FEDERAL ENERGY REGULATORY COMMISSION
OFFICE OF ENERGY PROJECTS
DIVISION OF DAM SAFETY AND INSPECTIONS
NEW YORK REGIONAL OFFICE
19 West 34th Street - Suite 400
New York, New York 10001

Office No. (212) 273-5900 **FAX No. (212) 631-8124**

Re: FERC Security Program Update

March 5, 2003

Dear :

The purpose of this letter is to address two items. First, we want to let you know what the FERC expects you to submit for the documentation of security activities at your facilities. Second, we understand that many of you still have questions about how to proceed in the vulnerability and security assessments at your facilities. If you have any questions, please contact us to let us know what those questions are so that we can resolve your uncertainties.

It has been a year and a half since the terrible events of September 11, 2001. During that time, we have asked you to assess the security of your projects and we have developed a Security Program that requires both our staff and you to broaden the view of security needs, to improve our knowledge of effective security measures, and where necessary enhance security at your projects. The response of our licensees and exemptees has been prompt and professional. We appreciate your cooperation in this infrastructure protection effort.

We are continuing our consultation with licensees with a Task Force established to monitor and improve our Security Program as we gain knowledge of the threats facing our nation and how best to protect hydropower facilities. The Task Force will continue to develop guidance for your future security needs. Enclosure 1 is a list of Task Force members. Feel free to contact anyone on the list to

express your views and provide input to the Program. The FERC is also sponsoring a two-day workshop on security and Emergency Action Plans (EAP)s in conjunction with the upcoming United States Society on Dams (USSD) Annual Meeting Charleston, S.C. on April 12/13, 2003. The workshop will be at USSD Meeting hotel, the Embassy Suites Hotel immediately preceding the USSD meeting. At this workshop, we will address many of these concerns. A full description of the workshop can be found at the following link :

http://www.ferc.gov/hydro/docs/2003_ep_workshop.htm
Registration information for the workshop can be found at the following USSD link:

http://www.ussdams.org/03amreg.html

As our program has evolved, we have issued a number of letters:

- **October 16, 2001** – We requested confirmation that security needs had been evaluated and a statement on the types of increased security measures implemented.

- **November 21, 2001** – This letter outlined steps we were taking to improve communication of security information, notified you of the Security Group classification of you dams, provided a list of suggested security measures developed by a subcommittee of the National Hydropower Association, and requested your input.

- **June 7, 2002** – We issued the FERC Security Program for Hydropower Projects, highlighting your responsibilities and providing you an opportunity to meet with us to discuss the Program.

- **November 18, 2002** – We issued a revised version of the Security Program and requested that you submit by December 16, 2002, a plan and schedule for accomplishing the security requirements specified in the Program as due September 30, 2003.

As we approach September 30, 2003, we ask that you ensure that your planning process is on schedule and that all required assessments and plans will be completed on time. **For clarification, please note:** the actual assessments and security plans should **not** be submitted to the FERC. Rather, a summary of your assessments and conclusions should be submitted to this office, and for reasons of document control, specific details of your security operations should not be included within this submittal. To assist you, Enclosure 2 provides a format that could be used for the security assessment summary submittal. This format is a suggestion for your consideration and we welcome any questions you may have about its content. During our operation inspections, we will review the process you followed and your conclusions. Special meetings to discuss these aspects may also be arranged if you desire, or at our request. During any calls, the leader of our Task Force and other appropriate people in our Washington, D.C. office can be connected by conference call to ensure that all comments are considered in the further development of our Security Program.

Of paramount importance is the safety of your facilities, your staff and the general public. We want to work with you to ensure that reasonable security measures are in place and that appropriate responses to varying threat levels will be made. If you have any question or concerns about our Program, your responsibilities, or security matters in general, please call Charles Goggins, Deputy Regional Engineer at (212) 273-5910 or myself at (212) 273-5990. Once again, thank you for your cooperation in this important matter.

Sincerely,

Regional Engineer

Enclosures

Enclosure 1

FERC Security Task Force Members
(as of 2/26/2003):

Name	Company	Telephone No.	E-mail Address
Ted Almay	American Electric Power	omitted numbers	omitted addresses
Don Baldwin	Excelon		
Ernie Brockman	Duke Power		
William Broderick	New York Power Authority		
Frank Calcagno (Chair)	FERC-WO		
Heather Campbell	FERC-WO		
Walt Davis	Seattle City & Light		
Jerry Freese	American Electric Power		
John Hawk	FERC-CRO		
Joel Galt	Southern Company		
Chuck Goggins	FERC-NYRO		
Paul Hittle	Consumers Energy		
Bernie Rasmussen	AEP		
Patrick Regan	FERC-PRO		
John Scott	FERC-SFRO		
Jack Seibel	Portland General Electric Co.		
Lyman Shaffer	Pacific Gas and Electric Co.		
Mark Stokes	Idaho Power		
June Sutherland	Southern California Edison		
Gus Tjoumas	FERC-WO		
Ralph Torres	CA Dept. of Water Resources		
Charles Wagner	FERC-ARO		
Ron Goebel	South Carolina Electric and Gas		

Subject: **Security Program for Hydropower Projects**
FERC P-_ _ _ _, name
FERC P-_ _ _ _, name
FERC P-_ _ _ _, name…

The following is a summary of the activities undertaken by <licensee> to respond to the recent FERC security initiatives. Specific details pertaining to security operations and features at our dams are not provided in this summary. However, general assessment methodologies, general assessment conclusions, and general actions undertaken at our facilities are discussed below. Information at a more detailed level <has been discussed with the FERC representative on <date> …or can be discussed with you in person in a separate meeting…>. The <licensee> is the owner/operator of seven Group 3 dams, four Group 2 dams, and two Group 1 dams.

Immediately following the events of 9/11/01, the <licensee> took the following steps to address security at all of our dams:

1. Formed an internal working group to…
2. Instituted interim operational measures to respond to…
3. Added various security features at our Group 1 dams to increase adversary detection and delay.
4. etc.

FERC inspectors have completed Security Checklists for all our Group 1 and Group 2 dams (and one Group 3 dam, P-_ _ _ _) during the previous two Operation Inspection periods. No deficiencies were identified and no recommendations were made from those inspections.

The <licensee> has completed all Vulnerability Assessments for Group 1 dams (completed on <date>), has completed all Security Assessments for Group 1 and Group 2 dams (completed on <date>), and has evaluated security in an informal manner for five of seven Group 3 dams (completed on <date>). Two Group 3 dams (P-_ _ _ _ and P-_ _ _ _) are of such minor consequence that no adverse effects could be envisioned from an attack and hence no evaluations were made for those projects. The pertinent studies are identified below:

1. "Threat Survey for <Mynamed> County", personal correspondence with <Mynamed> County Sheriff, <date>.
2. "Vulnerability Assessment Report for …name…", in house report <date>.
3. "Report of Security for …name…", <Myconsultant Company>, <date>.
4. "<licensee Security Plan" <date>.
5. "<licensee> Continuity of Operation Plan", <date>.
6. "<licensee> Emergency Action Plan", <date>.
7. etc.

Threat assessments were developed by a team composed of <licensee> Security Division and <licensee> Engineering Department, <Myconsultant Company>, and <Mynamed> County Sheriff Department. The team reviewed the dam sites and defined possible sources of local and non-local threat organizations. The assessment revealed that to date there is no history of attacks against nearby facilities…other details, etc… Minor incidents of vandalism have occurred at several of our facilities in the past x years. At present, the most credible threat scenario we envision involves a small group of 4 or so individuals using light vehicles, small arms, tools, and small amounts of explosives…

Vulnerability Assessments and Security Assessments were developed by a team composed of <licensee> Security Division and <licensee> Engineering Department and <Myconsultant Company>. Three engineers, one dam

operator, and one security specialist were used in the studies. Commercial and in-house methodologies were developed for these studies, involving identifying potential threats, consequences from an attack, identifying vulnerable features, and reviewing on-site security systems. We used methodologies to conduct these studies consisting of the following procedures and principles:

- **The "<Your VA Program>" developed by <This Security Company>**
- **In-house methods for assessing security consisting of site inspections with a security specialist and dam engineers**
- **Incorporated the independent Threat Assessment (see above) to determine potential adversarial attack strategies**
- **Conducted a Risk Assessment methodology similar to the example shown in the FERC Security Program to determine if suggested security enhancements improved the security response.**

The objective of the vulnerability assessments was to identify areas at our dam that are vulnerable to our hypothetical attack scenario that would cause a catastrophic event to occur. The effects of the loss of electric generation and … … were also considered. Several vulnerable areas were identified, as can be discussed in person with the FERC. The objective of the security assessments was to identify where security at our projects is weak, and in need of strengthening.

We are currently undergoing a phased approach to provide additional physical security at both of our Group 1 dams and three of our Group 2 dams (P-_ _ _ _, P-_ _ _ _, and P-_ _ _ _). Examples of enhancements include:

- **increased vehicular access restrictions to critical areas**
- **increase in sensor and CCTV equipment**
- **contract is in place for "as-needed" security guards, if necessary**
- **control rooms have been locked**
- **increased cyber controls and monitoring/firewall software**
- **increased coordination with emergency responders and law enforcers**
- **operational considerations, such as employee background checks and employee awareness programs, are being developed**

We have developed a series of actions to undertake in the event that threat levels and/or security alerts raise the level of concern locally at our facilities. These actions are now incorporated in our Security Plan. Our Continuity of Operation Plan has also been reviewed and updated, specifically for acts of terrorism and vandalism. Other…

Security at our remaining dams appears to be sufficient given the potential consequences and threats under consideration. Some minor additions to security at all our facilities are expected to increase our resistance to random acts of vandalism.

There are several issues we believe are very difficult to address when considering realistic, although potentially unlikely, threat scenarios which we still need to more fully evaluate. We would be interested in discussing these items with the FERC and other dam owners to determine if innovative solutions have been developed within the industry to address these unanswered questions.

We believe that the measures and studies we have taken have been adequate and appropriate, and fulfill the requirements of the FERC Security Program for Hydropower Projects.