



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

June 4, 2008

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

Re: NERC Notice of Penalty regarding American Transmission Co., LLC, FERC Docket No. NP08--000

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Notice of Penalty regarding American Transmission Co., LLC,¹ in accordance with the Federal Energy Regulatory Commission's (Commission or FERC) rules, regulations and orders, as well as NERC Rules of Procedure including Appendix 4C NERC Compliance Monitoring and Enforcement Program (CMEP).²

This Notice of Penalty is being filed with the Commission because, based on information from Midwest Reliability Organization, American Transmission Co., LLC does not dispute the violation of PRC-005-1 Requirement (R.) 2 and proposed penalty of \$0 to be assessed to American Transmission Co., LLC. Accordingly, the violation identified as NERC Violation Tracking Identification Number MRO200700009 is a Confirmed Violation, as that term is defined in the NERC Rules of Procedure and the CMEP.

Statement of Findings Underlying the Violations

This Notice of Penalty incorporates by reference the findings and justifications set forth in the Notice of Confirmed Violation and Proposed Penalty or Sanction (NOC) issued on March 5, 2008, by Midwest Reliability Organization. The details of the findings and basis for the penalty are set forth in Table 1 of the NOC, as well as the determinations of the NERC Board of Trustees Compliance Committee (NERC BOTCC) in its decision. In accordance with Section 39.7 of the Commission's regulations, 18 C.F.R. § 39.7 (2007), NERC provides the following summary table identifying each Reliability Standard violated by American Transmission Co., LLC.

¹ *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 (2008). *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).

² See 18 C.F.R § 39.7(c)(2).

NOP ID	Region	Registered Entity	NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Total Penalty (\$)
NOP-14	MRO	American Transmission Co., LLC	NOC-16	MRO200700009	PRC-005-1	2	Lower/High	0

In summary, PRC-005-1 R. 2 requires an entity such as American Transmission Co., LLC, which owns a transmission Protection System, to provide documentation of its Protection System maintenance and testing program and the implementation of that program to its Regional Reliability Organization on request (within 30 calendar days). The subrequirements require that documentation of the program implementation include: evidence Protection System devices were maintained and tested within the defined intervals, and the date each Protection System device was last tested/maintained.

Specifically, American Transmission Co., LLC's relay testing program establishes variable testing intervals for protective relays based upon the type of relay. American Transmission Co., LLC conducted an internal review of the implementation of its program and determined that a very small percentage (<1%) of the total number of protection relays, to which the requirements of PRC-005-1 apply, had not been tested in accordance with American Transmission Co., LLC's established testing intervals. American Transmission Co., LLC reported the violation to the Midwest Reliability Organization on August 31, 2007. All relays were tested by September 28, 2007.

PRC-005-1 R. 2 has a "High" VRF. In its NOC, the Midwest Reliability Organization did not assess a Violation Severity Level (VSL) because the standard as approved utilizes Levels of Non-Compliance. Per the Base Penalty Table of the NERC Sanction Guidelines the ERO base penalty range for a "High" VRF violation it is \$4,000 to \$1,000,000. However, Section 4.4.2 of the NERC Sanction Guidelines states that:

If the actual or foreseen impact of the violation is judged to be inconsequential by NERC or the regional entity and the violation is the first incidence of violation of the requirement in question by the violator, NERC or the regional entity may at its discretion: (i) set the Base Penalty Amount to a value it deems appropriate within the initial value range set above pursuant to Section 4.1, or (ii) excuse the penalty for the violation (i.e. set the Base Penalty Amount to 0\$).³

Midwest Reliability Organization exercised its discretion to assess no penalty for the violation because (1) it occurred during the period of transition to mandatory standards during which the Commission authorized such discretion (*see* Order Nos. 693 and 693-A⁴); and (2) the violation was deemed by Midwest Reliability Organization not to be a violation that put bulk power system reliability at serious or substantial risk.

³ *Id.* (emphasis added).

⁴ *See* n.1 *supra*.

Status of Mitigation Plan⁵

American Transmission Co., LLC's Mitigation Plan to address the referenced violation was accepted by Midwest Reliability Organization on October 4, 2007 and approved by NERC on December 4, 2007. The Mitigation Plan for the violation listed in Table 1 is designated as MIT-07-0183 and was submitted as non-public information to FERC on December 4, 2007 in accordance with FERC orders. American Transmission Co., LLC certified on September 28, 2007 to Midwest Reliability Organization that its Mitigation Plan was completed, and Midwest Reliability Organization verified during its on-site audit on December 3-5, 2007 that the Mitigation Plan was completed.

Statement Describing the Proposed Penalty, Sanction or Enforcement Action Imposed⁶

FERC Order Excerpts

In Order No. 693, the Commission provided guidance to NERC and the industry on the determination of penalties during the first six month period of mandatory and enforceable Reliability Standards:

222. . . . In light of commenters' concerns, including the fact that there are new aspects to the Reliability Standards and the proposed compliance program that will apply to all users, owners and operators of the Bulk-Power System, *the Commission directs the ERO and Regional Entities to focus their resources on the most serious violations during an initial period through December 31, 2007.* This thoughtful use of enforcement discretion should apply to all users, owners and operators of the Bulk-Power System, and not just those new to the program as originally proposed in the NOPR. This approach will allow the ERO, Regional Entities and other entities time to ensure that the compliance monitoring and enforcement processes work as intended and that all entities have time to implement new processes.

223. *By directing the ERO and Regional Entities to focus their resources on the most serious violations through the end of 2007, the ERO and Regional Entities will have the discretion necessary to assess penalties for such violations, while also having discretion to calculate a penalty without collecting the penalty if circumstances warrant.* Further, even if the ERO or a Regional Entity declines to assess a monetary penalty during the initial period, they are authorized to require remedial actions where a Reliability Standard has been violated. Furthermore, where the ERO uses its discretion and does not assess a penalty for a Reliability Standard violation, we encourage the ERO to establish a process to inform the user, owner or operator of the Bulk-Power System of the violation and the potential penalty that could have been assessed to such entity and how that penalty was calculated. We leave to the ERO's discretion the parameters of the

⁵ See 18 C.F.R § 39.7(d)(7).

⁶ See 18 C.F.R § 39.7(d)(4).

notification process and the amount of resources to dedicate to this effort. Moreover, the Commission retains its power under section 215(e)(3) of the FPA to bring an enforcement action against a user, owner or operator of the Bulk-Power System.

224. *The Commission believes that the goal should be to ensure that, at the outset, the ERO and Regional Entities can assess a monetary penalty in a situation where, for example, an entity's non-compliance puts Bulk-Power System reliability at risk.* Requiring the ERO and Regional Entities to focus on the most serious violations will allow the industry time to adapt to the new regime while also protecting Bulk-Power System reliability by allowing the ERO or a Regional Entity to take an enforcement action against an entity whose violation causes a significant disturbance. Our approach strikes a reasonable balance in ensuring that the ERO and Regional Entities will be able to enforce mandatory Reliability Standards in a timely manner, while still allowing users, owners and operators of the Bulk-Power System time to acquaint themselves with the new requirements and enforcement program. In addition, our approach ensures that all users, owners and operators of the Bulk-Power System take seriously mandatory, enforceable reliability standards at the earliest opportunity and before the 2007 summer peak season.⁷

Basis for Determination

Taking into consideration the Commission's direction in Order No. 693 and the NERC Sanction Guidelines, the NERC BOTCC reviewed the NOC and supporting documentation on April 24, 2008 and May 5, 2008.

The NERC BOTCC affirmed Midwest Reliability Organization's determination to exercise enforcement discretion to impose a zero dollar (\$0) penalty against American Transmission Co., LLC, based upon the NERC BOTCC's review of the applicable requirements of the Commission-approved Reliability Standards and the underlying facts and circumstances of the violations at issue.

In reaching this determination, NERC BOTCC considered the following: (1) American Transmission Co., LLC's relay testing program establishes variable testing intervals for protective relays based upon the type of relay. American Transmission Co., LLC conducted an internal review of the implementation of its program and determined that a very small percentage (<1%) of the total number of protection relays, to which the requirements of PRC-005-1 apply, had not been tested in accordance with American Transmission Co., LLC's established testing intervals. Specifically, 58 of 6700 relays which have testing governed by PRC-005 were overdue for testing. 50 of those relays were less than one year overdue. 47 of the 50 were protecting equipment on the 138 kV system. American Transmission Co., LLC reported the violation to the Midwest Reliability Organization. All relays were tested by September 28, 2007; (2) No system disturbance occurred as a result of the violation, and the violation was deemed not

⁷ Order No. 693 at PP 222-224 (emphasis added).

to be a violation that put bulk power system reliability at serious or substantial risk; (3) The violation occurred prior to January 2008 (during the period the Commission stated NERC and the Regional Entities should focus their enforcement resources on the most serious violations and those that involved a significant disturbance); (4) The violation is the first incidence of violations of the Requirement at issue by American Transmission Co., LLC; (5) American Transmission Co., LLC worked cooperatively with Midwest Reliability Organization; (6) American Transmission Co., LLC acted immediately to mitigate and/or correct the violation; (7) The violation was mitigated in accordance with the approved Mitigation Plan and Midwest Reliability Organization has verified American Transmission Co., LLC's Certification of Completion; and (8) The actions taken by American Transmission Co., LLC ensure that reliability is maintained.

Therefore, NERC believes that the proposed zero dollar penalty is appropriate and consistent with NERC's goal to ensure reliability of the bulk power system.

Pursuant to Order No. 693, the penalty will be effective upon expiration of the thirty (30) day period following the filing of this Notice of Penalty with FERC, or, if FERC decides to review the penalty, upon final determination by FERC.

The Record of the Proceeding⁸

The record of the proceeding includes the following documents and material, which are set forth in the Attachments below:

- a) American Transmission Co. LLC's Self-Report;
- b) Notice of Alleged Violation and Penalty or Sanction and American Transmission Co., LLC's response thereto;
- c) Notice of Confirmed Violation and Penalty or Sanction. American Transmission Co., LLC did not submit a response thereto;
- d) Mitigation Plan designated as MIT-07-0183;
- e) American Transmission Co., LLC's certification of completion of the Mitigation Plan;
- f) Midwest Reliability Organization's statement of verification that the Mitigation Plan has been completed; and
- g) NERC BOTCC Decision.

A Form of Notice Suitable for Publication⁹

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

⁸ See 18 C.F.R § 39.7(d)(5).

⁹ See 18 C.F.R § 39.7(d)(6).

Notices and Communications

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

Rick Sergel
President and Chief Executive Officer
David N. Cook*
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

Rebecca J. Michael*
Assistant General Counsel
North American Electric Reliability
Corporation
1120 G Street, N.W.
Suite 990
Washington, D.C. 20005-3801
(202) 393-3998
(202) 393-3955 – facsimile
rebecca.michael@nerc.net

*Persons to be included on the
Commission's service list are indicated with
an asterisk.

Conclusion

NERC respectfully requests that the Commission accept this Notice of Penalty as compliant with its rules, regulations and orders.

Respectfully submitted,

Rick Sergel
President and Chief Executive Officer
David N. Cook
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
Assistant General Counsel
North American Electric Reliability
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1120 G Street, N.W.
Suite 990
Washington, D.C. 20005-3801
(202) 393-3998
(202) 393-3955 – facsimile
rebecca.michael@nerc.net

cc: American Transmission Co., LLC
Midwest Reliability Organization

Attachment(s)

Attachment a

American Transmission Co. LLC's Self-Report



MAILING ADDRESS: P.O. BOX 47 ▪ WAUKESHA, WI 53187-0047
STREET ADDRESS: N19 W23993 RIDGEVIEW PARKWAY WEST ▪ WAUKESHA, WI 53188-1000
262-506-6700 ▪ Toll Free: 866-899-3204 ▪ Fax: 262-506-6710 ▪ www.atcllc.com

August 31, 2007

Mr. Daniel P. Skaar
President
Midwest Reliability Organization
2774 Cleveland Avenue North
Roseville, MN 55113

Dear Mr. Skaar:

SELF-REPORTING OF POTENTIAL NON-COMPLIANCE **NERC RELIABILITY STANDARD PRC-005-1**

In accordance with the self-reporting provisions of Midwest Reliability Organization's (MRO) Compliance Monitoring and Enforcement Program, American Transmission Company LLC (ATC) is notifying MRO of ATC's determination of potential non-compliance with a NERC Reliability Standard. Based on a recently completed program review, ATC has determined that ATC's program execution may not be fully compliant with a requirement of PRC-005-1 "Transmission and Generation Protection System Maintenance and Testing." This letter provides: 1) an overview of the issue, 2) the identification of the applicable Reliability Standard requirement and a description of the potential non-compliant condition, and 3) a brief summary of ATC's planned mitigation actions.

Overview of Issue

NERC Reliability Standard PRC-005-1 was approved by the NERC Board of Trustees and became effective on May 1, 2006. Reliability Standard PRC-005-1 was subsequently approved by the Federal Energy Regulatory Commission and is currently a mandatory standard. ATC is a registered Transmission Owner and, therefore, the requirements of Reliability Standard PRC-005-1 are applicable to ATC. Requirement 2 and Sub-Requirement 2.1 of PRC-005-1 require ATC to provide to the Regional Reliability Organization, upon request, evidence that protective system devices were maintained and tested by ATC within intervals established in ATC's protection system testing and maintenance program.

During a recently completed review of ATC's protection system maintenance and testing program, ATC determined that a very small percentage of the total number of protective relays, which are included in ATC's testing program, were not tested within the time interval established by the program.

Reliability Standards Requirement in Potential Non-Compliance

ATC has determined it is potentially non-compliant with PRC-005-1 Requirement 2 and associated Sub-Requirement 2.1

Statement of Requirement:

"Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System shall provide documentation of its Protection System maintenance and testing program and the implementation of that program to its Regional Reliability Organization on request (within 30 calendar days). The documentation of the program implementation shall include: (R2.1) Evidence Protective System devices were maintained and tested within the defined intervals."

Description of Potential Non-Compliance:

MRO, as the Regional Reliability Organization, has not requested that ATC provide documentation of its Protection System maintenance and testing program and the implementation of that program. However, should a request be made for such documentation, ATC would not, at this time, be able to provide evidence that every protective relay identified in ATC testing program has been tested in accordance with ATC's established testing interval. ATC believes this represents a potential non-compliant condition, and, out of an abundance of caution, is self-reporting the condition to RFC.

ATC's testing program establishes variable testing intervals for protective relays based upon the type of relay. A review of the implementation of the program has determined that a very small percentage (<1%) of the total number of protective relays have not been tested in accordance with ATC's established testing intervals.

Non-Compliance Level:

Levels of Non-Compliance are set forth in Section D of PRC-005-1. ATC has determined that this potential non-compliant condition would constitute a Level 2 non-compliance classification.

Summary of Mitigation Actions

In response to our discovery of this situation, ATC has made the testing of the overdue relays a priority. ATC will schedule and expeditiously test the overdue relays and completion of the testing is expected before October 31, 2007. In addition to testing the relays, ATC will conduct an evaluation to determine the cause for why the relays were not tested in accordance with the ATC established interval and take corrective actions as determined appropriate. If MRO determines that this condition does in fact constitute a violation of the Reliability Standard, ATC will submit a

mitigation plan within thirty days pursuant to the guidance in the MRO Compliance Monitoring and Enforcement Program.

ATC believes that the potential non-compliant condition described above represents a negligible risk to the safe and reliable operation of the bulk power system. ATC has taken action to expeditiously test the affected relays. Although the small percentage of relays have not been tested in accordance with ATC test intervals, our planned expeditious testing of the relays will assure that the relays will have been tested within a timeframe that would meet accepted, good utility practices.

In addition to this letter, the above summarized potential non-compliance has also been self-reported by ATC to MRO via the MRO Compliance Data Management System (CDMS).

Please contact me at 262-506-6863 should you require additional information or have questions regarding this submittal.

Sincerely,

A handwritten signature in black ink, appearing to read "Douglas F. Johnson", written in a cursive style.

Douglas F. Johnson
Compliance Manager
American Transmission Company LLC

Region: MRO

Registered Entity: American Transmission Company

Standard: PRC-005-1

Requirement: 2

Note : Entity self reported via Compliance Data Management System (CDMS).

The screenshot shows a web browser window with the following details:

- Browser: Mozilla Firefox
- Address Bar: http://web6:8080/cdms/FrameSetWrapper.jsp
- Navigation: Home, Compliance, Non-Compliance, Reporting, Data Request, Admin, Help, Logout
- Page Title: ATC-MCO Compliance Data Management System 2007 Self Initiated Mitigation Plans
- Section: Existing Self Initiated Mitigation Plans
- Table:

Standard	Title	Received Date	Compliance Level
PRC-005-1 R2	Transmission and Generation Protection System Maintenance and Testing	09/26/2007	NC Level 2

Buttons at the bottom: Status Report, Add New Mitigation Plan, Self Initiated Help

Attachment b

Notice of Alleged Violation and Penalty or Sanction and American Transmission Co., LLC's response



Midwest Reliability Organization
2774 Cleveland Ave N
Roseville, MN 55113
Tel: 651-855-1760
Fax: 651-855-1712

Confidential
Notice of Alleged Violation and Proposed Penalty or Sanction

Date: October 19, 2007

Registered Entity: American Transmission Co. LLC

Contact: Carroll Chinn
P.O. Box 47
Waukesha, WI 53187-0047

NERC Violation Tracking Identification Number: MRO200700009

In accordance with the NERC Rules of Procedure including Appendix 4C thereto, which contains the NERC Compliance Monitoring and Enforcement Program (CMEP), the Midwest Reliability Organization (MRO) hereby notifies American Transmission Co. LLC (ATC) of an Alleged Violation of the NERC Reliability Standards and the Proposed Penalty or Sanction. In support hereof, the MRO states as follows:

On August 31, 2007 ATC was registered on the NERC Compliance Registry, and had compliance responsibility for certain Reliability Standards. As discussed herein, MRO has determined to charge ATC with a violation based upon information available to it that ATC did not comply or was not in compliance with the following NERC Reliability Standard.

Reliability standard(s) allegedly violated: PRC-005-1

Requirement(s) allegedly violated: R2

Specifically, ATC's relay testing program establishes variable testing intervals for protective relays based upon the type of relay. An internal review of the implementation of ATC's program determined that a very small percentage (<1%) of the total number of protective relays, for which the requirements of PRC-005-1 apply to, had not been tested in accordance with ATC's established testing intervals.

Discovery Details

Discovery Date: August 31, 2007

Discovery Method: Self Report

Mitigation Plan and Implementation Status

ATC's mitigation plan was accepted by the MRO on 10/4/2007 and has been forwarded to NERC for acceptance. In accordance with the NERC Rules of Procedure, Appendix 4C, and as discussed immediately below, no penalties will be assessed by the MRO unless the mitigation is not successfully completed in accordance with the timetable set forth in the mitigation plan or an agreed upon extension has been granted.

Proposed Penalty or Sanction

At this time, no penalty or sanction is proposed for the Alleged Violation. MRO has exercised its discretion in determining the proposed penalty and sanction. If, however, ATC fails to complete all or part of the approved mitigation plan for the Alleged Violation in accordance with the terms and timeline established by the mitigation plan, the MRO may take action to assess and collect a penalty from ATC. This penalty will be determined pursuant to the NERC Rules of Procedure and the NERC Sanction Guidelines. The terms of the mitigation plan and timeline for completion may be modified only upon express written approval by the MRO and NERC.

Procedures for Response by Registered Entity to this Notice

As required by Section 5.1 of the NERC CMEP, within thirty (30) days of the date of this notification, ATC must notify the MRO in writing of its decision to elect one of the following options:

1. ATC agrees with or does not contest the Alleged Violation(s) and proposed penalty or sanction, and agrees to submit and implement a mitigation plan to correct the violation and its underlying causes;
2. ATC agrees to or does not contest the Alleged Violation(s) and agrees to submit and implement a mitigation plan to eliminate the violation and its underlying causes, but contests the proposed penalty or sanction; or
3. ATC contests both the Alleged Violation(s) and the proposed penalty or sanction for the Alleged Violation(s).

With respect to election options 1-3, ATC, as the Registered Entity, may submit a response in accordance with CMEP Section 5.2. The Registered Entity's statement must be on company letterhead and must include the name, title, and signature of an officer of the Registered Entity. The mitigation plan and timeline for completion must be accepted by both the MRO and NERC.

If ATC does not contest or does not respond to the notice of violation within thirty (30) days, it shall be deemed to have accepted the MRO's preliminary determination of violation and proposed penalty or sanction (as applicable), in which case the MRO shall issue to ATC and NERC a report of Confirmed Violation. After two (2) business days, NERC will provide a Notice of Penalty, Sanction, or Other Enforcement Action to FERC.

If ATC, as the Registered Entity, contests the Alleged Violation or the proposed sanction, ATC shall submit to the MRO a response explaining its position, signed by an officer or equivalent, together with any supporting information and documents

within thirty (30) days. ATC shall provide a primary contact name who will be the responsible party to respond to questions regarding the above Alleged Violation(s). The MRO shall schedule a conference with ATC within ten (10) business days after receipt of the response. If the MRO and ATC are unable to resolve all issues within forty (40) days after the Registered Entity's response, ATC may request a hearing. If no hearing request is made, the violation will become a Confirmed Violation when filed by NERC with FERC. CMEP Attachment 2 governs the hearing process. ATC may appeal the hearing body's decision in accordance with the CMEP and the NERC Rules of Procedures.

CMEP Section 5.4 governs the settlement process and provides that settlement negotiations may occur at any time including prior to the issuance of a notice of Alleged Violation and Penalty or Sanction until a Notice of Penalty, Sanction, or Other Enforcement Action is filed with FERC. Upon acceptance of the Alleged Violation and proposed penalty or sanction, the final notice of the violation, penalty and sanction will then be processed and issued to the Registered Entity.

Mitigation Plan Procedures and Requirements

CMEP Section 6.0 sets forth the provisions regarding the submittal of a mitigation plan. A Registered Entity found to be in violation of a Reliability Standard shall file with the MRO (i) a proposed Mitigation Plan to correct the violation, or (ii) a description of how the violation has been mitigated, and any requests for extensions of Mitigation Plans or a report of completed mitigation. CMEP Section 6.2 requires that a Mitigation Plan include the following information:

- (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section 2.0.
- (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
- (3) The cause of the Alleged or Confirmed Violation(s).
- (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
- (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed Violation(s).
- (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
- (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.

- (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.
- (9) Any other information deemed necessary or appropriate.

The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of ATC, which if applicable, shall be the person that signed the Self-Certification or Self Reporting submittals.

CMEP Section 6.4 provides that a Mitigation Plan may be submitted at any time but shall have been submitted by the Registered Entity within thirty (30) days after being served the notice of Alleged Violation and Penalty or Sanction, if the Registered Entity does not contest the violation and penalty or sanction. If the Registered Entity disputes the notice of Alleged Violation or penalty or sanction, the Registered Entity shall submit its Mitigation Plan within ten (10) business days following issuance of the written decision of the hearing body, unless the Registered Entity elects to appeal the hearing body's determination to NERC. The Registered Entity may choose to submit a Mitigation Plan while it contests an Alleged Violation or penalty or sanction; such submission shall not be deemed an admission of a violation or the appropriateness of a penalty or sanction. If the Registered Entity has not yet submitted a Mitigation Plan, or the Registered Entity submits a Mitigation Plan but it is rejected by the MRO or NERC in accordance with section 6.5, any subsequent violations of the Reliability Standard identified by MRO or NERC before the hearing body renders its decision will not be held in abeyance and will be considered as repeat violations of the Reliability Standard.

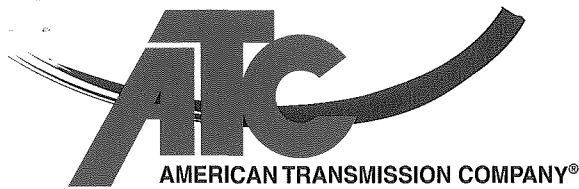
Please direct any questions in response to this Notice of Alleged Violation and Proposed Penalty or Sanction to the undersigned.

Thank you for self reporting this violation.

Respectfully submitted,

Dan Schoenecker
Enforcement and Mitigation Manager

cc: NERC Manager of Enforcement and Mitigation
MRO Board of Directors
MRO Compliance Committee
ATC Primary Compliance Contact



WALTER T. WOELFLE
VICE PRESIDENT, LEGAL AND SECRETARY

November 14, 2007

Mr. Dan Schoenecker
Enforcement and Mitigation Manager
Midwest Reliability Organization
2774 Cleveland Ave. North
Roseville, MN 55113

Dear Mr. Schoenecker:

RESPONSE TO NOTICE OF VIOLATION
SELF-REPORTED VIOLATION OF PRC-005-1
NERC VIOLATION NUMBER MRO200700009

In a letter dated October 19, 2007, Midwest Reliability Organization (MRO) notified American Transmission Company LLC (ATC) of MRO's determination to charge ATC with a violation of NERC Reliability Standard PRC-005-1. MRO's letter also proposed that there be no penalty or sanction for the alleged violation.

On August 31, 2007, ATC self-reported to MRO a potential violation of PRC-005-1 Requirement 2, and specifically Sub-Requirement 2.1 of PRC-005-1, which requires ATC to provide to the Regional Reliability Organization, upon request, evidence that protective system devices were maintained and tested by ATC within the intervals established in ATC's protection system testing and maintenance program. During an internal self assessment of ATC's program, ATC determined that a very small percentage (<1%) of the total number of protective relays, to which the requirements of PRC-005-1 apply, had not been tested within the time interval established for them in ATC's relay testing program.

Determination of Violation

ATC understands that MRO has, in accordance with the NERC Rules of Procedure, determined that ATC violated NERC Reliability Standard PRC-005-1 Requirement 2. MRO's determination, as reported in MRO's October 19, 2007 letter, specifically states:

“On August 31, 2007 ATC was registered on the NERC Compliance Registry, and had compliance responsibility for certain Reliability Standards. As discussed herein, MRO has determined to charge ATC with a violation based upon information available to it that ATC did not comply or was not in compliance

Mr. Dan Schoenecker

November 14, 2007

Page 2

with the following NERC Reliability Standard. Reliability standard(s) allegedly violated: PRC- 005-1. Requirement(s) allegedly violated: R2”

ATC agrees with MRO’s determination that this self-reported condition constituted a violation of NERC Reliability Standard PRC-005-1 Requirement 2 and ATC accepts the violation.

Proposed Penalty or Sanction

MRO has used its discretion in determining that no penalty or sanction will be proposed for this violation. MRO’s proposed penalty or sanction is stated as follows in MRO’s October 19, 2007 letter:

“At this time, no penalty or sanction is proposed for the Alleged Violation. MRO has exercised its discretion in determining the proposed penalty and sanction. If, however, ATC fails to complete all or part of the approved mitigation plan for the Alleged Violation in accordance with the terms and timeline established by the mitigation plan, the MRO may take action to assess and collect a penalty from ATC.”

ATC believes that MRO has appropriately used its discretion in proposing that there be no penalty or sanction for this violation because; 1) the violation was self-identified and self-reported, 2) the violation represented a negligible risk to the safe and reliable operation of the bulk power system, and 3) expeditious mitigating actions were taken by ATC to restore full compliance.

In response to the discovery of the overdue relay tests, ATC made the testing of the overdue relays a priority. ATC’s letter dated September 28, 2007, informed MRO that testing of the overdue relays had been completed. MRO’s October 19, 2007 letter noted that ATC’s mitigation actions were accepted by MRO on October 4, 2007. With the successful completion of testing of the overdue relays, the violation has been mitigated and ATC is in full compliance with PRC-005-1.

Please contact Doug Johnson, ATC’s Compliance Manager, at 262-506-6863 should you have questions or require additional information.

Sincerely,

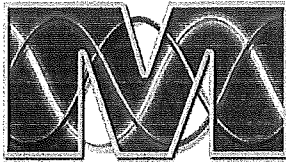


Walter T. Woelfle
Vice President – Legal & Secretary

cc: Mr. Daniel Skaar - MRO

Attachment c

Notice of Confirmed Violation and Penalty or Sanction



MIDWEST
RELIABILITY
ORGANIZATION

March 5, 2008

Ms. Carol Chinn
American Transmission Co. LLC
P.O. Box 47
Waukesha, WI 53187-0047

Re: Regional Entity Notice of Confirmed Violation and Proposed Penalty or
Sanction regarding American Transmission Co. LLC, NERC Violation Tracking
Identification Number MRO200700009

Dear Ms. Chinn:

The Midwest Reliability Organization (MRO) hereby provides this Regional Entity Notice of Confirmed Violation and Proposed Penalty or Sanction to American Transmission Co. LLC (ATC) in accordance with the Federal Energy Regulatory Commission's (Commission or FERC) rules, regulations and orders, and the NERC Rules of Procedure including Appendix 4C (NERC Compliance Monitoring and Enforcement Program (CMEP)).¹

MRO is issuing this Notice of Confirmed Violation and Proposed Penalty or Sanction because ATC does not dispute the Alleged Violation and the proposed penalty or sanction set forth in the previously issued Notice of Alleged Violation and Proposed Penalty or Sanction. Accordingly, the violations identified by the above NERC Tracking Number and listed in the attached Table 1 are Confirmed Violations as that term is defined in the NERC Rules of Procedure and the CMEP.

In accordance with Section 39.7 of the Commission's regulations 18 C.F.R. § 39.7 (2007), MRO provides the attached Table 1 identifying each Reliability Standard violated by ATC and includes a statement by MRO setting forth the findings of fact with respect to the act or practice resulting in the violation of each Reliability Standard.

NERC Process

MRO is providing a copy of this Regional Entity Notice of Confirmed Violation and Proposed Penalty or Sanction to NERC for its review and consideration. Upon acceptance by the NERC Board of Trustees Compliance Committee, in its current form or as modified, NERC will provide the Notice of Proposed Penalty or Sanction to FERC or any other Applicable Governmental Authority with a copy to ATC and MRO. Following NERC action, FERC and any other Applicable Governmental Authority may act to accept, reject, or modify the findings and/or penalties or sanctions set forth herein.

¹ See 18 C.F.R § 39.7(c)(2).

Statement Describing Any Proposed Penalty or Sanction Imposed²

MRO has determined to assess no penalty, sanction, or other enforcement action against ATC for the violations listed in Table 1 at this time unless ATC fails to complete and implement its Mitigation Plan in accordance with the terms of the Mitigation Plan.

This proposed penalty or sanction is subject to review and possible revision by NERC and FERC. NERC will include its determination of the proposed penalty or sanction in a Notice of Proposed Penalty or Sanction to be filed with FERC.

The proposed penalty or sanction will be effective upon expiration of the thirty (30) day period following the acceptance and the filing of the Notice of Proposed Penalty or Sanction with FERC by NERC, or, if FERC decides to review the proposed penalty, or sanction, upon final determination by FERC.

Other Matters of Relevance³

ATC's mitigation plan was accepted by MRO on 10/4/2007 and by NERC on 12/4/2007. The Mitigation Plan for the violation listed in Table 1 is designated as NERC Identification Number MIT-07-0183 and was submitted as non-public information to FERC on 12/4/2007 in accordance with applicable statutes, regulations and FERC orders.

In accordance with the NERC Rules of Procedure, Appendix 4C, no additional proposed penalties or sanctions will be assessed by MRO unless the mitigation is not successfully completed in accordance with the timetable set forth in the mitigation plan or an agreed upon extension. An extension of time for completion of the mitigation plan requires prior express written approval by the MRO and NERC as set forth in the CMEP.

Statement Provided by the Registered Entity as set forth in CMEP Sections 5.6 and 8.0

In accordance with CMEP Section 8.0, the Regional Entity must report to NERC and the affected Registered Entity all Confirmed Violations of Reliability Standards including all penalties, sanctions, Mitigation Plans and schedules, and settlements within ten (10) business days of each determination. MRO hereby provides notice that ATC may provide a statement to NERC, with a copy to MRO, within five (5) business days after the date of this Notice of Confirmed Violation and Proposed Penalty or Sanction to accompany the report when posted by NERC. ATC's statement may be the same statement provided by ATC in response to the Notice of Alleged Violation and Proposed Penalty or Sanction. ATC's statement must be on ATC letterhead and must include the name, title, and signature of an officer, employee, attorney or other authorized representative of ATC.

² See 18 C.F.R § 39.7(d)(4).

³ See 18 C.F.R § 39.7(d)(7).

NERC will publicly post each report of a Confirmed Violation, together with any statement submitted by ATC, no sooner than five (5) business days after the report is provided by MRO to NERC and ATC. NERC will include, with the Notice of Penalty filed with FERC, the statement provided by ATC.

The Record of the Proceeding⁴

The record of the proceeding includes this Regional Entity Notice of Confirmed Violation and Proposed Penalty or Sanction and any ATC statement or response thereto, as well as the following documents, attached hereto:

- a) ATC's August 31st letter, Self Reporting the violation
- b) Notice of Alleged Violation and Proposed Penalty or Sanction, as well as the ATC's statement/response thereto;

Conclusion

Any questions regarding this Notice of Confirmed Violation and Proposed Penalty or Sanction issued by MRO should be directed to the undersigned.

Respectfully submitted,



Dan Schoenecker
Enforcement and Mitigation Manager

cc: David Hilt, NERC
Tim Kucey, NERC

Attachment(s)

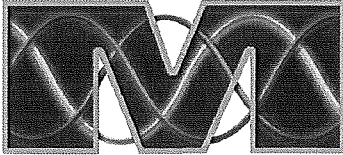
⁴ See 18 C.F.R § 39.7(d)(5).

Table 1	
Registered Entity: American Transmission Co. LLC	
Registered on the NERC Compliance Registry as: TOP TO TP PA	
NERC Compliance Registry ID #: NCR00685	
NERC Violation #: MRO200700009	
MRO Violation #: MRO100407_ATC_PRC-005	
Reliability Standard Violated ⁵	PRC-005-1
Requirement(s) Violated ⁶	Requirement 2
Date of Discovery	8/31/07
Discovery Method	Self Report
Date or Period of Violation	
Facts and Evidence of the Act or Practice Resulting in the Violation ⁷	
<p>Specifically, ATC's relay testing program establishes variable testing intervals for protective relays based upon the type of relay. An internal review of the implementation of ATC's program determined that a very small percentage (<1%) of the total number of protective relays, for which the requirements of PRC-005-1 apply to, had not been tested in accordance with ATC's established testing intervals. All relays were tested by 9/28/07.</p>	
Proposed Penalty or Sanction	
No penalty was proposed.	

⁵ See 18 C.F.R § 39.7(d)(2).

⁶ See 18 C.F.R § 39.7(d)(2).

⁷ See 18 C.F.R § 39.7(d)(3).



Midwest Reliability Organization
2774 Cleveland Ave N
Roseville, MN 55113
Tel: 651-855-1760
Fax: 651-855-1712

Confidential
Notice of Alleged Violation and Proposed Penalty or Sanction

Date: October 19, 2007
Registered Entity: American Transmission Co. LLC
Contact: Carroll Chinn
P.O. Box 47
Waukesha, WI 53187-0047

NERC Violation Tracking Identification Number: MRO200700009

In accordance with the NERC Rules of Procedure including Appendix 4C thereto, which contains the NERC Compliance Monitoring and Enforcement Program (CMEP), the Midwest Reliability Organization (MRO) hereby notifies American Transmission Co. LLC (ATC) of an Alleged Violation of the NERC Reliability Standards and the Proposed Penalty or Sanction. In support hereof, the MRO states as follows:

On August 31, 2007 ATC was registered on the NERC Compliance Registry, and had compliance responsibility for certain Reliability Standards. As discussed herein, MRO has determined to charge ATC with a violation based upon information available to it that ATC did not comply or was not in compliance with the following NERC Reliability Standard.

Reliability standard(s) allegedly violated: PRC-005-1

Requirement(s) allegedly violated: R2

Specifically, ATC's relay testing program establishes variable testing intervals for protective relays based upon the type of relay. An internal review of the implementation of ATC's program determined that a very small percentage (<1%) of the total number of protective relays, for which the requirements of PRC-005-1 apply to, had not been tested in accordance with ATC's established testing intervals.

Discovery Details

Discovery Date: August 31, 2007

Discovery Method: Self Report

Mitigation Plan and Implementation Status

ATC's mitigation plan was accepted by the MRO on 10/4/2007 and has been forwarded to NERC for acceptance. In accordance with the NERC Rules of Procedure, Appendix 4C, and as discussed immediately below, no penalties will be assessed by the MRO unless the mitigation is not successfully completed in accordance with the timetable set forth in the mitigation plan or an agreed upon extension has been granted.

Proposed Penalty or Sanction

At this time, no penalty or sanction is proposed for the Alleged Violation. MRO has exercised its discretion in determining the proposed penalty and sanction. If, however, ATC fails to complete all or part of the approved mitigation plan for the Alleged Violation in accordance with the terms and timeline established by the mitigation plan, the MRO may take action to assess and collect a penalty from ATC. This penalty will be determined pursuant to the NERC Rules of Procedure and the NERC Sanction Guidelines. The terms of the mitigation plan and timeline for completion may be modified only upon express written approval by the MRO and NERC.

Procedures for Response by Registered Entity to this Notice

As required by Section 5.1 of the NERC CMEP, within thirty (30) days of the date of this notification, ATC must notify the MRO in writing of its decision to elect one of the following options:

1. ATC agrees with or does not contest the Alleged Violation(s) and proposed penalty or sanction, and agrees to submit and implement a mitigation plan to correct the violation and its underlying causes;
2. ATC agrees to or does not contest the Alleged Violation(s) and agrees to submit and implement a mitigation plan to eliminate the violation and its underlying causes, but contests the proposed penalty or sanction; or
3. ATC contests both the Alleged Violation(s) and the proposed penalty or sanction for the Alleged Violation(s).

With respect to election options 1-3, ATC, as the Registered Entity, may submit a response in accordance with CMEP Section 5.2. The Registered Entity's statement must be on company letterhead and must include the name, title, and signature of an officer of the Registered Entity. The mitigation plan and timeline for completion must be accepted by both the MRO and NERC.

If ATC does not contest or does not respond to the notice of violation within thirty (30) days, it shall be deemed to have accepted the MRO's preliminary determination of violation and proposed penalty or sanction (as applicable), in which case the MRO shall issue to ATC and NERC a report of Confirmed Violation. After two (2) business days, NERC will provide a Notice of Penalty, Sanction, or Other Enforcement Action to FERC.

If ATC, as the Registered Entity, contests the Alleged Violation or the proposed sanction, ATC shall submit to the MRO a response explaining its position, signed by an officer or equivalent, together with any supporting information and documents

within thirty (30) days. ATC shall provide a primary contact name who will be the responsible party to respond to questions regarding the above Alleged Violation(s). The MRO shall schedule a conference with ATC within ten (10) business days after receipt of the response. If the MRO and ATC are unable to resolve all issues within forty (40) days after the Registered Entity's response, ATC may request a hearing. If no hearing request is made, the violation will become a Confirmed Violation when filed by NERC with FERC. CMEP Attachment 2 governs the hearing process. ATC may appeal the hearing body's decision in accordance with the CMEP and the NERC Rules of Procedures.

CMEP Section 5.4 governs the settlement process and provides that settlement negotiations may occur at any time including prior to the issuance of a notice of Alleged Violation and Penalty or Sanction until a Notice of Penalty, Sanction, or Other Enforcement Action is filed with FERC. Upon acceptance of the Alleged Violation and proposed penalty or sanction, the final notice of the violation, penalty and sanction will then be processed and issued to the Registered Entity.

Mitigation Plan Procedures and Requirements

CMEP Section 6.0 sets forth the provisions regarding the submittal of a mitigation plan. A Registered Entity found to be in violation of a Reliability Standard shall file with the MRO (i) a proposed Mitigation Plan to correct the violation, or (ii) a description of how the violation has been mitigated, and any requests for extensions of Mitigation Plans or a report of completed mitigation. CMEP Section 6.2 requires that a Mitigation Plan include the following information:

- (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section 2.0.
- (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
- (3) The cause of the Alleged or Confirmed Violation(s).
- (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
- (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed Violation(s).
- (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
- (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.

- (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.
- (9) Any other information deemed necessary or appropriate.

The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of ATC, which if applicable, shall be the person that signed the Self-Certification or Self Reporting submittals.

CMEP Section 6.4 provides that a Mitigation Plan may be submitted at any time but shall have been submitted by the Registered Entity within thirty (30) days after being served the notice of Alleged Violation and Penalty or Sanction, if the Registered Entity does not contest the violation and penalty or sanction. If the Registered Entity disputes the notice of Alleged Violation or penalty or sanction, the Registered Entity shall submit its Mitigation Plan within ten (10) business days following issuance of the written decision of the hearing body, unless the Registered Entity elects to appeal the hearing body's determination to NERC. The Registered Entity may choose to submit a Mitigation Plan while it contests an Alleged Violation or penalty or sanction; such submission shall not be deemed an admission of a violation or the appropriateness of a penalty or sanction. If the Registered Entity has not yet submitted a Mitigation Plan, or the Registered Entity submits a Mitigation Plan but it is rejected by the MRO or NERC in accordance with section 6.5, any subsequent violations of the Reliability Standard identified by MRO or NERC before the hearing body renders its decision will not be held in abeyance and will be considered as repeat violations of the Reliability Standard.

Please direct any questions in response to this Notice of Alleged Violation and Proposed Penalty or Sanction to the undersigned.

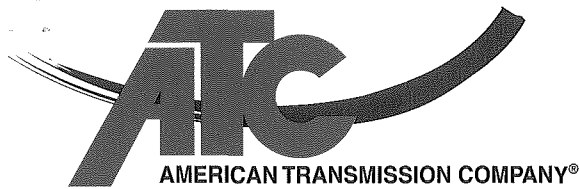
Thank you for self reporting this violation.

Respectfully submitted,



Dan Schoenecker
Enforcement and Mitigation Manager

cc: NERC Manager of Enforcement and Mitigation
MRO Board of Directors
MRO Compliance Committee
ATC Primary Compliance Contact



WALTER T. WOELFLE
VICE PRESIDENT, LEGAL AND SECRETARY

November 14, 2007

Mr. Dan Schoenecker
Enforcement and Mitigation Manager
Midwest Reliability Organization
2774 Cleveland Ave. North
Roseville, MN 55113

Dear Mr. Schoenecker:

RESPONSE TO NOTICE OF VIOLATION
SELF-REPORTED VIOLATION OF PRC-005-1
NERC VIOLATION NUMBER MRO200700009

In a letter dated October 19, 2007, Midwest Reliability Organization (MRO) notified American Transmission Company LLC (ATC) of MRO's determination to charge ATC with a violation of NERC Reliability Standard PRC-005-1. MRO's letter also proposed that there be no penalty or sanction for the alleged violation.

On August 31, 2007, ATC self-reported to MRO a potential violation of PRC-005-1 Requirement 2, and specifically Sub-Requirement 2.1 of PRC-005-1, which requires ATC to provide to the Regional Reliability Organization, upon request, evidence that protective system devices were maintained and tested by ATC within the intervals established in ATC's protection system testing and maintenance program. During an internal self assessment of ATC's program, ATC determined that a very small percentage (<1%) of the total number of protective relays, to which the requirements of PRC-005-1 apply, had not been tested within the time interval established for them in ATC's relay testing program.

Determination of Violation

ATC understands that MRO has, in accordance with the NERC Rules of Procedure, determined that ATC violated NERC Reliability Standard PRC-005-1 Requirement 2. MRO's determination, as reported in MRO's October 19, 2007 letter, specifically states:

“On August 31, 2007 ATC was registered on the NERC Compliance Registry, and had compliance responsibility for certain Reliability Standards. As discussed herein, MRO has determined to charge ATC with a violation based upon information available to it that ATC did not comply or was not in compliance

Mr. Dan Schoenecker

November 14, 2007

Page 2

with the following NERC Reliability Standard. Reliability standard(s) allegedly violated: PRC- 005-1. Requirement(s) allegedly violated: R2”

ATC agrees with MRO’s determination that this self-reported condition constituted a violation of NERC Reliability Standard PRC-005-1 Requirement 2 and ATC accepts the violation.

Proposed Penalty or Sanction

MRO has used its discretion in determining that no penalty or sanction will be proposed for this violation. MRO’s proposed penalty or sanction is stated as follows in MRO’s October 19, 2007 letter:

“At this time, no penalty or sanction is proposed for the Alleged Violation. MRO has exercised its discretion in determining the proposed penalty and sanction. If, however, ATC fails to complete all or part of the approved mitigation plan for the Alleged Violation in accordance with the terms and timeline established by the mitigation plan, the MRO may take action to assess and collect a penalty from ATC.”

ATC believes that MRO has appropriately used its discretion in proposing that there be no penalty or sanction for this violation because; 1) the violation was self-identified and self-reported, 2) the violation represented a negligible risk to the safe and reliable operation of the bulk power system, and 3) expeditious mitigating actions were taken by ATC to restore full compliance.

In response to the discovery of the overdue relay tests, ATC made the testing of the overdue relays a priority. ATC’s letter dated September 28, 2007, informed MRO that testing of the overdue relays had been completed. MRO’s October 19, 2007 letter noted that ATC’s mitigation actions were accepted by MRO on October 4, 2007. With the successful completion of testing of the overdue relays, the violation has been mitigated and ATC is in full compliance with PRC-005-1.

Please contact Doug Johnson, ATC’s Compliance Manager, at 262-506-6863 should you have questions or require additional information.

Sincerely,



Walter T. Woelfle
Vice President – Legal & Secretary

cc: Mr. Daniel Skaar - MRO



MAILING ADDRESS: P.O. BOX 47 ▪ WAUKESHA, WI 53187-0047
STREET ADDRESS: N19 W23993 RIDGEVIEW PARKWAY WEST ▪ WAUKESHA, WI 53188-1000
262-506-6700 ▪ Toll Free: 866-899-3204 ▪ Fax: 262-506-6710 ▪ www.atcllc.com

August 31, 2007

Mr. Daniel P. Skaar
President
Midwest Reliability Organization
2774 Cleveland Avenue North
Roseville, MN 55113

Dear Mr. Skaar:

SELF-REPORTING OF POTENTIAL NON-COMPLIANCE **NERC RELIABILITY STANDARD PRC-005-1**

In accordance with the self-reporting provisions of Midwest Reliability Organization's (MRO) Compliance Monitoring and Enforcement Program, American Transmission Company LLC (ATC) is notifying MRO of ATC's determination of potential non-compliance with a NERC Reliability Standard. Based on a recently completed program review, ATC has determined that ATC's program execution may not be fully compliant with a requirement of PRC-005-1 "Transmission and Generation Protection System Maintenance and Testing." This letter provides: 1) an overview of the issue, 2) the identification of the applicable Reliability Standard requirement and a description of the potential non-compliant condition, and 3) a brief summary of ATC's planned mitigation actions.

Overview of Issue

NERC Reliability Standard PRC-005-1 was approved by the NERC Board of Trustees and became effective on May 1, 2006. Reliability Standard PRC-005-1 was subsequently approved by the Federal Energy Regulatory Commission and is currently a mandatory standard. ATC is a registered Transmission Owner and, therefore, the requirements of Reliability Standard PRC-005-1 are applicable to ATC. Requirement 2 and Sub-Requirement 2.1 of PRC-005-1 require ATC to provide to the Regional Reliability Organization, upon request, evidence that protective system devices were maintained and tested by ATC within intervals established in ATC's protection system testing and maintenance program.

During a recently completed review of ATC's protection system maintenance and testing program, ATC determined that a very small percentage of the total number of protective relays, which are included in ATC's testing program, were not tested within the time interval established by the program.

Reliability Standards Requirement in Potential Non-Compliance

ATC has determined it is potentially non-compliant with PRC-005-1 Requirement 2 and associated Sub-Requirement 2.1

Statement of Requirement:

"Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System shall provide documentation of its Protection System maintenance and testing program and the implementation of that program to its Regional Reliability Organization on request (within 30 calendar days). The documentation of the program implementation shall include: (R2.1) Evidence Protective System devices were maintained and tested within the defined intervals."

Description of Potential Non-Compliance:

MRO, as the Regional Reliability Organization, has not requested that ATC provide documentation of its Protection System maintenance and testing program and the implementation of that program. However, should a request be made for such documentation, ATC would not, at this time, be able to provide evidence that every protective relay identified in ATC testing program has been tested in accordance with ATC's established testing interval. ATC believes this represents a potential non-compliant condition, and, out of an abundance of caution, is self-reporting the condition to RFC.

ATC's testing program establishes variable testing intervals for protective relays based upon the type of relay. A review of the implementation of the program has determined that a very small percentage (<1%) of the total number of protective relays have not been tested in accordance with ATC's established testing intervals.

Non-Compliance Level:

Levels of Non-Compliance are set forth in Section D of PRC-005-1. ATC has determined that this potential non-compliant condition would constitute a Level 2 non-compliance classification.

Summary of Mitigation Actions

In response to our discovery of this situation, ATC has made the testing of the overdue relays a priority. ATC will schedule and expeditiously test the overdue relays and completion of the testing is expected before October 31, 2007. In addition to testing the relays, ATC will conduct an evaluation to determine the cause for why the relays were not tested in accordance with the ATC established interval and take corrective actions as determined appropriate. If MRO determines that this condition does in fact constitute a violation of the Reliability Standard, ATC will submit a

mitigation plan within thirty days pursuant to the guidance in the MRO Compliance Monitoring and Enforcement Program.

ATC believes that the potential non-compliant condition described above represents a negligible risk to the safe and reliable operation of the bulk power system. ATC has taken action to expeditiously test the affected relays. Although the small percentage of relays have not been tested in accordance with ATC test intervals, our planned expeditious testing of the relays will assure that the relays will have been tested within a timeframe that would meet accepted, good utility practices.

In addition to this letter, the above summarized potential non-compliance has also been self-reported by ATC to MRO via the MRO Compliance Data Management System (CDMS).

Please contact me at 262-506-6863 should you require additional information or have questions regarding this submittal.

Sincerely,

A handwritten signature in black ink, appearing to read "Douglas F. Johnson", written in a cursive style.

Douglas F. Johnson
Compliance Manager
American Transmission Company LLC

Attachment d

Mitigation Plan designated as MIT-07-0183

Compliance Data Management System 2007 Mitigation Plan Worksheet

American Transmission Company, LLC

<u>PROCESS TYPE</u>	Self Initiated	<u>STANDARD</u>	PRC-005-1 R2
<u>DUE DATE</u>	10/26/2007	<u>STATUS</u>	Completed
<u>RECEIVED</u>	09/27/2007	<u>TIMELINESS LEVEL</u>	Full
<u>ASSESSMENT DATE</u>	10/04/2007	<u>COMPLIANCE LEVEL</u>	Full
<u>COMPLETED DATE</u>	09/28/2007	<u>SUBMITTED BY</u>	ATC
<u>CONTACT</u>	Douglas F. Johnson		
<u>PHONE</u>	262-506-6863	<u>EXPECTED COMPLETION DATE</u>	10/26/2007
<u>EMAIL</u>	dfjohnson@atcllc.com		

Is the mitigation plan adequate/compliant? Yes
 Is the recommendation non-compliance? No

REASON FOR MITIGATION PLAN

ATC has determined it is potentially non-compliant with PRC-005-1 Requirement 2 and associated Sub-Requirement 2.1. Requirement 2 and Sub-Requirement 2.1 of PRC-005-1 require ATC to provide to the Regional Reliability Organization, upon request, evidence that protective system devices were maintained and tested by ATC within intervals established in ATC's protection system testing and maintenance program.

During a recently completed review of ATC's protection system maintenance and testing program, ATC determined that a very small percentage of the total number of protective relays, for which the requirements of PRC-005-1 apply to and which are included in ATC's testing program, were not tested within the time interval established by the program.

ATC's testing program establishes variable testing intervals for protective relays based upon the type of relay. A review of the implementation of the program has determined that a very small percentage (<1%) of the total number of protective relays have not been tested in accordance with ATC's established testing intervals.

PLAN STEPS

In response to our discovery of this situation, ATC has made the testing of the overdue relays a priority. ATC will schedule and expeditiously test the overdue relays and completion of the testing is expected before October 31, 2007.

PLAN SCHEDULE

Testing of the overdue relays is expected to be completed before October 31, 2007.

Compliance Data Management System

2007 Mitigation Plan Worksheet

American Transmission Company, LLC

MEMBER COMMENTS

MRO, as the Regional Reliability Organization, has not requested that ATC provide documentation of its Protection System maintenance and testing program and the implementation of that program.
However, should a request be made for such documentation, ATC would not have, at time of discovery of this issue, been able to provide evidence that every protective relay identified in ATC testing program has been tested in accordance with ATC's established testing interval. ATC believes this represents a potential non-compliant condition, and, out of an abundance of caution, is self-reporting the condition to MRO.

ATC believes that the potential non-compliant condition described above represents a negligible risk to the safe and reliable operation of the bulk power system. ATC has taken action to expeditiously test the affected relays. Although the small percentage of relays have not been tested in accordance with ATC test intervals, our planned expeditious testing of the relays will assure that the relays will have been tested within a timeframe that would meet accepted, good utility practices.

REVIEW COMMENTS

Mitigation Plan Completed see documets 10/04/07
Mitigation Plan accepted 10/04/07 - vac

Compliance Data Management System
2007 Mitigation Plan Worksheet
American Transmission Company, LLC

***** End of Report *****

Attachment e

American Transmission Co., LLC's certification of completion of the Mitigation Plan



MAILING ADDRESS: P.O. BOX 47 ▪ WAUKESHA, WI 53187-0047
STREET ADDRESS: N19 W23993 RIDGEVIEW PARKWAY WEST ▪ WAUKESHA, WI 53188-1000
262-506-6700 ▪ Toll Free: 866-899-3204 ▪ Fax: 262-506-6710 ▪ www.atclic.com

September 28, 2007

Daniel P. Skaar
President
Midwest Reliability Organization
2774 Cleveland Avenue North
Roseville, MN 55113

Dear Mr. Skaar:

COMPLETION OF MITIGATION ACTIONS
NERC RELIABILITY STANDARD PRC-005-1

In a letter dated August 31, 2007, American Transmission Company LLC (ATC) self-reported to Midwest Reliability Organization (MRO) a potential violation of NERC Reliability Standard PRC-005-1 "Transmission and Generation Protection System Maintenance and Testing." Requirement 2 and Sub-Requirement 2.1 of PRC-005-1 require ATC to provide to the Regional Reliability Organization, upon request, evidence that protective system devices were maintained and tested by ATC within intervals established in ATC's protection system testing and maintenance program.

ATC's testing program establishes variable testing intervals for protective relays based upon the type of relay. A review of the implementation of ATC's program determined that a very small percentage (<1%) of the total number of protective relays, for which the requirements of PRC-005-1 apply to, had not been tested in accordance with ATC's established testing intervals.

In response to the discovery of the overdue tests, ATC made the testing of the overdue relays a priority. Testing of the overdue relays has been completed. As such, ATC has restored full compliance with PRC-005-1.

To preclude recurrence of this violation and to assure ATC's relay testing program is executed in conformance with the requirements of PRC-005-1, ATC is conducting a root cause evaluation to determine why the relays were not tested in accordance with the ATC established testing intervals. ATC will take appropriate corrective actions and make process improvements in response to the recommendations of the root cause evaluation.

Please contact me at 262-506-6863 should you require additional information or have questions regarding this information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Douglas F. Johnson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Douglas F. Johnson
Compliance Manager
American Transmission Company LLC

Attachment f

Midwest Reliability Organization's statement of verification that the Mitigation Plan has been completed



May 21, 2008

To North American Electric Reliability Corporation

Please find below a summary of the review/verification process, evidence of completion and compliance presented by the entity and MRO compliance staff review results.

Deadline for Completion: 10/26/2007

Region: MRO

Registered Entity: American Transmission Company

Standard: PRC-005-1

Requirement: 2

MRO Review Process:

American Transmission Company (ATC) self reported this violation on 9/26/2007 and submitted a mitigation plan on 9/27/2007. MRO compliance staff reviewed the mitigation plan and accepted the mitigation plan on 10/04/2007. MRO compliance office was also notified on 9/28/2007 via email notification of the completion of this mitigation plan. MRO Compliance office determined they would review the evidence to support completion of this mitigation plan during the ATC Audit scheduled for December 3-5 2007.

Evidence and Supporting Documentation provided by the Entity:

ATC provided the documentation of the Protection System Maintenance and Testing program along with the planned and completed work schedule summary during their on-site audit on December 3-5 2007.

MRO Compliance Staff Review Results:

MRO Compliance staff after completing the above review determined, in their professional judgment, that the evidence submitted did meet the requirements of NERC Reliability Standard PRC-005-1 R2 (maintenance and testing program and testing records to show that testing intervals are on schedule). Verification was completed on December 5, 2008.

Riaz Islam

Engineer III

The Midwest Reliability Organization

2774 Cleveland Ave. North Roseville, MN 55113



Attachment g
NERC BOTCC Decision

**Board of Trustees Compliance Committee
Decision on Notices of Penalty
(Issued May 21, 2008)**

The North American Electric Reliability Corporation (NERC) Board of Trustees Compliance Committee approves for filing with the Federal Energy Regulatory Commission (Commission) the following Notices of Penalty in accordance with the NERC *Rules of Procedure* and the Commission's orders and regulations.¹

In each of the Notices identified below, the Board of Trustees Compliance Committee affirms the Regional Entity's determination to exercise its enforcement discretion, in accordance with Order No. 693, to impose a zero dollar penalty against the respective registered entities, based on the Committee's review of the applicable requirements of the Commission-approved Reliability Standards and the underlying facts and circumstances of the violations represented below.²

While certain of the Reliability Standards associated with the violations below have "Medium" or "High" Violation Risk Factors, and the non-compliance level could reach a "Severe" level based on the duration of the violation, most of these violations involved situations where processes, procedures or plans were in place but documentation of one or more elements was lacking. In the case of NOC-16 below, where an entity failed to perform relay maintenance and testing of certain of its facilities due to an administrative oversight, the entity self-reported the violation and expedited completion of the work. In all cases, there was no actual impact on the reliability of the bulk power system.

In reaching this determination, NERC and the Regional Entities considered the following: (1) The violations occurred prior to January 2008 (during the period the Commission stated NERC and the Regional Entities should focus their enforcement resources on the most serious violations); (2) The registered entities worked cooperatively with the Regional Entities; (3) The registered entities acted immediately to mitigate and/or correct the violations; (4) The violations were mitigated in accordance with the approved Mitigation Plans and have been verified as mitigated by the respective Regional Entities; and (5) The actions taken by the registered entities ensure that reliability is maintained.

Therefore, the NERC Board of Trustees Compliance Committee finds that the proposed zero dollar penalty is appropriate and consistent with NERC's goal to ensure reliability of the bulk power system.

¹ *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 (2008).

² *Mandatory Reliability Standards for the Bulk-Power System*, FERC Stats. & Regs. ¶ 31,242 (2007) (Order No. 693).

NOP ID ³	Region	Registered Entity	NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Total Penalty (\$)
NOP-01	TRE	Denton Municipal Electric (TDSP)	NOC-01	TRE200700001	PRC-008-0	1	Medium	0
	TRE	Denton Municipal Electric (TDSP)	NOC-01	TRE200700002	PRC-008-0	2	Medium	0
NOP-02	TRE	Bandera Electric Cooperative, Inc	NOC-02	TRE200700003	PRC-005-1	2	Lower/High ⁴	0
NOP-03	TRE	Exelon Generation Company, LLC	NOC-03	TRE200700004	PRC-005-1	2	Lower/High	0
NOP-05	TRE	Suez Energy Marketing NA Inc	NOC-05	TRE200700011	CIP-001-1	1	Medium	0
	TRE	Suez Energy Marketing NA Inc	NOC-05	TRE200700012	CIP-001-1	2	Medium	0
	TRE	Suez Energy Marketing NA Inc	NOC-05	TRE200700013	CIP-001-1	3	Medium	0
	TRE	Suez Energy Marketing NA Inc	NOC-05	TRE200700014	CIP-001-1	4	Medium	0
	TRE	Suez Energy Marketing NA Inc	NOC-05	TRE200700015	IRO-004-1	4	High	0
NOP-06	TRE	Wise County Power Company, LP	NOC-06	TRE200700016	FAC-008-1	1	Lower/Medium	0
	TRE	Wise County Power Company, LP	NOC-06	TRE200700017	FAC-008-1	2	Lower	0
	TRE	Wise County Power Company, LP	NOC-06	TRE200700018	FAC-008-1	3	Lower	0
	TRE	Wise County Power Company, LP	NOC-06	TRE200700019	FAC-009-1	1	Medium	0
	TRE	Wise County Power Company, LP	NOC-06	TRE200700020	FAC-009-1	2	Medium	0
	TRE	Wise County Power Company, LP	NOC-06	TRE200700021	IRO-004-1	4	High	0

³ Document numbers for each of these notices will be assigned by the Commission as NP08-_-000.

⁴ All VRFs for requirements and sub-requirements are identified in this table for the violations at issue.

NOP ID	Region	Registered Entity	NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Total Penalty (\$)
NOP-07	SERC	City of Columbia, MO	NOC-07	SERC200700002	PER-002-0	3	High/ Medium	0
	SERC	City of Columbia, MO	NOC-07	SERC200700003	TPL-001-0	1	High/ Medium	0
	SERC	City of Columbia, MO	NOC-07	SERC200700004	TPL-002-0	1	High/ Medium	0
	SERC	City of Columbia, MO	NOC-07	SERC200700005	TPL-003-0	1	High/ Medium	0
	SERC	City of Columbia, MO	NOC-07	SERC200700006	TPL-004-0	1	Medium	0
NOP-08	SERC	Old Dominion Electric Cooperative	NOC-08	SERC200700010	FAC-008-1	1	Lower/ Medium	0
	SERC	Old Dominion Electric Cooperative	NOC-08	SERC200700011	PRC-005-1	1	High	0
NOP-09	SERC	Doyle I, LLC	NOC-09	SERC200700012	CIP-001-1	4	Medium	0
NOP-10	SERC	Illinois Municipal Electric Agency	NOC-11	SERC200700058	CIP-001-1	1	Medium	0
	SERC	Illinois Municipal Electric Agency	NOC-11	SERC200700059	CIP-001-1	2	Medium	0
	SERC	Illinois Municipal Electric Agency	NOC-11	SERC200700060	CIP-001-1	3	Medium	0
	SERC	Illinois Municipal Electric Agency	NOC-11	SERC200700061	CIP-001-1	4	Medium	0
NOP-11	MRO	Northern States Power	NOC-13	MRO200700004	CIP-001-1	2	Medium	0
NOP-12	MRO	Rochester Public Utilities	NOC-14	MRO200700005	PER-002-0	3	High/ Medium	0
	MRO	Rochester Public Utilities	NOC-14	MRO200700006	PRC-004-1	2	High	0
	MRO	Rochester Public Utilities	NOC-14	MRO200700007	VAR-001-1	6	Medium	0
NOP-13	MRO	Tri-State G&T – Merchant	NOC-15	MRO200700008	INT-004-1	2	Lower	0
NOP-14	MRO	American Transmission Co., LLC	NOC-16	MRO200700009	PRC-005-1	2	Lower/ High	0

NOP ID	Region	Registered Entity	NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Total Penalty (\$)
NOP-15	NPCC	The City of Holyoke Gas and Electric Department	NOC-19	NPCC200700011	CIP-001-1	1	Medium	0
	NPCC	The City of Holyoke Gas and Electric Department	NOC-19	NPCC200700012	CIP-001-1	2	Medium	0
	NPCC	The City of Holyoke Gas and Electric Department	NOC-19	NPCC200700013	CIP-001-1	3	Medium	0
	NPCC	The City of Holyoke Gas and Electric Department	NOC-19	NPCC200700014	CIP-001-1	4	Medium	0
NOP-16	NPCC	Peabody Municipal Light Plant	NOC-22	NPCC200700015	CIP-001-1	1	Medium	0
	NPCC	Peabody Municipal Light Plant	NOC-22	NPCC200700016	CIP-001-1	2	Medium	0
	NPCC	Peabody Municipal Light Plant	NOC-22	NPCC200700017	CIP-001-1	3	Medium	0
	NPCC	Peabody Municipal Light Plant	NOC-22	NPCC200700018	CIP-001-1	4	Medium	0
NOP-17	NPCC	Norwich Public Utilities	NOC-23	NPCC200700019	CIP-001-1	1	Medium	0
	NPCC	Norwich Public Utilities	NOC-23	NPCC200700020	CIP-001-1	2	Medium	0
	NPCC	Norwich Public Utilities	NOC-23	NPCC200700021	CIP-001-1	3	Medium	0
	NPCC	Norwich Public Utilities	NOC-23	NPCC200700022	CIP-001-1	4	Medium	0
NOP-18	SERC	City of Orangeburg Department of Public Utilities	NOC-26	SERC200700016	PRC-005-1	1	High	0
NOP-19	SERC	West Georgia Generating Company, LLC	NOC-27	SERC200700048	PRC-005-1	2	Lower/High	0
	SERC	West Georgia Generating Company, LLC	NOC-27	SERC200700064	PRC-005-1	1	High	0
	SERC	West Georgia Generating Company, LLC	NOC-27	SERC200700065	CIP-001-1	4	Medium	0

NOP ID	Region	Registered Entity	NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Total Penalty (\$)
NOP-20	SERC	Caledonia Generating, LLC	NOC-28	SERC200700052	FAC-008-1	1	Lower/ Medium	0
NOP-21	SERC	City of Orangeburg Department of Public Utilities	NOC-29	SERC200700054	CIP-001-1	1	Medium	0
	SERC	City of Orangeburg Department of Public Utilities	NOC-29	SERC200700055	CIP-001-1	2	Medium	0
	SERC	City of Orangeburg Department of Public Utilities	NOC-29	SERC200700056	CIP-001-1	3	Medium	0
	SERC	City of Orangeburg Department of Public Utilities	NOC-29	SERC200700057	CIP-001-1	4	Medium	0
NOP-22	SPP	Southwestern Public Service Co. (SPS- XCEL)	NOC-30	SPP200700002	EOP-001-0	3.4	Medium	0
	SPP	Southwestern Public Service Co. (SPS- XCEL)	NOC-30	SPP200700003	EOP-001-0	4.4	Medium	0
	SPP	Southwestern Public Service Co. (SPS- XCEL)	NOC-30	SPP200700004	EOP-001-0	5	Medium	0
	SPP	Southwestern Public Service Co. (SPS- XCEL)	NOC-30	SPP200700005	EOP-005-1	1	Medium	0
	SPP	Southwestern Public Service Co. (SPS- XCEL)	NOC-30	SPP200700006	CIP-001-1	2	Medium	0
NOP-23	SERC	East Texas Electric Cooperative, Inc.	NOC-31	SERC200700017	PRC-005-1	1	High	0
	SERC	East Texas Electric Cooperative, Inc.	NOC-31	SERC200700025	FAC-008-1	1	Lower/ Medium	0
	SERC	East Texas Electric Cooperative, Inc.	NOC-31	SERC200700031	CIP-001-1	1	Medium	0
	SERC	East Texas Electric Cooperative, Inc.	NOC-31	SERC200700032	CIP-001-1	2	Medium	0
	SERC	East Texas Electric Cooperative, Inc.	NOC-31	SERC200700033	CIP-001-1	3	Medium	0
	SERC	East Texas Electric Cooperative, Inc.	NOC-31	SERC200700034	CIP-001-1	4	Medium	0

NOP ID	Region	Registered Entity	NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Total Penalty (\$)
NOP-24	SERC	Sam Rayburn G&T Electric Cooperative, Inc.	NOC-32	SERC200700018	PRC-005-1	1	High	0
	SERC	Sam Rayburn G&T Electric Cooperative, Inc.	NOC-32	SERC200700024	FAC-008-1	1	Lower/Medium	0
	SERC	Sam Rayburn G&T Electric Cooperative, Inc.	NOC-32	SERC200700027	CIP-001-1	1	Medium	0
	SERC	Sam Rayburn G&T Electric Cooperative, Inc.	NOC-32	SERC200700028	CIP-001-1	2	Medium	0
	SERC	Sam Rayburn G&T Electric Cooperative, Inc.	NOC-32	SERC200700029	CIP-001-1	3	Medium	0
	SERC	Sam Rayburn G&T Electric Cooperative, Inc.	NOC-32	SERC200700030	CIP-001-1	4	Medium	0
NOP-25	SERC	Tex-LA Electric Coop of Texas, Inc.	NOC-33	SERC200700020	PRC-005-1	1	High	0
	SERC	Tex-LA Electric Coop of Texas, Inc.	NOC-33	SERC200700026	FAC-008-1	1	Lower/Medium	0
	SERC	Tex-LA Electric Coop of Texas, Inc.	NOC-33	SERC200700035	CIP-001-1	1	Medium	0
	SERC	Tex-LA Electric Coop of Texas, Inc.	NOC-33	SERC200700036	CIP-001-1	2	Medium	0
	SERC	Tex-LA Electric Coop of Texas, Inc.	NOC-33	SERC200700037	CIP-001-1	3	Medium	0
	SERC	Tex-LA Electric Coop of Texas, Inc.	NOC-33	SERC200700038	CIP-001-1	4	Medium	0
NOP-26	SERC	The Dow Chemical Company	NOC-35	SERC200700022	IRO-004-1	4	High	0
	SERC	The Dow Chemical Company	NOC-35	SERC200700023	TOP-003-0	1	Medium	0
	SERC	The Dow Chemical Company	NOC-35	SERC200700053	PRC-005-1	2	Lower/High	0
	SERC	The Dow Chemical Company	NOC-35	SERC200700069	FAC-009-1	1	Medium	0
	SERC	The Dow Chemical Company	NOC-35	SERC200700070	FAC-009-1	2	Medium	0
	SERC	The Dow Chemical Company	NOC-35	SERC200700072	PRC-004-1	2	High	0
	SERC	The Dow Chemical Company	NOC-35	SERC200700073	PRC-004-1	3	Lower	0

NOP ID	Region	Registered Entity	NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Total Penalty (\$)
NOP-27	SERC	City of North Little Rock, AR (DENL)	NOC-37	SERC200700041	PER-002-0	3.1	Medium	0
NOP-28	SERC	Cottonwood Energy, LP	NOC-42	SERC200700047	PRC-005-1	1	High	0
NOP-29	SERC	Reliant Energy Wholesale Generation, LLC	NOC-43	SERC200700049	PRC-005-1	1	High	0
NOP-30	SERC	Prairie Power, Inc.	NOC-44	SERC200700050	FAC-008-1	1	Lower/Medium	0
NOP-31	SERC	Mt. Carmel Public Utility Co.	NOC-45	SERC200700062	CIP-001-1	4	Medium	0
NOP-32	SERC	Craven County Wood Energy, LP	NOC-46	SERC200700063	PRC-005-1	1	High	0
NOP-33	SERC	City of Benton	NOC-47	SERC200700066	PER-002-0	3.1	Medium	0
NOP-34	SERC	Elizabethtown Power, LLC	NOC-48	SERC200700067	IRO-004-1	4	High	0
	SERC	Elizabethtown Power, LLC	NOC-48	SERC200700074	CIP-001-1	1	Medium	0
	SERC	Elizabethtown Power, LLC	NOC-48	SERC200700075	CIP-001-1	2	Medium	0
	SERC	Elizabethtown Power, LLC	NOC-48	SERC200700076	CIP-001-1	3	Medium	0
	SERC	Elizabethtown Power, LLC	NOC-48	SERC200700077	CIP-001-1	4	Medium	0
	SERC	Elizabethtown Power, LLC	NOC-48	SERC200700078	PRC-005-1	1	High	0
	SERC	Elizabethtown Power, LLC	NOC-48	SERC200700084	FAC-008-1	1	Lower/Medium	0
	SERC	Elizabethtown Power, LLC	NOC-48	SERC200700085	FAC-009-1	1	Medium	0
NOP-35	SERC	Lumberton Power, LLC	NOC-49	SERC200700068	IRO-004-1	4	High	0
	SERC	Lumberton Power, LLC	NOC-49	SERC200700079	CIP-001-1	1	Medium	0
	SERC	Lumberton Power, LLC	NOC-49	SERC200700080	CIP-001-1	2	Medium	0
	SERC	Lumberton Power, LLC	NOC-49	SERC200700081	CIP-001-1	3	Medium	0
	SERC	Lumberton Power, LLC	NOC-49	SERC200700082	CIP-001-1	4	Medium	0
	SERC	Lumberton Power, LLC	NOC-49	SERC200700083	PRC-005-1	1	High	0
	SERC	Lumberton Power, LLC	NOC-49	SERC200700086	FAC-008-1	1	Lower/Medium	0
	SERC	Lumberton Power, LLC	NOC-49	SERC200700087	FAC-009-1	1	Medium	0

NOP ID	Region	Registered Entity	NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Total Penalty (\$)
NOP-36	TRE	TOPAZ POWER MANAGEMENT LP (QSE)	NOC-53	TRE200800028	CIP-001-1	1	Medium	0
NOP-37	SERC	Associated Electric Cooperative Inc.	NOC-24	SERC200700001	FAC-003-1	2	High	0

By the Board of Trustees Compliance Committee

Attachment h
Notice of Filing

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

American Transmission Co., LLC

Docket No. NP08-____-000

NOTICE OF FILING
(DATE)

Take notice that on [DATE], the North American Electric Reliability Corporation (NERC), filed a Notice of Penalty regarding American Transmission Co., LLC in the Midwest Reliability Organization.

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

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

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

Comment Date: [BLANK]

Kimberly D. Bose,
Secretary