



NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

September 25, 2009

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

**Re: NERC Notice of Penalty regarding PPG Industries, Inc., FERC Docket No. NP09-\_-  
000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Notice of Penalty<sup>1</sup> regarding PPG Industries, Inc (PPG), NERC Registry ID NCR09034,<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>

On August 31, 2007, PPG self-certified non-compliance with Reliability Standard PRC-005-1 Requirement (R) 1 for deficiencies in its compliance with the standard. On the self-certification form, PPG indicated that its documentation demonstrating implementation of its Generation Protection System maintenance and testing program was incomplete and/or implementation was not on schedule with respect to the following requirements of PRC-005-1: (1) Generation Protection System identification; (2) Documentation of maintenance and testing intervals and their basis; and (3) Summary of testing procedure. This Notice of Penalty is being filed with the Commission because, based on information from SERC Reliability Corporation (SERC), PPG has not disputed the violations of PRC-005-1 R1 and the proposed zero dollar (\$0) financial penalty to be assessed to PPG. Accordingly, the violation identified as NERC Violation Tracking Identification Number SERC200700021 is a Confirmed Violation, as that term is defined in the NERC Rules of Procedure and the CMEP.

---

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

<sup>2</sup> SERC Reliability Corporation confirmed that PPG Industries, Inc. was included on the NERC Compliance Registry, on July 20, 2007 as a Generator Owner among other functions, and was subject to the requirements of NERC Reliability Standard PRC-005-1.

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

### 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 March 27, 2008, by SERC, and the Supplemental Record Information letter issued by SERC to PPG on September 26, 2008. 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 this Notice of Penalty by the NERC Board of Trustees Compliance Committee (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 the Reliability Standard at issue in this Notice of Penalty.

Region	Registered Entity	NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Total Penalty (\$)
SERC	PPG Industries, Inc.	NOC-34	SERC200700021	PRC-005-1	1	High <sup>4</sup>	0

The purpose of Reliability Standard PRC-005-1 is to ensure all transmission and generation Protection Systems affecting the reliability of the Bulk Electric System (BES) are maintained and tested.

In summary, PRC-005-1 R1 requires an entity registered as a Generator Owner, such as PPG, to have a Protection System maintenance and testing program for Protection Systems that affect the reliability of the Bulk Electric System. The program shall include maintenance and testing intervals and their basis, and a summary of maintenance and testing procedures. PRC-005-1 R1 has a "High" Violation Risk Factor ("VRF").

SERC determined to exercise its discretion to assess no penalty because this violation occurred and was mitigated in the transition period prior to December 31, 2007. Given PPG is a single customer-owned and operated cogeneration facility that provides thermal energy to the manufacturing process and serves all or part of retail load with electric energy on its side of the retail meter with net capacity, limited to approximately 400 MW, provided to the bulk power system, SERC determined that the violation did not pose a serious or substantial risk to the reliable operation of the bulk power system.

According to SERC, PPG self-certified non-compliance with PRC-005-1 R1, on August 31, 2007, via SERC's secure on-line compliance reporting system in compliance with SERC's required September 1, 2007 Self-Certification. PPG's self-certification submittal indicated that its documentation demonstrating implementation of its Generation Protection System maintenance and testing program was incomplete and/or implementation was not on schedule

<sup>4</sup> When NERC filed VRFs for PRC-005, NERC originally assigned a "Medium" VRF to PRC-005-1 Requirement R1. In the Commission's May 18, 2007 Order on Violation Risk Factors, the Commission approved the VRF as filed but directed modifications. On June 1, 2007, NERC filed the modified "High" VRF for PRC-005 Requirement R1 for approval. On August 6, 2007, the Commission issued an Order approving the modified VRF. Therefore, the "Medium" VRF was in effect from June 18, 2007 until August 6, 2007 and the "High" VRF has been in effect since August 6, 2007.

with respect to the following requirements of PRC-005-1: (1) Generation Protection System identification; (2) Documentation of maintenance and testing intervals and their basis; and (3) Summary of testing procedure.

SERC Compliance Enforcement Staff (SERC Staff), upon receipt of the report of a possible violation from the Self-Certification, issued to PPG a Compliance Assessment Notice advising PPG of the initiation of a formal assessment to determine its compliance relative to the identified Reliability Standard requirement and directing PPG to preserve all relevant records and information. SERC Staff contacted PPG to get a full description of the circumstances surrounding the possible violation. According to PPG, PPG had procedures that identified Generation Protection Systems and specified maintenance and testing intervals, but did not have documentation of the basis of the intervals.

SERC determined the duration of the violation to be from July 20, 2007, when PPG was included on the NERC Registry until November 28, 2007, when PPG completed its Mitigation Plan and returned to compliance regarding NERC Reliability Standard PRC-005-1 R1.

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\$).*<sup>5</sup>

SERC exercised discretion to assess a zero dollar (\$0) penalty for this violation, because: (1) the violation occurred during the period of transition to mandatory standards during which the Commission authorized such discretion (see Order Nos. 693 and 693-A; (2) the violation was deemed by SERC Staff not to be a violation that put bulk power system reliability at serious or substantial risk because PPG is a single customer-owned and operated cogeneration facility that provides thermal energy to the manufacturing process with limited electric energy transfers provided to the bulk power system; and (3) PPG submitted and completed a mitigation plan to restore compliance and prevent recurrence of the violations, as discussed in greater detail below. Furthermore, SERC Staff determined that there were no aggravating factors. In particular, there were no repetitive violations, no negative relevant compliance history, no applicable compliance directives, no evidence of any attempt by PPG to conceal the violation, and no evidence that the violation was intentional. According to SERC, PPG was cooperative in the violation investigation, providing prompt response to SERC's inquiries, ensuring the availability of the appropriate technical contacts and mitigating the issue within 3 months of discovery.

---

<sup>5</sup> See NERC Sanction Guidelines (emphasis added).

### **Status of Mitigation Plan<sup>6</sup>**

On October 8, 2007, PPG submitted its Mitigation Plan to address the referenced violation. PPG's Mitigation Plan was accepted by SERC on November 15, 2007 and approved by NERC on December 11, 2007. The Mitigation Plan for the violation of PRC-005-1 R 1 is designated as MIT-07-0190 and was submitted as non-public information to FERC on December 11, 2007 in accordance with FERC orders.

The Mitigation Plan required PPG to develop, write, and publish in PPG's Electronic Document Management System documentation that specifies the basis of maintenance and testing intervals; and specifies that PPG utilizes industry standard maintenance practices. While the target completion date was December 1, 2007, PPG certified to SERC on November 30, 2007 that its Mitigation Plan was completed on November 28, 2007.

PPG submitted the following evidence in support of PPG's certification that its Mitigation Plan was completed:

*Document SMP No 2305-EL-2036.0 Inspection and Testing of Protective Relays (Internal document specifying the Maintenance and Testing periodicity, basis, and summary procedure for Protective Relays associated with the generator Protection Systems. This procedure documents the actions required for compliance with PRC-005-1, Requirement R1.)*

*Document 0610-0609-01616 PRC-005 Compliance (Internal document specifying the Maintenance and Testing records retention. This procedure documents the actions required for compliance with PRC-005-1, Requirement R2.)*

On December 26, 2007, SERC Staff completed its review of the evidence submitted by PPG in support of its Certification of Completion of the subject Mitigation Plan. Based on its review of the evidence submitted, SERC Staff verified that PPG developed wrote and published in its Electronic Document Management System a document that specified the maintenance and testing intervals and their bases. Therefore, SERC Staff determined that PPG is in compliance with the subject Reliability Standard Requirements.

### **Statement Describing the Proposed Penalty, Sanction or Enforcement Action Imposed<sup>7</sup>**

#### **FERC Order Excerpts**

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

222. . . . In light of commenters' concerns, including the fact that there are new aspects to the Reliability Standards and the proposed compliance program that

---

<sup>6</sup> See 18 C.F.R § 39.7(d)(7).

<sup>7</sup> See 18 C.F.R § 39.7(d)(4).

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

223. *By directing the ERO and Regional Entities to focus their resources on the most serious violations through the end of 2007, the ERO and Regional Entities will have the discretion necessary to assess penalties for such violations, while also having discretion to calculate a penalty without collecting the penalty if circumstances warrant.* Further, even if the ERO or a Regional Entity declines to assess a monetary penalty during the initial period, they are authorized to require remedial actions where a Reliability Standard has been violated. Furthermore, where the ERO uses its discretion and does not assess a penalty for a Reliability Standard violation, we encourage the ERO to establish a process to inform the user, owner or operator of the Bulk-Power System of the violation and the potential penalty that could have been assessed to such entity and how that penalty was calculated. We leave to the ERO's discretion the parameters of the notification process and the amount of resources to dedicate to this effort. Moreover, the Commission retains its power under section 215(e)(3) of the FPA to bring an enforcement action against a user, owner or operator of the Bulk-Power System.

224. *The Commission believes that the goal should be to ensure that, at the outset, the ERO and Regional Entities can assess a monetary penalty in a situation where, for example, an entity's non-compliance puts Bulk-Power System reliability at risk.* Requiring the ERO and Regional Entities to focus on the most serious violations will allow the industry time to adapt to the new regime while also protecting Bulk-Power System reliability by allowing the ERO or a Regional Entity *to take an enforcement action against an entity whose violation causes a significant disturbance.* Our approach strikes a reasonable balance in ensuring that the ERO and Regional Entities will be able to enforce mandatory Reliability Standards in a timely manner, while still allowing users, owners and operators of the Bulk-Power System time to acquaint themselves with the new requirements and enforcement program. In addition, our approach ensures that all users, owners and operators of the Bulk-Power System take seriously mandatory, enforceable reliability standards at the earliest opportunity and before the 2007 summer peak season.<sup>8</sup>

---

<sup>8</sup> Order No. 693 at PP 222-224 (emphasis added).

### **Basis for Determination**

SERC Staff considered the following factors with respect to the facts and circumstances of the referenced violations: (1) PPG had not been subject to the Reliability Standards prior to being registered as a Generation Owner and Operator earlier in 2007; (2) This was a first-time violation by PPG; and (3) PPG submitted and completed a Mitigation Plan to restore compliance and prevent recurrence of the violations. Furthermore, SERC Staff determined that there were no aggravating factors that would have increased the penalty after the Base Penalty Amount was set to zero. In particular, there were no repetitive violations, no negative relevant compliance history, no applicable compliance directives, PPG was not uncooperative in the violation investigation, no evidence of any attempt by PPG to conceal the violation, or that the violation was intentional, and there were no aggravating extenuating circumstances that would have led SERC Staff to recommend any penalty beyond zero dollars.

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>9</sup> the NERC BOTCC reviewed the NOCV and supporting documentation on May 1, 2009. The NERC BOTCC approved the assessment of a zero dollar (\$0) financial penalty against PPG based upon SERC'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, the NERC BOTCC considered the following mitigating factors with respect to the facts and circumstances of the referenced violations: (1) the violation was a deficiency in documentation rather than execution of maintenance and testing; (2) PPG promptly submitted and completed its mitigation plan to restore compliance and prevent recurrence of the violations; (3) there were no reported aggravating factors, no repetitive violations, no negative relevant compliance history, no applicable compliance directives, PPG was cooperative in the violation investigation, no evidence of any attempt by PPG to conceal the violation, or that the violation was intentional, and there were no aggravating extenuating circumstances; (4) the violation occurred during the period of transition to mandatory standards during which the Commission authorized such discretion; and (5) the violation was deemed by SERC Staff not to be a violation that put bulk power system reliability at serious or substantial risk because PPG is a single customer-owned and operated cogeneration facility that provides thermal energy to the manufacturing process with limited electric energy transfers provided to the bulk power system.

Therefore, NERC believes that the proposed zero dollar (\$0) financial 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.

---

<sup>9</sup> *North American Electric Reliability Corporation*, "Guidance Order on Reliability Notices of Penalty," 124 FERC ¶ 61,015 (2008).

### **Attachments To Be 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 reporting form, dated August 31, 2007, included as Attachment a;
- b) Mitigation Plan dated October 8, 2008 designated as MIT-07-0190, included as Attachment b;
- c) PPG's Certification of Completion of the Mitigation Plan dated November 30, 2007, included as Attachment c; and
- d) Statement of SERC Reliability Corporation Compliance Staff Regarding Completion of Mitigation Plan dated December 26, 2008, included as Attachment d.

### **A Form of Notice Suitable for Publication<sup>10</sup>**

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

---

<sup>10</sup> See 18 C.F.R § 39.7(d)(6).

## Notices and Communications

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

Rick Sergel  
President and Chief Executive Officer  
David N. Cook\*  
Vice President and General Counsel  
North American Electric Reliability Corporation  
116-390 Village Boulevard  
Princeton, NJ 08540-5721  
(609) 452-8060  
(609) 452-9550 – facsimile  
david.cook@nerc.net

Marisa A. Sifontes\*  
Compliance Legal Counsel  
SERC Reliability Corporation  
2815 Coliseum Centre Drive, Suite 500  
Charlotte, NC 28217  
(704) 494-7775  
(704) 357-7914 – facsimile  
msifontes@serc1.org

B. David Nunez, PE\*  
Superintendent, Power  
PPG Industries, Inc.  
P.O. Box 1000  
Lake Charles, LA 70602  
(337) 708-4286  
bdnunez@ppg.com

Michelle Ritter\*  
Corporate Counsel  
PPG Industries, Inc.  
One PPG Place, Floor 39E1  
Pittsburgh, PA 15272  
mritter@ppg.com

\*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\*  
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

Gerry Cauley  
President and Chief Executive Officer  
SERC Reliability Corporation  
2815 Coliseum Centre Drive  
Charlotte, NC 28217  
(704) 940-8202  
(704) 357-7914 – facsimile  
gcauley@serc1.org

Thomas J. Galloway\*  
Vice President and Director of Compliance  
SERC Reliability Corporation  
2815 Coliseum Centre Drive  
Charlotte, NC 28217  
(704) 940-8205  
(704) 357-7914 – facsimile  
tgalloway@serc1.org

Kenneth B. Keels, Jr.\*  
Manager of Compliance Enforcement  
SERC Reliability Corporation  
2815 Coliseum Centre Drive  
Charlotte, NC 28217  
(704) 940-8214  
(704) 357-7914 – facsimile  
Kkeels@serc1.org



**Conclusion**

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

Respectfully submitted,

Rick Sergel  
President and Chief Executive Officer  
David N. Cook  
Vice President and General Counsel  
North American Electric Reliability Corporation  
116-390 Village Boulevard  
Princeton, NJ 08540-5721  
(609) 452-8060  
(609) 452-9550 – facsimile  
david.cook@nerc.net

Rebecca J. Michael  
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

cc: PPG Industries, Inc.  
SERC Reliability Corporation

Attachments

## **Attachment a**

**Self-Certification reporting form  
dated August 31, 2007**



Logged in as:

Christine Morrow

Log Out

System Administration

Committees

Compliance

Planning Forms

Operating Forms

Cyber Security Forms

Vegetation Forms

Historical Forms

Search Regional Filings

Certification Statements

Reports

Mitigation Plans

Reliability Assessments

Annual Voting Rights

Surveys

Recommendations

Meetings

**PRC-005-1-G LOC - Transmission and Generation Protection System Maintenance and Testing - 2007**

[Return To Search Results](#)

Attachments (0)

Reference Document: [Maintenance and Testing SERC Supplement](#)

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

**This form was submitted on 8/31/2007.**

\* Required Fields

Status: Read Only

**Technical Contact**

\*  |

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

As an officer of **PPG Industries, Inc.**,

I confirm the following:

**Section A:**

1. A Generation Protection System maintenance and testing program is documented and implemented in accordance with NERC Reliability Standard PRC-005-1 (Transmission and Generation Protection System Maintenance and Testing).

Documentation of the program and its implementation will be made available to SERC on request (30 calendar days).

2. Documentation demonstrating implementation of a Generation Protection System maintenance and testing program is incomplete and/or implementation is not on schedule (**check all that apply**):

Generation Protection System identification (Includes: relays, instrument transformers, communication systems, and batteries)

Documentation of maintenance and testing intervals and their basis.

Summary of testing procedure

Schedule for system maintenance and testing.

Implementation of the Generation Protection System maintenance and testing program is not on schedule. **PPG Industries, Inc.** expects to be on schedule by

▾

3. The NERC Reliability Standard PRC-005-1 does not apply because **PPG Industries, Inc.** does not own a Generation Protection System.

4. The NERC Reliability Standard PRC-005-1 applies to **PPG Industries, Inc.** and our data has been coordinated with and is covered by the submittal(s) of

Master Account	First Name	Last Name	Telephone	Email

**Section B:**

1. This submittal also covers:

	Master Account	First Name	Last Name	Telephone	Email

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

**Additional Comments:**

PPG Industries has a Preventative Maintenance System that assures generator protective relays are maintained/tested on a periodic basis. Documentation is currently being developed to attain full compliance. Expected to complete by December 1, 2007.

[Return to top](#)

Submit to SERC (By checking this box, you will be unable to edit this form)

[Return To Search Results](#)

## **Attachment b**

**PPG's Mitigation Plan designated as MIT-07-0190, submitted October 8, 2007**



**PPG Chlor-Alkali &  
Derivatives**

PPG Industries, Inc.  
P. O. Box 1000  
1300 PPG Drive  
Lake Charles LA 70602 USA

**Mitigation Plan Submission Form**

**SERC Reliability Corporation  
Violation Mitigation Plan Submittal Form  
(Form Revised 8-28-07)**

*Confirmation of the violation does not have to be received by the registered entity before a mitigation plan may be submitted, nor does the entity waive the right to contest the notice of violation after it has been received.*

Name of registered entity submitting this mitigation plan:  
[PPG Industries, Inc.](#)

Date of Submission:  
[10/8/2007](#)

Name of technical contact (submitter):  
[David Nunez](#)

Contact Information of the submitter:  
[bdnunez@ppg.com](mailto:bdnunez@ppg.com)  
[337-708-4286](tel:337-708-4286)

Is this mitigation plan submitted to cover the violation of other entities? If so, whom does it cover? [RS Cogen](#)

Which reliability standard was violated? [PRC-005-1](#)

Which specific requirement of the above standard was violated? [R1.1, R1.2](#)

State the cause of the violation(s). Describe why the entity is/was non-compliant with the requirement cited above: [R1.1 – PPG has a maintenance program that specifies maintenance and testing intervals, but not documentation of the basis of the intervals.](#) [R1.2 – PPG utilizes industry standard maintenance practices, but does not have a document specifying such. PPG has records showing the required maintenance interval along with the date of last maintenance.](#)

Provide a description of the action plan the entity will use to mitigate the violation including milestone schedule. Note: Milestones should not be more than three months apart. Extend the table below, if necessary. [A Standard Maintenance Procedure will](#)

be developed, written, and publish in PPG's Electronic Document Management System that will address the deficiencies stated above.

Milestone Activity	Target Completion Date
Develop, write, and publish SMP	12/1/07

What is the date by which this mitigation plan will be fully implemented and the alleged or confirmed violation(s) corrected? Note: additional sanctions or penalties may be associated with failure to complete the plan on schedule. 12/1/2007

Provide a description of actions taken to prevent a recurrence of this violation:

Activity	Target Completion Date

Describe the anticipated impact on the reliability of the Bulk Electric System resulting from the violation and while the mitigation plan is being implemented.

No impact anticipated. Maintenance has been done as scheduled.

Is there any other information related to this violation and/or mitigation plan that you deem necessary or appropriate to provide?

PPG has a PM program in place that is followed. Once proper documentation is complete, full compliance will be attained.

Provide the name, title, and signature, and date of signature of an authorized executive signatory

Name: Brian Comeaux

Title: Superintendent -Power

Date: 10/08/2007

Signature \_\_\_\_\_

## **Attachment c**

### **PPG's Certification of Completion of the Mitigation Plan, dated November 30, 2007**





PPG Industries

PPG Chlor-Alkali &  
Derivatives

PPG Industries, Inc.  
P. O. Box 1000  
1300 PPG Drive  
Lake Charles LA 70602 USA

## Certification of a Completed Mitigation Plan

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

Name of Registered Entity submitting certification: PPG Industries, Inc.

Date of Certification: November 30, 2007

Name of Standard and the Requirement(s) of mitigated violation(s): PRC-005-1 – R1.1,  
R1.2

SERC Tracking Number (contact SERC if not known): 007-173

NERC Violation ID Number (if assigned):

**Date of completion of the Mitigation Plan: November 28, 2007**

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

Name: Brian Comeaux  
Title: Superintendent - Power  
Entity: PPG Industries, Inc.  
Email: bcomeaux@ppg.com  
Phone: 337-708-4917

Executive Signature  Date 11-30-2007

**[NOTE – Closure Form should be signed by same individual that signed Mitigation Plan]**

## **Attachment d**

# **Statement of SERC Reliability Corporation Compliance Staff Regarding Completion of Mitigation Plan dated December 26, 2009**



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

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

Registered Entity: PPG Industries, Inc. (PPG)  
SERC Tracking ID: 07-173  
NERC Violation No: SERC200700021  
NERC Mitigation Plan ID: MIT-07-0190  
Standard: PRC-005-1  
Requirement(s): R1

**Violation Summary:**

Entity is in violation of PRC-005-1 Requirement R1 because its protection system maintenance and testing program lacks: 1) documentation of the basis of the interval of maintenance practices, and 2) a summary of maintenance procedures.

**Mitigation Plan Summary:**

PPG's Mitigation Plan to address the referenced violation was accepted by SERC on November 15, 2007 and approved by NERC on December 11, 2007 and was submitted as non-public information to FERC on December 11, 2007 in accordance with FERC orders.

A Standard Maintenance Procedure will be developed, written, and published in PPG's Electronic Document Management System that will address: 1) documentation of the basis of the interval of maintenance practices, and 2) a summary of maintenance procedures.

**SERC's Monitoring of Registered Entity's Mitigation Plan Progress:**

SERC Reliability Corporation Compliance Staff ("SERC Staff") monitors the Registered Entity's progress towards completion of its Mitigation Plans in accordance with Section 6.0 of the uniform Compliance Monitoring and Enforcement Program, ("CMEP"). Pursuant to the CMEP, Registered Entities are required to establish implementation milestones no more than three (3) months apart. SERC Staff solicits quarterly reports from all Registered Entities with open mitigation plans to monitor the progress on completion of milestones. SERC Staff also produces and reviews daily Mitigation Plan status reports highlighting Mitigation Plans that are nearing the scheduled completion date. If the Registered Entity fails to complete its Mitigation Plan according to schedule, appropriate additional enforcement action is initiated to assure compliance is attained.

**Mitigation Plan Completion Review Process:**

PPG certified on November 30, 2007 that the subject Mitigation Plan was completed on November 28, 2007. A SERC compliance staff member reviewed the evidence submitted in a manner similar to a compliance audit.

**Evidence Reviewed:**

PPG submitted and SERC Staff reviewed the following evidence in support of its certification that its Mitigation Plan was completed in accordance with its terms:

- Document SMP No 2305-EL-2036.0 Inspection and Testing of Protective Relays  
*(Internal document specifying the Maintenance and Testing periodicity, basis, and summary procedure for Protective Relays associated with the generator Protection Systems. This procedure documents the actions required for compliance with PRC-005-1, Requirement R1.)*
- Document 0610-0609-01616 PRC-005 Compliance  
*(Internal document specifying the Maintenance and Testing records retention. This procedure documents the actions required for compliance with PRC-005-1, Requirement R2.)*

**Conclusion:**

On December 26, 2007 SERC Reliability Corporation Compliance Staff ("SERC Staff") completed its review of the evidence submitted by PPG in support of its Certification of Completion of the subject Mitigation Plan. Based on its review of the evidence submitted, SERC Staff hereby verifies that, in its professional judgment, all required actions in the Mitigation Plan have been completed and PPG is in compliance with the subject Reliability Standard Requirements.

This Statement, along with the subject Mitigation Plan, may become part of a public record upon final disposition of the possible violation.

**Respectfully Submitted,**

Mark Ladrow, Compliance Engineer (SPOC)

**Attachment e**

**Notice of Filing**

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

PPG Industries, Inc

Docket No. NP09-\_\_\_\_-000

NOTICE OF FILING  
September 25, 2009

Take notice that on September 25, 2009, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding PPG Industries, Inc in the SERC Reliability Corporation region.

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

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

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

Comment Date: [BLANK]

Kimberly D. Bose,  
Secretary