REGIONAL ENTITY TRUSTEES MEETING
FEBRUARY 17, 2015
Teleconference
AGENDA
9:00 a.m. – 11:00 a.m. CST

1. Call to Order/Introductions ............................................................ John Meyer
2. Antitrust Guidelines ........................................................................ John Meyer
3. Approval of 1/26/15 Meeting Minutes ............................................. John Meyer
4. Approve 2015 Staff Goals and Metrics * Action item .................. Ron Ciesiel
5. Enforcement Report ......................................................................... Joe Gertsch
6. General Manager’s Report ............................................................ Ron Ciesiel
7. YTD Financial Update ................................................................. Debbie Currie
8. Outreach Update ............................................................................ Emily Pennel
9. New Action Items .............................................................................. Emily Pennel
10. Future Meetings .............................................................................. Emily Pennel

April 27, 2015 - Tulsa
July 27, 2015 - Kansas City
October 26, 2015 - 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.
REGIONAL ENTITY TRUSTEES MEETING
JANUARY 26, 2015
Dallas, Texas
A G E N D A
8:00 a.m. – 3:00 p.m.

Background Material

1. Call to Order/Introductions .............................................................. John Meyer
   The Chairman called the meeting to order at 8:00 a.m.

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

3. Approval of Meeting Minutes – 10/27/14 ................................. John Meyer
   The Trustees approved the minutes from the October meeting.

4. 2014 Year in Review................................................................. Ron Ciesiel
   In 2014, the SPP RE staff’s weighted total metrics achievement was 121.8%. We
   performed 56 audits and improved audit processes such as enhancing the pre-
   audit review. RE staff helped develop the ERO-wide Auditor Handbook and
   began using it to verify consistency of audit documentation and work papers.
   FERC observers attended five SPP RE audits and provided positive feedback.

   SPP RE’s Event Analysis staff engaged with the national NERC Event Analysis
   program and handled 30 reportable events, including 13 events that qualified for
   a category of one or higher. We responded to a FERC inquiry regarding regional
   follow-up actions in response to recent winter storms, worked with the RTO to
   publish three regional reliability assessments, and coordinated Facility Ratings
   Alert activity for the SPP RE region.

   After the new Bulk Electric System definition went into effect in July, we
   processed 143 self-determined notifications for 154 elements and two local
   networks. SPP RE added four new Registered Entities, de-activated seven, and
   reduced the number of registered functions for 14.

   In 2014, the SPP RE Enforcement group received the lowest number of incoming
   violations it has received since 2009. Of the 121 incoming violations, 66 or 55%
   were self-identified. Due to the reduced number of incoming violations and
   efficiency gains in the processing of minor risk violations, the Enforcement
   caseload at year’s end is down to 119, from 186 in 2013. There were 99
   mitigation plans submitted in 2014 as compared to 200 in 2013.

   We had excellent attendance at our regional workshops and webinars. We are
   enhancing the webCDMS compliance management tool to keep up with the
   compliance program changes.
5. **Accept 2014 Goals and Metrics Performance**  *Action item* ....... Ron Ciesiel
The Trustees unanimously accepted the 2014 goals and metrics performance as presented.

6. **Approve 2015 Goals and Metrics**  *Action item* ......................... Ron Ciesiel
We developed new 2015 goals and metrics to support NERC’s metrics and goals, recent process changes, our changing workload, and our more experienced staff. The Trustees asked staff to review some of the metrics to make them more challenging. The Trustees will vote on the revised metrics during an upcoming call.

7. **CIP Update** ......................................................................................... Kevin Perry
Several CIP V5 lessons learned have been written; they do not have the force of regulatory law like the standards do. Mr. Perry encouraged Registered Entities to review the draft lessons learned and submit comments as needed. NERC expects to post the top 15 lessons by April 1, 2015. NERC is planning a website called “CIP University” with information from all regions. SPP is holding “CIP Week” in June with the SPP RE Workshop followed by the RTO Forum. We are holding CIP break-out sessions at the Spring Workshop. Staff is also planning one-on-one assistance visits at Registered Entities. We issued a survey to determine CIP educational needs.

NERC adopted some FERC-required revisions to CIP V5 standards in November. Additional revisions are in progress to address remaining FERC Order 791 directives. The ballot body approved the revisions; the final ballot will be open through February 2, 2015.

CIP-014, Physical Security, is enforceable after October 1, 2015. The SPP RTO Engineering Department will be able to perform the third-party assessment verification. A Standard Authorization Request for CIP-014 was posted to address FERC Order 802 directives.

8. **Compliance and Certification Committee** ....................... Jennifer Flandermeyer
The CCC made some charter changes to reflect what the CCC has been doing to support NERC and actual activities the CCC performs. The CC is serving on the Risk-Based Compliance Monitoring and Enforcement (formerly RAI) Advisory Group to support maturation of ERO processes. The CCC has been involved in the Risk-Based Registration effort and has supported a number of outreach events.

9. **Bulk Electric System Definition Activity Update** ..................... Greg Sorenson
A self-determined notification is for an element that did not meet the old BES definition but meets the new one, or vice versa. An exception request is for an element does not meet the new definition but is material to reliable BES operation (inclusion), or for an element that meets the new definition but is not
material to reliable operations (exclusion). SPP RE staff processed 134 exclusions and eight inclusions in an average of 8.5 days. We have had no changes to the list of Registered Entities.

After SPP RE issues a recommendation, Registered Entities have 30 days to respond prior to the NERC decision. NERC will evaluate the regional recommendation and issue a decision within 90 days of the regional recommendation. The NERC decision completes the decision process, but is subject to appeal.

For elements that are no longer part of the BES definition, the compliance obligation ends once the region is notified via a self-determined notification. New BES elements must be compliant with all Reliability Standards by July 1, 2016.

NERC has filed proposed changes to the NERC Rules of Procedure. If approved, Purchasing-Selling Entities, Interchange Authorities, and Load Serving Entities would no longer be registered functions. The registration load threshold for Distribution Providers would increase to 75 MW. SPP RE will make registration changes after FERC approval.

10. Inherent Risk Assessment/Internal Controls Evaluation ..........Mike Hughes
RAI (now called Risk Based Compliance Monitoring and Enforcement) was to move us from zero tolerance and historical compliance to future assurance of compliance. Risk Based Compliance Monitoring and Enforcement includes:

- Auditor Handbook and Checklist
- Inherent Risk Assessment (IRA) Guide
- Internal Control Evaluation (ICE) Guide
- Bulk Electric System Exception Process
- Multi-Regional Registered Entity Audit Process
- Regional Consistency Reporting Tool
- Risk Based Registration
- Enhanced Find, Fix, Track
- Compliance Exception
- Self-Logging of Minimal Risk Issues

We no longer have the Actively Monitored List. Now, annual risk elements are identified which drive the standards and requirements selected as the base scope. Each region identifies local risk elements to add to their regional base scope. Risk assessments are based on the Pre-Audit Questionnaire, previous audits, violation history, self-certifications, periodic data submittals, and information available to the general public. We expect to complete IRAs for all three-year audits scheduled in 2015. IRAs will help drive compliance monitoring plans for all entities.
The Internal Controls Evaluation (ICE) is optional. Every Registered Entity has internal controls that relate to people, processes, systems, tools, and management practices. ICE will take time in the initial phase; efficiencies will come over time. You can use ICE for just one or two standards.

11. Summary of Recent System Events................................................... Alan Wahlstrom
We had 30 system events in 2014. In the fourth quarter, we had one category 1h (partial loss of monitoring or control at a control center for 30 min), one category 1a (an unexpected outage, contrary to design, of three or more BPS facilities), and one category 2a (complete loss of SCADA, control or monitoring for 30 min). NERC has posted several new lessons learned on Control System Network Switch Failure, Bus Differential Power Supply Failure, and Loss of Generators Due to Control Air.

On the Facility Ratings Alert, 100% of the high priority lines are complete, 72% of the medium priority lines are complete, and 75% of the low priority lines are complete. Seven companies have extensions and are making progress on remediation.

12. Enforcement Report ................................................................. Joe Gertsch
In response to a stakeholder question: in 2014 we invoiced $456,000, which was spread across 100 violations. We had 121 incoming enforcement issues in 2014; 62 were through the Find, Fix, Track (FFT) process. Eventually, minimal risk violations that have been processed through FFT will become Compliance Exceptions. The end of year caseload was 119; 83 are CIP and 36 are Operations & Planning. Violations are down significantly. We processed 188 violations in 2014. In 2014, we accepted 102 mitigation plans.

An SPP Director noted that having SPP RE under the SPP, Inc. organization is working very well and bringing dividends to stakeholders. This is the seventh quarter with no reportable vegetation contacts. In the third quarter of 2014, the region had 91.8% correct operations. Communication failures and incorrect settings/logic/design errors continue to be the leading cause of misoperations. At our request, the System Protection and Control Working Group wrote a white paper on communications failures. We have asked them to also analyze incorrect settings/logic/design errors. PRC-005 has dropped to the 9th most violated standard; this is good news. As noted previously, violations are down significantly.

14. Electric Infrastructure Protection Discussion.................... Dave Christiano
Trustee Christiano expressed his concern about the possibility of armed attacks on our facilities. How would we act in such a situation? An SPP Director noted that a chief concern needs to be our ability to deal with workplace violence and sabotage. Are there things SPP RE could do to help in this area, other than enforce the CIP standards?
15. **Year-to-Date Financial Statement** ........................................................... Debbie Currie

We ended the year with four open staff positions, which impacts personnel, travel, and the SPP, Inc. overhead charge. Moving forward, we are going to not going to budget for contingencies such as hearings. We have a relatively flat budget from 2014 to 2015. We expect to underrun the budget in 2015 as well. We begin the budget cycle very early – up to 18 months in advance. Any overbudgeted dollars will be ultimately be refunded to Registered Entities.

16. **Outreach Activity** ............................................................................... Emily Pennel

The 2015 workshops will be March 10-11 in Little Rock, June 2-3 in Kansas City, and Sept. 29-30 in Dallas.

17. **NERC COMMITTEE REPORTS – Comments or Questions**

17a. Planning Committee ............................................................................. Noman Williams

Noman noted that NERC - with Regional Entities, relay vendors, and industry participants - will coordinate the development of white papers on misoperations. An industry workshop is planned for 2015 to develop, approve, and reinforce protection system best practices.

17b. Critical Infrastructure Protection....................................................... Eric Ervin
17c. System Protection and Control ......................................................... Lynn Schroeder
17d. Interchange Subcommittee .............................................................. Jason Smith
17e. Operating Committee Report ........................................................... Jim Useldinger

18. **New Action Items** ............................................................................... Emily Pennel

- Modify 2015 staff goals/metrics and bring them back for approval

- Recognize Robert McClanahan at the next meeting in recognition of his terms as the SPP CIPWG and NERC CIPC committee representative

- At the next relevant NERC meeting, the Trustees will discuss the timing of the NERC budget cycle

The Trustees adjourned the regular meeting at 2:31 and went into a closed session to discuss personnel and compensation issues.

19. **Future Meetings** .................................................................................. John Meyer

April 27, 2015 - Tulsa
July 27, 2015 - Kansas City
October 26, 2015 - Little Rock
SPP RE 2015 Staff Goals and Metrics

February 17, 2015

Ron Ciesiel
SPP RE General Manager
Goals and Metrics Development

• Support NERC ERO Performance Metrics
• Support NERC Internal Business Goals
• Support RAI and other NERC Initiatives
• Reflect Anticipated Changes in Workload/Caseload
• More Mature and Experienced Staff
• Anticipated Process Changes
• Additional Metric to Support Continuous Improvement
# 2015 Goals and Metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>Description</th>
<th>2014 Performance</th>
<th>2014 Weight</th>
<th>1/26/15 Weight</th>
<th>Proposed Changes</th>
<th>2/17/15 Weight</th>
<th>Proposed Revisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Expedite mitigation of High Impact Violations</td>
<td>97.07 days</td>
<td>10.0%</td>
<td>7.5%</td>
<td>Weighting was reduced by 2.5%</td>
<td>5.0%</td>
<td>Reduced the weighting an additional 2.5% to reflect the anticipated lower number of incoming HI violations.</td>
</tr>
<tr>
<td>2</td>
<td>Maintain caseload of no more than one year</td>
<td>101.62%</td>
<td>10.0%</td>
<td>10.0%</td>
<td>No Change</td>
<td>10.0%</td>
<td>No Change.</td>
</tr>
<tr>
<td>3</td>
<td>Accept or reject Mitigation Plans within 30 days of submission by the Registered Entity Enforcement must perform an acceptance review of originally submitted and resubmitted mitigation plans in 30 and 10 days respectively.</td>
<td>100% &amp; 10.3 days</td>
<td>5.0%</td>
<td>5.0%</td>
<td>Metric now includes requirement to perform an acceptance review for mitigation plans previously rejected within 10 days of resubmission. To reflect the addition of the 10 day requirement the eligibility for 150% payout was reduced from 25 to 15 days.</td>
<td>5%</td>
<td>No Change.</td>
</tr>
<tr>
<td>4</td>
<td>Complete Mitigation Plan completion reviews within 25 days of Registered Entity notification of completion</td>
<td>9.57 days</td>
<td>5.0%</td>
<td>5.0%</td>
<td>No Change</td>
<td>5%</td>
<td>No change in weighting. Reduce the average days associated with the 50%, 100% and 150% performance contribution to 30, 20 and 10 average days respectively.</td>
</tr>
<tr>
<td>5</td>
<td>Process pre-2014 violations and send to NERC by 11/20/15 By completing 100% of the identified violations a payout of 100% can be achieved. There is no payout above 100%.</td>
<td>100%</td>
<td>7.5%</td>
<td>7.5%</td>
<td>There were 36 pre-2013 violations in the 2014 metric. For the 2015 metric there are 44 violations, including 10 violations previously on hold. Two pre-2014 violations with scheduled mitigation plan completion dates in 2016 were not included in the metric. The metric also includes two MRRE violations where SPP is not the lead.</td>
<td>7.5%</td>
<td>No Change.</td>
</tr>
</tbody>
</table>
## 2015 Goals and Metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>Description</th>
<th>2014 Performance</th>
<th>As presented January 26</th>
<th>Current Proposal</th>
<th>Proposed Revisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Complete incoming possible violation triage within 60 days of Compliance staff sending the possible violation to Enforcement</td>
<td>29.37 days</td>
<td>5.0%</td>
<td>5.0%</td>
<td>No Change</td>
</tr>
<tr>
<td>7</td>
<td>Complete documentation close-out of all violations within 45 days of issuance of the Notice of Completion of Enforcement Action. There is no payout above 100%.</td>
<td>85.57%</td>
<td>5.0%</td>
<td>5.0%</td>
<td>No Change</td>
</tr>
<tr>
<td>8</td>
<td>Publish non-public off-site audit report to NERC</td>
<td>31.39 days</td>
<td>7.5%</td>
<td>5.0%</td>
<td>Reduced the weighting from 7.5% to 5%. The average number of days associated with each performance contribution was decreased by 5 days in recognition of historical Audit team performance.</td>
</tr>
</tbody>
</table>
## 2015 Goals and Metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>Description</th>
<th>As presented January 26</th>
<th>Current Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2014 Performance</td>
<td>2014 Weight</td>
</tr>
<tr>
<td>9</td>
<td>Publish non-public on-site audit report to NERC</td>
<td>39.13 days</td>
<td>7.5%</td>
</tr>
<tr>
<td>10</td>
<td>Review and issue determination for BES registration and deactivation requests</td>
<td>8.11 days</td>
<td>5.0%</td>
</tr>
<tr>
<td>11</td>
<td>Publish internally completed assessment of Self-Certification/periodic data submittals</td>
<td>100%</td>
<td>5.0%</td>
</tr>
</tbody>
</table>
# 2015 Goals and Metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>Description</th>
<th>2014 Performance</th>
<th>2014 Weight</th>
<th>1/26/15 Weight</th>
<th>Proposed Changes</th>
<th>2/17/15 Weight</th>
<th>Proposed Revisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>Process incoming possible violations to NERC through webCDMS in 5 business days or less</td>
<td>3.04</td>
<td>5.0%</td>
<td>5.0%</td>
<td>No Change</td>
<td>5.0%</td>
<td>No change in weighting. Eliminated the performance contribution &gt; 100%. Eliminated the use of average days for the 80% and 100% performance contribution. The performance contribution is now based on the percent violations process in &lt;= 5 business days.</td>
</tr>
<tr>
<td>13</td>
<td>Control out-of-pocket expenses for on-site/off-site audits (contractor billings and travel)</td>
<td>-39.38%</td>
<td>10.0%</td>
<td>10.0%</td>
<td>Based on budget to actual performance in 2014 the percent difference for a 150% performance contribution was increased from -10% to -15%. Similarly, the performance contribution associated with a +10% difference was reduced from 80% to 50%.</td>
<td>10%</td>
<td>No Change</td>
</tr>
<tr>
<td>14</td>
<td>Continue outreach/assessment to maintain or improve protective relay operations success rate for 4Q2014 – 3Q2015</td>
<td>89.55%</td>
<td>2.5%</td>
<td>2.5%</td>
<td>The success rate associated with the 80%, 100% and 150% performance contribution was increased from 84% to 88%, from 87% to 90% and from 90% to 92% respectively to reflect historical performance.</td>
<td>2.5%</td>
<td>No Change</td>
</tr>
</tbody>
</table>
# 2015 Goals and Metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>Description</th>
<th>2014 Performance</th>
<th>2014 Weight</th>
<th>1/26/15 Weight</th>
<th>Proposed Changes</th>
<th>2/17/15 Weight</th>
<th>Proposed Revisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>Assure proper Cause Codes can be verified from Event Analysis Reports issued by SPP RE Registered Entities</td>
<td>100%</td>
<td>5.0%</td>
<td>2.5%</td>
<td>The 150% performance contribution was eliminated from this metric. The success rate for 100% performance contribution was changed from 96% to 100% and the performance contribution for a 80% success rate was reduced from 80% to 50% to reflect past performance.</td>
<td>2.5%</td>
<td>No Change</td>
</tr>
<tr>
<td>16</td>
<td>Outreach Production Goals</td>
<td>100% &amp; Scored of 3.6</td>
<td>5.0%</td>
<td>5.0%</td>
<td>No Change.</td>
<td>5.0%</td>
<td>No Change</td>
</tr>
<tr>
<td>17</td>
<td>Continuous Improvement Project Goals</td>
<td>N/A</td>
<td>0.0%</td>
<td>10.0%</td>
<td>New Metric.</td>
<td>12.5%</td>
<td>Increased the weighting by 2.5% to 12.5%.</td>
</tr>
</tbody>
</table>
Overall 2015 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 and improve RE processes
Questions or Comments?

Ron Ciesiel
rciesiel.re@spp.org
501-614-3265
1. **Expedite mitigation of High Impact (HI) Violations**

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

The Compliance staff identifies HI violations based on the intersection of the Compliance staff’s 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>X</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.

\[
\text{Performance contribution} = \frac{(\text{date of MP acceptance, issuance of a remedial action directive, or issuance of the NAVAPS}) - (\text{date the HI violation is sent to Enforcement})}{\text{days}}
\]

<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:** 5.0%

**Comments:**

i. Consistent with the downward trend in new violations of the Reliability Standards, the number of HI Violations has decreased from 41 in 2013 to 4 in 2014. Accordingly, the weighting assigned this metric has been reduced from 10% to 5.0%.

ii. This metric is aligned with and supports “Goal 4 – Risks to Reliability” in the *ERO Enterprise Strategic Plan 2015-2018* wherein, the ERO Enterprise will “[i]dentify the most significant risks to reliability, provide assurance for mitigating reliability risks . . . .” Additionally, the metric directly supports the timely mitigation of all noncompliance, a *Key Compliance Enforcement Metric* identified by NERC and included in its quarterly report to the NERC BOTCC.

---

\(^1\) The initial risk determination will be made during the triage meeting between the Enforcement Staff and Compliance Staff.

\(^2\) 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 1/1/15 will be included in the 2015 metric.
2. **Maintain caseload of no more than one year**

**Objective:** Maintain 2015 violation processing capability and efficiency to achieve a one-year caseload by 1/1/16.

As of 12/31/14, the SPP RE caseload is 119 violations. To achieve the metric in 2015, 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, or Dismissals) equivalent to 100% of the 12/31/14, Enforcement caseload.

**Measure:**
\[
\text{(Number of completed dispositions / (caseload on 12/31/14))} = \text{percent caseload completed}
\]

<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. This metric is aligned with and directly supports the caseload index target identified in NERC’s *Key Compliance Enforcement Metric* and included in its quarterly report to the NERC BOTCC.

3. **Accept or reject Mitigation Plans within 30 days of submission/10 days of resubmission by the Registered Entity**

**Objective:** To accept submitted Mitigation Plans (“MP”) in accordance with Compliance Management Enforcement Program (“CMEP”) requirements. “Unless the time period is extended by the Compliance Enforcement Authority, it will complete its review of the Mitigation Plan, and will issue a written statement accepting or rejecting the Mitigation Plan, within thirty (30) days of receipt . . . . . . The Compliance Enforcement Authority will notify the Registered Entity within ten (10) business days after receipt of a revised Mitigation Plan whether the Compliance Enforcement Authority will accept or reject the revised Mitigation Plan . . . .” CMEP Section 6.5.

**Measure:**

1. \[
\text{(number of MPs accepted or rejected in <= required number of days in a month) / (number of MPs submitted/resubmitted in the month)} = \text{percent MPs accepted/rejected <= required number of days each month}
\]

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

2. average number of days to accept or reject mitigation plans

To be able to calculate the metric in January 2016, the metric applies to all MPs submitted/resubmitted between 12/1/14 and 11/30/15.

---

4 The number of dismissals shall include those dismissals not requiring NERC approval but approved by the SRT.
<table>
<thead>
<tr>
<th>Contribution</th>
<th>$\sum$ Months where 100% MPs accepted/rejected $\leq$ required number of days/12 $\times 100%$</th>
<th>Enforcement must achieve a 100% success rate for acceptance/rejection $\leq$ required number of days in 2015 before becoming eligible for a performance contribution above 100%.</th>
<th>150%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal</td>
<td>100% MPs accepted/rejected $\leq$ required number of days/month</td>
<td>Average number of days to accept/reject $= 15$</td>
<td>50%</td>
</tr>
<tr>
<td>Weight:</td>
<td>5.0%</td>
<td></td>
<td>30</td>
</tr>
</tbody>
</table>
| Comments:   | i. This metric was changed to include the requirement to accept/reject resubmitted MPs following a rejection within 10 business days of being resubmitted. The average number of days corresponding to an increased payout was reduced from 20 days to 15 days to reflect historical performance and the addition of the 10 day requirement for resubmitted MPs.  
   ii. This metric is aligned with CMEP requirements and directly supports the timely mitigation of all noncompliance, a Key Compliance Enforcement Metric identified by NERC and included in its quarterly report to the NERC BOTCC. |

4. **Complete Mitigation Plan completion reviews within 20 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

$$Days = \text{ (“certification received by region on” date in webCDMS) – (“mitigation verified on” date in webCDMS)}$$

<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>30</td>
<td>20</td>
<td>10</td>
</tr>
</tbody>
</table>

Weight: 5.0%

Comments:

i. This metric directly supports the timely mitigation of all noncompliance, a Key Compliance Enforcement Metric identified by NERC and included in its quarterly report to the NERC BOTCC.

ii. Based on historical performance the average number of days associated with the Performance Contribution of 50%, 100% and 150% was reduced by 5 days to 30, 20 and 10 days respectively.

---

5 The 100% performance contribution is based on the number of months 100% of submitted/resubmitted MPs are accepted/rejected within the required number of days identified in the CMEP. For example if Enforcement accepts/rejects 100% of the MPs initially submitted within 30 days and accepts/rejects 100% of the resubmitted MPs within 10 days for 11 of 12 months then the performance contribution would equal $11/12 \times 100\%$ or 91.6%. The 150% performance contribution is determined on an annual basis and is not available unless Enforcement achieves 100% MPs accepted/rejected within the CMEP required number of days for all 12 months.
5. **Process pre-2014 violations and send to NERC by 11/20/15.**

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

**Measure:** \( \frac{\text{number of pre-2014 violation in the Enforcement caseload}^6}{\text{number of pre-2014 violation processed by 11/20/15}} \)

The performance contribution cannot exceed 100%.

<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 processed in 2015.
- ii. This metric directly supports the timely processing of all noncompliance, a *Key Compliance Enforcement Metric* identified by NERC and included in its quarterly report to the NERC BOTCC.

6. **Complete incoming possible violation triage within 45 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 inform the Registered Entity within 45 days of Compliance staff sending the violation to Enforcement, i.e., completion of the Preliminary Screen.

**Measure:** \( \sum (\text{date violation triage complete}^8 – \text{date the violation was sent to Enforcement}) / (\text{violations sent to Enforcement between 11/15/14 (if triage is not completed in 2014) and 11/15/15}) = \text{average days to complete violation triage} \)

<table>
<thead>
<tr>
<th>Performance Contribution</th>
<th>80%</th>
<th>100%</th>
<th>150%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average triage completion</td>
<td>60</td>
<td>45</td>
<td>30</td>
</tr>
</tbody>
</table>

---

6 MRRE Pre-2014 violations where SPP RE is not the lead are not included in the metric.

7 Compliance Exceptions, FFT, Spreadsheet NOP, and Full NOP violations must be filed with NERC. For dismissals the Letter of Dismissal must be sent to NERC.

8 Violation triage is normally complete when the Notice of Possible Violation (NPV) is sent to the Registered Entity; a Letter of Dismissal is sent to NERC, a Notice of Initial Determination of Compliance Exception is sent to the Registered Entity, or initiation of discovery. In some cases, a formal triage meeting is unnecessary and an Enforcement email documenting its decision to forgo the meeting and a description of its basis, may be used as a substitute for a triage meeting.
Comments:

i. The average triage completion days was reduced for all performance contributions by 15 days.

ii. This metric directly supports the timely processing of all noncompliance, a Key Compliance Enforcement Metric identified by NERC and included in its quarterly report to the NERC BOTCC. Additionally, because the triage process is utilized to assess the risk of issues of noncompliance, this metric directly supports “Goal 4.a Risks to Reliability”, of the ERO Enterprise Strategic Plan 2015-2018 wherein “[r]isks are identified and prioritized based on reliability impacts, cost and practicality of assessments, projected resources and emerging issues.”

7. **Complete documentation close-out of all violations within 45 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 or Compliance Exception.

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 and MP Engineer review 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 verifies and signs a Certification of Case Record Close-Out and saves the certification to the Enforcement Docket folder.
7. EFT files are deleted from the EFT folder and copied to the appropriate TMP and Enforcement Docket folders.

Average number of days to completed violation documentation closed-out following issuance of the NCEA or transmittal of the Compliance Exception spreadsheet = \( \frac{\text{Total number of days to complete documentation close-out for all violations/Compliance Exceptions closed as of 11/15/15}}{\text{Total number of violations closed as of 11/15/15}} \)

There is no performance contribution greater than 100%.

---

9 A violation is closed when the NCEA is issued or the Compliance Exception spreadsheet is transmitted to NERC. For metric purposes, the closed violations subject to the metric will be derived from the NCEA’s issued between 11/15/14 and 11/15/15.
Performance contribution

<table>
<thead>
<tr>
<th></th>
<th>80%</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Averaged close-out completion (days)</td>
<td>60</td>
<td>45</td>
</tr>
</tbody>
</table>

Weight: 5%

Comments:
i. This metric has been changed to include Compliance Exceptions and to require an average time for case file close-out rather than the performance of all close-out activities within 60 days. The performance goal has been changed from 60 days to 45 days to reflect Enforcement past performance and the use of an average value.

ii. This metric indirectly supports “Goal 5 – Coordination and Collaboration” in the ERO Enterprise Strategic Plan 2015-2018 wherein, the ERO Enterprise will “[i]mprove transparency, consistency, quality, and timeliness of results; operate as a collaborative enterprise; and improve efficiencies and cost-effectiveness.”

8. Publish non-public off-site audit report to NERC in less than 45 days

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

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

Non-public off-site audit reports published in less than or equal to 45 days / non-public off-site audit reports published in 2015.

<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></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent reports publish in &lt;= 45 days</td>
<td>80%</td>
<td>100%</td>
<td>40*</td>
</tr>
</tbody>
</table>

* To achieve > 100% performance contribution base on an average days to publish <= 45 days the RE must publish 100% of the non-public off-site audit reports in <= 45 days.

Weight: 5%

Comments:
i. The average number of days associated with the 80% and 100% performance contribution was eliminated in favor of the percent reports published in less than or equal to 45 days. Average days for greater than 100% performance contribution only applies if the 100% performance contribution is met. The weighting for this metric was reduced from 7.5% to 5% to reflect this metrics importance in relation to other metrics.

ii. This metric is aligned with and supports “Goal 5 – Coordination and Collaboration” in the ERO Enterprise Strategic Plan 2015-2018 wherein, the ERO Enterprise will “[i]mprove transparency, consistency, quality, and timeliness of results . . . .”
iii. Audit reports which are not the responsibility of SPP RE, e.g., SPP RE serving in a non-lead role for multi-region audits, shall be excluded from the metric.

9. **Publish non-public on-site audit report to NERC in less than 65 days**

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

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

Non-public on-site audit reports published in less than or equal to 65 days / non-public on-site audit reports published in 2015.

<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></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent reports publish in &lt;= 65 days</td>
<td>80%</td>
<td>100%</td>
<td>55*</td>
</tr>
</tbody>
</table>

* To achieve > 100% performance contribution base on the average days to publish <= 65 days the RE must publish 100% of the non-public on-site audit reports in <= 65 days.

**Weight:** 5%

**Comments:**

i. The average number of days associated with the 80% and 100% performance contribution was eliminated in favor of the percent reports published in less than or equal to 65 days. Average days for greater than 100% performance contribution only applies if the 100% performance contribution is met. The weighting for this metric was reduced from 7.5% to 5% to reflect this metrics importance in relation to other metrics.

ii. This metric is aligned with and supports “Goal 5 – Coordination and Collaboration” in the **ERO Enterprise Strategic Plan 2015-2018** wherein, the ERO Enterprise will “[i]mprove transparency, consistency, quality, and timeliness of results . . . .”

iii. Audit reports which are not the responsibility of SPP RE, e.g., SPP RE serving in a non-lead role for multi-region audits, shall be excluded from the metric.

10. **Review and issue determination for BES registration and deactivation requests**

**Objective:** To ensure self-determined notifications, new registration, and deactivation requests submitted pursuant to the BES definition change are reviewed and issued in a timely manner.

**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 SPP RE’s registration/deactivation decision.
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: \[
\frac{\text{(number of assessments completed by the due date)}}{\text{(total number of assessments for 2015)}} = \text{percent completed on time}
\]

The performance contribution cannot exceed 100%.

<table>
<thead>
<tr>
<th>Performance contribution</th>
<th>50%</th>
<th>80%</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 Performance Contribution associated with the 80% and 90% on time completion was reduced to 50% and 80% respectively to reflect a greater emphasis on completing 100% publication of internally completed assessments of self-certifications and periodic data submittals.

ii. This metric is aligned with and supports “Goal 5 – Coordination and Collaboration” in the ERO Enterprise Strategic Plan 2015-2018 wherein, the ERO Enterprise will “[i]mprove transparency, consistency, quality, and timeliness of 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: The 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.), from the date the Registered
Entity self-reported or submitted a self-logging spreadsheet as applicable, to completion of the Preliminary Screen.

The number of incoming violations processed in less than or equal to 5 business days / number of incoming violations in 2015.

The performance contribution cannot exceed 100%.

<table>
<thead>
<tr>
<th>Performance contribution</th>
<th>80%</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent violations processed in &lt;= 5 business days</td>
<td>80%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Weight:** 5%

**Comments:**

i. The average number of days associated with the 80% and 100% performance contribution was eliminated in favor of the percent incoming violations processed in less than or equal to 5 business days. The 120% performance contribution was eliminated.

ii. This metric is a CMEP requirement. Additionally, this metric is aligned with and supports “Goal 5 – Coordination and Collaboration” in the ERO Enterprise Strategic Plan 2015-2018 wherein, the ERO Enterprise will “[i]mprove transparency, consistency, quality, and timeliness of 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.

**2015 Budget:**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CIP</td>
<td>$300,000</td>
</tr>
<tr>
<td>O&amp;P</td>
<td>$275,000</td>
</tr>
</tbody>
</table>

**Measure:** 

\[
\frac{[(2015 \text{ budget}) - (2015 \text{ actual})]}{[2015 \text{ budget}]} = \text{percent increase/decrease}
\]

<table>
<thead>
<tr>
<th>Performance contribution</th>
<th>50%</th>
<th>100%</th>
<th>150%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent difference</td>
<td>+10%</td>
<td>0%</td>
<td>-15%</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 contractor billings and travel expense for

---

10 CMEP Section 3.8. “The Preliminary Screen shall be conducted within five (5) business days after the Compliance Enforcement Authority identifies the potential noncompliance . . . . .”

SPP RE 2015 Metrics Revision – 2/17/15 9
audits are tracked and monitored. The 2014 actual expense was used as a starting point, and the 2015 budget was used as the basis. The travel expense was adjusted to reflect recent increases in airfare, and hotel prices.

ii. Based on budget to actual performance in 2014 the percent difference for a 150% performance contribution was increased from -10% to -15%. Similarly, the performance contribution associated with a +10% difference was reduced from 80% to 50%.

iii. This metric is aligned with and supports “Goal 5 – Coordination and Collaboration” in the ERO Enterprise Strategic Plan 2015-2018 wherein, the ERO Enterprise will “[i]mprove transparency, consistency, quality, and timeliness of results; operate as a collaborative enterprise; and improve efficiencies and cost-effectiveness.”

14. **Continue outreach/assessment to maintain or improve protective relay operations success rate for 4Q2014 – 3Q2015**

**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>88%</td>
<td>90%</td>
<td>92%</td>
</tr>
</tbody>
</table>

**Weight:** 2.5 %

**Comments:**

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

ii. The success rate associated with the 80%, 100% and 150% performance contribution was increased from 84% to 88%, from 87% to 90% and from 90% to 92% respectively to reflect historical performance.

iii. This metric directly supports the ERO Enterprise Metric 1: Reliability Results, Measure of Success 4. Protection System Misoperations, which is aligned with the reduction of protection system misoperations.

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.

The performance contribution cannot exceed 100%.
Performance contribution  |  50%  |  100%  
---|---|---
Success rate  |  80%  |  100%  

**Weight:** 2.5 %

**Comments:**

i. The 150% performance contribution was eliminated from this metric. The success rate for 100% performance contribution was changed from 96% to 100% and the performance contribution for an 80% success rate was reduced from 80% to 50% to reflect past performance.

ii. This metric is aligned with and supports the ERO Enterprise Metric 1: Reliability Results wherein a Measure of Success is having fewer, less severe events during 2015 - 2018.

### 16. Outreach Production Goals

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

**Measure:** Percent completion: The number of workshop, webinars and newsletters completed in 2015 / (21), the number of workshops, webinars and newsletters planned in 2015.

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. This metric indirectly supports the ERO 2015 Enterprise and Corporate Metrics: Sub-metric A (the quality of board-approved standards), 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).

### 17. Continuous Improvement Project Goals

**Objective:** Complete identified projects designed to improve SPP RE’s performance of its compliance enforcement authority function and implementation of NERC directives.

(1) RAI Implementation - fully implement processes and procedures required for implementation of NERC’s Risk Base Initiative.
(2) Compliance Workbook – create a detailed how-to manual covering all Compliance/CDMS processes and procedures.
(3) Enforcement Workbook – create a detailed how-to manual covering all Enforcement/CDMS processes and procedures.
(4) Budget Workbook – develop a detailed how-to manual covering the SPP RE budget process.
(6) Develop internal controls to track and monitor CMEP activities.

**Measure:**

The number of projects completed by 12/31/15.

<table>
<thead>
<tr>
<th>Performance contribution</th>
<th>50%</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects Completed</td>
<td>4</td>
<td>6</td>
</tr>
</tbody>
</table>

**Weight:** 12.5%

**Comments:**

i. This is a new metric designed to give emphasis to continuous improvement of SPP RE CMEP processes and ensure timely implementation of recent NERC initiatives.

ii. The SPP RE General Manager will assign project leads and team members. The teams will develop a detailed works scope and present that work scope to the Trustees for their approval before the end of the 1st quarter of 2015.

iii. This metric directly supports two goals established in the *ERO Enterprise Strategic Plan 2015-2018,* “Goal 2b – Compliance, Registration, and Certification” wherein, one of the key deliverables is “[t]ransformation of the Reliability Assurance Initiative from concept to implementation” and Goal 5. “[i]mprove transparency, consistency, quality, and timeliness of results; operate as a collaborative enterprise; and improve efficiencies and cost-effectiveness.”
1. **Expedite mitigation of High Impact (HI) Violations**

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

The Compliance staff identifies HI violations based on the intersection of the Compliance staff’s 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>X</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.

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

<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:** 7.5\(^5\)5.0%

**Comments:**

i. Consistent with the downward trend of new violations of the Reliability Standards, the number of HI Violations has decreased from 41 in 2013 to 4 in 2014. Accordingly, the weighting assigned this metric has been reduced from 10% to 7.5\(^5\)5.0%.

ii. This metric is aligned with and supports “Goal 4 – Risks to Reliability” in the *ERO Enterprise Strategic Plan 2015-2018* wherein, the ERO Enterprise will “[i]dentify the most significant risks to reliability, provide assurance for mitigating reliability risks . . . .” Additionally, the metric directly supports the timely mitigation of all noncompliance, a *Key Compliance Enforcement Metric* identified by NERC and included in its quarterly report to the NERC BOTCC.

\(^1\) The initial risk determination will be made during the triage meeting between the Enforcement Staff and Compliance Staff.

\(^2\) 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 1/1/15 will be included in the 2015 metric.
2. **Maintain caseload of no more than one year**

**Objective:** Maintain 2015 violation processing capability and efficiency to achieve a one-year caseload by 1/1/16.

As of 12/31/14, the SPP RE caseload is 119. To achieve the metric in 2015, 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, or Dismissals\(^4\)) equivalent to 100% of the 12/31/14, Enforcement caseload.

**Measure:** 
(\(\text{Number of completed dispositions} / \text{(caseload on 12/31/14)}\) = 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. This metric is aligned with and directly supports the caseload index target identified in NERC’s *Key Compliance Enforcement Metric* and included in its quarterly report to the NERC BOTCC.

3. **Accept or reject Mitigation Plans within 30 days of submission/10 days of resubmission by the Registered Entity**

**Objective:** To accept submitted Mitigation Plans (“MP”) in accordance with Compliance Management Enforcement Program (“CMEP”) requirements. “Unless the time period is extended by the Compliance Enforcement Authority, it will complete its review of the Mitigation Plan, and will issue a written statement accepting or rejecting the Mitigation Plan, within thirty (30) days of receipt . . . . . The Compliance Enforcement Authority will notify the Registered Entity within ten (10) business days after receipt of a revised Mitigation Plan whether the Compliance Enforcement Authority will accept or reject the revised Mitigation Plan . . . .” CMEP Section 6.5.

**Measure:**
(1) (number of MPs accepted or rejected in <= required number of days in a month) / (number of MPs submitted/resubmitted in the month) = percent MPs accepted/rejected <= required number of days each month

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

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

To be able to calculate the metric in January 2016, the metric applies to all MPs submitted/resubmitted between 12/1/14 and 11/30/15.

---

\(^4\) The number of dismissals shall include those dismissals not requiring NERC approval but approved by the SRT.
<table>
<thead>
<tr>
<th>Contribution</th>
<th>$\sum$Months where 100% MPs accepted/rejected $\leq$ required number of days/12 *100%</th>
<th>Enforcement must achieve a 100% success rate for acceptance/rejection $\leq$ required number of days in 2015 before becoming eligible for a performance contribution above 100%.</th>
<th>150%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal</td>
<td>100% MPs accepted/rejected $\leq$ required number of days / month</td>
<td>Average number of days to accept/reject = 15</td>
<td></td>
</tr>
</tbody>
</table>

Weight: 5.0%

Comments:

i. This metric was changed to include the requirement to accept/reject resubmitted MPs following a rejection within 10 business days of being resubmitted. The average number of days corresponding to an increased payout was reduced from 20 days to 15 days to reflect historical performance and the addition of the 10 day requirement for resubmitted MPs.

ii. This metric is aligned with CMEP requirements and directly supports the timely mitigation of all noncompliance, a *Key Compliance Enforcement Metric* identified by NERC and included in its quarterly report to the NERC BOTCC.

4. **Complete Mitigation Plan completion reviews within **25-20 **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

$$\text{Days} = (\text{“certification received by region on” date in webCDMS}) - (\text{“mitigation verified on” date in webCDMS})$$

<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><strong>3530</strong></td>
<td><strong>2520</strong></td>
<td><strong>1510</strong></td>
</tr>
</tbody>
</table>

Weight: 5.0%

Comments:

i. This metric directly supports the timely mitigation of all noncompliance, a *Key Compliance Enforcement Metric* identified by NERC and included in its quarterly report to the NERC BOTCC.

ii. Based on historical performance the average number of days associated with the Performance Contribution of 50%, 100% and 150% was reduced by 5 days to 30, 20 and 10 days respectively.

---

5 The 100% performance contribution is based on the number of months 100% of submitted/resubmitted MPs are accepted/rejected within the required number of days identified in the CMDP. For example if Enforcement accepts/rejects 100% of the MPs initially submitted within 30 days and accepts/rejects 100% of the resubmitted MPs within 10 days for 11 of 12 months then the performance contribution would equal 11/12 x 100% or 91.6%. The 150% performance contribution is determined on an annual basis and is not available unless Enforcement achieves 100% MPs accepted/rejected within the CMEP required number of days for all 12 months.

---

SPP RE 2015 Metrics  
Revision – 2/17/15
5. **Process pre-2014 violations and send to NERC by 11/20/15.**

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

**Measure:**

\[
\text{(number of pre-2014 violation in the Enforcement caseload)}^6 / \text{(number of pre-2014 violation processed by 11/20/15)}^7
\]

*The performance contribution cannot exceed 100%.*

<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 processed in 2015.

ii. This metric directly supports the timely processing of all noncompliance, a **Key Compliance Enforcement Metric** identified by NERC and included in its quarterly report to the NERC BOTCC.

6. **Complete incoming possible violation triage within 60-45 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 inform the Registered Entity within 60 days of Compliance staff sending the violation to Enforcement, i.e., completion of the Preliminary Screen.

**Measure:**

\[
\sum ((\text{date violation triage complete}^8 - \text{date the violation was sent to Enforcement}) / (\text{violations sent to Enforcement between 1/1/15 and 11/1/15}) = \text{average days to complete violation triage}
\]

<table>
<thead>
<tr>
<th>Performance Contribution</th>
<th>80%</th>
<th>100%</th>
<th>150%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average triage completion</td>
<td>7560</td>
<td>6045</td>
<td>4530</td>
</tr>
</tbody>
</table>

---

6 MRRE Pre-2014 violations where SPP RE is not the lead are not included in the metric.
7 Compliance Exceptions, FFT, Spreadsheet NOP, and Full NOP violations must be filed with NERC. For dismissals the Letter of Dismissal must be sent to NERC.
8 Violation triage is normally complete when the Notice of Possible Violation (NPV) is sent to the Registered Entity; a Letter of Dismissal is sent to NERC, a Notice of Initial Determination of Compliance Exception is sent to the Registered Entity, or initiation of discovery. In some cases, a formal triage meeting is unnecessary and an Enforcement email documenting its decision to forgo the meeting and a description of its basis, may be used as a substitute for a triage meeting.
5

Comments: 

i. The average triage completion days was reduced for all performance contributions by 15 days.

ii. This metric directly supports the timely processing of all noncompliance, a Key Compliance Enforcement Metric identified by NERC and included in its quarterly report to the NERC BOTCC. Additionally, because the triage process is utilized to assess the risk of issues of noncompliance, this metric directly supports “Goal 4.a Risks to Reliability”, of the ERO Enterprise Strategic Plan 2015-2018 wherein “[r]isks are identified and prioritized based on reliability impacts, cost and practicality of assessments, projected resources and emerging issues.”

7. Complete documentation close-out of all violations within 45 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 or Compliance Exception.

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 and MP Engineer review 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 verifies and signs a Certification of Case Record Close-Out and saves the certification to the Enforcement Docket folder.
(7) EFT files are deleted from the EFT folder and copied to the appropriate TMP and Enforcement Docket folders.

Average number of days to completed violation documentation closed-out following issuance of the NCEA or transmittal of the Compliance Exception spreadsheet = (Total number of days to complete documentation close-out for all violations/Compliance Exceptions closed as of 11/1/15) / (Total number of violations closed as of 11/1/15)

There is no performance contribution greater than 100%.

<table>
<thead>
<tr>
<th>Performance contribution</th>
<th>80%</th>
<th>100%</th>
</tr>
</thead>
</table>

9 A violation is closed when the NCEA is issued or the Compliance Exception spreadsheet is transmitted to NERC. For metric purposes, the closed violations subject to the metric will be derived from the NCEA’s issued between 11/1/14 and 11/1/15.
### Averaged close-out completion (days)

<table>
<thead>
<tr>
<th></th>
<th>60</th>
<th>45</th>
</tr>
</thead>
</table>

**Weight:** 5%

**Comments:**

i. This metric has been changed to include Compliance Exceptions and to require an average time for case file close-out rather than the performance of all close-out activities within 60 days. The performance goal has been changed from 60 days to 45 days to reflect Enforcement past performance and the use of an average value.

ii. This metric indirectly supports “Goal 5 – Coordination and Collaboration” in the *ERO Enterprise Strategic Plan 2015-2018* wherein, the ERO Enterprise will “[i]mprove transparency, consistency, quality, and timeliness of results; operate as a collaborative enterprise; and improve efficiencies and cost-effectiveness.”

### 8. Publish non-public off-site audit report to NERC in less than 45 days

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

**Measure:** Average The number of calendar days as-is 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>Average number of days</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent Reports publish in &lt;= 45</td>
<td>50</td>
<td>-45</td>
<td>40*</td>
</tr>
<tr>
<td>days</td>
<td></td>
<td>80%</td>
<td>100%</td>
</tr>
</tbody>
</table>

*To achieve > 100% performance contribution base on an average days to publish <= 45 days the RE must publish 100% of the non-public off-site audit reports in <= 45 days.*

**Weight:** 5%

**Comments:**

i. The average number of days associated with each the 80% and 100% performance contribution was eliminated in favor of the percent reports published in less than or equal to 45 days, decreased by 5 days in recognition of historical Audit team performance. Average days for greater than 100% performance contribution only applies if the 100% performance contribution is met. The weighting for this metric was reduced from 7.5% to 5% to reflect this metrics importance in relation to other metrics.

ii. This metric is aligned with and supports “Goal 5 – Coordination and Collaboration” in the *ERO Enterprise Strategic Plan 2015-2018* wherein, the ERO Enterprise will “[i]mprove transparency, consistency, quality, and timeliness of results . . . .”
iii. Audit reports which are not the responsibility of SPP RE, e.g., SPP RE serving in a non-lead role for multi-region audits, shall be excluded from the metric.

9. Publish non-public on-site audit report to NERC in less than 65 days

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>Average number of days</td>
<td>75</td>
<td>55*</td>
<td></td>
</tr>
<tr>
<td>Percent Reports publish in &lt;= 65</td>
<td>80%</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

* To achieve > 100% performance contribution base on the average days to publish <= 65 days the RE must publish 100% of the non-public on-site audit reports in <= 65 days.

Weight: 5%

Comments: i. The average number of days associated with each the 80% and 100% performance contribution was eliminated in favor of the percent reports published in less than or equal to 65 days decreased by 5 days in recognition of historical Audit team performance. Average days for greater than 100% performance contribution only applies if the 100% performance contribution is met. The weighting for this metric was reduced from 7.5% to 5% to reflect this metrics importance in relation to other metrics.

ii. This metric is aligned with and supports “Goal 5 – Coordination and Collaboration” in the ERO Enterprise Strategic Plan 2015-2018 wherein, the ERO Enterprise will “[i]mprove transparency, consistency, quality, and timeliness of results . . . . ”

iii. Audit reports which are not the responsibility of SPP RE, e.g., SPP RE serving in a non-lead role for multi-region audits, shall be excluded from the metric.

10. Review and issue determination for BES registration and deactivation requests

Objective: To ensure self-determined notifications, new registration, and deactivation requests submitted pursuant to the BES definition change are reviewed and issued in a timely manner.

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 SPP RE’s registration/deactivation decision.
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:**

\[
\frac{\text{number of assessments completed by the due date}}{\text{total number of assessments for 2015}} = \text{percent completed on time}
\]

The performance contribution cannot exceed 100%.

<table>
<thead>
<tr>
<th>Performance contribution</th>
<th>50%</th>
<th>80%</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 Performance Contribution associated with the 80% and 90% on time completion was reduced to 50% and 80% respectively to reflect a greater emphasis on completing 100% publication of internally completed assessments of self-certifications and periodic data submittals.

ii. This metric is aligned with and supports “Goal 5 – Coordination and Collaboration” in the *ERO Enterprise Strategic Plan 2015-2018* wherein, the ERO Enterprise will “[i]mprove transparency, consistency, quality, and timeliness of 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-The* 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 SPP RE 2015 Metrics **Revision – 2/17/15**
the Registered Entity self-reported—or submitted a self-logging spreadsheet—as applicable, to completion of the Preliminary Screen.

**The number of incoming violations processed in less than or equal to 5 business days / number of incoming violations in 2015.**

The performance contribution cannot exceed 100%.

<table>
<thead>
<tr>
<th>Performance contribution</th>
<th>80%</th>
<th>100%</th>
<th>120%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent violations processed in &lt;= 5 business days</td>
<td>780%</td>
<td>100%</td>
<td>3</td>
</tr>
<tr>
<td>Average number of days</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Weight:** 5%

**Comments:**

i. The average number of days associated with the 80% and 100% performance contribution was eliminated in favor of the percent incoming violations processed in less than or equal to 5 business days. The 120% performance contribution was eliminated.

ii. This metric is a CMEP requirement. Additionally, this metric is aligned with and supports “Goal 5 – Coordination and Collaboration” in the ERO Enterprise Strategic Plan 2015-2018 wherein, the ERO Enterprise will “[i]mprove transparency, consistency, quality, and timeliness of 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.

2015 Budget:

<table>
<thead>
<tr>
<th></th>
<th>CIP</th>
<th>O&amp;P</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$300,000</td>
<td>$275,000</td>
</tr>
</tbody>
</table>

**Measure:** 

\[
\frac{[(2015 \text{ budget}) - (2015 \text{ actual})]}{[2015 \text{ budget}]} = \text{percent increase/decrease}
\]

<table>
<thead>
<tr>
<th>Performance contribution</th>
<th>50%</th>
<th>100%</th>
<th>150%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent difference</td>
<td>+10%</td>
<td>0%</td>
<td>-15%</td>
</tr>
</tbody>
</table>

**Weight:** 10 %

---

10 CMEP Section 3.8. “The Preliminary Screen shall be conducted within five (5) business days after the Compliance Enforcement Authority identifies the potential noncompliance . . . . .”
Comments:  

i. This metric tracks out-of-pocket expense for audits (it does not track internal man-hours or fixed overhead expense.) The total contractor billings and travel expense for audits is tracked and monitored. The 2014 actual expense was used as a starting point, and the 2015 budget was used as the basis. The travel expense was adjusted to reflect recent increases in airfare, and hotel prices.

ii. Based on budget to actual performance in 2014 the percent difference for a 150% performance contribution was increased from -10% to -15%. Similarly, the performance contribution associated with a +10% difference was reduced from 80% to 50%.

iii. This metric is aligned with and supports “Goal 5 – Coordination and Collaboration” in the ERO Enterprise Strategic Plan 2015-2018 wherein, the ERO Enterprise will “[i]mprove transparency, consistency, quality, and timeliness of results; operate as a collaborative enterprise; and improve efficiencies and cost-effectiveness.”

14. **Continue outreach/assessment to maintain or improve protective relay operations success rate for 4Q2014 – 3Q2015**

**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:** 

\[
\text{(total number of correct operations) / (total number of operations) = success rate}
\]

<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>88%</td>
<td>90%</td>
<td>92%</td>
</tr>
</tbody>
</table>

**Weight:** 2.5 %

**Comments:**

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

ii. The success rate associated with the 80%, 100% and 150% performance contribution was increased from 84% to 88%, from 87% to 90% and from 90% to 92% respectively to reflect historical performance.

iii. This metric directly supports the ERO Enterprise Metric 1: Reliability Results, Measure of Success 4. Protection System Misoperations, which is aligned with the reduction of protection system misoperations.

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.

SPP RE 2015 Metrics **Revision – 2/17/15**
The performance contribution cannot exceed 100%.

<table>
<thead>
<tr>
<th>Performance contribution</th>
<th>50%</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Success rate</td>
<td>80%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Weight: 2.5%

Comments:

i. The 150% performance contribution was eliminated from this metric. The success rate for 100% performance contribution was changed from 96% to 100% and the performance contribution for an 80% success rate was reduced from 80% to 50% to reflect past performance.

ii. This metric is aligned with and supports the ERO Enterprise Metric 1: Reliability Results wherein a Measure of Success is having fewer, less severe events during 2015 - 2018.

16. **Outreach Production Goals**

Objective: Complete 3 workshops, 6 webinars, 12 newsletters

Measure: Percent completion: The number of workshop, webinars and newsletters completed in 2015 / (21), the number of workshops, webinars and newsletters planned in 2015.

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. This metric indirectly supports the ERO 2015 Enterprise and Corporate Metrics: Sub-metric A (the quality of board-approved standards), 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).

17. **Continuous Improvement Project Goals**

Objective: Complete identified projects designed to improve SPP RE’s performance of its compliance enforcement authority function and implementation of NERC directives.
(1) RAI Implementation - fully implement processes and procedures required for implementation of NERC’s Risk Base Initiative.
(2) Compliance Workbook – create a detailed how-to manual covering all Compliance/CDMS processes and procedures.
(3) Enforcement Workbook – create a detailed how-to manual covering all Enforcement/CDMS processes and procedures.
(4) Budget Workbook – develop a detailed how-to manual covering the SPP RE budget process.
(6) Develop internal controls to track and monitor CMEP activities.

**Measure:**

The number of projects completed by 12/31/15.

<table>
<thead>
<tr>
<th>Performance contribution</th>
<th>50%</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects Completed</td>
<td>4</td>
<td>6</td>
</tr>
</tbody>
</table>

**Weight:** 10 12.5 %

**Comments:**

i. This is a new metric designed to give emphasis to continuous improvement of SPP RE CMEP processes and ensure timely implementation of recent NERC initiatives.

ii. The SPP RE General Manager will assign project leads and team members. The teams will develop a detailed works scope and present that work scope to the Trustees for their approval before the end of the 1st quarter of 2015.

iii. This metric directly supports two goals established in the *ERO Enterprise Strategic Plan 2015-2018*, “Goal 2b – Compliance, Registration, and Certification” wherein, one of the key deliverables is “[T]ransformation of the Reliability Assurance Initiative from concept to implementation” and Goal 5. “[I]mprove transparency, consistency, quality, and timeliness of results; operate as a collaborative enterprise; and improve efficiencies and cost-effectiveness.”
Enforcement Update

February 17, 2015

Joe Gertsch
Manager of Enforcement
jgertsch.re@spp.org
501-688-1672
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Notice of Preliminary Screen Issued</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>121</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Notice of Possible Violations Issued</td>
<td></td>
<td>6</td>
<td>56</td>
<td>132</td>
<td>254</td>
<td>239</td>
<td>173</td>
<td>189</td>
<td>107</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Notice of Alleged Violation (NAVAPS)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NAVAPS Issued</td>
<td></td>
<td>6</td>
<td>45</td>
<td>10</td>
<td>7</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>6</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Notice of Confirmed Violation (NOCV)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NOCV Sent to Entity/NERC</td>
<td></td>
<td>0</td>
<td>8</td>
<td>25</td>
<td>15</td>
<td>4</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>NOCV BOTCC Approved</td>
<td></td>
<td>0</td>
<td>7</td>
<td>11</td>
<td>29</td>
<td>4</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Settlements / Full Notice of Penalty</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To NERC for Approval</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>89</td>
<td>118</td>
<td>52</td>
<td>5</td>
<td>15</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>BOTCC Approved</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>50</td>
<td>81</td>
<td>103</td>
<td>14</td>
<td>30</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Settlements / Spreadsheet NOP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To NERC for Approval</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>16</td>
<td>22</td>
<td>49</td>
<td>43</td>
<td>59</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>BOTCC Approved</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>38</td>
<td>49</td>
<td>65</td>
<td>46</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Find, Fix, Track</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To NERC for Approval</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>43</td>
<td>78</td>
<td>86</td>
<td>62</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>BOTCC Approval</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>36</td>
<td>74</td>
<td>95</td>
<td>61</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Compliance Exception</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Dismissals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To NERC/SPP RE SRT for Approval</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>16</td>
<td>75</td>
<td>43</td>
<td>41</td>
<td>44</td>
<td>0</td>
</tr>
<tr>
<td>NERC/SPP RE SRT Approved</td>
<td></td>
<td>0</td>
<td>1</td>
<td>16</td>
<td>75</td>
<td>43</td>
<td>41</td>
<td>44</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Notice of Penalty</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Approved by FERC</td>
<td></td>
<td>0</td>
<td>5</td>
<td>13</td>
<td>57</td>
<td>180</td>
<td>184</td>
<td>141</td>
<td>118</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Violations Awaiting BOTCC Approval</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>Active Violations - Caseload</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>121</td>
<td></td>
</tr>
<tr>
<td>Caseload Index (months)*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>8.2</td>
<td></td>
</tr>
</tbody>
</table>

* Based on previous 12 months processing (178)
January Mitigation Plan Summary

- Mitigation Plan Status (month/year)
  - Submitted 11
  - Accepted 8
  - Certified Complete 8
  - Completion Verified 6

- Open Violations with no Mitigation Plans
  - Initiated 75
  - Submitted 6
  - Total 81
Southwest Power Pool
Regional Entity

Joe Gertsch
Manager of Enforcement
jgertsch.re@spp.org
501-688-1672
SPP RE General Manager’s Report to the SPP RE Trustees
February 17, 2015

Ron Ciesiel
SPP RE General Manager

Southwest Power Pool Regional Entity
# Most Violated Standards

Based on rolling 12 months through 1/31/15 [Represents ~ 88% of total violations]

<table>
<thead>
<tr>
<th>Rank</th>
<th>Rank *</th>
<th>Standard</th>
<th>Description</th>
<th>Number of Violations</th>
<th>Risk Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>CIP-007</td>
<td>Systems Security Management</td>
<td>28</td>
<td>Med./Lower</td>
</tr>
<tr>
<td>2</td>
<td>3</td>
<td>CIP-005</td>
<td>Electronic Security Perimeters</td>
<td>15</td>
<td>Med./Lower</td>
</tr>
<tr>
<td>3</td>
<td>2</td>
<td>CIP-006</td>
<td>Physical Security - Critical Cyber Assets</td>
<td>13</td>
<td>Med./Lower</td>
</tr>
<tr>
<td>4</td>
<td>6</td>
<td>CIP-003</td>
<td>Security Management Controls</td>
<td>12</td>
<td>Med./Lower</td>
</tr>
<tr>
<td>5</td>
<td>10</td>
<td>FAC-008</td>
<td>Facility Ratings (includes FAC-009)</td>
<td>11</td>
<td>Med./Lower</td>
</tr>
<tr>
<td>6</td>
<td>7</td>
<td>CIP-002</td>
<td>Critical Cyber Asset Identification</td>
<td>8</td>
<td>High/Lower</td>
</tr>
<tr>
<td>7</td>
<td>4</td>
<td>CIP-004</td>
<td>Personnel &amp; Training</td>
<td>8</td>
<td>Med./Lower</td>
</tr>
<tr>
<td>8</td>
<td>8</td>
<td>VAR-002</td>
<td>Network Voltage Schedules</td>
<td>6</td>
<td>Med./Lower</td>
</tr>
<tr>
<td>9</td>
<td>5</td>
<td>PRC-005</td>
<td>Protection System Maintenance</td>
<td>4</td>
<td>High/Lower</td>
</tr>
<tr>
<td>10</td>
<td>**</td>
<td>TOP-002</td>
<td>Normal Operations Planning</td>
<td>2</td>
<td>Med./Lower</td>
</tr>
</tbody>
</table>

* NERC as of June 30, 2014
** Not in NERC Rolling 12 month Top Ten
## Southwestern Power Pool Regional Entity

### Statement of Activities

2015 January YTD Draft (Unaudited)

#### Variance

<table>
<thead>
<tr>
<th></th>
<th>2015 Jan YTD</th>
<th>2015 Jan YTD Budget</th>
<th>VARIANCE</th>
<th>2015 Full Year Projection</th>
<th>2015 Full Year Budget</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Funding</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ERO Funding</td>
<td>806,721</td>
<td>806,720.67</td>
<td>-</td>
<td>9,680,648</td>
<td>9,680,648</td>
<td>-</td>
</tr>
<tr>
<td>Penalty Sanctions</td>
<td>38,706</td>
<td>38,708.33</td>
<td>-</td>
<td>464,500</td>
<td>464,500</td>
<td>-</td>
</tr>
<tr>
<td>Total SPP RE Funding</td>
<td>845,429</td>
<td>845,429</td>
<td>-</td>
<td>10,145,148</td>
<td>10,145,148</td>
<td>-</td>
</tr>
<tr>
<td><strong>Testing Fees</strong></td>
<td></td>
<td></td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workshops</td>
<td></td>
<td></td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>232</td>
<td>232</td>
<td>-</td>
<td>232</td>
<td>232</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td></td>
<td></td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Funding (A)</strong></td>
<td>845,661</td>
<td>845,429</td>
<td>232</td>
<td>10,145,380</td>
<td>10,145,148</td>
<td>232</td>
</tr>
</tbody>
</table>

#### Expenses

**Personnel Expenses**

- Salaries: 277,504 - 324,174 \(= (46,670)\) 3,890,082 - 3,890,082
- Payroll Taxes: 18,146 - 24,799 \(= (6,653)\) 297,591 - 297,591
- Benefits: 22,293 - 28,908 \(= (6,615)\) 346,900 - 346,900
- Retirement Costs: 16,000 - 15,663 \(= 337\) 155,663 - 155,663

**Total Personnel Expenses**

- 330,884 - 390,888 \(= (60,004)\) 4,690,177 - 4,690,177

**Meeting Expenses**

- Meetings: 4,320 - 7,208 - 3,888 86,500 - 86,500
- Travel: 24,268 - 50,250 \(= (25,982)\) 603,000 - 603,000

**Total Meeting Expenses**

- 28,588 - 57,468 \(= (28,870)\) 689,500 - 689,500

**Operating Expenses**

- Office Rent: 114,217 - 114,217
- Office Costs: 1,207 - 667 \(= 540\) 3,000 - 3,000
- Professional Services: 39,804 - 39,804
- Computer & Software CapEx: -
- Benefits: 22,293 - 28,908 \(= (6,615)\) 346,900 - 346,900

**Total Operating Expenses**

- 1,207 - 154,887 \(= (153,680)\) 1,856,245 - 1,856,245

**Total Direct Expenses**

- 338,638 - 662,993 \(= (244,355)\) 7,235,922 - 7,235,922

**SPP Inc. Indirect Expenses**

- 330,794 - 381,016 \(= (50,222)\) 4,572,188 - 4,572,188

**SPP RE Indirect Expenses**

- 330,794 - 381,016 \(= (50,222)\) 4,572,188 - 4,572,188

**Total Indirect Costs**

- 330,794 - 381,016 \(= (50,222)\) 4,572,188 - 4,572,188

**Total Expenses (B)**

- 689,432 - 984,089 \(= (294,757)\) 11,808,110 - 11,808,110

**Net Change in Assets (A-B)**

- 156,229 - (158,580) - 294,809 \(= (1,662,730)\) - 1,662,962 - 232

**Fixed Assets**

- Depreciation: -
- Computer & Software CapEx: -
- Furniture & Fixtures CapEx: -
- Equipment CapEx: -
- Leasehold Improvements: -

**Increase/(Decrease) in Fixed Assets (C)**

- -

**Total Budget (Expenses plus Incr (Dec) in Fixed Assets (B+C))**

- 689,432 - 984,089 \(= (294,577)\) 11,808,110 - 11,808,110

**Change in Working Capital (Total Funding less Total Budget) (A-B-C)**

- 156,229 - (158,580) - 294,809 \(= (1,662,730)\) - 1,662,962 - 232

**FTEs**

- 27.9 - 32.8 \(= (5)\) 32.8 - 32.8

### Notes

- Beginning WC - 01/01/2015: 3,571,776 - 1,662,962 - 1,908,816 - 1,662,962 - 1,662,962
- Change to WC - 2015 YTD: 156,229 - (158,580) - 294,809 \(= (1,662,730)\) - 1,662,962 - 232
- Working Capital as of 1/31/15: 3,728,007 - 1,524,382 - 2,203,625 - 232 - 232

*Headcount (RE direct staff count as of 1/31/2015 and shared staff YTD billed hours/388).
Outreach Update

February 17, 2015

Emily Pennel
Outreach Coordinator and SPP RE
Trustees Secretary
2015 Outreach

• SPP RE staff have visited Empire, Westar, and KCP&L for CIP outreach
  - Westar visit included five other Registered Entities
  - Five more CIP outreach visits have been scheduled
  - CIP workshop /forum agenda planning is underway

• Over 140 stakeholders registered for March 10-11 workshop in Little Rock