SPP RE Trustee Meeting Compliance Group Report

January 28, 2013

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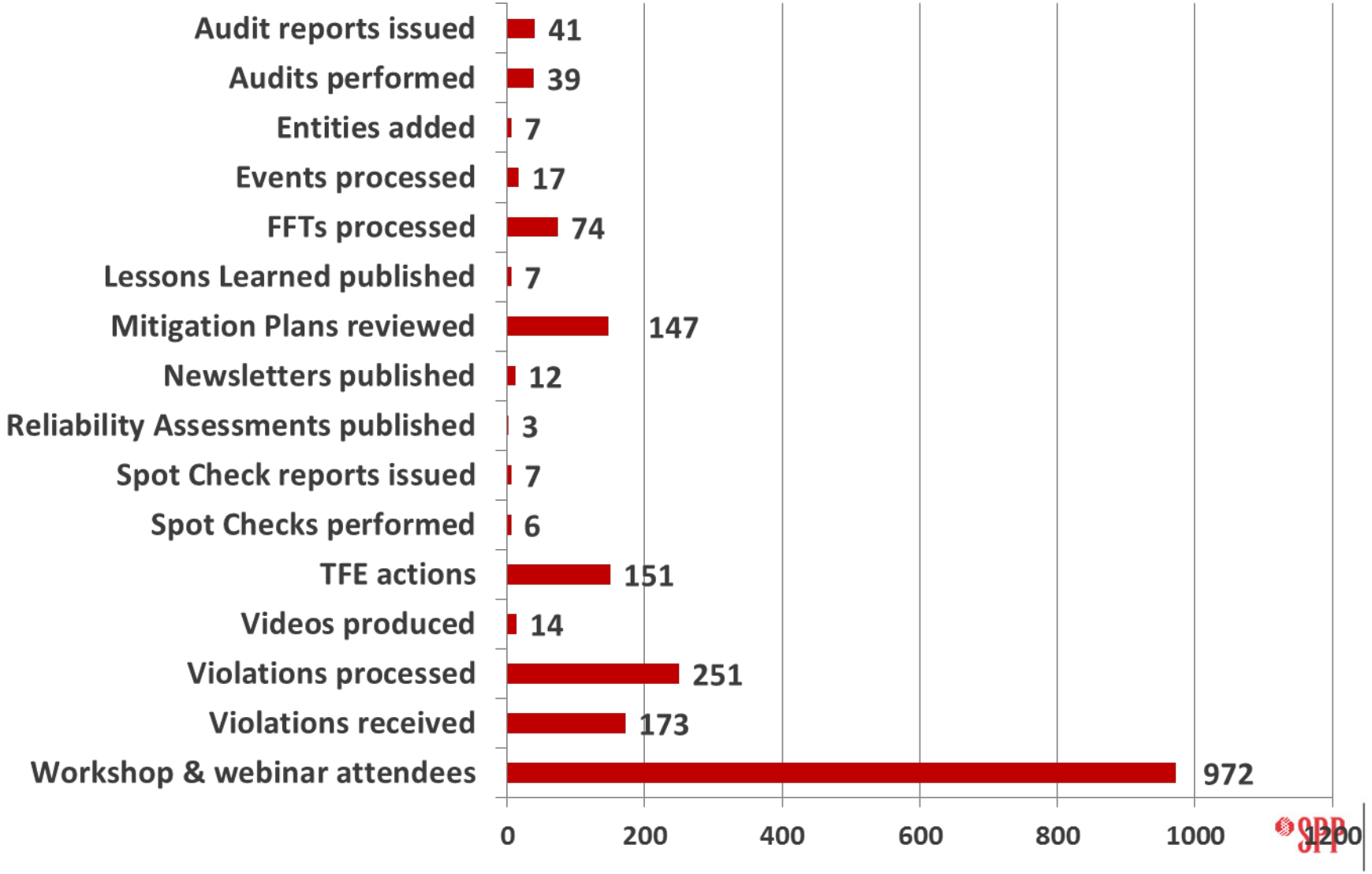
Southwest Power Pool Regional Entity

Presentation's Topics

- 2012 By the Numbers
- 2013 Compliance Program
- Facilities Ratings Alert
- Vegetation Management
- Misoperations
- Most Violated Standards as of 12-31-12
- Regional Standards Items
- Outreach Report
- Other Items

2012 By the Numbers

Achieved high level of success based on goals/metrics



2013 Compliance Program

- SPP RE 2013 Program documents are posted
  - Audit Scope plan is similar to 2012's plan
  - 1st time audits Tier 1 plus Tier 2 [adjustments, as appropriate]
  - Other audits Tier 1 [adjustments, as appropriate]
- Major NERC CMEP initiative being rolled out in 2013

Facility Ratings Alert Background

- NERC issued Facilities Ratings Alert 4Q 2010
- Entities asked to assess transmission lines' physical attributes and compare 'as-built' to 'design' ratings
- Facilities ranked High, Medium, or Low priority
- Entities began assessments and remediation efforts in 2011
- Assessments staged over 3 years [2011 to 2013]

Facility Ratings Alert Current Status - Medium

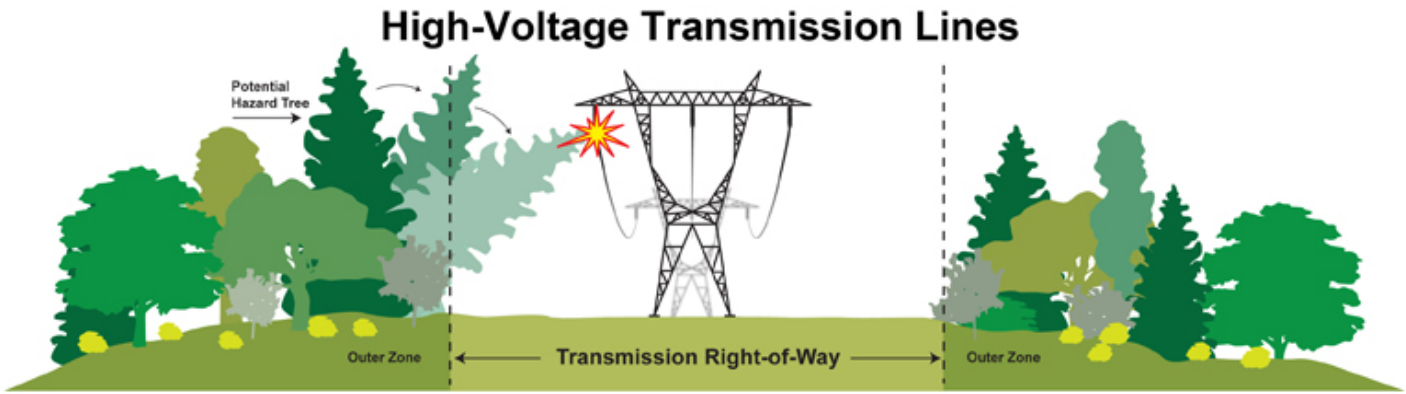
- Medium priority assessments scheduled to be completed by December 31, 2012
- 12 entities in SPP region reported on Medium priority lines
- ~ 5,400 miles assessed using Lidar, Aerial Patrol and/or Field Inspections
- ~ 1,300 discrepancies found including:
  - Transmission and/or distribution under-build
  - Conductor-to-conductor clearances
  - Uneven terrain
- Entities have one year to complete discrepancy remediation

Facility Ratings Alert Current Status – High & Low

- Eight entities completed High priority line assessments in 2011
- Over 93% of High priority discrepancies have been remediated
  - ~ 5,300 high priority miles assessed
  - ~ 400 discrepancies identified
- Low priority assessments scheduled to be completed by 12/31/2013

NERC 3Q 2012 Vegetation Management Report

- **SPP RE footprint:**
  - **9 consecutive quarters with no reportable vegetation contacts**
  - **Preliminary 4Q 2012 data shows no contacts**

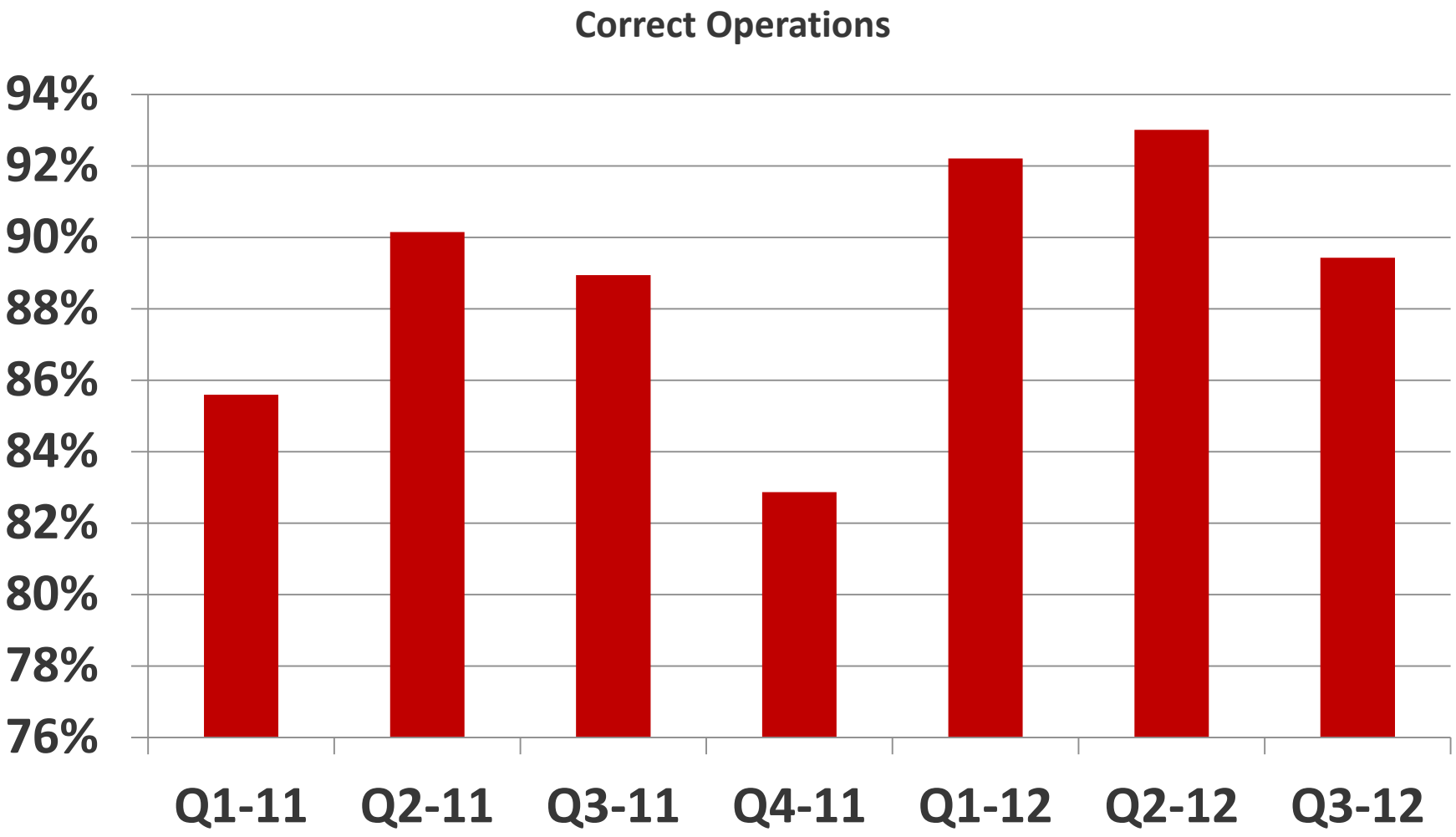


SPP RE Region Misoperation Counts

	2010	2011	2012
1Q	61	66	30
2Q	138	115	46
3Q	115	68	63
4Q	67	61	-

- 2012 Success Rate 1Q 92%
  2Q 93%
  3Q 89%
- 2011 - National definition/mandatory reporting
- 2010 - SPP definition/regional voluntary reporting

SPP RE Operations Success Rate



Most Violated Standards

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

SPP RE Rank	NERC 12 Month Rank	Standard	Description	Number Violations	Risk Factor
1	1	CIP-007	Systems Security Management	39	Med./Lower
2	2	CIP-005	Electronic Security Perimeters	26	Med./Lower
3	6	CIP-004	Personnel & Training	20	Lower
4	3	CIP-006	Physical Security-Critical Assets	19	Med./Lower
5	4	PRC-005	Protection System Maintenance	12	High
6	15*	PRC-008	UFLS Relay Maintenance	8	Med.
7	5	CIP-002	Critical Cyber Asset Identification	6	Med.
8	7	CIP-003	Security Management Controls	5	Lower/Med.
9	10	CIP-001	Sabotage Reporting	4	Med.

*Not in Rolling 12 month Top Ten – Ranking is for all-time violations

Regional Standards Under Development

- **SPP UFLS Standard**
  - NERC Board of Trustees approved 11/7/12
  - Pending FERC filing

- **Revisions to SPP RE Standards Development Process Manual**
  - To address concerns raised with UFLS standard development
  - Task Force met six times 3/4Q 2012
  - Revised manual now posted for public comment through 2/9/13

Outreach

- Spring Compliance Workshop, March 5-6, Dallas

  Agenda includes:

  - FERC Commissioner Tony Clark
  - NERC Event Analysis Subcommittee Chair Sam Holeman, Duke Energy
  - Internal Controls
  - Compliance Education panel
  - CIP Compliance Trends 2009-Today
  - New PER and EOP Standards
  - ½ day of break-out sessions
- 3 new videos posted to video training webpage
- Webinars
  - Misoperations Reporting in webCDMS, March 22
  - How to Use EFT Server & Evidence Protection, April 18

Other issues

- BES Definition
  - FERC approved 12-20-12
  - Expected launch – July 1, 2013

- Southwest Winter Event
  - Reliability Guideline out for comments by 2/4/13

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