

**EXH. SLT-10
DOCKETS UE-22___/UG-22___
2022 PSE GENERAL RATE CASE
WITNESS: SUZANNE L. TAMAYO**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**Docket UE-22___
Docket UG-22___**

**NINTH EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF**

SUZANNE L. TAMAYO

ON BEHALF OF PUGET SOUND ENERGY

JANUARY 31, 2022

WECC CIP-014-2 Mitigation Plan - IT Build
Gate change to Planning
Corporate Spending Authorization (CSA)

Date Submitted:	9/30/2020
Officer Sponsor:	Margaret Hopkins
Project Director:	Doug Loreen
Responsible Cost Center:	Corporate Security 1260

I. Project Overview

Business Need: The results from the 2019 WECC Audit brought to light several areas where Puget Sound Energy (PSE) did not effectively meet the requirements specified within the NERC CIP-014-2 standards. To address these deficiencies, PSE submitted a Mitigation Plan to WECC which detailed the activities that PSE would perform to correct the deficiencies and mitigate them from reoccurring.

Two key deliverables within the WECC Mitigation Plan were: 1. Conduct a new Threat and Vulnerability Assessment (TVA) at each of the five CIP-014-2 sites, and 2. Draft new TVA documentation (CIP-014-2 R4) and Security Plans (CIP-014-2 R5) for each of the five CIP-014-2 sites.

The results of the five TVAs revealed that PSE does not have sufficient physical security countermeasures deployed at its CIP-014-2 sites to be able to effectively mitigate those adversarial attacks that are most likely to occur, resulting in PSE's non-compliance to NERC CIP-014-2 R5.1: *"Resiliency or security measures designed collectively to deter, detect, delay, assess, communicate, and respond to potential physical threats and vulnerabilities identified during the evaluation conducted in Requirement R4"*.

Proposed Solution: The intent of the project is to replace existing obsolete, non-functional, security equipment and software with new physical security countermeasures to correct security deficiencies in those areas that are not currently in compliance with CIP-014-2 R5.

Several IT capabilities are needed to support the proposed solution and address NERC CIP-014-2 standards:

1. Installation of a new Physical Security Incident Management System (PSIM). The current system provides basic alarm automation and does not support alarm assessment, integrations, and incident management
2. Integration with existing and new systems for: monitoring alarms, radar sensors, cameras, gunshot detection, fence

detection, physical access, public address (PA) system, system monitoring, communications for emergency and operational procedures, mapping alarm locations and monitoring weather events.

3. Phone and network connectivity for the five CIP-014-2 sites where applicable.

Project Outcome/Results:

This project will improve PSE’s physical security posture at all five CIP-014-2 sites, and will address:

NERC CIP Compliance

1. Bring PSE’s five CIP-014-2 sites into compliance with NERC CIP Physical Security Standards, avoiding any future regulatory penalties.
2. The proposed countermeasures meet the recommendations made by the WECC Audit team during the 2019 WECC Audit Site Visits, and the Navigant consultant that was contracted to assist on the 2019 CIP-014-2 R4, R5 WECC Mitigation Plan

Critical Infrastructure Protection

1. Ensuring mission critical electrical infrastructure is adequately protected against current industry threats.
2. Being able to withstand and recover rapidly from deliberate attacks against key assets.

OCM, Process & Training Impact:

N/A Low Impact Medium Impact Significant Impact

Click or tap here to enter text.

Primary ISP Alignment:

Processes & Tools [ISP strategy descriptions](#)

ISP Strategy Description:

Process & Tools - Safety and security of systems, information and assets

Portfolio Description:

Risk Mitigation [Capital Allocation Definitions](#)

Project Complexity:

Straightforward and well understood Complex and well understood Complex and not well articulated

II. Key Schedule and Financial Information

Expected Start Date If Funded:	01/2021
Expected In-Service Date:	12/31/2023

High-Level Schedule 3 years

Duration				
Planning	Design	Execution	Total Project	Anticipated Closeout date

4 months	3 months	29 months	3 years	12/2023
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Initial Estimated Funding % by Phase as of 08/27/2020:

Initiation	Planning	Design	Execution	Closeout
0%	25%	30%	40%	5%

BTS's conceptual estimates are not estimated by phase, therefore we do not have the data that enables phase breakdowns. If desired, percentages could be: 0% for Initiation, 25% for Planning, 30% for Design, 40% for Execution, and 5% for Closeout.

Initial Grand Total Estimate (contingency included and in \$000s): Contingency Standard	Capital: \$17,900,000	OMRC/Project O&M: \$50,717 (Not including O&M Tail)
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Estimated Five Year Allocation:

Category:	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Capital (contingency included)	\$5,200,000	\$5,500,000	\$7,200,000	\$0	\$0	\$17,900,000
OMRC / Project O&M	\$50,717	\$0	\$0	\$0	\$0	\$50,717

III. Ongoing Benefits

Summary Benefits (see Benefits realization plan for details): **Benefits Realization Plan is not required for CSAs seeking Initiation Funding	The project ensures that the physical security infrastructure at all five sites complies with the NERC CIP-014-2 R5 physical security standards. The project will provide new security devices where they are missing, and upgraded devices where they are dysfunctional or outdated and mitigate any future WECC regulatory fines.
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Category:	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Ongoing additional O&M	\$0	\$393,204	\$393,204	\$393,204	\$393,204	\$1,572,814
Ongoing additional capital**	\$0	\$0	\$0	\$0	\$0	\$0
Benefits**	\$0	\$78,096	\$78,096	\$78,096	\$78,096	\$312,384
Net impact (= Benefits – Ongoing additional O&M – Ongoing additional Capital**)	\$0	\$ (315,108)	\$ (315,108)	\$ (315,108)	\$ (315,108)	\$ (1,260,430)
* Payback in Years	Years = N/A					

- * Enter positive amount or Not Applicable
- ** IT projects using ongoing capital maintenance only

IV. Risk Management Summary

Summary of high level risks sentence:	Possible internal resource constraint, and/or scheduling conflict with other projects with the Construction Management team.
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V. Phase Gate Change Summary

Phase:	Initiating to Planning
Scope:	N/A
Budget:	N/A
Schedule:	N/A
Benefits:	N/A






Prepared by:	Dave Foster
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VI. CSA Approvals

*Add/remove rows as needed in the table below. Email approval is acceptable. To maintain a history of the changes at each phase gate change, **copy/paste the table below above the previous table.** Send to the*

Capital Budget team at CSA-TeamMail@pse.com. For a project in the Strategic Project Portfolio (SPP) review the [Escalation Criteria](#) for appropriate escalation and approvals.

For guidance on approval authority levels, follow [CTM-07 Invoice Payment Approval Exhibit I Invoice/Payment Approval Chart](#)

Project Phase	Select Phase			
Approved By	Title	Role	Date	Signature
Richard Flores	Security Command Center Manager	Key Benefit Owner	9/30/2020	 Approval Richard Flores Update on W
Dave Foster	Manager of Corporate Security	Key Benefit Owner	9/30/2020	 Approval_Dave Foster Update on W
Doug Loreen	Director of Safety, Busns Continuity & Shared Sv, Safety & Corp Shared Services	*Director Sponsor	9/25/2020	 Approval_Doug Loreen Review of 20
Brian Fellon	Director of IT Application Services	IT Executive	10/9/2020	 Approval_Brian Fellon Review of 20:
Margaret Hopkins	Sr VP & Chief Information Officer	Executive Sponsor	10/16/2020	 Approval_Margaret Hopkins CSAs and P

*Director Sponsor attests that all considered documentation has been approved.

Please direct any questions to either:

1. The Capital Budget team at CSA-TeamMail@pse.com, or
2. The Enterprise Project and Performance Project Practices team at EPP-ProjectPracticesTeam@pse.com