

August 1, 2014

Kirsten Walli, Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
Toronto, Ontario, Canada
M4P 1E4

Re: Revisions to the Violation Risk Factors and Violation Severity Levels Assigned to Certain Critical Infrastructure Protection Reliability Standards

Dear Ms. Walli:

The North American Electric Reliability Corporation (“NERC”) submits proposed revisions to certain Violation Risk Factors (“VRFs”) and Violations Severity Levels (“VSLs”) assigned to certain Critical Infrastructure Protection (“CIP”) Reliability Standards. Specifically, NERC proposes revisions to the VRFs assigned to:

- CIP-006-5, Requirement R3
- CIP-004-5.1, Requirement R4

NERC is also proposing revisions to the VSLs assigned to:

- CIP-003-5, Requirements R1 and R2
- CIP-004-5.1, Requirement R4
- CIP-008-5, Requirement R2
- CIP-009-5, Requirement R3

The proposed VRF and VSL revisions are just, reasonable, not unduly discriminatory or preferential, and in the public interest.

I. Background

In Order No. 791¹, the Federal Energy Regulatory Commission (“FERC”) approved new and modified CIP Reliability Standards, referred to as the CIP version 5 Reliability Standards. Among other things, FERC directed NERC to file revisions to certain VRFs and VSLs assigned to certain CIP Reliability

¹ *Version 5 Critical Infrastructure Protection Reliability Standards*, Order No. 791, 145 FERC ¶ 61,160 (2013).

Standards.² In particular, FERC directed NERC to modify the VRF assignments for Reliability Standards CIP-006-5, Requirement R3 and CIP-004-5, Requirement R4 from Lower to Medium.³ Additionally, FERC directed “modification to the VSLs for certain CIP Reliability Standards to: (1) remove the “identify, assess, and correct” language from the text of the VSLs for the affected requirements; (2) address typographical errors; and (3) clarify certain unexplained elements.”⁴

FERC directed NERC to file the VRF revisions within 90 days of the effective date of Order No. 791.⁵ FERC did not set a timeframe for filing the VSL modifications. On March 19, 2014, FERC granted NERC an extension of time until May 15, 2014 to file the VRF modifications.⁶ The NERC Board of Trustees approved the proposed VRF and VSL revisions on May 7, 2014.

II. Notices and Communications

Notices and communications with respect to this filing may be addressed to the following:

Holly A. Hawkins
 Assistant General Counsel
 Shamai Elstein
 Counsel
 North American Electric Reliability Corporation
 1325 G St., NW, Suite 600
 Washington, DC 20005
 202-400-3000
 holly.hawkins@nerc.net
 shamai.elstein@nerc.net

III. Proposed VRF and VSL Revisions

Consistent with FERC’s directives in Order No. 791, NERC is proposing to modify (i) the VRFs for CIP-006-5, Requirement R3 and CIP-004-5.1, Requirement R4; and (ii) the VSLs for CIP-003-5, Requirements R1 and R2; CIP-004-5.1, Requirement R4; CIP-008-5, Requirement R2; and CIP-009-5, Requirement R3. The following is a discussion of each of the proposed VRF and VSL Revisions.

With respect to the directive to modify the VSLs associated with the requirements that include the “identify, assess, and correct” language, NERC will submit such modifications when it modifies those requirements consistent with FERC’s directive from Order No. 791 to remove or modify that language.

² Order No. 791 at PP 181-84, 192-196, 205-210.

³ *Id.* at PP 181-84, 192-196.

⁴ *Id.* at P 205-210.

⁵ *Id.* at PP 184, 196.

⁶ *Notice of Extension of Time*, Docket No. RM13-5-000 (March 19, 2014).

There is a NERC standards development project, Project 2014-02 CIP Version 5 Revisions, underway to address FERC directives from Order No. 791.

a. VSL for CIP-003-5, Requirements R1, R2 and R4

Reliability Standard CIP-003-5 addresses security management controls for cyber security. Requirement R1 of that standard governs management approval of policies on topics addressed in other CIP standards for medium and high impact BES Cyber Systems. Requirement R2 governs policies for low impact BES Cyber Systems. Consistent with the FERC directive,⁷ NERC proposes to revise the VSLs in CIP-003-5, Requirements R1 and R2 to eliminate redundant language.

FERC also directed NERC to clarify that the VSLs assigned to Requirement R4 of CIP-003-5 include timeline gradations as set forth in the VSL contained in Exhibit A to the CIP version 5 Reliability Standards filing.⁸ NERC hereby clarifies that VSLs for CIP-003-5, Requirement R4 include the timeline gradations reflected in Exhibit A to the CIP version 5 filing and as reflected in Attachment A hereto.

b. VRF and VSL for CIP-004-5.1, Requirement R4

Reliability Standard CIP-004-5.1 addresses cyber security personnel and training requirements, and Requirement R4 of that standard obligates a responsible entity to have a process for authorizing access to BES Cyber System Information, including periodic verification that users and accounts are authorized and necessary. Consistent with FERC's directive,⁹ NERC proposes to revise the VRF for CIP-004-5.1, Requirement R4 from a "Lower" designation to a "Medium" designation. Additionally, NERC proposes to revise the VSL assignment for CIP-004-5.1, Requirement R4 to a percentage-based gradation consistent with FERC's directive.¹⁰

c. VRF for CIP-006-5, Requirement R3

Reliability Standard CIP-006-5 addresses physical security of BES Cyber Systems, and Requirement R3 of that standard governs implementation of Physical Access Control System maintenance and testing programs. Consistent with FERC's directive,¹¹ NERC proposes to revise the VRF for CIP-006-5, Requirement R3 from a "Lower" designation to a "Medium" designation.

d. VSL for CIP-008-5, Requirement R2

⁷ Order No. 791 at P 206.

⁸ *Id.* at P 207.

⁹ *Id.* at PP 192-196.

¹⁰ *Id.* at P 208.

¹¹ *Id.* at PP 181-184.

Reliability Standard CIP-008-5 addresses incident reporting and response planning for cyber security. Requirement R2 of that standard governs implementation of documented Cyber Security Incident response plans. Consistent with FERC's directive,¹² NERC proposed to revise the severe VSL to reduce a gap in months between the high VSL and severe VSL.

e. CIP-009-5, Requirement R3

Reliability Standard CIP-009-5 addresses recovery plans for BES Cyber Systems. Requirement R3 of that standard governs maintenance of the recovery plans. Consistent with FERC's directive,¹³ NERC proposed to revise the timeframes contained in the VSLs from 90-210 days to 90-120 days, where appropriate.

IV. Conclusion

For the foregoing reasons, the proposed VRF and VSL revisions are just, reasonable, not unduly discriminatory or preferential, and in the public interest.

Respectfully submitted,

/S. Shamai Elstein

Holly A. Hawkins

Assistant General Counsel

Shamai Elstein

Counsel

North American Electric Reliability Corporation

1325 G St., NW, Suite 600

Washington, DC 20005

202-400-3000

holly.hawkins@nerc.net

shamai.elstein@nerc.net

¹² *Id.* at P 209.

¹³ *Id.* at P 210.

ATTACHMENT A – Proposed VRF and VSL Revisions

Available on the NERC Website at

http://www.nerc.com/FilingsOrders/ca/Canadian%20Filings%20and%20Orders%20DL/CIP_VRF_VSL_fili

[ng.pdf](#)