1. Call to Order/Introductions .................................................................................. John Meyer
2. Antitrust Guidelines .............................................................................................. Emily Pennel
3. Approval of Meeting Minutes – Oct. 28, 2013 ......................................................... John Meyer
4. Staff Reports
   4b. Enforcement Report .......................................................................................... Jimmy Cline
   4c. CIP Transition Update ...................................................................................... Kevin Cline
   4d. Compliance Report .......................................................................................... Ron Ciesiel
   4e. Summary of Recent System Events .................................................................. Alan Wahlstrom
5. NERC Planning Committee Update ...................................................................... Noman Williams
6. Gridex Update ....................................................................................................... Robert McClanahan
7. Accept 2013 Goals and Metrics Performance ........................................................ Ron Ciesiel
8. Approve 2014 Goals and Metrics ........................................................................... Ron Ciesiel
9. Discuss travel compensation for Standard Drafting Team Members ...................... Ron Ciesiel
10. NERC Committee Representative Written Reports – Comments or Questions
    10a. Compliance and Certification Committee ...................................................... Jennifer Flandermeyer
    10b. System Protection and Control ........................................................................ Lynn Schroeder
    10c. Interchange Subcommittee .............................................................................. Jason Smith
    10d. Operating Committee Report ........................................................................... Jim Useldinger
    10e. Critical Infrastructure Protection Committee .................................................. Robert McClanahan
11. Staff Written Reports – Comments or Questions?
    11a. 2013 Year End Financial Statement ................................................................ Debbie Currie
    11b. Outreach Activity ............................................................................................. Emily Pennel
12. New Action Items ................................................................................................. Emily Pennel
13. Future Meetings ................................................................. John Meyer

April 28, 2014 – Oklahoma City
June 17, 2014 – Little Rock (budget meeting)
July 28, 2014 – Omaha
October 27, 2014 – Little Rock
SPP Regional Entity Antitrust Guidelines

It is SPP RE’s policy and practice to obey the antitrust laws and to avoid all conduct that unreasonably restrains competition. This policy requires the avoidance of any conduct that violates, or which might appear to violate, the antitrust laws. Among other things, the antitrust laws forbid any agreement between or among competitors regarding prices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that unreasonably restrains competition.
Southwest Power Pool
REGIONAL ENTITY TRUSTEES MEETING
OCTOBER 28, 2013
SPP Corporate Center
Little Rock, Arkansas
AGENDA
8:00 a.m. – 12:00 p.m.
Meeting Materials

1. Call to Order/Introductions ................................................................. John Meyer

2. Antitrust Guidelines........................................................................ Emily Pennel

   The minutes were approved with no discussion.

4. Critical Infrastructure Protection Committee Update.......................... Robert McClanahan
   Robert McClanahan gave an update on CIPC activities. The Electric Sub-Sector Coordinating
   Council (ESCC) has been reorganized. It now consists of 30 industry CEOs, representing all
   industry sectors. NERC now sits on the ESCC as an observer. The ESCC meets with officials
   from government agencies that have regulatory authority over the industry to discuss policy-
   related matters.

   In November, NERC is holding its second national tabletop grid exercise with almost 200 entities
   participating, including six SPP members.

   The National Geographic channel presented a fictional show called American Blackout which
   highlighted the criticality of the electric grid.

   Robert discussed three recent acts of transmission sabotage in Arkansas. Threats to the electric
   power grid are real and range in their seriousness. Damage to an energy facility is a federal
   crime. We must keep physical security in mind, and CIPC is ramping up its work in this area.

5. Staff Reports

5a. CIP Transition Update ................................................................. Kevin Perry
   The CIP Version 4 implementation date has been pushed from 4/1/14 to 10/1/14. On 10/1/14,
   Version 4 will go into effect unless FERC approves Version 5. It was anticipated that FERC would
   approve V5 at its October 2013 meeting. Industry remains hopeful that FERC will approve V5 in
   November or December 2013. If so, V5 will be enforceable January 1, 2016.

   NERC published its latest transition guidance on 9/5/13. It incorporates comments from trade
   associations, the regions, and other interested parties. The plan still retains three options for
   Critical Asset Identification. Entities can select Alternative Approach 1 or 2 at any time. Entities
   can update their Critical Asset list upon adoption of the selected approach.
NERC’s transition plan includes a six-month transition study to identify any pitfalls or issues with the transition from V3 to V5. SPP RE has one registered entity in the CIP V5 Transition Study, which is focused on CIP-002, CIP-005, CIP-006, CIP-007, and CIP-010. The study runs through March and will be followed by a report.

5b. General Manager’s Report

A number of pilot programs are underway in various regions concerning specific aspects of the proposed Reliability Assurance Initiative (RAI) program. Most of these pilot programs will be wrapping up in early 2014 with proposed rollouts NERC-wide in mid-2014 and beyond. The NERC-wide Auditor Handbook is nearing completion and, once approved by the Regional Executives, will be made public to Registered Entities.

SPP RE, along with the other REs and NERC, are completing development of the uniform software program to be used for submitting BES inclusions/exclusions. Software testing should be completed in November.

NERC and the REs are waiting for final FERC approval of the combined 2014 budget submittals made earlier this summer.

5c. Enforcement Report

SPP RE issued 142 Notices of Possible Violation by the end of September; this is about the same number we had issued at this time last year. We have disposed 67 FFTs (Find, Fix, Track). The current average time to process FFTs is 3.7 months. There were 194 open violations through 3Q; 65 are High Impact. There were 27 dismissals and 142 submitted mitigation plans through 3Q.

5d. Compliance Report & 2014 Implementation Plan

The new Bulk Electric System (BES) Definition will be effective 7/1/14. A Standards Drafting Team is working on Phase 2 of the Definition intended to clear up open issues from Phase 1 and address issues raised in the FERC Order. The second ballot came very close to approval but was not approved. A successive ballot is open through 10/28/13. Registration of smaller generating units seems to be the current open issue. Registered Entities should be compiling lists of self-nominated ‘exclusions’. SPP RE will review and accept/reject facilities on the list.

Revisions to the FFT process are underway based on FERC’s 6/20/13 order. Self-Reporting processes/requirements are also under review.

The new EOP-004-2, which becomes effective 1/1/14, merges CIP-001-2a Sabotage Reporting and EOP-004-1 Disturbance Reporting into EOP-004-2 Event Reporting. CIP-001-2a and EOP-004-1 will be retired.

Once the new standard is in effect, if you have an event that triggers Department of Energy reporting, you will still need to complete the OE-417 Disturbance Report. If you complete the OE-417 report, you do not have to complete the NERC EOP form. SPP RE and NERC will accept the OE-417 in lieu of the NERC report. However, if your event does not require an OE-417, you should use the NERC EOP form included in the standard.

Registered Entities should submit disturbance and event information to SPPEVENTS@spp.org (SPP region) or MISOEVENTS@spp.org (MISO region). Please contact Alan Wahlstrom with questions (501.688.1624).

While misoperations tend to follow a seasonal pattern, the misoperations success rate is down from this time last year. That majority of misoperations in our region are categorized as unnecessary trips during fault, are caused by communication failures and incorrect
Control Working Group is going to review misoperations data to look for patterns/lessons learned. On the facility ratings alert, 2,300 discrepancies have been found in the SPP RE region for high/medium priority lines and 650 for low priority. Organizations that need an extension on the facility ratings program should request an extension from SPP RE (Alan Wahlstrom) now.

5e. Summary of Recent System Events. Alan Wahlstrom
Through 3Q 2013 we have had 14 events in the SPP RE region; six were Category 1 and eight were “Category 0” events that will be used by NERC for trending purposes. Three recent events are under review; the events are related to loss of AGC control, evacuation of a primary control center, and breaker trip coils causing outages.

6. 2013 Stakeholder Satisfaction Survey Results
Ron Ciesiel
SPP RE issued the survey on 9/12/13 to the 122 Primary Compliance Contacts who are registered in SPP RE’s compliance database. The survey had a 57% response rate (70 respondents), up from 54% in 2012.

On a scale of 1-5 in which 5 represents the most favorable score, average ratings throughout the survey were between 2.9 and 3.9. Of the 27 respondents who interact with other Regional Entities, none rated SPP much worse, 11% rated SPP RE somewhat worse, 63% rated SPP RE about the same, 7% rated SPP RE somewhat better, and 19% rated SPP RE much better.

When asked how well SPP RE’s programs and services meet expectations, respondents rated all with average scores in the meets expectations range between 3.0 and 3.3. When asked to rate employees’ customer service ability or programs’ responsiveness to needs, respondents rated all with average scores between average and good, from 3.4 to 3.9. The 2013 overall satisfaction rating of 3.6 dropped from the 2012 rating of 4.0 and the 2011 rating of 3.8.

7. Winter Reliability Assessment Overview
Jason Smith
To develop the assessment, SPP staff used member-submitted data from the SPP Model Development Working Group and the Long Term Reliability Assessment. The winter assessment undergoes a peer-review process internally and at NERC prior to finalization. For 2013/2014 winter, our region has 34,415 MW Projected Total Internal Demand (coincident) with 64,466 MW Existing Certain Capacity resources. No regional reliability issues are expected and reserve margins are adequate.

8. SPP RE 2013 Trustee Self-Assessment
John Meyer
The Trustees quickly reviewed their self-assessment of the 2013 roster, meeting attendance, meeting costs, major accomplishments, and major pending issues.

9. NERC Committee Representative Written Reports – Comments or Questions
There were no comments or questions.

9a. Planning Committee
9b. Compliance and Certification Committee
9c. System Protection and Control
9d. Interchange Subcommittee
9e. Operating Committee Report
10. **Staff Written Reports** – Comments or Questions

10a. **Staff Goals and Metrics** .................................................................................................Ron Ciesiel

SPP RE staff is generally on track with annual performance metrics.

10b. **Year-to-Date Financial Statement** ...............................................................................Debbie Currie

SPP RE remains under budget for the year, primarily due to open staff positions.

10c. **Outreach Activity** ........................................................................................................Emily Pennel

Staff have posted seven new training videos. A webinar is scheduled for Nov. 21 to discuss the 2014 Implementation Plan and 2013 Self-Assessment. The fall workshop was attended by 163 stakeholders (via webinar or in person); the majority of workshop survey respondents said they enjoyed the workshop and liked meeting at the SPP Corporate Center.

11. **New Action Items** .........................................................................................................Emily Pennel

Emily Pennel will update the 2013 SPP RE Trustee Self-Assessment to note that staff maintained *generally* favorable stakeholder satisfaction scores. She will also run an article in the October SPP RE newsletter about the new EOP-004 standard and event reporting (see section 5D).

12. **Future Meetings** ..........................................................................................................John Meyer

    January 27, 2014 – Austin
    April 28, 2014 – Oklahoma City
    June 17, 2014 – Little Rock (budget meeting)
    July 28, 2014 – Omaha
    October 27, 2014 – Little Rock
SPP RE 2013 Year-End Report

1-27-14

Ron Ciesiel
SPP RE General Manager
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Executive Summary

In 2013, the SPP RE staff achieved a high level of success when measured by our goals and metrics; staff’s weighted total metrics achievement was 104.4%. Other accomplishments include improved audit and enforcement processes, continued engagement with NERC’s Events Analysis program and publication of regional Lessons Learned, the timely publication of three Regional Reliability Assessments, increased attendance at webinars and workshops, improved technology, positive feedback from NERC and FERC observers of SPP RE audits, NERC’s approval of the revised SPP RE Standards Development Manual, and favorable ratings on the annual stakeholder survey.

Numbers at a Glance

- Audit reports issued: 41
- Audits performed: 42
- Entities added: 9
- Events processed: 22
- FFTs processed: 86
- Lessons Learned published: 2
- Mitigation Plans reviewed: 180
- Newsletters published: 12
- Reliability Assessments published: 3
- Spot Check reports issued: 4
- Spot Checks performed: 3
- TFE actions: 271
- Videos produced: 16
- Violations processed: 175
- Violations received: 189
- Working Groups engaged with Workshop & webinar attendees: 39
- Total: 1,218
Compliance Monitoring

Performed 42 audits; Issued 41 audit reports
In 2013 SPP RE led 13 on-site and 29 off-site audits, participated in two off-site audits led by another Regional Entity, and observed SERC’s CIP and Operations and Planning (O&P) audits of SPP, Inc. Two audit reports were published for field work performed in 2012. One report for field work performed in 2013 will be published in 2014. In 2013, the average time to issue 12 onsite audit reports was 51 days, compared to our goal of 75 days. The average time to issue 33 offsite audit reports was 31 days, compared to our goal of 55 days.

Performed three Spot Checks; Issued four Spot Check reports
In 2013, SPP RE conducted three Spot Checks for PSE-only Registered Entities. We issued four Spot Check reports, including one for field work performed in 2012, within an average of 22 days from the evidence submission deadline, compared to our target of 90 days.

Improved Audit Processes
The O&P and CIP audit teams implemented several process and performance improvements in 2013. Overall, the average time to publish audit and Spot Check reports was reduced. The O&P team continued to enhance their pre-audit evidence review. The pre-audit review enables the audit team to perform its work more efficiently and effectively once the official audit period begins, and allows them to make assessments on some standards without further action during the audit. Based on the results of the pre-audit review, the audit team leaders were able to reduce the amount of time spent on-site for three audits.

The CIP audit team continued its comprehensive pre-audit evidence review for both on-site and off-site audits. The pre-audit activities include collection and review of randomly sampled evidence and a pre-audit review of follow-up evidence requests stemming from the first evidence review. Due to the fact that 2013 was the last year for the first round of CIP compliance audits, the audit team has not been able to take advantage of the pre-audit reviews to eliminate a meaningful number of requirements from the on-site phase.

The CIP team continued to emphasize outreach during the audit field work, as permitted by the GAO Generally Accepted Government Auditing Standards (GAGAS). Outreach efforts were coordinated with the audited entity’s Primary Compliance Contact throughout the audit, starting with the 90-day audit notice, to ensure the level of outreach was acceptable to and met the expectations of the audited entity.

Two compliance staff members were active participants on the NERC-led Auditor Handbook development project. One CIP team member was actively involved with the development of the new Reliability Standard Audit Worksheet (RSAW) template and the CIP Version 5 RSAWs, and one staff member is was actively involved with the Compliance Application Notice conversion project. Two CIP team members participated as observers on RFC’s entity risk assessment (pilot program) of AEP. The results of the RFC assessment will be used to potentially reduce the scope of the joint SPP RE, RFC, and Texas RE audit of AEP in 2014 that SPP RE is leading.
One SPP Registered Entity is participating in the NERC CIP Version 5 Transition Study (one of six participants). One member of the CIP compliance team is the project coordinator/primary contact for the Registered Entity and represents SPP RE on the NERC-led core study team. Experiences and lessons learned from the transition study will be used to develop Registered Entity and staff training and will influence the development of Reliability Assurance Initiative (RAI) programs within SPP RE.

We enhanced training for our audit staff through several mechanisms. In conjunction with NERC and the other REs, SPP RE audit staff and a number of SPP RE contractors participated in two NERC-sponsored auditor workshops. The CIP audit team participated in the 2013 NERC Grid Security Conference. Several staff also attended a NERC-led performance auditing training workshop. All CIP auditors have attained the Certified Information Systems Auditor certification. Several CIP and O&P auditors are enrolled in training that will result in certifications as Certified Internal Auditors.

FERC and NERC observers attended two SPP RE-led audits in 2013. While there is always room for improvement, the general tone of the feedback sessions from observers was very positive.

**Managed TFE Caseload**

The Technical Feasibility Exception (TFE) Program related to CIP standards completed its fourth year in 2013. We have processed 668 new or amended TFE requests since the program’s inception, including 69 TFEs newly submitted in 2013. In 2013 we accepted 148 new or amended TFEs, approved 87, disapproved four, and terminated 32. The active TFE caseload at the end of 2013 was 199, up 33 from 2012.

FERC approved a significantly revised TFE process (Appendix 4D to the NERC Rules of Procedure) in 2013. We have implemented the elimination of the quarterly and annual reports. We are waiting for modifications to webCDMS, planned for spring 2014, before we can implement the streamlined submission and reporting processes. In the meantime, our Registered Entities are continuing to manage their TFEs under the current webCDMS-supported process. The CIP team will make a concerted effort to clear as much of the pending approval review backlog as possible before webCDMS is updated.

FERC also approved the Paragraph 81 filing that retired a number of CIP and O&P requirements, including one requirement eligible for TFE treatment. We are working with our Registered Entities to terminate the 10 TFEs against CIP-005, Requirement R2.6 (Acceptable Use Banners) that are still on the books.

**Processed 22 Events**

In 2013, SPP RE’s Event Analysis staff engaged with the national NERC Event Analysis program and handled 22 reportable events and 13 category qualifying events. This number of events is higher than the reportable events that occurred in 2012. The increase may be due to clarification from NERC staff on category 1a events concerning multiple elements. We worked with some of the impacted Registered Entities to develop and publish two regional Lessons Learned in 2013.

In September 2013, SPP RE Event Analysis staff responded to a FERC inquiry regarding the winter preparedness of SPP RTO and the three Registered Entities involved in the February 2011 Winter
Weather Event. FERC sent the data request to all three regions involved in the event with questions related to outreach activities, use of winter guidelines, and whether the affected Registered Entities incorporated recommendations from the FERC/NERC Joint Report. SPP RE reported that applicable recommendations from the Joint Report were implemented by all three Registered Entities and SPP RTO. SPP RE’s response also included a description of our outreach related to the event including the use of newsletters to share lessons learned and posting of links to winter weather guidelines. SPP RTO formed the Gas Electric Coordination Task force to respond to any gas and electric coordination issues that impact the SPP region.

**Added Nine Registered Entities**

In 2013, we added nine Registered Entities and de-activated six Registered Entities, increasing our total from 140 to 143. We participated in five multi-regional Certifications during 2013. The total number of functions registered in SPP RE increased from 410 to 424. In late 2012 FERC approved the revised Bulk Electric System (BES) definition and the addition of an Exception Process for elements that meet the standard definition but have attributes that would allow them to be removed from Compliance Monitoring Enforcement Program (CMEP) oversight. The new BES definition and Exception Process were slated to go into effect July 1, 2013 but FERC postponed implementation until July 1, 2014.

**Participated in Facility Ratings Alert Program**

NERC launched a Facilities Ratings alert program at the end of 2010, with a goal of having all BES lines checked for clearances and ratings by the end of 2013. The SPP RE Events Analysis group is coordinating this activity for the SPP RE footprint. The high priority line assessments have been completed in the SPP region, with all remediation activities complete except for three lines. As of July 15, 2013, 1,900 discrepancies have been found on the high and medium priority lines and 300 discrepancies found on low priority lines. Final results from the 2013 activities are expected in February 2014. The number of medium and low priority line discrepancies are expected to increase. Six companies have asked for and been granted extensions due to LIDAR contractor availability, outage scheduling conflicts, and retaining resources.

**Published Three Reliability Assessments**

SPP RE is responsible for developing annual winter, summer, and long-term reliability assessments. The 2013 long-term reliability assessment shows adequate reserve margins for the SPP RTO footprint over the next ten years. SPP’s planning processes have identified a number of transmission projects needed for reliability purposes, and it is expected that those projects will be completed as scheduled or mitigation plans will be developed.

The most significant transmission challenges facing portions of the SPP footprint are related to an increase in oil and gas drilling. New oil and gas drilling facilities are built faster than they can be captured in SPP’s planning processes and models. SPP also continues to have an influx of variable generation resources, leading to operational challenges. SPP is enhancing its planning processes to better capture the impacts of the oil and gas projects and variable generation. Given the region’s generation capacity, transmission infrastructure, and enhancements being made to processes and models, SPP is expected to be able to meet any challenges—including environmental regulations—that may arise during the next decade.
Enforcement

**Processed 175 violations; Received 189**

The SPP RE Enforcement group received 189 violations in 2013 that were either self-reported by Registered Entities or discovered by the Compliance Monitoring group. We processed 175 violations and, for the second year in a row, the number of violations processed via the Find, Fix, Track and Report (FFTR) disposition method (86) represented the largest number of violations processed. Only five violations were processed in 2013 utilizing the Full Notice of Penalty process. The remaining 84 violations were either dismissed (41) or processed utilizing the Spreadsheet Notice of Penalty process (43).

At the end of 2013, Enforcement implemented an incoming violation triage process to expedite the identification and processing of FFTR violations and improve the efficiency of the enforcement process. This process is aligned with the NERC Reliability Assurance Initiative and supports the prospective implementation of the Compliance Exception process. The Compliance Exception process is designed to take certain low-risk violations and process them outside of the Enforcement process. Although SPP RE is not participating in a NERC Compliance Exception pilot project, we are engaged with another Region in the utilization of the Compliance Exception process for a Registered Entity that has multi-region violations.

Due to a large number of incoming violations in December 2013 (24), and the loss of two enforcement attorneys during the year, the Enforcement caseload, at year’s end, is up from 168 in 2012 to 186. We do not anticipate the addition to the caseload will result in a substantive impact to SPP RE Enforcement’s caseload index. Throughout 2013, SPP RE Enforcement was able to maintain a caseload index of less than one year.

**Reviewed 180 Mitigation Plans; Improved Processes**

In 2013, Enforcement completed its review of 180 completed mitigation plans. The addition of a CIP Compliance Specialist in 2012 has all but eliminated the use of consultants to support the mitigation process. The review and approval of incoming mitigation plans and the review of completed mitigation plans now routinely take place in less than 15 days. We continue to focus mitigation plan efforts on “High Impact” violations or those that represent a substantive risk to the Bulk Electric System. To achieve this objective, in 2013 we established a performance goal of soliciting an acceptable mitigation plan for High Impact violations within 105 days of violation discovery. In 2013, SPP RE Enforcement averaged 98 days to receipt of acceptable mitigation plans for High Impact violations.

**Compliance Hearing**

SPP RE Enforcement’s only hearing has settled and is nearing conclusion. Settlement terms were agreed to by the parties in September 2013 and the Hearing Officer issued an order suspending the Hearing schedule that same month. We filed an executed settlement agreement with NERC on December 10, 2013. The settlement agreement is scheduled to be presented to the NERC Board of Trustees Compliance Committee in February 2014. It is anticipated the Notice of Penalty will be filed with FERC by the end of February. The Registered Entity is proceeding with mitigation of the violation and it is anticipated that review of the Registered Entity’s mitigation completion efforts will be completed by April 2014.
## 2013 Metrics Performance

<table>
<thead>
<tr>
<th>Metric</th>
<th>Actual Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Expedite processing and mitigation of High Impact (HI) violations</td>
<td>104.57%</td>
</tr>
<tr>
<td>2. Process December 31, 2012 caseload within 2013</td>
<td>104.17%</td>
</tr>
<tr>
<td>3. Accept or reject Mitigation Plans within 30 days of submission by Registered Entity</td>
<td>91.67%</td>
</tr>
<tr>
<td>4. Complete Mitigation Plan completion reviews within 30 days of Registered Entity notification of completion</td>
<td>150%</td>
</tr>
<tr>
<td>5. Complete quarterly Mitigation Plan milestone completion reviews within 30 days of the end of the quarter</td>
<td>120%</td>
</tr>
<tr>
<td>6. Complete documentation close-out of 75% of all closed violations</td>
<td>108.83%</td>
</tr>
<tr>
<td>7. Publish non-public off-site audit report to NERC (55 days)</td>
<td>120%</td>
</tr>
<tr>
<td>8. Publish non-public on-site audit report to NERC (75 days)</td>
<td>120%</td>
</tr>
<tr>
<td>9. Publish non-public Spot Check reports to NERC (90 days)</td>
<td>120%</td>
</tr>
<tr>
<td>10. Publish internally completed assessment of Self-Certification/exception reporting/periodic data submittals</td>
<td>110%</td>
</tr>
<tr>
<td>11. Process incoming Possible Violations to NERC through webCDMS in 5 business days or less</td>
<td>110%</td>
</tr>
<tr>
<td>12. Reduce estimated cash costs</td>
<td>0%</td>
</tr>
<tr>
<td>13. Increase outreach/oversight of relay misoperations data to reduce reported misoperations for 4Q 2012-3Q 2013</td>
<td>80.66%</td>
</tr>
<tr>
<td>14. Assure proper Event Analysis cause codes can be verified 90% of time</td>
<td>150%</td>
</tr>
</tbody>
</table>
SPP RE holds three compliance workshops annually. Members, Registered Entities, and other interested parties are invited to attend in-person or via webinar to learn more about SPP RE and NERC processes, emerging issues, compliance best practices, and more. In addition to presentations by SPP RE staff, guests from FERC, NERC, and entities are invited to speak on topics of interest. In 2013, SPP RE held three workshops with 497 participants, a 7% increase over 2012.

SPP RE posts training videos to capture basic compliance education presented at webinars and workshops. In 2013 we posted 16 new videos on topics including specific CIP standards, mitigation plans, human performance, and more.

SPP RE regularly hosts webinars to inform Registered Entities about compliance matters and emerging issues. In 2013, SPP RE hosted 9 webinars with 721 registrants. The average number of registrants per webinar increased 64% over 2012, from an average of 51 per webinar to 80.

SPP RE issued 12 monthly e-newsletters that included feature articles, workshop and webinar invitations, and updates on SPP RE and NERC activities.

In 2013, SPP RE staff continued to participate in the RE Trustees, MOPC and the following SPP working groups: Operating Reliability, Transmission, System Protection and Control, Operations Training, Critical Infrastructure Protection, Generation, Model Development, Event Analysis, Consolidated Balancing Authority, and Operations Model Development. The RE General Manager also participates in Board of Directors meetings.

Staff served on the following NERC groups in 2013: Regional Entity Managers Group, Reliability Assessment Subcommittee, Event Analysis Subcommittee, Budget/Finance Group, Transmission Availability Data System Working Group, Communications Group, Reliability Performance Metrics Group, Compliance Database Management Functional Group, Information Technology Steering Group, Staff Training Group, Performance Analysis Subcommittee, Demand Response Data System Working Group, Generator Availability Data System Working Group, Reliability Assessments and Performance Analysis Group, BES Process Development Group, Reliability Assessment Data Working Group, Regional Compliance Implementation Group, Enforcement Functional Group, ERO Legal Group, TFE Managers Working Group, Compliance Monitoring Working Group, RSAW Task Force, Certification Registration Working Group, Paragraph 81 Group, Registration and Certification Functional Group, and ERO Compliance and Enforcement Management Group.

### Outreach

<table>
<thead>
<tr>
<th>15. Issue Reliability Assessments in a timely manner 100% of time</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>16. Complete 100% of outreach production goals</td>
<td>100%</td>
</tr>
<tr>
<td><strong>ACTUAL WEIGHTED TOTAL</strong></td>
<td><strong>104.36%</strong></td>
</tr>
</tbody>
</table>

SPP RE 2013 Year-End Report
**Improved Technology**

In 2013, SPP RE worked with all Regional Entities and NERC to develop, test, and implement new business rules for NERC’s Compliance Reporting and Tracking System (CRATS). This data-integrity enhancement adds new business rules to NERC’s web services to ensure that data synced from webCDMS to CRATS is consistent with the CMEP. SPP RE staff also worked with OATI and other regions to test and implement other webCDMS enhancements. We expanded our use of the EFT Server that entities use to upload CIP and O&P evidence as well as mitigation plan documentation and other Enforcement department information.

**Regional Standards Update**

In November 2012 the NERC Board of Trustees approved the SPP Automatic Underfrequency Load Shedding (UFLS) Regional Standard, PRC-006-SPP-01, to develop coordinate, and document automatic UFLS program requirements in the SPP RE footprint. While SPP was developing the regional standard, a continent-wide UFLS standard was approved and became effective in October 2013. Due to the implementation of the continent-wide standard, the SPP Board of Directors, Regional Compliance Working Group, and MOPC gave positive advisory votes for withdrawing the SPP regional UFLS standard. The SPP RE Trustees and NERC Board of Trustees approved the recall, and FERC withdrew PRC-006-SPP-01 effective December 27, 2013.

The SPP RE Regional Standards Development Process Manual voting process steps were implemented for the first time with PRC-006-SPP-1, and SPP RE received questions and comments from stakeholders regarding the process. In 2012 MOPC formed a task force to revise the Manual. Two drafts of the Manual were posted in early 2013; the second draft passed the ballot body with a 100% affirmative vote. The revised Manual received affirmative advisory votes at the MOPC and Board of Directors/Members Committee April 2013 meetings. In June, the SPP RE Trustees approved the revised Manual for submission to NERC. At their November meeting, the NERC Trustees approved the Manual for submission to FERC.

**Stakeholder Survey**

SPP RE strives to continuously improve its performance of its NERC-delegated functions. Each year we ask Registered Entities to provide anonymous input on programs and customer service. The 2013 SPP RE survey had a 57% response rate (70 respondents). On a 1-5 scale in which 5 represents the most favorable score, average ratings throughout the survey were between 2.9 and 3.9. When asked how well SPP RE’s programs and services meet expectations, respondents rated all with average scores in the meets expectations range between 3.0 and 3.3. When asked to rate employees’ customer service ability or programs’ responsiveness to needs, respondents rated all with average scores between average and good, from 3.4 to 3.9. The 2013 overall satisfaction rating of 3.6 dropped from the 2012 rating of 4.0 but remained over halfway between average and good. Results of both surveys are shared with staff, who are asked to develop action plans to improve performance.
2013 Goals and Achieved Performance

The following goals were outlined in the 2012 year-end report. Each of these is listed below with its status.

- Increase outreach to Registered Entities’ senior leadership – Continuing. SPP RE staff presented to four Registered Entity subject matter expert groups and three Registered Entity Executive forums.

- Specific performance metrics – Met 13 of 16 performance metrics

- Increase collaboration with SPP RTO Compliance Group - Continuing

- Participate in auditor certification process as determined by NERC - Sponsored and participated in development of ERO-wide Auditor Handbook. Certification requirements to be presented by NERC in early 2014.

- Develop tools to assess Registered Entity internal controls – Continuing. Pilot programs are underway at various Registered Entities.

- Validate and upload to webCDMS Case Record documents for 75% of the closed violations. The goal is to fill documentation voids in webCDMS resulting from conversion of the previous “workbook” process to using webCDMS to transmit Enforcement documents to NERC. – Completed

- Implement suggested improvements to CMEP processes based on inter-regional review and NERC’s new Reliability Assessment Initiative - Continuing

2014 Goals

1. Coordinate with NERC and Registered Entities on implementing BES definition exception process

2. Continue working with NERC and other Regional Entities to streamline and standardize CMEP processes through tools and initiatives such as the Reliability Assurance Initiative, Auditor Handbook, auditor training/certification, added on-site audit efficiencies, and reduced audit scope

3. Monitor Registered Entities’ remediation of Facility Ratings discrepancies (FAC Alert)

4. Work with Registered Entities on CIP version transition

5. Meet specific performance metrics and goals
# Enforcement Update

January 27, 2014

Jimmy Cline  
Enforcement Attorney  
jcline.re@spp.org  
501-688-1759

## SPP RE Enforcement Activities

<table>
<thead>
<tr>
<th>December 31, 2013</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>First Quarter</th>
<th>Second Quarter</th>
<th>Third Quarter</th>
<th>Fourth Quarter</th>
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<td>152</td>
<td>254</td>
<td>239</td>
<td>173</td>
<td>56</td>
<td>46</td>
<td>40</td>
<td>47</td>
<td>189</td>
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<tr>
<td>NAVAPS Issued</td>
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<td>10</td>
<td>7</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>NOCV Test to Entity-NERC</td>
<td>8</td>
<td>15</td>
<td>4</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>NOCV BOTCC Approved</td>
<td>7</td>
<td>11</td>
<td>4</td>
<td>1</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

## Settlements

- To NERC for Approval: 0 0 0 0 89 118 52 1 1 2 1 5
- BOTCC Approved: 0 0 0 0 50 81 103 0 12 0 2 14

## Spreadsheet NDP

- To NERC for Approval: 0 0 0 0 16 22 49 3 9 7 24 43
- BOTCC Approved: 0 0 0 0 38 49 22 6 9 28 65

## Find, Fix, Track

- To NERC for Approval: - - - - 43 78 14 27 24 21 86
- BOTCC Approval: - - - - 36 74 17 25 28 25 90

## Dismissals

- To NERC/SPP RE SRT for Approval: 0 0 1 16 75 43 9 11 7 14 41
- NERC/SPP RE SRT Approved: 0 0 1 16 75 43 8 12 7 14 41

## Notice of Penalty / FTTR

- Approved by FERC: 0 5 13 57 180 184 75 37 21 8 141

### Statistics

- Violations Avoided: 4
- Active Violations - Caseload: 186
- Caseload Index (months)*: 8.8

---

* Based on 2012 process rate of 21.1 violations/month.
Enforcement Monthly Violation Processing

Enforcement Caseload – December 31, 2013

- 186 - Open Violations
  - 16 - Joint Settlement w/ Other Regions
    - 1 - NAVAPS
    - 45 - Settlement
    - 85 - Settlement Not Requested (NAVAPS/NOCV)
    - 39 - Administrative Hold
- 58 - 693 Violations
- 128 - CIP Violations
- 61 - High Impact Violations

Discovery Method
- 72 - Audit
- 85 - Self Report
- 16 - Self Certification
- 2 - Spot Check
- 11 - Investigation
High Impact Violation* Summary

- 61 – Open High Impact Violations
  - 1 - NAVAPS
  - 14 - Settlement
  - 4 - Multi Region
  - 16 - Administrative Hold
  - 26 - Disposition Undetermined

- Open High Impact Violations Mitigation Status
  - 20 - Mitigation Plan Complete
  - 15 - Mitigation Plan Accepted
  - 1 - Submitted
  - 0 - Mitigation Plan Work In Progress
  - 25 - Mitigation Plan Initiated (No Action)

*As noted in our 2013 Metrics, High Impact violations are violations with a High Violation Risk Factor (VRF) and the following Medium and Low VRF violations as identified by Compliance staff: COM-002-2 R2, CIP-002-3 R2, CIP-002-3 R3, CIP-005-3a R2, CIP-005-3a R3, CIP-007-3 R2, CIP-007-3 R3, CIP-007-3 R6, and PRC-005 R2. Link to NERC VRF Table [http://www.nerc.com/pa/Stand/Pages/default.aspx](http://www.nerc.com/pa/Stand/Pages/default.aspx)

SPP RE 2013 Violation Dismissals

- Consolidation with another violation ......................... 22
- NERC V3 – V5 Guidance (approach 2) ......................... 2
- Self Report of wrong standard and/or requirement .......... 5
- Provided exculpatory evidence ................................. 3
- Interpreted the standard incorrectly ........................... 9

Total 41
December Mitigation Plan Summary

- Mitigation Plan Status (Dec / Year End)
  - Submitted: 16 / 200
  - Accepted: 18 / 182
  - Certified Complete: 15 / 186
  - Completion Verified: 14 / 180

- Violations with no Mitigation Plans
  - Administrative Hold: 15
  - Work in Progress: 4 (MRRE)
  - Initiated: 66
  - Rejected: 3
  - Awaiting Approval: 1 (MRRE)

Violations Without Mitigation Plans Detail
Violations Without Mitigation Plans Detail

Violations Without Mitigation Plans

<table>
<thead>
<tr>
<th>Status</th>
<th>Non High Impact</th>
<th>High Impact</th>
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</thead>
<tbody>
<tr>
<td>Initiated</td>
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<td>20</td>
</tr>
<tr>
<td>Work In Progress</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Submitted/Not Accepted</td>
<td>3</td>
<td>1</td>
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<tr>
<td>On Hold</td>
<td>10</td>
<td>5</td>
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Violations Without Mitigation Plans Submitted Aging Table

<table>
<thead>
<tr>
<th>Spot Check</th>
<th>0 to 50 Days</th>
<th>51 to 100 Days</th>
<th>101 to 200 Days</th>
<th>201 to 300 Days</th>
<th>&gt; 300 Days</th>
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<td>Self Report</td>
<td>23</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>9</td>
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</tbody>
</table>
Southwest Power Pool
Regional Entity

Jimmy Cline
Enforcement Attorney
jcline.re@spp.org
501-688-1759
CIP Update

SPP RE Trustees Meeting
January 27, 2014

Kevin B. Perry
kperry.re@spp.org · 501.614.3251

Agenda

• FERC Order 791
• CIP Version 5 Transition Study Project
• CIP Version 5 Training
FERC Order 791

- Order approving CIP V5 issued 11/22/2013.
  - Order effective 2/3/2014
  - 4/1/2016 enforcement date for High/Medium impacting BES Cyber Systems
  - 4/1/2017 enforcement date for Low impact BES Cyber Systems (BCS)
  - Elements of 17 requirements have initial compliance dates based upon 4/1/2016 enforcement date.
    - Varies from “on or before the Effective [enforcement] Date” to “Within 24 calendar months after the Effective [enforcement] Date”

FERC Order 791

- Order:
  - Approved technical requirements
  - Approved 19 definitions
  - Approved implementation plan
  - Approved bypass of Version 4
  - Approved, with modifications, VRF / VSL
FERC Order 791

• Order highlights:
  – NERC to submit modified VRF / VSL within 90 days
  – NERC to submit two directed changes and one informational filing within one year
    ▪ Identify, Assess, and Correct language
    ▪ Communications Networks
    ▪ Survey: 15-minute impact clause on BCS identification
  – Two other directed changes do not have specified time frame
    ▪ Low Impact BES Cyber Systems
    ▪ Transitory Devices

FERC Order 791

• Additional Highlights:
  – FERC Staff-led conference within 180 days
    ▪ National Institute Standards & Technology (NIST) Framework for categorizations
    ▪ Communications security
    ▪ Remote access
    ▪ Differences between CIP standards & the NIST framework
  – May produce new or modified directives
Version 5 Transition Study Project

• Total of six participants
  – Westar Energy participating
  – Have waiver from CIP V3 compliance

• Core study team consists of
  – NERC staff
  – Regional staff
  – Participant staff

Version 5 Transition Study Project

• Purpose of the study:
  – Determine compliance and enforcement expectations for the Industry during the transition from v3 to v5.
  – Determine technical challenges or compliance issues that limit effective compliance to the CIP standards.
  – Improve consistency, transparency and awareness of the newly approved CIP standards.
Version 5 Transition Study Project

• Focus on:
  – what methods, approaches, and policies were effective in implementing the technical controls of CIP Version 5
  – what obstacles were encountered
  – what portions of the transition implementation differed from expectations
  – what, if any, Requirements posed particularly difficult challenges
  – what would they do differently with the benefit of hindsight

• Summary report to be issued by NERC at end of study
• Lessons learned posted as available on NERC project website
  http://www.nerc.com/pa/CI/Pages/Transition-Program.aspx
CIP Version 5 Training

• Webinar: Identifying BES Cyber Assets
  – February 19, 2:00-3:00 PM CST
    ▪ Will explain the requirements of CIP-002-5
    ▪ Will describe a BES Cyber System identification approach for registered entity consideration
    ▪ Phones will remain open after 3:00 PM as necessary to answer questions

• SPP RE Spring Workshop
  – February 25, 1:00 – 3:10 (breakout sessions)
  – Multi-team exercise on selected CIP V5 Requirements

• CIP Workshop: June 3-4 in Little Rock or via webcast
SPP RE COMPLIANCE REPORT TO THE SPP RE TRUSTEES
AUSTIN, TEXAS
January 27, 2014

Ron Ciesiel
SPP RE General Manager
[rciesiel.re@spp.org]

PRESENTATION CONTENTS

• Reliability Assurance Initiative (RAI)
• Bulk Electric System [BES] Definition Update
• 2014 Compliance Monitoring Highlights
• Misoperations Report as of 9-30-13
• Most Violated Standards as of 12-31-13
• Facilities Ratings Alert as of 12-31-13
• Vegetation Management Report as of 12-31-13
CURRENT AND FUTURE RELIABILITY ASSURANCE INITIATIVE ACTIVITIES

Four key areas of focus

**Auditor Handbook**
- Working draft excerpts posted
- Training and rollout efforts in 2014

**Prototypes and Pilot Programs**
- Prototypes and pilot programs underway
- Results and lessons learned will be evaluated and serve as inputs into an ERO-wide risk-based auditing approach

**Self-Reporting Improvements**
- Improvements to self-reporting designed and tested in pilot programs
- Pilot programs under evaluation
- IT system improvements are being assessed
- Self-Reporting primer posted for comments

**Find, Fix, Track (FFT) Enhancements**
- FFT enhancements designed and tested in pilot programs
- IT system improvements were assessed in conjunction with Self-Reporting activities
- Process improvements initiated 1-1-14; software improvements to follow
FFT Enhancements – Progress in 2013

• Filed with FERC March 2013; approved June; implemented July
• Broader scope of issues eligible for FFT treatment
  – Issues with mitigating activities not yet complete
  – Limited pool of moderate risk issues
• Additional processing enhancements
  – Posting of FFTs on NERC website instead of FERC filing
  – Elimination of pre-filing review by NERC; replaced with sampling during 60 days after posting
• Positive impact of FFT program on processing time, a lead concern identified by registered entities
  – Average processing time for all violations ~12 months
  – Average processing time for FFTs is six months

Proposed FFT Enhancements for 2014

• Early triage [60 day goal] with off-ramp for minimal risk issues
  – Better overall processing time; earlier certainty regarding processing track or determination
  – More communication between RE and registered entity regarding status during processing
  – Triage implemented 1-1-14; Off-ramp of minor items under software development
• System enhancements to improve intake and eliminate FFT process inconsistencies (i.e., Mitigation Plan requirement)
  – Software (webCDMS) improvements underway
• Self-Report process improvements will result in FFT process improvements since majority of FFTs are Self-Reported/self-identified
Proposed 2014 Self-Reporting Improvements

• Additional guidance on Self-Report process and content
  – ERO user guide for Self-Reports and mitigation
  – Point of contact at RE for additional guidance
  – User guide to posted for comments on January 22nd

• Improved intake form
  – Ability to augment information
  – Ability to cross-reference information already provided
  – Software improvements underway

• Centralized process for multi-region Registered Entities
  – Lead region concept
  – Centralized information collection
  – Recommendation for changes due to ERO management in January

BES DEFINITION UPDATE
BES DEFINITION UPDATE

- Effective date for the revised BES definition is:
  
  July 1, 2014

- ERO-wide BES database and software has been tested by RE staffs and select industry participants & will be available for submittals on July 1, 2014

- National workshops and webinars [4 total] will be presented in 2Q 2014

- SPP RE Webinar will be held in June 2014

- Registered Entities encouraged to continue to create listing of BES elements that no longer meet the revised definition [self-determined list]  

2014 COMPLIANCE MONITORING HIGHLIGHTS
2014 CMEP HIGHLIGHTS

• 2014 Actively Monitored List and SPP RE Audit Scope documents posted [see spp.org / Regional Entity]
  – 2014 AML core list is smaller than 2013
    ▪ SPP RE Audit Scope document and pre-audit review allows for adjustment for any audit scope [plus or minus]

• Audit participants will notice a new entity questionnaire
  – More extensive than prior questionnaires
    ▪ Helps RE with final scoping/risk assessment

• Increased emphasis on pre-audit reviews of evidence
  – Could result in less time on-site; smaller teams

2014 CMEP HIGHLIGHTS [CONT.]

• Continued pre-audit conversations with audited entity concerning desire for outreach activities during audit process

• Reduction of ‘hashing’ requirements for CIP participants
  – Smaller entities – no requirements for hashing
  – Select larger entities – based on agreement between Entity and SPP RE

• More coordinated timing for certain CMEP activities
  – Self Certifications for all REs are moving towards 1st quarter submittals across ERO
2014 CMEP HIGHLIGHTS [CONT.]

- Streamlined TFE process
- Revamped audit report format should result in faster turnaround time from the end of the audit
- Proposed introduction of ‘compliance exception’ finding which would be noted and filed, but not sent into the enforcement process

SPP RE MISOPERATION REPORT
AS OF 3Q 2013
Relay Operational Performance - Success Rate

Operation/Misoperation Comparison
Misoperation Category

- Unnecessary Trip during fault
- Unnecessary Trip other than fault
- Failure to Trip
- Slow Trip
- Still Under Review

Misoperation by Voltage

- <100kV
- 115kV
- 138kV
- 161kV
- 230kV
- 345kV
- 500kV
Causes of Misoperations in SPP RE
1Q 2011 - 3Q 2013

MOST VIOLATED STANDARDS AS OF
12-31-13
## Most Violated Standards

Based on rolling 12 months through 12/31/13 [Represents ~ 80% of total violations]

<table>
<thead>
<tr>
<th>SPP RE Rank</th>
<th>NERC 12 Month Rank*</th>
<th>Standard</th>
<th>Description</th>
<th>Number Violations</th>
<th>Risk Factor</th>
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<td>CIP-007</td>
<td>Systems Security Management (HI)</td>
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<td>Med./Lower</td>
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<td>2</td>
<td>3</td>
<td>CIP-005</td>
<td>Electronic Security Perimeters (HI)</td>
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<td>Med./Lower</td>
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<td>3</td>
<td>2</td>
<td>CIP-006</td>
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<td>PRC-005</td>
<td>Protection System Maintenance (HI)</td>
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<td>5</td>
<td>10</td>
<td>FAC-009</td>
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<td>CIP-003</td>
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<td>CIP-004</td>
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<td>**</td>
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<td>PRC-008</td>
<td>UFLS Relay Maintenance</td>
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<td>Medium</td>
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</tbody>
</table>

* NERC Report Q2 2013  
** Not in NERC Rolling 12 month Top Ten  
(HI) Standards in RED include requirements designated as High Impact Violations

---

**FACILITIES RATINGS ALERT UPDATE**
Facilities Ratings Alert Update

• All evaluations were to be completed by 12-31-13
  - Unless under an extension request

• Year-end reports were due to SPP RE by 1-15-14
  - Several entities have not submitted reports and have been contacted concerning late reporting

• Remediation of ratings discrepancies to be completed within one year of discovery or end of 2014, whichever is earlier
  - Unless under an extension request

VEGETATION MANAGEMENT REPORT
AS OF DECEMBER 31, 2013
VEGETATION MANAGEMENT REPORT

- No reportable contacts in the SPP RE footprint for the 4th quarter of 2013
- 3rd Quarter in a row without a reportable incident

Outreach

- One new video posted to video training webpage:
  - Internal Controls: Registered Entity Perspectives
- Webinars
  - Feb. 19, 2:00 CST CIP-002-5 BES Cyber System Identification
- SPP RE Compliance Workshop
  - Feb. 25-26, Dallas Registration and materials
- RTO Compliance Forum
  - Feb. 26-27 Registration and materials
- CIP Compliance Workshop
  - June 3-5, Little Rock Registration
SPP Regional Events (Jan 1 – December 31)

- 22 total events, 13 Category 1 Events analyzed via NERC’s Event Analysis process
  - Six Category 1a. Events “An unexpected outage of three or more BPS facilities caused by a common disturbance
  - Two Category 1f. Events “ Unplanned evacuation from a control center facility with BPS SCADA functionality for 30 minutes or more.
  - Five Category 1h. Events “Loss of monitoring or control, at a control center, such that it significantly affects the entity’s ability to make operating decisions for 30 continuous minutes or more.
SPP Regional Events (October 1–December 31)

- 8 total events, 7 Category 1 Events analyzed via NERC’s Event Analysis process
  - Category 1h Event (16) involved the loss of Real-Time Contingency Analysis.
  - Category 1h Event (17) involved the loss of the State Estimator.
  - Category 1a Event (18) caused by slow breaker initiating a breaker fail scheme to initiate.

SPP Regional Events (October 1–December 31)

- Category 1a Event (19) Potential Transformer caused a bus to clear.
- Category 1h event (20) involved the loss of the State Estimator due to a failed process.
- Category 1a Event (21) Ice caused a bus differential to clear the Bus.
- Category 1h Event (22) EMS vendor code caused loss of AGC (Automatic Generation Control)
Loss of RTCA (Events 16 and 17)

- Generator incorrectly modeled in an external area
  - ICCP data was not configured at the generator location
  - RTCA down for 46 minutes
  - RTCA returned once the P and Q mismatch was corrected
  - Same company Loss State Estimator two weeks later due to loss of ICCP link
  - Modeling mismatch cause loss of ICCP link

Breaker slow to trip (Event 18)

- Lightning strike caused 69 KV circuit to initiate trip.
  - 69 KV breaker slow to trip causing breaker fail to initiate.
  - Two back up breakers failed to open due to loss of carrier.
  - One 345/138KV and two 138/69 KV transformers tripped

- Event is scheduled to be cause coded January 28
Failed Potential Transformer Event (19)

- 115 KV PT experienced a catastrophic failure
  - Bus differential failed to clear the bus
  - Seven 115 KV transmission lines lost
  - Approximately 20,000 customers were lost and 102 MW of load

Loss of State Estimator (Event 20)

- Vendor Process on ICCP machine crashed causing the loss of State Estimator
  - SCADA data not available for State Estimator
  - Standby Machine failed over allowing the State Estimator to solve
  - State Estimator down for 35 min
ICE Storm Cause loss of Bus (Event 21)

- Company was experiencing a heavy ice storm prior to the event
  - A bus differential trip was triggered on the 138 KV bus
  - Sixteen breakers tripped due to bus differential action
  - 37 MW of generation was loss

Loss of AGC (Event 22)

- Vendor software contained calculation error causing the loss of AGC functionality
  - One hour after the loss of the AGC the State Estimator and RTCA failed to solve
  - AGC functionality was down for approximately 4 hours
  - Vendor sent patch to company and other companies with same EMS software.
Lesson Learned

- Lesson Learned added to SPPRE website in December
  - “EMS database Corruption Cause Loss of AGC (Automatic Generation Control)”

January 5-7 2014 cold snap Comparison to February 2011 Winter Event in SPP Region

- January 5-6 2014 low temperature in SPP Region
  - -13 below zero
  - 2-4 inches snow in northern part of Region
- February 2011 low temperature in SPP Region
  - -8 below zero
  - up to 18 inches of snow in some areas
- Three companies declared EEAs in February 2011
- One company declared EEA-2 in January 2014
January 5th-7th 2014 cold snap Comparison to February 2011 Winter Event in SPP Region

- Of the three regional companies that declared EEAs in February 2011, one company lost two units in January 2014
- 28 units forced out or de-rated February 1 - 5 2011
- 16 units forced out or derated January 5-7 2014

EOP-004-2 Notification Submittal Forms

NERC EOP-004 trigger
NERC Preliminary Report → NERC Attachment 1

DOE Disturbance trigger → DOE-417 Form

NERC EOP-004 Trigger and
DOE Disturbance trigger
Links

- SPP RE Event Analysis Webpage
  http://www.spp.org/section.asp?pageID=142
- Event Analysis Process Documents
- SPP Lessons Learned
- NERC Lessons Learned
- Winter Weather Readiness Reliability Guide
- February 2011 Winter Weather Event Report
• The PC approved the “Performance of Variable Resources During and After System Disturbance – Voltage and Frequency Ride-Through Requirements.” The report highlights potential reliability issues with high penetrations of distributed variable energy resources (i.e. solar photovoltaic installation on distribution systems). An existing IEEE standard requires these resources to trip off-line for voltage and frequency excursions. For areas with high penetrations of distributed variable/renewable generation, this could exacerbate frequency and voltage issues during contingent conditions. NERC will provide the report to IEEE and calls for NERC staff and industry planning and operations experts to work with IEEE to consider BES reliability during the standard update process as it relates to contingency ride capabilities. The report is available at: 2013 Special Reliability Assessment: Performance of Variable Resources During and After System Disturbance Voltage and Frequency Ride-Through Requirements

• The PC approved the Geomagnetic Disturbance (GMD) Planning Application Guide and the Geomagnetically-Induced Current (GIC) Application Guide.
  
  o The GMD Planning Application Guide document “provides guidance on how to carry out system assessment studies” that considers the effects of GMD. This includes identifying the types of studies, necessary tools and resources that Entities should be used to perform the studies.
  

  o The GIC Application Guide “explains the theoretical background behind calculating GIC. The reference guide describes the assumptions and techniques used in simulation tools.
  

• The PC approved the revision of five Adequate Level of Reliability (ALR) metrics, retirement of two ALR metrics that were rolled into existing metrics and a revision to the Severity Risk Index (SRI).
  
  o The first revised metric tracks the magnitude and duration of the load loss during bulk power system events.
  
  o The second revised metric tracks the duration when system facilities loading exceed an IROL.
  
  o The third revised metric tracks the percent of correct Protection System operations as function of all Protection System operations.
The fourth revised metric tracks the number and duration of EEA alerts on a quarterly basis and the unserved energy related to EEA3 events.

The fifth and final revised metric tracks transmission system element availability for facilities operated 200 kV and above.

An adjustment to the SRI, to factor in load loss due to transmission events and distribution events only, which will better track bulk power system reliability. This helps reduce the impact on the metric from severe weather events such as hurricanes, which have disproportionately higher impact the distribution system.

The PC passed a motion requesting the Modeling Working Group (MWG) proceed with plans and timeline development to identify and quantify the costs and benefits from converting planning models to node-breaker representation.

The motion emphasized that standards should not be developed.

The plan calls for a small-scale pilot and a complete transition to node breaker models by December 2017.

The MWG also presented a plan to develop standardized component models to improve model accuracy for interconnection-wide power flow and dynamics models. The goal is to post the models for industry review by the first quarter 2015 and to finalize the models by the second quarter 2015.

The MWG presented a proposal in response to Recommendation #16 of the 2011 Southwest Outage Report, to develop a change management process that requires Generation Owners and Transmission Owners to notify their Transmission Planners, Transmission Operators, Reliability Coordinators, Balancing Authorities and Planning Coordinators for any changes/modifications made to their system. The recommendation addresses and resolves discrepancies between planning and real-time models used for real-time contingency analysis.

The PC approved a report that recommends the inclusion of sudden pressure relays in standard PRC-005. This report/recommendation is in response to a FERC directive for including relays that respond to non-electrical quantities. The report identifies that sudden pressure relays for transformers and oil-filled reactors should be included in PRC-005 with a maximum maintenance interval of six years. The report also recommends that the maintenance and testing of the actuator device and control circuitry for these relays be included.

The NERC System Protection and Control Subcommittee (SPCS) developed a lesson learned on verification of AC quantities during Protection System commissioning. They will coordinate with NERC staff for publishing.
• The North American Synchrophasor Initiative (NASPI) provided an update on their work promoting the installation and use of phasor measurement units (PMU). Almost 1700 PMUs have been installed since 2009 and have largely been funded by $400 million from the American Reinvestment and Recovery Act of 2009 and matching private sector funds. Successful uses of PMUs include wide-area visualization, oscillation detection, phase angle monitoring, operating training, state estimator improvements, model validation, manage transmission transfer capability and limits, and fault location and analysis.

• The PC approved modifications to the 2014 LTRA (and beyond) and seasonal data requests. Enhancements include modifications to the supply category terms. The refinements add three tiers for clarity in categorizing existing and planned resources. Future Resource Tiers:
  o Tier 1: (100% counted towards Anticipated Reserve Margin): In order for a unit to fall in Tier 1, at least one of the following requirements must be met:
    ▪ Resource construction is underway or complete (not in commercial operation)
    ▪ Resource has been issued an approved power purchase agreement (PPA)
    ▪ Resource has been designated or approved by a market operator and an Interconnection Service Agreement has been signed
    ▪ Resource has been specifically included in an integrated resource plan or under a regulatory environment that mandates a resource adequacy requirement
    ▪ Resource has been identified by a load-serving entity (LSE) to meet the obligation to serve load
  o Tier 2: (50% counted towards Adjusted-Potential Reserve Margin): In order for a unit to fall in Tier 2, at least one of the following requirements must be met:
    ▪ All regulatory approvals, including those for inclusion in the rate base have been requested
    ▪ A power purchase agreement (PPA) has been requested
  o Tier 3: (10% counted towards Adjusted-Potential Reserve Margin): All other units that do not meet the requirements of Tier 2.
Introduction

NERC conducted its second continent-wide tabletop exercise of grid security, known as GridEx II, on November 13-14, 2013. Participation was widespread through the electrical industry, government and academic players and other stakeholders across North America. Well over 200 entities participated in the event, including 110 utilities, 14 RTO/ISOs, all eight Regional Entities, and 86 other organizations from government, academia, etc.

Summary of Activities

Four entities in the SPP Region participated in this tabletop exercise as Full Player organizations, and seven others participated as Monitor and Respond organizations.

Full Player organizations included:

- American Electric Power (AEP),
- Arkansas Electric Cooperative Corporation (AECC),
- Kansas City Power and Light (KCPL), and
- Southwest Power Pool (SPP)

Monitor and Respond organizations included:

- Western Farmers Electric Cooperative (WFEC),
- Oklahoma Gas and Electric (OG+E),
- Kansas City Board of Public Utilities (KCBPU),
- Westar Energy,
- Lincoln Electric System (LES),
- Nebraska Public Power District (NPPD), and
- Omaha Public Power District (OPPD).

The SPP CIP Working Group (CIPWG) participated in GridEx II through the SPP CIPWG GridEx Task Force (GETF), which met frequently leading up to the exercise. Members discussed plans for participating, shared custom scenario material, and reviewed exercise planning material received from NERC. Several options for exercise coordination were discussed. An in-person session and open call during the exercise were not seen to provide value and would distract each participant from the activities at their location. Specific injects, or pieces of information meant to further the scenario for the exercise (e.g. simulated messages, events, etc.), were developed to call together the GETF participants at breaks in the exercise to discuss the events, player responses, and other items of note as the exercise progressed. These quick calls
provided a good opportunity for communication and coordination during the exercise, without distracting from each entity's local activities.

GETF participants worked with local FBI, DHS, and Fusion Center participants and national resources such as the ES-ISAC, BPSA and others as needed and as required by the exercise.

**Observations and Lessons Learned**

1. Regional communication and conference calls during the exercise were valuable to participating Members.
2. More local/regional injects would make for a more valuable exercise.
3. SPP Members need to do more security-related information-sharing, both in day-to-day operations, as well as in real-time, should a security-related incident occur.
4. Consider establishing an SPP Members Only conference bridge and/or secure chat channel that could be used in regional security-related emergency situations to improve situational awareness.
5. Consider conducting a joint SPP Members’ exercise sometime during off-GridEx years. This would occur during even-numbered years, since GridEx occurs in odd-numbered years.

**Action Items**

1. Two members (WFEC and AECC) will present their experiences to the SPP CIPWG.
2. CIPWG will explore the opportunity to conduct SPP Members-only exercises between GridEx exercises, including resources required, projected costs, timeframe, etc.

**Summary**

The NERC Grid Exercise provided participating SPP Members with a valuable opportunity to coordinate activities, test response plans, and improve responses to events within our Region. A similar SPP regional exercise in intervening years could potentially:

- Improve regional emergency response efforts,
- Improve overall SPP Member communication, and
- Provide an opportunity for SPP Members to satisfy regulatory requirements for annual exercises
SPP RE Metrics Reporting As of December 31, 2013

1. High Impact
   - Accept MP or issue NAVAPS at avg. of <= 105 days
   - Current Avg. Days = 98.15

2. Maintain Caseload
   - Yr. Passed vs. Caseload Complete
   - Total: 175
   - FFT: 87, Settle: 47, Dismiss: 41, NOCV: 0
   - Yr. Passed: 100.00%
   - Caseload Complete: 104.17%

3. Mit. Accept/Reject
   - Accept/Reject Mit Plans w/in 30 days
   - Current Avg. Days = 9.71
   - Metric Eligibility = 104.00%

4. Mit. Plan Completion
   - Complete Mitigation reviews <= 30 days
   - Current Avg. Days = 9.75
   - Metric Eligibility = 100.00%

5. Milestones
   - Review Milestones w/in 30 days of qrtr. ending
   - Current Avg. Days = 9.71

6. Documentation Close Out
   - Close Out 75% of all Closed Violations.
   - % of year passed based on 75% target
   - % of closed violations closed out
   - Current Avg. Days = 55
   - Current Avg. Days = 75
   - Current Avg. Days = 90

7. Publish Off-Site Audit
   - Publish Off-site w/in 55 days
   - Current Avg. Days = 31

8. Publish On-Site Audit
   - Publish On-site Audit w/in 75 days
   - Current Avg. Days = 51

9. Publish Spot Checks
   - Publish Spot Checks w/in 90 days
   - Current Avg. Days = 22

10. Publish: Excep., PDS, Self-cert
    - Publish reports w/in allotted timeframe 95% of time or greater
    - Notify NERC of new violations w/in 5 business days
    - Current Avg. Days = 2.95

    - Publish reports w/in allotted timeframe 95% of time or greater
    - Notify NERC of new violations w/in 5 business days
    - Current Avg. Days = 2.95

12. Reduce Cash Costs
    - 10% reduction below estimated audit costs
    - Current Percentage of Estimated Costs based on All Reported Costs:
      - X < -5%
      - -10% < X < -5% x < -10%
      - 0 - 87%
      - 87.10%
      - 90%
      - >90%
      - Goal 1.63%

13. Maintain/Increase Misop Success
    - 90% success rate or greater over rolling 4 quarter avg.
    - Current Success Rate: 87.10%

14. Cause Code Success Rate
    - Achieve 90% success rate in Cause Coding Events
    - Current Success Rate: 100.00%

15. Issue Reliability Assmpt.
    - Issue 100% of assessments on time
    - On Time?
      - "Y" or "N":
        - Summer: Y
        - TRA: Y
        - Winter: Y

16. Outreach
    - Conduct 3 Workshops, 9 webinars, and 12 newsletter in '13
    - Goal: 3, Completed: 12
# 2013 Staff Goals and Metrics Performance

January 27, 2014

Ron Ciesiel  
SPP RE General Manager

## 2013 Goals and Metrics Performance

<table>
<thead>
<tr>
<th>Metric</th>
<th>Goal</th>
<th>Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expedite mitigation of High Impact Violations</td>
<td>105 days to mitigation plan (MP) acceptance</td>
<td>104.57%</td>
</tr>
<tr>
<td>Process 2012 year-end caseload within 2013</td>
<td>100% of 2012 caseload</td>
<td>104.17%</td>
</tr>
<tr>
<td>Accept/reject MPs within 30 days of submission</td>
<td>100%</td>
<td>91.67%</td>
</tr>
<tr>
<td>Review MPs for completion within 30 days of entity's notice of completion</td>
<td>100%</td>
<td>150%</td>
</tr>
<tr>
<td>Review MP milestones for completion within 30 days of quarter's end</td>
<td>100%</td>
<td>120%</td>
</tr>
</tbody>
</table>
## 2013 Goals and Metrics Performance

<table>
<thead>
<tr>
<th>Metric</th>
<th>Goal</th>
<th>Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complete documentation close-out of all closed violations (new)</td>
<td>75% of backlog</td>
<td>108.83%</td>
</tr>
<tr>
<td>Publish off-site audit reports</td>
<td>55 days</td>
<td>120%</td>
</tr>
<tr>
<td>Publish on-site audit reports</td>
<td>75 days</td>
<td>120%</td>
</tr>
<tr>
<td>Publish Spot Check reports</td>
<td>90 days</td>
<td>120%</td>
</tr>
<tr>
<td>Publish assessment of self-certification, exception reporting, periodic data submittals on time</td>
<td>95%</td>
<td>110%</td>
</tr>
<tr>
<td>Notify NERC of incoming violations</td>
<td>5 days</td>
<td>110%</td>
</tr>
</tbody>
</table>

## 2013 Goals and Metrics Performance

<table>
<thead>
<tr>
<th>Metric</th>
<th>Goal</th>
<th>Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce average audit costs for contractors &amp; travel</td>
<td>10% reduction</td>
<td>0%</td>
</tr>
<tr>
<td>Maintain or improve relay operations success rate</td>
<td>90%</td>
<td>80.66%</td>
</tr>
<tr>
<td>Proper cause coding of events in SPP RE footprint (new)</td>
<td>90%</td>
<td>150%</td>
</tr>
<tr>
<td>Issue reliability assessments on time (new)</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Outreach production activities (new)</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>
2013 Goals and Metrics Performance

- Overall:
  - Achieved 104.36% of the 100% Target

Questions or Comments?

Ron Ciesiel  
rciesiel.re@spp.org  
501-614-3265
SPP RE 2014 Staff Goals and Metrics

January 27, 2014
Ron Ciesiel
SPP RE General Manager

Goals and Metrics Development

- Support NERC ERO Performance Metrics
- Support NERC Internal Business Goals
- Reflect Anticipated Changes in Workload/Caseload
- More Mature and Experienced Staff
- Staffing Changes
- Anticipated Process Changes
- Elimination of Metrics No Longer Necessary
- Additional Metrics to Support New Initiatives
### 2014 Goals and Metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>Goal</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expedite mitigation of High Impact Violations</td>
<td>100 days to Mitigation Plan acceptance</td>
<td>10%</td>
</tr>
<tr>
<td>Process 2013 year-end caseload within 2014</td>
<td>100% of 2013 caseload</td>
<td>10%</td>
</tr>
<tr>
<td>Accept/reject Mitigation Plans within 30 days of submission</td>
<td>100%</td>
<td>5%</td>
</tr>
<tr>
<td>Review Mitigation Plans for completion within 25 days</td>
<td>100%</td>
<td>5%</td>
</tr>
<tr>
<td>Process Pre-2013 Violations (new)</td>
<td>100% of all Pre-2013 Violations</td>
<td>7.5%</td>
</tr>
<tr>
<td>Triage all Incoming Violations within 60 days (new)</td>
<td>100% of 2014 Violations</td>
<td>5%</td>
</tr>
</tbody>
</table>

### 2014 Goals and Metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>Goal</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complete documentation close-out of 2014 violations within 60 days</td>
<td>100%</td>
<td>5%</td>
</tr>
<tr>
<td>Publish off-site audit reports</td>
<td>50 days</td>
<td>7.5%</td>
</tr>
<tr>
<td>Publish on-site audit reports</td>
<td>70 days</td>
<td>7.5%</td>
</tr>
<tr>
<td>Review/Assess registration and deactivation requests within 10 days (new)</td>
<td>10 days</td>
<td>5%</td>
</tr>
<tr>
<td>Publish assessment of self certifications and periodic data submittals by due date</td>
<td>100%</td>
<td>5%</td>
</tr>
<tr>
<td>Notify NERC of incoming violations</td>
<td>5 days</td>
<td>5%</td>
</tr>
</tbody>
</table>
2014 Goals and Metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>Goal</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control average audit costs for contractors &amp; travel</td>
<td>2013 Adjusted</td>
<td>10%</td>
</tr>
<tr>
<td>Maintain or improve relay operations success rate</td>
<td>87%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Proper cause coding of events in SPP RE footprint</td>
<td>90%</td>
<td>5%</td>
</tr>
<tr>
<td>Outreach production activities</td>
<td>100%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Overall 2014 Goals and Metrics

• Benefit Registered Entities by:
  – Providing timely processing of audit results and enforcement actions
  – Helping them return to compliance as soon as possible
  – Encouraging most efficient/effective use of SPP RE’s tools and resources
  – Focusing SPP RE staff on specific performance targets

• Successfully meeting all goals should positively impact BES reliability
Questions or Comments?

Ron Ciesiel
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1. **Expedite mitigation of High Impact (HI) Violations**

**Objective:**
Encourage Registered Entities to mitigate HI violations as soon as possible.

The Enforcement staff identifies HI violations based on the intersection of the risk determination\(^1\) and the assigned Violation Risk Factor (“VRF”).

<table>
<thead>
<tr>
<th>Risk Determination</th>
<th>VRF</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lower</td>
</tr>
<tr>
<td>Minimal</td>
<td></td>
</tr>
<tr>
<td>Moderate</td>
<td></td>
</tr>
<tr>
<td>Severe</td>
<td>X</td>
</tr>
</tbody>
</table>

Enforcement shall fast track HI violations to ensure they are mitigated as soon as possible. To accomplish this metric, Enforcement will solicit the submission of an acceptable Mitigation Plan, issue a Notice of Alleged Violation or Proposed Penalty or Sanction (“NAVAPS”), or issue a remedial action directive within 100 days of receiving the possible violation from the Compliance staff.\(^2,3\)

**Measure:**
Average number of days to MP Acceptance, issuance of a NAVAPS, or issuance of a Remedial Action Directive from receipt by Enforcement for all HI violations.

(As applicable, the date of MP acceptance, issuance of a remedial action directive, or issuance of the NAVAPS) – (the date the HI violation is sent to Enforcement) = days

<table>
<thead>
<tr>
<th>Performance contribution</th>
<th>80%</th>
<th>100%</th>
<th>150%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average number of days</td>
<td>115</td>
<td>100</td>
<td>70</td>
</tr>
</tbody>
</table>

**Weight:** 10%

**Comments:**

i. A review of the HI violations processed in 2013 showed that a substantial number of these violations did not pose a substantial risk to the Bulk Electric System (“BES”). SPP RE proposes to modify the 2014 HI metric to ensure the HI designation is assigned to those violations that pose a substantive risk to the BES.

ii. The average days for each performance contribution were reduced by 5 days to reflect improvements in efficiency.

iii. This metric is aligned with and supports the **ERO Enterprise Performance Metric 3: Risk Mitigation Effectiveness** which is designed to identify, select, and mitigate high priority risks. Additionally, the metric directly supports the **ERO Enterprise Performance Metric 4: Program Execution Effectiveness, Sub metric F**, which is aimed at improving the mitigation aging curve.

---

\(^1\) The initial risk determination will be made during the hand-off meeting between the Enforcement staff and Compliance staff following the Preliminary Screen.

\(^2\) HI violations may be exempted from HI treatment with Sanction Review Team approval.

\(^3\) HI violations without an accepted mitigation plan, issuance of a remedial action directive, or issuance of a NAVAPS on 1/1/14 will be included in the 2014 metric.
2. **Maintain caseload of no more than one year**

**Objective:** Maintain 2014 violation processing capability and efficiency to achieve a one-year caseload by 1/1/15.

As of 12/31/13, the SPP RE caseload is 186 violations. To achieve the metric, in 2014 SPP RE will send to NERC completed dispositions (i.e. compliance exceptions, settlements, Notice of Confirmed Violations (“NOCV”), Find Fix & Track (“FFT”), Spreadsheet Notice of Penalty, dismissals, and NAVAPS\(^4\)) equivalent to 100% of the 12/31/13, Enforcement caseload.

**Measure:**

\[
\frac{\text{Number of completed dispositions}}{\text{caseload on 12/31/13}} = \text{percent caseload completed}
\]

<table>
<thead>
<tr>
<th>Performance contribution</th>
<th>80%</th>
<th>100%</th>
<th>120%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent completed</td>
<td>80%</td>
<td>100%</td>
<td>120%</td>
</tr>
</tbody>
</table>

**Weight:** 10%

**Comments:**

i. The weighting was changed from 15% to 10% to reflect the addition of metric 5, which also relates to the completion of violation dispositions in 2014.

ii. This metric is aligned with and directly supports the **ERO Enterprise Performance Metric 4: Program Execution Effectiveness, Sub Metric D**, which is related to reducing the violation caseload and the time required to process violations.

3. **Accept or reject Mitigation Plans within 30 days of submission by the Registered Entity**

**Objective:**
To accept submitted mitigation plans (“MP”) in accordance with Compliance Management Enforcement Program (“CMEP”) requirements

**Measure:**

\[
\frac{\text{(number of MPs accepted or rejected in } \leq 30 \text{ days in a month})}{\text{(number of MPs submitted in the month})} = \text{percent MPs accepted/rejected } \leq 30 \text{ days each month}
\]

\[
\text{accept/rejected days} = (\text{“submitted on date” in webCDMS}) - (\text{“date accepted by region on” or “date rejected by region on” in webCDMS})
\]

(2) average number of days to accept or reject mitigation plans

To be able to calculate the metric in January 2014, the metric applies to all MPs submitted between 12/1/13 and 11/30/14.

<table>
<thead>
<tr>
<th>Contribution(^5)</th>
<th>(\sum)Months where 100% MPs accepted/rejected (\leq 30) days/12 *100%</th>
<th>Enforcement must achieve a 100% success rate for acceptance/rejection (\leq 30) days in 2014 before becoming eligible for a performance contribution above 100%.</th>
<th>150%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goal</strong></td>
<td>100% MPs accepted/rejected (\leq 30) days / month</td>
<td>Average number of days to accept/reject (\leq 20)</td>
<td>150%</td>
</tr>
</tbody>
</table>

\(^4\) The number of dismissals shall include those dismissals not requiring NERC approval but approved by the SRT. Disposition will include those violations presently on hold for which NERC has directed the REs to issue NAVAPS.

\(^5\) The 100% performance contribution is based on the number of months 100% of submitted mps are accepted/rejected within 30 days. For example, if Enforcement accepted/rejected 100% of the mps submitted within 30 days for 11 of 12 months in 2013 then the performance contribution would equal 11/12 x 100% or 91.6%. The 120% performance contribution is determined on an annual basis and is not available unless Enforcement achieves 100% mps accepted/rejected within 30 days for all 12 months.
Weight: 5.0 %

Comments: i. This metric is aligned with CMEP requirements and supports the ERO Enterprise Performance Metric 4: Program Execution Effectiveness, Sub Metric F, aimed at improving the mitigation aging curve.

4. **Complete Mitigation Plan completion reviews within 25 days of Registered Entity notification of completion**

Objective: To complete the review of MP completions in accordance with SPP RE requirements.

Measure: Average MP completion review days

Days = ("certification received by region on" date in webCDMS) – ("mitigation verified on" date in webCDMS)

<table>
<thead>
<tr>
<th>Performance Contribution</th>
<th>50%</th>
<th>100%</th>
<th>150%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avg. days for review of MP completion</td>
<td>35</td>
<td>25</td>
<td>15</td>
</tr>
</tbody>
</table>

Weight: 5.0%

Comments: i. The average days for each performance contribution was reduced by 5 days. The changes were made to reflect the historical performance of the SPP RE Enforcement staff and projected manpower availability.

ii. This Metric directly supports the ERO Enterprise Performance Metric 4: Program Execution Effectiveness, Sub Metric F, aimed at improving the mitigation aging curve.

5. **Process pre-2013 violations and send to NERC by 11/20/14.**

Objective: To ensure older violations are processed in a timely manner.

Measure: 

\[
\frac{\text{number of pre-2013 violation processed by 11/20/14}}{\text{number of pre-2013 violation in the Enforcement caseload}}
\]

<table>
<thead>
<tr>
<th>Performance contribution</th>
<th>50%</th>
<th>75%</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent sent to NERC</td>
<td>80%</td>
<td>90%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Weight: 7.5 %

Comments: i. This metric is aligned with a metric NERC established for its Enforcement staff. NERC’s goal is to ensure the timely processing of violations. SPP RE Enforcement is required to report to NERC monthly the status of violations older than the prior year. This metric adds an age component to the violations that SPP RE Enforcement must process in 2014.

6 FFT, Spreadsheet NOP, and Full NOP violations must be filed with NERC. For dismissals the Letter of Dismissal must be sent to NERC. This metric does not include violations on hold at NERC’s direction.

7 Multi-region pre-2013 violations where SPP RE is not the lead are not included in the metric
ii. This metric is also aligned with and supports the *ERO Enterprise Performance Metric 4: Program Execution Effectiveness, Sub Metric D*, which is related to reducing the violation caseload and time required to process violations.

6. **Complete incoming possible violation triage within 60 days of Compliance staff sending the possible violation to Enforcement**

**Objective:** To improve the speed and efficiency of the Enforcement process, SPP RE will determine the proposed disposition method for incoming violations and provide the Registered Entity with a Notice of Possible Violation or issue a compliance exception within 60 days of Compliance staff sending the possible violation to Enforcement, i.e., completion of the Preliminary Screen.

**Measure:**

\[ \sum ((\text{date violation triage complete})^8 - (\text{date the violation was sent to Enforcement})) / (\text{violations sent to Enforcement between 1/1/14 and 11/1/14}) = \text{average days to complete violation triage} \]

<table>
<thead>
<tr>
<th>Performance Contribution</th>
<th>80%</th>
<th>100%</th>
<th>150%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average triage completion (days)</td>
<td>75</td>
<td>60</td>
<td>45</td>
</tr>
</tbody>
</table>

**Weight:** 5 %

**Comments:**

i. This metric is aligned with the *Self-Report Improvements and FFT Enhancements* NERC has identified in the Reliability Assurance Initiative (“RAI”) Project. NERC’s goal is to improve efficiency and reduce the processing burden associated with minimal and moderate risk violations. Although SPP RE is not participating in a pilot project, this metric puts in place one aspect of the *Self-Report Improvement and FFT Enhancements* project designed to improve the enforcement process flow and communications with Registered Entities.

ii. This metric also supports the *ERO Enterprise Performance Metric 4: Program Execution Effectiveness, Sub Metric G*, which is related to implementation of the RAI reforms.

---

\(^8\) Violation triage is complete the earlier of the date the issuance of a compliance exception letter, Notice of Possible Violation or a Letter of Dismissal is sent to the Registered Entity.
7. **Complete documentation close-out of all violations within 60 days of issuance of the Notice of Completion of Enforcement Action.**

**Objective:** To ensure Enforcement case records and webCDMS are complete and include all documentation necessary to support the processing of a violation.

**Measure:** Violation documentation close-out has successfully occurred when:

1. SPP RE File Clerk has synced a Notice of Completion of Enforcement Action (“NCEA”) to NERC, causing the violation status to shift to “closed” status within webCDMS.
2. Case Manager reviews the Violation Case Record and the Case Record folder is complete.
3. Substantive and relevant violation documentation has been copied to the violation Enforcement Docket folder and the folder is complete.
4. Documents required for sync with NERC have been uploaded to webCDMS.
5. webCDMS data fields have been completed and verified as accurate.
6. SPP RE File Clerk signs a Certification of Case Record Close-Out and saves the certification to the Enforcement Docket folder.

Percent completed violation documentation closed-out within 60 days of NCEA = \( \frac{\text{Total number of violations with documentation close-out completed } \leq 60 \text{ Days}}{\text{Total number of violations closed as of 11/1/14}} \)

<table>
<thead>
<tr>
<th>Performance contribution</th>
<th>80%</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent violation documentation close-out completed within 60 days</td>
<td>80%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Weight:** 5 %

**Comments:**

i. This metric is a continuation of the 2013 metric but has been modified to only address violations closed during 2014. Because Enforcement has substantially completed the backfill of information and documentation in webCDMS and the Enforcement Docket, this metric was changed to reflect the ongoing need to properly close-out violations once the NCEA has been issued.

ii. The weighting was reduced from 7.5% to 5% to reflect the importance of the metric in relation to other metrics.

iii. The upper-end performance contribution was eliminated since no significant benefit is derived from completing the violation close-out of violation in less than 60 days.

iv. This metric indirectly supports *ERO Enterprise Performance Metric 4: Program Execution Effectiveness, Sub metric K*, related to stakeholder satisfaction and perception by supporting the speedy close-out of violations.

---

9 A violation is closed when the NCEA is issued. For metric purposes, the closed violations subject to the metric will be derived from the NCEA’s issued between 1/1/14 and 11/1/14.
8. **Publish non-public off-site audit report to NERC**

**Objective:** To ensure non-public off-site audit reports are issued in a timely manner.

**Measure:** Average number of calendar days as measured from the last day of the audit to submission of the non-public audit report to NERC.

<table>
<thead>
<tr>
<th>Performance contribution</th>
<th>80%</th>
<th>100%</th>
<th>120%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average number of days</strong></td>
<td>55</td>
<td>50</td>
<td>45</td>
</tr>
</tbody>
</table>

**Weight:** 7.5%

**Comments:**

i. The average number of days associated with the 80% and 100% performance contribution were reduced by 5 days. Additionally, the weighting was reduced to 7.5% from 10%. The changes were made to reflect historical performance and changes in the audit report requirements.

ii. This metric indirectly supports the *ERO Enterprise Performance Metric 4: Program Execution Effectiveness, Sub metric D*, which is related to the transparency and timeliness of compliance results.

9. **Publish non-public on-site audit report to NERC**

**Objective:** To ensure non-public on-site audit reports are issued in a timely manner.

**Measure:** Average number of calendar days as measured from last day of the audit to submission of the non-public audit report to NERC.

<table>
<thead>
<tr>
<th>Performance contribution</th>
<th>80%</th>
<th>100%</th>
<th>120%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average number of days</strong></td>
<td>80</td>
<td>70</td>
<td>60</td>
</tr>
</tbody>
</table>

**Weight:** 7.5%

**Comments:**

i. The number of days associated with the 100% and 120% performance contribution were reduced by 5 days. Additionally, the weighting was reduced to 7.5% from 10%. The changes were made to reflect historical performance and changes in the audit report requirements.

ii. This metric indirectly supports the *ERO Enterprise Performance Metric 4: Program Execution Effectiveness, Sub metric D*, which is related to the transparency and timeliness of compliance results.
10. **Review and issue determination for BES registration and deactivation requests**

**Objective:** To ensure new registration and deactivation requests submitted are reviewed and issued in a timely manner.\(^{10}\)

**Measure:** Average number of business days from SPP RE’s receipt of completed forms, including one-lines and all requested supporting data, to notifying the Registered Entity of the registration/deactivation decision.

<table>
<thead>
<tr>
<th>Performance contribution</th>
<th>80%</th>
<th>100%</th>
<th>120%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average number of days</td>
<td>15</td>
<td>10</td>
<td>5</td>
</tr>
</tbody>
</table>

**Weight:** 5%

**Comments:**

i. This is a new metric to address anticipated Registered Entity requests for registration/deactivation changes based on BES definition changes effective 7/1/14.

ii. This metric indirectly supports the *ERO Enterprise Performance Metric 4: Program Execution Effectiveness, Sub metric C*, which is related to the implementation of risk-based registration criteria.

\(^{10}\)This metric does not include processing Self-determination notifications or Exception related to individual elements.

11. **Publish internally completed assessment of Self-Certification/periodic data submittals**

**Objective:** Complete and publish internal assessments of Self-Certification and periodic data submittals by the due dates established in the SPP RE reporting requirements schedule.

**Measure:** \[
\frac{\text{number of assessments completed by the due date}}{\text{total number of assessments for 2014}} = \text{percent completed on time}
\]

<table>
<thead>
<tr>
<th>Performance contribution</th>
<th>80%</th>
<th>90%</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent completed on time</td>
<td>80%</td>
<td>90%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Weight:** 5%

**Comments:**

i. The 2013 performance contribution was changed to eliminate the 110% performance contribution associated with 100% achievement of the goal and include appropriate performance contributions for corresponding goal completions. The weighting was changed from 2.5% to 5% to reflect a greater emphasis on completion of the assessments.

ii. This metric indirectly supports the *ERO Enterprise Performance Metric 4: Program Execution Effectiveness, Sub metric D*, which is related to the transparency and timeliness of compliance results.
12. **Process incoming possible violations to NERC through webCDMS in 5 business days or less**

**Objective:** To ensure possible violations are processed in webCDMS in a timely manner.

**Measure:** Average number of business days to enter possible violations into webCDMS as measured from the date of the Registered Entity exit presentation (audit, spot-check, etc.), or from the date the Registered Entity self-reported, as applicable, to completion of the Preliminary Screen.

<table>
<thead>
<tr>
<th>Performance contribution</th>
<th>80%</th>
<th>100%</th>
<th>120%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average number of days</td>
<td>7</td>
<td>5</td>
<td>3</td>
</tr>
</tbody>
</table>

**Weight:** 5%

**Comments:**

i. The 110% performance contribution was increased to 120% and the days associated with the 80% performance contribution was changed from 6 days to 7 days to provide a more appropriate relationship between performance contribution and number of days.

ii. This metric indirectly supports the *ERO Enterprise Performance Metric 4: Program Execution Effectiveness, Sub metric D*, which is related to the transparency and timeliness of compliance results.

13. **Control out-of-pocket expenses for on-site/off-site audits (contractor billings and travel)**

**Objective:** Reduce out-of-pocket travel expense for on-site audits and contractor billings for on-site and off-site audits by improving efficiency and expanding the role Compliance staff plays in the production of audit reports.

**2014 Budget (per audit):**

- **On-Site:**
  - CIP: $44,691
  - O&P: $42,070
- **Off-Site:**
  - CIP: $0
  - O&P: $5,470

**Measure:**

\[
\frac{([2014 \text{ budget]} - (2014 \text{ actual})]}{[2014 \text{ budget}]} = \text{percent increase/decrease in expenses}
\]

<table>
<thead>
<tr>
<th>Performance contribution</th>
<th>80%</th>
<th>100%</th>
<th>150%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent difference</td>
<td>+10%</td>
<td>0%</td>
<td>-10%</td>
</tr>
</tbody>
</table>

**Weight:** 10%

**Comments:**

i. This metric tracks out-of-pocket expense for audits (It does not track internal man-hours or fixed overhead expense.) The total of contractor billings and travel expense for audits is tracked and monitored. The 2013 actual expense was used as a starting point, and the 2014 budget was used as the basis. An adjustment was made to reflect one
additional contractor per on-site audit for CIP audits. The travel expense was adjusted to reflect recent increases in airfare, and hotel prices.

ii. This metric’s weighting was changed from 7.5% to 10% to reflect its importance in relation to the other metrics.

iii. A 10% reduction is associated with the 150% performance contribution to reflect the difficulty in achieving budget reductions on top of those achieved in 2013. The 80% performance contribution is achieved by limiting expenditures to less than 110% of the budget.

### 14. Continue outreach/assessment to maintain or improve protective relay operations success rate for 4Q2013 – 3Q2014

**Objective:** Improve the operations success rate for transmission and generation protective relay systems (i.e. reduce the rate of misoperations) through various outreach mechanisms, i.e. System Protection and Control Working Group, compliance workshops, and webinars.

**Measure:** 
\[
\frac{\text{total number of correct operations}}{\text{total number of operations}} = \text{success rate}
\]

<table>
<thead>
<tr>
<th>Performance contribution</th>
<th>80%</th>
<th>100%</th>
<th>150%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Success rate</td>
<td>84%</td>
<td>87%</td>
<td>90%</td>
</tr>
</tbody>
</table>

**Weight:** 2.5%

**Comments:**

i. Although SPP RE does not have direct control over the operations success rate of protection system relays, SPP RE will continue to focus its outreach and assessment efforts to reduce misoperations within the SPP region.

ii. This metric’s weighting was changed from 5% to 2.5% to reflect its importance in relation to the other metrics.

iii. This metric is aligned with and directly supports the *ERO Enterprise Performance Metric 1: Reliability Results*, which is related to the reduction of BPS events. Additionally, this metric indirectly supports the *ERO Enterprise Performance Metric 4: Program Execution Effectiveness, Sub metric I*, which is related to assessment of quality and availability of planning and engineering models and data.
15. **Assure proper Cause Codes can be verified from Event Analysis Reports issued by SPP RE Registered Entities**

**Objective:** To ensure regional events are tied to their causes as accurately as possible to support NERC’s continent-wide tracking and trending.

**Measure:** Regional success rate published in periodic NERC report.

<table>
<thead>
<tr>
<th>Performance contribution</th>
<th>80%</th>
<th>100%</th>
<th>150%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Success rate</td>
<td>80%</td>
<td>90%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Weight:** 5%

**Comments:**

i. The 110% success rate was eliminated because it is not possible to publish greater than 100% of the applicable reports before the required delivery date.

ii. This metric is aligned with and supports the ERO Enterprise Performance Metric 1: Reliability Results and Metric 2: Assurance Effectiveness, which are related to reducing the number of Category 3 – 5 events.

16. **Outreach Production Goals**

**Objective:** Complete 3 workshops, 6 webinars, 12 newsletters

**Measure:**

1. Percent completion: The number of workshops, webinars and newsletters completed in 2014 / (21), the number of workshops, webinars and newsletters planned for 2014.

2. An average outreach rating ≥ 3 for videos, webinars, workshops and newsletters is required for a performance contribution.

<table>
<thead>
<tr>
<th>Performance contribution</th>
<th>80%</th>
<th>100%</th>
<th>150%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent completion</td>
<td>80% + ≥ 3 Rating</td>
<td>100% + ≥ 3 Rating</td>
<td>100% + ≥ 4 Rating</td>
</tr>
</tbody>
</table>

**Weight:** 5%

**Comments:**

i. The number of planned webinars has been reduced from 9 (2013) to 6 (2014) due to the addition of break-out sessions at workshops.

ii. A quality factor was added by requiring a ≥ 3 or ≥ 4 average outreach rating for videos, webinars, workshops and newsletters in the 2014 SPP RE Stakeholder Satisfaction Survey.

iii. The 110% performance contribution was changed to 150% to align it with the other performance metrics and reflect the difficulty and benefit of achieving a ≥ 4 average outreach rating for videos, webinars, workshops and newsletters in the 2014 SPP RE Stakeholder Satisfaction Survey. The weighting was increased from 2.5 % to 5% to reflect a greater emphasis on outreach.
iv. This metric indirectly supports the *ERO Enterprise Performance Metric 4: Program Execution Effectiveness*, *Sub metric A* (the quality of board-approved standards), *Sub metric E* (increasing self-identified non-compliance by Registered Entities), *Sub metric F* (improving the mitigation aging curve), *Sub metric G* (implementation of RAI reforms), *Sub metric H* (increased participation in security model assessments and ES-ISAC), and *Sub metric K* (improving stakeholder satisfaction and perception).
Travel Compensation for Standard Drafting Team Members

As discussed in previous SPP RE Trustee meetings, SPP RE encourages stakeholder participation in NERC Standard Drafting Teams. A stakeholder asked the SPP RE Trustees to consider reimbursing travel expenses for SPP RE stakeholders that volunteer for NERC Standard Drafting Teams, similar to SPP's long-standing policy of paying travel for stakeholders that represent SPP on NERC Committees.

The Trustees asked that this topic be included on the January agenda for discussion and comments.
NERC CCC Meeting

- The NERC CCC held its quarterly meeting in Atlanta, GA on December 4-5, 2013. The materials for this meeting can be found:

Committee Business

- Compliance and Certification Committee (CCC) Roster review was completed.

- CCC September 2013 Meeting Minutes were approved.

- Status of 2014 CCC Work Plan and Goals was discussed with the Committee. The Chair advised members that he will work with NERC to firm up the 2014 CCC Work Plan. When ready, it will be forwarded to the members in order to have the plan to the NERC February Board.

- Report of November 2013 Member Representatives Committee (MRC) and Board of Trustees (Board) Meetings was provided by the Vice Chair. She explained the feedback from the MRC and Board meetings. Comments were sent to CCC members via email.

- Mr. Jason Marshall provided an update from the Reliability Issues Steering Committee (RISC) Update.

- Two subcommittees of the CCC were proposed for consolidation. The PROCS and SIS will be combined into one subcommittee. Committee members were provided a draft charter and scope for a new subcommittee CPPS (which combines the PROCS and SIS subcommittees.) The CPPS requested the CCC for approval to submit to the Board, noting that the old charters for the two subcommittees would concurrently be deactivated. NERC will review for adherence to the NERC style and if possible submit to the NERC Board for approval at the February meeting. The members approved the merged charter and scope.

- Mr. Shockley updated the status of CCC on RSAW development. The process has been established to include the RSAW with the Standard when it is submitted to industry for voting. It was also noted that industry is given a chance for input during the SDT team’s work efforts. There is joint ownership of the process between Standards and Compliance Operations and therefore both can have input into its development. NERC has indicated it is open for any comments that CCC members have on the RSAWs. It was noted a NERC announcement indicated new RSAWs.
- NERC would investigate having the CPPS be the subcommittee that would review the RSAWs prior to posting for comment.

- RSAWs are actually completed within a day or two of publication of the Standard. Therefore, the CPPS would be able to submit comments during the normal commenting period.

- Discussion occurred on posting of CARs relative to CIP violations. The CCC was reminded that previously CARs were developed on the most violated Standard/Requirements. NERC is now posting CARs per function and violations are broken down into the 693 and CIP Standards.

**Subcommittee Updates**

- ERO Monitoring Subcommittee (EROMS):
  - Discussed the Stakeholder Perception Survey and will present with Talent Quest webinar and call in information. It was further suggested that we not release a survey in 2014 due to the fact that industry has said the end of the year is too tough. Therefore the suggestion is to have the next survey released and completed by 1Q2015.
  
  - Progress report was provided on the revision of documents that relate to the CCC monitoring of NERC. First document is ready for review of CCC. The document has been reduced and includes interaction with RMIC. This has been sent to the CPPS for format review. After review EROMS will send current version and new draft to CCC members for review. Then the ORCS and Standard Development Process document will be reviewed. When the revised document package is ready for review Procedure 1, 2, 3 and 9 will be presented with 2 being ‘retired’ since it applies to overview of standards applicable to NERC and there are none applicable to NERC. All procedures can be found in the subcommittees files on the website.

- Procedures Subcommittee (PROCS)/Standards Interface Subcommittee (SIS):
  - The Single Portal Proposal was reviewed again with NERC. NERC will confirm a portal is available for CCC use.
  
  - Standards Cost Analysis Project - No action seems to have been taken on this project. Subcommittee Chair will check and report back.
  
  - RAI Update (No updates on RAI process/implementation).
  
  - PRC-001 RSAW (recommendation to be recalled and corrected).

- Organization and Certification Subcommittee (ORCS):
  - Update and closure of RISC request on Planning Authority /Planning Coordinator issue
  
  - Updated the Committee with a presentation included in Agenda package
  
  - Status of MRRE
  
  - CCC Policies and Procedures review – ORCS responsibility
CCC Ongoing Projects

- **Team 1 – RAI Benefits and Impacts Matrix status:**
  - Sept 2013 meeting: finished first version and submitted to NERC. Waiting for response.

- **Team 2 - RAI Question and Answer Document status:**
  - Posted to NERC website in May 2013. Document needs to be updated due to internal control guidance updates and this has not occurred. NERC commitment to update the document in the next two weeks.

- **Team 3 - RSAW Input Team status:** See discussion above.

- **Team 4- Data Retention (Identify Reasonable Record Retention):**
  - The Chair asked CCC members to reach out to perspective groups to fill out the survey on data retention survey. Chair will provide CCC member with the cover letter and survey; CCC members to send to appropriate people and receive response by early January.

- **Team 5 - Internal Control Guidance (coordination w/RBRCWG):**
  - Posted on NERC website on July 2013. A team was established to vet material for RAI publishing and present materials to CCC at March 2014 meeting.

NERC Staff Update

- Mr. Earl Shockley provided an update on the Reliability Assurance Initiative (RAI). He highlighted the RAI documents located on the NERC website, specifically the RAI Compliance Activities Overview document. It was confirmed that monthly meetings with FERC occur with regards to development and implementation plans. Additional discussion topics with reference materials included in the agenda package:
  - RAI Governance
  - RAI Projects (provide status on pilots and tools)
  - RAI Workshop
  - Document Posting
  - CCC Support of the RAI Activities
  - FFT/Enforcement Updates

- **ALR-C1 Serious Risk Violations (non-CIP) Metric Proposal**
  - Team responsible for serious violations asked the CCC to endorse the ALR-C1 metric that will replace the Key Compliance Monitoring Index (KCMI). The CCC endorses doing away with the KCMI and replacing it with the ALR-C1 Metric.

- **NERC/CCC NERC Internal Audit Update – Mechelle Ferguson-Thomas and Clay Smith**
- Report presented on status of mitigation on non-compliance findings from audit of NERC Compliance Monitoring Enforcement Program (CMEP) and Organization Registration and Certification Program (ORCP).

- Planning for independent audit of NERC’s conformance to the Standards Process Manual and the Standards Applicable to NERC.

Scheduled CCC meetings are as follows:

a. March 11-12, 2014: Atlanta, GA (NERC Office)
b. June 4-5, 2014: Juno Beach, FL (FPL host location)
c. September 17-18, 2014: Vancouver, BC (Joint Standing Committees location)
d. December 3-4, 2014: Phoenix, AZ (APS host location)
Planning Committee (PC) meeting update

- SPCS participated in a presentation on changes to the misoperation data reporting template discussed at the last SPCS meeting.
- SPCS presented on the NERC6 question regarding if relays below 100kV should be included in PRC standards. (These are already part of attachment “B” of PRC-023, and the new definition of BES.)
- SPCS presented the sudden pressure report (comments discussed below).
- Other items at the PC meeting (non SPCS)
  - GMD standard was discussed with the next phase possibly creating a planning type TPL test related to GMD. Part of this future test may be how protection systems respond.
  - California is looking at the addition of solar power and the impact it will have on their load profile.

Feedback on SPCS Power Swing report and Commissioning Lessons Learned from FERC

- Power Swing report: There is a directive in order 733 to develop a standard regarding not tripping on stable power swings. The SPCS revised report (based on the research) states a standard is not required, but if one is developed gives input of what it should include. A recent informal meeting with FERC staff was held to review the report and the history of the document we (SPCS) put together. FERC staff is reviewing the information. There is a directive today that a standard is needed, if this moves forward there is a deadline to be filed by the end of 2014. Otherwise the directive would need to be modified.
- Commissioning: The NOPR to approve PRC005-2 asked if it should address the initial testing when commissioning a new relay. This NOPR referenced the SPCS document, and the IEEE work in this area. We are now waiting for industry comments on the PRC005-2.

FERC Order No. 758 – Sudden Pressure Relays

[Submit revised report for approval at December 2013 PC meeting]

This is a technical report to support development of modifications to NERC PRC-005 addressing issues regarding devices that respond to non-electrical quantities in general, and specifically sudden pressure relays. Based on its investigation, the SPCS in this draft paper recommends that the only device that responds to non-electrical quantities that should be included in PRC-005 is the sudden pressure that trips the equipment it is monitoring.

- Reviewed the PC comments, revised the report, and drafted responses to comments.

Protection System Misoperation Reporting

- Presentation on analysis of 2013 second quarter misoperation data from NERC
  - Misoperation rate for SPP and FRCC were both 13%. This was the highest rate reported for any region for 2013Q2. (Note, no information was included for WECC or for RFC 2013Q2). Range for all regions was 7% to 13%. This should only be “new” misoperations and not “re submittals”.
  - It was noted that for meaningful comparison data from the same quarter of multiple years should be looked at.
  - Incorrect settings, Communication Failures, and Relay Failures were still the top three causes in that order.
- Review comments on Section 1600 data request
  - Industry feedback was minimal (approximately 20 responses)
  - There is some confusion on “slow trip”. The intent is NOT to require DME everywhere to determine timing of trip, but there may need to be some re-wording for clarification.
There is some concerns from generator owners and their understanding of TADs. Perhaps the information should continue to be sent to the region and forwarded from the region to NERC. (This is how this is done today, but the 1600 data request could possibly change this flow information.) Ideally there will be one place to upload. The regions do not want to be removed from the process since they have the relationships with the entities.

There were comments wanting assurance that data collected through the data request will not be used to assess compliance with PRC-004. Should NERC see each single entities numbers noting that there is no approved metric from the industry?

- Review proposed SPS misoperation data collection and SPS misoperation metric
  - Reviewed a proposed SPS misoperation template that could be separate from the misoperation template 1600 data request. Once a SPS standard is developed (assuming it will be developed) this may need to be revised
  - Since the definition of an SPS is different by region today, the question was asked if it would be appropriate to have a standard misoperation template for SPSs at this time

Order No. 754 Data Request
- Analyze data for protection systems on elements operated at 300 kV and higher
  - Good sampling of number of buses tested
  - Group is looking at data interpretation to provide guidance
  - Care must be taken in this interpretation to not misguide the industry of what this data is indicating

Protection System Commissioning
[Present at the December 2014 PC meeting]
- Reviewed and approved draft Lesson Learned. This document was in response to a protection system being placed in service with the incorrect CT ratio which at a later time operated incorrectly during a disturbance increasing the magnitude and scope of the disturbance.
- IEEE is also working on a guidance document for commissioning.

Power Plant and Transmission System Protection Coordination
[Present report at March 2014 PC meeting]
- Review proposed modifications to the SPCS report in response to input from IEEE PSRC J3 working group.

Disturbance Monitoring Standard Drafting Team - update
- Revising/retiring existing NERC standards (PRC002, 018) with PRC-002-2
- Focus on “what” data is captured not on “how”
- Three new definitions proposed for NERC glossary – DDR, FR, SOER
- Indentifies bus locations that DME will be required with a five year or less assessment based on fault MVA
- 45 day comment period (tentative) in November/December - Tentative posting on November 4th
- Existing draft to require DDR for every element of a flow gate
Review of PRC Standards Under Development

- PRC-001-2 and PRC-027-1, System Protection Coordination - To be re-posted in November.
  - Existing draft:
    - Within 60 months of effective date will need protection system coordination study (PSCS) for every interconnect facility.
    - If fault current changes by 10% will have 12 months to complete new PSCS. Note, fault current near generators typically will not change.
    - If you have proposed changes to protection systems on interconnects – must notify other party to determine if new study needed.
    - Other party must confirm they have reviewed and have verified there are no coordination changes within 90 days of notification.
    - You cannot make a proposed change until this confirmation is received that all coordination issues are resolved.
- PRC-004-3, Protection System Misoperations - To be re-posted in November.
- PRC-005-3, Protection System Maintenance and Testing - w/reclosing, presently re-posted, closing tomorrow, expected to pass and be forward to board.
- PRC-025-2, Generator Relay Loadability - passed, adopted by board, filed with FERC. Some modification to PRC023 to address gaps/overlap with PRC025. PRC023 passed ballot and will go to the board. FERC is waiting action on PRC025 until it receives changes to PRC023. There was a minority comment for including relays on the low side of unit Aux that the drafting team is looking into to determine if there are any gaps by not including these relays. Expected that these will stay out of scope.

Future Meetings
- February 4, 5, 6 - tentatively hosted in Florida with backup location Dallas
Summary:

Planning Committee (PC) meeting update
GMD standard was discussed with the next phase possibly creating a planning type TPL test related to GMD

Feedback on SPCS Power Swing report and Commissioning Lessons Learned from FERC

FERC Order No. 758 – Sudden Pressure Relays
revised report for approval at December 2013 PC meeting, possible addition to PRC-005 relay testing

Protection System Misoperation Reporting
Incorrect settings, Communication Failures, and Relay Failures were still the top three causes in that order. Review comments on Section 1600 data request

Order No. 754 Data Request
Analyze data for protection systems on elements operated at 300 kV and higher

Protection System Commissioning
Present at the December 2014 PC meeting – Lesson learned.

Power Plant and Transmission System Protection Coordination

Disturbance Monitoring Standard Drafting Team - update

Review of PRC Standards Under Development
PRC-025-2, Generator Relay Loadability - passed, adopted by board, filed with FERC.
NERC Operating Committee

Report to the SPP Regional Entity Trustee

January 27, 2014

Jim Useldinger, Kansas City Power & Light

Activity Update

A regular meeting of the NERC Operating Committee (OC) was held on December 10-11, 2013, in Atlanta, GA

OC meeting highlights:

- **Reliability Guideline: Generating Unit Operations during Complete Loss of Communications**
  This guideline provides a strategy for power plant operations in the event of complete loss of communications between the on-site generating unit(s) operator and the system operator for the balancing area. It is designed to keep frequency within allowable limits and continued safe operation of generators while maintaining acceptable frequency control. OC approved posting the reliability guideline for a 45-day comment period.

- **Peak Reliability’s Reliability Plan**
  Peak Reliability has been formed as a result of the bifurcation of WECC. Peak Reliability has received conditional FERC approval; however, until final FERC approval is received, Peak Reliability will continue to operate under WECC. OC approved Peak Reliability’s Reliability Plan.

- **Participant Conduct Policy**
  The Standards Committee and NERC Legal developed an initial participant conduct policy. The OC voted to adopt this policy for the OC membership and its subgroups, will be posted to the OC website.

- **Operations Reliability Subcommittee**
  At its November 2013 meeting the Subcommittee 1) endorsed the revised SPP and FRCC reliability plans, 2) approved a revised subcommittee report, 3) endorsed the Planning Committee’s Performance Analysis Subcommittee’s revised ALR metrics and endorsed new officers for the ORS. The OC approved the revised ORS scope and OC Chair appointed the new ORS officers.

- **Resources Subcommittee**
  The RS is continuing to update the master list of frequency events that will be used in the determination of frequency bias settings. Frequency bias settings data has been requested for use in 2014. In anticipation that FERC will approve BAL-003-1, and under the field trial, the RS will ask BAs to follow the requirements of BAL-003-1 by using the forms and frequency event list to calculate frequency bias settings.

Next Meeting

The next meeting of the Operating Committee will be on March 4-5, 2014 in St. Louis, MO.
NERC Critical Infrastructure Protection Committee (CIPC)
Report to Southwest Power Pool Regional Entity Trustees
Submitted by Robert McClanahan, Chair, SPP Critical Infrastructure Protection WG
January 17, 2014

NERC CIPC Meeting

- The NERC CIPC held its quarterly meeting in Atlanta, GA on December 10-11, 2013. The materials for this meeting can be found at:
  - Agenda:
  - Presentations:
    - [http://www.nerc.com/comm/CIPC/Agendas%20Highlights%20and%20Minutes%202013/Presentations%20--%20December%2010-11,%202013.zip](http://www.nerc.com/comm/CIPC/Agendas%20Highlights%20and%20Minutes%202013/Presentations%20--%20December%2010-11,%202013.zip)
  - Draft Minutes:

- Robert McClanahan was unable to attend the CIPC meeting due to flight cancellation for inclement weather. After discussion with other SPP attendees concerning the meeting, it was determined that the draft meeting minutes accurately reflect the discussions at the meeting. Those minutes can be found at the link above, and are attached to this report.

- Since the CIPC Meeting, Mr. Carl Eng of Dominion had a change in job duties which led him to resign from the CIPC. Robert McClanahan will lead the Nominating Committee for his replacement on the CIPC Executive Committee.

- CIPC Meeting Schedule for 2014:
  - March 4-5, 2014 – St. Louis, MO
  - June 10-11, 2014 – Orlando, FL (tentative)
  - September 16-17, 2014 – Vancouver, BC (tentative)
  - December 9-10, 2014 – Atlanta, GA (tentative)

SPP CIPWG Meeting

- The SPP Critical Infrastructure Protection Working Group met at SPP Headquarters in Little Rock, Arkansas on December 17-18, 2013. The first day was CIPWG’s regular quarterly meeting. The second day was a strategic planning session to explore ways to increase the value of the CIPWG for SPP Membership.

- The group heard two after-action presentations by CIPWG Members on NERC GridEx II national exercise and discussed how SPP Member Companies coordinated their play in the exercise.
- Felek Abbas of NERC shared some insights into the current thinking in the CIP Version 3 to CIP Version 5 transition, which were clouded by the recently-released FERC order approving Version 5, but mandating additional changes.
- The CIPWG Grid Exercise Task Force (GETF) released the after-action report on SPP Member participation in NERC’s GridEx II exercise. That report is attached here.
- CIPWG will be exploring the possibility of conducting an SPP Member-only exercise during the off-years for GridEx. The possible benefits of such an exercise are discussed in the GETF report.
The Critical Infrastructure Protection Committee (CIPC) Chair Chuck Abell called the meeting to order and being duly noticed, the regular meeting of CIPC on December 10, 2013 began at 1:02 p.m. (EST). Mr. Bob Canada, CIPC Secretary declared a quorum to conduct business with 31 members present. The meeting announcement, agenda, and a list of attendees are attached as Exhibits A, B, and C respectively.

Note: Slides presentations from this meeting are available at: Meeting Presentations

Secretary Canada announced a quorum achieved with of 31 members present which includes the following proxies:

1. **SPP** – Mr. Paul Sprague proxy for Mr. Allen Klassen
2. **NRECA** – Mr. Richard Field proxy for Mr. Robert Richhart
3. **RFC** – Mr. Steen Fjalstad proxy for Mr. Rick Liljegren
4. **CEA** – Mr. Francis Bradley proxy for Chris McColm
5. **ERCOT** – Ms. Christine Hasha proxy for Jim Brenton
6. **RFC** – Mr. Mikail Falcovich proxy for Jeff Fuller
7. **SERC** – Mr. Matt Stryker proxy for Tommy Clark

**Remarks from Mr. Gerry Cauley, NERC President and CEO**
Mr. Cauley addressed CIPC and attendees on several NERC programs and issues such as Critical Infrastructure Protection Standards, Reliability Assurance Initiative (RAI), CIPC’s advisory role to the Electricity Sub-sector Coordinating Council (ESCC) and NERC Board of Trustees.

**Meeting Safety Briefing – Westin Buckhead**
Security and Safety staff briefed CIPC and attendees on safety and emergency evacuations procedures to include rally points outside the hotel.
NERC Antitrust Compliance Guidelines
Secretary Canada called attention to the NERC Antitrust Compliance Guidelines distributed with the agenda and read the statement concerning publicly announced meetings.

Introductions of Members, Proxies, Alternates, Associates, and Others
Chair Abell called for introductions of CIPC members and other attendees and also requested all present to sign the meeting attendance sheets being passed around the room.

Consent Agenda
Upon motion by Chair Abell to approve the Consent Agenda including the posted CIPC Agenda for the December 10-11, 2013 meeting. The Consent Agenda was approved by CIPC without any corrections edits or modifications.

CIPC Chair’s Report
Mr. Abell provided CIPC with a report, covering CIPC’s past, present, and future actions. Mr. Abell placed special emphasis upon the reports made on behalf of CIPC to the NERC Board of Trustees and the ESCC meeting. (Presentation 1)

Nomination Subcommittee Report
Chair Carl Eng presented the slate of CIPC Executive Committee (EC) Subject Matter Experts (SMEs) recommended by the subcommittee. The slate of SME candidates nominated were Mr. David Grubbs, Garland Power and Light for physical security, Mr. Marc Child, Great River Energy for cyber security, Mr. Carl Eng, Dominion Virginia Power for operations and Mr. Ross Johnson, Capital Power Corporation for policy. Upon motion by Mr. Francis Bradley the entire slate was elected unanimously by CIPC. (Presentation 2)

Critical Infrastructure Protection Director’s Remarks
Mr. Matt Blizard, Director of Critical Infrastructure Protection briefed CIPC on the following topics: GridEx II, GridSecCon, Critical Infrastructure Protection Transition Guidance, and the Transition Implementation Study. (Presentations 3, 4, and 5)

Overview of Cybersecurity Executive Order
Ms. Laura Brown briefed CIPC on the progress of efforts to meet the challenges of information sharing between the private sector and government as well as the National Institute of Standards and Technology (NIST) with the task of creating a Cybersecurity practice framework in collaboration with Industry that will be used to reduce threats. Ms. Brown also briefed on the Presidential Policy Directive-21. (No Presentation)

ES-ISAC Update
Mr. Matt Light, ES-ISAC briefed CIPC on the ES-ISAC portal support, information sharing, and various other ongoing activities. (No Presentation)
**Legislative Update**
Mr. Nathan Mitchell, American Public Power Association briefed CIPC on current legislation pending or contemplated as well as the impact upon the industry through the U.S. House and Senate. (Presentation 6)

**Critical Infrastructure Protection Compliance Update**
Mr. Tobias Whitney, NERC staff briefed CIPC on the purpose of the Transition Program, program elements, study approach, scope of study, key themes, and lessons-learned. (Presentation 15)

**Reliability Assurance Initiative (RAI) Update**
Mr. Shockley, Senior Director of Compliance Operations briefed CIPC on Compliance activities with special emphasis on Four Key Areas of Focus for 2014 and a timeline of implementation with industry engagement. (Presentation 15)

**FERC Final Rule on Critical Infrastructure Protection Version 5 and Directives**
Mr. Steve Noess and Mr. Scott Mix, NERC staff briefed the CIPC on final rule highlights, Identify Assess Correct (IAC) language, Bulk Electric System (BES) Cyber Asset Categorization, low impact requirements, 15-minute parameter, 30-day exemption definition, transient devices, definition of control center unchanged, communications network, and the Implementation Plan as filed. (Presentation 17)

**Operating Security Subcommittee** – Chair Carl Eng (No presentation)

**Electricity Sector Information Sharing Task Force (ESISTF)**
Chair Stephen Diebold briefed CIPC on the ESISTF report. The presentation briefed on the progress and work still contemplated for stage 2 of the report which is an outreach campaign to promote the use of the ES-ISAC as the central hub of information sharing by the industry and government partners. (Presentation 7)

**Grid Exercise Working Group (GEWG)**
Mr. Matt Blizard, CID Director briefed CIPC on behalf of Chair Tim Conway, on the success of the exercise, the number of entities participating and his personal observations. (Presentation 4)

**Policy Subcommittee** – Chair Mr. Nathan Mitchell (No Presentation)

**Personnel Security Clearance Task Force (PSCTF)** – Chair Nathan Mitchell reminded CIPC that the report was approved by CIPC on June 11, 2013, accepted by the ESCC on July 11, 2013 and accepted by the NERC Board of Trustees on August 15, 2013. The PSCTF is awaiting for ES-ISAC’s collaboration to process and track industry clearance applications. (No Presentation)

**Bulk Electric System Security Metrics Working Group (BEESMGW)** – Mr. Nathan Mitchell briefed on behalf of Chair James Sample, on the ongoing progress to include the ES-ISAC activities, and the development of a Metrics Dashboard to track trends. (No Presentation)
**Compliance and Enforcement Input Working Group (CEIWG)**
Chair Paul Crist gave a progress report on the working group. Mr. Crist covered discussions on future work including: guidelines, process for compliance analysis report (CAR) development, RAI support, and virtualization of the whitepaper review. (Presentation 8)

**Cyber Security Subcommittee** – Chair Mr. Marc Child
Mr. Child gave an overview of the subcommittee’s activities including: recent activities, next steps, and requested CIPC actions. (Presentation 9)

**Cyber Attack Tree Task Force (CATTF)**
Chair Mark Engels gave an update on the activities which included: key assumptions, process of creating the attack trees, overview of the software, behavioral indicators, characteristics of an attacker, and characteristics of a victim. (Presentation 10)

**Cyber Security Analysis Working Group (CSAWG)**
Chair Eric Warakomski gave an update on recent activities and existing liaisons with the ES-ISAC, Cyber Security Training Working Group, and Events Analysis Subcommittee. (Presentation 9; included in Cyber Subcommittee report)

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*The CIPC Meeting on December 10th was concluded for the day at 5:10 p.m. (EST) and was reconvened on December 11th at 8:02 a.m. (EST)*

**Physical Security Subcommittee** – Chair Mr. David Grubbs (No Presentation)

**Physical Security Guideline Task Force (PSGTF)**
Chair John Breckenridge briefed CIPC on the approval of the Electricity Sub-sector Physical Security Response Guideline on October 25th by CIPC email vote. He discussed the research conducted on the Department of Homeland Security - National Terrorism Advisory System (NTAS), NERC ES-ISAC and Public Safety Canada, establishment of three threat levels, revisions to reflect current security practices, and the creation of Appendix A - Example of a possible flipchart for use. (Presentation 11)

**Physical Security Working Group (PSWG)**
Chair Ross Johnson briefed CIPC on activities contemplated. The PSWG through the Physical Security Roundtable Group (PSRG) has conducted two conference calls. A total of 35 participants have been included in the current security practices and investigations of impact to the industry and their companies. The PSWG will evaluate the effectiveness of technology and develop a survey for determining the needs of physical security across the NERC Regions. (Presentation 12)

Also, Mr. Johnson introduced Mr. Ben Langhorst of the Idaho National Laboratory (INL) who briefed CIPC on ballistic protection for critical electrical infrastructure. The INL conceptual solution was introduced which included prototype for ballistic panel shielding and cost feasibility. (Presentation 19)
Security Training Working Group (STWG)
Mr. David Grubbs submitted a presentation on behalf of Chair William Whitney, on the latest activities, including the results of a security survey sent out to CIPC. In addition to, assisting in the development of training subject matter for CIPC Workshops and continue to solicit new members. The STWG is working on a series of webinars that will begin in the first quarter of 2014. (Presentation 13)

Cybersecurity Procurement Language Update for Energy Delivery Systems
Mr. Ed Goff, Duke Energy, updated CIPC concerning the progress for establishing procurement language tailored to the specific needs of the energy sector, why it is necessary, phases for development, timeline, and meeting the Department of Energy Roadmap mission. (No Presentation)

Reliability Issues Steering Committee (RISC) Update and the Reliability Risk Control Process
Mr. Andy Rodriquez, NERC staff briefed on the progress of the RISC. (No Presentation)

Sufficiency Review Program (SRP)
Scott Mix, NERC staff briefed CIPC on the 2013 SRP overview, program status, preliminary lessons-learned, best practices, and other observations. (Presentation 14)

Mr. Wayne VanOsdol, NATF staff briefed CIPC on the primary objectives of the Security Practices Group, POE project, external organization collaboration and coordination, and future 2014 projects.

Agency Updates
Federal Energy Regulatory Commission (FERC) – Cathy Eade, Office of Energy Infrastructure Security
Department of Homeland Security (DHS) – No one in attendance.
Department of Energy (DOE) – Jason Christopher
## 2014 Future Meetings

<table>
<thead>
<tr>
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<td>Hosted by Nextera Energy</td>
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<td>CIPC Meeting</td>
<td>St. Louis, MO</td>
<td>Hyatt Regency, St. Louis at the Arch 315 Chestnut St St. Louis, MO 63102</td>
</tr>
<tr>
<td>April 3-4, 2014</td>
<td>8:00–5:00 p.m. (EST)</td>
<td>Energy Sector Classified Briefing</td>
<td>TASC Inc. 4801 Stonecroft Blvd. Chantilly, VA 20151</td>
<td>Per your travel arrangements</td>
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<tr>
<td>June 10, 2014</td>
<td>7:30–Noon (EDT)</td>
<td>CIPC Physical Security Workshop</td>
<td>Orlando, FL (Tentative)</td>
<td>TBD</td>
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<td>June 10, 2014</td>
<td>1:00–5:00 p.m. (EDT)</td>
<td>CIPC Meeting</td>
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<td>September 16, 2014</td>
<td>7:30–Noon</td>
<td>CIPC Cyber Security Workshop</td>
<td>Vancouver BC, Canada (Tentative)</td>
<td>TBD</td>
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<tr>
<td>September 16, 2014</td>
<td>1:00–5:00 p.m.</td>
<td>CIPC Meeting</td>
<td>Vancouver BC, Canada (Tentative)</td>
<td>TBD</td>
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<tr>
<td>September 17, 2014</td>
<td>8:00–Noon</td>
<td>CIPC Meeting</td>
<td>Vancouver BC, Canada (Tentative)</td>
<td>TBD</td>
</tr>
<tr>
<td>October 14-16, 2014</td>
<td>8:00–5:00 p.m.</td>
<td>GridSecCon 2014</td>
<td>Austin or Houston, Texas</td>
<td>TBD</td>
</tr>
<tr>
<td>December 9, 2014</td>
<td>8:00–Noon (EST)</td>
<td>Energy Sector Classified Briefing (No CIPC Workshop)</td>
<td>Atlanta, GA</td>
<td>NA</td>
</tr>
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<td>December 10, 2014</td>
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<td>CIPC Meeting</td>
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### Adjournment

There being no further business and upon motion to adjourn by Chair Abell. The motion approved by CIPC with adjournment at 12:06 p.m. (EST).

Submitted by,

**R.D. Canada**  
Bob Canada  
CIPC Secretary
Agenda
Critical Infrastructure Protection Committee

December 10, 2013 | 1:00–5:00 p.m. (EST)
December 11, 2013 | 8:00 a.m.–Noon (EST)

Westin Buckhead Atlanta Hotel
3391 Peachtree Rd N.E.
Atlanta, GA 30326
(404) 365-0065

Electricity Sector Classified Briefing
FBI Atlanta Field Office
2635 Century Parkway N.E.
Atlanta, GA 30345
December 10, 2013 | 8:00 a.m.–Noon (EST)

Critical Infrastructure Protection Committee Meeting
Westin Buckhead Atlanta Hotel
CIPC Working Lunch: Pre-function Area A/B | December 10, 2013 | Noon–1:00 p.m. (EST)
December 10, 2013 | 1:00 p.m.–5:00 p.m. (EST)
December 11, 2013 | 8:00 a.m.–Noon (EST)
Room: Ballroom B

Welcome and Introductions – Chair Chuck Abell

NERC Antitrust Compliance Guidelines and Public Meeting Announcement

Agenda

1. Administrative – CIPC Secretary Bob Canada
   a. Safety Briefing and Emergency Precautions – Westin Buckhead Staff
   b. Announcement of Quorum of Voting Members
   c. CIPC Roster – Page 13
   d. Parliamentary Procedures – In the absence of specific provisions in the CIPC charter, the Committee shall conduct its meetings guided by the most recent edition of Robert’s Rules of Order, Newly Revised.
   e. Introductions
2. Remarks by Gerry Cauley, NERC President and CEO

3. Consent Agenda – Chair Chuck Abell
   a. September 17-18, 2013 Draft Minutes for CIPC Approval
   b. Committee Membership Appointments and Changes:

   | TRE  | David Grubbs | City of Garland Operations |
   | TRE  | Jim Brenton  | ERCOT Cyber |
   | TRE  | Darrell Klimitchek | STEC Physical |
   | FRCC | Paul McClay | TECO Cyber |
   | FRCC | Carter Manucy | Fla Municipal Physical |
   | FRCC | Joe Garmon  | Seminole Operations |
   | MRO  | Marc Child  | Great River Cyber |
   | MRO  | Paul Crist  | LES Physical |
   | MRO  | Vacant      | TBD Operations |
   | NPCC | John Galloway | ISO-NE Operations |
   | NPCC | Greg Goodrich | NYISO Cyber |
   | NPCC | Benoit Tardif | HQ Physical |
   | RFC  | Larry Bugh  | RFC Cyber |
   | RFC  | Kent Kujala  | Detroit Operations |
   | RFC  | Jeff Fuller  | DPL Physical |
   | SERC | Chuck Abell  | Ameren Cyber |
   | SERC | Carl Eng    | Dominion Operations |
   | SERC | Tommy Clark | SMEPA Physical |
   | SPP  | John Breckenridge | KCPL Physical |
   | SPP  | Allen Klassen | Westar Operations |
   | SPP  | Robert McClanahan | AECC Cyber |
   | WECC | Allen Wick  | Tri-State Physical |
   | WECC | Mike Mertz  | PNM Cyber |
   | WECC | Jamey Sample | PGE Operations |
   | APPA | David Godfrey | TMPA Physical |
   | APPA | Nathan Mitchell | APPA Policy |
   | CEA  | Chris McCollm | Manitoba Physical |
   | CEA  | Ross Johnson | Capital Power Physical |
   | CEA  | David Dunn  | IESO Policy |
   | NRECA| Robert Richhart | Hoosier Policy |
   | NRECA| David Revill | Georgia Trans Policy |

3. Chair’s Remarks – Chair Chuck Abell
   a. Recent NERC Meetings Update and Other Items of CIPC Interest

4. CIPC Charter - Approved NERC Board Of Trustees November 7, 2013
5. **Nominations Subcommittee Report** – Chair Carl Eng  
   a. Previous Subcommittee Actions – Chair and Vice Chair Elections.  
   b. Slate Recommendations for Subject Matter Experts (SMEs) Members to the CIPC Executive Committee  
   c. Election of SMEs to CIPC Executive Committee (If necessary).

6. **CID Director Remarks** – Matt Blizard, Director of Critical Infrastructure Protection

7. **ES-ISAC Update and Cyber Risk Preparedness Assessment (CRPA) Program Update** – Tim Roxey, Chief Cyber Security Officer

8. **CIP Compliance Update** – Tobias Whitney, NERC Staff  
   a. CIP Versions 3-5 Transition Guidance  
   b. CIP Version 5 Implementation Study

9. **FERC Final Rule on CIP Version 5 and Directives** – Steve Noess and Scott Mix, NERC Staff

10. **Executive Order and Presidential Policy Directive Update** – Laura Brown, NERC Staff

11. **Reliability Assurance Initiative (RAI) Update** – Jerry Hedrick, NERC Staff

12. **RISC Update and the Reliability Risk Control Process*** – Andy Rodriquez, NERC Staff, A read-ahead attachment is included.

13. **2013 Grid Security Conference Update** – Bill Lawrence, NERC Staff

14. **Sufficiency Review Program** – Scott Mix, NERC Staff

15. **Legislative Update** – Nathan Mitchell, American Public Power Association

16. **Subcommittee Chairs, Subgroups, Progress, and Remarks** – Chair Chuck Abell
17. Operating Security Subcommittee – Subcommittee Chair Carl Eng
   
a. Electricity Sector Information Sharing Task Force (ESISTF) – Chair Stephen Diebold will report on activities, second phase, and outreach efforts.
   
   ESISTF Charter
   
   ESISTF Report:
   Approved by CIPC – June 11, 2013
   Accepted by ESCC – July 11, 2013
   Accepted by NERC BOT – August 15, 2013
   
b. Grid Exercise Working Group (GEWG) – Chair Tim Conway
   
   GEWG Charter
   
   Briefing on GridEx II – Bill Lawrence, NERC Staff
   
18. Policy Subcommittee – Subcommittee Chair Nathan Mitchell
   
a. Personnel Security Clearance Task Force (PSCTF) – Chair Nathan Mitchell will report on the progress of the work completed and contemplated.
   
   Recommendation Number 3: Submit clearance nominees through the Electricity Sector Information Sharing and Analysis Center (ES-ISAC) to facilitate the selection process. Next step includes ES-ISAC process development collaboration with the PSCTF.
   
   PSCTF Charter
   
   PSCTF Report:
   Approved by CIPC – June 11, 2013
   Accepted by ESCC – July 11, 2013
   Accepted by NERC BOT – August 15, 2013
   
b. Bulk Electric System Security Metrics Working Group (BESSMWG) – Chair James Sample will report on progress of work completed and contemplated. A metrics dashboard has been developed and will be presented.
   
   BESSMWG Charter
   
   BESSMWG Report was endorsed by CIPC June 11, 2013.
   
c. Compliance Enforcement and Input Working Group (CEIWG) – Chair Paul Crist will report on the progress of the work completed and contemplated.
   
   CEIWG Charter
19. **Cybersecurity Subcommittee** – Subcommittee Chair Marc Child
   a. **CSSWG Update and a RISC Technical Project** – Marc Child will report on the review for the RISC.
   b. **Cyber Attack Tree Task Force (CATTF)** – Chair Mark Engels will report on the progress of the work completed and contemplated.
     [CATTF Charter]
   c. **Cyber Security Analysis Working Group (CSAWG)** – Chair Eric Warakomski will report on the progress of the work completed and contemplated
     [CSAWG Charter]

20. **Physical Security Subcommittee** – Subcommittee Chair David Grubbs
   a. **Electricity Sector: Physical Response Guideline Task Force (PSGTF)** – Chair John Breckenridge
     [PSGTF Charter]
   b. **Physical Security Working Group (PSWG)** – Chair Ross Johnson will report on the progress of work completed and contemplated.
     [PSWG Charter]
     Physical Security Roundtable Group Monthly Calls – First call was 11/7/2013.
   c. **Security Training Working Group (STWG)** – Chair William Whitney III will report on progress of work completed and contemplated and CIPC Training Survey conducted.
     [STWG Charter]


22. **North American Transmission Forum (NATF)**

23. **Agency Updates**
   b. Department of Homeland Security (DHS) – Richard Alt, Sector Outreach and Programs
   c. Department of Energy (DOE)
### 20. CIPC Meetings, Workshops, and Training Schedule for 2013-2014:

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<td>March 5, 2014</td>
<td>8:00 a.m.–Noon (CST)</td>
<td>CIPC Meeting</td>
<td>St. Louis, MO</td>
<td>Hyatt Regency, St. Louis at the Arch 315 Chestnut St St. Louis, MO 63102</td>
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<td>April 3-4, 2014</td>
<td>8:00 a.m.–5:00 p.m. (EST)</td>
<td>Energy Sector Classified Briefing</td>
<td>Chantilly, VA</td>
<td>Per your travel arrangements</td>
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<td>June 10, 2014</td>
<td>7:30 a.m.–Noon (EDT)</td>
<td>CIPC Physical Security Workshop</td>
<td>Atlanta, GA</td>
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<td>June 10, 2014</td>
<td>1:00–5:00 p.m. (EDT)</td>
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<td>Atlanta, GA</td>
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<td>September 16, 2014</td>
<td>7:30 a.m.–Noon</td>
<td>CIPC Cyber Security Workshop</td>
<td>West Coast or Vancouver</td>
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<td>October 14-16, 2014</td>
<td>8:00 a.m.–5:00 p.m.</td>
<td>GridSecCon 2014</td>
<td>Dallas or Houston, Texas</td>
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<td>December 9, 2014</td>
<td>8:00 a.m.–Noon (EST)</td>
<td>Energy Sector Classified Briefing</td>
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<td>Westin Buckhead Atlanta</td>
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### 21. Follow-up Items and Future Actions – Chair Abell

### 22. Meeting Adjournment
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<th>Company</th>
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<td>Allen</td>
<td>Ron</td>
<td>AEP</td>
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<td>Andrews</td>
<td>Guy</td>
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<td>Aronshteyn</td>
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<td>Senior Security Consultant</td>
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<td>Artz</td>
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<td>Kevin</td>
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<td>Berthier</td>
<td>Robin</td>
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<td>Eade</td>
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<td>Jack</td>
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Prepared by Bob Canada 12/13/2013
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Introduction

NERC conducted its second continent-wide tabletop exercise of grid security, known as GridEx II, on November 13-14, 2013. Participation was widespread through the electrical industry, government and academic players and other stakeholders across North America. Well over 200 entities participated in the event, including 110 utilities, 14 RTO/ISOs, all eight Regional Entities, and 86 other organizations from government, academia, etc.

Summary of Activities

Four entities in the SPP Region participated in this tabletop exercise as Full Player organizations, and seven others participated as Monitor and Respond organizations.

Full Player organizations included:

- American Electric Power (AEP),
- Arkansas Electric Cooperative Corporation (AECC),
- Kansas City Power and Light (KCPL), and
- Southwest Power Pool (SPP)

Monitor and Respond organizations included:

- Western Farmers Electric Cooperative (WFEC),
- Oklahoma Gas and Electric (OG+E),
- Kansas City Board of Public Utilities (KCBPU),
- Westar Energy,
- Lincoln Electric System (LES),
- Nebraska Public Power District (NPPD), and
- Omaha Public Power District (OPPD).

The SPP CIP Working Group (CIPWG) participated in GridEx II through the SPP CIPWG GridEx Task Force (GETF), which met frequently leading up to the exercise. Members discussed plans for participating, shared custom scenario material, and reviewed exercise planning material received from NERC. Several options for exercise coordination were discussed. An in-person session and open call during the exercise were not seen to provide value and would distract each participant from the activities at their location. Specific injects, or pieces of information meant to further the scenario for the exercise (e.g. simulated messages, events, etc.), were developed to call together the GETF participants at breaks in the exercise to discuss the events, player responses, and other items of note as the exercise progressed. These quick calls
provided a good opportunity for communication and coordination during the exercise, without distracting from each entity's local activities.

GETF participants worked with local FBI, DHS, and Fusion Center participants and national resources such as the ES-ISAC, BPSA and others as needed and as required by the exercise.

Observations and Lessons Learned

1. Regional communication and conference calls during the exercise were valuable to participating Members.
2. More local/regional injects would make for a more valuable exercise.
3. SPP Members need to do more security-related information-sharing, both in day-to-day operations, as well as in real-time, should a security-related incident occur.
4. Consider establishing an SPP Members Only conference bridge and/or secure chat channel that could be used in regional security-related emergency situations to improve situational awareness.
5. Consider conducting a joint SPP Members’ exercise sometime during off-GridEx years. This would occur during even-numbered years, since GridEx occurs in odd-numbered years.

Action Items

1. Two members (WFEC and AECC) will present their experiences to the SPP CIPWG.
2. CIPWG will explore the opportunity to conduct SPP Members-only exercises between GridEx exercises, including resources required, projected costs, timeframe, etc.

Summary

The NERC Grid Exercise provided participating SPP Members with a valuable opportunity to coordinate activities, test response plans, and improve responses to events within our Region. A similar SPP regional exercise in intervening years could potentially:

- Improve regional emergency response efforts,
- Improve overall SPP Member communication, and
- Provide an opportunity for SPP Members to satisfy regulatory requirements for annual exercises
### Statement of Activities

**Southwest Power Pool Regional Entity**

#### 2013 December YTD Draft (Unaudited)

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<th>Description</th>
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<th>2013 December YTD Budget</th>
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- **Beginning WC - 01/01/2013**: 3,198,329, 1,358,075, 1,840,254, 2,706,445, 1,358,075, 1,348,370
- **Change to WC - 2013 YTD**: (2,035,051), (1,689,744), (1,586,194), (699,744), (1,080,245), (1,350,000)
2013 Outreach Report

January 20

December Newsletter:
- Join us in Dallas or via Webinar for February Workshop!
- From Ron’s Desk
- FERC Approves CIP Version 5; Directs Modifications
- Clarification on Event Reporting Under New EOP-004
- CIP Tip: CIP-006-3 R2.2
- NERC Releases Long-Term and Winter Assessments
- New Video on Internal Controls-Entity Perspectives
- FAC Bi-Annual Reports due Jan. 15
- YTD Regional Event Statistics
- Slides Posted from Nov. Webinar on 2014 Implementation Plan & Audit Scope
- NERC Solicits Nominations for Six Projects through 1/10/14
- Status Update on Order 754
- New VAR-001-3 RSAW and Balancing Authority-Compliance Analysis Report

Videos:
- 1,223 plays in 2013

Webinars
- Scheduled 2/19/14 webinar on CIP-002-5 BES Cyber System Identification - Register

Workshops
- Holding conference calls and practice sessions for Feb. 25-26 workshop; 122 registrants to date
- Began planning the agenda for June 3-4 CIP Workshop
- Opened CIP Workshop Registration