

March 31, 2020

**VIA ELECTRONIC FILING**

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

Re: **NERC Full Notice of Penalty regarding Mississippi Delta Energy Agency,  
FERC Docket No. NP20-\_-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Notice of Penalty<sup>1</sup> regarding Mississippi Delta Energy Agency (MDEA), NERC Registry ID# NCR06050,<sup>2</sup> with information and details regarding the nature and resolution of the violation<sup>3</sup> discussed in detail in the Settlement Agreement attached hereto (Attachment 1), in accordance with the Federal Energy Regulatory Commission's (Commission or FERC) rules, regulations, and orders, as well as NERC's Rules of Procedure including Appendix 4C (NERC Compliance Monitoring and Enforcement Program (CMEP)).<sup>4</sup>

NERC is filing this Notice of Penalty with the Commission because SERC Reliability Corporation (SERC) and MDEA have entered into a Settlement Agreement to resolve all outstanding issues arising from SERC's determination and findings of one serious risk violation of the Facilities Design, Connections, and Maintenance (FAC) Reliability Standards.

According to the Settlement Agreement, MDEA admitted to the violation and has agreed to the assessed penalty of seventy thousand dollars (\$70,000), in addition to other remedies and actions to mitigate the

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<sup>1</sup> *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards, Order No. 672, 114 FERC ¶ 61,104, order on reh'g, Order No. 672-A, 114 FERC ¶ 61,328 (2006); Notice of New Docket Prefix "NP" for Notices of Penalty Filed by the N. Am. Elec. Reliability Corp., Docket No. RM05-30-000 (February 7, 2008); Mandatory Reliability Standards for the Bulk-Power System, Order No. 693, 118 FERC ¶ 61,218, order on reh'g, Order No. 693-A, 120 FERC ¶ 61,053 (2007).*

<sup>2</sup> MDEA was included on the NERC Compliance Registry as a Resource Planner (RP) and Transmission Owner (TO) on August 24, 2007.

<sup>3</sup> 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.

<sup>4</sup> See 18 C.F.R. § 39.7(c)(2) and 18 C.F.R. § 39.7(d).

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instant violation and facilitate future compliance under the terms and conditions of the Settlement Agreement.

### Statement of Findings Underlying the Violation

This Notice of Penalty incorporates the findings and justifications set forth in the Settlement Agreement, by and between SERC and MDEA. The details of the findings and basis for the penalty are set forth in the Settlement Agreement and herein. This Notice of Penalty 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 (2019), NERC provides the following summary table identifying the violation of a Reliability Standard resolved by the Settlement Agreement. Further information on the subject violation is set forth in the Settlement Agreement and herein.

Violation(s) Determined and Discovery Method								
*SR = Self-Report / SC = Self-Certification / CA = Compliance Audit / SPC = Spot Check / CI = Compliance Investigation								
NERC Violation ID	Standard	Req.	VRF/VSL	Applicable Function(s)	Discovery Method* Date	Violation Start-End Date	Risk	Penalty Amount
SPP2017018829	FAC-003-4	R2	High/High	TO	SR 12/15/2017	2/15/2017 - 10/6/2017	Serious	\$70k

MDEA is a joint action agency organized under the laws of Mississippi. MDEA owns a 23-mile, 230 kV transmission line, known as the Moon Lake Line. The Moon Lake Line connects the municipal electric system of MDEA's member, the City of Clarksdale, Mississippi (Clarksdale), to the Entergy Services, Inc. (Entergy) transmission system at Entergy's Moon Lake substation. The Moon Lake Line also provides the interconnection to the Entergy transmission system for the Crossroads Energy Center (Crossroads), which is owned and operated by Clarksdale. Crossroads consists of four natural gas-fueled combustion turbines with a combined operating capacity of 320 MW. All of Crossroads' energy and capacity is contracted to Evergy, Inc., formerly known as Kansas City Power and Light, for import into the Southwest Power Pool energy market. The four 80 MW peaking units served by the transmission line ran infrequently in 2017, with a combined capacity factor of 0.74 percent.

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FAC-003-4 R2.1

SERC determined that MDEA's execution of its Transmission Vegetation Management Program (TVMP) was not compliant with FAC-003-4 R2.1. MDEA discovered that vegetation had grown within the Minimum Vegetation Clearance Distance (MVCD) of the Moon Lake Line. MDEA's TVMP did not adequately address local conditions, specifically fast-growing trees. MDEA's TVMP required that all segments of the Moon Lake Line be inspected once per calendar year with no more than 18 calendar months in between inspections; however, the TVMP also reflected MDEA's practice of performing a documented monthly inspection of the Moon Lake Line. If conditions were such that one or more segments of the Moon Lake Line were deemed by inspection personnel to be inaccessible by foot or vehicle during a particular month, MDEA's program allowed for the monthly inspection to be skipped as to the affected line segments, so long as personnel documented the reason and completed an inspection of the segment(s) at least once per calendar year, with no more than 18 calendar months in between inspections. Even though the MDEA TVMP provided for an inspection of all line segments on an annual basis and contained a more frequent monthly inspection interval for accessible segments of the Moon Lake Line, the inspection intervals nonetheless allowed growth into the MVCD to go undetected, creating an unacceptable risk to the BPS. Attachment 1 includes additional facts regarding the violation.

The cause of this violation was deficient execution of the TVMP. MDEA's TVMP did not adequately address local conditions, specifically fast-growing trees. Additionally, the TVMP had an inspection interval that, while consistent with minimum inspection requirements in FAC-003-4, nonetheless allowed vegetation encroachment into the MVCD. The TVMP also allowed for monthly inspection of inaccessible segments of the line to be skipped, as long as personnel documented the reason for omitting the line segment(s) in the monthly inspection reports and inspected the full length of the line once per calendar year.

SERC determined that the single violation of FAC-003-4 R2 posed a serious and substantial risk to the reliability of the bulk power system (BPS). Attachment 1 includes the facts regarding the violation that SERC considered in its risk assessment.

MDEA submitted its Mitigation Plan to address the referenced violation. Attachment 1 includes a description of the mitigation activities MDEA took to address this violation. A copy of the Mitigation Plan is included as Attachment 3.

MDEA certified that it had completed all mitigation activities. SERC verified that MDEA had completed all mitigation activities as of February 23, 2018. Attachments 1 and 5 provide specific information on SERC's verification of MDEA's completion of the activities.

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### Regional Entity's Basis for Penalty

According to the Settlement Agreement, SERC has assessed a penalty of seventy thousand dollars (\$70,000) for the referenced violation. In reaching this determination, SERC considered the following factors:

1. MDEA was forthright and cooperative throughout the enforcement process;
2. MDEA self-reported the above violation;
3. MDEA admitted to the violation;
4. MDEA agreed to settle the violation;
5. The violation of FAC-003-4 R2 posed a serious and substantial risk to the reliability of the BPS;
6. There were no other mitigating or aggravating factors or extenuating circumstances that would affect the assessed penalty.<sup>5</sup>

After consideration of the above factors, SERC determined that, in this instance, the penalty amount of seventy thousand dollars (\$70,000) is appropriate and bears a reasonable relation to the seriousness and duration of the violation.

### **Statement Describing the Assessed Penalty, Sanction, or Enforcement Action Imposed<sup>6</sup>**

#### **Basis for Determination**

Taking into consideration the Commission's direction in Order No. 693, the NERC Sanction Guidelines and the Commission's July 3, 2008, October 26, 2009 and August 27, 2010 Guidance Orders,<sup>7</sup> the NERC BOTCC reviewed the violation on March 19, 2020 and approved the resolution between SERC Reliability

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<sup>5</sup> SERC considered MDEA's FAC-003 compliance history in determining the penalty. SERC determined that MDEA's compliance history should not serve as a basis for aggravating the penalty because MDEA's compliance history involved FAC-003-1, which required that entities develop formal transmission vegetation management programs (TVMP) (R1), and create and implement an annual plan for vegetation management work (R2). The standard at issue, FAC-003-4 R2, requires that entities manage vegetation to prevent encroachments into the MVCD. In the prior violations, MDEA failed to have a TVMP and an annual plan for vegetation management. For the instant violation, MDEA's execution of its program failed to prevent encroachment of vegetation into the MVCD. The instant violation does not represent recurring conduct warranting aggravation of the penalty.

<sup>6</sup> See 18 C.F.R. § 39.7(d)(4).

<sup>7</sup> N. Am. Elec. Reliability Corp., "Guidance Order on Reliability Notices of Penalty," 124 FERC ¶ 61,015 (2008); N. Am. Elec. Reliability Corp., "Further Guidance Order on Reliability Notices of Penalty," 129 FERC ¶ 61,069 (2009); N. Am. Elec. Reliability Corp., "Notice of No Further Review and Guidance Order," 132 FERC ¶ 61,182 (2010).

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Corporation and Mississippi Delta Energy Agency. In approving the resolution, the NERC BOTCC reviewed the applicable requirements of the Commission-approved Reliability Standards and the underlying facts and circumstances of the violation at issue.

For the foregoing reasons, the NERC BOTCC approved the resolution and believes that the assessed penalty of seventy thousand dollars (\$70,000) is appropriate for the violation 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 Notice of Penalty with FERC, or, if FERC decides to review the penalty, upon final determination by FERC.

#### **Attachments to be Included as Part of this Notice of Penalty**

The attachments to be included as part of this Notice of Penalty are the following documents:

1. Settlement Agreement by and between SERC and MDEA executed January 21, 2020, included as Attachment 1;
2. MDEA's Self-Report for FAC-003-4 R2 dated December 15, 2017, included as Attachment 2;
3. MDEA's Mitigation Plan designated as SPPMIT013538 for FAC-003-4 R2 submitted February 23, 2018, included as Attachment 3;
4. MDEA's Certification of Mitigation Plan Completion for FAC-003-4 R2 dated February 26, 2018, included as Attachment 4; and
5. SERC's Verification of Mitigation Plan Completion for FAC-003-4 R2 dated February 27, 2018, included as Attachment 5.

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

<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>Curtis D. Boschert* General Manager Clarksdale Public Utilities 416-420 Third Street P.O. Box 70 Clarksdale, MS 38614 662-627-8401 662-627-8466 – facsimile cboschert@cdpu.net</p> <p>David R. Hunt* Hunt Law Offices, P. C. 1192 West Lakeshore Drive Starkville, Mississippi 39759 (662) 320-4698 drh@drhuntlaw.net</p> <p>Margaret E. McNaul* Thompson Coburn LLP 1909 K Street, N.W. Suite 600 Washington, D.C. 20006 202.585.6940 202.585.6969 – facsimile mmcnaul@thompsoncoburn.com</p>	<p>Edwin G. Kichline* Senior Counsel and Director of Enforcement Oversight North American Electric Reliability Corporation 1325 G Street NW, Suite 600 Washington, DC 20005 (202) 400-3000 (202) 644-8099 – facsimile edwin.kichline@nerc.net</p> <p>James McGrane* Senior Counsel North American Electric Reliability Corporation 1325 G Street NW, Suite 600 Washington, DC 20005 (202) 400-3000 (202) 644-8099 – facsimile james.mcgrane@nerc.net</p>
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<p>Jimmy C. Cline* Managing Counsel – Enforcement SERC Reliability Corporation 3701 Arco Corporate Drive, Suite 300 Charlotte, NC 28273 (704) 414-5259 (704) 357-7914 – facsimile jmcgrane@serc1.org</p> <p>Drew R. Slabaugh* Legal Counsel SERC Reliability Corporation 3701 Arco Corporate Drive, Suite 300 Charlotte, NC 28273 (704) 414-5244 dslabaugh@serc1.org</p> <p>Holly Hawkins* General Counsel SERC Reliability Corporation 3701 Arco Corporate Drive, Suite 300 Charlotte, NC 28273 704-494-7775 hhawkins@serc1.org</p> <p>Jason Blake* President and Chief Executive Officer SERC Reliability Corporation 3701 Arco Corporate Drive, Suite 300 Charlotte, NC 28273 (704) 940-8204 jblake@serc1.org</p>	
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## Conclusion

NERC respectfully requests that the Commission accept this Notice of Penalty as compliant with its rules, regulations, and orders.

Respectfully submitted,

/s/ James McGrane  
Edwin G. Kichline  
Senior Counsel and Director of  
Enforcement Oversight  
James McGrane  
Senior Counsel  
North American Electric Reliability  
Corporation  
1325 G Street NW  
Suite 600  
Washington, DC 20005  
(202) 400-3000  
(202) 644-8099 - facsimile  
edwin.kichline@nerc.net  
james.mcgrane@nerc.net

cc: Mississippi Delta Energy Agency  
SERC Reliability Corporation

Attachments



Attachment 1  
Settlement Agreement by and between  
SERC and MDEA executed January 21, 2020



# SERC RELIABILITY CORPORATION

Evaluation | Analysis | Assistance | Operating Experience

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## SETTLEMENT AGREEMENT BETWEEN SERC RELIABILITY CORPORATION AND MISSISSIPPI DELTA ENERGY AGENCY

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### I. INTRODUCTION

1. SERC Reliability Corporation (SERC) and the Mississippi Delta Energy Agency (MDEA), hereinafter collectively described as the "Parties" or individually as the "Party", enter into this Settlement Agreement (Agreement) to resolve the Alleged Violation by MDEA of the below-referenced Reliability Standard Requirement.

Reliability Standard	Requirement	SERC Tracking No.
FAC-003-4	R2	SPP2017018829

2. The Parties stipulate to the facts in this Agreement for the sole purpose of resolving the Alleged Violation. MDEA admits that the facts stipulated to herein constitute an Alleged Violation of the above-referenced Reliability Standard Requirement.

### II. OVERVIEW OF MDEA

3. MDEA is a joint action agency organized under the laws of the State of Mississippi. MDEA owns a twenty-three mile, 230 kV transmission line, hereinafter referred to as the "Moon Lake Line." The Moon Lake Line connects the municipal electric system of MDEA's member, the City of Clarksdale, Mississippi (Clarksdale), to the Entergy Services, Inc. (Entergy) transmission system at Entergy's Moon Lake Substation. The Moon Lake Line also provides the interconnection to the Entergy transmission system for the Crossroads Energy Center (Crossroads), which is owned and operated by Clarksdale. Crossroads consists of four natural gas-fueled combustion turbines with a combined operating capacity of 320 MW. All of Crossroads' energy and capacity is contracted to Entergy, Inc., formerly known as Kansas City Power & Light. The Crossroads generation is imported into the Southwest Power Pool energy market via a pseudo-tie.

### III. EXECUTIVE SUMMARY

#### *Overview of Alleged Violation*

4. This Settlement Agreement resolves one Alleged Violation of FAC-003-4 R2, which applies to MDEA in its capacity as a Transmission Owner. MDEA self-reported the



Alleged Violation to Southwest Power Pool Regional Entity (SPP RE) on December 15, 2017. The Self-Report stated that, as a Transmission Owner, MDEA discovered vegetation had grown within the Minimum Vegetation Clearance Distance (MVCD) of the Moon Lake Line, thereby constituting potential non-compliance with Reliability Standard FAC-003-4, Requirement R2.1.

5. Upon the dissolution of SPP RE, the Alleged Violation was transferred to SERC. SERC determined that this Alleged Violation posed a serious risk to the bulk power system (BPS). SERC determined that MDEA's Transmission Vegetation Management Program (TVMP) was deficient in that it did not adequately address local conditions, specifically fast growing trees. Consistent with Requirement R6 of Reliability Standard FAC-003-4, MDEA's TVMP required that all segments of the Moon Lake Line be inspected once per calendar year, with no more than eighteen calendar months in between inspections. However, the TVMP also reflected MDEA's practice of performing a documented monthly inspection of the Moon Lake Line. If conditions were such that one or more segments of the Moon Lake Line were deemed by inspection personnel to be inaccessible by foot or vehicle during a particular month, MDEA's program allowed for the monthly inspection to be skipped as to the affected line segments so long as personnel documented the reason and completed an inspection of the segment(s) at least once per calendar year, with no more than eighteen calendar months in between inspections. Even though the MDEA TVMP provided for an inspection of all line segments on an annual basis and contained a more frequent (i.e., monthly) inspection interval for accessible segments of the Moon Lake Line, SERC concluded that the inspection intervals nonetheless allowed growth into the MVCD to go undetected creating an unacceptable risk to the BPS.
6. To address the Alleged Violation and prevent future occurrences, MDEA updated its TVMP to maintain its existing practice of performing monthly inspections of the Moon Lake Line, but to require inspections of all segments of the Moon Lake line every six months, a shorter interval than is required in FAC-003-4, Requirement R6. Additionally, MDEA removed the willow tree that had grown within the MVCD and hired a contractor to use construction equipment to clear all of the trees and brush in close proximity to the affected segments of the Moon Lake Line.

#### **IV. ADJUSTMENT FACTORS**

7. In addition to the facts and circumstances stated above, SERC considered the following factors in its penalty determination.

##### *Self-Identification and Self-Reporting*

8. MDEA self-reported the Alleged Violation at issue. Therefore, SERC applied mitigating credit for self-reporting.

##### *Cooperation*

9. MDEA has been forthright and cooperative throughout the enforcement process. MDEA's responses to requests for information were timely, and the information was detailed and



thorough. To encourage such cooperation by MDEA, and other Registered Entities, SERC found MDEA's cooperation to be a mitigating factor in the penalty determination.

#### *Compliance History*

10. SERC considered MDEA's compliance history and determined that there were no relevant instances of noncompliance.

#### **V. PENALTY AND SANCTION**

11. Based upon the foregoing, MDEA shall pay a monetary penalty of **\$70,000** to SERC, payable in equal parts over two years.
12. SERC shall present an invoice to MDEA for the first year's penalty payment of \$35,000 within 20 days of this Agreement being approved by the Federal Energy Regulatory Commission (Commission) or affirmed by operation of law. Upon receipt, MDEA shall have 30 days to remit payment. In January 2021, SERC shall thereafter present MDEA with an invoice for the remaining \$35,000. Upon receipt, MDEA shall have 30 days to remit payment. SERC will notify the North American Electric Reliability Corporation (NERC) if it does not timely receive the payments from MDEA.
13. If MDEA fails to timely remit the penalty payments to SERC, interest will commence to accrue on the outstanding balance, pursuant to 18 C.F.R. § 35.19a (a)(2)(iii), on the 31<sup>st</sup> day after the date on the invoice issued by SERC.

#### **VI. ADDITIONAL TERMS**

14. The Parties agree that resolving the Alleged Violation through a settlement is in the best interest of BES reliability.
15. SERC shall report the terms of all settlements of compliance matters to NERC. NERC will review this Agreement for the purpose of evaluating its consistency with other settlements entered into for similar violations or under similar circumstances. Based on this review, NERC will either approve or reject this Agreement. If NERC rejects this Agreement, NERC will provide specific written reasons for such rejection, and SERC will attempt to negotiate with MDEA a revised settlement agreement that addresses NERC's concerns. If a settlement cannot be reached, the enforcement process will continue to conclusion. If NERC approves this Agreement, NERC will (a) report the approved settlement to the Commission for review and approval by order or operation of law and (b) publicly post the Alleged Violations and the terms provided for in this Agreement.
16. This Agreement binds the Parties upon execution and may only be altered or amended by written agreement executed by the Parties. MDEA expressly waives its right to any hearing or appeal concerning any matter set forth herein, unless and only to the extent that MDEA contends that any NERC or Commission action constitutes a material modification to this Agreement.
17. SERC reserves all rights to initiate an enforcement action against MDEA in accordance




with the NERC Rules of Procedure in the event that MDEA fails to comply with any of the terms or conditions of this Agreement. MDEA retains all rights to defend against such enforcement action in accordance with the NERC Rules of Procedure.

18. MDEA consents to SERC's future use of this Agreement for the purpose of assessing the factors within the NERC Sanction Guidelines and applicable Commission orders and policy statements, including, but not limited to, evaluating MDEA's history of violations. Such use may be in any enforcement action or compliance proceeding undertaken by NERC or any Regional Entity or both; provided, however, that MDEA does not consent to the use of the conclusions, determinations, and findings set forth in this Agreement as the sole basis for any other action or proceeding brought by NERC or any Regional Entity or both, nor does MDEA consent to the use of this Agreement by any other party in any other action or proceeding.
19. MDEA affirms that all of the matters set forth in this Agreement are true and correct to the best of its knowledge, information, and belief, and that it understands that SERC enters into this Agreement in express reliance on the representations contained herein, as well as any other representations or information provided by MDEA to SPP RE or SERC during any MDEA interaction with SPP RE or SERC relating to the subject matter of this Agreement. Any errors or omissions made in good faith by the Parties shall not invalidate this agreement.
20. Upon execution of this Agreement, the Parties stipulate that the noncompliance issue(s) addressed herein constitutes an Alleged Violation. The Parties further stipulate that the applicable information listed in Section 5.3 of the NERC Compliance Monitoring and Enforcement Program is included within this Agreement.
21. Each of the undersigned representatives agreeing to and accepting this Agreement on behalf of the Parties warrants that he or she is an authorized representative of the Party designated below, is authorized to bind such Party, and accepts the Agreement on the Party's behalf.
22. The undersigned representatives agreeing to and accepting this Agreement on behalf of the Parties further warrant that the Parties are entering into this Agreement voluntarily and that, other than the recitations set forth herein, no tender, offer, or promise of any kind by any member, employee, officer, director, agent, or representative of the Parties has been made to induce the undersigned representatives or any other party to enter into this Agreement.
23. This Agreement may be signed in counterparts.
24. This Agreement may be executed in duplicate, each of which so executed shall be deemed to be an original.



**AGREED TO AND ACCEPTED BY:**

  
George Miller  
Chairman, Board of Commissioners  
Mississippi Delta Energy Agency

1-17-2020  
Date

  
Jason Blake  
President & CEO  
SERC Reliability Corporation

1-21-20  
Date

## Attachment A

### I. ALLEGED VIOLATION OF FAC-003-4 R2 (SPP2017018829)

#### A. FAC-003-4 R2

1. FAC-003-4 ensures the reliable operation of the electric transmission system by using a defense-in-depth strategy to manage vegetation located on transmission rights of way (ROW) and minimize encroachments from vegetation located adjacent to the ROW, thus preventing the risk of vegetation-related outages that could lead to Cascading.
2. FAC-003-4 R2 provides in relevant part:
  - R2.** Each applicable Transmission Owner and applicable Generator Owner shall manage vegetation to prevent encroachments into the MVCD of its applicable line(s) which are not either an element of an IROL, or an element of a Major WECC Transfer Path; operating within its Rating and all Rated Electrical Operating Conditions of the types shown:
    - 2.1.** An encroachment into the MVCD, observed in Real-time, absent a Sustained Outage.

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#### *Description of Alleged Violation and Risk Assessment*

3. On December 15, 2017, MDEA submitted a Self-Report stating that, as a Transmission Owner, it was not compliant with FAC-003-4 R2.1. *See Self-Report, Attachment 1.* MDEA discovered vegetation had grown within the Minimum Vegetation Clearance Distance (MVCD) of the Moon Lake Line.
4. MDEA has calculated the MVCD for the Moon Lake Line to be four feet. To manage vegetation in the Moon Lake Line ROW, MDEA's TVMP provides that "[a]s a general rule, vegetation should be managed to prevent vegetation from coming within 15 feet of the MVCD."
5. MDEA's TVMP calls for the Moon Lake Line to be inspected monthly. However, the monthly inspections are not always possible due to accessibility issues. The TVMP states:

Discrete portions of the Moon Lake Line are difficult to access for the purpose of performing monthly inspections due to the terrain. . . . If portions of the line are inaccessible, even by ATV, during a given month and cannot be safely inspected by inspection personnel, the uninspected segments shall be documented by pole segment along with the reason the inspection could not be performed on the Vegetation Management Work Inspection Reports.



All segments of the Moon Lake Line must be inspected once per calendar year, with no more than eighteen calendar months in between inspections.

6. During a monthly inspection of the Moon Lake Line on September 8, 2017, MDEA identified a willow tree between poles 134 and 135 (Encroachment Location) that had grown within the MVCD. While line inspections occurred each of the prior months of 2017, the line segment where the grow-in was observed was not inspected during prior months of 2017 because the Electric Superintendent conducting the inspection determined that the segment was inaccessible during those times due to the ground being too wet.
7. At the time the transmission line was inspected, the willow tree encroaching in the MVCD exhibited discoloration in the top three to four inches that was thought to have been indicative of a possible flashover from the Moon Lake Line. MDEA subsequently contracted with a third-party consultant to conduct an inspection of the Moon Lake Line. The evidence assessed during the investigation did not reveal any visual signs of phase-to-ground arcing at the Encroachment Location. Additionally, there was no evidence of burn marks on the conductor, and MDEA reported there were no breaker operations to indicate a faulted line.
8. Due to the limited ability to access the ROW at the Encroachment Location, the last time this segment of the Moon Lake Line was inspected was on December 2, 2016, eight months prior to the inspection during which the encroachment was observed. At that time, an encroachment of the MVCD was not indicated, and the Encroachment Location was not identified as an area where vegetation management actions were required. MDEA removed the willow tree on October 6, 2017, and subsequently removed all trees and brush from the Moon Lake Line ROW in the vicinity of poles 134 – 138.
9. The Alleged Violation began on February 15, 2017, the date the tree in question was estimated to have encroached the MVCD<sup>1</sup>, and ended on October 6, 2017, the date MDEA removed the willow tree from the Encroachment Location.
10. SERC determined that the cause of this noncompliance was a deficient TVMP. MDEA's TVMP did not adequately address local conditions, specifically, fast growing trees. Additionally, the TVMP had an inspection interval that, while consistent with minimum inspection requirements in FAC-003-4, nonetheless allowed vegetation encroachment of the MVCD. For instance, the TVMP allowed for monthly inspections of inaccessible segments of the line to be skipped as long as personnel documented the reason for omitting the line segment(s) in the monthly inspection reports and inspected the full length of the line once per calendar year. The inspection intervals, coupled with the ability to skip multiple monthly

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<sup>1</sup> An estimated growth rate of 6' to 8' per year was utilized to establish an approximate time the willow tree encroached on the MVCD.





inspections of inaccessible line segments, allowed growth into the MVCD to go undetected.

11. SERC determined that the Alleged Violation posed a serious and substantial risk to the reliability of the BPS.<sup>2</sup> MDEA's deficient TVMP allowed for the encroachment into the Moon Lake Line transmission ROW, which increased the risk of contact or a flashover event, which could lead to a vegetation-caused outage and the potential for a cascading outage. Notwithstanding these risks, certain factors mitigate the risk to BPS reliability, including the following: the Moon Lake Line is MDEA's only transmission line; there was no loss of load or transmission line outage due to the encroachment; MDEA took prompt action to remove the encroaching tree; the Moon Lake Line is not part of any flowgate or blackstart cranking path; the four 80 MW peaking units at Crossroads run infrequently and in 2017 had a combined capacity factor of .74%; power from Crossroads does not serve local load but is sold into the Southwest Power Pool energy market; and an outage of the Moon Lake Line would not have resulted in the loss of load. MDEA removed the trees and brush from the ROW in the vicinity of the encroachment, thereby mitigating the risk of future grow-ins and facilitating access to the ROW for future inspections. No harm is known to have occurred due to the Alleged Violation.

#### *Mitigation of the Alleged Violation*

12. On February 23, 2018, MDEA submitted a mitigation plan addressing the Alleged Violation of FAC-003-4 R2. *See* Mitigation Plan SPPMIT013538, **Attachment 2**. On March 5, 2018, the Southwest Power Pool Regional Entity (SPP RE) accepted the Mitigation Plan, which included the following actions:
  - i. removal of the willow tree that was encroaching the MVCD;
  - ii. clearance of the undergrowth and trees from the ROW in the vicinity of the willow tree to facilitate future inspections of the Moon Lake Line;
  - iii. revisions to its TVMP to require a full inspection of the Moon Lake Line on a six month basis; and
  - iv. provision of training on the TVMP and vegetation maintenance to personnel responsible for implementing the program.
13. On February 26, 2018, MDEA notified SPP RE that it completed this Mitigation Plan on February 23, 2018. *See* Certification of Mitigation Completion, **Attachment 3**. On February 27, 2018, the SPP RE verified that MDEA completed its Mitigation Plan on February 23, 2018.

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<sup>2</sup> FAC-003-4 has a VRF of "High" pursuant to the VRF Matrix. According to the VSL Matrix, this noncompliance warranted a "High" VSL.

Attachment 2  
MDEA's Self-Report of Violation of FAC-003-4 R2  
submitted December 15, 2017

Self Report

Entity Name: Mississippi Delta Energy Agency (MISSDEA)

NERC ID: NCR06050

Standard: FAC-003-4

Requirement: FAC-003-4 R2.

Date Submitted: December 15, 2017

Has this violation previously No  
been reported or discovered?:

Entity Information:

Joint Registration  
Organization (JRO) ID:

Coordinated Functional  
Registration (CFR) ID:

Contact Name: Mike Vonallmen

Contact Phone: 6629020917

Contact Email: mvonallmen@cdpu.net

Violation:

Violation Start Date: September 08, 2017

End/Expected End Date: October 06, 2017

Reliability Functions: Transmission Owner (TO)

Is Possible Violation still No  
occurring?:

Number of Instances: 1

Has this Possible Violation No  
been reported to other  
Regions?:

Which Regions:

Date Reported to Regions:

Detailed Description and Cause of Possible Violation: During the September inspection, conducted on September 8th, it was noted that between pole 134 and pole 135 there was one tree that appeared to have grown within the four-foot MVCD. (See Attachment B.) This encroachment was initially determined to pose a threat to the Moon Lake Line, because it had grown within the MVCD. The top of the tree appeared to be burned, as though it had blown into the line at some point, although such a blow-in was not actually observed.

Mitigating Activities:

Description of Mitigating Activities and Preventative Measure: Personnel conducting the inspection notified Clarksdale's Crossroads Generating Plant Manager/ Maintenance Services Manager on 9/8/17, and the Generating Plant Manager/ Maintenance Services Manager performed a visual inspection of the location where the tree condition was observed on 9/11/17. He concluded that the tree required trimming or should be cut down, but that immediate mitigating actions were not needed because the tree growth, which appeared to be

Self Report

within the four-foot MVCD, did not appear sufficiently close to the line to create an imminent outage threat. Had such conditions been observed, MISSDEA's TVMP provides for coordination with Entergy to take appropriate actions, such as removal of the line from service. Following identification of the tree condition, the Generating Plant Manager/ Maintenance Services Manager discussed the condition with the Clarksdale General Manager, and they decided to assess the feasibility of clearing the entire right-of-way within the vicinity of poles 134-135 of all vegetation, which would improve accessibility for more frequent inspections.

Date Mitigating Activities Completed:

Impact and Risk Assessment:

Potential Impact to BPS: Minimal  
Actual Impact to BPS: Minimal

Description of Potential and Actual Impact to BPS: After a closer inspection of the tree noted in the inspection report, it did not appear that it could touch the line even though the tree had grown within the four-foot MCVD. For this reason, MISSDEA assesses the potential impact to the reliability or operability of the BES to have been minimal from the time the tree condition was identified until removal and, upon removal, impacts to the BES are non-existent. MISSDEA notes that its internal controls led to the identification and removal of the tree condition:

Risk Assessment of Impact to BPS: After a closer inspection of the tree noted in the inspection report, it did not appear that it could touch the line even though the tree had grown within the four-foot MCVD. For this reason, MISSDEA assesses the potential impact to the reliability or operability of the BES to have been minimal from the time the tree condition was identified until removal and, upon removal, impacts to the BES are non-existent. MISSDEA notes that its internal controls led to the identification and removal of the tree condition:

Additional Entity Comments:

Additional Comments		
From	Comment	User Name
No Comments		

Additional Documents			
From	Document Name	Description	Size in Bytes
Entity	MISSDEA Self Report.pdf		7,377,919



Self Report

Attachment 3  
MDEA's Mitigation Plan designated as SPPMIT013538  
for FAC-003-4 R2 submitted February 23, 2018



Mitigation Plan

Mitigation Plan Summary

Registered Entity: Mississippi Delta Energy Agency

Mitigation Plan Code: SPPMIT013538

Mitigation Plan Version: 1

NERC Violation ID	Requirement	Violation Validated On
SPP2017018829	FAC-003-4 R2.	

Mitigation Plan Submitted On: February 23, 2018

Mitigation Plan Accepted On: February 23, 2018

Mitigation Plan Proposed Completion Date: February 23, 2018

Actual Completion Date of Mitigation Plan:

Mitigation Plan Certified Complete by MISSDEA On:

Mitigation Plan Completion Verified by SPPRE On:

Mitigation Plan Completed? (Yes/No): No



## Compliance Notices

Section 6.2 of the NERC CMEP sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:

- (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section B.
- (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
- (3) The cause of the Alleged or Confirmed Violation(s).
- (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
- (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed violation(s).
- (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
- (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
- (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined or recommended to the applicable governmental authorities for not completing work associated with accepted milestones.
- (9) Any other information deemed necessary or appropriate.
- (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self Certification or Self Reporting submittals.
- (11) This submittal form may be used to provide a required Mitigation Plan for review and approval by regional entity(ies) and NERC.

- The Mitigation Plan shall be submitted to the regional entity(ies) and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
- This Mitigation Plan form may be used to address one or more related alleged or confirmed violations of one Reliability Standard. A separate mitigation plan is required to address alleged or confirmed violations with respect to each additional Reliability Standard, as applicable.
- If the Mitigation Plan is accepted by regional entity(ies) and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission or filed with the applicable governmental authorities for approval in Canada.
- Regional Entity(ies) or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.
- The user has read and accepts the conditions set forth in these Compliance Notices.



## Entity Information

Identify your organization:

Entity Name: Mississippi Delta Energy Agency

NERC Compliance Registry ID: NCR06050

Address: P.O. Box 70  
416 Third Street  
Clarksdale MS 38614

Identify the individual in your organization who will serve as the Contact to the Regional Entity regarding this Mitigation Plan. This person shall be technically knowledgeable regarding this Mitigation Plan and authorized to respond to Regional Entity regarding this Mitigation Plan:

Name: Mike Vonallmen

Title: Plant Manager

Email: mvonallmen@cdpu.net

Phone: 662-902-0917

Violation(s)

This Mitigation Plan is associated with the following violation(s) of the reliability standard listed below:

Violation ID	Date of Violation	Requirement
Requirement Description		
SPP2017018829	09/08/2017	FAC-003-4 R2.
Each applicable Transmission Owner and applicable Generator Owner shall manage vegetation to prevent encroachments into the MVCD of its applicable line(s) which are not either an element of an IROL, or an element of a Major WECC Transfer Path; operating within its Rating and all Rated Electrical Operating Conditions of the types shown below:		

Brief summary including the cause of the violation(s) and mechanism in which it was identified:

In brief, on September 8, 2017, during a monthly vegetation inspection of MISSDEA's 23-mile, 230 kV line interconnecting the Crossroads 230/115 kV Switching Station owned by the Clarksdale Public Utilities Commission ("Clarksdale") with the Moon Lake Switching Station owned and operated by Entergy Services, Inc. (referred to as the "Moon Lake Line"), personnel noted that one tree appeared to have grown within the four-foot Minimum Vegetation Clearance Distance ("MVCD") for the Moon Lake Line. While no contact between the Moon Lake Line conductor and the tree was observed, a portion of the tree appeared to be burned, as though the conductor and tree had blown together at some point.

The implicated tree and line segment where the alleged encroachment was observed are located within a portion of the Moon Lake Line's right-of-way that can be difficult for inspection personnel to access via monthly foot patrols, and the most recent inspection of this line segment had occurred approximately nine months prior to the September 8, 2017 inspection, on December 2, 2016, at which time no need for any vegetation management activities was identified. After the encroachment was initially identified, the Clarksdale Crossroads Generating Plant Manager/ Maintenance Services Manager subsequently performed a visual inspection of the area of the line where the tree was located and determined that, while the tree should be removed, the tree growth did not appear to be sufficiently close to the line as to create an imminent outage threat, and no outage in fact occurred as a result of the grow-in condition.

Relevant information regarding the identification of the violation(s):

during the September inspection, it was noted that between pole 134 and pole 135 there was a tree that was within the 4 foot encroachment limit of the 230kv line. This encroachment did pose a threat to the BES as stated in the transmission vegetation management program inspection sheet. The last time this section of line was inspected was 12/2/2016. At that time there were no threats at this location.

## Plan Details

Identify and describe the action plan, including specific tasks and actions that your organization is proposing to undertake, or which it undertook if this Mitigation Plan has been completed, to correct the violation(s) identified above in Section C.1 of this form:

To mitigate this self-reported violation, MISSDEA removed the tree on October 6, 2017, and in approximately mid-October 2017, engaged a contractor to clear the right-of-way in the vicinity of the implicated pole segments of the Moon Lake Line (identified as pole numbers 134-138) of all trees and undergrowth, which is expected to facilitate greater access by vegetation inspection personnel during monthly inspections and minimize the risk of future grow-ins occurring in this area.

Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the violations associated with this Mitigation Plan are corrected:

Proposed Completion date of Mitigation Plan: February 23, 2018

Milestone Activities, with completion dates, that your organization is proposing for this Mitigation Plan:

### Additional Relevant Information

Additionally, MISSDEA will revise its Transmission Vegetation Management Program ("TVMP") to require that the Moon Lake Line be inspected in full based on an inspection interval of six months instead of one year. MISSDEA will also provide additional training for personnel who are responsible for implementing the TVMP. The training will be prepared and given by Clarksdale's Generating Plant Manager/ Maintenance Services Manager.

Please see attached Entity Document for the root cause analysis.

Also attached is the updated TVMP, and the Email chain about the work that was performed to mitigate this threat.

Also attached is the training material that was given and the signature pages for the training.

also attached is the documentation of the work that was completed by contractors for ROW clearing.

## Reliability Risk

### Reliability Risk

While the Mitigation Plan is being implemented, the reliability of the bulk Power System may remain at higher Risk or be otherwise negatively impacted until the plan is successfully completed. To the extent they are known or anticipated : (i) Identify any such risks or impacts, and; (ii) discuss any actions planned or proposed to address these risks or impacts.

A subsequent inspection of the tree observed to have encroached within the Moon Lake Line right-of-way revealed that the tree did not appear to have grown sufficiently close so as to actually touch the line. MISSDEA nonetheless described, in its self-report, actions that were taken to minimize potential risks to the reliability of the BES arising from this self-reported violation. As explained above and in the self-report, MISSDEA removed the tree that was determined to have encroached within the MVCD and subsequently removed all trees and undergrowth within the Moon Lake Line's right-of-way located near pole segments where the encroachment was observed. Upon removal of the tree, impacts to the BES were resolved.

### Prevention

Describe how successful completion of this plan will prevent or minimize the probability further violations of the same or similar reliability standards requirements will occur

To mitigate the risk of future encroachments, MISSDEA will reduce its maximum inspection interval to ensure that inspections of the full length of the Moon Lake Line will occur more frequently than at least once per year. Additionally, personnel involved in vegetation inspection and management activities will be provided with additional training regarding their duties under the TVMP. Both of these actions will provide reliability benefits to the BES by enhancing existing practices and personnel knowledge regarding vegetation maintenance. MISSDEA notes that its current practice of performing monthly inspections of all accessible portions of the Moon Lake Line, with at least one inspection of the entire line occurring once per year, is already more rigorous than what is required under FAC-003-4. The enhancements described in this Mitigation Plan will strengthen MISSDEA's existing program.

Describe any action that may be taken or planned beyond that listed in the mitigation plan, to prevent or minimize the probability of incurring further violations of the same or similar standards requirements

## Authorization

An authorized individual must sign and date the signature page. By doing so, this individual, on behalf of your organization:

- \* Submits the Mitigation Plan, as presented, to the regional entity for acceptance and approval by NERC, and
- \* if applicable, certifies that the Mitigation Plan, as presented, was completed as specified.

Acknowledges:

1. I am qualified to sign this mitigation plan on behalf of my organization.
2. I have read and understand the obligations to comply with the mitigation plan requirements and ERO remedial action directives as well as ERO documents, including but not limited to, the NERC rules of procedure and the application NERC CMEP.
3. I have read and am familiar with the contents of the foregoing Mitigation Plan.

Mississippi Delta Energy Agency Agrees to be bound by, and comply with, this Mitigation Plan, including the timetable completion date, as accepted by the Regional Entity, NERC, and if required, the applicable governmental authority.

Authorized Individual Signature: \_\_\_\_\_

(Electronic signature was received by the Regional Office via CDMS. For Electronic Signature Policy see CMEP.)

Authorized Individual

Name: Mike Vonallmen

Title: Manager - Crossroads Energy Center/Maintenance Services

Authorized On: February 23, 2018

Attachment 4  
MDEA's Certification of Mitigation Plan Completion for  
FAC-003-4 R2 submitted February 26, 2018

## Certification of Mitigation Plan Completion

Submittal of a Certification of Mitigation Plan Completion shall include data or information sufficient for the Regional Entity to verify completion of the Mitigation Plan. The Regional Entity may request additional data or information and conduct follow-up assessments, on-site or other Spot Checking, or Compliance Audits as it deems necessary to verify that all required actions in the Mitigation Plan have been completed and the Registered Entity is in compliance with the subject Reliability Standard. (CMEP Section 6.6)

Registered Entity Name: Mississippi Delta Energy Agency

NERC Registry ID: NCR06050

NERC Violation ID(s): SPP2017018829

Mitigated Standard Requirement(s): FAC-003-4 R2.

Scheduled Completion as per Accepted Mitigation Plan: February 23, 2018

Date Mitigation Plan completed: February 23, 2018

SPPRE Notified of Completion on Date: February 26, 2018

Entity Comment:

Additional Documents			
From	Document Name	Description	Size in Bytes
Entity	FAC-003-4 Mitigation Plan.DOCX		25,884
Entity	2-7-2018 TVMP.pdf		5,442,705
Entity	Causal Analysis.pdf		89,376
Entity	FAC-003 Vegetation Discussion.pdf		737,427
Entity	Date for completed work on the 230 kv line.pdf		1,027,678
Entity	Training Plan.pdf		17,178,187

I certify that the Mitigation Plan for the above named violation(s) has been completed on the date shown above and that all submitted information is complete and correct to the best of my knowledge.

Name: Mike Vonallmen

Title: Manager - Crossroads Energy Center/Maintenance Services

Email: mvonallmen@cdpu.net

Phone: (662) 902-0917

Authorized Signature \_\_\_\_\_ Date \_\_\_\_\_

(Electronic signature was received by the Regional Office via CDMS. For Electronic Signature Policy see CMEP.)

Attachment 5  
SERC's Verification of Mitigation Plan Completion for  
FAC-003-4 R2 dated February 27, 2018



**From:** [noreply@oati.net](mailto:noreply@oati.net)  
**To:** [SPP RE Mitigation Plan](#)  
**Subject:** \*\*External Email\*\* Mitigation Plan has been Completed: Mississippi Delta Energy Agency SPP2017018829/ SPP RE [REDACTED]  
**Date:** Tuesday, February 27, 2018 9:22:22 AM

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**Please do not REPLY to this message. It was sent from an unattended mailbox and replies are not monitored. If you have a question, send a new message to the OATI Help Desk at [support@oati.net](mailto:support@oati.net).**

**Note:** This is a webCDMS application generated message. Please Do NOT reply to this email. If you have questions, please contact [sppremitigationplan@spp.org](mailto:sppremitigationplan@spp.org).

Entity: Mississippi Delta Energy Agency - NCR06050

NERC Violation ID: **SPP2017018829**  
Standard and Requirement: FAC-003-4 R2.  
Discovery Method: Self Report  
Proposed Completion Date: 02/23/2018  
Mitigation Plan Submitted: 02/23/2018  
Mitigation Plan Verified: 02/27/2018

Southwest Power Pool Regional Entity (SPP RE) received Mississippi Delta Energy Agency's Certification of Completion for the subject Mitigation Plan. The SPP RE Enforcement Staff has completed its review of the evidence in support of the mitigation plan completion. The SPP RE Enforcement Staff finds Mississippi Delta Energy Agency has successfully completed the subject mitigation plan on 02/23/2018.

Questions regarding this matter should be directed to Bob Reynolds.

webCDMS Login: <https://www.cdms.oati.com/CDMS/sys-login.wml>

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