

NERC Violation ID	Reliability Standard	Req.	Violation Risk Factor	Violation Severity Level	Violation Start Date	Violation End Date	Method of Discovery	Mitigation Completion Date	Date Regional Entity Verified Completion of Mitigation
TRE2018020835	FAC-008-3	R6	Medium	Moderate	05/23/2016 (when the first of the five Transmission segments at issue was placed into service)	10/31/2018 (when ETT documented the revised Facility Ratings)	Self-Report	05/31/2019	05/27/2020
<b>Description of the Violation (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, or confirmed violation.)</b>			<p>On December 18, 2018, ETT submitted a Self-Report stating that, as a Transmission Owner (TO), it was in violation of FAC-008-3 R6. Specifically, for five Transmission Facilities, ETT did not have Facility Ratings that are consistent with its Facility Ratings methodology.</p> <p>ETT discovered that five Transmission segments had incorrect Facility Ratings as a result of an extent of condition review performed by an affiliate to mitigate a separate instance of noncompliance. On October 31, 2018, ETT documented revised Facility ratings for the five Transmission segments at issue. Specifically, for four Transmission segments, the normal and emergency ratings, which are equal, were revised from 2,987 MVA to 2,331 MVA for two segments; from 1,250 MVA to 717 MVA for one segment; and from 1,322 MVA to 717 MVA for one segment. In addition, for the fifth Transmission segment, the normal rating was unchanged, at 478 MVA, but the emergency rating was reduced from 631 MVA to 572 MVA.</p> <p>The root cause of this noncompliance was an insufficient process for compliance with FAC-008-3 R6. Regarding four of the Transmission segments at issue, ETT failed to identify the most limiting series element (MLSE). Regarding the fifth Transmission segment at issue, ETT failed to revise the line’s Facility Rating after adopting a revised Facility Rating methodology that would have required a lower Emergency Rating for the segment.</p> <p>This violation began on May 23, 2016, when the first of the Transmission segments at issue was placed into service, and ended on October 31, 2018, when ETT documented revised Facility Ratings for the Transmission Facilities at issue.</p>						
<b>Risk Assessment</b>			<p>This violation posed a moderate risk and did not pose a serious or substantial risk to the reliability of the bulk power system (BPS). Incorrect Facility Ratings could result in errors in planning and operation of the BPS and may affect System Operating Limits. This issue affected five Transmission segments that are operated at 345 kV for over two years, and the change in the documented Facility Ratings was significant. Specifically, the change in normal ratings ranged from 22% to 46% and the changes in emergency ratings ranged from 9% to 62%. However, the risk posed by this issue was reduced by the following factors. First, ETT is a moderately sized TO, with approximately 4,800 MW of interconnected generation. Second, ETT noted that during the incident time periods, the loading on the Transmission lines at issue never exceeded the corrected Facility Ratings. Additionally, ETT noted that there are other, more limiting branches around several of the Transmission Facilities at issue that would make it impossible to exceed the corrected Facility Ratings for those Facilities. Finally, the Transmission Facilities at issue represented a small proportion of ETT’s Transmission Facilities, out of a total of 27 Transmission lines operated at 138 kV and 40 Transmission lines operated at 345 kV.</p>						
<b>Mitigation</b>			<p>To mitigate this violation, ETT:</p> <ol style="list-style-type: none"> <li>1) conducted an extent of condition review, including documenting revised Facility Ratings and notifying its Reliability Coordinator of any revisions;</li> <li>2) adopted a documented process for quarterly reviews of a random sample of Facility Ratings, to be used as an internal detective control; and</li> <li>3) adopted revised documented processes for compliance with FAC-008-3 R6, including a new documented process for identifying the MLSE for Transmission station assets.</li> </ol> <p>Texas RE has verified the completion of all mitigation activity.</p>						
<b>Other Factors</b>			<p>Texas RE reviewed ETT’s internal compliance program (ICP) and considered it to be a neutral factor in the penalty determination.</p> <p>In determining whether to assess a penalty for this issue, although ETT did not receive mitigating credit for self-reporting, Texas RE considered the fact that this issue was discovered by ETT when performing mitigating activities for Violation ID TRE2017016853, a previous violation involving American Electric Power Service Corp as agent for AEP Texas Inc. and Public Service Company of Oklahoma (AEPSC), an affiliate of ETT. In Violation ID TRE2017016853, Texas RE assessed AEPSC a penalty of \$225,000 for violations of FAC-009-1 R1 and R2, which include provisions that are predecessors to FAC-008-3 R6, relating to documenting a registered entity’s Facility Ratings. As part of the mitigating activities for Violation ID TRE2017016853, AEPSC agreed voluntarily to perform an extent of condition review of its documented Facility Ratings. Consistent with the fact that AEPSC and ETT share substantial compliance processes and resources, the extent of condition review covered ETT’s assets, as well as assets owned by other affiliates, resulting in the discovery of the instant violation. Accordingly, although the circumstances of the instant violation warrant an enhanced disposition, Texas RE concluded that it was appropriate to assess a zero-dollar penalty because this issue was discovered through voluntary mitigation activities associated with a violation for which ETT’s affiliate was already assessed a penalty.</p>						

Texas RE determined that ETT’s and its affiliates’ compliance history includes one previous instance of noncompliance that was considered to be aggravating. ETT and its affiliates have compliance history regarding the same or similar Requirement under Violation IDs TRE2017016853, RFC2016016427, RFC2015014576, RFC2012010148, and RFC2011001049. Texas RE determined that ETT’s affiliate’s compliance history under Violation ID RFC2016016427 to be an aggravating factor because it included a similar root cause and factual background involving a failure to consider relevant equipment in determining Facility Ratings. Texas RE determined that Violation IDs RFC2015014576, RFC2012010148, and RFC2011001049 were not aggravating compliance history because those instances involved a different root cause and factual background. Finally, although Violation ID TRE2017016853 involved a similar root cause and factual background, Texas RE determined that this prior instance should not be considered an aggravating factor because the noncompliance in this case was discovered as part of the mitigation activities associated with Violation ID TRE2017016853, as discussed above.

Based on ETT’s efforts noted above, and in light of the fact that this issue was discovered by ETT as part of the mitigating activities for an issue for which ETT’s affiliate was already assessed a penalty, Texas RE has assessed a zero-dollar penalty for this issue.