

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

STAFF NOTICE OF ALLEGED VIOLATIONS

(November 20, 2012)

Take notice<sup>1</sup> that in a nonpublic preliminary investigation pursuant to 18 C.F.R. Part 1b, the staff of the Office of Enforcement of the Federal Energy Regulatory Commission (Commission) has preliminarily determined that Entergy Services Inc. (Entergy) violated multiple Reliability Standards approved by the Commission.<sup>2</sup>

Entergy is a public utility headquartered in New Orleans, Louisiana, and along with six affiliated operating companies provides generation, transmission, and distribution services to retail customers located in Louisiana, Texas, Mississippi, and Arkansas. Staff alleges that Entergy violated thirty-three Requirements of sixteen Reliability Standards by failing to adequately perform critical functions required for reliable operation of its transmission system, summarized as follows:

- Staff alleges violations of Requirements in TOP-002-2b, TOP-004-2, TPL-002-0a, TPL-003-0a, and TPL-004-0 based on its findings that, before October 2010, Entergy failed to consider certain protection system maintenance activities in its operations and planning studies.
- Staff alleges violations of Requirements in FAC-008-1 and FAC-009-1 based on its finding that Entergy lacks a documented methodology for developing facility ratings for its transmission lines built before 1994.
- Staff alleges violations of Requirements in PER-002-0 and PER-003-0 based on its finding that Entergy inadequately trains, and fails to certify, system operators at its regional Transmission Operations Centers despite those operators sharing primary responsibility for the real-time operation of the interconnected Bulk Electric System.

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<sup>1</sup> *Enforcement of Statutes, Regulations, and Orders*, 129 FERC ¶ 61,247 (2009), *order on reh'g*, 134 FERC ¶ 61,054 (2011).

<sup>2</sup> *Mandatory Reliability Standards for the Bulk-Power System*, Order No. 693, FERC Stats. & Regs. ¶ 31,242, *order on reh'g*, Order No. 693-A, 120 FERC ¶ 61,053 (2007).

MS112012

-2-

- Staff alleges violations of Requirements in TOP-002-2b, TOP-004-2, TOP-008-1, TPL-001-0.1, TPL-002-0a, and TPL-003-0a based on its finding that Entergy fails to maintain accurate models in its operations, operations planning, and long-term planning tools, which Entergy uses for analyzing and planning its system operations.
- Staff alleges violations of Requirements in COM-001-1.1, BAL-005-0.1b, TOP-004-2, TOP-006-2, and EOP-008-0 based on its finding that Entergy fails to ensure adequate and reliable telecommunications facilities, fails to maintain and test backup power supplies at vital telecommunications facilities, and lacks effective emergency operating plans. These findings were exposed during several communications outage events in 2008 and 2009, in which Entergy could not perform various monitoring and control functions required of it as a Balancing Authority and Transmission Operator.
- Staff alleges a violation of a Requirement in CIP-007-1 based on its finding that Entergy failed to adequately protect critical infrastructure by neglecting to test a firmware upgrade before applying the upgrade in production mode.

Staff alleges that many of these violations are continuous and were ongoing for a period of several years.

This Notice does not confer a right on third parties to intervene in the investigation or any other right with respect to the investigation.

Kimberly D. Bose,  
Secretary.

Document Content(s)

MS112012.DOC.....1-2