



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION

February 23, 2011

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

**Re: NERC 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 Notice of Penalty¹ regarding Unidentified Registered Entity (URE), NERC Registry ID# NCRXXXXX, 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

On May 18, 2007, URE self-reported violations³ to Western Electricity Coordinating Council (WECC) of Reliability Standards TPL-002-0 Requirement (R) 1 and R2 and PRC-005-1 R2. On June 13, 2007, URE self-reported a violation to WECC of TPL-001-0 R1. On December 24, 2007, URE self-reported a violation to WECC of VAR-001-1 R1. On March 14, 2008, in preparation for an upcoming on-site Compliance Audit (Audit), URE self-reported a violation to WECC of TOP-004-1 R6.

During the Audit, WECC identified violations of BAL-006-1 R4; EOP-001-0 R5 and R7; EOP-003-1 R7; EOP-005-1 R1, R2, R3 and R4; EOP-008-0 R1; FAC-003-1 R1; INT-003-2 R1; PER-002-0 R2 and R3; TOP-002-2 R4, R11 and R17; and VAR-001-1 R2 and R3.

¹ *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards* (Order No. 672), III FERC Stats. & Regs. ¶ 31,204 (2006); *Notice of New Docket Prefix "NP" for Notices of Penalty Filed by the North American Electric Reliability Corporation*, Docket No. RM05-30-000 (February 7, 2008). *See also* 18 C.F.R. Part 39 (2010). *Mandatory Reliability Standards for the Bulk-Power System*, FERC Stats. & Regs. ¶ 31,242 (2007) (Order No. 693), *reh'g denied*, 120 FERC ¶ 61,053 (2007) (Order No. 693-A). *See* 18 C.F.R. § 39.7(c)(2).

² *See* 18 C.F.R. § 39.7(c)(2).

³ 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.

Subsequent to the Audit, on June 30, 2008, URE self-reported violations to WECC of CIP-003-1 R1 and R3; CIP-004-1 R2, R3 and R4; CIP-007-1 R1; CIP-008-1 R1; and CIP-009-1 R1 and R2. The details of these violations are more fully discussed below.

This Notice of Penalty is being filed with the Commission because, based on information from WECC, WECC and URE have entered into a Settlement Agreement to resolve all outstanding issues arising from a preliminary and non-public assessment resulting in WECC's determination and findings of the enforceable violations of BAL-006-1 R4; CIP-003-1 R1 and R3; CIP-004-1 R2, R3 and R4; CIP-007-1 R1; CIP-008-1 R1; CIP-009-1 R1 and R2; EOP-001-0 R5 and R7; EOP-003-1 R7; EOP-005-1 R1, R2, R3 and R4; EOP-008-0 R1; FAC-003-1 R1; INT-003-2 R1; PER-002-0 R2 and R3; PRC-005-1 R2; TOP-002-2 R4, R11 and R17; TOP-004-1 R6; TPL-001-0 R1; TPL-002-0 R1 and R2; and VAR-001-1 R1, R2 and R3.⁴ According to the Settlement Agreement, the violations are Confirmed Violations and URE has agreed to the proposed penalty of four hundred fifty thousand dollars (\$450,000) to be assessed to URE, 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. According to the Settlement Agreement, the violations identified as NERC Violation Tracking Identification Numbers WECC200800688, WECC200800911, WECC200800912, WECC200800913, WECC200800914, WECC200800915, WECC200800916, WECC200800917, WECC200800918, WECC200800919, WECC200800689, WECC200800690, WECC200800693, WECC200800714, WECC200800715, WECC200800716, WECC200800717, WECC200800694, WECC200800695, WECC200800696, WECC200800697, WECC200800698, WECC200810426, WECC200800700, WECC200800701, WECC200800703, WECC200800667, WECC200810350, WECC200810351, WECC200810352, WECC200700545, WECC200800705, WECC200800706 are Confirmed Violations, as that term is defined in the NERC Rules of Procedure and the CMEP.

Statement of Findings Underlying the Violations

This Notice of Penalty incorporates the findings and justifications set forth in the Settlement Agreement entered into as of January 20, 2010, by and between WECC and URE, which is included as Attachment a. 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 (2007), NERC provides the following summary table identifying each violation of a Reliability Standard resolved by the Settlement Agreement, as discussed in greater detail below.

⁴ The Settlement Agreement also includes the following dismissals for reasons discussed therein: CIP-001-1 R4 (WECC200710052 dismissed on January 29, 2010); EOP-003-1 R3 (WECC200800692 dismissed on January 29, 2010); EOP-005-1 R10 (WECC200800718 dismissed on May 8, 2009); EOP-009-1 R1 (WECC200810349 dismissed on May 26, 2009); TOP-002-2 R13 (WECC200800702 dismissed on April 29, 2009); and TOP-004-1 R3 (WECC200800704 dismissed on May 8, 2009).

Region	Registered Entity	NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Total Penalty (\$)
WECC	Unidentified Registered Entity	NOC-474	WECC200800688	BAL-006-1 ⁵	4	Lower	450,000
			WECC200800911	CIP-003-1	1	Medium ⁶	
			WECC200800912	CIP-003-1	3	Lower	
			WECC200800913	CIP-004-1	2	Lower ⁷	
			WECC200800914	CIP-004-1	3	Medium ⁸	
			WECC200800915	CIP-004-1	4	Lower	
			WECC200800916	CIP-007-1	1	Medium	
			WECC200800917	CIP-008-1	1	Lower	
			WECC200800918	CIP-009-1	1	Medium	
			WECC200800919	CIP-009-1	2	Lower	
			WECC200800689	EOP-001-0 ⁹	5	Medium	
			WECC200800690	EOP-001-0	7	Medium	
			WECC200800693	EOP-003-1	7	High	
			WECC200800714	EOP-005-1	1	Medium	
			WECC200800715	EOP-005-1	2	Medium	
			WECC200800716	EOP-005-1	3	Medium	
			WECC200800717	EOP-005-1	4	Medium	
			WECC200800694	EOP-008-0	1	High ¹⁰	
WECC200800695	FAC-003-1	1	High				
WECC200800696	INT-003-2	1	Medium				

⁵ BAL-006-1 was enforceable from June 18, 2007 through May 12, 2009. BAL-006-1.1 is the current enforceable Standard as of May 13, 2009. The subsequent errata changes do not change the meaning or language of the original NERC Reliability Standard and its requirements. For consistency in this filing, the original NERC Reliability Standard, BAL-006-1, is used throughout.

⁶ When NERC filed Violation Risk Factors (VRF) it originally assigned CIP-003-1 R1 a Lower VRF. The Commission approved the VRF as filed; however, it directed NERC to submit modifications. NERC submitted the modified Medium VRF and on January 27, 2009, the Commission approved the modified Medium VRF. Therefore, the Lower VRF for CIP-003-1 R2 was in effect from June 18, 2007 until January 27, 2009 when the Medium VRF became effective.

⁷ When NERC filed VRF 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.

⁸ When NERC filed VRF 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.

⁹ EOP-001-0 was enforceable from June 18, 2007 through March 31, 2009. EOP-001-1 is the current enforceable Standard as of April 1, 2009 but has not yet been approved by FERC. The subsequent errata changes deleted R2 and approved Violation Severity Levels. For consistency in this filing, the original NERC Reliability Standard, EOP-001-0, is used throughout.

¹⁰ When NERC filed VRF it originally assigned EOP-008-0 R1 a Medium VRF. The Commission approved the VRF as filed; however, it directed NERC to submit modifications. NERC submitted the modified High VRF and on February 6, 2008, the Commission approved the modified High VRF. Therefore, the Medium VRF for EOP-008-0 R1 was in effect from June 18, 2007 until February 6, 2008 when the High VRF became effective.

Region	Registered Entity	NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Total Penalty (\$)
			WECC200800697	PER-002-0	2	High	
			WECC200800698	PER-002-0	3	High	
				PRC-005-1	2	High ¹¹	
			WECC200800700	TOP-002-2 ¹²	4	Medium	
			WECC200800701	TOP-002-2	11	Medium	
			WECC200800703	TOP-002-2	17	High ¹³	
			WECC200800667	TOP-004-1	6	Medium ¹⁴	
			WECC200810350	TPL-001-0 ¹⁵	1	High	
			WECC200810351	TPL-002-0	1	High ¹⁶	
			WECC200810352	TPL-002-0	2	Medium	
			WECC200700545	VAR-001-1	1	High	
			WECC200800705	VAR-001-1	2	High	
			WECC200800706	VAR-001-1	3	Lower	

BAL-006-1

The purpose of Reliability Standard BAL-006-1 is that “This standard defines a process for monitoring Balancing Authorities to ensure that, over the long term, Balancing Authority Areas do not excessively depend on other Balancing Authority Areas in the Interconnection for meeting their demand or Interchange obligations.”

BAL-006-1 R4 states “Adjacent Balancing Authority Areas shall operate to a common Net Interchange Schedule and Actual Net Interchange value and record these hourly quantities, with like values but opposite sign.” Each Balancing Authority shall compute its Inadvertent Interchange based on the following:

¹¹ 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.

¹² TOP-002-2 was enforceable from June 18, 2007 through December 1, 2009. FERC approved an interpretation of R11 on December 2, 2009. TOP-002-2a is the current enforceable Standard as of December 2, 2009. The subsequent interpretation does not change the meaning or language of the original NERC Reliability Standard and its other requirements. For consistency in this filing, the original NERC Reliability Standard, TOP-002-2, is used throughout.

¹³ The Mitigation Plan incorrectly states that the VRF is “Medium.”

¹⁴ The Settlement incorrectly states that there is no VRF for TOP-004-1 R6.

¹⁵ TPL-001-0 was enforceable from June 18, 2007 through May 12, 2009. NERC filed an errata of the Standard on February 6, 2009. TPL-001-0.1 is the current enforceable Standard as of May 13, 2009. The subsequent interpretation does not change the meaning or language of the original NERC Reliability Standard and its requirements. For consistency in this filing, the original NERC Reliability Standard, TPL-001-0, is used throughout.

¹⁶ TPL-002-0 R1 is designated a “High” VRF and its sub-requirements have “Medium” VRF. When NERC filed VRFs it originally assigned TPL-002-0 R1 a “Medium” VRF. The Commission approved the VRF as filed; however, it directed NERC to submit modifications. NERC submitted the modified “High” VRF and on August 6, 2007, the Commission approved the modified “High” VRF. Therefore, the “Medium” VRF for TPL-002-0 R1 was in effect from June 18, 2007 until August 6, 2007, until the “High” VRF became effective.

- R4.1. Each Balancing Authority, by the end of the next business day, is to agree with its Adjacent Balancing Authorities to:
 - R4.1.1. The hourly values of Net Interchange Schedule.
 - R4.1.2. The hourly integrated megawatt-hour values of Net Actual Interchange.
- R4.2. Each Balancing Authority shall use the agreed-to daily and monthly accounting data to compile its monthly accumulated Inadvertent Interchange for the On-Peak and Off- Peak hours of the month.
- R4.3. A Balancing Authority is to make after-the-fact corrections to the agreed-to daily and monthly accounting data only as needed to reflect actual operating conditions (e.g. a meter being used for control was sending bad data). Changes or corrections based on non-reliability considerations shall not be reflected in the Balancing Authority's Inadvertent Interchange. After-the-fact corrections to scheduled or actual values will not be accepted without agreement of the Adjacent Balancing Authority(ies).

BAL-006-1 R4 has a "Lower" Violation Risk Factor (VRF).

During the Audit, the WECC Audit Team (Audit Team) determined that URE's documentation was not dated and did not indicate that URE was cross-checking its actual integrated values or actual day values with the adjacent Balancing Authority. Additionally, the documentation did not indicate that there was a checkout of scheduled values and actual MWh amounts from the past evening with other Balancing Authorities. URE subsequently provided a screenshot as its evidence of an hourly checkout with the adjacent Balancing Authority. However, there was no indication as to how URE was using this tool for its checkout purposes, that the values represented accurate data received from adjacent Balancing Authorities or that the operators were using this application on a daily basis.

The Audit Team could not verify from the evidence provided that URE was performing checks to ensure it was operating to the same net interchange as the adjacent Balancing Authority nor could it verify that URE was performing checks with any adjacent Balancing Authorities such that it would record the same MWh. Thus, although URE was recording the required information, the Audit Team determined that URE was not consistently operating to a common Net Interchange Schedule and Actual Net Interchange value or recording the hourly quantities. Furthermore, URE was unable to demonstrate that it agreed with adjacent Balancing Authorities regarding the hourly values of Net Interchange Scheduled and Net Actual Interchange by the end of the next business day.

WECC Enforcement Staff (Enforcement) reviewed the Audit Team's findings and determined that URE had a violation of BAL-006-1 R4 because it failed to demonstrate at the time of the Audit that it was operating to a common Net Interchange Schedule and Actual Net Interchange value or recording the hourly quantities as required by the Reliability Standard. Additionally, URE failed to provide documentation to demonstrate that the required checkouts had occurred in

the past. Following the Audit, on June 18, 2009,¹⁷ URE was able to provide evidence that it was in compliance with the Reliability Standard at the time of the Audit. Therefore, Enforcement determined that URE had a violation of BAL-006-1 R4 because, although URE later provided evidence that it was in compliance with the standard, it was unable to provide the evidence at the time of the Audit.

WECC determined the duration of the violation to through June 16, 2009, when URE completed its Mitigation Plan.

WECC determined that the violation of BAL-006-1 R4 did not pose a serious or substantial risk to the bulk power system (BPS) because URE was operating to a common Net Interchange Schedule and Actual Net Interchange value, and was recording the hourly quantities as required by the Reliability Standard, even though URE did not provide evidence at the Audit..

CIP-003-1

The purpose of Reliability Standard CIP-003-1, in pertinent part, is that “Standard CIP-003 requires that Responsible Entities^[18] have minimum security management controls in place to protect Critical Cyber Assets. Standard CIP-003 should be read as part of a group of Standards numbered CIP-002 through CIP-009.”

CIP-003-1 R1 (Cyber Security Policy) – The Responsible Entity shall document and implement a cyber security policy that represents management’s commitment and ability to secure its Critical Cyber Assets. The Responsible Entity shall, at minimum, ensure the following:

- R1.1. The cyber security policy addresses the requirements in Standards CIP-002 through CIP-009, including provision for emergency situations.
- R1.2. The cyber security policy is readily available to all personnel who have access to, or are responsible for, Critical Cyber Assets.
- R1.3. Annual review and approval of the cyber security policy by the senior manager assigned pursuant to R2.

CIP-003-1 R1 has a “Medium” VRF.

On June 30, 2008,¹⁹ URE self-reported of its non-compliance with CIP-003-1 R1 because it had not verified that its system’s security policy addressed the requirements of the CIP-002 through

¹⁷ The Mitigation Plan is dated June 17, 2009 and was submitted to WECC on June 18, 2009.

¹⁸ Within the text of the applicable Reliability Standards within this Notice of Penalty, “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 Entities. However, the following are exempt: (1) facilities regulated by the U.S. Nuclear Regulatory Commission or the Canadian Nuclear Safety Commission; (2) Cyber Assets associated with communication networks and data communication links between discrete Electronic Security Perimeters; and (3) Responsible Entities that, in compliance with Standard CIP-002, identify that they have no Critical Cyber Assets. Mandatory implementation was phased in for the different functions.

¹⁹ The Self-Report is dated June 20, 2008, but was submitted to WECC on June 30, 2008.

CIP-009 Reliability Standards. Upon URE's initial review of its security policies, URE determined that its policies did not sufficiently address the requisite standards. Additionally, URE did not have a procedure in place to provide for annual review and approval of its cyber security policy by the senior manager.

Enforcement reviewed URE's Self-Report and determined that URE had a violation of CIP-003-1 R1 because it failed to have a system security policy that sufficiently addressed CIP-002 through CIP-009 and it did not have a procedure in place to provide for annual review and approval of its cyber security policy by the senior manager.

WECC determined the duration of the violation to be from July 1, 2008, the date the Reliability Standard became enforceable, through October 27, 2008, when URE completed its Mitigation Plan.

WECC determined that the violation of CIP-003-1 R1 did not pose a serious or substantial risk to the BPS because URE had security policies in place, even though they did not meet all of the elements required by the standard. In addition, URE provided evidence to WECC that most of the personnel in the critical facilities received cyber security training, in response to NERC's Urgent Action 1200.

CIP-003-1 R3 (Exceptions) - Instances where the Responsible Entity cannot conform to its cyber security policy must be documented as exceptions and authorized by the senior manager or delegate(s).

- R3.1. Exceptions to the Responsible Entity's cyber security policy must be documented within thirty days of being approved by the senior manager or delegate(s).
- R3.2. Documented exceptions to the cyber security policy must include an explanation as to why the exception is necessary and any compensating measures, or a statement accepting risk.
- R3.3. Authorized exceptions to the cyber security policy must be reviewed and approved annually by the senior manager or delegate(s) to ensure the exceptions are still required and valid. Such review and approval shall be documented.

CIP-003-1 R3 has a "Lower" VRF.

On June 30, 2008,²⁰ URE self-reported its non-compliance with CIP-003-1 R3 because it had not verified that its system's security policy addressed the requirements of the CIP-002 through CIP-009 Reliability Standards, and therefore URE senior management could not authorize or document any exceptions from the policy and were unable to complete and document an annual review of the policy.

²⁰ The Self-Report is dated June 20, 2008, but was submitted to WECC on June 30, 2008.

Enforcement reviewed URE's Self-Report and determined that URE had a violation of CIP-003-1 R3 because it did not have an adequate system security policy and therefore was unable to document any exceptions under which URE would be unable to conform to its policy. Furthermore, URE's senior management was unable to authorize or document any exceptions from the policy, and could not perform an annual review of the exceptions.

WECC determined the duration of the violation to be from July 1, 2008, the date the Reliability Standard became enforceable, through December 30, 2008, when URE completed its Mitigation Plan.

WECC determined that the violation of CIP-003-1 R3 did not pose a serious or substantial risk to the BPS because it had a system security policy even though it did not meet all of the requirements of the Reliability Standard.

CIP-004-1

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

CIP-004-1 R2 (Training) – The Responsible Entity 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.

CIP-004-1 R2 has a "Lower" VRF.

On June 30, 2008, URE self-reported a violation of CIP-004-1 R2 because URE did not have a training program for persons having authorized cyber or authorized unescorted physical access to Critical Cyber Assets. URE had not established, documented or implemented a training program because URE's list of critical facilities and their associated Critical Cyber Assets had not been confirmed and a cyber security policy had not been published by URE.

Enforcement reviewed URE's Self-Report and determined that URE had a violation of CIP-004-1 R2 because it had not established, documented, or implemented a training program for personnel that have authorized cyber or authorized unescorted physical access to URE's Critical Cyber Assets and was not maintaining a list of URE's personnel that have attended, or need to attend, training.

WECC determined the duration of the violation to be from July 1, 2008, the date the Reliability Standard became enforceable, through October 30, 2008, when URE completed its Mitigation Plan.

WECC determined that the violation of CIP-004-1 R2 did not pose a serious or substantial risk to the BPS; however, it did pose a Moderate risk because although URE had a list of critical facilities and associated Critical Cyber Assets, had a cyber security policy and is a relatively small entity, URE did not have a training program for persons having authorized cyber or authorized unescorted physical access to Critical Cyber Assets.

CIP-004-1 R3 (Personnel Risk Assessment) – The Responsible Entity shall have a documented personnel risk assessment program, in accordance with federal, state, provincial, and local laws, and subject to existing collective bargaining unit agreements, for personnel having authorized cyber or authorized unescorted physical access. A personnel risk assessment shall be conducted pursuant to that program within thirty days of such personnel being granted such access. Such program shall at a minimum include:

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

CIP-004-1 R3 has a “Medium” VRF.

On June 30, 2008, URE self-reported its non-compliance with CIP-004-1 R3 because it did not have a personnel risk assessment program that complied with the standard. Additionally, URE had not yet contracted for a personnel risk assessment provider.

Enforcement reviewed URE’s Self-Report and determined that URE had a violation of CIP-004-1 R3 because it did not have a personnel risk assessment program that was updated or compliant with the standard. Specifically, URE had not conducted background checks on personnel that had authorized cyber or unescorted physical access to Critical Cyber Assets.

WECC determined the duration of the violation to be from July 1, 2008, the date the Reliability Standard became enforceable, through December 30, 2008, when URE completed its Mitigation Plan.

WECC determined that the violation of CIP-004-1 R3 did not pose a serious or substantial risk to the BPS; however, WECC did determine that this violation posed a moderate risk because although URE had an informal personnel risk assessment program URE had not conducted background checks on personnel that had authorized cyber or unescorted physical access to critical cyber facilities.

CIP-004-1 R4 (Access) – The Responsible Entity shall maintain list(s) of personnel with authorized cyber or authorized unescorted physical access to Critical Cyber Assets, including its 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.

CIP-004-1 R4 has a “Lower” VRF.

On June 30, 2008, URE self-reported of its non-compliance with CIP-004-1 R4 because its personnel risk assessment program did not address this standard. URE’s physical access procedures and updated written procedures needed to be revised to comply with CIP Reliability Standards.

Enforcement reviewed URE's Self-Report and determined that URE had a violation of CIP-004-1 R4 because it did not have procedures for physical access to Critical Cyber Assets and was not maintaining a list of its personnel that indicated the specific electronic and physical access rights to URE's Critical Cyber Assets. Therefore, URE also could not review the list quarterly or properly maintain the list. Additionally, URE was not revoking access to Critical Cyber Assets within twenty-four hours for personnel terminated for cause or within seven calendar days for personnel who no longer required access.

WECC determined the duration of the violation to be from July 1, 2008, the date the Reliability Standard became enforceable, through December 30, 2008, when URE completed its Mitigation Plan.

WECC determined that the violation of CIP-004-1 R4 did not pose a serious or substantial risk to the BPS because URE had security procedures in place to control access to Critical Cyber Assets, including card reader locks, entry alarm systems and security officers, even though such procedures did not meet all of the requirements of the Reliability Standard.

CIP-007-1

The purpose of Reliability Standard CIP-007-1, provides in pertinent part, that "Standard CIP-007 requires Responsible Entities to define methods, processes and procedures for securing those systems determined to be Critical Cyber Assets, as well as the non-critical Cyber Assets within the Electronic Security Perimeter(s). Standard CIP-007 should be read as part of a group of standards numbered Standards CIP-002 through CIP-009."

CIP-007-1 R1 (Test Procedures) – The Responsible Entity shall ensure that new Cyber Assets and significant changes to existing Cyber Assets within the Electronic Security Perimeter do not adversely affect existing cyber security controls. For purposes of Standard CIP-007, a significant change shall, at a minimum, include implementation of security patches, cumulative service packs, vendor releases, and version upgrades of operating systems, applications, database platforms, or other third-party software or firmware.

- R1.1. The Responsible Entity shall create, implement, and maintain cyber security test procedures in a manner that minimizes adverse effects on the production system or its operation.
- R1.2. The Responsible Entity shall document that testing is performed in a manner that reflects the production environment.
- R1.3. The Responsible Entity shall document test results.

CIP-007-1 R1 has a "Medium" VRF.

On June 30, 2008,²¹ URE self-reported of its non-compliance with CIP-007-1 R1 because URE had not adopted formal cyber security test procedures, including documentation of its test methods and outcomes.

²¹ The Self-Report is dated June 20, 2008, but was submitted to WECC on June 30, 2008.

Enforcement reviewed URE's Self-Report and determined that URE had a violation of CIP-007-1 R1 because even though URE had test procedures in place, it had not implemented and maintained formal test procedures, documented that testing was being performed or documented test results.

WECC determined the duration of the violation to be from July 1, 2008, the date the Reliability Standard became enforceable, through February 27, 2009, when URE completed its Mitigation Plan.

WECC determined that the violation of CIP-007-1 R1 did not pose a serious or substantial risk to the BPS because URE had test procedures in place although they did not conform to all requirements of the Reliability Standard.

CIP-008-1

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

CIP-008-1 R1 (Cyber Security Incident Response Plan) – The Responsible Entity shall develop and maintain a Cyber Security Incident response Plan. The Cyber Security Incident Response Plan shall address, at a minimum, the following:

- R1.1. Procedures to characterize and classify events as reportable Cyber Security Incidents.
- R1.2. Response actions, including roles and responsibilities of incident response teams, incident handling procedures, and communication plans.
- R1.3. Process for reporting Cyber Security Incidents to the Electricity Sector Information Sharing and Analysis Center (ES ISAC). The Responsible Entity must ensure that all reportable Cyber Security Incidents are reported to the ES ISAC either directly or through an intermediary.
- R1.4. Process for updating the Cyber Security Incident response plan within ninety calendar days of any changes.
- R1.5. Process for ensuring that the Cyber Security Incident response plan is reviewed at least annually.
- R1.6. Process for ensuring the Cyber Security Incident response plan is tested at least annually. A test of the incident response plan can range from a paper drill, to a full operational exercise, to the response to an actual incident.

CIP-008-1 R1 has a "Lower" VRF.

On June 30, 2008,²² URE self-reported its non-compliance with CIP-008-1 R1 because it did not complete a cyber security incident reporting and response plan or program as required by the standard.

²² The Self-Report is dated June 20, 2008, but was submitted to WECC on June 30, 2008.

Enforcement reviewed URE's Self-Report and determined that URE had a violation of CIP-008-1 R1 because even though URE had some existing systems incident management policies and processes, the documents did not include all of the information required by the Reliability Standard. Furthermore, because URE did not possess a complete Cyber Security Incident response plan, it could not properly update and annually review its plan as required under CIP-008-1 R1.4 and R1.5.

WECC determined the duration of the violation to be from July 1, 2008, the date the Reliability Standard became enforceable, through October 28, 2008, when URE completed its Mitigation Plan.

WECC determined that the violation of CIP-008-1 R1 did not pose a serious or substantial risk to the BPS because URE had applicable policies and procedures for incident management, although they did not meet all of the requirements of this Reliability Standard.

CIP-009-1

The purpose of Reliability Standard CIP-009-1, provides in pertinent part, "Standard CIP-009 ensures that recovery plan(s) are put in place for Critical Cyber Assets and that these plans follow established business continuity and disaster recovery techniques and practices. Standard CIP-009 should be read as part of a group of standards numbered Standards CIP-002 through CIP-009."

CIP-009-1 R1 (Recovery Plans) – The Responsible Entity shall create and annually review recovery plan(s) for Critical Cyber Assets. The recovery plan(s) shall address, at a minimum, the following:

- R1.1. Specify the required actions in response to events or conditions of varying duration and severity that would activate the recovery plan(s).
- R1.2. Define the roles and responsibilities of responders.

CIP-009-1 R1 has a "Medium" VRF.

CIP-009-1 R2 (Exercises) - The recovery plan(s) shall be exercised at least annually. An exercise of the recovery plan(s) can range from a paper drill, to a full operational exercise, to recovery from an actual incident.

CIP-009-1 R2 has a "Lower" VRF.

On June 30, 2008, URE self-reported of its non-compliance with CIP-009-1 R1 and R2 because it did not have recovery plans for all Critical Cyber Assets as required by R1 and therefore, could not exercise its plan annually as required by R2.

Enforcement reviewed URE's Self-Report and determined that URE had violations of CIP-009-1 R1 and R2 because it did not have a recovery plan for its Critical Cyber Assets and therefore, could not annually review the plan or annually exercise its plan.

WECC determined the duration of each of the violations to be from July 1, 2008, the date the Reliability Standard became enforceable, through December 30, 2008, when URE completed its Mitigation Plan.

WECC determined that the violation of CIP-009-1 R1 and R2 did not pose a serious or substantial risk to the BPS; however, WECC determined that this violation did pose a moderate risk. The purpose of the standard is to ensure that recovery plan(s) are put in place for Critical Cyber Assets and that these plans follow established business continuity and disaster recovery techniques and practices. Although URE is a relatively small entity, URE self reported this violation because it did not have recovery plans for all Critical Cyber Assets as required by the standard, and with no recovery plans, URE could not annually exercise the plans as required.

EOP-001-0

The purpose of Reliability Standard EOP-001-0 is that “Each Transmission Operator and Balancing Authority needs to develop, maintain and implement a set of plans to mitigate operating emergencies. These plans need to be coordinated with other Transmission Operators and Balancing Authorities, and the Reliability Coordinator.”

EOP-001-0 R5 - Each Transmission Operator and Balancing Authority shall include the applicable elements in Attachment 1-EOP-001-0 when developing an emergency plan. EOP-001-0 R5 has a “Medium” VRF.

During the Audit, URE provided a document which was missing the following elements out of the fifteen required by the standard: load management, appeals to customers to use alternate fuels, load curtailment, environmental constraints, optimize fuel supply and maximizing generator output and availability.²³ URE did not explain in its documentation why the elements were missing from its emergency plan. Therefore, the Audit Team determined that URE had a violation of EOP-001-0 R5 because URE’s documentation did not contain all of the required elements specified in Attachment 1-EOP-001-0.

Enforcement reviewed the Audit Team’s findings and determined that URE had a violation of EOP-001-0 R5 because URE’s documented emergency plan failed to include all of the elements listed in Attachment 1-EOP-001-0.

WECC determined the duration of the violation to be from June 18, 2007, the date the Reliability Standard became enforceable, through April 30, 2009, when URE completed its Mitigation Plan.

WECC determined that the violation of EOP-001-0 R5 posed a moderate risk to the reliability of the BPS because URE has a variety of internal generation sources and these six missing items could be critical under certain conditions. However, WECC determined that the violation did not pose a serious or substantial risk to the BPS; because although URE is a relatively small entity, URE did not include in its emergency plan six of the fifteen items (40%) required by Attachment

²³ The documents conflict regarding the elements that were missing from the procedure submitted by URE at the Audit. WECC confirmed that the six elements listed here were missing.

1 of the Standard. No explanation was provided as to why the missing items (environmental constraints, load management, optimize fuel supply, appeals to customers to use alternate fuels, maximizing generator output and availability, and load curtailment) were not included.

EOP-001-0 R7 - The Transmission Operator and Balancing Authority shall coordinate its emergency plans with other Transmission Operators and Balancing Authorities as appropriate. This coordination includes the following steps, as applicable:

- R7.1. The Transmission Operator and Balancing Authority shall establish and maintain reliable communications between interconnected systems.
- R7.2. The Transmission Operator and Balancing Authority shall arrange new interchange agreements to provide for emergency capacity or energy transfers if existing agreements cannot be used.
- R7.3. The Transmission Operator and Balancing Authority shall coordinate transmission and generator maintenance schedules to maximize capacity or conserve the fuel in short supply. (This includes water for hydro generators.)
- R7.4. The Transmission Operator and Balancing Authority shall arrange deliveries of electrical energy or fuel from remote systems through normal operating channels.

EOP-001-0 R7 has a "Medium" VRF.

During the Audit, the Audit Team determined that URE had a violation of EOP-001-0 R7 because URE's documentation failed to address the URE Transmission Operator and Balancing Authority's ability to arrange new interchange agreements to provide for emergency capacity or energy transfers, if existing agreements could not be used. After interviewing URE personnel, the Audit Team also determined that there was no agreement in place to assist contingency reserve sharing group members or non-members in the event of an emergency not associated with a disturbance.

Enforcement reviewed the Audit Team's findings and determined that URE had a violation of EOP-001-0 R7. URE's evidence demonstrated that: (1) reliable communications had been established and maintained between interconnected systems; (2) transmission and generator maintenance schedules were being coordinated to maximize capacity or conserve the fuel in short supply; and (3) deliveries of electrical energy or fuel from remote systems through normal operating channels had been arranged. However, URE's procedure did not address the Balancing Authorities and Transmission Operators ability to arrange new interchange agreements to provide for emergency capacity or energy transfers, if existing agreements could not be used.

WECC determined the duration of the violation to be from June 18, 2007, the date the Reliability Standard became enforceable, through June 16, 2009, when URE completed its Mitigation Plan.

WECC determined that the violation of EOP-001-0 R7 did not pose a serious or substantial risk to the BPS because, although URE had not complied with all requirements of the Reliability Standard, communications had been established and maintained between interconnected systems, transmission and generator maintenance schedules were being coordinated to maximize capacity or conserve the fuel in short supply, and deliveries of electrical energy or fuel from remote systems through normal operating channels had been arranged. Further, since URE has interconnections to larger entities, the likelihood of requiring new interchange agreements is remote.

EOP-003-1

The purpose of Reliability Standard EOP-003-1 is that “A Balancing Authority and Transmission Operator operating with insufficient generation or transmission capacity must have the capability and authority to shed load rather than risk an uncontrolled failure of the Interconnection.”

EOP-003-1 R7 - The Transmission Operator and Balancing Authority shall coordinate automatic load shedding throughout their areas with underfrequency isolation of generating units, tripping of shunt capacitors, and other automatic actions that will occur under abnormal frequency, voltage, or power flow conditions. EOP-003-1 R7 has a “High” VRF.

During the Audit, the Audit Team determined that URE had a violation of EOP-003-1 R7 because URE did not coordinate automatic load shedding throughout its area with underfrequency isolation of generating units, tripping of shunt capacitors and other automatic actions that would occur under abnormal frequency, voltage or power flow conditions. However, URE does not have any shunt capacitors connected to the BPS or any automatic actions related to the off frequency load shedding program.

Enforcement reviewed the Audit Team’s findings and determined that URE had a violation of EOP-003-1 R7 because URE’s Under Frequency Load Shed Plan did not adhere to the established requirement in order to effectuate proper coordination with neighboring Balancing Authorities and Transmission Operators. Specifically, URE did not properly coordinate its automatic load shedding throughout its area with underfrequency isolation of generating units, tripping of shunt capacitors and other automatic actions that occur under abnormal frequency, voltage or power flow conditions.

WECC determined the duration of the violation to be from June 18, 2007, the date the Reliability Standard became enforceable, through June 19, 2009, when URE completed its Mitigation Plan.

WECC determined that the violation of EOP-003-1 R7 posed a moderate risk to the BPS because uncoordinated automatic load shedding by URE during underfrequency isolation of generating units, tripping of shunt capacitors, and other automatic actions, could have a negative impact of the Interconnection. However, WECC determined that the violation did not pose a serious or substantial risk to the BPS; however WECC determined that this violation did pose a Moderate risk because although URE is a small entity, the URE automatic load shedding plan did not coordinate automatic load shedding throughout the area with underfrequency isolation of generating units, tripping of shunt capacitors, and other automatic actions. Uncoordinated

automatic load shedding by URE during underfrequency isolation of generating units, tripping of shunt capacitors, and other automatic actions, could have a negative impact of the Interconnection.

EOP-005-1

The purpose of Reliability Standard EOP-005-1 is “To ensure plans, procedures and resources are available to restore the electric system to a normal condition in the event of a partial or total shut down of the system.”

EOP-005-1 R1 - Each Transmission Operator shall have a restoration plan to reestablish its electric system in a stable and orderly manner in the event of a partial or total shutdown of its system, including necessary operating instructions and procedures to cover emergency conditions, and the loss of vital telecommunications channels. Each Transmission Operator shall include the applicable elements listed in Attachment 1-EOP-005 in developing a restoration plan. EOP-005-1 R1 has a “Medium” VRF.

During the Audit, the Audit Team determined that URE had a violation of EOP-005-1 R1 because URE’s restoration plan did not contain specific elements required by Attachment 1-EOP-005 of the standard. URE’s restoration plan was contained within its procedure and is discussed in various portions of the document. The following Attachment 1-EOP-005 elements were missing from this document: definitions of emergency conditions, loss of vital telecommunications channels, plans and procedures outlining the relationships and responsibilities of the personnel necessary to implement system restoration, an ability to account for the possibility that restoration cannot be completed as expected, necessary operating instructions and procedures for the identification of critical load requirements, documentation indicating which functions are to be coordinated with and among Reliability Coordinators and neighboring Transmission Operators, and steps indicating that notification shall be made to other operating entities as the steps of the restoration plan are implemented.

URE provided a document to the Audit Team. The Audit Team determined that the document had been prepared for the transition from the year 1999 to the year 2000. After the Audit, WECC subject matter experts (SMEs) reviewed the document. The SMEs determined that the document had additional elements that were not addressed in the procedure. However, the document did not address the functions that are to be coordinated among Reliability Coordinators and neighboring Transmission Operators, and incorrectly referred to coordinating restoration switching with other Control Areas and not URE’s Balancing Authority. In addition, there was no reference to the training of URE operations personnel on the restoration plan other than in a section which alluded to a regional drill in 1999.

Enforcement reviewed the Audit Team’s findings, the procedure and document and determined that URE had a violation of EOP-005-1 R1 because even though URE included some of the required elements under Attachment 1-EOP-005, URE failed to include key elements, including documentation indicating which functions were to be coordinated with and among Reliability Coordinators and neighboring Transmission Operators; incorrectly mentioned coordinating

restoration switching with other Control Areas, instead of URE's Balancing Authority; and did not reference any recent or proper training of URE operations personnel on the restoration plan.

WECC determined the duration of the violation to be from June 18, 2007, the date the Reliability Standard became enforceable, through June 16, 2009, when URE completed its Mitigation Plan.

WECC determined that the violation of EOP-005-1 R1 posed a moderate risk to the reliability of the BPS because URE has interconnections to larger entities so it is critical for URE to have a restoration plan that includes all the applicable elements to ensure proper coordination during emergencies. However, WECC determined that the violation did not pose a serious or substantial risk to the BPS because it had a restoration plan although it did not meet all of the requirements of the Reliability Standard.

EOP-005-1 R2 - Each Transmission Operator shall review and update its restoration plan at least annually and whenever it makes changes in the power system network, and shall correct deficiencies found during the simulated restoration exercises. EOP-005-1 R2 has a "Medium" VRF.

During the Audit, the Audit Team reviewed URE e-mails regarding the Black Start Plans. The Audit Team determined that Section 4 of the Black Start document had not been revised since 1999. The Audit Team determined that URE had a violation of EOP-005-1 R2 because the evidence did not show that URE was reviewing and updating its restoration plan whenever changes were made to its power system network or that URE corrected deficiencies found during simulated restoration exercises. After the Audit, WECC SMEs reviewed the Black Start document and also could not determine that URE had reviewed or updated its restoration plan.

Enforcement reviewed the Audit Team's findings and the Black Start document and determined that URE had a violation of EOP-005-1 R2 because URE failed to provide any evidence that it reviewed and updated its restoration plan at least annually and whenever it made changes in the power system network. URE also failed to provide evidence that it corrected deficiencies found during simulated restoration exercises.

WECC determined the duration of the violation to be from June 18, 2007, the date the Reliability Standard became enforceable, through June 16, 2009,²⁴ when URE completed its Mitigation Plan.

WECC determined that the violation of EOP-005-1 R2 did not pose a serious or substantial risk to the BPS because URE did have a system restoration plan and because URE is a relatively small entity.

EOP-005-1 R3 - Each Transmission Operator shall develop restoration plans with a priority of restoring the integrity of the Interconnection. EOP-005-1 R3 has a "Medium" VRF.

²⁴ The Settlement Agreement incorrectly states the duration of this violation ended on June 18, 2009.

During the Audit, the Audit Team determined that URE had a violation of EOP-005-1 R3 because the procedure and Black Start documents provided by URE did not mention restoring the integrity of the Interconnection.

Enforcement reviewed the Audit Team's findings and determined that URE had a violation of EOP-005-1 R3 because there was no reference or indication in URE's restoration plans that URE had a priority of restoring the integrity of the Interconnection.

WECC determined the duration of the violation to be from June 18, 2007, the date the Reliability Standard became enforceable, through July 9, 2008, when URE completed its Mitigation Plan.

WECC determined that the violation of EOP-005-1 R3 did not pose a serious or substantial risk to the BPS because URE operating personnel would look first to restoring interconnections if a real emergency occurred because the system could not be fully energized from within. As startup power is brought in through the interconnections, at some point this will result in restoring the integrity of the Interconnection.

EOP-005-1 R4 - Each Transmission Operator shall coordinate its restoration plans with the Generator Owners and Balancing Authorities within its area, its Reliability Coordinator, and neighboring Transmission Operators and Balancing Authorities. EOP-005-1 R4 has a "Medium" VRF.

During the Audit, the Audit Team determined that URE had a violation of EOP-005-1 R4 because it did not send its procedure or the Black Start/Emergency Plan documents to neighboring Transmission Operators and Balancing Authorities. The evidence provided indicated that URE only sent elements of its Black Start procedures for specific units to its Reliability Coordinator.

Enforcement reviewed the Audit Team's findings and determined that URE had a violation of EOP-005-1 R4 because there was no evidence provided indicating that URE was coordinating its restoration plans with its neighboring Transmission Operators²⁵ and Balancing Authorities.²⁶ The only evidence of communication regarding URE's restoration plans was an e-mail that was sent to URE's Reliability Coordinator.

WECC determined the duration of the violation to be from June 18, 2007, the date the Reliability Standard became enforceable, through June 16, 2009, when URE completed its Mitigation Plan.

WECC determined that the violation of EOP-005-1 R4 did not pose a serious or substantial risk to the BPS. The purpose of this Standard is to ensure plans, procedures and resources are available to restore the electric system to a normal condition in the event of a partial or total shut down of the system, and that URE coordinates its restoration plans with surrounding Generator

²⁵ The Settlement Agreement incorrectly references neighboring Generator Owners.

²⁶ The Settlement Agreement incorrectly states that URE was also in violation of this Standard because there was no evidence that URE was coordinating its restoration plans with the Generator Owners and Balancing Authorities in its area. WECC confirmed that URE was able to provide this evidence and the statement was included in the Settlement Agreement in error.

Owners and Balancing Authorities within its area. WECC determined that this violation did pose a Moderate risk because due to the fact that URE has interconnections to larger entities and receives generation from outside its service territory, it is important that restoration plans be coordinated with required entities.

EOP-008-0

The purpose of Reliability Standard EOP-008-0 is for “Each reliability entity to have a plan to continue reliability operations in the event its control center becomes inoperable.”

EOP-008-0 R1 – Each Reliability Coordinator, Transmission Operator and Balancing Authority shall have a plan to continue reliability operations in the event its control center becomes inoperable. The contingency plan must meet the following requirements:

- R1.1. The contingency plan shall not rely on data or voice communication from the primary control facility to be viable.
- R1.2. The plan shall include procedures and responsibilities for providing basic tie line control and procedures and for maintaining the status of all inter-area schedules, such that there is an hourly accounting of all schedules.
- R1.3. The contingency plan must address monitoring and control of critical transmission facilities, generation control, voltage control, time and frequency control, control of critical substation devices, and logging of significant power system events. The plan shall list the critical facilities.
- R1.4. The plan shall include procedures and responsibilities for maintaining basic voice communication capabilities with other areas.
- R1.5. The plan shall include procedures and responsibilities for conducting periodic tests, at least annually, to ensure viability of the plan.
- R1.6. The plan shall include procedures and responsibilities for providing annual training to ensure that operating personnel are able to implement the contingency plans.
- R1.7. The plan shall be reviewed and updated annually.
- R1.8. Interim provisions must be included if it is expected to take more than one hour to implement the contingency plan for loss of primary control facility.

EOP-008-0 R1 has a “High” VRF.

During the Audit, the Audit Team determined that URE had a violation of EOP-008-0 R1 because the contingency plan that URE provided as evidence of compliance was last updated on December 6, 2006 and did not meet the annual update obligation under EOP-008-0 R1.7 that would have been due in December 2007. Additionally, there was no mention of methods that

URE would follow in order to maintain interconnection time and frequency control as required by EOP-008-0 R1.3.²⁷

Enforcement reviewed the Audit Team's findings and URE's contingency plan and determined that URE had a violation of EOP-008-0 R1 because URE's contingency plan indicated that it was last updated on December 6, 2006 and thus had not been updated annually. Additionally, URE's plan did not mention methods for the maintenance of time and frequency control, and URE did not have a functioning back-up control center with an independent energy management system (EMS)/Supervisory Control and Data Acquisition (SCADA) at the time of the Compliance Audit as required by the standard.

WECC determined the duration of the violation to be from June 18, 2007, the date the Reliability Standard became enforceable, through June 25, 2009, when URE completed its Mitigation Plan.

WECC determined that the violation of EOP-008-0 R1 did not pose a serious or substantial risk to the BPS because URE had a plan for the loss of the primary control facility even though it did not meet all of the requirements of the standard.

FAC-003-1

The purpose of Reliability Standard FAC-003-1 is "To improve the reliability of the electric transmission systems by preventing outages from vegetation located on transmission rights-of-way (ROW) and minimizing outages from vegetation located adjacent to ROW, maintaining clearances between transmission lines and vegetation on and along transmission ROW, and reporting vegetation-related outages of the transmission systems to the respective Regional [Entity(ies)] and the North American Electric Reliability [Corporation] (NERC)."

FAC-003-1 R1 - The Transmission Owner shall prepare, and keep current, a formal TVMP. The TVMP shall include the Transmission Owner's objectives, practices, approved procedures and work specifications.²⁸

R1.1. The TVMP must define a schedule for and the type (aerial, ground) of ROW vegetation inspections. This schedule should be flexible enough to adjust for changing conditions. The inspection schedule shall be based on the anticipated growth of vegetation and any other environmental or operational factors that could impact the relationship of vegetation to the Transmission Owner's transmission lines.

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

²⁷ During the Audit, the Audit Team also determined that URE was not in compliance with EOP-008-0 R1.1. However, WECC SMEs later determined, and WECC Enforcement confirmed, that URE was not in violation of R1.1.

²⁸ ANSI A300, Tree Care Operations – Tree, Shrub and Other Woody Plant Maintenance – Standard Practices, while not a requirement of this Standard, is considered to be an industry best practice.

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

R1.2.1. Clearance 1 – The Transmission Owner shall determine and document appropriate clearance distances to be achieved at the time of transmission vegetation management work based upon local conditions and the expected time frame in which the Transmission Owner plans to return for future vegetation management work. Local conditions may include, but are not limited to: operating voltage, appropriate vegetation management techniques, fire risk, reasonably anticipated tree and conductor movement, species types and growth rates, species failure characteristics, local climate and rainfall patterns, line terrain and elevation, location of the vegetation within the span, and worker approach distance requirements. Clearance 1 distances shall be greater than those defined by Clearance 2 below.

R1.2.2. Clearance 2 – The Transmission Owner shall determine and document specific radial clearances to be maintained between vegetation and conductors under all rated electrical operating conditions. These minimum clearance distances are necessary to prevent flashover between vegetation and conductors and will vary due to such factors as altitude and operating voltage. These Transmission Owner-specific minimum clearance distances shall be no less than those set forth in the Institute of Electrical and Electronics Engineers (IEEE) Standard 516-2003 (*Guide for Maintenance Methods on Energized Power Lines*) and as specified in Section 4.2.2.3, Minimum Air Insulation Distances without Tools in the Air Gap.

R1.2.2.1. Where transmission system transient overvoltage factors are not known, clearances shall be derived from Table 5, IEEE 516-2003, phase-to-ground distances, with appropriate altitude correction factors applied.

R1.2.2.2. Where transmission system transient overvoltage factors are known, clearances shall be derived from Table 7, IEEE 516-2003, phase-to-phase voltages, with appropriate altitude correction factors applied.

R1.3. All personnel directly involved in the design and implementation of the TVMP shall hold appropriate qualifications and training, as defined by the Transmission Owner, to perform their duties.

- R1.4. Each Transmission Owner must develop mitigation measures to achieve sufficient clearances for the protection of the transmission facilities when it identifies locations on the ROW where the Transmission Owner is restricted from attaining the clearances specified in R1.2.1.
- R1.5. Each Transmission Owner must establish and document a process for the immediate communication of vegetation conditions that present an imminent threat of a transmission line outage. This is so that action (temporary reduction in line rating, switching line out of service, etc.) may be taken until the threat is relieved.

FAC-003-1 R1 and its sub-requirements have a “High” VRF.

During the Audit, the Audit Team determined that URE had a violation of FAC-003-1 R1 because although URE’s TVMP documentation identified “Minimum Clearances,” it did not define Clearance 1 and Clearance 2 distances as required, or address transient overvoltage factors. Additionally, URE did not provide evidence that personnel, who are directly involved in the design and implementation of its TVMP, have the qualifications required by its program.

Enforcement reviewed the Audit Team’s findings and determined that URE had a violation of FAC-003-1 R1 because URE’s power line clearance procedures and guidelines did not define the Clearance 1 and Clearance 2 distances as required by FAC-003-1 R1.2 and URE failed to produce evidence that its personnel involved in the design and implementation of its TVMP possessed the requisite qualifications as defined by URE’s procedures.

WECC determined the duration of the violation to be from June 18, 2007, the date the Reliability Standard became enforceable, through May 30, 2008, when URE completed its Mitigation Plan.

WECC determined that the violation of FAC-003-1 R1 did not pose a serious or substantial risk to the BPS because URE’s TVMP documentation identified “Minimum Clearances.” In addition, actively growing vegetation is not a significant threat. Finally, if a vegetation outage were to occur, it would most likely only affect the URE system.

INT-003-2

The purpose of Reliability Standard INT-003-2 is “To ensure Balancing Authorities confirm Interchange Schedules with Adjacent Balancing Authorities prior to implementing the schedules in their Area Control Error (ACE) equations.”

INT-003-2 R1 - Each Receiving Balancing Authority shall confirm Interchange Schedules with the Sending Balancing Authority prior to implementation in the Balancing Authority’s ACE equation.

R1.1. The Sending Balancing Authority and Receiving Balancing Authority shall agree on Interchange as received from the Interchange Authority, including:

R1.1.1. Interchange Schedule start and end time.

R1.1.2. Energy profile.

- R1.2. If a high voltage direct current (HVDC) tie is on the Scheduling Path, then the Sending Balancing Authorities and Receiving Balancing Authorities shall coordinate the Interchange Schedule with the Transmission Operator of the HVDC tie.

INT-003-2 R1 has a “Medium” VRF.

During the Audit, the Audit Team determined that URE had a violation of INT-003-2 R1 because URE did not provide evidence that it confirmed interchange schedules with adjacent Balancing Authorities prior to implementing the interchange in its ACE equation. However, URE provided evidence to indicate its implemented interchange based on e-tags in accordance with INT-009-1. The e-tag evidence demonstrated that all parties to the transaction had seen the transaction request, had responded to the Interchange Authority and approved the requested transaction, but there was no information on the transaction tag to confirm that all parties had received the final approved transaction back from the Interchange Authority. Thus, the evidence did not satisfy the requirement to perform a check with adjacent Balancing Authorities in accordance with INT-003-2 R1. Furthermore, since the verifications are required on an hourly basis, there are potentially numerous additional occurrences of noncompliance dating back to June 18, 2007.²⁹

Enforcement reviewed the Audit Team’s findings and determined that URE had a violation of INT-003-2 R1 because URE did not provide sufficient evidence to show it was confirming interchange schedules with adjacent Balancing Authorities. During the Audit, URE issued a memorandum concerning scheduling which indicated that URE implemented its interchange based on the approval of e-tags by its system operators; however, the memorandum only indicated that URE created a procedure and did not verify that URE was contacting or communicating with adjacent Balancing Authorities. Moreover, the memorandum had an effective date that occurred during the Audit and thus, could not serve as evidence of compliance at the audit for this standard.

WECC determined the duration of the violation to be from June 18, 2007, the date the Reliability Standard became enforceable, through June 16, 2009, when URE completed its Mitigation Plan.

WECC determined that the violation of INT-003-2 R1 did not pose a serious or substantial risk to the BPS. The purpose of this Standard is to ensure Balancing Authorities confirm Interchange Schedules with Adjacent Balancing Authorities prior to implementing the schedules in the Area Control Error equations (ACE). WECC determined that this violation did pose a Moderate risk because the correct calculation of the ACE is essential to balanced operation of the interconnected grid. Since URE is geographically located at a crossroad among larger BAs and receives generation from outside its service territory, it is important that interchange schedules be agreed to before implementation in its ACE.

²⁹ This violation was determined based on a sampling interchange transactions reviewed by the Audit Team because there are potentially hundreds of transactions or requests per day. Therefore, the number of additional occurrences could not be determined.

PER-002-0

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

PER-002-0 R2 - Each Transmission Operator and Balancing Authority shall have a training program for all operating personnel that are in:

- R2.1. Positions that have the primary responsibility, either directly or through communications with others, for the real-time operation of the interconnected Bulk Electric System.
- R2.2. Positions directly responsible for complying with NERC Standards.

PER-002-0 R2 has a “High” VRF.

During the Audit, the Audit Team reviewed a draft of a training document developed by URE. According to the auditors, the draft program contained an outline of a proposed training program with no date of implementation. In an interview with the URE System Operations Trainer, the Audit Team was told that the training program contained in the training document had neither been implemented at the time of the audit nor approved by the URE Board. The Audit Team concluded that URE did not have a formal training program in place for 2007 and therefore, had a violation of PER-002-0 R2.

Enforcement reviewed the Audit Team’s findings and URE’s training document and determined that the training document did not indicate that a training program had been implemented at the time of the Audit and the URE System Operations Trainer had confirmed that the training document had neither been implemented at the time of the audit nor approved by the URE Board. On October 14, 2008, URE was able to provide different evidence that it had a formal training program in place and in use during 2007. Therefore, Enforcement determined that URE had a violation of PER-002-0 R2 because, although URE later provided evidence that it had a formal training program in place, it was unable to provide the evidence at the time of the Audit.

WECC determined the duration of the violation to be through November 13, 2008, when URE.

WECC determined that the violation of PER-002-0 R2 did not pose a serious or substantial risk to the BPS because even though URE did not provide evidence of compliance at the time of the Audit, URE had a training program in place that met the requirements of the Standard

PER-002-0 R3 - For personnel identified in Requirement R2, the Transmission Operator and Balancing Authority shall provide a training program meeting the following criteria:

- R3.1. A set of training program objectives must be defined, based on NERC and Regional [Entity] standards, entity operating procedures, and applicable regulatory requirements. These objectives shall reference the knowledge and competencies needed to apply those standards, procedures, and

requirements to normal, emergency, and restoration conditions for the Transmission Operator and Balancing Authority operating positions.

- R3.2. The training program must include a plan for the initial and continuing training of Transmission Operator and Balancing Authority operating personnel. That plan shall address knowledge and competencies required for reliable system operations.
- R3.3. The training program must include training time for all Transmission Operator and Balancing Authority operating personnel to ensure their operating proficiency.
- R3.4. Training staff must be identified, and the staff must be competent in both knowledge of system operations and instructional capabilities.

PER-002-0 R3 has a “High” VRF.

During the Audit, the Audit Team determined that URE had a violation of PER-002-0 R3 because URE did not have an implemented training program as discussed in the details of the violation of PER-002-0 R2 above. Additionally, the Mitigation Plan submitted by URE indicated that the Audit Team did not find a set of training objectives as required by PER-002-0 R3.1 and the training staff personnel were not identified by name as required by PER-002-0 R3.4.

Enforcement reviewed the Audit Team’s findings and determined that URE had a violation of PER-002-0 R3 because it could not provide evidence that it had an implemented training program at the time of the Audit despite the existence of a training procedure. Additionally, the training procedure did not include certain elements required by the standard.

WECC determined the duration of the violation to be from June 18, 2007, the date the Standard became enforceable, through April 20, 2009,³⁰ when URE completed its Mitigation Plan.

WECC determined that the violation of PER-002-0 R3 did not pose a serious or substantial risk to the BPS because URE had an informal training program for a portion of the audit period. In addition, all URE Operators were NERC certified and had received their 32 hours of emergency training.

PRC-005-1

The purpose of Reliability Standard PRC-005-1 is “To ensure all transmission and generation Protection Systems³¹ affecting the reliability of the Bulk Electric System are maintained and tested.

³⁰ The Settlement Agreement incorrectly states that the duration of this violation ended on April 30, 2009.

³¹ *The NERC Glossary of Terms Used in Reliability Standards*, updated April 20, 2009, defines Protection System as “Protective relays, associated communication systems, voltage and current sensing devices, station batteries and DC control circuitry.”

PRC-005-1 R2 - Each Transmission Owner³² and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System shall provide documentation of its Protection System maintenance and testing program and the implementation of that program to its Regional [Entity] 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.

PRC-005-1 R2 has a “High” VRF.

On May 18, 2007, URE self-reported a violation of PRC-005-1 R2 because its relay protection maintenance and testing program was not implemented between 2003 and 2007. During this time period, maintenance and testing of some Protection System devices was being conducted and the dates relays were last tested or maintained were being documented. However, protective devices were not tested within the intervals of URE’s internal maintenance and testing program, which were less than 25% of URE’s total protective devices.³³ The maintenance and testing program includes relays, current transformers (CT), potential transformers (PT), coupling capacitor voltage transformers (CCVT), and battery and charging systems. Although this violation was self-reported prior to June 18, 2007, it became post-June 18, 2007 violation because URE’s Mitigation Plan was not completed on time. The original Mitigation Plan had an approved completion date of March 31, 2008 and stated beginning in mid-summer of 2007, URE’s relay Protection System maintenance unit would utilize two crews to perform maintenance and control testing of substation equipment for the transmission systems and generation sites. On January 31, 2008, URE submitted a completed Mitigation Plan that stated its Mitigation Plan was completed. However, during the Audit, the Audit Team reviewed URE’s completed Mitigation Plan and submitted evidence and determined that the evidence submitted did not include schedule and date information for testing of the CT, PT and CCVT monthly and annual inspections or battery and charging system testing (monthly, quarterly or semi-annual checks) and therefore, was not yet in compliance with PRC-005-1 R2.

Enforcement reviewed URE’s Self-Report and Mitigation Plan and determined that URE had a post June 18, 2007 violation of PRC-005-1 R2 because the evidence indicated that URE did not complete its approved Mitigation Plan for the May 18, 2007 violation and continued to have protection devices that were not maintained or tested in accordance with the defined intervals in URE’s relay maintenance and testing program.

WECC determined the duration of the violation to be from June 18, 2007, the date the Standard became enforceable, through October 12, 2009, when URE completed its Mitigation Plan.

³² The Settlement Agreement failed to include that URE was subject to this Standard as a Generator Owner.

³³ The total number of devices was not determined.

WECC determined that the violation of PRC-005-1 R2 did not pose a serious or substantial risk to the BPS. The purpose of this Standard is to ensure all transmission and generation Protection Systems affecting the reliability of the BES are maintained and tested. WECC determined that this violation did pose a Moderate risk because although URE is a relatively small entity, URE had devices that were not maintained or tested in accordance with the defined intervals set out in URE's relay protection maintenance and testing program.

TOP-002-2

The purpose of Reliability Standard TOP-002-2 is that "Current operations plans and procedures are essential to being prepared for reliable operations, including response for unplanned events."

TOP-002-2 R4 - Each Balancing Authority and Transmission Operator shall coordinate (where confidentiality agreements allow) its current-day, next-day and seasonal planning and operations with neighboring Balancing Authorities and Transmission Operators and with its Reliability Coordinator, so that normal Interconnection operation will proceed in an orderly and consistent manner.

TOP-002-2 R4 has a "Medium" VRF.

During the Audit, the Audit Team determined that while URE was able to produce sufficient evidence concerning its current-day and next-day operations, it was unable to demonstrate that it shared seasonal planning information with adjacent Balancing Authorities, Transmission Operators and/or the Reliability Coordinator so that normal Interconnection operation would proceed in an orderly and consistent manner. Therefore, the Audit Team determined that URE had a violation of TOP-002-2 R4.

Enforcement reviewed the Audit Team's findings and determined that URE had a violation of TOP-002-2 R4 because the evidence produced by URE only covered current-day and next-day operations and failed to demonstrate that URE shared its seasonal planning information with its adjacent Balancing Authorities, Transmission Operators and/or the Reliability Coordinator.

WECC determined the duration of the violation to be from June 18, 2007, the date the Standard became enforceable, through November 1, 2008, when URE completed its Mitigation Plan.

WECC determined that the violation of TOP-002-2 R4 did not pose a serious or substantial risk to the BPS because URE's generation and load patterns are such that its seasonal planning does not significantly impact the interconnection. URE load patterns and generation resources are relatively stable. Thus, there is not a big change in its seasonal planning. Therefore, this planning would not have a significant impact on the BES.

TOP-002-2 R11 - The Transmission Operator shall perform seasonal, next-day and current-day Bulk Electric System studies to determine System Operating Limits (SOLs). Neighboring Transmission Operators shall utilize identical SOLs for common facilities. The Transmission Operator shall update these Bulk Electric System studies as necessary to reflect current system conditions; and shall make the results of Bulk Electric System studies available to the

Transmission Operators, Balancing Authorities (subject to confidentiality requirements) and to its Reliability Coordinator. TOP-002-2 R11 has a “Medium” VRF.

During the Audit, the Audit Team was not provided with evidence that included current-day or next-day operating studies because, according to URE, its SOLs normally do not change. The Audit Team confirmed that URE shared current-day and next-day data with its Reliability Coordinator but could not verify that URE shared the daily data with its neighboring entities. The Audit Team determined that URE had a violation of TOP-002-2 R11 because it did not share seasonal studies with its Reliability Coordinator and did not share current-day, next-day or seasonal studies with its neighboring entities.

Enforcement reviewed the Audit Team’s findings and determined that URE had a violation of TOP-002-2 R11 because URE failed to produce evidence at the Audit that it was sharing its study results with neighboring entities in order to confirm they were using the same IROL and SOL values. URE was able to provide different evidence that it was sharing its study results with neighboring entities in order to confirm they were using the same IROL and SOL values. Therefore, Enforcement determined that URE had a violation of TOP-002-2 R11 because, although URE later provided evidence that it was in compliance with the Standard, it was unable to provide the evidence at the time of the Audit.

WECC determined the duration of the violation to be through August 13, 2008, when URE completed its Mitigation Plan.

WECC determined that the violation of TOP-002-2 R11 did not pose a serious or substantial risk to the BPS; WECC determined that this violation did pose a Moderate risk because URE did not share seasonal studies with the Reliability Coordinator or neighboring entities and did not share current day or next day studies with neighboring entities. URE’s planned outages of BES elements can have an impact on SOLs. By virtue of its small size and location among larger BAs and TOs, URE has a number of important common facilities which makes the use of common SOLs important.

TOP-002-2 R17 - Balancing Authorities and Transmission Operators shall, without any intentional time delay, communicate the information described in [TOP-002-2] requirements R1 to R16 to its Reliability Coordinator. TOP-002-2 R17 has a “High” VRF.

During the Audit, the Audit Team determined that URE had a violation of TOP-002-2 R17. Because URE could not demonstrate compliance with TOP-002-2 R4,³⁴ R11 and R13, URE could not demonstrate that it had communicated this information to its Reliability Coordinator as required by TOP-002-2 R17.

³⁴ The Settlement Agreement incorrectly states that URE could not demonstrate compliance with TOP-002-2 R3 instead of TOP-002-2 R4.

Enforcement reviewed the Audit Team's findings and determined that URE had a violation of TOP-002-2 R17 because URE was not compliant with TOP-002-2 R4, R11 and R13,³⁵ and therefore, could not provide the information obtained through compliance with those requirements to its Reliability Coordinator.

WECC determined the duration of the violation to be from June 18, 2007, the date the Standard became enforceable, through November 1, 2008, when URE completed its Mitigation Plan.

WECC determined that the violation of TOP-002-2 R17 did not pose a serious or substantial risk to the BPS because although URE did not communicate all of the information described in requirements R4 and R11 to its Reliability Coordinator, from a day-to-day operational standpoint, the communication of the information required by R1 through R16 is more important to the adjacent BAs and TOs than to the Reliability Coordinator.

TOP-004-1

The purpose of Reliability Standard TOP-004-1 is "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-004-1 R6 - Transmission Operators, individually and jointly with other Transmission Operators, shall develop, maintain, and implement formal policies and procedures to provide for transmission reliability. These policies and procedures shall address the execution and coordination of activities that impact inter- and intra-Regional reliability, including:

- R6.1. Equipment ratings.
- R6.2. Monitoring and controlling voltage levels and real and reactive power flows.
- R6.3. Switching transmission elements.
- R6.4. Planned outages of transmission elements.
- R6.5. Development of IROLs and SOLs.
- R6.6. Responding to IROL and SOL violations.

TOP-004-2 R6 does not have an assigned VRF.

On March 14, 2008, URE self-reported its non-compliance with TOP-004-1 R6 because URE did not have formal policies and procedures with all of its interconnected parties to fully meet the requirements of the Standard. URE had long standing formal agreements with some entities but did not have an agreement with its Balancing Authority. While URE did not have a formal agreement with its Balancing Authority, URE was operating with informal processes and

³⁵ The violation of TOP-002-2 R13 was subsequently dismissed on April 29, 2009 because TOP-002-2 R13 states that at the request of the Balancing Authority or Transmission Operator, a Generator Operator shall perform generating real and reactive capability verification. However, WECC determined that URE never received such a request.

procedures and communicated based upon its understanding. URE had been working with its Balancing Authority and WECC representatives, but was unable to finalize an agreement that satisfied TOP-004-1 R6.

Enforcement reviewed URE's Self-Report and determined that URE had a violation of TOP-004-1 R6 because URE lacked a universal interconnection agreement between WECC parties and the Balancing Authority.

WECC determined the duration of the violation to be from June 18, 2007, the date the Standard became enforceable, through September 30, 2008, when URE completed its Mitigation Plan.

WECC determined that the violation of TOP-004-1 R6 did not pose a serious or substantial risk to the BPS; however, WECC determined that this violation did pose a Moderate risk because formal policies and procedures to provide for transmission reliability are important for URE because of its relatively small size and geographical location at a crossroad among larger TOs. Without coordinated provisions for transmission reliability, the likelihood of instability and uncontrolled separation increases.

TPL-001-0

The purpose of Reliability Standard TPL-001-0 is that "System simulations and associated assessments are needed periodically to ensure that reliable systems are developed that meet specified performance requirements with sufficient lead time, and continue to be modified or upgraded as necessary to meet present and future system needs (System Performance Under Normal (No Contingency) Conditions (Category A)).

TPL-001-0 R1 – The Planning Authority and Transmission Planner shall demonstrate through a valid assessment that its portion of the interconnected transmission system is planned such that, with all transmission facilities in service and with normal (pre-contingency) operating procedures in effect, the Network can be operated to supply projected customer demands and projected Firm (non-recallable reserved) Transmission Services at all Demand levels over the range of forecast system demands, under the conditions defined in Category A of Table I. To be considered valid, the Planning Authority and Transmission Planner assessments shall:

- R1.1. Be made annually.
- R1.2. Be conducted for near-term (years one through five) and longer-term (years six through ten) planning horizons.
- R1.3. Be supported by a current or past study and/or system simulation testing that addresses each of the following categories, showing system performance following Category A of Table 1 (no contingencies). The specific elements selected (from each of the following categories) shall be acceptable to the associated Regional Entity(ies). Specifically:
 - R1.3.6. Be performed for selected demand levels over the range of forecast system demands.

R1.4. Address any planned upgrades needed to meet the performance requirements of Category A.

TPL-001-0 R1 has a “High” VRF.

On June 13, 2007, URE self-reported of its non-compliance with TPL-001-0 R1 because its annual planning studies and documentation did not cover all of the relevant combinations of projected forecast system demands, required system upgrades and firm transfer levels, particularly beyond the five-year planning horizon. Although this violation was self-reported prior to June 18, 2007, it became a post- June 18 violation because URE’s Mitigation Plan was not completed on time. The Mitigation Plan associated with the pre-June 18, 2007 violation was scheduled to be completed by December 31, 2007. On December 24, 2007, URE submitted a Mitigation Plan Completion Form stating that the Mitigation Plan had been completed. The Mitigation Plan Completion Form and the evidence submitted were reviewed during the Audit. The Audit Team determined that URE’s transmission assessment study, which was submitted as evidence to show that the Mitigation Plan was completed, only contained studies under the heavy summer demand level and did not represent the results of other demand levels in its assessment as required by TPL-001-0 R1.3.6. The assessment included a dialog on a light-load case, specifically a light autumn case, but after an interview with URE’s system planners, it was determined that the light autumn case had not been studied.

Enforcement reviewed URE’s Self-Report and the Audit Team’s findings, and determined that URE had a post June 18, 2007 violation of TPL-001-0 R1 because URE had not completed its Mitigation Plan for the June 13, 2007 violation. URE’s assessment only contained studies under the heavy summer demand level and did not represent the results of other demand levels in its assessment. Although URE’s assessment included a dialog on a light-load case, specifically a light autumn case, it was determined that the light autumn case had not been studied.

WECC determined the duration of the violation to be from June 18, 2007, the date the Standard became enforceable, through March 5, 2009, when URE completed its Mitigation Plan.

WECC determined that the violation of TPL-001-0 R1 did not pose a serious or substantial risk to the BPS; however, WECC determined that the violation of TPL-001-0 R1 posed a moderate risk to the reliability of the BPS because the loss of their exports could have a significant impact due to URE’s location and connection to the BPS. Additionally, WECC determined that Category A conditions are the most fundamental to planning the system. Therefore, WECC has determined that the violation of TPL-001-0 R1 poses a moderate risk to the reliability of the bulk power system.

TPL-002-0

The purpose of Reliability Standard TPL-002-0 is that “System simulations and associated assessments are needed periodically to ensure that reliable systems are developed that meet specified performance requirements with sufficient lead time, and continue to be modified or upgraded as necessary to meet present and future system needs (System Performance Following Loss of a Single Bulk Electric System Element (Category B)).

TPL-002-0 R1 - The Planning Authority and Transmission Planner shall demonstrate through a valid assessment that its portion of the interconnected transmission system is planned such that the Network can be operated to supply projected customer demands and projected Firm (non-recallable reserved) Transmission Services, at all demand levels over the range of forecast system demands, under the contingency conditions as defined in Category B of Table I. To be valid, the Planning Authority and Transmission Planner assessments shall:

- R1.1. Be made annually.
- R1.2. Be conducted for near-term (years one through five) and longer-term (years six through ten) planning horizons.
- R1.3. Be supported by a current or past study and/or system simulation testing that addresses each of the following categories, showing system performance following Category B of Table 1 (single contingencies). The specific elements selected (from each of the following categories) for inclusion in these studies and simulations shall be acceptable to the associated Regional Entity(ies). Specifically:
 - R1.3.6. Be performed and evaluated for selected demand levels over the range of forecast system Demands.
- R1.4. Address any planned upgrades needed to meet the performance requirements of Category B of Table I.
- R1.5. Consider all contingencies applicable to Category B.

TPL-002-0 R1 has a “High” VRF.

TPL-002-0 R2 - When system simulations indicate an inability of the systems to respond as prescribed in Reliability Standard TPL-002-0 R1, the Planning Authority and Transmission Planner shall each:

- R2.1. Provide a written summary of its plans to achieve the required system performance as described above throughout the planning horizon:
 - R2.1.1. Including a schedule for implementation.
 - R2.1.2. Including a discussion of expected required in-service dates of facilities.
 - R2.1.3. Consider lead times necessary to implement plans.
- R2.2. Review, in subsequent annual assessments, (where sufficient lead time exists), the continuing need for identified system facilities. Detailed implementation plans are not needed.

TPL-002-0 R2 has a “Medium” VRF.

On May 18, 2007,³⁶ URE self-reported of its non-compliance with TPL-002-0 R1 and R2 because its annual planning studies and documentation did not cover all of the relevant combinations of projected forecast system demands, required system upgrades and firm transfer levels, particularly beyond the five-year planning horizon as required by R1 and therefore, could not provide a written summary of plans to achieve the required system performance as required by R2. Although these violations were self-reported prior to June 18, 2007, they became post-June 18, 2007 violations because URE's Mitigation Plan was not completed on time. The Mitigation Plan associated with the pre-June 18th violations was scheduled to be completed by December 31, 2007. On December 24, 2007, URE submitted a Mitigation Plan Completion Form stating that the Mitigation Plan had been completed. The Mitigation Plan Completion Form and the evidence submitted were reviewed during the Audit. The Audit Team determined that URE's transmission assessment study, which was submitted as evidence to show that the Mitigation Plan was completed, only contained studies under the heavy summer demand level and did not represent the results of other demand levels in its assessment as required by TPL-002-0 R1.3.6. The assessment included a dialog on a light-load case, specifically a light autumn case, but after an interview with URE's system planners, it was determined that the light autumn case had not been studied. Therefore, because URE had not performed all of the required studies required by R1, URE still could not provide a written summary of plans to achieve the required system performance.

Enforcement reviewed URE's Self-Report and the Audit Team's findings, and determined that URE had a post June 18, 2007 violations of TPL-002-0 R1 and R2 because URE had not completed its Mitigation Plan for the May 7, 2007 violations. URE's assessment only contained studies under the heavy summer demand level and did not represent the results of other demand levels in its assessment. Although URE's assessment included a dialog on a light-load case, specifically a light autumn case, it was determined that the light autumn case had not been studied. Therefore, URE could not provide a written summary of plans to achieve the required system performance.

WECC determined the duration of each of the violations to be from June 18, 2007, the date the Standard became enforceable, through March 5, 2009, when URE completed its Mitigation Plan.

WECC determined that the violations did not pose a serious or substantial risk to the BPS; however, WECC determined that TPL-002-0 R1 and R2 violations did pose a Moderate risk because Category A conditions are the most fundamental to planning the system. Due to URE's location and connection on the major transmission grid, the loss of its exports could have an impact on the interconnection. Therefore, WECC has determined that the violation of TPL-001-0 R1 poses a moderate risk to the reliability of the bulk power system.

VAR-001-1

The purpose of Reliability Standard VAR-001-1 is "To ensure that voltage levels, reactive flows and reactive resources are monitored, controlled and maintained within limits in real time to protect equipment and the reliable operation of the Interconnection."

³⁶ The Self-Report is dated May 15, 2007, but was submitted to WECC on May 18, 2007. The Self-Report also included TPL-002-0 R3, this violation was mitigated as a pre-June 18, 2007 violation.

VAR-001-1 R1 - Each Transmission Operator, individually and jointly with other Transmission Operators, shall ensure that formal policies and procedures are developed, maintained and implemented for monitoring and controlling voltage levels and MVAR flows within their individual areas and with the areas of neighboring Transmission Operators. VAR-001-1 R1 has a “High” VRF.

On December 24, 2007,³⁷ URE self-reported of its non-compliance with VAR-001-1 R1 because it did not have a formal policy or procedure with neighboring Transmission Operators that addressed monitoring and controlling voltage levels and MVAR flows at the interconnection boundaries. URE had been negotiating with neighboring control areas to develop a common Interconnection Operating Agreement.

Enforcement reviewed URE’s Self-Report and determined that URE had a violation of VAR-001-1 R1 because URE did not have a formal policy or procedure for monitoring and controlling voltage levels and MVAR flows within its individual area and the areas of neighboring Transmission Operators. While URE did initiate negotiations with its neighboring control areas to develop a common Interconnection Operating Agreement, negotiations had stopped and the agreement was not completed.

WECC determined the duration of the violation to be from June 18, 2007, the date the Standard became enforceable, through September 30, 2008, when URE completed its Mitigation Plan.

WECC determined that the violation of VAR-001-1 R1 did not pose a serious or substantial risk to the BPS because URE’s ability to impact BPS voltage and VAR flows is limited due to its size and location within the interconnected system. The URE peak load is relatively small and this amount is not significant when compared to neighboring entities. Thus, if URE’s peak load is lost, this loss could be easily absorbed by its neighbors.

VAR-001-1 R2 - Each Transmission Operator, shall acquire sufficient reactive resources within its area to protect the voltage levels under normal and Contingency conditions. This includes the Transmission Operator’s share of the reactive requirements of interconnecting transmission circuits. VAR-001-1 R2 has a “High” VRF.

During the Audit, the Audit Team determined that URE had a violation of VAR-001-1 R2 because URE did not provide any evidence that identified its responsibility to share in providing the reactive requirements of interconnecting transmission circuits. Additionally, the voltage and reactive control document provided did not indicate the reactive resources required to support voltage levels under contingency conditions.

Enforcement reviewed the Audit Team’s findings and determined that URE had a violation of VAR-001-1 R2 because although URE provided evidence that it had acquired sufficient reactive resources within its area to protect the voltage levels under normal and Contingency conditions,

³⁷ The Self-Report is dated December 20, 2007, but was submitted to WECC on December 24, 2007.

it failed to demonstrate that it was responsible for, and was sharing, its reactive requirements of interconnecting transmission circuits. Furthermore, the voltage and reactive control document did not indicate what reactive resources were required in order to support voltage under contingency conditions.

WECC determined the duration of the violation to be from June 18, 2007, the date the Standard became enforceable, through January 30, 2009,³⁸ when URE completed its Mitigation Plan.

WECC determined that the violation of VAR-001-1 R2 did not pose a serious or substantial risk to the BPS because URE's ability to impact BPS voltage and VAR flows is limited due to its size and location within the interconnected system. The URE peak load is relatively small is not significant when compared to neighboring entities. Thus, if URE's peak load is lost, this loss could be easily absorbed by its neighbors.

VAR-001-1 R3 - The Transmission Operator shall specify criteria that exempts generators from compliance with the requirements defined in Requirement 4 and Requirement 6.1.

R3.1. Each Transmission Operator shall maintain a list of generators in its area that are exempt from following a voltage or Reactive Power schedule.

R3.2. For each generator that is on this exemption list, the Transmission Operator shall notify the associated Generator Owner.

VAR-001-1 R3 has a "Lower" VRF.

During the Audit, the Audit Team determined that URE had a violation of VAR-001-1 R3 because URE had not developed or identified its criteria for exempting generators from following voltage and VAR schedules, did not provide a list of exempt generators in the URE area and did not include a statement that there are no exempt generators. However, URE did have a process of exempting generators which stated that a list of exempt generators will be maintained.

Enforcement reviewed the Audit Team's findings and determined that URE had a violation of VAR-001-1 R3 because URE did not provide a list of exempt generators in the URE area with its process documentation and did not provide a statement that there were no exempt generators.

WECC determined the duration of the violation to be from June 18, 2007, the date the Standard became enforceable, through July 2, 2008, when URE completed its Mitigation Plan.

WECC determined that the violation of VAR-001-1 R3 did not pose a serious or substantial risk to the BPS because URE's ability to impact BPS voltage and VAR flows is limited due to its size and location within the interconnected system. The URE peak load is relatively small and this amount is not significant when compared to neighboring entities. Thus, if URE's peak load is lost, this loss could be easily absorbed by its neighbors.

³⁸ The Settlement Agreement incorrectly states that the duration of the violation ended on January 1, 2009.

Regional Entity's Basis for Penalty

According to the Settlement Agreement, WECC has assessed a penalty of four hundred fifty thousand dollars (\$450,000) for the referenced violations. In reaching this determination, WECC considered the following factors: (1) these violations were URE's first non-compliance with these NERC Reliability Standards; (2) URE self-reported 15 of the 33 violations; (3) URE was cooperative throughout the compliance enforcement process; (4) WECC determined that the number and nature of violations reflected on URE's culture of compliance; and (5) the violations did not pose a serious or substantial risk to the BPS, as discussed above.

After consideration of the above factors, WECC determined that, in this instance, the penalty amount of four hundred fifty thousand dollars (\$450,000) is appropriate and bears a reasonable relation to the seriousness and duration of the violations.

Status of Mitigation Plan³⁹

BAL-006-1 R4

URE's Mitigation Plan to address its violation of BAL-006-1 R4 was submitted to WECC on June 18, 2009⁴⁰ stating that it had been completed on June 16, 2009. The Mitigation Plan was accepted by WECC on November 10, 2009 and approved by NERC on November 23, 2009. The Mitigation Plan for this violation is designated as MIT-08-2142 and was submitted as non-public information to FERC on November 24, 2009 in accordance with FERC orders.

URE's Mitigation Plan stated that, the evidence provided to the WECC Audit Team during the Audit was not sufficient to demonstrate compliance; WECC was operating to a common Net Interchange Schedule and Actual Net Interchange value, and was recording the hourly quantities as required by the Standard. WECC further explained:

- URE agrees and confirms to a common Net Interchange Schedule and an Actual Interchange Schedule with adjacent Balancing Authorities. The values of all approved E-tags that confirms the transaction with the adjacent Balancing Authority and provides hourly values of the Net Interchange and Actual Interchange, and the hourly integrated MWh of Actual MW Interchanged;
- The daily values are used to develop a monthly accounting of all interchanges for on-peak and off-peak periods based on the NERC CERT Monthly Inadvertent format; and
- URE system operators implement consistent with the WECC Net Actual Interchange Reconciliation Process.

URE certified, in its Mitigation Plan submitted on June 18, 2009, that its Mitigation Plan was completed on June 16, 2009, by providing additional evidence. Along with its certification of completion of its Mitigation Plan, and as further evidence of its compliance with BAL-006-1 R4, URE submitted the following:

³⁹ See 18 C.F.R § 39.7(d)(7).

⁴⁰ The Mitigation Plan is dated June 17, 2009.

1. A daily screenshot for October 29, 2008 stating that all information is archived in the OATI System that is licensed to WECC;
2. URE's monthly inadvertent form for October 2008 stating that all monthly reports are available on request;
3. A copy of the WECC Net Actual Interchange Reconciliation Process; and
4. A copy of an URE Internal Memorandum dated October 24, 2008 related to hourly checkouts.

On November 10, 2009, after WECC's review of URE's submitted evidence, WECC verified that URE's submitted evidence demonstrated its compliance and therefore its Mitigation Plan was completed on June 16, 2009. WECC notified URE in a letter dated November 18, 2009 that it was in compliance with BAL-006-1 R4.

CIP-003-1 R1

URE's Mitigation Plan to address its violation of CIP-003-1 R1 was submitted to WECC on June 30, 2008 with a proposed completion date of October 31, 2008.⁴¹ The Mitigation Plan was accepted by WECC on July 30, 2008 and approved by NERC on September 17, 2008. The Mitigation Plan for this violation is designated as MIT-08-0895 and was submitted as non-public information to FERC on September 17, 2008 in accordance with FERC orders.

URE's Mitigation Plan required URE to complete the following actions:

- Review its existing systems security policies to ensure that CIP-002 through CIP-009 are appropriately addressed;
- Review the policies to ensure they are readily available to personnel who have access to or are responsible for URE's Critical Cyber Assets;
- Create and implement an annual policy review process that includes appropriate signatures by senior management to show the policy has been reviewed, has been read by staff and all changes are tracked, logged and signed off by responsible parties; and
- Publish and distribute the new policy.

URE certified on October 30, 2008⁴² that the above Mitigation Plan requirements were completed on October 27, 2008. As evidence of completion of its Mitigation Plan, URE submitted the following:

1. Board meeting minutes to show that URE's new systems security policy was accepted and added to URE policy manual;
2. new systems security policy dated September 23, 2008; and
3. A memorandum dated October 23, 2008 to department heads and all employees to announce and distribute the new systems security policy.

⁴¹ The Mitigation Plan was signed on June 25, 2008.

⁴² URE's Certification of Completion was signed on October 28, 2008 and received by WECC on October 30, 2008.

On November 4, 2008, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed on October 27, 2008 and notified URE in a letter dated November 7, 2008 that it was in compliance with CIP-003-1 R1.

CIP-003-1 R3

URE's Mitigation Plan to address its violation of CIP-003-1 R3 was submitted to WECC on June 30, 2008 with a proposed completion date of December 31, 2008.⁴³ The Mitigation Plan was accepted by WECC on November 14, 2008 and approved by NERC on December 31, 2008. The Mitigation Plan for this violation is designated as MIT-08-1180 and was submitted as non-public information to FERC on December 31, 2008 in accordance with FERC orders.

URE's Mitigation Plan required that upon completion of its systems security policy, URE's senior management would review, document and authorize any exceptions from the policy. Additionally, senior management would annually review the exceptions and document such reviews.

URE certified on December 30, 2008 that the above Mitigation Plan requirements were completed on that same day. As evidence of completion of its Mitigation Plan, URE submitted its cyber security document dated June 30, 2008 and an e-mail from the senior manager to appropriate staff regarding exceptions to the cyber security policy. In its Certification of Completion, URE stated that as of December 29, 2008, no exceptions or changes to the current cyber security policy had been identified by the senior manager.

On January 13, 2009, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed on December 30, 2008 and notified URE in a letter dated January 22, 2009 that it was in compliance with CIP-003-1 R3.

CIP-004-1 R2

URE's Mitigation Plan to address its violation of CIP-004-1 R2 was submitted to WECC on June 30, 2008 with a proposed completion date of October 31, 2008. The Mitigation Plan was accepted by WECC on July 30, 2008 and approved by NERC on September 17, 2008. The Mitigation Plan for this violation is designated as MIT-08-0896 and was submitted as non-public information to FERC on September 17, 2008 in accordance with FERC orders.

URE's Mitigation Plan required URE to create a training program and maintain a list of URE's personnel that attend training for Critical Cyber Assets.

URE certified on October 30, 2008⁴⁴ that the above Mitigation Plan requirements were completed on that same day. As evidence of completion of its Mitigation Plan, URE submitted the following:

1. A copy of URE's cyber security and physical security procedure document;
2. A PowerPoint Training Program;

⁴³ The Mitigation Plan was signed on June 22, 2008.

⁴⁴ URE's Certification of Completion was signed on October 28, 2008.

3. URE's Cyber Security training program, based on the above guidelines, that was approved by Management on July 10, 2008;
4. URE's cyber security policy which requires all personnel with access to be provided cyber security training within 90 days of being granted access; and
5. Representative samples of training records which included attendance sheet with employee signatures.

On November 5, 2008, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed on October 30, 2008 and notified URE in a letter dated November 7, 2008 that it was in compliance with CIP-004-1 R2.

CIP-004-1 R3

URE's Mitigation Plan to address its violation of CIP-004-1 R3 was submitted to WECC on June 30, 2008 with a proposed completion date of December 31, 2008. The Mitigation Plan was accepted by WECC on July 30, 2008 and approved by NERC on September 17, 2008. The Mitigation Plan for this violation is designated as MIT-08-0897 and was submitted as non-public information to FERC on September 17, 2008 in accordance with FERC orders.

URE's Mitigation Plan required URE to contract with a personnel risk assessment provider to conduct background checks on all personnel who have authorized cyber or unescorted physical access to critical cyber facilities.

URE certified on December 30, 2008 that the above Mitigation Plan requirements were completed on that same day. As evidence of completion of its Mitigation Plan, URE submitted the following:

1. Personnel Risk Assessment procedure;
2. Personnel Risk Assessment results matrix;
3. Personnel list for authorized unescorted physical access or authorized cyber access;
4. An example of an employee notification letter dated December 2, 2008;
5. Background check training sign-in sheets; and
6. A background check awareness notification memo that was distributed to all employees dated September 19, 2008.

On January 23, 2009, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed on December 30, 2009 and notified URE in a letter dated February 13, 2009 that it was in compliance with CIP-004-1 R3.

CIP-004-1 R4

URE's Mitigation Plan to address its violation of CIP-004-1 R4 was submitted to WECC on June 30, 2008 with a proposed completion date of December 31, 2008. The Mitigation Plan was accepted by WECC on July 30, 2008 and approved by NERC on September 17, 2008. The Mitigation Plan for this violation is designated as MIT-08-0898 and was submitted as non-public information to FERC on September 17, 2008 in accordance with FERC orders.

URE's Mitigation Plan required URE to create procedures for physical access rights to Critical Cyber Assets. Additionally, URE would maintain a list of its personnel and identify which personnel had specific electronic and physical access rights to Critical Cyber Assets. The list and access rights would be reviewed on a quarterly basis and any changes in access rights would be updated within seven calendar days of the change. Moreover, URE would revoke access within twenty-four hours for personnel terminated for cause, and within seven calendar days for personnel who no longer require access.

URE certified on December 30, 2008 that the above Mitigation Plan requirements were completed on that same day. As evidence of completion of its Mitigation Plan, URE submitted the following:

1. URE's Personnel Risk Assessment matrix;
2. URE's personnel list for authorized unescorted physical access or authorized cyber access;
3. URE's access list for all Critical Cyber Assets; and
4. URE's quarterly review of access list template.

On May 7, 2009, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed on December 30, 2008 and notified URE in a letter dated September 24, 2009 that it was in compliance with CIP-004-1 R4.

CIP-007-1 R1

URE's Mitigation Plan to address its violation of CIP-007-1 R1 was initially submitted on June 30, 2008, but was rejected by WECC on July 13, 2008 because it did not include a risk statement.⁴⁵ On August 13, 2008, URE submitted a revised Mitigation Plan to WECC with a proposed completion date of February 29, 2009. The Mitigation Plan was accepted by WECC on November 14, 2008 and approved by NERC on December 31, 2008. The Mitigation Plan for this violation is designated as MIT-08-1181 and was submitted as non-public information to FERC on December 31, 2008 in accordance with FERC orders.

URE's Mitigation Plan required URE to create, implement and maintain a standardized testing method that would require any changes to the existing Cyber Assets within the Electronic Security Perimeter to undergo testing that would ensure the changes do not adversely affect existing cyber security controls. The testing would be performed in a manner that reflected the production environment and URE's documentation of test results would be mandatory.

URE certified on February 27, 2009 that the above Mitigation Plan requirements were completed on that same day. As evidence of completion of its Mitigation Plan, URE submitted the following:

1. A copy of its Standard Operating Procedures containing the procedures for the testing of new and significant changes to existing Critical Cyber Assets within the ESP; and

⁴⁵ WECC inadvertently submitted the June 30, 2008 Mitigation Plan to NERC for approval. NERC approved this plan and submitted it to FERC on December 31, 2008.

2. A copy of a sample Critical Cyber Asset test procedure control sheet necessary for each Critical Cyber Asset and used during any change as stated in the procedures.

On June 29, 2009, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed on February 27, 2009 and notified URE in a letter dated July 8, 2009 that it was in compliance with CIP-007-1 R1.

CIP-008-1 R1

URE's Mitigation Plan to address its violation of CIP-008-1 R1 was submitted to WECC on June 30, 2008 with a proposed completion date of October 31, 2008.⁴⁶ The Mitigation Plan was accepted by WECC on July 30, 2008 and approved by NERC on September 17, 2008. The Mitigation Plan for this violation is designated as MIT-08-0899 and was submitted as non-public information to FERC on September 17, 2008 in accordance with FERC orders.

URE's Mitigation Plan required URE to review its existing systems incident management policies and procedures and document any gaps specific to CIP-008-1 R1 and complete updates to its policies and procedures within ninety days as required by the Standard. Additionally, URE would complete annual reviews of the program to ensure adherence to the requirements of the Standard by URE personnel.

URE certified on October 30, 2008⁴⁷ that the above Mitigation Plan requirements were completed on October 28, 2008. As evidence of completion of its Mitigation Plan, URE submitted its incident reporting guidelines which contained all of the requisite information required by CIP-008-1 R1.

On November 5, 2008, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed on October 28, 2008 and notified URE in a letter dated November 7, 2008 that it was in compliance with CIP-008-1 R1.

CIP-009-1 R1 and R2

URE's Mitigation Plan to address its violation of CIP-009-1 R1 and R2 was submitted to WECC on June 30, 2008 with a proposed completion date of December 31, 2008. The Mitigation Plan was accepted by WECC on July 30, 2008 and approved by NERC on September 17, 2008. The Mitigation Plan for this violation is designated as MIT-08-0900 and was submitted as non-public information to FERC on September 17, 2008 in accordance with FERC orders.

URE's Mitigation Plan required URE to draft recovery plans for its identified Critical Cyber Assets and review them annually. Additionally, URE would exercise its recovery plans annually using a paper drill.⁴⁸

⁴⁶ The Mitigation Plan was signed on June 22, 2008.

⁴⁷ URE's Certification of Completion was signed on October 28, 2008 and received by WECC on October 30, 2008.

⁴⁸ This term "paper drill" consists of an entity responding to a hypothetical need to recover assets by going through its documented procedures and further document the exact steps it would take to recover the asset.

URE certified on December 30, 2008 that the above Mitigation Plan requirements were completed on that same date. As evidence of completion of its Mitigation Plan, URE submitted the following:

1. Copies of its Standard Operating Procedure with the procedures for the recovery plans for Critical Cyber Assets, including specific actions in response to events or conditions of varying duration and severity that would activate the recovery plans and the roles and responsibilities of each respondent; and
2. A copy of a sample Critical Cyber Asset recovery plan necessary for each Critical Cyber Asset and used during the scheduled paper drill as stated in the Standard Operating Procedure.

On June 29, 2009, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed on December 30, 2008 and notified URE in a letter dated July 8, 2009 that it was in compliance with CIP-009-1 R1 and R2.

EOP-001-0 R5

URE's Mitigation Plan to address its violation of EOP-001-0 R5 was submitted to WECC on August 13, 2008 with a proposed completion date of May 1, 2009. The Mitigation Plan was accepted by WECC on August 25, 2008 and approved by NERC on December 16, 2008. The Mitigation Plan for this violation is designated as MIT-08-1137 and was submitted as non-public information to FERC on December 16, 2008 in accordance with FERC orders.

URE's Mitigation Plan required URE to meet with pertinent URE personnel to develop a plan for the removal of environmental constraints, fuel supply optimization and maximizing generator output and availability. URE would then review and update its current plans to include removal of environmental constraints, fuel supply optimization and maximizing generator output and availability. URE's Mitigation Plan also required it to revise its Emergency Operating Procedures to include these updated plans and distribute the revised document to appropriate personnel.

URE certified on April 30, 2009 that the above Mitigation Plan requirements were completed on that same date. As evidence of completion of its Mitigation Plan, URE submitted the following:

1. System Black Start restoration plan;
2. Manual Load Shedding Procedure;
3. Demand Response Program;
4. E-mail to Balancing Authorities and Reliability Coordinators regarding the procedure; and
5. An e-mail and memorandum to operators regarding the Emergency Operating Procedures.

On May 21, 2009, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed on April 30, 2009 and notified URE in a letter dated June 2, 2009 that it was in compliance with EOP-001-0 R5.

EOP-001-0 R7

URE's Mitigation Plan to address its violation of EOP-001-0 R7 was submitted to WECC on June 18, 2009⁴⁹ stating it had been completed on June 16, 2009. The Mitigation Plan was accepted by WECC on July 18, 2009 and approved by NERC on July 27, 2009. The Mitigation Plan for this violation is designated as MIT-08-1833 and was submitted as non-public information to FERC on July 27, 2009 in accordance with FERC orders.

URE's Mitigation Plan stated that URE entered into Adjacent Balancing Authority procedure agreements that include provisions for emergency energy assistance. In addition, URE stated that it has a standing agreement with, and is a member of the SRSG which provides the ability to arrange for emergency energy assistance.

URE certified in its Mitigation Plan submitted on June 18, 2009 that the above Mitigation Plan requirements were completed on June 16, 2009. As evidence of completion of its Mitigation Plan, URE submitted the operating procedures that were shared to the Adjacent Balancing Authority and the SRSG agreement.

On July 18, 2009, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed on June 16, 2009 and notified URE in a letter dated August 28, 2009 that it was in compliance with EOP-001-0 R7.

EOP-003-1 R7

URE's Mitigation Plan to address its violation of EOP-003-1 R7 was submitted to WECC on August 13, 2008 with a proposed completion date of July 1, 2009. The Mitigation Plan was accepted by WECC on September 2, 2008⁵⁰ and approved by NERC on October 29, 2008. The Mitigation Plan for this violation is designated as MIT-08-0996 and was submitted as non-public information to FERC on October 29, 2008 in accordance with FERC orders.

URE's Mitigation Plan required URE to implement the generator off-frequency relay protection settings according to the OFSPR and modify the control schemes in each generator. Such modifications would consist of installing a timer to add time delay to URE's first step to be consistent with step 2 of WECC's under- and over-frequency trip requirements.

URE certified on June 25, 2009⁵¹ that the above Mitigation Plan requirements were completed on June 19, 2009. As evidence of completion of its Mitigation Plan, URE submitted the following:

1. Copies of engineering designs;
2. Generation Station Protection Schematic diagrams;
3. Purchase forms dated November 3, 2008 demonstrating purchase of equipment;

⁴⁹ The Mitigation Plan is dated June 17, 2009.

⁵⁰ URE's Certification of Completion incorrectly states that the Mitigation Plan was accepted by WECC on September 19, 2008.

⁵¹ The Certification of Completion was signed on June 24, 2009.

4. Delivery receipts dated November 3, 2008 demonstrating delivery of purchased equipment; and
5. A copy of URE's Off-Nominal Frequency Settings Table which showed configuration and testing dates.

On October 7, 2009, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed on June 19, 2009 and notified URE in a letter dated November 6, 2009 that it was in compliance with EOP-003-1 R7.

EOP-005-1 R1

URE's Mitigation Plan to address its violation of EOP-005-1 R1 was submitted to WECC on June 18, 2009⁵² stating it had been completed on June 16, 2009. The Mitigation Plan was accepted by WECC on July 20, 2009⁵³ and approved by NERC on July 27, 2009. The Mitigation Plan for this violation is designated as MIT-08-1835 and was submitted as non-public information to FERC on July 27, 2009 in accordance with FERC orders.

URE's Mitigation Plan stated that URE revised its System Restoration Plan to address all the elements in Attachment 1-EOP-005.

URE certified in its Mitigation Plan submitted on June 18, 2009 that the above Mitigation Plan requirements were completed on June 16, 2009. As evidence of completion of its Mitigation Plan, URE submitted the following documents which make up URE's Restoration Plan:

1. System Black Start & Restoration Plan; and
2. Manual Load Shedding Procedure.

The revised System Restoration Plan addresses the missing elements identified during the Audit and includes processes for establishing the electric system in a stable and orderly manner, including operating procedures to cover emergency conditions and the loss of vital communication channels.

On July 19, 2009, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed on June 16, 2009 and notified URE in a letter dated August 28, 2009 that it was in compliance with EOP-005-1 R1.

EOP-005-1 R2

URE's Mitigation Plan to address its violation of EOP-005-1 R2 was submitted to WECC on June 18, 2009⁵⁴ stating it had been completed on June 16, 2009. The Mitigation Plan was accepted by WECC on July 20, 2009 and approved by NERC on July 27, 2009. The Mitigation Plan for this violation is designated as MIT-08-1836 and was submitted as non-public information to FERC on July 27, 2009 in accordance with FERC orders.

⁵² The Mitigation Plan is dated June 17, 2009.

⁵³ The Settlement Agreement incorrectly states that the Mitigation Plan was accepted by WECC on July 19, 2009.

⁵⁴ The Mitigation Plan is dated June 17, 2009.

URE's Mitigation Plan stated that URE revised its System Black Start Restoration Plan to include reviews of its System Restoration Plan at least annually and whenever it makes changes in the power system network. Additionally, URE revised its Manual Load Shedding Procedure and its Plan for Loss of Control of Facility Function to correct the deficiencies found during the simulated restoration exercises and provide for annual updates.

URE certified in its Mitigation Plan submitted on June 18, 2009 that the above Mitigation Plan requirements were completed on June 16, 2009. As evidence of completion of its Mitigation Plan, URE submitted the following documents which make up URE's Restoration Plan:

1. System Black Start & Restoration Plan;
2. Manual Load Shedding Procedure; and
3. Plan for the Loss of Control Facility Function Plan.

On July 20, 2009, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed on June 16, 2009 and notified URE in a letter dated August 28, 2009 that it was in compliance with EOP-005-1 R2.

EOP-005-1 R3

URE's Mitigation Plan to address its violation of EOP-005-1 R3 was submitted to WECC on August 13, 2008 stating that it had been completed on July 9, 2008. The Mitigation Plan was accepted by WECC on December 2, 2008 and approved by NERC on May 26, 2009. The Mitigation Plan for this violation is designated as MIT-08-1704 and was submitted as non-public information to FERC on May 26, 2009 in accordance with FERC orders.

URE's Mitigation Plan stated that URE revised its System Black Start Plan to specifically prioritize restoration of the Interconnection as a high priority.

URE certified on August 13, 2008 that the above Mitigation Plan requirements were completed on July 9, 2008. As evidence of completion of its Mitigation Plan, URE submitted its revised Black Start Procedure Plan dated July 9, 2008.

On December 2, 2008, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed on July 9, 2008 and notified URE in a letter dated January 22, 2009 that it was in compliance with EOP-005-1 R3.

EOP-005-1 R4

URE's completed Mitigation Plan to address its violation of EOP-005-1 R4 was submitted to WECC on June 18, 2009⁵⁵ stating it had been completed on June 16, 2009. The Mitigation Plan was accepted by WECC on July 20, 2009 and approved by NERC on July 27, 2009. The Mitigation Plan for this violation is designated as MIT-08-1837 and was submitted as non-public information to FERC on July 27, 2009 in accordance with FERC orders.

⁵⁵ The Mitigation Plan is dated June 17, 2009.

URE's Mitigation Plan stated that URE had shared its System Restoration Plan with adjacent Balancing Authorities, Generator Owners, Transmission Operators⁵⁶ and the Reliability Coordinator.

URE certified in its Mitigation Plan submitted on June 18, 2009 that the above Mitigation Plan requirements were completed on June 16, 2009. As evidence of completion of its Mitigation Plan, URE submitted e-mails demonstrating distribution of its System Restoration Plan with adjacent Balancing Authorities, Generator Owners, Transmission Operators and the Reliability Coordinator.

On July 20, 2009, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed on June 16, 2009 and notified URE in a letter dated August 28, 2009 that it was in compliance with EOP-005-1 R2.

EOP-008-0 R1

URE's completed Mitigation Plan to address its violation of EOP-008-0 R1 was submitted to WECC on June 30, 2009⁵⁷ stating it had been completed on June 25, 2009. The Mitigation Plan was accepted by WECC on July 20, 2009 and approved by NERC on July 27, 2009. The Mitigation Plan for this violation is designated as MIT-08-1834 and was submitted as non-public information to FERC on July 27, 2009 in accordance with FERC orders.

URE's Mitigation Plan stated that URE had developed a Plan for Loss of Control Facility Function which included the installation of time and frequency monitoring equipment. Additionally, URE performed its annual update of the document on June 25, 2009 and developed a process for ensuring future annual updates.

URE certified in its Mitigation Plan submitted on June 30, 2009 that the above Mitigation Plan requirements were completed on June 25, 2009. As evidence of completion of its Mitigation Plan, URE submitted a copy of its Plan for Loss of Control Facility Function dated June 25, 2009.

On July 20, 2009, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed on June 25, 2009 and notified URE in a letter dated August 28, 2009 that it was in compliance with EOP-008-0 R1.

FAC-003-1 R1

URE's Mitigation Plan to address its violation of FAC-003-1 R1 was submitted to WECC on May 30, 2008 stating it had been completed on May 30, 2008. The Mitigation Plan was accepted by WECC on June 20, 2008 and approved by NERC on September 18, 2008. The Mitigation Plan for this violation is designated as MIT-08-0862 and was submitted as non-public information to FERC on September 18, 2008 in accordance with FERC orders.

⁵⁶ The Settlement Agreement (page 19) incorrectly states that URE shared its System Restoration Plan with adjacent Transmission Owners.

⁵⁷ The Settlement Agreement incorrectly states that the Mitigation Plan was submitted on June 30, 2008.

URE's Mitigation Plan stated that URE revised its Power Line Clearance Unit Operating Procedures and Guidelines to clearly define Clearance 1 and Clearance 2 distances as required. Additionally, URE obtained evidence of personnel qualifications.

URE certified on May 30, 2008 that the above Mitigation Plan requirements were completed on May 30, 2008. As evidence of completion of its Mitigation Plan, URE submitted the following:

1. URE's Power Line Clearance Unit Operating Procedures and Guidelines; and
2. Specific training records for personnel involved in the design and implementation of URE's TVMP to show they possessed the requisite qualifications as defined by URE's procedures.

On June 20, 2008, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed on May 30, 2008 and notified URE in a letter dated September 30, 2008 that it was in compliance with FAC-003-1 R1.⁵⁸

INT-003-2 R1

URE's Mitigation Plan to address its violation of INT-003-2 R1 was submitted to WECC on June 18, 2009⁵⁹ stating it had been completed on June 16, 2009. The Mitigation Plan was accepted by WECC on November 9, 2009 and approved by NERC on November 23, 2009. The Mitigation Plan for this violation is designated as MIT-08-2143 and was submitted as non-public information to FERC on November 24, 2009 in accordance with FERC orders.

URE's Mitigation Plan required URE to confirm interchange schedules and transactions with adjacent Balancing Authorities on an hourly basis using the WECC e-tagging procedure. All interchange schedules are confirmed with adjacent Balancing Authorities prior to implementing the interchange in the ACE Equation. The OATI software uses the confirmed interchange schedule that computes the Scheduled Net Interchange (SNI) for the URE Balancing Authority that is used for the ACE equation.

URE certified in its Mitigation Plan submitted on June 18, 2009 that the above Mitigation Plan requirements were completed on June 16, 2009. As evidence of completion of its Mitigation Plan, URE submitted the following:

1. A copy of a requested and approved transaction tag dated March 27, 2008 (submitted to Audit Team);
2. An internal URE memorandum dated March 27, 2008 related to procedures for approving transactions prior to implementing the ACE equation including personnel roster for confirming instructions (submitted to Audit Team);
3. An internal URE memorandum dated November 20, 2008 related to the procedure for implementation of the ACE equation; and

⁵⁸ The Verification of Completion letter includes a violation of BAL-005-0 R17 which was mitigated as a pre-June 18, 2007 violation.

⁵⁹ The Mitigation Plan is dated June 17, 2009.

4. A copy of the logs that indicated implementation of the direction in the memoranda above.

On November 9 2009, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed on June 16, 2009 and notified URE in a letter dated November 18, 2009 that it was in compliance with INT-003-2 R1.

PER-002-0 R2

URE's Mitigation Plan to address its violation of PER-002-0 R2 was submitted to WECC on October 14, 2008 with a proposed completion date of November 30, 2009. The Mitigation Plan was accepted by WECC on November 14, 2008 and approved by NERC on November 19, 2009.⁶⁰ The Mitigation Plan for this violation is designated as MIT-08-1313 and was submitted as non-public information to FERC on November 19, 2009 in accordance with FERC orders.⁶¹

URE's Mitigation Plan required URE to update its Personnel Training Program to include the defined objectives set forth in the Standard or provide additional evidence that it had a training program in 2007 that met the objectives of the Standard.

URE certified on August 13, 2008 that the above Mitigation Plan requirements were completed on that same day. URE submitted the following evidence:

1. URE training program dated October 2007;
2. System Operator Training Program outline dated February 2006;
3. Copies of e-mails forwarding final January 10, 2007 training Program to Human Resources department; and
4. Copy of e-mail forwarding final January 10, 2006 System Operator training program to Human Resources department.

After WECC's review of the evidence submitted above, WECC determined that the evidence was not sufficient to demonstrate that URE had a training program in 2007 and therefore, URE had not established its compliance with PER-002-0 R2. WECC notified URE in a letter dated September 30, 2008 that WECC had rejected URE's Certification of Completion.

URE certified on November 25, 2008 that the above Mitigation Plan requirements were completed on November 13, 2008. As evidence that it had a compliant training program in place in 2007, and of completion of its Mitigation Plan, URE submitted a 2006 e-mail regarding its System Operating training program as well as the 2006 program document.

⁶⁰ The Settlement Agreement incorrectly states that the Mitigation Plan MIT-08-1313 was approved by NERC on December 12, 2008.

⁶¹ For some of the early violations where the details of the Mitigation Plans were deficient but the violations were mitigated, NERC agreed to accept RSAWs from WECC in lieu of Mitigation Plans. For PER-002-0 R2, NERC approved an RSAW instead of the Mitigation Plan and sent the RSAW to FERC.

On December 2, 2008, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed on November 13, 2008 and notified URE in a letter dated January 22, 2009 that it was in compliance with PER-002-0 R2.⁶²

PER-002-0 R3

URE's Mitigation Plan to address its violation of PER-002-0 R3 was submitted to WECC on October 14, 2008^{63,64} with a proposed completion date of April 30, 2009. The Mitigation Plan was accepted by WECC on November 14, 2008 and approved by NERC on February 9, 2009. The Mitigation Plan for this violation is designated as MIT-08-1348 and was submitted as non-public information to FERC on February 17, 2009 in accordance with FERC orders.

URE's Mitigation Plan required URE to update its Personnel training program to include the defined objectives set forth in the Standard.

URE certified on August 13, 2008 that the above Mitigation Plan requirements were completed on that same day. URE submitted the following evidence:

1. URE's training program dated October 2007;
2. System Operator training program outline dated February 2006;
3. Copies of e-mails forwarding final January 10, 2007 training program to Human Resources department; and
4. Copy of e-mail forwarding final January 10, 2006 System Operator training program to Human Resources department.

After WECC's review of the evidence submitted above, WECC determined that the evidence did not sufficient to demonstrate that URE's 2007 training program included the defined objectives set forth in the Standard and therefore, URE had not established its compliance with PER-002-0 R3. WECC notified URE in a letter dated September 30, 2008 that WECC had rejected URE's Certification of Completion.

URE certified on April 30, 2009⁶⁵ that the above Mitigation Plan requirements were completed on April 20, 2009. As evidence of completion of its Mitigation Plan, URE submitted its revised Personnel training program dated April 6, 2009.

On May 7, 2009, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed on April 20, 2009 and notified URE in a letter dated June 2, 2009 that it was in compliance with PER-002-0 R3.

PRC-005-1 R2

URE's Mitigation Plan to address its violation of PRC-005-1 R2 was submitted to WECC on June 25, 2009 stating it had been completed on June 24, 2009. The Mitigation Plan was accepted

⁶² WECC's Verification of Completion incorrectly states that it received URE's Certification of Completion on October 14, 2008.

⁶³ The October 14, 2008 Mitigation Plan is marked as a revised plan because URE had submitted a previous draft.

⁶⁴ URE submitted a revision to the October 14, 2008 Mitigation Plan on January 30, 2009 as a means to provide WECC with a progress update.

⁶⁵ URE's Certification of Completion is dated April 29, 2009.

by WECC on September 23, 2009 and approved by NERC on November 4, 2009. The Mitigation Plan for this violation is designated as MIT-08-2098 and was submitted as non-public information to FERC on November 4, 2009 in accordance with FERC orders.

URE's Mitigation Plan stated that URE was to provide additional evidence to demonstrate that the Mitigation Plan associated with the pre-June 18, 2007 violation⁶⁶ had been completed.

URE certified in its Mitigation Plan submitted on June 25, 2009 that it provided the additional evidence on June 24, 2009. URE submitted the following evidence:

1. A summary of URE's relay testing and maintenance program for transmission and generation facilities dated June 15, 2009;
2. URE's 2008 and 2009 monthly scheduled and actual maintenance testing records for CTs, PTs, CCVT dated December 31, 2008 and June 15, 2009;
3. URE's 2008 and 2009 annually scheduled and actual Transmission Substation CCVT Infrared Inspections dated June 15, 2009;
4. URE's 2008 and 2009 semi-annual, quarterly and monthly battery maintenance and testing records dated December 31, 2008 and May 20, 2009 which included a description of the testing procedure; and
5. A document which defines URE's maintenance and testing intervals.

After WECC's review of the evidence submitted above, WECC determined that URE's protective devices were not on schedule and therefore, URE was not compliant with PRC-005-1 R2. WECC contacted URE on September 23, 2009 regarding the rejection of the Certification of Completion submitted on June 25, 2009, and provided written notice in a letter dated November 11, 2009.

URE submitted a completed Mitigation Plan to WECC on October 14, 2009 to address its violation of PRC-005-1 R2 stating that it had been completed on October 12, 2009. The Mitigation Plan was accepted by WECC on October 22, 2009.

URE's revised Mitigation Plan stated that URE had maintained and tested its 22⁶⁷ protective devices that had been determined to not be on schedule.

On October 19, 2009,⁶⁸ URE submitted a new Certification of Completion form stating that the October 14, 2009 Mitigation Plan was completed on October 12, 2009. As evidence of completion of its Mitigation Plan, URE submitted the following:

⁶⁶ The Mitigation Plan associated with the pre-June 18, 2007 violation is dated January 31, 2008.

⁶⁷ Although WECC initially determined that there were 21 off-schedule protective devices, URE discovered an additional off-schedule relay.

⁶⁸ The Settlement Agreement incorrectly states that the Certification of Completion was submitted on October 14, 2009.

1. A summary table for the 22 off-schedule protective devices dated October 14, 2009 which included the substation and/or generation facility, circuit and relay type, due date for testing, testing interval and off-schedule testing completion date;
2. Inspection Sheets which contained relay data, including but not limited to, relay type, location, dates of inspection and test results;
3. A summary of URE's relay testing and maintenance program for transmission and generation facilities dated October 14, 2009 which included the name of the substation and generator facility, circuit and relay protection device, date of the last test, relay type, manufacturer and identification of the testing technician. The last test dates included in this summary were on October 12, 2009;
4. URE's 2008 and 2009 monthly scheduled and actual maintenance and testing record for CTs, PTs, CCVTs dated December 31, 2008 and October 14, 2009;
5. URE's 2008 and 2009 annually scheduled and actual Transmission Substation CCVT Infrared Inspections in a report dated October 5, 2009;
6. URE's 2008 and 2009 semi-annual, quarterly and monthly battery maintenance and inspection reports dated October 7, 2009 and October 14, 2009; and
7. URE's Relay Maintenance Program.

On October 22, 2009, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed on October 12, 2009 and notified URE in a letter dated November 11, 2009 that it was in compliance with PRC-005-1 R2.

TOP-002-2 R4

URE's Mitigation Plan to address its violation of TOP-002-2 R4 was submitted to WECC on August 13, 2008 with a proposed completion date of November 1, 2008. The Mitigation Plan was accepted by WECC on September 9, 2008 and approved by NERC on October 29, 2008. The Mitigation Plan for this violation is designated as MIT-08-0997 and was submitted as non-public information to FERC on October 29, 2008 in accordance with FERC orders.

URE's Mitigation Plan required URE to develop and document a process by which seasonal planning information is shared with neighboring Balancing Authorities and Transmission Operators.

URE certified on November 1, 2008⁶⁹ that the above Mitigation Plan requirements were completed on that same day. As evidence of completion of its Mitigation Plan, URE submitted a document which set forth the process by which URE coordinates its current-day, next-day and seasonal planning and operations with neighboring Balancing Authorities and Transmission Operators and with its Reliability Coordinator;

⁶⁹ WECC's Audit Report, the Settlement Agreement and WECC's Verification of Completion state that URE's Certification of Completion was received on October 30, 2008.

On December 1, 2008, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed on November 1, 2008 and notified URE in a letter dated December 2, 2008 that it was in compliance with TOP-002-2 R4.⁷⁰

TOP-002-2 R11

URE's Mitigation Plan to address its violation of TOP-002-2 R11 was submitted to WECC on August 13, 2008 stating that it was complete. The Mitigation Plan was accepted by WECC on December 1, 2008 and approved by NERC on March 10, 2009. The Mitigation Plan for this violation is designated as MIT-08-1450 and was submitted as non-public information to FERC on March 12, 2009 in accordance with FERC orders.

URE's Mitigation Plan stated that URE possessed the requisite information to demonstrate its compliance with TOP-002-2 R11 but did not provide that documentation to the Audit Team during the Audit. The evidence demonstrated that URE had shared seasonal studies and IROLs with its Reliability Coordinator and had also shared current-day, next-day or seasonal studies with its neighboring entities. Additionally, URE had provided its SOLs and IROLs to all neighboring entities.

URE certified on August 13, 2008 that the above Mitigation Plan requirements were completed on that same day. As evidence of completion of its Mitigation Plan, URE submitted:

1. a document regarding communication of SOLs and IROLs to the Reliability Coordinator; and
2. e-mails and documentation regarding communication of URE's SOLs and IROLs to its Reliability Coordinator and communication with neighboring entities.

On December 1, 2008, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed on August 13, 2008 and notified URE in a letter dated December 2, 2008 that it was in compliance with TOP-002-2 R11.⁷¹

TOP-002-2 R17

URE's Mitigation Plan to address its violation of TOP-002-2 R17 was submitted to WECC on August 13, 2008 with a proposed completion date of November 1, 2008. The Mitigation Plan was accepted by WECC on September 9, 2008 and approved by NERC on October 29, 2008. The Mitigation Plan for this violation is designated as MIT-08-0999 and was submitted as non-public information to FERC on October 29, 2008 in accordance with FERC orders.

URE's Mitigation Plan required URE to become compliant with TOP-002-2 R4 and R11⁷² and provide the necessary information to its Reliability Coordinator.

⁷⁰ The Verification of Completion letter also included violations of PRC-015-0 R1, R2 and R3 which were mitigated as pre-June 18, 2007 violations.

⁷¹ The Verification of Completion letter also included violations of PRC-015-0 R1, R2 and R3 which were mitigated as pre-June 18, 2007 violations.

⁷² The alleged violation of TOP-002-2 R13 was subsequently dismissed on April 29, 2009.

URE certified on November 1, 2008⁷³ that the above Mitigation Plan requirements were completed on that same day. As evidence of completion of its Mitigation Plan, URE submitted the following:

1. document regarding the Normal Operations Planning, Seasonal Planning, Next Day and Current Day Coordination process; and
2. document regarding the communication of SOLs and IROLs to Reliability Coordinator.

On December 1, 2008, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed on November 1, 2008 and notified URE in a letter dated December 2, 2008 that it was in compliance with TOP-002-2 R17.⁷⁴

TOP-004-1 R6

URE's Mitigation Plan to address its violation of TOP-004-1 R6 was submitted to WECC on March 14, 2008 with a proposed completion date of September 30, 2008. The Mitigation Plan was accepted by WECC on March 20, 2008 and approved by NERC on May 28, 2009. The Mitigation Plan for this violation is designated as MIT-08-0720 and was submitted as non-public information to FERC on May 28, 2009 in accordance with FERC orders.

URE's Mitigation Plan required URE to meet with individual entities to develop separate interconnection agreements while continuing to work toward a common standard agreement that is acceptable to all applicable entities. URE's Mitigation Plan required separate agreement to be executed by September 30, 2008.

URE certified on September 30, 2008 that the above Mitigation Plan requirements were completed on that same day. As evidence of completion of its Mitigation Plan, URE submitted operating procedures with an Adjacent Balancing Authority.

On December 2, 2008, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed on September 30, 2008 and notified URE in a letter dated January 22, 2009 that it was in compliance with TOP-004-1 R6.

TPL-001-0 R1

URE's Mitigation Plan to address its violation of TPL-001-0 R1 was submitted to WECC on March 5, 2009 stating that it had been completed on that same day. The Mitigation Plan was accepted by WECC on March 9, 2009 and approved by NERC on June 25, 2009. The Mitigation Plan for this violation is designated as MIT-07-1791 and was submitted as non-public information to FERC on June 30, 2009 in accordance with FERC orders.⁷⁵

⁷³ WECC's Audit Report, the Settlement Agreement and WECC's Verification of Completion state that URE's Certification of Completion was received on October 30, 2008.

⁷⁴ The Verification of Completion letter also included violations of PRC-015-0 R1, R2 and R3 which were mitigated as pre-June 18, 2007 violations.

⁷⁵ For some of the early violations where the details of the Mitigation Plans were deficient but the violations were mitigated, NERC agreed to accept RSAWs from WECC in lieu of Mitigation Plans. For TPL-001-0 R1, NERC approved an RSAW instead of the Mitigation Plan and sent the RSAW to FERC.

URE's Mitigation Plan stated that URE revised its ten-year Transmission Assessment Study 2008-2017 to include light loading assessment for the near and long term planning years to comply with Requirement R1.3.6.

URE certified on March 5, 2009 that the above Mitigation Plan requirements were completed on that same day. As evidence of completion of its Mitigation Plan, URE submitted its Transmission Assessment Study 2008-2017. This provided evidence that URE has now completed studies that demonstrate system performance meets Category A for selected demand levels over the range of forecast system demands. URE studied both heavy summer and light winter load conditions.

On March 9, 2009, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed on March 5, 2009 and notified URE in a letter dated April 8, 2009 that it was in compliance with TPL-001-0 R1.

TPL-002-0 R1 and R2

URE's Mitigation Plan to address its violations of TPL-002-0 R1 and R2 was submitted to WECC on March 5, 2009 stating it had been completed on that same day. The Mitigation Plan was accepted by WECC on March 9, 2009 and approved by NERC on June 25, 2009. The Mitigation Plan for this violation is designated as MIT-07-1792 and was submitted as non-public information to FERC on June 30, 2009 in accordance with FERC orders.⁷⁶

URE's Mitigation Plan required URE to complete studies for both the heavy summer and light winter load conditions for both the near-term and longer-term planning horizons to mitigate the violation of R1 and include a written summary of plans in its assessment including schedule for implementation, in-service date and lead-time discussion to mitigate the violation of R2.

URE certified on March 5, 2009 that the above Mitigation Plan requirements were completed on that same day. As evidence of completion of its Mitigation Plan, URE submitted its Transmission Assessment Study 2008-2017. This provided evidence that URE has now completed studies that demonstrate its system performance meets Category B for selected demand levels over the range of forecast system demands. URE's Transmission Assessment Study also contains a written summary of its plans to achieve the required system performance which meets the requirements of R2.

On March 9, 2009, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed on March 5, 2009 and notified URE in a letter dated April 8, 2009 that it was in compliance with TPL-002-0 R1 and R2.

⁷⁶ For some of the early violations where the details of the Mitigation Plans were deficient but the violations were mitigated, NERC agreed to accept RSAWs from WECC in lieu of Mitigation Plans. For TPL-002-0 R1 and R2, NERC approved an RSAW instead of the Mitigation Plan and sent the RSAW to FERC.

VAR-001-1 R1

URE's Mitigation Plan to address its violation of VAR-001-1 R1 was submitted to WECC on December 21, 2007⁷⁷ with a proposed completion date of March 31, 2008. The Mitigation Plan was accepted by WECC on January 15, 2008 and approved by NERC on August 28, 2008. The Mitigation Plan for this violation is designated as MIT-07-0634 and was submitted as non-public information to FERC on August 28, 2008 in accordance with FERC orders.

URE's Mitigation Plan required URE to finalize negotiations with neighboring control areas in order to obtain an Interconnection Operating Agreement with each neighboring transmission operator by the end of the first quarter of 2008 and develop a standard operating procedure. URE stated it would develop an Interconnection voltage and reactive operating procedure based on the common Interconnection Operating Agreement, and then issue a final version of the Standard Operating Procedure.

URE certified on September 30, 2008 that the above Mitigation Plan requirements were completed on that same day, six months after its approved completion date. As evidence of completion of its Mitigation Plan, URE submitted the Adjacent Balancing Authority operating procedure.

On October 29, 2008, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed on September 30, 2008 and notified URE in a letter dated October 31, 2008 that it was in compliance with VAR-001-1 R1.⁷⁸

VAR-001-1 R2

URE's Mitigation Plan to address its violation of VAR-001-1 R2 was initially submitted to WECC on August 13, 2008, but was rejected by WECC because the proposed timeline was too long. On October 2, 2008, URE submitted a revised Mitigation Plan with a proposed completion date of February 1, 2009.⁷⁹ The Mitigation Plan was accepted by WECC on October 28, 2008 and approved by NERC on December 31, 2008. The Mitigation Plan for this violation is designated as MIT-08-1175 and was submitted as non-public information to FERC on December 31, 2008 in accordance with FERC orders.

URE's Mitigation Plan required URE to conduct a technical electrical study under "N-2 conditions" to determine what the reactive needs are of the Interconnection. URE would then incorporate those operating and emergency reactive ranges into its Voltage and Reactive Control procedure.

URE certified on January 30, 2009 that the above Mitigation Plan requirements were completed on January 30, 2009. As evidence of completion of its Mitigation Plan, URE submitted the following:

1. Standard Operating Procedure which was modified to incorporate reactive support requirements at the interconnections;

⁷⁷ The Settlement Agreement incorrectly states that the Mitigation Plan was submitted on December 24, 2007.

⁷⁸ The Verification of Completion includes EOP-001-0 R1 which was mitigated as a pre-June 18, 2007 violation.

⁷⁹ The Mitigation Plan incorrectly states that the proposed completion date of the Mitigation Plan to be May 1, 2009.

2. Study references to support its Standard Operating Procedure which included the following:
 - a. URE 2008 Heavy Summer Operating Study which was a power flow study to determined the most critical operating conditions and the necessary remedial actions to be implemented;
 - b. URE reactive power margin analysis which was a study performed to assess the reactive power margin at all the high voltage busses (92 kV and above) during normal and abnormal conditions;
3. Adjacent Balancing Authority Operating Procedures;
4. E-mail correspondences; and
5. A copy of a study conducted for VAR-001-1 which identified areas needing additional reactive resources under N-2 conditions and proposed to install a RAS and additional capacitance).

On March 10, 2009, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed on January 1, 2009 and notified URE in a letter dated March 11, 2009 that it was in compliance with VAR-001-1 R2.

VAR-001-1 R3

URE's Mitigation Plan to address its violation of VAR-001-1 R3 was submitted to WECC on August 13, 2008 stating it had been completed on July 2, 2008. The Mitigation Plan was accepted by WECC on September 2, 2008 and approved by NERC on May 26, 2009. The Mitigation Plan for this violation is designated as MIT-08-1701 and was submitted as non-public information to FERC on May 26, 2009 in accordance with FERC orders.

URE's Mitigation Plan stated that URE created a list of criteria for exemption from the Voltage and Reactive schedules and incorporated the criteria into its current Voltage and Reactive Control procedure. Additionally, URE provided the criteria to all Generator Owners and Generator Operators within its control area.

URE certified on August 13, 2008 that the above Mitigation Plan requirements were completed on July 2, 2008. As evidence of completion of its Mitigation Plan, URE submitted its energy Standard Operating Procedure.

On September 2, 2008, after WECC's review of URE's submitted evidence, WECC verified that URE's Mitigation Plan was completed on July 2, 2008 and notified URE in a letter dated September 30, 2008 that it was in compliance with VAR-001-1 R3.

Statement Describing the Proposed Penalty, Sanction or Enforcement Action Imposed⁸⁰

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 and October 26, 2009 Guidance Order,⁸¹ the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on March 10, 2010. The NERC BOTCC approved the Settlement Agreement, including WECC's imposition of a financial penalty, assessing a penalty of four hundred fifty thousand dollars (\$450,000) 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:⁸²

- (1) these violations constituted URE's first occurrence of violations of the NERC Reliability Standards at issue in this Notice of Penalty;
- (2) WECC reported URE was cooperative throughout the compliance enforcement process;
- (3) the number and nature of the violations; and
- (4) WECC determined that the violations did not pose a serious or substantial risk to the BPS, as discussed above.

For the foregoing reasons, the NERC BOTCC approves the Settlement Agreement and believes that the proposed penalty of four hundred fifty thousand dollars (\$450,000) is appropriate for the violations and circumstances in question, and is consistent with NERC's goal to promote and ensure reliability of the BPS.

Pursuant to Order No. 693, 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.

Request for Confidential Treatment

Information in and certain attachments to the instant Notice of Penalty include privileged and 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. Specifically, this includes non-public information related to certain Reliability Standard violations, certain Regional Entity investigative files, Registered Entity sensitive business and

⁸⁰ See 18 C.F.R § 39.7(d)(4).

⁸¹ *North American Electric Reliability Corporation*, "Guidance Order on Reliability Notices of Penalty," 124 FERC ¶ 61,015 (2008). 2008); *North American Electric Reliability Corporation*, "Further Guidance Order on Reliability Notices of Penalty," 129 FERC ¶ 61,069 (2009). See also *North American Electric Reliability Corporation*, "Notice of No Further Review and Guidance Order," 132 FERC ¶ 61,182 (2010).

⁸² WECC did not review URE's internal compliance program (ICP) during the on-site audit, although the ICP was reviewed at some time after the audit. It was not considered a mitigation factor for these penalties.

confidential information exempt from the mandatory public disclosure requirements of the Freedom of Information Act, 5 U.S.C. 552, and should be withheld from public disclosure.

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 part of this Notice of Penalty are the following documents and material:

- a) Settlement Agreement by and between WECC and URE entered into as of January 20, 2010, included as Attachment a;
- b) Record documents for the violation of BAL-006-1 R4, included as attachment b:
 1. WECC's Public Audit Screen Shot;
 2. URE's Mitigation Plan designated as MIT-08-2142, and Certification of Completion contained therein, dated June 17, 2009 and submitted on June 18, 2009;
 3. WECC's Verification of Completion of the Mitigation Plan dated November 18, 2009;
- c) Record documents for the violation of CIP-003-1 R1, included as attachment c:
 1. URE's Self-Report dated June 20, 2008 and submitted on June 30, 2008;
 2. URE's Mitigation Plan designated as MIT-08-0895 submitted on June 30, 2008;
 3. URE's Certification of Completion of the Mitigation Plan dated October 28, 2008 and submitted on October 30, 2008;
 4. WECC's Verification of Completion of the Mitigation Plan dated November 7, 2008;
- d) Record documents for the violation of CIP-003-1 R3, included as attachment d:
 1. URE's Self-Report dated June 20, 2008 and submitted on June 30, 2008;
 2. URE's Mitigation Plan designated as MIT-08-1180 submitted on June 30, 2008;
 3. URE's Certification of Completion of the Mitigation Plan dated December 30, 2008;
 4. WECC's Verification of Completion of the Mitigation Plan dated January 22, 2009;
- e) Record documents for the violation of CIP-004-1 R2, included as attachment e:
 1. URE's Self-Report dated June 30, 2008;
 2. URE's Mitigation Plan designated as MIT-08-0896 submitted on June 30, 2008;

3. URE's Certification of Completion of the Mitigation Plan dated October 28, 2008 and submitted on October 30, 2008;
 4. WECC's Verification of Completion of the Mitigation Plan included in attachment c;
- f) Record documents for the violation of CIP-004-1 R3, included as attachment f:
1. URE's Self-Report dated June 30, 2008;
 2. URE's Mitigation Plan designated as MIT-08-0897 submitted on June 30, 2008;
 3. URE's Certification of Completion of the Mitigation Plan dated December 30, 2008;
 4. WECC's Verification of Completion of the Mitigation Plan dated February 13, 2009;
- g) Record documents for the violation of CIP-004-1 R4, included as attachment g:
1. URE's Self-Report dated June 30, 2008;
 2. URE's Mitigation Plan designated as MIT-08-0898 submitted on June 30, 2008;
 3. URE's Certification of Completion of the Mitigation Plan dated December 30, 2008;
 4. WECC's Verification of Completion of the Mitigation Plan dated September 24, 2009;
- h) Record documents for the violation of CIP-007-1 R1, included as attachment h:
1. URE's Self-Report dated June 20, 2008 and submitted on June 30, 2008;
 2. URE's Mitigation Plan designated as MIT-08-1181 dated June 30, 2008 and submitted on August 13, 2008;
 3. URE's Certification of Completion of the Mitigation Plan dated February 27, 2009;
 4. WECC's Verification of Completion of the Mitigation Plan dated July 8, 2009;
- i) Record documents for the violation of CIP-008-1 R1, included as attachment i:
1. URE's Self-Report dated June 20, 2008 and submitted on June 30, 2008;
 2. URE's Mitigation Plan designated as MIT-08-0899 submitted on June 30, 2008;
 3. URE's Certification of Completion of the Mitigation Plan dated October 28, 2008 and submitted on October 30, 2008;
 4. WECC's Verification of Completion of the Mitigation Plan included in attachment c;
- j) Record documents for the violations of CIP-009-1 R1 and R2, included as attachment j:
1. URE's Self-Report dated June 30, 2008;
 2. URE's Mitigation Plan designated as MIT-08-0900 submitted on June 30, 2008;
 3. URE's Certification of Completion of the Mitigation Plan dated December 30, 2008;
 4. WECC's Verification of Completion of the Mitigation Plan dated July 8, 2009;
- k) Record documents for the violation of EOP-001-0 R5, included as attachment k:
1. URE's Public Audit Screen Shot;

2. URE's Mitigation Plan designated as MIT-08-1137 submitted on August 13, 2008;
 3. URE's Certification of Completion of the Mitigation Plan dated April 30, 2009;
 4. WECC's Verification of Completion of the Mitigation Plan dated June 2, 2009;
- l) Record documents for the violation of EOP-001-0 R7, included as attachment l:
1. URE's Public Audit Screen Shot;
 2. URE's Mitigation Plan designated as MIT-08-1833, and Certification of Completion contained therein, dated June 17, 2009 and submitted on June 18, 2009;
 3. WECC's Verification of Completion of the Mitigation Plan dated August 28, 2009;
- m) Record documents for the violation of EOP-003-1 R7, included as attachment m:
1. URE's Public Audit Screen Shot;
 2. URE's Mitigation Plan designated as MIT-08-0996 submitted on August 13, 2008;
 3. URE's Certification of Completion of the Mitigation Plan dated June 25, 2009;
 4. WECC's Verification of Completion of the Mitigation Plan dated November 6, 2009;
- n) Record documents for the violation of EOP-005-1 R1, included as attachment n:
1. URE's Public Audit Screen Shot;
 2. URE's Mitigation Plan designated as MIT-08-1835, and its Certification of Completion contained therein, dated June 17, 2009 and submitted on June 18, 2009;
 3. WECC's Verification of Completion of the Mitigation Plan dated August 28, 2009;
- o) Record documents for the violation of EOP-005-1 R2, included as attachment o:
1. URE's Public Audit Screen Shot;
 2. URE's Mitigation Plan designated as MIT-08-1836, and Certification of Completion therein, dated June 17, 2009 and submitted on June 18, 2009;
 3. WECC's Verification of Completion of the Mitigation Plan included in Attachment n;
- p) Record documents for the violation of EOP-005-1 R3, included as attachment p:
1. URE's Public Audit Screen Shot;
 2. URE's Mitigation Plan designated as MIT-08-1704 submitted on August 13, 2008;
 3. URE's Certification of Completion of the Mitigation Plan dated August 13, 2008, 2008;
 4. WECC's Verification of Completion of the Mitigation Plan dated January 22, 2009;
- q) Record documents for the violation of EOP-005-1 R4, included as attachment q:
1. URE's Public Audit Screen Shot;
 2. URE's Mitigation Plan designated as MIT-08-1837, and Certification of Completion contained therein, dated June 17, 2009 and submitted on June 18, 2009;

3. WECC's Verification of Completion of the Mitigation Plan included in Attachment n;
- r) Record documents for the violation of EOP-008-0 R1, included as attachment r:
1. URE's Public Audit Screen Shot;
 2. URE's Mitigation Plan designated as MIT-08-1834, and Certification of Completion contained therein, submitted on June 30, 2009;
 3. WECC's Verification of Completion of the Mitigation Plan dated August 28, 2009;
- s) Record documents for the violation of FAC-003-1 R1, included as attachment s:
1. WECC's Public Audit Screen Shot;
 2. URE's Mitigation Plan designated as MIT-08-0862 submitted on May 30, 2008;
 3. URE's Certification of Completion of the Mitigation Plan dated May 30, 2008;
 4. WECC's Verification of Completion of the Mitigation Plan dated September 30, 2008;
- t) Record documents for the violation of INT-003-2 R1, included as attachment t:
1. WECC's Public Audit Screen Shot;
 2. URE's Mitigation Plan designated as MIT-08-2143, and Certification of Completion contained therein, dated June 17, 2009 and submitted on June 18, 2009;
 3. WECC's Verification of Completion of the Mitigation Plan dated November 18, 2009;
- u) Record documents for the violation of PER-002-0 R2, included as attachment u:
1. WECC's Public Audit Screen Shot;
 2. URE's Mitigation Plan designated as MIT-08-1313 submitted on October 14, 2008;
 3. URE's Certification of Completion of the Mitigation Plan dated November 25, 2008;
 4. WECC's Verification of Completion of the Mitigation Plan dated January 22, 2009;
- v) Record documents for the violation of PER-002-0 R3, included as attachment v:
1. WECC's Public Audit Screen Shot;
 2. URE's Mitigation Plan designated as MIT-08-1348 submitted on October 14, 2008;
 3. URE's Certification of Completion of the Mitigation Plan dated April 29, 2009 and submitted on April 30, 2009;
 4. WECC's Verification of Completion of the Mitigation Plan dated June 2, 2009;
- w) Record documents for the violation of PRC-005-1 R2, included as attachment w:
1. WECC's Public Audit Screen Shot;
 2. URE's Mitigation Plan designated as MIT-08-2098, submitted on June 25, 2009;
 3. URE's revised Mitigation Plan designated as MIT-08-2098 submitted on October 14, 2009;

4. URE's Certification of Completion of the Mitigation Plan dated October 19, 2009;
 5. WECC's Verification of Completion of the Mitigation Plan dated November 11, 2009;
- x) Record documents for the violation of TOP-002-2 R4, included as attachment x:
1. WECC's Public Audit Screen Shot;
 2. URE's Mitigation Plan designated as MIT-08-0997 submitted on August 13, 2008;
 3. URE's Certification of Completion of the Mitigation Plan dated November 1, 2008;
 4. WECC's Verification of Completion of the Mitigation Plan dated December 2, 2008;
- y) Record documents for the violation of TOP-002-2 R11, included as attachment y:
1. WECC's Public Audit Screen Shot;
 2. URE's Mitigation Plan designated as MIT-08-1450 submitted on August 13, 2008;
 3. URE's Certification of Completion of the Mitigation Plan dated August 13, 2008;
 4. WECC's Verification of Completion of the Mitigation Plan included in Attachment x;
- z) Record documents for the violation of TOP-002-2 R17, included as attachment z:
1. WECC's Public Audit Screen Shot;
 2. URE's Mitigation Plan designated as MIT-08-0999 submitted on August 13, 2008;
 3. URE's Certification of Completion of the Mitigation Plan dated November 1, 2008;
 4. WECC's Verification of Completion of the Mitigation Plan included in Attachment x;
- aa) Record documents for the violation of TOP-004-1 R4, included as attachment aa:
1. URE's Self-Report dated March 14, 2008;
 2. URE's Mitigation Plan designated as MIT-08-0720 submitted on March 14, 2008;
 3. URE's Certification of Completion of the Mitigation Plan dated September 30, 2008;
 4. WECC's Verification of Completion of the Mitigation Plan dated January 22, 2009;
- bb) Record documents for the violation of TPL-001-0 R1, included as attachment bb:
1. WECC's Public Audit Screen Shot;
 2. URE's Mitigation Plan designated as MIT-07-1791 submitted on March 5, 2009;
 3. URE's Certification of Completion of the Mitigation Plan dated March 5, 2009;
 4. WECC's Verification of Completion of the Mitigation Plan dated April 8, 2009;
- cc) Record documents for the violation of TPL-002-0 R1 and R2, included as attachment cc:
1. URE's Self-Report dated May 15, 2007 and submitted on May 18, 2007;
 2. URE's Mitigation Plan designated as MIT-07-1792 submitted on March 5, 2009;
 3. URE's Certification of Completion of the Mitigation Plan dated March 5, 2009;

4. WECC's Verification of Completion of the Mitigation Plan dated April 8, 2009;
- dd) Record documents for the violation of VAR-001-1 R1, included as attachment dd:
1. URE's Self-Report dated December 20, 2007 and submitted on December 24, 2007;
 2. URE's Mitigation Plan designated as MIT-07-0634 submitted on December 21, 2007;
 3. URE's Certification of Completion of the Mitigation Plan dated September 30, 2008;
 4. WECC's Verification of Completion of the Mitigation Plan dated October 31, 2008;
- ee) Record documents for the violation of VAR-001-1 R2, included as attachment ee:
1. WECC's Public Audit Screen Shot;
 2. URE's Mitigation Plan designated as MIT-08-1175 submitted on October 2, 2008;
 3. URE's Certification of Completion of the Mitigation Plan dated January 30, 2009;
 4. WECC's Verification of Completion of the Mitigation Plan dated March 11, 2009;
- ff) Record documents for the violation of VAR-001-1 R3, included as attachment ff:
1. WECC's Public Audit Screen Shot;
 2. URE's Mitigation Plan designated as MIT-08-1701 submitted on August 13, 2008;
 3. URE's Certification of Completion of the Mitigation Plan dated August 13, 2008; and
 4. WECC's Verification of Completion of the Mitigation Plan included in Attachment s.

A Form of Notice Suitable for Publication⁸³

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

⁸³ 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* Senior Vice President and General Counsel North American Electric Reliability Corporation 116-390 Village Boulevard Princeton, N.J. 08540-5721 (609) 452-8060 (609) 452-9550 – facsimile david.cook@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>	<p>Rebecca J. Michael* Assistant General Counsel Davis Smith* Attorney North American Electric Reliability Corporation 1120 G Street, N.W. Suite 990 Washington, D.C. 20005-3801 (202) 393-3998 (202) 393-3955 – facsimile rebecca.michael@nerc.net davis.smith@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>Sandy Mooy* Senior General 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>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>
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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,

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Senior Vice President and General Counsel
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cc: Unidentified Registered Entity
Western Electricity Coordinating Council

Attachments