



NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

June 5, 2008

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

Re: NERC Notice of Penalty regarding Mt. Carmel Public Utility Co., FERC Docket No.  
NP08--000

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Notice of Penalty regarding Mt. Carmel Public Utility Co.,<sup>1</sup> 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 Notice of Penalty is being filed with the Commission because, based on information from SERC Reliability Corporation, Mt. Carmel Public Utility Co. does not dispute the violation of CIP-001-1 R.4 and proposed penalty of \$0 to be assessed to Mt. Carmel Public Utility Co. Accordingly, the violation identified as NERC Violation Tracking Identification Number SERC200700062 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 27, 2008, by SERC Reliability Corporation. 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 Mt. Carmel Public Utility Co.

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<sup>1</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 (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).

<sup>2</sup> 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-31	SERC	Mt.Carmel Public Utility Co.	NOC-45	SERC200700062	CIP-001-1	4	Medium	0

In summary, CIP-001-1 R.4 requires an entity, such as Mt. Carmel Public Utility Co., to establish communication contacts, as applicable, with local Federal Bureau of Investigation (FBI) or Royal Canadian Mounted Police (RCMP) officials and develop reporting procedures as appropriate to their circumstances.

Mt. Carmel Public Utility Co. self-certified that it was in violation of R.4 of CIP-001-1 because it had not established communications contacts with the FBI. Based on review of the facts and circumstances, SERC Reliability Corporation issued a Notice of Alleged Violation and Proposed Penalty or Sanction setting forth the violations and proposed penalty at issue in this Notice of Penalty. Mt. Carmel Public Utility Co. did not submit a response to that notice and is deemed to have accepted the violations and proposed penalty.

CIP-001-1 R.4 has a “Medium” VRF. While the standard as approved utilizes Levels of Non-Compliance, SERC Reliability Corporation assessed a Violation Severity Level (VSL) of “Lower” to the violation of CIP-001-1 R.4. According to the Base Penalty Table of the NERC Sanction Guidelines, the ERO base penalty range for a “Medium” VRF violation with a “Lower” VSL is \$2,000 to \$30,000.

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\$).*<sup>3</sup>

SERC Reliability Corporation exercised its discretion to assess no penalty for these violations because (1) they occurred during the period of transition to mandatory standards during which the Commission authorized such discretion (*see* Order Nos. 693 and 693-A<sup>4</sup>); and (2) the violations were deemed by SERC Reliability Corporation not to be violations that put bulk power system reliability at serious or substantial risk.

<sup>3</sup> *Id.* (emphasis added).

<sup>4</sup> *See* n.1 *supra*.

### **Status of Mitigation Plan<sup>5</sup>**

Mt. Carmel Public Utility Co.'s Mitigation Plan to address the referenced violation was accepted by SERC Reliability Corporation on March 20, 2008, and approved by NERC on March 26, 2008. The Mitigation Plan for the violation is designated as MIT-07-0463 and was submitted as non-public information to FERC on March 26, 2008, in accordance with FERC orders. Mt. Carmel Public Utility Co. certified on May 21, 2008 to SERC Reliability Corporation that its Mitigation Plan was completed on December 7, 2007. SERC Reliability Corporation reviewed evidence submitted by Mt. Carmel Public Utility Co. in support of its Certification of Completion of the subject Mitigation Plans and, on February 26, 2008, verified the Mitigation Plan was completed.

### **Statement Describing the Proposed Penalty, Sanction or Enforcement Action Imposed<sup>6</sup>**

#### **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

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<sup>5</sup> See 18 C.F.R § 39.7(d)(7).

<sup>6</sup> See 18 C.F.R § 39.7(d)(4).

penalty was calculated. We leave to the ERO's discretion the parameters of the 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.<sup>7</sup>*

### **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 SERC Reliability Corporation's determination to exercise enforcement discretion to impose a zero dollar (\$0) penalty against Mt. Carmel Public Utility Co., 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) As to the instant violation of CIP-001-1 R.4, Mt. Carmel Public Utility Co. self-reported that it was in violation of R.4 of CIP-001-1, because it had not established communications contacts with the FBI. Based on Mt. Carmel Public Utility Co.'s self-certification, SERC Reliability Corporation issued a Notice of Alleged Violation and Proposed Penalty or Sanction setting forth the violation and proposed penalty at issue in this Notice of Penalty. Mt. Carmel Public Utility Co. did not submit a response to that notice and is deemed to have accepted the violations and proposed penalty; (2) No system disturbance occurred as a result of the violation, and the violation was deemed not 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

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<sup>7</sup> Order No. 693 at PP 222-224 (emphasis added).

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 Mt. Carmel Public Utility Co.; (5) Mt. Carmel Public Utility Co. worked cooperatively with SERC Reliability Corporation; (6) Mt. Carmel Public Utility Co. acted immediately to mitigate and/or correct the violation; (7) The violation was mitigated in accordance with the approved Mitigation Plan and SERC Reliability Corporation has verified Mt. Carmel Public Utility Co.'s Certification of Completion; and (8) The actions taken by Mt. Carmel Public Utility Co. 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 Proceeding<sup>8</sup>**

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

- a) Mt. Carmel Public Utility Co.'s Self-certification;
- b) SERC Reliability Corporation Determination Summary;
- c) Notice of Alleged Violation and Penalty or Sanction. Mt. Carmel Public Utility Co. did not submit a response thereto;
- d) Notice of Confirmed Violation and Penalty or Sanction. Mt. Carmel Public Utility Co.'s response thereto;
- e) Mitigation Plan designated as MIT-07-0463;
- f) Mt. Carmel Public Utility Co.'s Certification of Completion of the Mitigation Plan;
- g) Statement of SERC Reliability Corporation Compliance Enforcement Staff Regarding Completion of Mitigation Plan; and
- h) NERC BOTCC Decision.

### **A Form of Notice Suitable for Publication<sup>9</sup>**

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

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<sup>8</sup> See 18 C.F.R § 39.7(d)(5).

<sup>9</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:

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: Mt. Carmel Public Utility Co.  
SERC Reliability Corporation

Attachment(s)

## **Attachment a**

# **Mt. Carmel Public Utility Co.'s Self- certification**



Logged in as:

Christine Morrow

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## CIP-001-1 Self Certification - Sabotage Reporting - 2007

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Attachments (0)

**This form has been locked due to an expired lockout date. If you need to edit data contained in this form, please contact a [SERC Administrator](#).**

**This form was submitted on 9/27/2007.**

\* Required Fields

Status: Read Only

### Technical Contact

\* 

- The information in this submittal is designated as "Confidential". As such, it may include trade secrets, commercial or financial information that the submitter believes is commercially valuable and does not customarily disclose to the public. Disclosure of this information to the public could reasonably be expected to cause substantial competitive harm to the submitter. SERC will disclose this information to NERC and other third parties, only as required, and in accordance with established procedures pursuant to section 1500 of the NERC rules of procedure.

As an officer of **Mt. Carmel Public Utility Co.**, I confirm the following:

### Section A:

#### Requirement 1

1. The NERC Reliability Standard CIP-001-1 Requirement 1 applies to **Mt. Carmel Public Utility Co.**. Select the button to the left of one of the statements below:
- Mt. Carmel Public Utility Co.** has 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.
  - Mt. Carmel Public Utility Co. does not** 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.  
Provide a detailed explanation why this was not accomplished.
2. The NERC Reliability Standard CIP-001-1 Requirement 1 **does not** apply to **Mt. Carmel Public Utility Co.** because

#### Requirement 2

1. The NERC Reliability Standard CIP-001-1 Requirement 2 applies to **Mt. Carmel Public Utility Co.**. Select the button to the left of one of the statements below:
- Mt. Carmel Public Utility Co.** has procedures for the communication of information concerning sabotage events to appropriate parties in the Interconnection.
  - Mt. Carmel Public Utility Co. does not** have procedures for the communication of information concerning sabotage events to appropriate parties in the Interconnection.  
Provide a detailed explanation why this was not accomplished.
2. The NERC Reliability Standard CIP-001-1 Requirement 2 **does not** apply to **Mt. Carmel Public Utility Co.** because

#### Requirement 3

1. The NERC Reliability Standard CIP-001-1 Requirement 3 applies to **Mt. Carmel Public Utility Co.**



- Select the button to the left of one of the statements below:
  - Mt. Carmel Public Utility Co.** provides its operating personnel with sabotage response guidelines, including personnel to contact, for reporting disturbances due to sabotage events.
  - Mt. Carmel Public Utility Co. does not** provide its operating personnel with sabotage response guidelines, including personnel to contact, for reporting disturbances due to sabotage events.  
Provide a detailed explanation why this was not accomplished.

- 2. The NERC Reliability Standard CIP-001-1 Requirement 3 **does not** apply to **Mt. Carmel Public Utility Co.** because

**Requirement 4**

- 1. The NERC Reliability Standard CIP-001-1 Requirement 4 applies to **Mt. Carmel Public Utility Co.**. Select the button to the left of one of the statements below:

**Mt. Carmel Public Utility Co.** has established communications contacts, as applicable, with local Federal Bureau of Investigation (FBI) or Royal Canadian Mounted Police (RCMP) officials and has developed reporting procedures as appropriate to their circumstances.

**Mt. Carmel Public Utility Co. has not** established communications contacts, as applicable, with local Federal Bureau of Investigation (FBI) or Royal Canadian Mounted Police (RCMP) officials or **has not** developed reporting procedures as appropriate to their circumstances.  
Provide a detailed explanation why this was not accomplished.

there are no local FBI offices

- 2. The NERC Reliability Standard CIP-001-1 Requirement 4 **does not** apply to **Mt. Carmel Public Utility Co.** because

**Self Certification:**

I certify that **Mt. Carmel Public Utility Co.** is in Full Compliance with the NERC Reliability Standard CIP-001-1.

I certify that **Mt. Carmel Public Utility Co.** is Non-Compliant Level  
Level 1 with the NERC Reliability Standard CIP-001-1 because  
of the lack of communications required by standard

I certify that the NERC Reliability Standard CIP-001-1 applies to **Mt. Carmel Public Utility Co.** and our data has been coordinated with and is covered by the submittal(s) of:

	Master Account	First Name	Last Name	Telephone	Email

**Section B:**

- 1. This submittal also covers:

	Master Account	First Name	Last Name	Telephone	Email

Note: For companies not listed, please contact [support@serc1.org](mailto:support@serc1.org)

Additional Comments:

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## **Attachment b**

# **SERC Reliability Corporation Determination Summary**



# Determination Summary

<b>SERC Tracking Num</b>	07-216		
<b>Standard</b>	CIP-001-1		
<b>Requirement</b>	R4		
<b>Method of Discovery</b>	Self-Certification		
<b>Date Issue Occured</b>	6/18/2007	<b>Issue Reported to SERC</b>	10/1/2007
<b>SPOC</b>	Mark Ladrow		
<b>Registered Entity</b>	Mt. Carmel Public Utility Co.		
<b>NERC Registry ID</b>	NCR01277	<b>NERC Violation #</b>	SERC200700062
<b>Sufficient Basis?</b>	<input checked="" type="checkbox"/>	<b>NAVAPS Date</b>	12/5/2007
<b>VRP</b>	Medium		
<b>VSL</b>	Lower		
<b>Reliability Impact</b>	Moderate- The Entity has process and procedures to identify sabotage, but a wide-spread effort by saboteurs could progress unnoticed without FBI notification. Documentation issue related to no FBI contact.		
<b>Text of Requirement</b>	From CIP-001-1 R4. Each Reliability Coordinator, Balancing Authority, Transmission Operator, Generator Operator, and Load Serving Entity shall establish communications contacts, as applicable, with local Federal Bureau of Investigation (FBI) or Royal Canadian Mounted Police (RCMP) officials and develop reporting procedures as appropriate to their circumstances.		
<b>Factual Basis</b>	The Entity states it does not have communication channels with the FBI because there is no local branch.		
<b>Violation Summary</b>	The Entity is in violation of R4 of CIP-001-1 because it has not established communication with the FBI.		
<b>Peer Reviewer</b>	John Wolfmeyer		
<b>Peer Review Date</b>	11/12/2007		
<b>CEM</b>	Ken Keels		
<b>CEM Approval Date</b>	11/19/2007		
<b>CD</b>	Tom Galloway		
<b>CD Concur Date</b>	11/23/2007		

## **Attachment c**

# **Notice of Alleged Violation and Penalty or Sanction**



Thomas J. Galloway, Compliance Director  
SERC Reliability Corporation  
2815 Coliseum Centre Drive, Suite 500 | Charlotte, NC 28217  
704.357.7372 | Fax 704.357.7914 | www.serc1.org

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## Notice of Alleged Violation and Proposed Penalty or Sanction

VIA EMAIL AND CERTIFIED MAIL

December 5, 2007

Eric Bramlet  
Mt. Carmel Public Utility Co.  
316 Market Street  
Mt. Carmel, Illinois 62863  
ericbramlet@kogerbramletlaw.com

**Re: Notice of Alleged Violation and Proposed Penalty or Sanction**

**NERC Violation Tracking Identification Number(s): SERC200700062**

In accordance with the NERC Rules of Procedure including Appendix 4C thereto, which contains the NERC Compliance Monitoring and Enforcement Program (CMEP), SERC Reliability Corporation (SERC) hereby notifies Mt. Carmel Public Utility Co. (Mt. Carmel) of an Alleged Violation of the NERC Reliability Standards and the Proposed Penalty or Sanction. In support hereof, SERC states as follows:

On June 18, 2007, Mt. Carmel was registered on the NERC Compliance Registry for the function(s) listed in Table A. As discussed herein, SERC has determined to charge Mt. Carmel with a violation based upon information available to it that Mt. Carmel did not comply or was not in compliance with the NERC Reliability Standards listed in Table A. However, as discussed further below, SERC has determined to exercise its discretion to assess no penalty against Mt. Carmel for these violations at this time, unless Mt. Carmel fails to complete and implement its Mitigation Plan as discussed in greater detail below.

### **Reliability Standard(s) and Requirement(s) Allegedly Violated and Discovery Details**

The facts and evidence of each Alleged Violation, the date(s) when each Alleged Violation occurred, the date(s) each Alleged Violation was discovered and the discovery method are also listed in Table A.

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Charles White  
SERC Chairman  
South Carolina Electric & Gas

William Ball  
SERC Vice-Chairman  
Southern Company Services, Inc.

Terry Blackwell  
SERC Secretary-Treasurer  
South Carolina Public Service Authority

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### **Proposed Penalty or Sanction**

As authorized and in accordance with the orders of the Federal Energy Regulatory Commission (FERC), SERC has elected to exercise its discretion and will not assess a penalty on Mt. Carmel at this time for these Alleged Violations. If, however, Mt. Carmel fails to complete all or part of the approved mitigation plan for any of the Alleged Violations in accordance with the terms and time established by the mitigation plan, SERC may take action to assess and collect a penalty from Mt. Carmel, which penalty will be determined pursuant to the NERC Rules of Procedure and the NERC Sanction Guidelines considering the period beginning on June 18, 2007 until the violation is fully mitigated. The terms of the mitigation plan and time line for completion may be modified only upon express written approval by SERC 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, Mt. Carmel must notify SERC in writing of its decision to elect one of the following options:

1. Mt. Carmel 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. Mt. Carmel 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. Mt. Carmel contests both the Alleged Violation(s) and the proposed penalty or sanction for the Alleged Violation(s).

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

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 Mt. Carmel.

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If Mt. Carmel does not contest or does not respond to the notice of violation within thirty (30) days, it shall be deemed to have accepted SERC's preliminary determination of violation and proposed penalty or sanction (as applicable), in which case SERC shall issue to Mt. Carmel 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 Mt. Carmel contests the Alleged Violation or the proposed sanction, Mt. Carmel shall submit to SERC a response explaining its position, signed by an officer or equivalent, together with any supporting information and documents within thirty (30) days. Mt. Carmel shall provide a primary contact name who will be the responsible party to respond to questions regarding the above Alleged Violation(s). SERC shall schedule a conference with Mt. Carmel within ten (10) business days after receipt of the response. If SERC and Mt. Carmel are unable to resolve all issues within forty (40) days after Mt. Carmel's response, Mt. Carmel may request a hearing. If no hearing request is made, the violation will become a Confirmed Violation when filed by NERC with FERC.

Attachment 2 to the CMEP governs the hearing process. A Registered Entity may appeal the hearing body's decision in accordance with the CMEP and the NERC Rules of Procedure.

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.

### **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 applicable Regional Entity (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.



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- (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 the Registered Entity, 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

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Mitigation Plan, or the Registered Entity submits a Mitigation Plan but it is rejected by the Compliance Enforcement Agency or the hearing body in accordance with section 6.5, any subsequent violations of the Reliability Standard identified by the Compliance Enforcement Authority before the hearing body renders its decision will not be held in abeyance and will be considered as repeat violations of the Reliability Standard.

***Mitigation Plans must be submitted using the Mitigation Plan Submittal Form template located in the Compliance Area of the SERC web site.***

#### **Mitigation Plan and Implementation Status**

Mt. Carmel has not yet submitted to SERC, Mitigation Plans to address the Alleged Violations set forth in this notice. Mitigation Plan content and submittal must follow the procedures and requirements from the CMEP as set forth in the preceding paragraph. Upon receipt of Mt. Carmel's Mitigation Plans, SERC will process the Mitigation Plans in accordance with the CMEP and the SERC Compliance Implementing Procedures.

#### **Conclusion**

Please direct any questions in response to this Notice of Alleged Violation and Proposed Penalty or Sanction to the undersigned. In your reply correspondence to this notice, please provide the name and contact information of Mt. Carmel's representative who is authorized to respond to questions regarding the above-listed Alleged Violation and who is responsible for providing the required Mitigation Plan. Please also provide the relevant NERC Violation Tracking Identification Number(s) in any correspondence.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'T. Galloway', is written over a light blue horizontal line.

Thomas J. Galloway  
SERC Director of Compliance

cc: G. Cauley, SERC President and CEO  
T. Kucey, NERC Manager of Enforcement and Mitigation  
K. Keels, SERC Manager of Compliance Enforcement  
SERC Tracking File

Attachment(s): Table A



**Table A**  
**Mt. Carmel Public Utility Co.**  
**December 5, 2007**

Registered on the NERC Compliance Registry as:  
**Load-Serving Entity**  
 (NERC Compliance Registry ID # **NCR01277**)

Reliability Standard(s) Allegedly Violated and Reference #'s	Requirement(s) Allegedly Violated	Discovery Method of Alleged Violation	Date Alleged Violation Occurred/ Discovered	Facts and Evidence of Alleged Violation
CIP-001-1 NERC Violation #: SERC200700062  SERC Tracking #: 2007-216	R4	Self Certification	Occurred: June 18, 2007  Discovered: October 1, 2007	The Entity is in violation of R4 of CIP-001 because it has not established contact with FBI authorities for the purpose of reporting of sabotage events.

## **Attachment d**

# **Notice of Confirmed Violation and Penalty or Sanction**



Thomas J. Galloway, Director of Compliance  
SERC Reliability Corporation  
2815 Coliseum Centre Drive | Suite 500  
Charlotte, NC 28217  
704.357.7372 | Fax 704.357.7914 | [www.serc1.org](http://www.serc1.org)

March 27, 2008

Mt. Carmel Public Utility Co.  
Mr. Eric Bramlet  
316 Market Street  
Mt. Carmel, IL 62863  
[ericbramlet@kogerbramletlaw.com](mailto:ericbramlet@kogerbramletlaw.com)

**Re: Regional Entity Notice of Confirmed Violation and Proposed Penalty or Sanction  
Regarding Mt. Carmel Public Utility Co.  
NERC Violation Tracking Identification Number: SERC200700062**

Dear Mr. Bramlet:

SERC Reliability Corporation (SERC) hereby provides this Regional Entity Notice of Confirmed Violation and Proposed Penalty or Sanction regarding Mt. Carmel Public Utility Co. (Mt. Carmel),<sup>1</sup> in accordance with the Federal Energy Regulatory Commission's (Commission or FERC) rules, regulations and orders, and the North American Electric Reliability Corporation (NERC) Rules of Procedure including Appendix 4C (NERC Compliance Monitoring and Enforcement Program (CMEP)).<sup>2</sup>

SERC is issuing this Regional Entity Notice of Confirmed Violation and Proposed Penalty or Sanction, because Mt. Carmel did not respond to the previously issued Notice of Alleged Violation and Proposed Penalty or Sanction within thirty (30) days of its receipt. Accordingly, the violation identified by the above NERC Violation Tracking Number and listed in Table 1 below is a Confirmed Violation, 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), SERC provides the following table identifying each Reliability Standard violated by Mt. Carmel and including a statement by SERC setting forth the findings of fact with respect to the act or practice resulting in the violation of each Reliability Standard. (See Table 1.)

### **NERC Process**

SERC 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, with a copy to Mt. Carmel and SERC. Following NERC action, FERC may act to accept, reject or modify the findings and/or penalties or sanctions set forth herein.

<sup>1</sup> See 18 C.F.R § 39.7(d)(1).

<sup>2</sup> See 18 C.F.R § 39.7(c)(2).

<b>Table 1 Description of Confirmed Violation</b>	
<b>Mt. Carmel Public Utility Co.</b>	
<b>Registered on the NERC Compliance Registry as:</b> Load Serving Entity	
<b>NERC Compliance Registry ID #:</b> NCR01277	
<b>NERC Violation ID#:</b> SERC200700062	
<b>SERC Tracking #:</b> 07-216	
<b>Reliability Standard Violated</b> <sup>3</sup>	CIP-001-1
<b>Requirement Violated</b> <sup>4</sup>	R4
<b>Date of Discovery</b>	October 1, 2007
<b>Discovery Method</b>	Self Certification
<b>Date or Period of Violation</b>	June 18, 2007 through date returned to compliance
<b>Facts and Evidence of the Act or Practice Resulting in the Violation</b> <sup>5</sup>	
The Entity is in violation of R4 of CIP-001-1 because it has not established communication with the FBI.	
<b>Proposed Penalty or Sanction</b>	
No penalty proposed	

#### **Statement Describing Any Proposed Penalty or Sanction Imposed** <sup>6</sup>

SERC has determined to exercise its discretion to assess no penalty, sanction or other enforcement action against Mt. Carmel for the violation listed in Table 1 at this time, unless Mt. Carmel 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 Relevance** <sup>7</sup>

Mt. Carmel's Mitigation Plan was accepted by SERC on March 20, 2008 and by NERC on March 26, 2008. The Mitigation Plan for the violation listed in Table 1 is designated as MIT-07-4463 and was submitted as

<sup>3</sup> See 18 C.F.R § 39.7(d)(2).

<sup>4</sup> See 18 C.F.R § 39.7(d)(2).

<sup>5</sup> See 18 C.F.R § 39.7(d)(3).

<sup>6</sup> See 18 C.F.R § 39.7(d)(4).

<sup>7</sup> See 18 C.F.R § 39.7(d)(7).

non-public information to FERC on March 26, 2008 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 SERC 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 SERC 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. SERC hereby provides notice that Mt. Carmel may provide a statement to NERC, with a copy to SERC, within five (5) business days after the date of this Regional Entity Notice of Confirmed Violation and Proposed Penalty or Sanction, to accompany the report when posted by NERC. Mt. Carmel's statement may be the same statement provided by Mt. Carmel in response to the Notice of Alleged Violation and Proposed Penalty or Sanction. Mt. Carmel's statement must be on Mt. Carmel letterhead and must include the name, title, and signature of an officer, employee, attorney or other authorized representative of Mt. Carmel.

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

**The Record of the Proceeding <sup>8</sup>**

The record of the proceeding includes this Regional Entity Notice of Confirmed Violation and Proposed Penalty or Sanction and any Mt. Carmel statement or response thereto, as well as the following documents and material (to the extent applicable).

Confirmation Record Documents	Document Title	Date
Compliance Monitoring Document Identifying Possible Violation	Self-Certification	9/27/07
Compliance Enforcement Staff Determination of Facts and Evidence Supporting Violation	Determination Summary	11/23/07
Notice of Violation and Proposed Penalty or Sanction	Notice of Alleged Violation and Proposed Penalty or Sanction	12/5/07
Entity's Response to Notice of Violation	None Received	
Entity's Statement in Response to Notice of Violation	None Received	

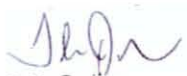
<sup>8</sup> See 18 C.F.R § 39.7(d)(5).

Remedial Action Directive	Not Applicable
Entity's Notice Contesting Remedial Action Directive	Not Applicable
Entity's Request for Hearing	Not Applicable
SERC Board Compliance Committee (Hearing Body) Final Order	Not Applicable
Notice of Proposed Penalty or Sanction	Not Applicable
Clerk's Notice Transmitting Final Order	Not Applicable
Entity's Appeal to NERC	Not Applicable
NERC Final Determination on Entity's Appeal Request	Not Applicable

## Conclusion

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

Respectfully submitted,



Thomas J. Galloway  
SERC Director of Compliance

cc: Gerry Cauley, SERC President and CEO  
David Hilt, NERC Vice President and Director of Compliance  
Tim Kucey, NERC Manager of Enforcement and Mitigation  
Ken Keels, SERC Manager of Compliance Enforcement  
SERC Tracking File



**KOGER & BRAMLET, P.C.**

Attorneys at Law

formerly

Barnhard, Scriber & Koger

316 1/2 Market Street

P.O. Box 278

Mt. Carmel, Illinois 62863

Telephone (618) 263-3502

FAX (618) 263-3504

Albert A. Barnhard

1903-1989

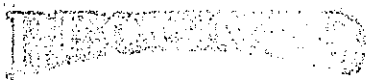
Albert A. Scriber

1919-1989

Leonard M. Koger

1924-2004

ERIC BRAMLET



APR 15 2008

N.E.R.C.

April 8, 2008

David Hilt  
Vice President & Director of Compliance  
NERC  
116-390 Village Blvd.  
Princeton, NJ 08540

In Re: Mt. Carmel Public Utility Co.  
NERC Violation Tracking Identification Number: SERC200700062

Dear Mr. Hilt:

We are in receipt of your letter dated March 27, 2008, which was received on April 1, 2008. The letter is in regard to the above referenced Tracking ID No. and alleges in the record on the proceeding that no response was made by Mt. Carmel Public Utility Co. to the notice of the violation. However, Mt. Carmel Public Utility Co., even though no penalty is proposed, would like to make sure that the record is clear. Mt. Carmel Public Utility Co. did in fact notify the FBI on or about December 6, 2007, and subsequently filed a report with SERC of mitigation. Thereafter, SERC in two telephone calls indicated it had received the mitigation filing. However, a subsequent request to file was made, which was done on SERC's portal on January 31, 2008. The original report was later indicated to be filed in the wrong place even though it complied with the instructions with the original notice of violation received from SERC.

Very truly yours,

Koger & Bramlet, P.C.

Eric Bramlet

EB/sg

xc: Thomas J. Galloway  
SERC Director of Compliance

## **Attachment e**

**Mitigation Plan designated as MIT-07-0463**



## Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: 12-06-2007

If this Mitigation Plan has already been completed:

- Check this box  and
- Provide the Date of Completion of the Mitigation Plan: 12-07-07

### Section A: Compliance Notices

- Section 6.2 of the 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 2.0.
  - (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
  - (3) The cause of the Alleged or Confirmed Violation(s).
  - (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
  - (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed violation(s).
  - (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
  - (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
  - (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.
  - (9) Any other information deemed necessary or appropriate.
  - (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self-Certification or Self Reporting submittals.

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



- This submittal form shall be used to provide a required Mitigation Plan for review and approval by SERC and NERC.
- The Mitigation Plan shall be submitted to SERC and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
- This Mitigation Plan form may be used to address one or more related violations of one Reliability Standard. A separate mitigation plan is required to address violations with respect to each additional Reliability Standard, as applicable.
- If the Mitigation Plan is approved by SERC and NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission in accordance with applicable Commission rules, regulations and orders.
- SERC 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.

**Section B: Registered Entity Information**

**B.1 Identify your organization:**

Company Name: Mt. Carmel Public Utility Co.  
Company Address: 316 Market Street, Mt. Carmel, IL 62863  
NERC Compliance Registry ID *[if known]*:

**B.2 Identify the individual in your organization who will serve as the Contact to SERC regarding this Mitigation Plan. This person shall be technically knowledgeable regarding this Mitigation Plan and authorized to respond to SERC regarding this Mitigation Plan.**

Name: Dan Long  
Title:  
Email: danlong12@aol.com  
Phone: (217) 241-5385



**Section C: Identity of Reliability Standard Violations Associated with this Mitigation Plan**

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

C.1 Standard: CIP-001-1  
*[Identify by Standard Acronym (e.g. FAC-001-1)]*

C.2 Requirement(s) violated and violation dates:  
*[Enter information in the following Table]*

NERC Violation ID # [if known]	SERC Violation ID # [if known ]	Requirement Violated (e.g. R3.2)	Violation Date <sup>(*)</sup>
SERC200700062	2007-216	R4	06/18/07

(\*) Note: The Violation Date shall be: (i) the date that the violation occurred; (ii) the date that the violation was self-reported; or (iii) the date that the violation has been deemed to have occurred on by SERC. Questions regarding the date to use should be directed to SERC.

C.3 Identify the cause of the violation(s) identified above:  
 Mt. Carmel Public Utility Co. had not made contact with the regional office of the Federal Bureau of Investigation for purposes of reporting of sabotage events.

*[Provide your response here; additional detailed information may be provided as an attachment as necessary]*

C.4 **[Optional]** Provide any relevant additional information regarding the violations associated with this Mitigation Plan:

*[Provide your response here; additional detailed information may be provided as an attachment as necessary]*



**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 violations identified above in Part C.2 of this form:

MCPU, on 12-07-07 contacted by phone the FBI office in Springfield Illinois, as that office was designated as the office with which MCPU would make contact. That offices phone number is [REDACTED] When contacting the FBI, MCPU identified itself, stated the reason for the call, and stated the NERC Standard under which contact is required. The person on the other end of the phone, who refused to identify themselves, responded that if MCPU had an obligation to initiate this contact, they had done so, but the FBI would not be providing any confirmation of such.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

**Check this box  and proceed to Section E of this form if this Mitigation Plan, as set forth in Part D.1, has already been completed; otherwise respond to Part D.2, D.3 and, optionally, Part D.4, below.**

**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:

D.3 Enter Milestone Activities, with completion dates, that your organization is proposing for this Mitigation Plan:

Milestone Activity	Proposed Completion Date* (shall not be more than 3 months apart)



(\* 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.

[Note: Provide your response here; additional detailed information may be provided as an attachment as necessary]



**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:

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

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

***Check this box  and proceed and respond to Part E.2 and E.3, below, if this Mitigation Plan, as set forth in Part D.1, has already been completed.***

**Abatement of Interim BPS Reliability Risk**

- E.1 While your organization is implementing the Mitigation Plan proposed in Part 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 required contact was made on 12-07-07, so currently no risks can be identified.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

**Prevention of Future BPS Reliability Risk**

- E.2 Describe how successful completion of the Mitigation Plan as laid out in Part 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:

[Provide your response here; additional detailed information may be provided as an attachment as necessary]





E.3 Your organization may be taking or planning other action, beyond that listed in the Mitigation Plan, as proposed in Part D.1, to prevent or minimize the probability of incurring further violations of the same or similar standards requirements listed in Part C.2, or of other reliability standards. If so, identify and describe any such action, including milestones and completion dates:

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

**Continued on Next Page**



**Section F: Authorization**

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

- a) Submits the Mitigation Plan, as laid out in Section D of this form, to SERC for acceptance by SERC 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 Vice President of Mt. Carmel Public Utility Co..
  - 2. I am qualified to sign this Mitigation Plan on behalf of Mt. Carmel Public Utility Co.
  - 3. I have read and understand Mt. Carmel Public Utility Co.'s obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure, including Appendix 4(C) (Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation" (NERC CMEP)).
  - 4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
  - 5. Mt. Carmel Public Utility Co. agrees to be bound by, and comply with, the Mitigation Plan, including the timetable completion date, as approved by SERC and approved by NERC.

**Authorized Individual Signature**

(Electronic signatures are acceptable; see CMEP)

Name (Print): ERIC BRAMER  
 Title: CMEP OPERATING OFFICER  
 Date: 1-23-08



**Section G: Comments and Additional Information**

You may use this area to provide comments or any additional relevant information not previously addressed in this form.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

**Submittal Instructions:**

Please convert the completed and signed document to an Adobe .pdf document using the following naming convention:

[(MP Entity Name (STD-XXX) MM-DD-YY.pdf)]

Email the pdf file to [serccomply@serc1.org](mailto:serccomply@serc1.org).

Please direct any questions regarding completion of this form to:

Ken Keels  
Manager, Compliance Enforcement  
SERC Reliability Corporation  
704-357-7372  
[kkeels@serc1.org](mailto:kkeels@serc1.org)

## **Attachment f**

# **Mt. Carmel Public Utility Co.'s Certification of Completion of the Mitigation Plan**

*Print on Registered Entity's Corporate Letterhead*



MT. CARMEL PUBLIC UTILITY CO.  
P. O. Box 220  
Mount Carmel, IL 62863

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**Certification of a Completed Mitigation Plan**

**SERC Reliability Corporation  
Violation Mitigation Plan Closure Form  
(Form Revised 10-25-07)**

Name of Registered Entity submitting certification: Mt. Carmel Public Utility Co.

Date of Certification: 05/21/08

Name of Standard and the Requirement(s) of mitigated violation(s): CIP001 R4

SERC Tracking Number (contact SERC if not known): 07-216

NERC Violation ID Number (if assigned): SERC200700062

**Date of completion of the Mitigation Plan: 12/07/07**

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

Name: Dan Long  
Title: Transmission Services Administration  
Entity: Mt. Carmel Public Utility Co.  
Email: danlong12@aol.com  
Phone: (217) 241-5385

Executive Signature

Date 05/21/08

## **Attachment g**

# **Statement of SERC Reliability Corporation Compliance Enforcement Staff Regarding Completion of Mitigation Plan**



SERC Reliability Corporation  
2815 Coliseum Centre Drive | Suite 500  
Charlotte, NC 28217  
704.357.7372 | Fax 704.357.7914 | [www.serc1.org](http://www.serc1.org)

## **Statement of SERC Reliability Corporation Compliance Enforcement Staff Regarding Completion of Mitigation Plan**

**February 26, 2007**

**Registered Entity:** Mt. Carmel Public Utility Co.  
**SERC Tracking ID:** 2007-216  
**NERC Violation No:** SERC200700062  
**NERC Mitigation Plan ID:** MIT-07-0463

SERC Reliability Corporation Compliance Enforcement Staff ("SERC Staff") has completed a review of the evidence submitted by Mt. Carmel Public Utility Co. in support of its Certification of Completion of the subject Mitigation Plan. Based on its review, SERC Staff has verified Mt. Carmel Public Utility Co.'s certification on May 21, 2008 that the subject Mitigation Plan has been completed on December 7, 2007 in accordance with its terms.

**Attachment h**

**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.<sup>1</sup>

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.<sup>2</sup>

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.

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<sup>1</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 (2008).

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

NOP ID <sup>3</sup>	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 <sup>4</sup>	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

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

<sup>4</sup> 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

<b>NOP ID</b>	<b>Region</b>	<b>Registered Entity</b>	<b>NOC ID</b>	<b>NERC Violation ID</b>	<b>Reliability Std.</b>	<b>Req. (R)</b>	<b>VRF</b>	<b>Total Penalty (\$)</b>
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 i**

**Notice of Filing**

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Mt. Carmel Public Utility Co.

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 Mt. Carmel Public Utility Co. in the SERC Reliability Corporation 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