



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

May 1, 2009
Ms. Kimberly Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: NERC Notice of Penalty regarding Wisconsin Public Service Corporation, d/b/a WPS Resources (Wisconsin Public Service Corporation), FERC Docket No. NP09-_-000

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Notice of Penalty¹ regarding Wisconsin Public Service Corporation, NERC Registry ID NCR00952,² 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)).³

Wisconsin Public Service Corporation self-certified non-compliance with Reliability Standards PRC-005-1 Requirements (R) 2.1 on October 23, 2007 and self-certified non-compliance with PRC-005-1 R1 on January 10, 2008⁴ as part of its required annual self-certification of compliance due to be submitted to Midwest Reliability Organization on October 24, 2007. This Notice of Penalty is being filed with the Commission because, based on information from Midwest Reliability Organization, Wisconsin Public Service Corporation does not dispute the violations of PRC-005-1 R1 and R2 and the proposed penalty of \$0 to be assessed to Wisconsin Public Service Corporation at issue in this Notice of Penalty. Accordingly, the violations identified as NERC Violation Tracking Identification Numbers MRO200700042, and MRO200700044 are Confirmed Violations, as that term is defined in the NERC Rules of Procedure and the CMEP.

¹ *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards* (Order No. 672), III FERC Stats. & Regs. ¶ 31,204 (2006); *Notice of New Docket Prefix "NP" for Notices of Penalty Filed by the North American Electric Reliability Corporation*, Docket No. RM05-30-000 (February 7, 2008). See also 18 C.F.R. Part 39 (2008). *Mandatory Reliability Standards for the Bulk-Power System*, FERC Stats. & Regs. ¶ 31,242 (2007) (Order No. 693), *reh'g denied*, 120 FERC ¶ 61,053 (2007) (Order No. 693-A).

² Midwest Reliability Organization confirmed that Wisconsin Public Service Corporation was included on the NERC Compliance Registry on May 30, 2007 as a Generator Owner and Distribution Provider, among other things, and was subject to the requirements of the NERC Reliability Standards set forth herein.

³ See 18 C.F.R. § 39.7(c)(2).

⁴ WPSC believed it had responded as non-compliant to this Reliability Standard when it submitted its self-certification on October 23, 2007. MRO discovered this when it received an updated Protective System Maintenance and Relay Program document from WPSC to mitigate the violation. At MRO's request, WPSC completed the self-certification and submitted it on January 10, 2008. According to MRO, an error of this type is not possible using the current version of CDMS (released in early 2008), because the system will not allow an entity to submit a self-certification without responding to each Reliability Standard and its Requirements.

Statement of Findings Underlying the Violations

This Notice of Penalty incorporates the findings and justifications set forth in the Notice of Confirmed Violation and Proposed Penalty or Sanction (NOCV) issued on April 16, 2008 and the Supplemental Record Information notices issued on October 16, 2008 and November 12, 2008, by Midwest Reliability Organization. The details of the findings and basis for the penalty are set forth herein. This Notice of Penalty filing contains the basis for approval of the Notice of Penalty 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 Reliability Standard at issue in this Notice of Penalty.

| Region | Registered Entity | NOC ID | NERC Violation ID | Reliability Std. | Req. (R) | VRF | Total Penalty (\$) |
|--------|--------------------------------------|--------|-------------------|------------------|----------|------|--------------------|
| MRO | Wisconsin Public Service Corporation | NOC-60 | MRO 200700042 | PRC-005-1 | 2.1 | High | 0 |
| MRO | Wisconsin Public Service Corporation | NOC-60 | MRO200700044 | PRC-005-1 | 1 | High | 0 |

PRC-005-1 R2 requires an entity such as Wisconsin Public Service Corporation that is registered as a Distribution Provider and Generator Owner, among other functions,⁵ to provide documentation of its Protection System maintenance and testing program and the implementation of that program to its Regional Reliability Organization on request within 30 days. PRC-005-1 R2.1 specifically requires evidence be provided that Protection System devices were maintained and tested within the defined intervals. During the 2007 annual self-certification, Wisconsin Public Service Corporation self-certified, on October 23, 2007, that although it had a Protection System maintenance and testing program in place, the testing of the generator protection systems was behind schedule and all testing would be complete by December 21, 2007.⁶ According to the Wisconsin Public Service Corporation Protection System program, testing was scheduled at one year intervals, but a decision was made by Wisconsin Public Service Corporation management to delay the 2006/2007 relay testing in order to respond to system conditions and the competing priorities of work associated with the construction of a new 525 MW coal fired power plant. Midwest Reliability Organization issued a Notice of Alleged Violation and Proposed Penalty or Sanction (NAVAPS) on January 11, 2008 because MRO believed the registered entity failed to perform the action required by the Reliability Standard and failed to appropriately document the issue. Therefore, Midwest Reliability Corporation determined Wisconsin Public Service Corporation to be non-compliant with PRC-005-1 R2.1 regarding its established testing intervals as determined through the self-certification

⁵ Wisconsin Public Service Corporation is also registered as a Balancing Authority, a Distribution Provider, a Generator Owner, a Generator Operator, a Load-Serving Entity, Purchasing-Selling Entity, and a Resource Planner.

⁶ The self-certification indicated the intent was to complete testing by December 21, 2007. The Mitigation Plan submitted on February 8, 2008, included a completion date of March 31, 2008. The Mitigation Plan identified 22 units for testing, and testing was completed in 2007 for 17 of the 22 units. The remaining 5 units were tested in March 2008 when the Weston Unit 3 generator was returned to service.

process on October 23, 2007 and MRO identified the violation of PRC-005-1 R1 upon receiving the updated document from Wisconsin Public Service Corporation as discussed above.

PRC-005-1 R1 requires Distribution Providers and Generator Owners to have in place a Protection System maintenance and testing program for Protection Systems that affect the reliability of the Bulk Electric System (BES). During the 2007 annual self-certification, Wisconsin Public Service Company self-certified, that its documented Protection System Maintenance and Testing Program did not include maintenance and testing intervals and maintenance and testing procedures were not completed.⁷ Wisconsin Public Service Corporation had originally submitted its self-certification forms on time, on October 23, 2007, but due to a data error, MRO noticed the self-certification for this Reliability Standard had not been completed. Wisconsin Public Service Corporation promptly corrected this error and self-certified this violation on January 10, 2008. Wisconsin Public Service Corporation had established 1-year testing intervals but had not documented that testing interval. Wisconsin Public Service Corporation also provided records of Protection System testing and maintenance to verify that its program was being implemented. Because some of Wisconsin Public Service Corporation's relay testing was behind schedule and an update to the documentation related to these requirements was not completed, Midwest Reliability Organization identified the violation on January 11, 2008 and determined that the registered entity failed to perform the action required by the Reliability Standard and failed to appropriately document the issue. Midwest Reliability Organization therefore determined Wisconsin Public Service Corporation to be non-compliant with its established testing intervals as required by PRC-005-1 R1. PRC-005-1 R2.1 has a "High" Violation Risk Factor (VRF).

Midwest Reliability Organization determined to exercise its discretion for this violation to assess no penalty despite the fact that the registered entity failed to perform the action required by the Reliability Standard and failed to appropriately document the issue. Given that there was a testing system in place and the equipment was verified as being tested and maintained although some elements were behind schedule, Midwest Reliability Organization determined that this violation did not put bulk power system reliability at serious or substantial risk because there was a testing system in place.

PRC-005-1 R1 has a "High" VRF. Although Wisconsin Public Service Corporation's relay testing was behind schedule and an update to the documentation related to these requirements was not completed, Midwest Reliability Organization determined that no penalty would be assessed for these violations. While the registered entity failed to perform the action required by the Reliability Standard and failed to appropriately document the issue, given that Protection Systems were being tested, Midwest Reliability Organization determined that this violation did not put bulk power system reliability at serious or substantial risk because there was a testing system in place and the program document was revised on December 27, 2007.

⁷ According to evidence reviewed by MRO, Wisconsin Public Service Corporation had a documented program, but it did not include maintenance and testing intervals. Specifically, Wisconsin Public Service Corporation had maintenance and test records from 2004/2005 and a few from 2006. Wisconsin Public Service Corporation indicated it had a 1 year interval, although it was not properly documented.

Section 4.2.2 of the NERC Sanction Guidelines states that:

If the actual or foreseen impact of the violation is judged to be inconsequential by NERC or the regional entity and the violation is the first incidence of violation of the requirement in question by the violator, NERC or the regional entity may at its discretion: (i) set the Base Penalty Amount to a value it deems appropriate within the initial value range set above pursuant to Section 4.1, or (ii) *excuse the penalty for the violation (i.e. set the Base Penalty Amount to \$0).*⁸

Midwest Reliability Organization exercised its discretion to assess no penalty for these violations because: (1) the violation for R1 were documentation issues because the Registered Entity had a Protection System Maintenance and Testing program in place but it did not include the required maintenance and testing intervals or their bases and lacked a summary of procedures. Although not documented, Wisconsin Public Service Corporation had established a one year interval for maintenance and testing. Additionally, Wisconsin Public Service Corporation had certain maintenance and testing dates for the devices but a few devices were not within the established one year interval; (2) the violation of PRC-005-1 R2.1 involved a failure to perform; however, Wisconsin Public Service Corporation was able to demonstrate that testing occurred in 2004/2005 and a few devices in 2006 and (3) the violations were deemed by Midwest Reliability Organization not to be violations that put bulk power system reliability at serious or substantial risk because there was a testing system in place, and therefore these violations had a low impact on the bulk power system.

Status of Mitigation Plan

Wisconsin Public Service Corporation's Mitigation Plan to address the referenced violations was submitted on February 8, 2008, was accepted by Midwest Reliability Organization on March 13, 2008 and was approved by NERC on March 18, 2008. The Mitigation Plan for the violations listed in [Table 1](#) is designated as MIT-07-0448, and was submitted as non-public information to FERC on March 18, 2008 in accordance with FERC orders. Wisconsin Public Service Corporation certified on March 27, 2008 to Midwest Reliability Organization that its Mitigation Plan was completed on March 27, 2008, and Midwest Reliability Organization verified on April 28, 2008 that the Mitigation Plan was completed. In doing so, Midwest Reliability Organization reviewed the evidence Wisconsin Public Service Corporation submitted as part of its certification of completion of the Mitigation Plan as part of the verification process. Midwest Reliability Organization requested documentation from the entity showing completion of the Mitigation Plan. As discussed in greater detail below, Midwest Reliability Organization reviewed the evidence Wisconsin Public Service Corporation submitted in support of its Certification of Completion and verified that the Mitigation Plan was timely completed. Specifically, Wisconsin Public Service Corporation's Mitigation Plan to address the violations of PRC-005-1 R1 and R2.1 identified the need to conduct testing of the generator protection system in a timely fashion and to provide evidence of such testing in order to be compliant with the Standard. Wisconsin Public Service Corporation completed its generation protection system testing for all its generating units and updated its protection system and maintenance program. Wisconsin

⁸ See NERC Sanction Guidelines (emphasis added).

Public Service Corporation's revised program document of December 27, 2007 included testing intervals. The Mitigation Plan identified 22 devices for testing; testing was completed in 2007 for 17 of the 22 units. The remaining 5 units were tested in March 2008 when the Weston Unit 3 generator was returned to service. Wisconsin Public Service Corporation certified on March 27, 2008 to Midwest Reliability Organization that its Mitigation Plan was completed. On April 18, 2008, WPSC provided documentation including its Maintenance and Testing Program, Relay Test Summary, computerized spreadsheets indicating when each relay had been tested, sample test reports, and Relay Test Guidelines. MRO's review found the information to match reported dates and to adequately address the testing of the generator protection system and maintenance program in accordance with the requirements of PRC-005-1 for Generation Protection System Maintenance and Testing.

Statement Describing the Proposed Penalty, Sanction or Enforcement Action Imposed

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 Order⁹, the NERC BOTCC reviewed the NOCV and supporting documentation on November 7, 2008. The NERC BOTCC approved the assessment of a zero dollar (\$0) penalty against Wisconsin Public Service Corporation based upon Midwest Reliability Organization's findings and determinations, the NERC BOTCC's review of the applicable requirements of the Commission-approved Reliability Standards and the underlying facts and circumstances of the violations at issue.

In reaching this determination, NERC BOTCC considered the following: (1) the violations were a failure to perform the action required by the Reliability Standard because the registered entity failed to conduct testing in a timely manner; (2) the violations also involved documentation issues because the registered entity had a Protection System Maintenance and Testing program in place but it did not conform to the Reliability Standards at issue here; (3) the violations were deemed by Midwest Reliability Organization not to be violations that put bulk power system reliability at serious or substantial risk because there was a maintenance and testing system in place; and (4) the Mitigation Plan was timely completed and was verified by Midwest Reliability Organization as completed.

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

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

⁹ *Guidance on Filing Reliability Notices of Penalty*, 124 FERC ¶ 61,015 (2008).

Attachments Included as Part of this Notice of Penalty

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

- a) Self-Certification Worksheets of Wisconsin Public Service Corporation, dated October 23, 2007 and January 10, 2008, filed as part of the October 24, 2007 annual certification requirement, included as Attachment a;
- b) Wisconsin Public Service Corporation's Response to the Notice of Alleged Violation and Proposed Penalty or Sanction, dated February 8, 2008, included as Attachment b;
- c) Mitigation Plan designated as MIT-07-0448, included as Attachment c;
- d) Wisconsin Public Service Corporation's notice of completion of the Mitigation Plan, dated March 27, 2008, included as Attachment d; and
- e) Midwest Reliability Organization's Notice of Verification of Completion of Mitigation Plan, dated April 28, 2008, included as Attachment e.

A Form of Notice Suitable for Publication¹⁰

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

¹⁰ See 18 C.F.R § 39.7(d)(6).

Notices and Communications

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

Rick Sergel
President and Chief Executive Officer
David N. Cook*
Vice President and General Counsel
North American Electric Reliability Corporation
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*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.

Rebecca J. Michael*
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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,

Rick Sergel
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David N. Cook
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/s/ Rebecca J. Michael
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cc: Wisconsin Public Service Corporation
Midwest Reliability Organization

Attachment

Attachment a

Self-Certification Worksheets of Wisconsin Public Service Corporation, dated October 23, 2007 and January 10, 2008, filed as part of the October 24, 2007 annual certification requirement

Compliance Data Management System 2007 Self-Certification Worksheet

Wisconsin Public Service Corp

STANDARD PRC-005-1 R2 Transmission and Generation Protection System Maintenance and Testing

RESPONSIBLE FOR COMPLYING Yes RECEIVED_DATE 10/23/2007

DUE DATE 10/24/2007 COMPLIANCE LEVEL NC Level 2

MP DUE DATE 11/23/2007 SC_STATUS Submitted

NOT_RESPONSIBLE_REASON

MEMBER_COMMENTS

WPSC has in place protection system maintenance and testing procedures; however, the testing of the protection systems of generators is running behind schedule. WPSC plans to catch up with the testing by 12/21/2007.

MEMBER_CONTACT

Neal J. Balu
Director, Transmission Policy
Wisconsin Public Service Corporation
700 N. Adams Street

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

Compliance Data Management System 2007 Self-Certification Worksheet

Wisconsin Public Service Corp

| | | | | |
|----------------------------------|--------------------|---|-------------------------|------------|
| <u>STANDARD</u> | PRC-005-1 R1 | Transmission and Generation Protection System Maintenance and Testing | | |
| <u>RESPONSIBLE FOR COMPLYING</u> | Yes | <u>RECEIVED_DATE</u> | 01/10/2008 | |
| | <u>DUE DATE</u> | 10/24/2007 | <u>COMPLIANCE LEVEL</u> | NC Level 2 |
| | <u>MP DUE DATE</u> | 11/23/2007 | <u>SC_STATUS</u> | Submitted |

NOT_RESPONSIBLE_REASON

MEMBER_COMMENTS

Although WPSC has in place a Protection system maintenance and testing program for Protection systems that affect the reliability of the BES, the maintenance and testing intervals and their basis have to be stipulated, and a summary of maintenance and testing procedures has to be completed.

MEMBER_CONTACT

Neal J. Balu
 Director, Transmission Policy
 Wisconsin Public Service Corporation
 700 N. Adams Street

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

Attachment b

Wisconsin Public Service Corporation's Response to the Notice of Alleged Violation and Proposed Penalty or Sanction, dated February 8, 2008



Wisconsin Public Service Corporation
(a subsidiary of WPS Resources Corporation)
700 North Adams Street
P.O. Box 19001
Green Bay, WI 54307-9001

February 8, 2008

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

RE: MRO Notice of Alleged Violation of Reliability Standard PRC-005-1

In response to your letter of January 11 notifying Wisconsin Public Service Corporation of its alleged violation of Reliability Standard PRC-005-1, we agree with the alleged violations and the penalty and sanctions proposal.

Attached is the completed MRO Mitigation Plan Submittal Form, which provides the details of our proposed mitigation plan to correct the violations, the underlying causes, and our implementation timeline.

Respectfully submitted,

A handwritten signature in blue ink that reads "Charles A. Schrock".

Charles A. Schrock
President

CC: Neal Balu, WPSC Compliance Contact

Attachment

Attachment c

Mitigation Plan designated as MIT-07-0448



Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: **02-08-2008**

If the mitigation described in this plan has already been completed:

- Check this box [N] and
- Provide the Date of Completion of the Mitigation Plan: **03-31-2008**

Section A: Compliance Notices

- Section 6.2 of the NERC 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.
- This submittal form may be used to provide a required Mitigation Plan for review and approval by MRO and NERC.

¹ "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.



- The Mitigation Plan shall be submitted to the regional entity (ies) and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
- This Mitigation Plan form may be used to address one or more related violations of one Reliability Standard. A separate mitigation plan is required to address violations with respect to each additional Reliability Standard, as applicable.
- If the Mitigation Plan is approved by MRO 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.
- MRO or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.

Section B: Registered Entity Information

B.1 Identify your organization:

Company Name: **Wisconsin Public Service Corporation**
Company Address: **700 N. Adams Street, Green Bay, WI 54301**
NERC Compliance Registry ID *[if known]*: **NCR00952**

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

Name: **Neal Balu**
Title: **Director, Transmission Policy**
Email: **NJBalu@wisconsinpublicservice.com**
Phone: **920-433-1846**

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: **PRC-005-1**
[Identify by Standard Acronym (e.g. FAC-001-1)]



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

| NERC Violation ID # [if known] | MRO Violation ID # [if known] | Requirement Violated (e.g. R3.2) | Violation Date ^(*) |
|-----------------------------------|-----------------------------------|-------------------------------------|-------------------------------|
| MRO200700044 | | R1 | 10/24/2007 |
| MRO200700042 | | R2 | 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 MRO. Questions regarding the date to use should be directed to the MRO.

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

With respect to Requirement R1:

For the generation protection system, WPSC had in place a Relay Maintenance and Test Policy by which the generation protection relays were tested once per year, usually during plant shutdown periods.

The relay test procedures and the relay test data and results database have been maintained and are available upon request.

With respect to Requirement R2:

WPSC had a generation protection system maintenance and test policy but it was not consistently translated into work practices and procedures, and the testing of generation protection systems was behind the program schedule for the following reasons:

The one-year test cycle target defined in the generation protection system maintenance and testing program was delayed due to additional efforts required by the WPSC Relay Test Group in conjunction with the construction of Weston Unit 4 project. The Weston Unit 4 project demanded more commitment from the Relay Test Group than was originally scheduled in the Weston 4 project plan. In addition, the relay testing associated with the ATCLLC transmission projects related to the Weston 4 construction was also assigned to the Relay Test Group due to limited availability of other qualified external/internal resources. Since these activities were not anticipated by the Relay Test Group, they were not included in the Relay Test Group work plan.



The attached “WPSC Relay Summary” shows the date each generation protection system device was tested at the time the violation was self-reported.

Complete documentation of the WPSC generation protection system maintenance and testing procedure was in place at the time the violation was reported.

[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:

Other factors that impact the WPSC generator protection system test cycle:

- Relay type, manufacturer, and application
- Past relay performance, history of calibration, or maintenance issues
- Presence of back-up relaying, overlapping zones of protection
- Whether the test must occur with the generation on-line or off-line
- Risk of causing an inadvertent trip during testing process

The WPSC one-year test cycle in the generation protection system maintenance and testing program is more stringent than the customary utility industry practice, as illustrated by the IEEE survey of January 2002, titled “Survey of Relaying Testing Practices”. Although WPSC had a one-year maintenance and testing frequency, the decision to extend the frequency beyond one year was based on sound engineering judgment, along with the above factors, to manage the timing of the generation protection system maintenance and testing program. Based on its judgment, WPSC made the decision to delay the 2006/2007 relay testing in order to respond to system conditions and the competing priorities of work associated with putting the Weston Unit 4 project on line.

In summary, based upon this review, WPSC believes the testing frequency originally specified by its Relay Maintenance and Test Policy was overly restrictive, and that the decision to delay testing of the subject relays slightly beyond the specified test cycle did not have a negative impact on BES reliability.

[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:

WPSC has completed a revised generation protection system maintenance and testing program for all generator protection systems that could impact the performance of the Bulk Electric System. As part of the self-certification process for compliance with this standard, WPSC stated that it was not in compliance with the standard since the testing of the protection systems of generators was behind schedule. To mitigate this non-compliant condition, WPSC has completed its generation protection system testing for all its generating units with the exception of units at the Weston Power Plant. Since Weston Unit 3 was on forced outage from October 6, 2007, until January 14, 2008, it was decided that no relay testing would be performed until Weston Unit 3 was back in service to avoid the potential risk of further outages of Weston units and potential customer service interruptions. WPSC also had to pay close attention to the daily system test code status at the Weston Plant and no relay testing was permitted when the system status was "Red". This impacted the testing of protection systems on Weston units 1 and 2, and CT units 31 and 32 at the Plant. WPSC's plan is to complete the protection system testing of the units at the Weston Power Plant by March 31, 2008.

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

Check this box [N]] and proceed to Section E of this form if the mitigation as described in this 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:
Please see attachment "WPSC Relay Summary" that shows revised test dates for the subject units in accordance with the Mitigation Plan described in D.1.
- 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) |
|--|--|
| Testing of protection systems on all WPSC units except the units at Weston Plant. | Completed 12/31/2007 |
| Update of the protection system maintenance and testing program | Completed 12/31/2007 |
| Testing of protection systems on the units at Weston Plant. | To be completed by 03/31/2008 |
| | |

(*) 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 [N] and proceed and respond to Part E.2 and E.3, below, if the mitigation as described in this 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:

RISK: Minimal risk to the reliability of the Bulk Power System due to the fact that the specified testing frequency was overly restrictive and in addition because the system is designed to withstand the loss of at least a single generating unit at the Weston Plant.

ABATEMENT PLAN: None due to minimal risk.

[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:

WPSC's revised generation protection system maintenance and testing program establishes a planning criteria and a not-to-exceed criteria for the duration between generator protection system tests. Each criteria depends on whether electromechanical or non-electromechanical relays are involved. The planning criteria, which is more stringent than the customary utility industry practice (as illustrated by the IEEE survey of January 2002, titled "Survey of Relaying Test Practices"), is used to develop the annual work plan and schedule for the testing of generation protection. The not-to-exceed criteria provides the flexibility needed in this work plan to accommodate a variety of conditions that influence a unit's availability for testing, yet it sets a maximum allowed duration between tests based on the experience with and the performance of each type of



relay. WPSC also has developed a computerized maintenance work order tracking system and data base that keeps track of the testing deadlines.

[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:

- **The computerized protection system maintenance and testing program and work order tracking system and data base will be integrated and managed centrally for both WPSC and UPPCO.**
- **We are in the process of hiring an additional Relay Technologist by April 30, 2008.**

[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 mco@midwestreliability.org for acceptance by MRO 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 President of Wisconsin Public Service Corporation.
 2. I am qualified to sign this Mitigation Plan on behalf of Wisconsin Public Service Corporation.
 3. I have read and understand Wisconsin Public Service Corporation's obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure, 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. Wisconsin Public Service Corporation agrees to be bound by, and comply with, the Mitigation Plan, including the timetable completion date, as approved by MRO and approved by NERC.

Authorized Individual Signature

Charles A. Schrock

Name (Print): Charles A. Schrock

Title: President

Date: February 08, 2008.

*This signature page must be submitted to the MRO.
It can be scanned and sent electronically to mco@midwestreliability.org,
or printed and faxed to: MRO Compliance Office at 651.855.1712.*



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.

Please direct any questions regarding completion of this form to:

Riaz Islam
Midwest Reliability Organization
Tel: 651-855-1734
E-mail: r.islam@midwestreliability.org

SUBSTATION TEST SCHEDULE FOR WAUSAU AREA

Wpsc Relay Test Summary

| Western Region Generators | COMBINED RATING, MW | CONNECTION VOLTAGE, KV | PREVIOUS TEST DATE | MOST RECENT TEST DATE |
|-------------------------------|---------------------|------------------------|--------------------|-----------------------------------|
| Big Pond - Petenwell CT | 18.823 | 138 | 5/10/05 | 12/31/07 |
| Castle Rock Hydro | 15 | 69 | 5/10/05 | 12/26/07 |
| Grandfather Falls Hydro (GFS) | 17.24 | 115 | 4/28/05 | 12/18/07 |
| Petenwell Hydro | 20 | 138 | 4/11/05 | 12/27/07 |
| Weston 1 | 70.588 | 115 | 1/16/06 | To be completed by March 31, 2008 |
| Weston 1, 2 control room | NA | NA | 1/10/06 | To be completed by March 31, 2008 |
| Weston 2 | 82 | 115 | 1/16/06 | To be completed by March 31, 2008 |
| Weston 3 | 389.4 | 115 | 1/26/06 | 11/30/07 |
| Weston W-31 | 23.1 | 46 | 12/18/04 | To be completed by March 31, 2008 |
| Weston W-32 | 60 | 115 | 12/18/04 | To be completed by March 31, 2008 |

| Eastern Region Generators | COMBINED RATING, MW | CONNECTION VOLTAGE, KV | PREVIOUS TEST DATE | MOST RECENT TEST DATE |
|---------------------------|---------------------|------------------------|--------------------|-----------------------|
| DePere Energy Center | 188 | 138 | | 10/22/07 |
| Pulliam 3 | 11 | 69 | 11/11/05 | 12/16/07 |
| Pulliam 4 | 24 | 69 | 11/11/05 | 12/15/07 |
| Pulliam 5 | 48 | 69 | 12/9/05 | 12/14/07 |
| Pulliam 6 | 67 | 69 | 12/12/05 | 12/17/07 |
| Pulliam 7 | 79 | 69 | 12/19/05 | 12/19/07 |
| Pulliam 8 | 126 | 138 | 12/23/05 | 12/18/07 |
| Pulliam Control Room | NA | NA | 12/27/05 | 12/28/07 |
| Pulliam P-31 | 107 | 138 | 12/30/04 | 12/6/07 |
| W. Marinette-31 | 46.5 | 69 | 11/16/06 | 11/29/07 |
| W. Marinette-32 | 46.5 | 138 | 11/16/06 | 12/5/07 |
| W. Marinette-33 | 96 | 138 | 11/30/05 | 2/21/07 |

Attachment d

**Wisconsin Public Service Corporation's notice of
completion of the Mitigation Plan, dated March
27, 2008**

Sara E. Patrick

From: Balu, Neal J [NJBalu@wisconsinpublicservice.com]
Sent: Thursday, March 27, 2008 11:07 AM
To: Riaz Islam
Cc: Douglas, Timothy A; Balu, Neal J
Subject: RE: WPS - Mitigation Plan Completion Status

Importance: High
Sensitivity: Confidential

Expires: Tuesday, September 23, 2008 12:00 AM

Riaz:

Wisconsin Public Service Corporation (WPSC) hereby confirms that we have completed the Mitigation Plan for PRC-005-1 R1, R2 (NERC ID-MRO 200700042, MRO 200700044), and are fully compliant with the aforementioned standard/requirements.

When requested by MRO, WPSC is ready to provide the verification data/documents that illustrate compliance with PRC-005-1 R1, R2.

Thank you
Neal J. Balu
Director, Transmission Policy
Wisconsin Public Service Corporation
700 N. Adams Street
Green Bay, Wisconsin 54301
Office: 920-433-1846
Cell: 920-680-7037
Fax: 920-433-1176
NJBalu@wisconsinpublicservice.com

From: Riaz Islam [mailto:r.islam@midwestreliability.org]
Sent: Friday, March 14, 2008 5:36 PM
To: Balu, Neal J
Subject: WPS - Mitigation Plan Completion Status
Importance: High

Dear Compliance Contact,

This is a friendly reminder that your mitigation plan completion date is approaching in two (2) weeks. As you complete the mitigation plans for PRC-005-1 R1, R2 (NERC ID – MRO 200700042, MRO 200700044) the MRO Compliance Office requires an email confirmation stating that you have completed the mitigation plan and fully compliant to the abovementioned NERC Standard/Requirement(s).

Please contact the MRO Compliance Office (mco@midwestreliability.org) if you have any questions regarding this letter and/or the mitigation plan(s).

Riaz Islam
Engineer
Midwest Reliability Organization (MRO)
Roseville, MN 55113-1127

(651)-855-1734

Central Facsimile (651) 855-1712

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Attachment e

**Midwest Reliability Organization's Notice of
Verification of Completion of Mitigation Plan,
dated April 28, 2008**

From: Riaz Islam [mailto:R.Islam@MidwestReliability.org]
Sent: Monday, April 28, 2008 5:27 PM
To: Balu, Neal J
Cc: mco@midwestreliability.org
Subject: [mco] WPS - Post June 18 Violations

Hello Neal,

MRO compliance office has reviewed the verification data WPS provided earlier and validated the completion of the following Mitigation Plans.

- [PRC-005-1 R1 \(NERC ID - MRO200700044\)](#)
- [PRC-005-1 R2 \(NERC ID - MRO200700042\)](#)

We have closed these mitigation plans that you submitted via CDMS in 2008. We have also notified NERC of the completion of these mitigation plans. Thanks again for participating in the NERC/MRO Compliance Program.

Let me know if you have any questions. Thanks

Riaz Islam
Engineer
Midwest Reliability Organization (MRO)
Roseville, MN 55113-1127
(651)-855-1734

Central Facsimile (651) 855-1712

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Attachment f

Notice of Filing

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Wisconsin Public Service Corporation

Docket No. NP09-____-000

NOTICE OF FILING
(May 1, 2009)

Take notice that on May 1, 2009, the North American Electric Reliability Corporation (NERC), filed a Notice of Penalty regarding Wisconsin Public Service Corporation in the Midwest Reliability Organization 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, or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Comment Date: [BLANK]

Kimberly D. Bose,
Secretary