



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

November 30, 2010

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

**Re: NERC Deficiency Notice of Penalty regarding Sikeston Board of Municipal Utilities,
FERC Docket No. NP11-__-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Deficiency Notice of Penalty (Deficiency NOP) regarding the Registered Entity listed in Attachment a,¹ 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)). Violations² addressed within a Deficiency NOP are administrative, minor or documentation in nature. Deficiency NOP treatment is appropriate in this case because the violations were documentation in nature and administrative; Sikeston Board of Municipal Utilities (Sikeston) had interconnection requirements available through its Transmission Operator and Balancing Authority, but had not memorialized them in its own document.

The Settlement Agreement resolves all outstanding issues arising from Southwest Power Pool Regional Entity's (SPP RE) determination and findings of the enforceable violations of FAC-001-0 Requirement (R) 1, R2 and R3.³ According to the Settlement Agreement, Sikeston admits to the violations, and has agreed to the assessed penalty of one thousand, three hundred fifty

¹ The Disposition Document addresses: (1) all relevant facts, in sufficient detail, to indicate the nature of the violation cited and its duration; (2) sufficient information on whether an entity did not perform the action required by the relevant Reliability Standard or failed to document that the action had been performed; (3) a linkage between specific facts and the penalty factors listed as relevant to the penalty determination; (4) specific information in a mitigation plan how a registered entity will comply with the requirements it has violated; and (5) specific information on how a Regional Entity verified that a registered entity timely completed a mitigation plan.

² 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.

³ SPP RE exercised its discretion under Section 3.10 of the NERC Sanction Guidelines to address the R2 and R3 violations as "related to a single act or common incidence of non-compliance" for which SPP RE would assess "a single aggregate penalty."

dollars (\$1,350) 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.

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 Orders,⁴ the NERC BOTCC reviewed the findings and assessed penalty or sanction and approved the Settlement Agreement on August 3, 2010, including SPP RE's assessment of a one thousand three hundred fifty dollar (\$1,350) financial penalty against Sikeston and other actions to facilitate future compliance required under the terms and conditions of the Settlement Agreement.

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

Attachments to be included as Part of this Notice of Penalty⁵

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

- a) Disposition of Violation for FAC-001-0 R1, R2 and R3, included as Attachment a;
- b) Settlement Agreement by and between SPP RE and Sikeston executed August 26, 2010, included as Attachment b;
 - a. Sikeston's Self-Certification for FAC-001-0 R1, R2 and R3 (not dated), included as Attachment 1 to the Settlement Agreement;
 - b. Sikeston's Mitigation Plan MIT-09-2330 for FAC-001-0 R1 submitted February 4, 2010, included as Attachment 2 to the Settlement Agreement;
 - c. Sikeston's Mitigation Plan MIT-09-2331 for FAC-001-0 R2 submitted February 4, 2010, included as Attachment 3 to the Settlement Agreement;
 - d. Sikeston's Mitigation Plan MIT-09-2332 for FAC-001-0 R3 submitted February 4, 2010, included as Attachment 4 to the Settlement Agreement;
 - e. Sikeston's Certification of Mitigation Plan Completion for FAC-001-0 R1, R2 and R3 dated March 2, 2010 and submitted March 3, 2010, included as Attachment 5 to the Settlement Agreement; and
 - f. SPP RE's Verification of Mitigation Plan Completion for FAC-001-0 R1, R2 and R3 dated March 30, 2010, included as Attachment 6 to the Settlement Agreement.

A Form of Notice Suitable for Publication⁵

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

⁴ *North American Electric Reliability Corporation*, "Guidance Order on Reliability Notices of Penalty," 124 FERC ¶ 61,015 (2008); *North American Electric Reliability Corporation*, "Further Guidance Order on Reliability Notices of Penalty," 129 FERC ¶ 61,069 (2009). See also *North American Electric Reliability Corporation*, "Notice of No Further Review and Guidance Order," 132 FERC ¶ 61,182 (2010)

⁵ See 18 C.F.R. § 39.7(d)(6).

Notices and Communications

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

<p>Gerald W. Cauley President and Chief Executive Officer David N. Cook* Sr. Vice President and General Counsel North American Electric Reliability Corporation 116-390 Village Boulevard Princeton, NJ 08540-5721 (609) 452-8060 (609) 452-9550 – facsimile david.cook@nerc.net</p> <p>Stacy Dochoda* General Manager Southwest Power Pool Regional Entity 16101 La Grande, Ste 103 Little Rock, AR 72223 (501) 688-1730 (501) 821-8726 – facsimile sdochoda@spp.org</p> <p>Joe Gertsch* Manager of Enforcement Southwest Power Pool Regional Entity 16101 La Grande, Ste 103 Little Rock, AR 72223 (501) 688-1672 (501) 821-8726 – facsimile jgertsch@spp.org</p> <p>SPP RE File Clerk* Southwest Power Pool Regional Entity 16101 La Grande, Ste 103 Little Rock, AR 72223 (501) 688-1681 (501) 821-8726 – facsimile spprefileclerk@spp.org</p>	<p>Rebecca J. Michael* Assistant General Counsel V. Davis Smith* Attorney North American Electric Reliability Corporation 1120 G Street, N.W. Suite 990 Washington, DC 20005-3801 (202) 393-3998 (202) 393-3955 – facsimile rebecca.michael@nerc.net davis.smith@nerc.net</p> <p>Mr. Ed Throop* General Manager Sikeston Board of Municipal Utilities 138 N. Prairie P.O. Box 370 Sikeston, MO 63801 (573) 471-3328 (573) 471-7288 – facsimile ethroop@sbfmu.net</p> <p>Mr. Rick Landers* Energy Schedule Supervisor Sikeston Board of Municipal Utilities 138 N. Prairie P.O. Box 370 Sikeston, MO 63801 dispatch@sbfmu.net</p> <p>*Persons to be included on the Commission's service list are indicated with an asterisk. NERC requests waiver of the Commission's rules and regulations to permit the inclusion of more than two people on the service list.</p>
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Conclusion

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

Respectfully submitted,

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David N. Cook
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cc: Sikeston Board of Municipal Utilities
Southwest Power Pool Regional Entity

Attachments

Attachment a

Disposition of Violation for FAC-001-0 R1, R2 and R3

DISPOSITION OF VIOLATION¹
Dated August 26, 2010

NERC TRACKING NO.	REGIONAL ENTITY TRACKING NO.	NOC#
SPP201000206 (R1)	2010-012	NOC-544
SPP201000207 (R2)	2010-013	
SPP201000208 (R3)	2010-013	

REGISTERED ENTITY	NERC REGISTRY ID
Sikeston Board Of Municipal Utilities (Sikeston)	NCR01142

REGIONAL ENTITY
Southwest Power Pool Regional Entity (SPP RE)

I. REGISTRATION INFORMATION

ENTITY IS REGISTERED FOR THE FOLLOWING FUNCTIONS:

BA	DP	GO	GOP	IA	LSE	PA	PSE	RC	RP	RSG	TO	TOP	TP	TSP
	X	X	X		X		X				X			
	5/31/07	5/31/07	5/31/07		5/31/07		5/31/07				1/30/09			

* VIOLATION APPLIES TO SHADED FUNCTIONS

DESCRIPTION OF THE REGISTERED ENTITY

Sikeston is a municipal electric utility providing the City of Sikeston, Missouri, with electric service. Sikeston's facilities include a 235 MW coal-fired power plant and five electric substations. Additionally, Sikeston owns 27 miles of 161 kV line that begins at the Sikeston Substation, which is owned by the Southwestern Power Administration (SWPA), and ends at the New Madrid Substation, which is owned by Associated Electric Cooperative Incorporated (AECI). Sikeston has a peak load of 75 MW.

II. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
FAC-001-0	1	1.1, 1.2, 1.3	Medium	Severe
FAC-001-0	2	2.1	Medium	Severe
FAC-001-0	3		Medium	Severe

¹ For purposes of this document and attachments hereto, each violation at issue is described as a "violation," regardless of its procedural posture and whether it was a possible, alleged or confirmed violation.

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

The purpose statement of FAC-001-0 provides: “To avoid adverse impacts on reliability, Transmission Owners must establish facility connection and performance requirements.”

FAC-001-0 provides:

R1. The Transmission Owner shall document, maintain, and publish facility connection requirements to ensure compliance with NERC Reliability Standards and applicable Regional Reliability Organization, subregional, Power Pool, and individual Transmission Owner planning criteria and facility connection requirements. The Transmission Owner’s facility connection requirements shall address connection requirements for:

R1.1. Generation facilities,

R1.2. Transmission facilities, and

R1.3. End-user facilities

R2. The Transmission Owner’s facility connection requirements shall address, but are not limited to, the following items:

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. Procedures for coordinated joint studies of new facilities and their impacts on the interconnected transmission systems.

R2.1.2. Procedures for notification of new or modified facilities to others (those responsible for the reliability of the interconnected transmission systems) as soon as feasible.

R2.1.3. Voltage level and MW and MVAR capacity or demand at point of connection.

R2.1.4. Breaker duty and surge protection.

R2.1.5. System protection and coordination.

R2.1.6. Metering and telecommunications.

R2.1.7. Grounding and safety issues.

R2.1.8. Insulation and insulation coordination.

R2.1.9. Voltage, Reactive Power, and power factor control.

R2.1.10. Power quality impacts.

R2.1.11. Equipment Ratings.

R2.1.12. Synchronizing of facilities.

R2.1.13. Maintenance coordination.

R2.1.14. Operational issues (abnormal frequency and voltages).

R2.1.15. Inspection requirements for existing or new facilities.

R2.1.16. Communications and procedures during normal and emergency operating conditions.

R3. The Transmission Owner shall maintain and update its facility connection requirements as required. The Transmission Owner shall make documentation of these requirements available to the users of the transmission system, the Regional Reliability Organization, and NERC on request (five business days).

VIOLATION DESCRIPTION

SPP RE informed Sikeston on January 23, 2009, that Sikeston would be required to register as a Transmission Owner because Sikeston owns, and is responsible for maintaining, a single 27 mile 161 kV transmission line running from the Sikeston Substation to the New Madrid Substation. On January 30, 2009, Sikeston was registered on the NERC Compliance Registry as a Transmission Owner and became subject to compliance with FAC-001-0 R1, R2 and R3. In a self-certification dated January 13, 2010, Sikeston stated that, in the event it received a request for interconnection, it would defer to the compliant documents of the Transmission Operator (TOP) and Balancing Authority (BA), but did not have a document of its own and was therefore non-compliant with FAC-001-0.

Sikeston reported in its January 13, 2010 Self-Certification that it was not compliant with Reliability Standard FAC-001-0 R1, R2 and R3² because:

- **with respect to R1, it did not have its own documented facility connection requirements;**
- **with respect to R2, since it did not have documented facility connection requirements, it was not able to provide a written summary of its plans including all the elements required by the Standard; and**
- **with respect to R3, since it did not have documented facility connection requirements, it would not be able to make its requirements available to the users of the transmission system, the Regional Reliability Organization and NERC with five business days as required by the Standard.**

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

SPP RE concluded that this violation did not pose a serious or substantial risk to the reliability of the bulk power system (BPS) because, although Sikeston did not have documented facility interconnection requirements, Sikeston had not received any requests to interconnect with its facilities. Furthermore, Sikeston's only facility subject to FAC-001-0 was a single 27-mile transmission line. Also, due to the

² SPP RE exercised its discretion under Section 3.10 of the NERC Sanction Guidelines to address the R2 and R3 violations as "related to a single act or common incidence of non-compliance" for which SPP RE would assess "a single aggregate penalty."

location of the Sikeston transmission line, any interconnection would be coordinated with SWPA and AECI and incorporate their interconnection requirements, and Sikeston could rely on the interconnection requirements of its BA or TOP if it received an interconnection request.

IS THERE A SETTLEMENT AGREEMENT YES NO

WITH RESPECT TO THE VIOLATION(S), REGISTERED ENTITY

NEITHER ADMITS NOR DENIES IT (SETTLEMENT ONLY) YES
ADMITS TO IT (§ 30) YES
DOES NOT CONTEST IT (INCLUDING WITHIN 30 DAYS) YES

WITH RESPECT TO THE ASSESSED PENALTY OR SANCTION, REGISTERED ENTITY

ACCEPTS IT/ DOES NOT CONTEST IT YES

III. DISCOVERY INFORMATION

METHOD OF DISCOVERY

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

DURATION DATE(S) 1/30/09 (when Sikeston was included on the NERC Compliance Registry as a Transmission Owner) through 2/19/10 (when Sikeston completed its Mitigation Plans)

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY 1/13/10

IS THE VIOLATION STILL OCCURRING
YES NO
IF YES, EXPLAIN

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

IV. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO.	R1	MIT-09-2330
	R2	MIT-09-2331
	R3	MIT-09-2332
DATE SUBMITTED TO REGIONAL ENTITY	R1, R2 & R3: 2/4/10	
DATE ACCEPTED BY REGIONAL ENTITY	R1, R2 & R3: 2/11/10	
DATE APPROVED BY NERC	R1, R2 & R3: 2/22/10	
DATE PROVIDED TO FERC	R1, R2 & R3: 2/22/10	

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

N/A

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE **2/28/10³**
EXTENSIONS GRANTED **N/A**
ACTUAL COMPLETION DATE **2/19/10**

DATE OF CERTIFICATION LETTER **3/2/10⁴**
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **2/19/10**

DATE OF VERIFICATION LETTER **3/30/10⁵**
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **2/19/10**

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

- **Develop an interconnection policy consistent with the requirements of the Standard, including connection requirements for generation facilities, transmission facilities and end-user facilities**
- **Draft an interconnection requirements compliance document that specifically addressed all the requirements of FAC-001-0 R2**
- **Conduct review of document by Sikeston and Sikeston's Transmission Operator**
- **Finalize document and make it available to users of the transmission system, SPP RE, and NERC, upon request**

³ Sikeston incorrectly stated in the Mitigation Plan that the expected completion date was February 4, 2010.

⁴ The Settlement Agreement incorrectly states that the Certification of Completion was submitted on March 3, 2010.

⁵ The Settlement Agreement incorrectly states that the Verification of Completion was submitted on March 29, 2010.

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

- **Sikeston's General Requirements for Interconnection document**

V. PENALTY INFORMATION

TOTAL ASSESSED PENALTY OR SANCTION OF **\$1,350** FOR **THREE** VIOLATIONS OF RELIABILITY STANDARDS.

(1) REGISTERED ENTITY'S COMPLIANCE HISTORY

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

YES NO

LIST ANY CONFIRMED OR SETTLED VIOLATIONS AND STATUS

ADDITIONAL COMMENTS

PRIOR VIOLATIONS OF OTHER RELIABILITY STANDARD(S) OR REQUIREMENTS THEREUNDER

YES NO

LIST ANY PRIOR CONFIRMED OR SETTLED VIOLATIONS AND STATUS

ADDITIONAL COMMENTS

(2) THE DEGREE AND QUALITY OF COOPERATION BY THE REGISTERED ENTITY (IF THE RESPONSE TO FULL COOPERATION IS "NO," THE ABBREVIATED NOP FORM MAY NOT BE USED.)

FULL COOPERATION YES NO
IF NO, EXPLAIN

(3) THE PRESENCE AND QUALITY OF THE REGISTERED ENTITY'S COMPLIANCE PROGRAM

IS THERE A DOCUMENTED COMPLIANCE PROGRAM⁶

YES NO

EXPLAIN

Sikeston has a compliance program that is governed by a committee of supervisors. Each supervisor's department possesses the NERC standards and requirements. Each supervisor is obligated to ensure that his department follows the NERC standards.

At the committee level and above, e-mails, memos and meetings are used to relay information. Below the committee level, the committee members pass on compliance directives through departmental meetings, memos and operations procedures. As a result of certain standards, Sikeston is also required to conduct annual studies, and those studies are initiated by the compliance contact.

Sikeston reviews and modifies, as necessary, its compliance program on a yearly basis. Such modifications are usually triggered by a change in the NERC standards. At the time of SPP RE's review of Sikeston's compliance program, Sikeston did not have a formal schedule for self-auditing its internal compliance program. The compliance contact checked in with the committee members to query the status of Sikeston's compliance as he felt necessary.

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

A compliance committee member serves as the NERC contact and makes sure the employees are aware of the NERC standards and their obligations under the standards. This contact has direct access to the General Manager and assures that nothing prohibits Sikeston's capability to comply with the NERC standards.

⁶ SPP RE considered Sikeston's compliance program to be a neutral factor in the penalty determination.

(4) ANY ATTEMPT BY THE REGISTERED ENTITY TO CONCEAL THE VIOLATION(S) OR INFORMATION NEEDED TO REVIEW, EVALUATE OR INVESTIGATE THE VIOLATION.

YES NO
IF YES, EXPLAIN

(5) ANY EVIDENCE THE VIOLATION(S) WERE INTENTIONAL (IF THE RESPONSE IS "YES," THE ABBREVIATED NOP FORM MAY NOT BE USED.)

YES NO
IF YES, EXPLAIN

(6) ANY OTHER MITIGATING FACTORS FOR CONSIDERATION

YES NO
IF YES, EXPLAIN

(7) ANY OTHER AGGRAVATING FACTORS FOR CONSIDERATION

YES NO
IF YES, EXPLAIN

(8) ANY OTHER EXTENUATING CIRCUMSTANCES

YES NO
IF YES, EXPLAIN

EXHIBITS:

SOURCE DOCUMENT
**Sikeston's Self-Certification for the violations of FAC-001-0 R1, R2 and R3
(not dated)**

MITIGATION PLAN

Sikeston's Mitigation Plan MIT-09-2330 for the violation of FAC-001-0 R1, submitted February 4, 2010

Sikeston's Mitigation Plan MIT-09-2331 for the violation of FAC-001-0 R2, submitted February 4, 2010

Sikeston's Mitigation Plan MIT-09-2332 for the violation of FAC-001-0 R3, submitted February 4, 2010

CERTIFICATION BY REGISTERED ENTITY

Sikeston's Certification of Completion for the violations of FAC-001-0 R1, R2 and R3, dated March 2, 2010 and submitted via e-mail March 3, 2010

VERIFICATION BY REGIONAL ENTITY

SPP RE's Verification of Completion for the violations of FAC-001-0 R1, R2 and R3 dated March 30, 2010

OTHER RELEVANT INFORMATION:

NOTICE OF ALLEGED VIOLATION AND PROPOSED PENALTY OR SANCTION ISSUED

DATE: OR N/A

SETTLEMENT DISCUSSIONS COMMENCED

DATE: 4/16/2010 OR N/A

NOTICE OF CONFIRMED VIOLATION ISSUED

DATE: OR N/A

SUPPLEMENTAL RECORD INFORMATION

DATE(S) OR N/A

REGISTERED ENTITY RESPONSE CONTESTED

FINDINGS PENALTY BOTH NO CONTEST

HEARING REQUESTED

YES NO

DATE

OUTCOME

APPEAL REQUESTED

Attachment b

**Settlement Agreement by and between SPP RE
and Sikeston executed August 26, 2010**

**SETTLEMENT AGREEMENT
OF
SOUTHWEST POWER POOL REGIONAL ENTITY
AND
SIKESTON BOARD OF MUNICIPAL UTILITIES**

I. INTRODUCTION

1. This Settlement Agreement (“Agreement”) is by and between the Southwest Power Pool Regional Entity (“SPP RE”) and the Sikeston Board of Municipal Utilities, (“Sikeston”) (hereinafter referred to individually as “Party” and collectively as the “Parties”) to resolve the alleged violation by Sikeston of the following North American Electric Reliability Corporation (“NERC”) Reliability Standards (“Alleged Violations”).

2. Sikeston admits to the violation of NERC Reliability Standard FAC-001-0 Requirement (R) 1, R2 and R3, and has agreed to the proposed penalty of one thousand, three hundred fifty dollars (\$1,350) to be assessed to Sikeston in addition to other remedies and mitigation actions to mitigate the instant alleged violations and ensure future compliance under the terms and conditions of the Settlement Agreement.

NERC Violation Identification No.	Reliability Standard	Requirement(s)	Discovery Method	Date of Violation
SPP201000206	FAC-001-0	R1 ¹	Self Certification	01/30/2009
SPP201000207	FAC-001-0	R2 ²	Self Certification	01/30/2009
SPP201000208	FAC-001-0	R3	Self Certification	01/30/2009

II. STIPULATIONS

3. The Parties enter into this Agreement and agree to the facts stipulated herein in order to avoid uncertainty and to effectuate a complete and final resolution of the Alleged Violations. The facts stipulated herein are stipulated solely for the purpose of resolving the Alleged Violations and do not represent stipulations or admissions, by either Party, for any other purpose. The Parties agree this Agreement is in the best interest of the Parties and in the best interest of protecting the reliability of the Bulk Power System (“BPS”). In consideration of the terms set forth herein, SPP RE and Sikeston hereby stipulate and agree to the following:

A. BACKGROUND

4. Sikeston is a municipal electric utility providing the City of Sikeston, Missouri, with electric service. Sikeston’s facilities include a 235 megawatt coal-fired power plant and

¹ Sikeston’s violation of FAC-001-0 R1 includes sub requirements R1.1, R1.2 and R1.3.

² Sikeston’s violation of FAC-001-0 R2 includes sub requirements R2.1 and its sub requirements R2.1.1 et.seq.

five electric substations. Additionally, Sikeston owns 27 miles of 161 kV line that begins at the Sikeston substation, which is owned by the Southwestern Power Administration (SWPA), and ends at the New Madrid substation, which is owned by Associated Electric Cooperative Incorporated (AECI). Sikeston has a peak load of 75 MW.

5. Sikeston was registered in the NERC Compliance Registry with the NERC Registry Identification Number NCR01142 for the functions listed below.

Registered Function	Date of Registration
Purchasing – Selling Entity	05/31/2007
Generator Owner	05/31/2007
Transmission Owner	01/30/2009
Generator Operator	05/31/2007
Load Serving Entity	05/31/2007
Distribution Provider	05/31/2007

6. SPP RE informed Sikeston on January 23, 2009, that Sikeston would be registered as a Transmission Owner because Sikeston owns, and is responsible for maintaining, a 161 kV transmission line running from the Sikeston Substation to the New Madrid Substation. On January 30, 2009, the start date of the alleged violation, Sikeston was registered on the NERC Compliance Registry as a Transmission Owner and is, therefore, subject to compliance with FAC-001-0, Requirements 1, 2, and 3. Prior to this time, these violations were ongoing, but Sikeston was not registered as a Transmission Owner. Therefore, the violation start date is the date Sikeston’s registration as a Transmission Owner became effective.

B. Alleged Violation of FAC-001-0, Requirement 1 – SPP201000206

7. FAC-001-0 R1 states:

R1. The Transmission Owner shall document, maintain, and publish facility connection requirements to ensure compliance with NERC Reliability Standards and applicable Regional Reliability Organization, subregional, Power Pool, and individual Transmission Owner planning criteria and facility connection requirements. The Transmission Owner’s facility connection requirements shall address connection requirements for:

- R1.1.** Generation facilities,
- R1.2.** Transmission facilities, and
- R1.3.** End-user facilities.

8. Sikeston reported in its January 13, 2010, Self Certification that it was not compliant with Reliability Standard FAC-001-0 R1 because it did not have documented facility connection requirements.

9. SPP RE provided Sikeston with an initial notice of alleged violation for FAC-001-0 R1 on January 26, 2010.

10. On February 4, 2010, Sikeston submitted a mitigation plan for its violation of FAC-001-0 R1. In its mitigation plan, Sikeston proposed to draft a compliant system connection requirement document, conduct a review of the document both in house and with its Transmission Operator, and forward the final compliant document to SPP RE. SPP RE accepted Sikeston's mitigation plan on February 11, 2010, because Sikeston's mitigation plan provided that Sikeston would develop an interconnection policy consistent with the requirements of FAC-001-0 R1. SPP RE submitted Sikeston's mitigation plan to NERC on February 12, 2010. NERC approved Sikeston's Mitigation Plan on February 22, 2010, and assigned the Mitigation Plan Tracking Number MIT-09-2330.

11. Sikeston submitted its Certification of Mitigation Plan Completion and supporting evidence to SPP RE on March 3, 2010, certifying that its mitigation plan was completed on February 19, 2010.

12. SPP RE completed its review of Sikeston's mitigation plan evidence on March 29, 2010. SPP RE reviewed the Sikeston *General Requirements for Interconnection* document, and determined that the Sikeston *General Requirements for Interconnection* document brought Sikeston into compliance with FAC-001-0 R1 because the document contained connection requirements for generation facilities, transmission facilities and end-user facilities. On March 30, 2010, SPP RE completed its review of the corroborating evidence submitted by Sikeston, finding Sikeston had successfully completed its mitigation plan on February 19, 2010, the date Sikeston submitted its *General Requirements for Interconnection* document to SPP RE.

13. FAC-001-0 R1 is assigned a Violation Risk Factor of "Medium". The duration of this Alleged Violation, for purposes of penalty determination, is from January 30, 2009, the date SPP RE registered Sikeston as a Transmission Owner, to February 19, 2010, the date Sikeston completed its mitigation plan.

C. Alleged Violation of FAC-001-0, Requirement 2 – SPP201000207

14. FAC-001-0 R2 states:

R2. The Transmission Owner's facility connection requirements shall address, but are not limited to, the following items:

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. Procedures for coordinated joint studies of new facilities and their impacts on the interconnected transmission systems.

R2.1.2. Procedures for notification of new or modified facilities to others (those responsible for the reliability of the interconnected transmission systems) as soon as feasible.

R2.1.3. Voltage level and MW and MVAR capacity or demand at point of connection.

R2.1.4. Breaker duty and surge protection.

- R2.1.5.** System protection and coordination.
- R2.1.6.** Metering and telecommunications.
- R2.1.7.** Grounding and safety issues.
- R2.1.8.** Insulation and insulation coordination.
- R2.1.9.** Voltage, Reactive Power, and power factor control.
- R2.1.10.** Power quality impacts.
- R2.1.11.** Equipment Ratings.
- R2.1.12.** Synchronizing of facilities.
- R2.1.13.** Maintenance coordination.
- R2.1.14.** Operational issues (abnormal frequency and voltages).
- R2.1.15.** Inspection requirements for existing or new facilities.
- R2.1.16.** Communications and procedures during normal and emergency operating conditions.

15. Sikeston reported in its January 13, 2010, Self Certification that it was not compliant with Reliability Standard FAC-001-0 R2 because it did not have documented facility connection requirements as required by FAC-001-0 R2.

16. SPP RE provided Sikeston with an initial notice of alleged violation for FAC-001-0 R2 on January 26, 2010.

17. On February 4, 2010, Sikeston submitted a mitigation plan for its violation of FAC-001-0 R2. In its mitigation plan, Sikeston proposed to draft a compliant system connection requirement document that included all of the requirements of FAC-001-0 R2. SPP RE accepted Sikeston's mitigation plan on February 11, 2010, because Sikeston's mitigation plan provided that Sikeston would develop an interconnection policy consistent with the requirements of FAC-001-0 R2. SPP RE submitted Sikeston's mitigation plan to NERC on February 12, 2010. NERC approved Sikeston's Mitigation Plan on February 22, 2010, and assigned the Mitigation Plan Tracking Number MIT-09-2331.

18. Sikeston submitted a Certification of Mitigation Plan Completion and supporting evidence to SPP RE on March 3, 2010, certifying that its mitigation plan was completed on February 19, 2010.

19. SPP RE completed its review of Sikeston's mitigation plan evidence on March 29, 2010. SPP RE reviewed the Sikeston *General Requirements for Interconnection* document, and determined that the Sikeston *General Requirements for Interconnection* document brought Sikeston into compliance with FAC-001-0 R2 because the document specifically addressed all the requirements of FAC-001-0 R2. On March 30, 2010, SPP RE issued Sikeston a notice of mitigation plan completion, finding Sikeston had successfully completed its mitigation plan on February 19, 2010.

20. FAC-001-0 R2 is assigned a Violation Risk Factor of "Medium". The duration of this Alleged Violation, for purposes of penalty determination, is from January 30, 2009, the date Sikeston

was registered as a Transmission Owner, to February 19, 2010, the date Sikeston completed its mitigation plan.

D. Alleged Violation of FAC-001-0, Requirement 3 – SPP201000208

21. FAC-001-0 R3 states:

R3. The Transmission Owner shall maintain and update its facility connection requirements as required. The Transmission Owner shall make documentation of these requirements available to the users of the transmission system, the Regional Reliability Organization, and NERC on request (five business days).

22. Sikeston reported in its January 13, 2010, Self Certification that it was not compliant with Reliability Standard FAC-001-0 R3 because it did not have documented facility connection requirements.

23. SPP RE provided Sikeston with an initial notice of alleged violation of FAC-001-0 R3 on January 26, 2010.

24. On February 4, 2010, Sikeston submitted a mitigation plan for its violation of FAC-001-0 R3. In its mitigation plan, Sikeston proposed to develop a compliant system connection requirement document, revise it when necessary, and provide that document to users of the transmission system, SPP RE, and NERC upon request. SPP RE accepted Sikeston's mitigation plan on February 11, 2010, because Sikeston's mitigation plan provided that Sikeston would develop an interconnection policy consistent with the requirements of FAC-001-0 R3. SPP RE submitted Sikeston's mitigation plan to NERC on February 12, 2010. NERC approved Sikeston's Mitigation Plan on February 22, 2010, and assigned the Mitigation Plan Tracking Number MIT-09-2332.

25. Sikeston submitted its Certification of Mitigation Plan Completion and supporting evidence to SPP RE on March 3, 2010, certifying that its mitigation plan was completed on February 19, 2010.

26. SPP RE completed its review of Sikeston's mitigation plan evidence on March 29, 2010. SPP RE reviewed the Sikeston *General Requirements for Interconnection* document and determined that the Sikeston *General Requirements for Interconnection* brought Sikeston into compliance with FAC-001-0 R3 because Sikeston stated that it would make its *General Requirements for Interconnection* available to users of the transmission system, SPP RE, and NERC upon request. On March 30, 2010, SPP RE issued Sikeston a notice of mitigation plan completion, finding Sikeston had successfully completed its mitigation plan on February 19, 2010.

27. FAC-001-0 R3 is assigned a Violation Risk Factor of "Medium". The duration of this Alleged Violation, for purposes of penalty determination, is from January 30, 2009, the date Sikeston was registered as a Transmission Owner, to February 19, 2010, the date Sikeston completed its mitigation plan.

III. PARTIES' SEPARATE REPRESENTATIONS

A. STATEMENT OF SPP RE AND SUMMARY OF FINDINGS

28. As a result of SPP RE's investigation of the Alleged Violations, SPP RE has established sufficient facts to reasonably support the Sikeston Alleged Violations.

29. SPP RE has determined that Sikeston has completed a Mitigation Plan for each of the Alleged Violations.

30. SPP RE agrees that this Agreement is in the best interest of the Parties and is in the best interest of BPS reliability.

B. STATEMENT OF SIKESTON

31. Sikeston admits that the facts set forth and agreed to by the Parties for purposes of this Agreement constitute violations of FAC-001-0 R1, R2, and R3.

32. Sikeston has agreed to enter into this Agreement with SPP RE to avoid extended litigation with respect to the matters described or referred to herein, to avoid uncertainty, and to effectuate a complete and final resolution of the issues set forth herein.

33. Sikeston agrees that this Agreement is in the best interest of the parties and in the best interest of bulk-power system reliability.

IV. MITIGATING ACTIONS, REMEDIES AND SANCTIONS

34. The SPP RE considered the specific facts and circumstances of the Alleged Violations and Sikeston's actions in response to the Alleged Violations in determining a proposed penalty that meets the requirement in Section 215(e)(6) of the Federal Power Act that "[a]ny penalty imposed under this section shall bear a reasonable relation to the seriousness of the violation and shall take into consideration the efforts of a Registered Entity to remedy the violation in a timely manner." The factors considered by SPP RE in the determination of the appropriate penalty for Sikeston's Alleged Violations pursuant to this Agreement included the following:

- i. The risk to the BPS due to the Alleged Violations was minimal. Although Sikeston did not have documented facility interconnection requirements, Sikeston has not received any requests to interconnect with its facilities. Furthermore, due to the location of the

Sikeston transmission line any interconnection would have to be coordinated with SWPA and AECl and incorporate their interconnection requirements.

- ii. Sikeston's violations were not repetitive and Sikeston had no negative relevant compliance history.
- iii. There was no evidence the Alleged Violations were intentional.
- iv. Sikeston reported the Alleged Violations in a Self Certification and did not attempt to conceal the violations.
- v. Sikeston has an established compliance program and has dedicated resources to the implementation of that program.
- vi. Sikeston cooperated fully with SPP RE in its investigation and has continued to cooperate with SPP RE through the mitigation plan implementation period.
- vii. Sikeston successfully completed its mitigation plans in advance of the deadline for completion of the mitigation plans.

35. In settlement of the Parties' dispute, the Parties agree Sikeston shall pay a total penalty amount of dollars **\$1,350.00** ("Penalty") to SPP RE via wire transfer or cashier's check to a SPP RE account that will be outlined in a Notice of Payment sent to Sikeston upon approval of this Agreement by both NERC and FERC, or by operation of law. Payment to SPP RE shall be made twenty days after the receipt of the Notice of Payment. SPP RE shall inform NERC if the payment is not timely received. If Sikeston does not make the monetary penalty payment above, at the time agreed to by the Parties, then, in addition to the penalty specified above, interest payable to SPP RE will begin to accrue pursuant to FERC's regulations at 18 C.F.R. §35.19(a)(2)(iii) from the date that payment is due.

36. The Parties stipulate and agree to the Penalty set forth herein. The Parties further stipulate and agree for purposes of this Agreement that the Penalty is reasonable in relation to the seriousness of the Alleged Violations and takes into consideration efforts by Sikeston to remedy the violation in a timely manner.

37. The Parties further stipulate and agree that the Penalty appropriately takes into consideration the factors identified herein and in Appendix 4B of the NERC Rules of Procedure, NERC Sanction Guidelines, Sections 3 and 4.

38. In consideration of the terms and conditions of this Agreement, Sikeston hereby waives any objection to the Penalty and stipulates and agrees to the imposition of the Penalty.

39. Failure to make a timely penalty payment or to comply with any of the terms and conditions agreed to herein, or any other conditions of this Agreement, shall be deemed to be either the

same alleged violations that initiated this Settlement and/or additional violations and may subject Sikeston to new or additional enforcement, penalty or sanction actions in accordance with the NERC Rules of Procedure.

V. ADDITIONAL TERMS

40. Voluntary Execution. The signatories to this Agreement affirm they enter into this Agreement voluntarily and other than the recitations set forth in this Agreement, no tender, offer or promise of any kind by any member, employee, officer, director, agent or representative of SPP RE or Sikeston, has been made to induce the signatories or the Parties to enter into this Agreement.

41. Subsequent Violations. Sikeston consents to the use of SPP RE's determinations, findings, and conclusions ("Findings") set forth in this Agreement for the purpose of assessing the factors, including the factor of determining the Sikeston's history of violations, in accordance with the NERC Sanction Guidelines and applicable Commission orders and policy statements. The Findings set forth herein may be used in any enforcement action or compliance proceeding undertaken by NERC and/or any Regional Entity; provided, however, that Sikeston does not consent to the use of the Findings set forth in this Agreement as the sole basis for any other action or proceeding brought by NERC and/or SPP RE, nor does Sikeston consent to the use of this Agreement by any other party in any other action or proceeding.

42. Regulatory Review. SPP RE shall report the terms of this Agreement to NERC. NERC will review this Agreement for the purpose of evaluating its consistency with other settlements entered into for similar violations or under other, similar circumstances. Based on this review, NERC will either approve this Agreement or reject this Agreement and notify SPP RE and Sikeston of changes to the Agreement that would result in approval. If NERC rejects the Agreement, NERC will provide specific written reasons for such rejection and SPP RE will attempt to negotiate a revised settlement agreement with Sikeston including any changes to the Agreement specified by NERC. If a settlement agreement cannot be concluded by the Parties within a reasonable time, SPP RE will continue the enforcement process to conclusion. If NERC approves this Agreement, NERC will (i) report the approved settlement to the Federal Energy Regulatory Commission ("Commission") for the Commission's review and approval by order or operation of law and (ii) publicly post the Alleged Violations and the Agreement.

43. Effective Date. This Agreement shall become effective upon the Commission's approval of the Agreement or by order or operation of law as submitted or as modified in a manner acceptable to the Parties.

44. Waiver of Rights. The Parties agree this Agreement, when approved by NERC and FERC, shall represent a final settlement of the Alleged Violations. Sikeston waives its right to further hearings and appeals of the Alleged Violations, conditioned upon NERC and FERC acceptance of this Agreement without material modification.

45. Reservation of Rights. In the event Sikeston fails to comply with any of the stipulations, remedies, sanctions, or additional terms, as set forth in this Agreement, SPP RE reserves the right to initiate any enforcement, penalty or sanction actions against Sikeston available to SPP RE under the NERC Rules of Procedure; such rights to include but not limited to the levy of an additional penalty against Sikeston up to maximum statutorily allowed. Should SPP RE pursue such enforcement, penalty or sanction actions against Sikeston, Sikeston shall retain all rights to defend against such enforcement actions.

46. Authority of Signatories. Each of the undersigned warrants that he or she is an authorized representative of the applicable Party; is duly authorized and empowered to execute this Agreement; and, to bind the Party for which he or she signs.

47. Representations. The undersigned representative of each Party affirms that he or she has read this Agreement; that all of the matters set forth in this Agreement are true and correct to the best of his or her knowledge, information and belief; and, that he or she understands that this Agreement is entered into by such Party in express reliance on those representations; provided, however, that such affirmation by each Party's representative shall not apply to the others Party's statements of position set forth in Section III of this Agreement.

48. Governing Law. The provisions of this Agreement shall be interpreted and construed in accordance with the laws of the State of Arkansas, without regard to conflict of law rules.

49. Counterparts. This Agreement may be executed in one or more counterparts, each of which when so executed and delivered shall be deemed to be an original, but all of which taken together form but one and the same instrument.

50. Duplicates. This Agreement may be executed in duplicate, each of which so executed shall be deemed to be an original.

51. Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, and supersedes all prior agreements, negotiations, considerations and representations between the Parties. No representations, understandings, warranties, or agreements have been made or relied upon in making this Agreement other than those specifically set forth within the terms and provisions of this Agreement. This Settlement Agreement may be modified only by written instrument signed by a duly-authorized representative of the Parties.

***Remainder of page intentionally blank.
Signatures to be affixed to the following page.***

Agreed to and accepted:

Stacy Dochoda

Stacy Dochoda
General Manager
Southwest Power Pool Regional Entity

8/26/10

Date

Ed Throop

Ed Throop
General Manager
Sikeston Board of Municipal Utilities

8-18-10

Date

**APPENDIX A
TO
SETTLEMENT AGREEMENT
OF
SOUTHWEST POWER POOL REGION ENTITY
AND
SIKESTON BOARD OF MUNICIPAL UTILITIES**

Alleged Violation of FAC-001-0, Requirement 1 – SPP201000206

1. Sikeston's Mitigation Plan for SPP201000206
2. Sikeston's Certification of Mitigation Plan Completion
3. Statement of SPP RE Regarding Completion of Sikeston's Mitigation Plan

Alleged Violation of FAC-001-0, Requirement 2 – SPP201000207

1. Sikeston's Mitigation Plan for SPP201000207
2. Sikeston's Certification of Mitigation Plan Completion
3. Statement of SPP RE Regarding Completion of Sikeston's Mitigation Plan

Alleged Violation of FAC-001-0, Requirement 3 – SPP201000208

1. Sikeston's Mitigation Plan for SPP201000208
2. Sikeston's Certification of Mitigation Plan Completion
3. Statement of SPP RE Regarding Completion of Sikeston's Mitigation Plan

Attachment 1 to the Settlement Agreement

Sikeston's Self-Certification for FAC-001-0 R1, R2 and R3 (not dated)

Name	Description	Compliant
CIP-001-1 R1	Each Reliability Coordinator, Balancing Authority, Transmission Oper	Yes
CIP-001-1 R2	Each Reliability Coordinator, Balancing Authority, Transmission Oper	Yes
CIP-001-1 R3	Each Reliability Coordinator, Balancing Authority, Transmission Oper	Yes
CIP-001-1 R4	Each Reliability Coordinator, Balancing Authority, Transmission Oper	Yes
COM-002-2 R1	Each Transmission Operator, Balancing Authority, and Generator Op	Yes
EOP-002-2.1 R9	When a Transmission Service Provider expects to elevate the transm	Yes
EOP-002-2.1 R9.1	The deficient Load-Serving Entity shall request its Reliability Coordin	Yes
EOP-004-1 R2	A Reliability Coordinator, Balancing Authority, Transmission Operato	Yes
EOP-004-1 R3	A Reliability Coordinator, Balancing Authority, Transmission Operato	Yes
EOP-004-1 R3.1	The affected Reliability Coordinator, Balancing Authority, Transmissi	Yes
EOP-004-1 R3.3	Under certain adverse conditions, e.g., severe weather, it may not be	Yes
FAC-001-0 R1	The Transmission Owner shall document, maintain, and publish faciliti	No
FAC-001-0 R1.1	Generation facilities,	No
FAC-001-0 R1.2	Transmission facilities, and	No
FAC-001-0 R1.3	End-user facilities	No
FAC-001-0 R2	The Transmission Owner's facility connection requirements shall add No	No
FAC-001-0 R2.1	Provide a written summary of its plans to achieve the required syste	No
FAC-001-0 R2.1.1	Procedures for coordinated joint studies of new facilities and their in	No
FAC-001-0 R2.1.10	Power quality impacts.	No
FAC-001-0 R2.1.11	Equipment Ratings.	No
FAC-001-0 R2.1.12	Synchronizing of facilities.	No
FAC-001-0 R2.1.13	Maintenance coordination.	No
FAC-001-0 R2.1.14	Operational issues (abnormal frequency and voltages).	No
FAC-001-0 R2.1.15	Inspection requirements for existing or new facilities.	No
FAC-001-0 R2.1.16	R2.1.16.☐Communications and procedures during normal and emerg	No
FAC-001-0 R2.1.2	Procedures for notification of new or modified facilities to others (th	No
FAC-001-0 R2.1.3	Voltage level and MW and MVAR capacity or demand at point of con	No
FAC-001-0 R2.1.4	Breaker duty and surge protection.	No
FAC-001-0 R2.1.5	System protection and coordination.	No
FAC-001-0 R2.1.6	Metering and telecommunications.	No
FAC-001-0 R2.1.7	Grounding and safety issues.	No
FAC-001-0 R2.1.8	Insulation and insulation coordination.	No
FAC-001-0 R2.1.9	Voltage, Reactive Power, and power factor control.	No
FAC-001-0 R3	The Transmission Owner shall maintain and update its facility connec	No
FAC-003-1 R1	The Transmission owner shall prepare, and keep current, a formal tr	Yes
FAC-003-1 R1.1	The TVMP shall define a schedule for and the type (aerial, ground) of	Yes
FAC-003-1 R1.2	The Transmission Owner, in the TVMP, shall identify and document c	Yes
FAC-003-1 R1.2.1	Clearance 1 ? The Transmission Owner shall determine and documer	Yes
FAC-003-1 R1.2.2	Clearance 2 ? The Transmission Owner shall determine and documer	Yes
FAC-003-1 R1.2.2.1	Where transmission system transient overvoltage factors are not kn	Yes
FAC-003-1 R1.2.2.2	Where transmission system transient overvoltage factors are known	Yes
FAC-003-1 R1.3	All personnel directly involved in the design and implementation of t	Yes
FAC-003-1 R1.4	Each Transmission Owner shall develop mitigation measures to achie	Yes
FAC-003-1 R1.5	Each Transmission Owner shall establish and document a process for	Yes
FAC-003-1 R2	The Transmission Owner shall create and implement an annual plan	Yes
FAC-008-1 R1	The Transmission Owner and Generator Owner shall each document	Yes

FAC-008-1 R1.1	A statement that a Facility Rating shall equal the most limiting applic	Yes
FAC-008-1 R1.2	The method by which the Rating (of major BES equipment that com	Yes
FAC-008-1 R1.2.1	The scope of equipment addressed shall include, but not be limited t	Yes
FAC-008-1 R1.2.2	The scope of Ratings addressed shall include, as a minimum, both Nc	Yes
FAC-008-1 R1.3	Consideration of the following:	Yes
FAC-008-1 R1.3.1	Ratings provided by equipment manufacturers.	Yes
FAC-008-1 R1.3.2	Design criteria (e.g., including applicable references to industry Ratin	Yes
FAC-008-1 R1.3.3	Ambient conditions.	Yes
FAC-008-1 R1.3.4	Operating limitations.	Yes
FAC-008-1 R1.3.5	Other assumptions.	Yes
FAC-008-1 R2	The Transmission Owner and Generator Owner shall each make its F	Yes
FAC-008-1 R3	If a Reliability Coordinator, Transmission Operator, Transmission Pla	Yes
FAC-009-1 R1	The Transmission Owner and Generator Owner shall each establish F	Yes
FAC-009-1 R2	The Transmission Owner and Generator Owner shall each provide Fa	Yes
INT-001-3 R1	The Load-Serving, Purchasing-Selling Entity shall ensure that Arrange	Yes
INT-001-3 R1.1	All Dynamic Schedules at the expected average MW profile for each	Yes
INT-004-2 R1	At such time as the reliability event allows for the reloading of the tr	No
INT-004-2 R2	The Purchasing-Selling Entity responsible for tagging a Dynamic Inter	No
INT-004-2 R2.1	The average energy profile in an hour is greater than 250 MW and in	No
INT-004-2 R2.2	The average energy profile in an hour is less than or equal to 250 MV	No
INT-004-2 R2.3	A Reliability Coordinator or Transmission Operator determines the d	No
IRO-001-1.1 R8	Transmission Operators, Balancing Authorities, Generator Operators	Yes
IRO-004-1 R4	Each Transmission Operator, Balancing Authority, Transmission Own	Yes
IRO-005-2 R13	Each Reliability Coordinator shall ensure that all Transmission Opera	Yes
PRC-001-1 R1	Each Transmission Operator, Balancing Authority, and Generator Op	Yes
PRC-001-1 R2	Each Generator Operator and Transmission Operator shall notify reli	Yes
PRC-001-1 R2.1	If a protective relay or equipment failure reduces system reliability, t	Yes
PRC-001-1 R3.1	Each Generator Operator shall coordinate all new protective system	Yes
PRC-001-1 R5	A Generator Operator or Transmission Operator shall coordinate cha	Yes
PRC-001-1 R5.1	Each Generator Operator shall notify its Transmission Operator in ad	Yes
PRC-004-1 R1	The Transmission Owner and any Distribution Provider that owns a t	Yes
PRC-004-1 R2	The Generator Owner shall analyze its generator Protection System I	Yes
PRC-004-1 R3	The Transmission Owner, any Distribution Provider that owns a trans	Yes
PRC-005-1 R1	Each Transmission Owner and any Distribution Provider that owns a	Yes
PRC-005-1 R1.1	Maintenance and testing intervals and their basis.	Yes
PRC-005-1 R1.2	Summary of maintenance and testing procedures.	Yes
PRC-005-1 R2	Each Transmission Owner and any Distribution Provider that owns a	Yes
PRC-005-1 R2.1	Evidence Protection System devices were maintained and tested wit	Yes
PRC-005-1 R2.2	Date each Protection System device was last tested/maintained.	Yes
PRC-008-0 R1	The Transmission Owner and Distribution Provider with a UFLS progr	Yes
PRC-008-0 R2	The Transmission Owner and Distribution Provider with a UFLS progr	Yes
PRC-017-0 R1	The Transmission Owner, Generator Owner, and Distribution Provide	Do Not Own
PRC-017-0 R1.1	SPS identification shall include but is not limited to:	Do Not Own
PRC-017-0 R1.1.1	Relays	Do Not Own
PRC-017-0 R1.1.2	Instrument transformers.	Do Not Own
PRC-017-0 R1.1.3	Communications systems, where appropriate.	Do Not Own
PRC-017-0 R1.1.4	Batteries.	Do Not Own

PRC-017-0 R1.2	Documentation of maintenance and testing intervals and their basis.	Do Not Own
PRC-017-0 R1.3	Summary of testing procedure.	Do Not Own
PRC-017-0 R1.4	Schedule for system testing.	Do Not Own
PRC-017-0 R1.5	Schedule for system maintenance.	Do Not Own
TOP-001-1 R3	Each Transmission Operator, Balancing Authority, and Generator Operator shall comply with the applicable requirements of the NERC Reliability Standards.	Yes
TOP-001-1 R4	Each Distribution Provider and Load-Serving Entity shall comply with the applicable requirements of the NERC Reliability Standards.	Yes
TOP-001-1 R6	Each Transmission Operator, Balancing Authority, and Generator Operator shall comply with the applicable requirements of the NERC Reliability Standards.	Yes
TOP-001-1 R7	Each Transmission Operator and Generator Operator shall not remove any protective devices or settings without the approval of the Balancing Authority or Transmission Operator.	Yes
TOP-001-1 R7.1	For a generator outage, the Generator Operator shall notify and coordinate with the Balancing Authority or Transmission Operator.	Yes
TOP-001-1 R7.3	When time does not permit such notifications and coordination, or voltage is not within the applicable requirements of the NERC Reliability Standards, the Generator Operator shall notify the Balancing Authority or Transmission Operator.	Yes
TOP-002-2 R13	At the request of the Balancing Authority or Transmission Operator, the Generator Operator shall provide information as requested.	Yes
TOP-002-2 R14	Generator Operators shall, without any intentional time delay, notify the Balancing Authority or Transmission Operator of any changes in real output capabilities.	Yes
TOP-002-2 R14.1	Changes in real output capabilities.	Yes
TOP-002-2 R14.2	Automatic Voltage Regulator status and mode setting. (Retired August 2016)	Yes
TOP-002-2 R15	Generation Operators shall, at the request of the Balancing Authority or Transmission Operator, provide information as requested.	Yes
TOP-002-2 R18	Neighboring Balancing Authorities, Transmission Operators, Generator Operators, and Load-Serving Entities shall coordinate with the Balancing Authority or Transmission Operator.	Yes
TOP-002-2 R3	Each Load-Serving Entity and Generator Operator shall coordinate with the Balancing Authority or Transmission Operator.	Yes
TOP-005-1 R4	Each Purchasing-Selling Entity shall provide information as requested.	Yes
VAR-001-1 R5	Each Purchasing-Selling Entity shall arrange for (self-provide or purchase) the reactive power resources necessary to maintain the voltage within the applicable requirements of the NERC Reliability Standards.	Yes
VAR-002-1.1A R1	The Generator Operator shall operate each generator connected to the transmission system in accordance with the applicable requirements of the NERC Reliability Standards.	Yes
VAR-002-1.1A R2	Unless exempted by the Transmission Operator, each Generator Operator shall maintain the voltage within the applicable requirements of the NERC Reliability Standards.	Yes
VAR-002-1.1A R2.1	When a generator's automatic voltage regulator is out of service, the Generator Operator shall maintain the voltage within the applicable requirements of the NERC Reliability Standards.	Yes
VAR-002-1.1A R2.2	When directed to modify voltage, the Generator Operator shall comply with the applicable requirements of the NERC Reliability Standards.	Yes
VAR-002-1.1A R3	Each Generator Operator shall notify its associated Transmission Operator of any status or capability change on any generator Reactive Power resource.	Yes
VAR-002-1.1A R3.1	A status or capability change on any generator Reactive Power resource.	Yes
VAR-002-1.1A R3.2	A status or capability change on any other Reactive Power resources.	Yes
VAR-002-1.1A R4	The Generator Owner shall provide the following to its associated Transmission Operator:	Yes
VAR-002-1.1A R4.1	For generator step-up transformers and auxiliary transformers with tap changers:	Yes
VAR-002-1.1A R4.1.1	Tap settings	Yes
VAR-002-1.1A R4.1.2	Available fixed tap ranges.	Yes
VAR-002-1.1A R4.1.3	Impedance data.	Yes
VAR-002-1.1A R4.1.4	The +/- voltage range with step-change in % for load-tap changing transformers.	Yes
VAR-002-1.1A R5	After consultation with the Transmission Operator regarding necessary voltage support, the Generator Operator shall provide the reactive power resources necessary to maintain the voltage within the applicable requirements of the NERC Reliability Standards.	Yes
VAR-002-1.1A R5.1	If the Generator Operator can't comply with the Transmission Operator's requirements, the Generator Operator shall notify the Transmission Operator.	Yes

We don't do dynamic scheduling
We don't do dynamic scheduling
We don't do dynamic scheduling
We don't do dynamic scheduling
We don't do dynamic scheduling

Attachment 2 to the Settlement Agreement

**Sikeston's Mitigation Plan MIT-09-2330 for FAC-
001-0 R1 submitted February 4, 2010**

Mitigation Plan

Mitigation Plan submitted on: **Feb 04, 2010**

Mitigation Plan Completed (Yes/No):

Mitigation Plan Completed On:

Southwest Power Pool RE Confidential Non Public Information

Section A: Compliance Notices

• Section 6.2 of the NERC CMEP¹ sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:

(1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section B.

(2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.

(3) The cause of the Alleged or Confirmed Violation(s).

(4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).

(5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed violation(s).

(6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.

(7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.

(8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined or recommended to the applicable governmental authorities for not completing work associated with accepted milestones.²

(9) Any other information deemed necessary or appropriate.

(10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self Certification or Self Reporting submittals.

(11) This submittal form may be used to provide a required Mitigation Plan for review and approval by regional entity(ies) and NERC.

• The Mitigation Plan shall be submitted to the regional entity(ies) and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.

1. Uniform Compliance Monitoring and Enforcement Program ("NERC CMEP") of the North American Electric Reliability Corporation (a copy of the current version approved by the Federal Energy Regulatory Commission is posted on NERC's website.) Or the North American Electric Reliability Corporation Compliance Monitoring and Enforcement Program – Province of Manitoba, Schedule "B" to the Interim Agreement on Compliance Monitoring and Enforcement in Manitoba between NERC, the Regional Entity, and Manitoba Hydro (available upon request from the Regional Entity).

2. Implementation milestones that precede the date that a Mitigation Plan becomes effective in Manitoba will be considered to be extended until the date that the Mitigation Plan becomes effective.

Southwest Power Pool RE
Confidential Non Public Information



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

Southwest Power Pool RE
Confidential Non Public Information



Section B: Registered Entity Information

B.1

Identify your organization:

Entity Name: ***Sikeston Board Of Municipal Utilities***

Address: ***138 N. Prairie, P.O. Box 370, Sikeston, Missouri 63801, United States***

NERC Compliance Registry ID: *[If known]* ***NCR01142***

B.2

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

Name: ***Rick Landers***

Title: ***Energy Schedule Supervisor***

Email: ***dispatch@sbmu.net***

Phone: ***573-475-3161***

Section C: Identity of Reliability Standard Violation associated with this Mitigation Plan

C.1

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

Standard Requirement: **FAC-001-0 R1**

Description: ***The Transmission Owner shall document, maintain, and publish facility connection requirements to ensure compliance with NERC Reliability Standards and applicable Regional Reliability Organization, subregional, Power Pool, and individual Transmission Owner planning criteria and facility connection requirements. The Transmission Owner's facility connection requirements shall address connection requirements for:***

Violation Date: **Jan 30, 2009**

C.2

Identify the cause of the violation(s) identified above:

Sikeston was determined to be in violation of FAC-001 R1. Sikeston owns a transmission line, but is not the TOP or BA of the line. For compliance to FAC-001 R1, we decided to defer to the compliant documents of the TOP/ BA. In a self-certification, SPP informed us that this did not meet our compliance requirements.

C.3

Provide any relevant information regarding the violations associated with this Mitigation Plan: *[If known]*

Section D: Details of Proposed Mitigation Plan

Mitigation Plan Contents

D.1

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

Draft compliant document

Review of document by company and TOP

Final compliant document

Forward compliant document to SPP

Mitigation Plan Timeline and Milestones

D.2

Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the violations associated with this Mitigation Plan are corrected: ***Feb 04, 2010***

D.3

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

Milestone Activity	*Proposed Completion Date (Shall not be greater than 3 months apart)	Actual Completion Date
Draft compliant document	Feb 01, 2010	Feb 01, 2010

(*) Note: Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.

Additional Relevant Information (Optional)

D.4

If you have any relevant additional information that you wish to include regarding the mitigation plan, milestones, milestones dates and completion date proposed above you may include it here:

This system wouldn't allow me to enter a date past 2/4/10 for the plan completion date because there was a header below the calendar. The calendar popped up in the header and no dates past 2/4/10 were available to pick. I picked 2/4/10 to avoid getting a no date error, but the actual date is 2/28/10.

Section E: Interim and Future Reliability Risk

Abatement of Interim BPS Reliability Risk

E.1

While your organization is implementing the Mitigation Plan proposed in Section D of this form, the reliability of the Bulk Power System may remain at higher risk or be otherwise negatively impacted until the plan is successfully completed. To the extent they are, or may be, known or anticipated: (i) identify any such risks or impacts; and (ii) discuss any actions that your organization is planning to take or is proposing as part of the Mitigation Plan to mitigate any increased risk to the reliability of the bulk power system while the Mitigation Plan is being implemented:

There are no risks or negative impacts to the BES while the mitigation plan is being implemented.

Prevention of Future BPS Reliability Risk

E.2

Describe how successful completion of the Mitigation Plan as laid out in Section D of this form will prevent or minimize the probability that your organization incurs further violations of the same or similar reliability standards requirements in the future:

Once the mitigation plan is completed, the compliant document will always be available to those requesting it. The violation occurred simply because no such document was available.

E.3

Your organization may be taking or planning other action, beyond that listed in the Mitigation Plan, as proposed in Section D.1, to prevent or minimize the probability of incurring further violations of the same or similar standards requirements listed in Section C.1, or of other reliability standards. If so, identify and describe any such action, including milestones and completion dates:

Once the mitigation plan is completed, the compliant document will be revised as necessary, thus causing no further violation of this standard

Section F: Authorization

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

- (a) Submits the Mitigation Plan, as laid out in Section D, to the Regional Entity for acceptance and approval by NERC, and
- (b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- (c) Acknowledges:
 - 1. I am **General Manager** of **Sikeston Board Of Municipal Utilities**.
 - 2. I am qualified to sign this Mitigation Plan on behalf of **Sikeston Board Of Municipal Utilities**.
 - 3. I have read and understand **Sikeston Board Of Municipal Utilities**'s obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure and the NERC CMEP currently in effect or the NERC CMEP-Province of Manitoba, Schedule B currently in effect, whichever is applicable.
 - 4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
 - 5. **Sikeston Board Of Municipal Utilities** agrees to be bound by, and comply with, this Mitigation Plan, including the timetable completion date, as accepted by the Regional Entity, NERC, and if required, the applicable governmental authorities in Canada.

Authorized Individual Signature _____

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

Name: **Ed Throop**

Title: **General Manager**

Authorized On: **Feb 04, 2010**

Attachment 3 to the Settlement Agreement

**Sikeston's Mitigation Plan MIT-09-2331 for FAC-
001-0 R2 submitted February 4, 2010**

Mitigation Plan

Mitigation Plan submitted on: **Feb 04, 2010**

Mitigation Plan Completed (Yes/No):

Mitigation Plan Completed On:

Southwest Power Pool RE Confidential Non Public Information

Section A: Compliance Notices

• Section 6.2 of the NERC CMEP¹ sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:

(1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section B.

(2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.

(3) The cause of the Alleged or Confirmed Violation(s).

(4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).

(5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed violation(s).

(6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.

(7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.

(8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined or recommended to the applicable governmental authorities for not completing work associated with accepted milestones.²

(9) Any other information deemed necessary or appropriate.

(10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self Certification or Self Reporting submittals.

(11) This submittal form may be used to provide a required Mitigation Plan for review and approval by regional entity(ies) and NERC.

• The Mitigation Plan shall be submitted to the regional entity(ies) and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.

1. Uniform Compliance Monitoring and Enforcement Program ("NERC CMEP") of the North American Electric Reliability Corporation (a copy of the current version approved by the Federal Energy Regulatory Commission is posted on NERC's website.) Or the North American Electric Reliability Corporation Compliance Monitoring and Enforcement Program – Province of Manitoba, Schedule "B" to the Interim Agreement on Compliance Monitoring and Enforcement in Manitoba between NERC, the Regional Entity, and Manitoba Hydro (available upon request from the Regional Entity).

2. Implementation milestones that precede the date that a Mitigation Plan becomes effective in Manitoba will be considered to be extended until the date that the Mitigation Plan becomes effective.

Southwest Power Pool RE
Confidential Non Public Information



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

Section B: Registered Entity Information

B.1

Identify your organization:

Entity Name: ***Sikeston Board Of Municipal Utilities***

Address: ***138 N. Prairie, P.O. Box 370, Sikeston, Missouri 63801, United States***

NERC Compliance Registry ID: *[If known]* ***NCR01142***

B.2

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

Name: ***Rick Landers***

Title: ***Energy Schedule Supervisor***

Email: ***dispatch@sbmu.net***

Phone: ***573-475-3161***

Section C: Identity of Reliability Standard Violation associated with this Mitigation Plan

C.1

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

Standard Requirement: **FAC-001-0 R2**

Description: ***The Transmission Owner's facility connection requirements shall address, but are not limited to, the following items:***

Violation Date: **Jan 30, 2009**

C.2

Identify the cause of the violation(s) identified above:

Sikeston was determined to be in violation of FAC-001 R2. Sikeston owns a transmission line, but is not the TOP or BA of the line. For compliance to FAC-001 R!, we decided to defer to the compliant documents of the TOP/ BA. In a self-certification, SPP informed us that this did not meet our compliance requirements.

C.3

Provide any relevant information regarding the violations associated with this Mitigation Plan: *[If known]*

Section D: Details of Proposed Mitigation Plan

Mitigation Plan Contents

D.1

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

- Draft compliant document***
- Review of document by company and TOP***
- Final compliant document***
- Forward compliant document to SPP***

Mitigation Plan Timeline and Milestones

D.2

Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the violations associated with this Mitigation Plan are corrected: ***Feb 28, 2010***

D.3

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

Milestone Activity	*Proposed Completion Date (Shall not be greater than 3 months apart)	Actual Completion Date

(*) Note: Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.

Additional Relevant Information (Optional)

D.4

If you have any relevant additional information that you wish to include regarding the mitigation plan, milestones, milestones dates and completion date proposed above you may include it here:

Section E: Interim and Future Reliability Risk

Abatement of Interim BPS Reliability Risk

E.1

While your organization is implementing the Mitigation Plan proposed in Section D of this form, the reliability of the Bulk Power System may remain at higher risk or be otherwise negatively impacted until the plan is successfully completed. To the extent they are, or may be, known or anticipated: (i) identify any such risks or impacts; and (ii) discuss any actions that your organization is planning to take or is proposing as part of the Mitigation Plan to mitigate any increased risk to the reliability of the bulk power system while the Mitigation Plan is being implemented:

There are no risks or negative impacts to the BES while the mitigation plan is being implemented.

Prevention of Future BPS Reliability Risk

E.2

Describe how successful completion of the Mitigation Plan as laid out in Section D of this form will prevent or minimize the probability that your organization incurs further violations of the same or similar reliability standards requirements in the future:

Once the mitigation plan is completed, the compliant document will always be available to those requesting it. The violation occurred simply because no such document was available.

E.3

Your organization may be taking or planning other action, beyond that listed in the Mitigation Plan, as proposed in Section D.1, to prevent or minimize the probability of incurring further violations of the same or similar standards requirements listed in Section C.1, or of other reliability standards. If so, identify and describe any such action, including milestones and completion dates:

Section F: Authorization

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

- (a) Submits the Mitigation Plan, as laid out in Section D, to the Regional Entity for acceptance and approval by NERC, and
- (b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- (c) Acknowledges:
 - 1. I am **General Manager** of **Sikeston Board Of Municipal Utilities**.
 - 2. I am qualified to sign this Mitigation Plan on behalf of **Sikeston Board Of Municipal Utilities**.
 - 3. I have read and understand **Sikeston Board Of Municipal Utilities**'s obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure and the NERC CMEP currently in effect or the NERC CMEP-Province of Manitoba, Schedule B currently in effect, whichever is applicable.
 - 4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
 - 5. **Sikeston Board Of Municipal Utilities** agrees to be bound by, and comply with, this Mitigation Plan, including the timetable completion date, as accepted by the Regional Entity, NERC, and if required, the applicable governmental authorities in Canada.

Authorized Individual Signature _____

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

Name: **Ed Throop**

Title: **General Manager**

Authorized On: **Feb 04, 2010**

Attachment 4 to the Settlement Agreement

**Sikeston's Mitigation Plan MIT-09-2332 for FAC-
001-0 R3 submitted February 4, 2010**

Mitigation Plan

Mitigation Plan submitted on: **Feb 04, 2010**

Mitigation Plan Completed (Yes/No):

Mitigation Plan Completed On:

Southwest Power Pool RE Confidential Non Public Information

Section A: Compliance Notices

• Section 6.2 of the NERC CMEP¹ sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:

(1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section B.

(2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.

(3) The cause of the Alleged or Confirmed Violation(s).

(4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).

(5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed violation(s).

(6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.

(7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.

(8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined or recommended to the applicable governmental authorities for not completing work associated with accepted milestones.²

(9) Any other information deemed necessary or appropriate.

(10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self Certification or Self Reporting submittals.

(11) This submittal form may be used to provide a required Mitigation Plan for review and approval by regional entity(ies) and NERC.

• The Mitigation Plan shall be submitted to the regional entity(ies) and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.

1. Uniform Compliance Monitoring and Enforcement Program ("NERC CMEP") of the North American Electric Reliability Corporation (a copy of the current version approved by the Federal Energy Regulatory Commission is posted on NERC's website.) Or the North American Electric Reliability Corporation Compliance Monitoring and Enforcement Program – Province of Manitoba, Schedule "B" to the Interim Agreement on Compliance Monitoring and Enforcement in Manitoba between NERC, the Regional Entity, and Manitoba Hydro (available upon request from the Regional Entity).

2. Implementation milestones that precede the date that a Mitigation Plan becomes effective in Manitoba will be considered to be extended until the date that the Mitigation Plan becomes effective.

Southwest Power Pool RE
Confidential Non Public Information



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

Section B: Registered Entity Information

B.1

Identify your organization:

Entity Name: ***Sikeston Board Of Municipal Utilities***

Address: ***138 N. Prairie, P.O. Box 370, Sikeston, Missouri 63801, United States***

NERC Compliance Registry ID: *[If known]* ***NCR01142***

B.2

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

Name: ***Rick Landers***

Title: ***Energy Schedule Supervisor***

Email: ***dispatch@sbmu.net***

Phone: ***573-475-3161***

Section C: Identity of Reliability Standard Violation associated with this Mitigation Plan

C.1

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

Standard Requirement: ***FAC-001-0 R3***

Description: ***The Transmission Owner shall maintain and update its facility connection requirements as required. The Transmission Owner shall make documentation of these requirements available to the users of the transmission system, the Regional Reliability Organization, and NERC on request (five business days).***

Violation Date: ***Jan 30, 2009***

C.2

Identify the cause of the violation(s) identified above:

Sikeston was determined to be in violation of FAC-001 R3. Sikeston owns a transmission line, but is not the TOP or BA of the line. For compliance to FAC-001 R1, we decided to defer to the compliant documents of the TOP/ BA. In a self-certification, SPP informed us that this did not meet our compliance requirements.

C.3

Provide any relevant information regarding the violations associated with this Mitigation Plan: *[If known]*

Section D: Details of Proposed Mitigation Plan

Mitigation Plan Contents

D.1

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

Draft compliant document

Review of document by company and TOP

Final compliant document

Forward compliant document to SPP

Mitigation Plan Timeline and Milestones

D.2

Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the violations associated with this Mitigation Plan are corrected: ***Feb 28, 2010***

D.3

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

Milestone Activity	*Proposed Completion Date (Shall not be greater than 3 months apart)	Actual Completion Date
---------------------------	---	-------------------------------

(*) Note: Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.

Additional Relevant Information (Optional)

D.4

If you have any relevant additional information that you wish to include regarding the mitigation plan, milestones, milestones dates and completion date proposed above you may include it here:

Section E: Interim and Future Reliability Risk

Abatement of Interim BPS Reliability Risk

E.1

While your organization is implementing the Mitigation Plan proposed in Section D of this form, the reliability of the Bulk Power System may remain at higher risk or be otherwise negatively impacted until the plan is successfully completed. To the extent they are, or may be, known or anticipated: (i) identify any such risks or impacts; and (ii) discuss any actions that your organization is planning to take or is proposing as part of the Mitigation Plan to mitigate any increased risk to the reliability of the bulk power system while the Mitigation Plan is being implemented:

There are no risks or negative impacts to the BES while the mitigation plan is being implemented.

Prevention of Future BPS Reliability Risk

E.2

Describe how successful completion of the Mitigation Plan as laid out in Section D of this form will prevent or minimize the probability that your organization incurs further violations of the same or similar reliability standards requirements in the future:

Once the mitigation plan is completed, the compliant document will always be available to those requesting it. The violation occurred simply because no such document was available.

E.3

Your organization may be taking or planning other action, beyond that listed in the Mitigation Plan, as proposed in Section D.1, to prevent or minimize the probability of incurring further violations of the same or similar standards requirements listed in Section C.1, or of other reliability standards. If so, identify and describe any such action, including milestones and completion dates:

Section F: Authorization

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

- (a) Submits the Mitigation Plan, as laid out in Section D, to the Regional Entity for acceptance and approval by NERC, and
- (b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- (c) Acknowledges:
 - 1. I am **General Manager** of **Sikeston Board Of Municipal Utilities**.
 - 2. I am qualified to sign this Mitigation Plan on behalf of **Sikeston Board Of Municipal Utilities**.
 - 3. I have read and understand **Sikeston Board Of Municipal Utilities**'s obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure and the NERC CMEP currently in effect or the NERC CMEP-Province of Manitoba, Schedule B currently in effect, whichever is applicable.
 - 4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
 - 5. **Sikeston Board Of Municipal Utilities** agrees to be bound by, and comply with, this Mitigation Plan, including the timetable completion date, as accepted by the Regional Entity, NERC, and if required, the applicable governmental authorities in Canada.

Authorized Individual Signature _____

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

Name: **Ed Throop**

Title: **General Manager**

Authorized On: **Feb 04, 2010**

Attachment 5 to the Settlement Agreement

**Sikeston's Certification of Mitigation Plan
Completion for FAC-001-0 R1, R2 and R3 dated
March 2, 2010 and submitted March 3, 2010**

Certification of a Completed Mitigation Plan

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

Registered Entity Information

Company Name: Sikeston Board of Municipal Utilities

Company Address: 138 N Prairie, Sikeston, MO 63801

NERC Compliance Registry ID (*if known*): NCR0142

Date Original Mitigation Plan was submitted to SPP RE: 2/4/10

Date Mitigation Plan was completed: 2/19/10

Name of Standard and the Requirement(s) covered under the accepted Mitigation Plan:

FAC-001 R1, R2, R3
NERC Violation ID # (*if known*): SPP201000206, SPP201000207, SPP201000208

Date of Certification: 3/2/10

I certify that the mitigation plan for the above named alleged or confirmed violation has been completed on the date shown above and that all information submitted is complete and correct to the best of my knowledge.

Name: Ed Throop
Title: General Manager
Email: ethroop@sbmu.net
Phone: 573-475-3228

Authorized Individual Signature



Date Signed: 3-2-10

To close out a completed Mitigation Plan, fill out this form, save and email it to:
SPP_Regional_Entity_File_Clerk@spp.org

Attachment 6 to the Settlement Agreement

**SPP RE's Verification of Mitigation Plan
Completion for FAC-001-0 R1, R2 and R3 dated
March 30, 2010**



CONFIDENTIAL NON-PUBLIC INFORMATION

Ms. Tasha Ward
Compliance Specialist II
tward@spp.org

Southwest Power Pool Regional Entity
415 N. McKinley, Ste 140
Little Rock, AR 72205-3020
P 501.688.1738
F 501.821.8726

March 30, 2010

VIA E-MAIL ONLY

Mr. Rick Landers
Energy Schedule Supervisor
Sikeston Board of Municipal Utilities
138 N. Prairie
P.O. Box 370
Sikeston, MO 63801
dispatch@sbfmu.net

Re: MITIGATION PLAN COMPLETION NOTICE

Sikeston Board of Municipal Utilities; NCR01142

NERC Violation Identification Number: **SPP201000206**

NERC Standard: **FAC-001-0 R1**

SPP RE Violation Identification Number: **2010-012**

Mitigation Plan Number: **MIT-09-2330**

NERC Violation Identification Number: **SPP201000207**

NERC Standard: **FAC-001-0 R2**

SPP RE Violation Identification Number: **2010-013**

Mitigation Plan Number: **MIT-09-2331**

NERC Violation Identification Number: **SPP201000208**

NERC Standard: **FAC-001-0 R3**

SPP RE Violation Identification Number: **2010-014**

Mitigation Plan Number: **MIT-09-2332**

Dear Mr. Landers:

On March 3, 2010, the Southwest Power Pool Regional Entity (SPP RE) received Sikeston Board of Municipal Utilities' (Sikeston) Certification of Mitigation Plan Completion for the subject mitigation plans. The SPP RE has completed its review of the evidence in support of completion of the mitigation plans. SPP RE finds Sikeston has successfully completed the above referenced mitigation plans on February 19, 2010.

If you have any questions you may contact me at the contact information shown above.

Very Respectfully,

Notice of Mitigation Plan Completion
Sikeston Board of Municipal Utilities
March 29, 2010
Page | 2

Tasha Ward

Tasha Ward

TW

(via e-mail only)

SPP RE

Stacy Dochoda
Enforcement

Attachment e

Notice of Filing

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Sikeston Board of Municipal Utilities

Docket No. NP11-____-000

NOTICE OF FILING
November 30, 2010

Take notice that on November 30, 2010, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding Sikeston Board of Municipal Utilities in the Southwest Power Pool Regional Entity region.

Any person desiring to intervene or to protest this filing must file in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211, 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a notice of intervention or motion to intervene, as appropriate. Such notices, motions, or protests must be filed on or before the comment date. On or before the comment date, it is not necessary to serve motions to intervene or protests on persons other than the Applicant.

The Commission encourages electronic submission of protests and interventions in lieu of paper using the "eFiling" link at <http://www.ferc.gov>. Persons unable to file electronically should submit an original and 14 copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426.

This filing is accessible on-line at <http://www.ferc.gov>, using the "eLibrary" link and is available for review in the Commission's Public Reference Room in Washington, D.C. There is an "eSubscription" link on the web site that enables subscribers to receive email notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please email FERCOnlineSupport@ferc.gov, or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Comment Date: [BLANK]

Kimberly D. Bose,
Secretary