the next review date.

D.2 Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the violations associated with this Mitigation Plan are corrected:

Proposed Completion date of Mitigation Plan: December 12, 2012

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

Milestone Activity	Description	*Proposed Completion Date (Shall not be greater than 3 months apart)	Actual Completion Date
Facility Rating Methodology (FRM) Study Completion	Facility Rating Methodology (FRM) Study Completion	06/27/2012	06/27/2012
Facility Rating Methodology (FRM) Procedure Approval	Facility Rating Methodology (FRM) Procedure Approval	07/02/2012	07/02/2012
PRC-001 Operator Training	PRC-001 Operator Training	07/30/2012	07/30/2012
Compliance Coordinator Appointment	Compliance Coordinator Appointment	09/04/2012	09/04/2012
Additional PRC-001 Training for Operators and Instrumentation Staff	Additional PRC-001 Training for Operators and Instrumentation Staff	10/02/2012	10/02/2012
Update Facility Rating Methodology (FRM) procedure	Update Facility Rating Methodology (FRM) procedure	11/28/2012	11/28/2012
Issue new PRC-001 procedure	Issue new PRC-001 procedure	11/30/2012	11/30/2012

D.4 Additional Relevant Information (Optional)

Section E: Interim and Future Reliability Risk

E.1 Abatement of Interim BPS Reliability Risk

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

WCE believes the risk and impact to the Bulk Power System (BPS) is low because the operators were trained and are familiar with the purpose and limitation of protection system schemes applied in the WCE area even though WCE could not provide the training records to RFC auditors for the audit period due to administrative oversight.

The Compliance Officer conducts random spot checks using the NERC Reliability Compliance Review Checklist with the standard owner; the oversight committee will conduct an annual review prior to WCE's self-certification.

E.2 Prevention of Future BPS Reliability Risk

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

WCE believes it has taken the steps necessary to ensure that the organization learns from this experience through training and ongoing dialog and enforcement oversight. WCE's current management team is committed to diligent adherence to an effective compliance program and culture going forward:

1. Management provides a process for compliance and reliability issue identification and resolution.
2. Management assumes responsibility for identified and documented reliability issues and is accountable for resolution.
3. The Compliance Officer is responsible for ensuring that appropriate actions consistent with policies are taken and that materials to document compliance are accurate and complete.
4. All personnel are encouraged to discuss opportunities and strategies for improving reliability and/or compliance with their immediate supervisors.
5. All personnel shall report any violations, potential violations, or identified compliance and reliability issues promptly without delay, and in a clear and accurate manner.
6. Personnel shall report regulatory compliance and reliability concerns at anytime to any of the following: immediate supervisor/manager; and supervisors/managers outside of their normal chain of command, and BP's Compliance Hotline via "OpenTalk", if and as appropriate.

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

Section F: Authorization

An authorized individual must sign and date the signature page. By doing so, this individual, on behalf of your organization:

- (a) Submits the Mitigation Plan, as laid out in Section D, to the Regional Entity for acceptance and approval by NERC, and
- (b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- (c) Acknowledges:
 1. I am General Manager of Whiting Clean Energy, Inc.
 2. I am qualified to sign this Mitigation Plan on behalf of Whiting Clean Energy, Inc.
 3. I have read and understand Whiting Clean Energy, Inc.'s obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure and the NERC CMEP currently in effect or the NERC CMEP-Province of Manitoba, Schedule B currently in effect, whichever is applicable.
 4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
 5. Whiting Clean Energy, Inc. Agrees to be bound by, and comply with, this Mitigation Plan, including the timetable completion date, as accepted by the Regional Entity, NERC, and if required, the applicable governmental authorities in Canada.

Authorized Individual Signature: _____
(Electronic signature was received by the Regional Office via CDMS. For Electronic Signature Policy see CMEP.)

Authorized Individual

Name: Erika Harding

Title: General Manager

Authorized On: December 12, 2012

Certification of Mitigation Plan Completion

Submittal of a Certification of Mitigation Plan Completion shall include data or information sufficient for the Regional Entity to verify completion of the Mitigation Plan. The Regional Entity 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)

Registered Entity Name: Whiting Clean Energy, Inc.

NERC Registry ID: NCR00417

NERC Violation ID(s): RFC2012011353

Mitigated Standard Requirement(s): PRC-001-1 R1,

Scheduled Completion as per Accepted Mitigation Plan: December 12, 2012

Date Mitigation Plan completed: December 12, 2012

RFC Notified of Completion on Date: December 12, 2012

Entity Comment: This proposed mitigation plan is fully implemented as of December 12, 2012. All actions outlined in this plan to return WCE to full compliance with PRC-001 have been completed.

Additional Documents			
From	Document Name	Description	Size in Bytes
Entity	WCE-NERC-PRC-001_Mitigation_Plan20121212.pdf		10,975,537

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

Name: Erika Harding

Title: General Manager

Email: erika.harding@bp.com

Phone: 1 (219) 473-0653

Authorized Signature _____ Date _____

(Electronic signature was received by the Regional Office via CDMS. For Electronic Signature Policy see CMEP.)



<i>In re:</i> WHITING CLEAN ENERGY, INC.	)	Docket No. RFC2012011353
)	
NERC Registry ID No. NCR00417	)	NERC Reliability Standard:
	)	PRC-001-1, Requirement 1

**VERIFICATION OF MITIGATION PLAN COMPLETION
FOR
RFCMIT008529**

I. RELEVANT BACKGROUND

From September 10, 2012 to September 13, 2012, ReliabilityFirst Corporation (“ReliabilityFirst”) conducted a compliance audit of Whiting Clean Energy, Inc. (“WCE”) during which ReliabilityFirst identified a possible violation of Reliability Standard PRC-001-1, R1, by discovering that WCE’s training program was insufficient to familiarize its employees with the purpose and limitations of the protection system schemes applied in its area.

On December 12, 2012, WCE submitted a proposed mitigation plan to ReliabilityFirst. On January 8, 2013, ReliabilityFirst accepted this mitigation plan, designated RFCMIT008529, and on February 22, 2013, the North American Electric Reliability Corporation (“NERC”) approved it.

II. MITIGATION PLAN COMPLETION REVIEW PROCESS

On December 12, 2012, WCE certified that it completed the mitigation plan for PRC-001-1, Requirement 1 as of December 12, 2012. ReliabilityFirst requested and received evidence of completion for the actions WCE took as specified in the mitigation plan. ReliabilityFirst performed an in-depth review of the information provided to verify that WCE successfully completed all actions specified in the mitigation plan.

A. Evidence Reviewed per Standard and Requirement.

<u>Evidence Reviewed</u>	<u>Applicable Standard and Requirement</u>
<p>1. WCE-NERC-PRC-001_Mitigation_Plan20121212.pdf</p> <p><i>Exhibit 1: Compliance Coordinator Appointment – August 29, 2012</i></p> <p><i>Exhibit 2: WCE FAC-008/009 Procedure – July 2, 2012</i></p> <p><i>Exhibit 3: WCE FAC-008/009 Procedure – November 28, 2012</i></p> <p><i>Exhibit 4: System Protection Overview – July 29, 2012</i></p> <p><i>Exhibit 5: System Protection Overview Record – July 30, 2012</i></p> <p><i>Exhibit 6: System Protection Overview – October 2, 2012</i></p> <p><i>Exhibit 7: System Protection Overview Record – October 2, 2012</i></p> <p><i>Exhibit 8: Reliability Compliance Training – June 28, 2012</i></p> <p><i>Exhibit 9: Reliability Compliance Training Record – June 28, 2012</i></p> <p><i>Exhibit 10: WCE PRC-001 Procedure – November 30, 2012</i></p>	<p>PRC-001-1, R1</p>

B. Verification of Mitigation Plan Completion.

PRC-001-1, R1 states:

R1. Each Transmission Operator, Balancing Authority, and Generator Operator shall be familiar with the purpose and limitations of protection system schemes applied in its area.

Milestone 1: Compliance Coordinator Appointment

Exhibit 1 is an email sent to the new compliance coordinator hire informing him of his start date.

This evidence demonstrates successful completion of Milestone 1.

Milestone 2: Facility Rating Methodology (“FRM”) Study Completion

Exhibit 2 is the completed revision 0 of Whiting Clean Energy’s (“WCE”) FRM.

This evidence demonstrates successful completion of Milestone 2.

Milestone 3: Facility Rating Methodology (FRM) Procedure Approval

Page 2 of Exhibit 3 shows approval of the FRM from Operations and Maintenance and Engineering managers.

This evidence demonstrates successful completion of Milestone 3.

Milestone 4: PRC-001 Operator Training

Exhibit 4 is the training slides used in WCE PRC-001 Operator Training. Exhibit 5 is attendance records. Exhibit 6 is additional training slides given after a recent generating facility trip incident involving the protection system. Exhibit 7 is training records for this second training.

This evidence demonstrates successful completion of Milestone 4.

Milestone 5: Additional PRC-001 Training for Operators and Instrumentation Staff

Exhibit 8 is the slides WCE used in training Operators and Instrumentation staff on WCE’s compliance strategy and general preparation for their audit. Exhibit 9 contains attendance records.

This evidence demonstrates successful completion of Milestone 5.

Milestone 6: Update Facility Rating Methodology (FRM) procedure

Page 1 of Exhibit 3 shows WCE updated the FRM to revision 1 on Nov. 28, 2012. WCE added a statement specifying that they do not own any wave traps or series and shunt compensation devices. They also added applicable manufactures’ recommended AC current and voltage inputs for relay equipment. The new appendices A and B are the facility rating worksheet and the FAC-009 disconnect switch rating drawing, respectively.

This evidence demonstrates successful completion of Milestone 6.

Milestone 7: Issue new PRC-001 procedure

Exhibit 10 contains the finalized and internally approved PRC-001-2 compliance procedure for WCE. The document explains how WCE will comply with all the requirements of PRC-001-2.

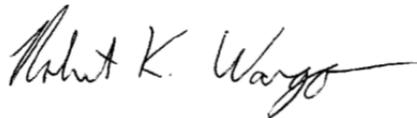
This evidence demonstrates successful completion of Milestone 7.

III. CONCLUSION

Reliability*First* reviewed the evidence WCE submitted in support of its Certification of Mitigation Plan Completion. Reliability*First* determined this evidence demonstrates WCE successfully completed the mitigating activities in mitigation plan RFCMIT008529 associated with PRC-001-1, R1.

Reliability*First* verifies that WCE completed the mitigation plan associated with the possible violation of the Reliability Standard in accordance with its terms and conditions.

Approved:

A handwritten signature in black ink that reads "Robert K. Wargo". The signature is written in a cursive style with a long horizontal flourish at the end.

Robert K. Wargo
Director of Analytics & Enforcement
Reliability*First* Corporation

Date: March 1, 2013

Attachment e

Record documents for the violation of CIP-001-1 R2

- 1. Reliability *First's* Possible Violation Identification Form for CIP-001-1 R2 dated September 13, 2012;**
 - 2. WCE's Mitigation Plan designated as RFCMIT008533 for CIP-001-1 R2 submitted December 13, 2012;**
 - 3. WCE's Certification of Mitigation Plan Completion for CIP-001-1 R2 submitted January 10, 2013;**
 - 4. Reliability *First's* Verification of Mitigation Plan Completion for CIP-001-1 R2 dated March 8, 2013.**
-



Possible Violation (PV) / Find, Fix, and Track (“FFT”) Identification Form

INSTRUCTIONS

1. In the “Violation Reported By” field, specify name of the reporting auditor. For audits/spot-checks, this would be the Audit Team Lead (ATL). For all other compliance monitoring processes, it would be the selected reporting auditor.
2. In the “Submittal Date” field, enter the date this PV/FFT will be submitted to Enforcement.
3. If this possible violation is a “Candidate for FFT treatment,” check the “YES” box. Otherwise, check the “NO” box.
4. Enter the “Registered Entity’s” name and the associated “NERC Registry ID#” (NCR number) as they appear on the [NERC Compliance Registry](#) or the available audit records (e.g. pre-audit survey).
5. Choose the appropriate “Compliance Monitoring Process.”
6. In “Standard, Version and Requirement,” list all versions of the standard in violation based on the period of the violation. List requirement(s) and the specific sub-requirement(s), if applicable, since each PV summary is to include a rollout of all violated sub-requirements under a single PV.
For example: CIP-004-1, 2, 3 R4 (R4.1, R4.2).
7. Enter the “Registered Function(s) in Violation.” Include only those functions to which the violation is applicable. For example, if an entity is registered as GO and GOP and is in violation of FAC-009-1 R1 (applicable to only GO and TO), then only list “GO.”
8. Enter the date the PV was discovered by ReliabilityFirst. For example, this may be the date of the exit briefing of an audit.
9. To the best of the auditor’s ability, determine the beginning date of the violation (or the first date of the audit period if the violation began before the audit period) and select that date from the “Date for Determination of Penalty/Sanction” date field.
 - a. Note: For CIP, depending on the registered functions, different C-Compliance dates apply based on the CIP Ver. 1 Implementation Plan. If the violation was in effect for the entire audit review period going back to the C-Compliance date, specify the date and function per the following:
 - i. For TOP/BA functions, the C-Compliance date is 7/1/2009.
 - ii. For GO/GOP/LSE/TO functions, the C-Compliance date is 1/1/2010.
 - b. If the entity was previously audited or spot-checked after its C-Compliance date, specify the date after the Exit Briefing of that audit or spot-check.
10. For FFT Candidates:
 - a. Specify the “End Date of the Possible Violation,” typically the date the violation was mitigated. If not mitigated, list “Not Mitigated.”
 - b. Skip Instruction 11 below.
 - c. Complete Instructions 12 – 17 below.
 - d. Complete the “FFT Candidates ONLY” section at the bottom of the form.
11. For non-FFT candidates:
 - a. Obtain the most recent VRF Matrix from [www.nerc.com](#) -> Standards -> Reliability Standards -> VRF Matrix (Left Menu). If the PV addresses a single requirement, select the appropriate VRF level from the pull-down menu in this form. If the PV addresses a requirement and sub-requirement(s), list out the appropriate VRF for each requirement/sub-requirement.
 - b. Obtain the most recent VSL Matrix from [www.nerc.com](#) -> Standards -> Reliability Standards -> VSL Matrix (Left Menu). If the PV addresses a single requirement, select the appropriate VSL level from the pull-down menu in this form. If the PV addresses a



- requirement and sub-requirement(s), list out the appropriate VSL for each requirement/sub-requirement.
- c. Choose a Potential Impact from the pull-down list (Example definitions are italicized):
 - i. Minimal: *This violation is document related, or poses only a small risk to the BES.*
 - ii. Moderate: *This violation puts the BES at risk, but is not a serious, imminent threat.*
 - iii. Severe: *This violation constitutes a serious, imminent threat to the BES.*
 - d. Under "Provide Explanation for Selection," explain the choice of Potential Impact above.
 - e. Complete the Instructions 12-17 below.
12. Enter a brief summary of the "Basis for the PV," for each requirement/sub-requirement, as applicable.
 - a. For example, consider what was not met in the requirement or what was lacking in the evidence. Mention any additional information, as applicable or relevant (i.e., self report, OEA, etc.)
 13. Under "Evidence," list only the evidence documents reviewed to substantiate the PV.
 14. Under "Facts," discuss how the entity is in violation and how each of the evidence documents demonstrates this.
 15. Save this revised template as a pattern for each of the PVs/FFT Candidates identified for this entity and perform the steps outlined above.
 16. Before finalizing the PV/FFT Candidate and circulating for Management review, remove these instructions and the Template's revision history.
 17. Once approved by the Manager, save a copy with the Manager's approval note on the P Drive in the folder entitled "13 – PV Summary Report" within the applicable entity folder and send to Enforcement.

Note: Enter "X" in the appropriate YES, NO boxes in the following pages.



Possible Violation (PV) / Find, Fix, and Track (“FFT”) Identification Form

This document is to be completed upon identification of a possible violation, typically within 5 business days of the audit exit brief, and emailed to Veronica Miller (Paralegal) with a copy to: Ray Palmieri (Sr. Vice President), Gary Campbell (Manager, Ops & Planning Audits) or Tony Purgar (Manager, CIP Audits) or Jim Uhrin (Manager, Compliance Services and Investigations) and Mike Austin (Managing Enforcement Attorney).

For non-FFT candidates: Upon receipt of this document, Enforcement will coordinate with the reporting auditor and Enforcement to initiate the Enforcement processing of this possible violation.

Violation Reported By: [Audit Team Member](#)

Submittal Date: 9/13/12

Candidate for FFT Treatment: YES NO

Registered Entity: Whiting Clean Energy, Inc

NERC Registry ID#: NCR00417

Compliance Monitoring Process: Compliance Audits

Standard, Version and Requirement in Violation: CIP-001-2a, R2

Registered Function(s) in Violation: GOP

Initial PV Date (Actual Date Discovered by ReliabilityFirst): 9/13/12

Date for Determination of Penalty/Sanction (Beginning Date of Violation): 7/9/2008

End Date of Possible Violation: When corrected

For Non-FFT Candidate ONLY

Violation Risk Factor: VRF - Medium

Violation Severity Level: High VSL

Potential Impact to Bulk Electrical System (BES): Moderate

Provide Explanation for Selection:

The GOP should always communicate suspected sabotage events to the appropriate parties in the interconnection. The TOP and RC need to be aware of events concerning the sudden loss or reduction of generation due to a sabotage event that may carry to other parts of the interconnected system. The earlier the TOP and RC are made aware of such events the quicker the TOP and RC can contact others in the surrounding area. The notification chain should be clear and concise and readily assessable so as to make the proper notifications easily and thus avert what may or could become a larger issue affecting the reliability of the BES.



For Non-FFT and FFT Candidates

Basis for the PV:

R2. Each Reliability Coordinator, Balancing Authority, Transmission Operator, Generator Operator, and Load Serving Entity shall have procedures for the communication of information concerning sabotage events to appropriate parties in the Interconnection.

Facts and Evidence pertaining to the PV:

Evidence:

- WCE-NERC-CIP-001-2A-PD-1_20120712.pdf (WCE Cyber Security Reporting Procedure), Rev -0, dates 7/12/12
- WCE_Response_to_RFC_693_Audit_RFII-2_20120817
 - CIP-001-1a_R2:
BP_WCE_Energy_Ancillary_Services_Sales_Agreement20080630.pdf, dated 6/30/2008
- CIP-001 details, dated 9/7/2012

Facts:

WCE-NERC-CIP-001-2A-PD-1_20120712.pdf is the current version of the Whiting Energy's CIP-001-2a procedure Rev 0, dated 7/12/12. This procedure states that Whiting Energy will communicate sabotage events to the BP Energy Desk. The audit team did not find evidence that BP would in turn make the necessary notification to the TOP (NIPSCO) and RC (MISO). The audit team requested Whiting Energy to provide evidence that the BP Energy Desk notifies the TOP and RC of sabotage events. Whiting Energy provided *WCE_Response_to_RFC_693_Audit_RFII-2_20120817*. The audit team reviewed the *CIP-001-1a_R2*:

BP_WCE_Energy_Ancillary_Services_Sales_Agreement20080630.pdf, pages 43 through 82, which is the "Master Electric Energy and Ancillary Service Sales Agreement," between Whiting Clean Energy and BP Energy. Whiting Energy highlighted page 66, section 9.4 "Data Communication Link" and "Article 10. Outages" as evidence that the BP Energy Desk notified NIPSCO and MISO of sabotage events. The audit team determined this detailed the reporting responsibilities of the "owner," which is Whiting Energy and did not include reporting requirements of the "marketer," GOP which is BP Energy.

Whiting Energy also provided *CIP-001 details*, which is an email from the Primary Compliance Contact, who is the Commercial Manager of Whiting energy, to the Audit Team Lead, stating the following, "In the course of preparing for the upcoming audit, WCE discovered a potential discrepancy in the CIP-001 procedures between the operating asset and the BP Energy Desk. WCE's current policy states that, in the event of sabotage, the site will contact the Energy Desk and the Energy Desk will make the proper notifications to NIPSCO and MISO. The Energy Desk's procedure is to ask if WCE has made the notifications, and will do so if WCE is unable to make the appropriate calls. WCE is currently updating its procedure to ensure that the necessary notifications are made to NIPSCO and MISO going forward from the audit."

This is not a candidate for FFT because the approach to compliance for this particular entity was practically non-existence prior to the 90-day notification. The audit team notified Whiting Clean Energy during the exit presentation that based upon the audit results and lack of documentation previous to the 90-day notification, ReliabilityFirst will conduct an unscheduled audit before the next six (6) year scheduled audit cycle. The audit team also quoted the NERC Rules of Procedure



which states “that all Bulk Power System (BPS) users, owners, and operators are required to comply with **ALL** applicable ERO governmental authority approved Reliability Standards at **ALL** times.”

For FFT Candidates ONLY

1. Why did this possible violation pose a minimal risk:

[Click here to enter text.](#)

2. Has Registered Entity mitigated this possible violation: YES NO
a. If yes, describe mitigating actions and state the date that Registered Entity completed the mitigating actions:

[Click here to enter text.](#)

3. Please answer the following questions to determine whether this possible violation constitutes a “clear on its face” FFT candidate or a “close call.” If the answer to any of the following questions is yes, this possible violation will be treated as a “close call.” Otherwise, this possible violation will be treated as a “clear on its face” FFT candidate.

A. Is there any disagreement amongst the audit team on whether the PV is a “clear on its face” or “close call” candidate: YES NO
a. If yes, explain why:

[Click here to enter text.](#)

B. Does this possible violation reveal a serious shortcoming in registered entity’s reliability-related processes (e.g. a systematic compliance program failure):

YES NO

a. If yes, explain why:

[Click here to enter text.](#)

C. Are there any additional facts the audit team needs to know in order to comfortably designate this possible violation for FFT treatment: YES NO

a. If yes, state those facts:

[Click here to enter text.](#)

4. Did audit team inform registered entity that this possible violation qualifies for FFT treatment? YES NO



a. If so, on what date? [Enter Date.](#)

Mitigation Plan

Registered Entity: Whiting Clean Energy, Inc.

Mit Plan Code	NERC Violation ID	Requirement	Violation Validated On	Mit Plan Version
	RFC2012011350	CIP-001-1 R2	null	1

Mitigation Plan Submitted On: December 13, 2012

Mitigation Plan Accepted On:

Mitigation Plan Proposed Completion Date: January 11, 2013

Actual Completion Date of Mitigation Plan:

Mitigation Plan Certified Complete by WCE On:

Mitigation Plan Completion Verified by RFC On:

Mitigation Plan Completed? (Yes/No): No

Section A: Compliance Notices

Section 6.2 of the NERC CMEP sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:

- (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section B.
 - (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
 - (3) The cause of the Alleged or Confirmed Violation(s).
 - (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
 - (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed violation(s).
 - (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
 - (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
 - (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined or recommended to the applicable governmental authorities 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.
 - (11) This submittal form may be used to provide a required Mitigation Plan for review and approval by regional entity(ies) and NERC.
- The Mitigation Plan shall be submitted to the regional entity(ies) and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
 - This Mitigation Plan form may be used to address one or more related alleged or confirmed violations of one Reliability Standard. A separate mitigation plan is required to address alleged or confirmed violations with respect to each additional Reliability Standard, as applicable.
 - If the Mitigation Plan is accepted by regional entity(ies) and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission or filed with the applicable governmental authorities for approval in Canada.
 - Regional Entity(ies) or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
 - Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.
 - The user has read and accepts the conditions set forth in these Compliance Notices.

Section B: Registered Entity Information

B.1 Identify your organization:

Entity Name: Whiting Clean Energy, Inc.

NERC Compliance Registry ID: NCR00417

Address: 2155 Standard Ave.
Whiting IN 46394

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

Name: Brian Odelson

Title: Commercial Manager

Email: brian.odelson@bp.com

Phone: 219-473-0653

Section C: Identification of Reliability Standard Violation(s) Associated with this Mitigation Plan

C.1 This Mitigation Plan is associated with the following violation(s) of the reliability standard listed below:

Violation ID	Date of Violation	Requirement
Requirement Description		
RFC2012011350	07/09/2008	CIP-001-1 R2
Each Reliability Coordinator, Balancing Authority, Transmission Operator, Generator Operator, and Load Serving Entity shall have procedures for the communication of information concerning sabotage events to appropriate parties in the Interconnection.		

C.2 Brief summary including the cause of the violation(s) and mechanism in which it was identified above:

The audit team determined that the WCE Sabotage Reporting procedure did not clearly outline a procedure for contacting the RC, BA, or TOP.

C.3 Provide any relevant information regarding the identification of the violation(s) associated with this Mitigation Plan:

During the audit period, WCE had no sabotage event to report to the Reliability Coordinator or Balancing Authority.

A sign is posted by the Red Phone to call NIPSCO, the local Balancing Authority in the event of a suspected or actual Sabotage event.

In the USC-WCE-OPS-SOI-038_Shift_Change_Procedure20120730, Operators are instructed to include "Changes in status of the WCE generation alerts sabotage reporting, or any changes to the Homeland Security Threat Condition level" in the shift change reports.

Section D: Details of Proposed Mitigation Plan

- D.1 Identify and describe the action plan, including specific tasks and actions that your organization is proposing to undertake, or which it undertook if this Mitigation Plan has been completed, to correct the violation(s) identified above in Section C.1 of this form:
- WCE has engaged Burns & McDonnell to provide the new leadership team detailed training of NERC Reliability Standard Compliance and the factors of an effective compliance program on June 28, 2012.
 - WCE updated its Sabotage Reporting Procedure on July 12, 2012 to outline responsibilities and outline notifications that must be made in the event of sabotage.
 - WCE has appointed a new full-time Compliance Coordinator to administer the NERC Compliance Program as of September 4, 2012.
 - WCE has appointed a new full-time Operations Supervisor to assume the position on October 16, 2012 to assist the Operations Manager in overseeing the reliable and secure operation of the WCE plant.
 - WCE issued an updated version of its Sabotage Reporting Procedure on November 7, 2012 to make accountabilities clear and adopt suggestions from the RFC audit team.
 - WCE staff met with Whiting Refinery security staff on November 26, 2012 to discuss security issues at the site, secure assistance from refinery security in case of an event, make security supervisors aware of their role during an event, and to make preliminary plans for a sabotage reporting drill.
 - WCE held a classroom training session on the Sabotage Reporting Procedure on November 27, 2012. Follow up training was conducted for staff not available for the classroom session. This follow-up training was complete by December 11, 2012.
 - WCE will ensure that security supervisors at the Whiting Refinery are trained on the WCE Sabotage Reporting Procedure, including their roles and responsibilities, by January 9, 2013.
 - WCE will ensure that the real-time operators (part of the BP Energy Desk in Houston, TX) are trained on the WCE Sabotage Reporting Procedure by January 9, 2013.
 - WCE will conduct a live drill of its Sabotage Reporting Procedure, including WCE, Whiting Refinery security, and BP Energy Desk staff. WCE will verify that the procedures were followed and that the proper notifications were made. This drill will be completed by January 10, 2013.
 - WCE implemented documentation control for all NERC compliance programs and procedures in a shared drive. Access privileges are restricted to those who have the "need-to-know". Each procedure contains a document control template which specifies three levels of accountability, issue date, revision history, and the next review date.
- D.2 Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the violations associated with this Mitigation Plan are corrected:
- Proposed Completion date of Mitigation Plan: January 11, 2013
- D.3 Milestone Activities, with completion dates, that your organization is proposing for this Mitigation Plan:

Milestone Activity	Description	*Proposed Completion Date (Shall not be greater than 3 months apart)	Actual Completion Date
Update WCE CIP-001 procedure	Update the WCE CIP-001 procedure to outline responsibilities and outline notifications that must be made in the event of sabotage.	07/12/2012	07/12/2012
Compliance Coordinator Appointment	Appoint a full-time Compliance Coordinator to assist the Compliance Officer with maintaining and enforcing compliance at the WCE site.	09/04/2012	09/04/2012
Operation Supervisor Appointment	Appoint a full-time Operations Supervisor to assist the Operations Manager in overseeing the reliable and secure operation of the WCE plant.	10/16/2012	10/16/2012
Update WCE CIP-001 procedure	Update WCE CIP-001 procedure to clarify accountabilities and incorporate suggestions from the audit team.	11/07/2012	11/07/2012
Meet with BP Security	Meet with BP Security to secure support during a sabotage event and clarify reporting responsibilities.	11/26/2012	11/26/2012
Train WCE staff on sabotage reporting procedure	Train WCE staff on the updated sabotage reporting procedure.	12/11/2012	12/11/2012
Train BP Energy Desk	Train BP Energy Desk operators on WCE's sabotage reporting procedure.	01/09/2013	
Train Whiting Refinery security	Train Whiting Refinery security supervisors on WCE's sabotage reporting procedure.	01/09/2013	
Conduct sabotage reporting drill	Conduct a live drill including WCE, BP security, and BP Energy Desk staff. Ensure that all notifications outlined in the procedure are made.	01/10/2013	

D.4 Additional Relevant Information (Optional)

WCE implemented a comprehensive compliance program on June 25, 2012:

PURPOSE

To foster a culture that promotes reliable operation of Whiting Clean Energy (WCE), (NERC Compliance Registry ID #: NCR00417 for the registered functions of GO and GOP)'s electric power system and compliance with all applicable FERC, NERC, Regional Entities (including MRO), or other reliability agency regulations, reporting requirements, and reliability standards.

To provide an overarching policy framework for more detailed and specific departmental reliability compliance programs, practices, and procedures.

RESPONSIBILITY

Corey Correnti, Senior Vice President of Sales, Supply and Marketing, and Erika Harding, General Manager, Whiting Clean Energy, shall have overall responsibility to see that the objectives of Whiting Clean Energy are met in full compliance with reliability standards and shall appoint the members of the

WCE Management Oversight Committee.

A WCE Management Oversight Committee composed of General Manager, Commercial Manager, Operations Manager, Maintenance and Engineering Manager, and HSSE Manager shall have general oversight responsibilities to ensure that program practices and procedures result in: a.) Prevention of violations; b.) Prompt detection of any violations; c.) Prompt cessation of any violation causing activities; d.) Self reporting of any violations to appropriate agency; and e.) Effective remediation of any violation causing activities.

The General Manager has the responsibility to see that appropriate first line supervisors have adequate resources, training, understanding, and support to carry out departmental reliability compliance programs, practices, and procedures.

Appropriate first line supervisors will ensure that all employees and contractors have the necessary training, equipment, and understanding to accomplish their work in a manner consistent with all applicable Reliability Standards.

Compliance with Reliability Standards is the responsibility of all Whiting Clean Energy personnel.

Compliance with Reliability Standards is a guiding principle for Whiting Clean Energy, Inc. employees, business plans, practices and decisions. Whiting Clean Energy, Inc.'s culture of safe, compliant, and reliable operations embodies the corporate values.

1. Reliability compliance activities, procedures, and policies are open, available, and transparent to the maximum possible extent.
2. Reliability compliance activities, procedures, and policies are executed and applied coherently and uniformly throughout Whiting Clean Energy.
3. Reliability compliance activities, procedures, and policies are regularly reviewed by reliability compliance staff and modified, amended, revised, and disseminated, and posted on the reliability compliance department SharePoint page, to assure continuous compliance with all applicable regulations and facilitate improvement in the program.
4. Management encourages employees to identify and recommend improvements to practices and procedures that will improve reliability and/or compliance.
5. Management encourages identification and reporting of regulatory compliance and reliability concerns or questions, and promotes employee trust and confidence that issues identified by and questions from employees are welcome and promptly evaluated and addressed.
6. Management provides a process for compliance and reliability issue identification and resolution.
7. Management assumes responsibility for identified and documented reliability issues and is accountable for resolution.
8. The Compliance Officer is responsible for ensuring that appropriate actions consistent with policies are taken and that materials to document compliance are accurate and complete.
9. Training on reliability standards is mandatory for appropriate Whiting Clean Energy, Inc. employees and provided on no less than an annual basis and as required by major changes in standards, policies or procedures.
10. Departments are responsible for ensuring that data retention policy is strictly followed; auditable compliance evidence is tracked and archived. Document control of procedural documents includes three levels of accountability: subject matter experts/preparers; reviewers; and approvers.
11. Whiting Clean Energy subject matter experts are actively engaged in regional and national level of industry activities to promote reliability and coordination among users and owners of the bulk power system.

Reporting Identified Opportunities or Concerns

12. All personnel are encouraged to discuss opportunities and strategies for improving reliability and/or

compliance with their immediate supervisors.

13. All personnel shall report any violations, potential violations, or identified compliance and reliability issues promptly without delay, and in a clear and accurate manner.

14. Personnel shall report regulatory compliance and reliability concerns at any time to any of the following: immediate supervisor/manager; and supervisors/managers outside of their normal chain of command, if deemed necessary.

Section E: Interim and Future Reliability Risk

E.1 Abatement of Interim BPS Reliability Risk

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

WCE believes the risk and impact to the Bulk Power System (BPS) is low because during the audit period, WCE has no sabotage event to report to Reliability Coordinator or Balancing Authority. A sign is posted by the Red Phone to call NIPSCO, the local Balancing Authority in the event of a suspected or actual Sabotage event. In the USC-WCE-OPS-SOI-038_Shift_Change_Procedure20120730, Operators are instructed to include "Changes in status of the WCE generation alerts sabotage reporting, or any changes to the Homeland Security Threat Condition level" in the shift change reports.

The Compliance Officer shall conduct quarterly random spot checks using the NERC Reliability Compliance Review Checklist with the standard owner; the oversight committee will conduct annual review prior to WCE's self-certification.

E.2 Prevention of Future BPS Reliability Risk

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

WCE believes it has taken the steps necessary to ensure that the organization learns from this experience through training and ongoing dialog and enforcement oversight. WCE's current management team is committed to diligent adherence to an effective compliance program and culture going forward:

1. Management provides a process for compliance and reliability issue identification and resolution.
2. Management assumes responsibility for identified and documented reliability issues and is accountable for resolution.
3. The Compliance Officer is responsible for ensuring that appropriate actions consistent with policies are taken and that materials to document compliance are accurate and complete.
4. All personnel are encouraged to discuss opportunities and strategies for improving reliability and/or compliance with their immediate supervisors.
5. All personnel shall report any violations, potential violations, or identified compliance and reliability issues promptly without delay, and in a clear and accurate manner.
6. Personnel shall report regulatory compliance and reliability concerns at any time to any of the following: immediate supervisor/manager; and supervisors/managers outside of their normal chain of command, and BP's Compliance Hotline via "OpenTalk", if and as appropriate.

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

Section F: Authorization

An authorized individual must sign and date the signature page. By doing so, this individual, on behalf of your organization:

- (a) Submits the Mitigation Plan, as laid out in Section D, to the Regional Entity for acceptance and approval by NERC, and
- (b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- (c) Acknowledges:
 - 1. I am General Manager of Whiting Clean Energy, Inc.
 - 2. I am qualified to sign this Mitigation Plan on behalf of Whiting Clean Energy, Inc.
 - 3. I have read and understand Whiting Clean Energy, Inc.'s obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure and the NERC CMEP currently in effect or the NERC CMEP-Province of Manitoba, Schedule B currently in effect, whichever is applicable.
 - 4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
 - 5. Whiting Clean Energy, Inc. Agrees to be bound by, and comply with, this Mitigation Plan, including the timetable completion date, as accepted by the Regional Entity, NERC, and if required, the applicable governmental authorities in Canada.

Authorized Individual Signature: _____
(Electronic signature was received by the Regional Office via CDMS. For Electronic Signature Policy see CMEP.)

Authorized Individual

Name: Erika Harding

Title: General Manager

Authorized On: December 13, 2012

Certification of Mitigation Plan Completion

Submittal of a Certification of Mitigation Plan Completion shall include data or information sufficient for the Regional Entity to verify completion of the Mitigation Plan. The Regional Entity 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)

Registered Entity Name: Whiting Clean Energy, Inc.

NERC Registry ID: NCR00417

NERC Violation ID(s): RFC2012011350

Mitigated Standard Requirement(s): CIP-001-1 R2,

Scheduled Completion as per Accepted Mitigation Plan: January 11, 2013

Date Mitigation Plan completed: January 10, 2013

RFC Notified of Completion on Date: January 10, 2013

Entity Comment: This proposed mitigation plan is fully implemented as of January 10, 2013. All actions outlined in this plan to return WCE to full compliance with CIP-001 have been completed.

Additional Documents			
From	Document Name	Description	Size in Bytes
Entity	WCE-NERC-CIP-001_Mitigation_Plan20121213.pdf		205,728
Entity	WCE_CIP-001_Mitigation_Plan_Completion_20130110.pdf		6,310,077

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

Name: Erika Harding

Title: General Manager

Email: erika.harding@bp.com

Phone: 1 (219) 473-0653

Authorized Signature _____ Date _____

(Electronic signature was received by the Regional Office via CDMS. For Electronic Signature Policy see CMEP.)



In re: WHITING CLEAN ENERGY,) **Docket No. RFC2012011350**
INC.)
)
)
) NERC Reliability Standard:
NERC Registry ID No. NCR00417) CIP-001-1, Requirement 2

**VERIFICATION OF MITIGATION PLAN COMPLETION
FOR
RFCMIT008533**

I. RELEVANT BACKGROUND

From September 10, 2012 to September 13, 2012, ReliabilityFirst Corporation (“ReliabilityFirst”) conducted a compliance audit of Whiting Clean Energy, Inc. (“WCE”) during which ReliabilityFirst identified a possible violation of Reliability Standard CIP-001-1, R2 by discovering that WCE did not develop adequate procedures for the communication of information concerning sabotage events to appropriate parties in the interconnection.

On December 13, 2012, WCE submitted a proposed mitigation plan to ReliabilityFirst stating WCE would complete all mitigating actions on January 11, 2013. On December 28, 2012, ReliabilityFirst accepted this mitigation plan, designated RFCMIT008533, and on January 15, 2013, the North American Electric Reliability Corporation (“NERC”) approved it.

II. MITIGATION PLAN COMPLETION REVIEW PROCESS

On January 10, 2013, WCE certified that it completed the mitigation plan for CIP-001-1, R2 as of January 10, 2013. ReliabilityFirst requested and received evidence of completion for the actions WCE took as specified in the mitigation plan. ReliabilityFirst performed an in-depth review of the information provided to verify that WCE successfully completed all actions specified in the mitigation plan.

A. Evidence Reviewed per Standard and Requirement.

<u>Evidence Reviewed</u>		<u>Applicable Standard and Requirement</u>
1.	WCE CIP-001 Mitigation Plan Completion_20130110.pdf	CIP-001-1, R2

B. Verification of Mitigation Plan Completion.

CIP-001-1, R2 states:

R2. Each Reliability Coordinator, Balancing Authority, Transmission Operator, Generator Operator, and Load Serving Entity shall have procedures for the communication of information concerning sabotage events to appropriate parties in the Interconnection.

Milestones 1 and 4: Update WCE CIP-001 procedure

Exhibits 3 and 6, of the evidence file are WCE's Cyber Security Incident Reporting Procedures, Versions 0 and 1. Version 0, dated July 12, 2012, is WCE's initial procedure. In Version 1, dated November 7, 2012, WCE updated its reporting diagram to show that the control room operator should NIPSCO and MISO first in the event of sabotage or attack.

This evidence demonstrates successful completion of Milestones 1 and 4.

Milestone 2: Compliance Coordinator Appointment

Exhibit 4 of the evidence file is an email sent to the new compliance coordinator informing him of his September 4, 2012 start date.

This evidence demonstrates successful completion of Milestone 2.

Milestone 3: Operation Supervisor Appointment

Exhibit 5 of the evidence file is an email sent to WCE staff, informing them of them of the appointment of a new operation supervisor.

This evidence demonstrates successful completion of Milestone 3.

Milestone 4: Update WCE CIP-001 procedure

Exhibit 6 of the evidence file is Revision 1 of WCE's CIP-001 Procedure. Page 7 is the updated reporting diagram, showing that the control room should notify MISO and NIPSCO first in the event of sabotage or attack. Exhibit 15 is the Revision 2 update, changing the diagram again. Now the first call is to BP security and the second is to MISO and NIPSCO, both of which have dedicated phone lines in the control room. WCE made the Revision 2 changes after the drill in Milestone 9.

This evidence demonstrates successful completion of Milestone 4.

Milestone 5: Meet with BP Security

Exhibit 7 of the evidence file is the sign-in attendance sheet for the WCE meeting with BP security on sabotage reporting.

This evidence demonstrates successful completion of Milestone 5.

Milestone 6: Train WCE staff on sabotage reporting procedure

Exhibit 8 of the evidence file is the presentation used in training the WCE staff on sabotage reporting procedures. It covers all of the necessary steps and includes a link to the CIP-001 Procedure (Exhibit 6) located on a company network drive. Exhibits 9 and 10 of the evidence file are attendance records for the sabotage reporting training. Exhibit 9 was the in-person record and exhibit 10 is a record kept through email stating that the personnel read the presentation and understand the material.

This evidence demonstrates successful completion of Milestone 6.

Milestone 7: Train BP Energy Desk

Exhibit 12 of the evidence file is an email from the head of real-time operations that all employees are training on WCE's sabotage reporting procedures. The Energy Desk will only act as a backup communication conduit if requested by the WCE Control Room Lead Operator.

This evidence demonstrates successful completion of Milestone 7.

Milestone 8: Train Whiting Refinery security

Exhibit 11 of the evidence file is an email from the WCE Head of Security stating that all security staff have been trained on the sabotage reporting procedure.

This evidence demonstrates successful completion of Milestone 8.

Milestone 9: Conduct sabotage reporting drill

Exhibits 13 and 14 of the evidence file are the logs and results of the sabotage reporting drill. WCE made Revision 2 to their CIP-001 procedure after the drill. Now the first call will be to BP security and the second will be to MISO and NIPSCO. In addition, they will contact the FBI and DHS in event of any incident, not just cyber attacks.

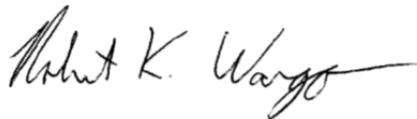
This evidence demonstrates successful completion of Milestone 9.

III. CONCLUSION

Reliability*First* reviewed the evidence WCE submitted in support of its Certification of Mitigation Plan Completion. Reliability*First* determined this evidence demonstrates WCE successfully completed the mitigating activities in mitigation plan RFCMIT008533 associated with CIP-001-1, R2.

Reliability*First* verifies that WCE completed the mitigation plan associated with the possible violation of the Reliability Standard in accordance with its terms and conditions.

Approved:



Robert K. Wargo
Director of Analytics & Enforcement
Reliability*First* Corporation

Date: March 8, 2013

Attachment f

Record documents for the violation of FAC-008-1 R1

- 1. Reliability *First's* Possible Violation Identification Form for FAC-008-1 R1 dated September 13, 2012;**
 - 2. WCE's Mitigation Plan designated as RFCMIT008528 for FAC-008-1 R1 submitted December 12, 2012;**
 - 3. WCE's Certification of Mitigation Plan Completion for FAC-008-1 R1 submitted December 12, 2012;**
 - 4. Reliability *First's* Verification of Mitigation Plan Completion for FAC-008-1 R1 dated March 1, 2013.**
-



Possible Violation (PV) / Find, Fix, and Track (“FFT”) Identification Form

INSTRUCTIONS

1. In the “Violation Reported By” field, specify name of the reporting auditor. For audits/spot-checks, this would be the Audit Team Lead (ATL). For all other compliance monitoring processes, it would be the selected reporting auditor.
2. In the “Submittal Date” field, enter the date this PV/FFT will be submitted to Enforcement.
3. If this possible violation is a “Candidate for FFT treatment,” check the “YES” box. Otherwise, check the “NO” box.
4. Enter the “Registered Entity’s” name and the associated “NERC Registry ID#” (NCR number) as they appear on the [NERC Compliance Registry](#) or the available audit records (e.g. pre-audit survey).
5. Choose the appropriate “Compliance Monitoring Process.”
6. In “Standard, Version and Requirement,” list all versions of the standard in violation based on the period of the violation. List requirement(s) and the specific sub-requirement(s), if applicable, since each PV summary is to include a rollout of all violated sub-requirements under a single PV.
For example: CIP-004-1, 2, 3 R4 (R4.1, R4.2).
7. Enter the “Registered Function(s) in Violation.” Include only those functions to which the violation is applicable. For example, if an entity is registered as GO and GOP and is in violation of FAC-009-1 R1 (applicable to only GO and TO), then only list “GO.”
8. Enter the date the PV was discovered by ReliabilityFirst. For example, this may be the date of the exit briefing of an audit.
9. To the best of the auditor’s ability, determine the beginning date of the violation (or the first date of the audit period if the violation began before the audit period) and select that date from the “Date for Determination of Penalty/Sanction” date field.
 - a. Note: For CIP, depending on the registered functions, different C-Compliance dates apply based on the CIP Ver. 1 Implementation Plan. If the violation was in effect for the entire audit review period going back to the C-Compliance date, specify the date and function per the following:
 - i. For TOP/BA functions, the C-Compliance date is 7/1/2009.
 - ii. For GO/GOP/LSE/TO functions, the C-Compliance date is 1/1/2010.
 - b. If the entity was previously audited or spot-checked after its C-Compliance date, specify the date after the Exit Briefing of that audit or spot-check.
10. For FFT Candidates:
 - a. Specify the “End Date of the Possible Violation,” typically the date the violation was mitigated. If not mitigated, list “Not Mitigated.”
 - b. Skip Instruction 11 below.
 - c. Complete Instructions 12 – 17 below.
 - d. Complete the “FFT Candidates ONLY” section at the bottom of the form.
11. For non-FFT candidates:
 - a. Obtain the most recent VRF Matrix from www.nerc.com -> Standards -> Reliability Standards -> VRF Matrix (Left Menu). If the PV addresses a single requirement, select the appropriate VRF level from the pull-down menu in this form. If the PV addresses a requirement and sub-requirement(s), list out the appropriate VRF for each requirement/sub-requirement.
 - b. Obtain the most recent VSL Matrix from www.nerc.com -> Standards -> Reliability Standards -> VSL Matrix (Left Menu). If the PV addresses a single requirement, select the appropriate VSL level from the pull-down menu in this form. If the PV addresses a



- requirement and sub-requirement(s), list out the appropriate VSL for each requirement/sub-requirement.
- c. Choose a Potential Impact from the pull-down list (Example definitions are italicized):
 - i. Minimal: *This violation is document related, or poses only a small risk to the BES.*
 - ii. Moderate: *This violation puts the BES at risk, but is not a serious, imminent threat.*
 - iii. Severe: *This violation constitutes a serious, imminent threat to the BES.*
 - d. Under "Provide Explanation for Selection," explain the choice of Potential Impact above.
 - e. Complete the Instructions 12-17 below.
12. Enter a brief summary of the "Basis for the PV," for each requirement/sub-requirement, as applicable.
 - a. For example, consider what was not met in the requirement or what was lacking in the evidence. Mention any additional information, as applicable or relevant (i.e., self report, OEA, etc.)
 13. Under "Evidence," list only the evidence documents reviewed to substantiate the PV.
 14. Under "Facts," discuss how the entity is in violation and how each of the evidence documents demonstrates this.
 15. Save this revised template as a pattern for each of the PVs/FFT Candidates identified for this entity and perform the steps outlined above.
 16. Before finalizing the PV/FFT Candidate and circulating for Management review, remove these instructions and the Template's revision history.
 17. Once approved by the Manager, save a copy with the Manager's approval note on the P Drive in the folder entitled "13 – PV Summary Report" within the applicable entity folder and send to Enforcement.

Note: Enter "X" in the appropriate YES, NO boxes in the following pages.



Possible Violation (PV) / Find, Fix, and Track (“FFT”) Identification Form

This document is to be completed upon identification of a possible violation, typically within 5 business days of the audit exit brief, and emailed to Veronica Miller (Paralegal) with a copy to: Ray Palmieri (Sr. Vice President), Gary Campbell (Manager, Ops & Planning Audits) or Tony Purgar (Manager, CIP Audits) or Jim Uhrin (Manager, Compliance Services and Investigations) and Mike Austin (Managing Enforcement Attorney).

For non-FFT candidates: Upon receipt of this document, Enforcement will coordinate with the reporting auditor and Enforcement to initiate the Enforcement processing of this possible violation.

Violation Reported By: [Audit Team Member](#)

Submittal Date: 9/13/12

Candidate for FFT Treatment: YES NO

Registered Entity: Whiting Clean Energy, Inc

NERC Registry ID#: NCR00417

Compliance Monitoring Process: Compliance Audits

Standard, Version and Requirement in Violation: FAC-008-1, R1

Registered Function(s) in Violation: GO

Initial PV Date (Actual Date Discovered by ReliabilityFirst): 9/13/12

Date for Determination of Penalty/Sanction (Beginning Date of Violation): 7/9/2008

End Date of Possible Violation: When corrected

For Non-FFT Candidate ONLY

Violation Risk Factor: VRF - Medium

Violation Severity Level: High VSL

Potential Impact to Bulk Electrical System (BES): Moderate

Provide Explanation for Selection:

The GO must include all the equipment that comprises the facility in its methodology. This ensures proper facility operation and guards against misoperations and assures proper functioning and reliability of the plant.

For Non-FFT and FFT Candidates

Basis for the PV:

R1: 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.

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.

Facts and Evidence pertaining to the PV:

Evidence:

- WCE_NCR00417_RSAW_FAC-008-1_20120731
 - WCE_Facilities_Rating_Worksheet_Final20120627, Rev 0, dated 7/2/12
- WCE_Response_to_RFC_693_Audit_RF11-2_20120817
 - FAC-008-1 R1: WCE_FAC-008-1_Methodology20080701.pdf, Rev unknown, date 7/1/08
- RFI#3_WCE_FAC-008_R1.2_Single_Line_Showing_Demarcation20120823

Facts:

The audit team looked at *WCE-FAC-008-009-PD-1_20120702.PDF*. The audit team determined that this is the current version of the WCE Facility Ratings Methodology (FRM), which was created as version 0 on 7/2/2012, which is after the 90 day notification (6/12/12). The audit team did not review or access compliance using the newly created FRM. Based upon contractor’s performance and participation during the compliance audit, the audit team deemed that it was necessary to evaluate the required 90-day notification in-force documents to ensure continual compliance with the requirement throughout the scope of the audit. Since the audit review revealed that White Clean Energy was not in compliance for the entire scope of the audit, the audit team does not recommend this violation for FFT.

The audit team requested the previous version of the Facilities Rating Methodology (FRM) since this was the one in place throughout the audit period. Whiting Energy provided *WCE_Response_to_RFC_693_Audit_RF11-2_20120817*, which contained *WCE_FAC-008-1_Methodology20080701*, dated July 1, 2008. Pages 176 through 178 is what Whiting considered the previous FRM. The FRM did not include transmission conductors, relay protective devices and series and shunt devices. Whiting Energy provided *RFI#3_WCE_FAC-008_R1.2_Single_Line_Showing_Demarcation20120823*, which is a single line diagram of the Whiting Energy generating station. The audit team determined that Whiting Energy does not own transmission conductors or series and shunt devices.

The methodology shows that for the generator, generator phase bus, generator step-up (GSU) transformers the nameplate data will be used. The audit team determined a Possible Violation since Whiting Energy did not have a method for determining ratings for protective relays devices.

For FFT Candidates ONLY

1. Why did this possible violation pose a minimal risk:

[Click here to enter text.](#)



2. Has Registered Entity mitigated this possible violation: YES NO
a. If yes, describe mitigating actions and state the date that Registered Entity completed the mitigating actions:

[Click here to enter text.](#)

3. Please answer the following questions to determine whether this possible violation constitutes a “clear on its face” FFT candidate or a “close call.” If the answer to any of the following questions is yes, this possible violation will be treated as a “close call.” Otherwise, this possible violation will be treated as a “clear on its face” FFT candidate.

- A. Is there any disagreement amongst the audit team on whether the PV is a “clear on its face” or “close call” candidate: YES NO
a. If yes, explain why:

[Click here to enter text.](#)

- B. Does this possible violation reveal a serious shortcoming in registered entity’s reliability-related processes (e.g. a systematic compliance program failure):

YES NO

- a. If yes, explain why:

[Click here to enter text.](#)

- C. Are there any additional facts the audit team needs to know in order to comfortably designate this possible violation for FFT treatment: YES NO

- a. If yes, state those facts:

[Click here to enter text.](#)

4. Did audit team inform registered entity that this possible violation qualifies for FFT treatment? YES NO

- a. If so, on what date? [Enter Date.](#)

Mitigation Plan

Registered Entity: Whiting Clean Energy, Inc.

Mit Plan Code	NERC Violation ID	Requirement	Violation Validated On	Mit Plan Version
	RFC2012011351	FAC-008-1 R1	null	1

Mitigation Plan Submitted On: December 12, 2012

Mitigation Plan Accepted On:

Mitigation Plan Proposed Completion Date: December 12, 2012

Actual Completion Date of Mitigation Plan:

Mitigation Plan Certified Complete by WCE On: December 12, 2012

Mitigation Plan Completion Verified by RFC On:

Mitigation Plan Completed? (Yes/No): No

Section A: Compliance Notices

Section 6.2 of the NERC CMEP sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:

- (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section B.
 - (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
 - (3) The cause of the Alleged or Confirmed Violation(s).
 - (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
 - (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed violation(s).
 - (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
 - (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
 - (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined or recommended to the applicable governmental authorities 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.
 - (11) This submittal form may be used to provide a required Mitigation Plan for review and approval by regional entity(ies) and NERC.
- The Mitigation Plan shall be submitted to the regional entity(ies) and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
 - This Mitigation Plan form may be used to address one or more related alleged or confirmed violations of one Reliability Standard. A separate mitigation plan is required to address alleged or confirmed violations with respect to each additional Reliability Standard, as applicable.
 - If the Mitigation Plan is accepted by regional entity(ies) and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission or filed with the applicable governmental authorities for approval in Canada.
 - Regional Entity(ies) or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
 - Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.
 - The user has read and accepts the conditions set forth in these Compliance Notices.

Section B: Registered Entity Information

B.1 Identify your organization:

Entity Name: Whiting Clean Energy, Inc.

NERC Compliance Registry ID: NCR00417

Address: 2155 Standard Ave.
Whiting IN 46394

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

Name: Brian Odelson

Title: Commercial Manager

Email: brian.odelson@bp.com

Phone: 219-473-0653

Section C: Identification of Reliability Standard Violation(s) Associated with this Mitigation Plan

C.1 This Mitigation Plan is associated with the following violation(s) of the reliability standard listed below:

Violation ID	Date of Violation	Requirement
Requirement Description		
RFC2012011351	07/09/2008	FAC-008-1 R1
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:		

C.2 Brief summary including the cause of the violation(s) and mechanism in which it was identified above:

The audit team determined that there is no rating methodology in Whiting Clean Energy's FRM for relay protective devices and voltage and current sensing devices.

C.3 Provide any relevant information regarding the identification of the violation(s) associated with this Mitigation Plan:

WCE completed the Facility Rating Methodology (FRM) Study on June 27, 2012 and the procedure was approved by WCE management on July 2, 2012. The new FRM includes all the elements required by the NERC Standard including relay protective devices and voltage and current sensing devices.

The June 27, 2012 FRM was provided to NIPSCO, WCE's TO and TOP on July 2, 2012.

Section D: Details of Proposed Mitigation Plan

- D.1 Identify and describe the action plan, including specific tasks and actions that your organization is proposing to undertake, or which it undertook if this Mitigation Plan has been completed, to correct the violation(s) identified above in Section C.1 of this form:

Whiting Clean Energy (WCE) implemented a comprehensive compliance program on June 25, 2012:

PURPOSE

To foster a culture that promotes reliable operation of Whiting Clean Energy (WCE), (NERC Compliance Registry ID #: NCR00417 for the registered functions of GO and GOP)â€™s electric power system and compliance with all applicable FERC, NERC, Regional Entities (including MRO), or other reliability agency regulations, reporting requirements, and reliability standards.

To provide an overarching policy framework for more detailed and specific departmental reliability compliance programs, practices, and procedures.

RESPONSIBILITY

Corey Correnti, Senior Vice President of Sales, Supply and Marketing, and Erika Harding, General Manager, Whiting Clean Energy, shall have overall responsibility to see that the objectives of Whiting Clean Energy are met in full compliance with reliability standards and shall appoint the members of the WCE Management Oversight Committee.

A WCE Management Oversight Committee composed of General Manager, Commercial Manager, Operations Manager, Maintenance and Engineering Manager, and HSSE Manager shall have general oversight responsibilities to ensure that program practices and procedures result in:

a.) Prevention of violations; b.) Prompt detection of any violations; c.) Prompt cessation of any violation causing activities; d.) Self reporting of any violations to appropriate agency; and e.) Effective remediation of any violation causing activities.

The General Manager has the responsibility to see that appropriate first line supervisors have adequate resources, training, understanding, and support to carry out departmental reliability compliance programs, practices, and procedures.

Appropriate first line supervisors will ensure that all employees and contractors have the necessary training, equipment, and understanding to accomplish their work in a manner consistent with all applicable Reliability Standards.

Compliance with Reliability Standards is the responsibility of all Whiting Clean Energy personnel. Compliance with Reliability Standards is a guiding principle for Whiting Clean Energy, Inc. employees, business plans, practices and decisions. Whiting Clean Energy, Inc.â€™s culture of safe, compliant, and reliable operations embodies the corporate values.

1. Reliability compliance activities, procedures, and policies are open, available, and transparent to the maximum possible extent.
2. Reliability compliance activities, procedures, and policies are executed and applied coherently and uniformly throughout Whiting Clean Energy.
3. Reliability compliance activities, procedures, and policies are regularly reviewed by reliability compliance staff and modified, amended, revised, and disseminated, and posted on the reliability compliance department SharePoint page, to assure continuous compliance with all applicable regulations and facilitate improvement in the program.
4. Management encourages employees to identify and recommend improvements to practices and procedures that will improve reliability and/or compliance.
5. Management encourages identification and reporting of regulatory compliance and reliability concerns or questions, and promotes employee trust and confidence that issues identified by and questions from employees are welcome and promptly evaluated and addressed.
6. Management provides a process for compliance and reliability issue identification and resolution.
7. Management assumes responsibility for identified and documented reliability issues and is accountable for resolution.
8. The Compliance Officer is responsible for ensuring that appropriate actions consistent with policies are taken and that materials to document compliance are accurate and complete.
9. Training on reliability standards is mandatory for appropriate Whiting Clean Energy, Inc. employees and provided on no less than an annual basis and as required by major changes in standards, policies or

procedures.

10. Departments are responsible for ensuring that data retention policy is strictly followed; auditable compliance evidence is tracked and archived. Document control of procedural documents includes three levels of accountability: subject matter experts/preparers; reviewers; and approvers.

11. Whiting Clean Energy subject matter experts are actively engaged in regional and national level of industry activities to promote reliability and coordination among users and owners of the bulk power system.

Reporting Identified Opportunities or Concerns

12. All personnel are encouraged to discuss opportunities and strategies for improving reliability and/or compliance with their immediate supervisors.

13. All personnel shall report any violations, potential violations, or identified compliance and reliability issues promptly without delay, and in a clear and accurate manner.

14. Personnel shall report regulatory compliance and reliability concerns at any time to any of the following: immediate supervisor/manager; and supervisors/managers outside of their normal chain of command, if deemed necessary.

¶,§ WCE completed the Facility Rating Methodology (FRM) Study on June 27, 2012 and the procedure was approved by WCE management on July 2, 2012. The new FRM includes all the elements required by the NERC Standard including relay protective devices and voltage and current sensing devices.

¶,§ The June 27, 2012 FRM was provided to NIPSCO, WCE's TOP on July 2, 2012.

¶,§ FAC-008 was revised on November 28, 2012 to incorporate recommendations from the audit team.

¶,§ WCE has appointed a new full-time Compliance Coordinator to administer the NERC Compliance Program as of September 4, 2012.

¶,§ The facility rating methodology was covered in a protective systems training course to personnel on July 30, 2012. An updated version of the training (including the FRM) was done on October 2, 2012.

¶,§ WCE has engaged Burns & McDonnell to provide the new leadership team detailed training of NERC Reliability Standard Compliance and the factors of an effective compliance program on June 28, 2012.

¶,§ WCE implemented documentation control for all NERC compliance programs and procedures in a shared drive. Access privileges are restricted to those who have the "need-to-know". Each procedure contains a document control template which specifies three levels of accountability, issue date, revision history, and the next review date.

- D.2 Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the violations associated with this Mitigation Plan are corrected:

Proposed Completion date of Mitigation Plan: December 12, 2012

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

Milestone Activity	Description	*Proposed Completion Date (Shall not be greater than 3 months apart)	Actual Completion Date
Facility Rating Methodology (FRM) Study Completion	Facility Rating Methodology (FRM) Study Completion	06/27/2012	

Milestone Activity	Description	*Proposed Completion Date (Shall not be greater than 3 months apart)	Actual Completion Date
Communicate Facility Rating Methodology (FRM) to NIPSCO	Communicate Facility Rating Methodology (FRM) to NIPSCO	07/02/2012	
Facility Rating Methodology (FRM) Procedure Approval	Facility Rating Methodology (FRM) Procedure Approval	07/02/2012	
Generator Operator Personnel Training	Generator Operator Personnel Training	07/29/2012	
Compliance Coordinator Appointment	Compliance Coordinator Appointment	09/04/2012	
Additional Generator Operator Personnel Training	Additional Generator Operator Personnel Training	10/02/2012	
Revise the WCE FAC-008/009 procedure to incorporate suggestions from the audit team.	Revise the WCE FAC-008/009 procedure to incorporate suggestions from the audit team.	11/28/2012	

D.4 Additional Relevant Information (Optional)

Section E: Interim and Future Reliability Risk

E.1 Abatement of Interim BPS Reliability Risk

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

WCE believes the risk and impact to the Bulk Power System (BPS) is low because the relay protective devices and voltage and current sensing devices are not the most limiting elements in accordance with the facility rating study completed on June 27, 2012.

The Compliance Officer shall conduct quarterly random spot checks using the NERC Reliability Compliance Review Checklist with the standard owner; the oversight committee will conduct annual review prior to WCE's self-certification.

E.2 Prevention of Future BPS Reliability Risk

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

WCE believes it has taken the steps necessary to ensure that the organization learns from this experience through training and ongoing dialog and enforcement oversight. WCE's current management team is committed to diligent adherence to an effective compliance program and culture going forward:

1. Management provides a process for compliance and reliability issue identification and resolution.
2. Management assumes responsibility for identified and documented reliability issues and is accountable for resolution.
3. The Compliance Officer is responsible for ensuring that appropriate actions consistent with policies are taken and that materials to document compliance are accurate and complete.
4. All personnel are encouraged to discuss opportunities and strategies for improving reliability and/or compliance with their immediate supervisors.
5. All personnel shall report any violations, potential violations, or identified compliance and reliability issues promptly without delay, and in a clear and accurate manner.
6. Personnel shall report regulatory compliance and reliability concerns at any time to any of the following: immediate supervisor/manager; and supervisors/managers outside of their normal chain of command, and BP's Compliance Hotline via "OpenTalk", if and as appropriate.

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

Section F: Authorization

An authorized individual must sign and date the signature page. By doing so, this individual, on behalf of your organization:

- (a) Submits the Mitigation Plan, as laid out in Section D, to the Regional Entity for acceptance and approval by NERC, and
- (b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- (c) Acknowledges:
 - 1. I am General Manager of Whiting Clean Energy, Inc.
 - 2. I am qualified to sign this Mitigation Plan on behalf of Whiting Clean Energy, Inc.
 - 3. I have read and understand Whiting Clean Energy, Inc.'s obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure and the NERC CMEP currently in effect or the NERC CMEP-Province of Manitoba, Schedule B currently in effect, whichever is applicable.
 - 4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
 - 5. Whiting Clean Energy, Inc. Agrees to be bound by, and comply with, this Mitigation Plan, including the timetable completion date, as accepted by the Regional Entity, NERC, and if required, the applicable governmental authorities in Canada.

Authorized Individual Signature: _____
(Electronic signature was received by the Regional Office via CDMS. For Electronic Signature Policy see CMEP.)

Authorized Individual

Name: Erika Harding

Title: General Manager

Authorized On: December 12, 2012

Certification of Mitigation Plan Completion

Submittal of a Certification of Mitigation Plan Completion shall include data or information sufficient for the Regional Entity to verify completion of the Mitigation Plan. The Regional Entity 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)

Registered Entity Name: Whiting Clean Energy, Inc.

NERC Registry ID: NCR00417

NERC Violation ID(s): RFC2012011351

Mitigated Standard Requirement(s): FAC-008-1 R1,

Scheduled Completion as per Accepted Mitigation Plan: December 12, 2012

Date Mitigation Plan completed: December 12, 2012

RFC Notified of Completion on Date: December 12, 2012

Entity Comment: This proposed mitigation plan is fully implemented as of December 12, 2012. All actions outlined in this plan to return WCE to full compliance with FAC-008 have been completed.

Additional Documents			
From	Document Name	Description	Size in Bytes
Entity	WCE_FAC-008_Mitigation_Plan20121212.pdf		6,102,946

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

Name: Erika Harding

Title: General Manager

Email: erika.harding@bp.com

Phone: 1 (219) 473-0653

Authorized Signature _____ Date _____

(Electronic signature was received by the Regional Office via CDMS. For Electronic Signature Policy see CMEP.)



<i>In re:</i> WHITING CLEAN ENERGY, INC.	)	Docket No. RFC2012011351
)	
NERC Registry ID No. NCR00417	)	NERC Reliability Standard:
	)	FAC-008-1, Requirement 1

**VERIFICATION OF MITIGATION PLAN COMPLETION
FOR
RFCMIT008528**

I. RELEVANT BACKGROUND

From September 10, 2012 to September 13, 2012, ReliabilityFirst Corporation (“ReliabilityFirst”) conducted a compliance audit of Whiting Clean Energy, Inc. (“WCE”) during which ReliabilityFirst identified a possible violation of Reliability Standard FAC-008-1, R1 by discovering that WCE did not have a methodology for determining ratings for protective relay devices.

On December 12, 2012, WCE submitted a proposed mitigation plan to ReliabilityFirst. On January 2, 2013, ReliabilityFirst accepted this mitigation plan, designated RFCMIT008528, and on February 22, 2013, the North American Electric Reliability Corporation (“NERC”) approved it.

II. MITIGATION PLAN COMPLETION REVIEW PROCESS

On December 12, 2012, WCE certified that it completed the mitigation plan for FAC-008-1, R1 as of December 12, 2012. ReliabilityFirst requested and received evidence of completion for the actions WCE took as specified in the mitigation plan. ReliabilityFirst performed an in-depth review of the information provided to verify that WCE successfully completed all actions specified in the mitigation plan.

A. Evidence Reviewed per Standard and Requirement.

<u>Evidence Reviewed</u>	<u>Applicable Standard and Requirement</u>
<p>1. WCE FAC-008 Mitigation Plan20121212.pdf</p> <p><i>Exhibit 1: Facility Rating Study Worksheet – June 27, 2012</i></p> <p><i>Exhibit 2: WCE FAC-008/009 Procedure – July 2, 2012</i></p> <p><i>Exhibit 3: Communication of facility rating to NIPSCO – July 2, 2012</i></p> <p><i>Exhibit 4: WEC FAC-008/009 Procedure – November 28, 2012</i></p> <p><i>Exhibit 5: Compliance Coordinator Appointment – August 29, 2012</i></p> <p><i>Exhibit 6: System Protection Training – July 29, 2012</i></p> <p><i>Exhibit 7: System Protection Training Record – July 30, 2012</i></p> <p><i>Exhibit 8: Updated System Protection Training Record – October 2, 2012</i></p> <p><i>Exhibit 9: Updated System Protection Training Record – October 2, 2012</i></p> <p><i>Exhibit 10: Reliability Compliance Training – June 28, 2012</i></p> <p><i>Exhibit 11: Reliability Compliance Training Record – June 28, 2012</i></p>	<p>FAC-008-1, R1</p>

B. Verification of Mitigation Plan Completion.

FAC-008-1, R1 states:

R1. 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:

R1.1. 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 BES 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.

Milestone 1: Appoint Compliance Coordinator

Exhibit 5 is an email sent to new compliance coordinator, informing him of his start date.

This evidence demonstrates successful completion of Milestone 1.

Milestone 2: Facility Rating Methodology (FRM) Study Completion

Exhibit 1 is the results of the FRM study showing the new ratings. Exhibit 2 is the new FRM compliance procedure.

This evidence demonstrates successful completion of Milestone 2.

Milestone 3: Facility Rating Methodology (FRM) Procedure Approval

Page 2 of Exhibit 2 shows approval by the Operations and Maintenance & Engineering Managers.

This evidence demonstrates successful completion of Milestone 3.

Milestone 4: Communicate Facility Rating Methodology (FRM) to NIPSCO

Exhibit 3 is the letter WCE sent to NIPSCO informing them of the new facility ratings.

This evidence demonstrates successful completion of Milestone 4.

Milestone 5: Generator Operator Personnel Training

Exhibit 6 is operator training on system protection and the ratings methodology. Exhibit 8 is training given on system protection findings from a recent generator trip incident. Exhibits 7 and 9 are attendance records of the two training sessions.

This evidence demonstrates successful completion of Milestone 5.

Milestone 6: Additional Generator Operator Personnel Training

Exhibit 10 is training given by a contractor to WCE staff concerning ReliabilityFirst's audit and general NERC compliance policy. Exhibit 11 is the attendance record.

This evidence demonstrates successful completion of Milestone 6.

Milestone 7: Revise WCE FAC-008/009 procedure

Exhibit 4 is revision 1 of WCE's FRM, dated November 28, 2012. This document contains statements satisfying all requirements of FAC-008-3 and FAC-009-1. The second pages of Exhibits 2 and 4 contain revisions implementing a document control template that specifies three levels of accountability, issue date, revision history, and the next review date.

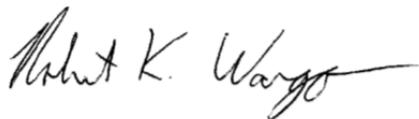
This evidence demonstrates successful completion of Milestone 7.

III. CONCLUSION

ReliabilityFirst reviewed the evidence WCE submitted in support of its Certification of Mitigation Plan Completion. ReliabilityFirst determined this evidence demonstrates WCE successfully completed the mitigating activities in mitigation plan RFCMIT008528 associated with FAC-008-1, R1.

ReliabilityFirst verifies that WCE completed the mitigation plan associated with the possible violation of the Reliability Standard in accordance with its terms and conditions.

Approved:



Robert K. Wargo
Director of Analytics & Enforcement
ReliabilityFirst Corporation

Date: March 1, 2013

Attachment g

Record documents for the violation of FAC-009-1 R1

- 1. Reliability *First's* Possible Violation Identification Form for FAC-009-1 R1 dated September 13, 2012;**
 - 2. WCE's Mitigation Plan designated as RFCMIT008531 for FAC-009-1 R1 submitted December 12, 2012;**
 - 3. WCE's Certification of Mitigation Plan Completion for FAC-009-1 R1 submitted December 12, 2012;**
 - 4. Reliability *First's* Verification of Mitigation Plan Completion for FAC-009-1 R1 dated March 1, 2013.**
-



Possible Violation (PV) / Find, Fix, and Track (“FFT”) Identification Form

INSTRUCTIONS

1. In the “Violation Reported By” field, specify name of the reporting auditor. For audits/spot-checks, this would be the Audit Team Lead (ATL). For all other compliance monitoring processes, it would be the selected reporting auditor.
2. In the “Submittal Date” field, enter the date this PV/FFT will be submitted to Enforcement.
3. If this possible violation is a “Candidate for FFT treatment,” check the “YES” box. Otherwise, check the “NO” box.
4. Enter the “Registered Entity’s” name and the associated “NERC Registry ID#” (NCR number) as they appear on the [NERC Compliance Registry](#) or the available audit records (e.g. pre-audit survey).
5. Choose the appropriate “Compliance Monitoring Process.”
6. In “Standard, Version and Requirement,” list all versions of the standard in violation based on the period of the violation. List requirement(s) and the specific sub-requirement(s), if applicable, since each PV summary is to include a rollout of all violated sub-requirements under a single PV.
For example: CIP-004-1, 2, 3 R4 (R4.1, R4.2).
7. Enter the “Registered Function(s) in Violation.” Include only those functions to which the violation is applicable. For example, if an entity is registered as GO and GOP and is in violation of FAC-009-1 R1 (applicable to only GO and TO), then only list “GO.”
8. Enter the date the PV was discovered by ReliabilityFirst. For example, this may be the date of the exit briefing of an audit.
9. To the best of the auditor’s ability, determine the beginning date of the violation (or the first date of the audit period if the violation began before the audit period) and select that date from the “Date for Determination of Penalty/Sanction” date field.
 - a. Note: For CIP, depending on the registered functions, different C-Compliance dates apply based on the CIP Ver. 1 Implementation Plan. If the violation was in effect for the entire audit review period going back to the C-Compliance date, specify the date and function per the following:
 - i. For TOP/BA functions, the C-Compliance date is 7/1/2009.
 - ii. For GO/GOP/LSE/TO functions, the C-Compliance date is 1/1/2010.
 - b. If the entity was previously audited or spot-checked after its C-Compliance date, specify the date after the Exit Briefing of that audit or spot-check.
10. For FFT Candidates:
 - a. Specify the “End Date of the Possible Violation,” typically the date the violation was mitigated. If not mitigated, list “Not Mitigated.”
 - b. Skip Instruction 11 below.
 - c. Complete Instructions 12 – 17 below.
 - d. Complete the “FFT Candidates ONLY” section at the bottom of the form.
11. For non-FFT candidates:
 - a. Obtain the most recent VRF Matrix from www.nerc.com -> Standards -> Reliability Standards -> VRF Matrix (Left Menu). If the PV addresses a single requirement, select the appropriate VRF level from the pull-down menu in this form. If the PV addresses a requirement and sub-requirement(s), list out the appropriate VRF for each requirement/sub-requirement.
 - b. Obtain the most recent VSL Matrix from www.nerc.com -> Standards -> Reliability Standards -> VSL Matrix (Left Menu). If the PV addresses a single requirement, select the appropriate VSL level from the pull-down menu in this form. If the PV addresses a



- requirement and sub-requirement(s), list out the appropriate VSL for each requirement/sub-requirement.
- c. Choose a Potential Impact from the pull-down list (Example definitions are italicized):
 - i. Minimal: *This violation is document related, or poses only a small risk to the BES.*
 - ii. Moderate: *This violation puts the BES at risk, but is not a serious, imminent threat.*
 - iii. Severe: *This violation constitutes a serious, imminent threat to the BES.*
 - d. Under "Provide Explanation for Selection," explain the choice of Potential Impact above.
 - e. Complete the Instructions 12-17 below.
12. Enter a brief summary of the "Basis for the PV," for each requirement/sub-requirement, as applicable.
 - a. For example, consider what was not met in the requirement or what was lacking in the evidence. Mention any additional information, as applicable or relevant (i.e., self report, OEA, etc.)
 13. Under "Evidence," list only the evidence documents reviewed to substantiate the PV.
 14. Under "Facts," discuss how the entity is in violation and how each of the evidence documents demonstrates this.
 15. Save this revised template as a pattern for each of the PVs/FFT Candidates identified for this entity and perform the steps outlined above.
 16. Before finalizing the PV/FFT Candidate and circulating for Management review, remove these instructions and the Template's revision history.
 17. Once approved by the Manager, save a copy with the Manager's approval note on the P Drive in the folder entitled "13 – PV Summary Report" within the applicable entity folder and send to Enforcement.

Note: Enter "X" in the appropriate YES, NO boxes in the following pages.



Possible Violation (PV) / Find, Fix, and Track (“FFT”) Identification Form

This document is to be completed upon identification of a possible violation, typically within 5 business days of the audit exit brief, and emailed to Veronica Miller (Paralegal) with a copy to: Ray Palmieri (Sr. Vice President), Gary Campbell (Manager, Ops & Planning Audits) or Tony Purgar (Manager, CIP Audits) or Jim Uhrin (Manager, Compliance Services and Investigations) and Mike Austin (Managing Enforcement Attorney).

For non-FFT candidates: Upon receipt of this document, Enforcement will coordinate with the reporting auditor and Enforcement to initiate the Enforcement processing of this possible violation.

Violation Reported By: Audit Team Member

Submittal Date: 9/13/12

Candidate for FFT Treatment: YES NO

Registered Entity: Whiting Clean Energy, Inc

NERC Registry ID#: NCR00417

Compliance Monitoring Process: Compliance Audits

Standard, Version and Requirement in Violation: FAC-009-1, R1

Registered Function(s) in Violation: GO

Initial PV Date (Actual Date Discovered by ReliabilityFirst): 9/13/12

Date for Determination of Penalty/Sanction (Beginning Date of Violation): 7/9/2008

End Date of Possible Violation: When corrected

For Non-FFT Candidate ONLY

Violation Risk Factor: VRF - Medium

Violation Severity Level: Moderate VSL

Potential Impact to Bulk Electrical System (BES): Moderate

Provide Explanation for Selection:

The GO must be aware of the ratings of the equipment located at the plant so as not to cause damage to the equipment located at the facility and to provide the scheduled MW and MVARs to the BES. Providing the necessary scheduled MW's to the BES assures that the load is served and providing MVAR's assures voltage stability.

For Non-FFT and FFT Candidates



Basis for the PV:

R1: 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

Facts and Evidence pertaining to the PV:

Evidence:

- WCE_NCR00417_RSAW_FAC-009-1_20120731.pdf
 - WCE_Facilities_Rating_Worksheet_Final20120627.pdf
- WCE_Response_to_RFC_693_Audit_RFII-2_20120817
- RFI#3_WCE_FAC-008_R1.2_Single_Line_Showing_Demarcation20120823

Facts:

Whiting provided *WCE_Facilities_Rating_Worksheet_Final20120627.pdf*, which is Whiting Energy’s current version of the facility ratings which was created on 7/2/12, which is after the 90-day notification (6/12/2012). The audit team did not review or access compliance with this version.

The audit team requested the facilities ratings prior to the 7/2/12 version. Whiting Energy provided *WCE_Response_to_RFC_693_Audit_RFII-2_20120817*. Page 178 shows Table 1 with ratings for the generators, circuit breakers, generator step up (GSU) transformer, protective relay (overcurrent only), and current transformers (CT’s). The audit team reviewed the ratings in Table 1 and found that there were no ratings for transmission conductors or series and shunt compensation devices. The audit team requested evidence that Whiting Energy does not own or operate this equipment.

Whiting Energy provided *RFI#3_WCE_FAC-008_R1.2_Single_Line_Showing_Demarcation20120823*. Upon review of the single line, the audit team determined that Whiting Energy does not own or operate any of these devices.

The audit team determined that the ratings in Table 1 for protective relaying and current transformers were not the ratings of the equipment but based on a setting, defined as 125% of the GSU rating which is inconsistent with the methodology. The audit team concluded that based on the values in the table, the overall rating is determined from the generator step up transformer being the most limiting element. However, for the steam turbine the current rating of the generator step-up transformer is 990 A but the rating for the CT rating for the steam turbine is 856 A. This appears to be a discrepancy in the overall facility rating for this turbine and the audit team was unable to determine if the facility Rating is equal to the most limiting applicable equipment rating.

The audit team determined a possible violation since the audit team determined there were many unresolved discrepancies in the ratings that were inconsistent with the FRM.

For FFT Candidates ONLY

1. Why did this possible violation pose a minimal risk:

[Click here to enter text.](#)

2. Has Registered Entity mitigated this possible violation: YES NO

a. If yes, describe mitigating actions and state the date that Registered Entity completed the mitigating actions:



[Click here to enter text.](#)

3. Please answer the following questions to determine whether this possible violation constitutes a “clear on its face” FFT candidate or a “close call.” If the answer to any of the following questions is yes, this possible violation will be treated as a “close call.” Otherwise, this possible violation will be treated as a “clear on its face” FFT candidate.

A. Is there any disagreement amongst the audit team on whether the PV is a “clear on its face” or “close call” candidate: YES NO

a. If yes, explain why:

[Click here to enter text.](#)

B. Does this possible violation reveal a serious shortcoming in registered entity’s reliability-related processes (e.g. a systematic compliance program failure):

YES NO

a. If yes, explain why:

[Click here to enter text.](#)

C. Are there any additional facts the audit team needs to know in order to comfortably designate this possible violation for FFT treatment: YES NO

a. If yes, state those facts:

[Click here to enter text.](#)

4. Did audit team inform registered entity that this possible violation qualifies for FFT treatment? YES NO

a. If so, on what date? [Enter Date.](#)

This document has been reviewed by Gary Campbell, Manager of Compliance Audits or his designee on October 22, 2012. Upon addressing the above comments, the lead auditor can proceed with the completion of the non-public and public version of the report and move forward according to the audit checklist. Final reports can be issued without further review if the entity has not raised any objections or issues through its comments on the draft report. Objections or concerns by an entity should be reviewed with Manager of Compliance Audits before issuance of a final report, as appropriate.



Gary Campbell

Gary Campbell

Manager of Operation & Planning Audits – ReliabilityFirst Corporation

Mitigation Plan

Registered Entity: Whiting Clean Energy, Inc.

Mit Plan Code	NERC Violation ID	Requirement	Violation Validated On	Mit Plan Version
	RFC2012011352	FAC-009-1 R1	null	1

Mitigation Plan Submitted On: December 12, 2012

Mitigation Plan Accepted On:

Mitigation Plan Proposed Completion Date: December 12, 2012

Actual Completion Date of Mitigation Plan:

Mitigation Plan Certified Complete by WCE On: December 12, 2012

Mitigation Plan Completion Verified by RFC On:

Mitigation Plan Completed? (Yes/No): No

Section A: Compliance Notices

Section 6.2 of the NERC CMEP sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:

- (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section B.
 - (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
 - (3) The cause of the Alleged or Confirmed Violation(s).
 - (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
 - (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed violation(s).
 - (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
 - (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
 - (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined or recommended to the applicable governmental authorities 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.
 - (11) This submittal form may be used to provide a required Mitigation Plan for review and approval by regional entity(ies) and NERC.
- The Mitigation Plan shall be submitted to the regional entity(ies) and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
 - This Mitigation Plan form may be used to address one or more related alleged or confirmed violations of one Reliability Standard. A separate mitigation plan is required to address alleged or confirmed violations with respect to each additional Reliability Standard, as applicable.
 - If the Mitigation Plan is accepted by regional entity(ies) and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission or filed with the applicable governmental authorities for approval in Canada.
 - Regional Entity(ies) or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
 - Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.
 - The user has read and accepts the conditions set forth in these Compliance Notices.

Section B: Registered Entity Information

B.1 Identify your organization:

Entity Name: Whiting Clean Energy, Inc.

NERC Compliance Registry ID: NCR00417

Address: 2155 Standard Ave.
Whiting IN 46394

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

Name: Brian Odelson

Title: Commercial Manager

Email: brian.odelson@bp.com

Phone: 219-473-0653

Section C: Identification of Reliability Standard Violation(s) Associated with this Mitigation Plan

C.1 This Mitigation Plan is associated with the following violation(s) of the reliability standard listed below:

Violation ID	Date of Violation	Requirement
Requirement Description		
RFC2012011352	07/09/2008	FAC-009-1 R1
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.		

C.2 Brief summary including the cause of the violation(s) and mechanism in which it was identified above:

The audit team determined that ratings for disconnect switches and relay protective devices were not used to establish the facility rating consistent with the standard/requirement.

C.3 Provide any relevant information regarding the identification of the violation(s) associated with this Mitigation Plan:

WCE completed the Facility Rating Methodology (FRM) Study on June 27, 2012 and the procedure was approved by WCE management on July 2, 2012. The new FRM includes all the elements required by the NERC FAC-009-1 standard to establish the facility rating consistent with R1, including disconnect switches and relay protective devices.

The June 27, 2012 FRM was provided to NIPSCO, WCE's TO and TOP on July 2, 2012.

Section D: Details of Proposed Mitigation Plan

- D.1 Identify and describe the action plan, including specific tasks and actions that your organization is proposing to undertake, or which it undertook if this Mitigation Plan has been completed, to correct the violation(s) identified above in Section C.1 of this form:
- WCE completed the Facility Rating Methodology (FRM) Study on June 27, 2012 and the procedure was approved by WCE management on July 2, 2012. The new FRM includes all the elements required by the NERC Standard including relay protective devices and voltage and current sensing devices.
 - The June 27, 2012 FRM was provided to NIPSCO, WCE's TOP on July 2, 2012.
 - FAC-008/009 was revised on November 28, 2012 to incorporate recommendations from the audit team.
 - WCE has appointed a new full-time Compliance Coordinator to administer the NERC Compliance Program as of September 4, 2012.
 - The facility rating methodology was covered in a protective systems training course to personnel on July 30, 2012. An updated version of the training (including the FRM) was done on October 2, 2012.
 - WCE has engaged Burns & McDonnell to provide the new leadership team detailed training of NERC Reliability Standard Compliance and the factors of an effective compliance program on June 28, 2012.
 - WCE implemented documentation control for all NERC compliance programs and procedures in a shared drive. Access privileges are restricted to those who have the "need-to-know". Each procedure contains a document control template which specifies three levels of accountability, issue date, revision history, and the next review date.
- D.2 Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the violations associated with this Mitigation Plan are corrected:

Proposed Completion date of Mitigation Plan: December 12, 2012

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

Milestone Activity	Description	*Proposed Completion Date (Shall not be greater than 3 months apart)	Actual Completion Date
Establish facility rating	Facility Rating Methodology (FRM) Study Completion	06/27/2012	06/27/2012
Communicate facility rating	Communicate Facility Rating Methodology (FRM) to NIPSCO	07/02/2012	07/02/2012
Update facility rating procedure	Facility Rating Methodology (FRM) Procedure Approval	07/02/2012	07/02/2012
Generator Operator Personnel Training	Conduct training for site staff around protective systems and facility ratings	07/30/2012	07/30/2012
Appoint Compliance Coordinator	Appoint a Compliance Coordinator to assist the Compliance Officer in maintaining and enforcing compliance at the WCE site.	09/04/2012	09/04/2012

Milestone Activity	Description	*Proposed Completion Date (Shall not be greater than 3 months apart)	Actual Completion Date
Additional Generator Operator Personnel Training	Conduct additional training for staff around protective systems and facility ratings.	10/02/2012	10/02/2012
Revise WCE FAC-008/009 procedure	Revise the WCE FAC-008/009 procedure to incorporate suggestions from the audit team.	11/28/2012	11/28/2012

D.4 Additional Relevant Information (Optional)

WCE implemented a comprehensive compliance program on June 25, 2012:

PURPOSE

To foster a culture that promotes reliable operation of Whiting Clean Energy (WCE), (NERC Compliance Registry ID #: NCR00417 for the registered functions of GO and GOP)â€™s electric power system and compliance with all applicable FERC, NERC, Regional Entities (including MRO), or other reliability agency regulations, reporting requirements, and reliability standards.

To provide an overarching policy framework for more detailed and specific departmental reliability compliance programs, practices, and procedures.

RESPONSIBILITY

Corey Correnti, Senior Vice President of Sales, Supply and Marketing, and Erika Harding, General Manager, Whiting Clean Energy, shall have overall responsibility to see that the objectives of Whiting Clean Energy are met in full compliance with reliability standards and shall appoint the members of the WCE Management Oversight Committee.

A WCE Management Oversight Committee composed of General Manager, Commercial Manager, Operations Manager, Maintenance and Engineering Manager, and HSSE Manager shall have general oversight responsibilities to ensure that program practices and procedures result in: a.) Prevention of violations; b.) Prompt detection of any violations; c.) Prompt cessation of any violation causing activities; d.) Self reporting of any violations to appropriate agency; and e.) Effective remediation of any violation causing activities.

The General Manager has the responsibility to see that appropriate first line supervisors have adequate resources, training, understanding, and support to carry out departmental reliability compliance programs, practices, and procedures.

Appropriate first line supervisors will ensure that all employees and contractors have the necessary training, equipment, and understanding to accomplish their work in a manner consistent with all applicable Reliability Standards.

Compliance with Reliability Standards is the responsibility of all Whiting Clean Energy personnel.

Compliance with Reliability Standards is a guiding principle for Whiting Clean Energy, Inc. employees, business plans, practices and decisions. Whiting Clean Energy, Inc.â€™s culture of safe, compliant, and reliable operations embodies the corporate values.

1. Reliability compliance activities, procedures, and policies are open, available, and transparent to the maximum possible extent.
2. Reliability compliance activities, procedures, and policies are executed and applied coherently and uniformly throughout Whiting Clean Energy.
3. Reliability compliance activities, procedures, and policies are regularly reviewed by reliability compliance staff and modified, amended, revised, and disseminated, and posted on the reliability compliance department SharePoint page, to assure continuous compliance with all applicable

regulations and facilitate improvement in the program.

4. Management encourages employees to identify and recommend improvements to practices and procedures that will improve reliability and/or compliance.
5. Management encourages identification and reporting of regulatory compliance and reliability concerns or questions, and promotes employee trust and confidence that issues identified by and questions from employees are welcome and promptly evaluated and addressed.
6. Management provides a process for compliance and reliability issue identification and resolution.
7. Management assumes responsibility for identified and documented reliability issues and is accountable for resolution.
8. The Compliance Officer is responsible for ensuring that appropriate actions consistent with policies are taken and that materials to document compliance are accurate and complete.
9. Training on reliability standards is mandatory for appropriate Whiting Clean Energy, Inc. employees and provided on no less than an annual basis and as required by major changes in standards, policies or procedures.
10. Departments are responsible for ensuring that data retention policy is strictly followed; auditable compliance evidence is tracked and archived. Document control of procedural documents includes three levels of accountability: subject matter experts/preparers; reviewers; and approvers.
11. Whiting Clean Energy subject matter experts are actively engaged in regional and national level of industry activities to promote reliability and coordination among users and owners of the bulk power system.

Reporting Identified Opportunities or Concerns

12. All personnel are encouraged to discuss opportunities and strategies for improving reliability and/or compliance with their immediate supervisors.
13. All personnel shall report any violations, potential violations, or identified compliance and reliability issues promptly without delay, and in a clear and accurate manner.
14. Personnel shall report regulatory compliance and reliability concerns at any time to any of the following: immediate supervisor/manager; and supervisors/managers outside of their normal chain of command, if deemed necessary.

Section E: Interim and Future Reliability Risk

E.1 Abatement of Interim BPS Reliability Risk

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

WCE believes the risk and impact to the Bulk Power System (BPS) is low because the disconnect switches and relay protective devices are not the most limiting elements in accordance with the result of the facility rating study completed on June 27, 2012.

The Compliance Officer shall conduct quarterly random spot checks using the NERC Reliability Compliance Review Checklist with the standard owner; the oversight committee will conduct annual review prior to WCE's self-certification.

E.2 Prevention of Future BPS Reliability Risk

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

WCE believes it has taken the steps necessary to ensure that the organization learns from this experience through training and ongoing dialog and enforcement oversight. WCE's current management team is committed to diligent adherence to an effective compliance program and culture going forward:

1. Management provides a process for compliance and reliability issue identification and resolution.
2. Management assumes responsibility for identified and documented reliability issues and is accountable for resolution.
3. The Compliance Officer is responsible for ensuring that appropriate actions consistent with policies are taken and that materials to document compliance are accurate and complete.
4. All personnel are encouraged to discuss opportunities and strategies for improving reliability and/or compliance with their immediate supervisors.
5. All personnel shall report any violations, potential violations, or identified compliance and reliability issues promptly without delay, and in a clear and accurate manner.
6. Personnel shall report regulatory compliance and reliability concerns at any time to any of the following: immediate supervisor/manager; and supervisors/managers outside of their normal chain of command, and BP's Compliance Hotline via "OpenTalk", if and as appropriate.

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

Section F: Authorization

An authorized individual must sign and date the signature page. By doing so, this individual, on behalf of your organization:

- (a) Submits the Mitigation Plan, as laid out in Section D, to the Regional Entity for acceptance and approval by NERC, and
- (b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- (c) Acknowledges:
 1. I am General Manager of Whiting Clean Energy, Inc.
 2. I am qualified to sign this Mitigation Plan on behalf of Whiting Clean Energy, Inc.
 3. I have read and understand Whiting Clean Energy, Inc.'s obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure and the NERC CMEP currently in effect or the NERC CMEP-Province of Manitoba, Schedule B currently in effect, whichever is applicable.
 4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
 5. Whiting Clean Energy, Inc. Agrees to be bound by, and comply with, this Mitigation Plan, including the timetable completion date, as accepted by the Regional Entity, NERC, and if required, the applicable governmental authorities in Canada.

Authorized Individual Signature: _____
(Electronic signature was received by the Regional Office via CDMS. For Electronic Signature Policy see CMEP.)

Authorized Individual

Name: Erika Harding

Title: General Manager

Authorized On: December 12, 2012

Certification of Mitigation Plan Completion

Submittal of a Certification of Mitigation Plan Completion shall include data or information sufficient for the Regional Entity to verify completion of the Mitigation Plan. The Regional Entity 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)

Registered Entity Name: Whiting Clean Energy, Inc.

NERC Registry ID: NCR00417

NERC Violation ID(s): RFC2012011352

Mitigated Standard Requirement(s): FAC-009-1 R1,

Scheduled Completion as per Accepted Mitigation Plan: December 12, 2012

Date Mitigation Plan completed: December 12, 2012

RFC Notified of Completion on Date: December 12, 2012

Entity Comment: This proposed mitigation plan is fully implemented as of December 12, 2012. All actions outlined in this plan to return WCE to full compliance with FAC-009 have been completed.

Additional Documents			
From	Document Name	Description	Size in Bytes
Entity	WCE-NERC-FAC-009-Mitigation_Plan20121212.pdf		6,032,108

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

Name: Erika Harding

Title: General Manager

Email: erika.harding@bp.com

Phone: 1 (219) 473-0653

Authorized Signature _____ Date _____

(Electronic signature was received by the Regional Office via CDMS. For Electronic Signature Policy see CMEP.)



<i>In re:</i> WHITING CLEAN ENERGY, INC.	)	Docket No. RFC2012011352
)	
NERC Registry ID No. NCR00417	)	NERC Reliability Standard:
	)	FAC-009-1, Requirement 1

**VERIFICATION OF MITIGATION PLAN COMPLETION
FOR
RFCMIT008531**

I. RELEVANT BACKGROUND

From September 10, 2012 to September 13, 2012, ReliabilityFirst Corporation (“ReliabilityFirst”) conducted a compliance audit of Whiting Clean Energy, Inc. (“WCE”) during which ReliabilityFirst identified a possible violation of Reliability Standard FAC-009-1, R1 by discovering that WCE did not establish facility ratings that were consistent with its Facility Ratings Methodology (“FRM”).

On December 12, 2012, WCE submitted a proposed mitigation plan to. On January 2, 2013, ReliabilityFirst accepted this mitigation plan, designated RFCMIT008531, and on February 22, 2013, the North American Electric Reliability Corporation (“NERC”) approved it.

II. MITIGATION PLAN COMPLETION REVIEW PROCESS

On December 12, 2012, WCE certified that it completed the mitigation plan for FAC-009-1, R1 as of December 12, 2012. ReliabilityFirst requested and received evidence of completion for the actions WCE took as specified in the mitigation plan. ReliabilityFirst performed an in-depth review of the information provided to verify that WCE successfully completed all actions specified in the mitigation plan.

A. Evidence Reviewed per Standard and Requirement.

<u>Evidence Reviewed</u>		<u>Applicable Standard and Requirement</u>
1.	WCE-NERC-FAC-009-Mitigation_Plan20121212.pdf	FAC-009-1, R1

<u>Evidence Reviewed</u>	<u>Applicable Standard and Requirement</u>
<p><i>Exhibit 1: Facility Rating Study Worksheet – June 27, 2012</i></p> <p><i>Exhibit 2: WCE FAC-008/009 Procedure – July 2, 2012</i></p> <p><i>Exhibit 3: Communication of facility rating to NIPSCO – July 2, 2012</i></p> <p><i>Exhibit 4: WEC FAC-008/009 Procedure – November 28, 2012</i></p> <p><i>Exhibit 5: Compliance Coordinator Appointment – August 29, 2012</i></p> <p><i>Exhibit 6: System Protection Training – July 29, 2012</i></p> <p><i>Exhibit 7: System Protection Training Record – July 30, 2012</i></p> <p><i>Exhibit 8: Updated System Protection Training Record – October 2, 2012</i></p> <p><i>Exhibit 9: Updated System Protection Training Record – October 2, 2012</i></p> <p><i>Exhibit 10: Reliability Compliance Training – June 28, 2012</i></p> <p><i>Exhibit 11: Reliability Compliance Training Record – June 28, 2012</i></p>	

B. Verification of Mitigation Plan Completion.

FAC-009-1, R1 states:

R1. 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.

Milestone 1: Establish facility rating

Exhibit 1 is the results of the FRM study showing the new ratings. Exhibit 2 is the new FRM compliance procedure.

This evidence demonstrates successful completion of Milestone 1.

Milestone 2: Communicate facility rating

Exhibit 3 is the letter WCE sent to NIPSCO informing them of the new facility ratings.

This evidence demonstrates successful completion of Milestone 2.

Milestone 3: Update facility rating procedure

Exhibit 4 is revision 1 of WCE's FRM, dated November 28, 2012. This document contains statements satisfying all requirements of FAC-008-3 and FAC-009-1.

This evidence demonstrates successful completion of Milestone 3.

Milestone 4: Generator Operator Personnel Training

Exhibit 6 is operator training on system protection and the ratings methodology. Exhibit 8 is training given on system protection findings from a recent generator trip incident. Exhibits 7 and 9 are attendance records of the two training sessions.

This evidence demonstrates successful completion of Milestone 4.

Milestone 5: Appoint Compliance Coordinator

Exhibit 5 is an email sent to new compliance coordinator, informing him of his start date.

This evidence demonstrates successful completion of Milestone 5.

Milestone 6: Additional Generator Operator Personnel Training

Exhibit 10 is training given by a contractor to WCE staff concerning ReliabilityFirst's audit and general NERC compliance policy. Exhibit 11 is the attendance record.

This evidence demonstrates successful completion of Milestone 6.

Milestone 7: Revise WCE FAC-008/009 procedure

The second pages of Exhibits 2 and 4 contain the revisions to WCE's FAC-008/009 procedure. These revisions include the implementation of a document control template that specifies three levels of accountability, issue date, revision history, and the next review date.

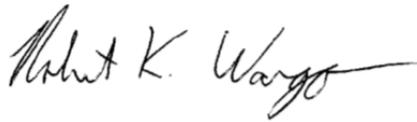
This evidence demonstrates successful completion of Milestone 7.

III. CONCLUSION

ReliabilityFirst reviewed the evidence WCE submitted in support of its Certification of Mitigation Plan Completion. ReliabilityFirst determined this evidence demonstrates WCE successfully completed the mitigating activities in mitigation plan RFCMIT008531 associated with FAC-009-1, R1.

ReliabilityFirst verifies that WCE completed the mitigation plan associated with the possible violation of the Reliability Standard in accordance with its terms and conditions.

Approved:

A handwritten signature in black ink that reads "Robert K. Wargo". The signature is written in a cursive style with a long horizontal flourish at the end.

Robert K. Wargo
Director of Analytics & Enforcement
ReliabilityFirst Corporation

Date: March 1, 2013

Attachment h

Record documents for the violation of VAR-002-1.1b R2

- 1. Reliability *First's* Possible Violation Identification Form for VAR-002-1.1b R2 dated September 13, 2012;**
 - 2. WCE's Mitigation Plan designated as RFCMIT008530 for VAR-002-1.1b R2 submitted December 12, 2012;**
 - 3. WCE's Certification of Mitigation Plan Completion for VAR-002-1.1b R2 submitted December 12, 2012; and**
 - 4. Reliability *First's* Verification of Mitigation Plan Completion for VAR-002-1.1b R2 dated February 11, 2013.**
-



Possible Violation (PV) / Find, Fix, and Track (“FFT”) Identification Form

INSTRUCTIONS

1. In the “Violation Reported By” field, specify name of the reporting auditor. For audits/spot-checks, this would be the Audit Team Lead (ATL). For all other compliance monitoring processes, it would be the selected reporting auditor.
2. In the “Submittal Date” field, enter the date this PV/FFT will be submitted to Enforcement.
3. If this possible violation is a “Candidate for FFT treatment,” check the “YES” box. Otherwise, check the “NO” box.
4. Enter the “Registered Entity’s” name and the associated “NERC Registry ID#” (NCR number) as they appear on the [NERC Compliance Registry](#) or the available audit records (e.g. pre-audit survey).
5. Choose the appropriate “Compliance Monitoring Process.”
6. In “Standard, Version and Requirement,” list all versions of the standard in violation based on the period of the violation. List requirement(s) and the specific sub-requirement(s), if applicable, since each PV summary is to include a rollout of all violated sub-requirements under a single PV.
For example: CIP-004-1, 2, 3 R4 (R4.1, R4.2).
7. Enter the “Registered Function(s) in Violation.” Include only those functions to which the violation is applicable. For example, if an entity is registered as GO and GOP and is in violation of FAC-009-1 R1 (applicable to only GO and TO), then only list “GO.”
8. Enter the date the PV was discovered by ReliabilityFirst. For example, this may be the date of the exit briefing of an audit.
9. To the best of the auditor’s ability, determine the beginning date of the violation (or the first date of the audit period if the violation began before the audit period) and select that date from the “Date for Determination of Penalty/Sanction” date field.
 - a. Note: For CIP, depending on the registered functions, different C-Compliance dates apply based on the CIP Ver. 1 Implementation Plan. If the violation was in effect for the entire audit review period going back to the C-Compliance date, specify the date and function per the following:
 - i. For TOP/BA functions, the C-Compliance date is 7/1/2009.
 - ii. For GO/GOP/LSE/TO functions, the C-Compliance date is 1/1/2010.
 - b. If the entity was previously audited or spot-checked after its C-Compliance date, specify the date after the Exit Briefing of that audit or spot-check.
10. For FFT Candidates:
 - a. Specify the “End Date of the Possible Violation,” typically the date the violation was mitigated. If not mitigated, list “Not Mitigated.”
 - b. Skip Instruction 11 below.
 - c. Complete Instructions 12 – 17 below.
 - d. Complete the “FFT Candidates ONLY” section at the bottom of the form.
11. For non-FFT candidates:
 - a. Obtain the most recent VRF Matrix from [www.nerc.com](#) -> Standards -> Reliability Standards -> VRF Matrix (Left Menu). If the PV addresses a single requirement, select the appropriate VRF level from the pull-down menu in this form. If the PV addresses a requirement and sub-requirement(s), list out the appropriate VRF for each requirement/sub-requirement.
 - b. Obtain the most recent VSL Matrix from [www.nerc.com](#) -> Standards -> Reliability Standards -> VSL Matrix (Left Menu). If the PV addresses a single requirement, select the appropriate VSL level from the pull-down menu in this form. If the PV addresses a



- requirement and sub-requirement(s), list out the appropriate VSL for each requirement/sub-requirement.
- c. Choose a Potential Impact from the pull-down list (Example definitions are italicized):
 - i. Minimal: *This violation is document related, or poses only a small risk to the BES.*
 - ii. Moderate: *This violation puts the BES at risk, but is not a serious, imminent threat.*
 - iii. Severe: *This violation constitutes a serious, imminent threat to the BES.*
 - d. Under "Provide Explanation for Selection," explain the choice of Potential Impact above.
 - e. Complete the Instructions 12-17 below.
12. Enter a brief summary of the "Basis for the PV," for each requirement/sub-requirement, as applicable.
 - a. For example, consider what was not met in the requirement or what was lacking in the evidence. Mention any additional information, as applicable or relevant (i.e., self report, OEA, etc.)
 13. Under "Evidence," list only the evidence documents reviewed to substantiate the PV.
 14. Under "Facts," discuss how the entity is in violation and how each of the evidence documents demonstrates this.
 15. Save this revised template as a pattern for each of the PVs/FFT Candidates identified for this entity and perform the steps outlined above.
 16. Before finalizing the PV/FFT Candidate and circulating for Management review, remove these instructions and the Template's revision history.
 17. Once approved by the Manager, save a copy with the Manager's approval note on the P Drive in the folder entitled "13 – PV Summary Report" within the applicable entity folder and send to Enforcement.

Note: Enter "X" in the appropriate YES, NO boxes in the following pages.



Possible Violation (PV) / Find, Fix, and Track (“FFT”) Identification Form

This document is to be completed upon identification of a possible violation, typically within 5 business days of the audit exit brief, and emailed to Veronica Miller (Paralegal) with a copy to: Ray Palmieri (Sr. Vice President), Gary Campbell (Manager, Ops & Planning Audits) or Tony Purgar (Manager, CIP Audits) or Jim Uhrin (Manager, Compliance Services and Investigations) and Mike Austin (Managing Enforcement Attorney).

For non-FFT candidates: Upon receipt of this document, Enforcement will coordinate with the reporting auditor and Enforcement to initiate the Enforcement processing of this possible violation.

Violation Reported By: [Audit Team Member](#)

Submittal Date: 9/13/12

Candidate for FFT Treatment: YES NO

Registered Entity: Whiting Clean Energy, Inc.

NERC Registry ID#: NCR00417

Compliance Monitoring Process: Compliance Audits

Standard, Version and Requirement in Violation: VAR-002-1.1b, R2

Registered Function(s) in Violation: GOP

Initial PV Date (Actual Date Discovered by ReliabilityFirst): 9/13/12

Date for Determination of Penalty/Sanction (Beginning Date of Violation): 5/29/2012

End Date of Possible Violation: When corrected

For Non-FFT Candidate ONLY

Violation Risk Factor: VRF - Medium

Violation Severity Level: Moderate VSL

Potential Impact to Bulk Electrical System (BES): Moderate

Provide Explanation for Selection:

The purpose of this standard is to ensure that voltage levels, reactive flows, and reactive resources are monitored, controlled, and maintained within limits in real time to protect equipment and the reliable operation of the Interconnection. reliable operation of the Interconnection. When the GOP fails to maintain the voltage schedule this can cause voltage problems on the interconnected BES system.



Controlling voltage becomes very difficult after the voltage problems occur. Maintaining voltage levels lower than what is required can lead or contribute to voltage events.

For Non-FFT and FFT Candidates

Basis for the PV:

R2: Unless exempted by the Transmission Operator, each Generator Operator shall maintain the generator voltage or Reactive Power output (within applicable Facility Ratings¹) as directed by the Transmission Operator.

Facts and Evidence pertaining to the PV:

Evidence:

- VAR-001-1.1b_WCE_5292012 mw data
- VAR-002-1.1b_WCE_6112012 mw data
- WCE_NCR00417_RSAW_VAR-002-1 1b_20120731

Facts:

VAR-001-1.1b_WCE_5292012 mw data shows that Whiting Clean Energy was outside the defined voltage schedule (lower limit) on May 29, 2012 from 09:15:00 until 15:45:00. *VAR-002-1.1b_WCE_6112012 mw data* shows that Whiting Clean Energy was outside the defined voltage schedule (lower limit) on June 11, 2012 from 08:45:00 until 13:30:00. The defined voltage schedule is as follows: NOTE: All units were on-line on the above days.

- 140 +/- 1% with all units are on-line
- 140 +/- 2% when all units are not on-line

WCE_NCR00417_RSAW_VAR-002-1 1b_20120731 shows the define schedule. Also contained in the *WCE_NCR00417_RSAW_VAR-002-1 1b_20120731* are operating logs showing that Whiting Clean Energy was not exempt from following the voltage schedule on both days.

For FFT Candidates ONLY

1. Why did this possible violation pose a minimal risk:

[Click here to enter text.](#)

2. Has Registered Entity mitigated this possible violation: YES NO
- a. If yes, describe mitigating actions and state the date that Registered Entity completed the mitigating actions:

[Click here to enter text.](#)

3. Please answer the following questions to determine whether this possible violation constitutes a “clear on its face” FFT candidate or a “close call.” If the answer to any of the following questions is yes, this possible violation will be treated as a “close call.” Otherwise, this possible violation will be treated as a “clear on its face” FFT candidate.



A. Is there any disagreement amongst the audit team on whether the PV is a “clear on its face” or “close call” candidate: YES NO

a. If yes, explain why:

[Click here to enter text.](#)

B. Does this possible violation reveal a serious shortcoming in registered entity’s reliability-related processes (e.g. a systematic compliance program failure):

YES NO

a. If yes, explain why:

[Click here to enter text.](#)

C. Are there any additional facts the audit team needs to know in order to comfortably designate this possible violation for FFT treatment: YES NO

a. If yes, state those facts:

[Click here to enter text.](#)

4. Did audit team inform registered entity that this possible violation qualifies for FFT treatment? YES NO

a. If so, on what date? [Enter Date.](#)

Mitigation Plan

Registered Entity: Whiting Clean Energy, Inc.

Mit Plan Code	NERC Violation ID	Requirement	Violation Validated On	Mit Plan Version
	RFC2012011355	VAR-002-1.1b R2	null	1

Mitigation Plan Submitted On: December 12, 2012

Mitigation Plan Accepted On:

Mitigation Plan Proposed Completion Date: December 12, 2012

Actual Completion Date of Mitigation Plan:

Mitigation Plan Certified Complete by WCE On: December 12, 2012

Mitigation Plan Completion Verified by RFC On:

Mitigation Plan Completed? (Yes/No): No

Section A: Compliance Notices

Section 6.2 of the NERC CMEP sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:

- (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section B.
 - (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
 - (3) The cause of the Alleged or Confirmed Violation(s).
 - (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
 - (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed violation(s).
 - (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
 - (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
 - (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined or recommended to the applicable governmental authorities 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.
 - (11) This submittal form may be used to provide a required Mitigation Plan for review and approval by regional entity(ies) and NERC.
- The Mitigation Plan shall be submitted to the regional entity(ies) and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
 - This Mitigation Plan form may be used to address one or more related alleged or confirmed violations of one Reliability Standard. A separate mitigation plan is required to address alleged or confirmed violations with respect to each additional Reliability Standard, as applicable.
 - If the Mitigation Plan is accepted by regional entity(ies) and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission or filed with the applicable governmental authorities for approval in Canada.
 - Regional Entity(ies) or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
 - Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.
 - The user has read and accepts the conditions set forth in these Compliance Notices.

Section B: Registered Entity Information

B.1 Identify your organization:

Entity Name: Whiting Clean Energy, Inc.

NERC Compliance Registry ID: NCR00417

Address: 2155 Standard Ave.
Whiting IN 46394

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

Name: Brian Odelson

Title: Commercial Manager

Email: brian.odelson@bp.com

Phone: 219-473-0653

Section C: Identification of Reliability Standard Violation(s) Associated with this Mitigation Plan

C.1 This Mitigation Plan is associated with the following violation(s) of the reliability standard listed below:

Violation ID	Date of Violation	Requirement
Requirement Description		
RFC2012011355	05/29/2012	VAR-002-1.1b R2
Unless exempted by the Transmission Operator, each Generator Operator shall maintain the generator voltage or Reactive Power output (within applicable Facility Ratings) [When a Generator is operating in manual control, reactive power capability may change based on stability considerations and this will lead to a change in the associated Facility Ratings.] as directed by the Transmission Operator.		

C.2 Brief summary including the cause of the violation(s) and mechanism in which it was identified above:

The audit team determined that Whiting Clean Energy was outside the defined voltage schedule on May 29, 2012 and June 11, 2012 and was not exempt by the TOP.

C.3 Provide any relevant information regarding the identification of the violation(s) associated with this Mitigation Plan:

WCE instructed the Control Room Operators to make every attempt to follow the NIPSCO Voltage Schedule.

The instructions to the Operators are reinforced in the USC-WCE-OPS-SOI-037_Rev0_20120627 Standard Operating Instruction 037 Generator Auto Voltage Regulator Operation and the Standard Operating Instruction 038 WCE Control Room Shift Change Procedure.

Section D: Details of Proposed Mitigation Plan

- D.1 Identify and describe the action plan, including specific tasks and actions that your organization is proposing to undertake, or which it undertook if this Mitigation Plan has been completed, to correct the violation(s) identified above in Section C.1 of this form:

WCE implemented a comprehensive compliance program on June 25, 2012:

PURPOSE

To foster a culture that promotes reliable operation of Whiting Clean Energy (WCE), (NERC Compliance Registry ID #: NCR00417 for the registered functions of GO and GOP)â€™s electric power system and compliance with all applicable FERC, NERC, Regional Entities (including MRO), or other reliability agency regulations, reporting requirements, and reliability standards.

To provide an overarching policy framework for more detailed and specific departmental reliability compliance programs, practices, and procedures.

RESPONSIBILITY

Corey Correnti, Senior Vice President of Sales, Supply and Marketing, and Erika Harding, General Manager, Whiting Clean Energy, shall have overall responsibility to see that the objectives of Whiting Clean Energy are met in full compliance with reliability standards and shall appoint the members of the WCE Management Oversight Committee.

A WCE Management Oversight Committee composed of General Manager, Commercial Manager, Operations Manager, Maintenance and Engineering Manager, and HSSE Manager shall have general oversight responsibilities to ensure that program practices and procedures result in: a.) Prevention of violations; b.) Prompt detection of any violations; c.) Prompt cessation of any violation causing activities; d.) Self reporting of any violations to appropriate agency; and e.) Effective remediation of any violation causing activities.

The General Manager has the responsibility to see that appropriate first line supervisors have adequate resources, training, understanding, and support to carry out departmental reliability compliance programs, practices, and procedures.

Appropriate first line supervisors will ensure that all employees and contractors have the necessary training, equipment, and understanding to accomplish their work in a manner consistent with all applicable Reliability Standards.

Compliance with Reliability Standards is the responsibility of all Whiting Clean Energy personnel.

Compliance with Reliability Standards is a guiding principle for Whiting Clean Energy, Inc. employees, business plans, practices and decisions. Whiting Clean Energy, Inc.â€™s culture of safe, compliant, and reliable operations embodies the corporate values.

1. Reliability compliance activities, procedures, and policies are open, available, and transparent to the maximum possible extent.
2. Reliability compliance activities, procedures, and policies are executed and applied coherently and uniformly throughout Whiting Clean Energy.
3. Reliability compliance activities, procedures, and policies are regularly reviewed by reliability compliance staff and modified, amended, revised, and disseminated, and posted on the reliability compliance department SharePoint page, to assure continuous compliance with all applicable regulations and facilitate improvement in the program.
4. Management encourages employees to identify and recommend improvements to practices and procedures that will improve reliability and/or compliance.
5. Management encourages identification and reporting of regulatory compliance and reliability concerns

or questions, and promotes employee trust and confidence that issues identified by and questions from employees are welcome and promptly evaluated and addressed.

6. Management provides a process for compliance and reliability issue identification and resolution.

7. Management assumes responsibility for identified and documented reliability issues and is accountable for resolution.

8. The Compliance Officer is responsible for ensuring that appropriate actions consistent with policies are taken and that materials to document compliance are accurate and complete.

9. Training on reliability standards is mandatory for appropriate Whiting Clean Energy, Inc. employees and provided on no less than an annual basis and as required by major changes in standards, policies or procedures.

10. Departments are responsible for ensuring that data retention policy is strictly followed; auditable compliance evidence is tracked and archived. Document control of procedural documents includes three levels of accountability: subject matter experts/preparers; reviewers; and approvers.

11. Whiting Clean Energy subject matter experts are actively engaged in regional and national level of industry activities to promote reliability and coordination among users and owners of the bulk power system.

Reporting Identified Opportunities or Concerns

12. All personnel are encouraged to discuss opportunities and strategies for improving reliability and/or compliance with their immediate supervisors.

13. All personnel shall report any violations, potential violations, or identified compliance and reliability issues promptly without delay, and in a clear and accurate manner.

14. Personnel shall report regulatory compliance and reliability concerns at any time to any of the following: immediate supervisor/manager; and supervisors/managers outside of their normal chain of command, if deemed necessary.

- After NIPSCO issued the NIPSCO Transmission Operator Voltage Schedule, dated August 17, 2012, WCE Operations Manager issued the USC-WCE-OPS-SOI- 037_Rev1_20120822 Standard Operating Instruction 037 Generator Auto Voltage Regulator Operation to instruct the Generator Operators to comply with the updated voltage schedule.

- WCE has appointed a new full-time Compliance Coordinator to assist the Compliance Officer to administer the NERC Compliance Program and assist subject matter experts with compliance evidence as of September 4, 2012.

- On September 13, 2012, WCE engaged Burns & McDonnell, a consulting firm for NERC Reliability Standard compliance to provide input and guidance with respect to, voltage control.

- On September 14 and September 20, 2012, WCE enhanced the operator display with audible and flashing alarms: set the alarm notification for the operator console to alert operators for manual manipulation when the voltage goes outside the allowable range; time the reset result so that at the 20th minute, the operators will hear an audible alarm as well as see a flashing alarm on the screen to call NIPSCO should the units fail to support voltage within the range.

- To improve coordination with TOP: During the mitigation period, as part of the Shift Change process, the Lead Operator will call NIPSCO Operation to do a verbal status check to verify that WCE is maintaining network voltage schedules as instructed. The result of the call will be logged. The Standard Operating Instruction 038 WCE Control Room Shift Change Procedure was updated on September 24, 2012.

- On October 1, 2012, the new WCE-NERC-VAR-002-2b-PD-1 Procedure on Generator Operation for

Maintaining Network Voltage Schedules was approved to ensure that WCE shall provide reactive and voltage control necessary to ensure voltage levels, reactive flows, and reactive resources are maintained within applicable Facility Ratings to protect equipment and the reliable operation of the Interconnection.

- A lessons-learned session was conducted on October 2, 2012 for the relevant members of the Compliance Oversight Committee.

- Starting October 8, 2012, the Compliance Coordinator will conduct a 7-day review of the network voltage to ensure compliance. The Compliance Coordinator will provide a report to the Operations Manager and Compliance Officer. The report will be archived.

- WCE has appointed a new full-time Operations Supervisor to assume the position on October 16, 2012 to assist the Operations Manager in overseeing the reliable and secure operation of the WCE plant.

- WCE implemented documentation control for all NERC compliance programs and procedures in a shared drive. Access privileges are restricted to those who have the "need-to-know". Each procedure contains a document control template which specifies three levels of accountability, issue date, revision history, and the next review date.

- D.2 Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the violations associated with this Mitigation Plan are corrected:

Proposed Completion date of Mitigation Plan: December 12, 2012

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

Milestone Activity	Description	*Proposed Completion Date (Shall not be greater than 3 months apart)	Actual Completion Date
Issued the USC-WCE-OPS-SOI-037_Rev1_20120822 Standard Operating Instruction 037 Generator Auto Voltage Regulator Operation	Issued the USC-WCE-OPS-SOI-037_Rev1_20120822 Standard Operating Instruction 037 Generator Auto Voltage Regulator Operation to instruct the Generator Operators to comply with the updated voltage schedule	08/22/2012	08/22/2012
Compliance Coordinator Appointment	Compliance Coordinator Appointment	09/04/2012	09/04/2012
Engaged third-party consultant to provide input and guidance with respect to, voltage control	Engaged third-party consultant to provide input and guidance with respect to, voltage control	09/13/2012	09/13/2012
Enhanced the operator display with audible and flashing alarms	Enhanced the operator display with audible and flashing alarms	09/20/2012	09/20/2012
Begin verbal status checks with NIPSCO at shift changes to verify that WCE is maintaining network voltage schedules	Begin verbal status checks with NIPSCO at shift changes to verify that WCE is maintaining network voltage schedules	09/24/2012	09/24/2012
Issued WCE-NERC-VAR-002-2b-PD-1 Procedure on Generator Operation for Maintaining Network Voltage Schedules	Issued WCE-NERC-VAR-002-2b-PD-1 Procedure on Generator Operation for Maintaining Network Voltage Schedules	10/01/2012	10/01/2012

Milestone Activity	Description	*Proposed Completion Date (Shall not be greater than 3 months apart)	Actual Completion Date
Lessons-learned session conducted	Lessons-learned session conducted	10/02/2012	10/02/2012
Compliance Coordinator begins conducting a weekly 7-day review of network voltage schedules	Compliance Coordinator begins conducting a weekly 7-day review of network voltage schedules	10/08/2012	10/08/2012
Operations Supervisor Appointment	Operations Supervisor Appointment	10/16/2012	10/16/2012

D.4 Additional Relevant Information (Optional)

Section E: Interim and Future Reliability Risk

E.1 Abatement of Interim BPS Reliability Risk

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

- WCE believes the risk and impact to the Bulk Power System (BPS) is low because during the mitigation period, as part of the Shift Change process, the Lead Operator will call NIPSCO Operation to do a verbal status check to verify that WCE is maintaining network voltage schedules as instructed. The result of the call will be logged. In addition, operator displays were updated and alarms added to alert operators to potential voltage problems. For process improvement and compliance oversight, the Compliance Coordinator will conduct a 7-day review of the network voltage to ensure compliance. The Compliance Coordinator will provide a report to the Operations Manager and Compliance Officer, and archive the report.

- The Compliance Officer conducts random spot checks using the NERC Reliability Compliance Review Checklist with the standard owner; the oversight committee will conduct an annual review prior to WCE's self-certification.

E.2 Prevention of Future BPS Reliability Risk

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

WCE believes it has taken the steps necessary to ensure that the organization learns from this experience through training and ongoing dialog and enforcement oversight. WCE's current management team is committed to diligent adherence to an effective compliance program and culture going forward:

1. Management provides a process for compliance and reliability issue identification and resolution.
2. Management assumes responsibility for identified and documented reliability issues and is accountable for resolution.
3. The Compliance Officer is responsible for ensuring that appropriate actions consistent with policies are taken and that materials to document compliance are accurate and complete.
4. All personnel are encouraged to discuss opportunities and strategies for improving reliability and/or compliance with their immediate supervisors.
5. All personnel shall report any violations, potential violations, or identified compliance and reliability issues promptly without delay, and in a clear and accurate manner.
6. Personnel shall report regulatory compliance and reliability concerns at any time to any of the following: immediate supervisor/manager; and supervisors/managers outside of their normal chain of command, and BP's Compliance Hotline via "OpenTalk", if and as appropriate.

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

Section F: Authorization

An authorized individual must sign and date the signature page. By doing so, this individual, on behalf of your organization:

(a) Submits the Mitigation Plan, as laid out in Section D, to the Regional Entity for acceptance and approval by NERC, and

(b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and

(c) Acknowledges:

1. I am General Manager of Whiting Clean Energy, Inc.
2. I am qualified to sign this Mitigation Plan on behalf of Whiting Clean Energy, Inc.
3. I have read and understand Whiting Clean Energy, Inc.'s obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure and the NERC CMEP currently in effect or the NERC CMEP-Province of Manitoba, Schedule B currently in effect, whichever is applicable.
4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
5. Whiting Clean Energy, Inc. Agrees to be bound by, and comply with, this Mitigation Plan, including the timetable completion date, as accepted by the Regional Entity, NERC, and if required, the applicable governmental authorities in Canada.

Authorized Individual Signature: _____

(Electronic signature was received by the Regional Office via CDMS. For Electronic Signature Policy see CMEP.)

Authorized Individual

Name: Erika Harding

Title: General Manager

Authorized On: December 12, 2012

Certification of Mitigation Plan Completion

Submittal of a Certification of Mitigation Plan Completion shall include data or information sufficient for the Regional Entity to verify completion of the Mitigation Plan. The Regional Entity 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)

Registered Entity Name: Whiting Clean Energy, Inc.

NERC Registry ID: NCR00417

NERC Violation ID(s): RFC2012011355

Mitigated Standard Requirement(s): VAR-002-1.1b R2,

Scheduled Completion as per Accepted Mitigation Plan: December 12, 2012

Date Mitigation Plan completed: December 12, 2012

RFC Notified of Completion on Date: December 12, 2012

Entity Comment: This proposed mitigation plan is fully implemented as of December 12, 2012. All actions outlined in this plan to return WCE to full compliance with VAR-002 have been completed.

Additional Documents			
From	Document Name	Description	Size in Bytes
Entity	WCE-NERC-VAR-002_Mitigation_Plan20121212.pdf		1,090,691

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

Name: Erika Harding

Title: General Manager

Email: erika.harding@bp.com

Phone: 1 (219) 473-0653

Authorized Signature _____ Date _____

(Electronic signature was received by the Regional Office via CDMS. For Electronic Signature Policy see CMEP.)



<i>In re:</i> WHITING CLEAN ENERGY,)	Docket No. RFC2012011355
INC.)	
NERC Registry ID No. NCR00417)	NERC Reliability Standard:
)	VAR-002-1.1b, Requirement 2

**VERIFICATION OF MITIGATION PLAN COMPLETION
FOR
RFCMIT008530**

I. RELEVANT BACKGROUND

From September 10, 2012 to September 13, 2012, ReliabilityFirst Corporation (“ReliabilityFirst”) conducted a compliance audit of Whiting Clean Energy, Inc. (“WCE”) during which ReliabilityFirst identified a possible violation of Reliability Standard VAR-002-1.1b, R2, by discovering that on two occasions, WCE did not maintain the generator voltage or Reactive Power output as directed by the Transmission Operator (“TOP”) and in both instances, was not exempt from following the voltage schedule.

On December 12, 2012, WCE submitted a proposed mitigation plan to ReliabilityFirst. On December 28, 2012, ReliabilityFirst accepted this mitigation plan, designated RFCMIT008530, and on January 15, 2013, the North American Electric Reliability Corporation (“NERC”) approved it.

II. MITIGATION PLAN COMPLETION REVIEW PROCESS

On December 12, 2012, WCE certified that it completed the mitigation plan for VAR-002-1.1b, R2 as of December 12, 2012. ReliabilityFirst requested and received evidence of completion for the actions WCE took as specified in the mitigation plan. ReliabilityFirst performed an in-depth review of the information provided to verify that WCE successfully completed all actions specified in the mitigation plan.

A. Evidence Reviewed per Standard and Requirement.

	<u>Evidence Reviewed</u>	<u>Applicable Standard and Requirement</u>
1.	WCE-NERC-VAR-002 Mitigation Plan20121212.pdf	VAR-002-1.1b, R2
2.	WCE-NERC-VAR-002 Mitigation Plan_supplemental_20130103.pdf	

B. Verification of Mitigation Plan Completion.

VAR-002-1.1b, R2 states:

R2. Unless exempted by the Transmission Operator, each Generator Operator shall maintain the generator voltage or Reactive Power output (within applicable Facility Ratings¹) as directed by the Transmission Operator.

R2.1. When a generator’s automatic voltage regulator is out of service, the Generator Operator shall use an alternative method to control the generator voltage and reactive output to meet the voltage or Reactive Power schedule directed by the Transmission Operator.

R2.2. When directed to modify voltage, the Generator Operator shall comply or provide an explanation of why the schedule cannot be met.

Milestone 1: Issued the USC-WCE-OPS-SOI-037_Rev1_20120822 Standard Operating Instruction 037 Generator Auto Voltage Regulator Operation to instruct the Generator Operators to comply with the updated voltage schedule

Exhibit 1 of File No. 1 is the updated operating instructions, reinforcing the need for the operators to comply with the voltage schedule and notify NIPSCO of deviations in a timely manner.

This evidence demonstrates successful completion of Milestone 1.

Milestone 2: Compliance Coordinator Appointment

Exhibit 2 of File No. 1 is an email informing the new compliance coordinator of his start date.

This evidence demonstrates successful completion of Milestone 2.

Milestone 3: Engaged third-party consultant to provide input and guidance with respect to, voltage control

File No. 2 contains email between WCE's compliance manager and a third-party consultant discussing the contract to provide guidance in voltage control and maintenance and testing programs.

This evidence demonstrates successful completion of Milestone 3.

Milestone 4: Enhanced the operator display with audible and flashing alarms

Exhibit 3 of File No. 1 is an email sent to operators informing them of the installation of new alarms.

This evidence demonstrates successful completion of Milestone 4.

Milestone 5: Begin verbal status checks with NIPSCO at shift changes to verify that WCE is maintaining network voltage schedules

Exhibit 4 of File No. 1 is a revision of the operating instructions informing operators to perform a verbal status check with NIPSCO at shift change.

This evidence demonstrates successful completion of Milestone 5.

Milestone 6: Issued WCE-NERC-VAR-002-2b-PD-1 Procedure on Generator Operation for Maintaining Network Voltage Schedules

Exhibit 5 of File No. 1 is Revision 0 of WCE's VAR-002-2b compliance procedure, including a copy of their voltage schedule from NIPSCO.

This evidence demonstrates successful completion of Milestone 6.

Milestone 7: Lessons-learned session conducted

Exhibit 6 of File No. 1 contains an attendance log of their informal lessons learned session. WCE used their data historian to plot data live and illustrate concepts to the group.

This evidence demonstrates successful completion of Milestone 7.

Milestone 8: Compliance Coordinator begins conducting a weekly 7-day review of network voltage schedules

Exhibit 8 of File No. 1 contains examples of the Compliance Coordinator's weekly review of voltage schedules.

This evidence demonstrates successful completion of Milestone 8.

Milestone 9: Operations Supervisor Appointment

Exhibit 8 of evidence file 1 is an email to the new operations supervisor, welcoming him to the staff.

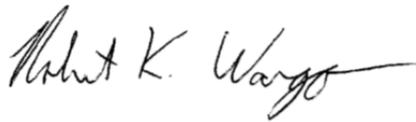
This evidence demonstrates successful completion of Milestone 9.

III. CONCLUSION

Reliability*First* reviewed the evidence WCE submitted in support of its Certification of Mitigation Plan Completion. Reliability*First* determined this evidence demonstrates WCE successfully completed the mitigating activities in mitigation plan RFCMIT008530 associated with VAR-02-1.1b, R2.

Reliability*First* verifies that WCE completed the mitigation plan associated with the possible violation of the Reliability Standard in accordance with its terms and conditions.

Approved:



Robert K. Wargo
Director of Analytics & Enforcement
Reliability*First* Corporation

Date: February 11, 2013