

Consideration of Comments

Interpretation 2012-INT-06

CIP-003 for Consumers Energy

The Interpretation 2012-INT-06 Drafting Team thanks all commenters who submitted comments on the Interpretation of CIP-003-3, Applicability Section and Requirement R2, for Consumers Energy (Project 2012-INT-06). The interpretation was posted for a 30-day public comment period from November 9, 2012 through December 10, 2012. Stakeholders were asked to provide feedback on the interpretation and associated documents through a special electronic comment form. There were 22 sets of comments, including comments from approximately 66 different people from approximately 40 companies representing 9 of the 10 Industry Segments as shown in the table on the following pages.

All comments submitted may be reviewed in their original format on the standard's [project page](#).

If you feel that your comment has been overlooked, please let us know immediately. Our goal is to give every comment serious consideration in this process! If you feel there has been an error or omission, you can contact the Vice President and Director of Standards, Mark Lauby, at 404-446-2560 or at mark.lauby@nerc.net. In addition, there is a NERC Reliability Standards Appeals Process.¹

¹ The appeals process is in the Standard Processes Manual: http://www.nerc.com/files/Appendix_3A_StandardsProcessesManual_20120131.pdf

Index to Questions, Comments, and Responses

1. Do you agree with this interpretation? If not, what, specifically, do you disagree with? Please provide specific suggestions or proposals for any alternative language.....8

The Industry Segments are:

- 1 — Transmission Owners
- 2 — RTOs, ISOs
- 3 — Load-serving Entities
- 4 — Transmission-dependent Utilities
- 5 — Electric Generators
- 6 — Electricity Brokers, Aggregators, and Marketers
- 7 — Large Electricity End Users
- 8 — Small Electricity End Users
- 9 — Federal, State, Provincial Regulatory or other Government Entities
- 10 — Regional Reliability Organizations, Regional Entities

Group/Individual		Commenter	Organization	Registered Ballot Body Segment											
				1	2	3	4	5	6	7	8	9	10		
1.	Group	Guy Zito	Northeast Power Coordinating Council												X
Additional Member		Additional Organization		Region	Segment Selection										
1.	Alan Adamson	New York State Reliability Council, LLC		NPCC	10										
2.	Carmen Agavriloi	Independent Electricity System Operator		NPCC	2										
3.	Greg Campoli	New York Independent System Operator		NPCC	2										
4.	Sylvain Clermont	Hydro-Quebec TransEnergie		NPCC	1										
5.	Chris de Graffenried	Consolidated Edison Co. of New York, Inc.		NPCC	1										
6.	Gerry Dunbar	Northeast Power Coordinating Council		NPCC	10										
7.	Mike Garton	Dominion Resources Services, Inc.		NPCC	5										
8.	Kathleen Goodman	ISO - New England		NPCC	2										
9.	Michael Jones	National Grid		NPCC	1										
10.	David Kiguel	Hydro One Networks Inc.		NPCC	1										

Group/Individual	Commenter	Organization	Registered Ballot Body Segment																	
			1	2	3	4	5	6	7	8	9	10								
11. Christina Koncz	PSEG Power LLC	NPCC	5																	
12. Randy MacDonald	New Brunswick Power Transmission	NPCC	9																	
13. Bruce Metruck	New York Power Authority	NPCC	6																	
14. Silvia Parada Mitchell	NextEra Energy, LLC	NPCC	5																	
15. Lee Pedowicz	Northeast Power Coordinating Council	NPCC	10																	
16. Robert Pellegrini	The United Illuminating Company	NPCC	1																	
17. Si-Truc Phan	Hydro-Quebec TransEnergie	NPCC	1																	
18. David Ramkalawan	Ontario Power Generation, Inc.	NPCC	5																	
19. Brian Robinson	Utility Services	NPCC	8																	
20. Brian Shanahan	National Grid	NPCC	1																	
21. Wayne Sipperly	New York Power Authority	NPCC	5																	
22. Donald Weaver	New Brunswick System Operator	NPCC	2																	
23. Ben Wu	Orange and Rockland Utilities	NPCC	1																	
24. Peter Yost	Consolidated Edison Co. of New York, Inc.	NPCC	3																	
2.	Group	Larry Raczkowski	FirstEnergy Corp	X		X	X	X	X											
Additional Member Additional Organization Region Segment Selection																				
1.	William Smith	FirstEnergy Corp	RFC	1																
2.	Steve Kern	FirstEnergy Energy Delivery	RFC	3																
3.	Doug Hohlbaugh	Ohio Edison	RFC	4																
4.	Ken Dresner	FirstEnergy Solutions	RFC	5																
5.	Kevin Querry	FirstEnergy Solutions	RFC	6																
3.	Group	Connie Lowe	Dominion	X		X		X	X											
Additional Member Additional Organization Region Segment Selection																				
1.	Greg Dodson		SERC	1, 3, 5, 6																
2.	Randi Heise		MRO	5, 6																
3.	Mike Garton		NPCC	5, 6																
4.	Louis Slade		RFC	5, 6																
4.	Group	David Dockery	Associated Electric Cooperative, Inc. - JRO00088	X		X		X	X											
Additional Member Additional Organization Region Segment Selection																				
1.	Central Electric Power Cooperative		SERC	1, 3																

Group/Individual		Commenter	Organization	Registered Ballot Body Segment									
				1	2	3	4	5	6	7	8	9	10
2.	KAMO Electric Cooperative		SERC	1, 3									
3.	M & A Electric Power Cooperative		SERC	1, 3									
4.	Northeast Missouri Electric Power Cooperative		SERC	1, 3									
5.	N.W. Electric Power Cooperative, Inc.		SERC	1, 3									
6.	Sho-Me Power Electric Cooperative		SERC	1, 3									
5.	Group	Greg Rowland	Duke Energy		X		X		X	X			
Additional Member Additional Organization Region Segment Selection													
1.	Doug Hils	Duke Energy	RFC	1									
2.	Lee Schuster	Duke Energy	FRCC	3									
3.	Dale Goodwine	Duke Energy	SERC	5									
4.	Greg Cecil	Duke Energy	RFC	6									
6.	Group	Sasa Maljukan	Hydro One		X								
Additional Member Additional Organization Region Segment Selection													
1.	David Kiguel	Hydro One Networks Inc.	NPCC	1									
7.	Group	Emily Pennel	Southwest Power Pool Regional Entity										X
No additional members listed.													
8.	Individual	Trey Cross	ACES										
9.	Individual	James Gower	Entergy		X		X		X				
10.	Individual	Nazra Gladu	Manitoba Hydro		X		X		X	X			
11.	Individual	Thad Ness	American Electric Power		X		X		X	X			
12.	Individual	Michael Falvo	Independent Electricity System Operator			X							
13.	Individual	Bill Fowler	City of Tallahassee		X		X		X				
14.	Individual	Michael R. Lombardi	Northeast Utilities		X		X		X				
15.	Individual	Chris Mattson	Tacoma Power		X		X	X	X	X			
16.	Individual	Anthony Jablonski	ReliabilityFirst										X
17.	Individual	Andrew Gallo	City of Austin dba Austin Energy		X		X	X	X	X			
18.	Individual	Cheryl Moseley	Electric Reliability of Texas, Inc.			X							
19.	Individual	Debra Chadwick	Tampa Electric Company		X		X		X	X			

Group/Individual		Commenter	Organization	Registered Ballot Body Segment									
				1	2	3	4	5	6	7	8	9	10
20.	Individual	David Jendras	Ameren	X		X		X	X				
21.	Individual	Brett Holland	Kansas City Power & Light	X		X		X	X				
22.	Individual	Kim Koster	MidAmerican Energy Company	X		X		X					

IF YOU WISH TO EXPRESS SUPPORT FOR ANOTHER ENTITY'S COMMENTS WITHOUT ENTERING ANY ADDITIONAL COMMENTS, YOU MAY DO SO HERE.

Summary Consideration: N/A

Organization	Yes or No	Do you agree with another entity's comment?
MidAmerican Energy Company	Agree	

1. Do you agree with this interpretation? If not, what, specifically, do you disagree with? Please provide specific suggestions or proposals for any alternative language.

Summary Consideration:

The main issue raised by those who disagreed with the interpretation is related to the topic of how an organization is registered on the NERC Compliance Registry and how that impacts CIP Senior Manager assignment.

The IDT has relied on the wording of the standard in combination with the NERC Rules of Procedure to determine that the “Responsible Entity” is determined by how an entity is registered for the allowable functions. The allowable functions are described in the standard and the manner of registration is defined in the rules of procedure. The standard requires a Responsible Entity to have a single senior manager however the interpretation drafting team points out that Requirement R2.3 of the standard also allows for the delegation of responsibilities to one or more individuals. This allows for flexibility and alignment within an organization’s corporate or operating structure.

Organization	Yes or No	Question 1 Comment
ACES	No	While we agree the analysis and the four examples in identifying a single CIP Senior Manager in a “Registered Entity” in concept, we believe there is a flaw in the standard that needs to be corrected. Within the standard’s applicability section, “Responsible Entity” is stated to mean one of nine functional entities, NERC or Regional Entity. Thus, a requirement that states “The Responsible Entity ...” should be read as “The Reliability Coordinator, Balancing Authority, ..., NERC and Regional Entity ...”. In essence, Responsible Entity is redefined in the standard for this specific use only. We can find nothing in the Rules of Procedure that would prevent this redefinition. If this redefinition truly applies, a literal meaning could be that each RC, BA, etc. could have a single CIP manager. The solution is to strike the Responsible Entity language in the standard and replace Responsible Entity with the actual functional entities in the requirements. This would be consistent with recent NERC practice regarding using the list of applicable functional entities in the requirement rather than the term Responsible

Organization	Yes or No	Question 1 Comment
		Entity.
<p>Response: Thank you for your comments. With regards to the comment that the standard is flawed, the IDT cannot change the language of the standard and that comment is out of scope of the interpretation. The interpretation drafting team has relied on the wording of the standard in combination with the NERC Rules of Procedure to determine that the “Responsible Entity” is determined by how an entity is registered for the allowable functions. The allowable functions are described in the standard and the manner of registration is defined in the rules of procedure. The standard requires a Responsible Entity to have a single senior manager however the interpretation drafting team points out that Requirement R2.3 of the standard also allows for the delegation of responsibilities to one or more individuals. This allows for flexibility and alignment within an organization’s corporate or operating structure.</p>		
American Electric Power	No	<p>AEP strongly opposes the interpretation of the IDT. The standard provides a number of entities which could serve as a “Responsible Entity”, a majority of which are functions such as Generator Owner, Generator Operator, etc. By allowing such functions to serve as Responsible Entities, the Standard effectively allows them to designate CIP Senior Managers as necessary. Nowhere does the Standard support the IDT’s interpretation that the Registered Entity must designate a sole CIP Senior Manager. The Responsible Entity Senior CIP Manager designation, as the interpretation views it, reduces flexibility and alignment within an organization’s corporate or operating structure. While the drafting team did provide some potential solutions as outlined in the unofficial comment form, changing registration to fit into the box created by this interpretation, has widespread implication outside of the CIP standards. In addition, we are concerned by the amount of supporting information included in the comment form. Though obviously well-intentioned, the information provided is, by the IDTs own admission “for discussion and demonstration purposes”. Such guidance cannot be relied upon by an entity during an audit, and because of this, any information deemed worthy to support in the interpretation should be included within the official interpretation itself.</p>

Organization	Yes or No	Question 1 Comment
<p>Response: Thank you for your comments. The interpretation drafting team has relied on the wording of the standard in combination with the NERC Rules of Procedure to determine that the “Responsible Entity” is determined by how an entity is registered for the allowable functions. The allowable functions are described in the standard and the manner of registration is defined in the rules of procedure. The standard requires a Responsible Entity to have a single senior manager however the interpretation drafting team points out that Requirement R2.3 of the standard also allows for the delegation of responsibilities to one or more individuals. This allows for flexibility and alignment within an organization’s corporate or operating structure.</p>		
City of Austin dba Austin Energy	No	<p>Austin Energy (AE) believes an entity ought to be able to differentiate CIP Sr. Managers among various roles performed by an entity. In fact, we think we ought to be able to designate difference CIP Sr. Managers by Standard (not just by function). For example, an entity may have its SCADA/EMS personnel segregated from its I.T. personnel. That entity may want to designate its CIO as the CIP Sr. Manager for the CIP Standards for which the I.T. group is responsible while designating someone else (e.g. COO) as the CIP Sr. Manager for the CIP Standards for which the SCADA/EMS personnel are responsible. This would create better incentives for each Sr. Manager to ensure his/her personnel comply with the applicable CIP Standards.</p>
<p>Response: Thank you for your comments. The interpretation drafting team has relied on the wording of the standard in combination with the NERC Rules of Procedure to determine that the “Responsible Entity” is determined by how an entity is registered for the allowable functions. The allowable functions are described in the standard and the manner of registration is defined in the rules of procedure. The standard requires a Responsible Entity to have a single senior manager however the interpretation drafting team points out that Requirement R2.3 of the standard also allows for the delegation of responsibilities to one or more individuals. This allows for flexibility and alignment within an organization’s corporate or operating structure.</p>		
Electric Reliability of Texas, Inc.	No	<p>As an initial matter, the interpretation is inconsistent with the plain language of the standard. The applicability section defines Responsible Entity in terms of specific functions, not the Registration ID of an entity. There is nothing ambiguous or unclear about that. The language specifically states that this shall apply “within the context of CIP-003-3”, which makes it</p>

Organization	Yes or No	Question 1 Comment
		<p>crystal clear that for the purposes of this particular standard, that the term Responsible Entity is defined in terms of the listed specific functions. Accordingly, the IDT’s reliance on other documents (e.g. Rules of Procedure) to support the interpretation is, therefore, is misplaced, inappropriate and inconsistent with the plain language and scope of the standard. R2 then states the “Responsible Entity” shall assign a single manager for CIP compliance. Accordingly, a registered entity responsible for multiple functions can have a single manager for CIP compliance for each of its functions. That is a right under the standard, and the interpretation impermissibly compromises that right. This is very problematic because it will impermissibly force entities to designate a single person CIP manager for all functions, and subject the entity to compliance and penalty liability risk on the basis of an obligation that doesn’t exist under the explicit terms of the standard. Granted, R2 allows for the delegation of tasks so an entity could practically assign CIP responsibility to different people for each different function, but that requires the entity to perform additional administrative tasks to document the delegation, which would again, create a compliance/penalty risk based on an obligation that doesn’t exist under the standard. Accordingly, even though an entity could possibly comply with the inappropriate interpretation and still achieve the value of having different CIP compliance managers for different functions (if the entity believed that was the best approach for its business), it would be inappropriately subject to compliance and penalty risk if it failed to comply with the administrative requirements associated with delegation of authority. Furthermore, from a practical perspective, the interpretation makes no sense and compromises the effectiveness of CIP compliance. If an entity believes that CIP compliance is best supported by the assignment of different compliance managers for each function that it performs, then it should be allowed to implement that structure. As discussed, the standard explicitly allows for that. The interpretation would not only impermissibly</p>

Organization	Yes or No	Question 1 Comment
		<p>restrict entities’ rights, but would also compromise the effectiveness of CIP compliance activities by preventing entities to implement compliance structures best suited for their particular circumstances. Accordingly, aside from the legal infirmities, the interpretation practically undermines CIP compliance by compromising an entity’s ability to structure its compliance program in the manner that best fits its business practices. In discussing this requirement in Order 706, FERC stated:The Commission adopts its CIP NOPR interpretation that Requirement R2 of CIP-003-1 requires the designation of a single manager who has direct and comprehensiveresponsibility and accountability for implementation and ongoing compliance with theCIP Reliability Standards. The Commission’s intent is to ensure that there is a clear lineof authority and that cyber security functions are given the prominence they deserve. The Commission agrees with commenters that the senior manager, by virtue of his or her position, is not a user, owner or operator of the Bulk-Power System that is personally subject to civil penalties pursuant to section 215 of FPA.The purpose of the designation of a single manager is to have direct responsibility for CIP compliance so there is a clear line of authority to ensure cyber security is adequately addressed. There is nothing inconsistent with the Commission’s position on this and allowing for the designation of different CIP compliance managers for an entity’s different functions. The effect is the same - each function has a sole designated person for CIP compliance. In fact, this is more consistent with the Commission’s intention, because it provides for focused functional compliance lying with a single person that can fully dedicate his/her time to CIP compliance for that function. If a single person was responsible for CIP compliance for numerous functions, that arguably undermines the Commission’s intent with respect to R2 because the person would be spread too thin, or may not have the expertise necessary to ensure CIP compliance for each function in the most effective/efficient manner.</p>

Organization	Yes or No	Question 1 Comment
		<p>Furthermore, the Commission explicitly states that the manager is not a user/owner/operator of the BES. The approach proposed in the interpretation focuses on linking the manager to this status by linking it to the registration ID, which reflects being a user/owner/operator. Accordingly, the interpretation is arguably inconsistent with the Commission’s position on R2. For all the reasons discussed above, the IDT interpretation is inappropriate. The standard allows for the assignment of different managers based on function. It is not limited/determined by the number of registration IDs.</p>
<p>Response: Thank you for your comments. The interpretation drafting team has relied on the wording of the standard in combination with the NERC Rules of Procedure to determine that the “Responsible Entity” is determined by how an entity is registered for the allowable functions. The allowable functions are described in the standard and the manner of registration is defined in the rules of procedure. The standard requires a Responsible Entity to have a single senior manager however the interpretation drafting team points out that Requirement R2.3 of the standard also allows for the delegation of responsibilities to one or more individuals. This allows for flexibility and alignment within an organization’s corporate or operating structure.</p> <p>To understand the meaning of the term “Responsible Entity” the interpretation drafting team has referenced the only definition available for the term which is in the Rules of Procedure: “Responsible Entity” means an “entity that is registered for a reliability function in the NERC Compliance Registry and is responsible for complying with an Applicable Requirement, as specified in the “Applicability” section of the CIP Standard.” This definition demonstrates that the “Applicability” section of the standard identifies which reliability functions, for which Registered Entities are registered, are applicable. It does not state or imply that these reliability functions represent individual Registered Entities. The definition determines that if an entity is a) registered for a reliability function and b) is responsible for complying with a requirement that applies to an entity that is registered for a reliability function that is listed in the “Applicability” section of the standard, it is considered a “Responsible Entity”.</p>		
FirstEnergy Corp	Yes	We agree with the Interpretation Drafting Team response to the proposed SAR
<p>Response: Thank you for your supporting comment.</p>		

Organization	Yes or No	Question 1 Comment
Dominion	Yes	For clarity, Dominion recommends the first sentence of the response be changed from "No, a Registered Entity cannot assign different CIP Senior Managers for different applicable functions for which it is registered." to "A Registered Entity cannot assign different CIP Senior Managers for different applicable functions if those functions are included under one registration (NERC ID)."
<p>Response: Thank you for your comments. The IDT agrees with the comment and has made the change.</p>		
Associated Electric Cooperative, Inc. - JRO00088	Yes	AECI agrees with this determination and its underlying rationale.
<p>Response: Thank you for your supporting comment.</p>		
Duke Energy	Yes	<p>In order to provide more clarity and basis for the interpretation offered by the IDT, Duke Energy suggests moving the following paragraph from the Background section of this document and placing it in the actual response to the interpretation request: "In the case of CIP-003 R2 if a registered entity is scheduled for an audit and the entity is registered to perform any of the functions listed within the applicability section of CIP-003 R2 then the registered entity needs to demonstrate strict compliance with the requirements of CIP-003 R2. In order for a registered entity to demonstrate strict compliance with CIP-003 R2 they would need to provide evidence that they have assigned a single CIP Senior Manager with overall responsibility and authority for leading and managing the entity's implementation of, and adherence to, Standards CIP-002-3 through CIP-009-3." Inclusion of this paragraph will provide more focus to the fact that the word "single" is what is really driving this interpretation. For example, CIP-008 R1 states that "The Responsible Entity shall develop and maintain a Cyber Security Incident response plan...". However, if the same logic is applied to this requirement, without the word "single" in the requirement, it leaves open</p>

Organization	Yes or No	Question 1 Comment
		the flexibility for a Responsible Entity to collectively have multiple response plans.
<p>Response: Thank you for your comments. The IDT agrees that the overall focus of this requirement is for a Registered Entity to have one CIP Senior Manager responsible for the entity’s overall program. As for moving the mentioned paragraph from the background section to the interpretation, the IDT agrees with the concept of the comments, but it is better positioned in the background section.</p>		
Tacoma Power	Yes	The explanation and examples provide the requested interpretation.
<p>Response: Thank you for your supporting comment.</p>		
ReliabilityFirst	Yes	ReliabilityFirst believes the drafted interpretation correctly clarifies that each Organizational Registration can only have one CIP Senior Manager per registered organization as it relates to CIP-003-3, Requirement R3.
<p>Response: Thank you for your supporting comment.</p>		
Tampa Electric Company	Yes	Tampa Electric agrees with the response to Question 1. We have no additional comments.
<p>Response: Thank you for your supporting comment.</p>		
Ameren	Yes	It seems that the IDT has provided multiple options which registered entity(ies) can choose from.
<p>Response: Thank you for your supporting comment.</p>		
Manitoba Hydro	Yes	No comment.
Kansas City Power & Light	Yes	

Organization	Yes or No	Question 1 Comment
Hydro One	Yes	
Southwest Power Pool Regional Entity	Yes	
Entergy	Yes	
Independent Electricity System Operator	Yes	
City of Tallahassee	Yes	
Northeast Utilities	Yes	
Northeast Power Coordinating Council	Yes	

END OF REPORT