

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Version 5 Critical Infrastructure
Protection Reliability Standards

Docket No. RM13-5-000

**COMMENTS
SUBMITTED ON BEHALF OF
THE PUBLIC UTILITIES COMMISSION OF OHIO**

Pursuant to the Federal Energy Regulatory Commission's (FERC or Commission) Rule 211 *Rules of Practice and Procedure* 18 C.F.R. 385.211, for the filing of comments, the Public Utilities Commission of Ohio (PUCO or Ohio Commission) hereby submits these Comments in response to the Notice of Proposed Rulemaking (NOPR) on "Version 5 Critical Infrastructure Protection Reliability Standards." The PUCO appreciates the opportunity to provide comments on the North American Electric Reliability Corporation's (NERC) proposed Critical Infrastructure Protection Reliability Standards (CIP) before the Commission. In the NOPR filed on April 18, 2013, the Commission requested comments on a variety of concerns with the proposed CIP.

COMMENTS

The PUCO supports the Commission's proposal to approve the CIP Version 5 Standards, as it represents an improvement over the current Commission-approved reliability standards. The PUCO believes that forgoing the implementation of the CIP

Version 4 Standards will assist in implementing Version 5, which already incorporates any improvements already found in Version 4.

The NOPR seeks comment on the activities and any other considerations that justify a 24 and 36-month implementation periods for the CIP Version 5 Standards. The PUCO is in agreement with these proposed implementation periods. However, the PUCO is concerned that the proposed implementation plan could create stranded preparation costs for the CIP Version 4 Standards that never came to fruition. It will be extremely difficult to identify changes in each category from CIP Version 4 to CIP Version 5 in order to quantify the amount of stranded investments; however these costs surely exist. The PUCO further believes that adequate implementation time is required in order to effectively implement the Version 5 Standards. Insufficient implementation time will result in an increased risk of security breach.

The Version 5 Reliability Standards incorporate a requirement that cyber policies be implemented in a manner to “identify, assess, and correct deficiencies.” The Commission had concerns that the current language was unclear regarding the implementation and obligations placed on regulated entities. The PUCO suggests that if further revisions are made to specify compliance, it could lead to unnecessary costs. Every circumstance may be different, and some flexibility is required for cost effective implementation.

In addition to the concerns listed above, the PUCO continues to be apprehensive about the overall costs to implement CIP Version 5. The PUCO, like other state utilities commissions, has an obligation to ensure utility services are safe and reliable, but are also offered at just and reasonable rates. Ultimately, retail ratepayers will bear investment and

compliance costs associated with these and other reliability standards. The PUCO has supported resolutions adopted by the National Association of Regulatory Utility Commissioners (NARUC) regarding NERC reliability standards. In particular, the areas of importance to the PUCO are the following: the need to demonstrate that the standards provide reliability benefits to consumers that justify their costs; standards and enforcement should focus on violations that pose a higher risk of reliability to the bulk power system; and standards must recognize jurisdictional boundaries.

In addition to the overall magnitude of cost compliance with Version 5 Standards, this could place a heavy financial burden on smaller utilities, municipalities, and coops that have not been adequately considered in NERC's proposal and even modest-sized facilities, where the cost-benefit analysis may not be the same as for larger utilities. These burdens will make it difficult for state commissions to account for the needs of both utilities and consumers while meeting their statutory obligations. The PUCO contends that this difference in cost should be accounted for in the proposed standards.

The PUCO has been diligent in working with our utilities and staying current on cyber security practices. We have paid heed to cost-effective protection and preparedness measures employed by our utilities to detect, deter and respond to cyber attacks.

We recognize that cyber-secure service is critical to safe and reliable service. And this will come with a cost. But investment must be made in a cost effective manner for each utility in a way that protect their high risk vulnerabilities. States must retain the right to regulate the reliability of retail electric service and to determine cost recovery for prudent utility infrastructure investment.

CONCLUSION

The PUCO respectfully asks that its comments regarding Version 5 Critical Infrastructure Protection Reliability Standards be considered by the Commission in its consideration of the proposals at issue.

Respectfully submitted,

/s/ Thomas W. McNamee

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CERTIFICATE OF SERVICE

I hereby certify that the foregoing have been served in accordance with 18 C.F.R. Sec. 385.2010 upon each person designated on the official service list compiled by the Secretary in this proceeding.

/s/ Thomas W. McNamee

Thomas W. McNamee
Public Utilities Commission Counsel

Dated at Columbus, Ohio this July 2, 2013.

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Summary: Comments submitted to the Federal Energy Regulatory Commission by Assistant Attorney General Thomas W. McNamee on July 2, 2013 on behalf of the Public Utilities Commission of Ohio to be filed in FERC Docket No. RM13-5-000, In re Version 5 Critical Infrastructure Protection Reliability Standards. electronically filed by Kimberly L Keeton on behalf of Public Utilities Commission of Ohio