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DEPARTMENT OF ENERGY  
Federal Energy Regulatory Commission

North American Electric Reliability Corporation

Docket No. RC11-6-004

Notice of Staff Review of Compliance Programs

Commission staff coordinated with the staff of the North American Electric Reliability Corporation (NERC) to conduct the annual oversight of the Find, Fix, Track and Report (FFT) program, as outlined in the March 15, 2012 Order,<sup>1</sup> and the Compliance Exception (CE) Program, as proposed by NERC's September 18, 2015 annual Compliance Filing.<sup>2</sup> The Commission supported NERC's plan to coordinate with Commission staff to review the same sample of possible violations, thereby reducing the burden on the Regional Entities of providing evidence for two different samples. Commission staff reviewed a sample of 32 FFT possible violations out of 161 FFT possible violations posted by NERC between October 2014 and September 2015 and a sample of 100 CE instances of noncompliance out of 499 CE instances of noncompliance posted by NERC between May 2014 and October 2015.

Commission staff believes that the FFT and CE programs are meeting expectations with limited exceptions. Sampling for the 2015 program year indicated that the Regional Entities appropriately included the sampled possible violations in the FFT and CE programs and that these 132 possible violations have been adequately remediated. Commission staff's sample analysis indicated a small number of documentation concerns, particularly with regard to the quality of the information contained in the FFT and/or CE postings. For example, Commission staff found that several FFT or CE issues still lacked some of the information requested in NERC's

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<sup>1</sup> *North American Electric Reliability Corp.*, 138 FERC ¶ 61,193, at P 73 (2012) (discussing Commission plans to survey a random sample of FFTs submitted each year to gather information on how the FFT program is working).

<sup>2</sup> *North American Electric Reliability Corp.*, Docket No. RC11-6-004, at 1 (Nov. 13, 2015) (delegated letter order) (stating "NERC's intention to combine the evaluation of Compliance Exceptions with the annual sampling of FFTs to further streamline oversight of the FFT and compliance exception programs").

Guidance for Self Reports document and necessary for the posted FFT or CE.<sup>3</sup> This includes information such as start or end dates, factors affecting the risk prior to mitigation (such as potential and actual risk), and actual harm. Commission staff subsequently reviewed the supporting information for these FFTs or CEs, which provided a majority of the missing information. Commission staff ultimately agreed with the final risk determinations for all 132 samples. Commission staff also noted a significant improvement in the clear identification of root cause, which was identified in all samples posted after the feedback calls from the previous year's survey. In addition, Commission staff noted that the FFTs and CEs sampled did not contain any material misrepresentations by the registered entities.

Dated: June 15, 2016

Kimberly D. Bose,  
Secretary.

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<sup>3</sup> *North American Electric Reliability Corp.*, 138 FERC ¶ 61,193, at P 60 (2012).

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