



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

August 11, 2011

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

**Re: NERC Abbreviated Notice of Penalty regarding Progress Energy Florida,
FERC Docket No. NP11-__-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Abbreviated Notice of Penalty (NOP) regarding Progress Energy Florida (PEF), with information and details regarding the nature and resolution of the violations¹ discussed in detail in the Settlement Agreement (Attachment a) and the Disposition Document (Attachment b), in accordance with the Federal Energy Regulatory Commission's (Commission or FERC) rules, regulations and orders, as well as NERC Rules of Procedure including Appendix 4C (NERC Compliance Monitoring and Enforcement Program (CMEP)).²

This NOP is being filed with the Commission because Florida Reliability Coordinating Council, Inc. (FRCC) and PEF have entered into a Settlement Agreement to resolve all outstanding issues arising from FRCC's determination and findings of the violations of VAR-001-1 Requirement (R) 6.1, TOP-005-1 R1.1, and two violations of PRC-005-1 R2.1. According to the Settlement Agreement, PEF neither admits nor denies the violations, but has agreed to the assessed penalty of forty thousand dollars (\$40,000), in addition to other remedies and actions to mitigate the instant violations and facilitate future compliance under the terms and conditions of the Settlement Agreement. Accordingly, the violations identified as NERC Violation Tracking Identification Numbers FRCC20090088, FRCC200900286, FRCC200900256 and

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

² *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards* (Order No. 672), III FERC Stats. & Regs. ¶ 31,204 (2006); *Notice of New Docket Prefix "NP" for Notices of Penalty Filed by the North American Electric Reliability Corporation*, Docket No. RM05-30-000 (February 7, 2008). See also 18 C.F.R. Part 39 (2011). *Mandatory Reliability Standards for the Bulk-Power System*, FERC Stats. & Regs. ¶ 31,242 (2007) (Order No. 693), *reh'g denied*, 120 FERC ¶ 61,053 (2007) (Order No. 693-A). See 18 C.F.R. § 39.7(c)(2).

FRCC200900285, FRCC are being filed in accordance with the NERC Rules of Procedure and the CMEP.

Statement of Findings Underlying the Violations

This NOP incorporates the findings and justifications set forth in the Settlement Agreement executed on February 18, 2011, by and between FRCC and PEF. The details of the findings and the basis for the penalty are set forth in the Disposition Documents. This NOP filing contains the basis for approval of the Settlement Agreement by the NERC Board of Trustees Compliance Committee (NERC BOTCC). In accordance with Section 39.7 of the Commission’s regulations, 18 C.F.R. § 39.7, NERC provides the following summary table identifying each violation of a Reliability Standard resolved by the Settlement Agreement, as discussed in greater detail below.

NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Duration	Total Penalty (\$)
NOC-507	FRCC200900288	VAR-001-1	6.1	Medium	5/4/09 – 5/13/10	40,000
	FRCC200900286	TOP-005-1	1.1	Medium	1/8/09 – 5/13/10	
	FRCC200900256	PRC-005-1	2.1	High ³	7/1/09- 11/30/10	
	FRCC200900285	PRC-005-1	2.1	High ⁴	7/24/09 – 1/11/10	

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

VAR-001-1 R6 - OVERVIEW

As a result of a Self-Report submitted on December 2, 2009, FRCC determined that PEF, as a Transmission Operator (TOP), did not notify the Generator Operator at the Suwannee Generating Station of a loss of automatic voltage regulator (AVR) control, or provide a directive concerning reactive output on three occasions, including May 4, 2009, June 29, 2009, and October 30, 2009.

TOP-005-1 - OVERVIEW⁵

As a result of a Self-Report submitted on December 2, 2009, FRCC determined that PEF, as a Balancing Authority (BA) and TOP, did not notify its Reliability Coordinator of a change in the

³ PRC-005-1 R2 has a “Lower” Violation Risk Factor (VRF); R2.1 and R2.2 each have a “High” VRF. During a final review of the standards subsequent to the March 23, 2007 filing of the Version 1 VRFs, NERC identified that some standards requirements were missing VRFs; one of these include PRC-005-1 R2.1. On May 4, 2007, NERC assigned PRC-005 R2.1 a “High” VRF. In the Commission’s June 26, 2007 Order on Violation Risk Factors, the Commission approved the PRC-005-1 R2.1 “High” VRF as filed. Therefore, the “High” VRF was in effect from June 26, 2007. In the context of this case, FRCC determined that the violation related to R2.1, and therefore a “High” VRF is appropriate.

⁴ *Id.*

⁵ Reliability Standard TOP-005-1 was enforceable from June 18, 2007 through May 12, 2009. On May 13, 2009, TOP-005-1.1 became enforceable until May 25, 2011. TOP-005-1.1a is the current enforceable Standard as of May 26, 2011. The subsequent interpretation adopted errata changes and does not change the meaning or language of the original NERC Reliability Standard and its requirements. For consistency in this filing, the original NERC Reliability Standard, TOP-005-1, is used throughout.

status of its AVR on four occasions, including January 8, 2009, May 4, 2009, June 29, 2009 and October 30, 2009, as required by the Standard.

PRC-005-1 R2 (FRCC200900256) - OVERVIEW

As a result of a Self-Report submitted on September 18, 2009, FRCC determined that PEF, as a Transmission Owner (TO), did not perform maintenance and testing on 41 of PEF's 9,561 (0.43%) Protection Systems devices, including 36 voltage and current sensing devices, 4 batteries, and 1 relay, within the defined intervals of PEF's Maintenance and Testing Program (Program), as required by the Standard.

PRC-005-1 R2 (FRCC200900285) - OVERVIEW

As a result of a Self-Report submitted on November 18, 2009, FRCC determined that PEF, as a TO, did not perform maintenance and testing on 7 battery banks within the defined intervals of PEF's Program, as required by the Standard.

Statement Describing the Assessed Penalty, Sanction or Enforcement Action Imposed⁶

Basis for Determination

Taking into consideration the Commission's direction in Order No. 693, the NERC Sanction Guidelines, the Commission's July 3, 2008, October 26, 2009 and August 27, 2010 Guidance Orders,⁷ the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on January 10, 2011. The NERC BOTCC approved the Settlement Agreement, including FRCC's assessment of a forty thousand dollar (\$40,000) financial penalty against PEF and other actions to facilitate future compliance required under the terms and conditions of the Settlement Agreement. In approving the Settlement Agreement, the NERC BOTCC reviewed the applicable requirements of the Commission-approved Reliability Standards and the underlying facts and circumstances of the violations at issue.

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

1. FRCC considered PEF's second violation in the current case of PRC-005-1 R2 (RFC200900285) as a repeat violation, and therefore, increased the monetary penalty;⁸
1. PEF self-reported the violations;
2. FRCC reported that PEF was cooperative throughout the compliance enforcement process;
3. PEF had a compliance program at the time of the violation which FRCC considered a neutral factor, as discussed in the Disposition Documents;

⁶ See 18 C.F.R. § 39.7(d)(4).

⁷ *North American Electric Reliability Corporation*, "Guidance Order on Reliability Notices of Penalty," 124 FERC ¶ 61,015 (2008); *North American Electric Reliability Corporation*, "Further Guidance Order on Reliability Notices of Penalty," 129 FERC ¶ 61,069 (2009); *North American Electric Reliability Corporation*, "Notice of No Further Review and Guidance Order," 132 FERC ¶ 61,182 (2010).

⁸ PEF's other violations, which are not viewed as the same or similar to the instant violations, are identified and addressed in the Disposition Document.

4. there was no evidence of any attempt to conceal a violation nor evidence of intent to do so;
5. FRCC determined that the violations did not pose a serious or substantial risk to the reliability of the bulk power system (BPS), as discussed in the Disposition Documents; and
6. FRCC reported that there were no other mitigating or aggravating factors or extenuating circumstances that would affect the assessed penalty.

For the foregoing reasons, the NERC BOTCC approved the Settlement Agreement and believes that the assessed penalty of forty thousand dollars (\$40,000) is appropriate for the violations and circumstances at issue, and is consistent with NERC's goal to promote and ensure reliability of the BPS.

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

Attachments to be included as Part of this Notice of Penalty

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

- a) Settlement Agreement by and between FRCC and PEF executed February 18, 2011, included as Attachment a;
- b) Common Disposition Document, included as Attachment b;
 - i. Disposition Document for VAR-001-1 R6.1, included as Attachment b-1;
 - ii. Disposition Document for TOP-005-1 R1.1, included as Attachment b-2; and
 - iii. Disposition Document for PRC-005-1 R2 (FRCC200900256 and FRCC200900285), included as Attachment b-3.
- c) Record Documents for VAR-001-1 R6.1:
 - i. PEF's Self-Report dated December 2, 2009, included as Attachment c-1;
 - ii. PEF's Mitigation Plan MIT-09-2525 submitted January 29, 2010, included as Attachment c-2;
 - iii. PEF's Certification of Mitigation Plan Completion dated June 1, 2010, included as Attachment c-3; and
 - iv. FRCC's Verification of Mitigation Plan Completion for VAR-001-1 R6 and TOP-005-1.1a R1 dated June 28, 2010, included as Attachment c-4.
- d) Record Documents for TOP-005-1 R1.1:
 - i. PEF's Self-Report dated December 2, 2009, included as Attachment d-1;
 - ii. PEF's Mitigation Plan MIT-09-2523 submitted January 29, 2010, included as Attachment d-2; and

- iii. PEF's Certification of Mitigation Plan Completion dated June 1, 2010, included as Attachment d-3.
- e) Record Documents for PRC-005-1 R2.1 (FRCC200900256):
- i. PEF's Self-Report dated September 18, 2009, included as Attachment e-1;
 - ii. PEF's Mitigation Plan MIT-09-2524 submitted March 15, 2010, included as Attachment e-2;
 - iii. PEF's Certification of Mitigation Plan Completion dated January 12, 2011, included as Attachment e-3; and
 - iv. FRCC's Verification of Mitigation Plan Completion dated January 28, 2011, included as Attachment e-4.
- f) Record Documents for PRC-005-1 R2.1 (FRCC200900285):
- i. PEF's Self-Report dated November 18, 2009, included as Attachment f-1;
 - ii. PEF's Mitigation Plan MIT-09-2576 submitted January 14, 2010, included as Attachment f-2;
 - iii. PEF's Certification of Mitigation Plan Completion dated May 21, 2010, included as Attachment f-3; and
 - iv. FRCC's Verification of Mitigation Plan Completion dated May 27, 2010, included as Attachment f-4.

A Form of Notice Suitable for Publication⁹

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

⁹ See 18 C.F.R. § 39.7(d)(6).

Notices and Communications

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

<p>Gerald W. Cauley President and Chief Executive Officer David N. Cook* Sr. Vice President and General Counsel North American Electric Reliability Corporation 116-390 Village Boulevard Princeton, NJ 08540-5721 (609) 452-8060 (609) 452-9550 – facsimile david.cook@nerc.net</p> <p>Sarah Rogers* President and Chief Executive officer Florida Reliability Coordinating Council, Inc. 1408 N. Westshore Blvd., Suite 1002 Tampa, Florida 33607-4512 (813) 289-5644 (813) 289-5646 – facsimile srogers@frcc.com</p> <p>Linda Campbell* VP and Executive Director Standards & Compliance Florida Reliability Coordinating Council, Inc. 1408 N. Westshore Blvd., Suite 1002 Tampa, Florida 33607-4512 (813) 289-5644 (813) 289-5646 – facsimile lcampbell@frcc.com</p> <p>Barry Pagel* Director of Compliance Florida Reliability Coordinating Council, Inc. 3000 Bayport Drive, Suite 690 Tampa, Florida 33607-8402 (813) 207-7968 (813) 289-5648 – facsimile bpagel@frcc.com</p>	<p>Rebecca J. Michael* Associate General Counsel for Corporate and Regulatory Matters North American Electric Reliability Corporation 1120 G Street, N.W. Suite 990 Washington, DC 20005-3801 (202) 393-3998 (202) 393-3955 – facsimile rebecca.michael@nerc.net</p> <p>Richard Gilbert* Manager of Compliance Enforcement Florida Reliability Coordinating Council, Inc. 3000 Bayport Drive, Suite 690 Tampa, Florida 33607-8402 (813) 207-7991 (813) 289-5648 – facsimile rgilbert@frcc.com</p> <p>Dania Colon* Regulatory Performance Leader Progress Energy Florida 3300 Exchange Place, NP4D Lake Mary, Florida 32746 (407) 942 - 9250 dania.colon@pgnmail.com</p> <p>*Persons to be included on the Commission’s service list are indicated with an asterisk. NERC requests waiver of the Commission’s rules and regulations to permit the inclusion of more than two people on the service list.</p>
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Conclusion

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

Respectfully submitted,

Gerald W. Cauley
President and Chief Executive Officer
David N. Cook
Sr. Vice President and General Counsel
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/s/ Rebecca J. Michael
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(202) 393-3998
(202) 393-3955 – facsimile
rebecca.michael@nerc.net

cc: Progress Energy Florida
Florida Reliability Coordinating Council, Inc.

Attachments

Attachment a

Settlement Agreement by and between FRCC and PEF executed February 18, 2011



FLORIDA RELIABILITY COORDINATING COUNCIL, INC.
1408 N. WESTSHORE BLVD. TAMPA, FL 33607-4512
PHONE 813.289.5644 FAX 813.289.5646
WWW.FRCC.COM

Administrative Citation Process Notice of Penalty Waiver and Settlement Agreement

Progress Energy Florida (PEF) and Florida Reliability Coordinating Council, Inc. (FRCC) agree to the following:

1. Progress Energy Florida neither admits nor denies the violations of NERC Reliability Standards as listed in Attachment A and has agreed to the proposed penalty of forty thousand dollars (\$40,000.00) to be assessed to Progress Energy Florida, in addition to mitigation actions undertaken to mitigate the instant alleged violations.
2. This Settlement Agreement is subject to approval or modification by the North American Electric Reliability Corporation (NERC) and the Federal Energy Regulatory Commission (FERC or Commission). Payment terms will be set forth in the invoice to be submitted by the FRCC after Commission approval of the instant Notice of Penalty.
3. Progress Energy Florida has agreed to enter into this Settlement Agreement with Florida Reliability Coordinating Council to avoid extended litigation with respect to the matters described or referred to herein, to avoid uncertainty, and to effectuate a complete and final resolution of the issues set forth herein. Progress Energy Florida agrees that this Settlement Agreement is in the best interest of the parties and in the best interest of bulk-power system reliability.
4. Progress Energy Florida has no additional statements.
5. The violations listed in Attachment A will be considered Alleged Violations that Progress Energy neither admits nor denies by NERC, FRCC and the Federal Energy Regulatory Commission for all purposes and may be used as aggravating factors in accordance with the NERC Sanction Guidelines for determining appropriate monetary penalties or sanctions for future violations.
6. The FRCC has verified that the violations listed in Attachment A have been mitigated as described in Attachment A.
7. The expedited disposition agreed to herein represents a full and final disposition of the violations listed in Attachment A, subject to approval or modification by NERC and FERC. Progress Energy Florida waives its right to further hearings and appeal, unless



FLORIDA RELIABILITY COORDINATING COUNCIL, INC.
1408 N. WESTSHORE BLVD. TAMPA, FL 33607-4512
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and only to the extent that Progress Energy Florida contends that any NERC or Commission action on this Settlement Agreement contains one or more material modifications to this Settlement Agreement.

8. In the event Progress Energy Florida fails to comply with any of the stipulations, remedies, sanctions or additional terms, as set forth in this Settlement Agreement, the FRCC will initiate enforcement, penalty, or sanction actions against Progress Energy Florida to the maximum extent allowed by the NERC Rules of Procedure, up to the maximum statutorily allowed penalty. Except as otherwise specified in this Settlement Agreement, Progress Energy Florida shall retain all rights to defend against such enforcement actions, also according to the NERC Rules of Procedure.
9. Each of the undersigned warrants that he or she is an authorized representative of the entity designated, is authorized to bind such entity and accepts the Settlement Agreement on the entity's behalf.
10. The undersigned representative of each party affirms that he or she has read the Settlement Agreement, that all of the matters set forth in the Settlement Agreement are true and correct to the best of his or her knowledge, information and belief, and that he or she understands that the Settlement Agreement is entered into by such party in express reliance on those representations.

Accepted:

Dale Oliver

VP, Transmission Operations & Planning – FL
Progress Energy Florida

2/10/2011
Date

Linda Campbell
VP and Executive Director Standards & Compliance
Florida Reliability Coordinating Council, Inc.

2/18/11
Date

Attachment b

Common Disposition Document

II. PENALTY INFORMATION

TOTAL ASSESSED PENALTY OR SANCTION OF **\$40,000** FOR **FOUR** VIOLATIONS OF RELIABILITY STANDARDS.

(1) REGISTERED ENTITY'S COMPLIANCE HISTORY

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

YES NO

LIST VIOLATIONS AND STATUS

In the current case, PEF has two violations of PRC-005-1 R2.1 (FRCC200900256 and FRCC200900285).

ADDITIONAL COMMENTS

FRCC determined that PEF's second violation of PRC-005-1 R2.1 (FRCC200900285) is a repeat violation, and therefore, increased the monetary penalty.

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

YES NO

LIST VIOLATIONS AND STATUS

On October 14, 2009, NERC submitted an Omnibus filing under NP10-2-000, which addressed violations for certain registered entities including a violation of VAR-002-1 R3 for PEF with an assessed penalty of \$0. On November 13, 2009, FERC issued an order stating it would not engage in further review of the violations addressed in the Omnibus Notice of Penalty.

ADDITIONAL COMMENTS

FRCC determined that PEF's and its affiliates prior violations from the Omnibus Filing should not serve as a basis for increasing the penalty because they involve standards that are not the same or similar to the instant standards. Moreover, there was nothing in the record to suggest that broader corporate issues were implicated.

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

FULL COOPERATION YES NO
IF NO, EXPLAIN

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

IS THERE A DOCUMENTED COMPLIANCE PROGRAM
YES NO UNDETERMINED
EXPLAIN

At the time of the violations, PEF had an internal compliance program, which FRCC considered a Neutral Factor.

According to FRCC, PEF’s ICP has sufficient resources for the operation, and implementation objectives are regularly evaluated to determine the necessary budget for implementation resources.

PEF's compliance program is disseminated to all organizations within PEF that must comply with the NERC Reliability Standards. Officers of organizations subject to compliance with NERC Reliability Standards comprise PEF's ERO Steering Committee. The PEF officers of the PEF ERO Steering Committee appoint members of its staff to participate on a working group, which it calls the ERO Working Group. The ERO Working Group is an internal group that is comprised of management, individual contributors, and subject matter experts that contribute to NERC-related compliance activities at PEF and Progress Energy Carolinas.

Online training has been provided to employees in departments that must comply with NERC Reliability Standards, including training about NERC Standards, NERC Enforcement, and NERC Compliance at PEF and employee roles and responsibilities. System Operators receive ongoing training to enhance their operating skills and to comply with NERC Standards.

Disciplinary action is administered in accordance with PEF's HR procedures so that when an employee willfully violates any of PEF's procedures or policies, management has the discretion to administer disciplinary action up to and including termination.

A key element of PEF's compliance program is compliance mapping of each requirement of each applicable standard annually. Compliance mapping involves documenting the internal procedures

that PEF relies on for compliance with each requirement, identifying the responsible manager and subject matter experts, documenting where the records providing evidence of compliance are stored and reviewing those records.

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

Executive and senior management are key participants in the corporate level and individual business unit oversight of the compliance program. PEF has named and staffed a compliance program oversight position that has direct access to the Chairman/CEO and Board of Directors. PEF's Federal Regulatory Affairs Unit reports within the Legal Department to ensure independence from the operations and engineering departments that must comply with NERC Standards.

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

YES NO
IF YES, EXPLAIN

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

YES NO
IF YES, EXPLAIN

(6) ANY OTHER MITIGATING FACTORS FOR CONSIDERATION

YES NO
IF YES, EXPLAIN

(7) ANY OTHER AGGRAVATING FACTORS FOR CONSIDERATION

YES NO
IF YES, EXPLAIN

(8) ANY OTHER EXTENUATING CIRCUMSTANCES

YES NO
IF YES, EXPLAIN

OTHER RELEVANT INFORMATION:

NOTICE OF ALLEGED VIOLATION AND PROPOSED PENALTY OR
SANCTION ISSUED

DATE: OR N/A

SETTLEMENT REQUEST DATE

DATE: **3/12/10** OR N/A

NOTICE OF CONFIRMED VIOLATION ISSUED

DATE: OR N/A

SUPPLEMENTAL RECORD INFORMATION

DATE(S) OR N/A

REGISTERED ENTITY RESPONSE CONTESTED

FINDINGS PENALTY BOTH DID NOT CONTEST

HEARING REQUESTED

YES NO

DATE

OUTCOME

APPEAL REQUESTED

Disposition Document for VAR-001-1 R6.1

DISPOSITION OF VIOLATION

Dated January 10, 2011

NERC TRACKING NO.	REGIONAL ENTITY TRACKING NO.
FRCC200900288	FRCC200900288

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
VAR-001-1	6	6.1	Medium	Severe

VIOLATION APPLIES TO THE FOLLOWING FUNCTIONS:

BA	DP	GO	GOP	IA	LSE	PA	PSE	RC	RP	RSG	TO	TOP	TP	TSP
												X		

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

The purpose statement of VAR-001-1 provides: “To ensure that voltage levels, reactive flows, and reactive resources are monitored, controlled, and maintained within limits in real time to protect equipment and the reliable operation of the Interconnection.”

VAR-001-1 R6.1 provides:

R6. The Transmission Operator shall know the status of all transmission Reactive Power resources, including the status of voltage regulators and power system stabilizers.

R6.1. When notified of the loss of an automatic voltage regulator control, the Transmission Operator shall direct the Generator Operator to maintain or change either its voltage schedule or its Reactive Power schedule.

VIOLATION DESCRIPTION

PEF had identified three instances at Suwannee Generating Station (Station), including May 4, 2009, June 29, 2009, and October 30, 2009, that a System Operator (acting as the Transmission Operator (TOP)) failed to give the Generator Operator a directive concerning the reactive output after the TOP was notified of the loss of AVR control. Specifically, on May 4, 2009, the Station informed the generation System Operator that the voltage regulator was not working because the regulator’s motor needed to be replaced, but that the voltage could be controlled manually. The PEF generation System Operator failed to direct the Station operator to maintain

an appropriate manual voltage schedule. On June 29, 2009, the Station placed the AVR in test mode to perform maintenance; prior to the AVR status change, the Station received permission from the Energy Control Center (ECC). The PEF generation System Operator failed to direct the Station operator to maintain an appropriate manual voltage schedule. On October 30, 2009, the Station informed the PEF generation System Operator the voltage regulator needed to be placed in manual mode for 15-20 minute. The PEF generation System Operator failed to direct the Station operator to maintain an appropriate manual voltage schedule.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

FRCC determined that the violation posed a minimal risk and did not pose a serious or substantial risk to the reliability of the bulk power system (BPS) because PEF, as a TOP, could monitor the generator reactive output through the Supervisory Control and Data Acquisition (SCADA) system and direct the appropriate changes as needed during the time periods identified at PEF’s Suwannee generating plant. Also, the Suwannee unit is required to follow voltage schedules per procedures as communicated to the Generator Operators. In addition, the unit in question had a nameplate rating of only 30 MW.

II. DISCOVERY INFORMATION

METHOD OF DISCOVERY

- SELF-REPORT
- SELF-CERTIFICATION
- COMPLIANCE AUDIT
- COMPLIANCE VIOLATION INVESTIGATION
- SPOT CHECK
- COMPLAINT
- PERIODIC DATA SUBMITTAL
- EXCEPTION REPORTING

DURATION DATE(S) 5/4/09 (date the first event occurred at the Station) through 5/13/10 (Mitigation Plan completion)

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY 12/2/09

IS THE VIOLATION STILL OCCURRING YES NO
 IF YES, EXPLAIN

REMEDIAL ACTION DIRECTIVE ISSUED YES NO
 PRE TO POST JUNE 18, 2007 VIOLATION YES NO

III. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO.	MIT-09-2525
DATE SUBMITTED TO REGIONAL ENTITY	1/29/10
DATE ACCEPTED BY REGIONAL ENTITY	5/4/10
DATE APPROVED BY NERC	6/10/10
DATE PROVIDED TO FERC	6/11/10

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

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE	5/13/10
EXTENSIONS GRANTED	N/A
ACTUAL COMPLETION DATE	5/13/10

DATE OF CERTIFICATION LETTER	6/1/10
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF	5/13/10

DATE OF VERIFICATION LETTER	6/28/10
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF	5/13/10

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

PEF implemented AVR training, gave directives to PEF ECC supervisors regarding AVR status changes, and modified its Energy Management System (EMS) so Generation System Operators and Transmission System Operators receive an alarm from units that can automatically annunciate an AVR or PSS status change.

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

- **PEF-001 Email to ECC supervisors dated November 16, 2009**
- **PEF-002 Dispatcher Generation Qualification AVR-PSS training**
- **PEF-003 Dispatcher Meeting presentation dated December 10, 2009**
- **PEF-004 Unit Status Report screenshot dated December 18, 2009**
- **PEF-005 Unit Status Report dated December 18, 2009**
- **PEF-006 SORMF-GD-02 (Rev6) dated December 31, 2009**
- **PEF-007 20100210 Database dated February 10, 2010**
- **PEF-008 AVR EMS Attestation Letter dated February 10, 2010**

- **PEF-009 Continuing Training 2010 Spring Session AVR Training Summary**
- **PEF-010 Training Roster**

EXHIBITS:

SOURCE DOCUMENT

PEF's Self-Report dated December 2, 2009

MITIGATION PLAN

PEF's Mitigation Plan MIT-09-2526 dated January 29, 2010

CERTIFICATION BY REGISTERED ENTITY

PEF's Certification of Mitigation Plan Completion dated June 1, 2010

VERIFICATION BY REGIONAL ENTITY

FRCC's Verification of Mitigation Plan Completion dated June 28, 2010

Disposition Document for TOP-005-1 R1.1

DISPOSITION OF VIOLATION

Dated January 10, 2011

NERC TRACKING NO.	REGIONAL ENTITY TRACKING NO.
FRCC200900286	FRCC200900286

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
TOP-005-1¹	1	1.1	Medium	Lower

VIOLATION APPLIES TO THE FOLLOWING FUNCTIONS:

BA	DP	GO	GOP	IA	LSE	PA	PSE	RC	RP	RSG	TO	TOP	TP	TSP
X												X		

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

The purpose statement of TOP-005-1 provides: “To ensure reliability entities have the operating data needed to monitor system conditions within their areas.”

TOP-005-1 R1 provides:

R1. Each Transmission Operator and Balancing Authority shall provide its Reliability Coordinator with the operating data that the Reliability Coordinator requires to perform operational reliability assessments and to coordinate reliable operations within the Reliability Coordinator Area.

R1.1. Each Reliability Coordinator shall identify the data requirements from the list in Attachment 1-TOP-005-0 “Electric System Reliability Data” and any additional operating information requirements relating to operation of the bulk power system within the Reliability Coordinator Area.

VIOLATION DESCRIPTION

PEF had identified four instances, including January 8, 2009, May 4, 2009, June 29, 2009 and October 30, 2009, that a generator operator reported an Automatic

¹ Reliability Standard TOP-005-1 was enforceable from June 18, 2007 through May 12, 2009. On May 13, 2009, TOP-005-1.1 became enforceable until May 25, 2011. TOP-005-1.1a is the current enforceable Standard as of May 26, 2011. The subsequent interpretation adopted errata changes and does not change the meaning or language of the original NERC Reliability Standard and its requirements. For consistency in this filing, the original NERC Reliability Standard, TOP-005-1, is used throughout.

Voltage Regulator (AVR) status change to PEF’s Energy Control Center (ECC) and PEF failed to inform the Reliability Coordinator of the change in status.

Specifically, on January 8, 2009, the Avon Park’s unit tripped offline and the plant operator was able to immediately place it back in service. After placing the AVR back in service, the unit operator called the PEF ECC and informed the generation System Operator who then failed to inform the Reliability Coordinator of this momentary AVR status change. On May 4, 2009, the Suwannee Plant G2 (Station) informed the ECC generation System Operator that the voltage regulator was not working because the regulator’s motor needed to be replaced, but that the voltage could be controlled manually. The PEF generation System Operator did not inform the Reliability Coordinator of the status change. Then when the AVR was back in service the PEF generation System Operator did not inform the Reliability Coordinator of the AVR status change. On June 29, 2009, the Station placed the AVR in test mode to perform maintenance; prior to the AVR status change, the Station received permission from the ECC. The PEF generation System Operator did not inform the Reliability Coordinator of the AVR status change. On October 30, 2009, the Station informed the PEF generation System Operator the voltage regulator needed to be placed in manual mode for 15-20 minute. The PEF generation System Operator did not inform the Reliability Coordinator of the AVR status change.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

FRCC determined that the violation did not pose a serious or substantial risk to the reliability of the bulk power system (BPS) because the PEF ECC would still have sent real time analog MVAR output values to the Reliability Coordinator through the Inter Control Center Protocol (ICCP) link. In addition, the units in question (Avon Park and Suwannee Unit 2) both had nameplate ratings of only 26 and 30 MW, respectively.

II. DISCOVERY INFORMATION

METHOD OF DISCOVERY

- SELF-REPORT
- SELF-CERTIFICATION
- COMPLIANCE AUDIT
- COMPLIANCE VIOLATION INVESTIGATION
- SPOT CHECK
- COMPLAINT
- PERIODIC DATA SUBMITTAL
- EXCEPTION REPORTING

DURATION DATE(S) 1/8/09 (date of the first instance) through 5/13/10 (Mitigation Plan completion)

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY **12/2/09**

IS THE VIOLATION STILL OCCURRING YES NO
 IF YES, EXPLAIN

REMEDIAL ACTION DIRECTIVE ISSUED YES NO
 PRE TO POST JUNE 18, 2007 VIOLATION YES NO

III. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO.	MIT-09-2523
DATE SUBMITTED TO REGIONAL ENTITY	1/29/10
DATE ACCEPTED BY REGIONAL ENTITY	5/4/10
DATE APPROVED BY NERC	6/10/10
DATE PROVIDED TO FERC	6/11/10

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

N/A

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE	5/13/10
EXTENSIONS GRANTED	N/A
ACTUAL COMPLETION DATE	5/13/10

DATE OF CERTIFICATION LETTER	6/1/10
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF	5/13/10

DATE OF VERIFICATION LETTER	6/28/10
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF	5/13/10

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

PEF implemented AVR training, gave directives to PEF ECC supervisors regarding AVR status changes, and modified its EMS so Generation System Operators and Transmission System Operators receive an alarm from units that can automatically announce an AVR or PSS status change.

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

- **PEF-001 Email to ECC supervisors dated November 16, 2009**
- **PEF-002 Dispatcher Generation Qualification AVR-PSS training**
- **PEF-003 Dispatcher Meeting presentation dated December 10, 2009**
- **PEF-004 Unit Status Report screenshot dated December 18, 2009**
- **PEF-005 Unit Status Report dated December 18, 2009**
- **PEF-006 SORMF-GD-02 (Rev6) dated December 31, 2009**
- **PEF-007 20100210 Database dated February 10, 2010**
- **PEF-008 AVR EMS Attestation Letter dated February 10, 2010**
- **PEF-009 Continuing Training 2010 Spring Session AVR Training Summary**
- **PEF-010 Training Roster**

EXHIBITS:

SOURCE DOCUMENT

PEF's Self-Report dated December 2, 2009

MITIGATION PLAN

PEF's Mitigation Plan MIT-09-2523 dated January 29, 2010

CERTIFICATION BY REGISTERED ENTITY

PEF's Certification of Mitigation Plan Completion dated June 1, 2010

VERIFICATION BY REGIONAL ENTITY

FRCC's Verification of Mitigation Plan Completion dated June 28, 2010

**Disposition Document for PRC-005-1 R2.1
(FRCC200900256 and FRCC200900285)**

DISPOSITION OF VIOLATION

Dated January 10, 2011

NERC TRACKING NO.	REGIONAL ENTITY TRACKING NO.
FRCC200900256	FRCC200900256
FRCC200900285	FRCC200900285

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S) ¹	VSL(S)
PRC-005-1	2	2.1	High	Lower
PRC-005-1	2	2.1	High	Lower

VIOLATION APPLIES TO THE FOLLOWING FUNCTIONS:

BA	DP	GO	GOP	IA	LSE	PA	PSE	RC	RP	RSG	TO	TOP	TP	TSP
											X			

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

The purpose statement of PRC-005-1 provides: “To ensure all transmission and generation Protection Systems^[2] affecting the reliability of the Bulk Electric System (BES) are maintained and tested.” (Footnote added).

PRC-005-1 R2 provides in pertinent part:

- R2. Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System shall provide documentation of its Protection System maintenance and testing program and the implementation of that program to its Regional Reliability Organization^[3] on request (within 30 calendar days). The documentation of the program implementation shall include:**

¹ PRC-005-1 R2 has a “Lower” Violation Risk Factor (VRF); R2.1 and R2.2 each have a “High” VRF. During a final review of the standards subsequent to the March 23, 2007 filing of the Version 1 VRFs, NERC identified that some standards requirements were missing VRFs; one of these include PRC-005-1 R2.1. On May 4, 2007, NERC assigned PRC-005 R2.1 a “High” VRF. In the Commission’s June 26, 2007 Order on Violation Risk Factors, the Commission approved the PRC-005-1 R2.1 “High” VRF as filed. Therefore, the “High” VRF was in effect from June 26, 2007. In the context of this case, FRCC determined that the violation related to R2.1, and therefore a “High” VRF is appropriate.

² *The NERC Glossary of Terms Used in Reliability Standards* defines Protection System as “Protective relays, associated communication systems, voltage and current sensing devices, station batteries and DC control circuitry.”

³ Consistent with applicable FERC precedent, the term ‘Regional Reliability Organization’ in this context refers to FRCC.

R2.1. Evidence Protection System devices were maintained and tested within the defined intervals.

(Footnote added).

VIOLATION DESCRIPTION

FRCC200900256

PEF reviewed its PRC-005-1 database and inventory program and found that there were thirty-six (36) voltage and current sensing devices, four (4) batteries, and one (1) relay in the database which had not been identified as PRC-005-1 Protection System components (out of a total 9,561 components in the database). These forty-one (41) devices were not within maintenance and testing interval as required by PEF's Maintenance and Testing program.

FRCC200900285⁴

PEF reviewed its PRC-005-1 database and inventory program and found that there were seven battery banks that were not within maintenance and testing interval as required by PEF's Maintenance and Testing program (prior to changing the program's intervals).

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

FRCC determined that the violations did not pose a serious or substantial risk to the reliability of the bulk power system (BPS) because:

- a. **FRCC200900256:** PEF had found only a small number (16) of PRC-005-1 Protection System components that had not been tested out of PEF's total population of 9,561 components (or less than 1%). In addition, all components that had not been tested were continuously monitored through analog Supervisory Control and Data Acquisition (SCADA) systems, and PEF technicians would have investigated any alarms that would have occurred had there been any malfunctions.
- b. **FRCC200900285:** Even though the batteries were not tested per the correct interval as stated in PEF's PRC-005 Maintenance and Testing basis document, all components that had not been tested were continuously monitored through analog SCADA systems, and PEF technicians would have investigated any alarms that would have occurred had there been any malfunctions.

⁴ The supporting documents for the PRC-005-1 R2.1 (FRCC200900285) reference a PRC-005-1 R1 violation that was dismissed by FRCC on November 17, 2010.

II. DISCOVERY INFORMATION

METHOD OF DISCOVERY

- SELF-REPORT
- SELF-CERTIFICATION
- COMPLIANCE AUDIT
- COMPLIANCE VIOLATION INVESTIGATION
- SPOT CHECK
- COMPLAINT
- PERIODIC DATA SUBMITTAL
- EXCEPTION REPORTING

DURATION DATE(S)

FRCC200900256: 7/1/09 (date of first missed test) through 11/30/10 (Mitigation Plan completion)

FRCC200900285: 7/24/09 (date PEF's first battery interval was missed) through 1/11/10 (Mitigation Plan completion)

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY

FRCC200900256: 9/18/09

FRCC200900285: 11/18/09

IS THE VIOLATION STILL OCCURRING YES NO
 IF YES, EXPLAIN

REMEDIAL ACTION DIRECTIVE ISSUED YES NO
 PRE TO POST JUNE 18, 2007 VIOLATION YES NO

III. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO.
FRCC200900256: MIT-09-2524
FRCC200900285: MIT-09-2576

DATE SUBMITTED TO REGIONAL ENTITY
FRCC200900256: 3/15/10
FRCC200900285: 1/14/10

DATE ACCEPTED BY REGIONAL ENTITY

FRCC200900256: 5/4/10

FRCC200900285: 5/27/10

DATE APPROVED BY NERC

FRCC200900256: 6/10/10

FRCC200900285: 6/26/10

DATE PROVIDED TO FERC

FRCC200900256: 6/11/10

FRCC200900285: 7/1/10

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

PEF submitted a January 12, 2010 Mitigation Plan for the PRC-005-1 R2.1 (FRCC200900256) violation which was rejected by FRCC because of the lengthy completion date and the Mitigation Plan related to the work that needed to be done is outside the scope of mitigation of the problem. FRCC only accepted the March 15, 2010 Mitigation Plan.

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE

FRCC200900256: 10/31/10

FRCC200900285: Submitted as complete

EXTENSIONS GRANTED

FRCC200900256: 11/17/10⁵

FRCC200900285: N/A

ACTUAL COMPLETION DATE

FRCC200900256: 11/30/10

FRCC200900285: 1/11/10

DATE OF CERTIFICATION LETTER

FRCC200900256: 1/12/11

FRCC200900285: 5/21/10

CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF

FRCC200900256: 11/30/10

FRCC200900285: 1/11/10

⁵ On October 22, 2010, PEF requested an extension from October 31, 2010 to November 30, 2010 to complete the Mitigation Plan for the PRC-005-1 R2.1 (FRCC200900256) violation.

DATE OF VERIFICATION LETTER

FRCC200900256: 1/28/11

FRCC200900285: 5/27/10

VERIFIED COMPLETE BY REGIONAL ENTITY AS OF

FRCC200900256: 11/30/10

FRCC200900285: 1/11/10

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT
RECURRENCE

FRCC200900256

PEF performed the required maintenance on the equipment found not to be in interval, added the equipment to its database, and designed a database validation process to capture and correct errors introduced to its database

FRCC200900285

PEF determined the number of battery inspections that were out of interval, reviewed and corrected and revised related maintenance procedures, and developed a workscope document to be completed prior to the release/modification of work orders.

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

FRCC200900256

- **Milestones 1 & 2 PEF-001 - *PRC5_ISTR_COMPLIANCE_REPORT.pdf dated 3/01/2010* reflects that maintenance was performed by Sept. 14th, 2009 and the correct information entered in the database.**
- **Milestone 3 – PEF-002 –Email dated 3/30/2010 from PEF leadership (Dale Oliver) re-emphasizing the necessity of an accurate NERC Protection System equipment database and the necessity of following the ECR process (Equipment Change Request Process.msg).**
- **PEF-003 - Copy of the ECR Process (ADM_TRMX_00038 ECR Process.pdf rev 1 (07/10))**
- **Milestone 4 – PEF-004 – Email dated 10/29/2010 *NERC Substation Inventories.msg* there is a spreadsheet attached(SUB_INVENTORY_STATUS_REPORT_10282010) detailing the maintenance activities to bring the assets into compliance.**
- **Milestones 5 & 6 – PEF-005 Email dated 10/26/2010 *FW Finals Substation Equipment Inventory and Database Validation and PM Work Order Completion Procedures.msg* contains the procedures for Substation Equipment Inventory and Database Validation and PM Work Order Completion.**

- **Activities 1 & 2 – PEF-006 *Debary_Plant_20100617.pdf* and**
- **PEF-007 *Holder_20100607.pdf* show test records on the assets found to be out of interval.**
- **Activities 3 & 6 – PEF-008 Email dated 12/16/2010 certifying that no other assets were found out of compliance (Outstanding Mitigation Plan.msg)**
- **Activity 4 – PEF-009 Email dated 10/28/2010 certifying completion of updating the maintenance dates in the work management system RE FT-FL Trans Maint Resource Mgmt - 10-810P-00001.msg).**
- **Activity 5 – PEF-010 Roster PersonalCourseListBy.pdf dated 12/13/2010 and PEF-011 Training presentation closing Cascade PM MX Work Orders_Final1.pptx dated 10/2010)**
- **In addition, the auditor reviewed the following test results to verify that the 37 CCVTs identified were tested.**
- **PEF-012 *Tiger Bay_09/01/2010 test results***
- **PEF-013 *Sky Lake_10/26/2010 test results***
- **PEF-014 *Occidental Swift Creek#1 115 KV_7/6/2010 test results***
- **PEF-015 *Port St. Joe 230kV_10/7/2010 test results***
- **PEF-016 *Seven Springs 230kV_9/9/2010 test results***
- **PEF-017 *Hines Energy_07/19/2010.pdf test records***

FRCC200900285

- **PEF-001 Protection Basis Document Dated 10/09**
- **PEF-002 Maintenance of Substation Stationary Batteries and Chargers Basis Document Dated 10/09**
- **PEF-003 Document History for BAS-TRMX-15000**
- **PEF-004 Document History for BAS-TRMX-03000**
- **PEF-005 PEF Station Batteries test dates**
- **PEF-006 Transmission Maintenance Program Policy MNT-TRMX-0000 Dated 04/09**
- **PEF-007 Transmission Maintenance Program Policy MNT-TRMX-000 Dated 01/10**

EXHIBITS:

SOURCE DOCUMENT

PEF's Self Report for PRC-005-1 R2.1 (FRCC200900256) dated September 18, 2009

PEF's Self-Report for PRC-005-1 R2.1 (FRCC200900285) dated November 18, 2009

MITIGATION PLAN

PEF's Mitigation Plan MIT-09-2524 for PRC-005-1 R2.1 (FRCC200900256) dated March 15, 2010

PEF's Mitigation Plan MIT-09-2576 for PRC-005-1 R2.1 (FRCC200900285) dated January 14, 2010

CERTIFICATION BY REGISTERED ENTITY

PEF's Certification of Mitigation Plan Completion for PRC-005-1 R2.1 (FRCC200900256) dated January 12, 2011

PEF's Certification of Mitigation Plan Completion for PRC-005-1 R2.1 (FRCC200900285) dated May 21, 2010

VERIFICATION BY REGIONAL ENTITY

FRCC's Verification of Mitigation Plan Completion for PRC-005-1 R2.1 (FRCC200900256) dated January 28, 2011

FRCC's Verification of Mitigation Plan Completion for PRC-005-1 R2.1 (FRCC200900285) dated May 27, 2010

Attachment c

Record Documents for VAR-001-1 R6.1

- i. PEF's Self-Report dated December 2, 2009**
- ii. PEF's Mitigation Plan MIT-09-2525
submitted January 29, 2010**
- iii. PEF's Certification of Mitigation Plan
Completion dated June 1, 2010**
- iv. FRCC's Verification of Mitigation Plan
Completion for VAR-001-1 R6 and TOP-
005-1.1a R1 dated June 28, 2010**



FRCC Compliance Self Reporting Form
Non-Public and CONFIDENTIAL

Date Submitted by Registered Entity: December 2, 2009
Registered Entity: Progress Energy Florida
Registered Entity Contact Name: David Crews
Registered Entity Contact Email: david.crews@pgnmail.com
Registered Entity Contact Telephone: 919-546-7449
NERC Registry ID: NCR00063
Joint Registration Organization (JRO) ID:

Function (s) Applicable to self-report:

Standard: VAR-001
TOP-005

Requirement:

VAR-001

R6. The Transmission Operator shall know the status of all transmission Reactive Power resources, including the status of voltage regulators and power system stabilizers.

R6.1. When notified of the loss of an automatic voltage regulator control, the Transmission Operator shall direct the Generator Operator to maintain or change either its voltage schedule or its Reactive Power schedule.

TOP-005

R1. Each Transmission Operator and Balancing Authority shall provide its Reliability Coordinator with the operating data that the Reliability Coordinator requires to perform operational reliability assessments and to coordinate reliable operations within the Reliability Coordinator Area.

R1.1. Each Reliability Coordinator shall

Identify the data requirements from the list in Attachment 1-TOP-005-0 "Electric System Reliability Data" and any additional operating information requirements relating to operation of the bulk power system within the Reliability Coordinator Area.

Has this possible alleged violation previously been reported or discovered?: If Yes selected: Provide

Please mark one:

Yes

No

NERC Violation ID (if known):

Violation ID#:

Date violation occurred:

01/08/09

Date violation discovered:

11/02/09

Is the violation still occurring?

Please mark one:

Yes

No

Detailed explanation and cause of violation:

On November 2, 2009 PEF was performing a review of the ECC Logs for the previous week when an issue was found. On October 30, 2009 a Suwannee Plant Operator called the PEF System Operator and informed him that the Unit 2 (a 32 MW unit) AVR had to be taken offline for 15 to 20 minutes. The PEF System Operator acknowledged that the AVR had to be taken offline but did not direct the Plant Operator with respect to reactive output nor did the System Operator contact the RC.

This led to an investigation going back one year. Three other instances were found where the Plant Operator informed the PEF System Operator of a change in AVR status but the System Operator failed to contact the RC. They are:

- Avon Park P2: 01/08/2009
- Suwannee Plant G2: 05/04/2009
- Suwannee Plant G2: 06/29/2009

The PEF System Operator failed to give the Plant Operator a directive concerning the reactive output for the 05/04 and the 06/29 events. The Avon Park P2 (01/08) event did

not require that System Operator give the Plant Operator a directive on reactive output since the Plant Operator was able to place the voltage regulator back in auto.

Potential Impact to the Bulk Power System (minimal, moderate, or severe)

Minimal

Detailed explanation of Potential Impact:

The investigation has found that the failure to report to the RC and give Plant Operators directives with respect AVR status occurred with units with output less than 32 MW. Given the size of the units in comparison to the size of PEF System the impact to the interconnection is minimal.

Additional Comments:

Please send your completed form to: compliancemanager@frcc.com

Note: While submittal of a mitigation plan is not required until after a determination of a violation is confirmed, early submittal of a mitigation plan to address and remedy an identified deficiency is encouraged. Submittal of a mitigation plan shall not be deemed an admission of a violation. (SEE NERC Rules of Procedure, Appendix 4C, Section 6.4.)



Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: 1/29/2010

- **Compliance Notices & Mitigation Plan Requirements**

- A.1 Notices and requirements applicable to Mitigation Plans and this Submittal Form are set forth in "Attachment A - Compliance Notices & Mitigation Plan Requirements" to this form.
- A.2 I have reviewed Attachment A and understand that this Mitigation Plan Submittal Form will not be accepted unless this box is checked.

- **Registered Entity Information**

- B.1 Identify your organization:

Company Name: Progress Energy Florida
Company Address: PO Box 14042
St. Petersburg, FL 33733
NERC Compliance Registry ID: NCR-00063

- B.2 Identify the individual in your organization who will be the Entity Contact regarding this Mitigation Plan.

Name: David Crews
Title: Manager – Federal Regulatory Affairs
Email: David.Crews@pgnmail.com
Phone: (919)546-7449

- **Identification of Alleged or Confirmed Violation(s) Associated with this Mitigation Plan**

- C.1 This Mitigation Plan is associated with the following Alleged or Confirmed violation(s) of the reliability standard listed below.



Applicable Standard, Requirement(s) and dates:

NERC Violation ID #	Reliability Standard	Requirement Number	Violation Risk Factor	Alleged or Confirmed Violation Date ^(*)	Method of Detection (e.g., Audit, Self-report, Investigation)
PEF_2009_16	VAR-001	R6	Medium	5/4/2009	Self-report
PEF_2009_16	VAR-001	R6.1	Medium	5/4/2009	Self-report

(*) Note: The Alleged or Confirmed Violation Date shall be expressly specified by Registered Entity, and subject to modification by the FRCC, as: (i) the date the Alleged or Confirmed violation occurred; (ii) the date that the Alleged or Confirmed violation was self-reported; or (iii) the date that the Alleged or Confirmed violation has been deemed to have occurred on by the FRCC. Questions regarding the date to use should be directed to the FRCC contact identified in Section G of this form.

C.2 Identify the cause of the Alleged or Confirmed violation(s) identified above. Additional detailed information may be provided as an attachment:

PEF has identified three instances that a generator reported an AVR status change and the PEF ECC failed to give a voltage directive. The three incidents and the plants involved are listed below.

Suwannee Plant G2 on 05/04/09, 06/29/09
 Suwannee Plang G3 on 10/30/09

On May 4, 2009 at 03:08 AM, the Suwannee Plant G2 informed the ECC Generation System Operator GSO that the voltage regulator was not working because the regulator's motor needed to be replaced, but that voltage could be controlled manually. The PEF GSO failed to direct the plant operator to maintain an appropriate manual voltage schedule.

On June 29, 2009 at 10:11 AM, the Suwannee Plant G2 placed the AVR in test mode to perform maintenance. Prior to the AVR status change, the plant received permission from ECC. The PEF GSO failed to direct the plant operator to maintain an appropriate manual voltage schedule.



On October 30, 2009 at 11:34, Suwannee G3 informed the PEF GSO the voltage regulator needed to be placed in manual for 15-20 minutes. The PEF GSO failed to direct the plant operator to maintain an appropriate manual voltage schedule.

PEF procedure SORMF-GD-02 directs the GSO to contact the RC whenever there is a status change for an AVR. All system operators at PEF are required to certify that they have read and understand each of the SORMFs annually. The AVR status change requirements have been addressed from a programmatic standpoint. PEF has evaluated this violation and determined the cause to be an awareness issue.

- C.3 Provide any additional relevant information regarding the Alleged or Confirmed violations associated with this Mitigation Plan. Additional detailed information may be provided as an attachment:

Section D: Details of Proposed Mitigation Plan

Mitigation Plan Contents

- D.1 Identify and describe the action plan, including specific tasks and actions that your organization is proposing to undertake, or which it undertook if this Mitigation Plan has been completed, to correct the Alleged or Confirmed violations identified above in Part C.1 of this form. Additional detailed information may be provided as an attachment:

The cause of this violation was determined to be an awareness issue. PEF will take the following steps to reemphasize and reeducate operators on the correct protocol for handling status changes of AVRs:

1. On November 11, 2009, an email was sent to the PEF ECC Supervisors directing them to brief each shift of operators on following protocols:
 - Notify the RC when there is a change in AVR status.
 - Communicate the AVR status change among the Transmission and Generation System Operators.
 - Toggle the AVR status indicator on the EMS when an AVR status change occurs.
 - Instruct the Transmission System Operator (TSO) to direct the plant to manually control voltage at the appropriate voltage for system conditions.



- Log when an AVR status changes occurs (log when the AVR is taken out of normal operation and log when the AVR is placed back in normal operation).
2. The Progress Energy Transmission and Operations Training department implemented AVR training into Associate Dispatcher Program. On November 19, 2009 this training formally started for the associate dispatchers in the generation and transmission portion of the program. During the qualification exam the associates will be tested on protocol for changes in AVR status.
 3. At the December 10, 2009 Dispatcher Meeting a presentation was made to operators to clarify the protocols for implementing AVR status changes. The operators were formally informed that PEF violated NERC requirement on the dates mentioned in Section C2 and that a self report was filed. Training included directions to the operators related to the notification requirements for the RC, the requirement to give the plant a voltage directive, the requirement to toggle the AVR status in the EMS and the requirement to log that there was a AVR status change.
 4. SORMF-GD-02 (Voltage Schedules AVR/PSS for Generating Plants) was updated on December 31, 2009. Section IV "Guidelines, part 4 was edited to include Power System Stabilizers(PSS)and include a requirement that the System Operator is to get a time estimate from the plant on the length of time the AVR or PSS will not be in its normal mode of operation.
 5. PEF's GSO completes a Unit Status Sheet each night to ensure that all daily evolutions related to that plant have been addressed or are communicated to the next shift of operators. This sheet was modified so that the GSO is now checking the status of the AVR and PSS (if applicable). This change was implemented on December 18, 2009.
 6. PEF will also modify the AREVA EMS so that GSO and Transmission System Operators receive an alarm from units that can automatically annunciate an AVR or PSS status change. Currently only the GSO receives these alarms. This will be completed by February 19, 2010.
 7. During the Spring Continuing Training (04/12/10 – 05/13/10), PEF will include training scenarios with various AVR and PSS status changes. PEF operators will have to successfully handle these scenarios to pass



this training. The training will take five weeks to make certain that all System Operator Teams participate.

Mitigation Plan Timeline and Milestones

- D.2 Provide the date by which full implementation of the Mitigation Plan will be, or has been, completed with respect to the Alleged or Confirmed violations identified above. State whether the Mitigation Plan has been fully implemented: **May 13, 2010**

- D.3 Enter Milestone Activities, with due dates, that your organization is proposing, or has completed, for this Mitigation Plan:

Milestone Activity	Proposed/Actual Completion Date* (shall not be more than 3 months apart)
Email to ECC Supervisors	Complete
Training Department Implementation	Complete
Dispatcher Meeting	Complete
Unit Status Report	Complete
SORMF-GD-02 Update	Complete
AREVA EMS Alarm	02/19/2010
Spring Continuing Training	05/13/2010

(*) Note: Implementation milestones no more than three (3) months apart are permissible only for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.



Section E: Interim and Future Reliability Risk

Abatement of Interim BPS Reliability Risk

- E.1 While your organization is implementing this Mitigation Plan the reliability of the Bulk Power System (BPS) may remain at higher risk or be otherwise negatively impacted until the plan is successfully completed. To the extent they are, or may be, known or anticipated: (i) identify any such risks or impacts; and (ii) discuss any actions that your organization is planning to take to mitigate this increased risk to the reliability of the BPS. Additional detailed information may be provided as an attachment:

The risks to the BPS has been reduced. All PEF System Operators, Associates and ECC Supervisors on Duty have been informed of the situation. Part of the mitigation plan includes the use of a new daily unit status report. When the report is being compiled (approximately 0400 everyday) the PEF GSO asks each of the base load plants online about the status of the AVR. This acts as a daily double check. Also, all Plantview logs are reviewed to check for discrepancies. If any are found they are investigated and any corrective action will be taken immediately.

Prevention of Future BPS Reliability Risk

- E.2 Describe how successful completion of this Mitigation Plan will prevent or minimize the probability that your organization incurs further risk or Alleged violations of the same or similar reliability standards requirements in the future. Additional detailed information may be provided as an attachment:

When this mitigation plan is complete the following additional measures and controls will be in place:

- PEF has incorporated training related to this requirement into our initial operator training.
- PEF has added scenarios that include AVR and PSS status changes to our continuing training.
- PEF has added the checks for the status of the AVR and PSS to the daily check our operators perform.

These additional measures and controls will reduce the risk of a repeat violation.



Section F: Authorization

An authorized individual must sign and date this Mitigation Plan Submittal Form. By doing so, this individual, on behalf of your organization:

- a) Submits this Mitigation Plan for acceptance by the FRCC and approval by NERC, and
- b) If applicable, certifies that this Mitigation Plan was completed on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- c) Acknowledges:
 - 1. I am Dale Oliver Vice President of PEF's Transmission Operations and Planning Department.
 - 2. I am qualified to sign this Mitigation Plan on behalf of Progress Energy Florida.
 - 3. I understand Progress Energy Florida's obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure, including Appendix 4(C) (Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation" (NERC CMEP)).
 - 3. I have read and am familiar with the contents of this Mitigation Plan.
 - 4. Progress Energy Florida agrees to comply with, this Mitigation Plan, including the timetable completion date, as accepted by the FRCC and approved by NERC.

Authorized Individual Signature

A handwritten signature in blue ink, appearing to read "Dale Oliver", is written over a horizontal line.

Name (Print): Dale Oliver

Title: Vice President – Transmission Operations and Planning Department

Date: 1/29/2010



Section G: Regional Entity Contact

Please direct any questions regarding completion of this form to:

Madeline Alba, FRCC Compliance Program Administrator
813-207-7965
malba@frc.com



Attachment A – Compliance Notices & Mitigation Plan Requirements

- I. Section 6.2 of the CMEP¹ sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:
- (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section 2.0.
 - (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
 - (3) The cause of the Alleged or Confirmed Violation(s).
 - (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
 - (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed violation(s).
 - (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
 - (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
 - (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.
 - (9) Any other information deemed necessary or appropriate.
 - (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self-Certification or Self Reporting submittals.
- II. This submittal form must be used to provide a required Mitigation Plan for review and acceptance by the FRCC and approval by NERC.
- III. This Mitigation Plan is submitted to the FRCC and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.

¹ "Uniform Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation;" a copy of the current version approved by the Federal Energy Regulatory Commission is posted on NERC's website.



- IV. This Mitigation Plan Submittal Form may be used to address one or more related Alleged or Confirmed violations of one Reliability Standard. A separate mitigation plan is required to address Alleged or Confirmed violations with respect to each additional Reliability Standard, as applicable.
- V. If the Mitigation Plan is accepted by the FRCC and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission in accordance with applicable Commission rules, regulations and orders.
- VI. The FRCC or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- VII. Remedial action directives also may be issued as necessary to ensure reliability of the BPS.



FRCC Mitigation Plan Completion Form

Certification of a Completed Mitigation Plan

All Mitigation Plan Completion Certification submittals shall include data or information sufficient for FRCC to verify completion of the Mitigation Plan. FRCC may request such additional data or information and conduct follow-up assessments, on-site or other Spot Checking, or Compliance Audits as it deems necessary to verify that all required actions in the Mitigation Plan have been completed and the Registered Entity is in compliance with the subject Reliability Standard. (CMEP Section 6.6)

Registered Entity Information

Company Name: **Progress Energy Florida**
Company Address: **P.O. Box 14042**
St Petersburg, Florida 33733
NERC Compliance Registry ID (if known): **NCR-00063**

Date Original Mitigation Plan was submitted to FRCC: **1/29/2010**

Date Mitigation Plan was completed: **5/13/2010**

Name of Standard and the Requirement(s) covered under the accepted Mitigation Plan: **VAR-001 R6 and R6.1**

NERC Violation ID # (if known): **FRCC200900288**

Date of Certification: **6/1/2010**

Evidence of Completion: The evidence of compliance is provided with this certification.

I certify that the mitigation plan for the above named alleged or confirmed violation has been completed on the date shown above, and that all information submitted information is complete and correct to the best of my knowledge.

Name: **Dale Oliver**

Title: **VP Transmission Operations & Planning Department**

Email: **Dale.Oliver@pgnmail.com**

Phone: **(727) 820-5806**

Authorized Individual Signature

To close out a completed Mitigation Plan, fill out this form, save and email it to **compliancemanager@frcc.com**.



FLORIDA RELIABILITY COORDINATING COUNCIL, INC.
1408 N. WESTSHORE BLVD., SUITE 1002
TAMPA, FLORIDA 33607-4512
PHONE 813.289.5644 • FAX 813.289.5646
WWW.FRCC.COM

VIA E-MAIL

June 28, 2010

Mr. David Crews
Federal Regulatory Affairs
Progress Energy Florida
P.O. Box 1551
Raleigh, NC 27602

**Re: Progress Energy Florida
Mitigation Plans – Self-Reported Violations
of NERC Standards TOP-005-1.1, R1
FRCC200900286 and VAR-001-1 R6
FRCC200900288**

Dear Mr. Crews,

The mitigation plan completion form and the evidence submitted by Progress Energy Florida (PEF) for the above referenced self-reported violations has been received by the Florida Reliability Coordinating Council, Inc. (FRCC). After review, the FRCC finds the mitigation plans for TOP-005-1.1 R1 and VAR-001-1 R6 are completed. The FRCC will notify the North American Electric Reliability Corporation (NERC) for its information.

If you have any questions you may reach me at 813-207-7968.

Respectfully,

Barry Pagel
Director of Compliance
bpagel@frc.com

BP/rr

Attachment d

Record Documents for TOP-005-1 R1.1

- i. PEF's Self-Report dated December 2, 2009**
- ii. PEF's Mitigation Plan MIT-09-2523
submitted January 29, 2010**
- iii. PEF's Certification of Mitigation Plan
Completion dated June 1, 2010**



FRCC Compliance Self Reporting Form
Non-Public and CONFIDENTIAL

Date Submitted by Registered Entity: December 2, 2009
Registered Entity: Progress Energy Florida
Registered Entity Contact Name: David Crews
Registered Entity Contact Email: david.crews@pgnmail.com
Registered Entity Contact Telephone: 919-546-7449
NERC Registry ID: NCR00063
Joint Registration Organization (JRO) ID:

Function (s) Applicable to self-report:

Standard: VAR-001
TOP-005

Requirement:

VAR-001

R6. The Transmission Operator shall know the status of all transmission Reactive Power resources, including the status of voltage regulators and power system stabilizers.

R6.1. When notified of the loss of an automatic voltage regulator control, the Transmission Operator shall direct the Generator Operator to maintain or change either its voltage schedule or its Reactive Power schedule.

TOP-005

R1. Each Transmission Operator and Balancing Authority shall provide its Reliability Coordinator with the operating data that the Reliability Coordinator requires to perform operational reliability assessments and to coordinate reliable operations within the Reliability Coordinator Area.

R1.1. Each Reliability Coordinator shall

identify the data requirements from the list in Attachment 1-TOP-005-0 "Electric System Reliability Data" and any additional operating information requirements relating to operation of the bulk power system within the Reliability Coordinator Area.

Has this possible alleged violation previously been reported or discovered?: If Yes selected: Provide

Please mark one:

Yes

No

NERC Violation ID (if known):

Violation ID#:

Date violation occurred:

01/08/09

Date violation discovered:

11/02/09

Is the violation still occurring?

Please mark one:

Yes

No

Detailed explanation and cause of violation:

On November 2, 2009 PEF was performing a review of the ECC Logs for the previous week when an issue was found. On October 30, 2009 a Suwannee Plant Operator called the PEF System Operator and informed him that the Unit 2 (a 32 MW unit) AVR had to be taken offline for 15 to 20 minutes. The PEF System Operator acknowledged that the AVR had to be taken offline but did not direct the Plant Operator with respect to reactive output nor did the System Operator contact the RC.

This led to an investigation going back one year. Three other instances were found where the Plant Operator informed the PEF System Operator of a change in AVR status but the System Operator failed to contact the RC. They are:

- Avon Park P2: 01/08/2009
- Suwannee Plant G2: 05/04/2009
- Suwannee Plant G2: 06/29/2009

The PEF System Operator failed to give the Plant Operator a directive concerning the reactive output for the 05/04 and the 06/29 events. The Avon Park P2 (01/08) event did

not require that System Operator give the Plant Operator a directive on reactive output since the Plant Operator was able to place the voltage regulator back in auto.

Potential Impact to the Bulk Power System (minimal, moderate, or severe)

Minimal

Detailed explanation of Potential Impact:

The investigation has found that the failure to report to the RC and give Plant Operators directives with respect AVR status occurred with units with output less than 32 MW. Given the size of the units in comparison to the size of PEF System the impact to the interconnection is minimal.

Additional Comments:

Please send your completed form to: compliancemanager@frcc.com

Note: While submittal of a mitigation plan is not required until after a determination of a violation is confirmed, early submittal of a mitigation plan to address and remedy an identified deficiency is encouraged. Submittal of a mitigation plan shall not be deemed an admission of a violation. (SEE NERC Rules of Procedure, Appendix 4C, Section 6.4.)



Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: 1/29/2010

Section A: Compliance Notices & Mitigation Plan Requirements

- A.1 Notices and requirements applicable to Mitigation Plans and this Submittal Form are set forth in "Attachment A - Compliance Notices & Mitigation Plan Requirements" to this form.
- A.2 I have reviewed Attachment A and understand that this Mitigation Plan Submittal Form will not be accepted unless this box is checked.

Section B: Registered Entity Information

B.1 Identify your organization:

Company Name: Progress Energy Florida
Company Address: PO Box 14042
St. Petersburg, FL 33733
NERC Compliance Registry ID: NCR-00063

B.2 Identify the individual in your organization who will be the Entity Contact regarding this Mitigation Plan.

Name: David Crews
Title: Manager – Federal Regulatory Affairs
Email: David.Crews@pgnmail.com
Phone: (919)546-7449

Section C: Identification of Alleged or Confirmed Violation(s) Associated with this Mitigation Plan

- C.1 This Mitigation Plan is associated with the following Alleged or Confirmed violation(s) of the reliability standard listed below.



Applicable Standard, Requirement(s) and dates:

NERC Violation ID #	Reliability Standard	Requirement Number	Violation Risk Factor	Alleged or Confirmed Violation Date ^(*)	Method of Detection (e.g., Audit, Self-report, Investigation)
PEF_2009_12	TOP-005	R1	Medium	01/08/09	Self-report
PEF_2009_12	TOP-005	R1.1	Medium	01/08/09	Self-report

(*) Note: The Alleged or Confirmed Violation Date shall be expressly specified by Registered Entity, and subject to modification by the FRCC, as: (i) the date the Alleged or Confirmed violation occurred; (ii) the date that the Alleged or Confirmed violation was self-reported; or (iii) the date that the Alleged or Confirmed violation has been deemed to have occurred on by the FRCC. Questions regarding the date to use should be directed to the FRCC contact identified in Section G of this form.

C.2 Identify the cause of the Alleged or Confirmed violation(s) identified above. Additional detailed information may be provided as an attachment:

PEF has identified four instances that a generator reported an AVR status change and the PEF ECC failed to inform the the RC of the AVR change in status. The four incidents and the plants involved are listed below.

- Avon Park P2 on 01/08/09
- Suwannee Plant G2 on 05/04/09, 06/29/09
- Suwannee Plant G3 on 10/30/09

The Avon Park unit's AVR tripped offline and the plant operator was able to immediately place it back in service. After placing the AVR back in service the unit operator called the PEF ECC and informed the Generation System Operator. The PEF Generation System Operator (GSO) failed to inform the RC of this momentary AVR status change.

On May 4, 2009 at 03:08 AM, the Suwannee Plant G2 informed the ECC GSO that the voltage regulator was not working because the regulator's motor needed to be replaced, but that voltage could be controlled manually. The PEF GSO did not inform the RC of the status change. At 10:33 AM the plant operator



informed the PEF GSO that the AVR was back in service. The PEF GSO did not inform the RC of the AVR status change.

On June 29, 2009 at 10:11 AM, the Suwannee Plant G2 placed the AVR in test mode to perform maintenance. Prior to the AVR status change, the plant received permission from ECC. The PEF GSO did not inform the RC of the AVR status change.

On October 30, 2009 at 11:34 AM, Suwannee G3 informed the PEF GSO the voltage regulator needed to be placed in manual for 15-20 minutes. The PEF GSO did not inform the RC of the AVR status change.

PEF procedure SORMF-GD-02 directs the GSO to contact the RC whenever there is a status change for an AVR. All system operators at PEF are required to certify that they have read and understand each of the SORMFs annually. The AVR status change requirements have been addressed from a programmatic standpoint. PEF has evaluated this violation and determined the cause to be an awareness issue.

- C.3 Provide any additional relevant information regarding the Alleged or Confirmed violations associated with this Mitigation Plan. Additional detailed information may be provided as an attachment:

• **Details of Proposed Mitigation Plan**

Mitigation Plan Contents

- D.1 Identify and describe the action plan, including specific tasks and actions that your organization is proposing to undertake, or which it undertook if this Mitigation Plan has been completed, to correct the Alleged or Confirmed violations identified above in Part C.1 of this form. Additional detailed information may be provided as an attachment:

The cause of this violation was determined to be an awareness issue. PEF will take the following steps to reemphasize and reeducate operators on the correct protocol for handling status changes of AVRs:

1. On November 11, 2009, an email was sent to the PEF ECC Supervisors directing them to brief each shift of operators on following protocols:
 - o Notify the RC when there is a change in AVR status.



- Communicate the AVR status change among the Transmission and Generation System Operators.
 - Toggle the AVR status indicator on the EMS when an AVR status change occurs.
 - Instruct the Transmission System Operator (TSO) to direct the plant to manually control voltage at the appropriate voltage for system conditions.
 - Log when an AVR status changes occurs (log when the AVR is taken out of normal operation and log when the AVR is placed back in normal operation).
2. The Progress Energy Transmission and Operations Training department implemented AVR training into Associate Dispatcher Program. On November 19, 2009 this training formally started for the associate dispatchers in the generation and transmission portion of the program. Durring the qualification exam the associates will be tested on protocol for changes in AVR status.
 3. At the December 10, 2009 Dispatcher Meeting a presentation was made to operators to clarify the protocols for implementing AVR status changes. The operators were formally informed that PEF violated a NERC requirement on the dates mentioned in Section C2 and that a self report was filed. Training included directions to the operators related to the notification requirements for the RC, the requirement to give the plant a voltage directive, the requirement to toggle the AVR status in the EMS and the requirement to log that there was a AVR status change.
 4. SORMF-GD-02 (Voltage Schedules AVR/PSS for Generating Plants) was updated on December 31, 2009. Section IV "Guidelines, part 4 was edited to include Power System Stabilizers(PSS) and include a requirement that the System Operator is to get a time estimate from the plant on the length of time the AVR or PSS will not be in its normal mode of operation.
 5. PEF's GSO completes a Unit Status Sheet each night to ensure that all daily evolutions related to that plant have been addressed or are communicated to the next shift of operators. This sheet was modified so that the GSO is now checking the status of the AVR and PSS (if applicable). This change was implemented on December 18, 2009.
 6. PEF will also modify the AREVA EMS so that GSO and Transmission System Operators receive an alarm from units that can automatically



annunciate an AVR or PSS status change. Currently only the GSO receives these alarms. This will be completed by February 19, 2010.

7. During the Spring Continuing Training (04/12/10 – 05/13/10), PEF will include training scenarios with various AVR and PSS status changes. PEF operators will have to successfully handle these scenarios to pass this training. The training will take five weeks to make certain that all System Operator Teams participate.

Mitigation Plan Timeline and Milestones

- D.2 Provide the date by which full implementation of the Mitigation Plan will be, or has been, completed with respect to the Alleged or Confirmed violations identified above. State whether the Mitigation Plan has been fully implemented: **May 13, 2010**
- D.3 Enter Milestone Activities, with due dates, that your organization is proposing, or has completed, for this Mitigation Plan:

Milestone Activity	Proposed/Actual Completion Date* (shall not be more than 3 months apart)
Email to ECC Supervisors	Complete
Training Department Implementation	Complete
Dispatcher Meeting	Complete
Unit Status Report	Complete
SORMF-GD-02 Update	Complete
AREVA EMS Alarm	02/19/2010
Spring Continuing Training	05/13/2010

(* Note: Implementation milestones no more than three (3) months apart are permissible only for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.



• **Interim and Future Reliability Risk**

Abatement of Interim BPS Reliability Risk

E.1 While your organization is implementing this Mitigation Plan the reliability of the Bulk Power System (BPS) may remain at higher risk or be otherwise negatively impacted until the plan is successfully completed. To the extent they are, or may be, known or anticipated: (i) identify any such risks or impacts; and (ii) discuss any actions that your organization is planning to take to mitigate this increased risk to the reliability of the BPS. Additional detailed information may be provided as an attachment:

The risks to the BPS have been reduced. All PEF System Operators, Associates and ECC Supervisors on Duty have been briefed of the correct protocol for AVR status changes. Part of the mitigation plan includes the use of a new daily unit status report. When the report is being compiled (approximately 0400 everyday) the PEF GSO asks each of the base load plants online about the status of the AVR. This acts as a daily double check. Also, all Plantview logs are reviewed to check for discrepancies. If any are found they are investigated and any corrective action will be taken immediately.

Prevention of Future BPS Reliability Risk

E.2 Describe how successful completion of this Mitigation Plan will prevent or minimize the probability that your organization incurs further risk or Alleged violations of the same or similar reliability standards requirements in the future. Additional detailed information may be provided as an attachment:

When this mitigation plan is complete the following additional measures and controls will be in place:

- PEF has incorporated training related to this requirement into our initial operator training
- PEF has added scenarios that include AVR and PSS status changes to our continuing training.
- PEF has added the checks for the status of the AVR and PSS to the daily check our operators perform.

These additional measures and controls will reduce the risk of a repeat violation.



Authorization

An authorized individual must sign and date this Mitigation Plan Submittal Form. By doing so, this individual, on behalf of your organization:

- a) Submits this Mitigation Plan for acceptance by the FRCC and approval by NERC, and
- b) If applicable, certifies that this Mitigation Plan was completed on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- c) Acknowledges:
 - 1. I am Dale Oliver Vice President of PEF's Transmission Operations and Planning Department.
 - 2. I am qualified to sign this Mitigation Plan on behalf of Progress Energy Florida.
 - 3. I understand Progress Energy Florida's obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure, including Appendix 4(C) (Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation" (NERC CMEP)).
 - 3. I have read and am familiar with the contents of this Mitigation Plan.
 - 4. Progress Energy Florida agrees to comply with, this Mitigation Plan, including the timetable completion date, as accepted by the FRCC and approved by NERC.

Authorized Individual Signature

A handwritten signature in blue ink, appearing to read "Dale Oliver", is written over a horizontal line.

Name (Print): Dale Oliver
Title: Vice President – Transmission Operations and Planning Department
Date: 1/29/2010



- **Regional Entity Contact**

Please direct any questions regarding completion of this form to:

Madeline Alba, FRCC Compliance Program Administrator
813-207-7965
malba@frcc.com



Attachment A – Compliance Notices & Mitigation Plan Requirements

- I. Section 6.2 of the CMEP¹ sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:
- (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section 2.0.
 - (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
 - (3) The cause of the Alleged or Confirmed Violation(s).
 - (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
 - (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed violation(s).
 - (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
 - (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
 - (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.
 - (9) Any other information deemed necessary or appropriate.
 - (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self-Certification or Self Reporting submittals.
- II. This submittal form must be used to provide a required Mitigation Plan for review and acceptance by the FRCC and approval by NERC.
- III. This Mitigation Plan is submitted to the FRCC and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.

¹ "Uniform Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation;" a copy of the current version approved by the Federal Energy Regulatory Commission is posted on NERC's website.



- IV. This Mitigation Plan Submittal Form may be used to address one or more related Alleged or Confirmed violations of one Reliability Standard. A separate mitigation plan is required to address Alleged or Confirmed violations with respect to each additional Reliability Standard, as applicable.
- V. If the Mitigation Plan is accepted by the FRCC and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission in accordance with applicable Commission rules, regulations and orders.
- VI. The FRCC or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- VII. Remedial action directives also may be issued as necessary to ensure reliability of the BPS.



FRCC Mitigation Plan Completion Form

Certification of a Completed Mitigation Plan

All Mitigation Plan Completion Certification submittals shall include data or information sufficient for FRCC to verify completion of the Mitigation Plan. FRCC may request such additional data or information and conduct follow-up assessments, on-site or other Spot Checking, or Compliance Audits as it deems necessary to verify that all required actions in the Mitigation Plan have been completed and the Registered Entity is in compliance with the subject Reliability Standard. (CMEP Section 6.6)

Registered Entity Information

Company Name: **Progress Energy Florida**
Company Address: **P.O. Box 14042**
St Petersburg, Florida 33733
NERC Compliance Registry ID (if known): **NCR-00063**

Date Original Mitigation Plan was submitted to FRCC: **1/29/2010**

Date Mitigation Plan was completed: **5/13/2010**

Name of Standard and the Requirement(s) covered under the accepted Mitigation Plan: **TOP-005 R1 and R1.1**

NERC Violation ID # (if known): **FRCC200900286**

Date of Certification: **6/1/2010**

Evidence of Completion: The evidence of compliance is provided with this certification.

I certify that the mitigation plan for the above named alleged or confirmed violation has been completed on the date shown above, and that all information submitted information is complete and correct to the best of my knowledge.

Name: **Dale Oliver**

Title: **VP Transmission Operations & Planning Department**

Email: **Dale.Oliver@pgnmail.com**

Phone: **(727) 820-5806**

Authorized Individual Signature

To close out a completed Mitigation Plan, fill out this form, save and email it to **compliancemanager@frcc.com**.

Attachment e

Record Documents for PRC-005-1 R2.1 (FRCC200900256)

- i. PEF's Self-Report dated September 18, 2009**
- ii. PEF's Mitigation Plan MIT-09-2524 submitted March 15, 2010**
- iii. PEF's Certification of Mitigation Plan Completion dated January 12, 2011**
- iv. FRCC's Verification of Mitigation Plan Completion dated January 28, 2011**



FRCC Compliance Self Reporting Form
Non-Public and CONFIDENTIAL

Date Submitted by Registered Entity: September 18, 2009
Registered Entity: Progress Energy Florida
Registered Entity Contact Name: David Crews
Registered Entity Contact Email: David.Crews@pgnmail.com
Registered Entity Contact Telephone: 919-546-7449
NERC Registry ID: NCR00063
Joint Registration Organization (JRO) ID:

Function (s) Applicable to self-report:

Standard: PRC-005-1 R2.1

Requirement: PRC-005-1 R2: Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System shall provide documentation of its Protection System maintenance and testing program and the implementation of that program to its Regional Reliability Organization on request (within 30calendar days). The documentation of the program implementation shall include:

R2.1. Evidence Protection System devices were maintained and tested within the defined intervals.

R2.2. Date each Protection System device was last tested/maintained

Has this possible alleged violation previously been reported or discovered?: If Yes selected: Provide NERC Violation ID (if known):

Please mark one:
No
Violation ID#:

Date violation occurred: July 01, 2009

Is the violation still occurring?

Please mark one: Yes

Detailed explanation and cause of violation:

On May 27, 2009, the Regional Compliance Implementation Group published a white paper titled RCIG Assessment on Monitoring and Implementation of Reliability Standard PRC-005-1 Transmission and Generation Protection System Maintenance and Testing.

In this document several key reasons for non-compliance with PRC-005-1 were identified and suggested process enhancements were proposed. Finding number five was: **“Inventory lists of applicable devices are incomplete and therefore devices are not scheduled appropriately.”** As a result of the NERC guidance, PEF undertook an intentional review of their PRC-005 data bases and inventory. On August 24, 2009, a review of the data showed that there were CCVTs in the PEF data base which were not identified as BES Protection System. **These CCVTs were not within the interval required by the current procedure. Upon finding these CCVTs, a more exhaustive search was performed and several CTs and PTs were also found to be misidentified and not within the interval required by the current procedure.** These assets were not within interval because they were not identified in the data base as BES Protection System or PRC-005 assets.

Potential Impact to the Bulk Power System (minimal, moderate, or severe)

Minimal.

Detailed explanation of Potential Impact:

Instrument Transformers are very reliable and the failure rate is very low. Phase angle tests have been performed on the Instrument Transformers identified as out of interval and all successfully passed the test.

Additional Comments:

Please send your completed form to: compliancemanager@frc.com

Note: While submittal of a mitigation plan is not required until after a determination of a violation is confirmed, early submittal of a mitigation plan to address and remedy an identified deficiency is encouraged. Submittal of a mitigation plan shall not be deemed an admission of a violation. (SEE NERC Rules of Procedure, Appendix 4C, Section 6.4.)



Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: March 15, 2010 (Originally submitted 1/12/2010)

Section A: Compliance Notices & Mitigation Plan Requirements

- A.1 Notices and requirements applicable to Mitigation Plans and this Submittal Form are set forth in "Attachment A - Compliance Notices & Mitigation Plan Requirements" to this form.
- A.2 I have reviewed Attachment A and understand that this Mitigation Plan Submittal Form will not be accepted unless this box is checked.

Section B: Registered Entity Information

B.1 Identify your organization:

Company Name: Progress Energy
Company Address: P.O. Box 1402
St Petersburg, Florida 33733
NERC Compliance Registry ID: NCR 00063

B.2 Identify the individual in your organization who will be the Entity Contact regarding this Mitigation Plan.

Name: David Crews
Title: Manager - Federal Regulatory Affairs
Email: david.crews@pgnmail.com
Phone: 919/546/7449

Section C: Identification of Alleged or Confirmed Violation(s) Associated with this Mitigation Plan

C.1 This Mitigation Plan is associated with the following Alleged or Confirmed violation(s) of the reliability standard listed below.



Applicable Standard, Requirement(s) and dates:

NERC Violation ID #	Reliability Standard	Requirement Number	Violation Risk Factor	Alleged or Confirmed Violation Date ^(*)	Method of Detection (e.g., Audit, Self-report, Investigation)
FRCC2009 00256	PRC-005	R 2	High	07/01/2009	Self-report

(*) Note: The Alleged or Confirmed Violation Date shall be expressly specified by Registered Entity, and subject to modification by the FRCC, as: (i) the date the Alleged or Confirmed violation occurred; (ii) the date that the Alleged or Confirmed violation was self-reported; or (iii) the date that the Alleged or Confirmed violation has been deemed to have occurred on by the FRCC. Questions regarding the date to use should be directed to the FRCC contact identified in Section G of this form.

C.2 Identify the cause of the Alleged or Confirmed violation(s) identified above. Additional detailed information may be provided as an attachment:

On May 27, 2009, the Regional Compliance Implementation Group published a white paper titled RCIG Assessment on Monitoring and Implementation of Reliability Standard PRC-005-1 Transmission and Generation Protection System Maintenance and Testing. In this document several key reasons for non-compliance with PRC-005-1 were identified and suggested process enhancements were proposed. Finding number five was: **“Inventory lists of applicable devices are incomplete and therefore devices are not scheduled appropriately.”** As a result of the NERC guidance, PEF undertook an intentional review of their PRC-005 databases and inventory. On August 24, 2009, a review of the data showed that there were CCVTs in the PEF database which were not identified as BES Protection Systems. **These CCVTs were not within the interval required by the current procedure. Upon finding these CCVTs, a more exhaustive search was performed and several CTs and PTs were also found to be misidentified and not within the interval required by the current procedure.** These assets were not



within interval because they were not identified in the database as BES Protection System or PRC-005 assets.

The RCIG white paper characterized the cause for database errors as follows: "In some instances, Registered Entities did not ensure that all devices were properly transferred from legacy paper or spreadsheet systems to advanced database software management packages in common usage today. In addition, Registered Entities were not ensuring that recently installed devices were added to their active inventory list of devices and therefore not added to maintenance schedules. Inadequate configuration controls can contribute to this issue."

PEF believes the cause of this violation is rooted in the transfer of information from one work management system to another, and inadequate configuration controls.

- C.3 Provide any additional relevant information regarding the Alleged or Confirmed violations associated with this Mitigation Plan. Additional detailed information may be provided as an attachment:

Section D: Details of Proposed Mitigation Plan

Mitigation Plan Contents

- D.1 Identify and describe the action plan, including specific tasks and actions that your organization is proposing to undertake, or which it undertook if this Mitigation Plan has been completed, to correct the Alleged or Confirmed violations identified above in Part C.1 of this form. Additional detailed information may be provided as an attachment:

This mitigation plan has a three step approach to correct and ensure compliance. The first step is to immediately bring the instrument transformers found to be in violation back in to compliance. This is achieved in activities 1 and 2 below. The second step includes activities 3 and 4 below. During the second step, PEF will reemphasize the necessity of adherence to its Equipment Change Request (ECR) process. The ECR process has recently been developed to ensure a disciplined approach to configuration control. PEF will also review its work management database to identify any Protection System assets that are not accurately flagged as NERC assets, flag these as NERC assets and bring these assets into compliance within the intervals



defined in PEF's Protection System maintenance and testing program. The third step of the mitigation plan (activities 5 and 6) is to develop a recurrent validation process for the work management database. This process will include measures to validate that the database represents the field conditions and that NERC assets within the database are appropriately flagged. The recurrent database validation will ensure that corruption is identified and corrected in a timely manner.

- 1- Maintenance has been performed on the Instrument Transformers found by PEF during its initial self-assessment.
- 2- PEF's equipment database was corrected to properly show the Instrument Transformers as BES Protection Systems.
- 3- PEF has implemented an Equipment Change Request (ECR) process that is designed to be a barrier to the corruption of the equipment database. The ECR process was rolled out during the first quarter of 2009 and serves as a tool to ensure PEF's equipment database accurately represents the Protection System assets that are in the field. ECRs provide updates to the database as changes occur via PEF's Protection Engineering, Construction and Maintenance organization activities. PEF leadership will re-emphasize the necessity of an accurate NERC Protection System equipment database and the necessity of following the ECR process.
- 4- PEF will review its work management databases to identify any Protection System assets that are not accurately flagged as NERC assets, flag these as NERC assets and bring these assets into compliance with the intervals defined in PEF's Protection System maintenance and testing program.
- 5- PEF will design and implement a recurrent physical inventory validation process to measure the effectiveness of the ECR process and to validate the accuracy of the PEF equipment database.
- 6- PEF will design and implement a recurrent database validation process to capture and correct errors introduced to the PEF equipment database that are not prevented by PEF's procedures and ECR process.



Mitigation Plan Timeline and Milestones

- D.2 Provide the date by which full implementation of the Mitigation Plan will be, or has been, completed with respect to the Alleged or Confirmed violations identified above. State whether the Mitigation Plan has been fully implemented: **October 31st, 2010**
- D.3 Enter Milestone Activities, with due dates, that your organization is proposing, or has completed, for this Mitigation Plan:

Milestone Activity	Proposed/Actual Completion Date* (shall not be more than 3 months apart)
1. Perform Required Maintenance on Instrument Transformers found in the initial self assesment	Completed 9/14/2009
2. Correct PEF equipment database for Instrument Transformers found in the initial self assesment	Completed 11/11/2009
3. Reemphasize PEF's Equipment Change Request Process	Complete by 3/31/2010
4. Design a recurrent physical inventory process.	Complete by 3/31/2010
5. Implement the database validation process on 25% of the database	Complete by 6/30/2010
6. Implement the database validation process on 70% of the database	Complete by 9/30/2010
7. Implement the database validation process on 100% of the database	Complete by 10/31/2010
8. Design a recurrent equipment database validation process	Complete by 10/31/2010
9. Perform maintenance on any Protection System equipment identified as out of interval.	For any Protection System asset identified during the database validation that is out of its interval, maintenance and testing to bring the asset into interval will be completed prior to 10/31/2010. If the Protection System asset cannot be completed prior 10/31/2010, PEF will consult with the FRCC and agree on a completion date for maintenance and testing.(i.e. the equipment cannot be taken out of service)



(* Note: Implementation milestones no more than three (3) months apart are permissible only for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.

Section E: Interim and Future Reliability Risk

Abatement of Interim BPS Reliability Risk

- E.1 While your organization is implementing this Mitigation Plan the reliability of the Bulk Power System (BPS) may remain at higher risk or be otherwise negatively impacted until the plan is successfully completed. To the extent they are, or may be, known or anticipated: (i) identify any such risks or impacts; and (ii) discuss any actions that your organization is planning to take to mitigate this increased risk to the reliability of the BPS. Additional detailed information may be provided as an attachment:

PEF believes the BPS reliability risk associated with this Mitigation Plan is low and manageable.

Prevention of Future BPS Reliability Risk

- E.2 Describe how successful completion of this Mitigation Plan will prevent or minimize the probability that your organization incurs further risk or Alleged violations of the same or similar reliability standards requirements in the future. Additional detailed information may be provided as an attachment:

Performing a database validation of the PEF NERC Protection System assets associated with PRC-005 will verify applicable equipment is identified in PEF's equipment database and allow the devices to be appropriately scheduled for maintenance and testing within intervals.

PEF's existing Equipment Change Request Process is designed to maintain the accuracy of PEF's equipment database. Ensuring staff is disciplined in their implementation of the ECR process should preclude the introduction of errors into the PEF equipment database.

Recurring physical inventory and database validation processes will measure the effectiveness of the ECR process and provide a feedback loop to correct staff not properly implementing the ECR process. Recurrent validation activities will also promote the identification of errors that are introduced into the PEF equipment database.



The PEF equipment database must be accurate for PEF to successfully implement its Protection System maintenance and testing program. Completion of this Mitigation Plan will provide PEF with an accurate database to drive these maintenance and testing activities. This Mitigation Plan also places a tiered set of barriers and controls designed to maintain the accuracy of PEF's equipment database.



Authorization

An authorized individual must sign and date this Mitigation Plan Submittal Form. By doing so, this individual, on behalf of your organization:

- a) Submits this Mitigation Plan for acceptance by the FRCC and approval by NERC, and
- b) If applicable, certifies that this Mitigation Plan was completed on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- c) Acknowledges:
 - 1. I am Vice President of Transmission Operations & Planning of Progress Energy Florida.
 - 2. I am qualified to sign this Mitigation Plan on behalf of Progress Energy Florida.
 - 3. I understand Progress Energy Florida's obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure, including Appendix 4(C) (Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation" (NERC CMEP)).
 - 3. I have read and am familiar with the contents of this Mitigation Plan.
 - 4. Progress Energy Florida agrees to comply with, this Mitigation Plan, including the timetable completion date, as accepted by the FRCC and approved by NERC.

Authorized Individual Signature



Name (Print): Dale Oliver
Title: Vice President – Transmission Operations & Planning Department
Date: March 15, 2010



Section F: Regional Entity Contact

Please direct any questions regarding completion of this form to:

Madeline Alba, FRCC Compliance Program Administrator
813-207-7965
malba@frc.com



Attachment A – Compliance Notices & Mitigation Plan Requirements

- I. Section 6.2 of the CMEP¹ sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:
- (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section 2.0.
 - (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
 - (3) The cause of the Alleged or Confirmed Violation(s).
 - (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
 - (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed violation(s).
 - (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
 - (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
 - (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.
 - (9) Any other information deemed necessary or appropriate.
 - (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self-Certification or Self Reporting submittals.
- II. This submittal form must be used to provide a required Mitigation Plan for review and acceptance by the FRCC and approval by NERC.
- III. This Mitigation Plan is submitted to the FRCC and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
- IV. This Mitigation Plan Submittal Form may be used to address one or more related Alleged or Confirmed violations of one Reliability Standard. A separate

¹ "Uniform Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation;" a copy of the current version approved by the Federal Energy Regulatory Commission is posted on NERC's website.



mitigation plan is required to address Alleged or Confirmed violations with respect to each additional Reliability Standard, as applicable.

- V. If the Mitigation Plan is accepted by the FRCC and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission in accordance with applicable Commission rules, regulations and orders.
- VI. The FRCC or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- VII. Remedial action directives also may be issued as necessary to ensure reliability of the BPS.

Logged in as:

Dale Oliver

Log Out

- System Administration
- Compliance
- Self Reports
- Mitigation Plans
- Training and Support
- FRCC CTS Home

Edit

Save Item | Delete Item | Cancel Changes | Save PDF | Return to Mitigation Plan

*Required Fields

Status: Saved

All Mitigation Plan Completion Certification submittals shall include data or information sufficient for FRCC to verify completion of the Mitigation Plan. FRCC may request such additional data or information and conduct follow-up assessments, on-site or other Spot Checking, or Compliance Audits as it deems necessary to verify that all required actions in the Mitigation Plan have been completed and the Registered Entity is in compliance with the subject Reliability Standard. (CMEP Section 6.6) Data or information submitted may become part of a public record upon final disposition of the possible violation, therefore any confidential information contained therein should be marked as such in accordance with the provisions of Section 1500 of the NERC Rules of Procedure.

Name of Registered Entity submitting certification: **Progress Energy Florida**

Name of Standard of mitigation violation(s): PRC-005-1

Mitigated information:

Requirement	Tracking Number	Violation ID
R2.	PEF_2009_11	FRCC200900256

Date of completion of the Mitigation Plan:

11/30/2010

Summary of all actions described in Part D of the releveant mitigation plan:

This mitigation plan has a three step approach to correct and ensure compliance. The first step is to immediately bring the instrument transformers found to be in violation back in to compliance. This is achieved in Milestones 1 and 2 below. The second step includes Milestones 3 and 4 below. During the second step, PEF will reemphasize the necessity of adherence to its Equipment Change Request (ECR) process. The ECR process has recently been developed to ensure a disciplined approach to configuration control. PEF will also review its work management database to identify any Protection System assets that are not accurately flagged as NERC assets, flag these as NERC assets and bring these assets into compliance within the intervals defined in PEF's Protection System maintenance and testing program. The third step of the mitigation plan (Milestones 5 and 6) is to develop a recurrent validation process for the work management database. This process will include measures to validate that the database represents the field conditions and that NERC assets within the database are appropriately flagged. The recurrent database validation will ensure that corruption is identified and corrected in a timely manner.

Milestone 1- Maintenance has been performed on the Instrument Transformers found by PEF during its initial self-assessment.

Milestone 2- PEF's equipment database was corrected to properly show the Instrument Transformers as BES Protection Systems.

Milestone 3- PEF has implemented an Equipment Change Request (ECR) process that is designed to be a barrier to the corruption of the equipment database. The ECR process was rolled out during the first quarter of 2009 and serves as a tool to ensure PEF's equipment database accurately represents the Protection System assets that are in the field. ECRs provide updates to the database as changes occur via PEF's Protection Engineering, Construction and Maintenance organization activities. PEF leadership will re-emphasize the necessity of an accurate NERC Protection System equipment database and the necessity of following the ECR process.

Milestone 4- PEF will review its work management databases to identify any Protection System assets that are not accurately flagged as NERC assets, flag these as NERC assets and bring these assets into compliance with the intervals defined in PEF's Protection System maintenance and

testing program.

Milestone 5- PEF will design and implement a recurrent physical inventory validation process to measure the effectiveness of the ECR process and to validate the accuracy of the PEF equipment database.

Milestone 6- PEF will design and implement a recurrent database validation process to capture and correct errors introduced to the PEF equipment database that are not prevented by PEF's procedures and ECR process.

During the course of implementing this mitigation plan, PEF found additional violations related to corrupt data in its work management data base. PEF self-reported these violations. PEF submitted an additional mitigation plan for one of the self-reported violations but continued to assert an additional mitigation plan was not required for the other self-report. NERC issued "Compliance Public Bulletin #2010-003" which addressed the issue of additional violations identified during implementation of a mitigation plan. Based on the NERC Bulletin, the FRCC determined that PEF self-reported violations during the mitigated period did not require an additional mitigation plan. The FRCC did see merit in the remediation measure of both of the mitigation plans PEF had submitted and requested PEF to combine them. PEF has agreed and this revised mitigation plan combine the two mitigation plans. The activities below are from the mitigation plan PEF submitted for NERC violation FRCC201000376.

This mitigation plan has six activities to correct and ensure compliance.

Activities 1 and 2 were to immediately bring the instrument transformers found to be in violation back into compliance.

Activity 3 is to review the work management database and to identify instrument transformers and batteries assets outside their maintenance interval. While instrument transformers were the Protection System asset PEF self-reported, the interval for batteries is also one year and closing a battery work order late could also result in a battery maintenance interval being exceeded. PEF decided to review the work management database for batteries and instrument transformers where the risk of an interval being exceeded is the greatest.

Activity 4 is to correct maintenance dates in work management database for instrument transformers and batteries to ensure new workorders are calculated from the correct date.

Activity 5 is to train electricians and relay technicians on how to close work orders to ensure that the work management tool keys off the completion date instead of the closure date.

Activity 6 is to perform maintenance and testing as necessary to bring all batteries and instrument transformers identified in Activity 3 within specified intervals.

Description of the information provided to FRCC for their evaluation:

PRC-005 Closure evidence:

Milestones 1 & 2 – Maintenance has been performed on the Instrument Transformers found by PEF during its initial self-assessment. PEF's equipment database was corrected to properly show the Instrument Transformers as BES Protection Systems.

The report (1 & 2) PRC5_ISTR_COMPLIANCE_REPORT.pdf reflects that maintenance was performed by Sept. 14th, 2009 and the correct information entered in the database.

Milestone 3 – PEF has implemented an Equipment Change Request (ECR) process that is designed to be a barrier to the corruption of the equipment database. The ECR process was rolled out during the first quarter of 2009 and serves as a tool to ensure PEF's equipment database accurately represents the Protection System assets that are in the field. ECRs provide updates to the database as changes occur via PEF's Protection Engineering, Construction and Maintenance organization activities. PEF leadership will re-emphasize the necessity of an accurate NERC Protection System equipment database and the necessity of following the ECR process.

Email from PEF leadership (Dale Oliver) re-emphasizing the necessity of an accurate NERC Protection System equipment database and the necessity of following the ECR process ((3) Equipment Change Request Process.msg).

Copy of the ECR Process ((3)ADM_TRMX_00038 ECR Process.pdf)

Milestone 4 – PEF will review its work management databases to identify any Protection System assets that are not accurately flagged as NERC assets, flag these as NERC assets and bring these assets into compliance with the intervals defined in PEF's Protection System maintenance and testing program.

In the file (4) NERC Substation Inventories.msg there is a spreadsheet attached (SUB_INVENTORY_STATUS_REPORT_10282010) detailing the maintenance activities to bring the assets into compliance.

Milestones 5 & 6 – PEF will design and implement a recurrent physical inventory validation process to measure the effectiveness of the ECR process and to validate the accuracy of the PEF equipment database. PEF will design and implement a recurrent database validation process to capture and correct errors introduced to the PEF equipment database that are not prevented by PEF's procedures and ECR process.

Email (5 & 6) FW Finals Substation Equipment Inventory and Database Validation and PM Work Order Completion Procedures.msg contains the procedures for Substation Equipment Inventory and Database Validation and PM Work Order Completion.

Activities 1 & 2 – To immediately bring the instrument transformers found to be in violation back in to compliance.

Files Debary_Plant_20100617.pdf and Holder_20100607.pdf show test records on the assets found to be out of interval.

Activities 3 & 6 – Activity 3 was to review the work management database and to identify instrument transformers and batteries assets outside their maintenance interval. While instrument transformers were the Protection System asset PEF self-reported, the interval for batteries is also one year and closing a battery work order late could also result in a battery maintenance interval being exceeded. PEF decided to review the work management database for batteries and instrument transformers where the risk of an interval being exceeded is the greatest. Activity 6 was to perform maintenance and testing as necessary to bring all batteries and instrument transformers identified in Activity 3 within specified intervals.

Email certifying that no other assets were found out of compliance ((3)(6) Outstanding Mitigation Plan.msg)

Activity 4 – To correct maintenance dates in work management database for instrument transformers and batteries to ensure new work orders are calculated from the correct date.

Email certifying completion of updating the maintenance dates in the work management system ((4) RE FT-FL Trans Maint Resource Mgmt - 10-810P-00001.msg).

Activity 5 – To train electricians and relay technicians on how to close work orders to ensure that the work management tool keys off the completion date instead of the closure date.

Training presentation and roster ((5) PersonalCourseListBy.pdf and (5) Closing Cascade PM MX Work Orders_Final1.pptx)

I certify that the mitigation plan for the above-named violation has been completed on the date shown above. In doing so, I certify that all required mitigation plan actions described in Part D of the relevant mitigation plan have been completed, compliance has been restored, the above-named entity is currently compliant with all of the requirements of the referenced standard, and that all information submitted is complete and correct to the best of my knowledge. Submit all supporting documentation.

Authorized Individual Signature Sign

Name: Dale Oliver
Title: VP, Transmission Operations & Planning - FL
Entity: Progress Energy Florida
Email: dale.oliver@pgnmail.com
Phone: 727-820-5806



FLORIDA RELIABILITY COORDINATING COUNCIL, INC.
1408 N. WESTSHORE BLVD., SUITE 1002
TAMPA, FLORIDA 33607-4512
PHONE 813.289.5644 • FAX 813.289.5646
WWW.FRCC.COM

VIA E-MAIL

January 28, 2011

Ms. Dania J. Colon
Regulatory Performance Leader
Progress Energy Florida
3300 Exchange Place
NP40D
Lake Mary, FL 32746

**Re: Progress Energy Florida
Mitigation Plan – Self-Reported violations
of NERC Standard PRC-005-1 R2
FRCC200900256**

Dear Ms. Colon,

The mitigation plan completion form and the evidence submitted by Progress Energy Florida (PEF) for the above referenced self-reported violation has been received by the Florida Reliability Coordinating Council, Inc. (FRCC). After review, the FRCC finds the mitigation plan for PRC-005-1 R2 is completed. The FRCC will notify the North American Electric Reliability Corporation (NERC) for its information.

If you have any questions you may reach me at 813-207-7968.

Respectfully,

Barry Pagel
Director of Compliance
bpagel@frcc.com

BP/rr

Attachment f

Record Documents for PRC-005-1 R2.1 (FRCC200900285)

- i. PEF's Self-Report dated November 18, 2009**
- ii. PEF's Mitigation Plan MIT-09-2576
submitted January 14, 2010**
- iii. PEF's Certification of Mitigation Plan
Completion dated May 21, 2010**
- iv. FRCC's Verification of Mitigation Plan
Completion dated May 27, 2010**



FRCC Compliance Self Reporting Form
Non-Public and CONFIDENTIAL

Date Submitted by Registered Entity: 11/18/2009
Registered Entity: Progress Energy Florida, Inc.
Registered Entity Contact Name: David Crews
Registered Entity Contact Email: David.Crews@pgnmail.com
Registered Entity Contact Telephone: (919) 546-7449
NERC Registry ID: NCR-00063
Joint Registration Organization (JRO) ID:

Function (s) Applicable to self-report: TO
Standard: PRC-005-1
Requirement: R1 & R2

Has this possible alleged violation previously been reported or discovered?: If Yes selected: Provide NERC Violation ID (if known): *Please mark one:*
Yes
No
Date violation occurred: Violation ID#: 08/25/2009

Date violation discovered: 10/19/2009

Is the violation still occurring? *Please mark one:*
Yes
No

Detailed explanation and cause of violation: On September 23, 2009, PEF approved procedure MNT-TRMX-0001 "Substation Equipment Maintenance Schedule" The substantive change in the procedure was to implement plans to change PEF's battery maintenance program. The previous battery maintenance program called for an inspection on a six month interval and maintenance activities annually. The new battery maintenance program calls for both inspection and maintenance to be performed on an annual basis.

The original target date for these changes to

become effective had been August 1, 2009. Implementation of this change involved a number of different groups (primarily the work management and procedure writing groups) at PEF. The group that operates PEF's work management system completed their work the week ending July 24, 2009 which consisted of extending the inspection interval to align with the annual maintenance. The group in charge of revising the procedures encountered a significant emergent work issue that delayed their completion until September 23, 2009. The delay of the procedure change created a mismatch between the battery maintenance program intervals in the existing procedures and the battery maintenance program intervals in the work management system. The result was that 7 battery inspection work orders went past due and constitute a violation of PRC-005 R2.

Upon discovery of the R2 violation, PEF performed further investigation and found that the basis document (BAS-TRMX-15000) that supports the battery intervals had not yet been revised to support the changes to the battery maintenance program intervals. A R1 violation occurred on September 23, 2009 when the battery maintenance program intervals were changed and the basis document was not revised in concert to support these changes. This violation was identified on October 26, 2007.

Potential Impact to the Bulk Power System (minimal, moderate, or severe)

Minimal

Detailed explanation of Potential Impact:

The change in battery maintenance program intervals had been proposed and approved by management prior to any action being taken by the work management group or procedure group. These violations are the result of inadequate coordination between work groups during the implementation of

an approved change and are administrative in nature. The timing of the changes that created the violations did not increase the relative risk to the Bulk Electric System. PEF will address the coordination issues in its mitigation plan.

Additional Comments:

Please send your completed form to: compliancemanager@frc.com

Note: While submittal of a mitigation plan is not required until after a determination of a violation is confirmed, early submittal of a mitigation plan to address and remedy an identified deficiency is encouraged. Submittal of a mitigation plan shall not be deemed an admission of a violation. (SEE NERC Rules of Procedure, Appendix 4C, Section 6.4.)



Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: 1/14/2010

Section A: Compliance Notices & Mitigation Plan Requirements

- A.1 Notices and requirements applicable to Mitigation Plans and this Submittal Form are set forth in "Attachment A - Compliance Notices & Mitigation Plan Requirements" to this form.
- A.2 I have reviewed Attachment A and understand that this Mitigation Plan Submittal Form will not be accepted unless this box is checked.

Section B: Registered Entity Information

- B.1 Identify your organization:

Company Name: Progress Energy Florida
Company Address: PO Box 14042
St. Petersburg, FL 33773
NERC Compliance Registry ID: NCR-00063

- B.2 Identify the individual in your organization who will be the Entity Contact regarding this Mitigation Plan.

Name: David Crews
Title: Manager - Federal Regulatory Affairs
Email: David.Crews@pgnmail.com
Phone: (919) 546-7449

Section C: Identification of Alleged or Confirmed Violation(s) Associated with this Mitigation Plan

- C.1 This Mitigation Plan is associated with the following Alleged or Confirmed violation(s) of the reliability standard listed below.



Applicable Standard, Requirement(s) and dates:

NERC Violation ID #	Reliability Standard	Requirement Number	Violation Risk Factor	Alleged or Confirmed Violation Date ^(*)	Method of Detection (e.g., Audit, Self-report, Investigation)
aaaaaYYY Ynnnnn		Rn.n.n		MM/DD/YY	
	PRC-005-1	R1	High	09/23/2009	Self-Report
	PRC-005-1	R2	High	08/25/2009	Self-Report

(*) Note: The Alleged or Confirmed Violation Date shall be expressly specified by Registered Entity, and subject to modification by the FRCC, as: (i) the date the Alleged or Confirmed violation occurred; (ii) the date that the Alleged or Confirmed violation was self-reported; or (iii) the date that the Alleged or Confirmed violation has been deemed to have occurred on by the FRCC. Questions regarding the date to use should be directed to the FRCC contact identified in Section G of this form.

C.2 Identify the cause of the Alleged or Confirmed violation(s) identified above. Additional detailed information may be provided as an attachment:

On September 23, 2009, PEF approved procedure MNT-TRMX-0001 "Substation Equipment Maintenance Schedule" The substantive change in the procedure was to implement plans to change PEF's battery maintenance program. The previous battery maintenance program called for an inspection on a six month interval and maintenance activities annually. The new battery maintenance program calls for both inspection and maintenance to be performed on an annual basis.

The original target date for these changes to become effective had been August 1, 2009. Implementation of this change involved a number of different groups (primarily the work management and procedure writing groups) at PEF. The group that operates PEF's work management system completed their work the week ending July 24, 2009 which consisted of extending the inspection interval to align with the annual maintenance. The group in charge of revising the procedures encountered a significant emergent work issue that delayed their completion until September 23, 2009. The delay of the procedure change



created a mismatch between the battery maintenance program intervals in the existing procedures and the battery maintenance program intervals in the work management system. The result was that 7 battery inspection work orders went past due and constitute a violation of PRC-005 R2.

Upon discovery of the R2 violation, PEF performed further investigation and found that the basis document (BAS-TRMX-15000) that supports the battery intervals had not yet been revised to support the changes to the battery maintenance program intervals. A R1 violation occurred on September 23, 2009 when the battery maintenance program intervals were changed and the basis document was not revised in concert to support these changes. This violation was identified on October 26, 2009.

- C.3 Provide any additional relevant information regarding the Alleged or Confirmed violations associated with this Mitigation Plan. Additional detailed information may be provided as an attachment:

Section D: Details of Proposed Mitigation Plan

Mitigation Plan Contents

- D.1 Identify and describe the action plan, including specific tasks and actions that your organization is proposing to undertake, or which it undertook if this Mitigation Plan has been completed, to correct the Alleged or Confirmed violations identified above in Part C.1 of this form. Additional detailed information may be provided as an attachment:

The change in battery maintenance program intervals had been proposed and approved by management prior to any action being taken by the work management group or procedure group. These violations are the result of inadequate coordination between work groups during the implementation of an approved change and are administrative in nature.

PEF determined the extent of condition by performing a query of its data base to identify all modified work orders that would have come due after July 24 and prior to the approval of the change in procedure on September 23, 2009. This query has been completed and there were 7 work orders identified as overdue. The corrective action of this mitigation plan is focused on correcting these coordination issues. Since the intent of the program change was to abandon the mid cycle inspections, PEF mitigation does not include performing the missed 6



month inspections. These inspection will be performed during the annual battery maintenance as prescribed by the revised procedures.

PEF also reviewed all of its procedures related to battery maintenance as part of its extent of the condition investigation. PEF found that its basis procedure BAS-TRMX-15000 (Protection Basis Document) had not been updated to justify the changes to the battery inspection interval. PEF developed a specific basis procedure for battery and battery charger maintenance (Maintenance of Substation Stationary Batteries and Chargers Basis Document BAS-TRMX-03000) and revised BAS-TRMX-15000 on October 26, 2009.

The correct work process will be documented in procedure MNT-TRMX-00000 (Transmission Maintenance Program Policy). Section 5.1.7 of this procedure will be revised to require that the group that implements the work management system does not release or modify work orders until they have verified the procedures that govern those work orders have been approved.

PEF Transmission Operation and Planning Department will develop checkpoints in a Functional Support Work Scope Document to be completed by the work management group prior to releasing or modifying work orders. The check list will require that the procedure effective date be recorded and verified prior to the release or modification of a work order.

Mitigation Plan Timeline and Milestones

- D.2 Provide the date by which full implementation of the Mitigation Plan will be, or has been, completed with respect to the Alleged or Confirmed violations identified above. State whether the Mitigation Plan has been fully implemented: This mitigation plan was be completed on 1/11/2010.
- D.3 Enter Milestone Activities, with due dates, that your organization is proposing, or has completed, for this Mitigation Plan:

Milestone Activity	Proposed/Actual Completion Date* (shall not be more than 3 months apart)
Determine the number of battery inspections that were out of interval	Complete
Review and correct related battery maintenance procedures.	Complete
Revise procedure MNT-TRMX-00000	Complete
Develop a checkpoints Work Scope Document to be completed prior to the	Complete



release/modification of work orders.	
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(*) Note: Implementation milestones no more than three (3) months apart are permissible only for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.



Section E: Interim and Future Reliability Risk

Abatement of Interim BPS Reliability Risk

- E.1 While your organization is implementing this Mitigation Plan the reliability of the Bulk Power System (BPS) may remain at higher risk or be otherwise negatively impacted until the plan is successfully completed. To the extent they are, or may be, known or anticipated: (i) identify any such risks or impacts; and (ii) discuss any actions that your organization is planning to take to mitigate this increased risk to the reliability of the BPS. Additional detailed information may be provided as an attachment:

The change in battery maintenance program intervals had been proposed and approved by management prior to any action being taken by the work management group or procedure group. These violations are the result of inadequate coordination between work groups during the implementation of an approved change and are administrative in nature. The timing of the changes that created the violations did not increase the relative risk to the Bulk Electric System.

Prevention of Future BPS Reliability Risk

- E.2 Describe how successful completion of this Mitigation Plan will prevent or minimize the probability that your organization incurs further risk or Alleged violations of the same or similar reliability standards requirements in the future. Additional detailed information may be provided as an attachment:

PEF is providing procedural guidance and checkpoints in a Functional Support Work Scope Document to preclude violations similar to this in the future. The staff performing this work was responsible for writing the procedural guidance and developing the check list so additional training is not required.



Section F: Authorization

An authorized individual must sign and date this Mitigation Plan Submittal Form. By doing so, this individual, on behalf of your organization:

- a) Submits this Mitigation Plan for acceptance by the FRCC and approval by NERC, and
- b) If applicable, certifies that this Mitigation Plan was completed on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- c) Acknowledges:
 - 1. I am Dale Oliver Vice President of PEF's Transmission Planning and Operations Department.
 - 2. I am qualified to sign this Mitigation Plan on behalf of Progress Energy Florida.
 - 3. I understand Progress Energy Florida's obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure, including Appendix 4(C) (Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation" (NERC CMEP)).
 - 3. I have read and am familiar with the contents of this Mitigation Plan.
 - 4. Progress Energy Florida agrees to comply with, this Mitigation Plan, including the timetable completion date, as accepted by the FRCC and approved by NERC.

Authorized Individual Signature

A handwritten signature in black ink, appearing to read "Dale Oliver", is written over a horizontal line.

Name (Print): Dale Oliver
Title: Vice President – Transmission Planning and Operations Department
Date: 1/14/2010



Section G: Regional Entity Contact

Please direct any questions regarding completion of this form to:

Madeline Alba, FRCC Compliance Program Administrator
813-207-7965
malba@frc.com



Attachment A – Compliance Notices & Mitigation Plan Requirements

- I. Section 6.2 of the CMEP¹ sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:
- (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section 2.0.
 - (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
 - (3) The cause of the Alleged or Confirmed Violation(s).
 - (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
 - (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed violation(s).
 - (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
 - (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
 - (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.
 - (9) Any other information deemed necessary or appropriate.
 - (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self-Certification or Self Reporting submittals.
- II. This submittal form must be used to provide a required Mitigation Plan for review and acceptance by the FRCC and approval by NERC.
- III. This Mitigation Plan is submitted to the FRCC and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.

¹ "Uniform Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation;" a copy of the current version approved by the Federal Energy Regulatory Commission is posted on NERC's website.



- IV. This Mitigation Plan Submittal Form may be used to address one or more related Alleged or Confirmed violations of one Reliability Standard. A separate mitigation plan is required to address Alleged or Confirmed violations with respect to each additional Reliability Standard, as applicable.
- V. If the Mitigation Plan is accepted by the FRCC and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission in accordance with applicable Commission rules, regulations and orders.
- VI. The FRCC or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- VII. Remedial action directives also may be issued as necessary to ensure reliability of the BPS.



FRCC Mitigation Plan Completion Form

Certification of a Completed Mitigation Plan

All Mitigation Plan Completion Certification submittals shall include data or information sufficient for FRCC to verify completion of the Mitigation Plan. FRCC may request such additional data or information and conduct follow-up assessments, on-site or other Spot Checking, or Compliance Audits as it deems necessary to verify that all required actions in the Mitigation Plan have been completed and the Registered Entity is in compliance with the subject Reliability Standard. (CMEP Section 6.6)

Registered Entity Information

Company Name: **Progress Energy Florida**

Company Address: **P.O. Box 14042
St Petersburg, Florida 33733**

NERC Compliance Registry ID (if known): **NCR-00063**

Date Original Mitigation Plan was submitted to FRCC: **1/14/2010**

Date Mitigation Plan was completed: **1/11/2010**

Name of Standard and the Requirement(s) covered under the accepted Mitigation Plan: **PRC-005-1 R1.1 and R2.1**

NERC Violation ID # (if known): **FRCC200900284 & FRCC200900285**

Date of Certification: **5/21/2010**

Evidence of Completion: The evidence of compliance has been provided to the FRCC in advance of this certification.

I certify that the mitigation plan for the above named alleged or confirmed violation has been completed on the date shown above, and that all information submitted information is complete and correct to the best of my knowledge.

Name: **Dale Oliver**

Title: **VP Transmission Operations & Planning Department**

Email: **Dale.Oliver@pgnmail.com**

Phone: **(727) 820-5806**

Authorized Individual Signature

Print on Registered Entity's Corporate Letterhead

To close out a completed Mitigation Plan, fill out this form, save and email it to compliancemanager@frc.com.



FLORIDA RELIABILITY COORDINATING COUNCIL, INC.
1408 N. WESTSHORE BLVD., SUITE 1002
TAMPA, FLORIDA 33607-4512
PHONE 813.289.5644 • FAX 813.289.5646
WWW.FRCC.COM

VIA E-MAIL

May 27, 2010

Mr. David Crews
Manager – Federal Regulatory Affairs
Progress Energy Florida
P.O. Box 1551
PEB # 14
Raleigh, NC 27602

**Re: Progress Energy Florida
Mitigation Plans – violations of NERC
Standards:**

- **PRC-005-1 R1.1 FRCC200900284
Mitigation Plan dated 1/14/2010;**
- **PRC-005-1 R2.1 FRCC200900285
Mitigation Plan dated 1/14/2010**

Dear Mr. Crews,

The mitigation plans submitted by Progress Energy Florida (PEF) for the above referenced self-reported violations, have been received by the Florida Reliability Coordinating Council, Inc. (FRCC). After review, the FRCC finds the mitigation plan for the above referenced violations to be acceptable and completed.

The FRCC will forward the submitted mitigation plan to the North American Electric Reliability Corporation (NERC) for its review and approval and NERC will send this mitigation plan to the Federal Energy Regulatory Commission (FERC) as non-public confidential information.

FRCC will also notify NERC that PEF has completed this mitigation plan accordingly.

If you have any questions, feel free to contact me at 813-207-7968.

Respectfully,

Barry G. Pagel
Director of Compliance
bpagel@frcc.com

Attachment g

Notice of Filing

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Progress Energy Florida

Docket No. NP11-____-000

NOTICE OF FILING
August 11, 2011

Take notice that on August 11, 2011, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding Progress Energy Florida in the Florida Reliability Coordinating Council, Inc. region.

Any person desiring to intervene or to protest this filing must file in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211, 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a notice of intervention or motion to intervene, as appropriate. Such notices, motions, or protests must be filed on or before the comment date. On or before the comment date, it is not necessary to serve motions to intervene or protests on persons other than the Applicant.

The Commission encourages electronic submission of protests and interventions in lieu of paper using the "eFiling" link at <http://www.ferc.gov>. Persons unable to file electronically should submit an original and 14 copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426.

This filing is accessible on-line at <http://www.ferc.gov>, using the "eLibrary" link and is available for review in the Commission's Public Reference Room in Washington, D.C. There is an "eSubscription" link on the web site that enables subscribers to receive email notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please email FERCOnlineSupport@ferc.gov, or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Comment Date: [BLANK]

Kimberly D. Bose,
Secretary