



NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

June 4, 2008

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

Re: NERC Notice of Penalty regarding Southwestern Public Service Co. (SPS-XCEL), FERC  
Docket No. NP08-\_-000

Dear Ms. Bose:

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

This Notice of Penalty is being filed with the Commission because, based on information from the Southwest Power Pool Regional Entity, Southwestern Public Service Co. (SPS-XCEL) does not dispute the violations of EOP-001-0 (R.) 3.4, 4.4 and 5, EOP-005-1 R. 1, and CIP-001-1 R. 2 and the proposed penalty of \$0 to be assessed to Southwestern Public Service Co. at issue in this Notice of Penalty. Accordingly, the violations identified as NERC Violation Tracking Identification Numbers SPP200700002, SPP200700003, SPP200700004, SPP200700005 and SPP200700006 are Confirmed Violations, as that term is defined in the NERC Rules of Procedure and the CMEP.

### **Statement of Findings Underlying the Violations**

This Notice of Penalty incorporates by reference the findings and justifications set forth in the Notice of Confirmed Violation and Proposed Penalty or Sanction (NOC) issued on April 1, 2008, by the Southwest Power Pool Regional Entity. The details of the findings and basis for the penalty are set forth in Table 1 of the NOC, as well as the determinations of the NERC Board of Trustees Compliance Committee (NERC BOTCC) in its decision. In accordance with Section

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

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

39.7 of the Commission's regulations, 18 C.F.R. § 39.7 (2007), NERC provides the following summary table identifying each Reliability Standard violated by Southwestern Public Service Co. (SPS-XCEL).

NOP ID	Region	Registered Entity	NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Total Penalty (\$)
NOP-22	SPP	Southwestern Public Service Co. (SPS-XCEL)	NOC-30	SPP200700002	EOP-001-0	3.4	Medium	0
NOP-22	SPP	Southwestern Public Service Co. (SPS-XCEL)	NOC-30	SPP200700003	EOP-001-0	4.4	Medium	0
NOP-22	SPP	Southwestern Public Service Co. (SPS-XCEL)	NOC-30	SPP200700004	EOP-001-0	5	Medium	0
NOP-22	SPP	Southwestern Public Service Co. (SPS-XCEL)	NOC-30	SPP200700005	EOP-005-1	1	Medium	0
NOP-22	SPP	Southwestern Public Service Co. (SPS-XCEL)	NOC-30	SPP200700006	CIP-001-1	2	Medium	0

In summary, EOP-001-0 R. 3.4 requires an entity such as Southwestern Public Service Co. to develop, maintain, and implement a set of plans for load shedding.

EOP-001-0 R. 4.4 requires Southwestern Public Service Co. to have emergency plans that enable it to mitigate operating emergencies and at a minimum the emergency plans shall include staffing levels for the emergency.

EOP-001-0 R. 5 requires Southwestern Public Service Co. to include the applicable elements in Attachment 1-EOP-001-1 when developing an emergency plan.

EOP-005-1 R. 1 requires Southwestern Public Service Co., as the Transmission Operator, to have a restoration plan to reestablish its electric system in a stable and orderly manner in the event of a partial or total shutdown of its system, including necessary operating instructions and procedures to cover emergency conditions, and the loss of vital telecommunications channels. Each Transmission Operator shall include the applicable elements listed in Attachment 1-EOP-005 in developing a restoration plan.

CIP-001-1 R.2 requires Southwestern Public Service Co. to have procedures for the communication of information concerning sabotage events to appropriate parties in the Interconnection.

As to the instant violations of EOP-001-0 R. 3.4, 4.4 and 5, EOP-005-1 R. 1, and CIP-001-1 R. 2, Southwestern Public Service Co. identified and self-reported the violations to Southwest Power Pool Regional Entity prior to an on-site audit that was conducted by Southwest Power Pool Regional Entity during the week of September 17, 2007. With respect to the violations of

EOP-001-0 R. 3.4 and 5 and EOP-005-0 R. 1, Southwestern Public Service Co. discovered that several of the operating procedures required in the standard were in place but were not well-documented or were not in a consolidated location to assure compliance with the standard. Southwest Power Pool Regional Entity accepted the self-report and reviewed the progress towards compliance during an on-site audit conducted during the week of September 17, 2007. With respect to the violation of EOP-001-0, R. 4.4, Southwestern Public Service Co. determined a deficiency in the Emergency Operations Plan regarding the identification of staffing levels in emergency situations. In its self-report, Southwestern Public Service Co. committed to develop an updated document by August 31, 2007. Southwest Power Pool Regional Entity received a notice of completion on August 31, 2007 and reviewed the document during the on-site audit. With respect to CIP-001-1, R. 2, Southwestern Public Service Co. discovered a deficiency in the sabotage reporting procedures, related to the notification of other entities in the interconnection in the event of a sabotage event. According to the Notice of Penalty, Southwestern Public Service Co. remedied this deficiency quickly and had a new procedure in place available for use within one week of discovery. Southwest Power Pool Regional Entity subsequently reviewed the document in question during the on-site audit.

EOP-001-0 R. 3.4, 4.4 and 5 have a “Medium” VRF. EOP-005-1 R. 1 has a “Medium” VRF. CIP-001-1 R. 2 has a “Medium” VRF. In its NOC, the Southwest Power Pool Regional Entity did not assess a Violation Severity Level (VSL) because the standards as approved utilize Levels of Non-Compliance. Per the Base Penalty Table of the NERC Sanction Guidelines the ERO base penalty range for a “Medium” VRF is \$2,000 to \$335,000. However, Section 4.4.2 of the NERC Sanction Guidelines state that:

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

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

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

Southwestern Public Service Co. (SPS-XCEL)’s Mitigation Plans to address the referenced violations were accepted by the Southwest Power Pool Regional Entity on August 27, 2007 and September 17, 2007 and approved by NERC on January 30, 2008 and February 25, 2008. The

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

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

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

Mitigation Plans for the violations listed in Table 1 are designated as MIT-07-0203, MIT-07-0204, MIT-07-0205 and MIT-07-0386 and were submitted as non-public information to FERC on January 31, 2008 and February 26, 2008 in accordance with FERC orders. Southwestern Public Service Co. notified the Southwest Power Pool Regional Entity that the mitigation plans were completed on various dates (ranging from August 14, 2007 to December 11, 2007)<sup>6</sup> that its Mitigation Plans were completed. The Southwest Power Pool Regional Entity verified that the Mitigation Plans were completed during an on-site compliance audit conducted during the week of September 17, 2007.<sup>7</sup> Attachments e and f provide an explanation of the background and chronology of these violations and mitigation plans.

### **Statement Describing the Proposed Penalty, Sanction or Enforcement Action Imposed<sup>8</sup>**

#### **FERC Order Excerpts**

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

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

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

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<sup>6</sup> See Attachment e at 1-2 (providing an explanation of these dates).

<sup>7</sup> See *id.*

<sup>8</sup> See 18 C.F.R § 39.7(d)(4).

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

224. *The Commission believes that the goal should be to ensure that, at the outset, the ERO and Regional Entities can assess a monetary penalty in a situation where, for example, an entity's non-compliance puts Bulk-Power System reliability at risk.* Requiring the ERO and Regional Entities to focus on the most serious violations will allow the industry time to adapt to the new regime while also protecting Bulk-Power System reliability by allowing the ERO or a Regional Entity to take an enforcement action against an entity whose violation causes a significant disturbance. Our approach strikes a reasonable balance in ensuring that the ERO and Regional Entities will be able to enforce mandatory Reliability Standards in a timely manner, while still allowing users, owners and operators of the Bulk-Power System time to acquaint themselves with the new requirements and enforcement program. In addition, our approach ensures that all users, owners and operators of the Bulk-Power System take seriously mandatory, enforceable reliability standards at the earliest opportunity and before the 2007 summer peak season.<sup>9</sup>

### **Basis for Determination**

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

The NERC BOTCC affirmed the Southwest Power Pool Regional Entity's determination to exercise enforcement discretion to impose a zero dollar (\$0) penalty against Southwestern Public Service Co., based upon the NERC BOTCC's review of the applicable requirements of the Commission-approved Reliability Standards and the underlying facts and circumstances of the violations at issue.

In reaching this determination, NERC BOTCC considered the following: (1) As to the instant violations of EOP-001-0 R. 3.4, 4.4 and 5, EOP-005-1 R. 1, and CIP-001-1 R. 2, Southwestern Public Service Co. identified and self-reported the violations to Southwest Power Pool Regional Entity prior to an on-site audit that was conducted by Southwest Power Pool Regional Entity during the week of September 17, 2007. Southwest Power Pool Regional Entity deemed the violations to be documentation issues.<sup>10</sup> With respect to the violations of EOP-001-0 R. 3.4 and 5 and EOP-005-0 R. 1, Southwestern Public Service Co. discovered that several of the operating procedures required in the standard were in place but were not well-documented or were not in a

<sup>9</sup> Order No. 693 at PP 222-224 (emphasis added).

<sup>10</sup> See Attachment e at 2. As to the Southwestern Public Service Co. portion of the documentation in SPP200700004, the audit team determined the entity was in compliance. While Southwest Power Pool Regional Entity could have dismissed the violation, it did not do so and the entity did not request dismissal.

consolidated location to assure compliance with the standard. Southwest Power Pool Regional Entity accepted the self-report and reviewed the progress towards compliance during an on-site audit conducted during the week of September 17, 2007. With respect to the violation of EOP-001-0, R. 4.4, Southwestern Public Service Co. determined a deficiency in the Emergency Operations Plan regarding the identification of staffing levels in emergency situations. In its self-report, Southwestern Public Service Co. committed to develop an updated document by August 31, 2007. Southwest Power Pool Regional Entity received a notice of completion on August 31, 2007 and reviewed the document during the on-site audit. With respect to CIP-001-1, R. 2, Southwestern Public Service Co. discovered a deficiency in the sabotage reporting procedures, related to the notification of other entities in the interconnection in the event of a sabotage event. According to the Notice of Penalty, Southwestern Public Service Co. remedied this deficiency quickly and had a new procedure in place available for use within one week of discovery. Southwest Power Pool Regional Entity subsequently reviewed the document in question during the on-site audit; (2) No system disturbance occurred as a result of the violations, and the violations were deemed not to be violations that put bulk power system reliability at serious or substantial risk; (3) The violations occurred prior to January 2008 (during the period the Commission stated NERC and the Regional Entities should focus their enforcement resources on the most serious violations and those that involved a significant disturbance); (4) The violations are the first incidence of violations of the Requirements at issue by Southwestern Public Service Co.; (5) Southwestern Public Service Co. worked cooperatively with the Southwest Power Pool Regional Entity; (6) Southwestern Public Service Co. acted immediately to mitigate and/or correct the violations; (7) The violations were mitigated in accordance with the approved Mitigation Plans and have been verified as mitigated by Southwestern Public Service Co.; and (8) The actions taken by Southwestern Public Service Co. ensure that reliability is maintained.

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

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

### **The Record of the Proceeding<sup>11</sup>**

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

- a) Southwestern Public Service Co.'s Self-Reports;
- b) Notices of Alleged Violation and Penalty or Sanction. Southwestern Public Service Co. (SPS-XCEL)'s responses thereto;
- c) Notice of Confirmed Violation and Penalty or Sanction;

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<sup>11</sup> See 18 C.F.R § 39.7(d)(5).

- d) Mitigation Plans designated as MIT-07-0203, MIT-07-0204, MIT-07-0205 and MIT-07-0386;
- e) Southwestern Public Service Co.'s certification of completion of the Mitigation Plans;
- f) Southwest Power Pool Regional Entity's statement of verification that the Mitigation Plans have been completed; and
- g) NERC BOTCC Decision.

### **A Form of Notice Suitable for Publication<sup>12</sup>**

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

### **Notices and Communications**

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

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

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

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

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<sup>12</sup> See 18 C.F.R. § 39.7(d)(6).

**Conclusion**

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

Respectfully submitted,

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

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

cc: Southwestern Public Service Co. (SPS-XCEL)  
Southwest Power Pool Regional Entity

Attachment(s)



## **Attachment a**

# **Southwestern Public Service Co.'s Self-Reports**

SPP200700002  
SPP200700003  
SPP200700004

### SPP Self Report Form

RECEIVED VIA  
FAX 8/2/07  
RWS

Registered Entity Name: Southwestern Public Service Company

Contact Name: Terri K. Eaton

Contact Phone: 303-308-2871

Contact email: terri.k.eaton@xcelenergy.com

Date noncompliance was discovered: External consultant report received 07/23/2007

Date noncompliance was reported: 08/02/2007

Standard Title: Emergency Operations Planning

Standard Number: EOP-001

While it is not clear that the standards require auditable compliance, SPS has been reviewing its plans developed to comply with EOP-001 with the assistance of an independent external consultant to review auditable compliance status. At this point, it appears the plans are not fully auditably compliant. In some cases, operational processes used by SPS for several years have not been fully documented. In other cases, documentation has not yet been fully compiled. We have attempted to delineate below each specific instance where we believe additional documentation is needed to achieve full auditable compliance; however, other examples may exist. In conjunction with completion of our mitigation plan described below, we will be compiling compliance documentation and developing documentation to address any documentation issues (if any) SPS identifies in conjunction with completion of the mitigation plan.

Requirement Number(s)<sup>1</sup>: R3.4; R4.4; R5, elements 1, 2, 4, 5, and 7

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

Noncompliance was discovered for R3.4; R4.4; R5, elements 1, 2, 4, 5, and 7 through review of the SPS Emergency Plan documents by an expert consultant engaged to review compliance with EOP-001, plus self-evaluation.

**\*Submit a Completed Mitigation Plan in conjunction with this form to show that corrective steps are being taken.**

Mitigation Plans are attached for: R4.4, R5, elements 1, 2, and 7.

**If a mitigation plan is not being submitted with this form please complete the following:**

<sup>1</sup> Violations are reported at the level of requirements, sub requirements are not necessary.

Mitigation Plans are not being submitted with this form as follows:

R3.4: Mitigation Plan to be submitted separately by 08/20/2007.

R5, element 4: Corrective action taken to document controlling actions that reflect operational processes used, therefore no mitigation plan is needed.

R5, element 5: Corrective action taken to document controlling actions that reflect operational processes used, therefore no mitigation plan is needed.

Describe the cause of non-compliance:

**[For the purposes of clarification and completeness, this section was excerpted from the Mitigation Plan information that was attached to this Self-report by Ronald W. Ciesiel of the SPP RE staff.]**

**R4.4:** Requires each Transmission Operator and Balancing Authority shall have an Emergency Operations Plan that will enable it to mitigate operating emergencies. The plan is to include staffing levels identified for emergencies. SPS has an Emergency Plan; however, the SPS documentation that existed in the Plan did not adequately define staffing levels during emergencies. We are reviewing the SPS policy for staffing levels during emergency operations and will update the Emergency Plan documentation accordingly.

R3.4: Insufficient documentation in the Emergency Plan relative to the system restoration plans.

R5, element 4: Insufficient documentation in the Emergency Plan relative to the procedures relied upon to reduce the system's own use to a minimum.

R5, element 5: Insufficient documentation in the Emergency Plan relative to the procedures relied upon to alert the media for public appeals for voluntary conservation and load reduction.

Describe the reliability impact of this non-compliance:

R3.4: No reliability impact. Operational procedures existed; however, they were not fully documented in the Emergency Plan.

R5, element 4: No reliability impact. Operational procedures existed; however, they were not fully documented in the Emergency Plan.

R5, element 5: No reliability impact. Operational procedures existed; however, they were not fully documented in the Emergency Plan.

Expected date of Mitigation Plan submittal:

R3.4: Completed Mitigation Plan to be submitted by 08/20/2007.

R5, element 4: Corrective action completed. Detailed procedures for implementing this directive have been documented and distributed to the appropriate personnel and are now contained in the Emergency Plan.

R5, element 5: Corrective action completed. Detailed procedures for implementing this directive have been documented and distributed to the appropriate personnel and are now contained in the Emergency Plan.

RECEIVED VIA

FAX 8/2/07

rwj

### SPP Self Report Form

Registered Entity Name: Southwestern Public Service Company

Contact Name: Terri K. Eaton

Contact Phone: 303-308-2871

Contact email: terri.k.eaton@xcelenergy.com

Date noncompliance was discovered: 07/23/2007

Date noncompliance was reported: 08/02/2007

Standard Title: Emergency Operations Planning

Standard Number: **EOP-005**

While it is not clear that the standards require auditable compliance, SPS has been reviewing its plans developed to comply with EOP-005 and to review auditable compliance status. At this point, it appears they are not fully auditably compliant. In some cases, operational processes used by SPS for several years have not been fully documented. In other cases, documentation has not yet been fully compiled. We have attempted to delineate below each specific instance where we believe additional documentation is needed to achieve full auditable compliance; however, other examples may exist. In conjunction with completion of our mitigation plan described below, we will be compiling compliance documentation and developing documentation to address any documentation issues (if any) SPS identifies in conjunction with completion of the mitigation plan.

Requirement Number(s)<sup>1</sup>: **R1**

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

Self-evaluation after receipt of external consultant report regarding EOP-001 compliance

**\*Submit a Completed Mitigation Plan in conjunction with this form to show that corrective steps are being taken. If a mitigation plan is not being submitted with this form please complete the following:**

Describe the cause of non-compliance:  
Insufficient detail in SPS' system restoration plans.

Describe the reliability impact of this non-compliance:  
No reliability impact. System Restoration procedures exist and have been utilized in response to prior outage events on the SPS system. However, the Company believes additional documentation needs to be completed to demonstrate compliance.

<sup>1</sup> Violations are reported at the level of requirements, sub requirements are not necessary.

Southwest Power Pool

Expected date of Mitigation Plan submittal:  
08/20/2007

SPP200700006

## 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.

Registered Entity Name: Southwestern Public Service Company

Contact Name: Terri K. Eaton

Contact Phone: 303-308-2871

Contact email: terri.k.eaton@xcelenergy.com

Date noncompliance was discovered: Week of August 6, 2007

Date noncompliance was reported: 09/07/2007

Standard Title: Sabotage Reporting

Standard Number: CIP-001

Requirement Number(s)<sup>1</sup>: R2

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

In preparation for NERC compliance audit of SPS

**\*Submit a Completed Mitigation Plan in conjunction with this form to show that corrective steps are being taken.**

No mitigation plan required.

**If a mitigation plan is not being submitted with this form please complete the following:**

Mitigation Plans are not being submitted with this form as follows:

Describe the cause of non-compliance:

Failure to develop procedures that require notification of other appropriate parties in the interconnection in the case sabotage is detected as required by R2.

Describe the reliability impact of this non-compliance:

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<sup>1</sup> Violations are reported at the level of requirements, sub requirements are not necessary.

Minimal. Procedures for all other elements of CIP-001 exist, and no sabotage events requiring reporting to other appropriate parties in the Interconnection have occurred.

Expected date of Mitigation Plan submittal:

None. Deficiency was remedied by development of procedure dated August 14, 2007.

**Attachment b**

**Notices of Alleged Violation and Penalty or  
Sanction  
and  
Southwestern Public Service Co. (SPS-XCEL)'s  
responses**





## Notice of Alleged Violation and Proposed Penalty or Sanction

To: Mr. Doug Jaeger  
Vice President of Transmission  
Xcel Energy

From: Ronald W. Ciesiel

Date: December 3, 2007

Re: Notice of Alleged Violation and Proposed Penalty or Sanction

**NERC Violation Tracking Identification Number(s): SPP200700002; SPP200700004;  
SPP200700005**

**Registered Entity Identification Number: NCR01145**

In accordance with the NERC Rules of Procedure including Appendix 4C thereto, which contains the NERC Compliance Monitoring and Enforcement Program (CMEP), the Southwest Power Pool Regional Entity [SPP RE] hereby notifies Southwestern Public Service [SPS] of an Alleged Violation of the NERC Reliability Standards and the Proposed Penalty or Sanction. In support hereof, the SPP RE states as follows:

On August 2, 2007, SPS was registered on the NERC Compliance Registry for the function(s) listed in Table A. As discussed herein, SPP RE has determined to charge SPS with a violation based upon information available to it that SPS did not comply or was not in compliance with the NERC Reliability Standards listed in Table A.

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

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

### **II. Proposed Penalty or Sanction**

Pursuant to the Commission's regulations and orders, NERC Rules of Procedure and the NERC Sanction Guidelines, **SPP RE has exercised its discretion and has determined not to impose a penalty and sanction at this time.** If, however, SPS fails to complete all or part of the approved mitigation plan for the Alleged Violation in accordance with the terms and time established by the mitigation plan, SPP RE may take action to assess and collect a penalty from

SPS. This penalty will be determined pursuant to the NERC Rules of Procedure and the NERC Sanction Guidelines. The terms of the mitigation plan and time line for completion may be modified only upon prior express written approval by SPP RE and NERC, as discussed below.

### **III. Procedures for Response by Registered Entity to this Notice**

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

1. SPS agrees with or does not contest the Alleged Violation(s) and proposed penalty or sanction, and agrees to implement the filed mitigation plans in order to correct the violation and its underlying causes;
2. SPS agrees to or does not contest the Alleged Violation(s) and agrees to implement the filed mitigation plans to eliminate the violation and its underlying causes, but contests the proposed penalty or sanction; or
3. SPS contests both the Alleged Violation(s) and the proposed penalty or sanction for the Alleged Violation(s).

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

If SPS does not contest or does not respond to the notice of Alleged Violation within thirty (30) days of the date of this Notice, it shall be deemed to have accepted the SPP RE's determination of violation and proposed penalty or sanction (if applicable), in which case SPP RE shall issue to SPS and NERC a final report of Confirmed Violation.

If SPS contests the Alleged Violation or the proposed sanction, SPS shall submit to SPP RE a response explaining its position, signed by an officer, employee, attorney or other authorized representative, together with any supporting information and documents within thirty (30) days of the date of this Notice. SPS shall provide a primary contact name who will be the responsible party to respond to questions regarding the above Alleged Violation(s). SPP RE shall schedule a conference with SPS within ten (10) business days after receipt of the response. If SPP RE and SPS are unable to resolve all issues within forty (40) days after the SPP RE response, SPS may request a hearing. If no hearing request is made, the violation will become a Confirmed Violation when filed by NERC with FERC or other Applicable Governmental Authority.

Upon acceptance of the Alleged Violation and proposed penalty or sanction, the final notice of the penalty or sanction or other enforcement action will then be processed and issued to the Registered Entity.

### **IV. Settlement Process**

CMEP Section 5.4 governs the settlement process and provides that settlement negotiations may occur at any time including prior to the issuance of a notice of Alleged Violation and Penalty or Sanction until a Notice of Penalty, Sanction, or Other Enforcement Action is filed with FERC or other Applicable Governmental Authority.

## V. Mitigation Plan Procedures and Requirements

**NOTE: SPS has submitted mitigation plans for these violations. SPP RE accepted the mitigation plans and reviewed the revised documentation during an on-site compliance visit during the week of September 18<sup>th</sup>. SPP RE must submit the mitigation information to NERC for final approval. SPS must also return a completion notice to the SPP RE in order to close out these violations.**

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

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

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

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

CMEP Section 6.4 provides that a Mitigation Plan may be submitted at any time but shall have been submitted by the Registered Entity within thirty (30) days after being served the notice of Alleged Violation and Penalty or Sanction, if the Registered Entity does not contest the violation and penalty or sanction. If the Registered Entity disputes the notice of Alleged Violation or penalty or sanction, the Registered Entity shall submit its Mitigation Plan within ten (10) business days following issuance of the written decision of the hearing body, unless the Registered Entity elects to appeal the hearing body's determination to NERC.

The Registered Entity may choose to submit a Mitigation Plan while it contests an Alleged Violation or penalty or sanction; such submission shall not be deemed an admission of a violation or the appropriateness of a penalty or sanction nor does the submission of a Mitigation Plan result in waiver of the SPP RE's right to contest the Alleged Violation and/or the proposed penalty or sanction.

If the Registered Entity has not yet submitted a Mitigation Plan, or the Registered Entity submits a Mitigation Plan but it is rejected by the Compliance Enforcement Authority or the hearing body in accordance with section 6.5, any subsequent violations of the Reliability Standard identified by the Compliance Enforcement Authority before the hearing body renders its decision will not be held in abeyance and will be considered as repeat violations of the Reliability Standard. In addition, if a Mitigation Plan submitted by a Registered Entity is rejected by the Compliance Enforcement Authority or the hearing body in accordance with CMEP Section 6.5, the Registered Entity shall be subject to any findings of violation of the applicable Reliability Standards during the period the Mitigation Plan was under consideration and to imposition of any penalties or sanctions imposed for such violations.

Any violations assessed during the period of time the accepted Mitigation Plan is being implemented will be recorded by the Compliance Enforcement Authority with associated sanctions or penalties. The SPP RE will report any findings of violations recorded during this time period to NERC with the notation that the Registered Entity is working under an accepted Mitigation Plan with an extended completion date with penalties and sanctions held in abeyance until completion of the Mitigation Plan. Upon completion of the accepted Mitigation Plan in accordance with CMEP Section 6.6, the Compliance Enforcement Authority will notify SPS that any findings of violations of the applicable Reliability Standard(s) during the period that the accepted Mitigation Plan was being implemented have been waived and no penalties or sanctions will apply. Regional Entities will also notify NERC of any such waivers of violations of Reliability Standards.

A request for an extension of any milestone or the completion date of the accepted Mitigation Plan by SPS must be received by the Compliance Enforcement Authority at least five (5) business days before the original milestone or completion date. The terms of the mitigation plan and time line for completion may be modified only upon express written approval by SPP RE and NERC.

## **VI. Mitigation Plan and Implementation Status**

SPS's mitigation plan was accepted by SPP RE on August 28, 2007 and will be forwarded to NERC for its review and acceptance. NERC will review the Mitigation Plan accepted by the Regional Entity and will notify the Regional Entity, which will in turn notify the Registered Entity, as to whether the Mitigation Plan is approved or disapproved by NERC. If NERC disapproves a Mitigation Plan that was accepted by the Regional Entity, NERC shall state its reasons for the rejection and may state the changes to the Mitigation Plan that would result in approval by NERC. NERC will submit to FERC, as non-public information, an approved Mitigation Plan relating to violations of Reliability Standards, within seven (7) business days after NERC approves the Mitigation Plan.

## **VII. Hearing Process**

Attachment 2 to the CMEP governs the hearing process.

If SPS elects to contest the Alleged Violation and/or the proposed penalty or sanction, the SPS shall state in a written hearing request that it is electing to have a hearing conducted pursuant to either (i) the short-form procedure in CMEP Attachment 2 Section 1.3.2 or (ii) the full hearing procedure, in CMEP Attachment 2, Hearing Process. SPP RE has adopted the procedures set forth in CMEP Attachment 2 in its Delegation Agreement.

SPS may appeal the hearing body's decision in accordance with the CMEP and the NERC Rules of Procedure.

## **VIII. Conclusion**

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

This Notice of Alleged Violation and Proposed Penalty or Sanction is being forwarded to NERC. Within two business days of receipt, NERC will provide a copy of this Notice to FERC and any other Applicable Governmental Authority.

Respectfully submitted,

*Ronald W. Ciesiel*

SPP RE Contact: Ronald W. Ciesiel  
Executive Director of Compliance  
Southwest Power Pool Regional Entity  
415 N. McKinley Suite 140  
Little Rock, Arkansas 72205  
  
501-614-3265

cc: NERC Manager of Enforcement and Mitigation  
Ms. Terri Eaton – Xcel Energy  
Tim Woolley- Xcel Energy  
Bill Grant – Xcel Energy  
Bob Cochran – Xcel Energy  
Kevin Goolsby - SPP

**Table A**

**SPS**

**Registered on the NERC Compliance Registry as: BA;TOP [for the purpose of this notice]**

**NERC Compliance Registry ID #: NCR01145**

<b>Reliability Standard(s) Allegedly Violated and Reference #'s</b>	<b>Requirement(s) Allegedly Violated</b>	<b>Discovery Method of Alleged Violation and Date of Discovery</b>	<b>Date or Period of Occurrence of Alleged Violation</b>	<b>Facts and Evidence of Alleged Violation</b>
<b>EOP-001-0 NERC Violation #: SPP200700002&amp; SPP200700004</b>	Requirement 3 &5	Self-report based on internal analysis discovered on 8-2-07	8-2-07	During an internal review of SPS's documentation it was determined by the registered entity that its documentation required to meet the requirements noted was insufficient to support a finding of full compliance in an upcoming on-site compliance audit. Specifically, SPS discovered that several of the operating procedures required in the standard were in place but were not well documented or were not in a consolidated location to assure compliance to the standard. SPP RE accepted the self-report and reviewed the progress towards compliance during an on-site compliance audit during the week of September 18 <sup>th</sup> .
<b>EOP-005-1 NERC Violation #: SPP200700005</b>	Requirement 1	Self-report based on internal analysis discovered on 8-2-07	8-2-07	During an internal review of SPS's documentation it was determined by the registered entity that its documentation required to meet the requirements noted was insufficient to support a finding of full compliance in an upcoming on-site compliance audit. Specifically, SPS discovered that several of the operating procedures required in the standard were in place but were not well documented or were not in a consolidated location to assure compliance to the standard. SPP RE accepted the self-report and reviewed the progress towards compliance during an on-site compliance audit during the week of September 18 <sup>th</sup> .



## Notice of Alleged Violation and Proposed Penalty or Sanction

To: Mr. Doug Jaeger  
Vice President of Transmission  
Xcel Energy

From: Ronald W. Ciesiel  
Executive Director of Compliance  
Southwest Power Pool

Date: November 20, 2007

Re: Notice of Alleged Violation and Proposed Penalty or Sanction

**NERC Violation Tracking Identification Number(s): SPP200700003**  
**Registered Entity Identification Number: NCR01145**

In accordance with the NERC Rules of Procedure including Appendix 4C thereto, which contains the NERC Compliance Monitoring and Enforcement Program (CMEP), the Southwest Power Pool Regional Entity [SPP RE] hereby notifies the Southwestern Public Service Company [SPS] of an Alleged Violation of the NERC Reliability Standards and the Proposed Penalty or Sanction. In support hereof, the SPP RE states as follows:

SPS is registered, for the purposes of this notice, on the NERC Compliance Registry as a Balancing Authority and a Transmission Operator. As discussed herein, SPP RE has determined to charge SPS with a violation based upon information available to it that SPS did not comply or was not in compliance with the following NERC Reliability Standards. However, as discussed further below, **SPP RE has determined to exercise its discretion to assess no penalty against SPS for that violation at this time**, with the following requirement:

1. The mitigation plan submitted to the SPP RE is accepted by NERC. The SPP RE has already accepted the proposed mitigation plan and reviewed the results during an on-site audit.

**Reliability standard(s) allegedly violated: EOP-001-1**

**Requirement(s) allegedly violated: Requirement 4.4**

**Discovery Details:**



Specifically, during the completion of an internal gap analysis, SPS discovered a deficiency in the Emergency Operations Plan required by EOP-001-1. This deficiency was reported by SPS through the SPP RE self-reporting process on August 2, 2007. This deficiency was related to Requirement 4 that requires an Emergency Operations Plan to include identification of staffing levels in emergency situations. SPS attached a short mitigation plan to the self-report stating that a review was underway and an updated document would be completed by August 31, 2007. The SPP RE received a notice of completion on August 31, 2007 and subsequently reviewed the document in question during an on-site compliance audit conducted during the week of September 18, 2007

### **Proposed Penalty or Sanction**

As authorized and in accordance with the orders of the applicable governmental entity, in this case, the Federal Energy Regulatory Commission (FERC), **SPP RE has elected to exercise its discretion and will not assess a penalty on SPS at this time for this Alleged Violation.** The only remaining action item concerning this violation is approval of the mitigation plan by NERC.

### **Procedures for Response by Registered Entity to this Notice**

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

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

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

Upon acceptance of the Alleged Violation and proposed penalty or sanction, the final notice of the violation, penalty and sanction will then be processed and issued to the Registered Entity.

CMEP Section 5.4 governs the settlement process and provides that settlement negotiations may occur at any time including prior to the issuance of a notice of Alleged Violation and Penalty or

Sanction until a Notice of Penalty, Sanction, or Other Enforcement Action is filed with FERC or other Applicable Governmental Authority.

### **Mitigation Plan Procedures and Requirements**

**NOTE: SPP RE believes that SPS has met the requirements for submitting a mitigation plan for this type of violation. SPP RE will forward the plan to NERC for review and approval in order to close out this part of the non-compliance process.**

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

If SPS contests the Alleged Violation or the proposed sanction, SPS shall submit to SPP RE a response explaining its position, signed by an officer or equivalent, together with any supporting information and documents within thirty (30) days. SPS shall provide a primary contact name who will be the responsible party to respond to questions regarding the above Alleged Violation(s). SPP RE shall schedule a conference with SPS within ten (10) business days after receipt of the response. If SPP RE and SPS are unable to resolve all issues within forty (40) days after SPS's response, SPS may request a hearing. If no hearing request is made, the violation will become a Confirmed Violation when filed by NERC with FERC or the Applicable Governmental Authority.

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

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

- (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section 2.0.
- (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
- (3) The cause of the Alleged or Confirmed Violation(s).

- (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
- (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed Violation(s).
- (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
- (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
- (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.
- (9) Any other information deemed necessary or appropriate.

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

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

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

SPS's mitigation plan was accepted by SPP RE on August 27, 2007 and has been forwarded to NERC for approval. In accordance with the NERC Rules of Procedure, Appendix 4C, and as discussed previously no penalties will be assessed by SPP RE. However, if the present mitigation plan is not approved by NERC, SPS will be responsible for making adjustments to the subject documentation as directed by NERC or the SPP RE and will be subject to penalties in the event it does not complete the mitigation plan as directed.

### **Conclusion**

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

Respectfully submitted,

*Ronald W. Ciesiel*

SPP RE Contact: Ronald W. Ciesiel  
Executive Director of Compliance  
Southwest Power Pool Regional Entity  
415 N. McKinley Suite 140  
Little Rock, Arkansas 72205

501-614-3265

cc: NERC Manager of Enforcement and Mitigation

Ms. Terri Eaton – Xcel Energy

Tim Woolley- Xcel Energy

Bill Grant – Xcel Energy

Bob Cochran – Xcel Energy

Kevin Goolsby - SPP



## Notice of Alleged Violation and Proposed Penalty or Sanction

To: Mr. Doug Jaeger  
Vice President of Transmission  
Xcel Energy

From: Ronald W. Ciesiel  
Executive Director of Compliance  
Southwest Power Pool

Date: November 20, 2007

Re: Notice of Alleged Violation and Proposed Penalty or Sanction

**NERC Violation Tracking Identification Number(s): SPP200700006**  
**Registered Entity Identification Number: NCR01145**

In accordance with the NERC Rules of Procedure including Appendix 4C thereto, which contains the NERC Compliance Monitoring and Enforcement Program (CMEP), the Southwest Power Pool Regional Entity [SPP RE] hereby notifies the Southwestern Public Service Company [SPS] of an Alleged Violation of the NERC Reliability Standards and the Proposed Penalty or Sanction. In support hereof, the SPP RE states as follows:

SPS is registered, for the purposes of this notice, on the NERC Compliance Registry as a Balancing Authority, Transmission Operator, Generator Operator and a Load Serving Entity. As discussed herein, SPP RE has determined to charge SPS with a violation based upon information available to it that SPS did not comply or was not in compliance with the following NERC Reliability Standards. However, as discussed further below, **SPP RE has determined to exercise its discretion to assess no penalty against SPS for that violation at this time**, with the following requirement:

1. The mitigation plan submitted to the SPP RE is accepted by NERC. The SPP RE has already accepted the proposed mitigation plan and reviewed the results during an on-site audit.

**Reliability standard(s) allegedly violated: CIP-001-1**

**Requirement(s) allegedly violated: Requirement 2**

**Discovery Details:**

Specifically, during the completion of a pre-compliance analysis, SPS discovered a deficiency in the Sabotage reporting procedures required by CIP-001-1. This deficiency was reported by SPS through the SPP RE self-reporting process on September 7, 2007. This deficiency was related to Requirement 2 that requires notification of other entities in the interconnection in the event of a sabotage event. SPS reported that this deficiency was remedied quickly and that a new procedure was available for use within one week of discovery. The SPP RE subsequently reviewed the document in question during an on-site compliance audit conducted during the week of September 18, 2007

**Proposed Penalty or Sanction**

As authorized and in accordance with the orders of the applicable governmental entity, in this case, the Federal Energy Regulatory Commission (FERC), **SPP RE has elected to exercise its discretion and will not assess a penalty on SPS at this time for this Alleged Violation.** The only remaining action item concerning this violation is approval of the mitigation plan by NERC.

**Procedures for Response by Registered Entity to this Notice**

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

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

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

Upon acceptance of the Alleged Violation and proposed penalty or sanction, the final notice of the violation, penalty and sanction will then be processed and issued to the Registered Entity.

CMEP Section 5.4 governs the settlement process and provides that settlement negotiations may occur at any time including prior to the issuance of a notice of Alleged Violation and Penalty or

Sanction until a Notice of Penalty, Sanction, or Other Enforcement Action is filed with FERC or other Applicable Governmental Authority.

### **Mitigation Plan Procedures and Requirements**

**NOTE: SPP RE believes that SPS has met the requirements for submitting a mitigation plan for this type of violation. SPP RE will forward the plan to NERC for review and approval in order to close out this part of the non-compliance process.**

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

If SPS contests the Alleged Violation or the proposed sanction, SPS shall submit to SPP RE a response explaining its position, signed by an officer or equivalent, together with any supporting information and documents within thirty (30) days. SPS shall provide a primary contact name who will be the responsible party to respond to questions regarding the above Alleged Violation(s). SPP RE shall schedule a conference with SPS within ten (10) business days after receipt of the response. If SPP RE and SPS are unable to resolve all issues within forty (40) days after SPS's response, SPS may request a hearing. If no hearing request is made, the violation will become a Confirmed Violation when filed by NERC with FERC or the Applicable Governmental Authority.

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

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

- (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section 2.0.
- (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
- (3) The cause of the Alleged or Confirmed Violation(s).

- (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
- (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed Violation(s).
- (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
- (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
- (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.
- (9) Any other information deemed necessary or appropriate.

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

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



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

SPS's mitigation plan was accepted by SPP RE on September 18, 2007 and has been forwarded to NERC for approval. In accordance with the NERC Rules of Procedure, Appendix 4C, and as discussed previously no penalties will be assessed by SPP RE. However, if the present mitigation plan is not approved by NERC, SPS will be responsible for making adjustments to the subject documentation as directed by NERC or the SPP RE and will be subject to penalties in the event it does not complete the mitigation plan as directed.

### **Conclusion**

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

Respectfully submitted,

*Ronald W. Ciesiel*

SPP RE Contact: Ronald W. Ciesiel  
Executive Director of Compliance  
Southwest Power Pool Regional Entity  
415 N. McKinley Suite 140  
Little Rock, Arkansas 72205

501-614-3265

cc: NERC Manager of Enforcement and Mitigation  
Ms. Terri Eaton – Xcel Energy  
Tim Woolley- Xcel Energy  
Bill Grant – Xcel Energy  
Bob Cochran – Xcel Energy  
Kevin Goolsby - SPP



414 Nicollet Mall  
Minneapolis, Minnesota 55401-1993

December 20, 2007

Mr. Ronald W. Ciesiel  
Executive Director of Compliance  
Southwest Power Pool Regional Entity  
415 N. McKinley, Suite 140  
Little Rock, Arkansas 72205

Re: NERC Violation Tracking Identification Numbers SPP200700003 and SPP200700006

Dear Mr. Ciesiel:

Southwestern Public Service Company (SPS), an Xcel Energy Company, is in receipt of a Notice of Alleged Violation and Proposed Penalty or Sanction (Notice) issued by the Southwest Power Pool Regional Entity (SPP-RE) and dated November 20, 2007 for each the referenced matters. The Notices relate to alleged violations of CIP-001-1 and EOP-001-0, respectively. The Notices recommend no penalty or sanction, and provide SPS with several options for responding to each of the Notices.

One of the options available to SPS is to "agree or not contest the Alleged Violation(s) and proposed penalty or sanction, and [agree] to submit and implement a mitigation plan to correct the violation and its underlying causes." The Notices indicate that SPP-RE has received and accepted documentation that meets the mitigation plan requirement for both alleged violations. We have already notified SPP of completion of the mitigation plan for EOP-001. The mitigation plan for CIP-001 was completed prior to submittal of SPS's self-report of violation of CIP-001.

Consistent with the Notices, SPS hereby notifies SPP-RE of its decision not to contest the alleged violations.

Please contact Ms. Terri Eaton at (303) 273-4878 if you have any questions regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Jaeger', written over the typed name below.

Douglas W. Jaeger  
Vice President, Transmission  
Xcel Energy Services Inc., on behalf of the  
Southwestern Public Service Company



414 Nicollet Mall  
Minneapolis, Minnesota 55401-1993

January 10, 2008

Mr. Ronald W. Ciesiel, Executive Director of Compliance  
Southwest Power Pool Regional Entity  
415 N. McKinley, Suite 140  
Little Rock, Arkansas 72205

Re: NERC Violation Tracking Identification Numbers SPP200700002, SPP200700004, and  
SPP200700005

Dear Mr. Ciesiel:

Southwestern Public Service Company (SPS), an Xcel Energy Company, is in receipt of a Notice of Alleged Violation and Proposed Penalty or Sanction (Notice) issued by the Southwest Power Pool Regional Entity (SPP-RE) and dated December 3, 2007 for each of the referenced matters. The Notices relate to alleged violations of EOP-001-0, Requirements 3 and 5, and EOP-005-1, Requirement 1. The Notices recommend no penalty or sanction, and provide SPS several options for responding to each of the Notices.

One of the options available to SPS is to "agree or not contest the Alleged Violation(s) and proposed penalty or sanction, and [agree] to submit and implement a mitigation plan to correct the violation and its underlying causes." The Notices indicate that SPP-RE has received and accepted documentation that meets the mitigation plan requirement for all three alleged violations. We have previously provided notification to SPP of completion of the required mitigation plans. Consistent with the Notices, SPS hereby notifies SPP-RE of its decision not to contest the alleged violations.

Please contact Ms. Terri Eaton at (303) 273-4878 if you have any questions regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Jaeger', written over a horizontal line.

Douglas W. Jaeger  
Vice President, Transmission  
Xcel Energy Services Inc., on behalf of the  
Southwestern Public Service Company

## **Attachment c**

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



Ronald W. Ciesiel  
Executive Director of Compliance  
Southwest Power Pool Regional Entity  
415 N. McKinley, Suite 140  
Little Rock, Arkansas 72205

Telephone: 501-614-3265  
Fax: 501-664-6923

April 1, 2008

To: Mr. Doug Jaeger  
Vice President of Transmission  
Xcel Energy

Re: Regional Entity Final Notice of Confirmed Violation and Penalty regarding  
Southwestern Public Service Company [NRC01145]

NERC Violation Tracking Identification Numbers: SPP200700002-06

Dear Doug:

Southwest Power Pool Regional Entity (SPP RE) hereby provides the attached Regional Entity Final Notice of Confirmed Violation and Penalty regarding Southwestern Public Service Company [SPS]<sup>1</sup>, in accordance with the Federal Energy Regulatory Commission's (Commission or FERC) rules, regulations and orders, as well as NERC Rules of Procedure including Appendix 4C (NERC Compliance Monitoring and Enforcement Program (CMEP)).<sup>2</sup>

This Notice of Confirmed Violation is being submitted because: 1] SPS does not dispute the Notice of Alleged Violation and the penalty and sanction; or 2] a settlement has been reached with Registered Entity<sup>3</sup>; or 3] a decision has been entered finding a violation and all appeals have been concluded. Accordingly, the violations listed below are Confirmed Violations, as that term is defined in the NERC Rules of Procedure and the CMEP.

Pursuant to 18 C.F.R. Section 39.7 of the Commission's regulations, 18 C.F.R. § 39.7 (2007), the SPP RE provides the following table which identifies each Reliability Standard violated by SPS and includes a statement by SPP RE setting forth the findings of fact with respect to the act or practice resulting in the violation of each Reliability Standard:

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

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

<sup>3</sup> A copy of this notice shall be appended to any settlement agreement documents.

Table 1

<b>Southwestern Public Service Company [SPS]</b>				
<b>Registered on the NERC Compliance Registry as: BA;TOP;TO;TP;GO;GOP;RP;PSE;TSP;LSE;DP</b>				
<b>NERC Compliance Registry ID #: NCR01145</b>				
<b>Reliability Standard(s) Violated and Reference #'s<sup>4</sup></b>	<b>Requirement (s) Violated<sup>5</sup></b>	<b>Discovery Method of Violation and Date of Discovery</b>	<b>Date or Period of the Violation</b>	<b>Facts and Evidence of the Act or Practice Resulting in the Violation<sup>6</sup></b>
<b>NERC EOP-001-0 Violation #: SPP200700002</b>	3.4	Self-Report	8-2-07	During an internal review of SPS's documentation it was determined by the registered entity that its documentation required to meet the requirement noted was insufficient to support a finding of full compliance in an upcoming on-site audit. Specifically, SPS discovered that several of the operating procedures required in the standard were in place but were not well documented or were not in a consolidated location to assure compliance with the standard. SPP RE accepted the self-report and reviewed the progress towards compliance during an on-site compliance audit during the week of September 18 <sup>th</sup> .
<b>NERC EOP-001-0 Violation #: SPP200700003</b>	4.4	Self-Report	8-2-07	Specifically, during the completion of an internal gap analysis, SPS discovered a deficiency in the Emergency Operations Plan required by EOP-001-1. This deficiency was reported by SPS through the SPP RE self-reporting process on August 2, 2007. This deficiency was related to Requirement 4 that requires an Emergency Operations Plan to include identification of staffing levels in emergency situations. SPS attached a short mitigation plan to the self-report stating that a review was underway and an updated document would be completed by August 31, 2007. The SPP RE received a notice of completion on August 31, 2007 and subsequently reviewed the document in question during an on-site compliance audit conducted during the week of September 18, 2007

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

<sup>5</sup> See 18 C.F.R § 39.7(d)(2).

<sup>6</sup> See 18 C.F.R § 39.7(d)(3).

SPP RE Final Notice of Confirmed Violation and Penalty

Southwestern Public Service Company [NCR01145]

April 1, 2008

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<p><b>NERC EOP-001-0 Violation #: SPP200700004</b></p>	<p>5</p>	<p>Self- Report</p>	<p>8-2-07</p>	<p>During an internal review of SPS's documentation it was determined by the registered entity that its documentation required to meet the requirement noted was insufficient to support a finding of full compliance in an upcoming on-site audit. Specifically, SPS discovered that several of the operating procedures required in the standard were in place but were not well documented or were not in a consolidated location to assure compliance with the standard. SPP RE accepted the self-report and reviewed the progress towards compliance during an on-site compliance audit during the week of September 18<sup>th</sup>.</p>
<p><b>NERC EOP-005-1 Violation #: SPP200700005</b></p>	<p>1</p>	<p>Self- Report</p>	<p>8-2-07</p>	<p>During an internal review of SPS's documentation it was determined by the registered entity that its documentation required to meet the requirement noted was insufficient to support a finding of full compliance in an upcoming on-site audit. Specifically, SPS discovered that several of the operating procedures required in the standard were in place but were not well documented or were not in a consolidated location to assure compliance with the standard. SPP RE accepted the self-report and reviewed the progress towards compliance during an on-site compliance audit during the week of September 18<sup>th</sup>.</p>
<p><b>NERC CIP-001-1 Violation #: SPP200700006</b></p>	<p>2</p>	<p>Self- Report</p>	<p>8-6-07</p>	<p>Specifically, during the completion of a pre-compliance analysis, SPS discovered a deficiency in the Sabotage reporting procedures required by CIP-001-1. This deficiency was reported by SPS through the SPP RE self-reporting process on September 7, 2007. This deficiency was related to Requirement 2 that requires notification of other entities in the interconnection in the event of a sabotage event. SPS reported that this deficiency was remedied quickly and that a new procedure was available for use within one week of discovery. The SPP RE subsequently reviewed the document in question during an on-site compliance audit conducted during the week of September 18, 2007</p>

**Statement Describing Any Penalty Imposed<sup>7</sup>**

The SPP RE has determined to exercise its discretion to assess no penalty, sanction or other enforcement action against SPS for the violations listed in Table 1 at this time.

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

**Other Matters of Relevance:<sup>8</sup>**

SPS' Mitigation Plans for the violations described in Table 1 are listed in the summary table shown below. All of the plans were submitted as non-public information to FERC on the dates shown in the summary table, in accordance with FERC orders.

**MITIGATION PLAN SUMMARY**

Violation Number	Date Accepted by SPP	NERC ID Number	Date Accepted by NERC	Submitted to FERC
SPP200700002	8-27-07	MIT-07-0203	1-30-08	1-31-08
SPP200700003	8-27-07	MIT-07-0204	1-30-08	1-31-08
SPP200700004	8-27-07	MIT-07-0204	1-30-08	1-31-08
SPP200700005	8-27-07	MIT-07-0205	1-30-08	1-31-08
SPP200700006*	9-17-07**	MIT-07-0386*	2-25-08	2-26-08

\* No formal mitigation plan was submitted for this violation due to minor nature of the violation, the quick response by SPS and the time proximity of the SPP RE on-site compliance audit. The mitigation plan document submitted under this ID Number is a mock up of a mitigation plan taken from information contained in the self-report and the SPP RE review document.

\*\* The date entered in this column is the date the SPP RE acknowledged the self-report and reminded SPS that the SPP RE would be reviewing this item at the on-site compliance audit.

**Statements Provided by the Registered Entity as set forth in CMEP Section 8.0**

SPS' Statements submitted in response to the Notices of Alleged Violation and Penalty or Sanction are included in the following attachments:

SPP200700002	Attachment 1
SPP200700003	Attachment 2
SPP200700004	Attachment 3
SPP200700005	Attachment 4
SPP200700006	Attachment 5

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

<sup>8</sup> See 18 C.F.R § 39.7(d)(7).



### **The Record of the Proceeding<sup>9</sup>**

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

SPP200700002	Attachment 1
SPP200700003	Attachment 2
SPP200700004	Attachment 3
SPP200700005	Attachment 4
SPP200700006	Attachment 5

- a) Compliance monitoring document(s) that identified the alleged violation (audit report, investigation report, exception report etc.)
- b) Notice of Alleged Violation and Registered Entity's response thereto;
- c) Remedial Action Directives and if contested, the Registered Entity's notice contesting the Remedial Action Directive; **[N/A]**
- d) Registered Entity's request for a hearing if the violation was contested; **[N/A]**
- e) The SPP RE Trustees final order on any contested matters, any notice of Penalty issued therewith, and the Clerk's notice transmitting the final order to the Parties; **[N/A]**
- f) Registered Entity's appeal to NERC, if any; **[N/A]**
- g) The NERC Board of Trustees Compliance Committee final determination of any appeal requests. **[N/A]**

### **NERC Process**

SPP RE is providing a copy of this Regional Entity Final Notice of Confirmed Violation and Penalty to NERC for its review and consideration. Upon acceptance by the NERC Board of Trustees Compliance Committee, in its current form or as modified, NERC will provide the final Notice of Penalty to FERC or any other Applicable Governmental Authority, with a copy to SPS and SPP RE.

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<sup>9</sup> See 18 C.F.R § 39.7(d)(5).



# **ATTACHMENT 1**

### SPP Self Report Form

Registered Entity Name: Southwestern Public Service Company

Contact Name: Terri K. Eaton

Contact Phone: 303-308-2871

Contact email: terri.k.eaton@xcelenergy.com

Date noncompliance was discovered: External consultant report received 07/23/2007

Date noncompliance was reported: 08/02/2007

Standard Title: Emergency Operations Planning

Standard Number: EOP-001

While it is not clear that the standards require auditable compliance, SPS has been reviewing its plans developed to comply with EOP-001 with the assistance of an independent external consultant to review auditable compliance status. At this point, it appears the plans are not fully auditably compliant. In some cases, operational processes used by SPS for several years have not been fully documented. In other cases, documentation has not yet been fully compiled. We have attempted to delineate below each specific instance where we believe additional documentation is needed to achieve full auditable compliance; however, other examples may exist. In conjunction with completion of our mitigation plan described below, we will be compiling compliance documentation and developing documentation to address any documentation issues (if any) SPS identifies in conjunction with completion of the mitigation plan.

Requirement Number(s)<sup>1</sup>: R3.4; R4.4; R5, elements 1, 2, 4, 5, and 7

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

Noncompliance was discovered for R3.4; R4.4; R5, elements 1, 2, 4, 5, and 7 through review of the SPS Emergency Plan documents by an expert consultant engaged to review compliance with EOP-001, plus self-evaluation.

**\*Submit a Completed Mitigation Plan in conjunction with this form to show that corrective steps are being taken.**

Mitigation Plans are attached for: R4.4; R5, elements 1, 2, and 7.

**If a mitigation plan is not being submitted with this form please complete the following:**

<sup>1</sup> Violations are reported at the level of requirements, sub requirements are not necessary.

Mitigation Plans are not being submitted with this form as follows:

**R3.4:** Mitigation Plan to be submitted separately by 08/20/2007.

R5, element 4: Corrective action taken to document controlling actions that reflect operational processes used, therefore no mitigation plan is needed.

R5, element 5: Corrective action taken to document controlling actions that reflect operational processes used, therefore no mitigation plan is needed.

Describe the cause of non-compliance:

**R3.4:** Insufficient documentation in the Emergency Plan relative to the system restoration plans.

R5, element 4: Insufficient documentation in the Emergency Plan relative to the procedures relied upon to reduce the system's own use to a minimum.

R5, element 5: Insufficient documentation in the Emergency Plan relative to the procedures relied upon to alert the media for public appeals for voluntary conservation and load reduction.

Describe the reliability impact of this non-compliance:

**R3.4:** No reliability impact. Operational procedures existed; however, they were not fully documented in the Emergency Plan.

R5, element 4: No reliability impact. Operational procedures existed; however, they were not fully documented in the Emergency Plan.

R5, element 5: No reliability impact. Operational procedures existed; however, they were not fully documented in the Emergency Plan.

Expected date of Mitigation Plan submittal:

**R3.4:** Completed Mitigation Plan to be submitted by 08/20/2007.

R5, element 4: Corrective action completed. Detailed procedures for implementing this directive have been documented and distributed to the appropriate personnel and are now contained in the Emergency Plan.

R5, element 5: Corrective action completed. Detailed procedures for implementing this directive have been documented and distributed to the appropriate personnel and are now contained in the Emergency Plan.



## Regional Entity

Southwest Power Pool Regional Entity  
415 N. McKinley, 140 Plaza West  
Little Rock, AR 72205-3020  
501-614-3275 • Fax: (501) 664-9553

Kevin Goolsby  
Sr. Engineer, Compliance

SPP200700002

August 31, 2007

Mr. Doug Jaeger  
VP, Transmission  
Southwestern Public Service Co. (SPS-XCEL)

Dear Mr. Jaeger:

SPS has self-reported four violations with NERC standards EOP-001-1 [R3.4, R4.4, and R5] and EOP-005-1[R1] within the SPP RE footprint. Therefore, SPP RE has notified NERC of the alleged violations. We have also received SPS's mitigation plans to correct the alleged violations. The plans are satisfactory to SPP and will be monitored until complete. The completion date of the mitigation plan for EOP-001 R4.4 is August 31, 2007 and all of the others carry an October 1, 2007 completion date. If SPS needs to modify the mitigation plan or change the completion date, please notify us in advance of the approved completion date. The SPP Regional Entity has to approve any changes to the mitigation plans before the original completion date.

This is a reminder that this alleged violation process has been initiated under the new ERO Compliance Monitoring and Enforcement Program. SPS will be notified in the near future of any penalties or sanctions associated with these self-reported violations.

As a further reminder, SPP RE personnel will be conducting an on-site audit of the SPS functions during the week of September 18<sup>th</sup> and will discuss these issues in more detail during this visit.

If you have any questions, you may contact Ron or me

Respectfully,

*Kevin Goolsby*

Kevin Goolsby  
Sr. Engineer, Compliance

Attachment: Violation ID matrix

CC:

Bill Grant- XCEL

Terri Eaton – XCEL

Ron Ciesiel – SPP

Shon Austin – SPP

Regional Reference / Contol ID	Registered Entity	Standard	Requirem ent Number	NERC Violation ID	Registry ID	Method Used During Initial Discovery of Violation	Accepted Fully Executed Target Completion Date
2007-002	SPS	EOP-001-0	3.04	SPP200700002	NCR01145	Self- Report	10/1/2007
2007-003	SPS	EOP-001-0	4.04	SPP200700003	NCR01145	Self- Report	8/31/2007
2007-004	SPS	EOP-001-0	5	SPP200700004	NCR01145	Self- Report	10/1/2007
2007-005	SPS	EOP-005-1	1	SPP200700005	NCR01145	Self- Report	10/1/2007





## Notice of Alleged Violation and Proposed Penalty or Sanction

To: Mr. Doug Jaeger  
Vice President of Transmission  
Xcel Energy

From: Ronald W. Ciesiel

Date: December 3, 2007

Re: Notice of Alleged Violation and Proposed Penalty or Sanction

**NERC Violation Tracking Identification Number(s): SPP200700002; SPP200700004;  
SPP200700005**

**Registered Entity Identification Number: NCR01145**

In accordance with the NERC Rules of Procedure including Appendix 4C thereto, which contains the NERC Compliance Monitoring and Enforcement Program (CMEP), the Southwest Power Pool Regional Entity [SPP RE] hereby notifies Southwestern Public Service [SPS] of an Alleged Violation of the NERC Reliability Standards and the Proposed Penalty or Sanction. In support hereof, the SPP RE states as follows:

On August 2, 2007, SPS was registered on the NERC Compliance Registry for the function(s) listed in Table A. As discussed herein, SPP RE has determined to charge SPS with a violation based upon information available to it that SPS did not comply or was not in compliance with the NERC Reliability Standards listed in Table A.

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

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

### **II. Proposed Penalty or Sanction**

Pursuant to the Commission's regulations and orders, NERC Rules of Procedure and the NERC Sanction Guidelines, **SPP RE has exercised its discretion and has determined not to impose a penalty and sanction at this time.** If, however, SPS fails to complete all or part of the approved mitigation plan for the Alleged Violation in accordance with the terms and time established by the mitigation plan, SPP RE may take action to assess and collect a penalty from

SPS. This penalty will be determined pursuant to the NERC Rules of Procedure and the NERC Sanction Guidelines. The terms of the mitigation plan and time line for completion may be modified only upon prior express written approval by SPP RE and NERC, as discussed below.

### **III. Procedures for Response by Registered Entity to this Notice**

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

1. SPS agrees with or does not contest the Alleged Violation(s) and proposed penalty or sanction, and agrees to implement the filed mitigation plans in order to correct the violation and its underlying causes;
2. SPS agrees to or does not contest the Alleged Violation(s) and agrees to implement the filed mitigation plans to eliminate the violation and its underlying causes, but contests the proposed penalty or sanction; or
3. SPS contests both the Alleged Violation(s) and the proposed penalty or sanction for the Alleged Violation(s).

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

If SPS does not contest or does not respond to the notice of Alleged Violation within thirty (30) days of the date of this Notice, it shall be deemed to have accepted the SPP RE's determination of violation and proposed penalty or sanction (if applicable), in which case SPP RE shall issue to SPS and NERC a final report of Confirmed Violation.

If SPS contests the Alleged Violation or the proposed sanction, SPS shall submit to SPP RE a response explaining its position, signed by an officer, employee, attorney or other authorized representative, together with any supporting information and documents within thirty (30) days of the date of this Notice. SPS shall provide a primary contact name who will be the responsible party to respond to questions regarding the above Alleged Violation(s). SPP RE shall schedule a conference with SPS within ten (10) business days after receipt of the response. If SPP RE and SPS are unable to resolve all issues within forty (40) days after the SPP RE response, SPS may request a hearing. If no hearing request is made, the violation will become a Confirmed Violation when filed by NERC with FERC or other Applicable Governmental Authority.

Upon acceptance of the Alleged Violation and proposed penalty or sanction, the final notice of the penalty or sanction or other enforcement action will then be processed and issued to the Registered Entity.

### **IV. Settlement Process**

CMEP Section 5.4 governs the settlement process and provides that settlement negotiations may occur at any time including prior to the issuance of a notice of Alleged Violation and Penalty or Sanction until a Notice of Penalty, Sanction, or Other Enforcement Action is filed with FERC or other Applicable Governmental Authority.

## V. Mitigation Plan Procedures and Requirements

**NOTE: SPS has submitted mitigation plans for these violations. SPP RE accepted the mitigation plans and reviewed the revised documentation during an on-site compliance visit during the week of September 18<sup>th</sup>. SPP RE must submit the mitigation information to NERC for final approval. SPS must also return a completion notice to the SPP RE in order to close out these violations.**

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

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

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

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

CMEP Section 6.4 provides that a Mitigation Plan may be submitted at any time but shall have been submitted by the Registered Entity within thirty (30) days after being served the notice of Alleged Violation and Penalty or Sanction, if the Registered Entity does not contest the violation and penalty or sanction. If the Registered Entity disputes the notice of Alleged Violation or penalty or sanction, the Registered Entity shall submit its Mitigation Plan within ten (10) business days following issuance of the written decision of the hearing body, unless the Registered Entity elects to appeal the hearing body's determination to NERC.

The Registered Entity may choose to submit a Mitigation Plan while it contests an Alleged Violation or penalty or sanction; such submission shall not be deemed an admission of a violation or the appropriateness of a penalty or sanction nor does the submission of a Mitigation Plan result in waiver of the SPP RE's right to contest the Alleged Violation and/or the proposed penalty or sanction.

If the Registered Entity has not yet submitted a Mitigation Plan, or the Registered Entity submits a Mitigation Plan but it is rejected by the Compliance Enforcement Authority or the hearing body in accordance with section 6.5, any subsequent violations of the Reliability Standard identified by the Compliance Enforcement Authority before the hearing body renders its decision will not be held in abeyance and will be considered as repeat violations of the Reliability Standard. In addition, if a Mitigation Plan submitted by a Registered Entity is rejected by the Compliance Enforcement Authority or the hearing body in accordance with CMEP Section 6.5, the Registered Entity shall be subject to any findings of violation of the applicable Reliability Standards during the period the Mitigation Plan was under consideration and to imposition of any penalties or sanctions imposed for such violations.

Any violations assessed during the period of time the accepted Mitigation Plan is being implemented will be recorded by the Compliance Enforcement Authority with associated sanctions or penalties. The SPP RE will report any findings of violations recorded during this time period to NERC with the notation that the Registered Entity is working under an accepted Mitigation Plan with an extended completion date with penalties and sanctions held in abeyance until completion of the Mitigation Plan. Upon completion of the accepted Mitigation Plan in accordance with CMEP Section 6.6, the Compliance Enforcement Authority will notify SPS that any findings of violations of the applicable Reliability Standard(s) during the period that the accepted Mitigation Plan was being implemented have been waived and no penalties or sanctions will apply. Regional Entities will also notify NERC of any such waivers of violations of Reliability Standards.

A request for an extension of any milestone or the completion date of the accepted Mitigation Plan by SPS must be received by the Compliance Enforcement Authority at least five (5) business days before the original milestone or completion date. The terms of the mitigation plan and time line for completion may be modified only upon express written approval by SPP RE and NERC.

## **VI. Mitigation Plan and Implementation Status**

SPS's mitigation plan was accepted by SPP RE on August 28, 2007 and will be forwarded to NERC for its review and acceptance. NERC will review the Mitigation Plan accepted by the Regional Entity and will notify the Regional Entity, which will in turn notify the Registered Entity, as to whether the Mitigation Plan is approved or disapproved by NERC. If NERC disapproves a Mitigation Plan that was accepted by the Regional Entity, NERC shall state its reasons for the rejection and may state the changes to the Mitigation Plan that would result in approval by NERC. NERC will submit to FERC, as non-public information, an approved Mitigation Plan relating to violations of Reliability Standards, within seven (7) business days after NERC approves the Mitigation Plan.

## **VII. Hearing Process**

Attachment 2 to the CMEP governs the hearing process.

If SPS elects to contest the Alleged Violation and/or the proposed penalty or sanction, the SPS shall state in a written hearing request that it is electing to have a hearing conducted pursuant to either (i) the short-form procedure in CMEP Attachment 2 Section 1.3.2 or (ii) the full hearing procedure, in CMEP Attachment 2, Hearing Process. SPP RE has adopted the procedures set forth in CMEP Attachment 2 in its Delegation Agreement.

SPS may appeal the hearing body's decision in accordance with the CMEP and the NERC Rules of Procedure.

## **VIII. Conclusion**

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

This Notice of Alleged Violation and Proposed Penalty or Sanction is being forwarded to NERC. Within two business days of receipt, NERC will provide a copy of this Notice to FERC and any other Applicable Governmental Authority.

Respectfully submitted,

*Ronald W. Ciesiel*

SPP RE Contact: Ronald W. Ciesiel  
Executive Director of Compliance  
Southwest Power Pool Regional Entity  
415 N. McKinley Suite 140  
Little Rock, Arkansas 72205  
  
501-614-3265

cc: NERC Manager of Enforcement and Mitigation  
Ms. Terri Eaton – Xcel Energy  
Tim Woolley- Xcel Energy  
Bill Grant – Xcel Energy  
Bob Cochran – Xcel Energy  
Kevin Goolsby - SPP

**Table A**

**SPS**

**Registered on the NERC Compliance Registry as: BA;TOP [for the purpose of this notice]**

**NERC Compliance Registry ID #: NCR01145**

<b>Reliability Standard(s) Allegedly Violated and Reference #'s</b>	<b>Requirement(s) Allegedly Violated</b>	<b>Discovery Method of Alleged Violation and Date of Discovery</b>	<b>Date or Period of Occurrence of Alleged Violation</b>	<b>Facts and Evidence of Alleged Violation</b>
<b>EOP-001-0 NERC Violation #: SPP200700002&amp; SPP200700004</b>	Requirement 3 &5	Self-report based on internal analysis discovered on 8-2-07	8-2-07	During an internal review of SPS's documentation it was determined by the registered entity that its documentation required to meet the requirements noted was insufficient to support a finding of full compliance in an upcoming on-site compliance audit. Specifically, SPS discovered that several of the operating procedures required in the standard were in place but were not well documented or were not in a consolidated location to assure compliance to the standard. SPP RE accepted the self-report and reviewed the progress towards compliance during an on-site compliance audit during the week of September 18 <sup>th</sup> .
<b>EOP-005-1 NERC Violation #: SPP200700005</b>	Requirement 1	Self-report based on internal analysis discovered on 8-2-07	8-2-07	During an internal review of SPS's documentation it was determined by the registered entity that its documentation required to meet the requirements noted was insufficient to support a finding of full compliance in an upcoming on-site compliance audit. Specifically, SPS discovered that several of the operating procedures required in the standard were in place but were not well documented or were not in a consolidated location to assure compliance to the standard. SPP RE accepted the self-report and reviewed the progress towards compliance during an on-site compliance audit during the week of September 18 <sup>th</sup> .



414 Nicollet Mall  
Minneapolis, Minnesota 55401-1993

January 10, 2008

Mr. Ronald W. Ciesiel, Executive Director of Compliance  
Southwest Power Pool Regional Entity  
415 N. McKinley, Suite 140  
Little Rock, Arkansas 72205

Re: NERC Violation Tracking Identification Numbers SPP200700002, SPP200700004, and  
SPP200700005

Dear Mr. Ciesiel:

Southwestern Public Service Company (SPS), an Xcel Energy Company, is in receipt of a Notice of Alleged Violation and Proposed Penalty or Sanction (Notice) issued by the Southwest Power Pool Regional Entity (SPP-RE) and dated December 3, 2007 for each of the referenced matters. The Notices relate to alleged violations of EOP-001-0, Requirements 3 and 5, and EOP-005-1, Requirement 1. The Notices recommend no penalty or sanction, and provide SPS several options for responding to each of the Notices.

One of the options available to SPS is to “agree or not contest the Alleged Violation(s) and proposed penalty or sanction, and [agree] to submit and implement a mitigation plan to correct the violation and its underlying causes.” The Notices indicate that SPP-RE has received and accepted documentation that meets the mitigation plan requirement for all three alleged violations. We have previously provided notification to SPP of completion of the required mitigation plans. Consistent with the Notices, SPS hereby notifies SPP-RE of its decision not to contest the alleged violations.

Please contact Ms. Terri Eaton at (303) 273-4878 if you have any questions regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Jaeger', with a long, sweeping horizontal line extending to the right.

Douglas W. Jaeger  
Vice President, Transmission  
Xcel Energy Services Inc., on behalf of the  
Southwestern Public Service Company



## **ATTACHMENT 2**

### SPP Self Report Form

Registered Entity Name: Southwestern Public Service Company

Contact Name: Terri K. Eaton

Contact Phone: 303-308-2871

Contact email: terri.k.eaton@xcelenergy.com

Date noncompliance was discovered: External consultant report received 07/23/2007

Date noncompliance was reported: 08/02/2007

Standard Title: Emergency Operations Planning

Standard Number: EOP-001

While it is not clear that the standards require auditable compliance, SPS has been reviewing its plans developed to comply with EOP-001 with the assistance of an independent external consultant to review auditable compliance status. At this point, it appears the plans are not fully auditably compliant. In some cases, operational processes used by SPS for several years have not been fully documented. In other cases, documentation has not yet been fully compiled. We have attempted to delineate below each specific instance where we believe additional documentation is needed to achieve full auditable compliance; however, other examples may exist. In conjunction with completion of our mitigation plan described below, we will be compiling compliance documentation and developing documentation to address any documentation issues (if any) SPS identifies in conjunction with completion of the mitigation plan.

Requirement Number(s)<sup>1</sup>: R3.4; R4.4; R5, elements 1, 2, 4, 5, and 7

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

Noncompliance was discovered for R3.4; R4.4; R5, elements 1, 2, 4, 5, and 7 through review of the SPS Emergency Plan documents by an expert consultant engaged to review compliance with EOP-001, plus self-evaluation.

**\*Submit a Completed Mitigation Plan in conjunction with this form to show that corrective steps are being taken.**

Mitigation Plans are attached for: R4.4, R5, elements 1, 2, and 7.

**If a mitigation plan is not being submitted with this form please complete the following:**

<sup>1</sup> Violations are reported at the level of requirements, sub requirements are not necessary.

Mitigation Plans are not being submitted with this form as follows:

R3.4: Mitigation Plan to be submitted separately by 08/20/2007.

R5, element 4: Corrective action taken to document controlling actions that reflect operational processes used, therefore no mitigation plan is needed.

R5, element 5: Corrective action taken to document controlling actions that reflect operational processes used, therefore no mitigation plan is needed.

Describe the cause of non-compliance:

**[For the purposes of clarification and completeness, this section was excerpted from the Mitigation Plan information that was attached to this Self-report by Ronald W. Ciesiel of the SPP RE staff.]**

**R4.4:** Requires each Transmission Operator and Balancing Authority shall have an Emergency Operations Plan that will enable it to mitigate operating emergencies. The plan is to include staffing levels identified for emergencies. SPS has an Emergency Plan; however, the SPS documentation that existed in the Plan did not adequately define staffing levels during emergencies. We are reviewing the SPS policy for staffing levels during emergency operations and will update the Emergency Plan documentation accordingly.

R3.4: Insufficient documentation in the Emergency Plan relative to the system restoration plans.

R5, element 4: Insufficient documentation in the Emergency Plan relative to the procedures relied upon to reduce the system's own use to a minimum.

R5, element 5: Insufficient documentation in the Emergency Plan relative to the procedures relied upon to alert the media for public appeals for voluntary conservation and load reduction.

Describe the reliability impact of this non-compliance:

R3.4: No reliability impact. Operational procedures existed; however, they were not fully documented in the Emergency Plan.

R5, element 4: No reliability impact. Operational procedures existed; however, they were not fully documented in the Emergency Plan.

R5, element 5: No reliability impact. Operational procedures existed; however, they were not fully documented in the Emergency Plan.

Expected date of Mitigation Plan submittal:

R3.4: Completed Mitigation Plan to be submitted by 08/20/2007.

R5, element 4: Corrective action completed. Detailed procedures for implementing this directive have been documented and distributed to the appropriate personnel and are now contained in the Emergency Plan.

R5, element 5: Corrective action completed. Detailed procedures for implementing this directive have been documented and distributed to the appropriate personnel and are now contained in the Emergency Plan.



## Regional Entity

Southwest Power Pool Regional Entity  
415 N. McKinley, 140 Plaza West  
Little Rock, AR 72205-3020  
501-614-3275 • Fax: (501) 664-9553

Kevin Goolsby  
Sr. Engineer, Compliance

SPP200700003

August 31, 2007

Mr. Doug Jaeger  
VP, Transmission  
Southwestern Public Service Co. (SPS-XCEL)

Dear Mr. Jaeger:

SPS has self-reported four violations with NERC standards EOP-001-1 [R3.4, R4.4, and R5] and EOP-005-1[R1] within the SPP RE footprint. Therefore, SPP RE has notified NERC of the alleged violations. We have also received SPS's mitigation plans to correct the alleged violations. The plans are satisfactory to SPP and will be monitored until complete. The completion date of the mitigation plan for EOP-001 R4.4 is August 31, 2007 and all of the others carry an October 1, 2007 completion date. If SPS needs to modify the mitigation plan or change the completion date, please notify us in advance of the approved completion date. The SPP Regional Entity has to approve any changes to the mitigation plans before the original completion date.

This is a reminder that this alleged violation process has been initiated under the new ERO Compliance Monitoring and Enforcement Program. SPS will be notified in the near future of any penalties or sanctions associated with these self-reported violations.

As a further reminder, SPP RE personnel will be conducting an on-site audit of the SPS functions during the week of September 18<sup>th</sup> and will discuss these issues in more detail during this visit.

If you have any questions, you may contact Ron or me

Respectfully,

*Kevin Goolsby*

Kevin Goolsby  
Sr. Engineer, Compliance

Attachment: Violation ID matrix

CC:

Bill Grant- XCEL

Terri Eaton – XCEL

Ron Ciesiel – SPP

Shon Austin – SPP

Regional Reference / Contol ID	Registered Entity	Standard	Requirem ent Number	NERC Violation ID	Registry ID	Method Used During Initial Discovery of Violation	Accepted Fully Executed Target Completion Date
2007-002	SPS	EOP-001-0	3.04	SPP200700002	NCR01145	Self- Report	10/1/2007
2007-003	SPS	EOP-001-0	4.04	SPP200700003	NCR01145	Self- Report	8/31/2007
2007-004	SPS	EOP-001-0	5	SPP200700004	NCR01145	Self- Report	10/1/2007
2007-005	SPS	EOP-005-1	1	SPP200700005	NCR01145	Self- Report	10/1/2007



## Notice of Alleged Violation and Proposed Penalty or Sanction

To: Mr. Doug Jaeger  
Vice President of Transmission  
Xcel Energy

From: Ronald W. Ciesiel  
Executive Director of Compliance  
Southwest Power Pool

Date: November 20, 2007

Re: Notice of Alleged Violation and Proposed Penalty or Sanction

**NERC Violation Tracking Identification Number(s): SPP200700003**  
**Registered Entity Identification Number: NCR01145**

In accordance with the NERC Rules of Procedure including Appendix 4C thereto, which contains the NERC Compliance Monitoring and Enforcement Program (CMEP), the Southwest Power Pool Regional Entity [SPP RE] hereby notifies the Southwestern Public Service Company [SPS] of an Alleged Violation of the NERC Reliability Standards and the Proposed Penalty or Sanction. In support hereof, the SPP RE states as follows:

SPS is registered, for the purposes of this notice, on the NERC Compliance Registry as a Balancing Authority and a Transmission Operator. As discussed herein, SPP RE has determined to charge SPS with a violation based upon information available to it that SPS did not comply or was not in compliance with the following NERC Reliability Standards. However, as discussed further below, **SPP RE has determined to exercise its discretion to assess no penalty against SPS for that violation at this time**, with the following requirement:

1. The mitigation plan submitted to the SPP RE is accepted by NERC. The SPP RE has already accepted the proposed mitigation plan and reviewed the results during an on-site audit.

**Reliability standard(s) allegedly violated: EOP-001-1**

**Requirement(s) allegedly violated: Requirement 4.4**

**Discovery Details:**

Specifically, during the completion of an internal gap analysis, SPS discovered a deficiency in the Emergency Operations Plan required by EOP-001-1. This deficiency was reported by SPS through the SPP RE self-reporting process on August 2, 2007. This deficiency was related to Requirement 4 that requires an Emergency Operations Plan to include identification of staffing levels in emergency situations. SPS attached a short mitigation plan to the self-report stating that a review was underway and an updated document would be completed by August 31, 2007. The SPP RE received a notice of completion on August 31, 2007 and subsequently reviewed the document in question during an on-site compliance audit conducted during the week of September 18, 2007

### **Proposed Penalty or Sanction**

As authorized and in accordance with the orders of the applicable governmental entity, in this case, the Federal Energy Regulatory Commission (FERC), **SPP RE has elected to exercise its discretion and will not assess a penalty on SPS at this time for this Alleged Violation.** The only remaining action item concerning this violation is approval of the mitigation plan by NERC.

### **Procedures for Response by Registered Entity to this Notice**

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

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

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

Upon acceptance of the Alleged Violation and proposed penalty or sanction, the final notice of the violation, penalty and sanction will then be processed and issued to the Registered Entity.

CMEP Section 5.4 governs the settlement process and provides that settlement negotiations may occur at any time including prior to the issuance of a notice of Alleged Violation and Penalty or



Sanction until a Notice of Penalty, Sanction, or Other Enforcement Action is filed with FERC or other Applicable Governmental Authority.

### **Mitigation Plan Procedures and Requirements**

**NOTE: SPP RE believes that SPS has met the requirements for submitting a mitigation plan for this type of violation. SPP RE will forward the plan to NERC for review and approval in order to close out this part of the non-compliance process.**

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

If SPS contests the Alleged Violation or the proposed sanction, SPS shall submit to SPP RE a response explaining its position, signed by an officer or equivalent, together with any supporting information and documents within thirty (30) days. SPS shall provide a primary contact name who will be the responsible party to respond to questions regarding the above Alleged Violation(s). SPP RE shall schedule a conference with SPS within ten (10) business days after receipt of the response. If SPP RE and SPS are unable to resolve all issues within forty (40) days after SPS's response, SPS may request a hearing. If no hearing request is made, the violation will become a Confirmed Violation when filed by NERC with FERC or the Applicable Governmental Authority.

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

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

- (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section 2.0.
- (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
- (3) The cause of the Alleged or Confirmed Violation(s).

- (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
- (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed Violation(s).
- (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
- (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
- (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.
- (9) Any other information deemed necessary or appropriate.

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

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

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

SPS's mitigation plan was accepted by SPP RE on August 27, 2007 and has been forwarded to NERC for approval. In accordance with the NERC Rules of Procedure, Appendix 4C, and as discussed previously no penalties will be assessed by SPP RE. However, if the present mitigation plan is not approved by NERC, SPS will be responsible for making adjustments to the subject documentation as directed by NERC or the SPP RE and will be subject to penalties in the event it does not complete the mitigation plan as directed.

### **Conclusion**

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

Respectfully submitted,

*Ronald W. Ciesiel*

SPP RE Contact: Ronald W. Ciesiel  
Executive Director of Compliance  
Southwest Power Pool Regional Entity  
415 N. McKinley Suite 140  
Little Rock, Arkansas 72205

501-614-3265

cc: NERC Manager of Enforcement and Mitigation

Ms. Terri Eaton – Xcel Energy

Tim Woolley- Xcel Energy

Bill Grant – Xcel Energy

Bob Cochran – Xcel Energy

Kevin Goolsby - SPP



414 Nicollet Mall  
Minneapolis, Minnesota 55401-1993

December 20, 2007

Mr. Ronald W. Gesiel  
Executive Director of Compliance  
Southwest Power Pool Regional Entity  
415 N. McKinley, Suite 140  
Little Rock, Arkansas 72205

Re: NERC Violation Tracking Identification Numbers SPP200700003 and SPP200700006

Dear Mr. Gesiel:

Southwestern Public Service Company (SPS), an Xcel Energy Company, is in receipt of a Notice of Alleged Violation and Proposed Penalty or Sanction (Notice) issued by the Southwest Power Pool Regional Entity (SPP-RE) and dated November 20, 2007 for each the referenced matters. The Notices relate to alleged violations of CIP-001-1 and EOP-001-0, respectively. The Notices recommend no penalty or sanction, and provide SPS with several options for responding to each of the Notices.

One of the options available to SPS is to "agree or not contest the Alleged Violation(s) and proposed penalty or sanction, and [agree] to submit and implement a mitigation plan to correct the violation and its underlying causes." The Notices indicate that SPP-RE has received and accepted documentation that meets the mitigation plan requirement for both alleged violations. We have already notified SPP of completion of the mitigation plan for EOP-001. The mitigation plan for CIP-001 was completed prior to submittal of SPS's self-report of violation of CIP-001.

Consistent with the Notices, SPS hereby notifies SPP-RE of its decision not to contest the alleged violations.

Please contact Ms. Terri Eaton at (303) 273-4878 if you have any questions regarding this matter.

Sincerely,

Douglas W. Jaeger  
Vice President, Transmission  
Xcel Energy Services Inc., on behalf of the  
Southwestern Public Service Company

# **ATTACHMENT 3**

### SPP Self Report Form

Registered Entity Name: Southwestern Public Service Company

Contact Name: Terri K. Eaton

Contact Phone: 303-308-2871

Contact email: terri.k.eaton@xcelenergy.com

Date noncompliance was discovered: External consultant report received 07/23/2007

Date noncompliance was reported: 08/02/2007

Standard Title: Emergency Operations Planning

Standard Number: EOP-001

While it is not clear that the standards require auditable compliance, SPS has been reviewing its plans developed to comply with EOP-001 with the assistance of an independent external consultant to review auditable compliance status. At this point, it appears the plans are not fully auditably compliant. In some cases, operational processes used by SPS for several years have not been fully documented. In other cases, documentation has not yet been fully compiled. We have attempted to delineate below each specific instance where we believe additional documentation is needed to achieve full auditable compliance; however, other examples may exist. In conjunction with completion of our mitigation plan described below, we will be compiling compliance documentation and developing documentation to address any documentation issues (if any) SPS identifies in conjunction with completion of the mitigation plan.

Requirement Number(s)<sup>1</sup>: R3.4; R4.4; R5, elements 1, 2, 4, 5, and 7

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

Noncompliance was discovered for R3.4; R4.4; R5, elements 1, 2, 4, 5, and 7 through review of the SPS Emergency Plan documents by an expert consultant engaged to review compliance with EOP-001, plus self-evaluation.

**\*Submit a Completed Mitigation Plan in conjunction with this form to show that corrective steps are being taken.**

Mitigation Plans are attached for: R4.4; R5, elements 1, 2, and 7.

**If a mitigation plan is not being submitted with this form please complete the following:**

<sup>1</sup> Violations are reported at the level of requirements, sub requirements are not necessary.

Mitigation Plans are not being submitted with this form as follows:

R3.4: Mitigation Plan to be submitted separately by 08/20/2007.

R5, element 4: Corrective action taken to document controlling actions that reflect operational processes used, therefore no mitigation plan is needed.

R5, element 5: Corrective action taken to document controlling actions that reflect operational processes used, therefore no mitigation plan is needed.

Describe the cause of non-compliance:

R3.4: Insufficient documentation in the Emergency Plan relative to the system restoration plans.

R5, element 4: Insufficient documentation in the Emergency Plan relative to the procedures relied upon to reduce the system's own use to a minimum.

R5, element 5: Insufficient documentation in the Emergency Plan relative to the procedures relied upon to alert the media for public appeals for voluntary conservation and load reduction.

Describe the reliability impact of this non-compliance:

R3.4: No reliability impact. Operational procedures existed; however, they were not fully documented in the Emergency Plan.

R5, element 4: No reliability impact. Operational procedures existed; however, they were not fully documented in the Emergency Plan.

R5, element 5: No reliability impact. Operational procedures existed; however, they were not fully documented in the Emergency Plan.

Expected date of Mitigation Plan submittal:

R3.4: Completed Mitigation Plan to be submitted by 08/20/2007.

R5, element 4: Corrective action completed. Detailed procedures for implementing this directive have been documented and distributed to the appropriate personnel and are now contained in the Emergency Plan.

R5, element 5: Corrective action completed. Detailed procedures for implementing this directive have been documented and distributed to the appropriate personnel and are now contained in the Emergency Plan.



## Regional Entity

Southwest Power Pool Regional Entity  
415 N. McKinley, 140 Plaza West  
Little Rock, AR 72205-3020  
501-614-3275 • Fax: (501) 664-9553

Kevin Goolsby  
Sr. Engineer, Compliance

SPP200700004

August 31, 2007

Mr. Doug Jaeger  
VP, Transmission  
Southwestern Public Service Co. (SPS-XCEL)

Dear Mr. Jaeger:

SPS has self-reported four violations with NERC standards EOP-001-1 [R3.4, R4.4, and R5] and EOP-005-1[R1] within the SPP RE footprint. Therefore, SPP RE has notified NERC of the alleged violations. We have also received SPS's mitigation plans to correct the alleged violations. The plans are satisfactory to SPP and will be monitored until complete. The completion date of the mitigation plan for EOP-001 R4.4 is August 31, 2007 and all of the others carry an October 1, 2007 completion date. If SPS needs to modify the mitigation plan or change the completion date, please notify us in advance of the approved completion date. The SPP Regional Entity has to approve any changes to the mitigation plans before the original completion date.

This is a reminder that this alleged violation process has been initiated under the new ERO Compliance Monitoring and Enforcement Program. SPS will be notified in the near future of any penalties or sanctions associated with these self-reported violations.

As a further reminder, SPP RE personnel will be conducting an on-site audit of the SPS functions during the week of September 18<sup>th</sup> and will discuss these issues in more detail during this visit.

If you have any questions, you may contact Ron or me

Respectfully,

*Kevin Goolsby*

Kevin Goolsby  
Sr. Engineer, Compliance

Attachment: Violation ID matrix



CC:

Bill Grant- XCEL

Terri Eaton – XCEL

Ron Ciesiel – SPP

Shon Austin – SPP

Regional Reference / Contol ID	Registered Entity	Standard	Requirem ent Number	NERC Violation ID	Registry ID	Method Used During Initial Discovery of Violation	Accepted Fully Executed Target Completion Date
2007-002	SPS	EOP-001-0	3.04	SPP200700002	NCR01145	Self- Report	10/1/2007
2007-003	SPS	EOP-001-0	4.04	SPP200700003	NCR01145	Self- Report	8/31/2007
2007-004	SPS	EOP-001-0	5	SPP200700004	NCR01145	Self- Report	10/1/2007
2007-005	SPS	EOP-005-1	1	SPP200700005	NCR01145	Self- Report	10/1/2007



## Notice of Alleged Violation and Proposed Penalty or Sanction

To: Mr. Doug Jaeger  
Vice President of Transmission  
Xcel Energy

From: Ronald W. Ciesiel

Date: December 3, 2007

Re: Notice of Alleged Violation and Proposed Penalty or Sanction

**NERC Violation Tracking Identification Number(s): SPP200700002; SPP200700004;  
SPP200700005**

**Registered Entity Identification Number: NCR01145**

In accordance with the NERC Rules of Procedure including Appendix 4C thereto, which contains the NERC Compliance Monitoring and Enforcement Program (CMEP), the Southwest Power Pool Regional Entity [SPP RE] hereby notifies Southwestern Public Service [SPS] of an Alleged Violation of the NERC Reliability Standards and the Proposed Penalty or Sanction. In support hereof, the SPP RE states as follows:

On August 2, 2007, SPS was registered on the NERC Compliance Registry for the function(s) listed in Table A. As discussed herein, SPP RE has determined to charge SPS with a violation based upon information available to it that SPS did not comply or was not in compliance with the NERC Reliability Standards listed in Table A.

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

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

### **II. Proposed Penalty or Sanction**

Pursuant to the Commission's regulations and orders, NERC Rules of Procedure and the NERC Sanction Guidelines, **SPP RE has exercised its discretion and has determined not to impose a penalty and sanction at this time.** If, however, SPS fails to complete all or part of the approved mitigation plan for the Alleged Violation in accordance with the terms and time established by the mitigation plan, SPP RE may take action to assess and collect a penalty from

SPS. This penalty will be determined pursuant to the NERC Rules of Procedure and the NERC Sanction Guidelines. The terms of the mitigation plan and time line for completion may be modified only upon prior express written approval by SPP RE and NERC, as discussed below.

### **III. Procedures for Response by Registered Entity to this Notice**

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

1. SPS agrees with or does not contest the Alleged Violation(s) and proposed penalty or sanction, and agrees to implement the filed mitigation plans in order to correct the violation and its underlying causes;
2. SPS agrees to or does not contest the Alleged Violation(s) and agrees to implement the filed mitigation plans to eliminate the violation and its underlying causes, but contests the proposed penalty or sanction; or
3. SPS contests both the Alleged Violation(s) and the proposed penalty or sanction for the Alleged Violation(s).

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

If SPS does not contest or does not respond to the notice of Alleged Violation within thirty (30) days of the date of this Notice, it shall be deemed to have accepted the SPP RE's determination of violation and proposed penalty or sanction (if applicable), in which case SPP RE shall issue to SPS and NERC a final report of Confirmed Violation.

If SPS contests the Alleged Violation or the proposed sanction, SPS shall submit to SPP RE a response explaining its position, signed by an officer, employee, attorney or other authorized representative, together with any supporting information and documents within thirty (30) days of the date of this Notice. SPS shall provide a primary contact name who will be the responsible party to respond to questions regarding the above Alleged Violation(s). SPP RE shall schedule a conference with SPS within ten (10) business days after receipt of the response. If SPP RE and SPS are unable to resolve all issues within forty (40) days after the SPP RE response, SPS may request a hearing. If no hearing request is made, the violation will become a Confirmed Violation when filed by NERC with FERC or other Applicable Governmental Authority.

Upon acceptance of the Alleged Violation and proposed penalty or sanction, the final notice of the penalty or sanction or other enforcement action will then be processed and issued to the Registered Entity.

### **IV. Settlement Process**

CMEP Section 5.4 governs the settlement process and provides that settlement negotiations may occur at any time including prior to the issuance of a notice of Alleged Violation and Penalty or Sanction until a Notice of Penalty, Sanction, or Other Enforcement Action is filed with FERC or other Applicable Governmental Authority.

## V. Mitigation Plan Procedures and Requirements

**NOTE: SPS has submitted mitigation plans for these violations. SPP RE accepted the mitigation plans and reviewed the revised documentation during an on-site compliance visit during the week of September 18<sup>th</sup>. SPP RE must submit the mitigation information to NERC for final approval. SPS must also return a completion notice to the SPP RE in order to close out these violations.**

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

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

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

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

CMEP Section 6.4 provides that a Mitigation Plan may be submitted at any time but shall have been submitted by the Registered Entity within thirty (30) days after being served the notice of Alleged Violation and Penalty or Sanction, if the Registered Entity does not contest the violation and penalty or sanction. If the Registered Entity disputes the notice of Alleged Violation or penalty or sanction, the Registered Entity shall submit its Mitigation Plan within ten (10) business days following issuance of the written decision of the hearing body, unless the Registered Entity elects to appeal the hearing body's determination to NERC.

The Registered Entity may choose to submit a Mitigation Plan while it contests an Alleged Violation or penalty or sanction; such submission shall not be deemed an admission of a violation or the appropriateness of a penalty or sanction nor does the submission of a Mitigation Plan result in waiver of the SPP RE's right to contest the Alleged Violation and/or the proposed penalty or sanction.

If the Registered Entity has not yet submitted a Mitigation Plan, or the Registered Entity submits a Mitigation Plan but it is rejected by the Compliance Enforcement Authority or the hearing body in accordance with section 6.5, any subsequent violations of the Reliability Standard identified by the Compliance Enforcement Authority before the hearing body renders its decision will not be held in abeyance and will be considered as repeat violations of the Reliability Standard. In addition, if a Mitigation Plan submitted by a Registered Entity is rejected by the Compliance Enforcement Authority or the hearing body in accordance with CMEP Section 6.5, the Registered Entity shall be subject to any findings of violation of the applicable Reliability Standards during the period the Mitigation Plan was under consideration and to imposition of any penalties or sanctions imposed for such violations.

Any violations assessed during the period of time the accepted Mitigation Plan is being implemented will be recorded by the Compliance Enforcement Authority with associated sanctions or penalties. The SPP RE will report any findings of violations recorded during this time period to NERC with the notation that the Registered Entity is working under an accepted Mitigation Plan with an extended completion date with penalties and sanctions held in abeyance until completion of the Mitigation Plan. Upon completion of the accepted Mitigation Plan in accordance with CMEP Section 6.6, the Compliance Enforcement Authority will notify SPS that any findings of violations of the applicable Reliability Standard(s) during the period that the accepted Mitigation Plan was being implemented have been waived and no penalties or sanctions will apply. Regional Entities will also notify NERC of any such waivers of violations of Reliability Standards.

A request for an extension of any milestone or the completion date of the accepted Mitigation Plan by SPS must be received by the Compliance Enforcement Authority at least five (5) business days before the original milestone or completion date. The terms of the mitigation plan and time line for completion may be modified only upon express written approval by SPP RE and NERC.

## **VI. Mitigation Plan and Implementation Status**

SPS's mitigation plan was accepted by SPP RE on August 28, 2007 and will be forwarded to NERC for its review and acceptance. NERC will review the Mitigation Plan accepted by the Regional Entity and will notify the Regional Entity, which will in turn notify the Registered Entity, as to whether the Mitigation Plan is approved or disapproved by NERC. If NERC disapproves a Mitigation Plan that was accepted by the Regional Entity, NERC shall state its reasons for the rejection and may state the changes to the Mitigation Plan that would result in approval by NERC. NERC will submit to FERC, as non-public information, an approved Mitigation Plan relating to violations of Reliability Standards, within seven (7) business days after NERC approves the Mitigation Plan.

## **VII. Hearing Process**

Attachment 2 to the CMEP governs the hearing process.

If SPS elects to contest the Alleged Violation and/or the proposed penalty or sanction, the SPS shall state in a written hearing request that it is electing to have a hearing conducted pursuant to either (i) the short-form procedure in CMEP Attachment 2 Section 1.3.2 or (ii) the full hearing procedure, in CMEP Attachment 2, Hearing Process. SPP RE has adopted the procedures set forth in CMEP Attachment 2 in its Delegation Agreement.

SPS may appeal the hearing body's decision in accordance with the CMEP and the NERC Rules of Procedure.

## **VIII. Conclusion**

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

This Notice of Alleged Violation and Proposed Penalty or Sanction is being forwarded to NERC. Within two business days of receipt, NERC will provide a copy of this Notice to FERC and any other Applicable Governmental Authority.

Respectfully submitted,

*Ronald W. Ciesiel*

SPP RE Contact: Ronald W. Ciesiel  
Executive Director of Compliance  
Southwest Power Pool Regional Entity  
415 N. McKinley Suite 140  
Little Rock, Arkansas 72205

501-614-3265

cc: NERC Manager of Enforcement and Mitigation  
Ms. Terri Eaton – Xcel Energy  
Tim Woolley- Xcel Energy  
Bill Grant – Xcel Energy  
Bob Cochran – Xcel Energy  
Kevin Goolsby - SPP



**Table A**

**SPS**

**Registered on the NERC Compliance Registry as: BA;TOP [for the purpose of this notice]**

**NERC Compliance Registry ID #: NCR01145**

<b>Reliability Standard(s) Allegedly Violated and Reference #'s</b>	<b>Requirement(s) Allegedly Violated</b>	<b>Discovery Method of Alleged Violation and Date of Discovery</b>	<b>Date or Period of Occurrence of Alleged Violation</b>	<b>Facts and Evidence of Alleged Violation</b>
<b>EOP-001-0 NERC Violation #: SPP200700002&amp; SPP200700004</b>	Requirement 3 &5	Self-report based on internal analysis discovered on 8-2-07	8-2-07	During an internal review of SPS's documentation it was determined by the registered entity that its documentation required to meet the requirements noted was insufficient to support a finding of full compliance in an upcoming on-site compliance audit. Specifically, SPS discovered that several of the operating procedures required in the standard were in place but were not well documented or were not in a consolidated location to assure compliance to the standard. SPP RE accepted the self-report and reviewed the progress towards compliance during an on-site compliance audit during the week of September 18 <sup>th</sup> .
<b>EOP-005-1 NERC Violation #: SPP200700005</b>	Requirement 1	Self-report based on internal analysis discovered on 8-2-07	8-2-07	During an internal review of SPS's documentation it was determined by the registered entity that its documentation required to meet the requirements noted was insufficient to support a finding of full compliance in an upcoming on-site compliance audit. Specifically, SPS discovered that several of the operating procedures required in the standard were in place but were not well documented or were not in a consolidated location to assure compliance to the standard. SPP RE accepted the self-report and reviewed the progress towards compliance during an on-site compliance audit during the week of September 18 <sup>th</sup> .



414 Nicollet Mall  
Minneapolis, Minnesota 55401-1993

January 10, 2008

Mr. Ronald W. Ciesiel, Executive Director of Compliance  
Southwest Power Pool Regional Entity  
415 N. McKinley, Suite 140  
Little Rock, Arkansas 72205

Re: NERC Violation Tracking Identification Numbers SPP200700002, SPP200700004, and  
SPP200700005

Dear Mr. Ciesiel:

Southwestern Public Service Company (SPS), an Xcel Energy Company, is in receipt of a Notice of Alleged Violation and Proposed Penalty or Sanction (Notice) issued by the Southwest Power Pool Regional Entity (SPP-RE) and dated December 3, 2007 for each of the referenced matters. The Notices relate to alleged violations of EOP-001-0, Requirements 3 and 5, and EOP-005-1, Requirement 1. The Notices recommend no penalty or sanction, and provide SPS several options for responding to each of the Notices.

One of the options available to SPS is to “agree or not contest the Alleged Violation(s) and proposed penalty or sanction, and [agree] to submit and implement a mitigation plan to correct the violation and its underlying causes.” The Notices indicate that SPP-RE has received and accepted documentation that meets the mitigation plan requirement for all three alleged violations. We have previously provided notification to SPP of completion of the required mitigation plans. Consistent with the Notices, SPS hereby notifies SPP-RE of its decision not to contest the alleged violations.

Please contact Ms. Terri Eaton at (303) 273-4878 if you have any questions regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Jaeger', with a long, sweeping horizontal line extending to the right.

Douglas W. Jaeger  
Vice President, Transmission  
Xcel Energy Services Inc., on behalf of the  
Southwestern Public Service Company

# **ATTACHMENT 4**

### SPP Self Report Form

Registered Entity Name: Southwestern Public Service Company

Contact Name: Terri K. Eaton

Contact Phone: 303-308-2871

Contact email: terri.k.eaton@xcelenergy.com

Date noncompliance was discovered: 07/23/2007

Date noncompliance was reported: 08/02/2007

Standard Title: Emergency Operations Planning

Standard Number: EOP-005

While it is not clear that the standards require auditable compliance, SPS has been reviewing its plans developed to comply with EOP-005 and to review auditable compliance status. At this point, it appears they are not fully auditably compliant. In some cases, operational processes used by SPS for several years have not been fully documented. In other cases, documentation has not yet been fully compiled. We have attempted to delineate below each specific instance where we believe additional documentation is needed to achieve full auditable compliance; however, other examples may exist. In conjunction with completion of our mitigation plan described below, we will be compiling compliance documentation and developing documentation to address any documentation issues (if any) SPS identifies in conjunction with completion of the mitigation plan.

Requirement Number(s)<sup>1</sup>: R1

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

Self-evaluation after receipt of external consultant report regarding EOP-001 compliance

**\*Submit a Completed Mitigation Plan in conjunction with this form to show that corrective steps are being taken. If a mitigation plan is not being submitted with this form please complete the following:**

Describe the cause of non-compliance:  
Insufficient detail in SPS' system restoration plans.

Describe the reliability impact of this non-compliance:  
No reliability impact. System Restoration procedures exist and have been utilized in response to prior outage events on the SPS system. However, the Company believes additional documentation needs to be completed to demonstrate compliance.

<sup>1</sup> Violations are reported at the level of requirements, sub requirements are not necessary.

Southwest Power Pool

Expected date of Mitigation Plan submittal:  
08/20/2007



## Regional Entity

Southwest Power Pool Regional Entity  
415 N. McKinley, 140 Plaza West  
Little Rock, AR 72205-3020  
501-614-3275 • Fax: (501) 664-9553

Kevin Goolsby  
Sr. Engineer, Compliance

SPP200700005

August 31, 2007

Mr. Doug Jaeger  
VP, Transmission  
Southwestern Public Service Co. (SPS-XCEL)

Dear Mr. Jaeger:

SPS has self-reported four violations with NERC standards EOP-001-1 [R3.4, R4.4, and R5] and EOP-005-1[R1] within the SPP RE footprint. Therefore, SPP RE has notified NERC of the alleged violations. We have also received SPS's mitigation plans to correct the alleged violations. The plans are satisfactory to SPP and will be monitored until complete. The completion date of the mitigation plan for EOP-001 R4.4 is August 31, 2007 and all of the others carry an October 1, 2007 completion date. If SPS needs to modify the mitigation plan or change the completion date, please notify us in advance of the approved completion date. The SPP Regional Entity has to approve any changes to the mitigation plans before the original completion date.

This is a reminder that this alleged violation process has been initiated under the new ERO Compliance Monitoring and Enforcement Program. SPS will be notified in the near future of any penalties or sanctions associated with these self-reported violations.

As a further reminder, SPP RE personnel will be conducting an on-site audit of the SPS functions during the week of September 18<sup>th</sup> and will discuss these issues in more detail during this visit.

If you have any questions, you may contact Ron or me

Respectfully,

*Kevin Goolsby*

Kevin Goolsby  
Sr. Engineer, Compliance

Attachment: Violation ID matrix

CC:

Bill Grant- XCEL

Terri Eaton – XCEL

Ron Ciesiel – SPP

Shon Austin – SPP

Regional Reference / Contol ID	Registered Entity	Standard	Requirem ent Number	NERC Violation ID	Registry ID	Method Used During Initial Discovery of Violation	Accepted Fully Executed Target Completion Date
2007-002	SPS	EOP-001-0	3.04	SPP200700002	NCR01145	Self- Report	10/1/2007
2007-003	SPS	EOP-001-0	4.04	SPP200700003	NCR01145	Self- Report	8/31/2007
2007-004	SPS	EOP-001-0	5	SPP200700004	NCR01145	Self- Report	10/1/2007
2007-005	SPS	EOP-005-1	1	SPP200700005	NCR01145	Self- Report	10/1/2007





## Notice of Alleged Violation and Proposed Penalty or Sanction

To: Mr. Doug Jaeger  
Vice President of Transmission  
Xcel Energy

From: Ronald W. Ciesiel

Date: December 3, 2007

Re: Notice of Alleged Violation and Proposed Penalty or Sanction

**NERC Violation Tracking Identification Number(s): SPP200700002; SPP200700004;  
SPP200700005**

**Registered Entity Identification Number: NCR01145**

In accordance with the NERC Rules of Procedure including Appendix 4C thereto, which contains the NERC Compliance Monitoring and Enforcement Program (CMEP), the Southwest Power Pool Regional Entity [SPP RE] hereby notifies Southwestern Public Service [SPS] of an Alleged Violation of the NERC Reliability Standards and the Proposed Penalty or Sanction. In support hereof, the SPP RE states as follows:

On August 2, 2007, SPS was registered on the NERC Compliance Registry for the function(s) listed in Table A. As discussed herein, SPP RE has determined to charge SPS with a violation based upon information available to it that SPS did not comply or was not in compliance with the NERC Reliability Standards listed in Table A.

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

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

### **II. Proposed Penalty or Sanction**

Pursuant to the Commission's regulations and orders, NERC Rules of Procedure and the NERC Sanction Guidelines, **SPP RE has exercised its discretion and has determined not to impose a penalty and sanction at this time.** If, however, SPS fails to complete all or part of the approved mitigation plan for the Alleged Violation in accordance with the terms and time established by the mitigation plan, SPP RE may take action to assess and collect a penalty from

SPS. This penalty will be determined pursuant to the NERC Rules of Procedure and the NERC Sanction Guidelines. The terms of the mitigation plan and time line for completion may be modified only upon prior express written approval by SPP RE and NERC, as discussed below.

### **III. Procedures for Response by Registered Entity to this Notice**

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

1. SPS agrees with or does not contest the Alleged Violation(s) and proposed penalty or sanction, and agrees to implement the filed mitigation plans in order to correct the violation and its underlying causes;
2. SPS agrees to or does not contest the Alleged Violation(s) and agrees to implement the filed mitigation plans to eliminate the violation and its underlying causes, but contests the proposed penalty or sanction; or
3. SPS contests both the Alleged Violation(s) and the proposed penalty or sanction for the Alleged Violation(s).

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

If SPS does not contest or does not respond to the notice of Alleged Violation within thirty (30) days of the date of this Notice, it shall be deemed to have accepted the SPP RE's determination of violation and proposed penalty or sanction (if applicable), in which case SPP RE shall issue to SPS and NERC a final report of Confirmed Violation.

If SPS contests the Alleged Violation or the proposed sanction, SPS shall submit to SPP RE a response explaining its position, signed by an officer, employee, attorney or other authorized representative, together with any supporting information and documents within thirty (30) days of the date of this Notice. SPS shall provide a primary contact name who will be the responsible party to respond to questions regarding the above Alleged Violation(s). SPP RE shall schedule a conference with SPS within ten (10) business days after receipt of the response. If SPP RE and SPS are unable to resolve all issues within forty (40) days after the SPP RE response, SPS may request a hearing. If no hearing request is made, the violation will become a Confirmed Violation when filed by NERC with FERC or other Applicable Governmental Authority.

Upon acceptance of the Alleged Violation and proposed penalty or sanction, the final notice of the penalty or sanction or other enforcement action will then be processed and issued to the Registered Entity.

### **IV. Settlement Process**

CMEP Section 5.4 governs the settlement process and provides that settlement negotiations may occur at any time including prior to the issuance of a notice of Alleged Violation and Penalty or Sanction until a Notice of Penalty, Sanction, or Other Enforcement Action is filed with FERC or other Applicable Governmental Authority.

## V. Mitigation Plan Procedures and Requirements

**NOTE: SPS has submitted mitigation plans for these violations. SPP RE accepted the mitigation plans and reviewed the revised documentation during an on-site compliance visit during the week of September 18<sup>th</sup>. SPP RE must submit the mitigation information to NERC for final approval. SPS must also return a completion notice to the SPP RE in order to close out these violations.**

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

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

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

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

CMEP Section 6.4 provides that a Mitigation Plan may be submitted at any time but shall have been submitted by the Registered Entity within thirty (30) days after being served the notice of Alleged Violation and Penalty or Sanction, if the Registered Entity does not contest the violation and penalty or sanction. If the Registered Entity disputes the notice of Alleged Violation or penalty or sanction, the Registered Entity shall submit its Mitigation Plan within ten (10) business days following issuance of the written decision of the hearing body, unless the Registered Entity elects to appeal the hearing body's determination to NERC.

The Registered Entity may choose to submit a Mitigation Plan while it contests an Alleged Violation or penalty or sanction; such submission shall not be deemed an admission of a violation or the appropriateness of a penalty or sanction nor does the submission of a Mitigation Plan result in waiver of the SPP RE's right to contest the Alleged Violation and/or the proposed penalty or sanction.

If the Registered Entity has not yet submitted a Mitigation Plan, or the Registered Entity submits a Mitigation Plan but it is rejected by the Compliance Enforcement Authority or the hearing body in accordance with section 6.5, any subsequent violations of the Reliability Standard identified by the Compliance Enforcement Authority before the hearing body renders its decision will not be held in abeyance and will be considered as repeat violations of the Reliability Standard. In addition, if a Mitigation Plan submitted by a Registered Entity is rejected by the Compliance Enforcement Authority or the hearing body in accordance with CMEP Section 6.5, the Registered Entity shall be subject to any findings of violation of the applicable Reliability Standards during the period the Mitigation Plan was under consideration and to imposition of any penalties or sanctions imposed for such violations.

Any violations assessed during the period of time the accepted Mitigation Plan is being implemented will be recorded by the Compliance Enforcement Authority with associated sanctions or penalties. The SPP RE will report any findings of violations recorded during this time period to NERC with the notation that the Registered Entity is working under an accepted Mitigation Plan with an extended completion date with penalties and sanctions held in abeyance until completion of the Mitigation Plan. Upon completion of the accepted Mitigation Plan in accordance with CMEP Section 6.6, the Compliance Enforcement Authority will notify SPS that any findings of violations of the applicable Reliability Standard(s) during the period that the accepted Mitigation Plan was being implemented have been waived and no penalties or sanctions will apply. Regional Entities will also notify NERC of any such waivers of violations of Reliability Standards.

A request for an extension of any milestone or the completion date of the accepted Mitigation Plan by SPS must be received by the Compliance Enforcement Authority at least five (5) business days before the original milestone or completion date. The terms of the mitigation plan and time line for completion may be modified only upon express written approval by SPP RE and NERC.

## **VI. Mitigation Plan and Implementation Status**

SPS's mitigation plan was accepted by SPP RE on August 28, 2007 and will be forwarded to NERC for its review and acceptance. NERC will review the Mitigation Plan accepted by the Regional Entity and will notify the Regional Entity, which will in turn notify the Registered Entity, as to whether the Mitigation Plan is approved or disapproved by NERC. If NERC disapproves a Mitigation Plan that was accepted by the Regional Entity, NERC shall state its reasons for the rejection and may state the changes to the Mitigation Plan that would result in approval by NERC. NERC will submit to FERC, as non-public information, an approved Mitigation Plan relating to violations of Reliability Standards, within seven (7) business days after NERC approves the Mitigation Plan.

## **VII. Hearing Process**

Attachment 2 to the CMEP governs the hearing process.

If SPS elects to contest the Alleged Violation and/or the proposed penalty or sanction, the SPS shall state in a written hearing request that it is electing to have a hearing conducted pursuant to either (i) the short-form procedure in CMEP Attachment 2 Section 1.3.2 or (ii) the full hearing procedure, in CMEP Attachment 2, Hearing Process. SPP RE has adopted the procedures set forth in CMEP Attachment 2 in its Delegation Agreement.

SPS may appeal the hearing body's decision in accordance with the CMEP and the NERC Rules of Procedure.

## **VIII. Conclusion**

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

This Notice of Alleged Violation and Proposed Penalty or Sanction is being forwarded to NERC. Within two business days of receipt, NERC will provide a copy of this Notice to FERC and any other Applicable Governmental Authority.

Respectfully submitted,

*Ronald W. Ciesiel*

SPP RE Contact: Ronald W. Ciesiel  
Executive Director of Compliance  
Southwest Power Pool Regional Entity  
415 N. McKinley Suite 140  
Little Rock, Arkansas 72205  
  
501-614-3265

cc: NERC Manager of Enforcement and Mitigation  
Ms. Terri Eaton – Xcel Energy  
Tim Woolley- Xcel Energy  
Bill Grant – Xcel Energy  
Bob Cochran – Xcel Energy  
Kevin Goolsby - SPP

**Table A**

**SPS**

**Registered on the NERC Compliance Registry as: BA;TOP [for the purpose of this notice]**

**NERC Compliance Registry ID #: NCR01145**

<b>Reliability Standard(s) Allegedly Violated and Reference #'s</b>	<b>Requirement(s) Allegedly Violated</b>	<b>Discovery Method of Alleged Violation and Date of Discovery</b>	<b>Date or Period of Occurrence of Alleged Violation</b>	<b>Facts and Evidence of Alleged Violation</b>
<b>EOP-001-0 NERC Violation #: SPP200700002&amp; SPP200700004</b>	Requirement 3 &5	Self-report based on internal analysis discovered on 8-2-07	8-2-07	During an internal review of SPS's documentation it was determined by the registered entity that its documentation required to meet the requirements noted was insufficient to support a finding of full compliance in an upcoming on-site compliance audit. Specifically, SPS discovered that several of the operating procedures required in the standard were in place but were not well documented or were not in a consolidated location to assure compliance to the standard. SPP RE accepted the self-report and reviewed the progress towards compliance during an on-site compliance audit during the week of September 18 <sup>th</sup> .
<b>EOP-005-1 NERC Violation #: SPP200700005</b>	Requirement 1	Self-report based on internal analysis discovered on 8-2-07	8-2-07	During an internal review of SPS's documentation it was determined by the registered entity that its documentation required to meet the requirements noted was insufficient to support a finding of full compliance in an upcoming on-site compliance audit. Specifically, SPS discovered that several of the operating procedures required in the standard were in place but were not well documented or were not in a consolidated location to assure compliance to the standard. SPP RE accepted the self-report and reviewed the progress towards compliance during an on-site compliance audit during the week of September 18 <sup>th</sup> .



414 Nicollet Mall  
Minneapolis, Minnesota 55401-1993

January 10, 2008

Mr. Ronald W. Ciesiel, Executive Director of Compliance  
Southwest Power Pool Regional Entity  
415 N. McKinley, Suite 140  
Little Rock, Arkansas 72205

Re: NERC Violation Tracking Identification Numbers SPP200700002, SPP200700004, and  
SPP200700005

Dear Mr. Ciesiel:

Southwestern Public Service Company (SPS), an Xcel Energy Company, is in receipt of a Notice of Alleged Violation and Proposed Penalty or Sanction (Notice) issued by the Southwest Power Pool Regional Entity (SPP-RE) and dated December 3, 2007 for each of the referenced matters. The Notices relate to alleged violations of EOP-001-0, Requirements 3 and 5, and EOP-005-1, Requirement 1. The Notices recommend no penalty or sanction, and provide SPS several options for responding to each of the Notices.

One of the options available to SPS is to "agree or not contest the Alleged Violation(s) and proposed penalty or sanction, and [agree] to submit and implement a mitigation plan to correct the violation and its underlying causes." The Notices indicate that SPP-RE has received and accepted documentation that meets the mitigation plan requirement for all three alleged violations. We have previously provided notification to SPP of completion of the required mitigation plans. Consistent with the Notices, SPS hereby notifies SPP-RE of its decision not to contest the alleged violations.

Please contact Ms. Terri Eaton at (303) 273-4878 if you have any questions regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Jaeger', with a long, sweeping horizontal line extending to the right.

Douglas W. Jaeger  
Vice President, Transmission  
Xcel Energy Services Inc., on behalf of the  
Southwestern Public Service Company



# **ATTACHMENT 5**

SPP200700006

## 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.

Registered Entity Name: Southwestern Public Service Company

Contact Name: Terri K. Eaton

Contact Phone: 303-308-2871

Contact email: terri.k.eaton@xcelenergy.com

Date noncompliance was discovered: Week of August 6, 2007

Date noncompliance was reported: 09/07/2007

Standard Title: Sabotage Reporting

Standard Number: CIP-001

Requirement Number(s)<sup>1</sup>: R2

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

In preparation for NERC compliance audit of SPS

**\*Submit a Completed Mitigation Plan in conjunction with this form to show that corrective steps are being taken.**

No mitigation plan required.

**If a mitigation plan is not being submitted with this form please complete the following:**

Mitigation Plans are not being submitted with this form as follows:

Describe the cause of non-compliance:

Failure to develop procedures that require notification of other appropriate parties in the interconnection in the case sabotage is detected as required by R2.

Describe the reliability impact of this non-compliance:

---

<sup>1</sup> Violations are reported at the level of requirements, sub requirements are not necessary.

Minimal. Procedures for all other elements of CIP-001 exist, and no sabotage events requiring reporting to other appropriate parties in the Interconnection have occurred.

Expected date of Mitigation Plan submittal:

None. Deficiency was remedied by development of procedure dated August 14, 2007.



Southwest Power Pool Regional Entity  
415 N. McKinley, 140 Plaza West  
Little Rock, AR 72205-3020  
501-614-3275 • Fax: (501) 664-9553

Kevin Goolsby  
Sr. Engineer, Compliance

September 17, 2007

Mr. Doug Jaeger  
VP, Transmission  
Southwestern Public Service Co. (SPS-XCEL)

Dear Mr. Jaeger:

SPS has self-reported a violation with NERC standard CIP-001 [R2] within the SPP RE footprint. Therefore, SPP RE has notified NERC of the alleged violation. SPS has reported that the violation has been corrected and this will be verified during the upcoming compliance audit.

This is a reminder that the alleged violation process has been initiated under the new ERO Compliance Monitoring and Enforcement Program. SPS will be notified in the near future of any penalties or sanctions associated with this self-reported violation.

As a further reminder, SPP RE personnel will be conducting an on-site audit of the SPS functions during the week of September 18<sup>th</sup> and will discuss these issues in more detail during this visit.

If you have any questions, you may contact Ron or me.

Respectfully,

*Kevin Goolsby*

Kevin Goolsby  
Sr. Engineer, Compliance

CC:  
Bill Grant- XCEL  
Terri Eaton – XCEL  
Ron Ciesiel – SPP  
Shon Austin – SPP

NERC Violation ID - SPP200700006

NCR01145



## Notice of Alleged Violation and Proposed Penalty or Sanction

To: Mr. Doug Jaeger  
Vice President of Transmission  
Xcel Energy

From: Ronald W. Ciesiel  
Executive Director of Compliance  
Southwest Power Pool

Date: November 20, 2007

Re: Notice of Alleged Violation and Proposed Penalty or Sanction

**NERC Violation Tracking Identification Number(s): SPP200700006**  
**Registered Entity Identification Number: NCR01145**

In accordance with the NERC Rules of Procedure including Appendix 4C thereto, which contains the NERC Compliance Monitoring and Enforcement Program (CMEP), the Southwest Power Pool Regional Entity [SPP RE] hereby notifies the Southwestern Public Service Company [SPS] of an Alleged Violation of the NERC Reliability Standards and the Proposed Penalty or Sanction. In support hereof, the SPP RE states as follows:

SPS is registered, for the purposes of this notice, on the NERC Compliance Registry as a Balancing Authority, Transmission Operator, Generator Operator and a Load Serving Entity. As discussed herein, SPP RE has determined to charge SPS with a violation based upon information available to it that SPS did not comply or was not in compliance with the following NERC Reliability Standards. However, as discussed further below, **SPP RE has determined to exercise its discretion to assess no penalty against SPS for that violation at this time**, with the following requirement:

1. The mitigation plan submitted to the SPP RE is accepted by NERC. The SPP RE has already accepted the proposed mitigation plan and reviewed the results during an on-site audit.

**Reliability standard(s) allegedly violated: CIP-001-1**

**Requirement(s) allegedly violated: Requirement 2**

**Discovery Details:**

Specifically, during the completion of a pre-compliance analysis, SPS discovered a deficiency in the Sabotage reporting procedures required by CIP-001-1. This deficiency was reported by SPS through the SPP RE self-reporting process on September 7, 2007. This deficiency was related to Requirement 2 that requires notification of other entities in the interconnection in the event of a sabotage event. SPS reported that this deficiency was remedied quickly and that a new procedure was available for use within one week of discovery. The SPP RE subsequently reviewed the document in question during an on-site compliance audit conducted during the week of September 18, 2007

**Proposed Penalty or Sanction**

As authorized and in accordance with the orders of the applicable governmental entity, in this case, the Federal Energy Regulatory Commission (FERC), **SPP RE has elected to exercise its discretion and will not assess a penalty on SPS at this time for this Alleged Violation.** The only remaining action item concerning this violation is approval of the mitigation plan by NERC.

**Procedures for Response by Registered Entity to this Notice**

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

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

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

Upon acceptance of the Alleged Violation and proposed penalty or sanction, the final notice of the violation, penalty and sanction will then be processed and issued to the Registered Entity.

CMEP Section 5.4 governs the settlement process and provides that settlement negotiations may occur at any time including prior to the issuance of a notice of Alleged Violation and Penalty or

Sanction until a Notice of Penalty, Sanction, or Other Enforcement Action is filed with FERC or other Applicable Governmental Authority.

### **Mitigation Plan Procedures and Requirements**

**NOTE: SPP RE believes that SPS has met the requirements for submitting a mitigation plan for this type of violation. SPP RE will forward the plan to NERC for review and approval in order to close out this part of the non-compliance process.**

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

If SPS contests the Alleged Violation or the proposed sanction, SPS shall submit to SPP RE a response explaining its position, signed by an officer or equivalent, together with any supporting information and documents within thirty (30) days. SPS shall provide a primary contact name who will be the responsible party to respond to questions regarding the above Alleged Violation(s). SPP RE shall schedule a conference with SPS within ten (10) business days after receipt of the response. If SPP RE and SPS are unable to resolve all issues within forty (40) days after SPS's response, SPS may request a hearing. If no hearing request is made, the violation will become a Confirmed Violation when filed by NERC with FERC or the Applicable Governmental Authority.

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

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

- (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section 2.0.
- (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
- (3) The cause of the Alleged or Confirmed Violation(s).

- (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
- (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed Violation(s).
- (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
- (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
- (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.
- (9) Any other information deemed necessary or appropriate.

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

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



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

SPS's mitigation plan was accepted by SPP RE on September 18, 2007 and has been forwarded to NERC for approval. In accordance with the NERC Rules of Procedure, Appendix 4C, and as discussed previously no penalties will be assessed by SPP RE. However, if the present mitigation plan is not approved by NERC, SPS will be responsible for making adjustments to the subject documentation as directed by NERC or the SPP RE and will be subject to penalties in the event it does not complete the mitigation plan as directed.

### **Conclusion**

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

Respectfully submitted,

*Ronald W. Ciesiel*

SPP RE Contact: Ronald W. Ciesiel  
Executive Director of Compliance  
Southwest Power Pool Regional Entity  
415 N. McKinley Suite 140  
Little Rock, Arkansas 72205

501-614-3265

cc: NERC Manager of Enforcement and Mitigation  
Ms. Terri Eaton – Xcel Energy  
Tim Woolley- Xcel Energy  
Bill Grant – Xcel Energy  
Bob Cochran – Xcel Energy  
Kevin Goolsby - SPP



414 Nicollet Mall  
Minneapolis, Minnesota 55401-1993

December 20, 2007

Mr. Ronald W. Gesiel  
Executive Director of Compliance  
Southwest Power Pool Regional Entity  
415 N. McKinley, Suite 140  
Little Rock, Arkansas 72205

Re: NERC Violation Tracking Identification Numbers SPP200700003 and SPP200700006

Dear Mr. Gesiel:

Southwestern Public Service Company (SPS), an Xcel Energy Company, is in receipt of a Notice of Alleged Violation and Proposed Penalty or Sanction (Notice) issued by the Southwest Power Pool Regional Entity (SPP-RE) and dated November 20, 2007 for each the referenced matters. The Notices relate to alleged violations of CIP-001-1 and EOP-001-0, respectively. The Notices recommend no penalty or sanction, and provide SPS with several options for responding to each of the Notices.

One of the options available to SPS is to "agree or not contest the Alleged Violation(s) and proposed penalty or sanction, and [agree] to submit and implement a mitigation plan to correct the violation and its underlying causes." The Notices indicate that SPP-RE has received and accepted documentation that meets the mitigation plan requirement for both alleged violations. We have already notified SPP of completion of the mitigation plan for EOP-001. The mitigation plan for CIP-001 was completed prior to submittal of SPS's self-report of violation of CIP-001.

Consistent with the Notices, SPS hereby notifies SPP-RE of its decision not to contest the alleged violations.

Please contact Ms. Terri Eaton at (303) 273-4878 if you have any questions regarding this matter.

Sincerely,

Douglas W. Jaeger  
Vice President, Transmission  
Xcel Energy Services Inc., on behalf of the  
Southwestern Public Service Company

## **Attachment d**

**Mitigation Plans designated as MIT-07-0203,  
MIT-07-0204, MIT-07-0205 and MIT-07-0386**

## MITIGATION PLAN WORKSHEET

<b>NERC Tracking Number:</b>	SPP200700002
<b>Name of Entity:</b>	Southwestern Public Service [SPS]
<b>NERC ID #</b>	NCR01145
<b>Standards Mitigated:</b>	EOP-001-1
<b>Standard Requirement(s) Violated:</b>	R3
<b>Applicable Entity Functions:</b>	BA,TOP
<b>Date of Plan or Revision:</b>	8-2-07

**R3.4 requires the BA/TOP to maintain a set of system restoration plans. SPS found a gap in its documentation in its system restoration plans, specifically in its documentation of its Blackstart activities. SPS self-reported that its current plan does not adequately detail the activities surrounding the Blackstart activities at SPS and plans to add more details to the plan as required.**

**We received a fairly standard mitigation plan for minor documentation issues. SPS recognized its deficiency and proposed a short 30-60 days to resolve the documentation issues by revising the existing documents involved in this standard.**

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>Is the Entity registered with SPP</b>
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>Standard applicable to entity registered functions</b>
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>Entity contact information provided</b>
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>Cause of original violation identified</b>
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>Clear and adequate description and rational of corrective actions</b>
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>Plan milestones and completion schedule included</b>
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>Approved by entity officer ( or equivalent)</b>
<b>Comments: Completion date only due to short duration of mitigation plan</b>		

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>Corrective actions described by the entity will address the standard/requirement(s) violated</b>
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>These actions will alleviate the non-compliance of the violation(s) associated with the plan</b>
<b>Comments: The changes will be reviewed during the scheduled compliance audit currently scheduled for the week of September 18<sup>th</sup>.</b>		

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Entity's proposed corrective actions are likely to mitigate the reoccurrence of the same violation(s) in the future
Comments: Once this correction is made, the annual update and review requirement [R6] should be adequate to assure on-going compliance.		

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Plan can adequately be monitored for progress
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Entity has provided implementation milestones no more than three (3) months apart
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Milestones provided are meaningful and appropriate relative to scope and duration of the plan.
Comments: SPP has a regularly scheduled on-site compliance audit for the week of September 18 <sup>th</sup> . This revised document will be checked during this visit.		

<input type="checkbox"/> Yes	<input type="checkbox"/> No	Plan includes appropriate additional action/oversight to mitigate increased risk to the reliability of the BPS while the plan is being implemented
Comments: The short duration of this documentation revision does not pose risk to the BES.		

**This is a typical mitigation plan for minor documentation issues. The duration is short and in this case, the fact that SPP RE will be visiting during an on-site audit allows the SPP RE the opportunity to review completion or progress while face-to-face with the SPS employees available to discuss any continuing problems. It is our expectation that this matter will be cleared up quickly and a revised compliant document will be available to us during our on-site visit.**

REVIEWED BY: Ron Ciesiel

DATE: August, 2007

**CONFIDENTIAL**

**Mitigation Plan Form**

New  Revised

Registered Entity Name: **Southwestern Public Service Company**

SPP200700002

Date noncompliance was discovered or reported: **8/2/2007**

Date Mitigation Plan submitted: **8/20/2007**

Standard Title: **System Restoration Plans**

Standard Number: **EOP-001**

Requirement Number(s)<sup>1</sup>: **R3.4**

Level of Noncompliance:  Level 1  Level 2  Level 3  Level 4

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

**Internal review of restoration plan based on external consultant review of EOP-001.**

Provide an explanation of the noncompliance:

**See mitigation plan for EOP-005, R1 filed contemporaneously with this report.**

Designate a reliability impact (minimal, moderate, or severe) that the noncompliance had or could have had on the interconnection. Include an explanation for the designation.

**Minimal. The basic structure and operational function of the plan is in place. Additional detail is needed around certain requirements in Attachment 1 as discussed above.**

Describe any mitigating factors for this non-compliance (include supporting documentation).

**Maddox 3 (the SPS black start unit) is started up approximately monthly.**

**A test was conducted in December, 2004, to test procedures relating to start of Maddox 2 from Maddox 3 output.**

**The SPS control center operators have trained on the Black start every year. This is accomplished by having the operators locate and review the black start plan. We have set up a black start situation in our EMS state estimator study area and had the operators simulate energizing the cranking path from our black start unit the critical units identified.**

<sup>1</sup> Violations are reported at the level of requirements, sub requirements are not necessary.  
WECC Compliance Monitoring and Enforcement Program  
Mitigation Plan Form  
For Public Release Dated June 3, 2008.



**For 2007, we have participated with regional Southwest Power Pool coordinated black start drills. These drills consist of utilizing the SPP training simulator. Each member of the pool worked on their own black plan using SPP staff to coordinate the actions of the members.**

**Nature of gap in documentation is minimal, as noted above.**

Describe your detailed plan to become compliant.

**Additional detail will be added to documentation to address each of the four items listed above.**

Describe your detailed schedule to become compliant. (The schedule should include status updates at a minimum every three months to WECC).

**An upgraded plan will be completed by 10/1/2007.**

Are additional documents or information attached:  Yes     No

Additional Notes or Comments:

*Handwritten signature*  
*Handwritten signature*

Point of contact for questions regarding this Mitigation Plan:

Name:        **Terri K. Eaton**  
Title:        **Project Director**  
Phone:       **303-308-2871**  
Email:        **terri.k.eaton@xcelenergy.com**

---

SPP Self Report Form

Registered Entity Name: Southwestern Public Service Company

Contact Name: Terri K. Eaton

Contact Phone: 303-308-2871

Contact email: terri.k.eaton@xcelenergy.com

Date noncompliance was discovered: External consultant report received 07/23/2007

Date noncompliance was reported: 08/02/2007

Standard Title: Emergency Operations Planning

Standard Number: EOP-001

While it is not clear that the standards require auditable compliance, SPS has been reviewing its plans developed to comply with EOP-001 with the assistance of an independent external consultant to review auditable compliance status. At this point, it appears the plans are not fully auditably compliant. In some cases, operational processes used by SPS for several years have not been fully documented. In other cases, documentation has not yet been fully compiled. We have attempted to delineate below each specific instance where we believe additional documentation is needed to achieve full auditable compliance; however, other examples may exist. In conjunction with completion of our mitigation plan described below, we will be compiling compliance documentation and developing documentation to address any documentation issues (if any) SPS identifies in conjunction with completion of the mitigation plan.

Requirement Number(s)<sup>1</sup>: R3.4; R4.4; R5, elements 1, 2, 4, 5, and 7  
10/11      8/31      10/11

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

Noncompliance was discovered for R3.4; R4.4; R5, elements 1, 2, 4, 5, and 7 through review of the SPS Emergency Plan documents by an expert consultant engaged to review compliance with EOP-001, plus self-evaluation.

**\*Submit a Completed Mitigation Plan in conjunction with this form to show that corrective steps are being taken.**

Mitigation Plans are attached for: R4.4; R5, elements 1, 2, and 7.

**If a mitigation plan is not being submitted with this form please complete the following:**

<sup>1</sup> Violations are reported at the level of requirements, sub requirements are not necessary.

Mitigation Plans are not being submitted with this form as follows:

R3.4: Mitigation Plan to be submitted separately by 08/20/2007.

R5, element 4: Corrective action taken to document controlling actions that reflect operational processes used, therefore no mitigation plan is needed.

R5, element 5: Corrective action taken to document controlling actions that reflect operational processes used, therefore no mitigation plan is needed.

Describe the cause of non-compliance:

R3.4: Insufficient documentation in the Emergency Plan relative to the system restoration plans.

R5, element 4: Insufficient documentation in the Emergency Plan relative to the procedures relied upon to reduce the system's own use to a minimum.

R5, element 5: Insufficient documentation in the Emergency Plan relative to the procedures relied upon to alert the media for public appeals for voluntary conservation and load reduction.

Describe the reliability impact of this non-compliance:

R3.4: No reliability impact. Operational procedures existed; however, they were not fully documented in the Emergency Plan.

R5, element 4: No reliability impact. Operational procedures existed; however, they were not fully documented in the Emergency Plan.

R5, element 5: No reliability impact. Operational procedures existed; however, they were not fully documented in the Emergency Plan.

Expected date of Mitigation Plan submittal:

R3.4: Completed Mitigation Plan to be submitted by 08/20/2007.

R5, element 4: Corrective action completed. Detailed procedures for implementing this directive have been documented and distributed to the appropriate personnel and are now contained in the Emergency Plan.

R5, element 5: Corrective action completed. Detailed procedures for implementing this directive have been documented and distributed to the appropriate personnel and are now contained in the Emergency Plan.



## Regional Entity

Southwest Power Pool Regional Entity  
415 N. McKinley, 140 Plaza West  
Little Rock, AR 72205-3020  
501-614-3275 • Fax: (501) 664-9553

Kevin Goolsby  
Sr. Engineer, Compliance

August 31, 2007

Mr. Doug Jaeger  
VP, Transmission  
Southwestern Public Service Co. (SPS-XCEL)

Dear Mr. Jaeger:

SPS has self-reported four violations with NERC standards EOP-001-1 [R3.4, R4.4, and R5] and EOP-005-1[R1] within the SPP RE footprint. Therefore, SPP RE has notified NERC of the alleged violations. We have also received SPS's mitigation plans to correct the alleged violations. The plans are satisfactory to SPP and will be monitored until complete.

The completion date for the EOP-001 R4.4 mitigation plan is August 31, 2007 and I have received notice that this is complete. Requirements 3.4 & 5 have a completion date of December 31, 2007. EOP-005-1 R1 has a completion date of October 1, 2007. If SPS needs to modify the mitigation plans or change the completion date, please notify us in advance of the approved completion date. The SPP Regional Entity has to approve any changes to the mitigation plans before the original completion date.

This is a reminder that the alleged violation process has been initiated under the new ERO Compliance Monitoring and Enforcement Program. SPS will be notified in the near future of any penalties or sanctions associated with these self-reported violations.

As a further reminder, SPP RE personnel will be conducting an on-site audit of the SPS functions during the week of September 18<sup>th</sup> and will discuss these issues in more detail during this visit.

If you have any questions, you may contact Ron or me.

Respectfully,

A handwritten signature in cursive script that reads "Kevin Goolsby".

Kevin Goolsby  
Sr. Engineer, Compliance



August 2, 2007

414 Nicollet Mall  
Minneapolis, Minnesota 55401-1993Mr. Ron Ciesiel, Director  
Compliance  
Southwest Power Pool

Via fax: 501-664-9553

Dear Mr. Ciesiel:

Today, Xcel Energy Services Inc. ("Xcel Energy") filed a self-report and mitigation plan regarding Standards EOP-001 and EOP-005 with your organization for the Southwestern Public Service Company ("SPS"), the Xcel Energy Operating Company<sup>1</sup> operating within your region. In addition, Xcel Energy filed a self-report and mitigation plan with the MRO for EOP-001 for the NSP System and self-reports for Standards EOP-001 and EOP-005 and a mitigation plan for EOP-001 with the WECC for PSCo. The purpose of this letter is to bring these filings to your attention and to express Xcel Energy's willingness to work with you to ensure consistency between the regions in your response to these reports.

As part of Xcel Energy's ongoing efforts to assure compliance with North American Electric Reliability Council ("NERC") reliability standards by the Xcel Energy Operating Companies, we engaged an independent external consultant to review compliance with EOP-001. The consultant submitted a report to us and based upon our review we have determined that our compliance documentation should be improved. Xcel Energy has begun work to immediately improve the compliance documentation and is submitting mitigation plans for those requirements where the compliance documentation will take more time.

We are submitting the self reports both for the EOP-001 compliance requirements (a) where Xcel Energy enhanced its documentation after July 23, 2007 (and thus no mitigation plan is needed at this point), and (b) where the compliance documentation needs further improvement. For the latter category, we are submitting mitigation plans to the Regional Entities. In addition, through our review of the consultant's report regarding EOP-001, we identified that the compliance documentation for Standard EOP-005 for PSCo and SPS also should be improved. So we are also submitting a self-report regarding EOP-005 for PSCo and SPS, and as noted below mitigation plans will be submitted for these items no later than August 20, 2007.

---

<sup>1</sup> The Xcel Energy Operating Companies are SPS located in the Southwest Power Pool ("SPP"); Public Service Company of Colorado ("PSCo") located in the Western Electricity Coordinating Council ("WECC"); and Northern States Power Company (Minnesota) and Northern States Power Company (Wisconsin) (collectively "NSP System"), which operate an integrated system located within the Midwest Reliability Organization ("MRO").

A summary of the elements of each of these self-reports and mitigation plans is provided below, and more detail may be found in the individual self-reports and mitigation plans. As the summary indicates, several elements of these reports and in particular the mitigation plans are common across our reporting operating companies:

EOP-001 Requirement	PSCo		NSP System		SPS	
	Report	Plan	Report	Plan	Report	Plan
R3.4	X	X			X	X
R4.1	X					
R4.4					X	X
R5, item 1	X	X	X	X	X	X
R5, item 2	X	X	X	X	X	X
R5, item 3			X			
R5, item 4	X		X		X	
R5, item 5	X		X		X	
R5, item 7	X	X	X	X	X	X
R5, item 13			X			
R5, item 14	X	X				

\*Requirement relates to restoration plans, specific requirements of which are set forth in EOP-005. XES anticipates filing mitigation plans for PSCo and SPS relating to EOP-001 R3.4 and EOP-005 by August 20, 2007.

To facilitate efforts to ensure consistency in responses to these reports and plans, Xcel Energy hereby requests that each Reliability Entity provide one another copies of our self-reports and mitigation plans relating to EOP-001, and WECC and SPP are requested to share copies of our self-reports relating to EOP-005. We further request that you discuss these self reports and mitigation plans among yourselves and with the North American Electric Reliability Council ("NERC"). Further, upon request, we will be happy to discuss any or all of these reports with you collectively or individually.

Please let me know if you have any questions or require further information. My phone number is 303-308-2871 and my email address is [terri.k.eaton@xcelenergy.com](mailto:terri.k.eaton@xcelenergy.com).

Thank you for your prompt attention to this matter.

Sincerely,

Terri K. Eaton  
 Project Director  
 Mandatory Reliability Standard Compliance  
 Xcel Energy Services Inc., on behalf of the  
 Xcel Energy Operating Companies

Cc: Kristine Schmidt, Director  
Federal Regulatory Affairs  
Xcel Energy Services Inc.

James P. Johnson, Assistant General Counsel  
Xcel Energy Services Inc.

Greg Pieper, Director  
System Operations  
Xcel Energy Services Inc.

## MITIGATION PLAN WORKSHEET

<b>NERC Tracking Number:</b>	SPP200700003/SPP200700004
<b>Name of Entity:</b>	Southwestern Public Service [SPS]
<b>NERC ID #</b>	NCR01145
<b>Standards Mitigated:</b>	EOP-001-1
<b>Standard Requirement(s) Violated:</b>	4.4 and R5
<b>Applicable Entity Functions:</b>	BA, TOP
<b>Date of Plan or Revision:</b>	8-2-07

**R4.4 requires the Emergency Operating Plans to identify staffing levels required during an emergency situation. SPS self-reported that its current plan does not adequately describe staffing levels for emergency operations.**

**R5 [Items 1, 2, & 7] are related to fuel issues that need to be addressed in an effective Emergency Plan. SPS states that it has numerous procedures and processes to achieve the goal of the requirement but needs to improve its written evidence of compliance.**



We received a fairly standard mitigation plan for minor documentation issues. SPS recognized its deficiency and proposed a short 30 days to resolve the documentation issues by revising the existing documents involved in this standard for R4. SPS has requested a slightly longer timeframe to gather and document all of the fuel related items required by the standard with an in-service date of 12-31-07.

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Is the Entity registered with SPP
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Standard applicable to entity registered functions
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Entity contact information provided
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Cause of original violation identified
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Clear and adequate description and rational of corrective actions
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Plan milestones and completion schedule included
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Approved by entity officer ( or equivalent)
<b>Comments: SPP RE staff will discuss the progress of R5 during an on-site compliance audit scheduled for September 18<sup>th</sup>. If milestones are needed, they will be established at that time.</b>		

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Corrective actions described by the entity will address the standard/requirement(s) violated
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	These actions will alleviate the non-compliance of the violation(s) associated with the plan
<b>Comments: SPS has identified the deficiencies and appears to have a viable plan to correct these issues.</b>		

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Entity's proposed corrective actions are likely to mitigate the reoccurrence of the same violation(s) in the future
Comments: Once this correction is made, the annual update and review requirement [R6] should be adequate to assure on-going compliance.		

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Plan can adequately be monitored for progress
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Entity has provided implementation milestones no more than three (3) months apart
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Milestones provided are meaningful and appropriate relative to scope and duration of the plan.
Comments: SPP has a regularly scheduled on-site compliance audit for the week of September 18 <sup>th</sup> . This revised document[s] will be checked during this visit. If additional time is required beyond the 90 day time period, milestones will be established at that time.		

<input type="checkbox"/> Yes	<input type="checkbox"/> No	Plan includes appropriate additional action/oversight to mitigate increased risk to the reliability of the BPS while the plan is being implemented
Comments: The short duration of this documentation revision does not pose risk to the BES. Based on SPS's self-report, it appears that most processes exist but require improved documentation to meet an auditably compliant standard.		

**This is a typical mitigation plan for minor documentation issues. The duration is short and in this case, the fact that SPP RE will be visiting during an on-site audit allows the SPP RE the opportunity to review completion or progress while face-to-face with the SPS employees available to discuss any continuing problems. It is our expectation that this matter will be cleared up quickly and a revised compliant document will be available to us during our on-site visit.**

REVIEWED BY: Ron Ciesiel

DATE: August, 2007

**CONFIDENTIAL****Mitigation Plan Form**

Please complete an **individual** Mitigation Plan for each NERC Reliability Standard that indicates any level of non-compliance.

New  Revised

Registered Entity Name: Southwestern Public Service Company

Date noncompliance was discovered or reported: Consultant report received 07/23/2007

Date Mitigation Plan submitted: 08/02/2007

Standard Title: Emergency Operations Planning

SPP200700003

Standard Number: EOP-001

SPP200700004

Requirement Number(s)<sup>1</sup>: R4.4, R5, elements 1, 2 and 7

Level of Noncompliance:  Level 1  Level 2  Level 3  Level 4

Level not specified

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

Audit of Emergency Plan by external consultant engaged to evaluate compliance, plus self-evaluation.

Provide an explanation of the noncompliance:

R4.4: Requires each Transmission Operator and Balancing Authority shall have an Emergency Operations Plan that will enable it to mitigate operating emergencies. The plan is to include staffing levels identified for emergencies. SPS has an Emergency Plan; however, the SPS documentation that existed in the Plan did not adequately define staffing levels during emergencies. We are reviewing the SPS policy for staffing levels during emergency operations and will update the Emergency Plan documentation accordingly.

Attachment 1 to EOP-001 identifies a number of fuel-related issues that should be addressed in an Emergency Operations Plan. These elements are identified in items 1, 2, and 7 of the attachment.

Item 1 requires "an adequate fuel supply and inventory plan that recognizes reasonable delays or problems in the delivery or production of fuel." SPS has documented procedures regarding reporting of fuel emergencies as required by DOE, and has documented procedures regarding transfers of coal between units, where feasible, if coal is in short supply at a particular unit. SPS

<sup>1</sup> Violations are reported at the level of requirements, sub requirements are not necessary. For Public Release Dated June 3, 2008.

also has extensive processes in place regarding monitoring and evaluation of fuel supplies; however, these processes are not as well-documented. We intend to document the extensive processes that currently exist and incorporate the two existing policies listed above into a more comprehensive document that addresses SPS fuel management issues for inclusion in the Emergency Plan.

Item 2 requires "fuel switching plans for units for which fuel supply shortages may occur, e.g. gas and light oil." A recommendation has been made by the third-party consultant that our existing procedures be augmented with more detail around run-time associated with fuel oil reserves and procedures for testing fuel switching capabilities. We intend to augment SPS's existing practices and procedures as recommended and aggregate into a larger fuel policy document as discussed above for inclusion in the Emergency Plan.

Item 7 requires "the operating of all generating resources to optimize the availability [of fuel]. SPS has a number of procedures in place that address this issue, but those procedures were not documented in the Plan. As part of the effort to enhance documentation surrounding items 1 and 2, we will be incorporating these procedures into the larger fuel policy document and evaluating whether additional opportunities to optimize fuel availability may exist.

**Designate a reliability impact (minimal, moderate, or severe) that the noncompliance had or could have had on the interconnection. Include an explanation for the designation.**

Minimal. As noted above, processes exist (and have been used) to both adequately manage fuel-related issues, although enhancement of those procedures is warranted in some cases. Our primary compliance issue relates to adequacy of documentation surrounding these issues.

**Describe any mitigating factors for this non-compliance (include supporting documentation).**

Mitigating factors relate to the fact that processes were in place as noted above, and have been utilized over time to manage system operations to maintain reliability; however, sufficient documentation does not exist.

**Describe your detailed plan to become compliant.**

The general plan to address each of these issues is described above. The processes described above will involve coordination among multiple functional groups within the Company.

**Describe your detailed schedule to become compliant. (The schedule should include status updates at a minimum every three months to SPP).**

R4.4: We intend to complete the review and update staffing requirements as necessary by 08/31/2007.

R5, Elements 1, 2 and 7: We intend to be compliant by December 31, 2007. A status update will be provided on October 1, 2007.

Are additional documents or information attached:  Yes  No

Point of contact for questions regarding this Mitigation Plan:

Name: Terri K. Eaton

For Public Release Dated June 3, 2008.

Title: Project Director, Level 3  
Phone: 303-308-2871  
Email: terri.k.eaton@xcelenergy.com

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For Public Release Dated June 3, 2008.



## Regional Entity

Southwest Power Pool Regional Entity  
415 N. McKinley, 140 Plaza West  
Little Rock, AR 72205-3020  
501-614-3275 • Fax: (501) 664-9553

Kevin Goolsby  
Sr. Engineer, Compliance

August 31, 2007

Mr. Doug Jaeger  
VP, Transmission  
Southwestern Public Service Co. (SPS-XCEL)

Dear Mr. Jaeger:

SPS has self-reported four violations with NERC standards EOP-001-1 [R3.4, R4.4, and R5] and EOP-005-1[R1] within the SPP RE footprint. Therefore, SPP RE has notified NERC of the alleged violations. We have also received SPS's mitigation plans to correct the alleged violations. The plans are satisfactory to SPP and will be monitored until complete.

The completion date for the EOP-001 R4.4 mitigation plan is August 31, 2007 and I have received notice that this is complete. Requirements 3.4 & 5 have a completion date of December 31, 2007. EOP-005-1 R1 has a completion date of October 1, 2007. If SPS needs to modify the mitigation plans or change the completion date, please notify us in advance of the approved completion date. The SPP Regional Entity has to approve any changes to the mitigation plans before the original completion date.

This is a reminder that the alleged violation process has been initiated under the new ERO Compliance Monitoring and Enforcement Program. SPS will be notified in the near future of any penalties or sanctions associated with these self-reported violations.

As a further reminder, SPP RE personnel will be conducting an on-site audit of the SPS functions during the week of September 18<sup>th</sup> and will discuss these issues in more detail during this visit.

If you have any questions, you may contact Ron or me.

Respectfully,

*Kevin Goolsby*

Kevin Goolsby  
Sr. Engineer, Compliance

SPP Self Report Form

Registered Entity Name: Southwestern Public Service Company

Contact Name: Terri K. Eaton

Contact Phone: 303-308-2871

Contact email: terri.k.eaton@xcelenergy.com

Date noncompliance was discovered: External consultant report received 07/23/2007

Date noncompliance was reported: 08/02/2007

Standard Title: Emergency Operations Planning

Standard Number: EOP-001

While it is not clear that the standards require auditable compliance, SPS has been reviewing its plans developed to comply with EOP-001 with the assistance of an independent external consultant to review auditable compliance status. At this point, it appears the plans are not fully auditable compliant. In some cases, operational processes used by SPS for several years have not been fully documented. In other cases, documentation has not yet been fully compiled. We have attempted to delineate below each specific instance where we believe additional documentation is needed to achieve full auditable compliance; however, other examples may exist. In conjunction with completion of our mitigation plan described below, we will be compiling compliance documentation and developing documentation to address any documentation issues (if any) SPS identifies in conjunction with completion of the mitigation plan.

Requirement Number(s)<sup>1</sup>: R3.4; R4.4; R5, elements 1, 2, 4, 5, and 7

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

Noncompliance was discovered for R3.4; R4.4; R5, elements 1, 2, 4, 5, and 7 through review of the SPS Emergency Plan documents by an expert consultant engaged to review compliance with EOP-001, plus self-evaluation.

**\*Submit a Completed Mitigation Plan in conjunction with this form to show that corrective steps are being taken.**

Mitigation Plans are attached for: R4.4, R5, elements 1, 2, and 7.

**If a mitigation plan is not being submitted with this form please complete the following:**

<sup>1</sup> Violations are reported at the level of requirements, sub requirements are not necessary. For Public Release Dated June 3, 2008.



Mitigation Plans are not being submitted with this form as follows:

R3.4: Mitigation Plan to be submitted separately by 08/20/2007.

R5, element 4: Corrective action taken to document controlling actions that reflect operational processes used, therefore no mitigation plan is needed.

R5, element 5: Corrective action taken to document controlling actions that reflect operational processes used, therefore no mitigation plan is needed.

Describe the cause of non-compliance:

R3.4: Insufficient documentation in the Emergency Plan relative to the system restoration plans.

R5, element 4: Insufficient documentation in the Emergency Plan relative to the procedures relied upon to reduce the system's own use to a minimum.

R5, element 5: Insufficient documentation in the Emergency Plan relative to the procedures relied upon to alert the media for public appeals for voluntary conservation and load reduction.

Describe the reliability impact of this non-compliance:

R3.4: No reliability impact. Operational procedures existed, however, they were not fully documented in the Emergency Plan.

R5, element 4: No reliability impact. Operational procedures existed, however, they were not fully documented in the Emergency Plan.

R5, element 5: No reliability impact. Operational procedures existed, however, they were not fully documented in the Emergency Plan.

Expected date of Mitigation Plan submittal:

R3.4: Completed Mitigation Plan to be submitted by 08/20/2007.

R5, element 4: Corrective action completed. Detailed procedures for implementing this directive have been documented and distributed to the appropriate personnel and are now contained in the Emergency Plan.

R5, element 5: Corrective action completed. Detailed procedures for implementing this directive have been documented and distributed to the appropriate personnel and are now contained in the Emergency Plan.



August 2, 2007

414 Nicollet Mall  
Minneapolis, Minnesota 55401-1993Mr. Ron Ciesiel, Director  
Compliance  
Southwest Power Pool

Via fax: 501-664-9553

Dear Mr. Ciesiel:

Today, Xcel Energy Services Inc. ("Xcel Energy") filed a self-report and mitigation plan regarding Standards EOP-001 and EOP-005 with your organization for the Southwestern Public Service Company ("SPS"), the Xcel Energy Operating Company<sup>1</sup> operating within your region. In addition, Xcel Energy filed a self-report and mitigation plan with the MRO for EOP-001 for the NSP System and self-reports for Standards EOP-001 and EOP-005 and a mitigation plan for EOP-001 with the WECC for PSCo. The purpose of this letter is to bring these filings to your attention and to express Xcel Energy's willingness to work with you to ensure consistency between the regions in your response to these reports.

As part of Xcel Energy's ongoing efforts to assure compliance with North American Electric Reliability Council ("NERC") reliability standards by the Xcel Energy Operating Companies, we engaged an independent external consultant to review compliance with EOP-001. The consultant submitted a report to us and based upon our review we have determined that our compliance documentation should be improved. Xcel Energy has begun work to immediately improve the compliance documentation and is submitting mitigation plans for those requirements where the compliance documentation will take more time.

We are submitting the self reports both for the EOP-001 compliance requirements (a) where Xcel Energy enhanced its documentation after July 23, 2007 (and thus no mitigation plan is needed at this point), and (b) where the compliance documentation needs further improvement. For the latter category, we are submitting mitigation plans to the Regional Entities. In addition, through our review of the consultant's report regarding EOP-001, we identified that the compliance documentation for Standard EOP-005 for PSCo and SPS also should be improved. So we are also submitting a self-report regarding EOP-005 for PSCo and SPS, and as noted below mitigation plans will be submitted for these items no later than August 20, 2007.

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<sup>1</sup> The Xcel Energy Operating Companies are SPS located in the Southwest Power Pool ("SPP"); Public Service Company of Colorado ("PSCo") located in the Western Electricity Coordinating Council ("WECC"); and Northern States Power Company (Minnesota) and Northern States Power Company (Wisconsin) (collectively "NSP System"), which operate an integrated system located within the Midwest Reliability Organization ("MRO").

A summary of the elements of each of these self-reports and mitigation plans is provided below, and more detail may be found in the individual self-reports and mitigation plans. As the summary indicates, several elements of these reports and in particular the mitigation plans are common across our reporting operating companies:

EOP-001 Requirement	PSCo		NSP System		SPS	
	Report	Plan	Report	Plan	Report	Plan
R3.4	X	X			X	X
R4.1	X					
R4.4					X	X
R5, item 1	X	X	X	X	X	X
R5, item 2	X	X	X	X	X	X
R5, item 3			X			
R5, item 4	X		X		X	
R5, item 5	X		X		X	
R5, item 7	X	X	X	X	X	X
R5, item 13			X			
R5, item 14	X	X				

\*Requirement relates to restoration plans, specific requirements of which are set forth in EOP-005. XES anticipates filing mitigation plans for PSCo and SPS relating to EOP-001 R3.4 and EOP-005 by August 20, 2007.

To facilitate efforts to ensure consistency in responses to these reports and plans, Xcel Energy hereby requests that each Reliability Entity provide one another copies of our self-reports and mitigation plans relating to EOP-001, and WECC and SPP are requested to share copies of our self-reports relating to EOP-005. We further request that you discuss these self reports and mitigation plans among yourselves and with the North American Electric Reliability Council ("NERC"). Further, upon request, we will be happy to discuss any or all of these reports with you collectively or individually.

Please let me know if you have any questions or require further information. My phone number is 303-308-2871 and my email address is [terri.k.eaton@xcelenergy.com](mailto:terri.k.eaton@xcelenergy.com).

Thank you for your prompt attention to this matter.

Sincerely,

Terri K. Eaton  
 Project Director  
 Mandatory Reliability Standard Compliance  
 Xcel Energy Services Inc., on behalf of the  
 Xcel Energy Operating Companies

Cc: Kristine Schmidt, Director  
Federal Regulatory Affairs  
Xcel Energy Services Inc.

James P. Johnson, Assistant General Counsel  
Xcel Energy Services Inc.

Greg Pieper, Director  
System Operations  
Xcel Energy Services Inc.

## MITIGATION PLAN WORKSHEET

<b>NERC Tracking Number:</b>	SPP200700005
<b>Name of Entity:</b>	Southwestern Public Service [SPS]
<b>NERC ID #</b>	NCR01145
<b>Standards Mitigated:</b>	EOP-005
<b>Standard Requirement(s) Violated:</b>	R1
<b>Applicable Entity Functions:</b>	BA, TOP
<b>Date of Plan or Revision:</b>	8-2-07

**R1 requires a System Restoration Plan include all of the elements listed in Attachment 1 to the Standard. The SPS Plan appears to be deficient in the documentation of several of these elements.**

**SPS has initiated a gap review of all of the documentation required by the approved Standards. This review has revealed some procedures and processes performed by the SPS operators has not been documented properly or has not been consolidated into a master plan. SPS has undertaken a project to bring fragmented parts of the evidence into a more presentable format as well as add more detail to some of the elements required in a complete System Restoration Plan.**

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>Is the Entity registered with SPP</b>
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>Standard applicable to entity registered functions</b>
<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<b>Entity contact information provided</b>
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>Cause of original violation identified</b>
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>Clear and adequate description and rational of corrective actions</b>
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>Plan milestones and completion schedule included</b>
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>Approved by entity officer ( or equivalent)</b>
<b>Comments: See attached Self-Reporting Form</b>		

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>Corrective actions described by the entity will address the standard/requirement(s) violated</b>
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>These actions will alleviate the non-compliance of the violation(s) associated with the plan</b>
<b>Comments: Document will be reviewed during on-site audit.</b>		

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>Entity's proposed corrective actions are likely to mitigate the reoccurrence of the same violation(s) in the future</b>
<b>Comments: This change should be sufficient as long as the Standard is not changed. There are several requirements of the Standard that annual review and update [specifically R2].</b>		

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>Plan can adequately be monitored for progress</b>
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<b>Entity has provided implementation milestones no more than three (3) months apart</b>
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<b>Milestones provided are meaningful and appropriate relative to scope and duration of the plan.</b>
<b>Comments: This document will be reviewed during on-site compliance audit during the week of September 18<sup>th</sup>.</b>		

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<b>Plan includes appropriate additional action/oversight to mitigate increased risk to the reliability of the BPS while the plan is being implemented</b>
<b>Comments: N/A</b>		

**SPS has a scheduled on-site compliance audit during the week of Septemebr 18<sup>th</sup>.  
All self-reported violations and supporting documents presented as evidence will be  
reviewed during the audit.**

REVIEWED BY: Ron Ciesiel

DATE: August 20, 2007





## Regional Entity

Southwest Power Pool Regional Entity  
415 N. McKinley, 140 Plaza West  
Little Rock, AR 72205-3020  
501-614-3275 • Fax: (501) 664-9553

Kevin Goolsby  
Sr. Engineer, Compliance

August 31, 2007

Mr. Doug Jaeger  
VP, Transmission  
Southwestern Public Service Co. (SPS-XCEL)

Dear Mr. Jaeger:

SPS has self-reported four violations with NERC standards EOP-001-1 [R3.4, R4.4, and R5] and EOP-005-1[R1] within the SPP RE footprint. Therefore, SPP RE has notified NERC of the alleged violations. We have also received SPS's mitigation plans to correct the alleged violations. The plans are satisfactory to SPP and will be monitored until complete.

The completion date for the EOP-001 R4.4 mitigation plan is August 31, 2007 and I have received notice that this is complete. Requirements 3.4 & 5 have a completion date of December 31, 2007. EOP-005-1 R1 has a completion date of October 1, 2007. If SPS needs to modify the mitigation plans or change the completion date, please notify us in advance of the approved completion date. The SPP Regional Entity has to approve any changes to the mitigation plans before the original completion date.

This is a reminder that the alleged violation process has been initiated under the new ERO Compliance Monitoring and Enforcement Program. SPS will be notified in the near future of any penalties or sanctions associated with these self-reported violations.

As a further reminder, SPP RE personnel will be conducting an on-site audit of the SPS functions during the week of September 18<sup>th</sup> and will discuss these issues in more detail during this visit.

If you have any questions, you may contact Ron or me.

Respectfully,

*Kevin Goolsby*

Kevin Goolsby  
Sr. Engineer, Compliance

CONFIDENTIALMitigation Plan FormNew  Revised Registered Entity Name: **Southwestern Public Service Company**Date noncompliance was discovered or reported: **8/2/2007**Date Mitigation Plan submitted: **8/20/2007**Standard Title: **System Restoration Plans**Standard Number: **EOP-005**Requirement Number(s)<sup>1</sup>: **R1**Level of Noncompliance:  Level 1  Level 2  Level 3  Level 4

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

**Internal Audit of restoration plan by an external consultant engaged to evaluate compliance as well as self-evaluation.**

Provide an explanation of the noncompliance:

**Documentation relating to the following elements of Attachment 1 is not complete (text shown in bold italic is language from attachment 1—language in bold text reflects enhancements being undertaken by SPS):*****#1, Plan and procedures outlining the relationship and responsibilities of personnel necessary to implement system restoration. Some discussion of roles is contained in existing documentation but it needs to be enhanced and the issue of responsibilities more completely addressed.******#2, The provision for a reliable black-start capability plan including: fuel resources for black start power for generating units, available cranking and transmission paths, and communication adequacy and protocol and power supplies. Detail regarding communication adequacy and protocol and power supplies needs to be enhanced in the existing, "Loss of Telecommunications" document.******#8, The functions to be coordinated with and among Reliability Coordinators and neighboring Transmission Operators. (The plan should include references to coordination of actions among neighboring Transmission Operators and Reliability Coordinators when***<sup>1</sup> Violations are reported at the level of requirements, sub requirements are not necessary.

**the plans are implemented.) The plan presently focuses on situations where SPS is starting from black but does not fully address situations where SPS may be needed to assist in starting an adjoining control area from black start.**

Designate a reliability impact (minimal, moderate, or severe) that the noncompliance had or could have had on the interconnection. Include an explanation for the designation.

**Minimal. The basic structure and operational function of the plan is in place. Additional detail is needed around certain requirements in Attachment 1 as discussed above.**

Describe any mitigating factors for this non-compliance (include supporting documentation).

**Maddox 3 (the SPS black start unit) is started up approximately monthly.**

**A test was conducted in December, 2004, to test procedures relating to start of Maddox 2 from Maddox 3 output.**

**The SPS control center operators have trained on the Black start every year. This is accomplished by having the operators locate and review the black start plan. We have set up a black start situation in our EMS state estimator study area and had the operators simulate energizing the cranking path from our black start unit the critical units identified. For 2007, we have participated with regional Southwest Power Pool coordinated black start drills. These drills consist of utilizing the SPP training simulator. Each member of the pool worked on their own black plan using SPP staff to coordinate the actions of the members.**

**Nature of gap in documentation is minimal, as noted above.**

Describe your detailed plan to become compliant.

**Additional detail will be added to documentation to address each of the four items listed above.**

Describe your detailed schedule to become compliant. (The schedule should include status updates at a minimum every three months to ~~WEGC~~ <sup>SPP RE</sup>).

**An upgraded plan will be completed by 10/1/2007.**

Are additional documents or information attached:  Yes  No

Additional Notes or Comments:

Point of contact for questions regarding this Mitigation Plan:

Name: **Terri K. Eaton**  
Title: **Project Director**  
Phone: **303-308-2871**

For Public Release Dated June 3, 2008.

Email: [terri.k.eaton@xcelenergy.com](mailto:terri.k.eaton@xcelenergy.com)

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August 2, 2007

414 Nicollet Mall  
Minneapolis, Minnesota 55401-1993Mr. Ron Ciesiel, Director  
Compliance  
Southwest Power Pool

Via fax: 501-664-9553

Dear Mr. Ciesiel:

Today, Xcel Energy Services Inc. ("Xcel Energy") filed a self-report and mitigation plan regarding Standards EOP-001 and EOP-005 with your organization for the Southwestern Public Service Company ("SPS"), the Xcel Energy Operating Company<sup>1</sup> operating within your region. In addition, Xcel Energy filed a self-report and mitigation plan with the MRO for EOP-001 for the NSP System and self-reports for Standards EOP-001 and EOP-005 and a mitigation plan for EOP-001 with the WECC for PSCo. The purpose of this letter is to bring these filings to your attention and to express Xcel Energy's willingness to work with you to ensure consistency between the regions in your response to these reports.

As part of Xcel Energy's ongoing efforts to assure compliance with North American Electric Reliability Council ("NERC") reliability standards by the Xcel Energy Operating Companies, we engaged an independent external consultant to review compliance with EOP-001. The consultant submitted a report to us and based upon our review we have determined that our compliance documentation should be improved. Xcel Energy has begun work to immediately improve the compliance documentation and is submitting mitigation plans for those requirements where the compliance documentation will take more time.

We are submitting the self reports both for the EOP-001 compliance requirements (a) where Xcel Energy enhanced its documentation after July 23, 2007 (and thus no mitigation plan is needed at this point), and (b) where the compliance documentation needs further improvement. For the latter category, we are submitting mitigation plans to the Regional Entities. In addition, through our review of the consultant's report regarding EOP-001, we identified that the compliance documentation for Standard EOP-005 for PSCo and SPS also should be improved. So we are also submitting a self-report regarding EOP-005 for PSCo and SPS, and as noted below mitigation plans will be submitted for these items no later than August 20, 2007.

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<sup>1</sup> The Xcel Energy Operating Companies are SPS located in the Southwest Power Pool ("SPP"); Public Service Company of Colorado ("PSCo") located in the Western Electricity Coordinating Council ("WECC"); and Northern States Power Company (Minnesota) and Northern States Power Company (Wisconsin) (collectively "NSP System"), which operate an integrated system located within the Midwest Reliability Organization ("MRO").

A summary of the elements of each of these self-reports and mitigation plans is provided below, and more detail may be found in the individual self-reports and mitigation plans. As the summary indicates, several elements of these reports and in particular the mitigation plans are common across our reporting operating companies:

EOP-001 Requirement	PSCo		NSP System		SPS	
	Report	Plan	Report	Plan	Report	Plan
R3.4	X	X*			X	X*
R4.1	X					
R4.4					X	X
R5, item 1	X	X	X	X	X	X
R5, item 2	X	X	X	X	X	X
R5, item 3			X			
R5, item 4	X		X		X	
R5, item 5	X		X		X	
R5, item 7	X	X	X	X	X	X
R5, item 13			X			
R5, item 14	X	X				

\*Requirement relates to restoration plans, specific requirements of which are set forth in EOP-005. XES anticipates filing mitigation plans for PSCo and SPS relating to EOP-001 R3.4 and EOP-005 by August 20, 2007.

To facilitate efforts to ensure consistency in responses to these reports and plans, Xcel Energy hereby requests that each Reliability Entity provide one another copies of our self-reports and mitigation plans relating to EOP-001, and WECC and SPP are requested to share copies of our self-reports relating to EOP-005. We further request that you discuss these self reports and mitigation plans among yourselves and with the North American Electric Reliability Council ("NERC"). Further, upon request, we will be happy to discuss any or all of these reports with you collectively or individually.

Please let me know if you have any questions or require further information. My phone number is 303-308-2871 and my email address is [terri.k.caton@xcelenergy.com](mailto:terri.k.caton@xcelenergy.com).

Thank you for your prompt attention to this matter.

Sincerely,

Terri K. Eaton  
 Project Director  
 Mandatory Reliability Standard Compliance  
 Xcel Energy Services Inc., on behalf of the  
 Xcel Energy Operating Companies

Cc: Kristine Schmidt, Director  
Federal Regulatory Affairs  
Xcel Energy Services Inc.

James P. Johnson, Assistant General Counsel  
Xcel Energy Services Inc.

Greg Pieper, Director  
System Operations  
Xcel Energy Services Inc.

## SPP Self Report Form

Registered Entity Name: Southwestern Public Service Company

Contact Name: Terri K. Eaton

Contact Phone: 303-308-2871

Contact email: terri.k.eaton@xcelenergy.com

Date noncompliance was discovered: 07/23/2007

Date noncompliance was reported: 08/02/2007

Standard Title: Emergency Operations Planning

Standard Number: EOP-005

While it is not clear that the standards require auditable compliance, SPS has been reviewing its plans developed to comply with EOP-005 and to review auditable compliance status. At this point, it appears they are not fully auditably compliant. In some cases, operational processes used by SPS for several years have not been fully documented. In other cases, documentation has not yet been fully compiled. We have attempted to delineate below each specific instance where we believe additional documentation is needed to achieve full auditable compliance; however, other examples may exist. In conjunction with completion of our mitigation plan described below, we will be compiling compliance documentation and developing documentation to address any documentation issues (if any) SPS identifies in conjunction with completion of the mitigation plan.

Requirement Number(s)<sup>1</sup>: R1

10/1

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

Self-evaluation after receipt of external consultant report regarding EOP-001 compliance

**\*Submit a Completed Mitigation Plan in conjunction with this form to show that corrective steps are being taken. If a mitigation plan is not being submitted with this form please complete the following:**

Describe the cause of non-compliance:

Insufficient detail in SPS' system restoration plans.

Describe the reliability impact of this non-compliance:

No reliability impact. System Restoration procedures exist and have been utilized in response to prior outage events on the SPS system. However, the Company believes additional documentation needs to be completed to demonstrate compliance.

<sup>1</sup> Violations are reported at the level of requirements, sub requirements are not necessary.



Southwest Power Pool

Expected date of Mitigation Plan submittal:  
08/20/2007



# Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: 9/7/2007

## 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.
- A.2  I have reviewed Attachment A and understand that this Mitigation Plan Submittal Form will not be accepted unless this box is checked.

## Section B: Registered Entity Information

- B.1 Identify your organization:

Company Name: Southwestern Public Service

Company Address:

NERC Compliance Registry ID: NCR01145

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

Name:

Title:

Email:

Phone:

## Section C: Identification of Alleged or Confirmed Violation(s) Associated with this Mitigation Plan

- C.1 This Mitigation Plan is associated with the following Alleged or Confirmed violation(s) of the reliability standard listed below.

Applicable Standard, Requirement(s) and dates:

NERC Violation ID #	Reliability Standard	Requirement Number	Violation Risk Factor	Alleged or Confirmed Violation Date <sup>(*)</sup>	Method of Detection (e.g., Audit, Self-report, Investigation)
SPP200700006	CIP-001	R2.		8/6/2007	Self-report



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(\* Note: The Alleged or Confirmed Violation Date shall be expressly specified by Registered Entity, and subject to modification by SPP, as: (i) the date the Alleged or Confirmed violation occurred; (ii) the date that the Alleged or Confirmed violation was self-reported; or (iii) the date that the Alleged or Confirmed violation has been deemed to have occurred on by SPP. Questions regarding the date to use should be directed to the SPP contact identified in Section G of this form.

C.2 Identify the cause of the Alleged or Confirmed violation(s) identified above. Additional detailed information may be provided as an attachment:

R2 requires a procedure to notify 'other appropriate parties' in the interconnection of a sabotage event. The entity's procedure did not have such a section for this action.

C.3 Provide any additional relevant information regarding the Alleged or Confirmed violations associated with this Mitigation Plan. Additional detailed information may be provided as an attachment:

**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 Alleged or Confirmed violations identified above in Part C.1 of this form. Additional detailed information may be provided as an attachment:

There was actually no formal mitigation plan submitted. The entity modified the document the week after the discovery of the deficiency.

**Mitigation Plan Timeline and Milestones**

D.2 Provide the date by which full implementation of the Mitigation Plan will be, or has been, completed with respect to the Alleged or Confirmed violations identified above. State whether the Mitigation Plan has been fully implemented: 8/31/2007 – Fully implemented.

D.3 Enter Milestone Activities, with due dates, that your organization is proposing, or has completed, for this Mitigation Plan:

Milestone Activity	Proposed/Actual Completion Date*
--------------------	----------------------------------

	(shall not be more than 3 months apart)
Modify existing document.	8/13/2007

(\*) Note: Implementation milestones no more than three (3) months apart are permissible only 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.

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

**Abatement of Interim BPS Reliability Risk**

E.1 While your organization is implementing this Mitigation Plan the reliability of the Bulk Power System (BPS) 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 to mitigate this increased risk to the reliability of the BPS. Additional detailed information may be provided as an attachment:

Not applicable as the violation was mitigated immediately.

**Prevention of Future BPS Reliability Risk**

E.2 Describe how successful completion of this Mitigation Plan will prevent or minimize the probability that your organization incurs further risk or Alleged violations of the same or similar reliability standards requirements in the future. Additional detailed information may be provided as an attachment:

Not applicable as the violation was mitigated immediately.



**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 this Mitigation Plan for acceptance by SPP and approval by NERC, and
- b) If applicable, certifies that this Mitigation Plan was completed on or before the date provided as the ‘Date of Completion of the Mitigation Plan’ on this form, and
- c) Acknowledges:
  - 1. I am [Title] of Southwestern Public Service Co. (SPS-XCEL).
  - 2. I am qualified to sign this Mitigation Plan on behalf of Southwestern Public Service Co. (SPS-XCEL).
  - 3. I understand [Organization’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)).
  - 3. I have read and am familiar with the contents of this Mitigation Plan.
  - 4. Southwestern Public Service Co. (SPS-XCEL) agrees to comply with, this Mitigation Plan, including the timetable completion date, as accepted by SPP and approved by NERC.

**Authorized Individual Signature** \_\_\_\_\_

Name (Print):  
Title:  
Date:



**Section G: Regional Entity Contact**

Please direct any questions regarding completion of this form to:

Ron Ciesel  
Southwest Power Pool  
415 N. McKinley, Suite 140  
Little Rock, AR 72205-3020  
Phone: 501-614-3265

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

- I. Section 6.2 of the CMEP<sup>1</sup> sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:
- (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section 2.0.
  - (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
  - (3) The cause of the Alleged or Confirmed Violation(s).
  - (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
  - (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed violation(s).
  - (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
  - (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
  - (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.
  - (9) Any other information deemed necessary or appropriate.
  - (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self-Certification or Self Reporting submittals.
- II. This submittal form must be used to provide a required Mitigation Plan for review and acceptance by SPP and approval by NERC.
- III. This Mitigation Plan is submitted to the regional entity(ies) and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.

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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.



- IV. This Mitigation Plan Submittal 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 Alleged or Confirmed violations with respect to each additional Reliability Standard, as applicable.
- V. If the Mitigation Plan is accepted by SPP and approved by 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. SPP 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 BPS.



## **Attachment e**

# **Southwestern Public Service Co.'s certification of completion of the Mitigation Plans**



Southwest Power Pool Regional Entity  
415 N. McKinley, 140 Plaza West  
Little Rock, AR 72205-3020  
501-614-3265 • Fax: (501) 664-6923

Ronald W. Ciesiel  
Executive Director of Compliance

May 28, 2008

Ms. Terri Eaton  
Project Director  
Xcel Energy

Summary of Mitigation Plan Completion Reports for Violations SPP200700002 to 00006

Dear Terri:

The referenced mitigation plans were submitted by Xcel Energy Services Inc. (Xcel Energy) on behalf of Southwestern Public Service Company (SPS) based on a gap analysis performed by during the 2<sup>nd</sup> and 3<sup>rd</sup> quarters of 2007. This gap analysis was performed as part of an enterprise-wide self-assessment of compliance with mandatory reliability standards and, in the case of SPS, in anticipation of a scheduled on-site compliance audit to be conducted by the SPP Regional Entity (SPP RE) during the week of September 17, 2008. In conjunction with this self-assessment, SPS submitted self-reports relating to the referenced violations, which self-reports were either accompanied by a mitigation plan or completion of mitigation action was reported in the initial self-report.

The audit team, consisting of SPP RE staff, independent contractors and NERC staff reviewed the documentation presented by SPS as evidence in support of its compliance with all of the audited standards including the standards and requirements initially self-reported as being in violation. The audit team found that all deficiencies of the original self-reporting had been corrected and had been adopted by the SPS personnel. The audit team found SPS to be in compliance with these standards and requirements. The audit team published its findings upon return to the RE offices.

Our records indicate that the SPP RE was officially notified of the mitigation plan completion on the dates shown in the following table:

<u>Violation Reference</u>	<u>Notification Date</u>
SPP200700002	9-27-07
SPP200700003	8-31-07
SPP200700004	12-11-07 **
SPP200700005	9-27-07

May 28, 2008

SPP200700006

8-14-07

\*\* The on-site audit team found that the SPS portion of the Xcel Energy documentation was in compliance with requirements of the original self-report. Technically, the SPP RE should have dismissed this violation but did not do so in this case and SPS did not request a dismissal. Xcel Energy reported this plan as complete upon finalizing further enhancements to documentation deployed enterprise-wide.

Some of these dates are after the date of the on-site compliance audit, but as previously noted, all substantive portions of the evidence were reviewed by the audit team while on-site and deemed to be in compliance.

Our records also indicate that the closing notifications were made via an e-mail notice to the SPP RE offices. We did not follow-up with you and request a more formal closing notice, as required by the CMEP program, because we used the results of the on-site audit as evidence of completion of the mitigation plans and considered the closing notices as an administrative follow-up to close the books on this mitigation activity.

However, as the SPP RE and NERC began to complete the files on these activities, the SPP RE discovered this deficiency and is proposing a remedy as a means of bringing this open issue to closure.

If you are in agreement with my chronology, the background for the self-reports and the subsequent findings from the on-site audit, please sign this document where indicated and we will enter it into the official violation files in lieu of an original formal closing notice for each violation.

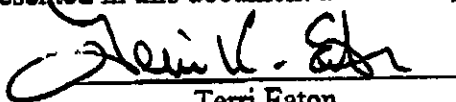
I apologize for any inconvenience this request may cause you or your colleagues at Xcel Energy and SPS. As you are aware, the requirements for opening and closing violations and mitigation plans have become more formal as the SPP RE CMEP program has matured.

If you have any questions, please contact me at your convenience.

Yours truly,

*Ronald W. Ciesiel*

On behalf of Southwestern Public Service Company, I have reviewed the information presented in this document and affirm, to the best of my knowledge, that it is accurate.



Terri Eaton

Project Director

Xcel Energy Services Inc.

Date

5/28/08

## **Attachment f**

# **Southwest Power Pool Regional Entity's statement of verification that the Mitigation Plans have been completed**



**STATEMENT OF VERIFICATION OF COMPLETED MITIGATION PLANS**  
**FOR VIOLATION NUMBERS SPP200700002 to SPP200700006**

As discussed in the attached document, the SPP RE received these five (5) self-reported violations prior to a scheduled on-site compliance audit of Southwestern Public Service Company (SPS). The SPP RE staff and representatives of SPS agreed that all evidence of compliance and completion of the proposed mitigation plans would be reviewed during the on-site visit.

The audit team consisted of SPP RE staff, independent consultants retained by the SPP RE and NERC staff. The site visit took place during the week of September 17, 2007. The audit team reviewed evidence of compliance for all of the reliability standards and requirements in the 2007 audit program with particular attention to the standards and requirements contained in the 5 self-reports from SPS. The audit team noted the sources of the evidence including revision dates and included this information in the team notes on the appropriate Reliability Standards Auditor Worksheet (RSAW). At the time of this audit it was not the SPP RE's practice to retain evidence of compliance for standards that were found to be in compliance but rather note the source of the evidence. The audit team found SPS to be in compliance with all of the requirements, including the mitigated violations, and published an audit report that is available on the NERC website.

Respectfully submitted by:

Ronald W. Ciesiel  
Executive Director of Compliance  
Southwest Power Pool Regional Entity



Southwest Power Pool Regional Entity  
415 N. McKinley, 140 Plaza West  
Little Rock, AR 72205-3020  
501-614-3265 • Fax: (501) 664-6923

Ronald W. Ciesiel  
Executive Director of Compliance

May 23, 2008

Ms. Terri Eaton  
Project Director  
Xcel Energy

Summary of Mitigation Plan Completion Reports for Violations SPP200700002 to 00006

Dear Terri:

The referenced mitigation plans were submitted by Xcel Energy Services Inc. (Xcel Energy) on behalf of Southwestern Public Service Company (SPS) based on a gap analysis performed by during the 2<sup>nd</sup> and 3<sup>rd</sup> quarters of 2007. This gap analysis was performed as part of an enterprise-wide self-assessment of compliance with mandatory reliability standards and, in the case of SPS, in anticipation of a scheduled on-site compliance audit to be conducted by the SPP Regional Entity (SPP RE) during the week of September 17, 2008. In conjunction with this self-assessment, SPS submitted self-reports relating to the referenced violations, which self-reports were either accompanied by a mitigation plan or completion of mitigation action was reported in the initial self-report.

The audit team, consisting of SPP RE staff, independent contractors and NERC staff reviewed the documentation presented by SPS as evidence in support of its compliance with all of the audited standards including the standards and requirements initially self-reported as being in violation. The audit team found that all deficiencies of the original self-reporting had been corrected and had been adopted by the SPS personnel. The audit team found SPS to be in compliance with these standards and requirements. The audit team published its findings upon return to the RE offices.

Our records indicate that the SPP RE was officially notified of the mitigation plan completion on the dates shown in the following table:

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SPP200700003	8-31-07
SPP200700004	12-11-07 **
SPP200700005	9-27-07

SPP200700006

8-14-07

\*\* The on-site audit team found that the SPS portion of the Xcel Energy documentation was in compliance with requirements of the original self-report. Technically, the SPP RE should have dismissed this violation but did not do so in this case and SPS did not request a dismissal. Xcel Energy reported this plan as complete upon finalizing further enhancements to documentation deployed enterprise-wide.

Some of these dates are after the date of the on-site compliance audit, but as previously noted, all substantive portions of the evidence were reviewed by the audit team while on-site and deemed to be in compliance.

Our records also indicate that the closing notifications were made via an e-mail notice to the SPP RE offices. We did not follow-up with you and request a more formal closing notice, as required by the CMEP program, because we used the results of the on-site audit as evidence of completion of the mitigation plans and considered the closing notices as an administrative follow-up to close the books on this mitigation activity.

However, as the SPP RE and NERC began to complete the files on these activities, the SPP RE discovered this deficiency and is proposing a remedy as a means of bringing this open issue to closure.

If you are in agreement with my chronology, the background for the self-reports and the subsequent findings from the on-site audit, please sign this document where indicated and we will enter it into the official violation files in lieu of an original formal closing notice for each violation.

I apologize for any inconvenience this request may cause you or your colleagues at Xcel Energy and SPS. As you are aware, the requirements for opening and closing violations and mitigation plans have become more formal as the SPP RE CMEP program has matured.

If you have any questions, please contact me at your convenience.

Yours truly,

*Ronald W. Ciesiel*

On behalf of Southwestern Public Service Company, I have reviewed the information presented in this document and affirm, to the best of my knowledge, that it is accurate.

\_\_\_\_\_  
Terri Eaton  
Project Director  
Xcel Energy Services Inc.

Date \_\_\_\_\_

**Attachment g**  
**NERC BOTCC Decision**



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*By the Board of Trustees Compliance Committee*



**Attachment h**

**Notice of Filing**

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Southwestern Public Service Co. (SPS-XCEL)

Docket No. NP08-\_\_\_\_-000

NOTICE OF FILING  
(DATE)

Take notice that on [DATE], the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding Southwestern Public Service Co. (SPS-XCEL) in the Southwest Power Pool Regional Entity 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