

## Project 2010-05.1 – PRC-004-3: Protection System Misoperations

This document provides the drafting team's justification for assignment of violation risk factors (VRFs) and violation severity levels (VSLs) for each requirement in PRC-004-3 — Protection System Misoperations.

Each primary requirement is assigned a VRF and a set of one or more VSLs. These elements support the determination of an initial value range for the Base Penalty Amount regarding violations of requirements in FERC-approved Reliability Standards, as defined in the ERO Sanction Guidelines.

The Protection System Misoperations Standard Drafting Team applied the following NERC criteria and FERC Guidelines when proposing VRFs and VSLs for the requirements under this project:

### **NERC Criteria - Violation Risk Factors**

#### ***High Risk Requirement***

A requirement that, if violated, could directly cause or contribute to bulk electric system instability, separation, or a cascading sequence of failures, or could place the bulk electric system at an unacceptable risk of instability, separation, or cascading failures; or, a requirement in a planning time frame that, if violated, could, under emergency, abnormal, or restorative conditions anticipated by the preparations, directly cause or contribute to bulk electric system instability, separation, or a cascading sequence of failures, or could place the bulk electric system at an unacceptable risk of instability, separation, or cascading failures, or could hinder restoration to a normal condition.

### ***Medium Risk Requirement***

A requirement that, if violated, could directly affect the electrical state or the capability of the bulk electric system, or the ability to effectively monitor and control the bulk electric system. However, violation of a medium risk requirement is unlikely to lead to bulk electric system instability, separation, or cascading failures; or, a requirement in a planning time frame that, if violated, could, under emergency, abnormal, or restorative conditions anticipated by the preparations, directly and adversely affect the electrical state or capability of the bulk electric system, or the ability to effectively monitor, control, or restore the bulk electric system. However, violation of a medium risk requirement is unlikely, under emergency, abnormal, or restoration conditions anticipated by the preparations, to lead to bulk electric system instability, separation, or cascading failures, nor to hinder restoration to a normal condition.

### ***Lower Risk Requirement***

A requirement that is administrative in nature and a requirement that, if violated, would not be expected to adversely affect the electrical state or capability of the bulk electric system, or the ability to effectively monitor and control the bulk electric system; or, a requirement that is administrative in nature and a requirement in a planning time frame that, if violated, would not, under the emergency, abnormal, or restorative conditions anticipated by the preparations, be expected to adversely affect the electrical state or capability of the bulk electric system, or the ability to effectively monitor, control, or restore the bulk electric system. A planning requirement that is administrative in nature.

## **FERC Violation Risk Factor Guidelines**

### **Guideline (1) — Consistency with the Conclusions of the Final Blackout Report**

The Commission seeks to ensure that Violation Risk Factors assigned to Requirements of Reliability Standards in these identified areas appropriately reflect their historical critical impact on the reliability of the Bulk-Power System.

In the VSL Order, FERC listed critical areas (from the Final Blackout Report) where violations could severely affect the reliability of the Bulk-Power System:

- Emergency operations
- Vegetation management
- Operator personnel training
- Protection systems and their coordination
- Operating tools and backup facilities
- Reactive power and voltage control
- System modeling and data exchange
- Communication protocol and facilities
- Requirements to determine equipment ratings
- Synchronized data recorders
- Clearer criteria for operationally critical facilities
- Appropriate use of transmission loading relief

## **Guideline (2) — Consistency within a Reliability Standard**

The Commission expects a rational connection between the sub-Requirement Violation Risk Factor assignments and the main Requirement Violation Risk Factor assignment.

## **Guideline (3) — Consistency among Reliability Standards**

The Commission expects the assignment of Violation Risk Factors corresponding to Requirements that address similar reliability goals in different Reliability Standards would be treated comparably.

## **Guideline (4) — Consistency with NERC’s Definition of the Violation Risk Factor Level**

Guideline (4) was developed to evaluate whether the assignment of a particular Violation Risk Factor level conforms to NERC’s definition of that risk level.

## **Guideline (5) — Treatment of Requirements that Co-mingle More Than One Obligation**

Where a single Requirement co-mingles a higher risk reliability objective and a lesser risk reliability objective, the VRF assignment for such Requirements must not be watered down to reflect the lower risk level associated with the less important objective of the Reliability Standard.

The following discussion addresses how the SDT considered FERC’s VRF Guidelines 2 through 5. The team did not address Guideline 1 directly because of an apparent conflict between Guidelines 1 and 4. Whereas Guideline 1 identifies a list of topics that encompass nearly all topics within NERC’s Reliability Standards and implies that these requirements should be assigned a “High” VRF, Guideline 4 directs assignment of VRFs based on the impact of a specific requirement to the reliability of the system. The SDT believes that Guideline 4 is reflective of the intent of VRFs in the first instance and therefore concentrated its approach on the reliability impact of the requirements.

PRC-004-3 Protection System Misoperations is a revision of PRC-004-2a Analysis and Mitigation of Transmission and Generation Protection System Misoperations with the stated purpose: Ensure all transmission and generation Protection System Misoperations affecting the reliability of the Bulk Electric System (BES) are analyzed and mitigated. PRC-003-1 Regional Procedure for Analysis of Misoperations of Transmission and Generation Protection Systems required the Regions to establish procedures for analysis of Misoperations. In the NOPR, the Commission identified PRC-003-0 as a fill-in-the-blank standard. The NOPR stated that because the regional procedures had not been submitted, the Commission proposed not to approve or remand PRC-003-0. Because PRC-003-0 (now PRC-003-1) is not enforceable, there is not a mandatory requirement for Regional procedures to support the requirements of PRC-004-2a. This is a potential reliability gap; consequently, PRC-004-3 combines the reliability intent of the two legacy standards PRC-003-1 and PRC-004-2a.

PRC-004-3 has four (4) requirements that incorporate and enhance the intent of the requirements of PRC-004-2.1a and PRC-003-1. The revised standard requires entities to identify and review Protection System operations and designate each Misoperation; then investigate each Misoperation and document the findings. If a cause is identified, the entity

either creates a Corrective Action Plan (CAP) or writes a declaration that they cannot correct the misoperating device(s). If a cause is not identified, the entity either creates an action plan for additional investigation or a writes a declaration that no further work will be done. The next step is to implement and complete the CAP or action plan. If the action plan leads to the determination of a cause, then the entity would either create a Corrective Action Plan (CAP) or write a declaration. The requirements recognize and encompass the possibility that components of a Protection System can be owned by different entities.

The requirements of PRC-004-3 do not map, one-to-one, with the requirements of the legacy standards. The new requirements comingle various reliability attributes of the legacy standards with new reliability objectives, thus a requirement-to-requirement comparison of VRFs is not possible. In developing the new VRFs for the requirements of PRC-004-3, the Standard Drafting Team carefully considered the NERC criteria for developing VRFs, as well as the FERC VRF guidelines. The VRFs of the FERC approved PRC-004-WECC-1, EOP-008-1, PRC-004-2a and of TPL-001-2 influenced (citing FERC VRF Guideline 3) the drafting team's VRF decisions, as such, the VRFs for PRC-004-3 Requirements R1, R2 and R3 are assigned a VRF of Medium, while Requirement R4 is assigned a VRF of High.

PRC-004-3 Requirements R1, R2 and R3 are related to identifying Protection System operations, designating Misoperations, investigating Misoperations and developing Corrective Action Plans (CAP) or action plans. The SDT determined that the assignment of a VRF of Medium was consistent with the NERC criterion that states "A requirement that, if violated, could directly affect the electrical state or the capability of the bulk electric system, or the ability to effectively monitor and control the bulk electric system. However, violation of a medium risk requirement is unlikely to lead to bulk electric system instability, separation, or cascading failures..."

PRC-004-3 Requirement R4 relates to implementing and completing CAPs or action plans. The SDT determined that the assignment of a VRF of High was consistent with the NERC criterion that states "A requirement that, if violated, could directly cause or contribute to bulk electric system instability, separation, or a cascading sequence of failures, or could place the bulk electric system at an unacceptable risk of instability, separation, or cascading failures..."

## NERC Criteria - Violation Severity Levels

Violation Severity Levels (VSLs) define the degree to which compliance with a requirement was not achieved. Each requirement must have at least one VSL. While it is preferable to have four VSLs for each requirement, some requirements do not have multiple “degrees” of noncompliant performance and may have only one, two, or three VSLs.

Violation severity levels should be based on the guidelines shown in the table below:

Lower	Moderate	High	Severe
Missing a minor element (or a small percentage) of the required performance The performance or product measured has significant value as it almost meets the full intent of the requirement.	Missing at least one significant element (or a moderate percentage) of the required performance. The performance or product measured still has significant value in meeting the intent of the requirement.	Missing more than one significant element (or is missing a high percentage) of the required performance or is missing a single vital component. The performance or product has limited value in meeting the intent of the requirement.	Missing most or all of the significant elements (or a significant percentage) of the required performance. The performance measured does not meet the intent of the requirement or the product delivered cannot be used in meeting the intent of the requirement.

## FERC Order on Violation Severity Levels

In its June 19, 2008 Order on Violation Severity Levels, FERC indicated it would use the following four guidelines for determining whether to approve VSLs:

### **Guideline 1: Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance**

Compare the VSLs to any prior Levels of Non-compliance and avoid significant changes that may encourage a lower level of compliance than was required when Levels of Non-compliance were used.

### **Guideline 2: Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties**

Guideline 2a: A violation of a “binary” type requirement must be a “Severe” VSL.

Guideline 2b: Do not use ambiguous terms such as “minor” and “significant” to describe noncompliant performance.

### **Guideline 3: Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement**

VSLs should not expand on what is required in the requirement.

#### **Guideline 4: Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations**

. . . unless otherwise stated in the requirement, each instance of non-compliance with a requirement is a separate violation. Section 4 of the Sanction Guidelines states that assessing penalties on a per violation per day basis is the “default” for penalty calculations.

VRF and VSL Justifications – PRC-004-3, R1	
Proposed VRF	Medium
NERC VRF Discussion	Failure to identify and review each Protection System operation to designate Misoperations, investigate each Misoperation and document the findings could directly affect the electrical state or the capability of the bulk electric system, or the ability to effectively monitor and control the bulk electric system. Unresolved Misoperations could contribute to more severe future disturbances affecting a wider area, or result in equipment damage. However, violation of this requirement is unlikely to lead to bulk electric system instability, separation, or cascading failures. The applicable entities are always responsible for maintaining the reliability of the bulk electric system regardless of the situation. This requirement meets NERC’s criterion for a Medium VRF.
FERC VRF G1 Discussion	Guideline 1- Consistency w/ Blackout Report: N/A
FERC VRF G2 Discussion	Guideline 2- Consistency within a Reliability Standard: The requirement has Parts that all support the reliability objective so only one VRF was assigned; therefore no conflict(s) exist.
FERC VRF G3 Discussion	Guideline 3- Consistency among Reliability Standards: The SDT has assigned a Medium VRF which is consistent with EOP-008-1 Requirement R8 (which is similar in nature to PRC-004-3 Requirement R1.)
FERC VRF G4 Discussion	Guideline 4- Consistency with NERC Definitions of VRFs: Failure to identify and review each Protection System operation to designate Misoperations, investigate each Misoperation and document the findings could directly affect the electrical state or the capability of the bulk electric system, or the ability to effectively monitor and control the bulk electric system. Unresolved Misoperations could contribute to more severe future disturbances affecting a wider area, or result in equipment damage. However, violation of this requirement is unlikely to lead to bulk electric system instability, separation, or cascading failures. The applicable entities are always responsible for maintaining the reliability of the bulk electric system regardless of the situation. This requirement meets NERC’s criterion for a Medium VRF.

**VRF and VSL Justifications – PRC-004-3, R1**

FERC VRF G5 Discussion	Guideline 5- Treatment of Requirements that Co-mingle More than One Obligation: This requirement does not co-mingle reliability objectives of differing risk; the assigned VRF of Medium is consistent throughout the requirement.
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**Proposed VSL**

Lower	Moderate	High	Severe
<p>The responsible entity performed the actions in accordance with Requirement R1, Parts 1.1 – 1.3 in more than 120 calendar days but less than or equal to 130 calendar days of the operation’s occurrence.</p> <p align="center">OR</p> <p>The responsible entity identified a Protection System operation that operated one of its interrupting devices but failed to review the operation in accordance with Requirement R1, Part 1.1.</p> <p align="center">OR</p> <p>The responsible entity completed its review of a Protection System Operation that operated one of its interrupting devices in 120 calendar days and determined</p>	<p>The responsible entity performed the actions in accordance with Requirement R1, Parts 1.1 – 1.3 in more than 130 calendar days but less than or equal to 140 calendar days of the operation’s occurrence.</p>	<p>The responsible entity performed the actions in accordance with Requirement R1, Parts 1.1 – 1.3 in more than 140 calendar days but less than or equal to 150 calendar days of the operation’s occurrence.</p>	<p>The responsible entity performed the actions in accordance with Requirement R1, Parts 1.1 – 1.3 in more than 150 calendar days of the operation’s occurrence.</p> <p align="center">OR</p> <p>The responsible entity failed to identify and review a Protection System operation that operated one of its interrupting devices in accordance with Requirement R1, Part 1.1.</p> <p align="center">OR</p> <p>The responsible entity completed its review of a Protection System operation that operated one of its interrupting devices in 120 calendar days and determined the operation was a Misoperation and failed to designate the operation as a Misoperation in accordance with Requirement R1, Part 1.2.</p>

VRF and VSL Justifications – PRC-004-3, R1

the operation was a Misoperation and failed to document the findings in accordance with Requirement R1, Part 1.3.

OR

The responsible entity failed to investigate a Misoperation and document the findings in accordance with Requirement R1, Part 1.3.

OR

The responsible entity completed its investigation of a Protection System Operation that operated one of its interrupting devices in 120 calendar days and suspected that another entity’s Protection System component contributed to the Misoperation, and failed to notify and provide requested investigative information to that entity in accordance with Requirement R1, Part 1.1.

**VRF and VSL Justifications – PRC-004-3, R1**

NERC VSL Guidelines	Meets NERC’s VSL Guidelines—There is an incremental aspect to the VSL for tardiness and a binary aspect for failure.
FERC VSL G1 Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance	This VSL is consistent with the current VSL associated with the existing requirement of the standard being replaced. The proposed VSL does not lower the current level of compliance.
FERC VSL G2 Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties Guideline 2a: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent Guideline 2b: Violation Severity Level Assignments that Contain Ambiguous Language	Guideline 2a: N/A  Guideline 2b: The proposed VSL does not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.
FERC VSL G3 Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement	The proposed VSL uses similar terminology to that used in the associated requirement, and is therefore consistent with the requirement.

**VRF and VSL Justifications – PRC-004-3, R1**

<p>FERC VSL G4 Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations</p>	<p>The VSL is based on a single violation and not cumulative violations.</p>
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**VRF and VSL Justifications – PRC-004-3, R2**

<p>Proposed VRF</p>	<p>Medium</p>
<p>NERC VRF Discussion</p>	<p>Failure to develop a CAP for a Misoperation with an identified cause could directly affect the electrical state or the capability of the bulk electric system, or the ability to effectively monitor and control the bulk electric system. Unresolved Misoperations could contribute to more severe future disturbances affecting a wider area, or result in equipment damage. However, violation of this requirement is unlikely to lead to bulk electric system instability, separation, or cascading failures. The applicable entities are always responsible for maintaining the reliability of the bulk electric system regardless of the situation. This requirement meets NERC’s criterion for a Medium VRF.</p>
<p>FERC VRF G1 Discussion</p>	<p>Guideline 1- Consistency w/ Blackout Report: N/A</p>
<p>FERC VRF G2 Discussion</p>	<p>Guideline 2- Consistency within a Reliability Standard: The requirement has no Parts so only one VRF was assigned.</p>
<p>FERC VRF G3 Discussion</p>	<p>Guideline 3- Consistency among Reliability Standards: The requirement is similar to EOP-008-1 Requirement R8 which has an approved VRF of Medium.</p>
<p>FERC VRF G4 Discussion</p>	<p>Guideline 4- Consistency with NERC Definitions of VRFs: Failure to develop a CAP for a Misoperation with an identified cause could directly affect the electrical state or the capability of the bulk electric system, or the ability to effectively monitor and control the bulk electric system. Unresolved Misoperations could contribute to more severe future disturbances affecting a wider area, or result in equipment damage. However, violation of this requirement is unlikely to lead to</p>

**VRF and VSL Justifications – PRC-004-3, R2**

	bulk electric system instability, separation, or cascading failures. The applicable entities are always responsible for maintaining the reliability of the bulk electric system regardless of the situation. This requirement meets NERC’s criterion for a Medium VRF.		
FERC VRF G5 Discussion	Guideline 5- Treatment of Requirements that Co-mingle More than One Obligation: This requirement does not co-mingle reliability objectives of differing risk; the assigned VRF of Medium is consistent throughout the requirement.		
Proposed VSL			
Lower	Moderate	High	Severe
The responsible entity developed a CAP, or a declaration in accordance with Requirement R2, in more than 60 calendar days but less than or equal to 70 calendar days following the completion of the investigation or receiving notification.	The responsible entity developed a CAP, or a declaration in accordance with Requirement R2, in more than 70 calendar days but less than or equal to 80 calendar days following the completion of the investigation or receiving notification.	The responsible entity developed a CAP, or a declaration in accordance with Requirement R2, in more than 80 calendar days but less than or equal to 90 calendar days following the completion of the investigation or receiving notification.	The responsible entity developed a CAP, or a declaration in accordance with Requirement R2, more than 90 calendar days following the completion of the investigation or receiving notification.  OR The responsible entity failed to develop a CAP or make a declaration in accordance with Requirement R2.

**VRF and VSL Justifications – PRC-004-3, R2**

NERC VSL Guidelines	Meets NERC’s VSL Guidelines—There is an incremental aspect to the VSL for tardiness and a binary aspect for failure.
FERC VSL G1 Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance	This VSL is consistent with the current VSL associated with the existing requirement of the standard being replaced. The proposed VSL does not lower the current level of compliance.
FERC VSL G2 Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties Guideline 2a: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent Guideline 2b: Violation Severity Level Assignments that Contain Ambiguous Language	Guideline 2a: N/A  Guideline 2b: The proposed VSL does not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.
FERC VSL G3 Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement	The proposed VSL uses similar terminology to that used in the associated requirement, and is therefore consistent with the requirement.

**VRF and VSL Justifications – PRC-004-3, R2**

<p>FERC VSL G4 Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations</p>	<p>The VSL is based on a single violation and not cumulative violations.</p>
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**VRF and VSL Justifications – PRC-004-3, R3**

<p>Proposed VRF</p>	<p>Medium</p>
<p>NERC VRF Discussion</p>	<p>Failure to develop an action plan for a Misoperation without an identified cause could directly affect the electrical state or the capability of the bulk electric system, or the ability to effectively monitor and control the bulk electric system. Unresolved Misoperations could contribute to more severe future disturbances affecting a wider area, or result in equipment damage. However, violation of this requirement is unlikely to lead to bulk electric system instability, separation, or cascading failures. The applicable entities are always responsible for maintaining the reliability of the bulk electric system regardless of the situation. This requirement meets NERC’s criterion for a Medium VRF.</p>
<p>FERC VRF G1 Discussion</p>	<p>Guideline 1- Consistency w/ Blackout Report: N/A</p>
<p>FERC VRF G2 Discussion</p>	<p>Guideline 2- Consistency within a Reliability Standard: The requirement has no Parts so only one VRF was assigned.</p>
<p>FERC VRF G3 Discussion</p>	<p>Guideline 3- Consistency among Reliability Standards: The requirement is similar to EOP-008-1 Requirement R8 which has an approved VRF of Medium.</p>
<p>FERC VRF G4 Discussion</p>	<p>Guideline 4- Consistency with NERC Definitions of VRFs: Failure to develop an action plan for a Misoperation without an identified cause could directly affect the electrical state or the capability of the bulk electric system, or the ability to effectively monitor and control the bulk electric system. Unresolved Misoperations could contribute to more severe future disturbances affecting a wider area, or result in equipment damage. However, violation of this requirement is unlikely</p>

**VRF and VSL Justifications – PRC-004-3, R3**

	to lead to bulk electric system instability, separation, or cascading failures. The applicable entities are always responsible for maintaining the reliability of the bulk electric system regardless of the situation. This requirement meets NERC’s criterion for a Medium VRF.
FERC VRF G5 Discussion	Guideline 5- Treatment of Requirements that Co-mingle More than One Obligation: This requirement does not co-mingle reliability objectives of differing risk; the assigned VRF of Medium is consistent throughout the requirement.

**Proposed VSL**

Lower	Moderate	High	Severe
The responsible entity developed an action plan, or made a declaration in accordance with Requirement R3, in more than 180 calendar days but less than or equal to 190 calendar days following the associated interrupting device operation.	The responsible entity developed an action plan, or made a declaration in accordance with Requirement R3, in more than 190 calendar days but less than or equal to 200 calendar days following the associated interrupting device operation.	The responsible entity developed an action plan, or made a declaration in accordance with Requirement R3, in more than 200 calendar days but less than or equal to 210 calendar days following the completion of the investigation.	The responsible entity developed an action plan, or made a declaration in accordance with Requirement R3, more than 210 calendar days following the completion of the investigation.  OR The responsible entity failed to develop, implement, and document an action plan, or a declaration in accordance with Requirement R3.

## VRF and VSL Justifications – PRC-004-3, R3

NERC VSL Guidelines	Meets NERC’s VSL Guidelines—There is an incremental aspect to the VSL for tardiness and a binary aspect for failure.
FERC VSL G1 Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance	This VSL is consistent with the current VSL associated with the existing requirement of the standard being replaced. The proposed VSL does not lower the current level of compliance.
FERC VSL G2 Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties Guideline 2a: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent Guideline 2b: Violation Severity Level Assignments that Contain Ambiguous Language	Guideline 2a: N/A  Guideline 2b: The proposed VSL does not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.
FERC VSL G3 Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement	The proposed VSL uses similar terminology to that used in the associated requirement, and is therefore consistent with the requirement.

### VRF and VSL Justifications – PRC-004-3, R3

FERC VSL G4 Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations	The VSL is based on a single violation and not cumulative violations.
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### VRF and VSL Justifications – PRC-004-3, R4

Proposed VRF	High
NERC VRF Discussion	Failure to implement a CAP or action plan to address an identified Misoperation could directly cause or contribute to bulk electric system instability, separation, or a cascading sequence of failures. Unresolved Misoperations could contribute to more severe future disturbances affecting a wider area, or result in equipment damage. This is a planning requirement that meets the NERC criterion for a High VRF.
FERC VRF G1 Discussion	Guideline 1- Consistency w/ Blackout Report: N/A
FERC VRF G2 Discussion	Guideline 2- Consistency within a Reliability Standard: The requirement has Parts that all support the reliability objective so only one VRF was assigned; therefore no conflict(s) exist.
FERC VRF G3 Discussion	Guideline 3- Consistency among Reliability Standards: The requirement is consistent with PRC-004-2a, Requirements R1 and R2, PRC-004-WECC-1 Requirement R2.1, and TPL-001-2 Requirement R2 Part 2.7 which have approved VRFs of High.
FERC VRF G4 Discussion	Guideline 4- Consistency with NERC Definitions of VRFs: Failure to implement a CAP or action plan to address an identified Misoperation could directly cause or contribute to bulk electric system instability, separation, or a cascading sequence of failures. Unresolved Misoperations could contribute to more severe future disturbances affecting a wider area, or result in equipment damage. This is a planning requirement that meets the NERC criterion for a High VRF.

**VRF and VSL Justifications – PRC-004-3, R4**

FERC VRF G5 Discussion	Guideline 5- Treatment of Requirements that Co-mingle More than One Obligation: This requirement does contain obligations that are administrative in nature but they support the high risk reliability objective; the assigned VRF of High is appropriate for the requirement.		
Proposed VSL			
Lower	Moderate	High	Severe
The responsible entity maintained records of a CAP or action plan but the records were incomplete.			The responsible entity failed to implement a CAP or action plan.  OR The responsible entity failed to maintain records of a CAP or action plan.

VRF and VSL Justifications – PRC-004-3, R4

<p>NERC VSL Guidelines</p>	<p>Meets NERC’s VSL Guidelines—There is an incremental aspect to the VSLs for incomplete documentation and a binary aspect for failure to implement.</p>
<p>FERC VSL G1 Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>This VSL is consistent with the previous severity level and does not lower the current level of compliance for the similar Requirement.</p>
<p>FERC VSL G2 Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties Guideline 2a: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent Guideline 2b: Violation Severity Level Assignments that Contain Ambiguous Language</p>	<p>Guideline 2a: N/A Guideline 2b: The proposed VSL does not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.</p>
<p>FERC VSL G3 Violation Severity Level Assignment Should Be Consistent with the</p>	<p>The proposed VSL uses similar terminology to that used in the associated requirement, and is therefore consistent with the requirement.</p>

**VRF and VSL Justifications – PRC-004-3, R4**

Corresponding Requirement	
FERC VSL G4 Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations	The VSL is based on a single violation and not cumulative violations.