



March 18, 2011

VIA ELECTRONIC FILING

Ms. Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, D.C. 20426

Re: NERC Notice of Penalty regarding Texas Municipal Power Agency
FERC Docket No. NP11-114-000

Dear Ms. Bose:

On February 23, 2011, the North American Electric Reliability Corporation (“NERC”) submitted a Notice of Penalty regarding a violation of Reliability Standard PRC-005-1 Requirement (R) 1 for Texas Municipal Power Agency (“TMPA”). By this filing, NERC supplements the record by providing additional information regarding the testing of the instrument transformers and why Texas Regional Entity, Inc (“Texas RE”) found TMPA compliant with PRC-005-1 R2.

The TMPA Compliance Officer and TMPA General Manager provided information and/or documentation of implementation of its maintenance and testing program to Texas RE Enforcement staff. Texas RE Enforcement staff found that TMPA followed the documented program; however, that written program did not include intervals for instrument transformers (CT/PTs). TMPA stated during the audit interviews and after (via e-mail from the TMPA General Manager and TMPA Compliance Officer to the Texas RE Enforcement staff), that the CTs and PTs were tested in 1994 and 2000 but explained that, during the conversion of software that tracks testing, some of the testing records (test reports) were lost.

As a result of the written program excluding certain equipment, Texas RE found a violation of R1. Texas RE reviewed the facts and circumstances and considered the verbal attestations and follow-up email provided by TMPA with regard to whether there was an R2 violation. Texas RE concluded, after such consideration, that there was no R2 violation.

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Request for Confidential Treatment

Information in and certain attachments to the instant Notice of Penalty include privileged and confidential information as defined by the Commission's regulations at 18 C.F.R. Part 388 and orders, as well as NERC Rules of Procedure including the NERC CMEP Appendix 4C. Specifically, this includes non-public information related to certain Reliability Standard violations, certain Regional Entity investigative files, Registered Entity sensitive business and confidential information exempt from the mandatory public disclosure requirements of the Freedom of Information Act, 5 U.S.C. 552, and should be withheld from public disclosure.

In accordance with the Commission's Rules of Practice and Procedure, 18 C.F.R. § 388.112, a non-public version of the information redacted from the public filing is being provided under separate cover.

Because certain of the attached documents are deemed "confidential" by NERC, Registered Entities and Regional Entities, NERC requests that the confidential, non-public information be provided special treatment in accordance with the above regulation.

Accordingly, NERC respectfully requests that the Commission accept this supplemental filing and issue an order consistent with the comments provided herein.

Respectfully submitted,

/s/ Rebecca J. Michael

Rebecca J. Michael

*Attorney for North American Electric
Reliability Corporation*

Enclosure: e-mail correspondence

cc: Official service list in Docket No. NP11-114-000