

**NERC Urgent Action Cyber Security Standard
Conference Call with Voters Submitting Comments and Negative Votes
June 16, 2003**

A conference call was held with those who cast negative votes during the May 2003 balloting of the urgent action cyber security standard. Due to the number of comments received, individual contact with these voters was not practical. Please see the attached list of conference call participants. A summary of this call follows.

Tim Gallagher introduced Chuck Noble, the chair of the drafting team that prepared this standard.

Chuck Noble explained that drafting team carefully reviewed all submitted comments and that the team took the comments very seriously. The comments generally centered on the following areas:

1. Compliance Plan
2. Ambiguity in the standard
3. Coordination with other requirements
4. Personnel and background checks
5. Use of the urgent action provision
6. Incident response and reporting
7. Applicability
8. Definition of critical cyber assets

Mr. Noble briefly explained the team's responses in each of the eight areas. These responses may be reviewed in their entirety at <http://www.nerc.com/~filez/standards-cyber.html>.

Questions and feedback:

Wayne Lewis – Progress Energy – Still concerned about compliance beyond 2004. Also concerned about calendar year vs. non-calendar year implementation of this standard.

Response – The urgent action standard has one-year life, after which it can be extended. However, this requires another vote and a separate implementation plan.

Joe Krupar – Florida Municipal Power Agency – Does this apply to reliability coordinators or reliability authorities?

R – The standard will apply to all of the entities listed in the standard, but only reliability coordinators and control areas will be required to complete self-certifications in 2004.

Greg Stone – Duke – Notes of this meeting should be published.

R – A summary of this meeting will be prepared, posted and announced to the ballot pool.

If the compliance plan and standard are separate and distinct and the ballot pool is only voting on the standard, how do we know the NERC Board will not modify the implementation plan later on?

R- The NERC Board heard a presentation of this standard last week and they provided clear direction that is included in the revised implementation plan. If the ballot pool approves the standard, the Board will be asked to adopt both the standard and the implementation plan.

There is confusion regarding the IAW reporting guideline versus the requirement to report incidents in this standard.

R - The standard requires reporting to the electric sector ISAC as it applies to critical cyber assets.

The VACAR South reliability coordinator uses assets of a host control area, so do they have to comply?

R – In this case, VACAR South would just have to certify that they use control area assets, which are already certified.

Linda Campbell – FRCC – If background checks only required for new hires, how are people supposed to know this if the standard does not specifically state this? Also, Linda believes the changes in the implementation plan are a change of the standard and that the standards process has been violated.

R – The standard, implementation plan, and the responses to comments will all be posted on the NERC website together. All entities identified in the standard are expected to comply with the standard, but the standard will only be enforced on the control areas and reliability coordinators in 2004.

Alan Adamson – NY State Reliability Council – Worried that the standard may not recognize or may conflict with existing systems already in place at ISOs. Will this standard be extended and if so, will there be a new implementation plan?

R – The drafting team included members of several major ISOs and these members did not see conflict between this standard and existing ISO systems. There is a good likelihood that an extension of this standard may be requested and if so, a new implementation plan would have to be developed. The extension of the standard must be approved by the industry.

Mark Bennet – Gainesville – Not all critical cyber assets have an impact on the bulk grid.

R – The entity decides what a critical cyber asset is. A baseline to help in this determination is whether the asset impacts the bulk electric systems, but the standard does not try to limit the definition of cyber assets.

Kevin Perry – SPP – Agrees with Linda Campbell that standard has been re-written. Further, Kevin believes requiring only control areas and reliability coordinators to comply with the standard in 2004 has damaged the standard. Kevin hopes that lack of audits is not precedent setting and disagrees with direction background checks are going in the standard. Kevin feels that reporting and FOIA issues have not been properly addressed and that the standard is too watered-down and it does not accomplish its objectives.

R – These observations were discussed during the comment review. The consensus of the team is that it has taken the proper direction.

Alan Johnson – Mirant – After the urgent action standard expires, if it is renewed, will a new implementation plan be posted for industry review?

Does standard still apply to all identified entities, even if it is not enforced in 2004?

R – The answer to both questions is yes.

Kathleen Goodman – ISO NE – How will ISO NE certify compliance if entities that report to it are not required to comply with the standard in 2004?

R – Only control areas and reliability coordinators will be required to self-certify their compliance to this standard in 2004.

Is the implementation plan going to be attached as part of the standard itself? Is the ballot pool voting on the standard and not the implementation plan or the responses/clarifications?

R - The implementation plan and the standard are distinct, but will be posted together. The ballot pool only votes on the standard, not the implementation plan.

How will enforcement be conducted?

R- Enforcement will be conducted via self-certification.

Barry Gee – National Grid – Monetary sanctions are not appropriate for this standard.

R – The NERC Board and the drafting team agree. Monetary sanctions will not be levied, as stated in the standard.

Ken Skroback – Alabama Electric Coop – Applicability is still a concern. The clarifications being made in the responses to the comments are testament to the ambiguity in the standard. The voting process needs to be revised so that a few don't control so much of the vote. A second ballot for an unchanged standard seems unnecessary. The reporting burden for this standard is too high and reporting needs to be streamlined.

R – The standard only requires reporting to the ES-ISAC. Government agencies also ask for information for varying purposes, but this is outside the NERC standard. The comments related to the process are noted.

Wayne Lewis – Progress Energy – If only control areas have to self-certify in 2004, this means that in the northeast, many transmission control centers will not have to self-certify, but they will in other areas of the country? NERC should conduct a field trial of this standard before we start making folks retain compliance information. Mr. Lewis agrees that the standard has been changed.

R – Only control areas and reliability coordinators must self-certify their compliance to this standard in 2004. Record retention should not be an issue because the urgent action standard will expire in one year.

Art Giardino – PSE&G – Applicability is still concern. Some state commissions are already inquiring whether and how utilities will comply with this standard.

R – This is nothing new. State commissions were doing this previously after the security guidelines came out.

Al Boesh – NPPD -Who is participating in this phone conference? Shouldn't the whole ballot pool be on this call?

R – This call is being held for all ballot pool members casting negative votes with comments in the May ballot. The call is to address the negative comments and provide an opportunity for the voters to ask clarifying questions. A summary of the call will be posted for the whole ballot pool.

Barry Lawson – NRECA – What is being voting here?

R – The ballot pool will be asked to vote on the standard.

Ed Schwerdt – NPCC- The clarifications and focus on control areas and reliability coordinators are critical to obtaining support for this standard. NPCC is compelled to reconsider their negative vote on the basis of the responses to the comments and the revised implementation plan. Will all these documents be posted with the standard?

R – If the standard is approved by the industry, the standard, the implementation plan and the responses will be posted together.

Kathleen Goodman – ISO NE - Given the concerns raised on this call regarding the attachments to the standard, it appears the process has not been followed. Has the drafting team considered scrapping the standard and making it a white paper and moving forward with permanent standard? Ms. Goodman feels the clarifications have damaged the standards process.

R – The drafting team considered all the comments and decided that an urgent need for a cyber security standard still exists. The team decided to ballot the urgent action standard unchanged from the version balloted in May.

Ken Skroback – Alabama Electric Coop - Believes the standards process is tainted because we have people voting for this standard when it does not apply to them.

R – All entities identified in the standard are expected to follow the standard, but it will only be enforced against those who are control areas and reliability coordinators. The NERC process allows for all industry segments to participate in the balloting of a standard.

Wayne Lewis – Progress Energy - Believes that all voters should hear this conference call and not just the negative voters. Maybe affirmative voters would change their votes if they participated in this call. The ‘perimeter’ diagrams are not part of this standard? Does this standard include communication systems?

R – The security perimeter diagrams referred to are not part of this standard. Only the communication systems in the security perimeter are addressed in the standard.

Linda Campbell – FRCC – NERC needs to make sure that whole ballot pool is aware of the results of this call.

R – A summary of this conference call will be posted and announced.

Richard Kinas – The implementation plan does not specify when the enforcement will occur. It is difficult to support the standard without a firm date for enforcement.

R – Self-certifications will be due from control areas and reliability coordinators during the first quarter of 2004.

Bruce Metruck – NYPA – Would self-certifications be due in the beginning of 2004?

R – Yes.

Tony Jankowski – WE Energies - Should there still be an urgent action if the compliance requirements only apply to control areas and reliability coordinators? Since

there is so much industry comment, should this go forward? Does this standard address concerns being raised by FERC and others?

R – The required 2/3 weighted industry majority approved the standard during the first ballot, so there is significant industry support for the standard. The urgent action basis of this standard was documented in the SAR. The goal of this standard is to get entities moving towards compliance while the permanent standard is being developed.

Wayne Lewis – Mr. Lewis expressed concerned about the weighted voting model and the impacts of voters not impacted by the standard.

R – This was noted.

Mr. Gallagher and Mr. Noble thanked all those in attendance for their kind attention.

0 PARTICIPANT NAME	LINE NUMBER
1 LINDA NAPPIER	Line 017
2 GENE ZIMON	Line 055
3 LOUISE WITTHUHN	Line 033
4 MARTY MENES	Line 062
5 PAT LAIRD	Line 036
6 STEVE ANGELO	Line 053
7 LEROY PATTERSON	Line 040
8 ORLANDO STEVENSON	Line 008
9 KEN SKOBACK	Line 056
10 ROY OTTERSON	Line 014
11 ART GIARDINO	Line 032
12 RALPH RUFRANO	Line 022
13 BARRY LAWSON	Line 034
14 NEIL SHOCKEY	Line 020
15 FRANK CIRILLO	Line 047
16 JAMES FUHRMANN	Line 043
17 LARRY BUGH	Line 057
18 BONNIE SOOHOO	Line 061
19 HERB SCHRAYSHUEN	Line 059
20 MICHAEL GILDEA	Line 011
21 AL BOESCH	Line 018
22 WAYNE LEWIS	Line 042
23 WILLIAM LUCAS	Line 051
24 JOHN LIM	Line 044
25 MARK TULLY	Line 005
26 BRUCE METRUCK	Line 019
27 TIM GALLAGHER	Line 010
28 STEVE WALLACE	Line 023
29 KEVIN PERRY	Line 025
30 MICHEL ARMSTRONG	Line 060
31 JACK HOBICK	Line 013
32 GREG STONE	Line 026
33 LINDA CAMPBELL	Line 015
34 DARRYL BOGGESS	Line 027
35 ALAN ADAMSON	Line 009
36 GARY FUERST	Line 041
37 WILLIAM CROSS	Line 031
38 ED SCHWERDT	Line 038
39 BARRY GEE	Line 016
40 RICK WILKERSON	Line 039

CHAIRPERSON

#	Name	Phonetic	Region	Phone
41	KATHLEEN GOODMAN			Line 050
42	DAVE LITTLE			Line 024
43	KEITH FOWLER			Line 028
44	BOB MATTNEWS	CHIFONG THOMAS		Line 049
45	RICHARD KINAS			Line 003
46	EARL CAHOE			Line 045
47	RICK RANIERI			Line 052
48	GREG CAMPOLI			Line 048
49	MARTIN HESLIN			Line 046
50	JOE KRUPAR			Line 035
51	TONY JANKOWSKI			Line 058
52	DAVID KIEGUEL			Line 037
53	MARK BENNETT			Line 054
54	JOEL DEGRANDA			Line 012
55	BRITT CRAWFORD			Line 030
56	CHARLES RUSOWICZ			Line 029
57	SCOTT MIX			Line 021
58	SARAH TUSO			Line 007
59	ROGER WESTPHALL			Line 004
60	MIKE GINGER			Line 006