



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

May 1, 2009

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

Re: NERC Notice of Penalty regarding Kissimmee Utility Authority, FERC Docket No. NP09-
_-000

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Notice of Penalty¹ regarding Kissimmee Utility Authority (KUA), NERC Registry ID NCR00042,² in accordance with the Federal Energy Regulatory Commission's (Commission or FERC) rules, regulations and orders, as well as NERC Rules of Procedure including Appendix 4C (NERC Compliance Monitoring and Enforcement Program (CMEP)).³

On October 18, 2007 through October 19, 2007, Florida Reliability Coordinating Council, Inc. (FRCC) performed an on-site compliance audit of KUA at its Kissimmee, Florida facility. During the audit, the compliance audit team identified the possible violations of PRC-005-1 Requirement (R) 2 and EOP-001-0 R6. This Notice of Penalty is being filed with the Commission because, based on information from FRCC, KUA does not dispute the violations of PRC-005-1 R2 and EOP-001-0 R6, and the proposed financial penalty of zero dollars (\$0) to be assessed to KUA. Accordingly, the violations identified as NERC Violation Tracking Identification Numbers FRCC200700003 and FRCC200700004 are Confirmed Violations, as that term is defined in the NERC Rules of Procedure and the CMEP.

¹ *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards* (Order No. 672), III FERC Stats. & Regs. ¶ 31,204 (2006); *Notice of New Docket Prefix "NP" for Notices of Penalty Filed by the North American Electric Reliability Corporation*, Docket No. RM05-30-000 (February 7, 2008). See also 18 C.F.R. Part 39 (2008). *Mandatory Reliability Standards for the Bulk-Power System*, FERC Stats. & Regs. ¶ 31,242 (2007) (Order No. 693), See 18 C.F.R § 39.7(d)(1).

² FRCC confirmed that Kissimmee Utility Authority was included on the NERC Compliance Registry as a Transmission Owner (TO), Transmission Operator (TOP), Distribution Provider (DP), Generator Owner (GO) and Generator Operator (GOP) as of May 29, 2007. As a GO, among other functions related to this standard, Kissimmee Utility Authority was subject to the requirements of NERC Reliability Standard PRC-005-1 and as a TOP Kissimmee Utility Authority was subject to the requirements of NERC Reliability Standard EOP-001-0.

³ See 18 C.F.R § 39.7(c)(2).

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 (NOCV) issued on April 7, 2008, by FRCC and the Supplemental Record Information issued on December 15, 2008. The details of the findings and basis for the penalty are set forth in Table 1 below, as well as the determinations of the NERC Board of Trustees Compliance Committee (NERC BOTCC) in its decision. In accordance with Section 39.7 of the Commission’s regulations, 18 C.F.R. § 39.7 (2007), NERC provides the following table identifying the Reliability Standards violated by KUA.

Region	Registered Entity	NOC ID	NERC Violation ID	Reliability Standard	Req. (R)	VRF	Total Penalty (\$)
FRCC	Kissimmee Utility Authority	NOC-54	FRCC200700004	PRC-005-1	2	High ⁴	\$0
FRCC	Kissimmee Utility Authority	NOC-54	FRCC200700003	EOP-001-0	6	Medium	

In summary, PRC-005-1 R2 requires an entity such as KUA that owns a generator Protection System to provide documentation of its Protection System maintenance and testing program and the implementation of that program to FRCC, its Regional Reliability Organization, on request (within 30 calendar days). The documentation of the program shall include: (1) evidence that Protection System devices were maintained and tested within the defined intervals; and (2) the date each Protection System device was last tested/maintained.

During the October audit, the compliance audit team found that KUA had tested and maintained three (3) relays on KUA’s Cane Island Unit #2 Generator; however, the three relays had not been tested/calibrated within KUA’s self-imposed three year requirement for the testing provided in its protection system maintenance and testing program. Before the date of the compliance audit, KUA discovered that the three relays were last tested on April 23, 2004, which was outside the three year interval. KUA mitigated the problem before the compliance audit by having the Relay Technicians test/calibrate the three relays on October 1, 2007 and October 2, 2007. Therefore, FRCC found the duration of the violation to be from June 18, 2007 until the violation was mitigated on October 2, 2007.

EOP-001-0 R6 requires an entity such as KUA to annually review and update each emergency plan and provide a copy of its updated emergency plans to its Reliability Coordinator and to neighboring Transmission Operators and Balancing Authorities.

The compliance audit team found no evidence that KUA had provided copies of its updated emergency plans to its Reliability Coordinator and to neighboring Transmission Operators and Balancing Authorities. Before the date of the compliance audit, KUA discovered it had failed to send a copy of the required documentation to the FRCC Reliability Coordinator prior to June 18,

⁴ PRC-005-1 R2 has a “Lower” VRF and the sub-requirements have “High” VRFs.

2007, so that the Reliability Coordinator could have posted the documentation on its website and sent out the message to all FRCC entities detailing that the emergency plan was available and where it could be found. On October 4, 2007, KUA staff transmitted a copy of the latest revision of the KUA Emergency Operations Planning document (Document 20.109.09.00 “Power System Restoration Procedures”) to the FRCC Reliability Coordinator, and a subsequent notice of posting on the FRCC website was sent by FRCC to all FRCC Reliability Only Group (ROG) members on October 5, 2007, informing them that KUA’s documentation had been placed on the FRCC ROG site for their access. Therefore, FRCC determined that the duration of the violation was from June 18, 2007, until the violation was mitigated on October 5, 2007.

Section 4.4.2 of the NERC Sanction Guidelines states that:

If the actual or foreseen impact of the violation is judged to be inconsequential by NERC or the regional entity and the violation is the first incidence of violation of the requirement in question by the violator, NERC or the regional entity may at its discretion: (i) set the Base Penalty Amount to a value it deems appropriate within the initial value range set above pursuant to Section 4.1, *or (ii) excuse the penalty for the violation (i.e. set the Base Penalty Amount to 0\$).*⁵

PRC-005-1 R2 has a “High” Violation Risk Factor (VRF), and EOP-001-0 R6 has a “Medium” VRF. FRCC exercised discretion to assess a zero dollar (\$) financial 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-A⁶); (2) the EOP-001-0 R6 violation was deemed to have a minimal impact on the bulk power system because key emergency documentation was available to adjoining Transmission Operators, if requested; (3) the PRC-005-1 R2 violation was deemed to have a minimal impact on the bulk power system because only three protective systems/relays were not tested per KUA’s testing interval schedule; and (4) KUA had mitigated the violations before the scheduled compliance audit date.

Status of the Mitigation Plan⁷

KUA mitigated the violations in question prior to the October 2007 audit by FRCC, and prepared and submitted, by e-mail, formal written Mitigation Plans to FRCC on February 19, 2008 for the PRC-005-1 violation and for the EOP-001-0 violation, that were dated February 18, 2008, which was within thirty days of receipt of the NAVAPS issued by FRCC on January 24, 2008.

KUA’s Mitigation Plan to address the violation, PRC-005-1, R2 was submitted to FRCC on February 19, 2008, accepted by FRCC on March 10, 2008 and was approved by NERC on April 30, 2008. The Mitigation Plan for the PRC-005-1 R2 violation listed in Table 1 is designated as MIT-07-0531 and was submitted as non-public information to FERC on April 30, 2008, in accordance with FERC Orders. KUA identified in its Mitigation Plan that the PRC-005-1

⁵ See NERC Sanctions Guidelines (emphasis added).

⁶ See n.1 *supra*.

⁷ See 18 C.F.R § 39.7(d)(7).

violation was a timing issue due to KUA's failure to test/calibrate the three relays in question within KUA's predetermined time interval of three years for testing/calibration. KUA stated it would prevent a reoccurrence of this violation through increased diligence to assure that all testing/calibration is performed within the mandated guidelines of KUA's testing policy.

KUA certified on April 4, 2008⁸ to FRCC that Mitigation Plan MIT-07-0531 was completed on October 2, 2007. KUA submitted paper copies of the October 1 and October 2, 2007 relay test records as evidence of the testing on the three relays.

FRCC reviewed a KUA document (Generator Spreadsheet, 20.121.25.04 Relay Settings & Test Dates Database.XLS Generation, printed October 16, 2007) that indicated the generator relay testing intervals, for compliance with PRC-005-1. Although, KUA showed evidence that it tested the three relays, it was evident from the generator spreadsheet data that the three relays KUA tested were found to be non-compliant because they were tested outside the KUA specified time intervals. FRCC Compliance Staff reviewed the evidence provided as completion of KUA's Mitigation Plan and determined that the evidence submitted showed that KUA had completed the testing of the three relays that were out of interval as per its accepted Mitigation Plan and that KUA is now in compliance with Requirement 2 of NERC Reliability Standard PRC-005-1 as of the date of completion of the Mitigation Plan.

KUA's Mitigation Plan to address the violation, EOP-001-0, R6 was submitted to FRCC on February 19, 2008, accepted by FRCC on March 10, 2008, and was approved by NERC on April 30, 2008. The Mitigation Plan for the violation of EOP-001-0 R6 is designated as MIT-07-0530 and was submitted as non-public information to FERC on April 30, 2008, in accordance with FERC Orders. KUA identified in its Mitigation Plan, for EOP-001-0, that this violation was due to an oversight in the form of a failure to send a copy of the required documentation to the FRCC Reliability Coordinator within the required timeframe. To prevent reoccurrence for this violation, KUA stated that it would add this reporting requirement to KUA's Compliance Program for future reporting whenever the Emergency Operations Planning documentation is reviewed or edited. A request was also made by KUA at that time for the FRCC Reliability Coordinator to notify all Transmission Operators and Balancing Authorities of the update to KUA's documentation.

KUA certified to FRCC on April 4, 2008⁹ that Mitigation Plan MIT-07-0530 was completed on October 5, 2007. FRCC reviewed the evidence provided by KUA with the use of the NERC Reliability Standard Audit Worksheet (RSAW) for Requirement 6, for comparison against the Reliability Standard EOP-001-0. A screen print of the FRCC website, dated February 21, 2008, indicated that the KUA System Restoration Procedure is provided and available to KUA's Reliability Coordinator and neighbors. On April 7, 2008, FRCC Compliance Staff, after completing the review of the evidence provided, determined that the evidence submitted showed that KUA had provided its system restoration plan to the FRCC for posting to provide its emergency plan to its Reliability Coordinator and neighboring Transmission Operators and

⁸ On the certification document, it states "Date of Certification 2/19/08," but it was not signed until April 4, 2008.

⁹ On the certification document, it states "Date of Certification 2/19/08," but it was not signed until April 4, 2008.

Balancing Authorities per its accepted Mitigation Plan and that KUA is now in compliance with Requirement 6 of the NERC Reliability Standard EOP-001-0.

Statement Describing the Proposed Penalty, Sanction or Enforcement Action Imposed¹⁰

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 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

¹⁰ See 18 C.F.R § 39.7(d)(4).

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.¹¹

Basis for Determination

Taking into consideration the Commission's direction in Order No. 693 and the NERC Sanction Guidelines and the Commission's July 3, 2008 Guidance Order,¹² the NERC BOTCC reviewed the NOCV and supporting documentation on May 5, 2008, June 3, 2008 and March 9, 2009. The NERC BOTCC affirmed FRCC's findings and determined to impose a zero dollar (\$0) financial penalty against KUA, 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, KUA had a protection maintenance and testing program in place and had reviewed and updated its emergency plan as required. KUA had found and corrected the situations prior to FRCC conducting its audit of the entity in October 2007; (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 violation occurred during the initial six-month period in which the Commission encouraged NERC and the Regional Entities to focus their enforcement resources on the most serious violations; (4) The violations are the first incidence of a violation of the Reliability Standards at issue by KUA; (5) KUA worked cooperatively with FRCC; (6) Upon discovery, KUA acted immediately to mitigate and/or correct the violations; and (7) The violation was mitigated in accordance with the approved Mitigation Plans, and FRCC verified KUA's Certification of Completion by reviewing KUA's evidence of providing its system restoration plan to the FRCC for posting to the FRCC website, thus providing its system restoration plan to other entities and reviewing the data sheets indicating that KUA had completed its testing of the three relays that were tested out of their test interval period.

Therefore, NERC believes that the proposed zero dollar (\$0) financial penalty is appropriate and consistent with NERC's goal to ensure reliability of the bulk power system.

¹¹ Order No. 693 at PP 222-224 (emphasis added).

¹² *Guidance on Filing Reliability Notices of Penalty*, 124 FERC ¶ 61,015 (2008).

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.

Attachments to be Included as Part of this Notice of Penalty

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

- a) October 18-19 Compliance Audit Report, dated January 21, 2008, included as Attachment a;
- b) KUA's response to the NAVAPS, dated February 19, 2008, included as Attachment b;
- c) Mitigation Plans designated as MIT-07-0530 and MIT-07-0531, included as Attachment c;
- d) KUA's Certification of Completion of the Mitigation Plans, dated February 19, 2008, included as Attachment d; and
- e) FRCC's Statement of Verification that the Mitigation Plans had been completed, dated April 7, 2008, included as Attachment e.

A Form of Notice Suitable for Publication¹³

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

¹³ See 18 C.F.R § 39.7(d)(6).

Notices and Communications

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

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*Persons to be included on the Commission's service list are indicated with an asterisk. NERC requests waiver of the Commission's rules and regulations to permit the inclusion of more than two people on the service list.

Conclusion

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

Respectfully submitted,

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cc: KUA
FRCC

Attachment(s)

Attachment a

Compliance Audit Report



Compliance Audit Report Public Version

**Kissimmee Utility Authority
October 18 - 19, 2007**

**“Confidential Information (Including Privileged and
Critical Energy Infrastructure Information) Has Been
Removed”**

January 21, 2008

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EXECUTIVE SUMMARY

As part of the Florida Reliability Coordinating Council, Inc. (FRCC) Compliance Monitoring and Enforcement Program (CMEP), the FRCC performs On-Site Compliance Audits of each Balancing Authority, Transmission Operator, and Reliability Coordinator within the Region once every three years.

The FRCC 2007 Compliance Audit of Kissimmee Utility Authority (KUA) was conducted on Thursday October 18, 2007 and Friday, October 19, 2007, at its facilities in Kissimmee, Florida.

The specific North American Electric Reliability Corporation (NERC) Reliability Standards, applicable requirements, along with KUA documentation (where required to demonstrate compliance), were reviewed by the compliance audit team. Relevant copies of documents, detailed audit team notes, completed Reliability Standard Audit Worksheets (RSAW's) and the detailed basis of the findings are included in the KUA audit record file.

A total of thirty (39) NERC Reliability Standards were reviewed, and the audit team found that:

- KUA was fully compliant with twenty-three (23) standards.
- KUA was found to have two (2) possible violations.
- Fourteen (14) of the standards were not applicable to KUA.

Possible compliance violations will be processed through the FRCC's CMEP. Any further actions related to possible compliance violations will be through that process.

AUDIT PROCESS

The compliance audit team followed the procedures for conducting the on-site audit as identified in the FRCC Procedure for Conducting On-Site Compliance Audits. The audit included the use of approved RSAWs along with the NERC reliability standards for definition of requirements.

The audit process steps are detailed in the FRCC CMEP. The FRCC CMEP generally conforms to the United States Government Accountability Office Government Auditing Standards and other generally accepted audit practices, as required by NERC.

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Objectives

All registered entities are subject to an audit for compliance with all reliability standards applicable to the functions for which the registered entity is registered.¹ The audit objectives were:

- Independently review KUA’s compliance with the requirements of the reliability standards that are applicable to KUA based on KUA’s registered functions.
- Validate compliance with applicable reliability standards from the NERC 2007 Implementation Plan list of actively monitored standards.

Scope

In general a compliance audit will include all reliability standards applicable to the registered entity monitored in the NERC Implementation Plans in the current and two previous years, and may include other reliability standards applicable to the registered entity. The scope of an on-site compliance audit can vary depending on whether it is scheduled as part of a regular, periodic scheduled audit or as part of a compliance investigation.

The specific scope of this audit included:

- Pre-audit review of submitted documentation at FRCC headquarters in Tampa, FL.
- On-site audit review of KUA facilities.
- Validation of KUA’s 2006 self-certification documents.
- Review of KUA compliance with the specifically monitored standards included in the 2007 FRCC CMEP. 2007 is a transition year and NERC’s implementation plan did not include previous years.
- Detailed reviews of procedures, plans, records (such as training and maintenance), and other documentation developed by KUA to demonstrate compliance to the applicable NERC reliability standards requirements.

Confidentiality and Conflict of Interest

In order to ensure confidentiality and avoid conflict of interest, the FRCC required the volunteers who participated on the KUA compliance audit team execute confidentiality agreements. The NERC representative and FRCC staff signed Non-Disclosure Acknowledgements as per the NERC Rules of Procedures. The signed documents were provided to KUA in advance of the compliance on-site audit. KUA was given an opportunity to object to an audit team member on

¹ FRCC CMEP, paragraph 3.1, Compliance Audits

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the basis of a possible conflict of interest or the existence of other circumstances that could interfere with the audit team member’s impartial performance of duties. KUA accepted the audit team participants with no objections.

On-site Audit

On August 1, 2007, the FRCC submitted the notice of on-site audit to KUA by email and US mail. KUA was notified the audit was scheduled for October 18 and 19, 2007. The notice of audit defined the audit process, the audit expectations, and a request for data submittal.

FRCC informed KUA of the data that was required for a review before the on-site audit commenced. The audit notice was sent out along with the pre-audit survey, audit scope, audit folders containing the RSAW’s, audit agenda, and the audit team review process table listing the reliability standards that would be reviewed during the audit.

The audit team leader requested interviews with KUA employees representing subject matter expertise regarding all of the registered functions of KUA. These interviews in conjunction with submitted evidence provided the audit team with a basis for their professional judgment when validating compliance with reliability standards. In accordance to the Generally Accepted Government Auditing Standard 3.31 - Auditors must use professional judgment in planning and performing audits and in reporting the results.

Methodology

The audit team conducted a pre-audit review of the evidence of compliance supplied by KUA, at the FRCC offices in Tampa, Florida. After an initial review of the data using the RSAWs, the audit team advised KUA that submittal of follow-up data was required for further determination and clarification of the evidence submitted. Prior to the on-site audit the compliance staff coordinated a conference call with KUA to review the logistics of the on-site audit and confirmed what subject matter experts would be expected to be present during the on-site visit. During the on-site audit, the audit team conducted interviews with the appropriate subject matter experts, within the various areas to validate data and processes were being met as specified by the reliability standards and RSAWs. The interviews confirmed KUA’s personnel were well informed of the processes in accordance to their specific job function (s). The following subject areas were clarified during the on-site interviews:

- Transmission planning
- Vegetation management
- System operator work schedule
- System operator training
- Facility ratings
- Emergency operations
- Relay maintenance

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During the on-site audit the team utilized the RSAWs to analyze the data supplied for the compliance audit review.

The audit teams had direct communication with management as well as the audit participants. The audit team was pleased with KUA’s flexibility to accommodate its schedules to be readily available to answer questions regarding the assessed reliability standards.

Audit Overview

An audit overview meeting was held with KUA via a conference call on October 11, 2007. The team leader went over the logistics and the agenda with KUA and informed KUA of the audit team’s expectations while on site. During this meeting, the team leader confirmed the areas that would be interviewed and requested that appropriate subject matter experts be made available. KUA was in agreement with the agenda. KUA also provided the audit team with instructions of where to enter its facility and confirmed that the necessary personnel would be available during the on-site audit.

Audit

Upon arrival at KUA, the team leader presented an overview of the audit agenda to KUA’s audit participants. A brief discussion took place regarding the coordination of interviews. KUA was informed of when the preliminary compliance audit findings would be presented to its participants. The audit team later broke out into two (2) groups and reviewed the audit folders requiring follow-up of additional evidence of compliance from KUA. The groups conducted interviews with the subject matter experts and validated compliance by referencing checklists as indicated in the RSAWs. The audit team requested additional documentation from KUA and asked the audit participants to clarify any questions or concerns they had in validating compliance. If a possible violation was determined, the teams discussed their findings on where KUA failed to provide evidence of compliance and reached consensus.

Exit Briefing

At the completion of the compliance audit, preliminary findings were presented to KUA’s audit participants. (A list of the participants is included in this report). The monitored reliability standards were summarized along with a list of the applicable documents used to determine evidence of compliance for each standard. Possible violations were reviewed and the determination of how KUA failed to meet the standards was discussed. KUA was informed of the following next steps:

- The draft audit report will be provided within five (5) weeks for KUA’s review.
- KUA is to provide written comments to FRCC within fourteen (14) days of receipt of the draft report.
- The audit team will finalize the report and provide to FRCC Compliance Staff.

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- The FRCC Compliance Staff will review the audit report and determine the initial findings of alleged violation(s).
- The FRCC Compliance Committee will review the compliance staff’s determination of alleged violations.
- Notice of alleged violation will be submitted to KUA.
- The final audit report will be issued and forwarded to NERC for posting in accordance with the FRCC CMEP.
- KUA feedback of the audit process will be requested.

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Company Profile

KUA is registered on the NERC compliance registry with the following designated functions: Distribution Provider, Generator Owner, Generator Operator, Transmission Owner, and Transmission Operator. The Florida Municipal Power Agency has registered on behalf of KUA as the load serving entity and transmission planner. However, KUA was registered as the transmission planner thru May 31, 2007 so the audit did include review of the requirements applicable to the transmission planner.

Audit Specifics

The compliance audit was conducted on October 18 - 19, 2007 at KUA’s office in Kissimmee, Florida. The KUA audit team consisted of the following members.

Audit Team:

Audit Team Role	Title	Company
Lead	Compliance Manager	FRCC
Member	Compliance Auditor	FRCC
Member	VP & Executive Director - Standards & Compliance	FRCC
Member	Director of System Operations	Seminole Electric Co.
Member	Chief System Operator	City of Tallahassee
NERC Staff	Regional Compliance Program Coordinator	NERC
Documentation	FRCC Compliance Program Administrator	FRCC

KUA Audit Participants:

Title	KUA Organization
FMPA Transmission Engr.	FMPA
Lead System Operator	KUA
VP, E & O	KUA
Supervisor	KUA
R.W. Beck Principal Representing	FMPA

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Title	KUA Organization
FMPA	
FMPA Sr. Staff Engr.	FMPA
Supervisor, Relay	KUA
VP, Power Supply	KUA
Manager, Planning & SP	KUA
Manager, System Ops	KUA

Compliance Culture

Post audit inquiries were made to KUA to determine whether its organization has an internal compliance program. KUA reported that it has implemented a compliance program to ensure its organization is complying with the NERC reliability standards. The audit team indicated FRCC compliance staff would request compliance program details at a later date.

AUDIT RESULTS

Audit Findings Summary Table

NERC Reliability Standard Number / Title	2006 Self-Certification Response	2007 Audit Findings
BAL-001-0 – Real Power Balancing Control Performance	Standard Not Applicable	Standard Not Applicable
BAL-002-0 – Disturbance Control Performance	Standard Not Applicable	Standard Not Applicable
BAL-003-0 – Frequency Response and Bias	Not included In Self-Certification	Standard Not Applicable
CIP-001-1 – Sabotage Reporting	Fully Compliant	Fully Compliant

“Confidential Information (Including Privileged and Critical Energy Infrastructure Information) Has Been Removed”

NERC Reliability Standard Number / Title	2006 Self-Certification Response	2007 Audit Findings
COM-001-1 – Telecommunications	Not Included In Self-Certification	Fully Compliant
EOP-001-0 – Emergency Operations Planning	Fully Compliant	Possible Violation
EOP-003-1 – Load Shedding Plans	Not Included In Self-Certification	Fully Compliant
EOP-005-1 – System Restoration Plans	Fully Compliant	Fully Compliant
EOP-006-1 – Reliability Coordination – System Restoration	Not Included In Self-Certification	Standard Not Applicable
EOP-008-0 – Plans for Loss of Control Center Functionality	Fully Compliant	Fully Compliant
EOP-009-0 – Documentation of Black-start Generating Unit Test Results	Not Applicable	Standard Not Applicable
FAC-003-1 – Transmission Vegetation Management Program	Fully Compliant	Fully Compliant
FAC-008-1 – Facility Ratings Methodology	Not Included In Self-Certification	Fully Compliant
FAC-009-1 – Establish and Communicate Facility Ratings	Not Included In Self-Certification	Fully Compliant

FINAL

“Confidential Information (Including Privileged and Critical Energy Infrastructure Information) Has Been Removed”

NERC Reliability Standard Number / Title	2006 Self-Certification Response	2007 Audit Findings
IRO-001-1 – Reliability Coordination Operations Planning	Standard Not Applicable	Fully Compliant
IRO-004-1 – Reliability Coordination Operations Planning	Standard Not Applicable	Fully Compliant
IRO-014-1 – Procedures, Processes, or Plans to Support Coordination Between Reliability Coordinators	Not Included In Self-Certification	Standard Not Applicable
IRO-015-1 – Notifications and Information Exchange Between Reliability Coordinators	Not Included In Self-Certification	Standard Not Applicable
IRO-016-1 – Coordination of Real-time Activities Between Reliability Coordinators	Not Included In Self-Certification	Standard Not Applicable
PER-002-0 – Operating Personnel Training	Fully Compliant	Fully Compliant
PER-003-0 – Operating Personnel Credentials	Fully Compliant	Fully Compliant
PER-004-1 – Reliability Coordination – Staffing	Standard Not Applicable	Standard Not Applicable
PRC-004-1 – Analysis and Mitigation of Transmission and Generation Protection System Mis-operations	Fully Compliant	Fully Compliant

“Confidential Information (Including Privileged and Critical Energy Infrastructure Information) Has Been Removed”

NERC Reliability Standard Number / Title	2006 Self-Certification Response	2007 Audit Findings
PRC-005-1 – Transmission and Generation Protection System Maintenance and Testing	Fully Compliant	Possible Violation
PRC-008-0 – Implementation and Documentation of UFLS Equipment Maintenance Programs	Fully Compliant	Fully Compliant
PRC-010-0 – Technical Assessment of the Design and Effectiveness of Under-voltage Load Shedding Program	Not Included In Self-Certification	Standard Not Applicable
PRC-011-0 – UVLS System Maintenance and Testing	Standard Not Applicable	Standard Not Applicable
PRC-016-0 – SPS Mis-operations	Standard Not Applicable	Standard Not Applicable
PRC-017-0 – SPS Maintenance and Testing	Standard Not Applicable	Standard Not Applicable
PRC-021-1 – Under-Voltage Load Shedding Program Data	Not Included In Self-Certification	Standard Not Applicable
TOP-003-0 - Planned Outage Coordination	Fully Compliant	Fully Compliant
TOP-004-1 – Transmission Operations	Not Included In Self-Certification	Fully Compliant
TOP-005-1 – Operational Reliability Information	Fully Compliant	Fully Compliant

FINAL

“Confidential Information (Including Privileged and Critical Energy Infrastructure Information) Has Been Removed”

NERC Reliability Standard Number / Title	2006 Self-Certification Response	2007 Audit Findings
TOP-007-0 – Reporting System Operating Limit (SOL) and Interconnection Reliability	Fully Compliant	Fully Compliant
TPL-001-0 – System Performance Under Normal Conditions	Fully Compliant	Fully Compliant
TPL-002-0 – System Performance Following Loss of a Single Bulk Electric System Element	Fully Compliant	Fully Compliant
TPL-003-0 – System Performance Following Loss of a Two or More Bulk Electric System Element	Fully Compliant	Fully Compliant
TPL-004-0 – System Performance Following Extreme Events Resulting in the Loss of Two or More Bulk Electric System Element	Fully Compliant	Fully Compliant
VAR-001-1 – Voltage and Reactive Control	Not Included In Self-Certification	Fully Compliant

“Confidential Information (Including Privileged and Critical Energy Infrastructure Information) Has Been Removed”

Summary Conclusion

At the conclusion of the on-site audit, preliminary findings were presented to KUA personnel by the audit team. The possible violations were reviewed and KUA personnel were asked if they had any questions or concerns. No questions or concerns were presented by KUA.

KUA Summary

<i>KUA</i>	<i>Full Compliance</i>	<i>Possible Violations</i>
<i>2006 Self-Certification</i>	16	0
<i>10/18/07 – 10/19/07 Compliance Audit</i>	23	2

Attachment b

KUA's response to the NAVAPS



Engineering & Operations Department

P.O. Box 423219 • Kissimmee, Florida 34742-3219
407/933-7777 • Fax 933-4178

February 18, 2008

Mr. Barry Pagel
Manager of Compliance
Florida Reliability Coordinating Council, Inc.
1408 Westshore Blvd., Suite 1002
Tampa, FL 33607-4512
(813) 289-5644

Mr. Pagel,

As required within thirty days of FRCC's Notice of Alleged Violation and Proposed Penalty or Sanction from Section 5.1 of the CMEP, this letter is to serve as Kissimmee Utility Authority's (KUA's) official notification to the FRCC Manger of Compliance of KUA's decision to elect the following option for both:

NERC Violation Tracking Identification Number(s);
FRCC200700003
FRCC200700004

FRCC Violation Tracking Identification Number(s):
KUA-2007_01
KUA_2007_02

Option #1: KUA agrees with or does not contest the Alleged Violations and proposed penalty or sanction, and agrees to submit and implement mitigation plans to correct the violations and their underlying causes;

Attached, please find KUA's mitigation plans for FRCC Staff's approval.

Sincerely,

Kenneth L. Davis
Vice President of Engineering & Operations
Kissimmee Utility Authority
1701 W. Carroll St
Kissimmee, FL 34741
(407) 933-7777 Ext. 1210

Attachment c

**Mitigation Plans designated as MIT-07-0530 and
MIT-07-0531**



Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted:

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: Kissimmee Utility Authority
Company Address: 1701 W Carroll St, Kissimmee, FL 34741
NERC Compliance Registry ID: NCR00042

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

Name: Greg Woessner
Title: Manager of System Operations
Email: GWoessne@kua.com
Phone: (407) 933-7777 Ext 1238

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 ^(*)	Method of Detection (e.g., Audit, Self-report, Investigation)
FRCC20070 0003	EOP-001-0	R6	Medium	10/19/07	Audit

(*) Note: The Alleged or Confirmed Violation Date shall be expressly specified by Registered Entity, and subject to modification by the FRCC, 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 the FRCC. Questions regarding the date to use should be directed to the FRCC 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:

EOP-001-0 requires that “The Transmission Operator and Balancing Authority shall provide a copy of its emergency plans to its Reliability Coordinator and to neighboring Transmission Operators and Balancing Authorities”. KUA acknowledges that due to an oversight we failed to send a copy of the required documentation to the FRCC Reliability Coordinator within the required timeframe. The Reliability Coordinator would then have posted the documentation on its web site and sent out a message to all FRCC entities detailing that the document is available and where it can be found.

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:

KUA staff has already transmitted a copy of the latest revision of the KUA's Emergency Operations Planning document (Document 20.109.09.00 "Power System Restoration Procedures") to the FRCC Reliability Coordinator on 10/4/07 and a subsequent notice of posting on the FRCC website was sent by the FRCC to all FRCC ROG members on 10/5/07 informing them that KUA's documentation had been placed on the FRCC ROG site for their access. (The FRCC e-mail is available for viewing if so requested).

In addition the message below was transmitted at the request of KUA by the FRCC on 1/28/08 to notify all entities of the posting of the KUA's Emergency Operations Planning document:

Kissimmee Utility Authority's emergency plans are posted on the FRCC website (<https://www.frcc.com>).

Here are the steps to review/download the plans:

1. In FRCC website, sign in by using your FRCC ROG username and password. Please contact FRCC if you do not have a ROG login account.
2. Click on "**Reliability**" tab
3. Select "**1-FRCC EMERGENCY**" folder
4. Select "**Operating Entity Emergency Plans**" folder
5. Select "**KUA**" folder

Please respond to this email and acknowledge that you received this notification.

Contact me using the information below if you have any questions.



Mitigation Plan Timeline and Milestones

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:

D.2 KUA does not believe that a timetable for the completion of the mitigation plan or a completion date by which the mitigation plan will be fully implemented and the alleged or confirmed violation corrected is necessary due to the fact that KUA has already completed the mitigation of this violation and the violation has already been corrected.

D.3

D.4 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)
NA	NA

(*) 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:
- E.2 KUA believes that the violation of EOP-001-0, R6 is a documentation issue only and creates no real threat to the reliability of the Bulk Power System. KUA does not believe that an action plan to mitigate any increased risk to the reliability of the Bulk Power System while the mitigation plan is being implemented is necessary due to the fact that KUA has already completed the mitigation of this violation and the violation has already been corrected.

Prevention of Future BPS Reliability Risk

- E.3 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:
- E.4 Since this violation was due to an oversight in the form of a failure to send a copy of the required documentation to the FRCC Reliability Coordinator within the required timeframe the reoccurrence prevention for this violation is a straight forward process of adding this reporting requirement to KUA's Compliance Program for future reporting whenever the Emergency Operations Planning documentation is reviewed or edited. A request will also be made by KUA at that time for the FRCC Reliability Coordinator to notify all transmission Operators and Balancing Authorities of the update to the KUA's documentation.



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 the FRCC 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 Vice President of Engineering & Operations of Kissimmee Utility Authority
 2. I am qualified to sign this Mitigation Plan on behalf of [Kissimmee Utility Authority].
 3. I understand [Kissimmee Utility Authority'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. [Kissimmee Utility Authority] agrees to comply with, this Mitigation Plan, including the timetable completion date, as accepted by the FRCC and approved by NERC.

Authorized Individual Signature _____

Name (Print): Kenneth L Davis
Title: Vice President of Engineering & Operations
Date: February 15, 2008



Section G: Regional Entity Contact

Please direct any questions regarding completion of this form to:

Madeline Alba, FRCC Compliance Program Administrator
813-207-7965
malba@frcc.com



Attachment A – Compliance Notices & Mitigation Plan Requirements

- I. Section 6.2 of the CMEP¹ sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:
- (1) The Registered Entity’s point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity’s point of contact described in Section 2.0.
 - (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
 - (3) The cause of the Alleged or Confirmed Violation(s).
 - (4) The Registered Entity’s action plan to correct the Alleged or Confirmed Violation(s).
 - (5) The Registered Entity’s action plan to prevent recurrence of the Alleged or Confirmed violation(s).
 - (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
 - (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
 - (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.
 - (9) Any other information deemed necessary or appropriate.
 - (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self-Certification or Self Reporting submittals.
- II. This submittal form must be used to provide a required Mitigation Plan for review and acceptance by the FRCC and approval by NERC.
- III. This Mitigation Plan is submitted to the FRCC and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.

¹ “Uniform Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation;” a copy of the current version approved by the Federal Energy Regulatory Commission is posted on NERC’s website.



- 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 the FRCC 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. The FRCC 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.



Mitigation Plan Submittal Form

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

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: Kissimmee Utility Authority
Company Address: 1701 W Carroll St, Kissimmee, FL 34741
NERC Compliance Registry ID: NCR00042

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

Name: Greg Woessner
Title: Manager of System Operations
Email: GWoessne@kua.com
Phone: (407) 933-7777 Ext 1238

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 ^(*)	Method of Detection (e.g., Audit, Self-report, Investigation)
FRCC20070 0004	PRC-005-1	R2	Lower	10/19/07	Audit

(*) Note: The Alleged or Confirmed Violation Date shall be expressly specified by Registered Entity, and subject to modification by the FRCC, 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 the FRCC. Questions regarding the date to use should be directed to the FRCC 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:

During KUA’s recent FRCC Compliance Audit, the Compliance Audit team noted three relays on KUA’s Cane Island Unit #2 Generator that had not been tested/calibrated within KUA’s self-imposed 3 year requirement for the testing of these relays.

- 1.) CFVB (60-1) Voltage Balance Relay Past Test Date: 4/23/04 **Recent Test Date: 10/1/07**
- 2.) CFVB (60-2) Voltage Balance Relay Past Test Date: 4/23/04 **Recent Test Date: 10/1/07**
- 3.) SAM (62) Timer Relay Past Test Date: 4/23/04 **Recent Test Date: 10/2/07**

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:

KUA Relay Technicians have already tested/calibrated the three relays that were in violation as noted under the Violation Cause section of this report. The test dates have been highlighted and are titled "Recent Test Date". Paper copies of the October 2007 Test Records for these three relays were shown to the FRCC Audit Committee on 10/19/07 as evidence of the testing of these relays.

Mitigation Plan Timeline and Milestones

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:

Mitigation Plan Timetable:

KUA does not believe that a timetable for the completion of the mitigation plan or a completion date by which the mitigation plan will be fully implemented and the alleged or confirmed violation corrected is necessary due to the fact that KUA has already completed the mitigation of this violation and the violation has already been corrected.

Implementation Milestones:

D.1 KUA does not intend to provide milestones for this mitigation report due to the fact that KUA has already completed the mitigation of this violation and the violation has already been rectified.

D.2

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)
NA	NA



(*) 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:

Mitigation Plan Impact:

- E.2 KUA believes that the violation of PRC-005-1, R2 is a timing issue only and creates no real threat to the reliability of the Bulk Power System. KUA has established that the three relays in question were tested and found to be in perfect working condition thus proving that no real threat to the Bulk Power System ever existed. KUA does not believe that an action plan to mitigate any increased risk to the reliability of the Bulk Power System while the mitigation plan is being implemented is necessary due to the fact that KUA has already completed the mitigation of this violation and the violation has already been corrected.

Prevention of Future BPS Reliability Risk

- E.3 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:

KUA's Reoccurrence Prevention Plan:

- E.4 Since this violation was a timing issue consisting of KUA 's failure to test/calibrate the three relays in question within KUA's predetermined time interval of three years for testing/calibration, the KUA will prevent a reoccurrence of this violation through increased diligence to assure that all testing/calibration is performed within the mandated guidelines of KUA's testing policy.



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 the FRCC 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 Vice President of Engineering & Operations of Kissimmee Utility Authority
 2. I am qualified to sign this Mitigation Plan on behalf of Kissimmee Utility Authority.
 3. I understand Kissimmee Utility Authority'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. Kissimmee Utility Authority agrees to comply with, this Mitigation Plan, including the timetable completion date, as accepted by the FRCC and approved by NERC.

Authorized Individual Signature _____

Name (Print): Kenneth L Davis

Title: Vice President of Engineering & Operations

Date: February 15, 2008



Section G: Regional Entity Contact

Please direct any questions regarding completion of this form to:

Madeline Alba, FRCC Compliance Program Administrator
813-207-7965
malba@frcc.com



Attachment A – Compliance Notices & Mitigation Plan Requirements

- I. Section 6.2 of the CMEP¹ sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:
- (1) The Registered Entity’s point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity’s point of contact described in Section 2.0.
 - (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
 - (3) The cause of the Alleged or Confirmed Violation(s).
 - (4) The Registered Entity’s action plan to correct the Alleged or Confirmed Violation(s).
 - (5) The Registered Entity’s action plan to prevent recurrence of the Alleged or Confirmed violation(s).
 - (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
 - (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
 - (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.
 - (9) Any other information deemed necessary or appropriate.
 - (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self-Certification or Self Reporting submittals.
- II. This submittal form must be used to provide a required Mitigation Plan for review and acceptance by the FRCC and approval by NERC.
- III. This Mitigation Plan is submitted to the FRCC and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.

¹ “Uniform Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation;” a copy of the current version approved by the Federal Energy Regulatory Commission is posted on NERC’s website.



- 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 the FRCC 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. The FRCC 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 d

KUA's Certification of Completion of the Mitigation Plans



FRCC Mitigation Plan Completion Form

Certification of a Completed Mitigation Plan

All Mitigation Plan Completion Certification submittals shall include data or information sufficient for FRCC to verify completion of the Mitigation Plan. FRCC may request such additional data or information and conduct follow-up assessments, on-site or other Spot Checking, or Compliance Audits as it deems necessary to verify that all required actions in the Mitigation Plan have been completed and the Registered Entity is in compliance with the subject Reliability Standard. (CMEP Section 6.6)

Registered Entity Information

Company Name: Kissimmee Utility Authority
Company Address: 1701 W. Carroll St., Kissimmee, FL 34741
NERC Compliance Registry ID *(if known)*: NCR00042

Date Original Mitigation Plan was submitted to FRCC: 2/19/2008

Date Mitigation Plan was completed: 10/5/2007

Name of Standard and the Requirement(s) covered under the accepted Mitigation Plan: [EOP-001-0](#)

NERC Violation ID # *(if known)*: FRCC200700003

Date of Certification: [2/19/2008](#)

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

Name: Gregory Woessner
Title: [Manager of System Operations](#)
Email: GWoessne@kua.com
Phone: [\(407\)-933-7777 Ext.1238](tel:(407)933-7777)
Authorized Individual Signature _____

To close out a completed Mitigation Plan, fill out this form, save and email it to compliancemanager@frcc.com.



FRCC Mitigation Plan Completion Form

Certification of a Completed Mitigation Plan

All Mitigation Plan Completion Certification submittals shall include data or information sufficient for FRCC to verify completion of the Mitigation Plan. FRCC may request such additional data or information and conduct follow-up assessments, on-site or other Spot Checking, or Compliance Audits as it deems necessary to verify that all required actions in the Mitigation Plan have been completed and the Registered Entity is in compliance with the subject Reliability Standard. (CMEP Section 6.6)

Registered Entity Information

Company Name: Kissimmee Utility Authority
Company Address: 1701 W. Carroll St., Kissimmee, FL 34741
NERC Compliance Registry ID *(if known)*: NCR00042

Date Original Mitigation Plan was submitted to FRCC: 2/19/2008

Date Mitigation Plan was completed: 10/2/2007

Name of Standard and the Requirement(s) covered under the accepted Mitigation Plan: [PRC-005-1](#)

NERC Violation ID # *(if known)*: FRCC200700004

Date of Certification: [2/19/2008](#)

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

Name: Gregory Woessner
Title: [Manager of System Operations](#)
Email: GWoessne@kua.com
Phone: [\(407\)-933-7777 Ext.1238](tel:(407)933-7777)
Authorized Individual Signature _____

To close out a completed Mitigation Plan, fill out this form, save and email it to compliancemanager@frcc.com.

Attachment e

FRCC's Statement of Verification that the Mitigation Plans had been completed



FLORIDA RELIABILITY COORDINATING COUNCIL, INC.
1408 N. WESTSHORE BLVD., SUITE 1002
TAMPA, FLORIDA 33607-4512
PHONE 813.289.5644 • FAX 813.289.5646
WWW.FRCC.COM

April 7, 2008

Greg Woessner
Manager System Operations
Kissimmee Utility Authority
1701 W. Carroll Street
Kissimmee, FL 34741

**Re: Kissimmee Utility Authority
Mitigation Plans – Compliance Audit violations of
NERC Standards EOP-001-0 and PRC-005-1**

Dear Mr. Woessner,

The completed Mitigation Plan Completion Forms submitted by Kissimmee Utility Authority, (KUA) for the above referenced compliance audit violations have been received by the Florida Reliability Coordinating Council, Inc. (FRCC). After review, the FRCC finds these forms to be acceptable and the mitigation plans are completed. FRCC will notify the North American Electric Reliability Corporation (NERC) accordingly.

If you have any questions you may reach me at 813-207-7968.

Respectfully,

A handwritten signature in black ink that reads 'Barry G. Pagel'. The signature is written in a cursive style with a large, looping 'P' at the end.

Barry G. Pagel
Manager of Compliance
bpagel@frcc.com

Attachment f

Notice of Filing

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Kissimmee Utility Authority

Docket No. NP09-____-000

NOTICE OF FILING
(May 1, 2009)

Take notice that on May 1, 2009, the North American Electric Reliability Corporation (NERC), filed a Notice of Penalty regarding Kissimmee Utility Authority in the Florida Reliability Coordinating Council, Inc. region.

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

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

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

Comment Date: [BLANK]

Kimberly D. Bose,
Secretary