VRF and VSL Statement for Project 2006-02: Assess Transmission Future Needs

The proposed reliability standard includes Violation Risk Factors ("VRFs") and Violation

Severity Levels ("VSLs") that are specific to individual Requirements. The ranges of penalties

for violations of standards are based on the applicable VRFs and VSLs and will be administered

based on the Sanctions Table and supporting penalty determination process described in FERC-

approved NERC Sanction Guidelines, Appendix 4B in NERC's Rules of Procedure. The

assignment of VRFs and VSLs included consideration of the NERC guidelines. Consistent with

NERC's August 10, 2009 informational filing, assignments of VRFs and VSLs were made at the

main requirement level of each standard.

VRF assignments were based on the criteria stated in the guidelines:

- High — A requirement that, if violated, could directly cause or contribute to Bulk Electric System (BES) instability, separation, or a cascading sequence of failures, or could place the BES at an unacceptable risk of instability, separation, or cascading failures.

- Medium — A requirement that, if violated, could directly affect the electrical state or the capability of the BES, or the ability to effectively monitor and control the BES. However, violation of a medium risk requirement is unlikely to lead to BES instability, separation, or cascading failures.

- Low — A requirement that, if violated, would not be expected to adversely affect the electrical state or capability of the BES, or the ability to effectively monitor and control the BES. A requirement that is administrative in nature.

Utilizing these criteria, the VRFs for TPL-001-1 were assigned as follows:

- Since this is a planning standard, dealing with items in the Long-term Planning Timing Horizon, no requirements were assigned a high VRF.

- A medium VRF was assigned to those requirements dealing with the Planning Assessment and its constituent parts. Therefore, a medium VRF was assigned to Requirements R1 through R5. .

- A lower VRF was assigned to Requirements R6, R7, and R8 which were seen as mainly administrative in nature.

VSLs have been assigned consistent with the established guidelines as can be seen in the

following table.

	TPL-001-1			
R#	Guideline 1 Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance	Guideline 2 Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties Guideline 2a: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent Guideline 2b: Violation Severity Level Assignments that Contain Ambiguous Language	Guideline 3 Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement	Guideline 4 Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations
R1.	This is a new requirement and is more stringent than previous performance.	The VSLs are clear and unambiguous and can only be interpreted one way. The VSLs cover all possible scenarios.	The VSLs do not add to the requirement and cover all elements of the requirement	The VSLs are based on a single violation and not cumulative violations.
R2.	This is a new requirement and is more stringent than previous performance.	The VSLs are clear and unambiguous and can only be interpreted one way. The VSLs cover all possible scenarios.	The VSLs do not add to the requirement and cover all elements of the requirement	The VSLs are based on a single violation and not cumulative violations.
R3.	This is a new requirement and is more stringent than previous performance.	The VSL is binary and the only possibility is Severe.	The VSLs do not add to the requirement and cover all elements of the requirement	The VSLs are based on a single violation and not cumulative violations.
R4.	This is a new requirement and is more stringent than previous performance.	The VSLs are clear and unambiguous and can only be interpreted one way. The VSLs cover all possible scenarios.	The VSLs do not add to the requirement and cover all elements of the requirement	The VSLs are based on a single violation and not cumulative violations.
R5.	This is a new requirement and is more stringent than previous performance.	The VSL is binary and the only possibility is Severe.	The VSLs do not add to the requirement and cover all elements of the requirement	The VSLs are based on a single violation and not cumulative violations.

TPL-001-1				
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R6.	This is a new requirement and is more stringent than previous performance.	The VSL is binary and the only possibility is Severe.	The VSLs do not add to the requirement and cover all elements of the requirement	The VSLs are based on a single violation and not cumulative violations.
R7.	This is a new requirement and is more stringent than previous performance.	The VSL is binary and the only possibility is Severe.	The VSLs do not add to the requirement and cover all elements of the requirement	The VSLs are based on a single violation and not cumulative violations.
R8.	This is a new requirement and is more stringent than previous performance.	The VSLs are clear and unambiguous and can only be interpreted one way. The VSLs cover all possible scenarios.	The VSLs do not add to the requirement and cover all elements of the requirement	The VSLs are based on a single violation and not cumulative violations.