



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION

April 29, 2011

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

**Re: NERC Abbreviated Notice of Penalty regarding Unidentified Registered Entity,
FERC Docket No. NP11-__-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Abbreviated Notice of Penalty (NOP) regarding Unidentified Registered Entity (URE), with information and details regarding the nature and resolution of the violations¹ discussed in detail in the Settlement Agreement (Attachment a) and the Disposition Documents attached thereto, 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)).²

This NOP is being filed with the Commission because Southwest Power Pool Regional Entity (SPP RE), Texas Reliability Entity, Inc. (Texas RE) and URE have entered into a Joint Settlement Agreement³ to resolve all outstanding issues arising from SPP RE and Texas RE's determination and findings of the enforceable violations of PRC-005-1 Requirement (R) 1.1, R2 and R1.2; CIP-005-1 R2; CIP-006-1 R1.8; CIP-003-1 R1.1; CIP-004-1 R2.2.2; FAC-003-1 R1; FAC-008-1 R1; FAC-009-1 R1; CIP-007-1 R1; CIP-008-1 R1.6; and CIP-005-1 R1.5. According to the Settlement Agreement, URE neither admits nor denies the violations, and has

¹ 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.

² *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 (2010). *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).

³ For purposes of this Settlement Agreement, Texas RE is a party of interest only in regards to violation FAC-003-1 R1 (TRE200900087).

agreed to the assessed penalty of fifty thousand dollars (\$50,000),⁴ 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 SPP200900087, SPP200900088, SPP200900089, SPP200900108, SPP200900109, SPP200900138, SPP200900139, SPP200900140, TRE200900087, SPP200900141, SPP200900142, SPP200900143, SPP200900144 and SPP201000340 are being filed in accordance with the NERC Rules of Procedure and the CMEP.

Statement of Findings Underlying the Violations

This NOP incorporates the findings and justifications set forth in the Settlement Agreement executed on April 27, 2011, by and between SPP RE, Texas RE and URE. The details of the findings and the basis for the penalty are set forth in the Disposition Documents. This NOP 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, NERC provides the following summary table identifying each violation of a Reliability Standard resolved by the Settlement Agreement, as discussed in greater detail below.

NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Duration	Total Penalty (\$)
NOC-255	SPP200900087	PRC-005-1	1.1	High ⁵	6/18/07-7/26/10	50,000
	SPP200900088	PRC-005-1	1.2	High ⁶	6/18/07-7/26/10	
	SPP200900089	PRC-005-1	2	High ⁷	6/18/07-1/15/11	
	SPP200900108	CIP-005-1	2	Medium ⁸	7/1/09-12/10/09	

⁴ Of the \$50,000 total penalty amount, \$1,230 is allocated to Texas RE for FAC-003-1 R1 (TRE200900087) and \$48,770 is allocated to SPP RE.

⁵ When NERC filed Violation Risk Factors (VRFs) for PRC-005-1, NERC originally assigned a “Medium” VRF to PRC-005-1 R1. In the Commission’s May 18, 2007 Order on Violation Risk Factors, the Commission approved the VRF as filed but directed modifications. On June 1, 2007, NERC filed a modified “High” VRF for PRC-005 R1 for approval. On August 9, 2007, the Commission issued an Order approving the modified VRF. Therefore, the “Medium” VRF was in effect from June 18, 2007 until August 9, 2007 and the “High” VRF has been in effect since August 9, 2007.

⁶ PRC-005-1 R2 has a “Lower” 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 include 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, SPP RE determined that the violation related to both R2.1 and R2.2, and therefore a “High” VRF is appropriate.

⁷ See n. 3.

⁸ CIP-005-1 R2, R2.1, R2.2, R2.3 and R2.4 each have a “Medium” VRF; R2.5 and its sub-requirements and R2.6 each have a “Lower” VRF.

NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Duration	Total Penalty (\$)
	SPP200900109	CIP-006-1	1.8	Medium ⁹	7/1/09-12/15/09	
	SPP200900138	CIP-003-1	1.1	Lower ¹⁰	7/1/08-11/11/09	
	SPP200900139	CIP-004-1	2.2.2	Lower ¹¹	7/1/08-12/21/09	
	SPP200900140	FAC-003-1	1	High	6/18/07-12/9/09	
	TRE200900087					
	SPP200900141	FAC-008-1	1	Lower ¹²	6/18/07-6/22/10	
	SPP200900142	FAC-009-1	1	Medium	6/18/07-1/20/11	
	SPP200900143	CIP-007-1	1	Medium ¹³	7/1/08-11/17/09	
	SPP200900144	CIP-008-1	1.6	Lower	7/1/08-9/30/09	
	SPP201000340	CIP-005-1	1.5	Medium ¹⁴	7/1/09-7/20/10	

The text of the Reliability Standards at issue and further information on the subject violations are set forth in the Disposition Documents.

PRC-005-1 R1.1, R1.2 and R2 (SPP200900087-89) - OVERVIEW

On July 9, 2009, URE self-reported violations of PRC-005-1 R1.1, R1.2 and R2. SPP RE determined that URE did not document the maintenance and testing intervals and basis for 43% of its Protection System devices as required by R1.1; did not have a summary of maintenance and testing procedures for 8% of its Protection System devices as required by R1.2; could not provide evidence that 33% of its Protection System devices were maintained and tested within

⁹ CIP-006-1 R1, R1.1, R1.2, R1.3, R1.4, R1.5 and R1.6 each have a “Medium” VRF; R1.7 and R1.8 each have a “Lower” VRF.

¹⁰ CIP-003-1 R1 has a “Medium” VRF; R1.1, R1.2 and R1.3 each have a “Lower” VRF. When NERC filed VRFs it originally assigned CIP-003-1 R1 a “Lower” VRF. The Commission approved the VRF as filed; however, it directed NERC to submit modifications. NERC submitted the modified “Medium” VRF and on January 27, 2009, the Commission approved the modified “Medium” VRF. Therefore, the “Lower” VRF for CIP-003-1 R1 was in effect from June 18, 2007 until January 27, 2009, when the “Medium” VRF became effective.

¹¹ CIP-004-1 R2, R2.2.1, R2.2.2, R2.2.3 and R2.3 each have a “Lower” VRF; R2.1, R2.2 and R2.2.4 each have a “Medium” VRF.

¹² FAC-008-1 R1, R1.3 and R1.3.5 each have a “Lower” VRF; R1.1, R1.2, R1.2.1, R1.2.2, R1.3.1-4 each have a “Medium” VRF. When NERC filed VRFs it originally assigned FAC-008-1 R1.1, R1.2, R1.2.1 and R1.2.2 “Lower” VRFs. The Commission approved the VRFs as filed; however, it directed NERC to submit modifications. NERC submitted the modified “Medium” VRFs and on February 6, 2008, the Commission approved the modified “Medium” VRFs. Therefore, the “Lower” VRFs for FAC-008-1 R1.1, R1.2, R1.2.1 and R1.2.2 were in effect from June 18, 2007 until February 6, 2008 when the “Medium” VRFs became effective.

¹³ CIP-007-1 R1 and R1.1 each have a “Medium” VRF; R1.2 and R1.3 each have a “Lower” VRF.

¹⁴ CIP-005-1 R1, R1.1, R1.2, R1.3, R1.4 and R1.5 each have a “Medium” VRF; R1.6 has a “Lower” VRF.

defined intervals as required by R2.1; and could not substantiate the dates 20% of its Protection System devices were last tested and maintained as required by R2.2.

CIP-005-1 R2 (SPP200900108) - OVERVIEW

On August 4, 2009, URE self-reported a violation of CIP-005-1 R2. SPP RE determined that URE, as a Responsible Entity,¹⁵ did not document the organizational processes and technical and procedural mechanisms that it was using to control access to electronic access points to the Electronic Security Perimeter (ESP).

CIP-006-1 R1.8 (SPP200900109) - OVERVIEW

On August 18, 2009, URE self-reported a violation of CIP-006-1 R1.8. SPP RE determined that URE, as a Responsible Entity, did not afford all of the protective measures required to its card access “badge” system that controls physical access to the Physical Security Perimeter (PSP). Specifically, the badge system servers lacked security features required by CIP-007-1, including anti-virus protection and a security patch management program and a backup and recovery plan as required by CIP-009-1.

CIP-003-1 R1.1 (SPP200900138) - OVERVIEW

During a Spot Check, SPP RE discovered a violation of CIP-003-1 R1.1. SPP RE determined that URE, as a Responsible Entity, did not document and implement a cyber security policy that addressed all of the requirements in CIP-002 through CIP-009, specifically the individual requirements nor emergency situations.

CIP-004-1 R2.2.2 (SPP200900139) - OVERVIEW

During the Spot Check, SPP RE determined that URE failed to include instructional information pertaining to the use of physical and electronic access controls to Critical Cyber Assets (CCAs) in its annual cyber security training program.

FAC-003-1 R1 (SPP200900140 and TRE200900087) - OVERVIEW

SPP RE and Texas RE determined that URE did not have a documented transmission vegetation management program as required.

FAC-008-1 R1 and FAC-009-1 R1 (SPP200900141 and SPP200900142) - OVERVIEW

SPP RE determined that URE did not have a formal Facility Ratings Methodology for its generators, and the document it was using failed to note that the Facility Rating shall equal the most limiting applicable Equipment Rating as required under R1.1 and specify the method for determining the Rating as required under R1.2, R1.2.1 and R1.2.2. Because SPP RE determined that URE did not have a documented Facility Ratings as required by FAC-008-1 R1, URE’s Facility Ratings were based on an incomplete Facility Ratings Methodology which failed to identify the most limiting element. Therefore, SPP RE determined that URE had a violation of

¹⁵ Within the text of Standard CIP-002 through CIP-009, “Responsible Entity” shall mean Reliability Coordinator, Balancing Authority, Interchange Authority, Transmission Service Provider, Transmission Owner, Transmission Operator, Generator Owner, Generator Operator, Load Serving Entity, NERC, and Regional Reliability Organizations.

FAC-009-1 R1.¹⁶ In addition, SPP RE determined that URE failed to demonstrate that it consistently applied its Facility Rating Methodology to each transmission facility element, or that it selected the most limiting element to determine a rating.

CIP-007-1 R1 (SPP200900143) - OVERVIEW

During the Spot Check, SPP RE determined that URE did not have adequate cyber security test procedures specifically ensuring that new CCAs and significant changes to existing Cyber Assets within the ESP do not adversely affect existing cyber security controls.

CIP-008-1 R1.6 (SPP200900144) - OVERVIEW

During the Spot Check, SPP RE determined that URE failed to perform an annual test of its Cyber Security Incident response plan as required.

CIP-005-1 R1.5 (SPP201000340) - OVERVIEW

On July 27, 2010, URE self-reported a violation of CIP-005-1 R1.5. SPP RE determined that URE did not document testing procedures for CCAs that control or monitor a N E SP to demonstrate that testing is performed in a manner that reflects the production environment, as required by CIP-007-1 R1.

Statement Describing the Assessed Penalty, Sanction or Enforcement Action Imposed¹⁷

Basis for Determination

Taking into consideration the Commission's direction in Order No. 693, the NERC Sanction Guidelines, the Commission's July 3, 2008, October 26, 2009 and August 27, 2010 Guidance Orders,¹⁸ the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on February 15, 2011. The NERC BOTCC approved the Settlement Agreement, including SPP RE and Texas RE's assessment of a fifty thousand dollar (\$50,000) financial penalty against URE 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 URE first occurrence of violation of the subject NERC Reliability Standards;
2. URE self-reported the PRC-005-1, CIP-005-1 and CIP-006-1 violations;

¹⁶ Based on the NERC Sanction Guidelines, SPP RE determined the violations of FAC-008-1 R1 and FAC-009-1 R1 were "related to a single act or common incidence of non-compliance" for which SPP RE would assess "a single aggregate penalty."

¹⁷ See 18 C.F.R. § 39.7(d)(4).

¹⁸ *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).

3. SPP RE determined the violations of FAC-008-1 R1 and FAC-009-1 R1 were “related to a single act or common incidence of non-compliance” for which SPP RE would assess “a single aggregate penalty;”
4. SPP RE and Texas RE reported that URE was cooperative throughout the compliance enforcement process;
5. URE had a compliance program at the discovery time of the violations which SPP RE and Texas RE considered a mitigating factor, as discussed in the Disposition Documents;
6. there was no evidence of any attempt to conceal a violation nor evidence of intent to do so;
7. SPP RE and Texas RE determined that the violations did not pose a serious or substantial risk to the reliability of the bulk power system (BPS), as discussed in the Disposition Documents; and
8. SPP RE and Texas RE 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 approves the Settlement Agreement and believes that the assessed penalty of fifty thousand dollars (\$50,000) 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 NOP with FERC, or, if FERC decides to review the penalty, upon final determination by FERC.

Request for Confidential Treatment

Information in and certain attachments to the instant NOP include confidential information as defined by the Commission’s regulations at 18 C.F.R. Part 388 and orders, as well as NERC Rules of Procedure including the NERC CMEP Appendix 4C to the Rules of Procedure. This includes non-public information related to certain Reliability Standard violations, certain Regional Entity investigative files, Registered Entity sensitive business information and confidential information regarding critical energy infrastructure.

In accordance with the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 388.112, a non-public version of the information redacted from the public filing is being provided under separate cover.

Because certain of the attached documents are deemed confidential by NERC, Registered Entities and Regional Entities, NERC requests that the confidential, non-public information be provided special treatment in accordance with the above regulation.

Attachments to be included as Part of this Notice of Penalty

The attachments to be included as parts of this NOP are the following documents:

- a) Settlement Agreement by and between SPP RE, Texas RE and URE executed April 27, 2011, included as Attachment a;
 - i. Disposition Document for Common Information, included as Attachment 1 to the Settlement Agreement;
 - ii. Disposition Document for PRC-005-1 R1.1 (SPP200900087), R2 (SPP200900089) and R1.2 (SPP200900088), included as Attachment 1.a to the Settlement Agreement;
 - iii. Disposition Document for CIP-005-1 R2 (SPP200900108), included as Attachment 1.b to the Settlement Agreement;
 - iv. Disposition Document for CIP-006-1 R1.8 (SPP200900109), included as Attachment 1.c to the Settlement Agreement;
 - v. Disposition Document for CIP-003-1 R1.1 (SPP200900138), included as Attachment 1.d to the Settlement Agreement;
 - vi. Disposition Document for CIP-004-1 R2.2.2 (SPP200900139), included as Attachment 1.e to the Settlement Agreement;
 - vii. Disposition Document for FAC-003-1 R1 (SPP200900140 and TRE200900087), included as Attachment 1.f to the Settlement Agreement;
 - viii. Disposition Document for FAC-008-1 R1 (SPP200900141) and FAC-009-1 R1 (SPP200900142), included as Attachment 1.g to the Settlement Agreement;
 - ix. Disposition Document for CIP-007-1 R1 (SPP200900143), included as Attachment 1.h to the Settlement Agreement;
 - x. Disposition Document for CIP-008-1 R1.6 (SPP200900144), included as Attachment 1.i to the Settlement Agreement;
 - xi. Disposition Document for CIP-005-1 R1.5 (SPP201000340), included as Attachment 1.j to the Settlement Agreement;
- b) Record Documents for PRC-005-1 R1.1 (SPP200900087):
 - i. URE's Self-Report dated July 9, 2009, included as Attachment b-1;
 - ii. URE's Mitigation Plan MIT-07-2623 submitted June 28, 2010, included as Attachment b-2;
 - iii. URE's Certification of Mitigation Plan Completion dated July 27, 2010, included as Attachment b-3;
 - iv. SPP RE's Verification of Mitigation Plan Completion dated July 27, 2010, included as Attachment b-4;
- c) Record Documents for PRC-005-1 R1.2 (SPP200900088):
 - i. URE's Self-Report dated July 9, 2009, included as Attachment c-1;

- ii. URE's Mitigation Plan MIT-07-2625 submitted June 28, 2010, included as Attachment c-2;
 - iii. URE's Certification of Mitigation Plan Completion dated July 27, 2010, included as Attachment c-3;
 - iv. SPP RE's Verification of Mitigation Plan Completion dated July 27, 2010, included as Attachment c-4;
- d) Record Documents for PRC-005-1 R2 (SPP200900089):
- i. URE's Self-Report dated July 9, 2009, included as Attachment d-1;
 - ii. URE's Mitigation Plan MIT-07-2624 submitted June 28, 2010, included as Attachment d-2;
 - iii. URE's Certification of Mitigation Plan Completion dated January 26, 2011, included as Attachment d-3;
 - iv. SPP RE's Verification of Mitigation Plan Completion dated February 9, 2011, included as Attachment d-4;
- e) Record Documents for CIP-005-1 R2 (SPP200900108):
- i. URE's Self-Report dated August 4, 2009, included as Attachment e-1;
 - ii. URE's Mitigation Plan MIT-09-2140 submitted September 21, 2009, included as Attachment e-2;
 - iii. URE's Certification of Mitigation Plan Completion dated January 11, 2010, included as Attachment e-3;
 - iv. SPP RE's Verification of Mitigation Plan Completion dated January 22, 2010, included as Attachment e-4;¹⁹
- f) Record Documents for CIP-006-1 R1.8 (SPP200900109):
- i. URE's Self-Report dated August 18, 2009, included as Attachment f-1;
 - ii. URE's Mitigation Plan MIT-09-2141 submitted September 21, 2009, included as Attachment f-2;
 - iii. URE's Certification of Mitigation Plan Completion dated December 15, 2009, included as Attachment f-3;
 - iv. SPP RE's Verification of Mitigation Plan Completion dated March 22, 2010, included as Attachment f-4;
- g) Record Documents for CIP-003-1 R1.1 (SPP200900138):
- i. SPP RE's Spot Check Summary Letter, included as Attachment g-1;
 - ii. URE's Mitigation Plan MIT-08-2386 submitted March 1, 2010, included as Attachment g-2;

¹⁹ The Verification document incorrectly states the CIP-005-1 R2 violation was mitigated December 14, 2009; the correct date is December 10, 2009.

- iii. URE's Certification of Mitigation Plan Completion dated March 1, 2010, included as Attachment g-3;
 - iv. SPP RE's Verification of Mitigation Plan Completion dated May 12, 2010, included as Attachment g-4;
- h) Record Documents for CIP-004-1 R2.2.2 (SPP200900139):
- i. SPP RE's Spot Check Summary Letter, *see* Attachment g-1;
 - ii. URE's Mitigation Plan MIT-08-2387 submitted March 1, 2010, included as Attachment h-1;
 - iii. URE's Certification of Mitigation Plan Completion dated March 1, 2010, included as Attachment h-2;
 - iv. SPP RE's Verification of Mitigation Plan Completion dated March 19, 2010, included as Attachment h-3;
- i) Record Documents for FAC-003-1 R1 (SPP200900140 and TRE200900087):
- i. SPP RE's and Texas RE's Source document of URE, included as Attachment i-1;
 - ii. URE's Mitigation Plan MIT-07-2403 submitted February 24, 2010, included as Attachment i-2;
 - iii. URE's Certification of Mitigation Plan Completion dated March 2, 2010, included as Attachment i-3;
 - iv. SPP RE's Verification of Mitigation Plan Completion dated April 6, 2010, included as Attachment i-4;
- j) Record Documents for FAC-008-1 R1 (SPP200900141):
- i. SPP RE's Source document of URE, *see* Attachment i-1;
 - ii. URE's Mitigation Plan MIT-07-2626 submitted June 28, 2010, included as Attachment j-1;
 - iii. URE's Certification of Mitigation Plan Completion dated June 30, 2010, included as Attachment j-2;
 - iv. SPP RE's Verification of Mitigation Plan Completion dated July 9, 2010, included as Attachment j-3;
- k) Record Documents for FAC-009-1 R1 (SPP200900142):
- i. SPP RE's Source document of URE, *see* Attachment i-1;
 - ii. URE's Mitigation Plan MIT-07-2502 submitted May 5, 2010, included as Attachment k-1;
 - iii. URE's Certification of Mitigation Plan Completion dated January 17, 2011, included as Attachment k-2;
 - iv. SPP RE's Verification of Mitigation Plan Completion dated February 8, 2011, included as Attachment k-3;

- l) Record Documents for CIP-007-1 R1 (SPP200900143):
 - i. SPP RE's Spot Check Summary Letter, *see* Attachment g-1;
 - ii. URE's Mitigation Plan MIT-08-2388 submitted March 1, 2010, included as Attachment l-1;
 - iii. URE's Certification of Mitigation Plan Completion dated March 1, 2010, included as Attachment l-2;
 - iv. SPP RE's Verification of Mitigation Plan Completion dated May 12, 2010, *see* Attachment g-4;
- m) Record Documents for CIP-008-1 R1.6 (SPP200900144):
 - i. SPP RE's Spot Check Summary Letter, *see* Attachment g-1;
 - ii. URE's Mitigation Plan MIT-08-2389 submitted March 1, 2010, included as Attachment m-1;
 - iii. URE's Certification of Mitigation Plan Completion dated March 1, 2010, included as Attachment m-2;
 - iv. SPP RE's Verification of Mitigation Plan Completion dated March 19, 2010, *see* Attachment h-3;
- n) Record Documents for CIP-005-1 R1.5 (SPP201000340):
 - i. URE's Self-Report dated July 27, 2010, included as Attachment n-1;
 - ii. URE's Mitigation Plan MIT-10-2756 submitted July 30, 2010, included as Attachment n-2;
 - iii. URE's Certification of Mitigation Plan Completion dated August 9, 2010, included as Attachment n-3; and
 - iv. SPP RE's Verification of Mitigation Plan Completion dated August 11, 2010, included as Attachment n-4.

A Form of Notice Suitable for Publication²⁰

A copy of a notice suitable for publication is included in Attachment o.

²⁰ See 18 C.F.R. § 39.7(d)(6).

Notices and Communications

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

<p>Gerald W. Cauley President and Chief Executive Officer David N. Cook* Sr. Vice President and General Counsel North American Electric Reliability Corporation 116-390 Village Boulevard Princeton, NJ 08540-5721 (609) 452-8060 (609) 452-9550 – facsimile david.cook@nerc.net</p> <p>Stacy Dochoda* General Manager Southwest Power Pool Regional Entity 16101 La Grande, Ste 103 Little Rock, AR 72223 (501) 688-1730 (501) 821-8726 – facsimile sdochoda@spp.org</p> <p>Joe Gertsch* Manager of Enforcement Southwest Power Pool Regional Entity 16101 La Grande, Ste 103 Little Rock, AR 72223 (501) 688-1672 (501) 821-8726 – facsimile jgertsch@spp.org</p> <p>Machelle Smith* Regional Entity Clerk Southwest Power Pool Regional Entity 16101 La Grande, Ste 103 Little Rock, AR 72223 (501) 688-1681 (501) 821-8726 – facsimile spprefileclerk@spp.org</p>	<p>Rebecca J. Michael* Associate General Counsel for Corporate and Regulatory Matters Davis Smith* Attorney North American Electric Reliability Corporation 1120 G Street, N.W. Suite 990 Washington, DC 20005-3801 (202) 393-3998 (202) 393-3955 – facsimile rebecca.michael@nerc.net davis.smith@nerc.net</p> <p>Rashida Caraway* Manager, Compliance Enforcement Texas Reliability Entity, Inc. 805 Las Cimas Parkway Suite 200 Austin, TX 78746 (512) 583-4977 (512) 233-2233 – facsimile rashida.caraway@texasre.org</p> <p>Susan Vincent* General Counsel Texas Reliability Entity, Inc. 805 Las Cimas Parkway Suite 200 Austin, TX 78746 (512) 583-4922 susan.vincent@texasre.org</p> <p>*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.</p>
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Unidentified Registered Entity
April 29, 2011
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PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION

Conclusion

Accordingly, NERC respectfully requests that the Commission accept this Abbreviated NOP as compliant with its rules, regulations and orders.

Respectfully submitted,

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cc: Unidentified Registered Entity
Southwest Power Pool Regional Entity
Texas Reliability Entity, Inc.

Attachments

Disposition Document for Common Information

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FROM THIS PUBLIC VERSION**

ADDITIONAL COMMENTS

**PREVIOUSLY FILED VIOLATIONS OF OTHER RELIABILITY
STANDARD(S) OR REQUIREMENTS THEREUNDER**

YES NO

LIST VIOLATIONS AND STATUS

ADDITIONAL COMMENTS

**(2) THE DEGREE AND QUALITY OF COOPERATION BY THE REGISTERED
ENTITY (IF THE RESPONSE TO FULL COOPERATION IS “NO,” THE
ABBREVIATED NOP FORM MAY NOT BE USED.)**

FULL COOPERATION YES NO
IF NO, EXPLAIN

**(3) THE PRESENCE AND QUALITY OF THE REGISTERED ENTITY’S
COMPLIANCE PROGRAM**

IS THERE A DOCUMENTED COMPLIANCE PROGRAM
YES NO UNDETERMINED

EXPLAIN

URE has worked to establish a robust compliance program and has dedicated significant resources to the implementation of that program, which SPP RE and Texas RE determined to be a mitigating factor in determining the penalty amount.

**EXPLAIN SENIOR MANAGEMENT’S ROLE AND
INVOLVEMENT WITH RESPECT TO THE REGISTERED
ENTITY’S COMPLIANCE PROGRAM, INCLUDING WHETHER
SENIOR MANAGEMENT TAKE ACTIONS THAT SUPPORT THE
COMPLIANCE PROGRAM, SUCH AS TRAINING,
COMPLIANCE AS A FACTOR IN EMPLOYEE EVALUATIONS,
OR OTHERWISE**

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(4) ANY ATTEMPT BY THE REGISTERED ENTITY TO CONCEAL THE VIOLATION(S) OR INFORMATION NEEDED TO REVIEW, EVALUATE OR INVESTIGATE THE VIOLATION.

YES NO

IF YES, EXPLAIN

(5) ANY EVIDENCE THE VIOLATION(S) WERE INTENTIONAL (IF THE RESPONSE IS “YES,” THE ABBREVIATED NOP FORM MAY NOT BE USED.)

YES NO

IF YES, EXPLAIN

(6) ANY OTHER MITIGATING FACTORS FOR CONSIDERATION

YES NO

IF YES, EXPLAIN

(7) ANY OTHER AGGRAVATING FACTORS FOR CONSIDERATION (IF THE RESPONSE IS “YES,” THE ABBREVIATED NOP FORM MAY NOT BE USED.)

YES NO

IF YES, EXPLAIN

(8) ANY OTHER EXTENUATING CIRCUMSTANCES

YES NO

IF YES, EXPLAIN

OTHER RELEVANT INFORMATION:

NOTICE OF ALLEGED VIOLATION AND PROPOSED PENALTY OR SANCTION ISSUED

SPP200900087	DATE: OR N/A <input checked="" type="checkbox"/>
SPP200900088	DATE: OR N/A <input checked="" type="checkbox"/>
SPP200900089	DATE: OR N/A <input checked="" type="checkbox"/>
SPP200900108	DATE: OR N/A <input checked="" type="checkbox"/>
SPP200900109	DATE: OR N/A <input checked="" type="checkbox"/>
SPP200900138	DATE: OR N/A <input checked="" type="checkbox"/>

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SPP200900139	DATE: OR N/A <input checked="" type="checkbox"/>
SPP200900140	DATE: OR N/A <input checked="" type="checkbox"/>
TRE200900087	DATE: OR N/A <input checked="" type="checkbox"/>
SPP200900141	DATE: OR N/A <input checked="" type="checkbox"/>
SPP200900142	DATE: OR N/A <input checked="" type="checkbox"/>
SPP200900143	DATE: OR N/A <input checked="" type="checkbox"/>
SPP200900144	DATE: OR N/A <input checked="" type="checkbox"/>
SPP200900340	DATE: OR N/A <input checked="" type="checkbox"/>

SETTLEMENT DISCUSSIONS COMMENCED

SPP200900087	DATE: 8/4/09 OR N/A <input type="checkbox"/>
SPP200900088	DATE: 8/4/09 OR N/A <input type="checkbox"/>
SPP200900089	DATE: 8/4/09 OR N/A <input type="checkbox"/>
SPP200900108	DATE: 10/8/09 OR N/A <input type="checkbox"/>
SPP200900109	DATE: 10/8/09 OR N/A <input type="checkbox"/>
SPP200900138	DATE: 10/8/09 OR N/A <input type="checkbox"/>
SPP200900139	DATE: 10/8/09 OR N/A <input type="checkbox"/>
SPP200900140	DATE: 10/8/09 OR N/A <input type="checkbox"/>
TRE200900087	DATE: 4/30/10 OR N/A <input type="checkbox"/>
SPP200900141	DATE: 10/8/09 OR N/A <input type="checkbox"/>
SPP200900142	DATE: 10/8/09 OR N/A <input type="checkbox"/>
SPP200900143	DATE: 10/8/09 OR N/A <input type="checkbox"/>
SPP200900144	DATE: 10/8/09 OR N/A <input type="checkbox"/>
SPP200900340	DATE: 7/30/10 OR N/A <input type="checkbox"/>

NOTICE OF CONFIRMED VIOLATION ISSUED

SPP200900087	DATE: OR N/A <input checked="" type="checkbox"/>
SPP200900088	DATE: OR N/A <input checked="" type="checkbox"/>
SPP200900089	DATE: OR N/A <input checked="" type="checkbox"/>
SPP200900108	DATE: OR N/A <input checked="" type="checkbox"/>
SPP200900109	DATE: OR N/A <input checked="" type="checkbox"/>
SPP200900138	DATE: OR N/A <input checked="" type="checkbox"/>
SPP200900139	DATE: OR N/A <input checked="" type="checkbox"/>
SPP200900140	DATE: OR N/A <input checked="" type="checkbox"/>
TRE200900087	DATE: OR N/A <input checked="" type="checkbox"/>
SPP200900141	DATE: OR N/A <input checked="" type="checkbox"/>
SPP200900142	DATE: OR N/A <input checked="" type="checkbox"/>
SPP200900143	DATE: OR N/A <input checked="" type="checkbox"/>
SPP200900144	DATE: OR N/A <input checked="" type="checkbox"/>
SPP200900340	DATE: OR N/A <input checked="" type="checkbox"/>

SUPPLEMENTAL RECORD INFORMATION

DATE(S) OR N/A

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REGISTERED ENTITY RESPONSE CONTESTED

FINDINGS PENALTY BOTH NO CONTEST

HEARING REQUESTED

YES NO

DATE

OUTCOME

APPEAL REQUESTED

**Disposition Document for PRC-005-1 R1.1
(SPP200900087), R2 (SPP200900089) and R1.2
(SPP200900088)**

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DISPOSITION OF VIOLATION

NERC TRACKING NO.	REGIONAL ENTITY TRACKING NO.
SPP200900087	2009-017
SPP200900088	2009-018
SPP200900089	2009-019

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
PRC-005-1	1	1.1	High ¹	Moderate
PRC-005-1	1	1.2	High	Lower
PRC-005-1	2	2.1, 2.2	High ²	Moderate

PURPOSE OF THE RELIABILITY STANDARD AND TEXT OF RELIABILITY STANDARD AND REQUIREMENT(S)/SUB-REQUIREMENT(S)

The purpose statement of **PRC-005-1** provides: “To ensure all transmission and generation Protection Systems^[3] affecting the reliability of the Bulk Electric System (BES)^[4] are maintained and tested.” (Footnotes added)

¹ When NERC filed Violation Risk Factors (VRF) it originally assigned PRC-005-1 R1 a Medium VRF. The Commission approved the VRF as filed; however, it directed NERC to submit modifications. NERC submitted the modified High VRF and on August 9, 2007, the Commission approved the modified High VRF. Therefore, the Medium VRF for PRC-005-1 R1 was in effect from June 18, 2007 until August 9, 2007 when the High VRF became effective.

² 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 include 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, SPP RE determined that the violation related to both R2.1 and R2.2, and therefore a “High” VRF is appropriate.

³ Protection Systems are defined as protective relays, associated communication systems, voltage and current sensing devices, station batteries, and DC control circuitry. See *The NERC Glossary of Terms Used in Reliability Standards*.

⁴ Bulk Electric System “[a]s defined by the Regional Reliability Organization, [includes] the electrical generation resources, transmission lines, interconnections with neighboring systems, and associated equipment, generally operated at voltages of 100 kV or higher. Radial transmission facilities serving only load with one transmission source are generally not included in this definition.” See *The NERC Glossary of Terms Used in Reliability Standards*.

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PRC-005-1 R1 (R1.1, R1.2) and R2 (R2.1, R2.2) provide:

***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.*

***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^{5]} on request (within thirty 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.*

VIOLATION DESCRIPTION

SPP200900087: On July 9, 2009, URE submitted a Self-Report indicating that it was not compliant with PRC-005-1 R1.1. SPP RE determined that URE had not documented the maintenance and testing intervals and their basis for (43%)⁶ of its Protection System devices. The scope of devices with undocumented maintenance and testing intervals included associated communication systems, voltage and current sensing devices, station batteries and DC control circuitry.

SPP200900088: On July 9, 2009, URE submitted a Self-Report indicating that it was not compliant with PRC-005-1 R1.2. SPP RE determined that URE did not have a summary of maintenance and testing procedures for (23%)⁷ of its Protection System devices. The devices without a summary of maintenance and testing procedures included

⁵ Consistent with applicable FERC precedent, the term “Regional Reliability Organization” in this context refers to SPP RE for the SPP RE footprint and TRE for the TRE footprint.

⁶ The missing devices included 100% of its associated communication systems. Five percent of its DC control circuitry devices, 100% of its station batteries, and 100% of its voltage and current sensing devices.

⁷ The missing devices included 100% of its associated communication systems. Five percent its DC control circuitry devices, 237 of its instrument transformers, and 80% of its station batteries.

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communication systems, station batteries, instrument transformers and DC control circuitry.

SPP200900089: On July 9, 2009, URE submitted a Self-Report indicating that it was not compliant with PRC-005-1 R2 (2.1, 2.2). SPP RE determined that URE lacked evidence that (33%)⁸ its Protection System devices were maintained and tested within the defined intervals. These devices included protective relays, associated communication systems, voltage and current sensing devices, station batteries, and DC control circuitry.

For (20%)⁹ of its Protection System devices, URE could not substantiate the date the Protection System devices were last tested and maintained. These devices included protective relays, associated communication systems, voltage and current sensing devices, station batteries, and DC control circuitry.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

URE could substantiate that (80%) of its total Protection System devices had been tested and/or maintained, and it had established documented maintenance and testing intervals for (57%) of its Protection System devices.

With regard to its generation devices, URE has no associated communication systems, all of its generation protective relays were tested within defined intervals, and maintenance and testing of its generation station battery banks are supported by an automated maintenance management system. Accordingly, all of these generation station batteries had been tested within defined intervals.

In terms of its transmission protection devices, URE had evidence to demonstrate testing of 93.8% of its protective relays; it conducts continuous monitoring of its associated communication systems and voltage and current sensing devices through its Energy Management System (EMS); it had documented evidence of testing for (90%) of its DC control circuits; and it replaced all of its “wet cell” battery systems with “valve regulated calcium batteries, requiring only minimal maintenance over their ten-year life expectancy, between January 2007 and June 2009.

Considering all the aforementioned monitoring and testing, and the lack of serious system disturbances resulting from URE’s failure to fully comply with PRC-005-1 R1, SPP RE has determined that the risk to the Bulk Power System was not serious or substantial.

⁸ The number of devices falling outside of the required testing intervals included 6.2% of its protective relays, 17.9% of its associated communication systems, 84.5% of its DC control circuitry devices, 5% of its station batteries, and 59.2% of its voltage and current sensing devices.

⁹ The number of devices for which URE could not substantiate the last date for testing and maintenance included 6.2% of its protective relays, 17.9% of its associated communication systems, 14.9% of its DC control circuitry devices, 5% of its station batteries, and 42.8% of its voltage and current sensing devices.

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II. DISCOVERY INFORMATION

METHOD OF DISCOVERY

- SELF-REPORT
- SELF-CERTIFICATION
- COMPLIANCE AUDIT
- COMPLIANCE VIOLATION INVESTIGATION
- SPOT CHECK
- COMPLAINT
- PERIODIC DATA SUBMITTAL
- EXCEPTION REPORTING

DURATION DATE(S)

SPP200900087: 6/18/07 (the date the Reliability Standard became mandatory and enforceable) through 7/26/10 (Mitigation Plan completion).

SPP200900088: 6/18/07 (the date the Reliability Standard became mandatory and enforceable) through 7/26/10 (Mitigation Plan completion).

SPP200900089: 6/18/07 (the date the Reliability Standard became mandatory and enforceable) through 1/15/11 (Mitigation Plan completion)

DATE REPORTED TO REGIONAL ENTITY 7/9/09

IS THE VIOLATION STILL OCCURRING

- SPP200900087:** YES NO
- SPP200900088:** YES NO
- SPP200900089:** YES NO

IF YES, EXPLAIN

- REMEDIAL ACTION DIRECTIVE ISSUED** YES NO
- PRE TO POST JUNE 18, 2007 VIOLATION** YES NO

III. MITIGATION INFORMATION for SPP200900087

FOR FINAL ACCEPTED MITIGATION PLAN:

- MITIGATION PLAN NO.** MIT-07-2623
- DATE SUBMITTED TO REGIONAL ENTITY** 6/28/10
- DATE ACCEPTED BY REGIONAL ENTITY** 6/30/10
- DATE APPROVED BY NERC** 7/28/10
- DATE PROVIDED TO FERC** 7/28/10

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FROM THIS PUBLIC VERSION**

**IDENTIFY AND EXPLAIN VERSIONS THAT WERE REJECTED, IF
APPLICABLE**

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE 6/18/10

EXTENSIONS GRANTED None

ACTUAL COMPLETION DATE 7/26/10¹⁰

DATE OF CERTIFICATION LETTER 7/27/10

CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF 7/26/10

DATE OF VERIFICATION LETTER 7/27/10

VERIFIED COMPLETE BY REGIONAL ENTITY AS OF 7/26/10

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

SPP200900087:

URE consulted appropriate resources, including: industry standards; federal, state, and local standards; manufacturer recommendations; and subject matter experts to establish the appropriate intervals. It then revised its Protection System maintenance and testing programs (generation and transmission) to ensure the programs reflected the required Protection Systems and the applicable maintenance and testing intervals and their basis.

**LIST OF EVIDENCE REVIEWED BY REGIONAL ENTITY TO EVALUATE
COMPLETION OF MITIGATION PLAN OR MILESTONES (FOR CASES IN
WHICH MITIGATION IS NOT YET COMPLETED)**

SPP200900087

- Generation Protection System Maintenance and Testing program.
- Transmission Protection System program.

¹⁰ SPP RE utilized a completion date of July 26, 2010 because that was the date that URE had submitted adequate evidence to demonstrate mitigation plan completion. However, the evidence presented by URE contained an effective date of June 18, 2010.

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SPP RE has determined that URE has established a Protection System maintenance and testing program for Protection Systems that affect the reliability of the BPS that includes maintenance and testing intervals and their basis.

IV. MITIGATION INFORMATION for SPP200900088

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO.	MIT-07-2624
DATE SUBMITTED TO REGIONAL ENTITY	6/28/10
DATE ACCEPTED BY REGIONAL ENTITY	6/30/10
DATE APPROVED BY NERC	7/28/10
DATE PROVIDED TO FERC	7/28/10

IDENTIFY AND EXPLAIN VERSIONS THAT WERE REJECTED, IF APPLICABLE

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE 6/18/10

EXTENSIONS GRANTED None

ACTUAL COMPLETION DATE 7/26/10¹¹

DATE OF CERTIFICATION LETTER 7/27/10

CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF 7/26/10

DATE OF VERIFICATION LETTER 7/27/10

VERIFIED COMPLETE BY REGIONAL ENTITY AS OF 7/26/10

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

SPP200900088:

To mitigate its violation of PRC-005 R1.2, URE developed and documented a summary of the maintenance and testing procedures for its Protection System devices that addressed all the requirements of PRC-005-1 R1.2.

¹¹ SPP RE utilized a completion date of July 26, 2010 because that was the date that URE had submitted adequate evidence to demonstrate mitigation plan completion. However, the evidence presented by URE contained an effective date of June 18, 2010.

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FROM THIS PUBLIC VERSION**

**LIST OF EVIDENCE REVIEWED BY REGIONAL ENTITY TO EVALUATE
COMPLETION OF MITIGATION PLAN OR MILESTONES (FOR CASES IN
WHICH MITIGATION IS NOT YET COMPLETED)**

SPP200900088

- Generation Protection System Maintenance and Testing program.
- Transmission Protection System program.

SPP RE has determined that URE has established a Protection System maintenance and testing program for Protection Systems that affect the reliability of the BPS that includes a summary of maintenance and testing procedures for its Protection Systems.

V. MITIGATION INFORMATION for SPP200900089

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO.	MIT-07-2625
DATE SUBMITTED TO REGIONAL ENTITY	6/28/10
DATE ACCEPTED BY REGIONAL ENTITY	6/30/10
DATE APPROVED BY NERC	7/28/10
DATE PROVIDED TO FERC	7/28/10

**IDENTIFY AND EXPLAIN VERSIONS THAT WERE REJECTED, IF
APPLICABLE**

MITIGATION PLAN COMPLETED	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>
EXPECTED COMPLETION DATE	1/15/11			
EXTENSIONS GRANTED	None			
ACTUAL COMPLETION DATE	1/15/11			
DATE OF CERTIFICATION LETTER	1/26/11			
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF	1/15/11			
DATE OF VERIFICATION LETTER	2/09/11			
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF	1/15/11			

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

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SPP200900089:

To mitigate its violation of PRC-005 R2 (2.1, 2.2), URE reviewed all of its protection system records to identify all the protection systems for which it lacked documentation of either the last testing date or maintenance/testing occurring within the intervals set out in its protection system maintenance and testing program. URE ensured that, for any protection systems for which it did not have adequate documentation of the last testing/maintenance date or testing/maintenance occurring within defined intervals, those protection systems were subsequently tested/maintained in accordance with its documented protection system maintenance and testing procedures.

**LIST OF EVIDENCE REVIEWED BY REGIONAL ENTITY TO EVALUATE
COMPLETION OF MITIGATION PLAN OR MILESTONES (FOR CASES IN
WHICH MITIGATION IS NOT YET COMPLETED)**

SPP200900089

- Generator Protection System testing records
- Transmission Protection System Maintenance and Testing program
- Transmission Protection System testing records
- Generation Protection System Maintenance and Testing program (Ver. 3)

SPP RE has determined that URE has adequately demonstrated that it can now supply the date when each of its Protection Systems was last tested/maintained, and that it can provide evidence that it is testing its protection systems within the intervals defined by its maintenance and testing program.

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EXHIBITS:

- (a) Originating Document
 - Self-Report for SPP200900087 (7/9/09).
 - Self-Report for SPP200900088 (7/9/09).
 - Self-Report for SPP200900089 (7/9/09).

- (b) Mitigation Plan
 - Mitigation Plan for SPP200900087 (6/28/10).
 - Mitigation Plan for SPP200900088 (6/28/10).
 - Mitigation Plan for SPP200900089 (6/28/10).

- (c) Certification by Registered Entity
 - Certification of Mitigation Plan Completion for SPP200900087 (7/27/10).
 - Certification of Mitigation Plan Completion for SPP200900088 (7/27/10).
 - Certification of Mitigation Plan Completion for SPP200900089 (1/26/11).

- (d) Verification by Regional Entity
 - Verification of Mitigation Plan Completion for SPP200900087 (7/27/10).
 - Verification of Mitigation Plan Completion for SPP200900088 (7/27/10).
 - Verification of Mitigation Plan Completion for SPP200900089 (2/09/11).

**Disposition Document for CIP-005-1 R2
(SPP200900108)**

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DISPOSITION OF VIOLATION

NERC TRACKING NO.
SPP200900108

REGIONAL ENTITY TRACKING NO.
2009-038

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
CIP-005-1	2		Medium ¹	N/A ²

PURPOSE OF THE RELIABILITY STANDARD AND TEXT OF RELIABILITY STANDARD AND REQUIREMENT(S)/SUB-REQUIREMENT(S)

The purpose statement of CIP-005-1 provides in pertinent part: “Standard CIP-005 requires the identification and protection of the Electronic Security Perimeter(s) inside which all Critical Cyber Assets reside, as well as all access points on the perimeter. Standard CIP-005 should be read as part of a group of standards numbered Standards CIP-002 through CIP-009....”

CIP-005-1 R2 provides in pertinent part: “Electronic Access Controls – The Responsible Entity^[3] shall implement and document the organizational processes and technical and procedural mechanisms for control of electronic access at all electronic access points to the Electronic Security Perimeter(s).”

(Footnote added)

VIOLATION DESCRIPTION

On August 4, 2009, URE submitted a Self-Report to SPP RE stating that it was non-compliant with CIP-005-1 R2.

SPP RE found that URE did not document the organizational processes and technical and procedural mechanisms that it was using to control access to electronic access points to

¹ CIP-005-1 R2, R2.1, R2.2, R2.3 and R2.4 each have a “Medium” VRF; R2.5 and its sub-requirements and R2.6 each have a “Lower” VRF.

² At the time of the violation, no VSLs were in effect for CIP-005-1. On June 30, 2009, NERC submitted VSLs for the CIP-002-1 through CIP-009-1 Reliability Standards. On March 18, 2010, the Commission approved the VSLs as filed, but directed NERC to submit modifications.

³ Within the text of Standard CIP-005, “Responsible Entity” shall mean Reliability Coordinator, Balancing Authority, Interchange Authority, Transmission Service Provider, Transmission Owner, Transmission Operator, Generator Owner, Generator Operator, Load Serving Entity, NERC and Regional Reliability Organizations.

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the Electronic Security Perimeter (ESP) as required by CIP-005-1 R2. As a result, SPP RE determined that URE has a violation of CIP-005-1 R2.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

SPP RE determined that URE’s violation of CIP-005-1 R2 did not pose a serious or substantial risk to the reliability of the bulk power system (BPS). Although no documentation of processes for controlling and authorizing electronic access was provided, URE stated that it had implemented, and its personnel regularly followed, such processes. URE used the configuration files of its ESP assets to document open ports and services, and it was URE’s practice to deny access by default. There are no dial-up access points to any of the devices on or within the ESP. Because of the lack of formal documentation of these processes, there existed some possible risk to reliability in that ESP access may not have been controlled consistently during the five-month duration of the violation.

II. DISCOVERY INFORMATION

METHOD OF DISCOVERY

- SELF-REPORT**
- SELF-CERTIFICATION**
- COMPLIANCE AUDIT**
- COMPLIANCE VIOLATION INVESTIGATION**
- SPOT CHECK**
- COMPLAINT**
- PERIODIC DATA SUBMITTAL**
- EXCEPTION REPORTING**

DURATION DATE(S) 7/1/09 (when the Standard became mandatory and enforceable for URE) through 12/10/09 (Mitigation Plan completion)

DATE REPORTED TO REGIONAL ENTITY 8/4/09

IS THE VIOLATION STILL OCCURRING

YES **NO**

IF YES, EXPLAIN

REMEDIAL ACTION DIRECTIVE ISSUED **YES** **NO**
PRE TO POST JUNE 18, 2007 VIOLATION **YES** **NO**

**CONFIDENTIAL – NON PUBLIC INFORMATION HAS BEEN REMOVED
FROM THIS PUBLIC VERSION**

III. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO.	MIT-09-2140
DATE SUBMITTED TO REGIONAL ENTITY	9/21/09
DATE ACCEPTED BY REGIONAL ENTITY	11/09/09
DATE APPROVED BY NERC	11/23/09
DATE PROVIDED TO FERC	11/24/09

**IDENTIFY AND EXPLAIN VERSIONS THAT WERE REJECTED, IF
APPLICABLE**

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE	12/18/09
EXTENSIONS GRANTED	None
ACTUAL COMPLETION DATE	12/10/09

DATE OF CERTIFICATION LETTER	1/11/10 ⁴
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF	12/10/09

DATE OF VERIFICATION LETTER	1/22/10
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF	12/14/09 ⁵

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

URE developed and implemented a written procedure documenting how access to the ESP is controlled at all electronic access points. The procedure addresses the process for access request and authorization, authentication methods, the review process for authorization rights, and dial-up access points.

**LIST OF EVIDENCE REVIEWED BY REGIONAL ENTITY TO EVALUATE
COMPLETION OF MITIGATION PLAN OR MILESTONES (FOR CASES IN
WHICH MITIGATION IS NOT YET COMPLETED)**

- Procedure for documenting access to the ESP

⁴ URE originally provided a Certification of Completion with an incorrect violation ID number. On January 11, 2010, URE provided a corrected Certification, leaving the "Date of Certification" as December 14, 2009.

⁵ The Verification document incorrectly states the CIP-005-1 R2 violation was mitigated December 14, 2009; the correct date is December 10, 2009.

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FROM THIS PUBLIC VERSION**

EXHIBITS:

- (a) Self-Report (8/4/09)
- (b) Mitigation Plan (9/21/09)
- (c) Certification of Mitigation Plan Completion (1/11/10)
- (d) Verification of Mitigation Plan Completion (1/22/10)

**Disposition Document for CIP-006-1 R1.8
(SPP200900109)**

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FROM THIS PUBLIC LETTER**

DISPOSITION OF VIOLATION

NERC TRACKING NO.
SPP200900109

REGIONAL ENTITY TRACKING NO.
2009-039

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
CIP-006-1	1	1.8	Medium ¹	N/A ²

PURPOSE OF THE RELIABILITY STANDARD AND TEXT OF RELIABILITY STANDARD AND REQUIREMENT(S)/SUB-REQUIREMENT(S)

The purpose statement of CIP-006-1 provides in pertinent part: “Standard CIP-006 is intended to ensure the implementation of a physical security program for the protection of Critical Cyber Assets. Standard CIP-006 should be read as part of a group of standards numbered Standards CIP-002 through CIP-009....”

CIP-006-1 R1 provides in pertinent part:

***R1.** Physical Security Plan – The Responsible Entity^[3] shall create and maintain a physical security plan, approved by a senior manager or delegate(s) that shall address, at a minimum, the following:*

***R1.8.** Cyber Assets used in the access control and monitoring of the Physical Security Perimeter(s) shall be afforded the protective measures specified in Standard CIP-003, Standard CIP-004 Requirement R3, Standard CIP-005 Requirements R2 and R3, Standard CIP-006 Requirement R2 and R3, Standard CIP-007, Standard CIP-008, and Standard CIP-009.*

(Footnote added)

VIOLATION DESCRIPTION

¹ CIP-006-1 R1, R1.1, R1.2, R1.3, R1.4, R1.5 and R1.6 each have a “Medium” VRF; R1.7 and R1.8 each have a “Lower” VRF.

² At the time of the violation, no VSLs were in effect for CIP-006-1. On June 30, 2009, NERC submitted VSLs for the CIP-002-1 through CIP-009-1 Reliability Standards. On March 18, 2010, the Commission approved the VSLs as filed, but directed NERC to submit modifications.

³ Within the text of Standard CIP-006, “Responsible Entity” shall mean Reliability Coordinator, Balancing Authority, Interchange Authority, Transmission Service Provider, Transmission Owner, Transmission Operator, Generator Owner, Generator Operator, Load Serving Entity, NERC and Regional Reliability Organizations.

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On August 18, 2009, URE submitted a Self-Report to SPP RE stating that it was non-compliant with CIP-006-1 R1.8.

URE's physical security plan utilizes a card access or "badge" system that controls physical access to the Physical Security Perimeter (PSP). CIP-006-1 R1.8 requires that certain protective measures from other CIP standards be applied to all assets that are used in the access control and monitoring of the PSP. The badge system servers were not afforded all of the protective measures as required by the Standard. Specifically, the badge system servers lacked security features required by CIP-007-1, including anti-virus protection and a security patch management program. Additionally, they lacked a backup and recovery plan as required by CIP-009-1. CIP-007-1 and CIP-009-1 are two of the standards referenced in CIP-006-1 R1.8 to be applied to assets used in the access control and monitoring of the PSP.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

SPP RE determined that the violation did not pose a serious or substantial risk to the reliability of the bulk power system (BPS). URE's badge system was on an isolated network and was not inside the Electronic Security Perimeter (ESP). The duration of the violation was less than six months, and during that time, URE provided its badge system with most of the protections required by the standards referenced by CIP-006-1 R1.8. The badge system servers were protected with a restricted key system, and individuals with authorized access to the badge system were required to have the proper training as well as a personnel risk assessment pursuant to CIP-004 R3.

II. DISCOVERY INFORMATION

METHOD OF DISCOVERY

- | | |
|---|-------------------------------------|
| SELF-REPORT | <input checked="" type="checkbox"/> |
| SELF-CERTIFICATION | <input type="checkbox"/> |
| COMPLIANCE AUDIT | <input type="checkbox"/> |
| COMPLIANCE VIOLATION INVESTIGATION | <input type="checkbox"/> |
| SPOT CHECK | <input type="checkbox"/> |
| COMPLAINT | <input type="checkbox"/> |
| PERIODIC DATA SUBMITTAL | <input type="checkbox"/> |
| EXCEPTION REPORTING | <input type="checkbox"/> |

DURATION DATE(S)

7/1/09 (when the Standard became mandatory and enforceable for URE) through
12/15/09 (Mitigation Plan completion)

DATE REPORTED TO REGIONAL ENTITY 8/18/09

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IS THE VIOLATION STILL OCCURRING

YES **NO**

IF YES, EXPLAIN

REMEDIAL ACTION DIRECTIVE ISSUED **YES** **NO**
PRE TO POST JUNE 18, 2007 VIOLATION **YES** **NO**

III. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO. MIT-09-2141
DATE SUBMITTED TO REGIONAL ENTITY 9/21/09
DATE ACCEPTED BY REGIONAL ENTITY 11/9/09
DATE APPROVED BY NERC 11/23/09
DATE PROVIDED TO FERC 11/24/09

**IDENTIFY AND EXPLAIN VERSIONS THAT WERE REJECTED, IF
APPLICABLE**

MITIGATION PLAN COMPLETED **YES** **NO**

EXPECTED COMPLETION DATE 12/18/09
EXTENSIONS GRANTED None
ACTUAL COMPLETION DATE 12/15/09

DATE OF CERTIFICATION LETTER 12/15/09
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF 12/15/09

DATE OF VERIFICATION LETTER 3/22/10
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF 12/15/09

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

URE has incorporated the badge system into all of the relevant procedures that were developed for compliance with the CIP requirements listed in CIP-006-1 R1.8. Further, the badge system servers have been moved within a firewall controlled ESP. The firewall is monitored 24 hours a day by a third party security vendor.

**LIST OF EVIDENCE REVIEWED BY REGIONAL ENTITY TO EVALUATE
COMPLETION OF MITIGATION PLAN OR MILESTONES (FOR CASES IN
WHICH MITIGATION IS NOT YET COMPLETED)**

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- Badge Security System procedures manual
- Badge System purchase order for new software
- Diagram of Electronic Security Perimeter
- Screen shots
- Physical & Electronic Access control process document
- Descriptions of the Badge Server ports and services
- Physical Security of Critical Cyber Assets procedure
- Cyber Security incident response plan (*CIP-008*)

SPP RE reviewed the evidence submitted by URE and on March 22, 2010 verified completion of the Mitigation Plan as of December 15, 2009.

EXHIBITS:

- (a) Self Report (8/18/09)
- (b) Mitigation Plan (9/21/09)
- (c) Certification of Mitigation Plan Completion (12/15/09)
- (d) Verification of Mitigation Plan Completion (3/22/10)

**Disposition Document for CIP-003-1 R1.1
(SPP200900138)**

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DISPOSITION OF VIOLATION

NERC TRACKING NO.
SPP200900138

REGIONAL ENTITY TRACKING NO.
2009-068

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
CIP-003-1	1	1.1	Lower ¹	N/A ²

PURPOSE OF THE RELIABILITY STANDARD AND TEXT OF RELIABILITY STANDARD AND REQUIREMENT(S)/SUB-REQUIREMENT(S)

The purpose of CIP-003-1 provides in pertinent part: “Standard CIP-003 requires that Responsible Entities^[3] have minimum security management controls in place to protect Critical Cyber Assets. Standard CIP-003 should be read as part of a group of standards numbered Standards CIP-002 through CIP-009....”(Footnote added)

CIP-003-1 R1 provides in pertinent part:

***RI.** Cyber Security Policy – The Responsible Entity shall document and implement a cyber security policy that represents management’s commitment and ability to secure its Critical Cyber Assets. The Responsible Entity shall, at a minimum, ensure the following:*

***RI.1.** The cyber security policy addresses the requirements in Standards CIP-002 through CIP-009, including provision for emergency situations.*

¹ CIP-003-1 R1 has a “Medium” VRF; R1.1, R1.2 and R1.3 each have a “Lower” VRF. When NERC filed VRFs it originally assigned CIP-003-1 R1 a “Lower” VRF. The Commission approved the VRF as filed; however, it directed NERC to submit modifications. NERC submitted the modified “Medium” VRF and on January 27, 2009, the Commission approved the modified “Medium” VRF. Therefore, the “Lower” VRF for CIP-003-1 R1 was in effect from June 18, 2007 until January 27, 2009, when the “Medium” VRF became effective.

² At the time of the violation, no VSLs were in effect for CIP-003-1. On June 30, 2009, NERC submitted VSLs for the CIP-002-1 through CIP-009-1 Reliability Standards. On March 18, 2010, the Commission approved the VSLs as filed, but directed NERC to submit modifications.

³ Within the text of Standard CIP-003, “Responsible Entity” shall mean Reliability Coordinator, Balancing Authority, Interchange Authority, Transmission Service Provider, Transmission Owner, Transmission Operator, Generator Owner, Generator Operator, Load Serving Entity, NERC and Regional Reliability Organizations.

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VIOLATION DESCRIPTION

During a Spot Check, SPP RE found that URE’s cyber security policy was non-compliant with CIP-003-1 R1.1. The policy contained a statement indicating that it was URE’s intent to comply with the requirements of the CIP standards, and referenced a URE administrative procedure that addressed only a few of the requirements. CIP-003-1 R1.1 requires that the cyber security policy address all of the requirements in Standards CIP-002 through CIP-009 in addition to addressing emergency situations. The URE cyber security policy neither identifies nor classifies the types of emergency situations planned for in the policy; nor does the policy include provisions for handling emergency situations, including any expected deviations from strict compliance with the policy.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

SPP RE determined that the violation did not pose a serious or substantial risk to the reliability of the bulk power system (BPS). URE did have a cyber security policy documenting management’s commitment to implementing a program for compliance with the CIP standards, although it failed to provide the specifics required by CIP-003-1 R1.1.

II. DISCOVERY INFORMATION

METHOD OF DISCOVERY

- SELF-REPORT**
- SELF-CERTIFICATION**
- COMPLIANCE AUDIT**
- COMPLIANCE VIOLATION INVESTIGATION**
- SPOT CHECK**
- COMPLAINT**
- PERIODIC DATA SUBMITTAL**
- EXCEPTION REPORTING**

DURATION DATE(S)

7/1/08 (when the Standard became mandatory and enforceable for URE) through 11/11/09 (Mitigation Plan completion)

DATE REPORTED TO REGIONAL ENTITY Spot Check

IS THE VIOLATION STILL OCCURRING

YES **NO**

IF YES, EXPLAIN

REMEDIAL ACTION DIRECTIVE ISSUED YES NO
PRE TO POST JUNE 18, 2007 VIOLATION YES NO

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III. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO.	MIT-08-2386
DATE SUBMITTED TO REGIONAL ENTITY	3/1/10
DATE ACCEPTED BY REGIONAL ENTITY	3/2/10
DATE APPROVED BY NERC	3/15/10
DATE PROVIDED TO FERC	3/15/10

IDENTIFY AND EXPLAIN VERSIONS THAT WERE REJECTED, IF APPLICABLE

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE	11/11/09
EXTENSIONS GRANTED	None
ACTUAL COMPLETION DATE	11/11/09

DATE OF CERTIFICATION LETTER	3/1/10
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF	11/11/09

DATE OF VERIFICATION LETTER	5/12/10
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF	11/11/09

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

URE created a detailed policy manual addressing the requirements of standards CIP-002 through CIP-009 as well as emergency situations. The manual is to be kept current and reviewed on an annual basis. An electronic copy of the manual was issued to all employees and contractors having either electronic or physical access to Critical Cyber Assets. A hard copy of the manual is maintained inside all Physical Security Perimeters.

LIST OF EVIDENCE REVIEWED BY REGIONAL ENTITY TO EVALUATE COMPLETION OF MITIGATION PLAN OR MILESTONES (FOR CASES IN WHICH MITIGATION IS NOT YET COMPLETED)

- Cyber Security policy manual
- Annual review of Cyber Security policy

SPP RE reviewed the evidence submitted by URE and on May 12, 2010 verified completion of the Mitigation Plan as of November 11, 2009.

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FROM THIS PUBLIC VERSION**

EXHIBITS:

- (a) CIP Spot Check Compliance Letter
- (b) Mitigation Plan (3/1/10)
- (c) Certification of Mitigation Plan Completion (3/1/10)
- (d) Verification of Mitigation Plan Completion (5/12/10)

**Disposition Document for CIP-004-1 R2.2.2
(SPP200900139)**

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DISPOSITION OF VIOLATION

NERC TRACKING NO.
SPP200900139

REGIONAL ENTITY TRACKING NO.
2009-069

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
CIP-004-1	2	2.2.2	Lower ¹	N/A ²

PURPOSE OF THE RELIABILITY STANDARD AND TEXT OF RELIABILITY STANDARD AND REQUIREMENT(S)/SUB-REQUIREMENT(S)

The purpose of CIP-004-1 provides in pertinent part: “Standard CIP-004 requires that personnel having a authorized cyber or authorized unescorted physical access to Critical Cyber Assets [(CCAs)], including contractors and service vendors, have an appropriate level of personnel risk assessment, training, and security awareness. Standard CIP-004 should be read as part of a group of standards numbered Standards CIP-002 through CIP-009....”

CIP-004-1 R2 provides:

R2. Training – The Responsible Entity^[3] shall establish, maintain, and document an annual cyber security training program for personnel having authorized cyber or authorized unescorted physical access to CCAs, and review the program annually and update as necessary.

...

R2.2. Training shall cover the policies, access controls, and procedures as developed for the CCAs covered by CIP-004, and include, at a minimum, the following required items appropriate to personnel roles and responsibilities:

...

R2.2.2. Physical and electronic access controls to CCAs.

(Footnote added)

¹ CIP-004-1 R2, R2.2.1, R2.2.2, R2.2.3 and R2.3 each have a “Lower” VRF; R2.1, R2.2 and R2.2.4 each have a “Medium” VRF.

² At the time of the violation, no VSLs were in effect for CIP-004-1. On June 30, 2009, NERC submitted VSLs for the CIP-002-1 through CIP-009-1 Reliability Standards. On March 18, 2010, the Commission approved the VSLs as filed, but directed NERC to submit modifications.

³ Within the text of Standard CIP-004, “Responsible Entity” shall mean Reliability Coordinator, Balancing Authority, Interchange Authority, Transmission Service Provider, Transmission Owner, Transmission Operator, Generator Owner, Generator Operator, Load Serving Entity, NERC and Regional Reliability Organizations.

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VIOLATION DESCRIPTION

During a Spot Check, SPP RE discovered a possible violation of CIP-004-1 R2.2.2. Specifically, URE's annual cyber security training program did not include instructional information pertaining to the use of physical and electronic access controls to CCAs as required by the Standard.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

SPP RE determined that the violation did not pose a serious or substantial risk to the reliability of the bulk power system (BPS). Although the URE cyber security training program lacked information regarding the use of access controls, URE did have an annual cyber security training program in place. Further, URE had implemented physical and electronic access controls to protect its CCAs, but failed to address them in its annual training program as required by CIP-004-1 R2.2.2.

II. DISCOVERY INFORMATION

METHOD OF DISCOVERY

- SELF-REPORT
- SELF-CERTIFICATION
- COMPLIANCE AUDIT
- COMPLIANCE VIOLATION INVESTIGATION
- SPOT CHECK
- COMPLAINT
- PERIODIC DATA SUBMITTAL
- EXCEPTION REPORTING

DURATION DATE(S)

7/1/08 (when the Standard became mandatory and enforceable for URE) through 12/21/09 (Mitigation Plan completion)

DATE REPORTED TO REGIONAL ENTITY Spot Check

IS THE VIOLATION STILL OCCURRING

YES NO

IF YES, EXPLAIN

REMEDIAL ACTION DIRECTIVE ISSUED YES NO
PRE TO POST JUNE 18, 2007 VIOLATION YES NO

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III. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO.	MIT-08-2387
DATE SUBMITTED TO REGIONAL ENTITY	3/1/10
DATE ACCEPTED BY REGIONAL ENTITY	3/2/10
DATE APPROVED BY NERC	3/15/10
DATE PROVIDED TO FERC	3/15/10

IDENTIFY AND EXPLAIN VERSIONS THAT WERE REJECTED, IF APPLICABLE

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE	12/21/09
EXTENSIONS GRANTED	None
ACTUAL COMPLETION DATE	12/21/09

DATE OF CERTIFICATION LETTER	3/1/10
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF	12/21/09

DATE OF VERIFICATION LETTER	3/19/10
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF	12/21/09

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

URE implemented a revised version of its cyber security training program. The updated program provides the proper information regarding physical and electronic access controls to CCAs.

LIST OF EVIDENCE REVIEWED BY REGIONAL ENTITY TO EVALUATE COMPLETION OF MITIGATION PLAN OR MILESTONES (FOR CASES IN WHICH MITIGATION IS NOT YET COMPLETED)

- Cyber Security Training program document

SPP RE reviewed the evidence submitted by UREs and on March 19, 2010 verified completion of the Mitigation Plan as of December 21, 2009.

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EXHIBITS:

- (a) CIP Spot Check Compliance Letter
- (b) Mitigation Plan (3/1/10)
- (c) Certification of Mitigation Plan Completion (3/1/10)
- (d) Verification of Mitigation Plan Completion (3/19/10)

**Disposition Document for FAC-003-1 R1
(SPP200900140 and TRE200900087)**

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DISPOSITION OF VIOLATION

NERC TRACKING NO.
SPP200900140
TRE200900087

REGIONAL ENTITY TRACKING NO.
2009-070
TRE201000087

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
FAC-003-1	1	1.2 et seq., 1.3, 1.5	High	Severe

PURPOSE OF THE RELIABILITY STANDARD AND TEXT OF RELIABILITY STANDARD AND REQUIREMENT(S)/SUB-REQUIREMENT(S)

The purpose statement of FAC-003-1 provides:

To improve the reliability of the electric transmission systems by preventing outages from vegetation¹ located on transmission rights-of-way (ROW)² and minimizing outages from vegetation located adjacent to ROW, maintaining clearances between transmission lines and vegetation on and along transmission ROW, and reporting vegetation related outages of the transmission systems to the respective Regional Reliability Organizations (RRO) and the North American Electric Reliability Council (NERC).

(Footnotes added.)

FAC-003-1 R1 (1.2, 1.3, 1.5) provides in pertinent part:

***R1.** The Transmission Owner shall prepare, and keep current, a formal transmission vegetation management program (TVMP). The TVMP shall include the Transmission Owner’s objectives, practices, approved procedures, and work specifications.^u*

***R1.2.** The Transmission Owner, in the TVMP, shall identify and document clearances between vegetation and any overhead, ungrounded supply conductors, taking into consideration transmission line voltage, the effects of ambient temperature on conductor sag under maximum design loading,*

¹ Vegetation is defined as “[a]ll plant material, growing or not, living or dead.” See *Glossary of Terms Used in NERC Reliability Standard*, (April 20, 2010).

² Right-of-Way is defined as “[a] corridor of land on which electric lines may be located. The Transmission Owner may own the land in fee, own an easement, or have certain franchise, prescription, or license rights to construct and maintain lines.” See *Glossary of Terms Used in NERC Reliability Standard*, (April 20, 2010).

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and the effects of wind velocities on conductor sway. Specifically, the Transmission Owner shall establish clearances to be achieved at the time of vegetation management work identified herein as Clearance 1, and shall also establish and maintain a set of clearances identified herein as Clearance 2 to prevent flashover between vegetation and overhead ungrounded supply conductors.

RI.2.1. Clearance 1 — *The Transmission Owner shall determine and document appropriate clearance distances to be achieved at the time of transmission vegetation management work based upon local conditions and the expected time frame in which the Transmission Owner plans to return for future vegetation management work. Local conditions may include, but are not limited to: operating voltage, appropriate vegetation management techniques, fire risk, reasonably anticipated tree and conductor movement, species types and growth rates, species failure characteristics, local climate and rainfall patterns, line terrain and elevation, location of the vegetation within the span, and worker approach distance requirements. Clearance 1 distances shall be greater than those defined by Clearance 2 below.*

RI.2.2. Clearance 2 — *The Transmission Owner shall determine and document specific radial clearances to be maintained between vegetation and conductors under all rated electrical operating conditions. These minimum clearance distances are necessary to prevent flashover between vegetation and conductors and will vary due to such factors as altitude and operating voltage. These Transmission Owner-specific minimum clearance distances shall be no less than those set forth in the Institute of Electrical and Electronics Engineers (IEEE) Standard 516-2003 (Guide for Maintenance Methods on Energized Power Lines) and as specified in its Section 4.2.2.3, Minimum Air Insulation Distances without Tools in the Air Gap.*

RI.2.2.1 *Where transmission system transient overvoltage factors are not known, clearances shall be derived from Table 5, IEEE 516-2003, phase-to-ground distances, with appropriate altitude correction factors applied.*

RI.2.2.2 *Where transmission system transient overvoltage factors are known, clearances shall be derived from Table 7, IEEE 516-2003, phase-to-phase voltages, with appropriate altitude correction factors applied.*

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RI.3. All personnel directly involved in the design and implementation of the TVMP shall hold appropriate qualifications and training, as defined by the Transmission Owner, to perform their duties.

RI.5. Each Transmission Owner shall establish and document a process for the immediate communication of vegetation conditions that present an imminent threat of a transmission line outage. This is so that action (temporary reduction in line rating, switching line out of service, etc.) may be taken until the threat is relieved.

¹ANSI A300, Tree Care Operations – Tree, Shrub, and Other Woody Plant Maintenance – Standard Practices, while not a requirement of this standard, is considered to be an industry best practice.

(Footnote ¹/ in original.)

VIOLATION DESCRIPTION

SPP RE and Texas RE discovered that URE did not have an adequate TVMP. Specifically, URE had not established Clearance 1 distances to be achieved at the time of vegetation management work, nor had it established and maintained Clearance 2 distances to prevent flashovers between vegetation and conductors. Additionally, URE had not defined appropriate qualifications and training for all personnel directly involved in the design and implementation of the TVMP, and it had not documented a process for immediately communicating vegetation conditions that present imminent outage threats to its transmission lines to system operators.

ELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

SPP RE and Texas RE determined that the violation did not pose a serious or substantial risk to the reliability of the bulk power system (BPS). Although URE had identified a vegetation management clearance requirement in its TVMP and its field personnel relied on experience and accepted industry practices, URE had not established the specific clearances required by FAC-003 R1 by which to conduct its ROW maintenance. This created a risk of vegetation contact or flash-over events. Nevertheless, URE had maintained a documented ROW maintenance plan, which included a schedule for visual annual ground and semi-annual aerial inspections. While inadequate to meet all the requirements of FAC-003-1 R1 et seq., this documentation does provide evidence that URE was actively maintaining its ROW. Accordingly, the impact to the BPS was moderate.

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II. DISCOVERY INFORMATION

METHOD OF DISCOVERY

SELF-REPORT	<input type="checkbox"/>
SELF-CERTIFICATION	<input type="checkbox"/>
COMPLIANCE AUDIT	<input checked="" type="checkbox"/>
COMPLIANCE VIOLATION INVESTIGATION	<input type="checkbox"/>
SPOT CHECK	<input type="checkbox"/>
COMPLAINT	<input type="checkbox"/>
PERIODIC DATA SUBMITTAL	<input type="checkbox"/>
EXCEPTION REPORTING	<input type="checkbox"/>

DURATION DATE(S) 6/18/07 (when the Standard became mandatory and enforceable) through 12/9/09 (Mitigation Plan completion)

DATE REPORTED TO REGIONAL ENTITY Audit

IS THE VIOLATION STILL OCCURRING

YES **NO**

IF YES, EXPLAIN

REMEDIAL ACTION DIRECTIVE ISSUED	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>
PRE TO POST JUNE 18, 2007 VIOLATION	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>

III. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO.	MIT-07-2403
DATE SUBMITTED TO REGIONAL ENTITY	2/24/10 ³
DATE ACCEPTED BY REGIONAL ENTITY	3/18/10
DATE APPROVED BY NERC	3/24/10
DATE PROVIDED TO FERC	3/24/10

IDENTIFY AND EXPLAIN VERSIONS THAT WERE REJECTED, IF APPLICABLE N/A

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE submitted as complete⁴
EXTENSIONS GRANTED N/A

³ The Mitigation Plan was signed on December 11, 2009.

⁴ The Mitigation Plan incorrectly states that the Mitigation Plan was completed December 11, 2009

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FROM THIS PUBLIC VERSION**

ACTUAL COMPLETION DATE 12/9/09
DATE OF CERTIFICATION LETTER 3/2/10⁵
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF 12/9/09

DATE OF VERIFICATION LETTER 4/6/10⁶
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF 12/9/09

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

URE revised its TVMP in order to bring the program into full compliance with Standard FAC-003-1 R1 (1.2 et seq., 1.3, 1.5). Specifically, the updated URE's TVMP includes descriptions of both Clearances 1 and 2⁷ distances and defines the qualifications for the personnel involved in the design and implementation of the URE TVMP.⁸ The TVMP also states the process for the immediate communication of vegetation conditions presenting an imminent threat of transmission line outages to system operators.⁹

**LIST OF EVIDENCE REVIEWED BY REGIONAL ENTITY TO EVALUATE
COMPLETION OF MITIGATION PLAN OR MILESTONES (FOR CASES IN
WHICH MITIGATION IS NOT YET COMPLETED)**

- E-mail regarding pesticide applicators licensing and attestations.
- E-mail regarding job descriptions for three positions.
- Transmission Vegetation Management program

SPP RE has determined that all the deficiencies of the TVMP have been remedied. Additionally, the entity has provided sufficient documentation to demonstrate that its personnel are qualified as required in the Standard.

EXHIBITS:

- (a) Originating Document
- (b) Mitigation Plan
 - Mitigation Plan (2/24/10)
- (c) Certification by Registered Entity
 - Certification of Mitigation Plan Completion (3/2/10)
- (d) Verification by Regional Entity

⁵ The Certification of Completion incorrectly states October 8, 2009.

⁶ The Verification of Completion incorrectly states that the Certification of Completion was submitted on April 6, 2010.

⁷ See Paragraphs 7 and 8 under Procedures.

⁸ See Paragraph 9 under Procedures.

⁹ See Paragraphs 10-12 under Procedures

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- Verification of Mitigation Plan Completion (4/6/10)

**Disposition Document for FAC-008-1 R1
(SPP200900141) and FAC-009-1 R1
(SPP200900142)**

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FROM THIS PUBLIC VERSION**

DISPOSITION OF VIOLATION

NERC TRACKING NO.	REGIONAL ENTITY TRACKING NO.
SPP200900141	2009-071
SPP200900142	2009-072

I. VIOLATION INFORMATION¹

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
FAC-008-1	1	1.1, 1.2, 1.2.1, 1.2.2	Lower ²	Severe
FAC-009-1	1		Medium	High

PURPOSE OF THE RELIABILITY STANDARD AND TEXT OF RELIABILITY STANDARD AND REQUIREMENT(S)/SUB-REQUIREMENT(S)

The purpose statement of FAC-008-1 and FAC-009-1 provides: “To ensure that Facility Ratings used in the reliable planning and operation of the Bulk Electric System (BES)^[3] are determined based on an established methodology or methodologies.” (Footnote added)

FAC-008-1 R1 et seq. provides:

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:

¹ Based on the NERC Sanction Guidelines, SPP RE determined the violations of FAC-008-1 R1 and FAC-009-1 R1 were “related to a single act or common incidence of non-compliance” for which SPP RE would assess “a single aggregate penalty.”

² FAC-008-1 R1, R1.3 and R1.3.5 each have a “Lower” VRF; R1.1, R1.2, R1.2.1, R1.2.2, R1.3.1-4 each have a “Medium” VRF. When NERC filed VRFs it originally assigned FAC-008-1 R1.1, R1.2, R1.2.1 and R1.2.2 “Lower” VRFs. The Commission approved the VRFs as filed; however, it directed NERC to submit modifications. NERC submitted the modified “Medium” VRFs and on February 6, 2008, the Commission approved the modified “Medium” VRFs. Therefore, the “Lower” VRFs for FAC-008-1 R1.1, R1.2, R1.2.1 and R1.2.2 were in effect from June 18, 2007 until February 6, 2008 when the “Medium” VRFs became effective.

³ Bulk Electric System “[a]s defined by the Regional Reliability Organization, [includes] the electrical generation resources, transmission lines, interconnections with neighboring systems, and associated equipment, generally operated at voltages of 100 kV or higher. Radial transmission facilities serving only load with one transmission source are generally not included in this definition.” See *Glossary of Terms Used in NERC Reliability Standard*, (April 20, 2010).

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RI.1. A statement that a Facility Rating shall equal the most limiting applicable Equipment Rating of the individual equipment that comprises that Facility.

RI.2. The method by which the Rating (of major BES equipment that comprises a Facility) is determined.

RI.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.

RI.2.2. The scope of Ratings addressed shall include, as a minimum, both Normal and Emergency Ratings.

FAC-009-1 R1 provides: “The Transmission Owner and Generator Owners shall each establish Facility Ratings for its solely and jointly owned Facilities that are consistent with the associated Facility Ratings Methodology.”

VIOLATION DESCRIPTION

SPP200900141: During the Compliance Audit, SPP RE discovered that URE did not have a formal Facility Ratings Methodology which included the requirements of Reliability Standard FAC-008-1 R1 for its generators. Instead, it was utilizing the *Southwest Power Pool (SPP) Criteria*⁴ document to establish its generator Facility Ratings. The use of *SPP Criteria* was inadequate with regard to generating facilities because the *SPP Criteria* does not: (1) include a statement that the Facility Rating for a generating facility shall equal the most limiting applicable Equipment Rating of the individual equipment that comprises the generating facility; (2) include the scope of the equipment addressed in determining the generator Facility Rating, including the rating of such equipment; (3) address Normal and Emergency Ratings; or (4) consider ratings provided by equipment manufacturers and design criteria.

SPP200900142⁵:

During the Audit, SPP RE discovered deficiencies with URE’s transmission and generation Facility Ratings.

⁴ The *Southwest Power Pool Criteria* provides detailed policies and standards of conduct for SPP members governing the coordinated planning and operation of the members interconnected electric systems. Section 12, Electrical Facility Ratings, addresses the rating of generation and transmission facilities.

⁵ Texas RE enforcement reviewed the audit report findings and determined there was not a possible violation in the Texas RE Region.

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URE's FAC-009-1 R1 Facility Ratings did not adequately take into account all of the required of FAC-008-1 R1 requirements (as stated above) when establishing its Facility Ratings.

URE failed to demonstrate that it consistently applied its Rating Methodology to each element, or that it selected the most limiting element to determine the Rating of its Facility. Specifically, URE failed to provide sufficient information in its evidence, to demonstrate that it included all the elements required by its Facility Ratings Methodology in establishing the proper rating of its transmission facilities.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

SPP200900141:

SPP RE determined that the violation did not pose a serious or substantial risk to the reliability of the bulk power system (BPS) because although URE failed to develop a compliant Facility Ratings Methodology for its generators, it was utilizing the *SPP Criteria* to establish Facility Ratings that were based upon a capacity test of its generators. Therefore, URE did utilize a procedure for establishing an accurate capacity rating of its generators.

SPP200900142:

SPP RE determined that the violation did not pose a serious or substantial risk to the reliability of the bulk power system (BPS).

In relation to URE's generation Facility Ratings, while the ratings did not account for all elements required under FAC-008-1 R1.2.1, URE was providing its generating facility capacity tests to its Reliability Coordinator every three years and was using this capacity test as a means to establish accurately the limiting rating of its generators in accordance with FAC-009-1 R1.

URE utilized a documented methodology to establish the ratings of its Transmission facilities. However, in applying the methodology URE did not include all of the applicable elements in establishing its transmission facility rating. Thus, when URE established the ratings of its transmission facilities, *i.e.*, the rating of the most limiting transmission element, URE could not conclusively state that the transmission facility ratings were correct. A review of a representative sample of the transmission facility ratings originally established by URE as compared to the transmission facility ratings derived following mitigation of the violation revealed no significant differences in the transmission facility ratings. SPP RE has determined the inaccuracy originally present in the transmission facility ratings established by URE did not represent a serious or substantial risk to the bulk power system.

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II. DISCOVERY INFORMATION

METHOD OF DISCOVERY

- | | |
|------------------------------------|-------------------------------------|
| SELF-REPORT | <input type="checkbox"/> |
| SELF-CERTIFICATION | <input type="checkbox"/> |
| COMPLIANCE AUDIT | <input checked="" type="checkbox"/> |
| COMPLIANCE VIOLATION INVESTIGATION | <input type="checkbox"/> |
| SPOT CHECK | <input type="checkbox"/> |
| COMPLAINT | <input type="checkbox"/> |
| PERIODIC DATA SUBMITTAL | <input type="checkbox"/> |
| EXCEPTION REPORTING | <input type="checkbox"/> |

DURATION DATE(S)

SPP200900141: 6/18/07 (when the Standard became mandatory and enforceable)
through 6/22/10 (Mitigation Plan completion)

SPP200900142: 6/18/07 (when the Standard became mandatory and enforceable)
through 1/20/11 (Mitigation Plan completion)

DATE REPORTED TO REGIONAL ENTITY Audit

IS THE VIOLATION STILL OCCURRING

- SPP200900141:**
YES NO
- SPP200900142:**
YES NO

IF YES, EXPLAIN

- REMEDIAL ACTION DIRECTIVE ISSUED YES NO**
PRE TO POST JUNE 18, 2007 VIOLATION YES NO

III. MITIGATION INFORMATION for SPP SPP200900141

FOR FINAL ACCEPTED MITIGATION PLAN:

- MITIGATION PLAN NO.** MIT-07-2626 (SPP200900141)
DATE SUBMITTED TO REGIONAL ENTITY 6/28/10
DATE ACCEPTED BY REGIONAL ENTITY 6/30/10
DATE APPROVED BY NERC 7/28/10
DATE PROVIDED TO FERC 7/28/10

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**IDENTIFY AND EXPLAIN VERSIONS THAT WERE REJECTED, IF
APPLICABLE**

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE 6/22/10

EXTENSIONS GRANTED N/A

ACTUAL COMPLETION DATE 6/22/10

DATE OF CERTIFICATION LETTER 6/30/10

CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF 6/22/10

DATE OF VERIFICATION LETTER 7/9/10

VERIFIED COMPLETE BY REGIONAL ENTITY AS OF 6/22/10

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

URE hired a new electrical engineering contractor to perform a system analysis and develop a compliant Facility Ratings Methodology. The new Facility Ratings Methodology addressed each sub-requirement of FAC-008-1 R1 et seq.

**LIST OF EVIDENCE REVIEWED BY REGIONAL ENTITY TO EVALUATE
COMPLETION OF MITIGATION PLAN OR MILESTONES (FOR CASES IN
WHICH MITIGATION IS NOT YET COMPLETED)**

- Generator Facility Ratings Methodology
- After reviewing the evidence above, SPP RE determined that URE has developed a compliant generation Facility Ratings Methodology. Therefore, it has successfully completed its Mitigation Plan.

IV. MITIGATION INFORMATION for SPP200900142

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO. MIT-07-2502 (SPP200900142)
DATE SUBMITTED TO REGIONAL ENTITY 5/5/10
DATE ACCEPTED BY REGIONAL ENTITY 5/7/10
DATE APPROVED BY NERC 5/26/10
DATE PROVIDED TO FERC 5/26/10

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**IDENTIFY AND EXPLAIN VERSIONS THAT WERE REJECTED, IF
APPLICABLE**

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE 12/31/10

EXTENSIONS GRANTED N/A

ACTUAL COMPLETION DATE 1/20/11⁶

DATE OF CERTIFICATION LETTER 1/17/11

CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF 12/31/10

DATE OF VERIFICATION LETTER 2/8/11

VERIFIED COMPLETE BY REGIONAL ENTITY AS OF 1/20/11

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

In order to ensure compliance with standard FAC-009-1 R 1, URE inspected each substation and switchyard and documented the ratings of all the elements in URE's transmission system. Additionally, it created a set of one line diagrams based on the inspections to make it clearly visible which element is limiting a circuit. These one line diagrams will be updated whenever there is a change in URE's transmission system. Additionally, URE hired an electrical engineering contractor that performed a system analysis and assisted in developing the required Facility Ratings for all generation facilities.

**LIST OF EVIDENCE REVIEWED BY REGIONAL ENTITY TO EVALUATE
COMPLETION OF MITIGATION PLAN OR MILESTONES (FOR CASES IN
WHICH MITIGATION IS NOT YET COMPLETED)**

- Generation One Line Diagrams
- URE generator Facility Ratings Procedure
- Spreadsheet containing an inventory of the Generation Relays
- Procedures for Transmission Facility Ratings

⁶ URE submitted a revised procedure dated January 20, 2011 demonstrating Mitigation Plan completion. This document was used as a basis to verify completion of URE's Mitigation Plan.

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SPP RE has reviewed the evidence above and determined that URE has completed its FAC-009-1 R1 mitigation plan.

EXHIBITS:

- (a) Originating Document
 - *Compliance Audit Report*
- (b) Mitigation Plan
 - Mitigation Plan for SPP200900141 (6/28/10)
 - Mitigation Plan for SPP200900142 (5/5/10)
- (c) Certification by Registered Entity
 - Certification of Mitigation Plan Completion for SPP200900141 (6/30/10)
 - Certification of Mitigation Plan Completion for SPP200900142 (1/17/11)
- (d) Verification by Regional Entity
 - Verification of Mitigation Plan Completion for SPP200900141 (7/9/10)
 - Verification of Mitigation Plan Completion for SPP200900142 (2/8/11)

**Disposition Document for CIP-007-1 R1
(SPP200900143)**

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DISPOSITION OF VIOLATION

NERC TRACKING NO.
SPP200900143

REGIONAL ENTITY TRACKING NO.
2009-073

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
CIP-007-1	R1		Medium ¹	N/A ²

PURPOSE OF THE RELIABILITY STANDARD AND TEXT OF RELIABILITY STANDARD AND REQUIREMENT(S)/SUB-REQUIREMENT(S)

The purpose of CIP-007-1 provides in pertinent part: “ Standard C IP-007 requires Responsible Entities^[3] to define methods, processes, and procedures for securing those systems determined to be Critical Cyber Assets, as well as the non-critical Cyber Assets within the Electronic Security Perimeter(s). Standard CIP-007 should be read as part of a group of standards numbered Standards CIP-002 through CIP-009....” (Footnote added)

CIP-007-1 R1 provides in pertinent part:

R1. Test Procedures – The Responsible Entity shall ensure that new Cyber Assets and significant changes to existing Cyber Assets within the Electronic Security Perimeter [(ESP)] do not adversely affect existing cyber security controls. For purposes of Standard CIP-007, a significant change shall, at a minimum, include implementation of security patches, cumulative service packs, vendor releases, and version upgrades of operating systems, applications, database platforms, or other third-party software or firmware.

VIOLATION DESCRIPTION

During a Spot Check, SPP RE found that URE was non-compliant with CIP-007-1 R1. URE did not have a testing program to ensure that the introduction of new Cyber Assets and significant changes to existing Cyber Assets within the ESP do not adversely affect existing cyber security controls. SPP RE found that software patch installation was being

¹ CIP-007-1 R1 and R1.1 each have a “Medium” VRF; R1.2 and R1.3 each have a “Lower” VRF.

² At the time of the violation, no VSLs were in effect for CIP-007-1. On June 30, 2009, NERC submitted VSLs for the CIP-002-1 through CIP-009-1 Reliability Standards. On March 18, 2010, the Commission approved the VSLs as filed, but directed NERC to submit modifications.

³ Within the text of Standard CIP-007, “Responsible Entity” shall mean Reliability Coordinator, Balancing Authority, Interchange Authority, Transmission Service Provider, Transmission Owner, Transmission Operator, Generator Owner, Generator Operator, Load Serving Entity, NERC and Regional Reliability Organizations.

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performed on URE’s system, which is deemed a Cyber Asset and, at the time of the Spot Check, resided within the ESP. URE relied on the third party vendor testing of the operating system and the application patches, but the testing done by the vendor did not satisfy CIP-007-1 R1 because the testing the vendor performed did not test cyber security controls. The testing merely verified the operability of the system with the patches applied.

URE relied upon post-implementation system monitoring to confirm that a software patch did not have an adverse impact on cyber security controls. CIP-007-1 R1 requires a proper testing procedure designed to prevent such an adverse impact. URE did not have such a procedure in place.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

SPPRE determined that the violation of CIP-007-1 R1 did not pose a serious or substantial risk to the reliability of the bulk power system (BPS). Although URE failed to properly test security controls after software patches were installed. URE did have firewalls and intrusion detection and protection systems in place. After patch installation, URE relied on system monitoring to identify post-implementation issues.

II. DISCOVERY INFORMATION

METHOD OF DISCOVERY

- SELF-REPORT**
- SELF-CERTIFICATION**
- COMPLIANCE AUDIT**
- COMPLIANCE VIOLATION INVESTIGATION**
- SPOT CHECK**
- COMPLAINT**
- PERIODIC DATA SUBMITTAL**
- EXCEPTION REPORTING**

DURATION DATE(S)

7/1/08 (when the Standard became mandatory and enforceable for URE) through 11/17/09 (Mitigation Plan completion)

DATE REPORTED TO REGIONAL ENTITY Spot Check

IS THE VIOLATION STILL OCCURRING

YES **NO**

IF YES, EXPLAIN

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REMEDIAL ACTION DIRECTIVE ISSUED YES NO
PRE TO POST JUNE 18, 2007 VIOLATION YES NO

III. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO. MIT-08-2388
DATE SUBMITTED TO REGIONAL ENTITY 3/1/10
DATE ACCEPTED BY REGIONAL ENTITY 3/5/10
DATE APPROVED BY NERC 3/15/10
DATE PROVIDED TO FERC 3/15/10

**IDENTIFY AND EXPLAIN VERSIONS THAT WERE REJECTED, IF
APPLICABLE**

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE 11/17/09
EXTENSIONS GRANTED None
ACTUAL COMPLETION DATE 11/17/09

DATE OF CERTIFICATION LETTER 3/1/10
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF 11/17/09

DATE OF VERIFICATION LETTER 5/12/10
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF 11/17/09

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

URE re-assessed whether the system in question should be located within the ESP. URE concluded that it did not need to be located within the ESP, and therefore the system was moved outside the ESP. As a result of this move, and because the system has no impact on Critical Cyber Assets, the testing pursuant to CIP-007-1 R1 is no longer required for the system.

URE implemented a compliant procedure for testing security controls.

**LIST OF EVIDENCE REVIEWED BY REGIONAL ENTITY TO EVALUATE
COMPLETION OF MITIGATION PLAN OR MILESTONES (FOR CASES IN
WHICH MITIGATION IS NOT YET COMPLETED)**

- Security testing procedures for covered assets
- Attestation letter from URE
- Change request and documentation of system to be move to outside ESP

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SPP RE reviewed the evidence submitted by URE and on May 12, 2010 verified completion of the Mitigation Plan as of November 17, 2009.

EXHIBITS:

- (a) CIP Spot Check Compliance Letter
- (b) Mitigation Plan (3/1/10).
- (c) Certification of a Completed Mitigation Plan (3/1/10).
- (d) Verification of Mitigation Plan Completion (5/12/10).

**Disposition Document for CIP-008-1 R1.6
(SPP200900144)**

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DISPOSITION OF VIOLATION

NERC TRACKING NO.
SPP200900144

REGIONAL ENTITY TRACKING NO.
2009-074

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
CIP-008-1	R1	1.6	Lower	N/A ¹

PURPOSE OF THE RELIABILITY STANDARD AND TEXT OF RELIABILITY STANDARD AND REQUIREMENT(S)/SUB-REQUIREMENT(S)

The purpose statement of CIP-008-1 provides in pertinent part: “ Standard CIP-008 ensures the identification, classification, response, and reporting of Cyber Security Incidents related to Critical Cyber Assets. Standard CIP-008 should be read as part of a group of standards numbered Standards CIP-002 through CIP-009....”

CIP-008-1 R1 provides in pertinent part:

***R1.** Cyber Security Incident Response Plan – The Responsible Entity^[2] shall develop and maintain a Cyber Security Incident Response Plan. The Cyber Security Incident Response plan shall address, at a minimum, the following:*

***R1.6.** Process for ensuring the Cyber Security Incident response plan is tested at least annually. A test of the incident response plan can range from a paper drill, to a full operational exercise, to the response to an actual incident.*

VIOLATION DESCRIPTION

During a Spot Check, SPP RE found that URE was non-compliant with CIP-008-1 R1.6. Specifically, URE failed to perform a test of its Cyber Security Incident response plan by July 1, 2008, the date by which URE was required to be compliant with the Standard. URE performed a test of its Cyber Security Incident response plan as required by the

¹ At the time of the violation, no VSLs were in effect for CIP-008-1. On June 30, 2009, NERC submitted VSLs for the CIP-002-1 through CIP-009-1 Reliability Standards. On March 18, 2010, the Commission approved the VSLs as filed, but directed NERC to submit modifications.

² Within the text of Standard CIP-005, “Responsible Entity” shall mean Reliability Coordinator, Balancing Authority, Interchange Authority, Transmission Service Provider, Transmission Owner, Transmission Operator, Generator Owner, Generator Operator, Load Serving Entity, NERC and Regional Reliability Organizations.

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Reliability Standard on June 16, 2009, almost one year after the required compliance date.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

SPP RE determined that the violation did not pose a serious or substantial risk to the reliability of the bulk power system (BPS) because URE had implemented a Cyber Security Incident response plan by the required date, failing only to perform the required test until one year later.

II. DISCOVERY INFORMATION

METHOD OF DISCOVERY

- SELF-REPORT
- SELF-CERTIFICATION
- COMPLIANCE AUDIT
- COMPLIANCE VIOLATION INVESTIGATION
- SPOT CHECK
- COMPLAINT
- PERIODIC DATA SUBMITTAL
- EXCEPTION REPORTING

DURATION DATE(S)

7/1/08 (when the Standard became mandatory and enforceable for URE) through 9/30/09 (Mitigation Plan completion)

DATE REPORTED TO REGIONAL ENTITY Spot Check

IS THE VIOLATION STILL OCCURRING

YES NO

IF YES, EXPLAIN

REMEDIAL ACTION DIRECTIVE ISSUED YES NO
 PRE TO POST JUNE 18, 2007 VIOLATION YES NO

III. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO. MIT-08-2389
 DATE SUBMITTED TO REGIONAL ENTITY 3/1/10
 DATE ACCEPTED BY REGIONAL ENTITY 3/2/10
 DATE APPROVED BY NERC 3/15/10
 DATE PROVIDED TO FERC 3/15/10

**Disposition Document for CIP-005-1 R1.5
(SPP201000340)**

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DISPOSITION OF VIOLATION

NERC TRACKING NO.
SPP201000340

REGIONAL ENTITY TRACKING NO.
2010-146

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
CIP-005-1	1	1.5	Medium ¹	N/A ²

PURPOSE OF THE RELIABILITY STANDARD AND TEXT OF RELIABILITY STANDARD AND REQUIREMENT(S)/SUB-REQUIREMENT(S)

The purpose statement of CIP-005-1 provides in pertinent part: “ Standard CIP-005 requires the identification and protection of the Electronic Security Perimeter(s) inside which all Critical Cyber Assets reside, as well as all access points on the perimeter. Standard CIP-005 should be read as part of a group of standards numbered Standards CIP-002 through CIP-009....”

CIP-005-1 R 1 provides in pertinent part: “ Electronic Security Perimeter – The Responsible Entity^[3] shall ensure that every Critical Cyber Asset resides within an Electronic Security Perimeter. The Responsible Entity shall identify and document the Electronic Security Perimeter(s) and all access points to the perimeter(s).

CIP-005-1 R 1.5 provides: “Cyber Assets used in the access control and monitoring of the Electronic Security Perimeter(s) shall be afforded the protective measures as specified in Standard CIP-003, Standard CIP-004 Requirement R3, Standard CIP-005 Requirements R2 and R3, Standard CIP-006 Requirements R2 and R3, Standard CIP-007, Requirements R1 and R3 through R9, Standard CIP-008, and Standard CIP-009.”

VIOLATION DESCRIPTION

URE submitted a Self-Report on July 27, 2010, indicating that it was non-compliant with CIP-005-1 R 1.5, which extends certain protective measures from other standards to Cyber Assets that control and/or monitor an Electronic Security Perimeter (ESP).

¹ CIP-005-1 R1, R1.1, R1.2, R1.3, R1.4 and R1.5 each have a “Medium” VRF; R1.6 has a “Lower” VRF.

² At the time of the violation, no VSLs were in effect for CIP-005-1. On June 30, 2009, NERC submitted VSLs for the CIP-002-1 through CIP-009-1 Reliability Standards. On March 18, 2010, the Commission approved the VSLs as filed, but directed NERC to submit modifications.

³ Within the text of Standard CIP-005, “Responsible Entity” shall mean Reliability Coordinator, Balancing Authority, Interchange Authority, Transmission Service Provider, Transmission Owner, Transmission Operator, Generator Owner, Generator Operator, Load Serving Entity, NERC and Regional Reliability Organizations.

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Specifically, URE did not document testing procedures for such assets to demonstrate that testing is performed in a manner that reflects the production environment, as required by CIP-007-1 R1.2. CIP-007 R1 is one of the requirements extended by CIP-005-1 R1.5 to assets used in the control and monitoring of access to the ESP.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

SPP RE determined that the violation did not pose a serious or substantial risk to the reliability of the bulk power system (BPS) because URE was testing Cyber Assets that control and/or monitor the ESP, even though the procedures were not documented to show whether the testing was done in a manner reflecting the production environment.

II. DISCOVERY INFORMATION

METHOD OF DISCOVERY

- SELF-REPORT**
- SELF-CERTIFICATION**
- COMPLIANCE AUDIT**
- COMPLIANCE VIOLATION INVESTIGATION**
- SPOT CHECK**
- COMPLAINT**
- PERIODIC DATA SUBMITTAL**
- EXCEPTION REPORTING**

DURATION DATE(S)

7/1/09 (when the Standard became mandatory and enforceable for URE) through
7/20/10 (Mitigation Plan completion)

DATE REPORTED TO REGIONAL ENTITY 7/27/10

IS THE VIOLATION STILL OCCURRING

YES **NO**

IF YES, EXPLAIN

REMEDIAL ACTION DIRECTIVE ISSUED **YES** **NO**
PRE TO POST JUNE 18, 2007 VIOLATION **YES** **NO**

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III. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO.	MIT-10-2756
DATE SUBMITTED TO REGIONAL ENTITY	7/30/10
DATE ACCEPTED BY REGIONAL ENTITY	8/4/10
DATE APPROVED BY NERC	8/27/10
DATE PROVIDED TO FERC	8/31/10

IDENTIFY AND EXPLAIN VERSIONS THAT WERE REJECTED, IF APPLICABLE

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE	7/20/10
EXTENSIONS GRANTED	None
ACTUAL COMPLETION DATE	7/20/10

DATE OF CERTIFICATION LETTER	8/9/10
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF	7/20/10

DATE OF VERIFICATION LETTER	8/11/10
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF	7/20/10

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

URE developed a new operating procedure which defines four categories of Cyber Assets that are used in the access control and monitoring of an ESP, and provides procedures regarding the testing environment for new assets and existing assets to which significant changes have been made. Testing is to be performed according to the previously existing procedure, but the new procedure defines the environment in which each category of Cyber Asset is to be tested, ensuring that they are tested in a manner reflecting the production environment.

LIST OF EVIDENCE REVIEWED BY REGIONAL ENTITY TO EVALUATE COMPLETION OF MITIGATION PLAN OR MILESTONES (FOR CASES IN WHICH MITIGATION IS NOT YET COMPLETED)

- Procedure for Access Control and Monitoring test environments

SPP RE reviewed the evidence submitted by URE and on August 11, 2010 verified completion of the Mitigation Plan as of July 20, 2010.

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FROM THIS PUBLIC VERSION**

EXHIBITS:

- (a) Self-Report (7/27/10)
- (b) Mitigation Plan (7/30/10)
- (c) Certification of Mitigation Plan Completion (8/9/10)
- (d) Verification of Mitigation Plan Completion (8/11/10)