

143 FERC ¶ 61,269  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

June 24, 2013

In Reply Refer To:  
North American Electric Reliability  
Corporation  
Docket Nos. RD13-5-000  
RR08-4-000  
RR08-4-001  
RR08-4-002  
RM08-19-004  
RM09-9-000  
RM09-19-000  
RM09-25-000  
RM10-15-000  
RM10-16-000  
RD11-4-000

North American Electric Reliability Corporation  
Holly A. Hawkins, Attorney  
1120 G Street NW., Suite 990  
Washington, DC 20005-3801

Reference: Supplemental Information to North American Electric Reliability Corporation (NERC) Compliance Filing in Response to the Order on Violation Severity Levels and Violation Risk Factors Proposed by the Electric Reliability Organization in Docket Nos. RR08-4-000, RR08-4-001, RR08-4-002, RM08-19-002, RM09-9-000, RM09-14-000, RM09-25-000, RM10-10-000, RM10-15-000, RM10-16-000, RD11-2-000, RD11-4-000 and RM11-14-000<sup>1</sup>

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<sup>1</sup> NERC referenced four dockets in this filing that are not included in the above-captioned dockets (specifically, RM09-14-000, RM10-10-000, RD11-2-000 and RM11-14-000). These dockets do not involve Reliability Standards that are affected by the modified violation risk factors and violation severity levels proposed in NERC's Supplemental Informational Filing.

Dear Ms. Hawkins:

1. On February 15, 2013, NERC, the Commission-certified electric reliability organization, filed supplemental information concerning revised violation risk factors and violation severity levels associated with currently-approved Reliability Standards (hereafter, the 2013 VRF/VSL Supplement). NERC has asked that the Commission accept this supplemental information and issue an order consistent with the comments and exhibits provided.

2. The 2013 VRF/VSL Supplement includes modifications to violation severity levels that were originally filed in a December 1, 2010 compliance filing<sup>2</sup> in response to the Commission's June 19, 2008 Order on Violation Severity Levels.<sup>3</sup> In the December 1, 2010 Filing, NERC proposed modified violation severity levels for 78 Reliability Standards. Now, in the 2013 VRF/VSL Supplement, NERC proposes further modifications to certain violation severity level designations to ensure consistency with the Commission's violation severity level guidelines and other guidance orders.

3. The 2013 VRF/VSL Supplement also includes modifications to, or additional justifications for, violation risk factors and violation severity level designations about which the Commission has deferred action or otherwise noted concerns. Certain modifications are submitted in proceedings in which the Commission explicitly deferred ruling on proposed violation risk factors and violation severity levels pending a final order on NERC's March 5, 2010 "roll-up" petition, in which NERC proposed comprehensive changes in its approach to assigning violation risk factors and violation severity levels.<sup>4</sup> The dockets in which we deferred ruling are as follows:

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<sup>2</sup> NERC, Compliance Filing in Response to the Order on Violation Severity Levels Proposed by the Electric Reliability Organization, Docket Nos. RR08-4-000, RR08-4-001, RR08-4-002, RR08-4-005 (filed Dec. 1, 2010) (December 2010 Filing).

<sup>3</sup> *North American Electric Reliability Corp.*, 123 FERC ¶ 61,284 (approving violation severity levels for 83 Reliability Standards, with directives to modify certain violation severity levels for 5 Reliability Standards, adopting guidelines for evaluating violation severity levels, and requiring NERC to do a comprehensive review to ensure consistency with the adopted guidelines), *order on reh'g*, 125 FERC ¶ 61,212 (2008).

<sup>4</sup> On March 5, 2010, as supplemented on May 5, 2010, NERC submitted a new approach to the assignment of violation risk factors and violation severity levels in Docket No. RR08-4-005, which the Commission accepted in an order issued May 19, 2011. *North American Electric Reliability Corporation*, 135 FERC ¶ 61,166, at P 21 (2011).

- RD11-4-000. *See North American Electric Reliability Corporation*, 135 FERC ¶ 61,040, at P 19 (2011) (approving Reliability Standard EOP-008-1 while deferring a ruling on the proposed violation risk factors and violation severity levels pending a final order on NERC’s petition in Docket No. RR08-4-005).
  - RM09-25-000. *See System Personnel Training Reliability Standards*, Order No. 742, 133 FERC ¶ 61,159, at P 73 (2010) (approving Reliability Standards PER-004-2 and PER-005-1 while deferring a ruling on the proposed violation risk factors and violation severity levels pending a final order on NERC’s petition in Docket No. RR08-4-005).
  - RM10-15-000. *See Mandatory Reliability Standards for Interconnection Reliability Operating Limits*, Order No. 748, 134 FERC ¶ 61,213, at P 72 (2011) (approving Reliability Standards IRO-008-1, IRO-009-1 and IRO-010-1 while deferring a ruling on the proposed violation risk factors and violation severity levels pending a final order on NERC’s petition in Docket No. RR08-4-005).
  - RM10-16-000. *System Restoration Reliability Standards*, Order No. 749, 134 FERC ¶ 61,215, at P 44 (2011) (approving Reliability Standards EOP-001-1, EOP-005-2 and EOP-006-2 while deferring a ruling on the proposed violation risk factors and violation severity levels pending a final order on NERC’s petition in Docket No. RR08-4-005).
4. Other modifications are being submitted in proceedings in which revised violation risk factors or violation severity levels were previously submitted as part of a compliance filing, or where other inconsistencies with violation severity level guidelines were found, as follows:
- RM08-19-004. *See Mandatory Reliability Standards for the Calculation of Available Transfer Capability, Capacity Benefit Margins, Transmission Reliability Margins, Total Transfer Capability, and Existing Transmission Commitments and Mandatory Reliability Standards for the Bulk-Power System*, Order No. 729, 129 FERC ¶ 61,155, at P 274 (2009) (approving MOD Reliability Standards related to calculation of Available Transmission Capacity, but directing NERC “to reevaluate the violation risk factors and violation severity levels associated with all the proposed MOD Reliability Standards based on the Commission’s precedent and to prepare appropriate revisions.”). NERC submitted a compliance filing in response to this directive on December 1, 2010.

- RM09-9-000. *See Version One Regional Reliability Standards for Facilities Design, Connections, and Maintenance; Protection and Control; Voltage and Reactive*, Order No. 751, 135 FERC ¶ 61,061, at PP 128-133 (2011) (approving regional Reliability Standards FAC-501-WECC-1, PRC-004-WECC-1, VAR-002-WECC-1 and VAR-501-WECC-1, including the associated violation risk factors and violation severity levels, but directing WECC to submit revisions to address noted gaps within in 60 days). WECC's compliance filing was accepted in a Delegated Letter Order issued on December 29, 2011 in Docket No. RD11-11-000,<sup>5</sup> and NERC is now proposing additional changes to certain violation severity levels.
- RM09-19-000. *See Western Electric Coordinating Council Qualified Transfer Path Unscheduled Flow Relief Regional Reliability Standard*, 134 FERC ¶ 61,199 (2011) (approving regional Reliability Standard IRO-006-WECC-1).

5. Notice of the filing was provided in Docket No. RD13-5-000 on February 26, 2013, and in all of the remaining dockets on March 20, 2013. As amended, motions to intervene and comments were due in all of the dockets no later than March 27, 2013. No motions to intervene or comments were filed in any of the dockets.

6. We find that the violation severity levels as proposed in NERC's December 2010 Filing, as modified by NERC's 2013 VRF/VSL Supplement, are just, reasonable, not unduly discriminatory or preferential, and in the public interest, and approve NERC's revised violation severity level assignments for the Reliability Standards at issue.

7. In addition, for the dockets noted above in which a ruling on violation risk factors and violation severity level designations has been deferred, we approve the violation risk factors and violation severity levels proposed in the relevant proceeding with the modifications and revisions submitted in the instant filing. For the docket noted above in which a ruling on revised violation risk factors and violation severity levels is pending as part of a compliance filing (RM08-19-004), we accept that compliance filing as modified by the 2013 VRF/VSL Supplement, and we clarify that we previously approved NERC's June 20, 2011 compliance filing for Docket No. RM09-14-000 (issued in Docket No.

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<sup>5</sup> In that December 29, 2011 Letter Order, we also accepted modifications to the violation risk factors and violation severity levels as submitted in NERC's June 20, 2011 compliance filing for Docket No. RM09-14-000 (TOP-007-WECC-1).

RD11-11-000). Finally, we approve the modifications to the violation severity levels proposed in Docket Nos. RM09-9-000 and RM09-19-000.

By direction of the Commission.

Nathaniel J. Davis, Sr.,  
Deputy Secretary.