

SERC Compliance Monitoring and Enforcement Program

Implementation Procedure 3.7 Exception Reporting



SERC CMEP Implementation Procedure 3.7 Exception Reporting

Revision History

Revision	Date	Originator	Comments
0	May 31, 2007	T. Galloway	Document Origination.
1	April 22, 2008	C. Sills	Updated to reflect 2008 compliance program.
2	April 21, 2009	C. Sills	Included more information regarding the filing schedule and notification to registered entities. Clarified the escalation process if an entity fails to submit the required filing. Removed timeframe for capturing assessment reports. Removed appendices.

Cross Reference Table

The procedures listed in the table below refer to this procedure, Compliance Implementation Procedure 3.7: Exception Reporting. As revisions are made to Procedure 3.7, the Originator should review the procedures listed to determine if corresponding changes to these procedures are warranted.

Procedure Number	Procedure Title
5.0	Consolidated Compliance Enforcement Tracking

Responsible SERC Group(s)

SERC Board Compliance Committee (BCC)

Review and Re-Approval Requirements

This document will be reviewed every two years or as appropriate for possible revision. The existing or revised document will be re-approved by the SERC Board Compliance Committee (BCC), distributed by the Compliance Director to all applicable SERC staff, and posted on the website for Registered Entity and SERC Member reference.

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1.0 Purpose

Some Reliability Standards require reporting of exceptions to compliance as a form of compliance monitoring. This procedure establishes the methodology for handling and processing of exception reports to ensure compliance monitoring and reporting are accomplished in a consistent and timely manner.

Exception Reporting is defined in the SERC Compliance Monitoring and Enforcement Program (CMEP) as:

Information provided to the Compliance Enforcement Authority by a Registered Entity indicating that a violation of a Reliability Standard has occurred (e.g. a system operating limit has been exceeded). Some Reliability Standards require Exception Reporting.

This procedure augments Section 3.7, "Exception Reporting" of the SERC Compliance Monitoring and Enforcement Program document.

2.0 Responsibilities

The Compliance Director (CD) is responsible for:

- Determining the subset of Reliability Standards that require exception reporting as part of the SERC Annual CMEP Implementation Plan.
- Determining the subset of Reliability Standards that require self-reports or data submittals, and associated reporting criteria, as the method for exception reporting.
- Developing data requirements and processes for handling and review of exception reports to ensure conclusive determination of potential non-compliance(s) / alleged violation(s).
- Submitting a report to the Board Compliance Committee (BCC) for review on SERC compliance enforcement process actions and status for all entities identified as having potential non-compliance(s) / alleged violation(s).

The Compliance Enforcement Manager (CEM) and staff are responsible for:

- Coordinating development of new or revised forms, methods, and instructions for exception reporting in time to support SERC and entity scheduled filing requirements.
- Providing compliance filing requirements, schedules and instructions for exception reporting to Registered Entities.
- Reviewing submitted exception report data to ensure all applicable Registered Entities have reported.
- Reviewing submitted exception reports to determine the existence of potential non-compliance(s) / alleged violation(s) and entry into the SERC compliance enforcement process.

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Registered Entities are responsible for:

- Timely submittal of exception reports when deviations from baseline norms of the prescribed parameters indicate the potential a violation of a Reliability Standard has occurred.
- Completing applicable reporting forms and, if applicable, certification statements in a timely manner per the established schedules.
 - Ensure exception reporting submittals are completed as required by the region and notifying SERC if additional requirements or forms should be posted to the Portal.
- Retaining evidence to support the responses to the exception reporting, including any follow-up investigation, until the completion of the next scheduled audit, unless the NERC or Regional Entity advises otherwise.
- Responding to requests for additional data.

3.0 References

SERC CMEP Section 3.7.

4.0 Procedure Steps

- The Compliance Director determines the subset of Reliability Standards that require exception reporting and the associated schedule as part of the SERC Annual CMEP Implementation Plan.
- The Compliance Director submits exception reporting requirements to the Compliance Enforcement Manager by November 1st of each year (in conjunction with SERC filing the SERC Annual CMEP Implementation Plan with NERC) for new development and modification of required reporting forms and instructions.

Note: The SERC Self-Report form is the mechanism for a Registered Entity to submit an exception report when deviations from baseline norms of the prescribed parameters indicate the potential a violation of a Reliability Standard has occurred.

- The Compliance Enforcement Manager (CEM) will assign one or more Compliance Engineers development tasks associated with new or revised reporting forms. The Compliance Engineer is responsible for portal development, incorporating database elements and electronic forms to be posted on the SERC Portal.

Note: Exception reporting forms shall require the reporting entity to confirm the number of exceptions that occurred in a given time period, even if the number of exceptions is zero.

- The Compliance Engineer will post required filing schedules, submittal forms, compliance procedures and supporting information on the SERC website and Portal. Registered Entities will be notified and kept informed of changes and/or updates.

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- Compliance filing requirements and schedules will be posted to the SERC public website detailing the list of Reliability Standards requiring exception reporting, their requirements, applicable functions and reporting mechanism.
- The submittal forms will be posted to the Portal a minimum of fourteen (14) days prior to the due date for entity reporting.
- If a filing deadline falls on a weekend the due date will be the next business day.

Note: Requests for Exception Reporting data submittals will be issued to Registered Entities with at least the minimum advance notice period specified by the applicable Reliability Standard. If the Reliability Standard does not specify an advance notice period, the request will normally be issued with no less than twenty (20) days advance notice. The Registered Entity will provide the required information in the format as specified in the request.

NOTE: A twenty four (24) hour, seven days a week SERC Reporting Hotline (1-877-644-SERC) allows exception reporting, in addition to reporting of complaints and self-reporting.

- The general structure of exception reporting data submittal forms on the Portal will be as follows:
 - Registered Entity contact
 - Confidentiality statement
 - Supporting questions at the standard requirement level.
- Exception reporting forms will typically be locked out for filing one (1) day after its required submittal date. Entities not having completed submission by this date must contact SERC CE staff for access to the form for filing.
- Within five (5) days of the required data submittal deadline, the Compliance Engineer will follow-up, as needed, to ensure all applicable Registered Entities have submitted required data submittal.
 - The Compliance Engineer will develop a report that identifies each Registered Entity that has failed to complete a data submittal by the required deadline.
 - Failure of a Registered Entity to submit requested data by the filing deadline will result in an escalation of the enforcement process as described in SERC Implementing Procedure 5.0: Consolidated Compliance Enforcement Tracking.
- The Compliance Engineer will initiate queries and develop reports to aid the CE Staff in reviewing contents of data submittal exception reports.
- The output reports are forwarded to the CEM for coordination of CE staff review. CE staff will review the submitted information to determine compliance with the

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Reliability Standard and may request the entity to provide additional data and/or information for a complete assessment.

- Upon completion of the CE Staff review, the CEM directs entry of any potential non-compliance(s) / alleged violation(s) into the Compliance Database Tracking system and processes them for a determination of alleged violation in accordance with SERC CMEP Implementation Procedure 5.0 Consolidated Compliance Enforcement Tracking.
- Reports with no identified non-compliance(s) / alleged violation(s) indicated are filed in accordance with SERC Implementation Procedure 9.0: Data Retention and Confidentiality.
- The CD submits the details of exception reporting entities that were entered into the SERC compliance enforcement process and the status of such actions to the BCC for review.
- If no potential non-compliance(s) / alleged violation(s) are found, this process generally completes within thirty (30) business days of SERC's receipt of data.