



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

February 23, 2011

Ms. Kimberly Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

**Re: NERC Abbreviated Notice of Penalty regarding Coso Finance Partners,
FERC Docket No. NP11-__-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Abbreviated Notice of Penalty (NOP) regarding Coso Finance Partners (COSF), with information and details regarding the nature and resolution of the violations¹ discussed in detail in the Settlement Agreement (Attachment b) and the Disposition Document (Attachment e), in accordance with the Federal Energy Regulatory Commission's (Commission or FERC) rules, regulations and orders, as well as NERC Rules of Procedure including Appendix 4C (NERC Compliance Monitoring and Enforcement Program (CMEP)).²

This NOP is being filed with the Commission because Western Electricity Coordinating Council (WECC) and COSF have entered into a Settlement Agreement to resolve all outstanding issues arising from WECC's determination and findings of the enforceable violations of PRC-005-1 Requirement (R) 1 and R2. According to the Settlement Agreement, COSF stipulates to the facts of the violations and has agreed to the assessed penalty of three thousand dollars (\$3,000), in addition to other remedies and actions to mitigate the instant violations and facilitate future compliance under the terms and conditions of the Settlement Agreement. Accordingly, the violations identified as NERC Violation Tracking Identification Numbers WECC200901803 and

¹ For purposes of this document, each violation at issue is described as a "violation," regardless of its procedural posture and whether it was a possible, alleged or confirmed violation.

² *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards* (Order No. 672), III FERC Stats. & Regs. ¶ 31,204 (2006); *Notice of New Docket Prefix "NP" for Notices of Penalty Filed by the North American Electric Reliability Corporation*, Docket No. RM05-30-000 (February 7, 2008). See also 18 C.F.R. Part 39 (2010). *Mandatory Reliability Standards for the Bulk-Power System*, FERC Stats. & Regs. ¶ 31,242 (2007) (Order No. 693), *reh'g denied*, 120 FERC ¶ 61,053 (2007) (Order No. 693-A). See 18 C.F.R. § 39.7(c)(2).

WECC200901804 are being filed in accordance with the NERC Rules of Procedure and the CMEP.

Statement of Findings Underlying the Violations

This NOP incorporates the findings and justifications set forth in the Settlement Agreement executed on July 31, 2010, by and between WECC and COSF. The details of the findings and the basis for the penalty are set forth in the Disposition Document. This NOP filing contains the basis for approval of the Settlement Agreement by the NERC Board of Trustees Compliance Committee (NERC BOTCC). In accordance with Section 39.7 of the Commission’s regulations, 18 C.F.R. § 39.7, NERC provides the following summary table identifying each violation of a Reliability Standard resolved by the Settlement Agreement, as discussed in greater detail below.

NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Duration	Total Penalty (\$)
NOC-639	WECC200901803	PRC-005-1	1	High ³	6/18/07-8/24/10	3,000
	WECC200901804	PRC-005-1	2	High ⁴	6/18/07-Present	

The text of the Reliability Standards at issue and further information on the subject violations are set forth in the Disposition Document.

PRC-005-1 R1 - OVERVIEW

On December 28, 2009, COSF discovered and on December 31, 2009, self-reported a violation of PRC-005-1 R1. WECC determined that COSF, as a Generator Owner, did not have a Generation Maintenance and Inspection Plan (GMIP) which included all components of COSF’s generation Protection System.⁵ Specifically, while the GMIP included protective devices associated with the breaker connecting COSF to the bulk power system (BPS), the program did not include other protective relays, associated communication systems, voltage and current sensing devices, station batteries, or DC control circuitry.

³ When NERC filed Violation Risk Factors (VRFs) for PRC-005-1, NERC originally assigned a “Medium” VRF to PRC-005-1 R1. In the Commission’s May 18, 2007 Order on Violation Risk Factors, the Commission approved the VRF as filed but directed modifications. On June 1, 2007, NERC filed a modified “High” VRF for PRC-005 R1 for approval. On August 9, 2007, the Commission issued an Order approving the modified VRF. Therefore, the “Medium” VRF was in effect from June 18, 2007 until August 9, 2007 and the “High” VRF has been in effect since August 9, 2007.

⁴ PRC-005-1 R2 has a “Lower” VRF; R2.1 and R2.2 each have a “High” VRF. During a final review of the standards subsequent to the March 23, 2007 filing of the Version 1 VRFs, NERC identified that some standards requirements were missing VRFs; one of these include PRC-005-1 R2.1. On May 4, 2007, NERC assigned PRC-005 R2.1 a “High” VRF. In the Commission’s June 26, 2007 Order on Violation Risk Factors, the Commission approved the PRC-005-1 R2.1 “High” VRF as filed. Therefore, the “High” VRF was in effect from June 26, 2007. In the context of this case, WECC determined that the violation related to R2, R2.1 and R2.2 and therefore a “High” VRF is appropriate.

⁵ *The NERC Glossary of Terms Used in Reliability Standards* defines Protection System as “Protective relays, associated communication systems, voltage and current sensing devices, station batteries and DC control circuitry.”

PRC-005-1 R2 - OVERVIEW

On December 28, 2009, COSF discovered and on December 31, 2009, self-reported a violation of PRC-005-1 R2. WECC determined that COSF, as a Generator Owner, did not have evidence it maintained and tested its Protection System devices within the defined intervals, and did not have the date it last tested each of its Protection System devices.

Statement Describing the Assessed Penalty, Sanction or Enforcement Action Imposed⁶

Basis for Determination

Taking into consideration the Commission's direction in Order No. 693, the NERC Sanction Guidelines, the Commission's July 3, 2008, October 26, 2009 and August 27, 2010 Guidance Orders,⁷ the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on January 10, 2011. The NERC BOTCC approved the Settlement Agreement, including WECC's assessment of a three thousand dollar (\$3,000) financial penalty against COSF and other actions to facilitate future 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 violations at issue.

In reaching this determination, the NERC BOTCC considered the following factors:

1. the violations constituted COSF's first occurrence of violation of the subject NERC Reliability Standards;⁸
2. COSF self-reported the violations;
3. WECC reported that COSF was cooperative throughout the compliance enforcement process;
4. COSF had a compliance program at the time of the violation which WECC considered a mitigating factor, as discussed in the Disposition Document;
5. there was no evidence of any attempt to conceal a violation nor evidence of intent to do so;
6. WECC determined that the violations did not pose a serious or substantial risk to the reliability of the BPS, as discussed in the Disposition Document;
7. As discussed in the disposition document, WECC considered the prior reliance of Terra Gen Power, LLC on WECC's determination that its Transmission and Generation entities were not subject to PRC-005 as a mitigating factor when determining the penalty. Specifically, WECC Enforcement determined that for purposes of violation period, COSF

⁶ See 18 C.F.R. § 39.7(d)(4).

⁷ *North American Electric Reliability Corporation*, "Guidance Order on Reliability Notices of Penalty," 124 FERC ¶ 61,015 (2008); *North American Electric Reliability Corporation*, "Further Guidance Order on Reliability Notices of Penalty," 129 FERC ¶ 61,069 (2009); *North American Electric Reliability Corporation*, "Notice of No Further Review and Guidance Order," 132 FERC ¶ 61,182 (2010).

⁸ Violations for affiliates of COSF are discussed in the Disposition Document. The affiliate violations were not considered aggravating factors for reasons discussed in the Disposition Document.

was subject to this Standard starting on June 18, 2007, but further determined that for purposes of calculating violation duration as it pertains to a penalty, COSF's violation began on December 28, 2009, when WECC notified COSF that it is subject to PRC-005; and

8. WECC reported that there were no other mitigating or aggravating factors or extenuating circumstances that would affect the assessed penalty.

For the foregoing reasons, the NERC BOTCC approves the Settlement Agreement and believes that the assessed penalty of three thousand dollars (\$3,000) is appropriate for the violations and circumstances at issue, and is consistent with NERC's goal to promote and ensure reliability of the BPS.

Pursuant to 18 C.F.R. § 39.7(e), the penalty will be effective upon expiration of the 30 day period following the filing of this NOP with FERC, or, if FERC decides to review the penalty, upon final determination by FERC.

Attachments to be included as Part of this Notice of Penalty

The attachments to be included as parts of this NOP are the following documents:

- a) COSF's Self-Report for PRC-005-1 R1 and R2 dated December 31, 2009, included as Attachment a;
- b) Settlement Agreement by and between WECC and COSF executed July 31, 2010, included as Attachment b;
- c) COSF's Revised Mitigation Plan MIT-07-2444 for PRC-005-1 R1 and R2 dated April 28, 2010, included as Attachment c;
- d) COSF's Certification of Mitigation Plan Completion for PRC-005-1 R1 dated August 24, 2010, included as Attachment d;
- e) WECC's Verification of Mitigation Plan Completion for PRC-005-1 R1 dated September 24, 2010, included as Attachment e; and
- f) Disposition Document, included as Attachment f.

A Form of Notice Suitable for Publication⁹

A copy of a notice suitable for publication is included in Attachment g.

⁹ See 18 C.F.R. § 39.7(d)(6).

Notices and Communications

Notices and communications with respect to this filing may be addressed to the following:

<p>Gerald W. Cauley President and Chief Executive Officer David N. Cook* Vice President and General Counsel North American Electric Reliability Corporation 116-390 Village Boulevard Princeton, N.J. 08540-5721 (609) 452-8060 (609) 452-9550 – facsimile david.cook@nerc.net</p> <p>Mark Maher* Chief Executive Officer Western Electricity Coordinating Council 155 North 400 West, Suite 200 Salt Lake City, UT 84103 (360) 713-9598 (801) 582-3918 – facsimile Mark@wecc.biz</p> <p>Constance White* Vice President of Compliance Western Electricity Coordinating Council 155 North 400 West, Suite 200 Salt Lake City, UT 84103 (801) 883-6885 (801) 883-6894 – facsimile CWhite@wecc.biz</p> <p>Sandy Mooy* Senior Legal Counsel Western Electricity Coordinating Council 155 North 400 West, Suite 200 Salt Lake City, UT 84103 (801) 819-7658 (801) 883-6894 – facsimile SMooy@wecc.biz</p>	<p>Rebecca J. Michael* Assistant General Counsel North American Electric Reliability Corporation 1120 G Street, N.W. Suite 990 Washington, D.C. 20005-3801 (202) 393-3998 (202) 393-3955 – facsimile rebecca.michael@nerc.net</p> <p>Christopher Luras* Manager of Compliance Enforcement Western Electricity Coordinating Council 155 North 400 West, Suite 200 Salt Lake City, UT 84103 (801) 883-6887 (801) 883-6894 – facsimile CLuras@wecc.biz</p> <p>Joseph Greco* Senior Vice President Coso Finance Partners 9590 Prototype Court Reno, NV 89521 (775) 850-2245 (775) 851-8240 – facsimile jgreco@tgpny.com</p> <p>*Persons to be included on the Commission's service list are indicated with an asterisk. NERC requests waiver of the Commission's rules and regulations to permit the inclusion of more than two people on the service list.</p>
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Conclusion

Accordingly, NERC respectfully requests that the Commission accept this Abbreviated NOP as compliant with its rules, regulations and orders.

Respectfully submitted,

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cc: Coso Finance Partners
Western Electricity Coordinating Council

Attachments

Attachment a

COSF's Self-Report for PRC-005-1 R1 and R2 dated December 31, 2009



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Self-Reporting Form

Date Submitted by Registered Entity: 12/31/09

NERC Registry ID: NCR05120

Joint Registration Organization (JRO) ID:

Registered Entity: COSF, Coso Finance Partners, LLC

Registered Entity Contact:

Function(s) Applicable to Self-Report:

- BA TOP TO GO GOP LSE
- DP PSE TSP PA RP TP
- RSG RC IA

Standard: PRC-005-01

Requirement: R.1, R.2

Has this violation previously been reported or discovered: Yes No
If Yes selected: Provide NERC Violation ID (if known):

Date violation occurred: 12/28/2009

Date violation discovered: 12/28/2009

Is the violation still occurring? Yes No

Detailed explanation and cause of violation: Terra-Gen Power, LLC (Terra-Gen) developed a risk-based methodology in order to identify any Terra-Gen Power registered entities having Transmission and Generation system elements with transmission or generation Protection Systems that affect the reliability of the Bulk Electric System. The methodology was developed pursuant to PRC-005-1-R1, which states that "Each TO and any Distribution Provider that owns a transmission Protection System and each GO that owns a generation Protection System shall have a Protection System maintenance and testing program for Protection Systems that affect the reliability of the BES.

The methodology adopted was based upon WECC's "nine point test," as outlined in the WECC's August 12, 2008 Relay Workshop, which was also posted on the WECC website for determining if a Protection System does in fact "affect the reliability of the BES," so that there would be no ambiguity as to whether or not the owner of the System must comply with PRC-005-1. Terra-Gen's application of the nine point test indicated that none of the



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elements in the nine point test were met by any of the Terra-Gen registered entities. Terra-Gen therefore concluded that it had no generation Protection Systems that affected the reliability of the BES and accordingly that these Protection Systems are not subject to the maintenance and testing program set forth in PRC-005-1.

The application of the nine point test to the Terra-Gen Protection Systems methodology was discussed with and reviewed by WECC Staff personnel Jay Loock and Jim Terpening during the audits of CADV and COSE, and was approved vis a vis the successful audit. Based on the communications from WECC in the Relay Workshop, the WECC website posting, and the express confirmation that the approach it had used was appropriate, Terra-Gen reasonably and appropriately concluded that it was in full compliance with PRC-005-1.

However, without providing any notice to Terra Gen (or to the companies on the WECC registered entity list), WECC subsequently changed its interpretation of the applicability of PRC-005 and discarded their nine point test. During a conference call with Mary Reiger on December 28, 2009 Terra-Gen was, for the first time, informed of the change. Based on its legitimate reliance on official communications from WECC and its staff, Terra-Gen believes that its GO registered entities are not and cannot be deemed to be in violation of PRC-005-1 and reserves all rights to assert that position.

However, even if it were to assume, for purposes of this report, that they were in violation, Terra-Gen considers December 28, 2009 to be first day of the violation, since until that date Terra-Gen was in compliance with PRC-005-1, as compliance had been communicated to it by WECC. All of the GO registered entities possess a routine maintenance and testing program on the breaker that connects to the utility grid system. The remaining elements considered by PRC-005 do not have the same documented program, and therefore COSF, subject to the above-stated reservation of its rights, declare its COSF GO non-complaint with PRC-005-1 as of December 28, 2009. Terra-Gen will develop a mitigation plan for review by WECC by March 15, 2010.

Potential Impact to the Bulk Power System (minimal, moderate, or severe): minimal

Detailed explanation of Potential Impact: Terra-Gen still believes that the GOs do not "affect the reliability of the BES," within the meaning of PRC-005-1, based upon past operational experience as well as the nine-point test. Secondly, each GO's breaker is well maintained, which is the last piece of equipment before the utility breaker, which is the point at which the generation is connected to the BES. This is confirmed by the fact that none of the GO's has ever had a failure of a trip sequence in twenty years of operation.

Additional Comments: As discussed above, Terra-Gen's position is that its GO(s) are and have been in compliance with PRC-005-1, and is submitting this self-report out of an abundance of caution. Terra-Gen reserves the right to take the position that it is not and has not been in violation of PRC-005-1 in this or any other proceeding involving this reliability standard.

NOTE: While submittal of a mitigation plan is not required until after a determination of a violation is confirmed, early submittal of a mitigation plan to address and remedy an identified deficiency is



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encouraged. Submittal of a mitigation plan shall not be deemed an admission of a violation. (See NERC Rules of Procedure, Appendix 4C, Section 6.4.)

Attachment b

Settlement Agreement by and between WECC and COSF executed July 31, 2010

**SETTLEMENT AGREEMENT
OF
WESTERN ELECTRICITY COORDINATING COUNCIL
AND
COSO FINANCE PARTNERS**

Western Electricity Coordinating Council (“WECC”) and Coso Finance Partners (“COSF”)(collectively the “Parties”) hereby enter into this Settlement Agreement (“Agreement”) on this 26 day of July, 2010.

RECITALS

A. The Parties desire to enter into this Agreement to resolve all outstanding issues between them arising from a non-public assessment of COSF by WECC that resulted in certain WECC determinations and findings regarding two alleged COSF violations of the following North American Electric Reliability Corporation (“NERC”) Reliability Standards (“Reliability Standards” or “Standards”):

WECC200901803	PRC-005-1 R1	Transmission and Generation Protection System Maintenance and Testing
WECC200901804	PRC-005-1 R2	Transmission and Generation Protection System Maintenance and Testing

B. COSF was registered on the NERC Compliance Registry on June 17, 2007, as a Generator Owner.

C. WECC was formed on April 18, 2002, by the merger of the Western Systems Coordinating Council, Southwest Regional Transmission Association, and Western Regional Transmission Association. WECC is one of eight Regional Entities in the United States responsible for coordinating and promoting electric system reliability and enforcing the mandatory Reliability Standards created by NERC under the authority granted in Section 215 of the Federal Power Act. In addition, WECC supports efficient competitive power markets, assures open and non-discriminatory transmission access among members, provides a forum for resolving transmission access disputes, and provides an environment for coordinating the operating and planning activities of its members. WECC’s region encompasses a vast area of nearly 1.8 million square miles extending from Canada to Mexico and including 14 western states. It is the largest and most diverse of the eight Regional Entities in the United States.

D. The Parties are entering into this Agreement to settle the disputed matters between them. It is in the Parties’ and the public’s best interests to resolve this matter efficiently without the delay and burden associated with a contested proceeding. Nothing contained in this Agreement shall be construed as a waiver of either Party’s rights, except as otherwise contained herein; provided, however, that nothing in this Agreement shall limit

or prevent WECC from evaluating COSF for subsequent violations of the same Reliability Standards addressed herein and taking enforcement action, if necessary. Such enforcement action can include assessing penalties against COSF for subsequent violations of the Reliability Standards addressed herein in accordance with NERC Rules of Procedure. WECC acknowledges the unique circumstances leading to the alleged violations described herein and agrees to consider these unique circumstances in any subsequent enforcement proceeding involving alleged violations of the Reliability Standards.

NOW, THEREFORE, in consideration of the terms set forth herein WECC and COSF hereby agree and stipulate to the following:

I. Stipulated Violation Facts

A. Background

From June 18, 2007 to June 11, 2008, COSF operated its generation facility based on COSF's determination that COSF did not affect the Bulk Electric System ("BES"). On June 11, 2008, WECC hosted a Compliance User Group ("CUG") meeting in Portland, Oregon. COSF representatives attended the CUG meeting. At the CUG meeting, WECC's Manager of Compliance Audits and Investigations gave a Relay Maintenance Standards (PRCs) and BPS Applicability presentation. As part of the presentation, WECC identified nine criteria intended to clarify the approach that Registered Entities should use to determine whether their Protection Systems would be considered to be part of the BES and thereby required to comply with PRC-005-01. On June 30, 2008, COSF or an agent thereof, concluded that the COSF generation Protection System did not meet any of the nine criteria outlined in the June 11, 2008 CUG presentation. As a result, COSF reaffirmed its determination that its generation Protection System did not affect the BES and therefore was not subject to PRC-005-01.

On January 29, 2009, WECC informed NERC in a letter that the WECC Board did not approve the nine criteria and that the nine criteria should not be considered part of WECC's BES definition. On March 6, 2009, NERC submitted a Supplemental Informational Compliance Filing to the Federal Energy Regulatory Commission ("FERC"). NERC included WECC's January 29, 2009, letter in its March 6, 2009, filing.

B. NERC Reliability Standard PRC-005-1, Requirement 1

PRC-005-1 R1: Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System shall have a Protection System maintenance and testing program for Protection Systems that affect the reliability of the BES. The program shall include:

R1.1: Maintenance and testing intervals and their basis.

R1.2: Summary of maintenance and testing procedures.

On March 3, 2009, WECC conducted an off-site Compliance Audit of COSO Energy Developers ("COSE"), a COSF sister company. During the off-site Compliance Audit, WECC determined that PRC-005-1 was not applicable to the COSE generation Protection

System. On March 4, 2009, WECC conducted an off-site Compliance Audit of Terra-Gen Dixie Valley, LLC ("CADV"), another COSF sister company, and determined that PRC-005-1 was not applicable to the CADV generation Protection System. Based on those findings and the similar Protection System arrangements at COSF, on July 15, 2009, COSF submitted its annual Self-Certification form for the period from July 1, 2008, to June 30, 2009. Consistent with the results of the WECC audits of COSE and CADV, COSF stated in its Self-Certification submittal that PRC-005-1 was not applicable to COSF's generation Protective System.

In December 2009, WECC reviewed COSF's Self-Certification submittal. By way of background, the Parties agree that COSF exceeds the minimum threshold to register on the NERC Compliance Registry as a Generator Owner, since COSF supplies generation that connects to the BES at or above 100 kV. WECC took these facts into account when reviewing the Self-Certification and determined that COSF's generation Protection System affects the BES and therefore that PRC-005-1 does apply to COSF, notwithstanding WECC's prior treatment of COSE and CADV. On December 28, 2009, WECC notified COSF that the COSF generation Protection System is subject to PRC-005-1 R1 and R2. Based on this WECC notification, on December 31, 2009, COSF submitted a Self-Report addressing possible noncompliance with PRC-005-1 R1 and R2. COSF stated on its Self-Report that during a conference call that took place on December 28, 2009 with a WECC subject matter expert ("SME"), the SME informed COSF that PRC-005-1 R1 is applicable to COSF's generation Protection System. The Self-Report stated that COSF possesses "a routine maintenance and testing program on the breaker that connects to the utility grid system" and that the "remaining elements considered by PRC-005 do not have the same documented program."

On January 19, 2010, a WECC SME reviewed the Self-Report. The SME determined that COSF does not have a Generation Maintenance and Inspection Plan ("GMIP") which includes all components of COSF's generation Protection System. Thus, the SME determined COSF's failure to have a GMIP including such components, maintenance and testing intervals (including the basis for same), and a summary of maintenance and testing procedures, was a possible violation of PRC-005-1 R1. The SME forwarded the Self-Certification, Self-Report, and the SME's findings to the WECC Compliance Enforcement Department ("Enforcement").

On January 25, 2010, Enforcement reviewed the Self-Certification, Self-Report, SME's findings, and the March 3, 2009 and March 4, 2009 Compliance Audit findings. As defined in the NERC Glossary of Terms, Protection System includes the following components:

Protective relays, associated communication systems, voltage and current sensing devices, station batteries and DC control circuitry.

Enforcement determined that COSF's maintenance and testing program includes the protective devices associated with the breaker that connects COSF to the BES, but COSF's maintenance and testing program did not include its other protective relays, associated communication systems, voltage and current sensing devices, station batteries, or DC control circuitry. As a result, Enforcement determined that COSF's failure to include such devices in a maintenance and testing program is an Alleged Violation of PRC-005-1 R1.

On February 26, 2010, COSF submitted a mitigation plan to address this alleged violation. This mitigation plan included an expected completion date of December 31, 2011. COSF stated in its mitigation plan that it has "a routine maintenance and testing program on the breaker that connects to the utility grid system" but that its other Protection System elements "do not have the same documented program." Thus, to mitigate this alleged violation, COSF stated it would develop a GMIP "comprised of the five primary system elements identified in NERC's definition of 'Protection System'" and would further include "a documented defined interval for maintenance and testing" and a "documented summary of the maintenance and testing procedures."

On April 28, 2010, COSF submitted a revised mitigation plan to address this alleged violation. The revised mitigation plan included an expected completion date of May 26, 2011. COSF stated in the revised mitigation plan that it would "complete development of the GMIP" by August 26, 2010. WECC reviewed the revised mitigation plan and determined that the mitigation plan had identified the cause of its noncompliance and had included the necessary steps, outlined above, to correct the alleged noncompliance.

On May 10, 2010, WECC sent COSF a Notice of Revised Mitigation Plan Acceptance, in which WECC stated that WECC "has reviewed and accepted the revised Mitigation Plan related to the alleged violation of Reliability Standard PRC-005-1."

This Agreement is contingent on COSF's submitting, and on WECC's accepting, a completed mitigation plan addressing this alleged violation.

C. NERC Reliability Standard PRC-005-1, Requirement 2

PRC-005-1 R2: Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System shall provide documentation of its Protection System maintenance and testing program and the implementation of that program to its Regional Reliability Organization on request (within 30 calendar days). The documentation of the program implementation shall include:

R2.1: Evidence Protection System devices were maintained and tested within the defined intervals

R2.2: Date each Protection System device was last tested/maintained

On March 3, 2009, WECC conducted an off-site Compliance Audit of COSE, a COSF sister company. During the off-site Compliance Audit, WECC determined PRC-005-1 was not applicable to the COSE generation Protection System. On March 4, 2009, WECC conducted an off-site Compliance Audit of CADV, another COSF sister company and determined PRC-005-1 was not applicable to the CADV generation Protection System. Based on those findings and the similar Protection System arrangements at COSF, on July 15, 2009, COSF submitted its annual Self-Certification form for the period from July 1, 2008, to June 30, 2009. Consistent with the results of the WECC audits for COSE and CADV, COSF stated in its Self-Certification submittal that PRC-005-1 was not applicable to COSF's generation Protective System.

In December 2009, WECC reviewed COSF's Self-Certification submittal. By way of background, the Parties agree that COSF exceeds the minimum threshold to register on the NERC Compliance Registry as a Generator Owner, since COSF supplies generation that connects to the BES at or above 100 kV. WECC took these facts into account when reviewing the Self-Certification and determined that COSF's generation Protection System affects the BES and therefore that PRC-005-1 does apply to COSF, notwithstanding WECC's prior treatment of COSE and CADV. On December 28, 2009, WECC notified COSF that the COSF generation Protection System is subject to PRC-005-1 R1 and R2.

Based on this WECC notification, on December 31, 2009, COSF submitted a Self-Report addressing possible noncompliance with PRC-005-1 R1 and R2. COSF stated on its Self-Report that during a conference call that took place on December 28, 2009 with WECC, the SME informed COSF that PRC-005-1 R2 is applicable to COSF's generation Protection System. The Self-Report stated that COSF possesses "a routine maintenance and testing program on the breaker that connects to the utility grid system" and that the "remaining elements considered by PRC-005 do not have the same documented program."

On January 19, 2010, a WECC SME reviewed the Self-Report. The SME determined that COSF does not have a GMIP, which includes all components of COSF's generation Protection System. While reviewing the Self-Report, the SME conducted a telephone interview with COSF personnel. The SME determined that COSF does not have evidence that it maintained, or a summary of maintenance procedures for, its communication systems, voltage and current sensing devices, and DC control circuitry. Thus, the SME determined COSF's failure to maintain such evidence was a possible violation of PRC-005-1 R2. The SME forwarded the Self-Certification, Self-Report, and the SME's findings to Enforcement

On January 25, 2010, Enforcement reviewed the Self-Certification, Self-Report, SME's findings, and the March 3, 2009 and March 4, 2009 Compliance Audit findings. As defined in the NERC Glossary of Terms, Protection System includes the following components:

Protective relays, associated communications systems, voltage and current sensing devices, stations batteries and DC control circuitry.

Enforcement determined that COSF's maintenance and testing program includes the protective devices associated with the breaker that connects COSF to the BPS, but COSF did not have evidence it maintained and tested its Protection System devices within defined intervals, and did not have the date it last tested each of its Protection System devices. As a result, Enforcement determined that COSF's failure to provide such evidence for its communication systems, voltage and current sensing devices, and DC control circuitry is an Alleged Violation of PRC-005-1 R2.

On February 26, 2010, COSF submitted a mitigation plan to address this alleged violation. This mitigation plan included an expected completion date of December 31, 2011. COSF stated on its mitigation plan that it has "a routine maintenance and testing program on the breaker that connects to the utility grid system" but that its other Protection System elements "do not have the same documented program." Thus, to mitigate this

alleged violation, COSF stated it would develop a GMIP "comprised of the five primary system elements identified in NERC's definition of 'Protection System'" and would further include "a documented defined interval for maintenance and testing" and a "documented summary of the maintenance and testing procedures."

On April 28, 2010, COSF submitted a revised mitigation plan to address this alleged violation. The revised mitigation plan included an expected completion date of May 26, 2011. COSF stated on the revised mitigation plan that it would "complete development of the GMIP" by August 26, 2010 and "complete testing, maintenance, and inspection of the generation protection system as outlined in the GMIP" by May 26, 2011. WECC reviewed the revised mitigation plan and determined that the mitigation plan had identified the cause of its noncompliance and included the necessary steps, outlined above, to correct the alleged noncompliance.

On May 10, 2010, WECC sent COSF a Notice of Revised Mitigation Plan Acceptance, in which WECC stated that WECC "has reviewed and accepted the revised Mitigation Plan related to the alleged violation of Reliability Standard PRC-005-1." This Agreement is contingent on COSF's submitting, and on WECC's accepting, a completed mitigation plan addressing this alleged violation.

II. Settlement Terms

A. **Payment.** COSF agrees to pay \$3,000.00 to WECC via wire transfer or cashier's check. COSF shall make the funds payable to a WECC account identified in a Notice of Payment Due that WECC will send to COSF upon approval of this Agreement by NERC and FERC. COSF shall issue the payment to WECC no later than thirty days after receipt of the Notice of Payment Due. If this payment is not timely received, WECC shall assess, and COSF agrees to pay, an interest charge calculated according to the method set forth at 18 CFR §35.19(a)(2)(iii) beginning on the 31st day following issuance of the Notice of Payment Due.

The terms of this Agreement, including the agreed upon payment, are subject to review and possible revision by NERC and FERC. Upon NERC approval of the Agreement, NERC will file a Notice of Penalty with FERC. If FERC approves the Agreement, NERC will post the Agreement publicly. If either NERC or FERC rejects the Agreement, then WECC will attempt to negotiate a revised settlement agreement with COSF that includes any changes to the Agreement specified by NERC or FERC. If the Parties cannot reach a settlement agreement, the CMEP governs the enforcement process.

B. **Settlement Rationale.** WECC's determination of penalties in an enforcement action is guided by the statutory requirement codified at 16 U.S.C. § 824o(e)(6) that any penalty imposed "shall bear a reasonable relation to the seriousness of the violation and shall take into consideration the efforts of such user, owner, or operator to remedy the violation in a timely manner". Additionally, WECC considers the guidance provided by the NERC Sanction Guidelines and by the FERC in Order No. 693 and in its July 3, 2008 Guidance Order on Reliability Notices of Penalty.

Specifically, to determine penalty assessment, WECC considers the following factors: (1) the seriousness of the violation, including the applicable Violation Risk Factor

and Violation Severity Level, and the risk to the reliability of the BPS; (2) the violation's duration; (3) the Registered Entity's compliance history; (4) the Registered Entity's self-reports and voluntary corrective action; (5) the degree and quality of cooperation by the Registered Entity in the audit or investigation process, and in any remedial action; (6) the quality of the Registered Entity's compliance program; (7) any attempt by the Registered Entity to conceal the violation or any related information; (8) whether the violation was intentional; (9) any other relevant information or extenuating circumstances; and (10) the Registered Entity's ability to pay a penalty.

The following VRFs apply to COSF's Alleged Violations in accordance with NERC's VRF Matrix dated February 17, 2010:

1. The violation of PRC-005-1 R1 has a "High" VRF. COSF owns three generating units with a single point of interconnection to the BES. If the COSF Protection System fails to isolate a fault at the generation site, the risk to the BES is mitigated by the amount of generation outside of COSF's system and COSF's relative capacity to such external generation supply. COSF does have a routine maintenance and testing program associated with the breaker that maintains COSF's interconnection point. As a result of this program, COSF has not had a failure at this breaker in twenty years of operation. For these reasons, WECC determined this violation posed minimal risk to the reliability of the BPS.

2. The violation of PRC-005-1 R2 has a "High" VRF. COSF owns three generating units with a single point of interconnection to the BES. If the COSF Protection System fails to isolate a fault at the generation site, the risk to the BPS is mitigated by the amount of generation outside of COSF's system and by COSF's relative capacity to such external generation supply. COSF did maintain and test its protective devices associated with the breaker that maintains COSF's interconnection point. As a result of this maintenance and testing, COSF has not had a failure at this breaker in twenty years of operation. For these reasons, WECC determined this violation posed minimal risk to the reliability of the BPS.

In addition to the factors listed above, WECC considered several factors in reaching an agreement with COSF regarding the penalty amount. First, the Alleged Violations addressed by this Agreement are COSF's first assessed noncompliance with the applicable Reliability Standards. Second, COSF implemented a mitigation plan addressing each of the violations herein. Third, COSF was cooperative throughout WECC's evaluation of its compliance with the Reliability Standards and the enforcement process. Fourth, WECC concluded that COSF has an effective compliance culture demonstrated in part by COSF's prompt self-reporting after learning that COSF is subject to PRC-005 and COSF's senior management's engagement and leadership in COSF's compliance program.

In reaching this Agreement, WECC considered that there were no aggravating factors warranting a higher payment amount. Specifically, COSF did not have any negative compliance history. There was no failure by COSF to comply with applicable compliance directives, nor any evidence of an attempt by COSF to conceal a violation. Finally, there was no evidence that COSF's violations were intentional.

III. Additional Terms

A. Authority. The undersigned representative of each party warrants that he or she is authorized to represent and bind the designated party.

B. Representations. The undersigned representative of each party affirms that he or she has read the Agreement, that all matters set forth in the Agreement are true and correct to the best of his or her knowledge, information, or belief, and that he or she understands that the Agreement is entered into by each party in express reliance on the representations set forth herein.

C. Review. Each party agrees that it has had the opportunity to consult with legal counsel regarding the Agreement and to review it carefully. Each party enters the Agreement voluntarily. No presumption or rule that ambiguities shall be construed against the drafting party shall apply to the interpretation or enforcement of this Agreement.

D. Entire Agreement. The Agreement represents the entire agreement between the Parties. No tender, offer, or promise of any kind outside the terms of the Agreement by any member, employee, officer, director, agent, or representative of COSF or WECC has been made to induce the signatories or the Parties to enter into the Agreement. No oral representations shall be considered a part of the Agreement.

E. Effective Date. The Agreement shall become effective upon FERC's approval of the Agreement by order or operation of law.

F. Waiver of Right to Further Proceedings. COSF and WECC agree that the Agreement, upon approval by NERC and FERC, is a final settlement of all matters set forth herein. COSF waives its right to further hearings and appeal, unless and only to the extent that COSF contends that any NERC or FERC action concerning the Agreement contains one or more material modifications to the Agreement.

G. Reservation of Rights. WECC reserves all of its rights to initiate enforcement, penalty or sanction actions against COSF in accordance with the Agreement, the CMEP and the NERC Rules of Procedure. In the event that COSF fails to comply with any of the terms of this Agreement, WECC shall have the right to pursue enforcement, penalty or sanction actions against COSF up to the maximum penalty allowed by the NERC Rules of Procedure. COSF shall retain all of its rights to defend against such enforcement actions in accordance with the CMEP and the NERC Rules of Procedure. Failure by WECC to enforce any provision hereof on occasion shall not constitute a waiver by WECC of its enforcement rights or be binding on WECC on any other occasion.

H. Consent. COSF consents to the use of WECC's determinations, findings, and conclusions set forth in this Agreement for the purpose of assessing the factors, including the factor of determining the company's history of violations, in accordance with the NERC Sanction Guidelines and applicable Commission orders and policy statements. Such use may be in any enforcement action or compliance proceeding undertaken by NERC and/or any Regional Entity; provided, however, that Registered Entity does not consent to the use of the specific acts set forth in this Agreement as the sole basis for any

other action or proceeding brought by NERC and/or WECC, nor does COSF consent to the use of this Agreement by any other party in any other action or proceeding.

I. Amendments. Any amendments to the Agreement shall be in writing. No amendment to the Agreement shall be effective unless it is in writing and executed by the Parties.

J. Successors and Assigns. The Agreement shall be binding on successors or assigns of the Parties.

K. Governing Law. The Agreement shall be governed by and construed under the laws of the State of Utah.

L. Captions. The Agreement's titles, headings and captions are for the purpose of convenience only and in no way define, describe or limit the scope or intent of the Agreement.

M. Counterparts and Facsimiles. The Agreement may be executed in counterparts, in which case each of the counterparts shall be deemed to be an original. Also, the Agreement may be executed via facsimile, in which case a facsimile shall be deemed to be an original. Agreed to and accepted:

WESTERN ELECTRICITY COORDINATING COUNCIL

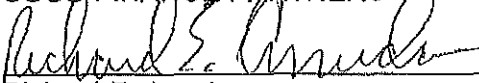


Constance B. White
Vice President of Compliance

7/31/10

Date

COSO FINANCE PARTNERS



Richard E. Arruda
Vice President
Geothermal Operations

7-26-10

Date

Attachment c

**COSF's Revised Mitigation Plan MIT-07-2444 for
PRC-005-1 R1 and R2 dated April 28, 2010**



Mitigation Plan Submittal Form

New or Revised

Date this Mitigation Plan is being submitted: 4-28-2010

If this Mitigation Plan has already been completed:

- Check this box and
- Provide the Date of Completion of the Mitigation Plan:
- Submit Certification of Mitigation Plan Completion Form along with evidence supporting full compliance

Section A: Compliance Notices & Mitigation Plan Requirements

- A.1 Notices and requirements applicable to Mitigation Plans and this Submittal Form are set forth in "Attachment A - Compliance Notices & Mitigation Plan Requirements" to this form. **Review Attachment A and check this box to indicate that you have reviewed and understand the information provided therein.** This Submittal Form and the Mitigation Plan submitted herein are incomplete and cannot be accepted unless the box is checked.

Section B: Registered Entity Information

- B.1 Identify your organization:

Registered Entity Name: Coso Finance Partners, LLC (COSF)
 Registered Entity Address: 9590 Prototype Ct, Suite 200, Reno, NV
 89521-5916
 NERC Compliance Registry ID: NCR05120

- B.2 Identify the individual in your organization who will be the Entity Contact regarding this Mitigation Plan. Please see Section 6.2 of the WECC Compliance Monitoring and Enforcement Program (CMEP) for a description of the qualifications required of the Entity Contact.¹

Name: Don Wells

¹ A copy of the WECC CMEP is posted on WECC's website at:

<http://compliance.wecc.biz/Application/Documents/Home/20090101%20-%20CMEP.pdf>.

Registered Entities are responsible for following all applicable WECC CMEP procedures. WECC strongly recommends that registered entities become familiar with the WECC CMEP and its requirements, as they may be amended from time to time.



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Title: Operations Special Projects
 Email: dwells@tgpny.com
 Phone: 775-423-6535

Section C: Identity of Alleged or Confirmed Reliability Standard Violations Associated with this Mitigation Plan

This Mitigation Plan is associated with the alleged or confirmed violation(s) of the reliability standard/requirements listed below:

C.1 Standard: PRC-005-1
[Identify by Standard Acronym (e.g. FAC-001-1)]

C.2 Requirement(s) violated and violation dates:
[Enter information in the following Table]

NERC Violation ID # [if known]	WECC Violation ID # [if known]	Requirement Violated (e.g. R3)	Violation Risk Factor	Alleged or confirmed Violation Date ^(*) (MM/DD/YY)	Method of Detection (e.g. audit, self-report, investigation)
		R1	Minimal	12-28-2009	Self report
		R2	Minimal	12-28-2009	Self report

(*) Note: The Alleged or Confirmed Violation Date shall be: (i) the date the violation occurred; (ii) the date that the violation was self-reported; or (iii) the date upon which WECC has deemed the violation to have occurred. Please contact WECC if you have questions regarding which date to use .

C.3 Identify the cause of the alleged or confirmed violation(s) identified above:

Terra-Gen Power, LLC (Terra-Gen) developed a risk-based methodology in order to identify any Terra-Gen Power registered entities having Transmission and Generation system elements with transmission or generation Protection Systems that affect the reliability of the Bulk Electric System. The methodology was developed pursuant to PRC-005-1-R1, which states that "Each TO and any Distribution Provider that owns a transmission Protection System and each GO that owns a generation Protection System shall have a Protection System



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maintenance and testing program for Protection Systems that affect the reliability of the BES.

The methodology adopted was based upon WECC's "nine point test," as outlined in the WECC's August 12, 2008 Relay Workshop, which was also posted on the WECC website for determining if a Protection System does in fact "affect the reliability of the BES," so that there would be no ambiguity as to whether or not the owner of the System must comply with PRC-005-1. Terra-Gen's application of the nine point test indicated that none of the elements in the nine point test were met by any of the Terra-Gen registered entities. Terra-Gen therefore concluded that it had no generation Protection Systems that affected the reliability of the BES and accordingly that these Protection Systems are not subject to the maintenance and testing program set forth in PRC-005-1.

The application of the nine point test to the Terra-Gen Protection Systems methodology was discussed with and reviewed by WECC Staff personnel Jay Loock and Jim Terpening during the audits of CADV and COSE on March 4 & 5, 2009, and was approved vis a vis the successful audit. Based on the communications from WECC in the Relay Workshop, the WECC website posting, and the express confirmation that the approach it had used was appropriate, Terra-Gen reasonably and appropriately concluded that it was in full compliance with PRC-005-1.

However, without providing any notice to Terra Gen (or to the companies on the WECC registered entity list), WECC subsequently changed its interpretation of the applicability of PRC-005 and discarded their nine point test. During a conference call with Mary Rieger on December 28, 2009 Terra-Gen was, for the first time, informed of the change. Based on its legitimate reliance on official communications from WECC and its staff, Terra-Gen believes that its GO registered entities are not and cannot be deemed to be in violation of PRC-005-1 and reserves all rights to assert that position.

However, even if it were to assume, for purposes of this mitigation plan, that they were in violation, Terra-Gen considers December 28, 2009 to be first day of the violation, since until that date Terra-Gen was in compliance with PRC-005-1, as compliance had been communicated to it by WECC. All of the GO registered entities possess a routine maintenance and testing program on the breaker that connects to the utility grid system. The remaining elements considered by PRC-005 do not have the same documented program, and therefore COSF, subject to the above-stated reservation of its rights, declared its COSF GO non-complaint with PRC-005-1 as of December 28, 2009.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]



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- C.4 **[Optional]** Provide any relevant additional information regarding the alleged or confirmed violations associated with this Mitigation Plan:

As discussed above, Terra-Gen's position is that its GO(s) are and have been in compliance with PRC-005-1, and is submitting this mitigation plan out of an abundance of caution. Terra-Gen reserves the right to take the position that it is not and has not been in violation of PRC-005-1 in this or any other proceeding involving this reliability standard.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Section D: Details of Proposed Mitigation Plan

Mitigation Plan Contents

- D.1 Identify and describe the action plan, including specific tasks and actions that your organization is proposing to undertake, or which it undertook if this Mitigation Plan has been completed, to correct the violations identified above in Part C.2 of this form:

Coso Finance Partners, LLC (COSF) is developing a GMIP plan to be compliant with the requirements of PRC-005-1. The GMIP plan will be comprised of the five primary elements identified in NERC's definition of "Protection System" which are: protective relays, associated communications systems, voltage and current sensing devices, station batteries, and DC control circuitry. Additionally, the following requirements will be applicable for each program element listed above: 1) a documented defined interval for maintenance and testing, 2) a documented basis for setting the defined interval, and 3) a documented summary of the maintenance and testing procedures.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Check this box and proceed to Section E of this form if this Mitigation Plan, as set forth in Part D.1, has already been completed; otherwise respond to Part D.2, D.3 and, optionally, Part D.4, below.

Mitigation Plan Timeline and Milestones

- D.2 Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented



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and the alleged or confirmed violations associated with this Mitigation Plan corrected: COSF proposes to complete the mitigation plan on or before May 26, 2011. This time period is requested in order to budget, plan, and schedule for testing and inspection as outlined in a newly developed GMIP for this mitigation plan, and to be able to remove the three generating units from service during a scheduled maintenance period for "overhaul maintenance" under contract requirements of our PPA with SCE.

- D.3 Enter Milestone Activities, with completion dates, that your organization is proposing for this Mitigation Plan:

Milestone Activity	Proposed Completion Date* (milestones cannot be more than 3 months apart)
1st Quarter Milestone (R1): Begin development of the GMIP plan for COSF	May 26, 2010
2nd Quarter Milestone (R1): Complete development of the GMIP plan for COSF	August 26, 2010
3rd Quarter Milestone (R2): Budgeting and planning for testing, maintenance, and inspection of the generation protection system as outlined in the GMIP.	November 26, 2010
4th Quarter (R2): Budgeting and planning for testing, maintenance, and inspection of the generation protection system as outlined in the GMIP.	February 26, 2011
5th Quarter (R2): Complete testing, maintenance, and inspection of the generation protection system as outlined in the GMIP.	May 26, 2011

(* Note: Implementation milestones should be no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. As set forth in CMEP section 6.6, adverse consequences could result from failure to complete, on a timely basis, all required actions in this Mitigation Plan, including implementation of milestones. A request for an extension of the completion date of any milestone or of the Mitigation Plan must be received by WECC at least five (5) business days before the relevant milestone or completion date.



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[Note: Provide your response here; additional detailed information may be provided as an attachment as necessary]



Additional Relevant Information (Optional)

- D.4 If you have any relevant additional information that you wish to include regarding the Mitigation Plan, milestones, milestones dates and completion date proposed above you may include it here:

Coso Finance Partners, LLC (COSF) is a QF, three unit, base-loaded 92.2mw (1x32.2mw and 2x30mw) geothermal power generating facility which has a Power Purchase Agreement with Southern California Edison. A completion date of May 26, 2011 is requested for the mitigation plan in order to schedule and budget for the required testing for compliance with PRC-005-1. COSF must be able to schedule with SCE for all three units to be off-line for the CT/PT testing, and DC control circuitry testing. This schedule must fit into an already compressed maintenance period previously scheduled with SCE. COSF's last relay testing date for its generation protection system was two months ago on December 15, 2009. COSF has not experienced any relay misoperations during its operating history. COSF does not have associated communications equipment for these units. The 125vdc battery bank has been replaced as part of the battery maintenance program, and is maintained on a monthly, quarterly, and annual basis. COSF believes that the impact to the BES for the requested completion date of May 26, 2011 is minimal while it develops its GMIP and completes testing for compliance with PRC-005-1. [Provide your response here; additional detailed information may be provided as an attachment as necessary]



Section E: Interim and Future Reliability Risk

Check this box and proceed and respond to Part E.2, below, if this Mitigation Plan, as set forth in Part D.1, has already been completed.

Abatement of Interim BPS Reliability Risk

- E.1 While your organization is implementing the Mitigation Plan proposed in Part D of this form, the reliability of the Bulk Power System may remain at higher risk or be otherwise negatively impacted until the plan is successfully completed. To the extent they are known, reasonably suspected or anticipated: (i) identify any such risks or impacts; and (ii) discuss any actions that your organization is planning to take or is proposing as part of the Mitigation Plan to mitigate any increased risk to the reliability of the bulk power system while the Mitigation Plan is being implemented:

Terra-Gen still believes that COSF does not "affect the reliability of the BES," within the meaning of PRC-005-1, based upon past operational experience as well as the nine-point test. Secondly, COSF's breakers are well maintained which is the last piece of equipment before the utility breaker, and is the point at which the generation is connected to the BES. This is confirmed by the fact that COSF has never had a failure of a trip sequence in almost twenty years of operation. COSF intends to comply with its mitigation plan which is to prepare for testing as required by PRC-005. [Provide your response here; additional detailed information may be provided as an attachment as necessary]

Prevention of Future BPS Reliability Risk

- E.2 Describe how successful completion of the Mitigation Plan as laid out in Part D of this form will prevent or minimize the probability that your organization will incur further violations of the same or similar reliability standards requirements in the future:

COSF has always been proactive in the maintenance, inspection, and upgrading of its generating assets. This mitigation plan and GMIP will define the intervals, bases, and procedures for testing and maintenance of all five elements of a generation protection system as defined in PRC-005-1. As such, the requirements of PRC-005-1, R1 and R2 will be met, and will minimize the probability of incurring future violations.



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[Provide your response here; additional detailed information may be provided as an attachment as necessary]

- E.3 Your organization may be taking or planning other action, beyond that listed in the Mitigation Plan, as proposed in Part D.1, to prevent or minimize the probability of incurring further violations of the same or similar standards requirements listed in Part C.2, or of other reliability standards. If so, identify and describe any such action, including milestones and completion dates:

[Provide your response here; additional detailed information may be provided as an attachment as necessary]



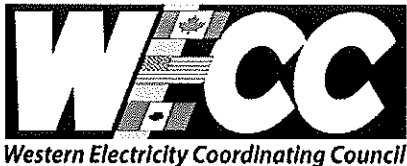
Section F: Authorization

An authorized individual must sign and date this Mitigation Plan Submittal Form. By doing so, this individual, on behalf of your organization:

- a) Submits the Mitigation Plan, as laid out in Section D of this form, to WECC for acceptance by WECC and approval by NERC, and
- b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- c) Acknowledges:
 1. I am Vice President of Terra-Gen Operating Company .
 2. I am an officer, employee, attorney or other person authorized to sign this Mitigation Plan on behalf of Coso Finance Partners, LLC (COSF).
 3. I understand COSF's obligations to comply with Mitigation Plan requirements and WECC or ERO remedial action directives and I have reviewed the WECC and ERO documents related to these obligations, including, but not limited to, the WECC CMEP and the NERC Rules of Procedure.
 4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
 5. COSF agrees to be bound by, and comply with, the Mitigation Plan, including the timetable completion date, as approved by WECC and approved by NERC.

Authorized Signature: 
(Electronic signatures are acceptable; see CMEP Section 3.0)

Name (Print): Richard Arruda
Title: Vice President of Geothermal Operations
Date: 4/28/2010



Section G: Comments and Additional Information

You may use this area to provide comments or any additional relevant information not previously addressed in this form.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Section H: WECC Contact and Instructions for Submission

Please direct any questions regarding completion of this form to:

Mike Wells, Sr. Compliance Engineer

Email: mike@wecc.biz

Phone: (801) 883-6884

For guidance on submitting this form, please refer to the "*WECC Compliance Data Submittal Policy*". This policy can be found on the WECC Compliance Website at:

<http://compliance.wecc.biz/Application/Documents/Forms/WECC%20Compliance%20Data%20Submittal%20Policy.pdf>



Attachment A – Compliance Notices & Mitigation Plan Requirements

- I. Section 6.2 of the WECC CMEP sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:
 - (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section 2.0.
 - (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
 - (3) The cause of the Alleged or Confirmed Violation(s).
 - (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
 - (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed violation(s).
 - (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
 - (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
 - (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission.
 - (9) Any other information deemed necessary or appropriate.
 - (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self-Certification or Self Reporting submittals.
- II. This submittal form may be used to provide a required Mitigation Plan for review and approval by WECC and NERC.



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- III. The Mitigation Plan shall be submitted to the WECC and NERC as confidential information in accordance with Section 9.3 of the WECC CMEP and Section 1500 of the NERC Rules of Procedure.
- IV. This Mitigation Plan form may be used to address one or more related Alleged or Confirmed Violations of one Reliability Standard. A separate Mitigation Plan is required to address violations with respect to each additional Reliability Standard, as applicable.
- V. If the Mitigation Plan is approved by WECC and NERC, a copy of the Mitigation Plan will be provided to the Federal Energy Regulatory Commission in accordance with applicable Commission rules, regulations and orders.
- VI. Either WECC or NERC may reject a Mitigation Plan that it determines to be incomplete or inadequate. If the Mitigation Plan is rejected by either WECC or NERC, the Registered Entity will be notified and required to submit a revised Mitigation Plan.
- VII. In accordance with Section 7.0 of the WECC CMEP, remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.

Attachment d

COSF's Certification of Mitigation Plan Completion for PRC-005-1 R1 dated April 23, 2010



Non-Public and CONFIDENTIAL

Certification of Mitigation Plan Completion Form

Submittal of a Certification of Mitigation Plan Completion shall include data or information sufficient for Western Electricity Coordinating Council (WECC) to verify completion of the Mitigation Plan. WECC may request additional data or information and conduct follow-up assessments, on-site or other Spot Checking, or Compliance Audits as it deems necessary to verify that all required actions in the Mitigation Plan have been completed and the Registered Entity is in compliance with the subject Reliability Standard. (CMEP Section 6.6)

Registered Entity: Coso Finance Partners, LLC (COSF)

NERC Registry ID: 05120

Date of Submittal of Certification: 8-24-2010

NERC Violation ID No(s) (if known): WECC 200901803

Standard: PRC-005-1

Requirement(s): R1

Date Mitigation Plan was scheduled to be completed per accepted Mitigation Plan: 8-26-2010.

Date Mitigation Plan was actually completed: 8-24-2010

Additional Comments (or List of Documents Attached): 1- Certification of Mitigation Plan Completion Form, 2- COSF GMIP Plan.

I certify that the Mitigation Plan for the above named violation has been completed on the date shown above and that all submitted information is complete and correct to the best of my knowledge.

Name: Ellen Allman

Title: Senior Business Manager

Email: eallman@tgpny.com

Phone: 775-850-2232

Authorized Signature:

A handwritten signature in black ink, appearing to read 'Ellen Allman', written over the 'Authorized Signature:' label.

Date: 8-24-2010

Attachment e

WECC's Verification of Mitigation Plan Completion for PRC-005-1 R1 dated May 11, 2010

CONFIDENTIAL



Western Electricity Coordinating Council

Chris Luras
Manager of Compliance Enforcement

(801) 883-6887
cluras@wecc.biz

VIA COMPLIANCE WEB PORTAL

September 24, 2010

Don Wells
Operations Special Projects
Coso Finance Partners
9590 Prototype Court, Suite 200
Reno, Nevada 89521

NERC Registration ID: NCR05120
NERC Violation ID: WECC200901803

Subject: Notice of Completed Mitigation Plan Acceptance
Reliability Standard PRC-005-1 Requirement 1

Dear Don Wells,

The Western Electricity Coordinating Council (WECC) received the Certification of Mitigation Plan Completion and evidence submitted by Coso Finance Partners (COSF) on August 25, 2010 for the alleged violation of Reliability Standard PRC-005-1 Requirement 1. After a thorough review, WECC accepted the Certification of Mitigation Plan Completion.

Please note that the Mitigation Plan status on the Compliance Web Portal will show "Entity Implementing Mitigation Plan" until a Certification of Mitigation Plan Completion is received for both Requirement 1 and Requirement 2 of Reliability Standard PRC-005-1.

If you have any questions or concerns, please contact Mary Rieger at mrieger@wecc.biz.

Sincerely,

Chris Luras
Manager of Compliance Enforcement

CL:rph

cc: Ellen Allman, COSF Business Manager
Laura Scholl, WECC Managing Director of Compliance
John McGhee, WECC Director of Audits and Investigations
Mary Rieger, WECC Compliance Engineer

Attachment f

Disposition Document

DISPOSITION OF VIOLATION¹
Dated January 10, 2011

NERC TRACKING NO.	REGIONAL ENTITY TRACKING NO.	NOC#
WECC200901803	COSF_WECC20092031	NOC-639
WECC200901804	COSF_WECC20092032	

REGISTERED ENTITY Coso Finance Partners (COSF)	NERC REGISTRY ID NCR05120
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REGIONAL ENTITY
Western Electricity Coordinating Council (WECC)

I. REGISTRATION INFORMATION

ENTITY IS REGISTERED FOR THE FOLLOWING FUNCTIONS (BOTTOM ROW INDICATES REGISTRATION DATE):

BA	DP	GO	GOP	IA	LSE	PA	PSE	RC	RP	RSG	TO	TOP	TP	TSP
		X												
		6/17/07												

* VIOLATION APPLIES TO SHADED FUNCTIONS

DESCRIPTION OF THE REGISTERED ENTITY

COSF owns Navy I and its related facilities which make up part of the Coso Partnership.² Geothermal steam for Navy I is produced using 43 production and injection wells located within a radius of approximately 3,000 feet of Navy I. Navy I consists of three separate turbine generators, known as Units 1, 2 and 3, each with approximately 30 MW of electrical generating capacity with an aggregate capacity of approximately 90 MW. COSF is operated by Coso Operating Company, a wholly owned subsidiary of Terra Gen Power, LLC.

¹ For purposes of this document and attachments hereto, each violation at issue is described as a "violation," regardless of its procedural posture and whether it was a possible, alleged or confirmed violation.

² Coso Energy Developers owns the BLM plant and its related facilities and Coso Power Developers owns Navy II and its related facilities (collectively, the Coso Partnerships).

I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
PRC-005-1	1		High³	Severe
PRC-005-1	2		High⁴	Severe

PURPOSE OF THE RELIABILITY STANDARD AND TEXT OF RELIABILITY STANDARD AND REQUIREMENT(S)/SUB-REQUIREMENT(S)

The purpose statement of PRC-005-1 provides: “To ensure all transmission and generation Protection Systems^[5] affecting the reliability of the Bulk Electric System (BES) are maintained and tested.”

PRC-005-1:

R1 Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System shall have a Protection System maintenance and testing program for Protection Systems that affect the reliability of the BES. The program shall include:

R1.1. Maintenance and testing intervals and their basis.

R1.2. Summary of maintenance and testing procedures.

R2 Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System shall provide documentation of its Protection System maintenance and testing program and the implementation of that program to its Regional Reliability Organization^[6] on request (within 30

³ When NERC filed Violation Risk Factors (VRFs) for PRC-005-1, NERC originally assigned a “Medium” VRF to PRC-005-1 R1. In the Commission’s May 18, 2007 Order on Violation Risk Factors, the Commission approved the VRF as filed but directed modifications. On June 1, 2007, NERC filed a modified “High” VRF for PRC-005 R1 for approval. On August 9, 2007, the Commission issued an Order approving the modified VRF. Therefore, the “Medium” VRF was in effect from June 18, 2007 until August 9, 2007 and the “High” VRF has been in effect since August 9, 2007.

⁴ PRC-005-1 R2 has a “Lower” VRF; R2.1 and R2.2 each have a “High” VRF. During a final review of the standards subsequent to the March 23, 2007 filing of the Version 1 VRFs, NERC identified that some standards requirements were missing VRFs; one of these include PRC-005-1 R2.1. On May 4, 2007, NERC assigned PRC-005 R2.1 a “High” VRF. In the Commission’s June 26, 2007 Order on Violation Risk Factors, the Commission approved the PRC-005-1 R2.1 “High” VRF as filed. Therefore, the “High” VRF was in effect from June 26, 2007. In the context of this case, WECC determined that the violation related to R2, R2.1 and R2.2 and therefore a “High” VRF is appropriate.

⁵ *The NERC Glossary of Terms Used in Reliability Standards* defines Protection System as “Protective relays, associated communication systems, voltage and current sensing devices, station batteries and DC control circuitry.”

⁶ Consistent with applicable FERC precedent, the term “Regional Reliability Organization” in this context refers to WECC.

calendar days). The documentation of the program implementation shall include:

R2.1. Evidence Protection System devices were maintained and tested within the defined intervals.

R2.2. Date each Protection System device was last tested/maintained.

(Footnotes added.)

VIOLATION DESCRIPTION

COSF self-reported violations of PRC-005-1 R1 and R2 on December 31, 2009.⁷ COSF did not have a Generation Maintenance and Inspection Plan (GMIP) which included all components of COSF's generation Protection System. COSF's maintenance and testing program included the protective devices associated with the breaker that connects COSF to the bulk power system (BPS), but COSF's maintenance and testing program did not include its other protective relays, associated communication systems, voltage and current sensing devices, station batteries, or DC control circuitry.

COSF's maintenance and testing program included the protective devices associated with the breaker that connects COSF to the BPS, but COSF did not have evidence it maintained and tested its Protection System devices within defined intervals, and did not have the date it last tested each of its Protection System devices.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

WECC determined this violation did not pose a serious or substantial risk to the reliability of the BPS. COSF owns renewable energy generating units with a single point of interconnection to the BPS. COSF does have a routine maintenance and testing program associated with the breaker that maintains COSF's interconnection point. Due in large part to this program, COSF has not had a failure at this breaker in twenty years of operation. Even if the COSF Protection System fails to isolate a fault at the generation site, the risk to the BPS is mitigated by the amount of generation outside of COSF's system and COSF's relative capacity to such external generation supply.

⁷ Terra Gen Power, LLC developed a risk-based methodology in order to identify any Terra Gen registered affiliated entities having Transmission and Generation system elements with transmission or generation Protection Systems that affect the reliability of the BPS. The methodology was developed pursuant to PRC-005-1-R1 and was based upon WECC's "nine point test," as outlined in WECC's August 12, 2008 Relay Workshop. WECC Staff personnel conducted an audit in March 2010 of Terra Gen Power, LLC and Coso Energy Developers, another sister company, and WECC determined during the course of the audit that PRC-005 was not applicable to those companies. Relying on that determination, COSF originally self-reported that PRC-005 was not applicable. WECC subsequently changed its interpretation of the applicability of PRC-005 to these affiliated companies. During a conference call on December 28, 2009, Terra Gen Power, LLC and its affiliated entities, including COSF were, for the first time, informed of the change

IS THERE A SETTLEMENT AGREEMENT YES NO

WITH RESPECT TO THE VIOLATION(S), REGISTERED ENTITY

NEITHER ADMITS NOR DENIES IT (SETTLEMENT ONLY) YES

ADMITS TO IT YES

Stipulates to the facts

DOES NOT CONTEST IT (INCLUDING WITHIN 30 DAYS) YES

WITH RESPECT TO THE ASSESSED PENALTY OR SANCTION, REGISTERED ENTITY

ACCEPTS IT/ DOES NOT CONTEST IT YES

III. DISCOVERY INFORMATION

METHOD OF DISCOVERY

SELF-REPORT

SELF-CERTIFICATION

COMPLIANCE AUDIT

COMPLIANCE VIOLATION INVESTIGATION

SPOT CHECK

COMPLAINT

PERIODIC DATA SUBMITTAL

EXCEPTION REPORTING

DURATION DATE(S)

R1: 6/18/07 (the date the standard became mandatory and enforceable) through 8/24/10

R2: 6/18/07 (the date the standard became mandatory and enforceable) through Present (Mitigation Plan not complete)

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY **12/31/09**

IS THE VIOLATION STILL OCCURRING YES NO

IF YES, EXPLAIN

Mitigation Plan not complete

REMEDIAL ACTION DIRECTIVE ISSUED YES NO

PRE TO POST JUNE 18, 2007 VIOLATION YES NO

IV. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO.	MIT-07-2444
DATE SUBMITTED TO REGIONAL ENTITY	4/27/10 (dated 4/28/10)
DATE ACCEPTED BY REGIONAL ENTITY	5/10/10
DATE APPROVED BY NERC	5/27/10
DATE PROVIDED TO FERC	5/27/10

IDENTIFY AND EXPLAIN ALL PRIOR VERSIONS THAT WERE ACCEPTED OR REJECTED, IF APPLICABLE

On February 26, 2010, COSF submitted a Mitigation Plan to WECC with an expected completion date of August 26, 2010 for R1 and December 31, 2011 for R2. The Mitigation Plan was accepted by WECC on April 7, 2010. On April 22, 2010, WECC requested COSF revise its Mitigation Plan completion date.

MITIGATION PLAN COMPLETED YES NO **R1 violation:**

EXPECTED COMPLETION DATE	8/26/10
EXTENSIONS GRANTED	
ACTUAL COMPLETION DATE	8/24/10
DATE OF CERTIFICATION LETTER	8/24/10
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF	8/24/10
DATE OF VERIFICATION LETTER	9/24/10
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF	8/24/10

R2 violation:

EXPECTED COMPLETION DATE	5/26/11
EXTENSIONS GRANTED	
ACTUAL COMPLETION DATE	TBD
DATE OF CERTIFICATION LETTER	TBD
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF	TBD
DATE OF VERIFICATION LETTER	TBD
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF	TBD

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

COSF is developing a GMIP plan to be compliant with the requirements of PRC-005-1. The GMIP plan will be comprised of the five primary elements identified in NERC's definition of "Protection System." Additionally, the

following requirements will be applicable for each program element listed above:

- 1) A documented defined interval for maintenance and testing,**
- 2) A documented basis for setting the defined interval, and**
- 3) A documented summary of the maintenance and testing procedures.**

LIST OF EVIDENCE REVIEWED BY REGIONAL ENTITY TO EVALUATE COMPLETION OF MITIGATION PLAN (FOR CASES IN WHICH MITIGATION IS NOT YET COMPLETED, LIST EVIDENCE REVIEWED FOR COMPLETED MILESTONES)

- **1st Quarter Milestone (R1): May 26, 2010 Begin development of the GMIP plan for COSF**
- **2nd Quarter Milestone (R 1): August 26, 2010 Complete development of the GMIP plan for COSF**
- **3rd Quarter Milestone (R2): November 26, 2010 Budgeting and planning for testing, maintenance, and inspection of the generation protection system as outlined in the GMIP.**

Other milestones yet to be completed are identified in the Mitigation Plan. WECC will review all evidence of completion as part of its verification following attestation by COSF that the Mitigation Plan has been completed.

V. PENALTY INFORMATION

TOTAL ASSESSED PENALTY OR SANCTION OF **\$3,000** FOR **TWO** VIOLATIONS OF RELIABILITY STANDARDS.

(1) REGISTERED ENTITY’S COMPLIANCE HISTORY

PREVIOUSLY FILED VIOLATIONS OF ANY OF THE INSTANT RELIABILITY STANDARD(S) OR REQUIREMENT(S) THEREUNDER

YES NO

LIST VIOLATIONS AND STATUS

ADDITIONAL COMMENTS

There are five Abbreviated Notices of Penalty being filed concurrently; Nevada Sun-Peak, LP (NOC-637), Terra-Gen Dixie Valley, LLC (NOC-638), Coso Finance Partners (NOC-639), Coso Energy Developers (NOC-640), and Coso Power Developers (NOC-

641). Details of the background for these violations are the same.⁸ The five concurrently filed Abbreviated Notices of Penalty are the result of the determination by WECC that the Terra Gen Power, LLC affiliated entities are subject to PRC-005.

WECC did not consider these affiliate violations as aggravating factors in determining the penalty in this case because the Terra Gen Power, LLC affiliated entities relied on WECC's previous determination that they did not affect the BPS and PRC-005 was not applicable to them (see footnote 7 above). After WECC informed these entities they were subject to PRC-005, the entities self-reported their violations within three days.

In addition, Borger Energy Associates, LP (NCR01062), another affiliated entity under ArcLight Capital Partners has a violation of PRC-005-1 R1 & R2 (NOC-554) which was filed FERC in Docket No. NP11-99-000WECC determined that Borger's violations should not be considered an aggravating factor because ArcLight Capital Partners is an investment company which does not operate its investments directly.⁹

PREVIOUSLY FILED VIOLATIONS OF OTHER RELIABILITY STANDARD(S) OR REQUIREMENTS THEREUNDER

YES NO

LIST VIOLATIONS AND STATUS

ADDITIONAL COMMENTS

(2) THE DEGREE AND QUALITY OF COOPERATION BY THE REGISTERED ENTITY (IF THE RESPONSE TO FULL COOPERATION IS "NO," THE ABBREVIATED NOP FORM MAY NOT BE USED.)

FULL COOPERATION IF NO, EXPLAIN YES NO

⁸ See n.7 for a detailed description of the background history for these violations. The affiliate relationship between these entities derives from the parent entity, Terra Gen Power, LLC. Terra Gen Power, LLC uses Terra Gen Operating Company to operate the Nevada based entities (Nevada Sun-Peak, LP, Terra Gen Power, LLC) and Coso Operating Company to operate the California based entities (Coso Finance Partners, Coso Energy Developers, Coso Power Developers). Terra Gen Power, LLC is a wholly owned subsidiary of the investment company ArcLight Capital Partners.

⁹ ArcLight Capital Partners uses a variety of operating entities to control its holdings. NERC is aware of the corporate relationship and is currently tracking ArcLight entity violations to ensure there is no indication of a pattern of corporate compliance issues.

(3) THE PRESENCE AND QUALITY OF THE REGISTERED ENTITY'S COMPLIANCE PROGRAM

IS THERE A DOCUMENTED COMPLIANCE PROGRAM

YES NO UNDETERMINED

EXPLAIN

WECC concluded that COSF has an effective compliance culture demonstrated in part by COSF's prompt self-reporting after learning that COSF is subject to PRC-005 and COSF's senior management's engagement and leadership in COSF's compliance program. WECC considered COSF's culture of compliance to be a mitigating credit. WECC's evaluations of compliance culture are not necessarily tied to WECC's evaluation of internal compliance programs. In this case, WECC applied mitigating credit to the final penalty for the ICP, particularly for Terra Gen Power, LLC.'s senior management's involvement in the ICP.

EXPLAIN SENIOR MANAGEMENT'S ROLE AND INVOLVEMENT WITH RESPECT TO THE REGISTERED ENTITY'S COMPLIANCE PROGRAM, INCLUDING WHETHER SENIOR MANAGEMENT TAKES ACTIONS THAT SUPPORT THE COMPLIANCE PROGRAM, SUCH AS TRAINING, COMPLIANCE AS A FACTOR IN EMPLOYEE EVALUATIONS, OR OTHERWISE.

See Above

(4) ANY ATTEMPT BY THE REGISTERED ENTITY TO CONCEAL THE VIOLATION(S) OR INFORMATION NEEDED TO REVIEW, EVALUATE OR INVESTIGATE THE VIOLATION.

YES NO

IF YES, EXPLAIN

(5) ANY EVIDENCE THE VIOLATION(S) WERE INTENTIONAL (IF THE RESPONSE IS "YES," THE ABBREVIATED NOP FORM MAY NOT BE USED.)

YES NO

IF YES, EXPLAIN

(6) ANY OTHER MITIGATING FACTORS FOR CONSIDERATION

YES NO

IF YES, EXPLAIN

WECC considered the prior reliance of Terra Gen Power, LLC on WECC's determination that its Transmission and Generation entities were not subject to PRC-005 as a mitigating factor when determining the penalties for these related violations.

(7) ANY OTHER AGGRAVATING FACTORS FOR CONSIDERATION

YES NO
IF YES, EXPLAIN

(8) ANY OTHER EXTENUATING CIRCUMSTANCES

YES NO
IF YES, EXPLAIN

WECC Enforcement determined that for purposes of violation period, COSF was subject to this Standard starting on June 18, 2007, but further determined that for purposes of calculating violation duration as it pertains to a penalty, COSF's sanctionable violation began on December 28, 2009, when WECC notified COSF that it was subject to PRC-005.

EXHIBITS:

SOURCE DOCUMENT
COSF's Self-Report for PRC-005-1 R1 and R2 dated December 31, 2009

MITIGATION PLAN
COSF's Revised Mitigation Plan MIT-07-2444 for PRC-005-1 R1 and R2 dated April 28, 2010

CERTIFICATION BY REGISTERED ENTITY
COSF's Certification of Mitigation Plan Completion for PRC-005-1 R1 dated August 24, 2010

VERIFICATION BY REGIONAL ENTITY
WECC's Verification of Mitigation Plan Completion for PRC-005-1 R1 dated September 24, 2010

OTHER RELEVANT INFORMATION:

NOTICE OF ALLEGED VIOLATION AND PROPOSED PENALTY OR
SANCTION ISSUED

DATE: **2/4/10** OR N/A

SETTLEMENT DISCUSSIONS COMMENCED

DATE: **3/5/10** OR N/A

NOTICE OF CONFIRMED VIOLATION ISSUED

DATE: OR N/A

SUPPLEMENTAL RECORD INFORMATION

DATE(S) OR N/A

REGISTERED ENTITY RESPONSE CONTESTED

FINDINGS PENALTY BOTH DID NOT CONTEST

HEARING REQUESTED

YES NO

DATE

OUTCOME

APPEAL REQUESTED

Attachment g

Notice of Filing

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Coso Finance Partners

Docket No. NP11-____-000

NOTICE OF FILING
February 23, 2011

Take notice that on February 23, 2011, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding Coso Finance Partners in the Western Electricity Coordinating Council region.

Any person desiring to intervene or to protest this filing must file in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211, 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a notice of intervention or motion to intervene, as appropriate. Such notices, motions, or protests must be filed on or before the comment date. On or before the comment date, it is not necessary to serve motions to intervene or protests on persons other than the Applicant.

The Commission encourages electronic submission of protests and interventions in lieu of paper using the "eFiling" link at <http://www.ferc.gov>. Persons unable to file electronically should submit an original and 14 copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426.

This filing is accessible on-line at <http://www.ferc.gov>, using the "eLibrary" link and is available for review in the Commission's Public Reference Room in Washington, D.C. There is an "eSubscription" link on the web site that enables subscribers to receive email notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please email FERCOnlineSupport@ferc.gov, or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Comment Date: [BLANK]

Kimberly D. Bose,
Secretary