Helping our members work together to keep the lights on... today and in the future

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Accomplishments in Enforcement

- Penalties scaled to match seriousness of violation
- Implementation of zero penalties where appropriate
- Less rework between Regional Entities & NERC
- Increased resources at Regional Entities and NERC

### Regional Entity Budgets

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$30,000</td>
</tr>
<tr>
<td>2011</td>
<td>$150,000</td>
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</tbody>
</table>

### Regional Entity FTEs

<table>
<thead>
<tr>
<th>Year</th>
<th>FTEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>100</td>
</tr>
<tr>
<td>2011</td>
<td>500</td>
</tr>
</tbody>
</table>


Current Environment

Increase in violations

- More experienced auditors & increased resources
- Information sharing among REs, NERC and FERC
- Improved processes (pre-audit, increased sampling)
- Increased number of standards
- CIP standards
- Outreach and education (> 580 hours in 2010) leading to self-reports
Moving Forward – Elements of Success

- Streamline violation processing
- Risks if we don’t (SPP RE example)
Moving Forward – Elements of Success

- Prioritize resources – Spend money and time where it will matter most
FERC Guidance on NOPs

- Some orders provide guidance to Regional Entities & NERC for future NOPs
- Typically 500 violations in final draft form at any time awaiting administrative clean-up by Regional Entities and NERC
- Request Commission guidance apply in a way that avoids rework of violations already in final draft form