



Compliance Audit Report Public Version

**Westmoreland Partners
NCR01370
April 14-16, 2008**

**Confidential Information (including
Privileged and Critical Energy Infrastructure
Information) – Has Been Removed**

May 19, 2008

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EXECUTIVE SUMMARY

This final compliance audit report is the public version. Confidential information (including privileged and critical energy infrastructure information) has been redacted from this report. The full final compliance audit report was submitted to the audited entity and NERC.

Westmoreland Partners was audited on April 14-16, 2008 for compliance with the requirements contained in the currently mandatory and enforceable NERC Reliability Standards in the 2008 NERC Compliance Monitoring and Enforcement Program (CMEP) that are applicable to Westmoreland Partners registered functions. Westmoreland Partners is registered with SERC Reliability Corporation (SERC) as a Generator Operator (GOP) and Generator Owner (GO). Sixteen standards were selected and identified to Westmoreland Partners as subject to review during this audit. The audit focused on documents and other evidence provided to SERC by the staff of Westmoreland Partners, and did not include any evidence obtained through system observation or inspection. The findings of the audit are based on the state of compliance and current mitigation activity at the time of the audit, and do not reflect past compliance activities or activities that will be completed in the future.

Westmoreland Partners staff was requested to provide valid evidence of meeting each and every applicable requirement and sub-requirement contained in each standard that had been previously identified by SERC Compliance staff to Westmoreland Partners as subject to this audit. Westmoreland Partners staff responded by providing evidence in the form of reports, procedures, studies, and other documents. Westmoreland Partners staff then cited specific portions of the evidence that demonstrated compliance. This evidence and the citations were documented and evaluated by the audit team to assess the level of compliance. If all of the requirements and sub-requirements of an audited standard were met, then Westmoreland Partners was judged to be compliant. Likewise, if any of the requirements or sub-requirements were not fully met, then Westmoreland Partners was judged to have a possible violation of the standard. A score of 100% is required for compliance.

The audit team determined that Westmoreland Partners does not have Special Protection Systems and is not part of the Regional Blackstart Plan; therefore, 3 of the 16 standards applicable to Westmoreland Partners were not applicable. These standards are EOP-009, PRC-016-0 and PRC -017-0.

Westmoreland Partners has open mitigation plans regarding NERC Reliability Standard CIP-001-1 Requirement 4 and PRC-005-1 Requirement 1 that are currently in progress. The audit team reviewed the current status of these mitigation plans

Westmoreland Partners was found to be in compliance with all but two of the standards that were audited. The audit team identified a possible violation of NERC Reliability Standard CIP-001-1, Sabotage Reporting Requirement 1 and PRC-005-1; Transmission and Generation Protection System Maintenance and Testing Requirement 1. Regarding CIP-001-1; the evidence presented was deficient in the following items: procedures in place prior to November 9, 2007 did not have a procedure for the recognition of potential sabotage events. Westmoreland Partners was found to be in possible violation of CIP-001-1 for the time period of June 18, 2007 to November 9, 2007. Regarding PRC-005-1; the evidence presented was deficient in the following items: Westmoreland Protection System Maintenance and Testing Program do not contain a summary of testing and maintenance procedures for Relays; Voltage and Current Sensing devices are not mentioned in the program and no testing interval, basis for intervals or summary of testing and maintenance procedures are contained in the document.

This audit report includes information about how far Westmoreland Partners missed the requirements for the possible compliance violations. This information will be used to help determine the severity level of sanctions and penalties. The possible compliance violations will be processed through the SERC Compliance Monitoring and Enforcement Program (CMEP). Any further actions related to possible compliance violations will be through that process.

AUDIT PROCESS

The compliance audit process steps are detailed in the NERC CMEP. The NERC CMEP generally conforms to the United States Government Accountability Office Government Auditing Standards and other generally accepted audit practices.

Objectives

All registered entities are subject to audit for compliance with all reliability standards applicable to the functions for which the registered entity is registered.¹ The audit objectives are:

- Independently review Westmoreland Partners compliance with the requirements of the reliability standards that are applicable to Westmoreland Partners based on the Westmoreland Partners registered functions.
- Validate compliance with applicable reliability standards from the NERC 2008 Implementation Plan list of actively monitored standards.
- Validate evidence of self-reported violations and previous self-certifications, confirm compliance with other requirements of the reliability standard, and review the status of associated mitigation plans.
- Document the Westmoreland Partners compliance culture.

Scope

The scope of the audit of Westmoreland Partners included all monitored standards that are in the NERC 2008 CMEP. Based on the confirmed registration of Westmoreland Partners, the 16 reliability standards previously identified were the focus of the compliance audit. Of these 16 standards 3 standards; EOP-009-0, PRC-016-0 and PRC-017-0 were not assessed. This is detailed in the Audit Results section.

Note: For the 2008 compliance program, the monitoring period for the compliance audit will generally be the past 12 months or periods specified in individual reliability standards. The monitoring period is not limited to the time period for which penalties and sanctions are assessed.

Confidentiality and Conflict of Interest

Code of conduct documentation for the regional entity staff were provided to Westmoreland Partners in advance of the audit. Work history and conflict of interest forms submitted by each audit team member were provided to Westmoreland Partners upon request. SERC has confirmed that confidentiality agreements have been executed by, and are on file for SERC Industry Volunteers. Westmoreland Partners was given an opportunity to object to an audit team member on the basis of a possible conflict of interest or the existence of other circumstances that could interfere with the audit team member's impartial performance of duties. Westmoreland Partners accepted the audit team member participants with no objections.

¹ North American Electric Reliability Corporation CMEP, paragraph 3.1, Compliance Audits

On-site Audit

Westmoreland Partners was contacted by letter on October 22, 2007 by SERC staff. The letter provided Westmoreland Partners with their initial notification of their upcoming audit in 2008, and the desire to schedule audit dates that would be acceptable to both parties. SERC staff then provided formal acknowledgement of the scheduled audit dates and requested that Westmoreland Partners both verify their currently registered functions and complete and return an attached Pre-Audit Survey within 30 days.

On January 31, 2008, SERC staff forwarded an Audit Detail Letter to Westmoreland Partners again, confirming the scheduled audit dates and confirming Westmoreland Partners registered functions within SERC. The Audit Detail Letter also provided Westmoreland Partners with notice of the Standards in Audit Scope, Proposed Audit Schedule, Audit Team Roster (with industry affiliations), and requested that Westmoreland Partners Subject Matter Experts (SMEs) responsible for and knowledgeable of compliance submittals be available for interview during the audit. In addition to the Audit Detail Letter, Westmoreland Partners was provided with a Non-Disclosure Agreement Signature Verification for audit team members, a Pre-Audit Questionnaire, a list of "Documents to be Provided or Have Available", and Reliability Standard Auditor Worksheets (RSAWs) for each standard to be audited.

Interviews with SMEs were requested, in conjunction with documented evidence, to provide the audit team with additional information or clarification as a basis for professional judgment when validating compliance with reliability standards.

Methodology

A team of auditors were identified and conducted the audit of Westmoreland Partners. The standards were grouped and scheduled for review to make the most efficient use of Westmoreland Partners staff's time. The audit team moderator (ATL or designee) initiated dialogue on each standard requirement and requested compliance evidence. This evidence and Westmoreland Partners staff response was documented. Westmoreland Partners staff was requested to show valid evidence of meeting each applicable requirement and sub-requirement contained in the 16 standards that had been previously identified by SERC to Westmoreland Partners as subject to this audit. Westmoreland Partners staff responded by providing evidence in the form of reports, procedures, studies, and other documents. Westmoreland Partners staff would then cite specific portions of the evidence that demonstrated compliance.

This evidence and the citations were documented by the scribe on the RSAWs and evaluated by the audit team for the level of compliance and agreement with the requirement. Discrepancies between the requirement and the evidence provided were the subject of dialogue among the team members and Westmoreland Partners staff members until it was determined that each requirement was met by the cited evidence or other evidence offered.

Once all the evidence was presented and discussed, if Westmoreland Partners did not provide sufficient evidence to support a finding of compliance, then a possible violation was identified by the team and Westmoreland Partners staff was informed.

Audit Overview

The audit team arrived at the Westmoreland Partners offices at 3:00 p.m., April 14, 2008. Each member of the audit team was introduced and professional affiliation identified. The staff of Westmoreland Partners was introduced, and general housekeeping matters explained. The staff of Westmoreland Partners was excused and the audit team reviewed team assignments and a general overview for preparation of the audit activities starting on the next day.

The audit team arrived at the Westmoreland Partners facility at 7:45 a.m., April 15, 2008. The audit began at 8:00 a.m., April 15, 2008 with an opening presentation by the Audit Team Lead (ATL). He reviewed the NERC compliance plan for 2008 in general, and how it applied to Westmoreland Partners specifically. The ATL introduced and reviewed the standards to be covered in the audit, and addressed both the expectations of Westmoreland Partners staff and the quality of evidence to be presented. The ATL also covered the basic procedure for the audit, and the bounding rules of conduct. Each member of the audit team was introduced and professional affiliation identified. The ATL presentation was followed by a brief presentation by Westmoreland staff covering the background of Westmoreland Partners and its compliance activities.

Audit

The audit team initially reviewed the registration status of Westmoreland Partners with entity staff to verify applicability of each standard. Each standard's audit began with a recitation of each requirement. Westmoreland Partners staff then presented evidence supporting requirement compliance, or cited evidence previously provided to the audit team. At that point, the evidence was reviewed and discussed until the team reached agreement on the evidence. By audit team consensus, a determination of compliance was reached for each of the requirements and communicated to Westmoreland Partners staff before proceeding to the next requirement. At that point the team scribe would record the evidence presented to satisfy the requirement and the team's recommendation on that requirement using the RSAW.

The review of all applicable standards was completed at approximately 10:15 a.m., April 16, 2008 and the audit team met to review and discuss the findings. Following these discussions, the scribe collected all notes and evidence as needed and began to finalize the RSAW.

Exit Briefing

The ATL presented an exit briefing to the assembled audit team and entity staff at 11:05 a.m., April 16, 2008. This was followed by an informal response and questions from the Westmoreland Partners staff. The exit briefing summarized the team preliminary conclusions, including any items of potential noncompliance or possible violation with supporting information, areas of concern, any added information required and the expected timeline for review and issuance of the audit report.

The ATL solicited both informal comments from Westmoreland Partners staff, along with requesting that they fill out formal feedback forms for submission to NERC and SERC.

The audit team left the Westmoreland Partners meeting room at 12:00 p.m., April 16, 2008.

Company Profile

Westmoreland Partners owns 100% of Roanoke Valley I and Roanoke Valley II ("ROVA"), coal-fired power plants located in Weldon, North Carolina. Westmoreland Partners is a subsidiary of Westmoreland Energy, LLC which is owned by Westmoreland Coal Company. Westmoreland Coal Company owns a partial interest in one additional power plant. Westmoreland employs over 1,250 people in seven states, and are producing approximately 30 million tons of coal and generating 1.6 million MW-hrs of electric power annually.

Each power plant sells electricity under a long-term power sales contract to a utility. Developed as true cogeneration units, each power plant also sells steam to a local industrial facility.

Both generators at their Roanoke Valley Energy Facility connect to Dominion's transmission grid at 230 kV.

Westmoreland Partners has contracted with North American Energy Services (NAES) to operate and maintain the Roanoke Valley Energy Facility.

Audit Specifics

The compliance audit was conducted on April 14-16, 2008 at the Westmoreland Partners office at their Roanoke Valley Energy Facility in Weldon, N.C.

Audit Team

Audit Team Role	Title	Company
Lead	Senior Compliance Auditor	SERC
Member	Compliance Engineer	SERC
Member	Compliance Auditor	SERC

Westmoreland Partners Audit Participants

Title	Westmoreland Partners Organization
General Manager and Director of Operations	Westmoreland Power Inc. Roanoke Valley Energy Facility
Plant Manager	North American Energy Services Roanoke Valley Energy Facility
Plant Engineer	North American Energy Services Roanoke Valley Energy Facility
Lead Technician	North American Energy Services Roanoke Valley Energy Facility
Senior Project Manager	North American Energy Services
Project Manager	North American Energy Services

AUDIT RESULTS

The audit team found Westmoreland Partners to be in compliance with all of the NERC Reliability Standards in the audit scope, with the exception of a possible violation of NERC Reliability Standard CIP-001-1, Requirement 1 and PRC-005-1, Requirement 1 – Please see Findings Table below.

Findings

Reliability Standard	Requirement	Finding
BAL-001-0	R1.	NA
BAL-001-0	R2.	NA
BAL-001-0	R3.	NA
BAL-001-0	R4.	NA
BAL-002-0	R1.	NA
BAL-002-0	R2.	NA
BAL-002-0	R3.	NA
BAL-002-0	R4.	NA
BAL-002-0	R5.	NA
BAL-002-0	R6.	NA
BAL-003-0	R1.	NA
BAL-003-0	R2.	NA
BAL-003-0	R3.	NA
BAL-003-0	R4.	NA
BAL-003-0	R5.	NA
BAL-003-0	R6.	NA
BAL-004-0	R1.	NA
BAL-004-0	R2.	NA
BAL-004-0	R3.	NA
BAL-004-0	R4.	NA
BAL-005-0	R1.	Compliant
BAL-005-0	R2.	NA
BAL-005-0	R3.	NA
BAL-005-0	R4.	NA
BAL-005-0	R5.	NA
BAL-005-0	R6.	NA
BAL-005-0	R7.	NA
BAL-005-0	R8.	NA
BAL-005-0	R9.	NA
BAL-005-0	R10.	NA
BAL-005-0	R11.	NA
BAL-005-0	R12.	NA
BAL-005-0	R13.	NA
BAL-005-0	R14.	NA
BAL-005-0	R15.	NA
BAL-005-0	R16.	NA
BAL-005-0	R17.	NA
BAL-006-1	R1.	NA
BAL-006-1	R2.	NA
BAL-006-1	R3.	NA

Confidential Information (including Privileged and
Critical Energy Infrastructure Information) – Has Been Removed

Reliability Standard	Requirement	Finding
BAL-006-1	R4.	NA
BAL-006-1	R5.	NA
CIP-001-1	R1.	Possible Violation
CIP-001-1	R2.	Compliant
CIP-001-1	R3.	Compliant
CIP-001-1	R4.	Self Report Mitigation Plan in Progress
CIP-002-1 through CIP-009-1		Not Assessed
COM-001-1	R1.	NA
COM-001-1	R2.	NA
COM-001-1	R3.	NA
COM-001-1	R4.	NA
COM-001-1	R5.	NA
COM-001-1	R6.	NA
COM-002-2	R1.	Compliant
COM-002-2	R2.	NA
EOP-001-0	R1.	NA
EOP-001-0	R2.	NA
EOP-001-0	R3.	NA
EOP-001-0	R4.	NA
EOP-001-0	R5.	NA
EOP-001-0	R6.	NA
EOP-001-0	R7.	NA
EOP-002-2	R1.	NA
EOP-002-2	R2.	NA
EOP-002-2	R3.	NA
EOP-002-2	R4.	NA
EOP-002-2	R5.	NA
EOP-002-2	R6.	NA
EOP-002-2	R7.	NA
EOP-002-2	R8.	NA
EOP-002-2	R9.	NA
EOP-003-1	R1.	NA
EOP-003-1	R2.	NA
EOP-003-1	R3.	NA
EOP-003-1	R4.	NA
EOP-003-1	R5.	NA
EOP-003-1	R6.	NA
EOP-003-1	R7.	NA
EOP-003-1	R8.	NA
EOP-004-1	R1.	NA
EOP-004-1	R2.	Compliant

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Reliability Standard	Requirement	Finding
EOP-004-1	R3.	Compliant
EOP-004-1	R4.	NA
EOP-004-1	R5.	NA
EOP-005-1	R1.	NA
EOP-005-1	R2.	NA
EOP-005-1	R3.	NA
EOP-005-1	R4.	NA
EOP-005-1	R5.	NA
EOP-005-1	R6.	NA
EOP-005-1	R7.	NA
EOP-005-1	R8.	NA
EOP-005-1	R9.	NA
EOP-005-1	R10.	NA
EOP-005-1	R11.	NA
EOP-006-1	R1.	NA
EOP-006-1	R2.	NA
EOP-006-1	R3.	NA
EOP-006-1	R4.	NA
EOP-006-1	R5.	NA
EOP-006-1	R6.	NA
EOP-008-0	R1.	NA
EOP-009-0	R1.	NA
EOP-009-0	R2.	NA
FAC-003-1	R1.	NA
FAC-003-1	R2.	NA
FAC-003-1	R3.	NA
FAC-003-1	R4.	NA
FAC-008-1	R1.	Compliant
FAC-008-1	R2.	Compliant
FAC-008-1	R3.	Compliant
FAC-009-1	R1.	Compliant
FAC-009-1	R2.	Compliant
FAC-013-1	R1.	NA
FAC-013-1	R2.	NA
INT-001-2	R1.	NA
INT-001-2	R2.	NA
INT-003-2	R1.	NA
INT-004-1	R1.	NA
INT-004-1	R2.	NA
IRO-001-1	R1.	NA
IRO-001-1	R2.	NA
IRO-001-1	R3.	NA

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Reliability Standard	Requirement	Finding
IRO-001-1	R4.	NA
IRO-001-1	R5.	NA
IRO-001-1	R6.	NA
IRO-001-1	R7.	NA
IRO-001-1	R8.	Compliant
IRO-001-1	R9.	NA
IRO-003-2	R1.	NA
IRO-003-2	R2.	NA
IRO-004-1	R1.	NA
IRO-004-1	R2.	NA
IRO-004-1	R3.	NA
IRO-004-1	R4.	Compliant
IRO-004-1	R5.	NA
IRO-004-1	R6.	NA
IRO-004-1	R7.	NA
IRO-005-1	R1.	NA
IRO-005-1	R2.	NA
IRO-005-1	R3.	NA
IRO-005-1	R4.	NA
IRO-005-1	R5.	NA
IRO-005-1	R6.	NA
IRO-005-1	R7.	NA
IRO-005-1	R8.	NA
IRO-005-1	R9.	NA
IRO-005-1	R10.	NA
IRO-005-1	R11.	NA
IRO-005-1	R12.	NA
IRO-005-1	R13.	NA
IRO-005-1	R14.	NA
IRO-005-1	R15.	NA
IRO-005-1	R16.	NA
IRO-005-1	R17.	NA
IRO-006-3	R1.	NA
IRO-006-3	R2.	NA
IRO-006-3	R3.	NA
IRO-006-3	R4.	NA
IRO-006-3	R5.	NA
IRO-006-3	R6.	NA
IRO-014-1	R1.	NA
IRO-014-1	R2.	NA
IRO-014-1	R3.	NA
IRO-014-1	R4.	NA

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Reliability Standard	Requirement	Finding
IRO-015-1	R1.	NA
IRO-015-1	R2.	NA
IRO-015-1	R3.	NA
IRO-016-1	R1.	NA
IRO-016-1	R2.	NA
PER-002-0	R1.	NA
PER-002-0	R2.	NA
PER-002-0	R3.	NA
PER-002-0	R4.	NA
PER-003-0	R1.	NA
PER-004-1	R1.	NA
PER-004-1	R2.	NA
PER-004-1	R3.	NA
PER-004-1	R4.	NA
PER-004-1	R5.	NA
PRC-004-1	R1.	NA
PRC-004-1	R2.	Compliant
PRC-004-1	R3.	Compliant
PRC-005-1	R1.	Possible Violation
PRC-005-1	R2.	Compliant
PRC-008-0	R1.	NA
PRC-008-0	R2.	NA
PRC-010-0	R1.	NA
PRC-010-0	R2.	NA
PRC-011-0	R1.	NA
PRC-011-0	R2.	NA
PRC-016-0	R1.	NA
PRC-016-0	R2.	NA
PRC-016-0	R3.	NA
PRC-017-0	R1.	NA
PRC-017-0	R2.	NA
PRC-021-1	R1.	NA
PRC-021-1	R2.	NA
TOP-002-2	R1.	NA
TOP-002-2	R2.	NA
TOP-002-2	R3.	Compliant
TOP-002-2	R4.	NA
TOP-002-2	R5.	NA
TOP-002-2	R6.	NA
TOP-002-2	R7.	NA
TOP-002-2	R8.	NA
TOP-002-2	R9.	NA

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Reliability Standard	Requirement	Finding
TOP-002-2	R10.	NA
TOP-002-2	R11.	NA
TOP-002-2	R12.	NA
TOP-002-2	R13.	Compliant
TOP-002-2	R14.	Compliant
TOP-002-2	R15.	Compliant
TOP-002-2	R16.	NA
TOP-002-2	R17.	NA
TOP-002-2	R18.	Compliant
TOP-002-2	R19.	NA
TOP-003-0	R1.	Compliant
TOP-003-0	R2.	Compliant
TOP-003-0	R3.	Compliant
TOP-003-0	R4.	Compliant
TOP-004-1	R1.	NA
TOP-004-1	R2.	NA
TOP-004-1	R3.	NA
TOP-004-1	R4.	NA
TOP-004-1	R5.	NA
TOP-004-1	R6.	NA
TOP-005-1	R1.	NA
TOP-005-1	R2.	NA
TOP-005-1	R3.	NA
TOP-005-1	R4.	NA
TOP-007-0	R1.	NA
TOP-007-0	R2.	NA
TOP-007-0	R3.	NA
TOP-007-0	R4.	NA
TPL-001-0	R1.	NA
TPL-001-0	R2.	NA
TPL-001-0	R3.	NA
TPL-002-0	R1.	NA
TPL-002-0	R2.	NA
TPL-002-0	R3.	NA
TPL-003-0	R1.	NA
TPL-003-0	R2.	NA
TPL-003-0	R3.	NA
TPL-004-0	R1.	NA
TPL-004-0	R2.	NA
VAR-001-1	R1.	NA
VAR-001-1	R2.	NA
VAR-001-1	R3.	NA

Confidential Information (including Privileged and
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Reliability Standard	Requirement	Finding
VAR-001-1	R4.	NA
VAR-001-1	R5.	NA
VAR-001-1	R6.	NA
VAR-001-1	R7.	NA
VAR-001-1	R8.	NA
VAR-001-1	R9.	NA
VAR-001-1	R10.	NA
VAR-001-1	R11.	NA
VAR-001-1	R12.	NA
VAR-002-1	R1.	Compliant
VAR-002-1	R2.	Compliant
VAR-002-1	R3.	Compliant
VAR-002-1	R4.	Compliant
VAR-002-1	R5.	Compliant

Compliance Culture

Information regarding the compliance culture of Westmoreland Partners was obtained from other sources and has been documented.

Determination Summary for Possible Violations Identified in an Audit

Regional Tracking Number 08-023

Entity Westmoreland Partners

Audit Date 4/16/2008

Standard PRC-005-1

Requirement R1

Sufficient Basis for Violation

Factual Basis Entity's Generation Protection System Maintenance and Testing Program only identifies the intervals and basis for relays and batteries. Voltage and current sensing devices are not covered at all, and no summary of maintenance and testing procedures are provided for any protection system elements.

This alleged violation, determined via audit, also incorporates entity's self-reported possible violation which was previously assigned SERC Tracking No. 08-015 (which will be closed). The previous self-report addressed only the failure to include DC control circuits while the audit identified the other deficiencies.

Conclusion Violation Summary The entity's generation protection system program does not include all of the elements required by the standard. Documentation of the actual maintenance was presented as evidence, but the descriptions of maintenance and testing as required by R1 are insufficient. This is a violation of R1. A high VSL is consistent with the levels established by the approved matrix for failure to include intervals, bases, and description for multiple elements of the protection system. The entity's failure to include DC control circuits in the description was self-reported prior to the audit.

NERC BOTCC Determination Taking into consideration the Commission's direction in Order No. 693, the NERC Sanction Guidelines and the Commission's July 3, 2008 Guidance Order, the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on February 8, 2009. The NERC BOTCC approved the Settlement Agreement, including SERC's imposition of a financial penalty of \$10,000 against Westmoreland, in addition to other actions to promote prospective compliance required under the terms and conditions of the Settlement Agreement. In approving the Settlement Agreement, the NERC BOTCC reviewed the applicable requirements of the Commission-approved Reliability Standards and the underlying facts and circumstances of the alleged violations at issue.

NERC Violation Number SERC200800108

NOC Number NOC-128

NOP Number NOC-128

FERC Docket Number NP10-9-000

Determination Summary for Possible Violations Identified in an Audit

Regional Tracking Number 08-024
Entity Westmoreland Partners
Audit Date 4/16/2008
Standard CIP-001-1
Requirement R1

Sufficient Basis for Violation

Factual Basis The Entity's procedure prior to November 9, 2007 did not include a definition of a sabotage event in its existing procedure (R1).

Conclusion Violation Summary Entity's procedure did not include recognition of sabotage events prior to November 9, 2007. This is a violation of R1. The VSL matrix does not address this situation specifically, a lower VSL was selected. The entity did have an emergency procedure that specifically addressed sabotage prior to November 9, 2007.

NERC BOTCC Determination Taking into consideration the Commission's direction in Order No. 693, the NERC Sanction Guidelines and the Commission's July 3, 2008 Guidance Order, the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on February 8, 2009. The NERC BOTCC approved the Settlement Agreement, including SERC's imposition of a financial penalty of \$10,000 against Westmoreland, in addition to other actions to promote prospective compliance required under the terms and conditions of the Settlement Agreement. In approving the Settlement Agreement, the NERC BOTCC reviewed the applicable requirements of the Commission-approved Reliability Standards and the underlying facts and circumstances of the alleged violations at issue.

NERC Violation Number SERC200800109

NOC Number NOC-128

NOP Number NOC-128

FERC Docket Number NP10-9-000