

Federal Energy Regulatory Commission  
Washington, D.C. 20426  
April 29, 2021

Re: FOIA FY19-30 (Rolling)  
Twenty First Release Letter

**VIA ELECTRONIC MAIL ONLY**  
Michael Mabee

[CivilDefenseBook@gmail.com](mailto:CivilDefenseBook@gmail.com)

Dear Mr. Mabee:

This is a response to your correspondence received on January 16, 2020, in which you requested information pursuant to the Freedom of Information Act (FOIA),<sup>1</sup> and the Federal Energy Regulatory Commission's (Commission) FOIA regulations, 18 C.F.R. § 388.108 (2020).

By letter dated April 20, 2021, the submitter and the concerned Unidentified Registered Entities (URE) were informed that a copy of the public version of the Notices of Penalty associated with Docket Nos. NP11-149 and NP11-47, along with the names of the relevant UREs inserted on the first page, would be disclosed to you no sooner than five calendar days from that date. *See* 18 C.F.R. § 388.112(e). The five-day notice period has elapsed and the documents are enclosed.

On November 18, 2019, you filed suit in the U.S. District Court for the District of Columbia asserting claims in connection with this FOIA request. *See Mabee v. Fed. Energy Reg. Comm'n.*, Civil Action No. 19-3448 (KBJ) (D.D.C.). Because this FOIA request is currently in litigation, this letter does not contain information regarding administrative appeal of the response to the FOIA request. For any further assistance or to discuss any aspect of your request, you may contact Assistant United States Attorney April D. Seabrook by email at [april.seabrook@usdoj.gov](mailto:april.seabrook@usdoj.gov), by phone at (202) 252-2525, or


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<sup>1</sup> 5 U.S.C. § 552.

by mail at United States Attorney's Office – Civil Division, U.S. Department of Justice,  
555 Fourth Street, N.W., Washington, DC 20530.

Sincerely,

**Sarah  
Venuto**

 Digitally signed by  
Sarah Venuto  
Date: 2021.04.29  
17:10:14 -04'00'

Sarah Venuto  
Director  
Office of External Affairs

Cc Mr. Peter Sorenson, Esq.  
Counsel for Mr. Mabee  
[petesorenson@gmail.com](mailto:petesorenson@gmail.com)

James M. McGrane  
Senior Counsel  
North American Electric Reliability Corporation  
1325 G Street N.W. Suite 600  
Washington, D.C. 20005  
[James.McGrane@nerc.net](mailto:James.McGrane@nerc.net)



NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

PRIVILEGED AND CONFIDENTIAL INFORMATION  
HAS BEEN REMOVED FROM THIS PUBLIC VERSION

NP11-47; Claiborne Electric  
Cooperative, Inc.

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 Unidentified Registered Entity,  
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 Unidentified Registered Entity (URE),<sup>1</sup> 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)). Violations<sup>2</sup> addressed within a Deficiency NOP are administrative, minor or documentation in nature. In this case, URE had identified a primary contact that was acting as a senior manager, but had not identified the individual as the senior manager.

The Settlement Agreement resolves all outstanding issues arising from SERC Reliability Corporation (SERC)'s determination and findings of the enforceable violation of CIP-003-1 Requirement (R) 2. According to the Settlement Agreement, URE admits the violation and has agreed to the assessed penalty of zero dollars (\$0) in addition to other remedies and actions to mitigate the instant violation and facilitate future compliance under the terms and conditions of the Settlement Agreement.

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<sup>1</sup> 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.

<sup>2</sup> For purposes of this document, each violation at issue is described as a "violation," regardless of its procedural posture and whether it was a possible, alleged or confirmed violation.

NERC Deficiency Notice of Penalty

Unidentified Registered Entity

November 30, 2010

Page 2

PRIVILEGED AND CONFIDENTIAL INFORMATION  
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Taking into consideration the Commission's direction in Order No. 693, the NERC Sanction Guidelines and the Commission's July 3, 2008, October 26, 2009 and August 27, 2010 Guidance Orders,<sup>3</sup> the NERC BOTCC reviewed the findings and assessed penalty or sanction and approved the Settlement Agreement on October 12, 2010, including SERC's assessment of no financial penalty against URE 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.

### **Request for Confidential Treatment**

Information in and certain attachments to the instant Notice of Penalty include privileged and confidential information as defined by the Commission's regulations at 18 C.F.R. Part 388 and orders, as well as NERC Rules of Procedure including the NERC CMEP Appendix 4C. Specifically, this includes non-public information related to certain Reliability Standard violations, certain Regional Entity investigative files, Registered Entity sensitive business and confidential information exempt from the mandatory public disclosure requirements of the Freedom of Information Act, 5 U.S.C. 552, and should be withheld from public disclosure.

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

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

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<sup>3</sup> *North American Electric Reliability Corporation*, "Guidance Order on Reliability Notices of Penalty," 124 FERC ¶ 61,015 (2008); *North American Electric Reliability Corporation*, "Further Guidance Order on Reliability Notices of Penalty," 129 FERC ¶ 61,069 (2009); *North American Electric Reliability Corporation*, "Notice of No Further Review and Guidance Order," 132 FERC ¶ 61,182 (2010).

NERC Deficiency Notice of Penalty

Unidentified Registered Entity

November 30, 2010

Page 3

PRIVILEGED AND CONFIDENTIAL INFORMATION  
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**Attachments to be included as Part of this Notice of Penalty**

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

- a) Settlement Agreement by and between SERC and URE executed November 22, 2010, included as Attachment a;
  - i. Disposition of Violation and Verification of Completion contained therein, included as Attachment A to the Settlement Agreement;
- b) URE's Self-Report for CIP-003-1 R2 dated June 1, 2010, included as Attachment b;
- c) URE's Mitigation Plan MIT-09-2697 for CIP-003-1 R2 submitted July 2, 2010, included as Attachment c; and
- d) URE's Certification of Mitigation Plan Completion for CIP-003-1 R2 dated July 27, 2010, included as Attachment d.

**A Form of Notice Suitable for Publication<sup>4</sup>**

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

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

NERC Deficiency Notice of Penalty

Unidentified Registered Entity

November 30, 2010

Page 4

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

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

<p>Gerald W. Cauley President and Chief Executive Officer David N. Cook* Sr. Vice President and General Counsel North American Electric Reliability Corporation 116-390 Village Boulevard Princeton, NJ 08540-5721 (609) 452-8060 (609) 452-9550 – facsimile david.cook@nerc.net</p> <p>Kenneth B. Keels, Jr.* Director of Compliance Andrea Koch* Manager of Compliance Enforcement and Mitigation SERC Reliability Corporation 2815 Coliseum Centre Drive, Suite 500 Charlotte, NC 28217 (704) 940-8214 (704) 357-7914 – facsimile kkeels@sercl.org akoch@sercl.org</p> <p>*Persons to be included on the Commission's service list are indicated with an asterisk. NERC requests waiver of the Commission's rules and regulations to permit the inclusion of more than two people on the service list.</p>	<p>Rebecca J. Michael* Assistant General Counsel 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>R. Scott Henry* President and CEO SERC Reliability Corporation 2815 Coliseum Centre Drive Charlotte, NC 28217 (704) 940-8202 (704) 357-7914 – facsimile shenry@sercl.org</p> <p>Marisa A. Sifontes* General Counsel Jacqueline E. Carmody* Legal Counsel SERC Reliability Corporation 2815 Coliseum Centre Drive, Suite 500 Charlotte, NC 28217 (704) 494-7775 (704) 357-7914 – facsimile msifontes@sercl.org jcarmody@sercl.org</p>
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NERC Deficiency Notice of Penalty

Unidentified Registered Entity

November 30, 2010

Page 5

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

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

Respectfully submitted,

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

/s/ Rebecca J. Michael  
Rebecca J. Michael  
Assistant General Counsel  
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

cc: Unidentified Registered Entity  
SERC Reliability Corporation

Attachments

**NERC**

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

## **Disposition of Violation and Verification of Completion of the Mitigation Plan contained therein**

PRIVILEGED AND CONFIDENTIAL INFORMATION HAS BEEN REMOVED FROM THIS PUBLIC VERSION

Attachment B

## **DISPOSITION OF VIOLATION<sup>1</sup>**

Dated November 22, 2010

NERC TRACKING NO.	SERC TRACKING NO.	NOC#
SERC201000546	SERC2010-400632	NOC-660

REGISTERED ENTITY	NERC REGISTRY ID
Unidentified Registered Entity (URE)	NCRXXXXX

REGIONAL ENTITY  
SERC Reliability Corporation (SERC)

### **I. VIOLATION INFORMATION**

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF*(S)	VSL**(S)
CIP-003-1 <sup>2</sup>	2	2.1	Lower <sup>3</sup>	Severe

\*Violation Risk Factor (VRF)

\*\*Violation Severity Level (VSL)

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

**The purpose statement of CIP-003-1 provides, in pertinent part: “Standard CIP-003 requires that Responsible Entities have minimum security management controls in place to protect Critical Cyber Assets. Standard CIP-003 should be read as part of a group of standards numbered Standards CIP-002 through CIP-009....”**

**CIP-003-1 R2 provides:**

**R2. Leadership — The Responsible Entity shall assign a senior manager with overall responsibility for leading and managing the entity’s implementation of, and adherence to, Standards CIP-002 through CIP-009.**

<sup>1</sup> 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.

<sup>2</sup> CIP-003-1 was enforceable from July 1, 2008 (for certain Responsible Entities) through March 31, 2010. CIP-003-2 is the current version of the enforceable Standard as of April 1, 2010 and CIP-003-3 will be effective October 1, 2010. The subsequent interpretations change the language of the original NERC Reliability Standard and its requirements, specifically the requirement at issue, R2. R2.1 no longer requires identification by business phone and address; R2.3 has been changed to R2.4, while the newest versions of the Standard add further clarification to delegation in R2.3. For consistency in this filing, the original NERC Reliability Standard, CIP-003-1 is used throughout.

<sup>3</sup> CIP-003-1 R2 has a Medium Violation Risk Factor (VRF) and its sub-requirements each have a Lower VRF.

**R2.1. The senior manager shall be identified by name, title, business phone, business address, and date of designation.**

**R2.2. Changes to the senior manager must be documented within thirty calendar days of the effective date.**

**R2.3. The senior manager or delegate(s), shall authorize and document any exception from the requirements of the cyber security policy.**

#### **VIOLATION DESCRIPTION**

**On June 1, 2010, URE self-reported that, although a senior manager had been designated as the responsible employee for compliance in its cyber security policy with the NERC Reliability Standards upon termination of its agreement with a supplier, URE had not identified this responsible senior manager by name, title, business phone, business address and date of designation, as required by R2.1, until May 26, 2010.**

**On June 3, 2010, SERC staff notified URE of the initiation of its compliance assessment of the self-reported violation. SERC staff contacted URE and requested any additional information relevant to the assessment and URE stated it had no documentation to provide. URE's CEO has been designated as the primary compliance, compliance officer, and CEO contact in the SERC portal since June 23, 2008. During the assessment of the Self-Report and based on statements from URE, SERC staff found that URE did not meet CIP-003-1 R2.1 until May 26, 2010, when it included the name, title, business phone, business address and date of designation in its Board-approved designation.**

**CIP-003-1 R2.1 had a "Lower" VRF according to the matrix in effect at the time the violation occurred. SERC staff assessed a VSL of "Severe" in accordance with the May 3, 2010 matrix in effect at the time the violation occurred as the senior manager is not identified by name, title, business phone, business address, and date of designation.**

#### **RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL**

**SERC staff finds that the violation posed no serious or substantial risk to the reliability of the bulk power system (BPS) because URE had designated a senior manager but had simply failed to document the specific information regarding the individual as required by the Standard.**

**IS THERE A SETTLEMENT AGREEMENT**      YES ☒      NO ☐

#### **WITH RESPECT TO THE VIOLATION(S), REGISTERED ENTITY**

**NEITHER ADMITS NOR DENIES IT (SETTLEMENT ONLY)**      YES ☐

**ADMITS TO IT**      YES ☒

**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	<input checked="" type="checkbox"/>
SELF-CERTIFICATION	<input type="checkbox"/>
COMPLIANCE AUDIT	<input type="checkbox"/>
COMPLIANCE VIOLATION INVESTIGATION	<input type="checkbox"/>
SPOT CHECK	<input type="checkbox"/>
COMPLAINT	<input type="checkbox"/>
PERIODIC DATA SUBMITTAL	<input type="checkbox"/>
EXCEPTION REPORTING	<input type="checkbox"/>

#### DURATION DATE(S)

**June 23, 2009 until mitigated on May 26, 2010.**

#### DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY

June 1, 2010

#### IS THE VIOLATION STILL OCCURRING

YES ☐ NO ☒

IF YES, EXPLAIN

REMEDIAL ACTION DIRECTIVE ISSUED	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
PRE TO POST JUNE 18, 2007 VIOLATION	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>

### IV. MITIGATION INFORMATION

#### FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO.	<b>MIT-09-2697</b>
DATE SUBMITTED TO REGIONAL ENTITY	<b>July 2, 2010</b>
DATE ACCEPTED BY REGIONAL ENTITY	<b>July 21, 2010</b>
DATE APPROVED BY NERC	<b>August 19, 2010</b>
DATE PROVIDED TO FERC	<b>August 20, 2010</b>

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

None.

MITIGATION PLAN COMPLETED YES ☒ NO ☐

EXPECTED COMPLETION DATE	Submitted as complete
EXTENSIONS GRANTED	None
ACTUAL COMPLETION DATE	May 26, 2010
DATE OF CERTIFICATION LETTER	July 27, 2010
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF	May 26, 2010
DATE OF VERIFICATION	August 10, 2010 <sup>4</sup>
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF	May 26, 2010

**ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE**  
**To correct the violation of CIP-003-1 R2, URE developed a policy addressing URE's regulatory compliance responsibilities, specifically assigned responsibilities in sufficient detail to satisfy the requirements of CIP-003-1 within a formal Compliance Program document and prescribe annual reviews of compliance responsibilities.**

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

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

- 1. URE's policy, which is the document that establishes URE's regulatory compliance policy and culture of regulatory compliance;**
- 2. URE's compliance program, which is the document that describes the roles, responsibilities, and products of URE's compliance program; and**
- 3. An attestation signed by URE's, designating URE's COO and General Manager as joint senior managers with responsibilities that include compliance with CIP standards.**

## **V. PENALTY INFORMATION**

**TOTAL ASSESSED PENALTY OR SANCTION OF \$0 FOR ONE VIOLATION OF RELIABILITY STANDARDS.**

### **(1) REGISTERED ENTITY'S COMPLIANCE HISTORY**

**PREVIOUSLY FILED VIOLATIONS OF ANY OF THE INSTANT RELIABILITY STANDARD(S) OR REQUIREMENT(S) THEREUNDER**

**YES ☐ NO ☒**

**LIST VIOLATIONS AND STATUS**

**ADDITIONAL COMMENTS**

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<sup>4</sup> This Disposition Document serves as SERC's Verification of Completion.

PREVIOUSLY FILED VIOLATIONS OF OTHER RELIABILITY STANDARD(S) OR REQUIREMENTS THEREUNDER

YES ☐ NO ☐

LIST VIOLATIONS AND STATUS

ADDITIONAL COMMENTS

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

FULL COOPERATION YES ☒ NO ☐  
IF NO, EXPLAIN

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

IS THERE A DOCUMENTED COMPLIANCE PROGRAM  
YES ☒ NO ☐  
EXPLAIN

**URE has a documented internal compliance program (ICP) and SERC considered it to be a neutral factor in determining the penalty.**

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

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

YES ☐ NO ☒  
IF YES, EXPLAIN

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

YES ☐ NO ☒  
IF YES, EXPLAIN

(6) ANY OTHER MITIGATING FACTORS FOR CONSIDERATION

YES ☒ NO ☐  
IF YES, EXPLAIN

**The Mitigation Plan was submitted prior to issuance of a Notice of Alleged Violation and Proposed Penalty or Sanction (NAVAPS).**

(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  
**Self-Report, dated June 1, 2010**

MITIGATION PLAN  
**Mitigation Plan, submitted on July 2, 2010**

CERTIFICATION BY REGISTERED ENTITY  
**Certification of Completion of Mitigation Plan, dated July 27, 2010**

VERIFICATION BY REGIONAL ENTITY  
**This document serves as SERC's Verification of Completion**

## OTHER RELEVANT INFORMATION:

NOTICE OF ALLEGED VIOLATION AND PROPOSED PENALTY OR SANCTION  
ISSUEDDATE: OR N/A ☒

SETTLEMENT DISCUSSIONS COMMENCED

DATE: **July 13, 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

Document Content(s)

Public\_FinalFiled\_DNOP\_NOC-660.PDF.....1

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

# NERC

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

NP11-149; American Electric Power Service  
Corporation

March 30, 2011

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

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

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Abbreviated Notice of Penalty (NOP) regarding Unidentified Registered Entity (URE) with information and details regarding the nature and resolution of the violations<sup>1</sup> discussed in detail in the Settlement Agreement (Attachment b) and the Disposition Document (Attachment c), 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)).<sup>2</sup>

This NOP is being filed with the Commission because ReliabilityFirst Corporation (ReliabilityFirst) and URE have entered into a Settlement Agreement to resolve all outstanding issues arising from ReliabilityFirst's determination and findings of the enforceable violations of CIP-006-1 Requirement (R)1.6 and R4. According to the Settlement Agreement, URE neither admits nor denies the violation, but has agreed to the assessed penalty of twenty thousand dollars (\$20,000), in addition to other remedies and actions to mitigate the instant violations and facilitate future compliance under the terms and conditions of the Settlement Agreement. Accordingly, the violations identified as NERC Violation Tracking Identification Numbers

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

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

NERC Notice of Penalty  
Unidentified Registered Entity  
March 30, 2011  
Page 2

PRIVILEGED AND CONFIDENTIAL INFORMATION  
HAS BEEN REMOVED FROM THIS PUBLIC VERSION

RFC200900183 and RFC200900184 are being filed in accordance with the NERC Rules of Procedure and the CMEP.

### Statement of Findings Underlying the Violations

This NOP incorporates the findings and justifications set forth in the Settlement Agreement executed on October 20, 2010, by and between ReliabilityFirst and URE. The details of the findings and the basis for the penalty are set forth in the Disposition Document. This NOP filing contains the basis for approval of the Settlement Agreement by the NERC Board of Trustees Compliance Committee (NERC BOTCC). In accordance with Section 39.7 of the Commission's regulations, 18 C.F.R. § 39.7, NERC provides the following summary table identifying each violation of a Reliability Standard resolved by the Settlement Agreement, as discussed in greater detail below.

NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Duration	Total Penalty (\$)
NOC-696	RFC200900183	CIP-006-1	1.6	Medium <sup>3</sup>	9/9/09 and 9/15/09 <sup>4</sup>	20,000
	RFC200900184	CIP-006-1	4	Medium	9/15/09 <sup>5</sup>	

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

### CIP-006-1 R1.6 - OVERVIEW

On September 24, 2009, URE notified ReliabilityFirst of this violation in a conference call and submitted a Self-Report on October 2, 2009. ReliabilityFirst determined that URE, as a Responsible Entity,<sup>6</sup> failed to follow its procedures for providing escorted access within the Physical Security Perimeter for personnel not authorized for unescorted access on September 9, 2009 and September 15, 2009.

### CIP-006-1 R4 - OVERVIEW

On September 24, 2009, URE notified ReliabilityFirst of this violation in a conference call and submitted a Self-Report on October 2, 2009. ReliabilityFirst determined that URE, as a Responsible Entity, failed to properly log physical access to the Physical Security Perimeter on September 15, 2009.

<sup>3</sup> CIP-006-1 R1, R1.1, R1.2, R1.3, R1.4, R1.5 and R1.6 each have a "Medium" VRF and CIP-006 R1.7, R1.8 and R1.9 each have a "Lower" VRF.

<sup>4</sup> Although the Settlement Agreement provides this duration for purposes of penalty determination, the duration of the violation is from September 9, 2009 through December 7, 2009, when the Mitigation Plan was completed.

<sup>5</sup> Although the Settlement Agreement provides this duration for purposes of penalty determination, the duration of the violation is from September 15, 2009 through December 7, 2009, when the Mitigation Plan was completed.

<sup>6</sup> Within the text of Standard CIP-006, "Responsible Entity" shall mean Reliability Coordinator, Balancing Authority, Interchange Authority, Transmission Service Provider, Transmission Owner, Transmission Operator, Generator Owner, Generator Operator, Load Serving Entity, NERC, and Regional Reliability Organizations.

NERC Notice of Penalty  
Unidentified Registered Entity  
March 30, 2011  
Page 3

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## Statement Describing the Assessed Penalty, Sanction or Enforcement Action Imposed<sup>7</sup>

### Basis for Determination

Taking into consideration the Commission's direction in Order No. 693, the NERC Sanction Guidelines, the Commission's July 3, 2008, October 26, 2009 and August 27, 2010 Guidance Orders,<sup>8</sup> the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on January 10, 2011. The NERC BOTCC approved the Settlement Agreement, including ReliabilityFirst's assessment of a twenty thousand dollar (\$20,000) financial penalty against URE and other actions to facilitate future compliance required under the terms and conditions of the Settlement Agreement. In approving the Settlement Agreement, the NERC BOTCC reviewed the applicable requirements of the Commission-approved Reliability Standards and the underlying facts and circumstances of the violations at issue.

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

1. URE self-reported the violations;
2. ReliabilityFirst reported that URE was cooperative throughout the compliance enforcement process;
3. URE had a compliance program at the time of the violation which ReliabilityFirst considered a mitigating factor, as discussed in the Disposition Documents;
4. there was no evidence of any attempt to conceal a violation nor evidence of intent to do so;
5. ReliabilityFirst determined that the violations did not pose a serious or substantial risk to the reliability of the bulk power system (BPS), as discussed in the Disposition Documents; and
6. ReliabilityFirst reported that there were no other mitigating or aggravating factors or extenuating circumstances that would affect the assessed penalty.

For the foregoing reasons, the NERC BOTCC approved the Settlement Agreement. The NERC BOTCC believes that the assessed penalty of twenty thousand dollars (\$20,000) is appropriate for the violations and circumstances at issue, and is consistent with NERC's goal to promote and ensure reliability of the BPS.

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

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<sup>7</sup> See 18 C.F.R. § 39.7(d)(4).

<sup>8</sup> *North American Electric Reliability Corporation*, "Guidance Order on Reliability Notices of Penalty," 124 FERC ¶ 61,015 (2008); *North American Electric Reliability Corporation*, "Further Guidance Order on Reliability Notices of Penalty," 129 FERC ¶ 61,069 (2009); *North American Electric Reliability Corporation*, "Notice of No Further Review and Guidance Order," 132 FERC ¶ 61,182 (2010).

NERC Notice of Penalty  
Unidentified Registered Entity  
March 30, 2011  
Page 4

PRIVILEGED AND CONFIDENTIAL INFORMATION  
HAS BEEN REMOVED FROM THIS PUBLIC VERSION

### **Request for Confidential Treatment**

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

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

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

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

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

- a) URE's Self-Report for CIP-006-1 R1.6 and R4 dated October 2, 2009, included as Attachment a;
- b) Settlement Agreement by and between ReliabilityFirst and URE executed October 20, 2010, included as Attachment b;
  - i. URE's Mitigation Plan submitted December 10, 2009, included as Attachment a to the Settlement Agreement;
  - ii. URE's Certification of Mitigation Plan Completion dated January 11, 2010, included as Attachment b to the Settlement Agreement;
  - iii. ReliabilityFirst's Verification of Mitigation Plan Completion dated January 27, 2010, included as Attachment c to the Settlement Agreement; and
- c) Disposition Documents included as Attachment c;

### **A Form of Notice Suitable for Publication<sup>9</sup>**

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

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<sup>9</sup> See 18 C.F.R. § 39.7(d)(6).

NERC Notice of Penalty  
Unidentified Registered Entity  
March 30, 2011  
Page 5

PRIVILEGED AND CONFIDENTIAL INFORMATION  
HAS BEEN REMOVED FROM THIS PUBLIC VERSION

### 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>Rebecca J. Michael* Associate General Counsel for Corporate and Regulatory Matters Sonia C. Mendonça* Attorney North American Electric Reliability Corporation 1120 G Street, N.W. Suite 990 Washington, DC 20005-3801 (202) 393-3998 (202) 393-3955 – facsimile rebecca.michael@nerc.net sonia.mendonca@nerc.net</p>
<p>Megan E. Gambrel* Associate Attorney 320 Springside Drive, Suite 300 Akron, OH 44333 (330) 456-2488 megan.gambrel@rfirst.org</p>	<p>Robert K. Wargo* Manager of Compliance Enforcement ReliabilityFirst Corporation 320 Springside Drive, Suite 300 Akron, OH 44333 (330) 456-2488 bob.wargo@rfirst.org</p>
<p>*Persons to be included on the Commission's service list are indicated with an asterisk. NERC requests waiver of the Commission's rules and regulations to permit the inclusion of more than two people on the service list.</p>	<p>L. Jason Blake* Attorney ReliabilityFirst Corporation 320 Springside Drive, Suite 300 Akron, OH 44333 (330) 456-2488 jason.blake@rfirst.org</p>

NERC Notice of Penalty  
Unidentified Registered Entity  
March 30, 2011  
Page 6

PRIVILEGED AND CONFIDENTIAL INFORMATION  
HAS BEEN REMOVED FROM THIS PUBLIC VERSION

## Conclusion

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

Respectfully submitted,

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

/s/ Rebecca J. Michael  
Rebecca J. Michael  
Associate General Counsel for Corporate  
and Regulatory Matters  
Sonia C. Mendonça  
Attorney  
North American Electric Reliability  
Corporation  
1120 G Street, N.W.  
Suite 990  
Washington, DC 20005-3801  
(202) 393-3998  
(202) 393-3955 – facsimile  
rebecca.michael@nerc.net  
sonia.mendonca@nerc.net

cc: Unidentified Registered Entity  
ReliabilityFirst Corporation

Attachments

**NERC**

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

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## **Attachment c**

# **Disposition Document**

Attachment c

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

**DISPOSITION OF VIOLATION<sup>1</sup>**

**Dated January 10, 2011**

NERC TRACKING NO.	REGIONAL ENTITY TRACKING NO.	NOC#
<b>RFC200900183</b>	<b>RFC200900183</b>	<b>NOC-696</b>
<b>RFC200900184</b>	<b>RFC200900184</b>	
REGISTERED ENTITY		NERC REGISTRY ID
<b>Unidentified Registered Entity (URE)</b>		<b>NCRXXXXX</b>
REGIONAL ENTITY		
<b>ReliabilityFirst Corporation (ReliabilityFirst)</b>		

**I. VIOLATION INFORMATION**

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
<b>CIP-006-1</b>	<b>1</b>	<b>1.6</b>	<b>Medium<sup>2</sup></b>	<b>N/A<sup>3</sup></b>
<b>CIP-006-1</b>	<b>4</b>		<b>Medium</b>	<b>N/A<sup>4</sup></b>

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

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

<sup>1</sup> 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.

<sup>2</sup> The Mitigation Plan incorrectly states that the VRF for this violation is Lower. The Settlement Agreement correctly states that the VRF for this violation is Medium. CIP-006-1 R1, R1.1, R1.2, R1.3, R1.4, R1.5 and R1.6 each have a “Medium” VRF and CIP-006 R1.7, R1.8 and R1.9 each have a “Lower” VRF.

<sup>3</sup> At the time of the violation, no VSLs were in effect for CIP-006-1. On June 30, 2009, NERC submitted VSLs for the CIP-002-1 through CIP-009-1 Reliability Standards. On March 18, 2010, the Commission approved the VSLs as filed, but directed NERC to submit modifications. Modifications were filed by NERC on May 17, 2010 and approved by FERC on September 18, 2010.

<sup>4</sup> *Id.*

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HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

**CIP-006-1 provides in pertinent part:**

**R1. Physical Security Plan — The Responsible Entity<sup>[5]</sup> shall create and maintain a physical security plan, approved by a senior manager or delegate(s) that shall address, at a minimum, the following:**

...

**R1.6. Procedures for escorted access within the physical security perimeter of personnel not authorized for unescorted access.**

...

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

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

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

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

**(Footnote added)**

**VIOLATION DESCRIPTION**

**On October 2, 2009, URE self-reported a violation of CIP-006-1, R1.6, which stemmed from two incidents that occurred on September 9, 2009 and September 15, 2009. URE also self-reported a violation of CIP-006-1 R4, which stemmed from the incident that occurred on September 15, 2009.<sup>6</sup>**

**On September 9, 2009, an URE security guard escorted an HVAC service technician into URE's back-up control center. The security guard and the HVAC service technician followed the proper log-in procedure. Additionally, the security guard had completed training and had a clear background check. However, URE had not granted the security guard unescorted access rights to the back-up Transmission**

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<sup>5</sup> Within the text of Standard CIP-006, "Responsible Entity" shall mean Reliability Coordinator, Balancing Authority, Interchange Authority, Transmission Service Provider, Transmission Owner, Transmission Operator, Generator Owner, Generator Operator, Load Serving Entity, NERC, and Regional Reliability Organizations.

<sup>6</sup> URE first notified Reliability First of these occurrences in a conference call on September 24, 2009.

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HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

Control Center.<sup>7</sup> Therefore, URE failed to escort the security guard and the HVAC service technician by an employee authorized for unescorted access while the security guard and the HVAC service technician were within the physical security perimeter, in violation of CIP-006-1 R1.6.

On September 15, 2009, an URE employee allowed a contract telecommunications service technician (service technician), without unescorted access rights, unescorted access into a CIP Critical Asset facility for 22 minutes while he performed a service visit, which is in violation of CIP-006-1 R1.6. The CIP Critical Asset facility was a Supervisory Control and Data Acquisition (SCADA) telecommunication hub facility located in a URE distribution service center. URE discovered this incident when the service technician could not exit the secured room without assistance. He used the emergency exit button, which automatically alarmed the URE security and initiated an investigation. Following the incident, URE inspected the facility and systems and confirmed that no damage or other sabotage had been done to the CIP Critical Asset facility or to any affiliated equipment.

In the September 15, 2009 incident, before allowing the service technician unescorted access into the CIP Critical Asset facility, a URE employee failed to properly log in the service technician, in violation of CIP-006-1 R4.

URE has two internal documents, to ensure that the physical environments housing URE's Critical Cyber Assets have adequate physical security controls in place to assist in protecting the Critical Cyber Assets essential to the bulk power system (BPS) from compromise. These documents address CIP-006-1, Requirements R1 through R6. Therefore, while URE has a documented Physical Security Plan in place, the September 9, 2009 and September 15, 2009 incidents indicate that URE failed to follow its procedures for providing escorted access within the Physical Security Perimeter for personnel not authorized for unescorted access as required by CIP-006-1 R1.6. The September 15, 2009 incident also indicated that URE failed to properly log physical access to the physical security perimeter as required by CIP-006-1 R4.

#### RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

ReliabilityFirst determined that the impact on the BPS was moderate but not serious or substantial because, in the September 9, 2009 incident, the security guard's continuous monitoring of the HVAC service technician ensured that no damage or other sabotage was done to the back-up Transmission Control Center. Additionally, URE inspected the facility and systems and confirmed that no damage or other sabotage had been done to the CIP Critical Asset facility or to any affiliated equipment. Both the security guard and the service technician had followed the

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<sup>7</sup> A URE employee granted the security guard and the HVAC service technician access to the back-up control center after requiring them to log in. The URE employee mistakenly thought that the security guard was allowed unescorted access and could act as an escort.

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HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

proper log-in procedure in this instance. The security guard had completed training and had a clear background check. In addition, the area in which the September 9, 2009 incident occurred is a backup facility.

For the September 15, 2009 incident, the duration of the incident was 22 minutes, and URE was promptly notified of the incident via alarm. The service technician could not exit the secured room without assistance. He used the emergency exit button, which automatically alarmed the URE security and initiated an investigation. Following the incident, URE inspected the facility and systems and confirmed that no damage or other sabotage had been done to the CIP Critical Asset facility or to any affiliated equipment. URE performed a physical inspection of the facility and reviewed all logs associated with the affiliated equipment and sites to ensure that no malicious activity had occurred.

The service technician had access to a SCADA telecommunication hub facility located in an URE distribution service center, and could have attempted to stop communications to a subset of Remote Terminal Units or to exercise control of the breakers at substations. However, URE has multiple SCADA telecommunication hub facilities and access to the SCADA telecommunication hub facility in question would not have allowed the service technician access to the SCADA computer room assets or to other SCADA telecommunication hub facilities and their associated Remote Terminal Units. The SCADA telecommunication hub facility involved in the September 15, 2009 incident has a provision for automatic failover to a backup system, as well as alarms for loss of servers and loss of data.

IS THERE A SETTLEMENT AGREEMENT YES ☒ NO ☐

WITH RESPECT TO THE VIOLATION(S), REGISTERED ENTITY

NEITHER ADMITS NOR DENIES IT (SETTLEMENT ONLY) YES ☒  
ADMITS TO IT YES ☐  
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 ☒

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

**III. DISCOVERY INFORMATION**

**METHOD OF DISCOVERY**

SELF-REPORT	<input checked="" type="checkbox"/>
SELF-CERTIFICATION	<input type="checkbox"/>
COMPLIANCE AUDIT	<input type="checkbox"/>
COMPLIANCE VIOLATION INVESTIGATION	<input type="checkbox"/>
SPOT CHECK	<input type="checkbox"/>
COMPLAINT	<input type="checkbox"/>
PERIODIC DATA SUBMITTAL	<input type="checkbox"/>
EXCEPTION REPORTING	<input type="checkbox"/>

DURATION DATE(S)<sup>8</sup>

**R1.6: 9/9/09 (when the first incident occurred) through 9/15/09 (when the second incident occurred)**

**R4: 9/15/09 (when URE failed to properly log physical access) through 9/15/09**

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY **10/2/09<sup>9</sup>**

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.	<b>MIT-09-2270</b>
DATE SUBMITTED TO REGIONAL ENTITY	<b>12/10/09</b>
DATE ACCEPTED BY REGIONAL ENTITY	<b>1/12/10</b>
DATE APPROVED BY NERC	<b>1/21/10</b>
DATE PROVIDED TO FERC	<b>1/21/10</b>

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

**N/A**

<sup>8</sup> The duration end dates are the dates that preventive measures were implemented; the Mitigation Plan was completed as of December 7, 2009. Additionally, the incident that occurred on September 9, 2009 occurred for less than one day and the incident on September 15, 2009 occurred for 22 minutes.

<sup>9</sup> URE first notified ReliabilityFirst of these occurrences in a conference call on September 24, 2009 and submitted the Self-Report on October 2, 2009.

**PRIVILEGED AND CONFIDENTIAL INFORMATION  
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MITIGATION PLAN COMPLETED      YES   ☒      NO   ☐

EXPECTED COMPLETION DATE	Submitted as complete
EXTENSIONS GRANTED	N/A
ACTUAL COMPLETION DATE	12/7/09

DATE OF CERTIFICATION LETTER	1/11/10
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF	12/7/09

DATE OF VERIFICATION LETTER	1/27/10
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF	12/7/09

**ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT  
RECURRENCE**

**URE completed detailed investigations of the September 9, 2009 and September 15, 2009 incidents. For the September 15, 2009 incident, URE conducted a detailed check of the facility and systems to confirm no damage or compromise to CIP assets occurred. For the September 9, 2009 incident, the continuous presence of a trained security guard (who had completed CIP-004-1 training and a background check) provided assurance that no damage or compromise to CIP assets had occurred.**

**URE management communicated directly to the employees who failed to perform logging and escorting duties, ensuring their understanding of the failure and expectations going forward. URE management also communicated the importance of CIP-006-1 requirements to all employees with CIP responsibilities. URE's CEO issued a memo to all URE staff concerning the need for heightened awareness of NERC compliance requirements.**

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

**URE provided the investigation report for both incidents**

**URE submitted e-mails whereby on September 29, 2009, the IT technician confirmed that he checked the equipment at the service center and found nothing out of the ordinary. For the other facility, a security guard was present the entire time during the incident, which provided assurance of no damage or compromise to CIP Critical Assets.**

**PRIVILEGED AND CONFIDENTIAL INFORMATION  
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**URE submitted documentation of multiple e-mails to demonstrate URE management's communications with URE employees following the two incidents. For the September 9, 2009 incident, URE submitted an email from URE to the staff involved in the September 9, 2009 incident. For the September 15, 2009 incident, URE submitted an e-mail dated November 23, 2009 describing the discussions held with the staff involved in the September 15, 2009 incident. These discussions occurred in the week following the September 15, 2009 incident.**

**E-mail to all employees and contractors. In addition, URE gave directions to post the email on bulletin boards in locations where employees do not have computer access, and directed each supervisor to review the email with their employees in face-to-face meetings by the end of October, 2009.**

**E-mails from management that meetings to discuss the October 19, 2009 email took place by the end of October 2009 as directed.**

**Compliance bulletin that URE posted on URE bulletin boards, which described the violations and provided a refresher on what should have been done.**

**E-mail dated September 11, 2009 directing all security officers to read the email and sign it as an indication that they have read it and understand it. The body of the e-mail describes areas designated as NERC CIP where no security officer has authorized access and states that security officers must not enter without authorized escort. All security officers signed the email between September 11, 2009 and September 28, 2009 and returned the signed email.**

**E-mail dated December 7, 2009 stating that all members of the IT department must attend meetings concerning the violations. This was confirmed in an email stating each manager communicated to all IT employees and further stating all managers had submitted written confirmation that they had communicated with their direct reports.**

**URE submitted an e-mail from URE President and CEO to all URE employees and contractors dated October 21, 2009, which discussed the violations and the potential consequences. He also stressed the need to be "vigilant on our responsibilities to NERC compliance."**

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

**II. PENALTY INFORMATION**

TOTAL ASSESSED PENALTY OR SANCTION OF **\$20,000** FOR **TWO**  
VIOLATIONS OF RELIABILITY STANDARDS.

**(1) REGISTERED ENTITY'S COMPLIANCE HISTORY**

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

YES ☐ NO ☐

LIST VIOLATIONS AND STATUS

ADDITIONAL COMMENTS

PREVIOUSLY FILED VIOLATIONS OF OTHER RELIABILITY  
STANDARD(S) OR REQUIREMENTS THEREUNDER

YES ☐ NO ☐

LIST VIOLATIONS AND STATUS

ADDITIONAL COMMENTS

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

FULL COOPERATION  
IF NO, EXPLAIN

YES ☒ NO ☐

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

IS THERE A DOCUMENTED COMPLIANCE PROGRAM

YES ☒ NO ☐ UNDETERMINED ☐

EXPLAIN

**ReliabilityFirst considered URE's compliance program, which was in  
place at the time of the violations, as a mitigating factor in  
determining the penalty amount.**

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

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

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

YES ☐ NO ☒  
IF YES, EXPLAIN

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

YES ☐ NO ☒  
IF YES, EXPLAIN

(6) ANY OTHER MITIGATING FACTORS FOR CONSIDERATION

YES ☐ NO ☒  
IF YES, EXPLAIN

(7) ANY OTHER AGGRAVATING FACTORS FOR CONSIDERATION

YES ☐ NO ☒  
IF YES, EXPLAIN

(8) ANY OTHER EXTENUATING CIRCUMSTANCES

YES ☐ NO ☒  
IF YES, EXPLAIN

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

## EXHIBITS:

## SOURCE DOCUMENT

**URE's Self-Report dated October 2, 2009**

## MITIGATION PLAN

**URE's Mitigation Plan, MIT-09-2270, submitted December 10, 2009**

## CERTIFICATION BY REGISTERED ENTITY

**URE's Certification of Mitigation Plan Completion submitted January 11, 2010**

## VERIFICATION BY REGIONAL ENTITY

**ReliabilityFirst's Summary and Review of Mitigation Plan dated January 27, 2010**

## OTHER RELEVANT INFORMATION:

NOTICE OF ALLEGED VIOLATION AND PROPOSED PENALTY OR  
SANCTION ISSUEDDATE: OR N/A ☒

## SETTLEMENT DISCUSSIONS COMMENCED

DATE: 3/5/10 OR N/A ☐

## NOTICE OF CONFIRMED VIOLATION ISSUED

DATE: OR N/A ☒

## SUPPLEMENTAL RECORD INFORMATION

DATE(S) OR N/A ☒

## REGISTERED ENTITY RESPONSE CONTESTED

FINDINGS ☐ PENALTY ☐ BOTH ☐ NO CONTEST ☒

## HEARING REQUESTED

YES ☐ NO ☒

DATE

OUTCOME

APPEAL REQUESTED

Document Content(s)

Public\_FinalFiled\_ANOP\_NOC-696.PDF.....1