



NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

August 31, 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 Cleco Corporation,  
FERC Docket No. NP11-\_\_-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Abbreviated Notice of Penalty (NOP) regarding Cleco Corporation (Cleco), with information and details regarding the nature and resolution of the violations<sup>1</sup> discussed in detail in the Settlement Agreement (Attachment a) and the Disposition Documents attached thereto, 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)).<sup>2</sup>

This NOP is being filed with the Commission because Southwest Power Pool Regional Entity (SPP RE) and Cleco have entered into a Settlement Agreement to resolve all outstanding issues arising from SPP RE's determination and findings of the violations of CIP-001-1 R (Requirement) 1, COM-001-1.1 R5, FAC-001-0 R2.1.4-R2.1.11, R2.1.13-R2.1.16, FAC-001-0 R3, FAC-003-1 R1, and VAR-001-1 R1. According to the Settlement Agreement, Cleco neither admits nor denies the violations, but has agreed to the assessed penalty of twenty-seven thousand dollars (\$27,000), 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

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<sup>1</sup> 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.

<sup>2</sup> *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).

SPP201000261, SPP201000262, SPP201000263, SPP201000264, SPP201000265, and SPP201000267 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 August 24, 2011, by and between SPP RE and Cleco. 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-555	SPP201000261	CIP-001-1	1	Medium	6/18/07 - 12/30/10	27,000
	SPP201000262	COM-001-1.1	5	Lower	6/18/07 - 5/13/10	
	SPP201000263	FAC-001-0	2.1.4- 2.1.11, 2.1.13- 2.1.16	Medium	6/18/07- 8/03/10	
	SPP201000264	FAC-001-0	3	Medium		
	SPP201000265	FAC-003-1	1.2.1	High	6/18/07- 8/3/10	
	SPP201000267	VAR-001-1	1	High	6/18/07- 9/20/10	

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

CIP-001-1 R1 - (SPP201000261)

During a Compliance Audit conducted by SPP RE from April 26, 2010 to April 29, 2010, SPP RE determined that Cleco’s Sabotage Reporting Procedure did not include procedures for making Cleco’s operating personnel aware of sabotage events on Cleco’s facilities, or of multi-site sabotage events that could affect larger portions of the Interconnection, in violation of this Standard. This Reliability Standard applies to Cleco’s functions as a Balancing Authority (BA), Generator Operator (GOP), Load Serving Entity (LSE), and Transmission Operator (TOP).

COM-001-1.1 R5 - (SPP201000262)

During a Compliance Audit conducted by SPP RE from April 26, 2010 to April 29, 2010, SPP RE determined that Cleco’s documentation: (1) failed to state how Cleco would communicate with its substations in the event of a loss of telecommunications connection with Cleco’s substations; (2) failed to state that Cleco’s operations would move to a backup control center in the event of a loss of telecommunications connection at Cleco’s primary control center; and (3)

failed to provide specific written operating instructions and procedures for Cleco's operating personnel on how to continue operation of the system following a loss of Cleco's telecommunications facilities, in violation of the standard. This Reliability Standard applies to Cleco's functions as a BA and Transmission Owner (TO).

FAC-001-0 R2.1.4- 2.1.11, 2.1.13- 2.1.16 (SPP201000263)

During a Compliance Audit conducted by SPP RE from April 26, 2010 to April 29, 2010, SPP RE determined that for Cleco's generation facilities, Cleco failed to establish facility connection requirements that included a written summary of Cleco's plans to achieve the system performance required by R2.1.7, R2.1.8, and R2.1.11. For Cleco's transmission and end-user facilities, Cleco failed to establish connection requirements that included a written summary of Cleco's plans to achieve the required system performance included in sub-requirements R2.1.4, R2.1.5, R2.1.6, R2.1.7, R2.1.8, 2.1.9, 2.1.10, R2.1.11, R2.1.13, R2.1.14, R2.1.15 and R2.1.16. This Reliability Standard applies to Cleco's TO function.

FAC-001-0 R3 (SPP201000264)

During a Compliance Audit conducted by SPP RE from April 26, 2010 to April 29, 2010, SPP RE found that Cleco did not maintain and update its facility connection requirements so that it could make them available to users of the transmission system, the Regional Reliability Organization (RRO), and NERC upon request, in violation of the Standard. This Reliability Standard applies to Cleco's TO function.

FAC-003-1 R1.2.1 (SPP201000265)

During a Compliance Audit conducted by SPP RE from April 26, 2010 to April 29, 2010, SPP RE determined that Cleco violated this standard because the Clearance 1 distance established in Cleco's Transmission Vegetation Management Program (TVMP) for 500 kV transmission lines was 15.0 ft., only 0.3 ft. greater than the established Clearance 2 distance.<sup>3</sup> In addition, Cleco's TVMP did not consider local conditions and the expected time frame in which it should return for future vegetation management work. This Reliability Standard applies to Cleco's TO function.

VAR-001-1 R1 (SPP201000267)

During a Compliance Audit conducted by SPP RE from April 26, 2010 to April 29, 2010, SPP RE determined that Cleco's policies and procedures failed to: (1) provide clear actions for Cleco's operators to take to operate reactive resources; (2) address under what conditions Cleco's operators would implement voltage control actions; (3) provide specific operator actions for abnormal voltage conditions; (4) include instructions for the use of reactive reserves to respond to system low voltage; or (5) address load shedding as a contingency to maintain system voltage. This Reliability Standard applies to Cleco's function as a Purchasing-Selling Entity.

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<sup>3</sup> The Standard requires that Clearance 1 be set at a value greater than Clearance 2 when considering the local growing conditions and clearing cycle. The SPP RE Audit Team determined that the Clearance 1 distance could not be correct based on the difference between the Clearance 1 and Clearance 2 established for Cleco's 230 kV transmission lines. Given that both lines are exposed to the same local conditions and are cleared on the same (eight year) basis, the difference should be about the same. In addition, 0.3 feet is not a sufficient difference taking into consideration the growing conditions in Louisiana.

## Statement Describing the Assessed Penalty, Sanction or Enforcement Action Imposed<sup>4</sup>

### 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,<sup>5</sup> the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on August 2, 2011. The NERC BOTCC approved the Settlement Agreement, including SPP RE's assessment of a twenty seven thousand dollars (\$27,000) financial penalty against Cleco 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. the violations constituted Cleco's first occurrence of violation of the subject NERC Reliability Standards;
2. SPP RE reported that Cleco was cooperative throughout the compliance enforcement process;
3. Cleco had a compliance program at the time of the violation which SPP RE considered a mitigating factor, as discussed in the Disposition Documents;
4. there was no evidence of any attempt to conceal a violation nor evidence of intent to do so;
5. SPP RE determined that the violations posed a minimal risk and 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. SPP RE 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 twenty-seven thousand dollars (\$27,000) 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.

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<sup>4</sup> See 18 C.F.R. § 39.7(d)(4).

<sup>5</sup> *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).

**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 SPP RE and Cleco dated August 24, 2011, included as Attachment a;
  - i. Disposition Document, Common Information, included as Attachment 1 to the Settlement Agreement;
  - ii. Disposition Document for violation of CIP-001-1 R1, included as Attachment 1.a to the Settlement Agreement;
  - iii. Disposition Document for violation of COM-001-1.1 R5, included as Attachment 1.b to the Settlement Agreement;
  - iv. Disposition Document for violations of FAC-001-0 R2 and R3, included as Attachment 1.c to the Settlement Agreement;
  - v. Disposition Document for violation of FAC-003-1 R1, included as Attachment 1.d to the Settlement Agreement;
  - vi. Disposition Document for violation of VAR-001-1 R1, included as Attachment 1.e to the Settlement Agreement;
- b) SPP RE Compliance Audit Report dated July 8, 2010, included as Attachment b;
- c) Documents related to CIP-001-1 R1 violation:
  - i. Cleco's Mitigation Plan (MIT-07-2627) dated June 30, 2010, included as Attachment c.1;
  - ii. Cleco's Certification of Mitigation Plan Completion for MIT-07-2627 dated December 30, 2010, included as Attachment c.2;
  - iii. SPP RE's Verification of Mitigation Plan Completion for MIT-07-2627 dated January 19, 2011, included as Attachment c.3;
- d) Documents related to COM-001-1.1 R5 violation:
  - i. Cleco's Mitigation Plan (MIT-07-2761) August 5, 2010, included as Attachment d.1;
  - ii. Cleco's Certification of Mitigation Plan Completion for MIT-07-2761 dated August 3, 2010, included as Attachment d.2;
  - iii. SPP RE's Verification of Mitigation Plan Completion for MIT-07-2761 dated September 3, 2010, included as Attachment d.3;
- e) Documents related to violations of FAC-001-0 R2 and R3 :
  - i. Cleco's Mitigation Plan (MIT-07-2762 ) dated August 5, 2010, included as Attachment e.1;
  - ii. Cleco's Mitigation Plan (MIT-07-2763) dated August 5, 2010, included as Attachment e.2;

- iii. Cleco's Certification of Mitigation Plan Completion for MIT-07-2762 dated August 3, 2010, included as Attachment e3;
  - iv. Cleco's Certification of Mitigation Plan Completion for MIT-07-2763 dated August 3, 2010, included as Attachment e4;
  - v. SPP RE's Verification of Mitigation Plan Completion for MIT-07-2762 and MIT-07-2763 dated September 3, 2010, included as Attachment e.5;
- f) Documents related to violations of FAC-003-1 R1:
- i. Cleco's Mitigation Plan (MIT-07-2764) dated August 5, 2010, included as Attachment f.1;
  - ii. Cleco's Certification of Mitigation Plan Completion for MIT-07-2764 dated August 3, 2010, included as Attachment f.2;
  - iii. SPP RE's Verification of Mitigation Plan Completion for MIT-07-2764 dated September 3, 2010, included as Attachment f.3;
- g) Documents related to violations of VAR-001-1 R1:
- i. Cleco's Mitigation Plan (MIT-07-2766) dated August 5, 2010, included as Attachment f.1;
  - ii. Cleco's Certification of Mitigation Plan Completion for MIT-07-2766 dated September 20, 2010, included as Attachment g.2;
  - iii. SPP RE's Verification of Mitigation Plan Completion for MIT-07-2766 dated October 20, 2010, included as Attachment g.3;

**A Form of Notice Suitable for Publication<sup>6</sup>**

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

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<sup>6</sup> 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>Mark MacDonald* Director NERC Compliance Cleco Corporation P.O. Box 5000 Pineville, LA 71361 2030 Donahue Ferry* Pineville, LA 71361 (318) 484-7799 mark.macdonald@cleco.com</p> <p>Mark Pearce* Associate General Counsel Cleco Corporation P.O. Box 5000 Pineville, LA 71361 2030 Donahue Ferry* Pineville, LA 71361 (318) 484-7744 (318) 484-7685 – facsimile mark.pearce@cleco.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>	<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>Stacy Dochoda* General Manager Southwest Power Pool Regional Entity 16101 La Grande, Ste 103 Little Rock, AR 72223 (501) 688-1730 (501) 821-8726 – facsimile sdochoda.re@spp.org</p> <p>Joe Gertsch* Manager of Enforcement Southwest Power Pool Regional Entity 16101 La Grande, Ste 103 Little Rock, AR 72223 (501) 688-1672 (501) 821-8726 – facsimile jgertsch.re@spp.org</p> <p>Machelle Smith* Paralegal &amp; SPP RE File Clerk Southwest Power Pool Regional Entity 16101 La Grande, Ste 103 Little Rock, AR 72223 (501) 688-1681 (501) 821-8726 – facsimile spprefileclerk@spp.org</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  
North American Electric Reliability Corporation  
116-390 Village Boulevard  
Princeton, NJ 08540-5721  
(609) 452-8060  
(609) 452-9550 – facsimile  
david.cook@nerc.net

/s/ Rebecca J. Michael  
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

cc: Cleco Corporation  
Southwest Power Pool Regional Entity

Attachments



## **Attachment a**

# **Settlement Agreement by and between SPP RE and Cleco dated August 46, 2011**

**CONFIDENTIAL – NON PUBLIC**  
(Remove header upon execution and becoming public)

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**SETTLEMENT AGREEMENT**  
**OF**  
**SOUTHWEST POWER POOL REGIONAL ENTITY**  
**AND**  
**CLECO CORPORATION**

**I. INTRODUCTION**

The Southwest Power Pool (“SPP RE”) and Cleco Corporation (“Cleco”) (hereinafter referred to individually as “Party” and collectively as the “Parties”) enter into this Settlement Agreement (“Settlement Agreement” or “Agreement”) to resolve the alleged violations by Cleco of the following North American Electric Reliability Corporation (“NERC”) Reliability Standards (the “Violations”)<sup>1</sup>.

<b>NERC Violation Identification No.</b>	<b>SPP RE Violation Identification No.</b>	<b>Reliability Standard &amp; Requirement</b>	<b>Discovery Method</b>
SPP201000261	2010-067	CIP-001-1 R1	Compliance Audit
SPP201000262	2010-068	COM-001-1.1 R5	Compliance Audit
SPP201000263	2010-069	FAC-001-0 (2.1.4, 2.1.5, 2.1.6, 2.1.7, 2.1.8, 2.1.9, 2.1.10, 2.1.11, 2.1.13, 2.1.14, 2.1.15, 2.1.16)	Compliance Audit
SPP201000264	2010-070	FAC-001-0 R3	Compliance Audit
SPP201000265	2010-071	FAC-003-1 R1	Compliance Audit
SPP201000267	2010-073	VAR-001-1 R1	Compliance Audit

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<sup>1</sup> For purposes of this Settlement Agreement and attachments hereto, each Violation at issue is described as a “Violation” regardless of its procedural posture and whether it was a possible, alleged, or confirmed violation.

Cleco neither admits nor denies the Violations and has agreed to the proposed penalty of twenty seven thousand dollars (\$27,000) to be assessed to Cleco, in addition to any other remedies and actions to mitigate the Violations and facilitate future compliance under the terms and conditions of this Settlement Agreement.

## **II. STIPULATION**

The facts stipulated herein are stipulated solely for the purpose of resolving, as between Cleco and SPP RE, the matters discussed herein and do not constitute stipulations or admissions for any other purpose. The Disposition Documents (collectively Attachment 1- Information Common to Instant Violations and Attachments 1a, 1b, 1c, 1d and 1e) attached hereto as Attachment 1, 1a, 1b, 1c, 1d, and 1e is incorporated herein in its entirety. Cleco and SPP RE hereby stipulate and agree to the following:

### **Background**

See Section 1 of Attachment 1 of the Disposition Documents for a description of Cleco.

### **Violations**

See Attachments 1.a, 1.b, 1.c, 1.d, and 1.e of the Disposition Documents for description of the Violations.

## **III. PARTIES' SEPARATE REPRESENTATIONS**

### **STATEMENT OF SOUTHWEST POWER POOL REGIONAL ENTITY AND SUMMARY OF FINDINGS**

As a result of SPP RE's investigation of the Violations, SPP RE has established sufficient facts to reasonably support the Cleco Violations.

SPP RE has determined that Cleco has completed a Mitigation Plan for each of these Violations.

SPP RE agrees that this Agreement is in the best interest of the Parties and in the best interest of maintaining the reliability of the bulk power system (BPS)..

### **STATEMENT OF REGISTERED ENTITY**

Cleco neither admits nor denies that the facts set forth and agreed to by the parties constitute violations of the Reliability Standards and Requirements.

The potential alleged violations identified in the Spot Check were primarily associated with documentation issues. In cooperation with SPP RE, Cleco adopted Mitigation Plans for each violation and all Mitigation Plans have been completed. Cleco believes

that none of the violations, individually or in the aggregate, posed a serious or substantial risk to the BPS. Cleco has worked to establish a robust compliance program and has dedicated and will continue to dedicate significant resources to these efforts.

Cleco agrees to enter into this Settlement Agreement with SPP RE 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. Cleco agrees that this Settlement Agreement is in the best interest of the Parties and in the best interest of maintaining the reliability of the BPS.

#### IV. MITIGATING ACTIONS, REMEDIES AND SANCTIONS

The Parties agree that Cleco has completed and SPP RE has verified completion of the mitigating actions set forth and discussed in detail in Attachments 1.a, 1.b, 1.c, 1.d, and 1.e of the Disposition Documents.

SPP RE considered the specific facts and circumstances of the Violations including Cleco's actions in mitigation thereof in determining a penalty satisfying the requirement in Section 215 of the Federal Power Act that "[a]ny penalty imposed under this section shall bear a reasonable relation to the seriousness of the violation and shall take into consideration the efforts of a Registered Entity to remedy the violations in a timely manner."<sup>2</sup> The factors considered by the SPP RE in the determination of the appropriate penalty are set forth in Section III of Attachment 1 of the Disposition Documents.

In settlement of all outstanding issues related to the Violations, the Parties agree that Cleco shall pay the monetary penalty of \$27,000 to SPP RE, via wire transfer or cashier's check payable to a SPP RE account that will be outlined in a Notice of Payment sent to Cleco upon approval of this Settlement Agreement by both the North American Electric Reliability Corporation (NERC) and the Federal Energy Regulatory Commission (FERC or Commission), either by order or by operation of law. Payment to SPP RE shall be made twenty days after the receipt of the Notice of Payment. SPP RE shall inform NERC if the payment is not timely received.

Failure to make a timely Penalty payment or to comply with any of the other conditions of this Settlement Agreement shall be deemed to be a continuation of the Violations and/or additional violations and may subject Cleco to new or additional enforcement, penalty or sanction actions in accordance with the NERC Rules of Procedure. Cleco shall retain all rights to defend against such renewed or additional enforcement actions in accordance with the NERC Rules of Procedure.

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<sup>2</sup> 16 U.S.C. § 824o(e)(6).



If Cleco does not make the Penalty payment described above on the date agreed to by the Parties, then interest on the Penalty will begin to accrue at the rate(s) specified in the Commission's regulations at 18 C.F.R. § 35.19(a)(2)(iii) commencing on the date that payment is due. Such interest shall be payable in addition to the Penalty.

## V. ADDITIONAL TERMS

The Parties agree that they enter into this Settlement Agreement voluntarily and, other than the recitations set forth herein, no tender, offer or promise of any kind by any member, employee, officer, director, agent or representative of the Parties has been made to induce the Parties or any other party to enter into this Settlement Agreement.

SPP RE shall report the terms of this Settlement Agreement to NERC. NERC will review this Settlement Agreement for the purpose of evaluating its consistency with other settlements entered into for similar violations or involving similar circumstances. Based on this review, NERC will either approve or reject this Settlement Agreement. If NERC rejects this Settlement Agreement, NERC will provide specific written reasons for such rejection and shall notify SPP RE and Cleco of changes to the terms of this Settlement Agreement that would result in its approval. SPP RE will attempt to negotiate a revised settlement agreement with Cleco that shall reflect any changes to the original Settlement Agreement specified by NERC. If a revised settlement cannot be reached, the enforcement process shall continue to conclusion. If NERC approves this Settlement Agreement, NERC will (i) report the approved Settlement Agreement to the Commission for the Commission's review and approval by order or operation of law and (ii) publicly post this Settlement Agreement.

This Settlement Agreement shall become effective upon the Commission's approval of the Settlement Agreement by order or operation of law as submitted to it or as modified in a manner acceptable to the Parties.

Cleco agree that this Settlement Agreement, when approved by NERC and the Commission, shall represent a final settlement of all matters set forth herein and Cleco waives its right to further hearings and appeal of such matters, unless and only to the extent that Cleco contends that any NERC or Commission action on this Settlement Agreement contain one or more material modifications to this Settlement Agreement. SPP RE reserves all rights to initiate enforcement, penalty or sanction actions against Cleco in accordance with the NERC Rules of Procedure in the event that Cleco fails to comply with the terms of this Settlement Agreement. In the event Cleco fails to comply with such terms, SPP RE will initiate enforcement, penalty, or sanction actions against Cleco 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, Cleco shall retain all rights to defend against such enforcement actions, also according to the NERC Rules of Procedure.

Cleco consents to the use of SPP RE's determinations, findings and conclusions set forth in this Settlement Agreement for the purpose of assessing Cleco's history of violations, in accordance with the NERC Sanction Guidelines and applicable Commission orders and policy statements. Such use may be in any enforcement action or compliance proceeding undertaken by NERC and/or any Regional Entity involving the Reliability Standards described herein; provided, however, that Cleco does not consent to the use of the specific acts set forth in this Settlement Agreement as the sole basis for any other action or proceeding brought by NERC and/or SPP RE, nor does Cleco consent to the use of this Settlement Agreement by any other party in any other action or proceeding.

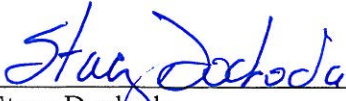
Each of the undersigned warrants that he or she is an authorized representative of the Party designated, is authorized to bind such Party and accepts the Settlement Agreement on the Party's behalf.

The undersigned representative of each Party affirms that he or she has read this Settlement Agreement, that all of the matters set forth in this Settlement Agreement are true and correct to the best of his or her knowledge, information and belief, and that he or she understands that this Settlement Agreement is entered into by each Party in express reliance on those representations; provided, however, that such affirmation by each Party's representative shall not apply to the other Party's statements of position set forth in Section III of this Settlement Agreement.


This Settlement Agreement may be signed in counterparts.

This Settlement Agreement is executed in duplicate, each of which so executed shall be deemed to be an original.

Agreed to and accepted:

  
\_\_\_\_\_  
Stacy Dochoda  
General Manager  
**Southwest Power Pool Regional Entity**

8-24-2011  
Date

  
\_\_\_\_\_  
Mark D. Pearce  
Associate General Counsel  
**Cleco Corporation**

Aug. 24, 2011  
Date



# **Disposition Document Common Information**

**DISPOSITION OF VIOLATIONS<sup>1</sup>**  
**INFORMATION COMMON TO INSTANT VIOLATIONS**  
**Dated August 24, 2011**

**REGISTERED ENTITY**  
Cleco Corporation (Cleco)

**NERC REGISTRY ID**  
NCR01083

**NOC#**  
NOC-0555

**REGIONAL ENTITY**  
Southwest Power Pool, Regional Entity (SPP RE)

**I. REGISTRATION INFORMATION**

**ENTITY IS REGISTERED FOR THE FOLLOWING FUNCTIONS:**

BA	DP	GO	GOP	IA	LSE	PA	PSE	RC	RP	RSG	TO	TOP	TP	TSP
X	X	X	X	X	X		X		X		X	X	X	X
5/31/2007	5/31/2007	5/31/2007	5/31/2007	4/07/2008	5/31/2007		5/31/2007		5/31/2007		5/31/2007	5/31/2007	5/31/2007	5/31/2007

**DESCRIPTION OF THE REGISTERED ENTITY**

Cleco is an energy services company headquartered in Pineville, Louisiana. Its two primary businesses are Cleco Power LLC (“Cleco Power”), a regulated electric utility business, and Cleco Midstream Resources LLC, a wholesale energy business.

Cleco Power serves approximately 277,000 customers in 23 Louisiana parishes throughout southern Louisiana. Cleco owns approximately 2,560 MW of regulated generating capacity and manages an additional 691 MW for joint owners through Cleco Power. In addition, it has almost 1,355 MW of unregulated capacity in operation through Cleco Midstream Resources. Cleco Power uses a mixture of coal, lignite, petroleum coke, oil, natural gas and purchased power to serve its customers.

Cleco’s transmission system includes about 67 miles of 500 kV (operated by Entergy), 460 miles of 230 kV, 676 miles of 138 kV, and 21 miles of 69 kV transmission line. Cleco has 49 interconnection points. Its 2009 summer peak demand was 2,115 MW recorded on July 2, 2009. Cleco is a summer peaking company.

**IS THERE A SETTLEMENT AGREEMENT** YES  NO

<sup>1</sup>For purposes of this document and attachments hereto, the violations at issue are described as “violations,” regardless of their procedural posture and whether they were possible, alleged, or confirmed violations.

**WITH RESPECT TO THE VIOLATION(S), REGISTERED ENTITY**

**NEITHER ADMITS NOR DENIES IT (SETTLEMENT ONLY)** YES   
**ADMITS TO IT** YES   
**DOES NOT CONTEST IT (INCLUDING WITHIN 30 DAYS)** YES

**WITH RESPECT TO THE PROPOSED PENALTY OR SANCTION, REGISTERED ENTITY**

**ACCEPTS IT** YES   
**DOES NOT CONTEST IT (INCLUDING WITHIN 30 DAYS)** YES

**III. PENALTY INFORMATION**

TOTAL PROPOSED PENALTY OR SANCTION OF \$27,000 FOR SIX VIOLATIONS.

**(1) REGISTERED ENTITY’S COMPLIANCE HISTORY**

**PRIOR VIOLATIONS OF ANY OF THE INSTANT RELIABILITY STANDARD(S) OR REQUIREMENT(S) THEREUNDER**

YES  NO

**LIST ANY CONFIRMED OR SETTLED VIOLATIONS AND STATUS**

**ADDITIONAL COMMENTS**

**PRIOR VIOLATIONS OF OTHER RELIABILITY STANDARD(S) OR REQUIREMENTS THEREUNDER**

YES  NO

**LIST ANY PRIOR CONFIRMED OR SETTLED VIOLATIONS AND STATUS**

**ADDITIONAL COMMENTS**

**(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**

**EXPLAIN**

Cleco had a compliance program at the time of the violation which SPP RE considered a mitigating factor.

Cleco's NERC Compliance Program is headed by the Sr. Vice President General Counsel and Director Regulatory Compliance (Cleco Compliance Officer) who is appointed by Cleco's Chief Executive Officer and President and Cleco's Board of Directors. The Cleco Compliance Officer is responsible for Cleco's compliance with all regulatory requirements, including the NERC Reliability Standards. Cleco created and implemented a NERC Compliance and Training department, reporting to the Associate General Counsel, who in turn reports to the Chief Compliance Officer.

Cleco's NERC Compliance and Training department is comprised of six (6) full-time employees dedicated to reviewing and facilitating compliance through the multiple Subject Matter Experts in various operational departments throughout the company. Cleco has implemented Corporate Policies, which are approved by the Executive Management Team (EMT). Cleco's Corporate Policies establish a corporate-wide compliance management organization and the associated staff to direct and coordinate compliance with the NERC Reliability Standards. The staff's compliance efforts include, but are not limited to:

- Develop and periodically review Cleco policies and procedures regarding compliance with the Standards;
- Standards database(s) maintenance and security;
- Interpretation of the Standards;
- Assembly of Cleco's official response, all supporting documents, and periodic review and updates;
- Participation in the NERC Ballot process;
- Implement and coordinate Cleco-initiated internal and external audits;

- Review and submission of all NERC compliance related reports to external agencies;
- Investigation of compliance matters, including internal investigations and any resulting corrective actions;
- Coordinate contact with NERC and SPP RE regarding Standards;
- Identify employees throughout the company that are responsible for participation in the preparation of Cleco's response and handling of documents compliant with these Standards;
- Communicate compliance responsibilities and requirements to impacted employees and their manager/supervisor; and
- Monitor NERC's standard development process and distribute relevant information to affected employees.

Cleco's commitment to compliance and its Compliance Program requires the attention and work from employees throughout the company. Employees regularly work with the NERC Compliance and Training Department to interpret the NERC Standards, evaluate Cleco's existing processes, and prepare supporting material necessary to demonstrate Cleco's compliance.

The NERC Compliance and Training Department employees attend workshops held by FERC, NERC, and the SPP RE to obtain information on new standard development, modifications to existing standards, and NERC and SPP RE guidance on compliance with these standards. Cleco's NERC Compliance and Training Department provides an interpretation of the Standard based on the information provided by NERC and SPP RE at these NERC and SPP RE workshops. The interpretation and guidance obtained in this way strengthens Cleco's Compliance Program.

Cleco has a compliance program consistent with the FERC's "Policy Statement on Compliance." Cleco states its compliance program is designed to minimize the potential for violations of the NERC Standards. According to Cleco, Cleco's commitment to and successful implementation of its compliance program is evidenced by Cleco's development and staffing of a NERC Compliance and Training department.

**DOES SENIOR MANAGEMENT TAKE ACTIONS THAT SUPPORT THE COMPLIANCE PROGRAM, SUCH AS TRAINING, COMPLIANCE AS A FACTOR IN EMPLOYEE EVALUATIONS, OR OTHERWISE**

YES  NO

**EXPLAIN**

**See above.**

**EXPLAIN SENIOR MANAGEMENT'S ROLE AND INVOLVEMENT WITH RESPECT TO THE REGISTERED ENTITY'S COMPLIANCE PROGRAM**

According to Cleco senior management, its Compliance Program, in addition to achieving compliance with each NERC Standard, shall meet the four factors identified in FERC's Policy Statement on Compliance. These factors are:

1. The role of senior management in fostering compliance;
2. Effective preventive measures to ensure compliance;
3. Prompt detection, cessation, and reporting of violations; and
4. Remediation efforts.

**(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 (IF THE RESPONSE IS "YES," THE ABBREVIATED NOP FORM MAY NOT BE USED.)**

YES  NO   
IF YES, EXPLAIN

**(8) ANY OTHER EXTENUATING CIRCUMSTANCES**

YES  NO   
IF YES, EXPLAIN

**(9) ADDITIONAL SUPPORT FOR PROPOSED PENALTY OR SANCTION**

**OTHER RELEVANT INFORMATION:**

**NOTICE OF ALLEGED VIOLATION AND PROPOSED PENALTY OR SANCTION ISSUED**

**SETTELEMENT DISCUSSIONS COMMENCED: 5/7/2010**

**NOTICE OF CONFIRMED VIOLATION ISSUED N/A**

**SUPPLEMENTAL RECORD INFORMATION**

DATE(S) OR N/A

**REGISTERED ENTITY RESPONSE CONTESTED**

FINDINGS  PENALTY  BOTH  NO CONTEST

**HEARING REQUESTED**

YES  NO

DATE

OUTCOME

APPEAL REQUESTED



**Disposition Document for violation of CIP-001-1  
R1**

**DISPOSITION OF VIOLATION**  
**Dated August 24, 2011**

**NERC TRACKING NO.**  
SPP201000261

**REGIONAL ENTITY TRACKING NO.**  
2010-067

**I. VIOLATION INFORMATION**

<b>RELIABILITY STANDARD</b>	<b>REQUIREMENT(S)</b>	<b>SUB-REQUIREMENT(S)</b>	<b>VRF(S)</b>	<b>VSL(S)</b>
<b>CIP-001-1</b>	<b>1</b>		Medium	High

**VIOLATION APPLIES TO THE FOLLOWING FUNCTIONS:**

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

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

The purpose of **CIP-001-1** Reliability Standard provides:

*Disturbances or unusual occurrences, suspected or determined to be caused by sabotage, shall be reported to the appropriate systems, governmental agencies, and regulatory bodies.*

**CIP-001-1 R1** provides:

*R1. Each Reliability Coordinator, Balancing Authority, Transmission Operator, Generator Operator, and Load Serving Entity shall have procedures for the recognition of and for making their operating personnel aware of sabotage events on its facilities and multi-site sabotage affecting larger portions of the Interconnection.*

**VIOLATION DESCRIPTION**

During an April 26, 2010 through April 29, 2010, Compliance Audit of Cleco, the SPP RE audit team found that Cleco's Sabotage Reporting Procedure (*Trans Ops Sabotage Reporting Procedure 032009 v3* and *Generation Services Sabotage Reporting Plan (2/8/07)*) were deficient because they did not specifically include procedures for making its operating personnel aware of sabotage events on its facilities and of multi-site sabotage events affecting larger portions of the Interconnection. For these reasons, the audit team identified a violation of CIP-001-1 R1.

**RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL**

SPP RE determined that although Cleco's *Trans Ops Sabotage Reporting Procedure (032009 v3)* and *Generation Services Sabotage Reporting Plan (2/8/07)* (collectively

Sabotage Procedures) did not specifically include procedures for making Cleco’s operating personnel aware of sabotage events, the Sabotage Procedures did include instructions for the recognition of sabotage events on Cleco’s facilities. The Sabotage Procedures also included reporting instructions for situations where Cleco’s personnel suspect a sabotage event. Under the Sabotage Procedures, personnel members have to report a sabotage event to their Supervisor, and the supervisor would then report to the Manager or Supervisor of Transmission.

Cleco’s *Generation Services Sabotage Reporting Plan* specifically calls for generation personnel to contact the control center to provide operating personnel with information necessary to complete the Electric Emergency Incident and Disturbance Report OE-417. Earlier versions of the Sabotage Procedures provided that “Transmission Operations upon notification shall immediately provide this information [sabotage information] to Cleco Power Management or other employees as appropriate.”

Although the Sabotage Procedures did not explicitly state that the Manager or Supervisor of Transmission was to disseminate sabotage information to operating personnel, it was apparent to SPP RE, given the scope of Cleco’s Sabotage Procedures, that notification of operating personnel would occur. Accordingly, SPP RE has determined that Cleco’s violation of CIP-001-1 R1 is documentation and not performance related and thus posed a minimal risk, not a serious or substantial risk, to the BPS.

**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)** 6/18/2007 (the date the Reliability Standard became mandatory and enforceable) - 12/30/2010 (Mitigation Plan completion).

**DATE REPORTED TO REGIONAL ENTITY** 4/29/2010

**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**

MITIGATION PLAN NO. MIT-07-2627

<b>DATE SUBMITTED TO REGIONAL ENTITY</b>	6/30/2010
<b>DATE ACCEPTED BY REGIONAL ENTITY</b>	6/30/2010
<b>DATE APPROVED BY NERC</b>	8/12/2010
<b>DATE PROVIDED TO FERC</b>	8/12/2010

**IDENTIFY AND EXPLAIN VERSIONS THAT WERE REJECTED, IF APPLICABLE N/A**

**MITIGATION PLAN COMPLETED**    YES       NO  

<b>EXPECTED COMPLETION DATE</b>	12/31/2010
<b>EXTENSIONS GRANTED</b>	None
<b>ACTUAL COMPLETION DATE</b>	12/30/2010

<b>DATE OF CERTIFICATION LETTER</b>	12/30/2010
<b>CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF</b>	12/30/2010

<b>DATE OF VERIFICATION LETTER</b>	1/19/2011
<b>VERIFIED COMPLETE BY REGIONAL ENTITY AS OF</b>	12/30/2010

**ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE**

To mitigate its violation of CIP-001-1 R1, Cleco revised its Sabotage Procedure to include instructions detailing how the Manager or Supervisor is to make its operating personnel aware of sabotage events. Following the revision to its Sabotage Procedure, Cleco provided training to its operating personnel on the revised procedures and documented this training.

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

- Trans Ops Sabotage Reporting Procedure 032009 v3 (Sabotage Procedure)(dated March 2009)
- Generation Services Sabotage Reporting Plan (dated March 14, 2008)
- Generation Service Email to Operators (dated May 11, 2010)
- Sabotage Reporting Company Wide December 2010 training employee list
- Sabotage Reporting Company Wide December 2010 training
- Cleco Corp. Procedure – Incident Response and Reporting, ver. 1, (dated December 30, 2010)

The SPP RE verified that the revised Cleco Sabotage Procedure addressed all of the requirements of CIP-001-1 R1, including a provision for making operating personnel aware of sabotage events; documented training on its new procedure completed Cleco's mitigation plan of CIP-001-1 R1.

**EXHIBITS:**

Originating Document

- Audit Report (dated July 8, 2010)

Mitigation Plan

- Mitigation Plan for SPP201000261 (dated June 30, 2010)

Mitigation Plan Completion Certification

- Mitigation Plan Certification of Completion for SPP201000261 (dated December 30, 2010)<sup>1</sup>

Mitigation Plan Completion Notice

- Mitigation Plan Completion Notice for SPP201000261 (dated January 19, 2011)

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<sup>1</sup> The Mitigation Plan Certification of Completion for SPP201000261 has a typo in the tracking number – SPP20100261.

**Disposition Document for violation of COM-001-  
1.1 R5**

**DISPOSITION OF VIOLATION**  
**Dated August 24, 2011**

**NERC TRACKING NO.**  
SPP201000262

**REGIONAL ENTITY TRACKING NO.**  
2010-068

**I. VIOLATION INFORMATION**

<b>RELIABILITY STANDARD</b>	<b>REQUIREMENT(S)</b>	<b>SUB-REQUIREMENT(S)</b>	<b>VRF(S)</b>	<b>VSL(S)</b>
COM-001-1.1	5		Lower	Severe

**VIOLATION APPLIES TO THE FOLLOWING FUNCTIONS:**

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

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

The purpose of **COM-001-1.1** Reliability Standard provides:

*Each Reliability Coordinator, Transmission Operator and Balancing Authority needs adequate and reliable telecommunications facilities internally and with others for the exchange of Interconnection and operating information necessary to maintain reliability.*

**COM-001-1.1 R.5** provides:

*R5. Each Reliability Coordinator, Transmission Operator, and Balancing Authority shall have written operating instructions and procedures to enable continued operation of the system during the loss of telecommunications facilities.*

**VIOLATION DESCRIPTION**

During an April 26, 2010 through April 29, 2010 Compliance Audit, the SPP RE Audit Team found Cleco in violation of COM-001-1.1 R5 because the collective documentation provided by Cleco to support its compliance with COM-001-1.1 R5: (1) failed to state how Cleco would communicate with its substations in the event of a loss of telecommunications with the substations; (2) failed to state that Cleco's operations would move to a backup control center in the event of a loss of telecommunications at Cleco's primary control center; and, (3) failed to provide specific written operating instructions and procedures for operating personnel to continue operation of the system following a loss of Cleco's telecommunications facilities.



**RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL**

The SPP RE has determined that Cleco’s violation of COM-001-1.1 R5 did not present a serious or substantial risk and only posed a minimal risk the bulk power system (BPS).

In its Business Continuity Plan – Transmission Operations 2009, (March 3, 2008) (Business Continuity Plan) Cleco states: “ If data is not being received real time for more than 4 hours, Cleco field personnel will be dispatched to each bulk station to verify breaker status and report to transmission operators every 12 hours thereafter or until SCADA is up and running.”

SPP RE determined that Cleco would staff its substations with field personnel following loss of communications with its substations. Cleco has multiple communications systems, *e.g.*, emergency telephones, two-way radio, satellite phone and cell phones, to back up the primary communications system in its control center. When telecommunications failures occur, Cleco utilizes on-call support personnel to resolve problems with its telecommunications systems. It is unlikely that Cleco’s operating personnel would have to move to its backup control center as a consequence of the failure of one or more of its telephone based telecommunication systems.

SPP RE determined that the more likely scenario for utilization of the backup control center would be in the event of a failure of the primary Energy Management System (EMS). Cleco addressed this contingency in its procedure for moving from the primary control center to the backup control center, Transmission Operations Procedure, BCS as Primary EMS, (V3.1, February 12, 2010). In this procedure, Cleco specifically calls for the system operators to relocate to the backup control center. Moreover, in Cleco’s Business Continuity Plan, Cleco identifies the backup control center as the contingency for physical and functional loss of the primary control center. Although, Cleco did not provide the Audit Team with a single specific procedure that documented the requirements of COM-001-1.1 R5, collectively the drawings, policies and procedures provided by Cleco identify a robust telecommunications system and multiple communications options for situations of telecommunications system failure.

**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)** 6/18/2007(the date the Reliability Standard became mandatory and enforceable)- 5/13/2010 (Mitigation Plan completion)

**DATE REPORTED TO REGIONAL ENTITY** 4/29/2010

**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**

**MITIGATION PLAN NO.** MIT-07-2761

**DATE SUBMITTED TO REGIONAL ENTITY** 8/05/2010

**DATE ACCEPTED BY REGIONAL ENTITY** 8/06/2010

**DATE APPROVED BY NERC** 8/30/2010

**DATE PROVIDED TO FERC** 8/31/2010

**IDENTIFY AND EXPLAIN VERSIONS THAT WERE REJECTED, IF APPLICABLE** N/A

**MITIGATION PLAN COMPLETED** **YES**  **NO**

**EXPECTED COMPLETION DATE** 5/13/2010

**EXTENSIONS GRANTED** N/A

**ACTUAL COMPLETION DATE** 5/13/2010

**DATE OF CERTIFICATION LETTER** 8/03/2010<sup>1</sup>

**CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF** 5/13/2010

**DATE OF VERIFICATION LETTER** 9/03/2010

**VERIFIED COMPLETE BY REGIONAL ENTITY AS OF** 5/13/2010

### **ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE**

To correct the violation of NERC Reliability Standard COM-001-1.1 R5, Cleco added to its documentation an additional procedure regarding manning substations during a loss of communications event. Cleco also revised its *Transmission Operations Loss of Telecommunication Facilities* document by adding a new section entitled "SCADA Data

<sup>1</sup> The mitigation plan was submitted as complete. The Certification date precedes the Mitigation Plan submission date due to a technical error. Certification was completed and uploaded into CDMS prior to Cleco officially hitting the "submit" button in CDMS to submit the mitigation plan.

Loss” and renamed the document to *Loss of Telecommunications: Transmission Operations* (Rev. 4.0, May 13, 2010).

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

- Business Continuity Plan – Transmission Operations (dated July 20, 2009)
- *Loss of Telecommunications: Transmission Operations* (Version 4.0) (1) (dated May 13, 2010)
- *Transmission Operations - Loss of Telecommunications Facilities* (Version 3.0) (dated October 19, 2009)
- Transmission Operations Procedures – BCS as Primary EMS (Version 3.1) (2) (dated February 12, 2010)

After reviewing the evidence the SPP RE determined that Cleco amended its *Transmission Operations – Loss of Telecommunications Facilities* (version 3.0) procedure to include provisions for dispatching personnel to substations at interconnection points in order to obtain information needed to keep the system functional until such time as the failed communications could be repaired and put back in service. That procedure was reassigned to another department within Cleco and renamed *Loss of Telecommunications: Transmission Operations* (version 4.0).

**EXHIBITS:**

Originating Document

- Audit Report (dated July 8, 2010)

Mitigation Plan

- Mitigation Plan for SPP201000262 (dated August 5, 2010)

Mitigation Plan Completion Certification

- Mitigation Plan Certification of Completion for SPP201000262 (dated August 3, 2010)

Mitigation Plan Notice

- Mitigation Plan Completion Notice (dated September 3, 2010)

**Disposition Document for violations of FAC-001-0  
R2 and R3**

**DISPOSITION OF VIOLATION**  
**Dated August 24, 2011**

**NERC TRACKING NO.**  
 SPP201000263  
 SPP201000264

**REGIONAL ENTITY TRACKING NO.**  
 2010-069  
 2010-070

**I. VIOLATION INFORMATION**

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
FAC-001-0	2	2.1.4, 2.1.5, 2.1.6, 2.1.7, 2.1.8, 2.1.9, 2.1.10, 2.1.11, 2.1.13, 2.1.14, 2.1.15, 2.1.16	Medium	Severe
FAC-001-0	3		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 of the **FAC-001-0** Reliability Standard provides:

*To avoid adverse impacts on reliability, Transmission Owners must establish facility connection and performance requirements.*

**FAC-001-0 R2** provides:

**R2.** *The Transmission Owner's facility connection requirements shall address, but are not limited to, the following items:*

**R2.1.** *Provide a written summary of its plans to achieve the required system performance as described above throughout the planning horizon:*

**R2.1.1.** *Procedures for coordinated joint studies of new facilities and their impacts on the interconnected transmission systems.*

**R2.1.2.** *Procedures for notification of new or modified facilities to others (those responsible for the reliability of the interconnected transmission systems) as soon as feasible.*

**R2.1.3.** *Voltage level and MW and MVAR capacity or demand at point of connection.*

**R2.1.4.** *Breaker duty and surge protection.*

**R2.1.5.** *System protection and coordination.*

**R2.1.6.** *Metering and telecommunications.*

- R2.1.7. Grounding and safety issues.*
- R2.1.8. Insulation and insulation coordination.*
- R2.1.9. Voltage, Reactive Power, and power factor control.*
- R2.1.10. Power quality impacts.*
- R2.1.11. Equipment Ratings.*
- R2.1.12. Synchronizing of facilities.*
- R2.1.13. Maintenance coordination.*
- R2.1.14. Operational issues (abnormal frequency and voltages).*
- R2.1.15. Inspection requirements for existing or new facilities.*
- R2.1.16. Communications and procedures during normal and emergency operating conditions.*

**FAC-001-0 R3** provides:

*R3. The Transmission Owner shall maintain and update its facility connection requirements as required. The Transmission Owner shall make documentation of these requirements available to the users of the transmission system, the Regional Reliability Organization, and NERC on request (five business days).*

#### **VIOLATION DESCRIPTION**

**SPP201000263:** During the April 26, 2010 through April 29, 2010 Compliance Audit, the SPP RE audit team found that Cleco did not provide facility connection requirements that address the sub-requirements of FAC-001-0 R2 (specifically R2.1.4 – R2.1.11 and R2.1.13 – R2.1.16) to SPP RE during the Audit. For its Generation Facilities, Cleco did not provide facility connection requirements that included a written summary of Cleco’s plans to achieve the required system performance, as described above, throughout the planning horizon for sub-requirements R2.1.7, R2.1.8, and R2.1.11. For its Transmission and End-user Facilities, Cleco did not provide to SPP RE facility connection requirements that included a written summary of Cleco’s plans to achieve the required system performance throughout the planning horizon for sub-requirements R2.1.4 – R2.1.11 and R2.1.13 – R2.1.16.

**SPP201000264:** During the April 26, 2010 through April 29, 2010 Compliance Audit, the SPP RE audit team found that Cleco did not maintain and update its facility connection requirements so that it could make them available to users of the transmission system, the Regional Reliability Organization (RRO), and NERC upon request.

#### **RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL**

**SPP201000263/SPP201000264:** The SPP RE has determined that Cleco’s violations of FAC-001-0 R2 and R3 are documentation related and posed a minimal risk and did not pose a serious or substantial risk to the reliability of the bulk power system (BPS). As to the violation of R2, Cleco otherwise addressed the multiple sub requirements of R2 in its System Impact Study and Facility Study Process, its General Substation Engineer, Procure, Construct specification, and in its Open Access Transmission Tariff.

As to the violation of R3, the aforementioned documents are maintained as required. Additionally, Cleco did not receive any interconnection requests or requests for its interconnection requirements from the RRO, SPP, Inc., or NERC during the violation time period.

**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)**

**SPP201000263:** 6/18/2007(the date the Reliability Standards became mandatory and enforceable)-8/3/2010 (Mitigation Plan completed).

**SPP201000264:** 6/18/2007(the date the Reliability Standards became mandatory and enforceable)-8/3/2010 (Mitigation Plan completed).

**DATE REPORTED TO REGIONAL ENTITY** 4/29/2010

**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**

**MITIGATION PLAN NO.** MIT-07-2762 (SPP201000263)

**DATE SUBMITTED TO REGIONAL ENTITY** 8/05/2010  
**DATE ACCEPTED BY REGIONAL ENTITY** 8/06/2010  
**DATE APPROVED BY NERC** 8/30/2010  
**DATE PROVIDED TO FERC** 8/31/2010

**IDENTIFY AND EXPLAIN VERSIONS THAT WERE REJECTED, IF APPLICABLE** N/A

**MITIGATION PLAN COMPLETED** YES  NO

**EXPECTED COMPLETION DATE** 9/30/2010  
**EXTENSIONS GRANTED** N/A  
**ACTUAL COMPLETION DATE** 8/03/2010

**DATE OF CERTIFICATION LETTER** 8/03/2010<sup>1</sup>  
**CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF** 8/03/2010

**DATE OF VERIFICATION LETTER** 9/03/2010  
**VERIFIED COMPLETE BY REGIONAL ENTITY AS OF** 8/03/2010<sup>2</sup>

#### IV. MITIGATION INFORMATION

**MITIGATION PLAN NO.** MIT-07-2763 (SPP201000264)

**DATE SUBMITTED TO REGIONAL ENTITY** 8/05/2010  
**DATE ACCEPTED BY REGIONAL ENTITY** 8/06/2010  
**DATE APPROVED BY NERC** 8/30/2010  
**DATE PROVIDED TO FERC** 8/31/2010

**IDENTIFY AND EXPLAIN VERSIONS THAT WERE REJECTED, IF APPLICABLE** N/A

**MITIGATION PLAN COMPLETED** YES  NO

**EXPECTED COMPLETION DATE** 9/30/2010  
**EXTENSIONS GRANTED** N/A  
**ACTUAL COMPLETION DATE** 8/03/2010

**DATE OF CERTIFICATION LETTER** 8/03/2010<sup>3</sup>  
**CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF** 8/03/2010

**DATE OF VERIFICATION LETTER** 9/03/2010  
**VERIFIED COMPLETE BY REGIONAL ENTITY AS OF** 8/03/2010

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<sup>1</sup> The Certification date precedes the Mitigation Plan submission date due to a technical error. Certification was completed and uploaded into CDMS prior to Cleco officially hitting the "submit" button in CDMS to submit the mitigation plan.

<sup>2</sup> The Mitigation Plan Completion Notice incorrectly states the SPP RE verified the Mitigation Plan for SPP201000263 as complete on May 13, 2010. The correct date is August 3, 2010.

<sup>3</sup> The Certification date precedes the Mitigation Plan submission date due to a technical error. Certification was completed and uploaded into CDMS prior to Cleco officially hitting the "submit" button in CDMS to submit the mitigation plan.



## **ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE**

**SPP201000263:** To mitigate its violation of FAC-001-0 R2, Cleco provided to SPP RE a revised system impact study that is used to describe Cleco's practices for conducting System Impact Studies and Facilities Studies when evaluating requests for Transmission Service under its tariff. The study included a process for addressing the sub-requirements of FAC-001-0 R2. Cleco also provided to SPP RE its FERC Open Access Tariff that provided for transmission owner connection related requirements inherent in FAC-001-0 R2.

**SPP201000264:** To mitigate its violation of FAC-001-0 R3, Cleco revised its documentation of its facilities connection requirements in compliance with FAC-001-0 R3. Cleco demonstrated that it could provide such documentation within five business days to SPP RE and/or NERC upon request.

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

### **SPP201000263 & SPP201000264:**

- General Substation EPC Specification – Transmission Services, Revision 0 (Created February 11, 2010)
- Facility Connection Requirements, Version 1.1 (dated June 28, 2010)
- CLECO FERC Tariff (Articles 6-11) (dated March 17, 2008)
- System Impact Study (SIS) and Facilities Study Process Manual for CLECO Power LLC, Version 1 (dated February 1, 2008)
- System Impact Study (SIS) and Facilities Study Process Manual for CLECO Power LLC, Version 2 (dated February 12, 2009)
- System Impact Study (SIS) and Facilities Study Process Manual for CLECO Power LLC, Version 3 (dated March 5, 2010)

Cleco provided sufficient documentation to show that, through its various documents (listed above) it meets the requirements of FAC-001-0 R2 and R3.

**EXHIBITS:**

Originating Document

- Audit Report (dated July 8, 2010)

Mitigation Plan

- Mitigation Plan for SPP201000263 (dated August 5, 2010)
- Mitigation Plan for SPP201000264 (dated August 5, 2010)

Mitigation Plan Completion Certification

- Certification of Completed Mitigation Plan for SPP201000263 (dated August 3, 2010)
- Certification of Completed Mitigation Plan for SPP201000264 (dated August 3, 2010)

Mitigation Plan Completion Review and Notice

- Mitigation Plan Completion Review for SPP201000263 (dated September 3, 2010)
- Mitigation Plan Completion Review for SPP201000264 (dated September 3, 2010)

**Disposition Document for violation of FAC-003-1  
R1**

**DISPOSITION OF VIOLATION**  
**Dated August 24, 2011**

**NERC TRACKING NO.**  
SPP201000265

**REGIONAL ENTITY TRACKING NO.**  
2010-071

**I. VIOLATION INFORMATION**

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
FAC-003-1	1	1.2.1	High	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 of the **FAC-003-1** Reliability Standard provides:

*To improve the reliability of the electric transmission systems by preventing outages from vegetation located on transmission rights-of-way (ROW) and minimizing outages from vegetation located adjacent to ROW, maintaining clearances between transmission lines and vegetation on and along transmission ROW, and reporting vegetation related outages of the transmission systems to the respective Regional Reliability Organizations (RRO) and the North American Electric Reliability Council (NERC).*

**FAC-003-1 R1** provides in pertinent part:

***R1.** The Transmission Owner shall prepare, and keep current, a formal transmission vegetation management program (TVMP). The TVMP shall include the Transmission Owner's objectives, practices, approved procedures, and work specifications.*

***R1.2.** The Transmission Owner, in the TVMP, shall identify and document clearances between vegetation and any overhead, ungrounded supply conductors, taking into consideration transmission line voltage, the effects of ambient temperature on conductor sag under maximum design loading, and the effects of wind velocities on conductor sway. Specifically, the Transmission Owner shall establish clearances to be achieved at the time of vegetation management work identified herein as Clearance 1, and shall also establish and maintain a set of clearances identified herein as Clearance 2 to prevent flashover between vegetation and overhead ungrounded supply conductors.*

***R1.2.1.** Clearance 1 — The Transmission Owner shall determine and document appropriate clearance distances to be achieved at the time of transmission vegetation management work based upon local conditions and the expected time frame in which the Transmission Owner plans to*

*return for future vegetation management work. Local conditions may include, but are not limited to: operating voltage, appropriate vegetation management techniques, fire risk, reasonably anticipated tree and conductor movement, species types and growth rates, species failure characteristics, local climate and rainfall patterns, line terrain and elevation, location of the vegetation within the span, and worker approach distance requirements. Clearance 1 distances shall be greater than those defined by Clearance 2 below.*

***R1.2.2. Clearance 2*** — *The Transmission Owner shall determine and document specific radial clearances to be maintained between vegetation and conductors under all rated electrical operating conditions. These minimum clearance distances are necessary to prevent flashover between vegetation and conductors and will vary due to such factors as altitude and operating voltage. These Transmission Owner-specific minimum clearance distances shall be no less than those set forth in the Institute of Electrical and Electronics Engineers (IEEE) Standard 516-2003 (Guide for Maintenance Methods on Energized Power Lines) and as specified in its Section 4.2.2.3, Minimum Air Insulation Distances without Tools in the Air Gap.*

***R1.2.2.1*** *Where transmission system transient overvoltage factors are not known, clearances shall be derived from Table 5, IEEE 516-2003, phase-to-ground distances, with appropriate altitude correction factors applied.*

***R1.2.2.2*** *Where transmission system transient overvoltage factors are known, clearances shall be derived from Table 7, IEEE 516-2003, phase-to-phase voltages, with appropriate altitude correction factors applied.*

(footnote omitted)

## **VIOLATION DESCRIPTION**

During the April 26, 2010 through April 29, 2010 Compliance Audit, the SPP RE audit team found Cleco in violation of FAC-003-1 R1.2.1 because the Clearance 1 distance established in Cleco's Transmission Vegetation Management Program (TVMP) for 500 kV transmission lines was 15.0 ft., only 0.3 ft. greater than the established Clearance 2 distance.<sup>1</sup> Also, the TVMP did not consider local conditions and the expected time frame in which the Cleco should return for future vegetation management work. The Clearance 1 and Clearance 2 distances established for Cleco's 230 kV transmission lines were 9.0 ft. and 5.1 ft., respectively.<sup>2</sup>

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<sup>1</sup> The Standard requires that Clearance 1 be set at a value greater than Clearance 2 when considering the local growing conditions and clearing cycle. The SPP RE Audit Team determined that the Clearance 1 distance could not be correct based on the difference between the Clearance 1 and Clearance 2 established for Cleco's 230 kV transmission lines. Given that both lines are exposed to the same local conditions and are cleared on the same (eight year) basis the difference should be about the same. In addition, 0.3 feet is not a sufficient difference taking into consideration the growing conditions in Louisiana.

<sup>2</sup> The IEEE standard Minimum Vegetation Clearance Distance for 230 kV and 500 kV transmission lines located in Louisiana (approximately sea level) is 5.14 feet and 14.69 feet respectively. See IEEE Standard

**RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL**

SPP RE has determined that Cleco’s violation of FAC-003-1 R1.2.1 posed a minimal risk and did not pose a serious or substantial risk to the bulk power system (BPS). Cleco maintains its transmission rights-of-way by performing a complete mechanical clearing of the rights-of-way. All trees, stumps, brush and other debris within the width of the right of way is removed from ground to sky. The height of side trimming is from ground level straight up on the imaginary line at the edge of the right of way to the top of the tallest tree standing outside the right of way line that has limbs extending into the right of way corridor. By performing a complete clearing of the right of way Cleco has cleared to the maximum limit of its right of way and has effectively clear to a maximum Clearance 1.<sup>3</sup> Additionally, Cleco performs aerial inspections four times per year. One of the annual inspections is performed by helicopter. Aerial inspections are supplemented by ground patrols where it is not possible to accurately identify clearances between transmission lines and vegetation from the air. .

**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)** 6/18/2007 (the date the Reliability Standard became enforceable) through 8/03/2010 (Mitigation Plan completed).

**DATE REPORTED TO REGIONAL ENTITY** 4/29/2010

**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**

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516-2003 Table 5. These distances are the minimum distances for Clearance 2. The Clearance 1 distance is a subjective determination by the Registered Entity based on the factors outlined in the Standard.

<sup>3</sup> SPP RE examined the Cleco bid specifications for mechanical right of way clearing and confirmed that transmission rights of way are cleared ground to sky the width of the right of way.

**III. MITIGATION INFORMATION**

MITIGATION PLAN NO. MIT-07-2764

<b>DATE SUBMITTED TO REGIONAL ENTITY</b>	8/05/2010
<b>DATE ACCEPTED BY REGIONAL ENTITY</b>	8/08/2010
<b>DATE APPROVED BY NERC</b>	8/30/2010
<b>DATE PROVIDED TO FERC</b>	8/31/2010

**IDENTIFY AND EXPLAIN VERSIONS THAT WERE REJECTED, IF APPLICABLE**      N/A

**MITIGATION PLAN COMPLETED**      YES       NO

<b>EXPECTED COMPLETION DATE</b>	9/30/2010
<b>EXTENSIONS GRANTED</b>	N/A
<b>ACTUAL COMPLETION DATE</b>	8/03/2010

<b>DATE OF CERTIFICATION LETTER</b>	8/03/2010 <sup>4</sup>
<b>CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF</b>	8/03/2010

<b>DATE OF VERIFICATION LETTER</b>	9/03/2010
<b>VERIFIED COMPLETE BY REGIONAL ENTITY AS OF</b>	8/03/2010

**ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE**

To mitigate its violation of FAC-003-1 R1, Cleco modified its TVMP to clearly state the clearance distances it plans to achieve at the time of actual vegetation management. The documentation confirmed that Cleco included a larger maintenance buffer between the vegetation and the transmission line in its TVMP. Cleco's updated TVMP also includes local conditions and the expected time frame for future vegetation work along all transmission line right-of-ways.

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

- SPP Procedure for Reporting Vegetation Contacts (dated April 24, 2004)
- Transmission Vegetation Management Program (dated February 16, 2010)
- Transmission Vegetation Management Program (dated June 2, 2010)

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<sup>4</sup> The Certification date precedes the Mitigation Plan submission date due to a technical error. Certification was completed and uploaded into CDMS prior to Cleco officially hitting the "submit" button in CDMS to submit the mitigation plan.

- Calculation of CLECO Clearance 1 (undated)
- NERC Standard Development Timeline for FAC-003-2 (dated March 1, 2010)
- CLECO Compliance Audit Performed by SPP and Power Decision Consulting (February 26 – March 1, 2007) (dated March 1, 2007)
- NERC Compliance Templates for Vegetation Management Programs (dated April 2, 2004)
- NERC Standard FAC-003-1 (dated January 20, 2006)
- Transmission Vegetation Management Program (Rev. 1 dated February 8, 2007)
- Transmission Vegetation Management Program (Rev. 4 dated June 12, 2007)
- Transmission Vegetation Management Program (dated October 29, 2004)
- *Transmission Vegetation Management Program (No version or date)*

**EXHIBITS:**

Originating Document

- Audit Report (dated July 8, 2010)

(a) Mitigation Plan

- Mitigation Plan for SPP201000265 (dated August 5, 2010)

(b) Mitigation Plan Completion Certification

- Mitigation Plan Certification of Completion for SPP201000265 (dated August 3, 2010)

(c) Mitigation Plan Completion Notice

- Mitigation Plan Completion Notice for SPP201000265 (dated September 3, 2010)



**Disposition Document for violation of VAR-001-1  
R1**

**DISPOSITION OF VIOLATION**  
**Dated August 24, 2011**

**NERC TRACKING NO.**  
SPP201000267

**REGIONAL ENTITY TRACKING NO.**  
2010-073

**I. VIOLATION INFORMATION**

<b>RELIABILITY STANDARD</b>	<b>REQUIREMENT(S)</b>	<b>SUB-REQUIREMENT(S)</b>	<b>VRF(S)</b>	<b>VSL(S)</b>
VAR-001-1	1		High	Lower

**VIOLATION APPLIES TO THE FOLLOWING FUNCTIONS:**

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

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

The purpose of the **VAR-001-1** Reliability Standard 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 R1** requires:

***R1.** Each Transmission Operator, individually and jointly with other Transmission Operators, shall ensure that formal policies and procedures are developed, maintained, and implemented for monitoring and controlling voltage levels and Mvar flows within their individual areas and with the areas of neighboring Transmission Operators.*

**VIOLATION DESCRIPTION**

During the April 26, 2010 through April 29, 2010 Compliance Audit, the SPP RE found the collective policies and procedures provided by Cleco to support compliance with VAR-001-1 R1 to be deficient. More specifically, the SPP RE Audit Team found that Cleco's policies and procedures did not: (1) provide clear actions for Cleco's operators to take to operate reactive resources; (2) address under what conditions Cleco's operators would implement voltage control actions; (3) provide specific operator actions for abnormal voltage conditions; (4) include instructions for the use of reactive reserves to respond to system low voltage; or (5) address load shedding as a contingency to maintain system voltage.

**RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL**

The SPP RE Audit Team found that Cleco routinely monitors and controls system voltage. Cleco Planning performs a five day-ahead system security assessment study. The study, which is provided to Cleco's system operators, addresses adequate reactive reserves and system voltage under contingency conditions, and provides remedial actions to maintain system voltage. These actions include the use of generator voltage schedules, monitoring Mega Volt Ampere Reactive (MVAR) flows on system tie lines and the use of distribution capacitor banks. Cleco monitors substation voltages, generation plant voltage and MVAR output, and tie line reactive power flows via its Supervisory Control and Data Acquisition (SCADA) system. Because of the aforementioned actions by Cleco to monitor and control system voltage, the SPP RE determined that Cleco's violation of VAR-001-1 R1 represented minimal risk to the reliability of the bulk power system.

**II. DISCOVERY INFORMATION****METHOD OF DISCOVERY**

<b>SELF-REPORT</b>	<input type="checkbox"/>
<b>SELF-CERTIFICATION</b>	<input type="checkbox"/>
<b>COMPLIANCE AUDIT</b>	<input checked="" type="checkbox"/>
<b>COMPLIANCE VIOLATION INVESTIGATION</b>	<input type="checkbox"/>
<b>SPOT CHECK</b>	<input type="checkbox"/>
<b>COMPLAINT</b>	<input type="checkbox"/>
<b>PERIODIC DATA SUBMITTAL</b>	<input type="checkbox"/>
<b>EXCEPTION REPORTING</b>	<input type="checkbox"/>

**DURATION DATE(S)** 6/18/2007 (the date the Reliability Standard became mandatory and enforceable) - 9/20/2010 (Mitigation Plan completed).

**DATE REPORTED TO REGIONAL ENTITY** 4/29/2010

**IS THE VIOLATION STILL OCCURRING**

**YES**  **NO**

**IF YES, EXPLAIN**

<b>REMEDIAL ACTION DIRECTIVE ISSUED</b>	<b>YES</b>	<input type="checkbox"/>	<b>NO</b>	<input checked="" type="checkbox"/>
<b>PRE TO POST JUNE 18, 2007 VIOLATION</b>	<b>YES</b>	<input type="checkbox"/>	<b>NO</b>	<input checked="" type="checkbox"/>

**III. MITIGATION INFORMATION**

**MITIGATION PLAN NO.** MIT-07-2766

<b>DATE SUBMITTED TO REGIONAL ENTITY</b>	8/05/2010
<b>DATE ACCEPTED BY REGIONAL ENTITY</b>	8/08/2010
<b>DATE APPROVED BY NERC</b>	8/30/2010
<b>DATE PROVIDED TO FERC</b>	8/31/2010

**IDENTIFY AND EXPLAIN VERSIONS THAT WERE REJECTED, IF APPLICABLE**      N/A

**MITIGATION PLAN COMPLETED**      YES         NO  

**EXPECTED COMPLETION DATE**      9/30/2010

**EXTENSIONS GRANTED**      N/A

**ACTUAL COMPLETION DATE**      9/20/2010

**DATE OF CERTIFICATION LETTER**      9/20/2010

**CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF**      9/20/2010

**DATE OF VERIFICATION LETTER**      10/20/2010

**VERIFIED COMPLETE BY REGIONAL ENTITY AS OF**      9/20/2010

**ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE**

To mitigate its violation of VAR-001-1 R1, Cleco modified its existing policies and procedures to include monitoring and controlling voltage levels and MVAR flows. Cleco also published an overriding document concerning controlling voltage level and MVAR flows that addresses the provisions of VAR-001-1a R1.

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

- Generator Bus Voltage Schedule (dated November 24, 2010)
- Generator Bus Voltage Schedule Procedure (dated January 20, 2007)
- VAR-001-1 Cleco Voltage and Reactive Control (Redacted) (dated March 9, 2010)
- Capacitor Bank Operations (dated September 3, 2010)
- Generator Bus Voltage Schedule Ver. 0.0 (dated November 24, 2010)
- Voltage and Reactive Power Flow Procedure Ver. 0.1 (dated August 30, 2010)
- Voltage and Var Control at Interconnections Ver. 0.0 (dated September 3, 2010)

The SPP RE has reviewed and found acceptable the documentation submitted by Cleco that substantiates that Cleco now has the requisite policies and procedures in place to address VAR-001-1 R1.

**EXHIBITS:**

Originating Document

- Audit Report (dated July 8, 2010)

Mitigation Plan

- Mitigation Plan for SPP201000267 (dated August 05, 2010)

Mitigation Plan Completion Certification

- Certification of Completed Mitigation Plan for SPP201000267 (dated September 20, 2010)

Mitigation Plan Completion Notices

- Mitigation Plan Completion Notice for SPP201000267 (dated October 20, 2010)

## **Attachment b**

# **SPP RE Compliance Audit Report dated July 8, 2010**

For Public Release - August 31, 2011

Contains Confidential Information (including Privileged and Critical Energy Infrastructure Information) – Do Not Distribute



# **Compliance Audit Report Public Version**

**Cleco Corporation**  
NERC ID# NCR01083

**Confidential Information (including Privileged and  
Critical Energy Infrastructure Information)  
Has Been Removed**

**Date of Audit: April 26 - 29, 2010**

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## Executive Summary

A compliance audit of Cleco Corporation (CLEC), NERC ID # - NCR01083 was conducted from April 26 - 29, 2010. At the time of the audit, CLEC was registered for the Balancing Authority (BA), Distribution Provider (DP), Generator Operator (GOP), Generator Owner (GO), Interchange Authority (IA), Load Serving Entity (LSE), Purchasing-Selling Entity (PSE), Resource Planner (RP), Transmission Operator (TOP), Transmission Owner (TO), Transmission Planner (TP), and Transmission Service Provider (TSP) functions.

The audit team evaluated CLEC for compliance with one hundred forty three (143) requirements in the 2010 NERC Compliance Monitoring and Enforcement Program (CMEP). The audit team reviewed the NERC Reliability Standards for the period from June 18, 2007 to April 29, 2010. CLEC submitted information and documentation for the audit team's evaluation of compliance with requirements. The audit team reviewed and evaluated all information provided by CLEC to assess compliance with standards applicable to CLEC at this time.

Based on the information and documentation provided by CLEC, the audit team found CLEC to be compliant with one hundred twenty six (126) applicable requirements. The audit team determined that nine (9) requirements were not applicable to CLEC. The audit team identified eight (8) Possible Alleged Violations. Possible Alleged Violations were identified for:

- CIP-001-1a, R1, Sabotage Reporting;
- COM-001-1.1, R5, Telecommunications;
- FAC-002-0, R2, Facility Connection Requirements and sub-requirements 2.1.4, 2.1.5, 2.1.6, 2.1.7, 2.1.8, 2.1.9, 1.1.10, 2.1.11, 2.1.13, 2.1.14, 2.1.15, and 2.1.16;
- FAC-002-0, R3, Facility Connection Requirements;
- FAC-003-1, Sub-requirement R1.2.1, Transmission Vegetation Management Program;
- TOP-008-1, R2, Response to Transmission Limit Violations;
- VAR-001-1a, R1, Voltage and Reactive Control; and
- VAR-001-1a, R8, Voltage and Reactive Control.

Any Possible Alleged Violations will be processed through the NERC and SPP RE CMEP.

There were no ongoing or recently completed mitigation plans and therefore none were reviewed by the audit team.

## **Audit Process**

The compliance audit process steps are detailed in the SPP RE CMEP. The SPP RE CMEP generally conforms to the United States Government Accountability Office Government Auditing Standards and other generally accepted audit practices.

### ***Objectives***

All Registered Entities are subject to an audit for compliance with all reliability standards applicable to the functions for which the Registered Entity is registered.\* The audit objectives are to:

- Review compliance with the requirements of reliability standards that are applicable to CLEC, based on the functions that CLEC is registered to perform;
- Validate compliance with applicable reliability standards from the NERC 2010 Implementation Plan list of actively monitored standards, and additional NERC Reliability Standards selected by SPP RE;
- Validate compliance with applicable regional standards from the SPP RE 2010 Implementation Plan list of actively monitored standards;
- Validate evidence of self-reported violations and previous self-certifications;
- Observe and document CLEC's compliance program and culture;
- Review the status of mitigation plans.

### ***Scope***

The scope of the compliance audit included the NERC Reliability Standards from the SPP RE 2010 Implementation Plan. In addition, this audit included any self-reports, self-certifications, outstanding mitigation plans or remedial action directives which have been completed or pending in the year of the compliance audit.

At the time of the audit, CLEC was registered for the functions Balancing Authority (BA), Distribution Provider (DP), Generator Operator (GOP), Generator Owner (GO), Interchange Authority (IA), Load Serving Entity (LSE), Purchasing-Selling Entity (PSE), Resource Planner (RP), Transmission Operator (TOP), Transmission Owner (TO), Transmission Planner (TP), and Transmission Service Provider (TSP). The audit team evaluated CLEC for compliance during the period from June 18, 2007 to April 29, 2010.

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\* North American Electric Reliability Corporation CMEP, paragraph 3.1, Compliance Audits

## **Confidentiality and Conflict of Interest**

Confidentiality and conflict of interest of the audit team are governed under the SPP RE Delegation Agreement with NERC, and Section 1500 of the NERC Rules of Procedure. CLEC was informed of SPP RE's obligations and responsibilities under the agreement and procedures. The work history for each audit team member was provided to CLEC. CLEC was given an opportunity to object to an audit team member's participation on the basis of a possible conflict of interest or the existence of other circumstances that could interfere with an audit team member's impartial performance of duties. CLEC had not submitted any objections by the stated fifteen day objection due date and accepted the audit team member participants without objection. There have been no denials of or access limitations placed upon this audit team by CLEC.

### ***Methodology***

The audit team reviewed the information, data, and evidence submitted by CLEC and assessed compliance with requirements of the applicable reliability standards. Submittal of information and data were sent to SPP RE approximately 90 days before the scheduled date of the entity review. Additional information relevant to the audit could be submitted until the conclusion of the exit briefing. After that date, only data or information which was relevant to the content of the report or its finding can be submitted upon agreement by the audit team lead.

The audit team requested and received additional information and sought clarification from subject matter experts during the audit.

The audit team reviewed documentation provided by CLEC. Data, information and evidence submitted in the form of policies, procedures, e-mails, logs, studies, data sheets, etc. were validated, substantiated and cross-checked for accuracy as appropriate. Requirements which required a sampling to be conducted were developed based upon the significance of the sampling to the reliability of the Bulk Electric System (BES).

Findings were based on the audit team's knowledge of the BES, the NERC Reliability Standards, and their professional judgment. All findings were developed based upon the consensus of the audit team.

### ***Company Profile***

CLEC has two primary businesses which are Cleco Power LLC, a regulated electric utility business, and Cleco Midstream Resources LLC, a wholesale energy business. Cleco Midstream Resources operates almost 1,355 megawatts of unregulated capacity in addition to the capacity owned and operated by the regulated utility. The audit included the operation and facilities of both Cleco Power LLC and Cleco Midstream Resources.

CLEC serves approximately 277,000 customers in 23 Louisiana parishes throughout southern Louisiana. CLEC territory is divided into the Northern, Central, Southern and Eastern districts.

CLEC's summer peak demand was 2,115 Mw on July 2, 2009. CLEC owns approximately 2,560 megawatts of regulated generating capacity and manages an additional 691 megawatts for its joint owners through Cleco Power. CLEC uses a mixture of coal, lignite, petroleum coke, oil, natural gas and purchased power to serve its customers. CLEC has a firm purchase agreement with Toledo Bend (Sabine River Authority).

CLEC's system includes about 67 miles of 500 kV (operated by Entergy), 460 miles of 230 kV, and 676 miles of 138 kV transmission lines. CLEC has 36 interconnection points with Entergy, two at 500 kV, eight at 230 kV, fourteen at 138 kV, three at 115 kV, one at 69 kV, seven at 34.5 kV and one at 13.2 kV; five interconnection points with Swepco, one at 345 kV, one at 138 kV, one at 69 kV, and two at 34.5 kV, two interconnection points with the City of Alexandria, one at 230 kV and one at 115 kV; three interconnection points with the City of Lafayette, one at 230 kV, one at 138 kV and one at 69 kV, and one interconnection point each with Morgan City at 138 kV, Chaney at 138 kV, and Cajun at 230 kV.

SPP is the reliability coordinator for CLEC. CLEC is a member of the SPP Reserve Sharing Group.

***Audit Participants***

The following is a listing of all personnel from the Audit Team and CLEC who were present during the meetings or interviews.

**Audit Team Participants**

<b>Role</b>	<b>Title</b>	<b>Entity</b>
Lead	Lead Compliance Specialist	SPP RE
Member	Lead Compliance Engineer	SPP RE
Member	Senior Compliance Engineer	SPP RE
Member	Contract Consultant	SPP RE
Member	Contract Consultant	SPP RE
Member	Contract Consultant	SPP RE

**CLEC Audit Participants**

<b>Title</b>	<b>Entity</b>
Senior Vice President, Corporate Services	CLEC
Lead Electrical Engineer	CLEC
Senior System Operator	CLEC
Supervisor, Technical Services	CLEC
Senior Attorney	CLEC

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General Manager, Transmission Services	CLEC
Group Vice President	CLEC
Engineer, Transmission Operations	CLEC
Director – NERC Compliance	CLEC
Group Vice President	CLEC
Senior Auditor	CLEC
Manager, Transmission Design and Construction	CLEC
Director – NERC Compliance	CLEC
Engineer	CLEC
Senior Engineer	CLEC
Manager, Energy Operations	CLEC
General Manager, Retail Operations	CLEC
Manager, IT Network and Building Services	CLEC
NERC Compliance Trainer	CLEC
Chief Compliance Officer	CLEC
Lead Engineer	CLEC
Transmission Facilities Maintenance Administrator	CLEC
NERC Compliance and Training Specialist	CLEC
Attorney	CLEC
Manager, Distribution Planning and Protection	CLEC
Senior Internal Auditor	CLEC
NERC Compliance Trainer	CLEC
Supervisor, Transmission Control Operations	CLEC
Manager – Compliance & Training	CLEC
President and Chief Executive Officer,	CLEC
Manager, Telecommunication Services	CLEC
Engineer	CLEC
Transmission Facilities Maintenance Administrator	CLEC
Associate General Counsel	CLEC
Manager, Transmission Operations	CLEC
President and Chief Operating Officer	CLEC
Lead Engineer	CLEC
Senior System Operator	CLEC
	CLEC
Engineer	CLEC
Engineer	CLEC
Auditor	CLEC
Supervisor, Resource Coordination	CLEC
General Manager, Technology and Corporate Services	CLEC
Lead Engineer	CLEC
Manager Transmission Planning and Operations Support	CLEC

## Audit Results

The audit team evaluated CLEC for compliance with one hundred forty three (143) requirements in the 2010 NERC Compliance Monitoring and Enforcement Program (CMEP). The audit reviewed NERC Reliability Standards for the period from June 18, 2007 to April 29, 2010. CLEC submitted information and documentation for the audit team's evaluation of compliance with requirements. The audit team reviewed and evaluated all information provided by CLEC to assess compliance with standards applicable to CLEC at this time.

Based on the information and documentation provided by CLEC, the audit team found CLEC to be compliant with one hundred twenty six (126) applicable requirements. The audit team determined that nine (9) requirements were not applicable to CLEC. The audit team identified eight (8) Possible Alleged Violations. Possible Alleged Violations were identified for CIP-001-1a, R1, Sabotage Reporting; COM-001-1.1, R5, Telecommunications; FAC-002-0, R2, Facility Connection Requirements and sub-requirements 2.1.4, 2.1.5, 2.1.6, 2.1.7, 2.1.8, 2.1.9, 1.1.10, 2.1.11, 2.1.13, 2.1.14, 2.1.15, and 2.1.16; FAC-002-0, R3, Facility Connection Requirements; FAC-003-1, Sub-requirement R1.2.1, Transmission Vegetation Management Program; TOP-008-1, R2, Response to Transmission Limit Violations; VAR-001-1a, R1, Voltage and Reactive Control; and VAR-001-1a, R8, Voltage and Reactive Control.

## Findings

The following table details the findings for compliance for the scope identified for this audit.

Reliability Std	Req.	Finding
BAL-002-0	R1.	Compliant
BAL-002-0	R3.	Compliant
BAL-003-0.1b	R1.	Compliant
BAL-003-0.1b	R2.	Compliant
BAL-003-0.1b	R5.	Compliant
BAL-005-0.1b	R2.	Compliant
BAL-005-0.1b	R10.	Compliant
CIP-001-1	R1.	PAV
CIP-001-1	R2.	Compliant
CIP-001-1	R3.	Compliant
CIP-001-1	R4.	Compliant
COM-001-1.1	R1.	Compliant
COM-001-1.1	R5.	PAV
COM-002-2	R1.	Compliant
COM-002-2	R2.	Compliant
EOP-001-0	R1.	Compliant
EOP-002-2	R1.	Compliant
EOP-002-2	R2.	Compliant

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EOP-002-2	R3.	Compliant
EOP-002-2	R4.	Compliant
EOP-002-2	R5.	Compliant
EOP-002-2	R6.	Compliant
EOP-002-2	R7.	Compliant
EOP-002-2	R9.	Compliant
EOP-003-1	R1.	Compliant
EOP-003-1	R2.	Compliant
EOP-003-1	R3.	Compliant
EOP-003-1	R4.	Compliant
EOP-003-1	R5.	Compliant
EOP-003-1	R6.	Compliant
EOP-003-1	R7.	Compliant
EOP-003-1	R8.	Compliant
EOP-005-1	R1.	Compliant
EOP-005-1	R2.	Compliant
EOP-005-1	R3.	Compliant
EOP-005-1	R4.	Compliant
EOP-005-1	R5.	Compliant
EOP-005-1	R6.	Compliant
EOP-005-1	R7.	Compliant
EOP-005-1	R9.	Compliant
EOP-005-1	R11.	Compliant
EOP-008-0	R1.	Compliant
FAC-001-0	R1.	Compliant
FAC-001-0	R2.	PAV
FAC-001-0	R3.	PAV
FAC-002-0	R1.	Compliant
FAC-003-1	R1.	PAV
FAC-003-1	R2.	Compliant
FAC-008-1	R1.	Compliant
FAC-008-1	R2.	Compliant
FAC-008-1	R3.	Compliant
FAC-009-1	R1.	Compliant
FAC-009-1	R2.	Compliant
FAC-014-2	R5.	Compliant
IRO-001-1.1	R8.	Compliant
IRO-004-1	R3.	Compliant
IRO-004-1	R4.	Compliant
IRO-004-1	R7.	Compliant
IRO-005-2	R8.	Compliant
IRO-005-2	R13.	Compliant
IRO-006-4	R6.	Compliant
NUC-001-2	R1.	NA
NUC-001-2	R2.	NA
NUC-001-2	R3.	NA
NUC-001-2	R4.	NA
NUC-001-2	R5.	NA
NUC-001-2	R6.	NA
NUC-001-2	R7.	NA
NUC-001-2	R8.	NA
NUC-001-2	R9.	NA

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PER-001-0	R1.	Compliant
PER-002-0	R1.	Compliant
PER-002-0	R2.	Compliant
PER-002-0	R3.	Compliant
PER-002-0	R4.	Compliant
PER-003-0	R1.	Compliant
PRC-001-1	R1.	Compliant
PRC-001-1	R2.	Compliant
PRC-001-1	R3.	Compliant
PRC-001-1	R4.	Compliant
PRC-001-1	R5.	Compliant
PRC-001-1	R6.	Compliant
PRC-004-1	R1.	Compliant
PRC-004-1	R2.	Compliant
PRC-005-1	R1.	Compliant
PRC-005-1	R2.	Compliant
PRC-008-0	R1.	Compliant
PRC-008-0	R2.	Compliant
PRC-017-0	R1.	Compliant
TOP-001-1	R1.	Compliant
TOP-001-1	R2.	Compliant
TOP-001-1	R3.	Compliant
TOP-001-1	R4.	Compliant
TOP-001-1	R5.	Compliant
TOP-001-1	R6.	Compliant
TOP-001-1	R7.	Compliant
TOP-001-1	R8.	Compliant
TOP-002-2	R1.	Compliant
TOP-002-2	R2.	Compliant
TOP-002-2	R3.	Compliant
TOP-002-2	R4.	Compliant
TOP-002-2	R5.	Compliant
TOP-002-2	R6.	Compliant
TOP-002-2	R11.	Compliant
TOP-002-2	R13.	Compliant
TOP-002-2	R14.	Compliant
TOP-002-2	R15.	Compliant
TOP-002-2	R16.	Compliant
TOP-002-2	R17.	Compliant
TOP-002-2	R18.	Compliant
TOP-002-2	R19.	Compliant
TOP-003-0	R1.	Compliant
TOP-003-0	R2.	Compliant
TOP-003-0	R3.	Compliant
TOP-004-2	R1.	Compliant
TOP-004-2	R2.	Compliant
TOP-004-2	R4.	Compliant
TOP-004-2	R5.	Compliant
TOP-006-1	R2.	Compliant
TOP-006-1	R6.	Compliant
TOP-006-1	R7.	Compliant
TOP-007-0	R1.	Compliant

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TOP-007-0	R2.	Compliant
TOP-007-0	R3.	Compliant
TOP-008-1	R1.	Compliant
TOP-008-1	R2.	PAV
TOP-008-1	R3.	Compliant
TPL-001-0	R1.	Compliant
TPL-002-0	R1.	Compliant
TPL-003-0	R1.	Compliant
VAR-001-1	R1.	PAV
VAR-001-1	R2.	Compliant
VAR-001-1	R5.	Compliant
VAR-001-1	R7.	Compliant
VAR-001-1	R8.	PAV
VAR-001-1	R9.	Compliant
VAR-001-1	R10.	Compliant
VAR-001-1	R12.	Compliant
VAR-002-1.1a	R1.	Compliant
VAR-002-1.1a	R2.	Compliant
VAR-002-1.1a	R3.	Compliant
VAR-002-1.1a	R4.	Compliant
VAR-002-1.1a	R5.	Compliant

### ***Compliance Culture***

CLEC compliance culture was reviewed by the audit team.

CLEC has developed a formal compliance program which is outlined in the *Cleco Corporation Compliance Program* document. The CLEC Compliance program is under the Senior Vice President General Counsel and Director Regulatory Compliance (CLEC Compliance Officer), who was designated by CLEC Corporation's Board of Director's to this position in January 2007. The *Cleco Corporation Compliance Program* was developed and approved in May of 2008.

The Compliance Officer has direct access to and reports directly to the President and CEO for Cleco Corporation. The CLEC Compliance Officer is a member of the Executive Committee and Cleco Corporation's Board of Director's. As a member of the Board of Directors, the CLEC Compliance Officer has the access and ability to discuss compliance related issues with the Board.

CLEC's compliance program operates and is managed independently from the other departments that are responsible for performance to the Reliability Standards. CLEC's compliance with the NERC Standards is handled by the NERC Compliance and Training Department, reporting through the Legal Services Department headed by the CLEC Compliance Officer. The Legal Services and Compliance and Training Departments are in the CLEC Support Group LLC, a separate LLC from the operational companies.

The CLEC Compliance Officer's responsibilities include approval, implementation, and maintenance of the policies and procedures necessary to comply with the NERC Standards.

CLEC stated that it reviews the Compliance Program annually making improvements as necessary to accomplish its compliance goals. The review of the Compliance Program and CLEC's compliance material includes a review of:

- The Compliance and Training Program. It is completed by the Manager - NERC Compliance and Training to identify changes in the program to improve CLEC's compliance with the NERC Standards.
- Each NERC Standard to identify requirements for annual assessment of CLEC's compliance program and training of personnel.
- CLEC Policies and Procedures specifically addressing CLEC's compliance with the NERC Standards.
- Operational documentation covered or referenced in the NERC Standards.
- The Self-Certification Audit, Spot Checks, periodic data submittals, exception reporting, self-reports or other submittals to SPP during the previous 12 months.

CLEC staff is engaged in the meeting compliance to the NERC Standards. CLEC senior management attended the opening and closing audit presentations. CLEC brought in a number of subject matter experts to review compliance in their respective areas.

Additional information pertaining to the compliance culture of Real Time Contingency Analysis can be found in the Internal Compliance Survey.

### **Post Audit Activities**

This report was reviewed and approved by:  
Ronald W. Ciesiel  
Executive Director of Compliance, SPP RE  
July 20, 2010

## **Attachment c**

### **Documents related to CIP-001-1 R1 violation**

- i. Cleco's Mitigation Plan (MIT-07-2627) dated June 30, 2010**
- ii. Cleco's Certification of Mitigation Plan Completion for MIT-07-2627 dated December 30, 2010**
- iii. SPP RE's Verification of Mitigation Plan Completion for MIT-07-2627 dated January 19, 2011**

## **Mitigation Plan**

Mitigation Plan submitted on: **Jun 30, 2010**

Mitigation Plan Completed (Yes/No):

Mitigation Plan Completed On:

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## **Section A: Compliance Notices**

• Section 6.2 of the NERC CMEP<sup>1</sup> 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 B.

(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 or recommended to the applicable governmental authorities for not completing work associated with accepted milestones.<sup>2</sup>

(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.

(11) This submittal form may be used to provide a required Mitigation Plan for review and approval by regional entity(ies) and NERC.

• The Mitigation Plan shall be submitted to the regional entity(ies) and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.

1. Uniform Compliance Monitoring and Enforcement Program ("NERC CMEP") 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.) Or the North American Electric Reliability Corporation Compliance Monitoring and Enforcement Program – Province of Manitoba, Schedule "B" to the Interim Agreement on Compliance Monitoring and Enforcement in Manitoba between NERC, the Regional Entity, and Manitoba Hydro (available upon request from the Regional Entity).

2. Implementation milestones that precede the date that a Mitigation Plan becomes effective in Manitoba will be considered to be extended until the date that the Mitigation Plan becomes effective.

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- This Mitigation Plan 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.
- If the Mitigation Plan is accepted by regional entity(ies) and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission or filed with the applicable governmental authorities for approval in Canada.
- Regional Entity(ies) or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.
- The user has read and accepts the conditions set forth in these Compliance Notices.

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**Section B: Registered Entity Information**

**B.1**

Identify your organization:

Entity Name: **Cleco Corporation**

Address: **2030 Donahue Ferry, P.O. Box 5000, Pineville, Louisiana 71360, United States**

NERC Compliance Registry ID: *[If known]* **NCR01083**

**B.2**

Identify the individual in your organization who will serve as the Contact to Regional Entity regarding this Mitigation Plan. This person shall be technically knowledgeable regarding this Mitigation Plan and authorized to respond to Regional Entity regarding this Mitigation Plan.:

Name: **Mark MacDonald**

Title: **Mgr NERC Compliance & Training**

Email: **markmacdonald@cleco.com**

Phone: **318-484-7799**



## **Section C: Identity of Reliability Standard Violation associated with this Mitigation Plan**

### **C.1**

This Mitigation Plan is associated with the following violation(s) of the reliability standard listed below:

Standard Requirement: **CIP-001-1 R1**

Description: ***Each Reliability Coordinator, Balancing Authority, Transmission Operator, Generator Operator, and Load-Serving Entity shall have procedures for the recognition of and for making their operating personnel aware of sabotage events on its facilities and multi site sabotage affecting larger portions of the Interconnection.***

Violation Date: **Apr 26, 2010**

### **C.2**

Identify the cause of the violation(s) identified above:

***In the purpose section of the Cleco's Sabotage Reporting Procedure for its transmission operating personnel, Cleco states "(t)he purpose of the sabotage reporting procedure is to educate and familiarize Cleco Transmission Operation's personnel with the knowledge needed to recognize and properly document certain acts of sabotage." A similar procedure exists for Cleco's generator operating personnel. As stated, the purpose of this procedure is to inform the operator of the sabotage event, provide guidance on action to be taken in the event of sabotage, and reporting associated with the sabotage event among other things. Cleco believed it is compliant with both the letter and intent of CIP-001.***

***Cleco developed the procedures (See Trans Ops Sabotage Reporting Procedure 032009 v3.pdf and Generation Services Sabotage Report.pdf) for use by its transmission and generator operators providing them direction for:***

- 1) recognition of sabotage events and making them aware of sabotage events,***
- 2) communication of sabotage events to parties in the interconnection,***
- 3) provided its operating personnel with sabotage response guidelines, personnel to contact, and report requirements, and***
- 4) provide direction to contact the FBI and other enforcement agencies.***

***Cleco's operators have access to the sabotage reporting procedures. A copy of the sabotage procedure is located at their work location and training on the sabotage procedure is provided by Cleco's training department. Training is not required by CIP-001, however, Cleco's transmission operators participated in 3 hours of instructor lead training of Cleco's sabotage procedures. (See Cleco Sabotage Cyber Incident Reporting Training 2010.pdf and Generation Service email to operators on Standard CIP-001-1.pdf for additional information).***

### **C.3**

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Provide any relevant information regarding the violations associated with this Mitigation Plan: *[If known]*  
***In April of 2010, SPP conducted an on-site audit of Cleco. One of the requirements of NERC Standard CIP-001-1 R1 was identified as a Possible Alleged Violation.***

***CIP-001-1, Requirement 1:***

***R1. Each Reliability Coordinator, Balancing Authority, Transmission Operator, Generator Operator, and Load Serving Entity shall have procedures for the recognition of and for making their operating personnel aware of sabotage events on its facilities and multi-site sabotage affecting larger portions of the Interconnection.***

***SPP RE PAV Statement:***

***"CLEC provided its current version of its Sabotage Reporting Procedure (Trans Ops Sabotage Reporting Procedure 032009 v3) and the sabotage reporting procedure in effect on June 18, 2007 (Trans Ops Sabotage Reporting Procedure - 020607). The current version provided a change history showing that an intermediate version was created in 2008. The procedure provides a definition and examples of Sabotage in Section II, page 4. The procedure instructs personnel that suspect sabotage to report the events to their supervisor who reports it to the Manager or Supervisor of the transmission. While the Manager or Supervisor is expected to inform the operating personnel of the suspected sabotage event, this communication procedure is not clear in the Sabotage Reporting Procedure."***

***"The procedure did not include provisions for informing its operating personnel of sabotage events that it received through its interconnected neighboring entities."***

***"CLEC provided training records as evidence that the procedures were provided to its operating personnel."***

***"Because the CLEC Sabotage Reporting Procedure does not include clear procedures for making its operating personnel aware of sabotage events on its facilities and does not include procedures for making its operating personnel aware of multi-site sabotage affecting larger portions of the Interconnection from information received from neighboring entities, the audit team finds that CLEC has a PAV for this requirement."***

## **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 violation(s) identified above in Section C.1 of this form:

***Cleco will develop by August 31, 2010 a corporate level sabotage procedure for its operating personnel addressing each of the Requirements in CIP-001-1 including, among other things, the communication of sabotage events that affect larger portions of the Interconnection. Cleco will also deliver training on this sabotage procedure to its transmission operating personnel by December 31, 2010.***

### **Mitigation Plan Timeline and Milestones**

#### **D.2**

Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the violations associated with this Mitigation Plan are corrected: ***Dec 31, 2010***

#### **D.3**

Milestone Activities, with completion dates, that your organization is proposing for this Mitigation Plan:

<b>Milestone Activity</b>	<b>*Proposed Completion Date (Shall not be greater than 3 months apart)</b>	<b>Actual Completion Date</b>
---------------------------	---	-------------------------------

(\*) Note: 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.

### **Additional Relevant Information (Optional)**

#### **D.4**

If you have any relevant additional information that you wish to include regarding the mitigation plan, milestones, milestones dates and completion date proposed above you may include it here:

***None.***

## **Section E: Interim and Future Reliability Risk**

### **Abatement of Interim BPS Reliability Risk**

#### **E.1**

While your organization is implementing the Mitigation Plan proposed in Section D of this form, the reliability of the Bulk Power System 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 or is proposing as part of the Mitigation Plan to mitigate any increased risk to the reliability of the bulk power system while the Mitigation Plan is being implemented:

***The risk to the reliability of the Bulk Electric System is low. This alleged violation was related to lack of documentation only. As mentioned previously, Cleco has a sabotage reporting procedures in place and Cleco's transmission and generator operators have access to copies of Cleco's sabotage procedure and have received trained regarding reporting of sabotage events.***

### **Prevention of Future BPS Reliability Risk**

#### **E.2**

Describe how successful completion of the Mitigation Plan as laid out in Section D of this form will prevent or minimize the probability that your organization incurs further violations of the same or similar reliability standards requirements in the future:

***Implementation of a company wide procedure for handling and reporting of sabotage events will provide for consistent processing of future sabotage events, a uniform process for informing Cleco transmission operating personnel of sabotage events and provide a Cleco Corporation procedure for compliance with CIP-001-1.***

#### **E.3**

Your organization may be taking or planning other action, beyond that listed in the Mitigation Plan, as proposed in Section D.1, to prevent or minimize the probability of incurring further violations of the same or similar standards requirements listed in Section C.1, or of other reliability standards. If so, identify and describe any such action, including milestones and completion dates:

***Cleco will provide training to its operating personnel on its sabotage procedure.***

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**Section F: Authorization**

An authorized individual must sign and date the signature page. By doing so, this individual, on behalf of your organization:

- (a) Submits the Mitigation Plan, as laid out in Section D, to the Regional Entity for acceptance and approval by NERC, and
- (b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- (c) Acknowledges:
  - 1. I am **SVP-Gen Counsel & Dir Reg Comp** of **Cleco Corporation**.
  - 2. I am qualified to sign this Mitigation Plan on behalf of **Cleco Corporation**.
  - 3. I have read and understand **Cleco Corporation'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 and the NERC CMEP currently in effect or the NERC CMEP-Province of Manitoba, Schedule B currently in effect, whichever is applicable.
  - 4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
  - 5. **Cleco Corporation** agrees to be bound by, and comply with, this Mitigation Plan, including the timetable completion date, as accepted by the Regional Entity, NERC, and if required, the applicable governmental authorities in Canada.

**Authorized Individual Signature** \_\_\_\_\_

(Electronic signature was received by the Regional Office via CDMS. For Electronic Signature Policy see CMEP.)

Name: **Wade Hoefling**  
Title: **SVP-Gen Counsel & Dir Reg Comp**  
Authorized On: **Jun 30, 2010**

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## Certification of a Completed Mitigation Plan

All Mitigation Plan Completion Certification submittals shall include data or information sufficient for SPP RE to verify completion of the Mitigation Plan. SPP RE 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)

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### Registered Entity Information

Company Name: Cleco Corporation

Company Address: 2030 Donahue Ferry Rd

NERC Compliance Registry ID: **NCR** 01083

**Date Original Mitigation Plan was submitted to SPP RE:** 06/30/2010

**Date Mitigation Plan was completed:** 12/30/2010

List below the NERC Standard and Requirement covered under the accepted Mitigation Plan

**Standard and Requirement Number:** CIP-001, R1

**NERC Violation Number:** SPP20100261

**Date of Certification:** 12/30/2010


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 is complete and correct to the best of my knowledge.

**Name:** Mark MacDonald

**Title:** Director - NERC Compliance

**Email:** mark.macdonald@cleco.com

**Phone:** 318-484-7799

**Authorized Signature:** 

**Date Signed:** 12/30/2010

The completed and signed Certification of a Completed Mitigation Plan should be submitted to the SPP RE via the CDMS Mitigation Plan Entity Document function. Once submitted, please notify the SPP RE by emailing the [sprefileclerk@spp.org](mailto:sprefileclerk@spp.org).

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Mr. Clay Layson  
Compliance Enforcement Attorney  
[clayson@spp.org](mailto:clayson@spp.org)

Southwest Power Pool Regional Entity  
415 N. McKinley, Ste 140  
Little Rock, AR 72205-3020  
P 501.688.1762  
F 501.821.8726

January 19, 2011

**VIA EMAIL**

Mr. Mark MacDonald  
Manager – NERC Compliance and Testing  
Cleco Corporation  
P.O. Box 5000  
2030 Donahue Ferry  
Pineville, LA 71360  
[markmacdonald@cleco.com](mailto:markmacdonald@cleco.com)

**Re: MITIGATION PLAN COMPLETION NOTICE**

**Cleco Corporation: NCR01083**

NERC Violation Identification Numbers: **SPP201000261**  
NERC Standard: **CIP-001-1 R1**  
SPP RE Violation Identification Number: **2010-067**  
Mitigation Plan Number: **MIT-07-2627**



Dear Mr. MacDonald:

On January 3, 2011, the Southwest Power Pool Regional Entity (SPP RE) received Cleco Corporation's (Cleco) Certification of Mitigation Plan Completion for the subject mitigation plans. The SPP RE has completed its review of the evidence in support of completion of the mitigation plans. SPP RE finds that Cleco successfully completed the above referenced mitigation plans on December 30, 2010.

If you have any questions you may contact me at the contact information shown above.

Mitigation Plan Completion Notice

Cleco Corporation

January 19, 2011

Page 2

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Regards,

*Clay Layson*

Clay Layson

Compliance Enforcement Attorney

cc: *(via e-mail only)*

Cleco

Mark Pearce

SPP RE

Stacy Dochoda

Clay Layson



## **Attachment f**

### **Documents related to COM-001-1.1 R5 violation**

- i. Cleco's Mitigation Plan (MIT-07-2761)  
August 5, 2010**
- ii. Cleco's Certification of Mitigation Plan  
Completion for MIT-07-2761 dated  
August 3, 2010**
- iii. SPP RE's Verification of Mitigation Plan  
Completion for MIT-07-2761 dated  
September 3, 2010**

## **Mitigation Plan**

Mitigation Plan submitted on: **Aug 05, 2010**

Mitigation Plan Completed (Yes/No):

Mitigation Plan Completed On:

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## **Section A: Compliance Notices**

• Section 6.2 of the NERC CMEP<sup>1</sup> 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 B.

(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 or recommended to the applicable governmental authorities for not completing work associated with accepted milestones.<sup>2</sup>

(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.

(11) This submittal form may be used to provide a required Mitigation Plan for review and approval by regional entity(ies) and NERC.

• The Mitigation Plan shall be submitted to the regional entity(ies) and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.

1. Uniform Compliance Monitoring and Enforcement Program ("NERC CMEP") 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.) Or the North American Electric Reliability Corporation Compliance Monitoring and Enforcement Program – Province of Manitoba, Schedule "B" to the Interim Agreement on Compliance Monitoring and Enforcement in Manitoba between NERC, the Regional Entity, and Manitoba Hydro (available upon request from the Regional Entity).

2. Implementation milestones that precede the date that a Mitigation Plan becomes effective in Manitoba will be considered to be extended until the date that the Mitigation Plan becomes effective.

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- This Mitigation Plan 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.
- If the Mitigation Plan is accepted by regional entity(ies) and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission or filed with the applicable governmental authorities for approval in Canada.
- Regional Entity(ies) or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.
- The user has read and accepts the conditions set forth in these Compliance Notices.

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**Section B: Registered Entity Information**

**B.1**

Identify your organization:

Entity Name: **Cleco Corporation**

Address: **2030 Donahue Ferry, P.O. Box 5000, Pineville, Louisiana 71360, United States**

NERC Compliance Registry ID: *[If known]* **NCR01083**

**B.2**

Identify the individual in your organization who will serve as the Contact to Regional Entity regarding this Mitigation Plan. This person shall be technically knowledgeable regarding this Mitigation Plan and authorized to respond to Regional Entity regarding this Mitigation Plan.:

Name: **Mark MacDonald**

Title: **Mgr NERC Compliance & Training**

Email: **markmacdonald@cleco.com**

Phone: **318-484-7799**

## **Section C: Identity of Reliability Standard Violation associated with this Mitigation Plan**

### **C.1**

This Mitigation Plan is associated with the following violation(s) of the reliability standard listed below:

Standard Requirement: **COM-001-1.1 R5**

Description: ***Each Reliability Coordinator, Transmission Operator, and Balancing Authority shall have written operating instructions and procedures to enable continued operation of the system during the loss of telecommunications facilities.***

Violation Date: **Apr 26, 2010**

### **C.2**

Identify the cause of the violation(s) identified above:

***During Cleco's On-Site Audit the week of April 26 - 29, 2010, SPP RE identified a possible violation of COM-001.1, requirement 5. While reviewing Cleco's documentation for COM-001.1 requirement 5, SPP RE determined that Cleco did not provide the audit team with a document containing written operating instructions and procedures to enable continued operation of the system during the loss of telecommunications facilities.***

### **C.3**

Provide any relevant information regarding the violations associated with this Mitigation Plan: *[If known]*  
***During Cleco's On-Site Audit the week of April 26 - 29, 2010, Cleco provided the Auditors with the Transmission Operations Loss of Telecommunication Facilities procedure which documents the alternatives that exist for communication with others to enable the continued operation of Cleco's system during the loss of telecommunication facilities. If the primary telephone fails at the Coughlin Transmission Operations Center (CTOC), System Operators have available emergency telephones, two-way radio, satellite phone, and a departmental cell phone as alternative methods of communication ensuring the continued safe and reliable operation of the bulk electric system. Also, when telecommunication problems are encountered, the System Operator will contact the appropriate on-call support personnel to troubleshoot the issue and correct the problem.***

***Cleco also provided the Auditors with the documents entitled BCS as Primary EMS\_2010\_version 3.1 and Business Continuity Plan\_Transmission Operations 2009. The BCS as Primary EMS\_2010\_version 3.1 is Cleco's procedure for the System Operators to follow in the event that the System Operators need to relocate from CTOC to its Backup facility. This procedure documents scenarios regarding relocation from CTOC to the Backup facility which includes loss of RTU communications and loss of the Primary Energy Management System. This procedure gives the System Operator the instructions to follow during an event to enable the continued operation of the system. The procedure also incorporates inputting data into the manual ACE spreadsheet, if necessary. The steps which the System Operator should follow***

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*regarding the loss of RTU communications and loss of the Primary Energy Management System is located in the Procedure section of the BCS as Primary EMS\_2010\_version 3.1. The Business Continuity Plan\_Transmission Operations 2009 also gives further instruction for the System Operator to dispatch Field Personnel to substations for the loss of data. The plan states (on page 21): If data is not being received real time for more than 4 hours, Cleco field personnel will be dispatched to each bulk station to verify breaker status and report to transmission operators every 12 hours thereafter or until SCADA is up and running. Cleco has these plans and procedures in place to enable continued operation of the system during the loss of telecommunications facilities and believes they are sufficient to meet the stated requirements of COM-001.1, R5.*

**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 violation(s) identified above in Section C.1 of this form:

***Although Cleco believes it was compliant with COM-001.1, R5, out of an abundance of caution, Cleco has added to its documentation an additional procedure regarding manning substations for the loss of communications. Cleco revised its Transmission Operations Loss of Telecommunication Facilities document by adding a new section entitled SCADA Data Loss beginning on page 3 and renamed the document to Loss of Telecommunications: Transmission Operations.***

**Mitigation Plan Timeline and Milestones**

**D.2**

Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the violations associated with this Mitigation Plan are corrected: **May 13, 2010**

**D.3**

Milestone Activities, with completion dates, that your organization is proposing for this Mitigation Plan:

Milestone Activity	*Proposed Completion Date (Shall not be greater than 3 months apart)	Actual Completion Date
None	Jul 19, 2010	Jul 19, 2010

(\*) Note: 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.

**Additional Relevant Information (Optional)**

**D.4**

If you have any relevant additional information that you wish to include regarding the mitigation plan, milestones, milestones dates and completion date proposed above you may include it here:



## **Section E: Interim and Future Reliability Risk**

### **Abatement of Interim BPS Reliability Risk**

#### **E.1**

While your organization is implementing the Mitigation Plan proposed in Section D of this form, the reliability of the Bulk Power System 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 or is proposing as part of the Mitigation Plan to mitigate any increased risk to the reliability of the bulk power system while the Mitigation Plan is being implemented:

***For Cleco's alleged violation of COM-001.1, Requirement 5, there is no adverse impact to the reliability of the Bulk Power System. This alleged violation was related to lack of documentation only.***

### **Prevention of Future BPS Reliability Risk**

#### **E.2**

Describe how successful completion of the Mitigation Plan as laid out in Section D of this form will prevent or minimize the probability that your organization incurs further violations of the same or similar reliability standards requirements in the future:

***After immediately documenting an additional procedure regarding manning substations for the loss of communication, Cleco is in compliance with COM-001.1, Requirement 5.***

#### **E.3**

Your organization may be taking or planning other action, beyond that listed in the Mitigation Plan, as proposed in Section D.1, to prevent or minimize the probability of incurring further violations of the same or similar standards requirements listed in Section C.1, or of other reliability standards. If so, identify and describe any such action, including milestones and completion dates:

## **Section F: Authorization**

An authorized individual must sign and date the signature page. By doing so, this individual, on behalf of your organization:

- (a) Submits the Mitigation Plan, as laid out in Section D, to the Regional Entity for acceptance and approval by NERC, and
- (b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- (c) Acknowledges:
  - 1. I am **SVP-Gen Counsel & Dir Reg Comp** of **Cleco Corporation**.
  - 2. I am qualified to sign this Mitigation Plan on behalf of **Cleco Corporation**.
  - 3. I have read and understand **Cleco Corporation'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 and the NERC CMEP currently in effect or the NERC CMEP-Province of Manitoba, Schedule B currently in effect, whichever is applicable.
  - 4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
  - 5. **Cleco Corporation** agrees to be bound by, and comply with, this Mitigation Plan, including the timetable completion date, as accepted by the Regional Entity, NERC, and if required, the applicable governmental authorities in Canada.

**Authorized Individual Signature** \_\_\_\_\_

(Electronic signature was received by the Regional Office via CDMS. For Electronic Signature Policy see CMEP.)

Name: **Wade Hoefling**

Title: **SVP-Gen Counsel & Dir Reg Comp**

Authorized On: **Aug 05, 2010**

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## **Certification of a Completed Mitigation Plan**

All Mitigation Plan Completion Certification submittals shall include data or information sufficient for SPP RE to verify completion of the Mitigation Plan. SPP RE 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)

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### **Registered Entity Information**

Company Name: Cleco Corporation

Company Address: 2030 Donahue Ferry Rd, Pineville, LA 71360

NERC Compliance Registry ID: **NCR** 01083

**Date Mitigation Plan was submitted in CDMS:** August 3, 2010

**Date Mitigation Plan was completed:** May 13, 2010

List below the NERC Standard and Requirement covered under the accepted Mitigation Plan

**Standard and Requirement Number:** COM-001-1.1, R5

**NERC Violation Number:** SPP201000262

**Date of Certification:** August 3, 2010

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 is complete and correct to the best of my knowledge.

**Name:** Mark MacDonald

**Title:** Mgr - NERC Compliance and Training

**Email:** mark.macdonald@cleco.com

**Phone:** 318-484-7799

**Authorized Signature:** Mark MacDonald

**Date Signed:** August 3, 2010

Please submit to: [SPP\\_Regional\\_Entity\\_File\\_Clerk@spp.org](mailto:SPP_Regional_Entity_File_Clerk@spp.org)

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Ms. Tasha Ward  
Compliance Enforcement Attorney  
[tward@spp.org](mailto:tward@spp.org)

Southwest Power Pool Regional Entity  
415 N. McKinley, Ste 140  
Little Rock, AR 72205-3020  
P 501.688.1738  
F 501.821.8726

September 3, 2010

**VIA E-MAIL ONLY**

Mr. Mark Macdonald  
Manager, NERC Compliance and Testing  
Cleco Corporation  
2030 Donahue Ferry  
P.O. Box 5000  
Pineville, LA 71361  
[markmacdonald@cleco.com](mailto:markmacdonald@cleco.com)

**Re: MITIGATION PLAN COMPLETION NOTICE**

**Cleco Corporation: NCR01083**

NERC Violation Identification Number: **SPP201000262**  
NERC Standard: **COM-001-1.1 R5**  
SPP RE Violation Identification Number: **2010-068**  
Mitigation Plan Number: **MIT-07-2761**  
Mitigation Plan Completed: **May 13, 2010**

NERC Violation Identification Number: **SPP201000263**  
NERC Standard: **FAC-001-0 R2 (R2.1, R2.1.1, et.seq)**  
SPP RE Violation Identification Number: **2010-069**  
Mitigation Plan Number: **MIT-07-2762**  
Mitigation Plan Completed: **May 13, 2010**

NERC Violation Identification Number: **SPP201000264**  
NERC Standard: **FAC-001-0 R3**  
SPP RE Violation Identification Number: **2010-070**  
Mitigation Plan Number: **MIT-07-2763**  
Mitigation Plan Completed: **August 3, 2010**

NERC Violation Identification Number: **SPP201000265**  
NERC Standard: **FAC-003-1 R1 (R1.2.1)**

Mitigation Plan Completion Notice

Cleco Corporation

September 3, 2010

Page 2

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SPP RE Violation Identification Number: **2010-071**

Mitigation Plan Number: **MIT-07-2764**

Mitigation Plan Completed: **August 3, 2010**



Dear Mr. Macdonald:

On August 3, 2010, the Southwest Power Pool Regional Entity (SPP RE) received Cleco Corporation's (Cleco) Certifications of Mitigation Plan Completion for the subject mitigation plans. The SPP RE has completed its review of the evidence in support of completion of the mitigation plans. SPP RE finds Cleco has successfully completed the referenced mitigation plans on the above listed completion dates.

If you have any questions you may contact me at the contact me at 501.688.1738.

Regards,

*Tasha Ward*

Tasha Ward

TW

cc: *(via e-mail only)*

Cleco

Mark Pearce

SPP RE

Stacy Dochoda

Tasha Ward

## **Attachment e**

### **Documents related to violations of FAC-001-0 R2 and R3**

- i. Cleco's Mitigation Plan (MIT-07-2762 ) dated August 5, 2010**
- ii. Cleco's Mitigation Plan (MIT-07-2763) dated August 5, 2010**
- iii. Cleco's Certification of Mitigation Plan Completion for MIT-07-2762 dated August 3, 2010**
- iv. Cleco's Certification of Mitigation Plan Completion for MIT-07-2763 dated August 3, 2010**
- v. SPP RE's Verification of Mitigation Plan Completion for MIT-07-2762 and MIT-07-2763 dated September 3, 2010**

## **Mitigation Plan**

Mitigation Plan submitted on: **Aug 05, 2010**

Mitigation Plan Completed (Yes/No):

Mitigation Plan Completed On:

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## **Section A: Compliance Notices**

• Section 6.2 of the NERC CMEP<sup>1</sup> 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 B.

(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 or recommended to the applicable governmental authorities for not completing work associated with accepted milestones.<sup>2</sup>

(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.

(11) This submittal form may be used to provide a required Mitigation Plan for review and approval by regional entity(ies) and NERC.

• The Mitigation Plan shall be submitted to the regional entity(ies) and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.

1. Uniform Compliance Monitoring and Enforcement Program ("NERC CMEP") 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.) Or the North American Electric Reliability Corporation Compliance Monitoring and Enforcement Program – Province of Manitoba, Schedule "B" to the Interim Agreement on Compliance Monitoring and Enforcement in Manitoba between NERC, the Regional Entity, and Manitoba Hydro (available upon request from the Regional Entity).

2. Implementation milestones that precede the date that a Mitigation Plan becomes effective in Manitoba will be considered to be extended until the date that the Mitigation Plan becomes effective.



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- This Mitigation Plan 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.
- If the Mitigation Plan is accepted by regional entity(ies) and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission or filed with the applicable governmental authorities for approval in Canada.
- Regional Entity(ies) or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.
- The user has read and accepts the conditions set forth in these Compliance Notices.

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**Section B: Registered Entity Information**

**B.1**

Identify your organization:

Entity Name: **Cleco Corporation**

Address: **2030 Donahue Ferry, P.O. Box 5000, Pineville, Louisiana 71360, United States**

NERC Compliance Registry ID: *[If known]* **NCR01083**

**B.2**

Identify the individual in your organization who will serve as the Contact to Regional Entity regarding this Mitigation Plan. This person shall be technically knowledgeable regarding this Mitigation Plan and authorized to respond to Regional Entity regarding this Mitigation Plan.:

Name: **Mark MacDonald**

Title: **Mgr NERC Compliance & Training**

Email: **markmacdonald@cleco.com**

Phone: **318-484-7799**

## **Section C: Identity of Reliability Standard Violation associated with this Mitigation Plan**

### **C.1**

This Mitigation Plan is associated with the following violation(s) of the reliability standard listed below:

Standard Requirement: **FAC-001-0 R2**

Description: ***The Transmission Owner's facility connection requirements shall address, but are not limited to, the following items:***

Violation Date: **Apr 26, 2010**

### **C.2**

Identify the cause of the violation(s) identified above:

***In April of 2010, SPP conducted an on-site audit of Cleco. Some of the sub-requirements of Requirement R2.1 of NERC Standard FAC-001-0, R2 were identified as a Possible Alleged Violation.***

***Per the SPP Audit team, Cleco did not provide facility connection requirements that address sub-requirements 2.1.4, 2.1.5, 2.1.6, 2.1.7, 2.1.8, 2.1.9, 2.1.10, 2.1.11, 2.1.13, 2.1.14, 2.1.15, and 2.1.16. For Generation Facilities, Cleco did not provide facility connection requirements with a written summary of its plans to achieve the required system performance as described above throughout the planning horizon for sub-requirements 2.1.7, 2.1.8, and 2.1.11. For Transmission and End-user Facilities, Cleco did not provide facility connection requirements with a written summary of its plans to achieve the required system performance as described above throughout the planning horizon for sub-requirements 2.1.4, 2.1.5, 2.1.6, 2.1.7, 2.1.8, 2.1.9, 2.1.10, 2.1.11, 2.1.13, 2.1.14, 2.1.15, and 2.1.16.***

***Cleco provided three versions of its "System Impact Study" (see SYSTEM IMPACT STUDY V1.pdf, SISFacilityStudyProcessV2.pdf, & SIS & Facility Study Process V3.pdf) process and the latest version of its FERC filed tariff (see 2008 03 14 OATT ARTICLE 6, 7, 8, 9, 10, 11.pdf) which identified elements that would be included in a detailed facility study. Within these documents, Cleco outlined its procedure for studying and planning additions to the transmission system. A system impact study would determine if a more in-depth facility study was required. See section 6.0 of the SIS & Facility Study Process V3. The facility study would include:***

- 1. Safety requirements, (R2.1.7)***
- 2. Rebuilding, reconductoring or new construction of transmission lines,***
- 3. Substation additions, modification and/or new substation construction, (R2.1.7 & R2.1.8)***
- 4. Equipment addition, replacement, and/or modifications, (R2.1.4 & R2.1.11)***
- 5. Relay modifications on Cleco's system, (R2.1.5)***
- 6. Supervisory control and data acquisition (SCADA) requirements, (R2.1.14)***
- 7. Metering requirements, (R2.1.6)***
- 8. Telecommunications requirements, (R2.1.6)***

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- 9. AGC requirements (generation interconnections only),
- 10. A list of assumptions used in developing the study, and (R2.1.9 & R2.1.10)
- 11. A risk assessment.

*The results of the facility study would provide the customer with a list of necessary facilities. In addition to the above, Cleco provided a General Substation Engineer, Procure, Construct specification which specifically addressed R2.1.4 thru R2.1.8, R2.1.11, and R2.1.15.*

*The OATT included the following:*

- Article 6. Testing and Inspection (R2.1.15)*
- Article 7. Metering (R2.1.6)*
- Article 8. Communications (R2.1.16)*
- Article 9. Operations (R 2.1.9, R 2.1.10, R2.1.13, & R2.1.14)*
- Article 10. Maintenance (R2.1.13)*

*All of the sub-requirements of R2.1 were indentified in one or more of Cleco's documents.*

**C.3**

Provide any relevant information regarding the violations associated with this Mitigation Plan: *[If known]*

**None**

## **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 violation(s) identified above in Section C.1 of this form:

***Cleco believes that it demonstrated compliance with FAC-001-0 through the above referenced documents. Cleco's belief is based, in part, upon the fact that Cleco's OATT, which is mostly a pro-forma developed by FERC, and which is FERC filed and approved, contains interconnection procedures from FERC's pro-forma OATT. Nonetheless, Cleco is proceeding to prepare, approve, and publish a written summary of its plan to achieve the required system performance throughout the planning horizon in its facility connection requirements for all requirements in FAC-001-0.***

### **Mitigation Plan Timeline and Milestones**

#### **D.2**

Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the violations associated with this Mitigation Plan are corrected: ***Sep 30, 2010***

#### **D.3**

Milestone Activities, with completion dates, that your organization is proposing for this Mitigation Plan:

<b>Milestone Activity</b>	<b>*Proposed Completion Date (Shall not be greater than 3 months apart)</b>	<b>Actual Completion Date</b>
---------------------------	---	-------------------------------

(\*) Note: 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.

### **Additional Relevant Information (Optional)**

#### **D.4**

If you have any relevant additional information that you wish to include regarding the mitigation plan, milestones, milestones dates and completion date proposed above you may include it here:

***None***

## **Section E: Interim and Future Reliability Risk**

### **Abatement of Interim BPS Reliability Risk**

#### **E.1**

While your organization is implementing the Mitigation Plan proposed in Section D of this form, the reliability of the Bulk Power System 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 or is proposing as part of the Mitigation Plan to mitigate any increased risk to the reliability of the bulk power system while the Mitigation Plan is being implemented:

***There are no adverse impacts to the reliability of the bulk power system. This alleged violation was related to documentation only***

### **Prevention of Future BPS Reliability Risk**

#### **E.2**

Describe how successful completion of the Mitigation Plan as laid out in Section D of this form will prevent or minimize the probability that your organization incurs further violations of the same or similar reliability standards requirements in the future:

***The new facility connection document will provide a written summary of Cleco's plan to achieve the required system performance throughout the planning horizon for all requirements of FAC-001-0 requirement 2.1.***

#### **E.3**

Your organization may be taking or planning other action, beyond that listed in the Mitigation Plan, as proposed in Section D.1, to prevent or minimize the probability of incurring further violations of the same or similar standards requirements listed in Section C.1, or of other reliability standards. If so, identify and describe any such action, including milestones and completion dates:

## **Section F: Authorization**

An authorized individual must sign and date the signature page. By doing so, this individual, on behalf of your organization:

- (a) Submits the Mitigation Plan, as laid out in Section D, to the Regional Entity for acceptance and approval by NERC, and
- (b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- (c) Acknowledges:
  - 1. I am **SVP-Gen Counsel & Dir Reg Comp** of **Cleco Corporation**.
  - 2. I am qualified to sign this Mitigation Plan on behalf of **Cleco Corporation**.
  - 3. I have read and understand **Cleco Corporation'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 and the NERC CMEP currently in effect or the NERC CMEP-Province of Manitoba, Schedule B currently in effect, whichever is applicable.
  - 4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
  - 5. **Cleco Corporation** agrees to be bound by, and comply with, this Mitigation Plan, including the timetable completion date, as accepted by the Regional Entity, NERC, and if required, the applicable governmental authorities in Canada.

**Authorized Individual Signature** \_\_\_\_\_

(Electronic signature was received by the Regional Office via CDMS. For Electronic Signature Policy see CMEP.)

Name: **Wade Hoefling**

Title: **SVP-Gen Counsel & Dir Reg Comp**

Authorized On: **Aug 05, 2010**

## **Mitigation Plan**

Mitigation Plan submitted on: **Aug 05, 2010**

Mitigation Plan Completed (Yes/No):

Mitigation Plan Completed On:

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## **Section A: Compliance Notices**

• Section 6.2 of the NERC CMEP<sup>1</sup> 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 B.

(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 or recommended to the applicable governmental authorities for not completing work associated with accepted milestones.<sup>2</sup>

(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.

(11) This submittal form may be used to provide a required Mitigation Plan for review and approval by regional entity(ies) and NERC.

• The Mitigation Plan shall be submitted to the regional entity(ies) and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.

1. Uniform Compliance Monitoring and Enforcement Program ("NERC CMEP") 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.) Or the North American Electric Reliability Corporation Compliance Monitoring and Enforcement Program – Province of Manitoba, Schedule "B" to the Interim Agreement on Compliance Monitoring and Enforcement in Manitoba between NERC, the Regional Entity, and Manitoba Hydro (available upon request from the Regional Entity).

2. Implementation milestones that precede the date that a Mitigation Plan becomes effective in Manitoba will be considered to be extended until the date that the Mitigation Plan becomes effective.

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- This Mitigation Plan 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.
- If the Mitigation Plan is accepted by regional entity(ies) and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission or filed with the applicable governmental authorities for approval in Canada.
- Regional Entity(ies) or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.
- The user has read and accepts the conditions set forth in these Compliance Notices.

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**Section B: Registered Entity Information**

**B.1**

Identify your organization:

Entity Name: **Cleco Corporation**

Address: **2030 Donahue Ferry, P.O. Box 5000, Pineville, Louisiana 71360, United States**

NERC Compliance Registry ID: *[If known]* **NCR01083**

**B.2**

Identify the individual in your organization who will serve as the Contact to Regional Entity regarding this Mitigation Plan. This person shall be technically knowledgeable regarding this Mitigation Plan and authorized to respond to Regional Entity regarding this Mitigation Plan.:

Name: **Mark MacDonald**

Title: **Mgr NERC Compliance & Training**

Email: **markmacdonald@cleco.com**

Phone: **318-484-7799**

## **Section C: Identity of Reliability Standard Violation associated with this Mitigation Plan**

### **C.1**

This Mitigation Plan is associated with the following violation(s) of the reliability standard listed below:

Standard Requirement: **FAC-001-0 R3**

Description: ***The Transmission Owner shall maintain and update its facility connection requirements as required. The Transmission Owner shall make documentation of these requirements available to the users of the transmission system, the Regional Reliability Organization, and NERC on request (five business days).***

Violation Date: **Apr 26, 2010**

### **C.2**

Identify the cause of the violation(s) identified above:

***In April of 2010, SPP conducted an on-site audit of Cleco. One of the requirements of NERC Standard FAC-001-0, R3, was identified as a Possible Alleged Violation.***

***Per the SPP Audit team, Cleco did not maintain its facility connection requirements so that it could make them available to users of the transmission system, the Regional Reliability Organization, and NERC on request.***

***Cleco provided three versions of its "System Impact Study" (see SYSTEM IMPACT STUDY V1.pdf, SISFacilityStudyProcessV2.pdf, & SIS & Facility Study Process V3.pdf) process and the latest version of its tariff (see 2008 03 14 OATT ARTICLE 6, 7, 8, 9, 10, 11.pdf) all of which were published on the internet and available to the users of the transmission system, the Regional Reliability Organization, and NERC. Although the SPP Audit team found a possible alleged violation with FAC-001, R2, Cleco's facility connection requirements were and have always been available to the users of the transmission system, the Regional Reliability Organization, and NERC. These procedures are set forth in Cleco's OATT, which is a FERC pro-forma and has been filed and accepted by the FERC.***

***Cleco has, without complaint, coordinated the actual transmission connection of various parties, as well as provided detailed specific requirements to other parties that have evaluated connecting to Cleco's transmission system, each time consistent with Cleco's OATT and FAC-001-0 R3. Cleco believes this is not another PAV but rather a duplication from FAC-001-0, R2 which state Cleco "did not provide facility connection requirements that address sub-requirements".***

***Cleco has not received a request from other transmission systems, the RRO or NERC for Cleco's facility connection requirements.***

**C.3**

Provide any relevant information regarding the violations associated with this Mitigation Plan: *[If known]*

## **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 violation(s) identified above in Section C.1 of this form:

***Cleco will revise its facility connection requirements per PAV for FAC-001, R2 and make them available to the users of the transmission system, the Regional Reliability Organization, and NERC upon request and within 5 business days.***

### **Mitigation Plan Timeline and Milestones**

#### **D.2**

Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the violations associated with this Mitigation Plan are corrected: ***Sep 30, 2010***

#### **D.3**

Milestone Activities, with completion dates, that your organization is proposing for this Mitigation Plan:

<b>Milestone Activity</b>	<b>*Proposed Completion Date (Shall not be greater than 3 months apart)</b>	<b>Actual Completion Date</b>
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(\*) Note: 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.

### **Additional Relevant Information (Optional)**

#### **D.4**

If you have any relevant additional information that you wish to include regarding the mitigation plan, milestones, milestones dates and completion date proposed above you may include it here:

## **Section E: Interim and Future Reliability Risk**

### **Abatement of Interim BPS Reliability Risk**

#### **E.1**

While your organization is implementing the Mitigation Plan proposed in Section D of this form, the reliability of the Bulk Power System 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 or is proposing as part of the Mitigation Plan to mitigate any increased risk to the reliability of the bulk power system while the Mitigation Plan is being implemented:

***There are no adverse impacts to the reliability of the bulk power system. This alleged violation was related to documentation only.***

### **Prevention of Future BPS Reliability Risk**

#### **E.2**

Describe how successful completion of the Mitigation Plan as laid out in Section D of this form will prevent or minimize the probability that your organization incurs further violations of the same or similar reliability standards requirements in the future:

***Cleco's facility connection document will be available to the users of the transmission system, the Regional Reliability Organization, and NERC.***

#### **E.3**

Your organization may be taking or planning other action, beyond that listed in the Mitigation Plan, as proposed in Section D.1, to prevent or minimize the probability of incurring further violations of the same or similar standards requirements listed in Section C.1, or of other reliability standards. If so, identify and describe any such action, including milestones and completion dates:

## **Section F: Authorization**

An authorized individual must sign and date the signature page. By doing so, this individual, on behalf of your organization:

- (a) Submits the Mitigation Plan, as laid out in Section D, to the Regional Entity for acceptance and approval by NERC, and
- (b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- (c) Acknowledges:
  - 1. I am **SVP-Gen Counsel & Dir Reg Comp** of **Cleco Corporation**.
  - 2. I am qualified to sign this Mitigation Plan on behalf of **Cleco Corporation**.
  - 3. I have read and understand **Cleco Corporation'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 and the NERC CMEP currently in effect or the NERC CMEP-Province of Manitoba, Schedule B currently in effect, whichever is applicable.
  - 4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
  - 5. **Cleco Corporation** agrees to be bound by, and comply with, this Mitigation Plan, including the timetable completion date, as accepted by the Regional Entity, NERC, and if required, the applicable governmental authorities in Canada.

**Authorized Individual Signature** \_\_\_\_\_

(Electronic signature was received by the Regional Office via CDMS. For Electronic Signature Policy see CMEP.)

Name: **Wade Hoefling**

Title: **SVP-Gen Counsel & Dir Reg Comp**

Authorized On: **Aug 05, 2010**



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## **Certification of a Completed Mitigation Plan**

All Mitigation Plan Completion Certification submittals shall include data or information sufficient for SPP RE to verify completion of the Mitigation Plan. SPP RE 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: Cleco Corporation

Company Address: 2030 Donahue Ferry Rd, Pineville, LA 71360

NERC Compliance Registry ID: **NCR** 01083

**Date Mitigation Plan was submitted in CDMS:** August 3, 2010

**Date Mitigation Plan was completed:** August 3, 2010

List below the NERC Standard and Requirement covered under the accepted Mitigation Plan

**Standard and Requirement Number:** FAC-001-0, R2

**NERC Violation Number:** SPP201000263

**Date of Certification:** August 3, 2010

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 is complete and correct to the best of my knowledge.

**Name:** Mark MacDonald

**Title:** Mgr - NERC Compliance and Training

**Email:** mark.macdonald@cleco.com

**Phone:** 318-484-7799

**Authorized Signature:** Mark MacDonald

**Date Signed:** August 3, 2010

Please submit to: [SPP\\_Regional\\_Entity\\_File\\_Clerk@spp.org](mailto:SPP_Regional_Entity_File_Clerk@spp.org)

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## **Certification of a Completed Mitigation Plan**

All Mitigation Plan Completion Certification submittals shall include data or information sufficient for SPP RE to verify completion of the Mitigation Plan. SPP RE 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)

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### **Registered Entity Information**

Company Name: Cleco Corporation

Company Address: 2030 Donahue Ferry Rd, Pineville, LA 71360

NERC Compliance Registry ID: **NCR** 01083

**Date Mitigation Plan was submitted in CDMS:** August 3, 2010

**Date Mitigation Plan was completed:** August 3, 2010

List below the NERC Standard and Requirement covered under the accepted Mitigation Plan

**Standard and Requirement Number:** FAC-001-0, R3

**NERC Violation Number:** SPP201000264

**Date of Certification:** August 3, 2010

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 is complete and correct to the best of my knowledge.

**Name:** Mark MacDonald

**Title:** Mgr - NERC Compliance and Training

**Email:** mark.macdonald@cleco.com

**Phone:** 318-484-7799

**Authorized Signature:** Mark MacDonald

**Date Signed:** August 3, 2010

Please submit to: [SPP\\_Regional\\_Entity\\_File\\_Clerk@spp.org](mailto:SPP_Regional_Entity_File_Clerk@spp.org)

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Ms. Tasha Ward  
Compliance Enforcement Attorney  
[tward@spp.org](mailto:tward@spp.org)

Southwest Power Pool Regional Entity  
415 N. McKinley, Ste 140  
Little Rock, AR 72205-3020  
P 501.688.1738  
F 501.821.8726

September 3, 2010

**VIA E-MAIL ONLY**

Mr. Mark Macdonald  
Manager, NERC Compliance and Testing  
Cleco Corporation  
2030 Donahue Ferry  
P.O. Box 5000  
Pineville, LA 71361  
[markmacdonald@cleco.com](mailto:markmacdonald@cleco.com)

**Re: MITIGATION PLAN COMPLETION NOTICE**

**Cleco Corporation: NCR01083**

NERC Violation Identification Number: **SPP201000262**  
NERC Standard: **COM-001-1.1 R5**  
SPP RE Violation Identification Number: **2010-068**  
Mitigation Plan Number: **MIT-07-2761**  
Mitigation Plan Completed: **May 13, 2010**

NERC Violation Identification Number: **SPP201000263**  
NERC Standard: **FAC-001-0 R2 (R2.1, R2.1.1, et.seq)**  
SPP RE Violation Identification Number: **2010-069**  
Mitigation Plan Number: **MIT-07-2762**  
Mitigation Plan Completed: **May 13, 2010**

NERC Violation Identification Number: **SPP201000264**  
NERC Standard: **FAC-001-0 R3**  
SPP RE Violation Identification Number: **2010-070**  
Mitigation Plan Number: **MIT-07-2763**  
Mitigation Plan Completed: **August 3, 2010**

NERC Violation Identification Number: **SPP201000265**  
NERC Standard: **FAC-003-1 R1 (R1.2.1)**

Mitigation Plan Completion Notice

Cleco Corporation

September 3, 2010

Page 2

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SPP RE Violation Identification Number: **2010-071**

Mitigation Plan Number: **MIT-07-2764**

Mitigation Plan Completed: **August 3, 2010**



Dear Mr. Macdonald:

On August 3, 2010, the Southwest Power Pool Regional Entity (SPP RE) received Cleco Corporation's (Cleco) Certifications of Mitigation Plan Completion for the subject mitigation plans. The SPP RE has completed its review of the evidence in support of completion of the mitigation plans. SPP RE finds Cleco has successfully completed the referenced mitigation plans on the above listed completion dates.

If you have any questions you may contact me at the contact me at 501.688.1738.

Regards,

*Tasha Ward*

Tasha Ward

TW

cc: *(via e-mail only)*

Cleco

Mark Pearce

SPP RE

Stacy Dochoda

Tasha Ward

## **Attachment f**

### **Documents related to violations of FAC-003-1 R1**

- i. Cleco's Mitigation Plan (MIT-07-2764) dated August 5, 2010**
- ii. Cleco's Certification of Mitigation Plan Completion for MIT-07-2764 dated August 3, 2010**
- iii. SPP RE's Verification of Mitigation Plan Completion for MIT-07-2764 dated September 3, 2010**

## **Mitigation Plan**

Mitigation Plan submitted on: **Aug 05, 2010**

Mitigation Plan Completed (Yes/No):

Mitigation Plan Completed On:

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## **Section A: Compliance Notices**

• Section 6.2 of the NERC CMEP<sup>1</sup> 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 B.

(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 or recommended to the applicable governmental authorities for not completing work associated with accepted milestones.<sup>2</sup>

(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.

(11) This submittal form may be used to provide a required Mitigation Plan for review and approval by regional entity(ies) and NERC.

• The Mitigation Plan shall be submitted to the regional entity(ies) and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.

1. Uniform Compliance Monitoring and Enforcement Program ("NERC CMEP") 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.) Or the North American Electric Reliability Corporation Compliance Monitoring and Enforcement Program – Province of Manitoba, Schedule "B" to the Interim Agreement on Compliance Monitoring and Enforcement in Manitoba between NERC, the Regional Entity, and Manitoba Hydro (available upon request from the Regional Entity).

2. Implementation milestones that precede the date that a Mitigation Plan becomes effective in Manitoba will be considered to be extended until the date that the Mitigation Plan becomes effective.

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- This Mitigation Plan 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.
- If the Mitigation Plan is accepted by regional entity(ies) and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission or filed with the applicable governmental authorities for approval in Canada.
- Regional Entity(ies) or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.
- The user has read and accepts the conditions set forth in these Compliance Notices.



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**Section B: Registered Entity Information**

**B.1**

Identify your organization:

Entity Name: **Cleco Corporation**

Address: **2030 Donahue Ferry, P.O. Box 5000, Pineville, Louisiana 71360, United States**

NERC Compliance Registry ID: *[If known]* **NCR01083**

**B.2**

Identify the individual in your organization who will serve as the Contact to Regional Entity regarding this Mitigation Plan. This person shall be technically knowledgeable regarding this Mitigation Plan and authorized to respond to Regional Entity regarding this Mitigation Plan.:

Name: **Mark MacDonald**

Title: **Mgr NERC Compliance & Training**

Email: **markmacdonald@cleco.com**

Phone: **318-484-7799**

## **Section C: Identity of Reliability Standard Violation associated with this Mitigation Plan**

### **C.1**

This Mitigation Plan is associated with the following violation(s) of the reliability standard listed below:

Standard Requirement: **FAC-003-1 R1.2.1**

Description: ***Clearance 1 ? The Transmission Owner shall determine and document appropriate clearance distances to be achieved at the time of transmission vegetation management work based upon local conditions and the expected time frame in which the Transmission Owner plans to return for future vegetation management work. Local conditions may include, but are not limited to: operating voltage, appropriate vegetation management techniques, fire risk, reasonably anticipated tree and conductor movement, species types and growth rates, species failure characteristics, local climate and rainfall patterns, line terrain and elevation, location of the vegetation within the span, and worker approach distance requirements. Clearance 1 distances shall be greater than those defined by Clearance 2 below.***

Violation Date: **Apr 26, 2010**

### **C.2**

Identify the cause of the violation(s) identified above:

***In 2004, Cleco created a Transmission Vegetation Management Program, TVMP, per SPP's Compliance reporting program (see SPP Procedure for Reporting Vegetation Contact). Within Cleco's TVMP (see 2004 Cleco Vegetation Management for SPP.doc), horizontal and vertical clearances were established. Each was based on NESC rules and Cleco's vegetation Administrator was to consider local conditions when inspecting and managing the lines for vegetation. Cleco's TVMP was based on NERC Compliance Templates (see Compliance Template) which stated a program should include inspection requirements, trimming clearance, and an annual work plan. Cleco's TVMP included all of the above items.***

***In 2005, NERC revised the format of the Compliance Templates and established the NERC Standard format which is used today. The vegetation compliance template was revised and now included requirements which specified entities determine Clearance 1 and Clearance 2 values. (see FAC-003-1)***

***In January of 2007, Cleco revised its TVMP to match the revised standard. (see 2007 01 25 Cleco Vegetation Management Program)***

***In February of 2007, SPP conducted an on-site audit of Cleco on the NERC Standards including FAC-003-1, Transmission Vegetation Management Program. Cleco provided its TVMP dated 02/08/07 (see 2007 02 08 Cleco Vegetation Management Program) which included a Clearance 1 calculation based on NESC, rule 233C1. Per the Audit report (see KG-Audit\_Summary\_rev\_02272007[1], page 4), Cleco was fully compliant with all requirements of***

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*FAC-003-1. In addition, no recommendations for improvements or enhancements were made regarding FAC-003-1 requirements. Although the NERC Standards were not mandatory at the time, Cleco was still accountable for maintaining compliance with the voluntary standards.*

*In June 2007, the NERC Standards became mandatory but no changes were made to FAC-003-1. The same standard audited in early 2007 was and is currently still in effect.*

*From 2007 until the time of the 2010 audit, Cleco continued to update its TVMP (see FAC-003-1\_R1\_R2\_CLECO\_TRANSMISSION VEGETATION PROGRAM), primarily in the collection of evidence to prove we were following our TVMP. There was no reason to adjust our Clearance 1 calculation since it was a minimum and the 2007 audit team had found Cleco compliant based upon the same documentation, and Cleco relied upon said finding.*

*In April of 2010, SPP conducted an on-site audit of Cleco. One of the requirements of NERC Standard FAC-003-1, R1.2.1 was identified as a Possible Alleged Violation.*

*From the NERC Standard, R1.2.1 states: "Clearance 1 " The Transmission Owner shall determine and document appropriate clearance distance to be achieved at the time of transmission management work based on local conditions and the expected time frame in which the Transmission Owner plans to return for future vegetation work."*

*Per the SPP Audit Team, The audit team finds a PAV for Sub-requirement R1.2.1 since Cleco provided a Clearance 1 that is only 0.3 feet greater than Clearance 2 and was not based on the expected time frame to return for future vegetation management work, appropriate vegetation management techniques, fire risk, reasonably anticipated tree and conductor movement, species types and growth rates, species failure characteristics, local climate and rainfall patterns, line terrain and elevation, location of the vegetation within the span, or worker approach distance requirements.*

*Cleco believes its Clearance 1 calculation does include local conditions and as such was set at a minimum per NESC, rule 233C1 (see FAC-003-1\_R1\_CLECO\_CLEARANCE ONE CALCULATION WITH NESC 233C1). The current NERC Standard allows the entity to establish a Clearance 1 with the stipulation the Clearance 1 be greater than Clearance 2 (see FAC-003-1, page 2). Additionally within our TVMP (see FAC-003-1\_R1\_R2\_CLECO\_TRANSMISSION VEGETATION PROGRAM), Cleco notes that the Clearance 1 is a minimum and states on page 10 of its TVMP (see FAC-003-1\_R1\_R2\_CLECO\_TRANSMISSION VEGETATION PROGRAM) "clearances not less than those established below shall be provided. The radial clearances shown are minimum clearances that shall be established, at the time of trimming, between the vegetation and the energized conductors and associated live parts." Furthermore Cleco stated on page 11 in its TVMP (see FAC-003-1\_R1\_R2\_CLECO\_TRANSMISSION VEGETATION PROGRAM) "The Administrator's normal work practices involve mowing the right of way floor and side clearing to the edge of the right of way. These practices will provide, in practically all cases, significantly more clearance than that shown above. The Administrator must also account for local conditions and the expected time frame in which future vegetation management work will be done. Local conditions may include, but are not limited to: appropriate vegetation management*

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*techniques, fire risk, reasonably anticipated tree and conductor movement, species types and growth rates, species failure characteristics, local climate and rainfall patterns, line terrain and elevation, location of the vegetation within the span, and worker approach distance requirements."*

*Therefore, our Clearance 1 does include local conditions and due to the fact that Cleco has not had any Category 1 " grow-ins or Category 2 ? fall-ins, is a testament that our TVMP continues to provide adequate clearance between the energized conductors and area vegetation.*

*Finally, the proposed NERC FAC-003-2 (see FAC-003-2\_RBS\_Draft-3\_2010March1) Standard under development has eliminated the Clearance 1 calculation from the proposed version 2 Standard.*

**C.3**

Provide any relevant information regarding the violations associated with this Mitigation Plan: *[If known]*

**None**

## **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 violation(s) identified above in Section C.1 of this form:

***Cleco will modify its TVMP documentation clearly stating its new Clearance 1 number will match our actual field practices in vegetation management and confirm a larger buffer is being left between vegetation and the transmission line when the ROW is maintained. Cleco will also include a reference to local conditions and the expected time frame for future vegetation work in the TVMP. See new Clearance 1 calculation in TVMP, Section 3.1.2.1 (see TRANSMISSION VEGETATION PROGRAM.docx).***

### **Mitigation Plan Timeline and Milestones**

#### **D.2**

Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the violations associated with this Mitigation Plan are corrected: **Sep 30, 2010**

#### **D.3**

Milestone Activities, with completion dates, that your organization is proposing for this Mitigation Plan:

<b>Milestone Activity</b>	<b>*Proposed Completion Date (Shall not be greater than 3 months apart)</b>	<b>Actual Completion Date</b>
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(\*) Note: 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.

### **Additional Relevant Information (Optional)**

#### **D.4**

If you have any relevant additional information that you wish to include regarding the mitigation plan, milestones, milestones dates and completion date proposed above you may include it here:

## **Section E: Interim and Future Reliability Risk**

### **Abatement of Interim BPS Reliability Risk**

#### **E.1**

While your organization is implementing the Mitigation Plan proposed in Section D of this form, the reliability of the Bulk Power System 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 or is proposing as part of the Mitigation Plan to mitigate any increased risk to the reliability of the bulk power system while the Mitigation Plan is being implemented:

***There are no adverse impacts to the reliability of the bulk power system. This alleged violation was related to documentation only. Cleco provides adequate clearance between energized conductions and area vegetation and additionally, Cleco followed its TVMP where the normal practice is to trim all the way to the edge of the ROW.***

### **Prevention of Future BPS Reliability Risk**

#### **E.2**

Describe how successful completion of the Mitigation Plan as laid out in Section D of this form will prevent or minimize the probability that your organization incurs further violations of the same or similar reliability standards requirements in the future:

***Cleco's will modify its TVMP documentation clearly stating its new Clearance 1 number to reflect actual field practices in vegetation management and confirm a larger buffer is being left between vegetation and the transmission line when the ROW is maintained.***

#### **E.3**

Your organization may be taking or planning other action, beyond that listed in the Mitigation Plan, as proposed in Section D.1, to prevent or minimize the probability of incurring further violations of the same or similar standards requirements listed in Section C.1, or of other reliability standards. If so, identify and describe any such action, including milestones and completion dates:

## **Section F: Authorization**

An authorized individual must sign and date the signature page. By doing so, this individual, on behalf of your organization:

- (a) Submits the Mitigation Plan, as laid out in Section D, to the Regional Entity for acceptance and approval by NERC, and
- (b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- (c) Acknowledges:
  - 1. I am **SVP-Gen Counsel & Dir Reg Comp** of **Cleco Corporation**.
  - 2. I am qualified to sign this Mitigation Plan on behalf of **Cleco Corporation**.
  - 3. I have read and understand **Cleco Corporation'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 and the NERC CMEP currently in effect or the NERC CMEP-Province of Manitoba, Schedule B currently in effect, whichever is applicable.
  - 4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
  - 5. **Cleco Corporation** agrees to be bound by, and comply with, this Mitigation Plan, including the timetable completion date, as accepted by the Regional Entity, NERC, and if required, the applicable governmental authorities in Canada.

**Authorized Individual Signature** \_\_\_\_\_

(Electronic signature was received by the Regional Office via CDMS. For Electronic Signature Policy see CMEP.)

Name: **Wade Hoefling**

Title: **SVP-Gen Counsel & Dir Reg Comp**

Authorized On: **Aug 05, 2010**

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## **Certification of a Completed Mitigation Plan**

All Mitigation Plan Completion Certification submittals shall include data or information sufficient for SPP RE to verify completion of the Mitigation Plan. SPP RE 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)

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### **Registered Entity Information**

Company Name: Cleco Corporation

Company Address: 2030 Donahue Ferry Rd, Pineville, LA 71360

NERC Compliance Registry ID: **NCR** 01083

**Date Mitigation Plan was submitted in CDMS:** August 3, 2010

**Date Mitigation Plan was completed:** August 3, 2010

List below the NERC Standard and Requirement covered under the accepted Mitigation Plan

**Standard and Requirement Number:** FAC-003-1, R1.2.1

**NERC Violation Number:** SPP201000265

**Date of Certification:** August 3, 2010

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 is complete and correct to the best of my knowledge.

**Name:** Mark MacDonald

**Title:** Mgr - NERC Compliance and Training

**Email:** mark.macdonald@cleco.com

**Phone:** 318-484-7799

**Authorized Signature:** Mark MacDonald

**Date Signed:** August 3, 2010

Please submit to: [SPP\\_Regional\\_Entity\\_File\\_Clerk@spp.org](mailto:SPP_Regional_Entity_File_Clerk@spp.org)

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**CONFIDENTIAL NON-PUBLIC INFORMATION**

Ms. Tasha Ward  
Compliance Enforcement Attorney  
[tward@spp.org](mailto:tward@spp.org)

Southwest Power Pool Regional Entity  
415 N. McKinley, Ste 140  
Little Rock, AR 72205-3020  
P 501.688.1738  
F 501.821.8726

September 3, 2010

**VIA E-MAIL ONLY**

Mr. Mark Macdonald  
Manager, NERC Compliance and Testing  
Cleco Corporation  
2030 Donahue Ferry  
P.O. Box 5000  
Pineville, LA 71361  
[markmacdonald@cleco.com](mailto:markmacdonald@cleco.com)

**Re: MITIGATION PLAN COMPLETION NOTICE**

**Cleco Corporation: NCR01083**

NERC Violation Identification Number: **SPP201000262**  
NERC Standard: **COM-001-1.1 R5**  
SPP RE Violation Identification Number: **2010-068**  
Mitigation Plan Number: **MIT-07-2761**  
Mitigation Plan Completed: **May 13, 2010**

NERC Violation Identification Number: **SPP201000263**  
NERC Standard: **FAC-001-0 R2 (R2.1, R2.1.1, et.seq)**  
SPP RE Violation Identification Number: **2010-069**  
Mitigation Plan Number: **MIT-07-2762**  
Mitigation Plan Completed: **May 13, 2010**

NERC Violation Identification Number: **SPP201000264**  
NERC Standard: **FAC-001-0 R3**  
SPP RE Violation Identification Number: **2010-070**  
Mitigation Plan Number: **MIT-07-2763**  
Mitigation Plan Completed: **August 3, 2010**

NERC Violation Identification Number: **SPP201000265**  
NERC Standard: **FAC-003-1 R1 (R1.2.1)**

Mitigation Plan Completion Notice

Cleco Corporation

September 3, 2010

Page 2

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SPP RE Violation Identification Number: **2010-071**

Mitigation Plan Number: **MIT-07-2764**

Mitigation Plan Completed: **August 3, 2010**



Dear Mr. Macdonald:

On August 3, 2010, the Southwest Power Pool Regional Entity (SPP RE) received Cleco Corporation's (Cleco) Certifications of Mitigation Plan Completion for the subject mitigation plans. The SPP RE has completed its review of the evidence in support of completion of the mitigation plans. SPP RE finds Cleco has successfully completed the referenced mitigation plans on the above listed completion dates.

If you have any questions you may contact me at the contact me at 501.688.1738.

Regards,

*Tasha Ward*

Tasha Ward

TW

cc: *(via e-mail only)*

Cleco

Mark Pearce

SPP RE

Stacy Dochoda

Tasha Ward

## **Attachment g**

### **Documents related to violations of VAR-001-1 R1**

- i. Cleco's Mitigation Plan (MIT-07-2766) dated August 5, 2010**
- ii. Cleco's Certification of Mitigation Plan Completion for MIT-07-2766 dated September 20, 2010**
- iii. SPP RE's Verification of Mitigation Plan Completion for MIT-07-2766 dated October 20, 2010**

## **Mitigation Plan**

Mitigation Plan submitted on: **Aug 05, 2010**

Mitigation Plan Completed (Yes/No):

Mitigation Plan Completed On:

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## **Section A: Compliance Notices**

• Section 6.2 of the NERC CMEP<sup>1</sup> 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 B.

(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 or recommended to the applicable governmental authorities for not completing work associated with accepted milestones.<sup>2</sup>

(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.

(11) This submittal form may be used to provide a required Mitigation Plan for review and approval by regional entity(ies) and NERC.

• The Mitigation Plan shall be submitted to the regional entity(ies) and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.

1. Uniform Compliance Monitoring and Enforcement Program ("NERC CMEP") 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.) Or the North American Electric Reliability Corporation Compliance Monitoring and Enforcement Program – Province of Manitoba, Schedule "B" to the Interim Agreement on Compliance Monitoring and Enforcement in Manitoba between NERC, the Regional Entity, and Manitoba Hydro (available upon request from the Regional Entity).

2. Implementation milestones that precede the date that a Mitigation Plan becomes effective in Manitoba will be considered to be extended until the date that the Mitigation Plan becomes effective.

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- This Mitigation Plan 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.
- If the Mitigation Plan is accepted by regional entity(ies) and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission or filed with the applicable governmental authorities for approval in Canada.
- Regional Entity(ies) or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.
- The user has read and accepts the conditions set forth in these Compliance Notices.

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**Section B: Registered Entity Information**

**B.1**

Identify your organization:

Entity Name: **Cleco Corporation**

Address: **2030 Donahue Ferry, P.O. Box 5000, Pineville, Louisiana 71360, United States**

NERC Compliance Registry ID: *[If known]* **NCR01083**

**B.2**

Identify the individual in your organization who will serve as the Contact to Regional Entity regarding this Mitigation Plan. This person shall be technically knowledgeable regarding this Mitigation Plan and authorized to respond to Regional Entity regarding this Mitigation Plan.:

Name: **Mark MacDonald**

Title: **Mgr NERC Compliance & Training**

Email: **markmacdonald@cleco.com**

Phone: **318-484-7799**

## **Section C: Identity of Reliability Standard Violation associated with this Mitigation Plan**

### **C.1**

This Mitigation Plan is associated with the following violation(s) of the reliability standard listed below:

Standard Requirement: **VAR-001-1 R1**

Description: ***Each Transmission Operator, individually and jointly with other Transmission Operators, shall ensure that formal policies and procedures are developed, maintained, and implemented for monitoring and controlling voltage levels and Mvar flows within their individual areas and with the areas of neighboring Transmission Operators.***

Violation Date: **Apr 26, 2010**

### **C.2**

Identify the cause of the violation(s) identified above:

***In April of 2010, SPP conducted an on-site audit of Cleco. Requirement 1 of NERC Standard VAR-001-1a was identified as a Possible Alleged Violation.***

***From the NERC Standard, R1 states: Each Transmission Operator, individually and jointly with other Transmission Operators, shall ensure that formal policies and procedure are developed, maintained, and implemented for monitoring and controlling voltage levels and Mvar flows within their individual areas and with the areas of neighboring Transmission operators.***

***Per the SPP Audit Team, Cleco did not provide formal policies and procedures that were developed, maintained, and implemented for monitoring and controlling voltage levels and Mvar flows within their individual areas and with the areas of neighboring Transmission Operators, other than the Generator Bus Voltage Schedules.***

***Cleco believes it does have a formal procedure for monitoring and controlling voltage levels and Mvar flows within their individual areas and with the neighboring Transmission operators.***

***In February of 2007, SPP conducted an on-site audit of Cleco on the NERC Standards including VAR-001-1, Voltage and Reactive Control. Cleco provided its generation voltage schedule, see 2007 Generator Bus voltage schedule procedure. Per the Audit report (see KG-Audit\_Summary\_rev\_02272007[1], page 7), Cleco was fully compliant with all requirements of VAR-001-1. In addition, no recommendations for improvements or enhancements were made regarding VAR-001-1 requirements. Although the NERC Standards were not mandatory at the time, Cleco was still accountable for maintaining compliance with the voluntary standards.***

***In June 2007, the NERC Standards became mandatory but no changes were made to VAR-001-1.***



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*In March 2008, the NERC Standard was revised by adding an interpretation for Requirement 4, however essentially the same standard audited in early 2007 was and is currently still in effect.*

*The document provided to SPP in the 2010 693 Compliance Audit request was VAR-001-1\_R1 R2 R3 R4 R6 R7 R8 R9 R10 R12\_CLECO\_VOLTAGE AND REACTIVE CONTROL (REDACTED). This document was created in September of 2009 as a stand-alone document from information in our ERO database. The purpose of the document was 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 per NERC Standard VAR-001-1a.*

*In addition to all the tools available to the System Operator, Cleco's Planning department completes a rolling five day ahead system security assessment study for the Transmission Operators as well as coordinates with neighboring utilities including the Reliability Coordinator (SPP) to maintain and control voltage. The security assessment takes a proactive approach to maintain adequate voltages by identifying potential issues under contingency conditions and provides remedial actions to be taken prior to real time operations. These actions include but are not limited to adjusting generator voltage schedules, monitoring Mvar flows on tie lines as well as recommending changes to distribution capacitor banks status without supervisory control. The above tool was hi-lighted as a ?positive observation? during the 2008 NERC Readiness Evaluation, see NERC Closing PowerPoint to Cleco, slide 25. Additional proactive tools available to Transmission Operator include PSSO which is a state estimator real time contingency analysis tool which also identifies potential voltage issues and automatically performs simulations every 5 minutes.*

*Finally, Cleco has not experienced an SOL or IROL due to reactive resources and the current documents (see VAR-001-1\_R1 R2 R3 R4 R6 R7 R8 R9 R10 R12\_CLECO\_VOLTAGE AND REACTIVE CONTROL (REDACTED) and GENERATION BUS VOLTAGE SCHEDULE) do provide for a formal policy or procedure.*

**C.3**

Provide any relevant information regarding the violations associated with this Mitigation Plan: *[If known]*

## **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 violation(s) identified above in Section C.1 of this form:

***Cleco will modify its existing policy or procedure and publish an overriding document to address the SPP Audit team's recommendations for monitoring and controlling voltage level and Mvar flows. This document will address all requirements in VAR-001-1a.***

### **Mitigation Plan Timeline and Milestones**

#### **D.2**

Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the violations associated with this Mitigation Plan are corrected: **Sep 30, 2010**

#### **D.3**

Milestone Activities, with completion dates, that your organization is proposing for this Mitigation Plan:

<b>Milestone Activity</b>	<b>*Proposed Completion Date (Shall not be greater than 3 months apart)</b>	<b>Actual Completion Date</b>
---------------------------	---	-------------------------------

(\*) Note: 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.

### **Additional Relevant Information (Optional)**

#### **D.4**

If you have any relevant additional information that you wish to include regarding the mitigation plan, milestones, milestones dates and completion date proposed above you may include it here:

## **Section E: Interim and Future Reliability Risk**

### **Abatement of Interim BPS Reliability Risk**

#### **E.1**

While your organization is implementing the Mitigation Plan proposed in Section D of this form, the reliability of the Bulk Power System 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 or is proposing as part of the Mitigation Plan to mitigate any increased risk to the reliability of the bulk power system while the Mitigation Plan is being implemented:

***There are no adverse impacts to the reliability of the bulk power system. This alleged violation was related to documentation only. Cleco to date has not experienced any IROL or SOL violations due to reactive deficiencies. Although the SPP audit team stated Cleco had no formal policies or procedures to monitor and control voltage levels, Cleco has sufficient tools to monitor and control voltage levels.***

### **Prevention of Future BPS Reliability Risk**

#### **E.2**

Describe how successful completion of the Mitigation Plan as laid out in Section D of this form will prevent or minimize the probability that your organization incurs further violations of the same or similar reliability standards requirements in the future:

***The revised document will provide an overriding process or procedure for Cleco's transmission Operators.***

#### **E.3**

Your organization may be taking or planning other action, beyond that listed in the Mitigation Plan, as proposed in Section D.1, to prevent or minimize the probability of incurring further violations of the same or similar standards requirements listed in Section C.1, or of other reliability standards. If so, identify and describe any such action, including milestones and completion dates:

**Southwest Power Pool RE**  
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**Section F: Authorization**

An authorized individual must sign and date the signature page. By doing so, this individual, on behalf of your organization:

- (a) Submits the Mitigation Plan, as laid out in Section D, to the Regional Entity for acceptance and approval by NERC, and
- (b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- (c) Acknowledges:
  - 1. I am **SVP-Gen Counsel & Dir Reg Comp** of **Cleco Corporation**.
  - 2. I am qualified to sign this Mitigation Plan on behalf of **Cleco Corporation**.
  - 3. I have read and understand **Cleco Corporation'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 and the NERC CMEP currently in effect or the NERC CMEP-Province of Manitoba, Schedule B currently in effect, whichever is applicable.
  - 4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
  - 5. **Cleco Corporation** agrees to be bound by, and comply with, this Mitigation Plan, including the timetable completion date, as accepted by the Regional Entity, NERC, and if required, the applicable governmental authorities in Canada.

**Authorized Individual Signature** \_\_\_\_\_  
(Electronic signature was received by the Regional Office via CDMS. For Electronic Signature Policy see CMEP.)

Name: **Wade Hoefling**  
Title: **SVP-Gen Counsel & Dir Reg Comp**  
Authorized On: **Aug 05, 2010**

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## Certification of a Completed Mitigation Plan

All Mitigation Plan Completion Certification submittals shall include data or information sufficient for SPP RE to verify completion of the Mitigation Plan. SPP RE 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)

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### Registered Entity Information

Company Name: Cleco Corporation

Company Address: 2030 Donahue Ferry Rd, Pineville, LA 71360

NERC Compliance Registry ID: NCR 01083

**Date Mitigation Plan was submitted in CDMS:** August 5, 2010

**Date Mitigation Plan was completed:** September 20, 2010

List below the NERC Standard and Requirement covered under the accepted Mitigation Plan

**Standard and Requirement Number:** VAR-001-1, R1

**NERC Violation Number:** SPP201000267

**Date of Certification:** September 20, 2010

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 is complete and correct to the best of my knowledge.

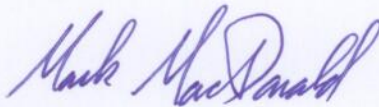
**Name:** Mark MacDonald

**Title:** Mgr - NERC Compliance and Training

**Email:** mark.macdonald@cleco.com

**Phone:** 318-484-7799

**Authorized Signature:**



**Date Signed:** September 20, 2010

Please submit to: [SPP Regional Entity File Clerk@spp.org](mailto:SPP_Regional_Entity_File_Clerk@spp.org)

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**CONFIDENTIAL NON-PUBLIC INFORMATION**

Ms. Tasha Ward  
Compliance Enforcement Attorney  
[tward@spp.org](mailto:tward@spp.org)

Southwest Power Pool Regional Entity  
415 N. McKinley, Ste 140  
Little Rock, AR 72205-3020  
P 501.688.1738  
F 501.821.8726

October 20, 2010

**VIA E-MAIL**

Mr. Mark MacDonald  
Manager, NERC Compliance and Testing  
Cleco Corporation  
2030 Donahue Ferry  
P.O. Box 5000  
Pineville, LA 71361  
[markmacdonald@cleco.com](mailto:markmacdonald@cleco.com)

**Re: MITIGATION PLAN COMPLETION NOTICE**

**Cleco Corporation: NCR01083**

NERC Violation Identification Numbers: **SPP201000267**

NERC Standard: **VAR-001-1a R1**

SPP RE Violation Identification Number: **2010-073**

Mitigation Plan Number: **MIT-07-2766**



Dear Mr. MacDonald:

On September 20, 2010, the Southwest Power Pool Regional Entity (SPP RE) received Cleco Corporation's (Cleco) Certification of Mitigation Plan Completion for the subject mitigation plans. The SPP RE has completed its review of the evidence in support of completion of the mitigation plans. SPP RE finds Cleco has successfully completed the above referenced mitigation plans on September 20, 2010.

If you have any questions you may contact me at the contact information shown above.

Very Respectfully,

*Tasha Ward*

Tasha Ward

Cleco Corporation

October 20, 2010

Page 2

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TW/ms

cc:

Cleco

Mark Pearce

SPP RE

Stacy Dochoda

Tasha Ward

**Attachment h**

**Notice of Filing**



UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Cleco Corporation

Docket No. NP11-\_\_\_\_-000

NOTICE OF FILING  
August 31, 2011

Take notice that on August 31, 2011, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding Cleco Corporation in the Southwest Power Pool Regional Entity 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](mailto:FERCOnlineSupport@ferc.gov), or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Comment Date: [BLANK]

Kimberly D. Bose,  
Secretary