



NORTHEAST POWER COORDINATING COUNCIL, INC.
1040 AVE OF THE AMERICAS, NEW YORK, NY 10018 TELEPHONE (212) 840-1070 FAX (212) 302-2782

Date: November 11, 2009
To: NPCC Reliability Coordinating Committee
From: Stanley E. Kopman – Northeast Power Coordinating Council
Subject: NPCC Compliance Committee Summary Report

This document was prepared to provide the Reliability Coordinating Committee with a summary of areas addressing regional key issues, trends, and significant events related to the NPCC Compliance Program.

- **Key Issue**

- NPCC continues working on the development of three levels of compliance indicators that consist of:
 - Key Result Indicators –High Level, NPCC BOD and Senior Management
 - Performance Indicators – Management Team and NPCC Compliance Committee
 - Key Performance Indicators – Compliance Staff

NPCC has developed working indicators for the enforcement and audit process that are being reviewed by the NPCC CC working team,

Under the RCIG, NPCC is working with SERC and RFC, on the development of a set of compliance performance indicators.

- NPCC has scheduled their 2nd Compliance Workshop for 2009. The Workshop will be on December 1st and 2nd in Albany, NY. The Workshop format will offer classroom break-out sessions that will cover the following CMEP topics: Enforcement and Settlements, Compliance Audits and Spot Checks, and Compliance Program implementation and IT initiatives.

- **Status of Canadian MOU Development**

Quebec – NPCC continues to review a revised version of the Quebec Compliance Monitoring and Enforcement Program (QCMEP) from the Régie de l'énergie and has furnished responses to questions that have been posed by Registered Entities in Quebec. The Régie de l'énergie continues to review the NERC Reliability Standards.

Ontario – A revised version of the MOU has been reviewed by NPCC and is currently being reviewed by NERC.

New Brunswick – In accordance with the MOU, NPCC has scheduled a review, of NBSO Compliance Program Implementation, for November 17, 2009.

Nova Scotia – The latest draft of the four-party MOU (between NPCC, NERC, Nova Scotia Power Incorporated (NSPI) and Nova Scotia Utility and Review Board (NSUARB)) is being developed by NSUARB.

- **Significant Events/Compliance Violation Investigations**

NPCC concluded its one active CVI. There are no current CVIs underway. Within the last month NPCC has concluded a CIQ and determined that no CVI was necessary.

- **Compliance Trends**

NPCC is currently reviewing the latest version of entity's mitigation plan to address the violations of FAC-003-1 that prompted the issuance of a Remedial Action Directive on May 29, 2009.

- **Compliance Staffing Levels**

Are you at full staff level Yes No ✓

If No, list the positions that are vacant.

Senior Compliance Engineer

Provide an assessment of how the current staffing level is affecting the back log?

NPCC does not currently have a back log.

Identify the measures that are being taken while the full staffing level is being attained?

N/A

- **NPCC Violations Identified during October, 2009**

(Note: Attached is a tabular formulation of the data, in draft format. NPCC is working on developing similar exhibits to alternately report the data contained in this report.)

Violations in the United States

A total of 7 violations were reported: three (3) violations are related to FAC-008-1, three (3) violations are related to FAC-009-1, and one (1) violation is related to CIP-006-1.

Violations in Canada

None issued this reporting period.

- **Status of NPCC Violations Settlement Activities**

Violations in the United States

NPCC has revised Settlement Agreements, covering 12 violations, by four Registered Entities, related to CIP-001-1, that have that have been re-signed by both the Registered Entities and NPCC. The settlement Agreements were approved by the NERC BOTCC. Notices of Penalties (NOP) are being developed for submittal to FERC. NPCC has reached a Settlement Agreement related to two violations of FAC-003-1. The settlement Agreement was forwarded to NERC on June 29, 2009. NERC is currently reviewing the agreement and developing the Notice of Penalties (NOP).

Settlement Agreements, related to CIP-001, have been signed by the entity and are to be signed by NPCC shortly and submitted to NERC. Settlement Agreements have been sent to NERC, for review and comment prior to signing, on August 14 2009 related to violations of VAR-002-1. These agreements are in the final review process for signature.

NPCC continues in active settlement discussions with a Registered Entity related to 16 violations of PRC-005-1 and 1 violation of VAR-002-1. A draft settlement is being finalized for distribution to the entity for their review.

Violations in Canada

NPCC continues settlement discussions with a Canadian Entity related to four violations of FAC-003-1 and has sent the entity the first draft of a settlement agreement for their review and comment.

- **NPCC 2009 Compliance Audit Program**

- Nineteen (19) On-Site Audits are scheduled for 2009. Eighteen (18) have been completed to date.

- One hundred twenty (120) Off-Site Audits were originally scheduled for 2009. Due to registration changes, 109 of the 120 Off-site Audits remain on the revised schedule. Seventy-three (73) have been completed to date, one (1) is in-progress and thirty-five (35) will be completed by the end of 2009.
 - 292 spot checks are scheduled in 2009. All notification letters have been sent. 272 spot checks have been completed. 88 of the completed spot checks are related to CIP Standards and 188 are related to EOP-009; TOP-003, PRC-010 and PRC-11.
- **High Impact List (HIL) – Hydro-Quebec TransEnergie Update**
 - HQT is in receipt of a revised Settlement Agreement, which will cover all four violations.