



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION

March 30, 2011

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

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

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Abbreviated Notice of Penalty (NOP) regarding Unidentified Registered Entity (URE), with information and details regarding the nature and resolution of the violations¹ discussed in detail in the Settlement Agreement (Attachment a) and the Disposition Document attached thereto, in accordance with the Federal Energy Regulatory Commission's (Commission or FERC) rules, regulations and orders, as well as NERC Rules of Procedure including Appendix 4C (NERC Compliance Monitoring and Enforcement Program (CMEP)).²

This NOP is being filed with the Commission because SERC Reliability Corporation (SERC) and URE have entered into a Settlement Agreement to resolve all outstanding issues arising from SERC's determination and findings of the enforceable violations of CIP-006-1 Requirements (R) 2, R3 and R4. According to the Settlement Agreement, URE admits the violations and has agreed to the assessed penalty of twelve thousand five hundred dollars (\$12,500), 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 Identification Numbers SERC200900348, SERC200900349 and SERC200900350 are being filed in accordance with the NERC Rules of Procedure and the CMEP.

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).

Statement of Findings Underlying the Violations

This NOP incorporates the findings and justifications set forth in the Settlement Agreement executed on March 23, 2011, by and between SERC and URE. The details of the findings and the basis for the penalty are set forth in the Disposition Document. 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-707	SERC200900348	CIP-006-1	2	Medium	9/11/09-9/11/09	12,500
	SERC200900349	CIP-006-1	3	Medium ³	9/11/09-9/11/09	
	SERC200900350	CIP-006-1	4	Lower	9/11/09-9/11/09	

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

CIP-006-1 R2, R3 and R4 - OVERVIEW

URE self-reported to SERC on October 23, 2009 that, during normal security rounds, URE's security personnel discovered a disabled locking mechanism on an access point to one of its Physical Security Perimeters (PSP). SERC determined that URE, as a Responsible Entity,⁴ failed to implement its documented operational and procedural controls to manage and monitor physical access and its mechanisms for logging physical entry at all access points to the PSP twenty-four hours a day, seven days a week. Specifically, SERC found that on September 11, 2009, the locking mechanism at one of the access points to URE's defined PSP was disabled during maintenance activities and not restored until approximately 9 hours after completion of the maintenance activities. During the period that the PSP barrier was disabled, URE had no ability to monitor, manage and control physical access to the defined PSP; identify individuals accessing the defined PSP; or identify the time of physical access to the defined PSP.

³ CIP-006-1 R3 and R3.1 have Medium Violation Risk Factors (VRFs) and CIP-006-1 R3.2 has a Lower VRF.

⁴ Within the text of Standard CIP-006, "Responsible Entity" shall mean Reliability Coordinator, Balancing Authority, Interchange Authority, Transmission Service Provider, Transmission Owner, Transmission Operator, Generator Owner, Generator Operator, Load Serving Entity, NERC, and Regional Reliability Organizations.

Statement Describing the Assessed Penalty, Sanction or Enforcement Action Imposed⁵

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,⁶ the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on January 10, 2011. The NERC BOTCC approved the Settlement Agreement, including SERC's assessment of a twelve thousand five hundred dollar (\$12,500) 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;
2. URE self-reported the violations;
3. SERC reported that URE was cooperative throughout the compliance enforcement process;
4. URE had a compliance program at the time of the violations which SERC considered a mitigating factor, as discussed in the Disposition Document;
5. there was no evidence of any attempt to conceal a violation nor evidence of intent to do so;
6. SERC determined that the violations posed a minimal risk and did not pose a serious or substantial risk to the reliability of the bulk power system (BPS), as discussed in the Disposition Document; and
7. SERC 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. The NERC BOTCC believes that the assessed penalty of twelve thousand five hundred dollars (\$12,500) 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.

⁵ See 18 C.F.R. § 39.7(d)(4).

⁶ *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).

Request for Confidential Treatment

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

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

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

Attachments to be included as Part of this Notice of Penalty

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

- a) Settlement Agreement by and between SERC and URE executed March 23, 2011, included as Attachment a;
 - i. Disposition Document and SERC's Verification of Mitigation Plan Completion contained therein, included as an Attachment to the Settlement Agreement.
- b) URE's undated Self-Report for CIP-006-1 R2, R3 and R4 submitted October 23, 2009, included as Attachment b;
- c) URE's Mitigation Plan MIT-09-3001 for CIP-006-1 R2, R3 and R4 dated September 27, 2010, included as Attachment c; and
- d) URE's Certification of Mitigation Plan Completion for CIP-006-1 R2, R3 and R4 dated April 23, 2010, included as Attachment d.

A Form of Notice Suitable for Publication⁷

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

⁷ 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>Kenneth B. Keels, Jr.* Director of Compliance Andrea Koch* Manager, Compliance Enforcement and Mitigation SERC Reliability Corporation 2815 Coliseum Centre Drive, Suite 500 Charlotte, NC 28217 (704) 940-8214 (704) 357-7914 – facsimile kkeels@serc1.org akoch@serc1.org</p> <p>*Persons to be included on the Commission’s service list are indicated with an asterisk. NERC requests waiver of the Commission’s rules and regulations to permit the inclusion of more than two people on the service list.</p>	<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>R. Scott Henry* President and Chief Executive Officer SERC Reliability Corporation 2815 Coliseum Centre Drive Charlotte, NC 28217 (704) 940-8202 (704) 357-7914 – facsimile shenry@serc1.org</p> <p>Marisa A. Sifontes* General Counsel SERC Reliability Corporation 2815 Coliseum Centre Drive, Suite 500 Charlotte, NC 28217 (704) 494-7775 (704) 357-7914 – facsimile msifontes@serc1.org</p>
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Conclusion

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

Respectfully submitted,

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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
SERC Reliability Corporation

Attachments

**Disposition Document and SERC's Verification of
Mitigation Plan Completion contained therein**

DISPOSITION OF VIOLATION¹

Dated March 23, 2011

NERC TRACKING NO.	SERC TRACKING NO.	NOC#
SERC200900348	09-109	NOC-707
SERC200900349	09-110	
SERC200900350	09-111	

REGISTERED ENTITY Unidentified Registered Entity (URE)	NERC REGISTRY ID NCRXXXXX
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REGIONAL ENTITY
SERC Reliability Corporation (SERC)

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF *(S)	VSL **(S)
CIP-006-1	2		Medium	N/A²
CIP-006-1	3		Medium³	N/A
CIP-006-1	4		Lower	N/A

**Violation Risk Factor ("VRF")*

***Violation Severity Level ("VSL")*

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

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

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

³ CIP-006-1 R3 and R3.1 have Medium Violation Risk Factors (VRFs) and CIP-006-1 R3.2 has a Lower VRF.

CIP-006-1 R2-R4 provide:

R2. Physical Access Controls — The Responsible Entity shall document and implement the operational and procedural controls to manage physical access at all access points to the Physical Security Perimeter(s) twenty-four hours a day, seven days a week.^[4] The Responsible Entity shall implement one or more of the following physical access methods:

R2.1. Card Key: A means of electronic access where the access rights of the card holder are predefined in a computer database. Access rights may differ from one perimeter to another.

R2.2. Special Locks: These include, but are not limited to, locks with “restricted key” systems, magnetic locks that can be operated remotely, and “man-trap” systems.

R2.3. Security Personnel: Personnel responsible for controlling physical access who may reside on-site or at a monitoring station.

R2.4. Other Authentication Devices: Biometric, keypad, token, or other equivalent devices that control physical access to the Critical Cyber Assets.

R3. Monitoring Physical Access — The Responsible Entity shall document and implement the technical and procedural controls for monitoring physical access at all access points to the Physical Security Perimeter(s) twenty-four hours a day, seven days a week. Unauthorized access attempts shall be reviewed immediately and handled in accordance with the procedures specified in Requirement CIP-008. One or more of the following monitoring methods shall be used:

R3.1. Alarm Systems: Systems that alarm to indicate a door, gate or window has been opened without authorization. These alarms must provide for immediate notification to personnel responsible for response.

R3.2. Human Observation of Access Points: Monitoring of physical access points by authorized personnel as specified in Requirement R2.3.

⁴ Within the text of Standard CIP-006, “Responsible Entity” shall mean Reliability Coordinator, Balancing Authority, Interchange Authority, Transmission Service Provider, Transmission Owner, Transmission Operator, Generator Owner, Generator Operator, Load Serving Entity, NERC, and Regional Reliability Organizations.

R4. Logging Physical Access — Logging shall record sufficient information to uniquely identify individuals and the time of access twenty-four hours a day, seven days a week. The Responsible Entity shall implement and document the technical and procedural mechanisms for logging physical entry at all access points to the Physical Security Perimeter(s) using one or more of the following logging methods or their equivalent:

R4.1. Computerized Logging: Electronic logs produced by the Responsible Entity’s selected access control and monitoring method.

R4.2. Video Recording: Electronic capture of video images of sufficient quality to determine identity.

R4.3. Manual Logging: A log book or sign-in sheet, or other record of physical access maintained by security or other personnel authorized to control and monitor physical access as specified in Requirement R2.3.

(Footnote added.)

VIOLATION DESCRIPTION

On October 23, 2009, URE submitted a Self-Report to SERC stating that on September 11, 2009, during its normal security rounds, URE’s security personnel discovered a disabled locking mechanism on an access point to one of its Physical Security Perimeters (PSPs), restored the lock and reported the incident to one of URE’s Directors that is responsible for Cyber Security. Following an internal investigation by URE into this incident, URE determined that a violation of CIP-006-1, R2, R3, and R4 may have occurred.

On October 29, 2009, SERC staff commenced a detailed assessment of URE’s Self-Report to determine the full scope of the violations. SERC staff reviewed all requested documents in support of URE’s compliance with CIP-006-1 and found the information below regarding the violation.

Beginning on August 24, 2009, URE began the installation of revolving doors to the physical access points into one of its controlled-access areas to detect and prevent unauthorized persons attempting to “piggy-back” or “tail-gate” and optical barriers to set off an audible alarm when an unauthorized person attempts entry. During the final construction phase, on September 10, 2009, contractors (approved by URE with requisite training and personnel risk assessments) taped over a locking mechanism while working on the access doors in order to access both sides of the newly installed door for finishing, thereby defeating the access control to this controlled-access area. The contractors left the controlled-access area without returning the locking mechanism to service. This condition remained for a period of approximately 9 hours. URE’s security personnel discovered the

inoperable lock during standard rounds on September 11, 2009, removed the tape from the locking mechanism, and reported the incident to URE's director that is responsible for cyber security.

URE promptly initiated an internal investigation to determine the exact timeline of events that occurred, points of failure, and whether any actual access to this controlled-access area occurred during the time construction was underway. URE manually reviewed electronic and paper access log entries for the period from August 24, 2009 through completion of construction on September 14, 2009 and interviewed the contractors and company personnel situated near the entrances and in the reception areas as to what they may have observed to determine whether any suspicious activity occurred such as alarms that outer doors were held or propped open or evidence of unauthorized access attempts nearby. Upon conclusion of its internal investigation URE determined that no actual unauthorized access had occurred, and after review and approval by URE management of the findings, URE self-reported a possible violation on October 23, 2009.

All access controls to the controlled-access areas preceding the affected controlled-access area, including monitoring and logging of access, remained intact and functional during the period of access control failure of the affected controlled-access area. Access controls to the controlled-access area preceding the affected controlled-access area comply with all the requirements and definition for a PSP as specified in CIP-006-1 and the *NERC Glossary of Terms Used in Reliability Standards*. All personnel having access to the controlled-access area preceding the affected controlled-access area were also authorized (and had all the requisite training and background checks) to access the affected controlled-access area.

As a result of its assessment, SERC staff determined that URE failed to implement its documented operational and procedural controls to manage and monitor physical access and its mechanisms for logging physical entry at all access points to the PSP twenty-four hours a day, seven days a week, when the locking mechanism at one of the access points to URE's defined PSP was disabled during maintenance activities and not restored until approximately 9 hours after completion of the maintenance activities. During the period that the PSP barrier was disabled, URE had no ability to monitor, manage and control physical access to the defined PSP; identify individuals accessing the defined PSP; or identify the time of physical access to the defined PSP. As a result, SERC staff found URE in violation of CIP-006-1, R2, R3 and R4.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

SERC staff finds that the violations posed a minimal risk and did not pose a serious or substantial risk to the bulk power system (BPS) because:

1. During the period URE could not manage and control physical access to the defined PSP, its security perimeter for the controlled-access area preceding the affected controlled-access area served as a barrier to prevent unauthorized access to the designated PSP;
2. URE's affected controlled-access area is fully contained within the boundaries of the controlled-access area preceding the affected controlled-access area but is designed with more robust access control;
3. URE's physical access controls for the controlled-access area preceding the affected controlled-access area (Card-Key system allowing authorized access only to personnel with the requisite training and background checks) satisfied the requirements of CIP-006-1, R2 and remained intact throughout the period of compromised control of physical access to the affected controlled-access area; however, the controlled-access area preceding the affected controlled-access area is not the designated PSP;
4. URE's physical access monitoring for the controlled-access area preceding the affected controlled-access area satisfied the requirements of CIP-006-1, R3, and the controlled-access area preceding the affected controlled-access area access remained intact with Card-Key access and alarm systems and human observation; however, the controlled-access area preceding the affected controlled-access area is not the designated PSP;
5. URE's logging of physical access to the controlled-access area preceding the affected controlled-access area satisfied the requirements of CIP-006-1, R4, and the controlled-access area preceding the affected controlled-access area access remained intact with Card-Key access and a computerized logging method; however, the controlled-access area preceding the affected controlled-access area is not the designated PSP;
6. The violation only lasted approximately nine (9) hours; and
7. The violation was promptly corrected upon discovery.

IS THERE A SETTLEMENT AGREEMENT YES NO

WITH RESPECT TO THE VIOLATION(S), REGISTERED ENTITY

NEITHER ADMITS NOR DENIES IT (SETTLEMENT ONLY)	YES	<input type="checkbox"/>
ADMITS TO IT	YES	<input checked="" type="checkbox"/>
DOES NOT CONTEST IT (INCLUDING WITHIN 30 DAYS)	YES	<input type="checkbox"/>

WITH RESPECT TO THE ASSESSED PENALTY OR SANCTION, REGISTERED ENTITY

ACCEPTS IT/ DOES NOT CONTEST IT	YES	<input checked="" type="checkbox"/>
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III. 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) **9/11/09 approximately 1:00 a.m. (when the control of physical access to the affected controlled-access area was first compromised) through 9/11/09 approximately 10:00 a.m. (when URE’s security personnel discovered the inoperable lock and removed the tape from the locking mechanism)**

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY **10/23/09**

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

IV. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO. **MIT-09-3001**
DATE SUBMITTED TO REGIONAL ENTITY **9/27/10**
DATE ACCEPTED BY REGIONAL ENTITY **10/20/10**
DATE APPROVED BY NERC **11/16/10**
DATE PROVIDED TO FERC **11/18/10**

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

N/A

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE **1/7/10**
EXTENSIONS GRANTED **N/A**
ACTUAL COMPLETION DATE **1/7/10**

DATE OF CERTIFICATION LETTER **4/23/10**
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **1/7/10**

DATE OF VERIFICATION **10/29/10⁵**
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **1/7/10**

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE
To correct the violations of CIP-006-1 R2 through R4, URE was required to and has completed the following actions detailed in its Mitigation Plan:

- 1. URE immediately secured the access point and filed the appropriate internal reports. Patrols and monitoring of the area were increased, and a temporary alarm was installed to provide monitoring and logging of all access. The area was then placed under constant human observation by a cleared URE employee until the work was completed;**
- 2. URE security personnel immediately secured the perimeter by removing the obstruction then filed incident reports regarding the event per internal procedure; and**
- 3. URE also labeled wires to the new revolving door so that it can be magnetically locked rendering it immovable when not operational.**

To prevent recurrence of CIP-006-1 R2 through R4, URE was required to and has completed the following actions detailed in its Mitigation Plan:

- 1. The business day following the discovery, a meeting was held to incorporate changes into the standard operating procedures to clarify responsibility for ensuring adequate job site turnover and continuous visitor escort and logging requirements;**
- 2. URE changed its job-site turn-over procedure to clarify where responsibility is placed for ensuring correct recommissioning a site post completion;**

⁵ This Disposition Document serves as SERC's Verification of Mitigation Plan Completion.

- 3. URE updated the applicable physical access control procedures to highlight continuous visitor escort and logging requirements;**
- 4. URE increased signage in the area directing all personnel to not use the entrance until further notice;**
- 5. URE installed a temporary alarm on the door. The alarm logs all entries and exits from the door; and**
- 6. The planned changes to procedures will require all personnel performing maintenance on the doors to the sensitive area be retrained, the changes to the procedures and the retraining of personnel are steps taken that should prevent a recurrence of a similar violation.**

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

URE submitted the following as evidence of completion of its Mitigation Plan:

- 1. a document which is a procedure that clarifies requirements for continuous escorts for persons not authorized with unescorted access rights;**
- 2. a document which is a program that includes additional clarification of requirements for logging access to PSPs 24/7, and includes a requirement for continuous escorts for persons not authorized with unescorted access rights, and clarifies that responsibility for visitor access implementation resides with business unit;**
- 3. a document which is a plan that includes updated requirements for continuous escorts for persons not authorized with unescorted access rights and further includes graded disciplinary actions for failure to follow plan regarding PSP access; and**
- 4. Language defining progressive disciplinary actions for failure to observe requirements will be incorporated into the PSP.**

V. PENALTY INFORMATION

TOTAL ASSESSED PENALTY OR SANCTION OF \$12,500 FOR THREE VIOLATIONS OF RELIABILITY STANDARDS.

(1) REGISTERED ENTITY'S COMPLIANCE HISTORY

PRIOR VIOLATIONS OF ANY OF THE INSTANT RELIABILITY STANDARD(S)
OR REQUIREMENT(S) THEREUNDER IN THE SERC REGION

YES NO

LIST ANY CONFIRMED OR SETTLED VIOLATIONS AND STATUS

ADDITIONAL COMMENTS

PRIOR VIOLATIONS OF OTHER RELIABILITY STANDARD(S) OR
REQUIREMENTS THEREUNDER IN THE SERC REGION

YES NO

LIST ANY PRIOR CONFIRMED OR SETTLED 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

EXPLAIN

**URE's compliance program is documented and SERC considered the
existence of URE's compliance program as a mitigating factor in determining
the penalty.**

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

(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

EXHIBITS:

SOURCE DOCUMENT

URE's undated Self-Report for CIP-006-1 R2, R3 and R4 submitted October 23, 2009

MITIGATION PLAN

URE's Mitigation Plan MIT-09-3001 for CIP-006-1 R2, R3 and R4 dated September 27, 2010

CERTIFICATION BY REGISTERED ENTITY

URE's Certification of Mitigation Plan Completion for CIP-006-1 R2, R3 and R4 dated April 23, 2010

VERIFICATION BY REGIONAL ENTITY

This Disposition Document serves as SERC's Verification of Mitigation Plan Completion

OTHER RELEVANT INFORMATION:

NOTICE OF ALLEGED VIOLATION AND PROPOSED PENALTY OR SANCTION
ISSUED

DATE: OR N/A

SETTLEMENT DISCUSSIONS COMMENCED

DATE: **8/12/2010** 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 NO CONTEST

HEARING REQUESTED

YES NO

DATE

OUTCOME

APPEAL REQUESTED