



NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

December 30, 2009

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

**Re: NERC Notice of Penalty regarding El Paso Electric Company  
FERC Docket No. NP10-\_-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Notice of Penalty<sup>1</sup> regarding El Paso Electric Company (EPE), NERC Registry ID# NCR05140,<sup>2</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>3</sup>

During an on-site Compliance Audit conducted February 2, 2009 through February 6, 2009 (Compliance Audit), WECC identified possible violations of Reliability Standards BAL-005-0 Requirement (R) 17 and VAR-001-1 R3 for EPE's failure to: (1) perform an annual calibration check of two frequency sensing devices used for Area Control Error (ACE) determination, and (2) specify criteria that exempts generators from compliance with reporting the status of the schedule in automatic voltage regulator (AVR) control mode and its changes. On December 21, 2007, EPE self-reported non-compliance with BAL-005-0 R8 for its failure to identify an alarm related to a frequency source failure and make adjustments to allow automatic restart to keep primary and backup frequency sources from failing. On April 8, 2008, EPE self-reported non-

<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). See 18 C.F.R. § 39.7(c)(2).

<sup>2</sup> Western Electricity Coordinating Council (WECC) confirmed that EPE was included on the NERC Compliance Registry as a Balancing Authority (BA), Distribution Provider, Generator Operator (GOP), Generator Owner, Load Serving Entity (LSE), Planning Authority, Purchasing-Selling Entity (PSE), Resource Planner, Transmission Operator (TOP), Transmission Owner, Transmission Planner, and Transmission Service Provider on June 17, 2007. As a BA, GOP, LSE and TOP, EPE is subject to the requirements of NERC Reliability Standard BAL-005-0; as a TOP and PSE, EPE is subject to the requirements of VAR-001-1; and as a BA and TOP, EPE is subject to the requirements of EOP-008.

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

compliance with BAL-005-0 R8 for its failure to automatically activate a secondary source upon the failure of the primary frequency source metering equipment. On August 6, 2008, during a Spot Check Audit, WECC identified a possible violation of EOP-008-0 R1 for failing to include certain procedures in a contingency plan in the event its control center becomes inoperable. This Notice of Penalty is being filed with the Commission because, based on information from WECC, WECC and EPE have entered into a Settlement Agreement to resolve all outstanding issues arising from a preliminary and non-public assessment resulting in WECC's determination and findings of the enforceable alleged violations of BAL-005-0 R17, VAR-001-1 R3, BAL-005-0 R8 (two violations) and EOP-008-0 R1. According to the Settlement Agreement, EPE neither admits nor denies the alleged violations, but has agreed to the proposed penalty of fifteen thousand dollars (\$15,000), in addition to other remedies and actions to mitigate the instant violations and facilitate future compliance under the terms and conditions of the Settlement Agreement. Accordingly, the alleged violations identified as NERC Violation Tracking Identification Numbers WECC200901304, WECC200901302, WECC200700543, WECC200800785 and WECC200801221 are being filed in accordance with the NERC Rules of Procedure and the CMEP.

### Statement of Findings Underlying the Alleged Violations

This Notice of Penalty incorporates the findings and justifications set forth in the Settlement Agreement executed on May 15, 2009, by and between WECC and EPE, which is included as Attachment d. The details of the findings and basis for the penalty are set forth in the Settlement Agreement and herein. This Notice of Penalty filing contains the basis for approval of the Settlement Agreement by the NERC Board of Trustees Compliance Committee (NERC BOTCC). In accordance with Section 39.7 of the Commission's regulations, 18 C.F.R. § 39.7 (2007), NERC provides the following summary table identifying each alleged violation of a Reliability Standard resolved by the Settlement Agreement, as discussed in greater detail below.

Region	Registered Entity	NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Total Penalty (\$)
WECC	El Paso Electric Company	NOC-202	WECC200901304	BAL-005-0 <sup>4</sup>	17	Medium <sup>5</sup>	\$15,000
			WECC200901302	VAR-001-1	3	Lower	
			WECC200700543	BAL-005-0	8	Medium	

<sup>4</sup> This violation is subject to compliance with BAL-005-0b as it was the enforceable standard at the time of discovery. BAL-005-0 was approved by the Commission and became enforceable on June 18, 2007. BAL-005-0b was approved by the Commission and became enforceable on August 28, 2008. The interpretation provides clarity regarding the responsibilities of a registered entity and does not change the meaning or language of the NERC Reliability Standard and its requirements.

<sup>5</sup> When NERC filed Violation Risk Factors (VRF) it originally assigned BAL-005-0 R17 a Lower VRF. The Commission approved the VRF as filed; however, it directed NERC to submit modifications. NERC submitted the modified Medium VRF and on February 6, 2008, the Commission approved the modified Medium VRF. Therefore, the Lower VRF for BAL-005-0 R17 was in effect from June 18, 2007 until February 6, 2008 when the Medium VRF became effective.

			WECC200800785	BAL-005-0	8	Medium	
			WECC200801221	EOP-008-0	1	High <sup>6</sup>	

BAL-005-0 R17

The purpose of Reliability Standard BAL-005-0 is to establish requirements for Balancing Authority Automatic Generation Control (AGC) necessary to calculate ACE and to routinely deploy the Regulating Reserve. The standard also ensures that all facilities and load electrically synchronized to the Interconnection are included within the metered boundary of a Balancing Area so that balancing of resources and demand can be achieved.

BAL-005-0 R17 requires a Balancing Authority, such as EPE, to at least annually check and calibrate its time error and frequency devices against a common reference. The entity shall adhere to the minimum values for measuring devices specified in the Standard. BAL-005-0 R1 has a “Medium” Violation Risk Factor (VRF).

During the Compliance Audit, the WECC Audit Team discovered a possible violation of BAL-005-0 R17 because EPE was using an Arbiter Systems Global Positioning Satellite (GPS) clock time error device that is synchronized to a GPS satellite timing signal traceable to the National Institute of Standards and Technology. EPE had not cross checked the two Arbiter devices against a properly calibrated device. Consequently, the Audit Team concluded that EPE was failing to calibrate time error devices annually against a common reference using minimal accuracy values as defined in the Standard. Enforcement reviewed the results of the Compliance Audit and determined that this Standard mandates an annual calibration check for frequency sensing devices used for ACE determination; even for devices that are black box Arbiter System GPS linked devices that have no method for performing calibration adjustments.

After reviewing the evidence, WECC Enforcement Staff concluded that there was an alleged violation of BAL-005-0 R17 and that the duration of the alleged violation was from June 18, 2007, when the standard became enforceable, through May 8, 2009, when EPE completed its Mitigation Plan.

VAR-001-1 R3

The purpose of Reliability Standard VAR-001-1 is to ensure that voltage levels, reactive flows, and reactive resources are monitored, controlled, and maintained within limits in real time to protect equipment and the reliable operation of the Interconnection.

VAR-001-1 R3 requires a Transmission Operator, such as EPE, to specify criteria that exempts generators from compliance with the requirements defined in R4 and R6.1. R3.1 states that each Transmission Operator is to maintain a list of generators in its area that are exempt from following a voltage or Reactive Power schedule and R3.2 state that, for

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<sup>6</sup> When NERC filed VRFs it originally assigned EOP-008-0 R1 a Medium VRF. The Commission approved the VRF as filed; however, it directed NERC to submit modifications. NERC submitted the modified High VRF and on February 6, 2008, the Commission approved the modified High VRF. Therefore, the Medium VRF for EPO-008-0 R1 was in effect from June 18, 2007 until February 6, 2008 when the High VRF became effective.

each generator on the exemption list, the Transmission Operator shall notify the associated Generator Owner. VAR-001-1 R3 has a “Lower” VRF.

During the Compliance Audit, the WECC Audit Team discovered a possible violation of VAR-001-1 R3 because EPE permitted generators to remain in service without AVR on and in voltage control mode to allow routine maintenance. The generators were routinely allowed to swap to the spare exciter for a short duration of time for maintenance and were then returned to voltage control mode with the AVR in service. EPE had not established criteria to exempt generators from the AVR requirements of R4 as mandated by the Standard. The Audit Team found that EPE's records indicated that a generator, designated as NEWMANG2, operated with AVR out of service for two hours each month from January 2008 through December 2008. In addition, EPE operated a generator designated as RIOGD G6 with AVR out of service for a total of 1,259 hours during the months of March, April and May 2008.

The Audit Team interviewed EPE personnel and asked them to explain what criteria EPE used to allow generator operation without the AVR in service. EPE's personnel explained that EPE operates generators without the AVR in service for very short durations during planned maintenance, as with the NEWMANG2 generator. For the RIOGD G6 generator, EPE personnel explained that the AVR had undergone maintenance for repairs, and the generator was operated without AVR in service to meet native load obligations. The Audit Team asked EPE to produce its records showing the maintenance exemptions it applied to the NEWMANG2 and RIOGD G6 generators. In response, EPE submitted a copy of an e-mail dated December 12, 2007, that provided instruction to generator operators emphasizing the need to inform the System Operations Control Center anytime EPE changed a generator's AVR status. This e-mail did not list any criteria for operating a generator without AVR in service. When the Audit Team questioned EPE personnel further, EPE's personnel did not dispute that EPE did not meet the Standard. The Audit Team concluded that EPE had a possible violation of VAR-001-1 R3 because it had not specified and documented its criteria for exempting generators from operating with AVR in service and in voltage control mode as required. Enforcement reviewed the results of the Compliance Audit and determined that EPE had failed to document criteria for exempting generators from operating with AVR in service and in voltage control mode.

After reviewing the evidence, WECC Enforcement Staff concluded that there was an alleged violation of VAR-001-1 R3 and that the duration of the alleged violation was from June 18, 2007, when the standard became enforceable, through April 21, 2009, when EPE completed its Mitigation Plan.

#### BAL-005-0 R8 (First and Second Violations)

The purpose of Reliability Standard BAL-005-0 is to establish Balancing Authority AGC necessary to calculate ACE and to routinely deploy the Regulating Reserve. The standard also ensures that all facilities and load electrically synchronized to the Interconnection are included within the metered boundary of a Balancing Area so that balancing of resources and demand can be achieved.

BAL-005-0 R8 requires each Balancing Authority, such as EPE, to ensure that data acquisition for and calculation of ACE occur at least every six seconds. R8.1 requires

each Balancing Authority to provide redundant and independent frequency metering equipment that shall automatically activate upon detection of failure of the primary source. This overall installation shall provide a minimum availability of 99.95%. BAL-005-0 R8 and R8.1 both have a "Medium" VRF.

First Violation:

On December 21, 2007, EPE self-reported a possible violation of BAL-005-0 R8.1 because EPE failed a frequency source availability test that day. EPE reported that it had updated its Energy Management System (EMS) hardware and software on September 25, 2007. While testing an EMS upgrade, EPE restarted the data acquisition servers, but the Time Standard Interface (TSI) failed to restart automatically. The TSI automatic restart failure caused both primary and backup frequency sources to fail. EPE discovered that the TSI used for the AGC frequency source was different than the previous version. Although the EMS activated an alarm when the TSI failed to restart, that alarm was one of several that the system set off. Because of the numerous different alarms, the EPE dispatcher did not notice the alarm related to the TSI failure and did not know that the frequency source had failed. An EPE dispatcher and EMS support specialist discovered the frequency source failure the next day and placed the TSI back in service. Enforcement reviewed EPE's Self-Report and determined that EPE had failed to identify and make the adjustments needed in the EMS to account for changes in the TSI that would allow the TSI to restart automatically, and thereby keep the primary and backup frequency sources from failing

After reviewing the evidence, WECC Enforcement Staff concluded that there was an alleged violation of BAL-005-0 R8.1. The duration of the alleged violation was from September 25, 2007, when the automatic restart failure occurred, through December 21, 2007, when EPE completed its Mitigation Plan.

Second Violation:

On April 8, 2008,<sup>7</sup> EPE self-reported a possible violation of BAL-005-0 R8.1 because EPE discovered on February 20, 2008, that the primary frequency source was not functioning properly for the frequency metering equipment. EPE's system operator was informed of the situation and placed the primary frequency source out of service to perform repairs. However, when the primary frequency source was placed out of service, EPE's secondary source failed to take over as expected because of an error in the baseline code delivered by the EMS vendor. Then, after repairs to the equipment were completed, the primary frequency source failed to restart. Although EPE's system operator was notified of the situation, and the system issued an alarm that the primary frequency source was out of service, the system operator did not recognize that the system no longer displayed current frequency data. Rather, the system continued to display the last reported frequency value. EPE discovered the frequency source failure the next day, on February 21, 2008 and corrected the situation immediately. Enforcement reviewed EPE's Self-Report and determined that EPE had failed to provide redundant frequency metering equipment that activated automatically upon detection of a failure of the primary frequency source.

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<sup>7</sup> The Settlement Agreement states that the BAL-005-0 R8 violation was self-reported on April 10, 2008, but the Self-Report document is dated April 8, 2008.

After reviewing the evidence, WECC Enforcement Staff concluded that there was an alleged violation of BAL-005-0 R8.1. The duration of the alleged violation was from February 20, 2008, when the failure occurred, through March 24, 2008, when EPE completed its Mitigation Plan.

#### EOP-008-0 R1

The purpose of Reliability Standard EOP-008-0 is to ensure that each reliability entity have a plan to continue reliability operations in the event its control center becomes inoperable.

EOP-008-0 R1 requires a Balancing Authority and Transmission Operator, such as EPE, and Reliability Coordinator to have a plan to continue reliability operations in the event its control center becomes inoperable. Specifically, the contingency plan must meet certain requirements including having procedures and responsibilities for R1.5) conducting periodic tests, at least annually, to ensure viability of the plan and for R1.6) providing annual training to ensure that operating personnel are able to implement the contingency plans. EOP-008-0 R1 has a “High” VRF; EOP-008-0, R1.5 and R1.6 each have a “Medium” VRF.

During the August 6, 2008 Spot Check,<sup>8</sup> the WECC Audit Team discovered a possible violation of EOP-008-0 R1 because the evidence EPE provided titled, *Loss of Primary Control Center Functionality - 2006* and *Loss of Primary Control Center Functionality – 2007*, did not include proper procedures or responsibilities for periodic testing of the contingency plans and training its personnel on the plans. The Audit Team noted that EPE's documentation showed that it had conducted at least one test; however, the test did not confirm the ability of EPE's system to function in the event of a loss of EPE's primary control center. Enforcement reviewed the results of the Spot Check and determined that EPE failed to document the required procedures and responsibilities for periodic testing and annual training in the event its control center becomes inoperable.

After reviewing the evidence, WECC Enforcement Staff concluded that there was an alleged violation of EOP-008-0 R1 and that the duration of the alleged violation was from June 18, 2007, when the standard became enforceable, through January 30, 2009, when EPE completed its Mitigation Plan.

#### Regional Entity's Basis for Penalty

According to the Settlement Agreement, WECC has assessed a penalty of fifteen thousand dollars (\$15,000) for the referenced alleged violations. In reaching this determination, WECC considered the following factors: (1) these violations constituted EPE's first occurrence of violations of the applicable NERC Reliability Standards, except for the second violation of BAL-005-0 R8.1; (2) EPE self-reported two of the violations, although EPE delayed one of the self-reports more than six weeks; (3) EPE was cooperative throughout WECC's evaluations and enforcement process; and (4) WECC determined that EPE has an effective culture of compliance as discussed in Section III (B) of the Settlement Agreement.

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<sup>8</sup> The Spot Check Response Letter, dated September 30, 2008, states the audit date as February 6, 2008, but the Settlement Agreement states the audit date as August 6, 2008.

After consideration of these and the above factors, WECC determined that, in this instance, the penalty amount of fifteen thousand dollars (\$15,000) is appropriate and bears a reasonable relation to the seriousness and duration of the alleged violations.

### **Status of Mitigation Plan<sup>9</sup>**

#### BAL-005-0 R17

EPE's Mitigation Plan to address its alleged violation of BAL-005-0 R17 was submitted to WECC on April 21, 2009. The Mitigation Plan was accepted by WECC on October 20, 2009 and approved by NERC on October 27, 2009. The Mitigation Plan for this alleged violation is designated as MIT-07-2060 and was submitted as non-public information to FERC on October 27, 2009 in accordance with FERC orders.

EPE's Mitigation Plan required EPE to contract with a time error manufacturer or a third party test and measurement vendor to check the accuracy of the two Arbiter devices by June 30, 2009. Additionally, EPE was required to provide a copy of the manufacturers or vendors test certificates to WECC and, going forward, annually contract with the manufacturer or third party vendor to check the accuracy of the two Arbiter devices.

EPE submitted a revised Mitigation Plan to WECC on May 22, 2009, in which it certified that it completed its Mitigation Plan on May 8, 2009. On May 8, 2009, a third party vendor performed satisfactory calibration checks and certified that the non-compliant frequency devices were properly calibrated at the required levels. The record of calibration of EPE's frequency devices and the calibration dates of the standards used and traceability were provided to WECC and evidence of calibration of four frequency measurement devices were provided including Arbiter Systems Model 1088 B Serial # A1734, # A1735, # A1752 and # A2331. Additional evidence submitted included Calibration Certificates numbered 5900202435 to 5900202438, with each dated May 8, 2009.

On October 21, 2009, after WECC's review of EPE's submitted evidence, WECC verified that EPE's Mitigation Plan was completed on May 8, 2009 and notified EPE on November 11, 2009 that it was in compliance with BAL-005-0 R17.

#### VAR-001-1 R3

EPE's Mitigation Plan to address its alleged violation of VAR-001-1 R3 was submitted to WECC on April 21, 2009. The Mitigation Plan was accepted by WECC on April 23, 2009 and approved by NERC on June 5, 2009. The Mitigation Plan for this alleged violation is designated as MIT-09-1653 and was submitted as non-public information to FERC on June 5, 2009 in accordance with FERC orders.

On April 21, 2009, EPE certified to WECC that it completed its Mitigation Plan upon its submission on April 21, 2009. The Mitigation Plan stated that EPE had developed criteria that exempts generators from compliance with the requirements defined in R4, and R6.1. To

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<sup>9</sup> See 18 C.F.R § 39.7(d)(7).

demonstrate compliance, EPE provided WECC with a copy of its procedure titled, *AVR Operation & Exemption Criteria*, dated April 8, 2009.

On April 23, 2009, after WECC's review of EPE's submitted evidence, WECC verified that EPE's Mitigation Plan was completed on April 21, 2009 and notified EPE on May 7, 2009 that it was in compliance with VAR-001-1 R3.

#### BAL-005-0 R8.1 (First Violation)

EPE's Mitigation Plan to address its first alleged violation of BAL-005-0 R8.1 was submitted to WECC on December 21, 2007. The Mitigation Plan was accepted by WECC on January 15, 2008 and approved by NERC on September 3, 2008. The Mitigation Plan for this alleged violation is designated as MIT-07-0524 and was submitted as non-public information to FERC on September 3, 2008 in accordance with FERC orders.

On December 21, 2007, EPE certified to WECC it completed its Mitigation Plan upon its submission on December 21, 2007. EPE had completed its Mitigation Plan which included the following steps: (a) establishing a procedure for restarting the data acquisition servers that included ensuring the frequency sources are placed back in service immediately after a restart; (b) establishing a procedure for system controllers to notify EMS support staff immediately upon receiving a TSI (frequency source) alarm and prior to acknowledging such an alarm; and (c) adding a process to its automated network monitoring system to send a page to EMS support staff when a TSI alarm is generated on the EMS.

On August 22, 2008, after WECC's review of EPE's submitted evidence, WECC verified that EPE's Mitigation Plan was completed on December 21, 2007 and notified EPE that it was in compliance with BAL-005-0 R8.1.

#### BAL-005-0 R8.1 (Second Violation)

EPE's Mitigation Plan to address its second alleged violation of BAL-005-0 R8.1 was submitted to WECC on April 8, 2008.<sup>10</sup> The Mitigation Plan was accepted by WECC on April 22, 2009 and approved by NERC on October 21, 2008. The Mitigation Plan for this alleged violation is designated as MIT-08-1013 and was submitted as non-public information to FERC on October 21, 2008 in accordance with FERC orders.

EPE completed the following actions which were required by its Mitigation Plan:

- Created a real-time calculation for alarming when the primary frequency source fails. This calculation compared the current value for frequency with the previous value every 3 seconds. If they were equal a counter would be incremented by 3. If the current and previous values were not equal the counter would be cleared. The counter point would be set to alarm the system operator when the counter value is 30; and
- Worked with the EMS vendor to determine the root cause of why the frequency source did not automatically fail over. The vendor determined that an error in the

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<sup>10</sup> The Settlement Agreement states that the Mitigation Plan referencing BAL-005-0 R8 was submitted on April 10, 2008, but the document is dated April 8, 2008.



product code did not configure the frequency sources properly for failover. To resolve this issue, EPE has worked with the vendor to patch EPE's software, tested the patch successfully and which functioned properly by directing a secondary source to take over after EPE placed a primary frequency source out of service.

On May 16, 2008, EPE certified to WECC that it completed its Mitigation Plan on May 15, 2008.<sup>11</sup> To demonstrate compliance, EPE provided WECC with a copy of its procedure titled, *TSI Failover Test Procedure*, dated May 15, 2008 as evidence and conducted a test of its system to verify that a secondary frequency source would take over if a primary frequency source failed.

On January 16, 2009, after WECC's review of EPE's submitted evidence, WECC verified that EPE's Mitigation Plan was completed on May 15, 2008 and notified EPE on February 13, 2009 that it was in compliance with BAL-005-0 R8.1.

#### EOP-008-0 R1

EPE's Mitigation Plan to address its alleged violation of EOP-008-0 R1 was submitted to WECC on November 18, 2008. The Mitigation Plan was accepted by WECC on November 21, 2008 and approved by NERC on February 9, 2009. The Mitigation Plan for this alleged violation is designated as MIT-08-1357 and was submitted as non-public information to FERC on February 17, 2009 in accordance with FERC orders.

EPE's Mitigation Plan required EPE to add Training and Testing Appendices to its existing Plans for Loss of Control Center Functionality by January 31, 2009.

On February 6, 2009, EPE certified to WECC its completion of the Mitigation Plan on January 30, 2009. To demonstrate compliance, EPE provided WECC with a copy of its updated procedure titled, *Loss of Primary Control Center Functionality Plan*, which added the necessary provisions concerning periodic testing and annual training to its plans. Also, EPE developed protective devices for its maintenance management system and established triggers for retesting these devices as part of its Protection System Maintenance and Testing Program.

During the Compliance Audit, the WECC Audit Team reviewed the Mitigation Plan and supporting evidence of its completion. In a letter dated February 23, 2009, WECC verified that the EPE Mitigation Plan was completed on January 30, 2009.

### **Statement Describing the Proposed Penalty, Sanction or Enforcement Action Imposed<sup>12</sup>**

#### **Basis for Determination**

Taking into consideration the Commission's direction in Order No. 693, the NERC Sanction Guidelines and the Commission's July 3, 2008 Guidance Order,<sup>13</sup> the NERC BOTCC reviewed

<sup>11</sup> The Settlement Agreement and the Mitigation Plan both incorrectly state that the Mitigation Plan was completed on March 24, 2008, instead of May 15, 2008.

<sup>12</sup> See 18 C.F.R § 39.7(d)(4).

<sup>13</sup> *North American Electric Reliability Corporation*, "Guidance Order on Reliability Notices of Penalty," 124 FERC ¶ 61,015 (2008).

the Settlement Agreement and supporting documentation on November 9, 2009. The NERC BOTCC approved the Settlement Agreement, including WECC's imposition of a financial penalty, assessing a penalty of fifteen thousand dollars (\$15,000) against EPE and other actions to facilitate future compliance required under the terms and conditions of the Settlement Agreement. In approving the Settlement Agreement, the NERC BOTCC reviewed the applicable requirements of the Commission-approved Reliability Standards and the underlying facts and circumstances of the alleged violations at issue.

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

- (1) four of the violations constituted EPE's first occurrence of violations of the applicable NERC Reliability Standards;
- (2) there was a second violation of BAL-005-0 R8.1;
- (3) WECC reported EPE was cooperative throughout the enforcement process;
- (4) there was no evidence of any attempt to conceal a violation; and
- (5) EPE self-reported two of the violations, although EPE delayed one of the self-reports more than six weeks.

For the foregoing reasons, the NERC BOTCC approves the Settlement Agreement and believes that the proposed penalty of fifteen thousand dollars (\$15,000) is appropriate for the violations and circumstances in question, and is consistent with NERC's goal to promote and ensure reliability of the bulk power system.

Pursuant to Order No. 693, the penalty will be effective upon expiration of the 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.

#### **Attachments to be Included as Part of this Notice of Penalty**

The attachments to be included as part of this Notice of Penalty are the following documents and material:

- a) WECC Audit Report, Public Version Screen Shots, for the alleged violations of BAL-005-0 R17 and VAR-001-1 R3, showing a deemed date of June 18, 2007 and February 6, 2009, respectively, included as Attachment a;
- b) EPE's Self-Reports for both of the alleged violations of BAL-005-0 R8.1, dated December 21, 2007 and April 8, 2008, respectively,<sup>14</sup> included as Attachment b;
- c) Spot Check Response Letter for the alleged violation of EOP-008-0 R1, dated September 30, 2008, included as Attachment c;

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<sup>14</sup> The Settlement Agreement states that the BAL-005-0 R8 violation was self-reported on April 10, 2008, but the Self-Report document is dated April 8, 2008.

- d) Settlement Agreement by and between EPE and WECC executed May 15, 2009, included as Attachment d;
- e) EPE's Mitigation Plan designated as MIT-07-2060 for the alleged violation of BAL-005-0 R17, submitted April 21, 2009, included as Attachment e;
- f) EPE's Certification of Completion, submitted as a revised Mitigation Plan for the alleged violation of BAL-005-0 R17, submitted May 22, 2009, included as Attachment f;
- g) WECC's Verification of Completion of the Mitigation Plan for the alleged violation of BAL-005-0 R17, dated November 11, 2009, included as Attachment g;
- h) EPE's Mitigation Plan designated as MIT-09-1653, and Certification of Completion included therein, for the alleged violation of VAR-001-1 R3, submitted April 21, 2009, included as Attachment h;
- i) WECC's Verification of Completion of the Mitigation Plan for the alleged violation of VAR-001-1 R3, dated May 7, 2009, included as Attachment i;
- j) EPE's Mitigation Plan designated as MIT-07-0524, and Certification of Completion included therein, for the first alleged violation of BAL-005-0 R8, submitted December 21, 2007, included as Attachment j;
- k) WECC's Verification of Completion of the Mitigation Plan for the first alleged violation of BAL-005-0 R8, dated August 22, 2008, included as Attachment k;
- l) EPE's Mitigation Plan designated as MIT-08-1013 for the second alleged violation of BAL-005-0 R8, submitted April 8, 2008, included as Attachment l;
- m) EPE's Certification of Completion for the second alleged violation of BAL-005-0 R8, submitted May 16, 2009, included as Attachment m;
- n) WECC's Verification of Completion of the Mitigation Plan for the second alleged violation of BAL-005-0 R8, dated February 13, 2009 included as Attachment n;
- o) EPE's Mitigation Plan designated as MIT-08-1357 for the alleged violation of EOP-008-0 R1, submitted November 18, 2008, included as Attachment o;
- p) EPE's Certification of Completion for the alleged violation of EOP-008-0 R1, submitted February 6, 2009, included as Attachment p; and
- q) WECC's Verification of Completion of the Mitigation Plan for the alleged violation of EOP-008-0 R1, dated February 23, 2009 included as Attachment q.

**A Form of Notice Suitable for Publication<sup>15</sup>**

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

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<sup>15</sup> See 18 C.F.R § 39.7(d)(6).

### Notices and Communications

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

<p>David N. Cook* Vice President and General Counsel North American Electric Reliability Corporation 116-390 Village Boulevard Princeton, N.J. 08540-5721 (609) 452-8060 (609) 452-9550 – facsimile david.cook@nerc.net</p> <p>Jose G. Nevarez* Assistant VP, System Operations El Paso Electric Company 100 N. Stanton El Paso, Texas 79901-1442 (915) 543-5719 (915) 521-4763 – facsimile jnevarez@epelectric.com</p> <p>Steven Goodwill* Associate General Counsel Western Electricity Coordinating Council 615 Arapeen Drive, Suite 210 Salt Lake City, UT 84108-1262 (801) 883-6857 (801) 883-6894 – facsimile SGoodwill@wecc.biz</p> <p>*Persons to be included on the Commission’s service list are indicated with an asterisk. NERC requests waiver of the Commission’s rules and regulations to permit the inclusion of more than two people on the service list.</p>	<p>Rebecca J. Michael* Assistant General Counsel Holly A. Hawkins* Attorney 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 holly.hawkins@nerc.net</p> <p>Christopher Luras* Manager of Compliance Enforcement Western Electricity Coordinating Council 615 Arapeen Drive, Suite 210 Salt Lake City, UT 84108-1262 (801) 883-6887 (801) 883-6894 – facsimile CLuras@wecc.biz</p> <p>Louise McCarren* Chief Executive Officer Western Electricity Coordinating Council 615 Arapeen Drive, Suite 210 Salt Lake City, UT 84108-1262 (801) 883-6868 (801) 582-3918 – facsimile Louise@wecc.biz</p> <p>Constance White* Vice President of Compliance Western Electricity Coordinating Council 615 Arapeen Drive, Suite 210 Salt Lake City, UT 84108-1262 (801) 883-6885 (801) 883-6894 – facsimile CWhite@wecc.biz</p>
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**Conclusion**

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

Respectfully submitted,

/s/ Rebecca J. Michael

Rebecca J. Michael  
Assistant General Counsel  
Holly A. Hawkins  
Attorney  
North American Electric Reliability  
Corporation  
1120 G Street, N.W.  
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(202) 393-3998  
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David N. Cook  
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(609) 452-8060  
(609) 452-9550 – facsimile  
david.cook@nerc.net

cc: El Paso Electric Company  
Western Electricity Coordinating Council

Attachments

## **Attachment a**

**WECC Audit Report, Public Version Screen  
Shots, for the alleged violations of BAL-005-0 R17  
and VAR-001-1 R3, showing a deemed date of  
June 18, 2007 and February 6, 2009**



Compliance and Registration Database  
**Post Violations Tracking and Reporting**

**Region:** WECC   
 **Violation Date:** 2/6/2009   
 **WECC ID:** EPE\_WECC20091443  
**Entity:** El Paso Electric Company   
 **Acronym:** EPE   
 **Registry ID:** NCR05140   
 **NERC violation ID:** WECC200901304  
**Standard:** BAL-005-0   
 Automatic Generation Control

<b>Disposition_Final Record</b>	<b>Mitigation Plan</b>	<b>RAD and RAD Appeal</b>	<b>Internal Notes</b>	<b>Pre-June 18</b>
Initial Notice	NAVAPS	Proposed Sanction Penalty	Contested Hearing	

**Requirement:** 17   
 **Repeat Alleged Violation?**   
**Initial Determination by Region:** 2/9/2009  
**Reporting Method:** Compliance Audit  
**On Site Audit**    
 **Off Site Audit**   
**Deemed Date:** 6/18/2007  
**Violation Level:** VSL - Lower  
**Violation Risk Factor:** MEDIUM  
**Alleged Violation Time:**  
**Alleged Violation End Date:**  
**Violation Description:**  
 The registered entity is technically in violation of BAL-005-0 in that they do not calibrate the Arbiter Systems Satellite G.P.S. Clock and have not other properly calibrated device to cross check the performance of these devices.  
**Regional Contact Person:** O'Donnell, Phil

**Applicable Functions:** BA  
**Regional Determination of Impact to BPS:**  
**Detailed Description of Potential Impact to BPS:**  
 Minimal Technical related issue - there is no threat to reliability from this violation. These devices are more accurate than those that can be calibrated. If the device fails, a backup device automatically takes over the function.  
**ID sent to Entity:**  
**Additional Comments**

Close



Compliance and Registration Database  
**Post Violations Tracking and Reporting**

**Region:** WECC **Violation Date:** 2/6/2009 **WECC ID:** EPE\_WECC20091441  
**Entity:** El Paso Electric Company **Acronym:** EPE **Registry ID:** NCR05140 **NERC violation ID:** WECC200901302  
**Standard:** VAR-001-1 Voltage and Reactive Control **48HR REPORT REQUIRED**

<b>Disposition_Final Record</b>	<b>Mitigation Plan</b>	<b>RAD and RAD Appeal</b>	<b>Internal Notes</b>	<b>Pre-June 18</b>
<b>Initial Notice</b>	<b>NAVAPS</b>	<b>Proposed Sanction Penalty</b>	<b>Contested Hearing</b>	

**Requirement:** 3 **Repeat Alleged Violation?**   
**Initial Determination by Region:** 2/23/2009  
**Reporting Method:** Compliance Audit  
**On Site Audit**  **Off Site Audit**   
**Deemed Date:** 2/6/2009  
**Violation Level:** VSL - Severe  
**Violation Risk Factor:** LOWER  
**Alleged Violation Time:**   
**Alleged Violation End Date:**   
**Violation Description:**  
 The registered entity does not calibrate the Arbiter Systems Satellite G.P.S. Frequency Device and has no other properly calibrated device to cross check the performance of these devices.  
**Regional Contact Person:** Wells, Mike

**Applicable Functions:** TOP  
**Regional Determination of Impact to BPS:**   
**Detailed Description of Potential Impact to BPS:**  
 Technical related issue - Minimal Impact on the BES of not specifying criteria for exemption of generators from operation with AVR out of service.  
 Other requirements of the standard ensure the system operators are aware of the status of AVR on all generators and aware of and have control of reactive  
**ID sent to Entity:**   
**Additional Comments**

[Close](#)



## **Attachment b**

**EPE's Self-Reports for both of the alleged  
violations of BAL-005-0 R8.1, dated December  
21, 2007 and April 8, 2008**



## Compliance Violation Self-Reporting Form

Please complete an individual Self-Reporting Form for each NERC Reliability Standard that indicates any level(s) of non-compliance and return to [Compliance@WECC.biz](mailto:Compliance@WECC.biz)

Registered Entity Name: El Paso Electric Company

Contact Name: Joe Nevarez

Contact Phone: 915-543-5719

Contact email: [jnevarez@epelectric.com](mailto:jnevarez@epelectric.com)

Date noncompliance was discovered: 12/21/2007

Date noncompliance was reported: 12/21/2007

Standard Title: Automatic Generation Control

Standard Number: BAL-005

Requirement Number(s)<sup>1</sup>: **R8.1**

How was the noncompliance found? (e.g. Routine Readiness Evaluation, Self-evaluation, Internal Audit, etc.)

Self Evaluation

**\*Submit a Mitigation Plan in conjunction with this form to show that corrective steps are being taken within ten (10) business days. If a mitigation plan is not being submitted with this form please complete the following:**

Describe the cause of non-compliance:

Describe the reliability impact of this non-compliance:

Expected date of Mitigation Plan submittal:

<sup>1</sup> Violations are on a per requirement basis.



**CONFIDENTIAL**

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## **Compliance Violation Self-Reporting Form**

Please complete an **individual** Self-Reporting Form for each NERC Reliability Standard that indicates any level(s) of non-compliance and return to [Compliance@WECC.biz](mailto:Compliance@WECC.biz)

Registered Entity Name: El Paso Electric Company

Contact Name: Joe Nevarez

Contact Phone: 915-543-5719

Contact email: [jnevarez@epelectric.com](mailto:jnevarez@epelectric.com)

Date noncompliance was discovered: 02/20/2008

Date noncompliance was reported: 04/08/2008

Standard Title: Automatic Generation Control

Standard Number: BAL-005

Requirement Number(s)<sup>1</sup>: **R8.1**

How was the noncompliance found? (e.g. Routine Readiness Evaluation, Self-evaluation, Internal Audit, etc.)

Self Evaluation

**\*Submit a Mitigation Plan in conjunction with this form to show that corrective steps are being taken within ten (10) business days. If a mitigation plan is not being submitted with this form please complete the following:**

Describe the cause of non-compliance:

Describe the reliability impact of this non-compliance:

Expected date of Mitigation Plan submittal:

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<sup>1</sup> Violations are on a per requirement basis.

## **Attachment c**

**Spot Check Response Letter for the alleged  
violation of EOP-008-0 R1, dated September 30,  
2008**



**Bob Kiser**  
Manager of Compliance Audits and Investigations

360.567.4058  
bkiser@wecc.biz

VIA EMAIL

September 30, 2008

John A. Whitacre  
Vice President - System Operations & Planning  
El Paso Electric Company (EPE)  
123 W. Mills  
El Paso, TX 79901

Subject: Spot Check Response Letter – Quarter 4 2007

Dear John A. Whitacre:

The Western Electricity Coordinating Council (WECC) Compliance Department is in receipt of EPE's Spot Check submittal dated February 6, 2008. EPE submitted a spot check response for the standards in the following list applicable to its registration:

- BAL-002-0 – Disturbance Control Performance
- EOP-008-0 – Plans for Loss of Control Center Functionality
- FAC-003-1 – Vegetation Management Program
- PRC-005-1 – Transmission and Generation Protection System Maintenance

The Spot Check audit team has reviewed EPE's Spot Check evidence submittal. The findings for EPE's Spot Check are indicated in Attachment A of this letter.

If you have any questions, please contact Sharly Norton at (801) 582-0353 ext. 1822 or via email at [snorton@wecc.biz](mailto:snorton@wecc.biz).

Sincerely,

*Bob Kiser*

BOB KISER  
Manager of Compliance Audits  
And Investigations

BK/DD

cc: Josefina de la Fuente, Senior Legal Assistant, System Administrator  
Steve McCoy, WECC Vice President and Director of Compliance

Lisa Milanes, WECC Manager of Compliance Administration  
Ed Ruck, NERC Regional Compliance Program Coordinator



**Registered Entity:** El Paso Electric Company (EPE)

**Date:** September 30, 2008

	Standard Number(s)	Requirement(s)*	Sufficient Evidence	Audit Findings
1	BAL-002-0	R1,R3,R4,R6	Yes	Compliant
2	BAL-002-0	R2,R5	N/A	These requirements are not applicable to your entity at this time.
3	EOP-008-0	R1	No	There was no evidence provided to describe the alternate communications systems for voice and data per this sub-requirement. (R1.1, 1.5 and 1.6) EPE does not include any description of the method for providing independent voice and data communications at the Backup Control Center in the EPE Plans for Loss of Primary Control Center Functionality 2006 or 2007.
4	FAC-003-1	R1,R2,R3	Yes	Compliant
5	FAC-003-1	R4	N/A	This requirement is not applicable to your entity at this time.
6	PRC-005-1	R1,R2	Yes	Compliant

*\* Please note that multiple violations may be reported under one Standard, as indicated by the requirement(s) column.*

## **Attachment d**

# **Settlement Agreement by and between EPE and WECC executed May 15, 2009**



**SETTLEMENT AGREEMENT**  
**BETWEEN**  
**WESTERN ELECTRICITY COORDINATING COUNCIL**  
**AND**  
**EL PASO ELECTRIC COMPANY**

Western Electricity Coordinating Council ("WECC") and El Paso Electric Company ("EPE")(collectively the "Parties") hereby enter into this Settlement Agreement ("Agreement") on this 15 day of May, 2009. The Agreement shall become effective on the Effective Date, which is the date set forth in Section IV.F. herein.

**RECITALS**

A. The Parties enter into this Agreement to resolve any and all civil and administrative disputes between them related to the Reliability Standards addressed herein and arising during the Settlement Period, including, but not limited to, WECC determinations and findings arising from self-reports by EPE and an on-site audit conducted by WECC February 2 – 6, 2009. The five violations of the following North American Electric Reliability Corporation ("NERC") Reliability Standards ("Reliability Standards") alleged by WECC are:

BAL-005-0 Requirement 17: *Automatic Generation Control*

VAR-001-1 Requirement 3: *Voltage and Reactive Control*

BAL-005-0 Requirement 8.1: *Automatic Generation Control*

BAL-005-0 Requirement 8: *Automatic Generation Control*

EOP-008-0 Requirement 1: *Plans for Loss of Control Center Functionality*

B. EPE is a publicly held company with 989 employees. Its principal offices are located in El Paso, Texas. EPE generates and distributes electricity through an interconnected system to approximately 361,000 customers in the Rio Grande Valley in western Texas and southern New Mexico. In 2008, EPE had a native peak load of 1,524 MW. On June 17, 2007, EPE was registered on the NERC Compliance Registry as a Balancing Authority, Distribution Provider, Generator Owner, Generator Operator, Load Serving Entity, Planning Authority, Purchase-Selling Entity, Resource Planner, Transmission Owner, Transmission Operator, Transmission Planner and Transmission Service Provider.

C. WECC was formed on April 18, 2002 by the merger of the Western Systems Coordinating Council, Southwest Regional Transmission Association and Western Regional Transmission Association. WECC is one of eight regional councils in the United States responsible for coordinating and promoting electric system reliability. In addition, WECC supports efficient competitive power markets, assures open and

non-discriminatory transmission access among members, provides a forum for resolving transmission access disputes, and provides an environment for coordinating the operating and planning activities of its members. WECC's region encompasses a vast area of nearly 1.8 million square miles extending from Canada to Mexico and including 14 western states. It is the largest and most diverse of the eight regional councils in the United States.

D. The Parties are entering into this Agreement to settle disputed matters between them. It is in the Parties' and the public's best interests to resolve this matter efficiently without the delay and burden associated with a contested proceeding. Nothing in this Agreement shall limit or prevent WECC from evaluating EPE for subsequent violations of the same Reliability Standards addressed herein that occur after the Settlement Period, and taking any enforcement action, including the assessment of penalties in accordance with NERC Rules of Procedure.

NOW, THEREFORE, in consideration of the terms set forth herein, including in the Recitals, WECC and EPE hereby agree and stipulate to the following:

**I. Representations of the Parties**

While EPE neither admits nor denies the violations of the Reliability Standards as alleged by WECC, for purposes of settling any and all civil and administrative disputes between the Parties related to the Reliability Standards addressed herein and arising during the Settlement Period, EPE agrees to the treatment of the alleged violations as Confirmed Violations, as this term is defined in the WECC Compliance Monitoring and Enforcement Program ("CMEP"), of the Reliability Standards described below in detail.

WECC represents that it has established sufficient facts, as set forth herein, to support its determination that EPE has Confirmed Violations of the Reliability Standards described below in detail.

**II. Confirmed Violations**

**A. NERC Reliability Standard BAL-005-0 Requirement 17**

*R17: Each Balancing Authority shall at least annually check and calibrate its time error and frequency devices against a common reference. The Balancing Authority shall adhere to the minimum values for measuring devices as listed below:*

<i>Device</i>	<i>Accuracy</i>
<i>Digital frequency transducer</i>	<i>≤0.001 Hz</i>
<i>MW, MVAR, and voltage transducer</i>	<i>≤0.25 % of full scale</i>
<i>Remote terminal unit</i>	<i>≤0.25 % of full scale</i>
<i>Potential transformer</i>	<i>≤0.30 % of full scale</i>
<i>Current transformer</i>	<i>≤0.50 % of full scale</i>

NERC Reliability Standard BAL-005-0 is applicable to Balancing Authorities. EPE is subject to the Standard because it was registered as a Balancing Authority on NERC's Compliance Registry on June 17, 2007.

WECC conducted an on-site audit of EPE on February 2-6, 2009 in accordance with the CMEP. The Standard requires Registered Entities to calibrate time error devices annually against a common source using minimal accuracy values as defined in the Standard. The WECC Audit Team ("Audit Team") found that EPE was using an Arbiter Systems Global Positioning Satellite ("GPS") Clock time error device that is synchronized to a GPS satellite timing signal traceable to the National Institute of Standards and Technology. EPE had not cross checked the two Arbiter devices against a properly calibrated device. Consequently, the Audit Team concluded that EPE was in violation of the Standard and forwarded this information to the WECC Enforcement Department ("Enforcement") for its review and consideration.

Enforcement reviewed the results of the audit and determined that EPE had violated this Standard because of its failure to check and calibrate its time error and frequency devices annually against a properly calibrated common reference. Based upon its independent review of the record, Enforcement concluded that the period of time for this violation was from June 18, 2007 through the date when EPE completes a mitigation plan.

EPE submitted its mitigation plan on April 21, 2009 to address this violation. This mitigation plan stated that EPE would contract with the time error device manufacturer or a third party test and measurement vendor to check the accuracy of the frequency measurements of the two Arbiter devices. EPE will provide a copy of the manufacturer's or vendor's test certificates to WECC as proof of the completed mitigation plan. The mitigation plan stated that EPE would contract to have the accuracy of the frequency measurements of the Arbiter devices checked annually. This mitigation plan has an expected completion date of June 30, 2009. WECC has not reviewed the mitigation plan yet.

**B. NERC Reliability Standard VAR-001-1 Requirement 3**

*R3. The Transmission Operator shall specify criteria that exempt generators from compliance with the requirements defined in Requirement 4 and Requirement 6.1.*

*R3.1. Each Transmission Operator shall maintain a list of generators in its area that are exempt from following a voltage or Reactive Power schedule.*

*R3.2. For each generator that is on this exemption list, the Transmission Operator shall notify the associated Generator Owner.*

NERC Reliability Standard VAR-001-1 is applicable to Transmission Operators. EPE is subject to this Standard because it was registered as a Transmission Operator on June 17, 2007 in the NERC Compliance Registry.

WECC conducted an on-site audit of EPE on February 2-6, 2009 in accordance with the CMEP. The Audit Team found that EPE had a possible violation of this Standard. EPE's records indicated that EPE operated a generator designated as NEWMANG2 with Automatic Voltage Regulators ("AVR") out of service for two hours each month from January 2008 through December 2008. In addition, EPE operated a

generator designated as RIOGD G6 with AVR out of service for a total of 1259 hours during the months of March, April and May 2008.

During the on-site audit, the Audit Team interviewed EPE personnel and asked them to explain what criteria EPE used to allow generator operation without the AVR in service. EPE's personnel explained that EPE operates generators without the AVR in service for very short durations during planned maintenance, as with the NEWMANG2 generator. For the RIOGD G6 generator, EPE personnel explained that the AVR had undergone maintenance for repairs, and the generator was operated without the AVR in service to meet native load obligations.

Because this Standard requires Registered Entities to document criteria for exempting generators from AVR requirements, the Audit Team asked EPE to produce its records showing the maintenance exemptions it applied to the NEWMANG2 and RIOGD G6 generators. In response, EPE submitted a copy of an email dated December 12, 2007 that provided instruction to generator operators emphasizing the need to inform the System Operations Control Center anytime EPE changed a generator's AVR status. This email did not list any criteria for operating a generator without AVR in service. When the Audit Team questioned EPE personnel further, EPE's personnel did not dispute that EPE did not meet the requirements of the Standard. The Audit Team concluded that EPE had a possible violation of this Standard because it had not specified and documented its criteria for exempting generators from operating with the AVR in service and in Voltage Control Mode as required by the Standard.

Enforcement reviewed the results of the audit and determined that EPE had violated this Standard because it had failed to document criteria for exempting generators from operating with the AVR in service and in Voltage Control Mode. Based upon its independent review of the record, Enforcement concluded that the period of time for this violation was from June 18, 2007 through the date when EPE completes a mitigation plan.

EPE submitted its mitigation plan on April 21, 2009 to address this violation. EPE certified that this mitigation plan was completed at the time of filing. This mitigation plan stated that EPE has developed criteria that exempt generators from compliance with the requirements defined in R4 and R6.1. To demonstrate completion of the mitigation plan, EPE provided WECC with a copy of its AVR Criteria Procedure. On April 23, 2009, WECC SMEs reviewed the mitigation plan and the evidence supporting completion. WECC accepted the mitigation plan and verified its completion.

### **C. NERC Reliability Standard BAL-005-0 Requirement 8**

**R8** *The Balancing Authority shall ensure that data acquisition for and calculation of ACE occur at least every six seconds.*

**R8.1** *Each Balancing Authority shall provide redundant and independent frequency metering equipment that shall automatically activate upon detection of failure of the primary source. This overall installation shall provide a minimum availability of 99.95%.*

NERC Reliability Standard BAL-005-0 is applicable to Balancing Authorities, Generator Operators, Transmission Operators and Load Serving Entities. EPE is subject to this Standard because it was registered as a Balancing Authority, Generator Operator, Transmission Operator, and Load Serving Entity on June 17, 2007 in the NERC Compliance Registry.

On December 21, 2007, EPE self-reported a violation of BAL-005-0 Requirement 8.1. EPE reported that it had updated its Energy Management System ("EMS") hardware and software on September 25, 2007. While testing an EMS upgrade, EPE restarted the data acquisition servers, but the Time Standard Interface ("TSI") failed to restart automatically. The TSI automatic restart failure caused both primary and backup frequency sources to fail. EPE discovered that the TSI used for the Automatic Generation Control ("AGC") frequency source was different than the previous version. Although the EMS activated an alarm when the TSI failed to restart, that alarm was one of several that the system set off. Because of the numerous different alarms, the EPE dispatcher did not notice the alarm related to the TSI failure and did not know that the frequency source had failed. An EPE dispatcher and EMS support specialist discovered the frequency source failure the next day and placed the TSI back in service.

Enforcement reviewed EPE's self-report and determined that EPE had violated this Standard because it failed to identify and make the adjustments needed in the EMS to account for changes in the TSI that would allow the TSI to restart automatically, and thereby keep the primary and backup frequency sources from failing as required by the Standard.

On December 21, 2007, EPE submitted a mitigation plan to address the violation of this Standard. NERC designated this mitigation plan as MIT-07-0524. Also on December 21, 2007, EPE filed a Mitigation Plan Completion Form with WECC. To comply with this Standard, EPE established a procedure for restarting the data acquisition servers that ensures that EPE places frequency sources back in service immediately after a restart. EPE also established a procedure for system controllers to notify EMS support staff immediately upon receiving a TSI alarm. Finally, EPE improved its automated network monitoring system so that the system pages EMS support staff when the system generates a TSI alarm. EPE certified that it completed this mitigation plan on December 21, 2007. On August 22, 2008, WECC subject matter experts reviewed EPE's documentation and confirmed that EPE completed the mitigation plan on December 21, 2007. Based upon its independent review of the record, Enforcement concluded that the period of time for this violation was one day, December 21, 2007.

**D. NERC Reliability Standard BAL-005-0 Requirement 8**

***R8 The Balancing Authority shall ensure that data acquisition for and calculation of ACE occur at least every six seconds.***

**R8.1** *Each Balancing Authority shall provide redundant and independent frequency metering equipment that shall automatically activate upon detection of failure of the primary source. This overall installation shall provide a minimum availability of 99.95%.*

NERC Reliability Standard BAL-005-0 is applicable to Balancing Authorities, Generator Operators, Transmission Operators and Load Serving Entities. EPE is subject to the Standard because it was registered as a Balancing Authority, Generator Operator, Transmission Operator and Load Serving Entity in the NERC Compliance Registry on June 17, 2007.

On April 10, 2008, EPE self-reported a violation of BAL-005-0 Requirement 8. EPE discovered this violation on February 20, 2008. In evaluating this self-report, WECC noted the delay between the date that EPE discovered the violation and the date that EPE filed the self-report.

On February 20, 2008, an EPE hardware technician performed work on cabling in the data acquisition cabinet, where the primary frequency source is located. After completing the work, the hardware technician noticed that the primary frequency source was not functioning properly. The hardware technician informed EPE's system operator of the situation and placed the primary frequency source out of service to perform repairs. When the hardware technician placed the primary frequency source out of service, EPE's secondary source failed to take over as expected because of an error in the baseline code delivered by the EMS vendor. Then, after the hardware technician completed repairs, the primary frequency source failed to restart. Although the hardware technician notified EPE's system operator of the situation, and the system issued an alarm that the primary frequency source was out of service, the system operator did not recognize that the system no longer displayed current frequency data. Rather, the system continued to display the last reported frequency value. EPE discovered the frequency source failure the next day, on February 21<sup>st</sup> and corrected the situation immediately.

Enforcement reviewed EPE's self-report and determined that EPE had violated this Standard because it failed to provide redundant frequency metering equipment that activated automatically upon detection of a failure of the primary frequency source.

On April 10, 2008, EPE submitted a mitigation plan to address the violation of this Standard. To comply with this Standard, EPE improved its system to include real-time calculations for its system alarms when the primary frequency source fails. EPE's system now compares the current value for the primary frequency source with its previous value every three seconds. Additionally, EPE worked with the EMS vendor to determine the root cause of the secondary source's failure to take over after the hardware technician placed the primary frequency source out of service for repairs. The EMS vendor determined that an error in the system's product code caused the primary frequency source to be configured improperly. To resolve this problem, the EMS vendor patched EPE's software. EPE tested the patch, which functioned properly by directing a secondary source to take over after EPE placed a primary frequency source out of service.

On May 15, 2008, EPE certified that it had completed the mitigation plan. To verify completion of the mitigation plan, EPE provided a copy of its TSI Failover Test Procedure, which confirms and documents that a secondary frequency source will take over when a primary frequency source fails or is taken out of service for repairs by EPE. EPE reported that on March 24, 2008, it conducted a test of its system to verify that a secondary frequency source would take over if a primary frequency source failed. EPE technicians and operations personnel were involved in the successful systems test. EPE provided a signed test record with the certification of its completed mitigation plan. On January 16, 2009, WECC subject matter experts reviewed EPE's documentation and confirmed that EPE had completed its mitigation plan on March 24, 2008.

Based upon its independent review of the record, Enforcement concluded that the period of time for this violation was from February 20, 2008 through March 24, 2008.

Enforcement reviewed EPE's December 21, 2007 violation of this Standard, which is described above. Enforcement determined that EPE's February 20, 2008 violation did constitute a second violation of this Standard. Enforcement noted that EPE's earlier December 21, 2007 self-report involved a slightly different technical problem with its system, which EPE mitigated the very same day it discovered the issue.

#### **E. NERC Reliability Standard EOP-008-0 Requirement 1**

*R1. Each Reliability Coordinator, Transmission Operator and Balancing Authority shall have a plan to continue reliability operations in the event its control center becomes inoperable. The contingency plan must meet the following requirements:*

*R1.5. The plan shall include procedures and responsibilities for conducting periodic tests, at least annually, to ensure viability of the plan.*

*R1.6. The plan shall include procedures and responsibilities for providing annual training to ensure that operating personnel are able to implement the contingency plans.*

*[R1.1 through R1.4 and R1.7 through R1.8 are not relevant here and have been intentionally omitted.]*

NERC Reliability Standard EOP-008-0 is applicable to Reliability Coordinators, Transmission Operators and Balancing Authorities. EPE is subject to the Standard because it was registered as a Transmission Operator and Balancing Authority on the NERC Compliance Registry on June 17, 2007.

On August 6, 2008, WECC conducted a spot check audit of EPE to evaluate EPE's compliance with several Reliability Standards, including EOP-008-0 R1.5 and R1.6. During the spot check audit, EPE provided copies of two plans titled, "Loss of

Primary Control Center Functionality - 2006” and “Loss of Primary Control Center Functionality - 2007”. Upon review of these documents, the Audit Team found that EPE had not included any procedures or responsibilities for periodic testing of the plans as required by R1.5. The Audit Team noted that EPE’s documentation showed that it had conducted at least one test. However, the test did not confirm the ability of EPE’s system to function in the event of a loss of EPE’s primary control center.

Also during the spot check audit, the Audit Team established that EPE’s plans did not contain any procedures or list any responsibilities for training. R1.6 requires continued reliability plans to include procedures and responsibilities for annual training. The only statement in the plans relevant to this requirement was: “System operations personnel shall be trained on these procedures at least annually”. The Audit Team concluded that this statement was related to scheduling, rather than constituting the required provisions for training procedures and responsibilities.

Enforcement reviewed the results of the spot check audit and determined that EPE’s failure to document the required procedures and responsibilities for periodic testing and annual training was a violation of EOP-008-0 Requirements 1.5 and 1.6, respectively.

On November 18, 2008, EPE submitted a mitigation plan to address the violation of this Standard. NERC designated the mitigation plan as MIT-08-1357. EPE filed a Mitigation Plan Completion Form with WECC on February 6, 2009. To comply with this Standard, EPE added the necessary provisions concerning periodic testing and annual training to its Loss of Control Center Functionality Plan. Also, EPE developed protective devices for its maintenance management system and established triggers for retesting these devices as part of its Protection System Maintenance and Testing Program. EPE certified that it completed the mitigation plan on January 30, 2009. During the on-site audit on February 2-6, 2009, the Audit Team reviewed EPE’s implementation of the mitigation plan and the plan’s completion date. The Audit Team confirmed that EPE had completed the mitigation plan on January 30, 2009 and was in compliance with this Standard.

Based upon its independent review of the record, Enforcement concluded that the period of time for this violation was from June 18, 2007 to January 30, 2009.

### **III. Settlement Terms**

A. Payment. In settlement of any and all civil and administrative disputes between the Parties related to the Reliability Standards addressed herein and arising during the Settlement Period, EPE hereby agrees to pay \$15,000.00 to WECC via wire transfer or cashier’s check. EPE shall make the funds payable to a WECC account identified in a Notice of Payment that WECC will send to EPE upon approval of this Agreement by NERC and the Federal Energy Regulatory Commission (“FERC”). EPE shall issue the payment to WECC no later than twenty days after receipt of the Notice of Payment.



The terms of this Agreement, including the agreed-upon payment, are subject to review and possible revision by NERC and FERC; however, the Parties are not required to accept any such revisions or modifications. Upon NERC approval of the Agreement, NERC will file a Notice of Penalty with FERC. Upon FERC approval of the Agreement, NERC will post the Agreement publicly. If either NERC or FERC rejects the Agreement or materially modifies it, the Parties will attempt to negotiate a revised settlement agreement that includes any changes to the Agreement specified by NERC or FERC. If the Parties cannot reach a settlement agreement, the CMEP shall govern the enforcement process.

NERC and FERC approval of this Agreement without material modification shall release EPE and forever bar WECC from holding EPE, its agents, officers, directors, and employees, both past and present, and any successor in interest to EPE, liable for any and all administrative or civil claims arising out of, related to, or connected with violations of the Reliability Standards addressed herein occurring during the Settlement Period; provided, however, that nothing in this provision or in this Agreement shall limit or prevent WECC from evaluating EPE for subsequent violations that occur after the Settlement Period of the same Reliability Standards addressed herein and taking enforcement action, if necessary. Such enforcement action may include assessing penalties against EPE for subsequent violations of the Reliability Standards addressed herein in accordance with NERC Rules of Procedure.

B. Settlement Rationale. WECC's determination of penalties in an enforcement action is guided by the statutory requirement codified at 16 U.S.C. § 824o(e)(6) that any penalty imposed "shall bear a reasonable relation to the seriousness of the violation and shall take into consideration the efforts of such user, owner, or operator to remedy the violation in a timely manner". Additionally, WECC considers the guidance provided by the NERC Sanction Guidelines and by FERC in Order No. 693 and in its July 3, 2008 Guidance Order.

Specifically, to determine penalty assessment, WECC considers the following factors: (1) the seriousness of the violation, including the applicable Violation Risk Factor and Violation Severity Level, and the risk to the reliability of the Bulk Electric System; (2) the violation's duration; (3) the Registered Entity's compliance history; (4) the Registered Entity's self-reports and voluntary corrective action; (5) the degree and quality of cooperation by the Registered Entity in the audit or investigation process, and in any remedial action; (6) the quality of the Registered Entity's compliance program; (7) any attempt by the Registered Entity to conceal the violation or any related information; (8) whether the violation was intentional; (9) any other relevant information or extenuating circumstances; and (10) the Registered Entity's ability to pay a penalty.

The following VRFs apply to EPE's Alleged Violations in accordance with NERC's VRF Matrix dated February 3, 2009:

BAL-005-0 R17: Medium  
VAR-001-1 R3: Lower  
BAL-005-0 R8.1: Medium  
BAL-005-0 R8: Medium

EOP-008-0 R1: High

In addition to the factors listed above, WECC considered several mitigating factors in reaching a settlement in this action. First, with the exception of the second violation of BAL-005-0 R8, EPE's violations were EPE's first assessed noncompliance with the applicable Reliability Standards. Second, EPE self-reported two of the violations, although EPE delayed one of the self-reports from the date of discovery on February 20, 2008 to April 10, 2008. Third, EPE mitigated three of the violations promptly. Also, EPE has submitted mitigation plans for its two most recent violations, which WECC found during the Compliance Audit on February 2-6, 2009. Fourth, EPE was cooperative throughout WECC's evaluation of the company's compliance with the Reliability Standards and the enforcement process.

Finally, during the on-site audit, the Audit Team evaluated EPE's Internal Compliance Program ("ICP") using the Compliance Program Audit Worksheet. The Audit Team found that: (1) EPE has named and staffed an ICP oversight position; (2) the ICP oversight position is supervised at a high level within the company; (3) the ICP oversight position has independent access to the CEO or Board of Directors; (4) EPE operates and manages the ICP so that it is independent from personnel responsible for compliance with the Reliability Standards; (5) the ICP has sufficient staff and an adequate budget; and (6) EPE senior management support and participate in the ICP. Based on these findings, WECC concluded that EPE has an effective compliance culture.

In reaching this Agreement, WECC considered EPE's second violation of BAL-005-0 R8. However, as noted above, EPE's second violation of the Standard involved a slightly different technical aspect of EPE's system. WECC determined that there were no other aggravating factors warranting a higher payment. Specifically, EPE did not have any negative compliance history. There was no failure by EPE to comply with applicable compliance directives, nor any evidence of an attempt by EPE to conceal a violation. Finally, there was no evidence that EPE's violations were intentional.

#### **IV. Additional Terms**

A. Authority. The undersigned representative of each party warrants that he or she is authorized to represent and bind the designated party.

B. Representations. The undersigned representative of each party affirms that he or she has read the Agreement, that all matters set forth in the Agreement are true and correct to the best of his or her knowledge, information, or belief, and that he or she understands that the Agreement is entered into by each party in express reliance on the representations set forth herein.

C. Review. Each party agrees that it has had the opportunity to consult with legal counsel regarding the Agreement and to review it carefully. Each party enters the Agreement voluntarily. No tender, offer or promise of any kind outside the terms of the Agreement by any member, employee, officer, director, agent, or representative of EPE or WECC has been made to induce the signatories or the Parties to enter into the Agreement.

D. Entire Agreement. The Agreement represents the entire agreement between the Parties. No oral representations shall be considered a part of the Agreement.

E. Settlement Period. The Settlement Period is the period of time between the effective date of the Reliability Standard addressed herein through the date of WECC's acceptance of a completed mitigation plan from EPE addressing that violation.

F. Effective Date. The Effective Date of this Agreement shall be the date on which FERC issues an order approving this Agreement without material modification.

G. Waiver of Right to Further Proceedings. The Parties agree that the Agreement, upon approval by NERC and FERC, is a final settlement of all matters set forth herein. The Parties waive their right to further hearings and appeal, unless and only to the extent that EPE contends that any NERC or FERC action concerning the Agreement contains one or more material modifications to the Agreement or otherwise violates the Agreement.

H. Reservation of Rights. Except as limited by this Agreement, WECC reserves all of its rights to initiate enforcement, penalty or sanction actions against EPE in accordance with the Agreement, the CMEP and the NERC Rules of Procedure. In the event that EPE fails to comply with any of the terms of this Agreement, WECC shall have the right to pursue enforcement, penalty or sanction actions against EPE up to the maximum penalty allowed by the NERC Rules of Procedure. EPE shall retain all of its rights to defend against such enforcement actions in accordance with the CMEP and the NERC Rules of Procedure. Failure by either Party to enforce any provision hereof on occasion shall not constitute a waiver by that Party of its rights or be binding on that Party on any other occasion.

I. Amendments. Any amendments to the Agreement shall be in writing. No amendment to the Agreement shall be effective unless it is in writing and executed by the Parties.

J. Successors and Assigns. The Agreement shall be binding on successors or assigns of the Parties.

K. Governing Law. The Agreement shall be governed by and construed under the laws of the State of Utah.

L. Captions. The Agreement's titles, headings and captions are for the purpose of convenience only and in no way define, describe or limit the scope or intent of the Agreement.

M. Counterparts and Facsimiles. The Agreement may be executed in counterparts, in which case each of the counterparts shall be deemed to be an original. Also, the Agreement may be executed via facsimile, in which case a facsimile shall be deemed to be an original.


Agreed to and accepted:

WESTERN ELECTRICITY COORDINATING COUNCIL

\_\_\_\_\_ Date: \_\_\_\_\_  
Constance B. White

Title: Vice President of Compliance

EL PASO ELECTRIC COMPANY

 \_\_\_\_\_ Date: 15 MAY 09  
John A. Whitacre

Title: Vice President - System Operations and Planning

APPROVED AS TO FORM  
OFFICE OF THE GENERAL COUNSEL M. KIPP, by J. Wecker,  
with permission

Agreed to and accepted:

WESTERN ELECTRICITY COORDINATING COUNCIL

*CB White*  
Constance B. White

Date: 4/28/09

Title: Vice President of Compliance

EL PASO ELECTRIC COMPANY

\_\_\_\_\_  
John A. Whitacre

Date: \_\_\_\_\_

Title: Vice-President System Operations and Planning

**Attachment e**

**EPE's Mitigation Plan designated as MIT-07-2060  
for the alleged violation of BAL-005-0 R17,  
submitted April 21, 2009**



# Mitigation Plan Submittal Form

New  or Revised

Date of submittal: 04/21/2009

If this Mitigation Plan is complete:

- Check this box
- Provide the Date of the Mitigation Plan Completion:
- In order for the Mitigation Plan to be accepted for review the following items must be submitted along with this Mitigation Plan Submittal Form:
  - Evidence supporting full compliance
  - Sections A, B, C, D.1, E.2, E.3, and F must be completed in their entirety

## **Section A: Compliance Notices & Mitigation Plan Requirements**

A.1 Notices and requirements applicable to Mitigation Plans and this Submittal Form are set forth in “Attachment A - Compliance Notices & Mitigation Plan Requirements” to this form. **Review Attachment A and check this box  to indicate that you have reviewed and understand the information provided therein.** This Submittal Form and the Mitigation Plan submitted herein are incomplete and cannot be accepted unless the box is checked.

## **Section B: Registered Entity Information**

B.1 Identify your organization:

Registered Entity Name: El Paso Electric Company  
Registered Entity Address: 100 N. Stanton, El Paso, TX 79901  
NERC Compliance Registry ID: NCR05140

B.2 Identify the individual in your organization who will be the Entity Contact regarding this Mitigation Plan. Please see Section 6.2 of the WECC Compliance Monitoring and Enforcement Program (CMEP) for a description of the qualifications required of the Entity Contact.<sup>1</sup>

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<sup>1</sup> A copy of the WECC CMEP is posted on WECC’s website at [http://compliance.wecc.biz/Documents/Forms/03.06%20-%20WECC%20Mitigaton%20Plan%](http://compliance.wecc.biz/Documents/Forms/03.06%20-%20WECC%20Mitigaton%20Plan%20) Registered Entities are responsible for following all applicable WECC CMEP procedures. WECC strongly recommends that registered entities become familiar with the WECC CMEP and its requirements, as they may be amended from time to time.



Name: Jose Nevarez  
 Title: Assistant Vice President, System Operations  
 Email: jnevarez@epelectric.com  
 Phone: 915-543-5719

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

This Mitigation Plan is associated with the alleged or confirmed violation(s) of the reliability standard/requirements listed below:

C.1 Standard: BAL-005-0.1b  
*[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]	WECC Violation ID # [if known ]	Requirement Violated (e.g. R3)	Violation Risk Factor	Alleged or confirmed Violation Date <sup>(*)</sup> (MM/DD/YY)	Method of Detection (e.g. audit, self-report, investigation)
		R17	Medium	06/18/07	Audit

(\*) Note: The Alleged or Confirmed Violation Date shall be: (i) the date the violation occurred; (ii) the date that the violation was self-reported; or (iii) the date upon which WECC has deemed the violation to have occurred. Please contact WECC if you have questions regarding which date to use.

C.3 Identify the cause of the alleged or confirmed violation(s) identified above:

WECC conducted an on-site audit of EPE on February 2-6, 2009 in accordance with the CMEP. The Standard requires Registered Entities to calibrate time error devices annually against a common source using minimal accuracy values as defined in the Standard. The WECC Audit Team (“Audit Team”) found that EPE was using an Arbiter Systems Global Positioning Satellite (“GPS”) Clock time error device that is synchronized to





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a GPS satellite timing signal traceable to the National Institute of Standards and Technology. EPE had not cross checked the two Arbiter devices against a properly calibrated device. Consequently, the Audit Team concluded that EPE was in violation of the Standard.

[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 alleged or confirmed 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:

EPE will contract with the time error device manufacturer or a 3rd party test and measurement vendor to check the accuracy of the two Arbiter devices by June 30th, 2009. EPE will provide a copy of the manufacturers or vendors test certificates to WECC as proof of the completed mitigation plan. Going forward, EPE will annually contract with the manufacturer or a 3rd party vendor to check the accuracy of the two Arbiter devices.

[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 alleged or confirmed violations associated with this Mitigation Plan corrected: The Mitigation Plan will be completed and the associated alleged violation corrected by June 30th, 2009



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

Milestone Activity	Proposed Completion Date* (milestones cannot be more than 3 months apart)
Manufacturer or Vendor Test of Arbiter Device Accuracy	June 30, 2009

(\* ) Note: Implementation milestones should be no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. As set forth in CMEP section 6.6, adverse consequences could result from failure to complete, on a timely basis, all required actions in this Mitigation Plan, including implementation of milestones. A request for an extension of the completion date of any milestone or of the Mitigation Plan must be received by WECC at least five (5) business days before the relevant milestone or completion date.

[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, 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 known, reasonably suspected 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:

Risks are minimal. The Arbiter time error devices are more accurate than the devices that can be calibrated

[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 has or will prevent or minimize the probability that your organization will incur further violations of the same or similar reliability standards requirements in the future:

Checking the accuracy of the the time error devices on an annual basis will meet the standard.

[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]



## 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 WECC for acceptance by WECC 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 Jose Nevarez of El Paso Electric Company.
  2. I am an officer, employee, attorney or other person authorized to sign this Mitigation Plan on behalf of El Paso Electric Company.
  3. I understand El Paso Electric Company's obligations to comply with Mitigation Plan requirements and WECC or ERO remedial action directives and I have reviewed the WECC and ERO documents related to these obligations, including, but not limited to, the WECC CMEP and the NERC Rules of Procedure.
  4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
  5. El Paso Electric Company agrees to be bound by, and comply with, the Mitigation Plan, including the timetable completion date, as approved by WECC and approved by NERC.

**Authorized Signature:** \_\_\_\_\_

(Electronic signatures are acceptable; see CMEP Section 3.0)

Name (Print): Jose Nevarez

Title: Assistant Vice President, System Operation

Date: 04/21/2009



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### **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]

### **Section H: WECC Contact and Instructions for Submission**

Please direct any questions regarding completion of this form to:

Mike Wells, Sr. Compliance Engineer

Email: [mike@wecc.biz](mailto:mike@wecc.biz)

Phone: (801) 883-6884

For guidance on submitting this form, please refer to the “*WECC Compliance Data Submittal Policy*”. This policy can be found on the Compliance Manuals website as Manual 2.12:

<http://compliance.wecc.biz/Application/Documents/Forms/WECC%20Compliance%20Data%20Submittal%20Policy.pdf>

## **Attachment A – Compliance Notices & Mitigation Plan Requirements**

- I. Section 6.2 of the WECC CMEP 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.
  - (9) Any other information deemed necessary or appropriate.
  - (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self-Certification or Self Reporting submittals.
- II. This submittal form may be used to provide a required Mitigation Plan for review and approval by WECC and NERC.



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- III. The Mitigation Plan shall be submitted to the WECC and NERC as confidential information in accordance with Section 9.3 of the WECC CMEP and Section 1500 of the NERC Rules of Procedure.
- IV. This Mitigation Plan form may be used to address one or more related Alleged or Confirmed Violations of one Reliability Standard. A separate Mitigation Plan is required to address violations with respect to each additional Reliability Standard, as applicable.
- V. If the Mitigation Plan is approved by WECC and NERC, a copy of the Mitigation Plan will be provided to the Federal Energy Regulatory Commission in accordance with applicable Commission rules, regulations and orders.
- VI. Either WECC or NERC may reject a Mitigation Plan that it determines to be incomplete or inadequate. If the Mitigation Plan is rejected by either WECC or NERC, the Registered Entity will be notified and required to submit a revised Mitigation Plan.
- VII. In accordance with Section 7.0 of the WECC CMEP, remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.



## **Attachment f**

**EPE's Certification of Completion, submitted as a revised Mitigation Plan for the alleged violation of BAL-005-0 R17, submitted May 22, 2009**



# Mitigation Plan Submittal Form

New  or Revised

Date of submittal: 05/22/2009

If this Mitigation Plan is complete:

- Check this box
- Provide the Date of the Mitigation Plan Completion: 05/08/2009
- In order for the Mitigation Plan to be accepted for review the following items must be submitted along with this Mitigation Plan Submittal Form:
  - Evidence supporting full compliance
  - Sections A, B, C, D.1, E.2, E.3, and F must be completed in their entirety

## **Section A: Compliance Notices & Mitigation Plan Requirements**

A.1 Notices and requirements applicable to Mitigation Plans and this Submittal Form are set forth in “Attachment A - Compliance Notices & Mitigation Plan Requirements” to this form. **Review Attachment A and check this box  to indicate that you have reviewed and understand the information provided therein.** This Submittal Form and the Mitigation Plan submitted herein are incomplete and cannot be accepted unless the box is checked.

## **Section B: Registered Entity Information**

B.1 Identify your organization:

Registered Entity Name: El Paso Electric Company  
Registered Entity Address: 100 N. Stanton, El Paso, TX 79901  
NERC Compliance Registry ID: NCR05140

B.2 Identify the individual in your organization who will be the Entity Contact regarding this Mitigation Plan. Please see Section 6.2 of the WECC Compliance Monitoring and Enforcement Program (CMEP) for a description of the qualifications required of the Entity Contact.<sup>1</sup>

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<sup>1</sup> A copy of the WECC CMEP is posted on WECC’s website at <http://compliance.wecc.biz/Documents/Forms/03.06%20-%20WECC%20Mitigaton%20Plan%20Registered%20Entities> Registered Entities are responsible for following all applicable WECC CMEP procedures. WECC strongly recommends that registered entities become familiar with the WECC CMEP and its requirements, as they may be amended from time to time.



Name: Jose Nevarez  
 Title: Assistant Vice President, System Operations  
 Email: jnevarez@epelectric.com  
 Phone: 915-543-5719

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

This Mitigation Plan is associated with the alleged or confirmed violation(s) of the reliability standard/requirements listed below:

C.1 Standard: BAL-005-0.1b  
*[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]	WECC Violation ID # [if known ]	Requirement Violated (e.g. R3)	Violation Risk Factor	Alleged or confirmed Violation Date <sup>(*)</sup> (MM/DD/YY)	Method of Detection (e.g. audit, self-report, investigation)
		R17	Medium	06/18/07	Audit

(\*) Note: The Alleged or Confirmed Violation Date shall be: (i) the date the violation occurred; (ii) the date that the violation was self-reported; or (iii) the date upon which WECC has deemed the violation to have occurred. Please contact WECC if you have questions regarding which date to use.

C.3 Identify the cause of the alleged or confirmed violation(s) identified above:

WECC conducted an on-site audit of EPE on February 2-6, 2009 in accordance with the CMEP. The Standard requires Registered Entities to calibrate time error devices annually against a common source using minimal accuracy values as defined in the Standard. The WECC Audit Team (“Audit Team”) found that EPE was using an Arbiter Systems Global Positioning Satellite (“GPS”) Clock time error device that is synchronized to



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a GPS satellite timing signal traceable to the National Institute of Standards and Technology. EPE had not cross checked the two Arbiter devices against a properly calibrated device. Consequently, the Audit Team concluded that EPE was in violation of the Standard.

[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 alleged or confirmed 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:

EPE will contract with the time error device manufacturer or a 3rd party test and measurement vendor to check the accuracy of the two Arbiter devices by June 30th, 2009. EPE will provide a copy of the manufacturers or vendors test certificates to WECC as proof of the completed mitigation plan. Going forward, EPE will annually contract with the manufacturer or a 3rd party vendor to check the accuracy of the two Arbiter devices.

[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 alleged or confirmed violations associated with this Mitigation Plan corrected:



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

Milestone Activity	Proposed Completion Date* (milestones cannot be more than 3 months apart)

(\*) Note: Implementation milestones should be no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. As set forth in CMEP section 6.6, adverse consequences could result from failure to complete, on a timely basis, all required actions in this Mitigation Plan, including implementation of milestones. A request for an extension of the completion date of any milestone or of the Mitigation Plan must be received by WECC at least five (5) business days before the relevant milestone or completion date.

[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, 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 known, reasonably suspected 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:

[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 has or will prevent or minimize the probability that your organization will incur further violations of the same or similar reliability standards requirements in the future:

Anually checking the accuracy of the the Arbiter Statelite Clocks will meet the standard.

[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]



## 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 WECC for acceptance by WECC 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 Jose Nevarez of El Paso Electric Company.
  2. I am an officer, employee, attorney or other person authorized to sign this Mitigation Plan on behalf of El Paso Electric Company.
  3. I understand El Paso Electric Company's obligations to comply with Mitigation Plan requirements and WECC or ERO remedial action directives and I have reviewed the WECC and ERO documents related to these obligations, including, but not limited to, the WECC CMEP and the NERC Rules of Procedure.
  4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
  5. El Paso Electric Company agrees to be bound by, and comply with, the Mitigation Plan, including the timetable completion date, as approved by WECC and approved by NERC.

Authorized Signature: \_\_\_\_\_

(Electronic signatures are acceptable; see CMEP Section 3.0)

Name (Print): Jose Nevarez

Title: Assistant Vice President, System Operation

Date: 04/21/2009





Western Electricity Coordinating Council



## **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]

## **Section H: WECC Contact and Instructions for Submission**

Please direct any questions regarding completion of this form to:

Mike Wells, Sr. Compliance Engineer

Email: [mike@wecc.biz](mailto:mike@wecc.biz)

Phone: (801) 883-6884

For guidance on submitting this form, please refer to the “*WECC Compliance Data Submittal Policy*”. This policy can be found on the Compliance Manuals website as Manual 2.12:

<http://compliance.wecc.biz/Application/Documents/Forms/WECC%20Compliance%20Data%20Submittal%20Policy.pdf>

## **Attachment A – Compliance Notices & Mitigation Plan Requirements**

- I. Section 6.2 of the WECC CMEP 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.
  - (9) Any other information deemed necessary or appropriate.
  - (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self-Certification or Self Reporting submittals.
- II. This submittal form may be used to provide a required Mitigation Plan for review and approval by WECC and NERC.



*Western Electricity Coordinating Council*



- III. The Mitigation Plan shall be submitted to the WECC and NERC as confidential information in accordance with Section 9.3 of the WECC CMEP and Section 1500 of the NERC Rules of Procedure.
- IV. This Mitigation Plan form may be used to address one or more related Alleged or Confirmed Violations of one Reliability Standard. A separate Mitigation Plan is required to address violations with respect to each additional Reliability Standard, as applicable.
- V. If the Mitigation Plan is approved by WECC and NERC, a copy of the Mitigation Plan will be provided to the Federal Energy Regulatory Commission in accordance with applicable Commission rules, regulations and orders.
- VI. Either WECC or NERC may reject a Mitigation Plan that it determines to be incomplete or inadequate. If the Mitigation Plan is rejected by either WECC or NERC, the Registered Entity will be notified and required to submit a revised Mitigation Plan.
- VII. In accordance with Section 7.0 of the WECC CMEP, remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.

## **Attachment g**

# **WECC's Verification of Completion of the Mitigation Plan for the alleged violation of BAL- 005-0 R17, dated November 11, 2009**

**CONFIDENTIAL**



**Laura Scholl**  
Managing Director of Compliance

801.819.7619  
[lscholl@wecc.biz](mailto:lscholl@wecc.biz)

November 11, 2009

John A. Whitacre  
Vice President - System Operations & Planning  
El Paso Electric Company  
100 N. Stanton  
El Paso, Texas 79901-1442

NERC Registration ID: NCR05140

Subject: Certification of Completion Response Letter

Dear John,

The Western Electricity Coordinating Council (WECC) received the Certification of Completion and supporting evidence of El Paso Electric Company (EPE) on 5/29/2009 for the alleged violation of Reliability Standard BAL-005-0 Requirement 17.

WECC has accepted the Certification of Completion for Requirement 17 of the Reliability Standard BAL-005-0 and has found this requirement to be fully mitigated. No further mitigation of this requirement will be required at this time.

If you have any questions or concerns, please contact Phil O'Donnell at [podonnell@wecc.biz](mailto:podonnell@wecc.biz). Thank you for your assistance in this effort.

Sincerely,

Laura Scholl  
Managing Director of Compliance

LS:rh

cc: Janet Eschenbrenner, EPE Manager, NERC Reliability & Compliance  
Lisa Milanese, WECC Manager of Compliance Program Administration  
Phil O'Donnell, WECC Senior Compliance Engineer

## **Attachment h**

**EPE's Mitigation Plan designated as MIT-09-1653, and Certification of Completion included therein, for the alleged violation of VAR-001-1 R3, submitted April 21, 2009**



## Mitigation Plan Submittal Form

New  or Revised

Date of submittal: April 21, 2009

If this Mitigation Plan is complete:

- Check this box
- Provide the Date of the Mitigation Plan Completion: April 21, 2009
- In order for the Mitigation Plan to be accepted for review the following items must be submitted along with this Mitigation Plan Submittal Form:
  - Evidence supporting full compliance
  - Sections A, B, C, D.1, E.2, E.3, and F must be completed in their entirety

### **Section A: Compliance Notices & Mitigation Plan Requirements**

A.1 Notices and requirements applicable to Mitigation Plans and this Submittal Form are set forth in “Attachment A - Compliance Notices & Mitigation Plan Requirements” to this form. **Review Attachment A and check this box  to indicate that you have reviewed and understand the information provided therein.** This Submittal Form and the Mitigation Plan submitted herein are incomplete and cannot be accepted unless the box is checked.

### **Section B: Registered Entity Information**

B.1 Identify your organization:

Registered Entity Name: El Paso Electric Company  
Registered Entity Address: 100 N. Stanton, El Paso, TX 79901  
NERC Compliance Registry ID: NCR05140

B.2 Identify the individual in your organization who will be the Entity Contact regarding this Mitigation Plan. Please see Section 6.2 of the WECC Compliance Monitoring and Enforcement Program (CMEP) for a description of the qualifications required of the Entity Contact.<sup>1</sup>

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<sup>1</sup> A copy of the WECC CMEP is posted on WECC’s website at [http://compliance.wecc.biz/Documents/Forms/03.06%20-%20WECC%20Mitigaton%20Plan%](http://compliance.wecc.biz/Documents/Forms/03.06%20-%20WECC%20Mitigaton%20Plan%20) Registered Entities are responsible for following all applicable WECC CMEP procedures. WECC strongly recommends that registered entities become familiar with the WECC CMEP and its requirements, as they may be amended from time to time.



Name: Jose Nevarez  
 Title: Assistant Vice President - System Operations  
 Email: joe.nevarez@epelectric.com  
 Phone: (915)543-5719

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

This Mitigation Plan is associated with the alleged or confirmed violation(s) of the reliability standard/requirements listed below:

C.1 Standard: VAR-001-1 R3  
*[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]	WECC Violation ID # [if known ]	Requirement Violated (e.g. R3)	Violation Risk Factor	Alleged or confirmed Violation Date <sup>(*)</sup> (MM/DD/YY)	Method of Detection (e.g. audit, self-report, investigation)
Unknown	Unknown	R3	Lower	06/18/07	audit

(\*) Note: The Alleged or Confirmed Violation Date shall be: (i) the date the violation occurred; (ii) the date that the violation was self-reported; or (iii) the date upon which WECC has deemed the violation to have occurred. Please contact WECC if you have questions regarding which date to use.

C.3 Identify the cause of the alleged or confirmed violation(s) identified above:

EPE permitted generators to remain in service without Automatic Voltage Regulation (AVR) on and in Voltage Control Mode to allow routine maintenance. The generators were allowed to swap to the spare exciter for a short duration of time for maintenance and were then returned to Voltage Control Mode with the AVR in service. EPE had no established criteria to exempt generators from the AVR requirements of





Western Electricity Coordinating Council



R4. EPE’s interpretation of Requirement 4 was that the exemption criteria were intended for long term exemption from AVR operations. However, there is no time period or grace period identified in Requirement 4.

[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 alleged or confirmed 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:

EPE has developed criteria that exempts generators from compliance with the requirements defined in Requirement 4, and Requirement 6.1. The criteria will be submitted for approval with this mitigation plan.  
[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 alleged or confirmed violations associated with this Mitigation Plan corrected:

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

Milestone Activity	Proposed Completion Date* (milestones cannot be more than 3 months apart)
--------------------	--




(\*) Note: Implementation milestones should be no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. As set forth in CMEP section 6.6, adverse consequences could result from failure to complete, on a timely basis, all required actions in this Mitigation Plan, including implementation of milestones. A request for an extension of the completion date of any milestone or of the Mitigation Plan must be received by WECC at least five (5) business days before the relevant milestone or completion date.

[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, 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 known, reasonably suspected 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:

[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 has or will prevent or minimize the probability that your organization will incur further violations of the same or similar reliability standards requirements in the future:

Successful completion of the Mitigation Plan ensures that EPE implements criteria to comply with NERC Standard VAR-001-1 R3. EPE will continually review the criteria to ensure compliance with NERC Standard VAR-001-1. [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]



## **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 WECC for acceptance by WECC 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 Jose Nevarez of El Paso Electric Company..
  2. I am an officer, employee, attorney or other person authorized to sign this Mitigation Plan on behalf of El Paso Electric. Company.
  3. I understand El Paso Electric Company's obligations to comply with Mitigation Plan requirements and WECC or ERO remedial action directives and I have reviewed the WECC and ERO documents related to these obligations, including, but not limited to, the WECC CMEP and the NERC Rules of Procedure.
  4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
  5. El Paso Electric Company agrees to be bound by, and comply with, the Mitigation Plan, including the timetable completion date, as approved by WECC and approved by NERC.

**Authorized Signature:** \_\_\_\_\_  
(Electronic signatures are acceptable; see CMEP Section 3.0)

Name (Print): Jose Nevarez  
Title: Assistant Vice President - System Operations  
Date: April 21, 2009



Western Electricity Coordinating Council



### **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]

### **Section H: WECC Contact and Instructions for Submission**

Please direct any questions regarding completion of this form to:

Mike Wells, Sr. Compliance Engineer

Email: [mike@wecc.biz](mailto:mike@wecc.biz)

Phone: (801) 883-6884

For guidance on submitting this form, please refer to the “*WECC Compliance Data Submittal Policy*”. This policy can be found on the Compliance Manuals website as Manual 2.12:

<http://compliance.wecc.biz/Application/Documents/Forms/WECC%20Compliance%20Data%20Submittal%20Policy.pdf>

## **Attachment A – Compliance Notices & Mitigation Plan Requirements**

- I. Section 6.2 of the WECC CMEP 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.
  - (9) Any other information deemed necessary or appropriate.
  - (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self-Certification or Self Reporting submittals.
- II. This submittal form may be used to provide a required Mitigation Plan for review and approval by WECC and NERC.



*Western Electricity Coordinating Council*



- III. The Mitigation Plan shall be submitted to the WECC and NERC as confidential information in accordance with Section 9.3 of the WECC CMEP and Section 1500 of the NERC Rules of Procedure.
- IV. This Mitigation Plan form may be used to address one or more related Alleged or Confirmed Violations of one Reliability Standard. A separate Mitigation Plan is required to address violations with respect to each additional Reliability Standard, as applicable.
- V. If the Mitigation Plan is approved by WECC and NERC, a copy of the Mitigation Plan will be provided to the Federal Energy Regulatory Commission in accordance with applicable Commission rules, regulations and orders.
- VI. Either WECC or NERC may reject a Mitigation Plan that it determines to be incomplete or inadequate. If the Mitigation Plan is rejected by either WECC or NERC, the Registered Entity will be notified and required to submit a revised Mitigation Plan.
- VII. In accordance with Section 7.0 of the WECC CMEP, remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.



## **Attachment i**

# **WECC's Verification of Completion of the Mitigation Plan for the alleged violation of VAR- 001-1 R3, dated May 7, 2009**

**CONFIDENTIAL**



**Laura Scholl**  
Managing Director of Compliance

801.819.7619  
[lscholl@wecc.biz](mailto:lscholl@wecc.biz)

May 7, 2009

John A. Whitacre  
Vice President - System Operations & Planning  
El Paso Electric Company  
100 N. Stanton  
El Paso, Texas 79901-1442

NERC Registration ID: NCR05140

Subject: Certification of Completion Response Letter

Dear John A. Whitacre,

The Western Electricity Coordinating Council (WECC) received the Certification of Completion and supporting evidence of El Paso Electric Company (EPE) on 4/21/2009 for the alleged violation of Reliability Standard VAR-001-1 and Requirement(s) 3. Listed below is the outcome of WECC's official review.

WECC has accepted the Certification of Completion for Requirement(s) 3 of the Reliability Standard VAR-001-1 and have found these requirements to be fully mitigated. No further mitigation of these requirements will be required at this time.

If you have any questions or concerns, please contact Mike Wells at [mike@wecc.biz](mailto:mike@wecc.biz). Thank you for your assistance in this effort.

Sincerely,

*Laura Scholl*

Laura Scholl  
Managing Director of Compliance

LS:cm

cc: Janet Eschenbrenner, EPE Manager, NERC Reliability & Compliance  
Lisa Milanese, WECC Manager of Compliance Program Administration  
Mike Wells, WECC Senior Compliance Engineer

## **Attachment j**

**EPE's Mitigation Plan designated as MIT-07-0524, and Certification of Completion included therein, for the first alleged violation of BAL-005-0 R8, submitted December 21, 2007**



## Mitigation Plan Submittal Form

New  or Revised

Date this Mitigation Plan is being submitted: 12/21/07

If this Mitigation Plan has already been completed:

- Check this box  and
- Provide the Date of Completion of the Mitigation Plan: 12/21/07

### **Section A: Compliance Notices & Mitigation Plan Requirements**

A.1 Notices and requirements applicable to Mitigation Plans and this Submittal Form are set forth in "Appendix A - Compliance Notices & Mitigation Plan Requirements" to this form. **Review the notices and check this box  to indicate that you have reviewed and understand the information provided therein.** This Submittal Form and the Mitigation Plan submitted herein are incomplete and cannot be accepted unless the box is checked.

### **Section B: Registered Entity Information**

B.1 Identify your organization:

Company Name: El Paso Electric Company  
Company Address: P.O. Box 982  
NERC Compliance Registry ID *[if known]*:

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

Name: Joe Nevarez  
Title: Assistant Vice President - System Operations  
Email: jnevarez@epelectric.com  
Phone: 915-543-5719



**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: BAL-005-0  
*[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]	WECC Violation ID # [if known ]	Requirement Violated (e.g. R3.2)	Violation Date <sup>(*)</sup> (MM/DD/YY)
WECC200700543	EPE_WECC2007564	R8.1	10/24/2007

(\*) Note: The Violation Date shall be: (i) 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 WECC. Questions regarding the date to use should be directed to the WECC.

C.3 Identify the cause of the violation(s) identified above:

On September 25, 2007 EPE upgraded its EMS system hardware and software. The Time Standard Interface (TSI) that is used for the AGC frequency source is different than the previous version. During testing after the EMS upgrade, the data acquisition servers were restarted to resolve various issues. During these restarts, the TSIs were failed out but were not automatically restarted. This caused both frequency sources, primary and backup to fail. The EMS software did alarm the dispatcher, however, at the time there were numerous new alarms coming into the dispatcher and the dispatcher inadvertently acknowledge the alarm. The TSI maintained the last good frequency value, therefore the dispatcher was unaware that the frequency source had failed. The frequency source failure was discovered the next day by a dispatcher and an EMS support specialist and the TSI was placed back in service.

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



Western Electricity Coordinating Council



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

EPE discovered this violation during a self-evaluation for frequency source availability on 12/21/2007. EPE immediately implemented mitigation procedures to ensure future compliance.

[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:

EPE has completed it's mitigation plan which included the following steps:

1. EPE has established a procedure for restarting the data acquisition servers that includes ensuring the frequency sources are placed back in service immediately after a restart.
2. EPE has established a procedure for system controllers to notify EMS support staff immediately upon receiving a TSI (frequency source) alarm and prior to acknowledging such alarm.
3. EPE has added a process to its automated network monitoring system to send a page to EMS support staff when a TSI alarm is generated on the EMS.

[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:

[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:

New procedures for restarting data acquisition servers in this mitigation plan will minimize the likelihood that the frequency sources will be unavailable due to system restarts. In addition, procedures in the mitigation plan will reduce the outage times to frequency sources issues in the future by increased awareness and automated alerting.

[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





*Western Electricity Coordinating Council*



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]



## **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 WECC for acceptance by WECC 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 [Assistant Vice-President] of El Paso Electric Company.
  2. I am qualified to sign this Mitigation Plan on behalf of [El Paso Electric Company].
  3. I have read and understand [El Paso Electric Company] 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. [El Paso Electric Company] agrees to be bound by, and comply with, the Mitigation Plan, including the timetable completion date, as approved by WECC and approved by NERC.

**Authorized Entity Officer Signature:** \_\_\_\_\_  
(Electronic signatures are acceptable; see CMEP)

Name (Print): Joe Nevarez

Title: Assistant Vice-President - System Operations

Date: 12/21/2007



## **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]

Please direct any questions regarding completion of this form to:

Jim Stuart, Sr. Compliance Engineer

Email: [Jstuart@wecc.biz](mailto:Jstuart@wecc.biz)

Phone: (801) 883-6887



## **Attachment A – Compliance Notices & Mitigation Plan Requirements**

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

---

<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.



- III. The Mitigation Plan shall be submitted to the WECC and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
- IV. 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.
- V. If the Mitigation Plan is approved by WECC 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.
- VI. WECC or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- VII. Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.

## **Attachment k**

# **WECC's Verification of Completion of the Mitigation Plan for the first alleged violation of BAL-005-0 R8, dated August 22, 2008**

**CONFIDENTIAL**



**Bob Kiser**  
Manager of Compliance Audits and Investigations

360-567-4058  
bkiser@wecc.biz

Date: August 22, 2008

Mary Kipp  
Assistant General Council, Director of Compliance  
El Paso Electric Company  
123 W. Mills  
El Paso, TX 79901

Subject: Completed Mitigation Plan(s)

Dear Mary Kipp,

The Western Electricity Coordinating Council (WECC) received a Mitigation Plan Completion Form and supporting evidence of compliance for each of El Paso Electric Company's 2007 Self-Reported violation(s) listed in the attached Table 1.

By this letter I am communicating WECC's acceptance of the completed mitigation plan(s) listed in Table 1 and closing the violation(s). WECC will verify that all required actions in the subject mitigation plan(s) have been completed and that El Paso Electric Company is in compliance with the related Reliability Standard(s) through the next regularly scheduled audit, spot check and or compliance violation investigation as may be necessary.

Should the evidence provided at the next audit, spot check or investigation not be sufficient to verify completion and confirm compliance, the resulting violation period will begin at that time.

If you have any questions or concerns, please contact me at 360-567-4058 or bkiser@wecc.biz. Thank you for your patience and support.

Sincerely,  
*Bob Kiser*

Manager of Compliance Audits and Investigations

BK/cm

**CONFIDENTIAL**



*Western Electricity Coordinating Council*

**Bob Kiser**  
Manager of Compliance Audits and Investigations

360-567-4058  
bkiser@wecc.biz

Cc: Josefina de la Fuente, EPE  
Steve Mc Coy, WECC Vice President and Director of Compliance  
Lisa Milanes, WECC Manager of Compliance Administration  
Tim Kucey, NERC Manager of Enforcement and Mitigation  
Ed Ruck, NERC Regional Compliance Program Coordinator





Western Electricity Coordinating Council

**Bob Kiser**  
Manager of Compliance Audits and Investigations

360-567-4058  
bkiser@wecc.biz

**Registered Entity:** El Paso Electric Company

**Date:** August 22, 2008

**Table 1**

Standard	Requirement	Certified Completion Date	Status
BAL-005-0	8	12/21/2007	Accepted

## **Attachment I**

**EPE's Mitigation Plan designated as MIT-08-1013  
for the second alleged violation of BAL-005-0 R8,  
submitted April 8, 2008**



## Mitigation Plan Submittal Form

New  or Revised

Date this Mitigation Plan is being submitted: 04/08/08

If this Mitigation Plan has already been completed:

- Check this box  and
- Provide the Date of Completion of the Mitigation Plan: 03/24/08

### **Section A: Compliance Notices & Mitigation Plan Requirements**

A.1 Notices and requirements applicable to Mitigation Plans and this Submittal Form are set forth in "Appendix A - Compliance Notices & Mitigation Plan Requirements" to this form. **Review the notices and check this box  to indicate that you have reviewed and understand the information provided therein.** This Submittal Form and the Mitigation Plan submitted herein are incomplete and cannot be accepted unless the box is checked.

### **Section B: Registered Entity Information**

B.1 Identify your organization:

Company Name: El Paso Electric Company  
Company Address: P.O. Box 982  
NERC Compliance Registry ID *[if known]*:

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

Name: Joe Nevarez  
Title: Assistant Vice President - System Operations  
Email: jnevarez@epelectric.com  
Phone: 915-543-5719



**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: BAL-005-0  
*[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]	WECC Violation ID # [if known ]	Requirement Violated (e.g. R3.2)	Violation Date <sup>(*)</sup> (MM/DD/YY)
		R8.1	02/20/2008

(\*) Note: The Violation Date shall be: (i) 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 WECC. Questions regarding the date to use should be directed to the WECC.

C.3 Identify the cause of the violation(s) identified above:

On September 25, 2007 EPE upgraded its EMS system hardware and software. The Time Standard Interface (TSI) that is used for the AGC frequency source is different than the previous version. On February 20, 2008 a hardware specialist after having informed the System Operator, began working on cabling in the data acquisition cabinet that includes the frequency source. After completing the cable work, the specialist noticed that the primary frequency source was not operating properly. The specialist placed the primary source out of service to work on the unit. The unit remained out of service. The System Operator received an alarm notifying him that the primary frequency source was out. However due to an error in the baseline code delivered by the EMS vendor, the secondary source that was available did not take over. In addition, the primary source that was failed continued showing the same last good frequency value. The frequency source failure was discovered the next day by another System



Western Electricity Coordinating Council



Operator. The frequency source was placed back in service immediately afterwards.

[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:

EPE has completed its mitigation plan which included the following steps:

1. EPE has created a real-time calculation for alarming when the frequency has flat-lined. This calculation compares the current value for frequency with the previous value every 3 seconds. If they are equal a counter is incremented by 3. If the current and previous values are not equal the counter is cleared. The counter point is set to alarm the system operator when the counter value is 30.
2. EPE has worked with the EMS vendor to determine the root cause of why the frequency source did not automatically fail over. The vendor has determined that an error in the product code did not configure the frequency sources properly for failover. EPE has worked with the vendor to patch EPE's software. EPE has tested the patch and the frequency sources now fail over properly

[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**



Western Electricity Coordinating Council



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:

[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:

New patches to the EMS software will provide for the frequency sources to failover properly and provide redundancy. The new real-time calculation to determine if frequency has stagnated will provide an additional level situational awareness for the system controller.

[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]





## **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 WECC for acceptance by WECC 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 [Assistant Vice-President] of El Paso Electric Company.
  2. I am qualified to sign this Mitigation Plan on behalf of [El Paso Electric Company].
  3. I have read and understand [El Paso Electric Company] 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. [El Paso Electric Company] agrees to be bound by, and comply with, the Mitigation Plan, including the timetable completion date, as approved by WECC and approved by NERC.

**Authorized Entity Officer Signature:** \_\_\_\_\_  
(Electronic signatures are acceptable; see CMEP)

Name (Print): Joe Nevarez

Title: Assistant Vice-President - System Operations

Date: 12/21/2007



## **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]

Please direct any questions regarding completion of this form to:

Jim Stuart, Sr. Compliance Engineer

Email: [Jstuart@wecc.biz](mailto:Jstuart@wecc.biz)

Phone: (801) 883-6887



## **Attachment A – Compliance Notices & Mitigation Plan Requirements**

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

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<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.



- III. The Mitigation Plan shall be submitted to the WECC and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
- IV. 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.
- V. If the Mitigation Plan is approved by WECC 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.
- VI. WECC or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- VII. Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.

## **Attachment m**

**EPE's Certification of Completion for the second  
alleged violation of BAL-005-0 R8, submitted May  
16, 2009**



Western Electricity Coordinating Council

**Mitigation Plan Completion Form**

Please complete a Mitigation Plan Completion form for each fully mitigated violation and return to Compliance@WECC.biz along with the supporting evidence that confirms full compliance and Authorized Officer's signature.

Registered Entity Name: El Paso Electric Company

Standard Title: Automatic Generation Control

Standard Number: BAL-005-0

Requirement Number(s): **R8.1**

Actual completion date of Mitigation Plan: 05/15/2008

Check this box  to indicate that you understand that the submittal of this Completion form is incomplete and cannot be reviewed for approval unless supporting documentation/evidence that confirms full compliance is attached.

Please provide the specific location (i.e. paragraph numbers, page numbers) in the documentation / evidence submitted to verify compliance.

The attached TSI Failover Test Procedure verifies and documents the compliance to requirement 8.1 of BAL-005-0. The test procedures shows that primary frequency source will failover to the secondary frequency source regardless of which frequency source is primary at that time of failure.

Additional Notes or Comments pertaining to this violation:

By endorsement of this document I attest that <sup>EL Paso Electric Co.</sup> [insert company name] is now in full compliance with the standard / requirements addressed in this Mitigation Plan and documentation / evidence supporting full compliance is attached for review and audit by the WECC Compliance Staff.

Authorized Officer's Signature: Jose Nevarez  
Authorized Officer's Name: Jose Nevarez

Authorized Officer's Title: Assistant Vice President - System Operations

Date: 05/16/2008

## **Attachment n**

# **WECC's Verification of Completion of the Mitigation Plan for the second alleged violation of BAL-005-0 R8, dated February 13, 2009**

**CONFIDENTIAL**



**Bob Kiser**  
Manager of Compliance Audits and Investigations

360.567.4058  
[bkiser@wecc.biz](mailto:bkiser@wecc.biz)

February 13, 2009

John A. Whitacre  
Vice President - System Operations & Planning  
El Paso Electric Company  
NCR05140  
123 W. Mills  
El Paso, Texas 79901

Subject: Certification of Completion Response Letter

Dear John A. Whitacre,

The Western Electricity Coordinating Council (WECC) has received El Paso Electric Company EPE's Certification of Completion and supporting evidence on 5/19/2008 for EPE's alleged violation of Reliability Standard BAL-005-0 and Requirement(s) 8. Listed below is the outcome of WECC's official review.

WECC has accepted the Certification of Completion for Requirement(s) 8 of the Reliability Standard BAL-005-0 and have found these requirements to be fully mitigated. No further mitigation of these requirements will be required at this time.

If you have any questions or concerns, please contact Mike Wells at [mwells@wecc.biz](mailto:mwells@wecc.biz). Thanks for your assistance in this effort.

Sincerely,

*Bob Kiser*

Bob Kiser  
Manager of Audits and  
Investigations

BK:cm

cc: Josefina de la Fuente, EPE Senior Legal Assistant, System Administrator  
Lisa Milanese, WECC Manager of Compliance Administration  
Mike Wells, WECC Senior Compliance Engineer



## **Attachment o**

**EPE's Mitigation Plan designated as MIT-08-1357  
for the alleged violation of EOP-008-0 R1,  
submitted November 18, 2008**



## Mitigation Plan Submittal Form

New  or Revised

Date this Mitigation Plan is being submitted: November 18, 2008

If this Mitigation Plan has already been completed:

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

### **Section A: Compliance Notices & Mitigation Plan Requirements**

A.1 Notices and requirements applicable to Mitigation Plans and this Submittal Form are set forth in "Appendix A - Compliance Notices & Mitigation Plan Requirements" to this form. **Review Appendix A and check this box  to indicate that you have reviewed and understand the information provided therein.** This Submittal Form and the Mitigation Plan submitted herein are incomplete and cannot be accepted unless the box is checked.

### **Section B: Registered Entity Information**

B.1 Identify your organization:

Registered Entity Name: El Paso Electric Company  
Registered Entity Address: 100 N. Stanton, El Paso, TX 79901  
NERC Compliance Registry ID: NCR05140

B.2 Identify the individual in your organization who will be the Entity Contact regarding this Mitigation Plan. Please see Section 6.2 of the WECC Compliance Monitoring and Enforcement Program (CMEP) for a description of the qualifications required of the Entity Contact.<sup>1</sup>

Name: Jose G. Nevarez  
Title: Assistant Vice President - System Operations  
Email: joe.nevarez@epelectric.com  
Phone: (915)543-5719

<sup>1</sup> A copy of the WECC CMEP is posted on WECC's website at <http://www.wecc.biz/documents/library/compliance/manuals/Att%20A%20-%20WECC%20CMEP.pdf>. Registered Entities are responsible for following all applicable WECC CMEP procedures. WECC strongly recommends that registered entities become familiar with the WECC CMEP and its requirements, as they may be amended from time to time.



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

This Mitigation Plan is associated with the alleged or confirmed violation(s) of the reliability standard/requirements listed below:

C.1 Standard: EOP-008-0  
*[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]	WECC Violation ID # [if known ]	Requirement Violated (e.g. R3)	Violation Risk Factor	Alleged or confirmed Violation Date <sup>(*)</sup> (MM/DD/YY)	Method of Detection (e.g. audit, self-report, investigation)
Unknown	Unknown	R1.5	Medium	01/01/2007	Spot Check
Unknown	Unknown	R1.6	Medium	01/01/2007	Spot Check

(\*) Note: The Alleged or Confirmed Violation Date shall be: (i) the date the violation occurred; (ii) the date that the violation was self-reported; or (iii) the date upon which WECC has deemed the violation to have occurred. Please contact WECC if you have questions regarding which date to use .

C.3 Identify the cause of the alleged or confirmed violation(s) identified above:

EPE performed adequate training and testing of the Plans for Loss of Control Center Functionality ("Plans") during the audit period, however, EPE did not sufficiently document that training and testing to demonstrate compliance with NERC Standard EOP-008-0 Requirements 1.5 and 1.6. EPE's documentation lacked procedures and responsibilities required in R1.5 and R1.6, training and testing of the Plans.

*[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 alleged or confirmed violations associated with this Mitigation Plan:



Western Electricity Coordinating Council



EPE performed testing of the Plans during the audit period. EPE operating personnel evacuated the Primary Control Facility, relocated to the Backup Control Center ("BUCC"), and resumed operations at the BUCC using the Plans. Testing records were provided to WECC for the EOP-008-0 Spot Check. EPE also provided annual training to operating personnel as required by standard EOP-008-0. EPE's Plans lack sufficient documentation of the training and testing procedures and responsibilities. The lack of documentation never posed a risk to the Bulk Power System.

[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:

EPE will amend the Plans to include the procedures and responsibilities listed in requirements 1.5 and 1.6. The responsibilities and procedures will be added as appendices to the existing Plans to ensure compliance with EOP-008-0.

[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 alleged or confirmed violations associated with this Mitigation Plan corrected: EPE will add Training and Testing Appendices to the existing Plans by January 31, 2009. The additions to the Plans will complete this Mitigation Plan.



Western Electricity Coordinating Council



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

Milestone Activity	Proposed Completion Date* (milestones cannot be more than 3 months apart)
Training and Testing Appendices added to existing Plans	January 31, 2009

(\*) Note: Implementation milestones should be no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. As set forth in CMEP section 6.6, adverse consequences could result from failure to complete, on a timely basis, all required actions in this Mitigation Plan, including implementation of milestones. A request for an extension of the completion date of any milestone or of the Mitigation Plan must be received by WECC at least five (5) business days before the relevant milestone or completion date.

[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:

The testing appendix will include procedures and responsibilities for conducting periodic tests, at least annually, to ensure viability of the Plans.

The training appendix will include procedures and responsibilities for providing annual training to ensure that operating personnel are able to implement the contingency plans. The appendix will include EPE's NERC certified Independent Learning Activity EPE\_108636 - EVAC\_BUCC\_2008 to establish learning objectives, roles, responsibilities, and operating topics for the loss of control center functionality

[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, 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 known, reasonably suspected 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 alleged violation poses no risk to the Bulk Power System. EPE has tested the viability of the Plans during the audit period. EPE provided operating personnel with training during the audit period to ensure that the Plans could be implemented. The training provided was developed into a NERC Certified Independent Learning Activity EPE\_108636 - EVAC\_BUCC\_2008. This learning activity is available in the NERC Continuing Education Database. The alleged violation was due to a lack of adequate documentation, which does not pose a risk to the reliability of the Bulk Power System. [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 will incur further violations of the same or similar reliability standards requirements in the future:

Successful completion of the Mitigation Plan will ensure that EPE amends the Plans to comply with NERC Standard EOP-008-0. EPE utilizes a third party software tool which automatically creates tasks for EPE personnel to maintain critical documentation. The third party software provides alarms and generates emails to alert personnel of documentation maintenance requirements. This tool



*Western Electricity Coordinating Council*

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RELIABILITY CORPORATION

will ensure that the Plan is maintained in the compliance monitoring time frame as required by NERC Standard EOP-008-0. [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:

EPE has purchased third party software to track compliance of NERC Reliability Standards. This software generates alarms to alert operating personnel of NERC Standards Requirements and regional reliability standards. The software automatically triggers alarms to alert users of documentation maintenance requirements. [Provide your response here; additional detailed information may be provided as an attachment as necessary]



## 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 WECC for acceptance by WECC 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 the [Assistant Vice President - System Operations] of [El Paso Electric Company].
  2. I am an officer, employee, attorney or other person authorized to sign this Mitigation Plan on behalf of [El Paso Electric Company].
  3. I understand [El Paso Electric Company's] obligations to comply with Mitigation Plan requirements and WECC or ERO remedial action directives and I have reviewed the WECC and ERO documents related to these obligations, including, but not limited to, the WECC CMEP and the NERC Rules of Procedure.
  4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
  5. [El Paso Electric Company] agrees to be bound by, and comply with, the Mitigation Plan, including the timetable completion date, as approved by WECC and approved by NERC.

**Authorized Signature:** \_\_\_\_\_

(Electronic signatures are acceptable; see CMEP Section 3.0)

Name (Print): Jose G. Nevarez

Title: Assistant Vice President - System Operations

Date: November 18, 2008





### **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]

### **Section H: WECC Contact and Instructions for Submission**

Please direct any questions regarding completion of this form to:

Mike Wells, Sr. Compliance Engineer

Email: [mike@wecc.biz](mailto:mike@wecc.biz)

Phone: (801) 883-6884

For guidance on submitting this form, please refer to the "*WECC Compliance Data Submittal Policy*". This policy can be found on the Compliance Manuals website as Manual 2.12:

<http://www.wecc.biz/wrap.php?file=/wrap/Compliance/manuals.html>

## **Attachment A – Compliance Notices & Mitigation Plan Requirements**

- I. Section 6.2 of the WECC CMEP 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.
  - (9) Any other information deemed necessary or appropriate.
  - (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self-Certification or Self Reporting submittals.
- II. This submittal form may be used to provide a required Mitigation Plan for review and approval by WECC and NERC.



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RELIABILITY CORPORATION

- III. The Mitigation Plan shall be submitted to the WECC and NERC as confidential information in accordance with Section 9.3 of the WECC CMEP and Section 1500 of the NERC Rules of Procedure.
- IV. This Mitigation Plan form may be used to address one or more related Alleged or Confirmed Violations of one Reliability Standard. A separate Mitigation Plan is required to address violations with respect to each additional Reliability Standard, as applicable.
- V. If the Mitigation Plan is approved by WECC and NERC, a copy of the Mitigation Plan will be provided to the Federal Energy Regulatory Commission in accordance with applicable Commission rules, regulations and orders.
- VI. Either WECC or NERC may reject a Mitigation Plan that it determines to be incomplete or inadequate. If the Mitigation Plan is rejected by either WECC or NERC, the Registered Entity will be notified and required to submit a revised Mitigation Plan.
- VII. In accordance with Section 7.0 of the WECC CMEP, remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.

## **Attachment p**

**EPE's Certification of Completion for the alleged  
violation of EOP-008-0 R1, submitted February 6,  
2009**



**CONFIDENTIAL**

### Mitigation Plan Completion Form

Please complete a Mitigation Plan Completion form for each fully mitigated violation and submit to the WECC Compliance Web Portal File Upload along with the supporting evidence that confirms full compliance and Authorized Officer's signature.

Registered Entity Name: El Paso Electric Company

Standard Title: Plans for Loss of Control Center Functionality

Standard Number: EOP-008-0

Requirement Number(s): R1.5, R1.6

Actual completion date of Mitigation Plan: January 30, 2009

Check this box  to indicate that you understand that the submittal of this Completion form is incomplete and cannot be reviewed for approval unless supporting documentation/evidence that confirms full compliance is attached.

Please provide the specific location (i.e. paragraph numbers, page numbers) in the documentation / evidence submitted to verify compliance.

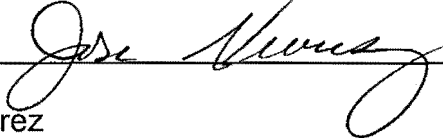
Evidence of compliance with requirement 1.5 is located in Section 14, page 5 of the document. Further details of the testing plan are located in Section 17, Appendix A, pp 7-8.

Evidence of compliance with requirement 1.6 is located in Section 15, page 6 of the document. Further details of the training plan are located in Section 22, Appendix F – Learning Activity, pg 15 of the document.

Additional Notes or Comments pertaining to this violation:

EPE has completed revising the document as indicated in the mitigation plan.

By endorsement of this document I attest that El Paso Electric Company is now in full compliance with the standard / requirements addressed in this Mitigation Plan and documentation / evidence supporting full compliance is attached for review and audit by the WECC Compliance Staff.

Authorized Officer's Signature: \_\_\_\_\_ 

Authorized Officer's Name: Jose Nevarez

Authorized Officer's Title: Assistant Vice President

Date: February 6, 2009

## **Attachment q**

# **WECC's Verification of Completion of the Mitigation Plan for the alleged violation of EOP- 008-0 R1, dated February 23, 2009**

**CONFIDENTIAL**



**Bob Kiser**  
Manager of Compliance Audits and Investigations

360.567.4058  
[bkiser@wecc.biz](mailto:bkiser@wecc.biz)

February 23, 2009

John A. Whitacre  
Vice President - System Operations & Planning  
El Paso Electric Company  
NCR05140  
123 W. Mills  
El Paso, Texas 79901

Subject: Certification of Completion Response Letter

Dear John A. Whitacre,

The Western Electricity Coordinating Council (WECC) has received El Paso Electric Company EPE's Certification of Completion and supporting evidence on 2/6/2009 for EPE's alleged violation of Reliability Standard EOP-008-0 and Requirement(s) 1. Listed below is the outcome of WECC's official review.

WECC has accepted the Certification of Completion for Requirement(s) 1 of the Reliability Standard EOP-008-0 and have found these requirements to be fully mitigated. No further mitigation of these requirements will be required at this time.

If you have any questions or concerns, please contact Ed Riley at [eriley@wecc.biz](mailto:eriley@wecc.biz). Thanks for your assistance in this effort.

Sincerely,

*Bob Kiser*

Bob Kiser  
Manager of Compliance Audits and  
Investigations

BK:cm

cc: Josefina de la Fuente, EPE Senior Legal Assistant, System Administrator  
Lisa Milanese, WECC Manager of Compliance Administration  
Ed Riley, WECC Senior Compliance Engineer



**Attachment r**

**Notice of Filing**

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

El Paso Electric Company

Docket No. NP10-\_\_\_\_-000

NOTICE OF FILING  
December 30, 2009

Take notice that on December 30, 2009, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding El Paso Electric Company in the Western Electricity Coordinating Council 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