



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

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 the 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 (Attachment b), 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 Western Electricity Coordinating Council (WECC) and URE have entered into a Settlement Agreement to resolve all outstanding issues arising from WECC's determination and findings of the enforceable violations of BAL-002-0 Requirement (R) 4, BAL-004-0 R3, CIP-004-1 R2 and R3, IRO-005-2 R13, TOP-008-1 R2, IRO-STD-006-0 WR1, PER-002-0 R4, and TPL-004-0 R1. According to the Settlement Agreement, URE stipulates to the facts of the violation, and has agreed to the assessed penalty of seventy-one thousand five hundred dollars (\$71,500), 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

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).

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 Unidentified Registered Entity
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**PRIVILEGED AND CONFIDENTIAL INFORMATION
 HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

Identification Numbers WECC200801492,³ WECC200901786, WECC200901707, WECC200801177, WECC200901810, WECC200901420, WECC200901787, WECC200901809, and WECC200801162 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 September 8, 2010, by and between WECC 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-681	WECC200801492	BAL-002-0	4	Medium ⁴	one day	71,500
	WECC200901786	BAL-004-0	3	Lower ⁵	11/18/09-11/18/09	
	WECC200901707	CIP-004-1	2	Lower ⁶	7/20/09-10/9/09	
	WECC200801177	CIP-004-1	3	Lower ⁷	7/1/08-8/12/09	
	WECC200901810	IRO-005-2	13	N/A ⁸	twenty-five minutes	
	WECC200901420	TOP-008-1	2	High	twenty-five minutes	

³ The Settlement Agreement states that the violation ID for the BAL-002-0 R4 violation is WECC200800782. The violation was originally assigned a violation ID of WECC200800782 which was accidentally dismissed on July 30, 2009. The violation was then re-entered and assigned a violation ID of WECC200801492.

⁴ BAL-002-0 R4 and R4.1 each have a “Medium” Violation Risk Factor (VRF) and R4.2 has a “<blank>” VRF.

⁵ BAL-004-0 R3 has a “Medium” VRF and R3.1 and R3.2 each have a “Lower” VRF.

⁶ 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. When NERC filed VRFs it originally assigned CIP-004-1 R2.1 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-004-1 R2.1 was in effect from June 18, 2007 until January 27, 2009, when the “Medium” VRF became effective.

⁷ CIP-004-1 R3 has a “Medium” VRF; R3.1, R3.2 and R3.3 each have a “Lower” VRF. When NERC filed VRFs it originally assigned CIP-004-1 R3 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-004-1 R3 was in effect from June 18, 2007 until January 27, 2009, when the “Medium” VRF became effective.

⁸ The violation of this Standard did not have a VRF according to the NERC VRF Matrix of October 21, 2009. The current VRF Matrix lists a “High” VRF for violations of this Standard.

	WECC200901787	IRO-STD-006-0	WR1	N/A ⁹	one day	
	WECC200901809	PER-002-0	4	High	6/18/07-12/31/07	
	WECC200801162	TPL-004-0	1	Medium	6/18/07-1/13/09	

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

BAL-002-0 R4- OVERVIEW

URE discovered this violation and self-reported it to WECC. WECC determined that URE did not meet Disturbance Recovery Criterion within the Disturbance Recovery period for 100% of Reportable Disturbances in the first quarter of 2008. Specifically, URE failed to recover its Area Control Error within 15 minutes.

BAL-004-0 R3- OVERVIEW

URE discovered this violation and self-reported it to WECC. WECC determined that URE failed to continue participating in a time error (TE) correction (R3) by leaving its frequency schedule offset by 0.02 Hertz until the TE correction was terminated by the Reliability Coordinator.

CIP-004-1 R2- OVERVIEW

URE discovered this violation, and self-reported it to WECC. WECC determined that URE failed to ensure that one employee with authorized access to Critical Cyber Assets (CCAs) was trained at least annually.

CIP-004-1 R3- OVERVIEW

URE discovered this violation and self-reported it to WECC. WECC determined that URE did not implement its personnel risk assessment program in accordance with the requirements of the Standard. Specifically, one or more background investigation reports had documentation errors, one out of 375 employees with access to CCAs failed to receive a background check when hired, and background checks for three other employees had not been completed within the seven year period required by the Standard.

IRO-005-2 R13- OVERVIEW

This violation was discovered at an onsite Compliance Audit of URE performed by WECC. The violation results from URE's violation of the identical requirement in NERC Standard TOP-008-1 R2 that URE self-reported to WECC and which is discussed below. WECC determined that URE did not operate a portion of a line to the most limiting parameter. This caused a System Operating Limit (SOL) exceedance of 65 MW for a portion of the line for over 25 minutes.

⁹ The violation of IRO-STD-006-0 WR1 does not have a VRF because it is a WECC Regional Reliability Standard. Instead, the Standard uses Levels of Non-Compliance set forth in the Standard. This violation was a Level-One Non-Compliance because the amount of relief of 7.9 MW which URE failed to supply is less than one percent of the Path Rating of 840 MW.

TOP-008-1 R2- OVERVIEW

URE discovered this violation and self-reported it to WECC. WECC determined that URE did not operate a portion of a line to the most limiting parameter. This caused a SOL exceedance of X MW for a portion of the line for over 25 minutes.

IRO-STD-006-0 WR1- OVERVIEW

URE discovered this violation and self-reported it to WECC. WECC determined that URE had an obligation to provide 12.1 MW of relief on the qualified path by curtailing two pre-existing transactions and a “Restricted Transaction” which was created after the start of an unscheduled flow (USF) Event. URE failed to provide the required level of relief (through curtailment or other compensating action) in response to the USF event.

PER-002-0 R4- OVERVIEW

This violation was discovered during an on-site Compliance Audit performed by WECC. WECC determined that URE had only provided 30.5 hours of emergency training to one operator during 2007 and, therefore, had one employee who was deficient 1.5 hours of required training for 2007.

TPL-004-0 R1- OVERVIEW

URE discovered this violation and self-reported it to WECC. WECC determined that URE did not have an adequate assessment of its planning that included all the required studies and sufficient rationales for selecting specific contingencies for evaluation.

Statement Describing the Assessed Penalty, Sanction or Enforcement Action Imposed¹⁰

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,¹¹ the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on March 11, 2011. The NERC BOTCC approved the Settlement Agreement, including WECC’s assessment of a seventy-one thousand five hundred dollars (\$71,500) 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’s first occurrence of violation of the subject NERC Reliability Standards;

¹⁰ See 18 C.F.R. § 39.7(d)(4).

¹¹ *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).

2. URE self-reported the violations with the exception of the violations of Standards PER-002-0 R4 and IRO-005-2 R13;
3. WECC reported that URE was cooperative throughout the compliance enforcement process;
4. URE had a compliance program at the time of the violation which WECC considered a mitigating factor, as discussed in the Disposition Documents;
5. there was no evidence of any attempt to conceal a violation nor evidence of intent to do so;
6. The penalty for the IRO-STD-006-0 WR1 violation is determined by the Sanction Table set forth as part of the Standard. This Sanction Table uses the Level of Non-Compliance, the Number of Occurrences during a Specified Period, and the MW of Sanction Measure to set a penalty or sanction;¹²
7. WECC considered the IRO-005-2 R13 and TOP-005-1 R2 violations to be caused by a single incident of non-compliance and determined that a single aggregate penalty for both was appropriate;¹³
8. WECC 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
9. WECC 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 approved the Settlement Agreement and believes that the assessed penalty of seventy-one thousand five hundred dollars (\$71,500) 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

¹² The sanction for the IRO-STD-006-0 WR1 violation is a letter to URE's Chief Executive Officer informing URE of noncompliance with copies to NERC, the WECC Member Representative, and the WECC Operating Committee Representative.

¹³ WECC exercised its discretion under Section 3.10 of the NERC Sanction Guidelines to address these violations as "related to a single act or common incidence of non-compliance" for which WECC would assess "a single aggregate penalty." The background and factual information for this determination is detailed in Attachment b-4.

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 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 WECC and URE executed September 8, 2010, included as Attachment a;
- b) Disposition Document for Common Information, included as Attachment b;
 - i. Disposition Document for BAL-002-0 R4, included as Attachment b-1;
 - ii. Disposition Document for BAL-004-0 R3, included as Attachment b-2;
 - iii. Disposition Document for CIP-004-1 R2 and R3, included as Attachment b-3;
 - iv. Disposition Document for IRO-005-2 R13 and TOP-008-1 R2, included as Attachment b-4;
 - v. Disposition Document for IRO-STD-006-0 WR1, included as Attachment b-5;
 - vi. Disposition Document for PER-002-0 R4, included as Attachment b-6; and
 - vii. Disposition Document for TPL-004-0 R1, included as Attachment b-7.
- c) Record Documents for BAL-002-0 R4:
 - i. URE's Self-Report for BAL-002-0 R4, included as Attachment c-1;
 - ii. URE's Revised Mitigation Plan MIT-08-1859 submitted June 16, 2008, included as Attachment c-2;
 - iii. URE's Certification of Mitigation Plan Completion submitted July 31, 2008, included as Attachment c-3; and
 - iv. WECC's Verification of Mitigation Plan Completion dated January 26, 2009, included as Attachment c-4.
- d) Record Documents for BAL-004-0 R3:
 - i. URE's Revised Self-Report for BAL-004-0 R3, included as Attachment d-1;

- ii. URE's Mitigation Plan MIT-09-2261 submitted December 23, 2009,¹⁴ included as Attachment d-2;
 - iii. URE's Certification of Mitigation Plan Completion dated December 29, 2009, included as Attachment d-3; and
 - iv. WECC's Verification of Mitigation Plan Completion dated January 11, 2010, included as Attachment d-4.
- e) Record Documents for CIP-004-1 R2:
- i. URE's Self-Report for CIP-004-1 R2, included as Attachment e-1;
 - ii. URE's Mitigation Plan MIT-08-2195 submitted November 20, 2008,¹⁵ included as Attachment e-2;
 - iii. URE's Certification of Mitigation Plan Completion dated February 12, 2010, included as Attachment e-3; and
 - iv. WECC's Verification of Mitigation Plan Completion dated September 10, 2010, included as Attachment e-4.
- f) Record Documents for CIP-004-1 R3:
- i. URE's Self-Report for CIP-004-1 R3, included as Attachment f-1;
 - ii. URE's Mitigation Plan MIT- 08-1209 and Certification of Mitigation Plan Completion therein submitted August 12, 2008, included as Attachment f-2; and
 - iii. WECC's Verification of Mitigation Plan Completion dated August 28, 2009, included as Attachment f-4.¹⁶
- g) Record Documents for IRO-005-2 R13:
- i. WECC's Regional Determination of Alleged Violation Summary for IRO-005-2, included as Attachment g-1;
 - ii. URE's Mitigation Plan MIT-09-2604 submitted January 20, 2010, included as Attachment g-2;
 - iii. URE's Certification of Mitigation Plan Completion dated January 20, 2010, included as Attachment g-3; and
 - iv. WECC's Verification of Mitigation Plan Completion dated June 15, 2010, included as Attachment g-4.¹⁷
- h) Record Documents for IRO-STD-006-0 WR1:
- i. URE's Self-Report for IRO-STD-006-0 WR1, included as Attachment h-1;

¹⁴ The Settlement Agreement incorrectly states that URE submitted its Mitigation Plan on December 29, 2009.

¹⁵ The Mitigation Plan was signed on November 16, 2008.

¹⁶ The Verification of Mitigation Plan Completion states that the evidence was submitted on July 11, 2009 and the Settlement Agreement states the evidence was submitted on June 26, 2009.

¹⁷ *Id.*

- ii. URE's Mitigation Plan MIT-09-2262 submitted December 18, 2009, included as Attachment h-2;
 - iii. URE's Certification of Mitigation Plan Completion dated April 27, 2010, included as Attachment h-3; and
 - iv. WECC's Verification of Mitigation Plan Completion dated June 18, 2010, included as Attachment h-4.
- i) Record Documents for PER-002-0 R4:
- i. WECC's Regional Determination of Alleged Violation Summary for PER-002-0 R4, included as Attachment i-1;
 - ii. URE's Mitigation Plan MIT-07-2363 submitted February 18, 2010, included as Attachment i-2;
 - iii. URE's Certification of Mitigation Plan Completion dated February 25, 2010, included as Attachment i-3; and
 - iv. WECC's Verification of Mitigation Plan Completion dated April 1, 2010, included as Attachment i-4.
- j) Record Documents for TOP-008-1 R2:
- i. URE's Self-Report for TOP-008-1 R2, included as Attachment j-1;
 - ii. URE's Mitigation Plan MIT-09-2028 submitted June 19, 2009, included as Attachment j-2;
 - iii. URE's Certification of Mitigation Plan Completion dated August 31, 2009, included as Attachment j-3; and
 - iv. WECC's Verification of Mitigation Plan Completion dated November 6, 2009, included as Attachment j-4.
- k) Record Documents for TPL-004-0 R1:
- i. URE's Self-Report for TPL-004-0 R1, included as Attachment k-1;
 - ii. URE's Revised Mitigation Plan MIT-08-1427 submitted December 30, 2008, included as Attachment k-2;
 - iii. URE's Certification of Mitigation Plan Completion dated January 13, 2009, included as Attachment k-3; and
 - iv. WECC's Verification of Mitigation Plan Completion dated February 13, 2009, included as Attachment k-4.

A Form of Notice Suitable for Publication¹⁸

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

¹⁸ 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>Mark Maher* Chief Executive Officer Western Electricity Coordinating Council 155 North 400 West, Suite 200 Salt Lake City, UT 84103 (360) 713-9598 (801) 582-3918 – facsimile Mark@wecc.biz</p> <p>Constance White* Vice President of Compliance Western Electricity Coordinating Council 155 North 400 West, Suite 200 Salt Lake City, UT 84103 (801) 883-6855 (801) 883-6894 – facsimile CWhite@wecc.biz</p> <p>Sandy Mooy* Senior Legal Counsel Western Electricity Coordinating Council 155 North 400 West, Suite 200 Salt Lake City, UT 84103 (801) 819-7658 (801) 883-6894 – facsimile SMooy@wecc.biz</p>	<p>Rebecca J. Michael* Associate General Counsel for Corporate and Regulatory Matters Sonia C. Mendonça* 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 sonia.mendonca@nerc.net</p> <p>Christopher Luras* Manager of Compliance Enforcement Western Electricity Coordinating Council 155 North 400 West, Suite 200 Salt Lake City, UT 84103 (801) 883-6887 (801) 883-6894 – facsimile CLuras@wecc.biz</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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**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,

Gerald W. Cauley
President and Chief Executive Officer
David N. Cook
Sr. Vice President and General Counsel
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/s/ Rebecca J. Michael
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cc: Unidentified Registered Entity
Western Electricity Coordinating Council

Attachments

Attachment b

Disposition Document for Common Information

PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION

DISPOSITION OF VIOLATION¹
INFORMATION COMMON TO INSTANT VIOLATIONS
Dated March 11, 2011

REGISTERED ENTITY NERC REGISTRY ID NOC#
Unidentified Registered Entity **NCRXXXXX** **NOC-681**
(URE)

REGIONAL ENTITY
Western Electricity Coordinating Council (WECC)

IS THERE A SETTLEMENT AGREEMENT YES NO

WITH RESPECT TO THE VIOLATION(S), REGISTERED ENTITY

NEITHER ADMITS NOR DENIES IT (SETTLEMENT ONLY) YES
ADMITS TO IT YES
Stipulates to the facts
DOES NOT CONTEST IT (INCLUDING WITHIN 30 DAYS) YES

WITH RESPECT TO THE ASSESSED PENALTY OR SANCTION, REGISTERED ENTITY

ACCEPTS IT/ DOES NOT CONTEST IT YES

I. PENALTY INFORMATION

TOTAL ASSESSED PENALTY OR SANCTION OF \$71,500 AND A LETTER TO URE’S CHIEF EXECUTIVE OFFICER INFORMING URE OF NONCOMPLIANCE WITH COPIES TO NERC, THE WECC MEMBER REPRESENTATIVE, AND THE WECC OPERATING COMMITTEE REPRESENTATIVE FOR NINE VIOLATIONS OF RELIABILITY STANDARDS.²

(1) REGISTERED ENTITY’S COMPLIANCE HISTORY

PREVIOUSLY FILED VIOLATIONS OF ANY OF THE INSTANT RELIABILITY STANDARD(S) OR REQUIREMENT(S) THEREUNDER
YES NO

¹ For purposes of this document and attachments hereto, 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 The penalty for the IRO-STD-006-0 WR1 violation is determined by the Sanction Table set forth as part of the Standard. This Sanction Table uses the Level of Non-Compliance, the Number of Occurrences, and the MW of Sanction Measure to set a penalty or sanction.

**PRIVILEGED AND CONFIDENTIAL INFORMATION
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LIST VIOLATIONS AND STATUS

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

**WECC considered URE's compliance program as a mitigating factor
for determining the penalty amount.**

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

(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

**PRIVILEGED AND CONFIDENTIAL INFORMATION
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(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

YES NO
IF YES, EXPLAIN

(8) ANY OTHER EXTENUATING CIRCUMSTANCES

YES NO
IF YES, EXPLAIN

WECC considered the violations of Standards IRO-005-2 R13 and TOP-005-1 R2 to be caused by a single incident of non-compliance and determined that a single aggregate penalty for both was appropriate.³

OTHER RELEVANT INFORMATION:

NOTICE OF ALLEGED VIOLATION AND PROPOSED PENALTY OR
SANCTION ISSUED FOR VIOLATIONS: WECC200801162;
WECC200801177; WECC200801492; AND WECC200901420
DATE: **8/13/09** OR N/A

NOTICE OF ALLEGED VIOLATION AND PROPOSED PENALTY OR
SANCTION ISSUED FOR VIOLATIONS: WECC200901786;
WECC200901787; AND WECC200901809
DATE: **1/29/10** OR N/A

³ WECC exercised its discretion under Section 3.10 of the NERC Sanction Guidelines to address these violations as "related to a single act or common incidence of non-compliance" for which WECC would assess "a single aggregate penalty." The background and factual information for this determination is detailed in Attachment b-4.

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NOTICE OF ALLEGED VIOLATION AND PROPOSED PENALTY OR
SANCTION ISSUED FOR VIOLATIONS: WECC200901707; AND
WECC200901810

DATE: OR N/A

SETTLEMENT DISCUSSIONS COMMENCED

DATE: **1/12/10** OR N/A

NOTICE OF CONFIRMED VIOLATION ISSUED

DATE: OR N/A

SUPPLEMENTAL RECORD INFORMATION

DATE(S) OR N/A

REGISTERED ENTITY RESPONSE CONTESTED

FINDINGS PENALTY BOTH DID NOT CONTEST

HEARING REQUESTED

YES NO

DATE

OUTCOME

APPEAL REQUESTED

Disposition Document for BAL-002-0 R4

PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION

DISPOSITION OF VIOLATION

Dated March 11, 2011

NERC TRACKING NO. WECC200801492¹ REGIONAL ENTITY TRACKING NO. URE_WECC20081664

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
BAL-002-0	4		Medium ²	Severe

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

The purpose statement of BAL-002-0 provides:

The purpose of the Disturbance Control Standard (DCS) is to ensure the Balancing Authority is able to utilize its Contingency Reserve to balance resources and demand and return Interconnection frequency within defined limits following a Reportable Disturbance. Because generator failures are far more common than significant losses of load and because Contingency Reserve activation does not typically apply to the loss of load, the application of DCS is limited to the loss of supply and does not apply to the loss of load.

BAL-002-0 R4 provides:

R4. A Balancing Authority or Reserve Sharing Group shall meet the Disturbance Recovery Criterion within the Disturbance Recovery Period for 100% of Reportable Disturbances. The Disturbance Recovery Criterion is:

R4.1. A Balancing Authority shall return its ACE to zero if its ACE just prior to the Reportable Disturbance was positive or equal to zero. For negative initial ACE values just prior to the Disturbance, the Balancing Authority shall return ACE to its pre-Disturbance value.

¹ The violation was originally assigned a violation ID of WECC200800782 which was accidentally dismissed on July 30, 2009. The violation was then re-entered and assigned a violation ID of WECC200801492.

² BAL-002-0 R4 and R4.1 each have a “Medium” Violation Risk Factor (VRF) and R4.2 has a “<blank>” VRF.

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

R4.2. The default Disturbance Recovery Period is 15 minutes after the start of a Reportable Disturbance. This period may be adjusted to better suit the needs of an Interconnection based on analysis approved by the NERC Operating Committee.

VIOLATION DESCRIPTION

URE discovered this violation and self-reported it to WECC on April 2, 2008. URE was in violation of this Standard because its DCS score for the first quarter of 2008 was less than 100%. Specifically, URE failed to recover from a single DCS reportable event during the first quarter of 2008. URE's facility tripped, thereby dropping XMW. URE dispatched X MW of energy to recover the Area Control Error (ACE). Prior to the tripping of the facility, the ACE value for the URE's system was X, URE was required to return its ACE to this same value. X MW of the XMW generation dispatched by URE to recover its ACE was not loaded due to a software integration bug between URE dispatch software and URE's communication tool. The software integration bug between URE dispatch software and its communication tool for contingency dispatches provided an incorrect ramp start time to those generator operators who use an automated process interface (API) to process URE dispatches. Due to the incorrect start time, the generator's API flagged the dispatch as bad data. As a consequence, URE did not recover its ACE within the 15 minute period required by Requirement 4.2 of the Standard. For the Reportable Disturbance, URE lost X-MW and at the deadline of 15 minutes they were still short X MW. This results in a percent recovery of 91.24% which is close to the URE calculated value of 91.48%. The recovery percentage for this incident was 91.48%. The average percent recovery is the arithmetic average of all the Reportable Disturbances during a given quarter. The only Reportable Disturbance in all of the first Quarter of 2008 was the single event and this resulted in the average percent recovery for the quarter being the same value as the single event of 91.48%.

URE corrected the software integration bug as a part of its Mitigation Plan.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

WECC determined that the violation posed a minimal risk and did not pose a serious or substantial risk to the reliability of the bulk power system (BPS) because URE dispatched sufficient reserves to recover its ACE, which even with the software bug, resulted in a recovery percentage of 91.48%. URE had just missed recovering its ACE in the requirement set forth in the Standard. While URE did not meet Disturbance Recovery Criterion within the Disturbance Recovery period for 100% of Reportable Disturbances in the first quarter of 2008, it only had one Reportable Disturbance during this period.

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

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) (when the DCS reportable event occurred)

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY 4/2/08

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-08-1859
DATE SUBMITTED TO REGIONAL ENTITY	6/16/08³
DATE ACCEPTED BY REGIONAL ENTITY	7/17/08
DATE APPROVED BY NERC	8/13/09
DATE PROVIDED TO FERC	8/13/09

IDENTIFY AND EXPLAIN ALL PRIOR VERSIONS THAT WERE ACCEPTED OR REJECTED, IF APPLICABLE

URE submitted a Mitigation Plan to address this violation on April 2, 2008 with an expected completion date of July 31, 2008. The Mitigation Plan was accepted by WECC on April 23, 2008 and approved by NERC on September 4, 2008. The Mitigation Plan for this violation is designated as MIT-08-0733 and was submitted as non-public information to FERC on September 4, 2008 in accordance with FERC orders.

MITIGATION PLAN COMPLETED YES NO

³This is the submittal date of URE's Revised Mitigation Plan.

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

EXPECTED COMPLETION DATE **7/31/08**
EXTENSIONS GRANTED
ACTUAL COMPLETION DATE **7/31/08**

DATE OF CERTIFICATION LETTER (dated **7/31/08**) **8/6/08**
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **7/31/08**

DATE OF VERIFICATION LETTER **1/26/09**
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **7/31/08**

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT
RECURRENCE

URE implemented a software patch to correct the software integration bug between its dispatch software and communication tool. URE also increased its contingency reserve obligation for the second quarter of 2008 (offset by one month). BAL-002 states that the required increase in reserves shall be directly proportional to the non-compliance with the DCS in the preceding quarter. URE's recovery percentage was 91.48% in the first quarter of 2008 and so URE increased its reserves by 8.52%.

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

- **URE Internal Memorandum**
- **Work package demonstrating implementation of the software patch**
- **Operating Reserve Logs**
- **Screen shot of URE reserve monitor reflecting implementation of the increased reserve obligation**

EXHIBITS:

SOURCE DOCUMENT

URE's Compliance Violation Self-Reporting Form reported date April 2, 2008

MITIGATION PLAN

URE's Revised Mitigation Plan MIT-08-1859 submitted June 16, 2008

CERTIFICATION BY REGISTERED ENTITY

URE's Mitigation Plan Completion Form submitted July 31, 2008

VERIFICATION BY REGIONAL ENTITY

WECC's Certification of Completion Response Letter dated January 26, 2009

Disposition Document for BAL-004-0 R3

PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION

DISPOSITION OF VIOLATION

Dated March 11, 2011

NERC TRACKING NO. WECC200901786 REGIONAL ENTITY TRACKING NO. URE_WECC20091988

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
BAL-004-0	3		Lower¹	Lower

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

The purpose statement of BAL-004-0 provides: “The purpose of this standard is to ensure that Time Error Corrections are conducted in a manner that does not adversely affect the reliability of the Interconnection.”

BAL-004-0 R3 provides:

R3. Each Balancing Authority, when requested, shall participate in a Time Error Correction by one of the following methods:

R3.1. The Balancing Authority shall offset its frequency schedule by 0.02 Hertz, leaving the Frequency Bias Setting normal; or

R3.2. The Balancing Authority shall offset its Net Interchange Schedule (MW) by an amount equal to the computed bias contribution during a 0.02 Hertz Frequency Deviation (i.e. 20% of the Frequency Bias Setting).

VIOLATION DESCRIPTION

URE discovered this violation and self-reported it to WECC 6 days later. On the date of the violation, the WECC Reliability Coordinator (RC) called for a fast Time Error (TE) correction to commence at 14:30. The fast TE correction requires Balancing Authorities within the Western Interconnection to adjust their scheduled frequency from 60.00 Hz down to 59.98 Hz. The accumulated TE amount at the time was 5.302 seconds. As required, URE set its scheduled frequency to 59.98 Hz at 14:30. This was accomplished by changing the scheduled frequency in the

¹ BAL-004-0 R3 has a “Medium” VRF and R3.1 and R3.2 each have a “Lower” VRF.

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

Energy Management System (EMS). The entry screen requires a start and end time to be entered. URE set the start time at 14:30 and set an end time of 20:00 with the understanding that the end time would be extended when 20:00 was reached. URE did not extend the end-time and the system reverted to the 60.00Hz automatically. At 21:20, the WECC RC contacted URE inquiring why URE’s scheduled frequency was 60.00 Hz while the Interconnection was in a fast TE correction. URE informed the WECC RC that the scheduled frequency would be immediately returned to 59.98 Hz and within a minute of the conversation, the scheduled frequency was changed correcting the issue. The cause of the violation was that URE failed to extend its scheduled frequency setting in its EMS beyond 20:00. Consequently, the scheduled frequency returned to 60 Hz at 20:00 and was not corrected until the WECC RC contacted URE at 21:20. At 23:00, the fast TE correction was ended by the WECC RC. WECC Enforcement reviewed URE’s self-report and the findings of the WECC subject matter experts and determined that URE had a violation of this Standard because URE failed to continue participating in a TE correction by leaving the frequency schedule offset by 0.02 Hz until the TE correction was ended by the Reliability Coordinator.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

WECC determined that the violation posed a minimal risk and did not pose a serious or substantial risk to the reliability of the bulk power system (BPS) because at 20:00, the Interconnection is within the evening peak period and, as such, would generally have a tendency to reduce fast TE. This is unlike what happens at minimum load periods, when the natural tendency would be to increase fast TE. The TE amount at 20:00 for the Western Interconnection was approximately 1.19 seconds. At 21:20, the TE amount was .64 seconds.

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) the day of the event at 20:00 (when the scheduled frequency returned to 60.00 Hz) through 21:20 (when the scheduled frequency was returned to 59.98 Hz)

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY **11/20/09**, and
revised on **11/24/09**.

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

III. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO. **MIT-09-2261**
DATE SUBMITTED TO REGIONAL ENTITY **(dated 12/23/09) 12/29/09**
DATE ACCEPTED BY REGIONAL ENTITY **1/5/10**
DATE APPROVED BY NERC **1/13/10**
DATE PROVIDED TO FERC **1/13/10**

IDENTIFY AND EXPLAIN ALL PRIOR VERSIONS THAT WERE ACCEPTED OR
REJECTED, IF APPLICABLE

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE **Submitted as complete**
EXTENSIONS GRANTED
ACTUAL COMPLETION DATE **12/22/09**

DATE OF CERTIFICATION LETTER **12/29/09**
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **12/22/09**

DATE OF VERIFICATION LETTER **1/11/10**
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **12/22/09**

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT
RECURRENCE

URE revised its shift turnover checklist to improve communications and also developed a desk-top procedure addressing time error corrections to provide guidance on time error corrections to eliminate confusion regarding when a time error correction is scheduled to end.

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED 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, LIST EVIDENCE
REVIEWED FOR COMPLETED MILESTONES)

- **URE revised turnover checklist**
- **URE desk-top procedure**

EXHIBITS:

SOURCE DOCUMENT

URE's Revised Self-Reporting Form submitted November 24, 2009

MITIGATION PLAN

URE's Mitigation Plan MIT-09-2261 submitted December 23, 2009

CERTIFICATION BY REGISTERED ENTITY

**URE's Certification of Mitigation Plan Completion Form submitted
December 29, 2009**

VERIFICATION BY REGIONAL ENTITY

**WECC's Notice of Completed Mitigation Plan Acceptance dated January 11,
2010**

Disposition Document for CIP-004-1 R2 and R3

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

DISPOSITION OF VIOLATION

Dated March 11, 2011

NERC TRACKING NO.	REGIONAL ENTITY TRACKING NO.
WECC200901707	URE_WECC20091882
WECC200801177	URE_WECC20081284

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
CIP-004-1	2		Lower¹	N/A²
CIP-004-1	3		Lower³	N/A

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

The purpose statement of CIP-004-1 provides in pertinent part: “Standard CIP-004 requires that personnel having authorized cyber or authorized unescorted physical access to Critical Cyber Assets, 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 and R3 provides:

R2. Training — The Responsible Entity^[4] shall establish, maintain, and document an annual cyber security training program for

¹ CIP-004-1 R2, R2.2.1, R2.2.2, R2.2.3 and R2.3 each have a “Lower” Violation Risk Factor (VRF); R2.1, R2.2 and R2.2.4 each have a “Medium” VRF. When NERC filed VRFs it originally assigned CIP-004-1 R2.1 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-004-1 R2.1 was in effect from June 18, 2007 until January 27, 2009, when the “Medium” VRF became effective.

² At the time of the violations, 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 CIP-004-1 R3 has a “Medium” VRF; R3.1, R3.2 and R3.3 each have a “Lower” VRF. When NERC filed VRFs it originally assigned CIP-004-1 R3 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-004-1 R3 was in effect from June 18, 2007 until January 27, 2009, when the “Medium” VRF became effective.

⁴ Within the text of Standard CIP-004, “Responsible Entity” shall mean Reliability Coordinator, Balancing Authority, Interchange Authority, Transmission Service Provider, Transmission Owner, Transmission

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

personnel having authorized cyber or authorized unescorted physical access to Critical Cyber Assets, and review the program annually and update as necessary.

R2.1. This program will ensure that all personnel having such access to Critical Cyber Assets, including contractors and service vendors, are trained within ninety calendar days of such authorization.

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

R2.2.1. The proper use of Critical Cyber Assets;

R2.2.2. Physical and electronic access controls to Critical Cyber Assets;

R2.2.3. The proper handling of Critical Cyber Asset information; and,

R2.2.4. Action plans and procedures to recover or re-establish Critical Cyber Assets and access thereto following a Cyber Security Incident.

R2.3. The Responsible Entity shall maintain documentation that training is conducted at least annually, including the date the training was completed and attendance records.

R3. Personnel Risk Assessment —The Responsible Entity shall have a documented personnel risk assessment program, in accordance with federal, state, provincial, and local laws, and subject to existing collective bargaining unit agreements, for personnel having authorized cyber or authorized unescorted physical access. A personnel risk assessment shall be conducted pursuant to that program within thirty days of such personnel being granted such access. Such program shall at a minimum include:

R3.1. The Responsible Entity shall ensure that each assessment conducted include, at least, identity verification (e.g., Social Security Number verification in the U.S.) and seven year

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

criminal check. The Responsible Entity may conduct more detailed reviews, as permitted by law and subject to existing collective bargaining unit agreements, depending upon the criticality of the position.

R3.2. The Responsible Entity shall update each personnel risk assessment at least every seven years after the initial personnel risk assessment or for cause.

R3.3. The Responsible Entity shall document the results of personnel risk assessments of its personnel having authorized cyber or authorized unescorted physical access to Critical Cyber Assets, and that personnel risk assessments of contractor and service vendor personnel with such access are conducted pursuant to Standard CIP-004.

(Footnote added.)

VIOLATION DESCRIPTION

WECC200901707 CIP-004-1 R2:

URE discovered this violation and self-reported it to WECC three days later. URE stated that it conducted a review of its Critical Cyber Assets (CCAs) access records. URE uncovered one potential training violation.⁵ URE stated that an employee was originally granted access on June 22, 2008 and received initial training within the required 90-day period on June 20, 2008. This individual then had authorized access revoked on November 23, 2008, and re-authorized on July 1, 2009. Upon re-authorization of access, this individual did not receive the annual update training required by Requirement 2.3. This individual received the required annual update training on October 9, 2009. URE did a 100% sampling of its employees who have CCA access and compared that to the CCA training records. URE found that, out of the 595 instances of required training that were reviewed only one involved tardy training completion.

WECC200801177 CIP-004-1 R3:

URE discovered this violation on August 5, 2008 and self-reported it to WECC on August 12, 2008. URE reviewed its records documenting background check investigations for employees with access to CCAs. These documents suggested that there were documentation errors in four background investigation reports. This review showed that out of X employees, including contractors, with access to CCAs,

⁵ The Self-Report also listed a second violation involving one employee. Further investigation determined that while this employee had read-only access to data generated by CCAs, this individual had no actual physical or logical access to CCAs. The reason for the erroneous record of access was a lack of precision in the formulation of the query which generated the training report as part of the spot check preparation. URE has withdrawn the report of the second violation.

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

one employee failed to receive a background check when hired. URE’s review showed that background checks for X employees had not been completed within the seven year period required by the Standard.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

WECC200901707 CIP-004-1 R2:

WECC determined that the violation posed a minimal risk and did not pose a serious or substantial risk to the reliability of the bulk power system (BPS) because URE had performed training as required in all but one instance of required training. In addition, the individual involved had previously received required training and was only in violation for failure to receive updated training. The small scope of this violation, in concert with the strong security culture observed at URE, mitigated the potential risk to the BPS.

WECC200801177 CIP-004-1 R3:

WECC determined that the violation posed a minimal risk and did not pose a serious or substantial risk to the reliability of the BPS because URE did have a personnel risk assessment program in place at the time of the violation and there was only one URE employee who did not receive a proper personnel risk assessment. In addition, URE only failed to update three personnel risk assessments within the seven years required by the Standard. When URE performed the proper personnel risk assessments for these four employees, all four had clean criminal records and clear background checks. The small scope of this violation, in concert with the strong security culture observed at URE, mitigated the potential risk to the BPS.

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)

WECC200901707 CIP-004-1 R2: 7/20/09 (expiration of 13 months from the day the employee was originally trained) through 10/9/09 (training was performed)

WECC200801177 CIP-004-1 R3: 7/1/08 (when the Standard became mandatory and enforceable) through 8/12/09 (Mitigation Plan completion)

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY

WECC200901707 CIP-004-1 R2: Self-Report

WECC200801177 CIP-004-1 R3: Self-Report

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

WECC200901707 CIP-004-1 R2:

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO. **MIT-08-2195**
DATE SUBMITTED TO REGIONAL ENTITY **11/20/09⁶**
DATE ACCEPTED BY REGIONAL ENTITY **12/11/09**
DATE APPROVED BY NERC **12/28/09**
DATE PROVIDED TO FERC **12/28/09**

IDENTIFY AND EXPLAIN ALL PRIOR VERSIONS THAT WERE ACCEPTED OR REJECTED, IF APPLICABLE

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE **2/15/10**
EXTENSIONS GRANTED
ACTUAL COMPLETION DATE **2/12/10**

DATE OF CERTIFICATION LETTER **2/12/10**
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **2/12/10**

DATE OF VERIFICATION LETTER **9/10/10**
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **2/12/10**

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

After discovering that one employee had missed the training deadline, URE had that employee take the training immediately. URE developed a more

⁶ The Mitigation Plan was signed on November 16, 2009.

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

stringent process for training personnel with CCA access. This process includes a program for providing CCA access training to all new employees as part of new hire orientation and providing annual CCA training to all employees during the same predetermined period every year.

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

- **Spreadsheet containing the training records for new hires in the last two quarters**
- **Spreadsheet containing the training records for existing employees in the last two quarters Five employee records; screen shots of URE’s internal tracking system**
- **Copy of employee in question’s training certificate**

WECC200801177 CIP-004-1 R3:

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO.	MIT-08-1209
DATE SUBMITTED TO REGIONAL ENTITY	8/12/08
DATE ACCEPTED BY REGIONAL ENTITY	8/19/08
DATE APPROVED BY NERC	1/6/09
DATE PROVIDED TO FERC	1/6/09

IDENTIFY AND EXPLAIN ALL PRIOR VERSIONS THAT WERE ACCEPTED OR REJECTED, IF APPLICABLE

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE **Submitted as complete**

EXTENSIONS GRANTED

ACTUAL COMPLETION DATE **8/12/08**

DATE OF CERTIFICATION LETTER **8/12/08⁷**

CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **8/12/08**

DATE OF VERIFICATION LETTER **8/28/09**

VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **8/12/08**

⁷ The Mitigation Plan serves as the Certification of Mitigation Plan Completion. URE provided evidence to demonstrate completion on June 26, 2009 and July 11, 2009.

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT
RECURRENCE

URE (1) reviewed all background checks on file to ensure no other discrepancies existed; (2) completed new background checks for the four employees in question; (3) established a tickler system for background checks at seven year intervals; (4) modified its processes so that when access is added for an employee who previously did not have access, a manual validation of the background check is performed; and (5) modified its processes so that every two weeks a report is run that compares the list of employees with access to CCAs to training and personnel risk assessment records.

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

- **Certification regarding the completion of a full review of all background checks and the four specific background checks in question**
- **Copies of the redacted background checks**
- **Report containing a list of employees due for a 7 year background check which is to be generated on a monthly basis**
- **Sample screenshot of the ticket that is generated by Human Resources and forwarded to security requesting that a background check be performed**
- **Screenshot of the Human Resources database where the background check dates are logged**
- **Process map describing the URE process to manage personnel screening**
- **Sample screenshot of the ticket showing “verified current background check”**
- **Report showing the list of employees with access to CCAs**

EXHIBITS:

WECC200901707 CIP-004-1 R2:

SOURCE DOCUMENT

URE’s Self-Reporting Form submitted October 12, 2009

MITIGATION PLAN

URE’s Mitigation Plan MIT-08-2195 submitted November 20, 2008

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

CERTIFICATION BY REGISTERED ENTITY

URE's Certification of Mitigation Plan Completion Form dated February 12, 2010

VERIFICATION BY REGIONAL ENTITY

WECC's Notice of Completed Mitigation Plan Acceptance dated September 10, 2010

WECC200801177 CIP-004-1 R3:

SOURCE DOCUMENT

URE's Compliance Violation Self-Reporting Form reported date August 12, 2008

MITIGATION PLAN AND CERTIFICATION BY REGISTERED ENTITY
CONTAINED THEREIN

URE's Mitigation Plan MIT-08-1209 submitted August 12, 2008

VERIFICATION BY REGIONAL ENTITY

WECC's Certification of Completion Response Letter dated August 28, 2009

Disposition Document for IRO-005-2 R13 and TOP-008-1 R2

PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION

DISPOSITION OF VIOLATION

Dated March 11, 2011

NERC TRACKING NO.	REGIONAL ENTITY TRACKING NO.
WECC200901810	URE_WECC20092038
WECC200901420	URE_WECC20091592

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
IRO-005-2	13		N/A¹	Severe²
TOP-008-1	2		High	Moderate

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

The purpose statement of IRO-005-2 provides: “The Reliability Coordinator must be continuously aware of conditions within its Reliability Coordinator Area and include this information in its reliability assessments. The Reliability Coordinator must monitor Bulk Electric System parameters that may have significant impacts upon the Reliability Coordinator Area and neighboring Reliability Coordinator Areas.”

IRO-005-2 R13 provides:

R13. Each Reliability Coordinator shall ensure that all Transmission Operators, Balancing Authorities, Generator Operators, Transmission Service Providers, Load-Serving Entities, and Purchasing-Selling Entities operate to prevent the likelihood that a disturbance, action, or non-action in its Reliability Coordinator Area will result in a SOL or IROL violation in another area of the Interconnection. In instances where there is a difference in derived limits, the Reliability Coordinator and its Transmission Operators, Balancing Authorities, Generator Operators, Transmission Service Providers, Load-Serving Entities, and Purchasing-Selling Entities shall always operate the Bulk Electric System to the most limiting parameter.

¹ This violation did not have a VRF according to the NERC VRF Matrix of October 21, 2009. The current VRF Matrix lists a “High” VRF for violations of this Standard.

² The only VSL option in the NERC VSL Matrix is “Severe” for violations of this Standard.

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

The purpose statement of TOP-008-1 provides: “To ensure Transmission Operators take actions to mitigate SOL and IROL violations.”

TOP-008-1 R2 provides:

R2. Each Transmission Operator shall operate to prevent the likelihood that a disturbance, action, or inaction will result in an IROL or SOL violation in its area or another area of the Interconnection. In instances where there is a difference in derived operating limits, the Transmission Operator shall always operate the Bulk Electric System to the most limiting parameter.

VIOLATIONS DESCRIPTION

WECC considered the IRO-005-2 R13 and TOP-008-1 R2 violations to be caused by a single incident of non-compliance and determined that a single aggregate penalty for both was appropriate.³

The violation of NERC Standard IRO-005-2 R13 was discovered during an onsite Compliance Audit of URE performed by WECC. The violation of IRO-005-2 R13 resulted from the same actions that caused URE’s violation of the identical requirement in NERC Standard TOP-008-1 R2, which URE had previously self-reported to WECC.

After reviewing URE’s self-report regarding TOP-008-1 R2, the Audit Team determined that URE was in violation of both TOP-008-1 R2 and IRO-005-2 R13 because URE operated a portion of the line to a different limit than the one calculated by an unaffiliated Transmission Operator. As a consequence, the most limiting system operating limit (SOL) on URE’s line was exceeded for 25 minutes. The Audit Team found that an unaffiliated Transmission Operator and URE had two different ratings for the portion of the line. URE noticed the discrepancy in the SOL but attributed it to a software-related problem and assumed that the higher SOL computed by the unaffiliated Transmission Operator was correct. The Standards require that, when there is a difference in derived limits, the Transmission Operator shall always operate to the most limiting parameter. Thus, URE was required to operate this path at what URE calculated to be the most limiting parameter, even though it believed the unaffiliated Transmission Operator’s value to be correct.

The line limit was exceeded. At the 20 minute time limit for recovery, the line was still loaded 65 MW over the most limiting SOL. URE was in violation of this

³ WECC exercised its discretion under Section 3.10 of the NERC Sanction Guidelines to address these violations as “related to a single act or common incidence of non-compliance” for which WECC would assess “a single aggregate penalty.”

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

Standard because the most limiting SOL on URE’s line was exceeded for 25 minutes.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

WECC determined that the violations posed a moderate risk and did not pose a serious or substantial risk to the reliability of the bulk power system (BPS) because SOLs are set conservatively and URE was operating at the unaffiliated Transmission Operator’s line rating. WECC determined there was a moderate risk because this path is a critical transmission path, but the line rating was exceeded by only 65 MW and was within the unaffiliated Transmission Operator’s rating.

II. DISCOVERY INFORMATION

METHOD OF DISCOVERY

SELF-REPORT	TOP-008-1 R2	<input checked="" type="checkbox"/>
SELF-CERTIFICATION		<input type="checkbox"/>
COMPLIANCE AUDIT	IRO-005-2 R13	<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) Twenty-Five minutes

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY

WECC200901810 IRO-005-2 R13:	Audit
WECC200901420 TOP-008-1 R2:	Self-Report

IS THE VIOLATION STILL OCCURRING	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>
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"/>

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

III. MITIGATION INFORMATION

WECC200901810 IRO-005-2 R13:

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO.	MIT-09-2604
DATE SUBMITTED TO REGIONAL ENTITY	1/20/10
DATE ACCEPTED BY REGIONAL ENTITY	6/9/10
DATE APPROVED BY NERC	7/6/10
DATE PROVIDED TO FERC	7/6/10

IDENTIFY AND EXPLAIN ALL PRIOR VERSIONS THAT WERE ACCEPTED OR REJECTED, IF APPLICABLE

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE **Submitted as complete**
EXTENSIONS GRANTED
ACTUAL COMPLETION DATE **12/15/09**

DATE OF CERTIFICATION LETTER	1/20/10
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF	12/15/09

DATE OF VERIFICATION LETTER	6/15/10
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF	12/15/09

WECC200901420 TOP-008-1 R2:

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO.	MIT-09-2028
DATE SUBMITTED TO REGIONAL ENTITY	6/19/09
DATE ACCEPTED BY REGIONAL ENTITY	10/7/09
DATE APPROVED BY NERC	10/13/09
DATE PROVIDED TO FERC	10/13/09

IDENTIFY AND EXPLAIN ALL PRIOR VERSIONS THAT WERE ACCEPTED OR REJECTED, IF APPLICABLE

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE **8/31/09**
EXTENSIONS GRANTED
ACTUAL COMPLETION DATE **8/31/09⁴**

⁴ Page 1 of the Mitigation Plan incorrectly states that the date of Mitigation Plan completion was December 15, 2009.

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

DATE OF CERTIFICATION LETTER **8/31/09**
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **8/31/09**

DATE OF VERIFICATION LETTER **11/6/09**
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **8/31/09**

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT
RECURRENCE⁵

URE (1) disseminated to the operators the circumstances of the violation and emphasized operating to the most restrictive limit, (2) disseminated a reminder to the operators to always operate to the most limiting parameter which is now posted in the entrance area to the control center, and (3) reviewed actions of personnel associated with this event and applied individual corrective action as appropriate.

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

- **URE provided WECC with copies of the reminder wall posters that were posted in URE's control room**
- **Memorandum and training listing all real-time operating personnel who received training where they were informed to operate to the most restrictive limit**
- **Signed officer certification stating that discipline has been imposed against one or more employees due to conduct related to the incident**

EXHIBITS:

WECC200901810 IRO-005-2 R13:

SOURCE DOCUMENT

WECC's Regional Determination of Alleged Violation Summary

MITIGATION PLAN

URE's Mitigation Plan MIT-09-2604 submitted January 20, 2010

CERTIFICATION BY REGISTERED ENTITY

URE's Certification of Mitigation Plan Completion Form submitted January 20, 2010

VERIFICATION BY REGIONAL ENTITY

WECC's Notice of Mitigation Plan and Completed Mitigation Plan Acceptance dated June 15, 2010

⁵ The Mitigation Plans for IRO-005-2 R13 and TOP-008-1 R2 are identical.

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

WECC200901420 TOP-008-1 R2:

SOURCE DOCUMENT

URE's Compliance Violation Self-Reporting Form

MITIGATION PLAN

URE's Mitigation Plan MIT-09-2028 submitted June 19, 2009

CERTIFICATION BY REGISTERED ENTITY

URE's Certification of Mitigation Plan Completion Form submitted August 31, 2009

VERIFICATION BY REGIONAL ENTITY

WECC's Certification of Completion Response Letter dated November 6, 2009

Disposition Document for IRO-STD-006-0 WR1

PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION

DISPOSITION OF VIOLATION

Dated March 11, 2011

NERC TRACKING NO. WECC200901787 REGIONAL ENTITY TRACKING NO. URE_WECC20091989

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
IRO-STD-006-0	WR1		N/A¹	N/A

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

The purpose statement of IRO-STD-006-0 provides: “Mitigation of transmission overloads due to unscheduled line flow on Qualified Paths.”

IRO-STD-006-0 WR1 provides:

WR1. Curtailment of Contributing Schedules

WECC’s Unscheduled Flow Mitigation Plan (Plan), which is on file with FERC and has been accepted by FERC (most recently prior to the date hereof on November 20, 2001 in Docket No. ER01-3085-000),² specifies that members³ shall comply with requests from (Qualified) Transfer Path Operators to take actions that will reduce unscheduled flow on the Qualified Path in accordance with the table entitled “WECC Unscheduled Flow Procedure Summary of Curtailment Actions,” which is located in Attachment 1 of the Plan.

Plan Section 11:

11.1 When USF Accommodation, as specified in Section 7, together with coordinated operation of the Qualified Controllable Devices, as specified in Section 9, are insufficient to reduce the Actual Flow on the Qualified Transfer Path to

¹ The penalty for the IRO-STD-006-0 WR1 violation is determined by the Sanction Table set forth as part of the Standard. This Sanction Table uses the Level of Noncompliance, the Number of Occurrences, and the MW of Sanction Measure to set a penalty or sanction.

² Capitalized terms used in this section, unless separately defined in this standard, shall have the meaning specified in the Plan.

³ Reliability Standard will apply to all Responsible Entities within the Western Interconnection.

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HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

below the Transfer Limit, the Transfer Path Operator shall request curtailments in Schedules that contribute to the USF through the Qualified Transfer Path according to the USF Reduction Procedure.

11.2 Responsible Entities shall comply in a timely manner with a Transfer Path Operator's request for Schedule Curtailments.

Plan Attachment 1 Section 9:

“h. Upon receipt of a curtailment request, Contributing Schedules which are subject to curtailments will be reduced (or equivalent alternative schedule adjustments will be effected) in accordance with the following procedures:

i. Receivers of Contributing Schedules will initiate the requested schedule reductions unless an otherwise agreed upon procedure for schedule reduction achieving the equivalent effect on the Qualified Transfer Path is established by the Receiver and/or the Sender.

ii. Responsible Entities may arrange among themselves to make curtailments called for by this USF Reduction Procedure in a manner other than prescribed provided that the arrangements are as effective as the identified schedule curtailment in reducing USF across the Qualified Transfer Path. Responsible Entities may make bilateral arrangements, which will enable a Responsible Entity with schedules on the affected Qualified Transfer Path to make the required curtailments in lieu of making larger curtailments in schedules over other parallel paths. Where alternative schedule adjustments are utilized, it is the Receiver's responsibility to cause schedule adjustments to be effected which provide the same reduction in flow across the Qualified Transfer Path as would have been achieved by the prescribed reduction in the Contributing Schedule.

iii. The total amount of requested schedule reduction may be apportioned to the applicable schedules at the discretion of the Receiver subject to item iv below.

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iv. Irrespective of the schedules altered or the manner in which they are altered, each Responsible Entity's overall net reduction in Actual Flow across the constrained Qualified Transfer Path must be equivalent to or greater than the reduction which would have been achieved had the identified schedule reduction occurred as requested.

v. System dispatchers or real-time schedulers should identify in advance those schedules that qualify for curtailment requests for all Qualified Transfer Paths. This will expedite implementation of this USF Reduction Procedure when requested.

vi. While this USF Reduction Procedure does not expect receivers to curtail schedules which would result in loss of firm load, nothing in this USF Reduction Procedure shall relieve the receiver of the obligation to achieve the required reduction in USF across the constrained Qualified Transfer Path.”

Contributing Schedule curtailments apply to schedules in place before initiation of the USF Procedure at Step 4 (First level Contributing Schedule Curtailment) or higher step. At the time a Step 4 Level 1 USF Action or higher step is initiated, Schedules are established by the existence of an “Implemented” NERC Transaction Tag.

Restricted Transactions

After the USF Event is declared, a transaction with greater than a 5% Transfer Distribution Factor (TDF) on the Qualified Path in the qualified direction will be considered a “Restricted Transaction.” Changes to Restricted Transactions, other than the specific curtailments used to comply with relief obligations, cannot be made unless some alternative action is taken to compensate for the full impact on the Qualified Path. This applies to: New transaction, and Extensions or Adjustments to existing transaction.”

If two or more Qualified Paths become simultaneously constrained to the point where the curtailment of contributing schedules is necessary, schedule curtailments which relieve USF on one path but increase USF on any other curtailed path shall not be made, unless specific procedures or methods are provided to address this condition. The entity shall be

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

compliant with this standard although the required curtailments were not made.

(Footnotes in original)

VIOLATION DESCRIPTION

URE discovered this violation and self-reported it to WECC. URE stated that, an unaffiliated Transmission Operator declared an USF Event on a line for Step 3 at 11:00 and then increased it to Step 4 at 12:20. URE had an obligation to provide 12.1 MW of relief by curtailing two pre-existing transactions and a “Restricted Transaction” which was created after the start of the USF Event. URE initiated curtailments of the two existing transactions which provided partial relief of 4.2 MW. WECC Subject Matter Experts (SMEs) determined that the 75 MW tag was a “Restricted Transaction” because it was created after the initial start of the USF Event and because it had a Transfer Distribution Factor (TDF) of 13.0%, greater than 5 percent. According to URE, the interface did not clearly display the MW curtailment amounts for “post event” tags and, thus, this tag was not cut. The SMEs further determined that URE should have curtailed the transaction completely or should have taken another alternate action to relieve the full amount of flow. WECC SMEs determined that URE failed to adequately curtail the Restricted Transaction or provide equivalent relief through an alternative action to provide the additional 7.9 MW of relief. This incident resulted from the Real-Time Scheduler misinterpreting the information and not making the proper curtailment because of human error and deficiencies within the program. WECC Enforcement reviewed the self-report and the WECC SMEs’ findings and determined that URE has a violation of this standard because it failed to take actions that would reduce USF. Specifically, URE failed to provide the full amount of required relief by curtailing a Restriction Transaction or by taking alternate actions to compensate.

In assessing penalties for this violation, WECC relied on the Sanction Table set forth as part of the Standard. This Sanction Table uses the Level of Noncompliance, the Number of Occurrences, and the MW of Sanction Measure to set a penalty or sanction.⁴

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

WECC determined that the violation posed a minimal risk and did not pose a serious or substantial risk to the reliability of the bulk power system (BPS) because the amount of flow increase on the line for this violation was less than 1 percent of the line rating. In addition, the transmission operator continued to have the option of curtailing transactions that were directly scheduled on the line to reduce loading

⁴ The sanction for the IRO-STD-006-0 WR1 violation is a letter to URE’s Chief Executive Officer informing URE of noncompliance with copies to NERC, the WECC Member Representative, and the WECC Operating Committee Representative.

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

in the event of an imminent overload. Although widespread failure to comply with this Standard could pose a risk to the BPS, the actual impact of a violation of this Standard depends upon how much an entity actually contributes to flow on the potentially overloaded line and what other resources the line operator has available to mitigate potential overloads of the transmission system. This violation did not result in an overload of the transmission system. The USF Step 6 level is only the second level of a possible four levels of Contributing Schedule Reductions (curtailments). Because of the small amount to be curtailed on the line, there was no measurable impact on the BPS.

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) (during the course of the USF Event on the path)

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY **Self-Reported**

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-09-2262
DATE SUBMITTED TO REGIONAL ENTITY	12/18/09
DATE ACCEPTED BY REGIONAL ENTITY	1/6/10
DATE APPROVED BY NERC	1/13/10
DATE PROVIDED TO FERC	1/13/10

IDENTIFY AND EXPLAIN ALL PRIOR VERSIONS THAT WERE ACCEPTED OR REJECTED, IF APPLICABLE

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE **2/12/10**

EXTENSIONS GRANTED **4/30/10**

ACTUAL COMPLETION DATE **4/23/10**

DATE OF CERTIFICATION LETTER **4/27/10**

CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **4/23/10**

DATE OF VERIFICATION LETTER **6/18/10**

VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **4/23/10**

**ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT
RECURRENCE**

URE provided written process guidelines to the real-time and after-the-fact schedulers, followed by a procedural review and update of URE’s USF-related processes. URE reviewed its Operating Procedure regarding USF for potential improvements. URE reviewed the incident with each individual real-time scheduler to highlight functionality issues after a USF event initiation, and developed and delivered a comprehensive USF implementation and management training schedule for all URE real-time operators and after-the-fact schedulers including immediate event review.

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

- **URE USF real-time scheduler procedure**
- **URE updated USF operating procedures**
- **URE training lesson plan**
- **Training records for all required training.**

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

EXHIBITS:

SOURCE DOCUMENT
URE's Self-Reporting Form

MITIGATION PLAN
URE's Mitigation Plan MIT-09-2262 submitted December 18, 2009

CERTIFICATION BY REGISTERED ENTITY
URE's Certification of Mitigation Plan Completion Form submitted April 27, 2010

VERIFICATION BY REGIONAL ENTITY
WECC's Notice of Completed Mitigation Plan Acceptance dated June 18, 2010

Disposition Document for PER-002-0 R4

PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION

DISPOSITION OF VIOLATION

Dated March 11, 2011

NERC TRACKING NO. WECC200901809 REGIONAL ENTITY TRACKING NO. URE_WECC20092037

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
PER-002-0	4		High	Lower

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

The purpose statement of PER-002-0 provides: “Each Transmission Operator and Balancing Authority must provide their personnel with a coordinated training program that will ensure reliable system operation.”

PER-002-0 R4 provides: “For personnel identified in Requirement R2, each Transmission Operator and Balancing Authority shall provide its operating personnel at least five days per year of training and drills using realistic simulations of system emergencies, in addition to other training required to maintain qualified operating personnel.”¹

VIOLATION DESCRIPTION

This violation was discovered during an on-site Compliance Audit performed by WECC. The Audit Team determined that 32 hours of training contact time is equivalent to “five days.”² In addition, the Audit Team found that URE has a training program that identified personnel required to be trained in accordance with PER-002-0. Transmission Operators are specifically included in URE’s Training Program and are thus required to be provided 32 hours of training per

¹ PER-002-0 R2 provides:

R2. Each Transmission Operator and Balancing Authority shall have a training program for all operating personnel that are in:

R2.1. Positions that have the primary responsibility, either directly or through communications with others, for the real-time operation of the interconnected Bulk Electric System.

R2.2. Positions directly responsible for complying with NERC standards.

² See NERC Standard PER-002-0 Requirement 4 “...shall provide its operating personnel at least five days per year of training and drills...”

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

year related to system emergencies. The Audit Team determined that URE had a violation of this Standard because URE failed to completely implement its training program by failing to provide 32 hours of emergency training to one Transmission Operator for the year 2007.

URE creates a new training plan each year. All versions of the training plan used during the audit period were requested and reviewed by the Audit Team. The 2007 training plan identifies training required for real time operations which incorporates Shift Supervisor, Generation, Transmission and Real Time Scheduling positions. In addition, the 2007 training plan specifies a minimum of 32 hours of emergency operations training to be developed. Finally, the 2007 training plan specifies that the workshop training sessions will provide a minimum of 32 hours training on Emergency Operations. URE also provided to the Audit Team detailed training records for their operations personnel for training conducted during 2007 in a document. The Audit Team conducted a review of the training records provided and noted the records indicated that all operators had received greater than 32 hours of emergency operations training courses. It was noted that, in several cases, training courses had a “No Show” or “Fail” indicated in the Grade column of the document. These “Failed” or “No Show” courses were still included in the total number of training hours. The Audit Team performed a more detailed evaluation of operator training records where either “Failed” or “No Show” hours were indicated and determined that there were two operators who would have less than 32 hours of Emergency Training if the “Failed” or “No Show” hours were removed from the totals.

An interview was held with URE personnel to discuss the incorrect totals included in the records and request explanation of the training deficiencies noted for the two personnel. URE personnel stated that the vendor for their training data base in 2007 did not take Continuing Education Hours (CEH) to zero when an operator failed or did not appear for a learning activity. URE personnel stated that URE had identified this issue and worked with the vendor to get it fixed so that beginning in 2008, reports would display the correct CEH totals. As for the operators that still seemed to be short 32 CEHs in 2007, URE requested more time to review the records. The Audit Team agreed to allow URE to research the circumstances and to provide any additional documentation that additional Emergency Operations training was conducted for these operators.

URE provided additional documentation of attendance at training sessions for one of the two operators. This documentation demonstrated that the 32 hours of required training was satisfied for one operator. URE stated they did not have additional documentation of emergency training or simulation for the other operator. URE agreed that only 30.5 hours of emergency training was provided to that operator during 2007.

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

WECC Enforcement reviewed the audit findings and determined that URE had a violation of this Standard because one operator was deficient 1.5 hours of required training in 2007.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

WECC determined that the violation posed a minimal risk and did not pose a serious or substantial risk to the reliability of the bulk power system (BPS) because this operator was an experienced transmission operator and had received all but 1.5 hours of the required annual training. URE normally operates with three qualified transmission operators on shift at the same time which means whenever this single employee was on shift, there were at least two other individuals who had received all of the required training on shift as well.

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) 6/18/07 (when the Standard became mandatory and enforceable) through 12/31/07 (end of the 2007 calendar year)³

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY Audit

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

³ The source document incorrectly states that the violation began on December 31, 2007.

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

III. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO.	MIT-07-2363
DATE SUBMITTED TO REGIONAL ENTITY	2/18/10
DATE ACCEPTED BY REGIONAL ENTITY	2/23/10
DATE APPROVED BY NERC	3/10/10
DATE PROVIDED TO FERC	3/10/10

IDENTIFY AND EXPLAIN ALL PRIOR VERSIONS THAT WERE ACCEPTED OR REJECTED, IF APPLICABLE

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE **Submitted as complete**
EXTENSIONS GRANTED
ACTUAL COMPLETION DATE **3/31/08**

DATE OF CERTIFICATION LETTER	2/25/10
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF	3/31/08

DATE OF VERIFICATION LETTER	4/1/10
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF	3/31/08

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

The system operator at issue made up the 1.5 hour shortfall in training on April 21, 2008. URE implemented a checks and balances process for training records validation between URE’s tracking application, the System Operators and NERC’s System Operator Certification and Continuing Education Database (SOCCED). This process includes quarterly reports that detail all categories of required training with breakdowns of individual hours which are delivered to System Operators, Trainers, and System Operations management.

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

- **Excerpt of training presentation given by the vendor**
- **Employee training records**

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

EXHIBITS:

SOURCE DOCUMENT

WECC's Regional Determination of Alleged Violation Summary

MITIGATION PLAN

URE's Mitigation Plan MIT-07-2363 submitted February 18, 2010

CERTIFICATION BY REGISTERED ENTITY

**URE's Certification of Mitigation Plan Completion Form submitted
February 25, 2010**

VERIFICATION BY REGIONAL ENTITY

**WECC's Notice of Mitigation Plan and Completed Mitigation Plan
Acceptance dated April 1, 2010**

Disposition Document for TPL-004-0 R1

PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION

DISPOSITION OF VIOLATION

Dated March 11, 2011

NERC TRACKING NO. WECC200801162 REGIONAL ENTITY TRACKING NO. URE_WECC20081264

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
TPL-004-0	1		Lower	Moderate

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

The purpose statement of TPL-004-0 provides: “System simulations and associated assessments are needed periodically to ensure that reliable systems are developed that meet specified performance requirements, with sufficient lead time and continue to be modified or upgraded as necessary to meet present and future System needs.”

TPL-004-0 R1 provides:

R1. The Planning Authority and Transmission Planner shall each demonstrate through a valid assessment that its portion of the interconnected transmission system is evaluated for the risks and consequences of a number of each of the extreme contingencies that are listed under Category D of Table I. To be valid, the Planning Authority’s and Transmission Planner’s assessment shall:

R1.1. Be made annually.

R1.2. Be conducted for near-term (years one through five).

R1.3. Be supported by a current or past study and/or system simulation testing that addresses each of the following categories, showing system performance following Category D contingencies of Table I. The specific elements selected (from within each of the following categories) for inclusion in these studies and simulations shall be acceptable to the associated Regional Reliability Organization(s).^[1]

¹ Consistent with applicable FERC precedent, the term “Regional Reliability Organization” in this context refers to WECC.

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R1.3.1. Be performed and evaluated only for those Category D contingencies that would produce the more severe system results or impacts. The rationale for the contingencies selected for evaluation shall be available as supporting information. An explanation of why the remaining simulations would produce less severe system results shall be available as supporting information.

R1.3.2. Cover critical system conditions and study years as deemed appropriate by the responsible entity.

R1.3.3. Be conducted annually unless changes to system conditions do not warrant such analyses.

R1.3.4. Have all projected firm transfers modeled.

R1.3.5. Include existing and planned facilities.

R1.3.6. Include Reactive Power resources to ensure that adequate reactive resources are available to meet system performance.

R1.3.7. Include the effects of existing and planned protection systems, including any backup or redundant systems.

R1.3.8. Include the effects of existing and planned control devices.

R1.3.9. Include the planned (including maintenance) outage of any bulk electric equipment (including protection systems or their components) at those demand levels for which planned (including maintenance) outages are performed.

R1.4. Consider all contingencies applicable to Category D.

(Footnote added.)

VIOLATION DESCRIPTION

URE discovered this violation on September 17, 2008 and self-reported it to WECC on September 26, 2008. URE had documented studies meeting the requirements of this Standard in one part of its footprint but not in the other part. URE stated that while it had run a simulation considering many contingencies, URE had not

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documented the consideration of all applicable contingencies, and the rationale for selecting contingencies, as required by Requirement 1.3.1 of the Standard. URE had documented that it had considered four category D contingencies which were (1) loss of three 500 kV lines, (2) loss of a 500 kV substation, (3) loss of 500/230 kV transformers and all 500kV transmission lines connected to a 500 kV bus, and (4) loss of 230 kV and 138 kV lines.

WECC determined that URE had not adequately described the rationale for the contingencies it selected for evaluation or explained why the remaining simulations would produce less severe system results. URE also had not run sufficient studies to meet the requirements of this Standard.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

WECC determined that the violation posed a minimal risk and did not pose a serious or substantial risk to the reliability of the bulk power system (BPS) because URE was in compliance with the Standard for a part of its footprint and had also run studies in the other part of the footprint. The practices were in place for the other footprint; however, the documentation reported was incomplete.

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) **6/17/09 (when the Standard became mandatory and enforceable) through 1/13/09 (Mitigation Plan completion)**

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY **9/26/08**

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-08-1427
DATE SUBMITTED TO REGIONAL ENTITY	12/30/08
DATE ACCEPTED BY REGIONAL ENTITY	1/26/09
DATE APPROVED BY NERC	3/2/09
DATE PROVIDED TO FERC	3/6/09

IDENTIFY AND EXPLAIN ALL PRIOR VERSIONS THAT WERE ACCEPTED OR REJECTED, IF APPLICABLE

URE submitted a Mitigation Plan for this violation on September 26, 2008. WECC rejected this Mitigation Plan because it did not adequately identify planned actions to prevent a recurrence of the violation. URE corrected that deficiency in a revised Mitigation Plan that it submitted on November 25, 2008, and in a completed Mitigation Plan that it submitted on December 10, 2008. WECC’s review of these Mitigation Plans raised some uncertainty as to the actual nature and extent of URE’s violation. WECC held several interviews with URE to gain clarification as to the extent of the violation. During the course of these interviews, URE concluded that in addition to the issues described in its Self-Report, URE had not run sufficient studies to meet the requirements of the Standard. Based on these conversations with URE, WECC rejected URE’s revised Mitigation Plan that it submitted on November 25, 2008.

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE **1/15/09**
 EXTENSIONS GRANTED
 ACTUAL COMPLETION DATE **1/13/09**

DATE OF CERTIFICATION LETTER **1/13/09²**
 CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **1/13/09**

DATE OF VERIFICATION LETTER **2/13/09**
 VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **1/13/09**

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

URE performed and assessed studies considering all extreme contingencies listed in Category D of the Standard and provided WECC with the results. URE included the results of these studies in its 2009 Plan and documented the rationale for selection of contingencies. URE also included the

² The Certification Letter is dated January 13, 2009 but was received by WECC on January 15, 2009.

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methodology for the above, on an ongoing basis, in its Manual for transmission planning.

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

- **Work Scope for 2009 System Assessment Study**
- **Manual for transmission planning**
- **Evaluation of the impacts on its system for the four Category D contingencies considered to be the most severe. These studies were run as part of the 2009 transmission planning process, and a detailed summary of the analyses performed and their results were provided.**

EXHIBITS:

SOURCE DOCUMENT

URE's Compliance Violation Self-Reporting Form reported date September 26, 2008

MITIGATION PLAN

URE's Revised Mitigation Plan Submittal Form MIT-08-1427 submitted December 30, 2008

CERTIFICATION BY REGISTERED ENTITY

URE's Mitigation Plan Completion Form dated January 13, 2009

VERIFICATION BY REGIONAL ENTITY

WECC's Certification of Completion Response Letter dated February 13, 2009.