



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

May 26, 2011

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

**Re: NERC Abbreviated Notice of Penalty regarding Provo City Corporation,
FERC Docket No. NP11-__-000**

Dear Ms. Bose:

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

This NOP is being filed with the Commission because Western Electricity Coordinating Council (WECC) and PCYC have entered into a Settlement Agreement to resolve all outstanding issues arising from WECC's determination and findings of the violations of PRC-005-1 Requirements (R) 1 and R2. According to the Settlement Agreement, PCYC stipulates to the facts of the violation, and has agreed to the assessed penalty of eighteen thousand dollars (\$18,000), in addition to other remedies and actions to mitigate the instant violations and facilitate future compliance under the terms and conditions of the Settlement Agreement. Accordingly, the violations identified as NERC Violation Tracking Identification Numbers WECC201001865 and

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

² *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards* (Order No. 672), III FERC Stats. & Regs. ¶ 31,204 (2006); *Notice of New Docket Prefix "NP" for Notices of Penalty Filed by the North American Electric Reliability Corporation*, Docket No. RM05-30-000 (February 7, 2008). See also 18 C.F.R. Part 39 (2011). *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).

WECC201001866 are being filed in accordance with the NERC Rules of Procedure and the CMEP.

Statement of Findings Underlying the Violations

This NOP incorporates the findings and justifications set forth in the Settlement Agreement executed on November 29, 2010, by and between WECC and PCYC. The details of the findings and the basis for the penalty are set forth in the Disposition Document. This NOP filing contains the basis for approval of the Settlement Agreement by the NERC Board of Trustees Compliance Committee (NERC BOTCC). In accordance with Section 39.7 of the Commission’s regulations, 18 C.F.R. § 39.7, NERC provides the following summary table identifying each violation of a Reliability Standard resolved by the Settlement Agreement, as discussed in greater detail below.

NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Duration	Total Penalty (\$)
NOC-738	WECC201001865	PRC-005-1	1	High ³	6/18/07-6/24/10	18,000
	WECC201001866	PRC-005-1	2	High ⁴	6/18/07-6/24/10	

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

On April 9, 2009, PCYC submitted a Self-Certification form certifying that PRC-005-1 R1 and R2 were not applicable to PCYC because PCYC “does not own a transmission Protection System” and certified that PRC-005-1 R1 and R2 were not applicable to PCYC. On November 23, 2009, a WECC subject matter expert (SME) reviewed a one-line diagram from PCYC and determined that PCYC does have protection systems that affect the reliability of the bulk power system (BPS) at its Hale and Tanner Substations.

PRC-005-1 R1 - OVERVIEW

On December 18, 2009, WECC notified PCYC that it had scheduled an Off-Site Compliance Audit of PCYC for February 23, 2010, and on February 22, 2010, PCYC submitted a Self-Report addressing the violation of this Standard. Following the Self-Report, WECC determined that PCYC, as a Distribution Provider, did not establish either the intervals or the basis for the

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

⁴ PRC-005-1 R2 has a “Lower” VRF; R2.1 and R2.2 each have a “High” VRF. During a final review of the standards subsequent to the March 23, 2007 filing of the Version 1 VRFs, NERC identified that some standards requirements were missing VRFs; one of these include PRC-005-1 R2.1. On May 4, 2007, NERC assigned PRC-005 R2.1 a “High” VRF. In the Commission’s June 26, 2007 Order on Violation Risk Factors, the Commission approved the PRC-005-1 R2.1 “High” VRF as filed. Therefore, the “High” VRF was in effect from June 26, 2007. In the context of this case, WECC determined that the violation related to R2.1, and therefore a “High” VRF is appropriate. The April 20, 2010 revised Mitigation Plan states that the violation had a “Lower” VRF.

maintenance and testing of its protective relays, associated communication systems, and voltage and current sensing devices. In addition, PCYC had established intervals but no basis for maintaining and testing its batteries and DC control circuitry. Therefore, PCYC did not have a maintenance and testing program for its Protection Systems that affect the reliability of the bulk power system (BPS).

PRC-005-1 R2 - OVERVIEW

On December 18, 2009, WECC notified PCYC that it had scheduled an Off-Site Compliance Audit of PCYC for February 23, 2010, and on February 22, 2010, PCYC submitted a Self-Report addressing the violation of this Standard. Following the Self-Report, WECC determined that PCYC, as a Distribution Provider, could not provide evidence that its Protection System devices were maintained and tested within the defined intervals. Specifically, PCYC originally reported that only 23 of 42 relays were on-schedule for maintenance and testing. Subsequently, in response to a data request from WECC and after reviewing additional information, PCYC determined that the actual number of relays that were maintained and tested within the defined interval was 24 out of 48 relays (50%). PCYC could provide evidence however, that two of two associated communication systems were tested (100%); 0 of 40 voltage and current sensing devices were tested (0%); two of two station batteries were tested (100%); and two of two DC control circuitry were tested (100%). In addition, PCYC did not provide evidence that any of its Protection Systems devices were maintained and tested within the defined intervals, as required by PRC-005-1 R2.1 nor could PCYC provide the testing dates for its voltage and current sensing devices or associated communications systems, as required by PRC-005-1 R2.2.

Statement Describing the Assessed Penalty, Sanction or Enforcement Action Imposed⁵

Basis for Determination

Taking into consideration the Commission's direction in Order No. 693, the NERC Sanction Guidelines, the Commission's July 3, 2008, October 26, 2009 and August 27, 2010 Guidance Orders,⁶ the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on May 9, 2011. The NERC BOTCC approved the Settlement Agreement, including WECC's assessment of an eighteen thousand dollar (\$18,000) financial penalty against PCYC and other actions to facilitate future compliance required under the terms and conditions of the Settlement Agreement. In approving the Settlement Agreement, the NERC BOTCC reviewed the applicable requirements of the Commission-approved Reliability Standards and the underlying facts and circumstances of the violations at issue.

⁵ See 18 C.F.R. § 39.7(d)(4).

⁶ *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).

In reaching this determination, the NERC BOTCC considered the following factors:⁷

1. the violations constituted PCYC's first occurrence of violation of the subject NERC Reliability Standards;⁸
2. PCYC reported the violations that were discovered in the course of preparing for the Audit;⁹
3. WECC reported that PCYC was cooperative throughout the compliance enforcement process;
4. there was no evidence of any attempt to conceal a violation nor evidence of intent to do so;
5. WECC determined that the violations posed a minimal risk to the reliability of the bulk power system (BPS), as discussed in the Disposition Documents; and
6. 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 approved the Settlement Agreement and believes that the assessed penalty of eighteen thousand dollars (\$18,000) 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.

⁷ PCYC did not receive credit for having a compliance program because it was not reviewed by WECC.

⁸ PCYC's other violations, which were not viewed as aggravating factors by WECC because they occurred concurrently to the instant violations, are identified and addressed in the Disposition Document.

⁹ PCYC self-reported this violation two months after receiving WECC's notification of the Audit, and one day before the Audit commenced. WECC gave partial Self-Report credit to encourage self-reporting in the future but limited that self-reporting credit because of the timing of the Self-Report.

Attachments to be included as Part of this Notice of Penalty

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

- a) Settlement Agreement by and between WECC and PCYC executed November 29, 2010, included as Attachment a;
- b) Disposition Document dated May 9, 2011, included as Attachment b;
- c) PCYC's Self-Reporting Form for PRC-005-1 R1 and R2 submitted February 22, 2010, included as Attachment c;
- d) PCYC's Mitigation Plan MIT-07-2447 for PRC-005-1 R1 and R2 submitted April 21, 2010,¹⁰ included as Attachment d;
- e) PCYC's Certification of Mitigation Plan Completion for PRC-005-1 R1, R2 dated June 24, 2010, included as Attachment e; and
- f) WECC's Notice of Mitigation Plan and Completed Mitigation Plan Acceptance Reliability Standard PRC-005-1 Requirements 1 and 2 dated August 19, 2010, included as Attachment f.

A Form of Notice Suitable for Publication¹¹

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

¹⁰ The Mitigation Plan is dated April 20, 2010.

¹¹ 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:

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Conclusion

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

Respectfully submitted,

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cc: Provo City Corporation
Western Electricity Coordinating Council

Attachments

Attachment a

Settlement Agreement by and between WECC and PCYC executed November 29, 2010

SETTLEMENT AGREEMENT
OF
WESTERN ELECTRICITY COORDINATING COUNCIL
AND
PROVO CITY CORPORATION

Western Electricity Coordinating Council ("WECC") and Provo City Corporation ("PCYC")(collectively the "Parties") hereby enter into this Settlement Agreement ("Agreement") on this 1 day of NOV, 2010.

RECITALS

A. The Parties desire to enter into this Agreement to resolve all outstanding issues between them arising from a non-public, preliminary assessment of PCYC by WECC that resulted in certain WECC determinations and findings regarding 2 PCYC Alleged Violations of the following North American Electric Reliability Corporation ("NERC") Reliability Standards ("Reliability Standards" or "Standards"):

NERC ID: WECC201001865 PRC-005-1 R1, Transmission and Generation Protection System Maintenance and Testing

NERC ID: WECC201001866 PRC-005-1 R2, Transmission and Generation Protection System Maintenance and Testing

B. PCYC is a locally-owned, locally controlled power utility, organized under the laws of the State of Utah. Its principal offices are located in Provo, Utah. PCYC has a customer base of more than 34,000 and a peak system demand of 177 MW. PCYC receives its power supply via the Rocky Mountain Power transmission grid. Delivery is made at 138 kV to both of Provo's two transmission substations. The Tanner and Gillespie Substations include two (2) 132-45 kV auto-transformers with a combined total FOA capacity of 236 MVA and associated 138 kV and 46 kV OCBs, control, relaying and SCADA.

The existing 46 kV sub-transmission system includes 25 miles of 477mcm ACSR OHL. In 2002, PCYC completed the West 138 kV sub-transmission line conversion. This line feeds two (2) 138-12 kV transformers adding an additional OA capacity of 40 MVA.

PCYC's distribution system includes 173 miles of OHL distribution and 189 miles of underground distribution. Standard back-bone infrastructure consists of 477mcm ACSR overhead and 1000mcm al 15 kV EPR cable underground. Overhead laterals are typically 4/0 or 1/0 ACSR. Underground laterals are either 4/0 or 1/0 15 kV EPR w/ jacketed concentric neutrals. Most

existing and all new underground distribution cable is installed in conduit. PCYC was registered on the NERC Compliance Registry on June 17, 2007, as a Distribution Provider.

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

D. The Parties are entering into this Agreement to settle the disputed matters between them. It is in the Parties' and the public's best interests to resolve this matter efficiently without the delay and burden associated with a contested proceeding. Thus, for the purposes of this agreement, PCYC admits the stipulated violations facts as set forth herein.

Nothing contained in this Agreement shall be construed as a waiver of either party's rights, except as otherwise contained herein. Except, however, nothing in this Agreement shall limit or prevent WECC from evaluating PCYC for subsequent violations of the same Reliability Standards addressed herein and taking enforcement action, if necessary. Such enforcement action can include assessing penalties against PCYC for subsequent violations of the Reliability Standards addressed herein in accordance with NERC Rules of Procedure.

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

I. Stipulated Violation Facts

A. NERC Reliability Standard PRC-005-1 Requirement 1

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

- R1.1.** *Maintenance and testing intervals and their basis.*
- R1.2.** *Summary of maintenance and testing procedures.*

PCYC is subject to this Standard because it was registered on the NERC Compliance Registry on June 17, 2007, as a Distribution Provider. On April 9, 2009, PCYC submitted a Self-Certification form stating "Provo City Power does not own a transmission Protection System," and certified that PRC-005-1 R1 was not applicable to PCYC. On November 23, 2009, a WECC subject matter expert ("SME") requested a one-line diagram from PCYC to determine if PCYC should be granted an exemption from the requirements of this Standard. WECC and PCYC SMEs exchanged emails discussing the applicability of this Standard to PCYC's Protection Systems. Ultimately, the WECC SMEs notified PCYC that they had determined that PCYC has protection systems that affect the reliability of the BPS at the Hale and Tanner Substations. On December 30, 2009, PCYC submitted a statement of compliance that stated, "Provo City Power has a Protection System maintenance and testing program for Transmission Protection Systems that affect the reliability of the BES."

On December 18, 2009, concurrent with the ongoing discussions between WECC and PCYC, WECC notified PCYC that it had scheduled an Off-Site Compliance Audit of PCYC for February 23, 2010 (Audit). On February 22, 2010, PCYC submitted a Self-Report addressing a possible violation of the Standard. According to the Self-Report In its preparation for the Audit, PCYC discovered that it did not have a comprehensive maintenance and testing program, other than a relay spreadsheet PCYC uses to track and flag tests.

On March 11, 2010, a WECC SME reviewed the Self-Report and determined that PCYC had a possible violation of PRC-005-1 R1 because it does not have a comprehensive maintenance and testing program for its Protection Systems devices. The SME forwarded PCYC's Self-Report and the SME's findings to the WECC Enforcement Department ("Enforcement") for its review and consideration.

Enforcement reviewed the Self-Report and the SME's findings and determined that PCYC's Self-Report only referenced relays. In order to determine the scope and severity of the Alleged Violation, Enforcement submitted a Request for Additional Information to PCYC on April 8, 2010. The additional documentation showed that PCYC had established neither intervals nor basis for the maintenance and testing of its protective relays, associated communication systems and voltage and current sensing devices. In addition, WECC determined that PCYC had established intervals but no basis for maintaining and testing its batteries and DC control circuitry. Therefore, Enforcement determined that PCYC did not have a maintenance and testing program for its Protection Systems that affect the reliability of the BPS. For these reasons, Enforcement determined PCYC had an Alleged Violation of PRC-005-1 R1.

On March 30, 2010, PCYC submitted a mitigation plan with an expected completion date of June 24, 2010. On April 21, 2010, PCYC submitted a revised mitigation plan. In the revised mitigation plan, PCYC proposed the following actions and milestones to mitigate the alleged violation: (1) submit a written maintenance and testing program by April 29, 2010, (2) test equipment related to breaker 106 by May 27, 2010, and (3) test equipment related to breaker 108 by June 24, 2010. On June 24,

2010, PCYC submitted a Certification of Mitigation Plan Completion Form, certifying completion on June 24, 2010. On August 17, 2010, a WECC SME reviewed the completed plan and determined that PCYC had provided a maintenance and testing program for its Protection Systems. The program contained PCYC's protective relays, associated communication systems, potential and current sensing devices, batteries and DC control circuitry. PCYC provided the intervals for each applicable device and the basis for those intervals. A WECC SME verified completion of the mitigation plan and confirmed that PCYC completed the plan on June 24, 2010.

Thus, PCYC was in violation of this Standard from June 18, 2007 to June 24, 2010.

A. NERC Reliability Standard PRC-005-1 Requirement 2

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

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

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

PCYC is subject to this Standard because it was registered on the NERC Compliance Registry on June 17, 2007, as a Distribution Provider. On April 9, 2009, PCYC submitted a Self-Certification form stating "Provo City Power does not own a transmission Protection System," and certified that PRC-005-1 R2 was not applicable to PCYC. On November 23, 2009, a WECC SME requested a one-line diagram from PCYC to determine if PCYC should be granted an exemption from the requirements of this Standard. WECC and PCYC SMEs exchanged emails discussing the applicability of this Standard to PCYC's Protection Systems. Ultimately, the WECC SMEs notified PCYC that they had determined that PCYC has protection systems that affect the reliability of the BPS at the Hale and Tanner Substations. On December 30, 2009, PCYC submitted a statement of compliance that stated, "Provo City Power will provide documentation of its Protection System maintenance and testing program and the implementation of that program to its Regional Reliability Organization on request within 30 calendar days."

On December 18, 2009, concurrent with the ongoing discussions between WECC and PCYC, WECC notified PCYC that it had scheduled an Audit of PCYC for February 23, 2010. On February 22, 2010, PCYC submitted a Self-Report addressing a possible violation of the Standard. According to the Self-Report, in its preparation for the Audit, PCYC discovered that it had not tested several of its relays for many years.

On March 11, 2010, a WECC SME reviewed the Self-Report and determined that PCYC had a possible violation of PRC-005-1 R2 because it could not provide evidence that its Protection System devices were maintained and tested within the defined intervals, and that 19 of 42 relays were off schedule for maintenance and testing. The SME forward PCYC's Self-Report and the SME's findings to Enforcement for its review and consideration.

Enforcement reviewed the Self-Report and the SME's findings and determined that PCYC could not provide evidence that its Protection System devices were maintained and tested within the defined intervals. Specifically, PCYC reported that 19 of 42 relays were off schedule for maintenance and testing. In order to determine the scope and severity of the Alleged Violation, Enforcement submitted a Request for Additional Information to PCYC on April 8, 2010. In its additional information, PCYC did not provide evidence that any of its Protection System devices were maintained and tested within the defined intervals, as required by R2.1. To comply with R2.2, PCYC provided documentation showing the date each Protection System device was last tested/maintained for its protective relays, batteries, and DC circuitry only, but could not provide testing dates for its voltage and current sensing devices or associated communication systems. For these reasons, Enforcement determined PCYC had an Alleged Violation of PRC-005-1 R2.

On March 30, 2010, PCYC submitted a mitigation plan with an expected completion date of June 24, 2010. On April 21, 2010, PCYC submitted a revised mitigation plan. In the revised mitigation plan, PCYC proposed the following actions and milestones to mitigate the alleged violation: (1) submit a written maintenance and testing program by April 29, 2010, (2) test equipment related to breaker 106 by May 27, 2010, and (3) test equipment related to breaker 108 by June 24, 2010. On June 24, 2010, PCYC submitted a Certification of Mitigation Plan Completion Form, certifying completion on June 24, 2010. On August 17, 2010, a WECC SME reviewed the completed plan and determined that PCYC had provided a maintenance and testing program for its Protection Systems. PCYC provided the date last tested, in compliance with the intervals set forth in the program. Additionally, PCYC provided evidence that it had maintained and tested each device within the defined interval. A WECC SME verified completion of the mitigation plan and confirmed that PCYC completed the plan on June 24, 2010.

Thus, PCYC was in violation of this Standard from June 18, 2007 to June 24, 2010.

II. Settlement Terms

A. **Payment.** To settle this matter, PCYC hereby agrees to pay \$18,000 to WECC via wire transfer or cashier's check. PCYC shall make the funds payable to a WECC account identified in a Notice of Payment Due that WECC will send to PCYC upon approval of this Agreement by NERC and the Federal Energy Regulatory Commission ("FERC"). PCYC shall issue the payment to WECC no later than thirty

days after receipt of the Notice of Payment Due. If this payment is not timely received, WECC shall assess, and PCYC agrees to pay, an interest charge calculated according to the method set forth at 18 CFR §35.19(a)(2)(iii) beginning on the 31st day following issuance of the Notice of Payment Due.

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

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

To determine penalty assessments, WECC considers the following factors: (1) the seriousness of the violation, including the applicable Violation Risk Factor and Violation Severity Level, and the risk to the reliability of the BPS; (2) the violation's duration; (3) the Registered Entity's compliance history; (4) the Registered Entity's self-reports and voluntary corrective action; (5) the degree and quality of cooperation by the Registered Entity in the audit or investigation process, and in any remedial action; (6) the quality of the Registered Entity's compliance program; (7) any attempt by the Registered Entity to conceal the violation or any related information; (8) whether the violation was intentional; (9) any other relevant information or extenuating circumstances; and (10) the Registered Entity's ability to pay a penalty.

The following are the VRF and the reliability impact for each Alleged Violation as determined by WECC:

1. The violation of PRC-005-1 R1 has a "High" VRF. WECC determined that this violation posed a minimal risk to the reliability of the BPS because although PCYC did not have a comprehensive maintenance and testing program, it had maintained a spreadsheet that tracked and flagged equipment tests. For these reasons, WECC concluded this violation did not pose a serious or substantial risk to the reliability of the BPS.
2. The violation of PRC-005-1 R2 has a "High" VRF. WECC determined that this violation posed a minimal risk to the reliability of the BPS because although PCYC did not have a comprehensive maintenance and testing program and could not

provide evidence its Protection System devices were maintained and tested within the defined intervals, it had maintained a spreadsheet that tracked and flagged the date certain devices were last tested and maintained. For these reasons, WECC concluded this violation did not pose a serious or substantial risk to the reliability of the BPS.

In addition, WECC considered that (1) the Alleged Violations addressed by this Agreement are PCYC's first assessed noncompliance with the applicable Reliability Standards, (2) PCYC mitigated each of the Alleged Violations, and (3) PCYC was cooperative throughout WECC's evaluation of its compliance with the Reliability Standards and the enforcement process.

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

III. Additional Terms

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

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

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

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

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

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

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

H. Consent. PCYC consents to the use of WECC's determinations, findings, and conclusions set forth in this Agreement for the purpose of assessing the factors, including the factor of determining the company's history of violations, in accordance with the NERC Sanction Guidelines and applicable Commission orders and policy statements. Such use may be in any enforcement action or compliance proceeding undertaken by NERC and/or any Regional Entity; provided, however, that Registered Entity does not consent to the use of the specific acts set forth in this Agreement as the sole basis for any other action or proceeding brought by NERC and/or WECC, nor does PCYC consent to the use of this Agreement by any other party in any other action or proceeding.

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

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

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

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

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

***[Remainder of page intentionally left blank -
signatures affixed to following page]***

Agreed to and accepted:

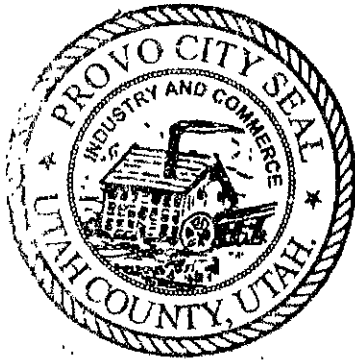
WESTERN ELECTRICITY COORDINATING COUNCIL

CB White 11/29/10
Constance B. White Date
Vice President of Compliance

PROVO CITY CORPORATION

John R. Curtis 11-1-10
John R. Curtis Date
Mayor

Attest:
Jane Weiss
City Recorder



Attachment b

Disposition Document dated May 9, 2011

DISPOSITION OF VIOLATION¹

Dated May 9, 2011

NERC TRACKING NO.	REGIONAL ENTITY TRACKING NO.	NOC#
WECC201001865	PCYC_WECC20102115	NOC-738
WECC201001866	PCYC_WECC20102116	

REGISTERED ENTITY Provo City Corporation (PCYC)	NERC REGISTRY ID NCR05332
---	-------------------------------------

REGIONAL ENTITY
Western Electricity Coordinating Council (WECC)

I. REGISTRATION INFORMATION

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

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

* VIOLATION APPLIES TO SHADED FUNCTIONS

DESCRIPTION OF THE REGISTERED ENTITY

PCYC is a locally-owned, locally-controlled power utility, organized under the laws of the State of Utah. Its principal offices are located in Provo, Utah. PCYC has a customer base of more than 34,000 and a peak system demand of 177 MW. PCYC receives its power supply via the Rocky Mountain Power transmission grid. Delivery is made at 138 kV to both of Provo's two transmission substations.

II. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
PRC-005-1	1		High²	Severe

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

² When NERC filed Violation Risk Factor (VRF) for PRC-005-1, NERC originally assigned a "Medium" VRF to PRC-005-1 R1. In the Commission's May 18, 2007 Order on Violation Risk Factors, the Commission approved the VRF as filed but directed modifications. On June 1, 2007, NERC filed a modified "High" VRF for PRC-005 R1 for approval. On August 9, 2007, the Commission issued an Order

PRC-005-1	2		High³	Severe
------------------	----------	--	-------------------------	---------------

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

The purpose statement of PRC-005-1 provides: “To ensure all transmission and generation Protection Systems^[4] affecting the reliability of the Bulk Electric System (BES) are maintained and tested.” Footnote added.

PRC-005-1 R1 provides:

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

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

R1.2. Summary of maintenance and testing procedures.

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^[5] on request (within 30 calendar days). The documentation of the program implementation shall include:

approving the modified VRF. Therefore, the “Medium” VRF was in effect from June 18, 2007 until August 9, 2007 and the “High” VRF has been in effect since August 9, 2007.

³ PRC-005-1 R2 has a “Lower” VRF; R2.1 and R2.2 each have a “High” VRF. During a final review of the standards subsequent to the March 23, 2007 filing of the Version 1 VRFs, NERC identified that some standards requirements were missing VRFs; one of these include PRC-005-1 R2.1. On May 4, 2007, NERC assigned PRC-005 R2.1 a “High” VRF. In the Commission’s June 26, 2007 Order on Violation Risk Factors, the Commission approved the PRC-005-1 R2.1 “High” VRF as filed. Therefore, the “High” VRF was in effect from June 26, 2007. In the context of this case, WECC determined that the violation related to R2.1, and therefore a “High” VRF is appropriate. The April 20, 2010 revised Mitigation Plan states that the violation had a “Lower” VRF.

⁴ *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.”

⁵ Consistent with applicable FERC precedent, the term “Regional Reliability Organization” in this context refers to WECC.

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

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

(Footnote added.)

VIOLATION DESCRIPTION

On April 9, 2009, PCYC submitted a Self-Certification form stating “Provo City Power does not own a transmission Protection System,” and certified that PRC-005-1 R1 and R2 were not applicable to PCYC. On November 23, 2009, a WECC subject matter expert (SME) requested a one-line diagram from PCYC to evaluate the Self-Certification statements. WECC and PCYC SMEs exchanged emails discussing the applicability of this Standard to PCYC’s Protection Systems. Ultimately, the WECC SMEs notified PCYC that they had determined that PCYC has protection systems that affect the reliability of the bulk power system (BPS) at the Hale and Tanner Substations. On December 30, 2009, PCYC submitted a statement of compliance that stated, “Provo City Power has a Protection System maintenance and testing program for Transmission Protection Systems that affect the reliability of the BES.”

On December 18, 2009, concurrent with the ongoing discussions between WECC and PCYC, WECC notified PCYC that it had scheduled an Off-Site Compliance Audit of PCYC for February 23, 2010 (Audit). On February 22, 2010, PCYC submitted Self-Reports addressing violations of the Standard. According to the Self-Reports, in its preparation for the Audit, PCYC discovered that it did not have a comprehensive maintenance and testing program, other than a relay spreadsheet PCYC uses to track and flag tests, and that it had not tested several of its relays for many years.

On March 11, 2010, a WECC SME reviewed the Self-Report and determined that PCYC had a violation of PRC-005-1 R1 because it did not have a comprehensive maintenance and testing program for its Protection Systems devices. The SME forwarded PCYC’s Self-Report and the SME’s findings to the WECC Enforcement Department (WECC Enforcement) for its review and consideration. WECC Enforcement reviewed the Self-Report and the SME’s findings and determined that PCYC’s Self-Report only referenced relays. In order to determine the scope and severity of the Violation, WECC Enforcement submitted a Request for Additional Information to PCYC on April 8, 2010.

Requirement 1. The additional documentation showed that in its Protection System maintenance and testing program, PCYC had not established intervals or the basis for the maintenance and testing of any of its protective relays, associated communication systems and voltage and current sensing devices. In addition, PCYC had established intervals but no basis for maintaining and testing its

batteries and DC control circuitry. The numbers are provided below. Therefore, PCYC did not have a maintenance and testing program for its Protection Systems that affect the reliability of the BPS.

Requirement 2. PCYC could not provide evidence that its Protection System devices were maintained and tested within the defined intervals. Specifically, originally PCYC reported that 19 of 42 relays were off-schedule for maintenance and testing. Subsequently, in response to a data request from WECC and after reviewing additional information, PCYC determined that the actual number of relays that were maintained and tested within the defined interval was 24 out of 48 relays (50%). PCYC could provide evidence however, that two of two associated communication systems were tested (100%); 0 of 40 voltage and current sensing devices were tested (0%); two of two station batteries were tested (100%); and two of two DC control circuitry were tested (100%). In its additional information requested on April 8, 2010, PCYC did not provide evidence that any of its Protection System devices were maintained and tested within the defined intervals, as required by R2.1. To comply with R2.2, PCYC provided documentation showing the date each Protection System device was last tested/maintained for its protective relays, batteries, and DC circuitry only, but could not provide testing dates for its voltage and current sensing devices or associated communication systems.
RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

The violations posed a minimal risk and did not pose a serious or substantial risk to the reliability of the bulk power system (BPS) because although PCYC did not have a comprehensive maintenance and testing program, and could not provide evidence its Protection System devices were maintained and tested within the defined intervals, it had maintained a spreadsheet that tracked and flagged the date certain equipment and devices were last tested and maintained. Provo City is tapped off the BPS at two locations, with five breakers that connect directly. Three of those five breakers have electronic relays that have self test features. The other two breakers feed step down transformers. Following the Self-Report, PCYC confirmed that its Associated Communication Systems, Station Batteries and DC Control Circuitry had been maintained and tested in accordance with its maintenance and testing program.

IS THERE A SETTLEMENT AGREEMENT YES NO

WITH RESPECT TO THE VIOLATION(S), REGISTERED ENTITY

NEITHER ADMITS NOR DENIES IT (SETTLEMENT ONLY) YES
 ADMITS TO IT YES
Stipulates to the facts
 DOES NOT CONTEST IT (INCLUDING WITHIN 30 DAYS) YES

WITH RESPECT TO THE ASSESSED PENALTY OR SANCTION, REGISTERED ENTITY

ACCEPTS IT/ DOES NOT CONTEST IT YES

III. DISCOVERY INFORMATION

METHOD OF DISCOVERY

SELF-REPORT	<input checked="" type="checkbox"/>
SELF-CERTIFICATION	<input type="checkbox"/>
COMPLIANCE AUDIT	<input type="checkbox"/>
COMPLIANCE VIOLATION INVESTIGATION	<input type="checkbox"/>
SPOT CHECK	<input type="checkbox"/>
COMPLAINT	<input type="checkbox"/>
PERIODIC DATA SUBMITTAL	<input type="checkbox"/>
EXCEPTION REPORTING	<input type="checkbox"/>

DURATION DATE(S) **6/18/07 (when the Standard became mandatory and enforceable) through 6/24/10 (Mitigation Plan completion)**

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY **2/22/10⁶**

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.	MIT-07-2447
DATE SUBMITTED TO REGIONAL ENTITY	4/21/10
DATE ACCEPTED BY REGIONAL ENTITY	5/4/10
DATE APPROVED BY NERC	5/27/10
DATE PROVIDED TO FERC	5/27/10

⁶ PCYC self-reported this violation two months after receiving WECC's notification of the Audit, and one day before the Audit commenced. Therefore, taking into consideration the importance and value of self reporting and the timing, WECC applied only partial Self-Report credit for these violations.

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

On March 30, 2010, PCYC submitted a Mitigation Plan and WECC accepted it on April 7, 2010. NERC reviewed the Mitigation Plan and remanded it because PCYC did not complete Section E of the Mitigation Plan.

MITIGATION PLAN COMPLETED YES NO

EXPECTED COMPLETION DATE 6/24/10

EXTENSIONS GRANTED

ACTUAL COMPLETION DATE 6/24/10

DATE OF CERTIFICATION LETTER 6/24/10⁷

CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF 6/24/10

DATE OF VERIFICATION LETTER 8/19/10

VERIFIED COMPLETE BY REGIONAL ENTITY AS OF 6/24/10

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

PCYC submitted a written maintenance and testing program that contained PCYC's protective relays, associated communication systems, potential and current sensing devices, batteries and DC control circuitry. PCYC provided the intervals for each applicable device and the basis for those intervals. PCYC tested equipment related to breaker 106 and test equipment related to breaker 108.

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)

**Tanner C.T. Testing (May 26, 2010)
Relay Testing 138 kV (Relay testing records for Tanner and Hale substations)**

⁷ PCYC submitted its Certification Letter on June 24, 2010, evidence for completion was not received until June 25, 2010.

V. PENALTY INFORMATION

TOTAL ASSESSED PENALTY OR SANCTION OF \$18,000 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

On October 14, 2009, NERC submitted an Omnibus filing under NP10-2-000 which addressed violations for certain registered entities including violations of PRC-008-0 R1 and R2 for PCYC. On November 13, 2009, FERC issued an order stating it would not engage in further review of the violations addressed in the Omnibus Notice of Penalty.

ADDITIONAL COMMENTS

WECC determined that although PRC-008-1 is similar to the instant standard PRC-005-1, the prior violations of PRC-008-1 should not serve as a basis for aggravating the penalty for the violation of PRC-005-1 because in this case, PRC-005-1 and PRC-008-1 were concurrent violations. The duration for all violations of PRC-005-1 and PRC-008-1 began on June 18, 2007. 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 YES NO
IF NO, EXPLAIN

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

IS THERE A DOCUMENTED COMPLIANCE PROGRAM
YES NO UNDETERMINED
EXPLAIN

PCYC 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

(8) ANY OTHER EXTENUATING CIRCUMSTANCES

YES NO
IF YES, EXPLAIN

EXHIBITS:

SOURCE DOCUMENT

PCYC's Self-Reporting Form for PRC-005-1 R1 and R2 submitted February 22, 2010

MITIGATION PLAN

PCYC's Revised Mitigation Plan MIT-07-2447 submitted April 21, 2010

CERTIFICATION BY REGISTERED ENTITY

PCYC's Certification of Mitigation Plan Completion Form dated June 24, 2010

VERIFICATION BY REGIONAL ENTITY

WECC's Notice of Completed Mitigation Plan Acceptance dated August 19, 2010

OTHER RELEVANT INFORMATION:

NOTICE OF ALLEGED VIOLATION AND PROPOSED PENALTY OR
SANCTION ISSUED

DATE: **5/26/10** OR N/A

SETTLEMENT REQUEST DATE

DATE: **6/29/10** OR N/A

NOTICE OF CONFIRMED VIOLATION ISSUED

DATE: OR N/A

SUPPLEMENTAL RECORD INFORMATION

DATE(S) OR N/A

REGISTERED ENTITY RESPONSE CONTESTED

FINDINGS PENALTY BOTH DID NOT CONTEST

HEARING REQUESTED

YES NO

DATE

OUTCOME

APPEAL REQUESTED

Attachment c

PCYC's Self-Reporting Form for PRC-005-1 R1 and R2 submitted February 22, 2010



Self-Reporting Form

Date Submitted by Registered Entity: February 22, 2010

NERC Registry ID: NCR05332

Joint Registration Organization (JRO) ID:

Registered Entity: Provo City Corporation

Registered Entity Contact: Tad Smallcomb

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: R1, R2

Has this violation previously been reported or discovered: Yes No

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

Date violation occurred: December 30, 2009

Date violation discovered: February 8, 2010

Is the violation still occurring? Yes No

Detailed explanation and cause of violation: On December 30, 2009, Mary Reiger of WECC sent Provo City an email concluding a review and stating a determination that Provo City owns facilities that qualify as transmission Protection Systems and must therefore comply with PRC-005-1 R1 and R2. Provo City's previous internal determination had declared that we did not own such a system. The definitions have been sufficiently unclear that we understand how interpretations can vary and confusion could occur, but upon WECC's email declaration we agreed to comply. At that time Provo City's contact understood that we had a testing and maintenance program in place and functioning, and given the short notice on the last day of our work week, reported compliance. As we began preparation for our upcoming audit, we discovered that we had not actually done testing on several of the relays in question for many years, nor did we have a written maintenance and testing program other than our relay spreadsheet that tracked and flagged tests. We noted this in our RSAW for the preaudit survey, presented a written description of our program in the body of that document, and were committed to get our testing completed in the proposed interval and



Western Electricity Coordinating Council

felt that would meet the requirements. After speaking with Jay Luke of WECC, he expressed concern that we need to have a formal, written program in place, and we should already have the testing completed for things that we submit. Based on this feedback we felt it wise to self report before the audit so that we could review the requirements more thoroughly, prepare a well developed mitigation plan, and create a solid program and complete the deficient testing in a more stringent schedule.

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

Detailed explanation of Potential Impact: Provo City is a small municipal utility tapped off the bulk power system at two locations, with five breakers that connect directly to the BES. Three of those five breakers have electronic relays that have self test features, which, according to the manufacturer do not need to be tested if they are correctly set, connected and measuring properly. The other two feed step down transformers, many of whose relays have been tested. And the transformers themselves are regularly maintained as well as the breakers and other key features of the protection system. In short we have a very reliable system. We have in-house substation technicians who perform this maintenance, and although we may not have a formal written program, we have tried to visit each substation on a five year rotation to do a complete overhaul as part of our unwritten program. We intend to formalize this program, and to better document our testing and maintenance schedule to become more thorough, but Potential Impact in our estimation is minimal for both R1 and R2.

Additional Comments: Provo City is not a large utility but we strive to keep current with existing standards and maintain compliance with our limited staff and budget. Historically we have maintained compliance, and quickly provided mitigation when we have found ourselves to be out of compliance. We simply are trying to continue this pattern today.

***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

**PCYC's Mitigation Plan MIT-07-2447 for PRC-
005-1 R1 and R2 submitted April 21, 2010**



Mitigation Plan Submittal Form

New or Revised

Date this Mitigation Plan is being submitted: March 30, 2010- Revised April 20, 2010

If this Mitigation Plan has already been completed:

- Check this box and
- Provide the Date of Completion of the Mitigation Plan:
- Submit Certification of Mitigation Plan Completion Form
- 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: Provo City Corporation
 Registered Entity Address: 251 W. 800 N. Provo, UT 84601
 NERC Compliance Registry ID: NCR05332

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

Name: Tad Smallcomb
 Title: Systems Operations Manager

¹ A copy of the WECC CMEP is posted on WECC's website at:
<http://compliance.wecc.biz/Application/Documents/Home/20090101%20-%20CMEP.pdf>
 Registered Entities are responsible for following all applicable WECC CMEP procedures. WECC strongly recommends that registered entities become familiar with the WECC CMEP and its requirements, as they may be amended from time to time.



Western Electricity Coordinating Council

Email: tsmallcomb@provo.utah.gov
 Phone: (801)852-6837



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

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

- C.1 Standard: PRC-005-1
[Identify by Standard Acronym (e.g. FAC-001-1)]
- C.2 Requirement(s) violated and violation dates:
[Enter information in the following Table]

NERC Violation ID # [if known]	WECC Violation ID # [if known]	Requirement Violated (e.g. R3)	Violation Risk Factor	Alleged or confirmed Violation Date ^(*) (MM/DD/YY)	Method of Detection (e.g. audit, self-report, investigation)
		R1	High	12/30/09	self-report
		R2	Low	12/30/09	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:

On December 30, 2009, Mary Reiger of WECC sent Provo City an email concluding a review and stating a determination that Provo City owns facilities that qualify as transmission Protection Systems and must therefore comply with PRC-005-1 R1 and R2. Provo City's previous internal determination had declared that we did not own such a system. The definitions have been sufficiently unclear that we understand how interpretations can vary and confusion could occur, but upon WECC's email declaration we agreed to comply. At that time Provo City's contact understood that we had a testing and maintenance program in place and functioning, and given the short notice on the



Western Electricity Coordinating Council



last day of our work week, reported compliance. As we began preparation for our February 23, 2010 audit, we discovered that we had not actually done testing on several of the relays in question for many years, nor did we have a current written maintenance and testing program other than our relay spreadsheet that tracked and flagged tests. We noted this in our RSAW for the preaudit survey, presented a written description of our program in the body of that document, and were committed to get our testing completed in the proposed interval and felt that would meet the requirements. After speaking with Jay Looch of WECC, he expressed concern that we need to have a current formal, written program in place, and we should already have the testing completed for things that we submit. Based on this feedback we felt it wise to self report before the audit so that we could review the requirements more thoroughly, prepare a well developed mitigation plan, and create a solid program and complete the deficient testing in a more stringent schedule.

[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:

We have attached files to document our current situation, including our existing programs and procedures.

Email from Mary Reiger to Tad Smallcomb - This document establishes the date which we were directed to comply with this standard.

Electrical Maintenance Manual.pdf - Scanned copy of our maintenance and testing program - This document is the program we have had historically, prior to NERC standards.

PRC-005-1_PCYC.doc - Original RSAW submittal for audit - This is what we created for the audit, which the auditors suggested was not sufficient.

Relay Testing 138kV Connected to BES.xls - Maintenance and testing tracking spreadsheet - This is what we use to track required maintenance. It has been updated since the RSAW submittal.

[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



Western Electricity Coordinating Council



this Mitigation Plan has been completed, to correct the violations identified above in Part C.2 of this form:

1. Revise existing maintenance and testing program to better address the provisions of PRC-005-1 Requirement R1.
 2. Test the equipment that is out of test interval.
- [Provide your response here; additional detailed information may be provided as an attachment as necessary]

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

Mitigation Plan Timeline and Milestones

- D.2 Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the alleged or confirmed violations associated with this Mitigation Plan corrected: June 24, 2010
- 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)
Submit Written Maintenance and Testing Program	April 29, 2010
Test equipment related to breaker 106	May 27, 2010
Test equipment related to breaker 108	June 24, 2010

(* 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)



Western Electricity Coordinating Council



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:

We feel this is a fairly aggressive schedule, especially considering we will need to drop nearly one-third of our 46kV capacity with each breaker to do this testing.

[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:

(i) The devices that have not been tested within our defined interval are associated with our stepdown transformers at Tanner substation. Many would question their identification as "transmission protection system" with impact to the BES. Provo City has been maintaining and operating these systems for forty years without incident. This is due to the fact that we do test and maintain our equipment, though we only recently implemented a 5 year interval. Based on our history, and with a skilled in-house substation technician group mainting the system, we perceive a very minimal risk to the Bulk Power System. As an added note, with the loads down this time of year, the transmission system that feeds our area would continue in service without incident, even in the unlikely event that we somehow managed to open one of our transmission operator's 138 kV circuits. (2) Having said all that, we have proposed a very fast mitigation plan, as we are attempting to complete mitigation, including testing, by the end of June, so that the protection system is compliant by the time the loads come back up for the summer.

[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:

We found ourselves self reporting due to the interpretation rendered by WECC at the end of December 2009. Once we have completed our mitigation plan, we will be in compliance and we will maintain compliance.

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

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

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



Section F: Authorization

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

- a) Submits the Mitigation Plan, as laid out in Section D of this form, to WECC for acceptance by WECC and approval by NERC, and
- b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- c) Acknowledges:
 - 1. I am Systems Operations Manager of Provo City Corporation.
 - 2. I am an officer, employee, attorney or other person authorized to sign this Mitigation Plan on behalf of Provo City Corporation.
 - 3. I understand Provo City Corporation 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. Provo City Corporation 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: _____

A handwritten signature in black ink, appearing to read 'Tad N. Smallcomb', is written over a horizontal line.

(Electronic signatures are acceptable; see CMEP Section 3.0)

Name (Print): Tad N. Smallcomb
Title: Systems Operations Manager
Date: March 26, 2010 - Revised April 20, 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.

Provo City strives to meet or exceed the reliability standards. Unfortunately at times it feels like we're trying to hit a moving target. We recognize and appreciate that this is to be expected as new programs are introduced, and only hope that the governing bodies recognize that we are in the same position. As such we ask for the consideration of the review team to waive any penalties, in light of our history of compliance and the unique timing and circumstances we face in our current situation, and our commitment to become, and maintain, compliance.
[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Section H: WECC Contact and Instructions for Submission

Please direct any questions regarding completion of this form to:

Mike Wells, Sr. Compliance Engineer

Email: mike@wecc.biz

Phone: (801) 883-6884

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

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



Attachment A – Compliance Notices & Mitigation Plan Requirements

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



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 e

PCYC's Certification of Mitigation Plan Completion for PRC-005-1 R1, R2 dated June 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: Provo City Corporation

NERC Registry ID: NCR05332

Date of Submittal of Certification: June 24, 2010

NERC Violation ID No(s) (if known): WECC201001865, WECC201001866

Standard: PRC-005-1

Requirement(s): R1, R2

Date Mitigation Plan was scheduled to be completed per accepted Mitigation Plan: June 24, 2010

Date Mitigation Plan was actually completed: June 24, 2010

Additional Comments (or List of Documents Attached): See Milestone Update Forms for supporting documentation.

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: Tad Smallcomb

Title: Systems Operations Manager

Email: tsmallcomb@provo.utah.gov

Phone: 801.852.6837

Authorized Signature: 

Date: June 24, 2010

Attachment f

**WECC's Notice of Mitigation Plan and
Completed Mitigation Plan Acceptance Reliability
Standard PRC-005-1 Requirements 1 and 2 dated
August 19, 2010**

CONFIDENTIAL



Western Electricity Coordinating Council

Chris Luras
Manager of Compliance Enforcement

(801) 883-6887
cluras@wecc.biz

VIA COMPLIANCE WEB PORTAL

August 19, 2010

Tad Smallcomb
Systems Operations Manager
Provo City Corporation
251 West 800 North
Provo, Utah 84603

NERC Registration ID: NCR05332
NERC Violation ID: WECC201001865 and WECC201001866

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

Dear Tad,

The Western Electricity Coordinating Council (WECC) received the Certification of Mitigation Plan Completion submitted by Provo City Corporation (PCYC) for the alleged violation of Reliability Standard PRC-005-1 Requirements 1 and 2.1 on June 24, 2010. After thorough review, WECC accepted the Certification of Mitigation Plan Completion.

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

Sincerely,

Chris Luras
Manager of Compliance Enforcement

CL:rph

cc: Alex Dobson, PCYC Systems Electrical Engineer II
Laura Scholl, WECC Managing Director of Compliance
John McGhee, WECC Director of Audits and Investigations
Mary Rieger, WECC Compliance Engineer

Attachment g

Notice of Filing

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Provo City Corporation

Docket No. NP11-____-000

NOTICE OF FILING
May 26, 2011

Take notice that on May 26, 2011, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding Provo City Corporation in the Western Electricity Coordinating Council region.

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

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

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

Comment Date: [BLANK]

Kimberly D. Bose,
Secretary