



NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

March 30, 2011

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

**Re: NERC Abbreviated Notice of Penalty regarding Public Utility District No. 1 of  
Snohomish County,  
FERC Docket No. NP11-\_\_-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Abbreviated Notice of Penalty (NOP) regarding Public Utility District No. 1 of Snohomish County (SNPD), with information and details regarding the nature and resolution of the violations<sup>1</sup> discussed in detail in the Disposition Document (Attachment a), 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)).<sup>2</sup>

This NOP is being filed with the Commission because SNPD does not dispute the two violations of PRC-005-1 Requirement (R) 2.1 and the assessed thirty-one thousand dollar (\$31,000) penalty. Accordingly, the violations identified as NERC Violation Tracking Identification Numbers WECC201001876 and WECC201002021 are Confirmed Violations, as that term is defined in the NERC Rules of Procedure and the CMEP.

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<sup>1</sup> 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.

<sup>2</sup> *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).

**Statement of Findings Underlying the Violations**

This NOP incorporates the findings and justifications set forth in the Notice of Confirmed Violation and Proposed Penalty or Sanction (NOCV) issued on September 10, 2010, by Western Electricity Coordinating Council (WECC). 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 this NOP by the NERC Board of Trustees Compliance Committee (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 at issue in this NOP.

NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF <sup>3</sup>	Duration	Total Penalty (\$)
NOC-682	WECC201001876	PRC-005-1	2.1	High	6/23/09 – 3/23/10	31,000
	WECC201002021	PRC-005-1	2.1	High	6/18/07 – TBD <sup>4</sup>	

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

PRC-005-1 R2.1 –First Violation (WECC201001876) - OVERVIEW

As a result of a Self-Report issued by SNPD on March 24, 2010, WECC determined that SNPD, as a Distribution Provider (DP), Generation Owner (GO) and Transmission Owner (TO), did not maintain or test its breaker failure timing relay within the interval defined in SNPD’s Protection System<sup>5</sup> maintenance and testing program as required by R2.1.

PRC-005-1 R2.1 –Second Violation (WECC201002021) - OVERVIEW

As a result of a Self-Report issued by SNPD on May 10, 2010, WECC determined that SNPD, as a DP, GO and TO, did not perform maintenance or testing at 11 substations and the Jackson Hydro Plant, or perform maintenance or testing tasks for 48 percent of its 664 batteries, 53 percent of its 395 potential transformers (PTs), and 59 percent of its 359 DC circuitry; and could not provide evidence its Protection System devices were maintained and tested within the defined intervals.

<sup>3</sup> PRC-005-1 R2 has a “Lower” Violation Risk Factor (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 R2.1, and therefore a “High” VRF is appropriate.

<sup>4</sup> The PRC-005-1 R2.1 violation has a proposed completion date of September 30, 2011.

<sup>5</sup> *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.”

## Statement Describing the Assessed Penalty, Sanction or Enforcement Action Imposed<sup>6</sup>

### Basis for Determination

Taking into consideration the Commission's direction in Order No. 693, the NERC Sanction Guidelines and the Commission's July 3, 2008, October 26, 2009 and August 27, 2010 Guidance Orders,<sup>7</sup> the NERC BOTCC reviewed the NOCV and supporting documentation on February 15, 2011. The NERC BOTCC approved the NOCV and the assessment of a thirty-one thousand dollar (\$31,000) financial penalty against SNPD based upon WECC's findings and determinations, the NERC BOTCC's review of 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:<sup>8</sup>

1. WECC determined that SNPD's second violation of PRC-005-1 R2.1 (WECC201002021) constituted an aggravating factor in the penalty determination;<sup>9</sup>
2. WECC reported that SNPD was cooperative throughout the compliance enforcement process;
3. there was no evidence of any attempt to conceal a violation nor evidence of intent to do so;
4. WECC determined that the violations posed a minimal risk and did not pose a serious or substantial risk to the reliability of the bulk power system (BPS), as discussed in the Disposition Document; and
5. 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 thirty-one thousand dollars (\$31,000) 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.

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<sup>6</sup> See 18 C.F.R. § 39.7(d)(4).

<sup>7</sup> *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).

<sup>8</sup> SNPD did not receive credit for having a compliance program because it was not reviewed by WECC.

<sup>9</sup> SNPD's other violations were not considered as aggravating factors in the penalty determination, as discussed in the Disposition Documents.

**Attachments to be included as Part of this Notice of Penalty**

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

- a) Disposition of Violation, included as Attachment a;
- b) SNPD's Responses to the Notice of Alleged Violation and Proposed Penalty or Sanction dated May 10, 2010 and August 31, 2010, included as Attachment b;
- c) SNPD's Self-Report for first violation of PRC-005-1 R2.1 (WECC201001876) dated March 24, 2010, included as Attachment c;
- d) SNPD's Self-Report for second violation of PRC-005-1 R2.1 (WECC201002021) dated May 10, 2010 and revised on June 24, 2010, included as Attachment d;
- e) SNPD's Mitigation Plan MIT-09-2441 for first violation of PRC-005-1 R2.1 (WECC201001876) submitted March 24, 2010, included as Attachment e;
- f) SNPD's Mitigation Plan MIT-07-2968 for second violation of PRC-005-1 R2.1 (WECC201002021) submitted August 23, 2010, included as Attachment f;
- g) SNPD's Certification of Mitigation Plan Completion for first violation of PRC-005-1 R2.1 (WECC201001876) dated March 24, 2010, included as Attachment g; and
- h) WECC's Verification of Mitigation Plan Completion for first violation of PRC-005-1 R2.1 (WECC201001876) dated April 1, 2010, included as Attachment h.

**A Form of Notice Suitable for Publication<sup>10</sup>**

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

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<sup>10</sup> 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) 883-6855 (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* Associate General Counsel for Corporate and Regulatory Matters 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>Dana Toulson* Assistant General Manager Public Utility District No. 1 of Snohomish County P.O. Box 1107 Everett, WA 98206 (425) 783-8022 datoulson@snopud.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,

Gerald W. Cauley  
President and Chief Executive Officer  
David N. Cook  
Sr. Vice President and General Counsel  
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/s/ Rebecca J. Michael  
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cc: Public Utility District No. 1 of Snohomish County  
Western Electricity Coordinating Council

Attachments

## **Attachment a**

### **Disposition of Violation**

## DISPOSITION OF VIOLATION<sup>1</sup>

**Dated February 15, 2011**

NERC TRACKING NO.	REGIONAL ENTITY TRACKING NO.	NOC#
<b>WECC201001876</b>	<b>SNPD_WECC20102136</b>	<b>NOC-682</b>
<b>WECC201002021</b>	<b>SNPD_WECC20102372</b>	

REGISTERED ENTITY	NERC REGISTRY ID
<b>Public Utility District No. 1 of Snohomish County (SNPD)</b>	<b>NCR05335</b>

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	X	X		X		X				X	X	X	
	6/17/07	6/17/07	6/17/07		6/17/07		6/17/07				6/17/07	2/6/09	3/27/09	

\* VIOLATION APPLIES TO SHADED FUNCTIONS

#### DESCRIPTION OF THE REGISTERED ENTITY

**SNPD is a public utility district organized under the laws of the state of Washington. Its principal offices are located in Everett, Washington. SNPD is the second largest publicly owned utility in Washington, serving 320,000 electric customers with a service territory covering over 2,200 square miles, including all of Snohomish County and Camano Island. SNPD owns and operates approximately 300 miles of 115 kV lines and has a peak load of approximately 1,435 MW. Hydroelectric power accounts for almost 80 percent of SNPD's power sources. Bonneville Power Administration projects supply most of SNPD's hydropower. Other sources include the Jackson Hydroelectric Project, Woods Creek Hydroelectric Project, Packwood Hydroelectric Project and eventually Youngs Creek Hydroelectric Project. SNPD receives approximately 5 percent of its power from the Everett Cogeneration Project built at Kimberly-Clark Corporation's plant on the Everett waterfront. The remaining power is supplied by biomass and windfarm projects.**

<sup>1</sup> 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.



## **II. VIOLATION INFORMATION**

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S) <sup>2</sup>	VSL(S)
<b>PRC-005-1</b>	<b>2</b>	<b>2.1</b>	<b>High</b>	<b>Lower</b>
<b>PRC-005-1</b>	<b>2</b>	<b>2.1</b>	<b>High</b>	<b>High</b>

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<sup>[3]</sup> affecting the reliability of the Bulk Electric System (BES) are maintained and tested.”**

**PRC-005-1 R2.1 provides:**

**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<sup>[4]</sup> 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.**

VIOLATION DESCRIPTION

### **First Violation (WECC201001876)**

**On March 19, 2010, SNPD discovered a violation of PRC-005-1 R2.1, and self-reported the violation to WECC on March 24, 2010. In the Self-Report, SNPD stated that its Protection System maintenance and testing program for the Jackson Hydro Project includes testing the breaker failure timing relay on a 5-year interval with a 90-day grace period. These relay test dates are tracked using an equipment**

<sup>2</sup> PRC-005-1 R2 has a “Lower” Violation Risk Factor (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 R2.1, and therefore a “High” VRF is appropriate.

<sup>3</sup> *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.”

<sup>4</sup> Consistent with applicable FERC precedent, the term ‘Regional Reliability Organization’ in this context refers to WECC.

**maintenance management program called Mapcon. During a routine review of a Mapcon report in February 2010, SNPD noticed that this breaker failure timing relay was not included on the report. Further investigation by SNPD revealed that for unknown reasons a checkbox concerning the breaker failure timing relay was not checked within the Mapcon application. After correcting the problem and re-running the report, the report indicated that the relay had last been tested on March 24, 2004.**

**In response to SNPD's Self-Report, WECC subject matter experts (SMEs) reviewed the Self Report, and confirmed the facts contained within. Specifically, WECC determined that a breaker failure timing relay on a 115 kV bus associated with SNPD's transmission system had not been included in SNPD's maintenance management system, and therefore, had not been scheduled for maintenance and testing under SNPD's scheduling system. Accordingly, this breaker failure timing relay was not tested within its 5-year interval and 90-day grace period as required by SNPD's Protection System maintenance and testing program.**

**WECC Enforcement reviewed the Self-Report and the SMEs' findings and determined that SNPD had a violation of this Standard because from June 23, 2009 through March 23, 2010, a breaker failure timing relay was not maintained and tested within the interval defined in SNPD's Protection System maintenance and testing program as required by R2.1.**

#### **Second Violation (WECC201002021)**

**On May 10, 2010, SNPD submitted a Self-Report to WECC concerning a violation of PRC-005-1 R2.1. According to the Self-Report, SNPD has a program and a procedure for substation and switching station battery inspection, maintenance and testing that calls for a monthly inspection of battery banks and specifies that batteries are "maintained and tested according to manufacturer's recommendations and /or industry standards." An internal inspection of SNPD's battery maintenance records revealed that not all inspections were performed within the one-month intervals specified in the program. Moreover, a detailed inspection of SNPD's battery maintenance records found that not all elements of the battery inspection program had been regularly performed as part of the current inspection practice. This information was discovered by SNPD in an effort to determine PRC-005-1 R2.1 compliance after its first violation (WECC201001876) that was reported to WECC on March 24, 2010.**

**WECC SMEs reviewed the Self-Report, as well as a revised Self-Report issued by SNPD, on June 24, 2010, in response to a WECC request for additional maintenance and testing data from SNPD. WECC determined that SNPD was non-compliant for 48 percent of its 664 battery maintenance and testing tasks, 53 percent of its 395 potential transformers (PTs) tasks and 59 percent of its 359 DC circuitry tasks, and therefore, could not provide evidence its Protection System devices were maintained and tested within the defined intervals.**

The SME forwarded the findings to WECC Enforcement who reviewed the revised Self-Report and the SME's findings. WECC Enforcement determined that SNPDP was non-compliant at each of its 11 substations and the Jackson Hydro Plant, for 48 percent of its 664 battery maintenance and testing tasks, 53 percent of its 395 maintenance and testing tasks for its PTs, and 59 percent of its 359 maintenance and testing tasks for its DC circuitry, and therefore, could not provide evidence its Protection System devices were maintained and tested within the defined intervals.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

WECC determined that the violation(s) posed a minimal risk and did not pose a serious or substantial risk to the reliability of the bulk power system (BPS) because:

- a. **First Violation (WECC201001876):**In the first instance, a breaker failure timing relay associated with SNPDP's transmission system was not maintained and tested within the interval defined in SNPDP's Protection System maintenance and testing program, as required by R2.1. Although a failure to properly maintain this Protection System could cause a loss of generation associated with a 112 MW hydro-electric project, there are a significant amount of generation resources available in the Pacific Northwest to cover the loss of SNPDP's facility.
- b. **Second Violation (WECC201002021):** Although SNPDP could not provide evidence its Protection System devices were maintained and tested within the defined intervals, SNPDP provided evidence that it had performed some maintenance and testing in accordance with its maintenance and testing plan that was based on an aggressive schedule of monthly intervals for all SNPDP's protective devices. In addition, SNPDP has a Supervisory Control and Data Acquisition (SCADA) system to remotely monitor all of its BPS applicable batteries for bank voltage; and if voltage reaches a pre-determined set point, a battery alarm is generated and sent to the entity's control center.

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   
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)

**1<sup>st</sup> Violation (WECC201001876): 6/23/09 (Day the breaker failure timing relay should have been tested) through 3/23/10 (Mitigation Plan completion)**

**2<sup>nd</sup> Violation (WECC201002021): 6/18/07 (date the Standard became mandatory and enforceable) through 9/30/11 (estimated date of Mitigation Plan completion)**

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY

**First Violation (WECC201001876): 3/24/10**  
**Second Violation (WECC201002021): 5/10/10**

IS THE VIOLATION STILL OCCURRING      YES       NO   
 IF YES, EXPLAIN

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. **First Violation (WECC201001876): MIT-09-2441**  
**Second Violation (WECC201002021): MIT-07-2968**

DATE SUBMITTED TO REGIONAL ENTITY      **First Violation: 3/24/10**  
**Second Violation: 8/23/10**

DATE ACCEPTED BY REGIONAL ENTITY      **First Violation: 3/27/10**  
**Second Violation: 9/8/10**

DATE APPROVED BY NERC      **First Violation: 4/19/10**  
**Second Violation: 12/1/10**

DATE PROVIDED TO FERC

**First Violation: 4/19/10**  
**Second Violation: 12/3/10**

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

N/A

MITIGATION PLAN COMPLETED

YES <sup>5</sup> NO

EXPECTED COMPLETION DATE **First Violation: Submitted as complete**  
**Second Violation: 9/30/11**

EXTENSIONS GRANTED

N/A

ACTUAL COMPLETION DATE

**First Violation: 3/23/10**  
**Second Violation: TBD**

DATE OF CERTIFICATION LETTER

**First Violation: 3/24/10**  
**Second Violation: TBD**

CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF

**First Violation: 3/23/10**  
**Second Violation: TBD**

DATE OF VERIFICATION LETTER

**First Violation: 4/1/10**  
**Second Violation: TBD**

VERIFIED COMPLETE BY REGIONAL ENTITY AS OF

**First Violation: 3/23/10**  
**Second Violation: TBD**

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

**First Violation (WECC201001876)**

- **Performed testing and maintenance of the breaker failure timing relay**
- **Updated its Mapcon relay maintenance program to include the breaker failure timing relay on the appropriate reports**
- **Updated the outdated test procedures for the breaker failure timing relay.**

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<sup>5</sup> The Mitigation Plan for the first PRC-005-1 R2.1 violation, MIT-09-2441, has been mitigated; however, the Mitigation Plan for the second violation, MIT-07-2968, has not been completed and has an expected completion date of September 30, 2011.

**Second Violation (WECC201002021)**

- Assign employees to monitor progress of the battery, PT, relay and DC circuit inspections on a periodic basis to verify that the BPS station inspections and maintenance have occurred within the defined interval by September 30, 2010
- Examine the battery inspection, maintenance, and testing procedures and the equipment and technology used by September 30, 2010
- Evaluate and update other maintenance procedures by December 30, 2010
- Become current on all monthly, quarterly and annual battery maintenance
- Become current with all PT, CT and DC circuit inspection and maintenance by September 30, 2011.

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)

**First Violation (WECC201001876)**

- A copy of SNPD’s maintenance and testing results for breaker failure timing relay.
- A copy of an e-mail demonstrating that SNPD had updated the Mapcon relay maintenance program to include the breaker failure timing relay and that SNPD had revised the Mapcon testing procedures for this relay.

**Second Violation (WECC201002021)**

- TBD

**V. PENALTY INFORMATION**

TOTAL ASSESSED PENALTY OR SANCTION OF \$31,000 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

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

YES  NO

LIST VIOLATIONS AND STATUS

**Concurrently being filed is a separate Settlement Agreement between SNPD and WECC (NOC-589) for violations of TOP-001- R1 and R2, TPL-002-0 R1 and R2, TPL-003-0 R1 and R2, TPL-004-0 R1 and PRC-007-0 R1.**

ADDITIONAL COMMENTS

**WECC determined that the other prior violations should not serve as an aggravating factor in the penalty determination because they involved standards that are not the same or similar to the instant standard. Moreover, there was nothing in the record to suggest that broader corporate issues were implicated.**

(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

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

IS THERE A DOCUMENTED COMPLIANCE PROGRAM YES  NO  UNDETERMINED

EXPLAIN

**SNPD did not receive credit for having a compliance program because it was not reviewed by WECC.**

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.

(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

(7) ANY OTHER AGGRAVATING FACTORS FOR CONSIDERATION

YES  NO   
IF YES, EXPLAIN

**WECC determined that SNPD's second violation of PRC-005-1 R2.1 (WECC201002021) was an aggravating factor in the penalty determination.**

(8) ANY OTHER EXTENUATING CIRCUMSTANCES

YES  NO   
IF YES, EXPLAIN

EXHIBITS:

SOURCE DOCUMENT  
**SNPD's Self-Report dated March 24, 2010**

**SNPD's Self-Report dated May 10, 2010**



MITIGATION PLAN

**SNPD's Mitigation Plan MIT-09-2441 submitted March 24, 2010**

**SNPD's Mitigation Plan MIT-07-3968 submitted August 23, 2010**

CERTIFICATION BY REGISTERED ENTITY

**SNPD's Certification of Mitigation Plan Completion dated March 24, 2010**

VERIFICATION BY REGIONAL ENTITY

**WECC's Verification of Mitigation Plan Completion dated April 1, 2010**

OTHER RELEVANT INFORMATION:

NOTICE OF ALLEGED VIOLATION AND PROPOSED PENALTY  
OR SANCTION ISSUED

DATE: **First Violation (WECC201001876): 4/8/10; Second Violation  
(WECC201002021): 8/4/10** OR N/A

SETTLEMENT DISCUSSIONS COMMENCED

DATE: OR N/A

NOTICE OF CONFIRMED VIOLATION ISSUED

DATE: **9/10/10** 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 b**

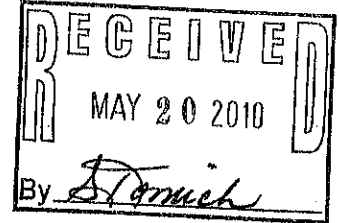
# **SNPD's Responses to the Notice of Alleged Violation and Proposed Penalty or Sanction dated May 10, 2010 and August 31, 2010**



Providing quality water, power and service at a competitive price that our customers value

May 10, 2010

**VIA EMAIL; ORIG. BY CONFIRMED OVERNIGHT MAIL**



Constance B. White  
Vice President of Compliance  
Western Electricity Coordinating Council  
155 North 400 West, Suite 200  
Salt Lake City, UT 84103

Re: Response Contesting Notice of Alleged Violation and Proposed Penalty or Sanction;  
NERC Compliance Registry ID Number NCR05335; NERC Violation Number  
WECC201001876; WECC Violation Number SNPD\_WECC20102136

Dear Ms. White:

Pursuant to Section 5.2 of the Western Electricity Coordinating Council (“WECC”) Compliance Monitoring and Enforcement Program (“CMEP”), Public Utility District No. 1 of Snohomish County, Washington (“Snohomish”) respectfully contests the above-referenced Notice of Alleged Violation and Proposed Penalty or Sanction, which was delivered to Snohomish on April 8, 2010 (the “April 8 NAVAPS”). In accordance with CMEP Section 5.1(v)(2), for the reasons stated below, Snohomish contests the proposed penalty or sanction, which was fully mitigated on March 23, 2010.

**SUMMARY**

The April 8 NAVAPS concerns Reliability Standard PRC-005-1 R.2, which requires Transmission Owners and Distribution Providers that own Protection Systems to document testing programs to ensure that Protection System devices are maintained and tested within prescribed intervals. The NAVAPS proposes a \$10,000 penalty arising from the delayed testing of a breaker failure timing relay, one of 160 total Protection Systems owned, and properly maintained and tested, by Snohomish.

During a routine review of its Mapcon program, which tracks Snohomish’s Protection System maintenance and testing program for its Henry M. Jackson Hydroelectric Project, Snohomish determined that, because a Mapcon checkbox had not been marked, one auxiliary breaker failure timing relay was not included in the Mapcon checklist. Subsequently, Snohomish determined that the breaker failure timing relay had last been tested and the results documented on March 24, 2004. Snohomish then conducted the required maintenance and testing of the breaker failure timing relay, which revealed the relay was operating as designed and would have operated to clear the bus as intended if a breaker had failed. Snohomish also updated its Mapcon application to ensure that the breaker failure timing relay is now included in the schedule for maintenance and testing of Snohomish’s Protection System.

On March 24, 2010, Snohomish submitted a self-report concerning this violation and, at the same time, submitted a mitigation plan documenting that all mitigation steps had been completed on March 23, 2010.

Correctly concluding that Snohomish had properly self-reported the violation, had fully mitigated it, and that the violation did not represent significant threat to the reliability of the Bulk Electric System ("BES"), WECC on April 8 delivered the NAVAPS to Snohomish proposed a fine of \$10,000 for this violation.

Snohomish contests the proposed sanction in the April 8 NAVAPS and requests that the penalty be set to zero for the following reasons:

- (1) Snohomish discovered the discrepancy in its Protection System maintenance and testing program through an internal review, expeditiously self-corrected the violation, and fully reported the violation and its mitigation to WECC;
- (2) The violation is inconsequential in the context of Snohomish's overall Protection System maintenance and testing program, representing only one Protection System out of 160 owned by Snohomish that was not maintained and tested within prescribed time frames;
- (3) The violation is an inconsequential first assessed violation of the PRC-005 standard;
- (4) Snohomish acted in good faith throughout the relevant period; and,
- (5) The violation was minor and inconsequential to the reliability of the BES because, as the NAVAPS notes, loss of generation at the Jackson Project would not substantially impact the Bulk Electric System. Specifically, if a breaker failed and the breaker failure timing relay operated properly it would result in the shutdown of the Jackson Project. However, if the breaker failure timing relay failed to operate correctly Snohomish would shed 30 to 50 MW of its own load in addition to dropping the Jackson Project's generation. But the 30 to 50 MW of dropped load would be confined to Snohomish's own distribution system. Further, because the relevant substations are operated using SCADA, Snohomish likely would be able to restore full service to its customer-owners within approximately 15-20 minutes using its SCADA system to facilitate expedited sectionalizing.

## **BACKGROUND**

Snohomish is a Public Utility District formed by a vote of the people of Snohomish County in 1936. Snohomish has operated as an electric utility since 1949 and currently serves nearly 317,000 retail customers in Snohomish County and on adjacent Camano Island in the State of Washington.

Snohomish is registered as a Generation Owner and Distribution Provider.<sup>1</sup> Under PRC-005-1 R.2, because Snohomish has registered under these functions, it is required to comply with

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<sup>1</sup> PRC-005-1 R.2 also provides that Transmission Owners must comply with that standard. To the extent it becomes relevant, Snohomish contests its registration as a Transmission Owner, for reasons set forth in Snohomish's letters of May 13, 2009, and January 22, 2010, contesting WECC NAVAPS relating to other reliability standards.

prescribed maintenance periods for its Protection Systems. In this case, the prescribed maintenance period for the breaker failure timing relay was five years, plus a ninety-day grace period.

While conducting an internal review of its Protection System maintenance and testing program in February 2010, Snohomish discovered that, because a box should have been checked in Snohomish's Mapcon software but was not, the breaker failure timing relay was not listed in Snohomish's maintenance and testing schedule. Subsequent investigation revealed that the breaker failure timing relay was last tested and the results documented on March 24, 2004.

Upon discovering this problem, Snohomish immediately undertook corrective action. Snohomish immediately carried out the required testing and maintenance of the breaker failure timing relay, which revealed that the relay was operating normally.<sup>2</sup> Snohomish also made changes to its Mapcon program necessary to ensure that maintenance occurs in the future on the breaker failure timing relay within the prescribed time period, and that testing it performed according to updated protocols. These measures were all completed by March 23, 2010.<sup>3</sup> The following day, on March 24, 2010, Snohomish filed a self-report with WECC, along with a mitigation plan, which noted that mitigation had been completed the prior day.<sup>4</sup> On April 1, 2010, WECC notified Snohomish that it had reviewed the Mitigation Plan and accepted it as complete.<sup>5</sup>

## ARGUMENT

While Snohomish did not test the breaker failure timing relay within the prescribed period, Snohomish discovered this error during a voluntary internal review, expeditiously and completely corrected the error, and voluntarily reported the error to WECC. As we now explain, these factors justify dismissal of the NAVAPS.

Snohomish's error in testing the breaker failure timing relay at an interval of five years, nine months, rather than within the prescribed period (including grace period) of five years, three months, is inconsequential to the reliable operation of the BES. This is true because the breaker failure timing relay passed functional testing on March 23, 2010, and therefore never presented an actual threat of system failure. It is also true because, as the NAVAPS concedes, the Jackson Project represents a very small percentage of the generation available in the Western

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<sup>2</sup> Work Order Reprint from Snohomish County PUD Jackson Hydro Project, marked as completed on March 23, 2010 (attached as Exhibit A).

<sup>3</sup> Certification of Mitigation Plan Completion Form, submitted by John Martinsen, Snohomish County PUD, March 24, 2010 (attached as Exhibit B).

<sup>4</sup> Mitigation Plan Submittal Form, submitted by John Martinsen, Snohomish County PUD, March 24, 2010 (attached as Exhibit C); Self-Reporting Form, submitted by John Martinsen, Snohomish County PUD, March 24, 2010 (attached as Exhibit D).

<sup>5</sup> Letter from Laura Scholl, Managing Director of Compliance, WECC, to John D. Martinsen, Sr. Mgr. of Reliability Compliance and Regional Transmission, Snohomish County PUD, April 1, 2010 (attached as Exhibit E).

Interconnection and its loss therefore would have no appreciable impact on the reliable operation of the BES.

In fact, Snohomish studies of load loss at the Jackson Project demonstrate that loss of Jackson's generation would not produce significant impacts on the BES. Rather, the complete loss of generation at Jackson would produce an outage in the range of 30-50 MW (in the range of 3-6% of Snohomish's average load of 820 MW) that would be confined to Snohomish's service territory. Snohomish would likely be able to restore full service within 15-20 minutes by using its SCADA system. Because the consequences of Snohomish's violation are fully confined to Snohomish's system, there is no justification for outside intervention by WECC. On the contrary, because Snohomish's customer-owners will bear the full consequence of the violation, Snohomish's elected Board of Commissioners is both fully empowered and has full interest in protecting those customer-owners. The consequences of the failure are not externalized to customers outside Snohomish's service territory, and WECC intervention to protect the interests of non-Snohomish customers served by the regional Bulk Electric System is therefore unjustified.

Further, the violation is inconsequential within the context of Snohomish's Protection System maintenance and testing program, which properly tested and maintained 159 out of 160 Protection Systems owned by Snohomish.

Under NERC's Sanction Guidelines, these factors justify reduction of the proposed sanction to zero for several reasons. First, Snohomish's violation of PRC-005-1 R.2 constitutes "an inconsequential first violation" justifying elimination of the proposed sanction in "the specific circumstances" of the violation under Section 4.2 of the Sanction Guidelines.<sup>6</sup>

Second, Snohomish's good faith in discovering the violation, immediately correcting it, and self-reporting the violation to WECC, all demonstrate Snohomish's good faith efforts at compliance, further justifying adjustment of the proposed penalty downward to zero.<sup>7</sup> Third, none of the factors that would justify an upward adjustment of the proposed sanction, such as concealment of the violation or economic gain experienced because of the violation, are present in this case.<sup>8</sup>

For these reasons, Snohomish's violation is inconsequential, and Snohomish has acted expeditiously and in good faith to correct the violation detected through its internal compliance program. A reduction of the proposed penalty to zero is therefore fully justified.

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<sup>6</sup> NERC Sanctions Guidelines at § 4.2. During the initial eighteen-month period allowed for entities such as Snohomish to assess compliance with newly-applicable reliability standards, Snohomish self-reported and corrected certain violations of PRC-005 that it detected through self-assessment. Because these violations were detected and corrected during the eighteen-month window, no penalties were assessed against Snohomish.

<sup>7</sup> NERC Sanctions Guidelines at §§ 4.3.3, 4.3.4, 4.3.5.

<sup>8</sup> NERC Sanctions Guidelines at §§ 4.3.1, 4.3.6, 4.3.7, 4.4.2.

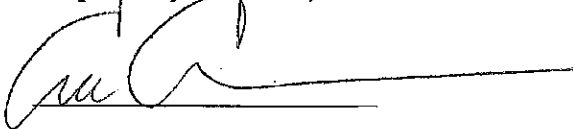
## REQUEST FOR SETTLEMENT DISCUSSIONS AND HEARING

Pursuant to Section 5.4 of the WECC CMEP, Snohomish requests a settlement conference so that the issues addressed in this response can be resolved amicably. Snohomish notes that it is currently reviewing its compliance with other requirements related to PRC-005. Should additional self-reports related to PRC-005 be filed and result in NAVAPS, Snohomish believes it would be most efficient for both Snohomish and WECC to address these related issues in a single settlement conference. Accordingly, any settlement conference should await Snohomish's completion of its internal audit of PRC-005 compliance. Barring settlement, Snohomish requests, and reserves its right to, a hearing as provided in CMEP Sections 5.2, 5.3 and Attachment 2.

## CONCLUSION

For the reasons stated above, in light of the fact that Snohomish has acted in good faith at all relevant times, Snohomish has fully and expeditiously corrected the violation detected through its internal compliance program, and, in any event, the violation was minor and never presented a threat to Bulk Electric System reliability, WECC should reduce the proposed sanction to zero.

Respectfully submitted,



Dana A. Toulson, NERC Compliance Officer  
Eric Christensen, Assistant General Counsel  
Snohomish County PUD  
2320 California Street  
PO Box 1107  
Everett, WA 98206-1107  
(425) 783-1000  
[elchristensen@snopud.com](mailto:elchristensen@snopud.com)

cc: Chris Albrecht, WECC Compliance Enforcement Analyst  
WECC Hearings Office  
Steven J. Klein, Snohomish General Manager  
Anne Spangler, General Counsel  
John D. Martinsen, Snohomish Senior Manager, Reliability Compliance and Regional  
Transmission  
Bonnie Boudreau, Snohomish Compliance Coordinator  
Joel deJesus, NERC Director of Compliance Enforcement  
Valerie Agnew, NERC Manager of Enforcement Processing  
Steven Goodwill, WECC Counsel  
Louise McCarren, WECC CEO



*"Your Northwest Renewables Utility Invites You to be a Conservation Sensation"*

August 31, 2010

**VIA WECC COMPLIANCE WEB PORTAL SYSTEM; ORIG. BY CONFIRMED  
OVERNIGHT MAIL**

Constance B. White  
Vice President of Compliance  
Western Electricity Coordinating Council  
155 North 400 West, Suite 200  
Salt Lake City, UT 84103

Re: Response to Alleged Violation and Proposed Penalty or Sanction; NERC Compliance Registry ID Number NCR05335; NERC Violation Number WECC201001876; WECC Violation Number SNPD\_WECC20102136 (dated April 8, 2010) and Alleged Violation and Proposed Penalty or Sanction; NERC Compliance Registry ID Number NCR05335; NERC Violation Number WECC201002021; WECC Violation Number SNPD\_WECC20102372 (dated August 4, 2010)

Dear Ms. White:

I am writing on behalf of Public Utility District No. 1 of Snohomish County, Washington ("SNPD") in response to the above-referenced Notices of Alleged Violation and Proposed Penalty or Sanction ("NAVAPS"). SNPD hereby notifies WECC that, in accordance with Sections 5.1(v)(1) and 5.2 of the Compliance Monitoring and Enforcement Program ("CMEP"), SNPD will not contest either of the above-referenced alleged violations or the proposed penalties, and will implement mitigation plans to correct the alleged violations. The mitigation plan related to the April 8, 2010, NAVAPS is already complete and has been accepted by WECC.

Pursuant to CMEP Section 5.2, SNPD requests the right to submit a written statement to accompany the final report issued to NERC concerning the above-referenced NAVAPS.

Background

SNPD received the first NAVAPS on April 8, 2010, concerning an alleged violation of PRC-005-1 R.2 and proposing a penalty of \$10,000. On May 10, 2010, SNPD submitted a response contesting the violation and penalty, and requesting a settlement conference. Subsequently, WECC Staff and SNPD entered into a Settlement Negotiation Confidentiality Agreement which deferred further action on the April 8, NAVAPS pending settlement discussions.

Also on May 10, 2010, SNPD completed and submitted to WECC a self-report of other possible violations related to PRC-005-1. On August 4, 2010, SNPD received the second NAVAPS referenced above, based on the May 10 self-report, which proposed a penalty of \$21,000.



## Conclusion

After review of both the April 8, and August 4, NAVAPS, SNPD has determined that it will not contest the proposed penalties, subject to the right to submit a written statement accompanying the final report to NERC relating to these NAVAPS. If you have any questions concerning this matter, please contact SNPD through either of the undersigned.

Respectfully submitted,



Dana A. Toulson, NERC Compliance Officer  
Eric Christensen, Assistant General Counsel  
Snohomish County PUD  
2320 California Street  
PO Box 1107  
Everett, WA 98206-1107  
(425) 783-1000  
[elchristensen@snopud.com](mailto:elchristensen@snopud.com)

cc: Toni Sharp, WECC Senior Compliance Enforcement Analyst  
WECC Hearings Office  
Steven Goodwill, WECC Counsel  
Louise McCarren, WECC CEO  
Steven J. Klein, Snohomish General Manager  
Anne Spangler, General Counsel  
John D. Martinsen, Snohomish Senior Manager, Reliability Compliance & Regional  
Transmission  
Bonnie Boudreau, Snohomish Compliance Coordinator  
David Hilt, NERC Vice President and Director of Compliance  
Tim Kucey, NERC Manager of Enforcement and Mitigation

## **Attachment c**

**SNPD's Self-Report for first violation of PRC-  
005-1 R2.1 (WECC201001876) dated March 24,  
2010**



Western Electricity Coordinating Council

### Self-Reporting Form

Date Submitted by Registered Entity: **March 24, 2010**

NERC Registry ID: **NCR05335**

Joint Registration Organization (JRO) ID: **NA**

Registered Entity: **Public Utility District No. 1 of Snohomish County**

Registered Entity Contact: **John D. Martinsen**

**Function(s) Applicable to Self-Report:**

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

Standard: **PRC-005-1**

Requirement: **R2**

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

Date violation occurred: **6/23/09**

Date violation discovered: **3/19/10**

Is the violation still occurring?  Yes       No

**Detailed explanation and cause of violation: SNPD’s protection system plan for the Jackson Hydro Project includes testing the 162 breaker failure timing relay on a 5 year cycle with a 90 day grace period. Relay test dates are tracked using an equipment maintenance management program called Mapcon. In February 2010, during a routine review of the report, it was noticed that the 162 breaker failure relay was not included on the report. Subsequent investigation indicated that a checkbox was not checked within the Mapcon application. After correcting the problem and re-running the report, the report indicated that the relay had last been tested on March 24, 2004.**

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

**Detailed explanation of Potential Impact: The relay passed functional testing on March 23, 2010 and is performing as designed. Had a breaker failed to operate, the 162 breaker failure timing relay would have operated to clear the bus as intended.**



**Additional Comments:** During the development of the system protection maintenance program for the Jackson Hydro facility, it was not clear whether this auxiliary timing relay fell within the scope of protective relay devices. The decision was made to include it as part of the system protection maintenance program, but for unknown reasons it was not included on the Mapcon maintenance report used to track relay testing compliance. Additionally, test procedures for this relay previously required that testing be performed during a plant shutdown. This requirement was in place because of the inherent risk of inadvertently tripping the bus 86 lockout relay and incurring a FERC river water level and ramping rate violation. Recent modifications to the generator governors have reduced the risk of violating river water level and ramp rate requirements, so testing for the 162 breaker failure timer may now be performed while the plant is on-line.

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***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 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 d**

**SNPD's Self-Report for second violation of PRC-  
005-1 R2.1 (WECC201002021) dated May 10,  
2010 and revised on June 24, 2010**



### Self-Reporting Form

Date Submitted by Registered Entity: May 10, 2010

NERC Registry ID: NCR05335

Joint Registration Organization (JRO) ID:

Registered Entity: Public Utility District No. 1 of Snohomish County

Registered Entity Contact: John D. Martinsen

**Function(s) Applicable to Self-Report:**

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

Standard: PRC-005-1

Requirement: R2.1

Has this violation previously been reported or discovered:  Yes       No

If Yes selected: Provide NERC Violation ID (if known):

Date violation occurred: 6/18/07

Date violation discovered: 4/12/2010 for the JHP and 4/29/2010 for the eleven SNPD 115 kV switching stations

Is the violation still occurring?  Yes       No

Detailed explanation and cause of violation: Public Utility District No. 1 of Snohomish County (SNPD) has a program and a procedure for substation and switching station battery inspection, maintenance, and testing. The program, SUBS-08, calls for a monthly inspection of battery banks and specifies that batteries are "maintained and tested according to manufacturer's recommendations and/or industry standards." An internal inspection of SNPD's battery maintenance records has found that not all inspections have been performed within the one month interval as specified in SUBS-08. Specifically, approximately 45% of the scheduled 130 monthly inspections were not accomplished as set forth in the schedule. There have been no battery system failures nor have there been any periods of time during which any SNPD transmission protection system has been without adequate battery capacity. This has been confirmed by subsequent inspections and by the fact that there have been no battery system alarms on SNPD's SCADA system, which monitors all of SNPD's switching stations and substations.



Western Electricity Coordinating Council

An associated procedure, SUBS-08-01 is also in place in association with program SUB-08. SUBS-08-01 includes a list of items to be checked during monthly, quarterly, semi-annual, and annual inspections and maintenance. The same detailed inspection of SNPD's battery maintenance records has found that not all elements of the battery inspection program have been regularly performed as part of our current inspection practice. As stated above, subsequent inspections and constant SCADA alarm monitoring have shown that no failures or insufficient battery power have occurred since June 2007.

For the Jackson Hydro Generating Station, SNPD uses a software program called Mapcon to track and manage equipment maintenance. SNPD's protection system program for the Jackson Hydro Project includes the following verbiage regarding Station Batteries: "Mapcon preventive maintenance numbers PM0016, PM0017, PM0018, and PM0034 cover the procedures required to test and maintain the Jackson station batteries associated with the generator protection systems. The plant operator visually checks the batteries weekly and maintenance work orders are issued monthly, annually, and every five years for test readings on the cells." During an internal review of battery maintenance records, SNPD discovered that although Mapcon did issue battery maintenance work orders as stated in the protection system program, the work was not always performed during the month the work order was issued. In several cases, the plant operator deferred monthly battery maintenance work orders and combined them with a future work order, essentially completing several monthly work orders on one date. This was common practice before the PRC 005 effective date. The battery bank was installed in September 2006 and is continuously monitored via SCADA. Because the battery is new and is monitored, monthly maintenance was sometimes deferred depending on plant workload. Mapcon records also indicate that the annual maintenance was not performed in 2008, being deferred to 2009. SNPD contacted WECC subject matter expert Phil O'Donnell. Phil indicated that "only completing the work orders in accordance with your summary procedures would satisfy R2".

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

**Detailed explanation of Potential Impact:** The existing battery inspection, maintenance, and testing program has been very effective at keeping our batteries in good condition, and identifying batteries which are reaching end-of-life. SNPD has 11 stations with transmission circuit breakers and, as stated above, approximately 45% of the scheduled monthly inspections were delayed. Since 1998, all SNPD stations have had their battery voltage monitored on a continuous basis through our SCADA system. Fluctuations in battery voltage outside normal bounds generate an alarm, which receives high priority attention. If a battery alarm is generated the SNPD Energy Control Center will immediately dispatch a serviceman to investigate the alarm.

At the Jackson Hydro Project, monthly testing performed on April 14, 2010 indicated that this battery is functioning properly. Additionally, annual maintenance in 2009 indicated all cells were performing properly. The battery has performed and continues to perform as intended to operate protective relaying systems.



**Non-Public and CONFIDENTIAL**

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**Western Electricity Coordinating Council**

**Additional Comments:**

**SNPD takes non-compliance with NERC Reliability Standards very seriously and is currently performing a comprehensive review of all of our PRC-005 related programs. Accordingly, any settlement conference should await SNPD's completion of its internal audit of PRC-005 compliance. If additional non-compliance issues are identified, SNPD will report to WECC any related PRC-005 non-compliance findings within the next 60 days.**

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***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 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.)*





### Self-Reporting Form

Date Submitted by Registered Entity: May 10, 2010 Revised-June24, 2010

NERC Registry ID: NCR05335

Joint Registration Organization (JRO) ID:

Registered Entity: Public Utility District No. 1 of Snohomish County

Registered Entity Contact: John D. Martinsen

**Function(s) Applicable to Self-Report:**

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

Standard: PRC-005-1

Requirement: R2.1

Has this violation previously been reported or discovered:  Yes       No

If Yes selected: Provide NERC Violation ID (if known):

Date violation occurred: 6/18/07

Date violation discovered: 4/12/2010 for the JHP and 4/29/2010 for the eleven SNPD 115 kV switching stations

Is the violation still occurring?  Yes       No

**Detailed explanation and cause of violation:**

Public Utility District No. 1 of Snohomish County (SNPD) has a program and a procedure for substation and switching station battery inspection, maintenance, and testing. The program, SUBS-08, calls for a monthly inspection of battery banks and specifies that batteries are "maintained and tested according to manufacturer's recommendations and/or industry standards." An internal inspection of SNPD's battery maintenance records has found that not all inspections have been performed within the one month interval as specified in SUBS-08. Specifically, approximately 45% of the scheduled 130 monthly inspections were not accomplished as set forth in the schedule. There have been no battery system failures nor have there been any periods of time during which any SNPD transmission protection system has been without adequate battery capacity. This has been confirmed by subsequent inspections and by the fact that there have been no battery system alarms on SNPD's SCADA system, which monitors all of SNPD's switching stations and substations.



An associated procedure, SUBS-08-01 is also in place in association with program SUB-08. SUBS-08-01 includes a list of items to be checked during monthly, quarterly, semi-annual, and annual inspections and maintenance. The same detailed inspection of SNPD's battery maintenance records has found that not all elements of the battery inspection program have been regularly performed as part of our current inspection practice. As stated above, subsequent inspections and constant SCADA alarm monitoring have shown that no failures or insufficient battery power have occurred since June 2007.

\*The document, SNPD\_Battery Data\_2007-2010\_PRC-005-1.xlsx is being submitted along with this Self-Report. It provides a detailed list of the number of battery maintenance / inspections made and missed from June 2007 through May 2010. Data was only available for 2 months in 2007, and was missing from March through July of 2009, so these were included as "no documentation available". The following table is a summary of that information:

	2010	2009	2008	2007	Total 2007-2010
Monthly inspections made	42	67	96	11	216
Monthly inspections missed	13	13	24	16	66
No documentation available		45		36	81
Quarterly inspections made	15	20	31	1	67
Quarterly inspections missed	4	17	9	8	38
Annual inspections made	6	3	6	1	16
Annual inspections missed	0	7	4	?	11

For the Jackson Hydro Generating Station, SNPD uses a software program called Mapcon to track and manage equipment maintenance. SNPD's protection system program for the Jackson Hydro Project includes the following verbiage regarding Station Batteries: "Mapcon preventive maintenance numbers PM0016, PM0017, PM0018, and PM0034 cover the procedures required to test and maintain the Jackson station batteries associated with the generator protection systems. The plant operator visually checks the batteries weekly and maintenance work orders are issued monthly, annually, and every five years for test readings on the cells." During an internal review of battery maintenance records, SNPD discovered that although Mapcon did issue battery maintenance work orders as stated in the protection system program, the work was not always performed during the month the work order was issued. In several cases, the plant operator deferred monthly battery maintenance work orders and combined them with a future work order, essentially completing several monthly work orders on one date. This was common practice before the PRC 005 effective date. The battery bank was installed in September 2006 and is continuously monitored via SCADA. Because the battery is new and is monitored, monthly maintenance was sometimes deferred depending on plant workload. SNPD contacted WECC subject matter expert Phil O'Donnell. Phil indicated that "only completing the work orders in accordance with your summary procedures would satisfy R2".

\*In addition: Regarding weekly visual inspections, Mapcon work order procedures do not cover weekly battery visual checks and there is no formal procedure for documenting the checks. The plant operator visually inspects the batteries during eyewash station checks and the weekly visual inspection verbiage was originally included in the program to convey



**Western Electricity Coordinating Council**

that someone routinely enters the battery room. There was no intent to set up a formal weekly inspection including tracking and documentation.

\*The document, SNPD\_Jackson Battery Data\_PRC-005-1.xlsx is being submitted along with this Self-Report. It provides a detailed list of the number of battery maintenance / inspections made and missed from June 2007 through May 2010. The following table is a summary of that information:

	2010	2009	2008	2007	Total 2007-2010
Weekly inspections made	11	26	26	16	79
Weekly inspections late	3	5	5	4	17
Weekly inspections missed	4	22	21	8	55
Monthly maint. made	2	4	3	1	10
Monthly maint. late	1	1	3	0	5
Monthly maint. missed	2	7	6	6	21
Annual maint. made	NA	1	0	0	1
Annual maint. late	NA	0	1	1	2
Annual maint. missed	0	0	0	0	0

\*SNPD has completed its internal review of PRC-005 compliance. The following information is being reported following a comprehensive review of our PRC-005 related programs:

District 115kV BES Substation and Switchyards Relay, PT, CT, DC Circuits - SNPD's detailed review of PRC-005 compliance revealed that our transmission relay maintenance is on schedule, and all required maintenance through October 2010 has already been completed. Potential transformers, current transformers, and DC circuit continuity are continuously monitored through the relays and quantities (current, voltage, and relay health) are reported to our SCADA system. The current procedure calls for a "monthly" visual inspection of the PT's and the red light circuit indicating trip coil continuity, however these inspections have not occurred on a regular monthly basis.

Jackson Hydro Generating Plant Relay, CT, PT, DC Circuits, and Communications - The District is compliant with the maintenance and testing of this equipment as required in the Jackson program "JHP Generation Relay Maintenance Testing Program\_Rev2-042709.doc".

The following documents are being submitted along with this Self-Report:  
SNPD\_DC Circuit Maintenance Dates\_2007-2010\_PRC-005-1.xlsx  
SNPD\_Potential Transformer Maintenance Dates\_2007-2010\_PRC-005-1.xlsx

The following table is a summary of that information:

	2010	2009	2008	2007	Total 2007-2010
PT inspections made	38	57	52	37	184
PT inspections missed	22	79	77	33	211
DC circuit inspections made	33	45	40	30	148
DC circuit inspections missed	22	79	77	33	211



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

**Detailed explanation of Potential Impact:**

The existing battery inspection, maintenance, and testing program has been very effective at keeping our batteries in good condition, and identifying batteries which are reaching end-of-life. SNPD has 11 stations with transmission circuit breakers and, as stated above, approximately 45% of the scheduled monthly inspections were delayed. Since 1998, all SNPD stations have had their battery voltage monitored on a continuous basis through our SCADA system. Fluctuations in battery voltage outside normal bounds generate an alarm, which receives high priority attention. If a battery alarm is generated the SNPD Energy Control Center will immediately dispatch a serviceman to investigate the alarm.

At the Jackson Hydro Project, monthly maintenance performed on June 14, 2010 indicated that this battery is functioning properly. Additionally, annual maintenance in 2009 indicated all cells were performing properly. The battery has performed and continues to perform as intended to operate protective relaying systems. The Jackson plant battery is 4 years old and monitored continuously through our SCADA system. Fluctuations in battery voltage outside normal bounds generate an alarm, which receives high priority attention. If a battery alarm is generated the SNPD Energy Control Center will immediately contact Jackson plant personnel to investigate the alarm..

**Additional Comments:**

---

***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 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 e**

**SNPD's Mitigation Plan MIT-09-2441 for first  
violation of PRC-005-1 R2.1 (WECC201001876)  
submitted March 24, 2010**



## Mitigation Plan Submittal Form

New  or Revised

Date this Mitigation Plan is being submitted: 3/24/10

If this Mitigation Plan has already been completed:

- Check this box  and
- Provide the Date of Completion of the Mitigation Plan: 3/23/10
- Submit Certification of Mitigation Plan Completion Form
- Submit evidence supporting Mitigation Plan completion

### 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: Public Utility District No. 1 of Snohomish County

Registered Entity Address: 2320 California Street Everett, WA 98206  
NERC Compliance Registry ID: NCR05335

- 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.<sup>1</sup>

Name: John D. Martinsen

<sup>1</sup> 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.



Western Electricity Coordinating Council



Title: Sr Mgr, Reliability Compliance and Regional Transmission  
 Email: jdmartinsen@snopud.com  
 Phone: 425-783-8080

**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 <sup>(*)</sup> (MM/DD/YY)	Method of Detection (e.g. audit, self-report, investigation)
		R2	High	6/23/09	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:

SNPD's protection system plan for the Jackson Hydro Project includes testing the 162 breaker failure timing relay on a 5 year cycle with a 90 day grace period. Relay test dates are tracked using an equipment maintenance management program called Mapcon. In February 2010, during a routine review of the report, it was noticed that the 162 breaker failure relay was not included on the report. Subsequent investigation indicated that a checkbox was not checked within the Mapcon application. After correcting the problem and



Western Electricity Coordinating Council



re-running the report, the report indicated that the relay had last been tested on March 24, 2004, which was during the last plant shutdown.

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

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

During the development of the system protection maintenance program for the Jackson Hydro facility, it was not clear whether this auxiliary timing relay fell within the scope of protective relay devices. The decision was made to include it as part of the system protection maintenance program, but for unknown reasons it was not included on the Mapcon maintenance report used to track relay testing compliance. Additionally, test procedures for this relay previously required that testing be performed during a plant shutdown. This requirement was in place because of the inherent risk of inadvertently tripping the bus 86 lockout relay and incurring a FERC river water level and ramping rate violation. Recent modifications to the generator governors have reduced the risk of violating river water level and ramp rate requirements, so testing for the 162 breaker failure timer may now be performed while the plant is on-line.

[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:

This mitigation plan includes the following tasks and actions:

- Perform testing and maintenance on the 162BF timer relay on 3/23/2010.
- Update the Mapcon relay maintenance program to include the 162BF timer relay on the appropriate Mapcon reports.
- Revise the 162BF relay test procedure to eliminate the requirement that this relay be tested only during plant outages.

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





Western Electricity Coordinating Council



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 and the alleged or confirmed violations associated with this Mitigation Plan corrected:
  
- 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)

(\* ) 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.

[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:

[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:

[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:

By including the 162BF relay on the Mapcon relay test dates report, previous relay test dates will be reviewed on a periodic basis, reducing the probability that this relay will not be tested within defined periods. Additionally, all other relays listed in the Jackson Hydro protective relay maintenance program were reviewed and confirmed to be included in the Mapcon report.

[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



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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 John D. Martinsen, Sr Manager Reliability Compliance and Regional Transmission of Public Utility District No.1 of Snohomish County.
  2. I am an officer, employee, attorney or other person authorized to sign this Mitigation Plan on behalf of Public Utility District No.1 of Snohomish County.
  3. I understand Public Utility District No.1 of Snohomish County 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. Public Utility District No.1 of Snohomish County 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): John D. Martinsen

Title: Sr Manager Reliability Compliance and Regional Transmission

Date: 3/24/2010



### **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](mailto: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.



*Western Electricity Coordinating Council*



- 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 f**

**SNPD's Mitigation Plan MIT-07-2968 for second  
violation of PRC-005-1 R2.1 (WECC201002021)  
submitted August 23, 2010**



Logged in as:  
Kim Israelsson

Log Out

- ▶ System Administration
- ▶ Compliance
- ▶ Self Reports
- ▶ Complaints
- ▶ TFE Request
- ▶ Mitigation Plans
- ▶ Violation Retractions
- ▶ File Upload

### Edit - Mitigation Plan

Save PDF | Return To Search Results | Mitigation Plan Extension | Create Revision

\* Required Fields

Status: Saved

#### Mitigation Plan Summary

Mitigation Plan Status:	Entity Implementing Mitigation Plan
NERC Mitigation Plan #:	
Associated Violations:	ID Not Assigned
Mitigation Plan Due Date:	
Expected Completion Date:	9/30/2011

#### 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.
- A.2  I have reviewed Attachment A and understand that this Mitigation Plan Submittal Form will not be accepted unless this box is checked.

#### Section B: Registered Entity Information

- B.1 Identify your organization
- |                              |   |
|------------------------------|---|
| Company Name:                | Public Utility District No. 1 of Snohomish County |
| Company Address:             | PO Box 1107<br>Everett, Washington<br>98206       |
| NERC Compliance Registry ID: | NCR05335  |
- B.2 Identify the individual in your organization who will be the Entity Contact regarding this Mitigation Plan.
- Name: \*

#### Section C: Identification of Alleged or Confirmed Violation(s) Associated with this Mitigation Plan

- C.1 This Mitigation Plan is associated with the following Alleged or Confirmed violation(s) of the reliability standard listed below.
- Applicable Standard, Requirement(s) and Violation Date:
- Standard:
- PRC-005-1 R2.[PRC-005-1 R2.1.] (05/10/2010)
- C.2 Identify the cause of the Alleged or Confirmed violation(s) identified above. Additional detailed information may be provided as an attachment:
- During review of the company's records regarding compliance with PRC-005-1, it was discovered that relays were maintained within the stated intervals, but frequency of the battery and station inspections, which include PT inspections and verification of DC circuits was less than the SNPD documented program stated. SNPD's oversight of PRC-005-1 compliance beginning in 2007 included relays, but not the batteries, PT's or DC circuits. From date of mandatory compliance until April 2010, some of the battery and station inspections, which include PT inspections and verification of DC circuits, were deferred because labor resources were not available. In addition, the work performed during battery maintenance and inspections had evolved over time, but the SNPD battery program documentation had not been updated to

reflect the current maintenance and inspection practices. So the work performed did not comply with the documentation.  
 During an internal review of Jackson Hydro Generating Station battery maintenance records, SNPD discovered that battery maintenance work orders were generated, but the work was not always performed during the month the work order was issued.

**C.3 Provide any additional relevant information regarding the Alleged or Confirmed violations associated with this Mitigation Plan.**  
 Additional detailed information may be provided as an attachment:

SNPD has prioritized resources to assure that the monthly battery inspections and monthly station inspections at all BES and generating station were completed on schedule consistently in May, June and July 2010.  
 SNPD is reviewing additional PRC standards for compliance.

**Section D: Details of Proposed Mitigation Plan**

**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 Alleged or Confirmed violations identified above in Part C.1 of this form.**  
 Additional detailed information may be provided as an attachment:

To mitigate the PRC-005-1 violation, SNPD plans to:

1. Assign employees to monitor progress of the battery, PT, relay and DC circuit inspections on a periodic basis to verify the BES stations inspections and maintenance have occurred within the defined interval.
2. Examine the battery inspection, maintenance, and testing procedures and the equipment and technology used. SNPD will then determine associated intervals that are appropriate, and update battery inspection and maintenance program documentation.
3. Evaluate and update other maintenance procedures (PT's, CT's, DC circuits, etc) which are part of SNPD's PRC-005-1 compliance.
4. Become current with all monthly, quarterly and annual battery maintenance that is behind schedule.
5. Become current with all PT, CT and DC circuit inspection and maintenance.

**D.2 Provide the date by which full implementation of the Mitigation Plan will be, or has been, completed with respect to the Alleged or Confirmed violations identified above. State whether the Mitigation Plan has been fully implemented:**

9/30/2011

**D.3 Enter Milestone Activities, with due dates, that your organization is proposing, or has completed, for this Mitigation Plan:**

Milestone	Status	Due Date	Completed Date	
Assign SNPD employees	Milestone Completed	9/30/2010	9/22/2010	<a href="#">Detail</a>
Finalize battery documentation	Milestone Completed	9/30/2010	9/22/2010	<a href="#">Detail</a>
Finalize PT, CT, and DC circuits procedures	Milestone Pending	12/30/2010		<a href="#">Detail</a>
Become current - 25% complete	Milestone Pending	3/30/2011		<a href="#">Detail</a>
Become current - 60% complete	Milestone Pending	6/30/2011		<a href="#">Detail</a>
Current with all maintenance and inspections	Milestone Pending	9/30/2011		<a href="#">Detail</a>

**Milestone Comment: Milestone Completed Date:**  
  [Close Current Milestone](#)

**Section E: Interim and Future Reliability Risk**

**Abatement of Interim BPS Reliability Risk**

**E.1 While your organization is implementing this Mitigation Plan the reliability of the Bulk Power System (BPS) may remain at higher risk or be otherwise negatively impacted until the plan is successfully completed. To the extent they are, or may be, known or anticipated: (i) identify any such risks or impacts; and (ii) discuss any actions that your organization is planning to take to mitigate this increased risk to the reliability of the BPS.**  
 Additional detailed information may be provided as an attachment:

SNPD has prioritized resources to assure that the monthly battery and station inspections at all BES and generating stations were completed on schedule consistently in May, June, and July 2010. Since 1998, all SNPD stations have had their battery voltage monitored on a

continuous basis through our SCADA system. Fluctuations in battery voltage outside normal bounds generate an alarm, which receives high priority attention.

#### **Prevention of Future BPS Reliability Risk**

**E.2 Describe how successful completion of this Mitigation Plan will prevent or minimize the probability that your organization incurs further risk of Alleged violations of the same or similar reliability standards requirements in the future.**

Additional detailed information may be provided as an attachment:

Completion of the mitigation plan will result in documented procedures using current practices and technology. This procedure will define how inspections and maintenance should be performed, and define the inspection and maintenance intervals. Our review of maintenance procedures and documentation will not be limited to just batteries, but will include all aspects covered under PRC-005. SNPD will develop an oversight process to monitor progress of activities necessary for PRC-005-1 compliance.

#### **Section G: Regional Entity Contact**

Please direct any questions regarding completion of this form to:

Duane Cook  
Compliance Process Analyst  
WECC  
801-819-7639  
dcooke@wecc.biz

 [Save PDF](#) | [Return To Search Results](#) | [Mitigation Plan Extension](#) | [Create Revision](#)

## **Attachment g**

**SNPD's Certification of Mitigation Plan  
Completion for first violation of PRC-005-1 R2.1  
(WECC201001876) dated March 24, 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: **Public Utility District No. 1 of Snohomish County**

NERC Registry ID: **NCR05335**

Date of Submittal of Certification: **March 24, 2010**

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

Standard: **PRC -005-1**

Requirement(s): **R2**

Date Mitigation Plan was scheduled to be completed per accepted Mitigation Plan:

Date Mitigation Plan was actually completed: **3/23/10**

Additional Comments (or List of Documents Attached): **Supporting Documents:**

- 1. 162BF relay test procedure and results.**
- 2. Email - MAPCON WO Entry for 162BF Relay**

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: **John D. Martinsen**

Title: **Senior Manager, Reliability Compliance and Regional Transmission**

Email: **jdmartinsen@snopud.com**

Phone: **425-783-8080**

Authorized Signature:

A handwritten signature in blue ink, appearing to read 'John D. Martinsen', is written over the 'Authorized Signature:' label.

Date: **March 24, 2010**

## **Attachment h**

# **WECC's Verification of Mitigation Plan Completion for first violation of PRC-005-1 R2.1 (WECC201001876) dated April 1, 2010**

**CONFIDENTIAL**



*Western Electricity Coordinating Council*

Laura Scholl  
Managing Director of Compliance

801-819-7619  
[lscholl@wecc.biz](mailto:lscholl@wecc.biz)

VIA COMPLIANCE WEB PORTAL

April 1, 2010

John D. Martinsen  
Senior Manager, Reliability Compliance and Regional Transmission  
Public Utility District No. 1 of Snohomish County  
PO Box 1107  
Everett, WA 98206

NERC Registration ID: NCR05335  
NERC Violation ID: WECC201001876

Subject: Notice of Mitigation Plan and Completed Mitigation Plan Acceptance  
Reliability Standard PRC-005-1 Requirement 2.1

Dear John,

The Western Electricity Coordinating Council (WECC) has received the Mitigation Plan and the Certification of Completion and supporting evidence submitted by Public Utility District No. 1 of Snohomish County (SNPD) on 3/24/2010 for the alleged violation of Reliability Standard PRC-005-1 Requirement 2.1.

WECC has accepted the Mitigation Plan and the Certification of Completion for Requirement 2.1 of the Reliability Standard PRC-005-1 and has found this requirement to be fully mitigated. No further mitigation of this requirement will be required at this time.

If you have any questions or concerns, please contact Mike Wells at [mike@wecc.biz](mailto:mike@wecc.biz). Thank you for your assistance in this effort.

Sincerely,

A handwritten signature in black ink, appearing to read 'Laura Scholl', is written over a light gray background.

Laura Scholl  
Managing Director of Compliance

LS:rh

cc: Bonnie A. Boudreau, SNPD Compliance Coordinator  
John McGhee, WECC Director of Audits and Investigations  
Chris Luras, WECC Manager of Compliance Enforcement  
Mike Wells, WECC Senior Compliance Engineer

**Attachment i**

**Notice of Filing**



UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Public Utility District No. 1 of Snohomish County

Docket No. NP11-\_\_\_\_-000

NOTICE OF FILING  
March 30, 2011

Take notice that on March 30, 2011, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding Public Utility District No. 1 of Snohomish County 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](mailto:FERCOnlineSupport@ferc.gov), or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Comment Date: [BLANK]

Kimberly D. Bose,  
Secretary