



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION

April 29, 2011

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

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

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Abbreviated Notice of Penalty (NOP) regarding Unidentified Registered Entity (URE), with information and details regarding the nature and resolution of the violations¹ discussed in detail in the Settlement Agreement (Attachment a) and the Disposition Documents (Attachment i), 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-004-WECC-1 Requirement (R) 1; CIP-004-1 R2, R3, R4; TOP-004-2 R1; IRO-005-2 R13; and PRC-005-1 R2.1. According to the Settlement Agreement, URE stipulates to the facts of the violation, and has agreed to the assessed penalty of eighty thousand dollars (\$80,000), 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 WECC200901784, WECC200901556,

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 (2011). *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).

WECC200901764, WECC200901651, WECC200901752, WECC200901769 and WECC200901638 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 December 9, 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-750	WECC200901784	BAL-004-WECC-1	1	Lower	7/1/09-7/30/09	80,000
	WECC200901556	CIP-004-1	2	Medium ³	4/13/09-5/18/09	
	WECC200901764	CIP-004-1	3	Medium ⁴	7/1/08-3/1/10	
	WECC200901651	CIP-004-1	4	Medium ⁵	7/1/08-6/12/09	
	WECC200901752	TOP-004-2	1	High	Three months and four days	
	WECC200901769	IRO-005-2	13	N/A ⁶	Three months and four days	

³ 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.

⁴ 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.

⁵ CIP-004-1 R4 and R4.1 each have a “Lower” VRF; R4.2 has a “Medium” VRF. When NERC filed VRFs, it originally assigned CIP-004-1 R4.2 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 R4.2 was in effect from June 18, 2007 until January 27, 2009 when the Medium VRF became effective.

⁶ This violation does not have a VRF according to the NERC VRF Matrix of October 21, 2009.

	WECC200901638	PRC-005-1	2	High ⁷	5/25/09-9/7/09	
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The text of the Reliability Standards at issue and further information on the subject violations are set forth in the Disposition Documents.

BAL-004-WECC-1 R1- OVERVIEW

URE discovered this violation on July 1, 2009 and self-reported it to WECC on July 2, 2009. WECC determined that URE failed to implement the Automatic Time Error Correction in accordance with the Standard. Specifically, URE failed to use the change in Time Error distributed by the Interconnection Time Monitor, or Reliability Coordinator, for calculation of its Primary Inadvertent Interchange.

CIP-004-1 R2- OVERVIEW

URE discovered a violation of this Standard on May 26, 2009, and self-reported it to WECC on June 1, 2009. WECC determined that URE did not train one contractor within ninety calendar days of receiving authorized access to CCAs.

CIP-004-1 R3- OVERVIEW

URE discovered this violation on October 20, 2009 and self-reported it to WECC on that same day. WECC determined that URE failed to conduct a personnel risk assessment within the 30 days required by the Standard for four individuals who had been given authorized cyber or authorized unescorted physical access to CCA.

CIP-004-1 R4- OVERVIEW

URE discovered a violation of this Standard on September 9, 2009, and self-reported it to WECC on September 17, 2009. WECC determined that URE did not revoke access to CCAs within seven calendar days for personnel who no longer required access to CCAs. Additionally, URE failed to update its list of personnel with access to CCAs within seven calendar days of any change of such access.

TOP-004-2 R1 - OVERVIEW

URE discovered this violation on April 9, 2009 and self-reported it to WECC on April 14, 2009. WECC determined that URE operated a 500 kV line beyond its SOL without taking immediate action to reduce the loading to restore operation within the SOL.

⁷ PRC-005-1 R2 has a “Lower” VRF; R2.1 and R2.2 each have a “High” VRF. During a final review of the standards subsequent to the March 23, 2007 filing of the Version 1 VRFs, NERC identified that some standards requirements were missing VRFs; one of these include PRC-005-1 R2.1. On May 4, 2007, NERC assigned PRC-005 R2.1 a “High” VRF. In the Commission’s June 26, 2007 Order on Violation Risk Factors, the Commission approved the PRC-005-1 R2.1 “High” VRF as filed. Therefore, the “High” VRF was in effect from June 26, 2007. In the context of this case, WECC determined that the violation related to R2.1 and therefore a “High” VRF is appropriate.

IRO-005-2 R13- OVERVIEW

URE self-reported this violation to WECC on May 22, 2009. WECC determined that URE failed to operate to the most limiting parameter in an instance where there was a difference in derived limits.

PRC-005-1 R2- OVERVIEW

URE discovered this violation on September 9, 2009, and self-reported it to WECC on September 17, 2009. WECC determined that URE did not test the one third-level backup relay on a 345 kV Transmission Line until September 7, 2009, which was 105 days after the testing due date of May 25, 2009.

Statement Describing the Assessed Penalty, Sanction or Enforcement Action Imposed⁸**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,⁹ 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 an eighty thousand dollar (\$80,000) financial penalty against URE and other actions to facilitate future compliance required under the terms and conditions of the Settlement Agreement. In approving the Settlement Agreement, the NERC BOTCC reviewed the applicable requirements of the Commission-approved Reliability Standards and the underlying facts and circumstances of the violations at issue.

In reaching this determination, the NERC BOTCC considered the following factors:

1. URE self-reported the violations;
2. WECC reported that URE was cooperative throughout the compliance enforcement process;
3. URE had a compliance program at the time of the violation which WECC considered a mitigating factor, as discussed in the Disposition Documents;
4. there was no evidence of any attempt to conceal a violation nor evidence of intent to do so;
5. the penalty assessed for the violations of IRO-005-2 R13 and TOP-004-2 R1 is a single penalty representative of the aggregate of the related violations because both violations stem from a single incidence of noncompliance that resulted in a violation of both Standards as discussed in the Disposition Documents;

⁸ See 18 C.F.R. § 39.7(d)(4).

⁹ *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).

6. WECC determined that the violations posed a minimal or moderate risk and did not pose a serious or substantial risk to the reliability of the bulk power system (BPS), as discussed in the Disposition Documents; and
7. 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 eighty thousand dollars (\$80,000) is appropriate for the violations and circumstances at issue, and is consistent with NERC's goal to promote and ensure reliability of the BPS.

Pursuant to 18 C.F.R. § 39.7(e), the penalty will be effective upon expiration of the 30 day period following the filing of this NOP with FERC, or, if FERC decides to review the penalty, upon final determination by FERC.

Request for Confidential Treatment

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

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

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

Attachments to be included as Part of this Notice of Penalty

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

- a) Settlement Agreement by and between WECC and URE executed December 9, 2010, included as Attachment a;
- b) Record Documents for CIP-004-1 R2:
 - i. URE's Self-Report for CIP-004-1 R2 dated June 1, 2009, included as Attachment b-1;
 - ii. URE's Mitigation Plan MIT-09-1970 and Certification of Completion therein dated June 22, 2009, included as Attachment b-2; and

- iii. WECC's Verification of Mitigation Plan Completion dated September 24, 2009, included as Attachment b-3.
- c) Record Documents for PRC-005-1 R2:
- i. URE's Self-Report for PRC-005-1 R2 dated September 17, 2009, included as Attachment c-1;
 - ii. URE's Mitigation Plan MIT-09-2014 and Certification of Completion therein submitted September 17, 2009, included as Attachment c-2; and
 - iii. WECC's Verification of Mitigation Plan Completion dated November 4, 2009, included as Attachment c-3.¹⁰
- d) Record Documents for CIP-004-1 R4:
- i. URE's Self-Report for CIP-004-1 R4 dated June 26, 2009, included as Attachment d-1;¹¹
 - ii. URE's Mitigation Plan MIT-08-2022 and Certification of Completion therein dated June 26, 2009 and submitted June 30, 2009, included as Attachment d-2; and
 - iii. WECC's Verification of Mitigation Plan Completion dated November 4, 2009, included as Attachment d-3.
- e) Record Documents for TOP-004-2 R1:
- i. URE's Self-Report for TOP-004-2 R1 dated April 9, 2009, included as Attachment e-1;
 - ii. URE's Mitigation Plan MIT-09-2179 submitted April 24, 2009, included as Attachment e-2;
 - iii. URE's Completed Mitigation Plan MIT-09-2179 and Certification of Completion therein dated May 8, 2009, included as Attachment e-3; and
 - iv. WECC's Verification of Mitigation Plan Completion dated December 11, 2009, included as Attachment e-4.
- f) Record Documents for CIP-004-1 R3:
- i. URE's Self-Report for CIP-004-1 R3 dated October 20, 2009, included as Attachment f-1;
 - ii. URE's Mitigation Plan MIT-08-2509 submitted January 21, 2010, included as Attachment f-2;
 - iii. URE's Certification of Mitigation Plan Completion dated March 5, 2010, included as Attachment f-3; and

¹⁰ The Verification of Mitigation Plan Completion states that the Certification of Completion was submitted on September 18, 2009.

¹¹ The source document states the violation was discovered on June 8, 2009.

- iv. WECC's Verification of Mitigation Plan Completion dated June 10, 2010, included as Attachment f-4.
- g) Record Documents for IRO-005-2 R13:
- i. URE's Self-Report for IRO-005-2 R13 dated May 22, 2009, included as Attachment g-1;
 - ii. URE's Mitigation Plan MIT-09-2236 and Certification of Completion therein submitted May 22, 2009, included as Attachment g-2; and
 - iii. WECC's Verification of Mitigation Plan Completion dated December 31, 2009, included as Attachment g-3.
- h) Record Documents for BAL-004-WECC-01 R1:
- i. URE's Self-Report for BAL-004-WECC-01 R1 dated July 2, 2009, included as Attachment h-1;
 - ii. URE's Mitigation Plan MIT-09-2260 submitted July 2, 2009, included as Attachment h-2;
 - iii. URE's Certification of Mitigation Plan Completion dated August 5, 2009, included as Attachment h-3; and
 - iv. WECC's Verification of Mitigation Plan Completion dated January 11, 2010, included as Attachment h-4.
- i) Record Disposition Document for Common Information, included as Attachment i;
- i. Disposition Document for BAL-004-WECC-1 R1, included as Attachment i-1;
 - ii. Disposition Documents for CIP-004-1 R2, R3, R4, included as Attachment i-2;
 - iii. Disposition Document for TOP-004-2 R1 and IRO-005-2 R13, included as Attachment i-3; and
 - iv. Disposition Document for PRC-005-1 R2, included as Attachment i-4.

A Form of Notice Suitable for Publication¹²

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

¹² 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) 883-6885 (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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NERC Notice of Penalty
Unidentified Registered Entity
April 29, 2011
Page 9

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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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cc: Unidentified Registered Entity
Western Electricity Coordinating Council

Attachments

Attachment i

Disposition Document for Common Information

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

REGISTERED ENTITY NERC REGISTRY ID NOC#
Unidentified Registered Entity **NCRXXXXX** **NOC-750**
(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 **\$80,000** FOR **SEVEN** VIOLATIONS OF RELIABILITY STANDARDS.

(1) REGISTERED ENTITY'S COMPLIANCE HISTORY

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

LIST VIOLATIONS AND STATUS

ADDITIONAL COMMENTS

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.

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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 positively considered URE's culture of compliance when
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

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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 is assessing a single aggregate penalty for URE’s violations of IRO-005-2 R13 and TOP-004-2 R1. URE’s failure to operate a 500 kV line to a specific rating is a single incidence of noncompliance that resulted in a violation of both Standards. Thus, the penalty assessed for IRO-005-2 R13 is a single penalty bearing a reasonable relationship to the aggregate of the violations.²

² See Violation Specific Disposition Document Attachments i-3 for a more detailed description of the violations. As stated in the NERC sanction guidelines, “in cases where multiple violations are related to a single act or common incidence of noncompliance, the regional entity will generally issue a single aggregate penalty bearing a reasonable relationship to the aggregate of the related violations.” WECC determined URE’s failure to operate a 500 kV line to a specific rating resulted in URE’s violations of IRO-005-2 R13 and TOP-004-2 R1. Accordingly, the penalty assessed for IRO-005-2 R13 and TOP-004-2 R1 is a single penalty representative of the aggregate of the related violations.

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OTHER RELEVANT INFORMATION:

NOTICE OF ALLEGED VIOLATION AND PROPOSED PENALTY OR
SANCTION ISSUED FOR: WECC200901556, WECC200901651,

WECC200901638

DATE: **11/24/09** OR N/A

NOTICE OF ALLEGED VIOLATION AND PROPOSED PENALTY OR
SANCTION ISSUED FOR: WECC200901764, WECC200901769,

WECC200901752

DATE: **1/27/10** OR N/A

SETTLEMENT DISCUSSIONS COMMENCED FOR WECC200901556,
WECC200901638 and WECC200901651

DATE: **12/23/09** OR N/A

SETTLEMENT DISCUSSIONS COMMENCED FOR WECC200901752,
WECC200901764, WECC200901769 and WECC200901784

DATE: **2/12/10** 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-004-WECC-1 R1

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DISPOSITION OF VIOLATION

Dated March 11, 2011

NERC TRACKING NO. WECC200901784 REGIONAL ENTITY TRACKING NO. URE_WECC20091986

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
BAL-004-WECC-01	1		Lower	Severe ¹

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

The purpose statement of BAL-004-WECC-01 provides: “To maintain Interconnection frequency within a predefined frequency profile under all conditions (i.e. normal and abnormal), and to ensure that Time Error Corrections are *effectively* conducted in a manner that does not adversely affect the reliability of the Interconnection.” (Emphasis in original.)

BAL-004-WECC-01 R1 provides: “Each [Balancing Authority] that operates synchronously to the Western Interconnection shall continuously operate utilizing Automatic Time Error Correction (ATEC) in its Automatic Generation Control (AGC) system.”²

VIOLATION DESCRIPTION

URE discovered this violation on July 1, 2009 and self-reported it to WECC on July 2, 2009. URE stated it would not be able to use the Reliability Coordinator’s (RC’s) delta time error for Automatic Time Error Correction until its Supervisory Control and Data Acquisition (SCADA) vendor issued a new release to incorporate this function. URE stated that in the interim, it would continue to use its own delta time error, which was very close to the RC’s. WECC SMEs determined that URE operates synchronously to the Western Interconnection. In addition, WECC SMEs stated that Requirement 1 explicitly identifies the components which are to be used in calculating the adjustment to Net Scheduled Interchange used as the ATEC component in the Balancing Authority’s ACE Equation. One of the components explicitly identified is the change in Time Error, which is defined as: “The hourly change in system Time Error as distributed by the Interconnection Time Monitor.”

¹ The VSL for this Regional Reliability Standard is defined in the Standard itself.

² See Standard for formula.

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This change in Time Error term is specifically used to calculate the Balancing Authority’s Primary Inadvertent Interchange. The Interconnection Time Monitor for the Western Interconnection is the RC. Based on these findings, WECC SMEs determined that URE had a violation of this Standard for failure to use the change in Time Error distributed by the Interconnection Time Monitor, or the RC, for determination of its Primary Inadvertent Interchange as specified in Requirement 1. WECC Enforcement reviewed the self-report and the SMEs findings and determined that URE had a violation of this Standard because it failed to use the change in Time Error distributed by the Interconnection Time Monitor, or RC, for calculation of its Primary Inadvertent Interchange.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

WECC determined that the violation(s) posed a minimal risk and did not pose a serious or substantial risk to the reliability of the bulk power system (BPS) because URE did calculate a Primary Inadvertent Interchange using a change in Time Error based on its own measurement of frequency. Variations in frequency based clock time over a one hour period between synchronized Balancing Authorities within the Western Interconnection are historically very small. In addition, these variations would be bounded by the requirement for each Balancing Authority to maintain frequency transducers calibrated to an accuracy of less than or equal to 0.001HZ in accordance with NERC Reliability Standard BAL-005-0.1b R17. WECC has used the ATEC method of inadvertent interchange payback since February 2004. Prior to the implementation of this current Standard, the methodology used by URE was in accordance with the regional procedure and did not require the use of a common change in Time Error provided by the Interconnection Time Monitor, or RC. This previous method was used during the previous five year period. Thus, the impact on reliability of the BES by URE continuing to use this previous method for an additional 30 days was minimal.

II. DISCOVERY INFORMATION

METHOD OF DISCOVERY

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

DURATION DATE(S) 7/1/09 (when this Standard became mandatory and enforceable) through 7/30/09 (Mitigation Plan completion)

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

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY **7/2/09**

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-09-2260**
DATE SUBMITTED TO REGIONAL ENTITY **7/2/09**
DATE ACCEPTED BY REGIONAL ENTITY **10/5/09**
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 **7/31/09**
EXTENSIONS GRANTED
ACTUAL COMPLETION DATE **7/30/09**

DATE OF CERTIFICATION LETTER **8/5/09**
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **7/30/09**
DATE OF VERIFICATION LETTER **1/11/2010**
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **7/30/09**

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

URE worked with its SCADA vendor to implement the new release to be able to use the RC's delta time error.

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 two screen shots showing where the RC's delta time error comes in from WECC and is mapped to a SCADA key.**

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

EXHIBITS:

SOURCE DOCUMENT

URE Self-Reporting Form submitted July 2, 2009

MITIGATION PLAN

URE Mitigation Plan MIT-09-2260 submitted July 2, 2009

CERTIFICATION BY REGISTERED ENTITY

Certification of Mitigation Plan Completion Form submitted August 5, 2009

VERIFICATION BY REGIONAL ENTITY

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

Disposition Documents for CIP-004-1 R2, R3, R4

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.
WECC200901556	URE_WECC20091729
WECC200901764	URE_WECC20091958
WECC200901651	URE_WECC20091824

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
CIP-004-1	2		Medium¹	N/A²
CIP-004-1	3		Medium³	N/A
CIP-004-1	4		Medium⁴	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....”

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 CIP-004-1 R4 and R4.1 each have a “Lower” VRF; R4.2 has a “Medium” VRF. When NERC filed VRFs, it originally assigned CIP-004-1 R4.2 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 R4.2 was in effect from June 18, 2007 until January 27, 2009 when the Medium VRF became effective.

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

CIP-004-1 provides in pertinent part:

R2. Training — The Responsible Entity^[5] shall establish, maintain, and document an annual cyber security training program for 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:

⁵ Within the text of Standard CIP-004, “Responsible Entity” shall mean Reliability Coordinator, Balancing Authority, Interchange Authority, Transmission Service Provider, Transmission Owner, Transmission Operator, Generator Owner, Generator Operator, Load Serving Entity, NERC, and Regional Reliability Organizations.

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

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 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.

R4. Access — The Responsible Entity shall maintain list(s) of personnel with authorized cyber or authorized unescorted physical access to Critical Cyber Assets, including their specific electronic and physical access rights to Critical Cyber Assets.

R4.1. The Responsible Entity shall review the list(s) of its personnel who have such access to Critical Cyber Assets quarterly, and update the list(s) within seven calendar days of any change of personnel with such access to Critical Cyber Assets, or any change in the access rights of such personnel. The Responsible Entity shall ensure access list(s) for contractors and service vendors are properly maintained.

R4.2. The Responsible Entity shall revoke such access to Critical Cyber Assets within 24 hours for personnel terminated for cause and within seven calendar days for personnel who no longer require such access to Critical Cyber Assets.

(Footnote added.)

VIOLATION DESCRIPTION

WECC200901556 CIP-004-1 R2:

URE discovered a violation of this Standard on May 26, 2009, and self-reported it to WECC on June 1, 2009. URE had not given training to one contractor within 90 calendar days of giving that contractor authorized access to Critical Cyber Assets (CCAs). URE stated that it authorized this contractor to access CCAs on January 12, 2009, and thus should have given training to the contractor no later than April 12, 2009. URE did not conduct training for this contractor until May 18, 2009.

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

WECC Subject Matter Experts (SMEs) confirmed with URE that the contractor at issue had authorized access to URE's control center, which is a CCA, as of January 12, 2009, and confirmed that training for this individual was not performed until May 18, 2009. WECC Enforcement reviewed the self-report and the SMEs findings and determined that URE had a violation of this requirement because one contractor was not trained within ninety calendar days of receiving authorized access to CCAs.

WECC200901764 CIP-004-1 R3:

URE discovered this violation on October 20, 2009 and self-reported it to WECC on that same day. URE stated that it has a personnel risk assessment program but that background checks previously initiated for four employees, who have access to the Energy Control Center, were not finalized and were pending further investigation and evaluation. WECC SMEs determined that in four instances, URE's personnel risk assessment program triggered other internal URE policies which URE began following. WECC SMEs determined that URE was in violation of this Standard because, although URE was following these other internal policies, in these four instances, these policies did not lead to a determination or conclusion regarding the personnel risk assessment. Specifically, URE failed to either approve the four employees' personnel risk assessments to confirm the four employees' authorized access to CCAs, or to revoke the four employees' authorized access. URE did not revoke access right away, but rather conducted a thorough investigation and ultimately completed the personnel risk assessments. WECC Enforcement reviewed the self-report and the SMEs findings and determined that URE had a violation of this requirement because it failed to conduct a personnel risk assessment within the thirty days required by the Standard for four individuals who had been given authorized cyber or authorized unescorted physical access to CCAs.

WECC200901651 CIP-004-1 R4:

In its June 26, 2009 Self-Report, URE stated that as of June 8, 2008, there were five instances in which URE had failed to revoke access to CCAs within seven calendar days for URE employees who had transferred or retired. URE stated that it had revoked access to CCAs by June 12, 2009 for these individuals and updated the list of authorized personnel with access to CCAs. The SMEs determined that URE had documented the date on which it should have revoked access to CCAs for each of the five individuals at issue. The SMEs determined that the earliest of these dates was before July 1, 2008, the date when URE was required to be compliant with this Standard. The SMEs determined that the time period for URE's possible violation of this Standard extended back to July 1, 2008. Finally, the WECC SMEs determined that access for these individuals was not revoked, and URE's lists were not updated, until June 12, 2009. WECC Enforcement reviewed the self-report and the SMEs findings and determined that URE had a violation of this requirement because it (1) did not revoke access to CCAs within seven calendar days for

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

personnel who longer require access to CCAs and (2) failed to update its list of personnel with access to CCAs.⁶

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

WECC200901556 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 has and follows a cyber security training program. Additionally, the violation only involved one contractor. URE had an established relationship with the contractor. URE uses the same cyber security program for contractors and vendors that it uses for its employees.

WECC200901764 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 and was conducting personnel risk assessments in accordance with that program and its internal policies. In four instances, the personnel risk assessments were not formally concluded. In these four limited instances, the conduct of the background checks did not lead to an adequate determination of the risks involved with the four employees.

WECC200901651 CIP-004-1 R4:

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 maintains lists of personnel with authorized cyber or authorized unescorted physical access to CCAs as required by R1. Also, URE has procedures in place to revoke access to CCAs and update its lists within seven calendar days of any change in the access authorization. URE was in violation of this Standard only because it failed to implement its procedures with respect to five individuals. None of these five individuals were terminated for cause. Each either retired or transferred to different responsibilities within URE. The four employees adhered to URE's cyber and physical access control processes and were URE employees in good standing. The four employees were trained consistent with URE's cyber security training program.

⁶ In its response to the Notice of Alleged Violation and Proposed Penalty or Sanction, URE stated that further examination of this violation involved only three individuals that had CCA access. Of these three employees, two retired and one passed away.

**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)

WECC200901556 CIP-004-1 R2:

4/13/09 (the date upon which the 90-day training period expired) through 5/18/09 (the date when the contractor received the required training)

WECC200901764 CIP-004-1 R3:

7/1/08 (when URE was required to be compliant with this Standard as a “Table 1 Entity”) through 3/1/10 (Mitigation Plan completed)

WECC200901651 CIP-004-1 R4:

7/1/08 (when URE was required to be compliant with this Standard as a “Table 1 Entity”) through 6/12/09 (the date when URE revoked access and updated lists)

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY

WECC200901556 CIP-004-1 R2: 6/1/09

WECC200901764 CIP-004-1 R3: 10/20/09

WECC200901651 CIP-004-1 R4: 6/26/09

ARE THE VIOLATIONS STILL OCCURRING YES NO
IF YES, EXPLAIN

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

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

III. MITIGATION INFORMATION

WECC200901556 CIP-004-1 R2:

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO.	MIT-09-1970
DATE SUBMITTED TO REGIONAL ENTITY	6/10/09⁷
DATE ACCEPTED BY REGIONAL ENTITY	8/28/09
DATE APPROVED BY NERC	9/18/09
DATE PROVIDED TO FERC	9/18/09

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

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE **6/30/09**
 EXTENSIONS GRANTED
 ACTUAL COMPLETION DATE **6/11/09**

DATE OF CERTIFICATION LETTER **6/22/09⁸**
 CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **6/11/09**

DATE OF VERIFICATION LETTER **9/24/09**
 VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **6/11/09**

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

URE immediately trained the contractor upon being made aware of this situation (May 18, 2009). URE scheduled a meeting call on June 11, 2009 with appropriate Cyber Security members/ managers to reinforce the Cyber Security training program requirements.

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)

- **May 18, 2009 sign-in sheet and material used to train the contractor.**
- **Minutes of June 11, 2009 meeting about Cyber Security training program requirements**

⁷ URE submitted its Mitigation Plan on June 10, 2009 which WECC accepted on August 28, 2009. URE also submitted a Revised Mitigation Plan as its Certificate of Mitigation Plan Completion on June 22, 2009. WECC sent the June 22, 2009 version to NERC and the June 22, 2009 Revised Mitigation Plan was sent to FERC instead of the June 10, 2009 version.

⁸ URE's Revised Mitigation Plan was submitted as the Certification of Mitigation Plan Completion.

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

WECC200901764 CIP-004-1 R3:

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO.	MIT-08-2509
DATE SUBMITTED TO REGIONAL ENTITY	1/21/10
DATE ACCEPTED BY REGIONAL ENTITY	4/15/10
DATE APPROVED BY NERC	5/27/10
DATE PROVIDED TO FERC	5/27/10

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

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE **3/5/10**
EXTENSIONS GRANTED
ACTUAL COMPLETION DATE **3/1/10**

DATE OF CERTIFICATION LETTER **3/5/10**
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **3/1/10**

DATE OF VERIFICATION LETTER **6/10/10**
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **3/1/10**

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

URE is revised its Personal Risk Assessment (PRA) process by addressing and clarifying in the documented PRA procedures the roles and interface of URE internal policies and existing union (bargaining unit) agreements in the PRA process. The revised PRA process will affect the four long-term URE employees who already had CCA access as well as employees who are new to URE or assumed new functions requiring access to CCAs. The revised PRA process stipulates that new and transferred employees will not be granted access to CCAs until an investigation is completed and the employee cleared.

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)

- **Records that showing the fingerprint dates and the dates the background checks for the four employees**
- **Personnel Risk Assessment procedures**

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

WECC200901651 CIP-004-1 R4:

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO.	MIT-08-2022
DATE SUBMITTED TO REGIONAL ENTITY	6/30/09⁹
DATE ACCEPTED BY REGIONAL ENTITY	9/25/09
DATE APPROVED BY NERC	10/12/09
DATE PROVIDED TO FERC	10/12/09

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 **6/8/09**

DATE OF CERTIFICATION LETTER **6/26/09¹⁰**
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **6/8/09**

DATE OF VERIFICATION LETTER **11/4/09**
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **6/8/09**

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

URE started a full review of the list of access to CCAs and retrained the ECC facility managers on CCA update access procedures. In addition, on June 9, 2009, a URE manager issued a company-wide directive that reinforced the CCA update access procedures, and incorporated these procedures into personnel change procedures that are to be acted upon on a daily basis.

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

- **Sign-in sheet and discussion materials of April 20, 2009 training course**
- **Copy of the manager’s directive**

⁹ The Mitigation Plan is dated June 26, 2009 but was not submitted until June 30, 2009.

¹⁰ URE’s Mitigation Plan included attached evidence of completion; therefore the Mitigation Plan serves as the Certification Letter.

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

EXHIBITS:

WECC200901556 CIP-004-1 R2:

SOURCE DOCUMENT

URE's Compliance Violation Self-Reporting Form submitted June 1, 2009

MITIGATION PLAN

URE's Mitigation Plan MIT-09-1970 dated June 22, 2009

CERTIFICATION BY REGISTERED ENTITY

URE's Revised Mitigation Plan Submittal Form which serves as Certification of Completion dated June 22, 2009.

VERIFICATION BY REGIONAL ENTITY

WECC's Completed Mitigation Plan Response Letter dated September 24, 2009

WECC200901764 CIP-004-1 R3:

SOURCE DOCUMENT

URE's Self-Reporting Form submitted October 20, 2009

MITIGATION PLAN

URE's Mitigation Plan MIT-08-2509 submitted January 21, 2010

CERTIFICATION BY REGISTERED ENTITY

URE's Certification of Mitigation Plan Completion Form submitted March 5, 2010

VERIFICATION BY REGIONAL ENTITY

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

WECC200901651 CIP-004-1 R4

SOURCE DOCUMENT

URE's Compliance Violation Self-Reporting Form submitted June 26, 2009¹¹

MITIGATION PLAN

URE's Mitigation Plan MIT-08-2022 dated June 26, 2009

¹¹ The source document states the violation was discovered on June 8, 2009.

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

CERTIFICATION BY REGISTERED ENTITY

**URE's Mitigation Plan Submittal Form which serves as Certification of
Completion dated June 26, 2009**

VERIFICATION BY REGIONAL ENTITY

**WECC's Certification of Completion Response Letter dated November 4,
2009**

Disposition Document for TOP-004-2 R1 and IRO-005-2 R13

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.
WECC200901752	URE_WECC20091943
WECC200901769	URE_WECC20091964

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
TOP-004-2	1		High	High
IRO-005-2	13		N/A ¹	Severe ²

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

The purpose statement of TOP-004-2 provides: “To ensure that the transmission system is operated so that instability, uncontrolled separation, or cascading outages will not occur as a result of the most severe single Contingency and specified multiple Contingencies.”

TOP-004-2 R1 provides: “Each Transmission Operator shall operate within the Interconnection Reliability Operating Limits (IROLs) and System Operating Limits (SOLs).”

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

¹ This violation does not have a VRF according to the NERC VRF Matrix of October 21, 2009. The current VRF Matrix dated December 2, 2010 states that IRO-005-2 R13 has a High VRF.

² The NERC VSL Matrix only provides for a Severe VSL for violations of IRO-005-2 R13.

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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.

VIOLATION DESCRIPTION

URE discovered the TOP-004-2 R1 violation on April 9, 2009 and self-reported the violation on April 14, 2009. After further investigation, URE discovered the IRO-005-2 R13 violation and self-reported on May 22, 2009. URE stated that a 500 kV line went out. Subsequently, URE was alerted that another 500 kV line was overloaded. URE informed the line operator, that the line was overloaded. The parties discovered that the line operator had a different rating for the line. After several discussions, it was determined that URE's rating of the line was correct, and that indeed there was an overload of the line. The line had exceeded its continuous rating, but not its emergency rating. URE returned the line to operate within the System Operating Limit (SOL) (53 minutes after overload confirmation). Thus, the SOL for the second 500 kV line was exceeded for 3 hours and 11 minutes. URE stated that during this event, the line was over its continuous rating. The emergency rating was not exceeded.

WECC SMEs determined that URE had a violation of TOP-004-2 R1 for operating the 500 kV line beyond its SOL without taking immediate action to reduce the loading to restore operation within the SOL.

WECC SMEs determined that URE had a violation of IRO-005-2 R13 because, at the time of the event, the line was operating above the most limiting parameter. Additionally, WECC SMEs determined that URE did not immediately take any action to reduce flow to within this most limiting parameter.

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, during this event, (1) there was no IROL involved, (2) the magnitude of the overload was not excessive (3.7%), and (3) operations on the line were significantly lower than the emergency rating of the transmission element. Additionally, the operating state was being managed while safely determining the difference and then reduced the loading.

**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) **Three months and four days**

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY

TOP-004-2 R1: 4/14/09

IRO-005-2 R13: 5/22/09

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 FOR TOP-004-2 R1:

MITIGATION PLAN NO. **MIT-09-2179**
DATE SUBMITTED TO REGIONAL ENTITY **4/24/09**
DATE ACCEPTED BY REGIONAL ENTITY **12/8/09**
DATE APPROVED BY NERC **12/18/09**
DATE PROVIDED TO FERC **12/18/09**

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

URE submitted a Mitigation Plan to address this violation on April 14, 2009. This Mitigation Plan had an expected completion date of April 24, 2009. On May 10, 2009, WECC SMEs reviewed and accepted this Mitigation Plan. URE submitted a revised Mitigation Plan on April 24, 2009 with an expected completion date of May 8, 2009 (dates discussed above).

MITIGATION PLAN COMPLETED YES NO

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

EXPECTED COMPLETION DATE **5/8/09**
EXTENSIONS GRANTED
ACTUAL COMPLETION DATE **5/7/09**

DATE OF CERTIFICATION LETTER **5/8/09³**
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **5/7/09**

DATE OF VERIFICATION LETTER **12/11/09**
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **5/7/09**

FOR FINAL ACCEPTED MITIGATION PLAN FOR IRO-005-2 R13:

MITIGATION PLAN NO. **MIT-09-2236**
DATE SUBMITTED TO REGIONAL ENTITY **5/22/09**
DATE ACCEPTED BY REGIONAL ENTITY **12/23/09**
DATE APPROVED BY NERC **1/5/10**
DATE PROVIDED TO FERC **1/5/10**

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

N/A

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE **Submitted as complete**
EXTENSIONS GRANTED **N/A**
ACTUAL COMPLETION DATE **5/7/09**

DATE OF CERTIFICATION LETTER **5/22/09⁴**
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **5/7/09**

DATE OF VERIFICATION LETTER **12/31/09**
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **5/7/09**
ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE (FOR BOTH VIOLATIONS)

URE has checked transmission line ratings commonly used by URE and the line operator and has made sure that any potential rating inconsistencies are addressed. Additionally, a manager at URE has completed training of all BPS operating personnel to reinforce SOL procedures included in the URE electric emergency plan.

³ URE submitted its certification in the form of a Revised Mitigation Plan with a submitted date of May 8, 2009.

⁴ URE's Certification of Completion was included within the Mitigation Plan.

**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)

- **Correspondence between URE and the line operator confirming that both the line operator and URE have coordinated and agreed on a rating for operation of the second 500 kV Line.**
- **System Operating Limit refresher training sign-in sheet and teaching materials**

EXHIBITS:

SOURCE DOCUMENT

URE's Compliance Violation Self-Reporting Form for TOP-004-2 R1 reported April 14, 2009

URE's Compliance Violation Self-Reporting Form for IRO-005-2 R13 reported May 22, 2009

MITIGATION PLAN

URE's Mitigation Plan MIT-09-2179 for TOP-004-2 R1 submitted April 14, 2009

URE's Revised Mitigation Plan MIT-09-2179 for TOP-004-2 R1 submitted April 24, 2009

URE's Mitigation Plan MIT-09-2236 for IRO-005-2 R13 submitted May 22, 2009

CERTIFICATION BY REGISTERED ENTITY

URE's Revised Mitigation Plan which serves as the Certification of Completion for TOP-004-2 R1 submitted May 8, 2009

URE's Mitigation Plan which serves as the Certification of Completion for IRO-005-2 R13 submitted May 22, 2009

VERIFICATION BY REGIONAL ENTITY

WECC's Verification of Mitigation Plan Completion for TOP-004-2 R1 dated December 11, 2009

WECC's Verification of Mitigation Plan Completion for IRO-005-2 R13 dated December 31, 2009

Disposition Document for PRC-005-1 R2

PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION

DISPOSITION OF VIOLATION

Dated March 11, 2011

NERC TRACKING NO. WECC200901638 REGIONAL ENTITY TRACKING NO. URE_WECC20091811

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
PRC-005-1	2	2.1	High¹	Lower

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

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

PRC-005-1 R2 provides:

R2. Each Transmission Owner and any Distribution Provider that owns a transmission Protection System^[2] and each Generator Owner that owns a generation Protection System shall provide documentation of its Protection System maintenance and testing program and the implementation of that program to its Regional Reliability Organization^[3] on request (within 30 calendar days). The documentation of the program implementation shall include:

R2.1 Evidence Protection System devices were maintained and tested within the defined intervals.

R2.2 Date each Protection System device was last tested/maintained.

(Footnotes added.)

¹ PRC-005-1 R2 has a “Lower” Violation Risk Factor (VRF); R2.1 and R2.2 each have a “High” VRF. During a final review of the standards subsequent to the March 23, 2007 filing of the Version 1 VRFs, NERC identified that some standards requirements were missing VRFs; one of these include PRC-005-1 R2.1. On May 4, 2007, NERC assigned PRC-005 R2.1 a “High” VRF. In the Commission’s June 26, 2007 Order on Violation Risk Factors, the Commission approved the PRC-005-1 R2.1 “High” VRF as filed. Therefore, the “High” VRF was in effect from June 26, 2007. In the context of this case, WECC determined that the violation related to R2.1 and therefore a “High” VRF is appropriate.

² *The NERC Glossary of Terms Used in Reliability Standards* defines Protection System as “Protective relays, associated communication systems, voltage and current sensing devices, station batteries and DC control circuitry.”

³ Consistent with applicable FERC precedent, the term “Regional Reliability Organization” in this context refers to WECC.

**PRIVILEGED AND CONFIDENTIAL INFORMATION
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VIOLATION DESCRIPTION

URE discovered this violation on September 9, 2009, and self-reported it to WECC on September 17, 2009. URE stated that testing for a 345 kV Transmission Line was due to be performed on May 25, 2009. URE stated that the two primary relay schemes and the carrier systems for this line were tested on schedule. URE stated that the testing for the one third-level backup relay protection (Electromechanical Back-up Scheme) was not performed until September 7, 2009. On September 22, 2009, WECC Subject Matter Experts (SMEs) reviewed URE's Self-Report and determined that LDPWP did not test the backup relay on the 345 kV Transmission Line until September 7, 2009, which was 105 days after the testing due date of May 25, 2009. WECC Enforcement reviewed the self-report and the SMEs findings and determined that URE had a violation of this Standard because it filed to test one backup relay within its defined interval.

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 there are two primary sets of relays on this line that URE did test within defined intervals. Thus, the likelihood of a fault on this line not being cleared as a result of this violation was very small.

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) 5/25/09 (when the backup relay was due for testing) through 9/7/09 (Mitigation Plan completion)

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY 9/17/09

IS THE VIOLATION STILL OCCURRING YES NO
IF YES, EXPLAIN

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

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-09-2014**
DATE SUBMITTED TO REGIONAL ENTITY **9/17/09**
DATE ACCEPTED BY REGIONAL ENTITY **9/23/09**
DATE APPROVED BY NERC **9/29/09**
DATE PROVIDED TO FERC **9/29/09**

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 **9/7/09**

DATE OF CERTIFICATION LETTER **9/17/09⁴**
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **9/7/09**

DATE OF VERIFICATION LETTER **11/4/09**
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **9/7/09**

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

The 345 kV Transmission Line back up relay scheme was tested on September 7, 2009. A URE group that is responsible for system protection will continue to closely monitor scheduled relay protection maintenance and testing activities. The Compliance group that is responsible for Reliability Standards will also be monitoring the relay protection schedule and completion of work on a monthly basis.

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

- **Relay testing system test results**

⁴ URE's Mitigation Plan included attached evidence of completion; therefore the Mitigation Plan serves as the Certification Letter.

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

EXHIBITS:

SOURCE DOCUMENT

URE's Self-Reporting Form submitted September 17, 2009

MITIGATION PLAN

URE's Mitigation Plan MIT-09-2014 submitted September 17, 2009

CERTIFICATION BY REGISTERED ENTITY

**URE's Mitigation Plan Submittal Form which serves as Certification of
Completion submitted September 17, 2009**

VERIFICATION BY REGIONAL ENTITY

**WECC's Certification of Completion Response Letter dated November 4,
2009⁵**

⁵ The Verification of Mitigation Plan Completion states that the Certification of Completion was submitted on September 18, 2009.