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DEPARTMENT OF ENERGY
FEDERAL ENERGY REGULATORY COMMISSION

North American Electric Reliability Corporation

Docket No. RC11-6-005

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,¹ and the Compliance Exception (CE) Program, as proposed by NERC's September 18, 2015 annual Compliance Filing.² 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 23 FFT possible violations out of 46 FFT possible violations posted by NERC between October 2015 and September 2016 and a sample of 100 CE instances of noncompliance out of 470 CE instances of noncompliance posted by NERC between October 2015 and September 2016.

Commission staff believes that the FFT and CE programs are meeting expectations with limited exceptions. Sampling for the 2016 program year indicated that the Regional Entities appropriately included 97.5 percent of the sampled possible violations in the FFT and CE programs and that all 123 possible violations have been adequately remediated. Commission staff's sample analysis indicated a decreasing 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 a few FFT or CE issues still lacked some of the information requested in NERC's Guidance for Self Reports

¹ *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).

² *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).

document and necessary for the posted FFT or CE.³ This includes information such as start or end dates, or root cause. Specifically, the identification of root cause has improved significantly over the past three years, moving from 38 percent missing an identification of root cause to less than 2 percent. 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 120 of the 123 samples. Commission staff also noted a significant improvement in the clear identification of factors affecting the risk prior to mitigation (such as potential and actual risk), and actual harm, which was identified in all samples. In addition, Commission staff noted that the FFTs and CEs sampled did not contain any material misrepresentations by the registered entities.

DATED: June 27, 2017

Kimberly D. Bose,
Secretary.

³ *North American Electric Reliability Corp.*, 138 FERC 61,193, at P 60 (2012).

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