SPP Southwest Power Pool Regional Entity

Ms. Stacy Dochoda
Regional Entity General Manager
sdochoda@spp.org
P 501-688-1730

Southwest Power Pool Regional Entity
16101 La Grande, Ste 103
Little Rock, AR 72233

June 30, 2011

Gerry Cauley
President and CEO
NERC
3353 Peachtree Rd, NE, Suite 600
Atlanta, GA 30326

Dear Gerry,

In support of NERC's efforts to seek process improvements in the compliance and enforcement program I want to share a story with you. Recently, I asked my team to create a presentation for our board and registered entities to illustrate the accomplishments of the program focusing on completed mitigation plans. I thought, with several years of experience and over three hundred completed mitigation plans in the SPP RE region, we would have a compelling story of how significant risks to BES reliability were averted by the mitigation of so many violations. My hope was to highlight how beneficial the compliance program has been instead of focusing simply on the number of violations.

My team diligently researched the completed mitigation plans in the SPP RE region and presented me with the results. They did, indeed, identify several mitigation plans that contributed to improving BES reliability. More telling however, was the large number of completed mitigation plans that the team was unable to reasonably associate with a material improvement in system reliability. Out of over three hundred mitigation plans, the team identified less than fifteen that, in their judgment, brought a substantive and recognizable improvement in BES reliability.

Does this mean the entire compliance and enforcement program is not beneficial? No, not at all. The compliance monitoring continues to be a key feature. Moreover, compliance monitoring, in and of itself, provides an incentive for entities to develop strong programs that result in improved BES reliability. Correcting even a few significant reliability risks or many minor reliability risks can make a real difference. These improvements in reliability are achievable however, without sending three hundred violations through the entire enforcement process. Even with the significant streamlining introduced this year, the time and energy required to process many of these violations is not cost justified.

I share this story to affirm that NERC and the Regional Entities are doing the right thing to seek risk informed streamlined processes and increased discretion.

Sincerely,

Stacy Dochoda

Stacy Dochoda
SPP RE General Manager