



NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

June 29, 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 Blachly-Lane Electric Coop/PNGC,  
FERC Docket No. NP11-\_\_-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Abbreviated Notice of Penalty (NOP) regarding Blachly-Lane Electric Coop/PNGC (BLEC), with information and details regarding the nature and resolution of the violations<sup>1</sup> 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)).<sup>2</sup>

This NOP is being filed with the Commission because the Western Electricity Coordinating Council (WECC) and BLEC have entered into a Settlement Agreement to resolve all outstanding issues arising from WECC's determination and findings of the violations of PRC-008-0 Requirement (R) 1 and R2. According to the Settlement Agreement, BLEC admits to the stipulated facts of the violations, and has agreed to the assessed penalty of zero dollars (\$0), 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 WECC201001910 and

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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 (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).

WECC201001911 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 January 5, 2011, by and between WECC and BLEC. The details of the findings and the basis for the penalty are set forth in the Disposition Documents. 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-769	WECC201001910	PRC-008-0	1	Medium	6/18/07-9/30/10	0
	WECC201001911	PRC-008-0	2			

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

### PRC-008-0 R1 and R2 OVERVIEW

It should be noted that these PRC-008-0 violations were originally self-reported on May 23, 2007 and subsequently retracted with WECC's consent. Upon reevaluation by WECC and BLEC, the violations were resubmitted and reinstated.<sup>3</sup>

### PRC-008-0 R1 (WECC201001910)

On April 16, 2010, BLEC submitted a Self-Certification reporting noncompliance with PRC-008-0 R1 and R2 and subsequently submitted a Self-Report dated April 19, 2010. WECC determined that BLEC, as a Distribution Provider (DP) required to have an Under Frequency Load Shedding (UFLS) program, did not have a UFLS equipment maintenance and testing program that included UFLS equipment identification and a schedule for maintenance and testing, in violation of this Standard.

<sup>3</sup> On May 23, 2007, BLEC submitted a Self-Report for violations of PRC 008-0 R1 and R2. On January 23, 2008, the Pacific Northwest Generating Cooperative (PNGC), which provides legal and technical services to its members, including BLEC, retracted BLEC's Self-Report. PNGC stated that it had obtained the required documentation to prove that none of its members, including BLEC, had a UFLS program, and as a result, were not subject to the Standard. WECC's subject matter expert accepted the retraction request on April 22, 2008, and confirmed that BLEC, as a member of PNGC, did not have a UFLS program and was not subject to this Reliability Standard. On May, 30, 2008, WECC sent a letter to PNGC, accepting the retraction request submitted on January 23, 2008. Subsequently, WECC determined that BLEC was subject to the Standard because it was registered on the NERC Compliance Registry as a Distribution Provider and owned UFLS.

PRC-008-0 R2 (WECC201001911)

As a result of the April 16, 2010 Self-Certification and the April 19, 2010 Self-Report, WECC determined that BLEC, as a DP required to have an UFLS program, could not provide maintenance and testing results for its UFLS equipment, in violation of this Standard.

**Statement Describing the Assessed Penalty, Sanction or Enforcement Action Imposed<sup>4</sup>**

**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,<sup>5</sup> the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on June 10, 2011. The NERC BOTCC approved the Settlement Agreement, including WECC's assessment of a zero dollar (\$0) financial penalty against BLEC and other actions to facilitate future compliance required under the terms and conditions of the Settlement Agreement. In approving the Settlement Agreement, the NERC BOTCC reviewed the applicable requirements of the Commission-approved Reliability Standards and the underlying facts and circumstances of the violations at issue.

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

1. the violations constituted BLEC's first occurrence of violation of the subject NERC Reliability Standards;<sup>6</sup>
2. BLEC originally self-reported the violations on May 23, 2007 and subsequently retracted with WECC's consent. BLEC resubmitted the violations during the self-certification process on April 16, 2010 and submitted a Self-Report on April 19, 2010;
3. WECC reported that BLEC 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 Document;
6. Based on the timing of BLEC's original PRC-008-0 Self-Report and WECC's subsequent actions, WECC determined that it was appropriate to apply its enhanced discretion during the first year of mandatory and enforceable Reliability Standards to levy a penalty of \$0 for this violation; and

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

<sup>5</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>6</sup> BLECs other violations, which are not viewed as same or similar to the instant violations, are identified and addressed in the Disposition Document.

7. 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 zero dollars (\$0) is appropriate for the violations and circumstances at issue, and is consistent with NERC's goal to promote and ensure reliability of the BPS.

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

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

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

- a) Settlement Agreement by and between WECC and BLEC executed January 5, 2011, included as Attachment a;
- b) Disposition Document, included as Attachment b;
- c) Record Documents for PRC-008-0 R1 and R2:
  - i. BLEC's Self-Certification for PRC-008-0 R1 and R2 dated April 16, 2010, included in Attachment c-1;
  - ii. BLEC's Self-Report for PRC-008-0 R1 and R2 dated April 19, 2010, included in Attachment c-2;
  - iii. BLEC's Mitigation Plan MIT-07-2511 for PRC-008-0 R1 and R2 dated April 19, 2010, included as Attachment c-3;
  - iv. BLEC's Certification of Mitigation Plan Completion for PRC-008-0 R1 and R2 dated October 4, 2010, included as Attachment c-4; and
  - v. WECC's Verification of Mitigation Plan Completion for PRC-008-0 R1 and R2 dated October 27, 2010, included as Attachment c-5.

#### **A Form of Notice Suitable for Publication<sup>7</sup>**

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

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<sup>7</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* Senior 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) 213-2673 (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* Associate General 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>Rick Paschall* Manager of Compliance Blachly-Lane Electric Coop/PNGC 711 N.E. Halsey Portland, OR 97232 (503) 288-2334 rpschall@pngc.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  
North American Electric Reliability Corporation  
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Princeton, NJ 08540-5721  
(609) 452-8060  
(609) 452-9550 – facsimile  
david.cook@nerc.net

/s/ Rebecca J. Michael  
Rebecca J. Michael  
Associate General Counsel for Corporate  
and Regulatory Matters  
North American Electric Reliability  
Corporation  
1120 G Street, N.W.  
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Washington, DC 20005-3801  
(202) 393-3998  
(202) 393-3955 – facsimile  
rebecca.michael@nerc.net

cc: Blachly-Lane Electric Coop/PNGC  
Western Electricity Coordinating Council

Attachments

## **Attachment a**

# **Settlement Agreement by and between WECC and BLEC executed January 5, 2011**

**SETTLEMENT AGREEMENT**  
**OF**  
**WESTERN ELECTRICITY COORDINATING COUNCIL**  
**AND**  
**BLACHLY-LANE ELECTRIC COOPERATIVE**

Western Electricity Coordinating Council ("WECC") and Blachly-Lane Electric Cooperative ("BLEC") (collectively the "Parties") hereby enter into this Settlement Agreement ("Agreement") on this 4 day of Jan, 2011.

**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 BLEC by WECC that resulted in certain WECC determinations and findings regarding two BLEC Alleged Violations of the following North American Electric Reliability Corporation ("NERC") Reliability Standards ("Reliability Standards" or "Standards");

- B.
- |                       |               |  |
|-----------------------|---------------|--|
| <i>WECC201001910:</i> | PRC-008-0 R1, | Underfrequency Load Shedding<br>Equipment Maintenance Programs |
| <i>WECC201001911:</i> | PRC-008-0 R2, | Underfrequency Load Shedding<br>Equipment Maintenance Programs |

B. BLEC is a non-profit cooperative utility. Its principal offices are located in Eugene, Oregon. BLEC has approximately 17 average megawatts of load spread over 380 square miles of western Lane County. About 50 percent of BLEC's load is industrial, and the remainder is comprised of primarily rural residential customers. BLEC was registered on the NERC Compliance Registry on June 17, 2007 as a Distribution Provider and Load-Serving Entity.

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 as listed in Paragraph A. 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, BLEC admits to 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 BLEC for subsequent violations of the same Reliability Standards addressed herein and taking enforcement action, if necessary. Such enforcement action can include assessing penalties against BLEC 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 BLEC hereby agree and stipulate to the following:

**I. Stipulated Violation Facts**

**A. NERC Reliability Standard PRC-008-0 R1**

On January 23, 2008, the Pacific Northwest Generating Cooperative (PNGC) submitted a Self-Reported Violation Retraction Form for possible violations of PRC-008-0 R1 and R2 on behalf of BLEC. In its retraction request, PNGC stated, "It was PNGC Power's belief that none of PNGC Power's members had a UFLS Program, but PNGC Power lacked the required documentation to substantiate this belief. PNGC Power now has the required documentation, thus PNGC Power is retracting." On April 22, 2008, a WECC SME accepted PNGC's retraction request, confirming that BLEC, as a PNGC member, does not have an Under Frequency Load shedding (UFLS) Program, and therefore BLEC is not subject to this Standard. On May 30, 2008, WECC sent PNGC a letter accepted its retraction request on behalf of BLEC.

Despite the contrary determination described above, BLEC is subject to this Standard because it was registered on the NERC Compliance Registry on June 17, 2007 as a Distribution Provider. BLEC self-certified possible non-compliance with this Standard on or about April 16, 2010, and submitted a Self-Report on or about April 19, 2010, for a possible violation of the Standard. According to the Self-Report, BLEC does not have a formal maintenance and testing program for its UFLS relays.

On April 27, 2010, a WECC SME reviewed BLEC's Self-Certification and its Self-Report, and determined that BLEC had a possible violation of this Standard because it did not have a UFLS maintenance and testing program for its UFLS relays.

Enforcement reviewed BLEC's Self-Certification, the Self-Report and the findings of the WECC SMEs. Enforcement determined that BLEC has an Alleged Violation of

this Standard because it does not have a UFLS equipment maintenance and testing program in place that includes UFLS equipment identification and a schedule for maintenance and testing. Enforcement determined that the violation period for this Alleged Violation is from June 18, 2007, until successful completion of the mitigation plan.

BLEC submitted a mitigation plan to address this violation on April 19, 2010. This mitigation plan stated that BLEC would (1) create a list of its UFLS relays, (2) create a maintenance and testing program, (3) determine which of the UFLS relays need to have testing performed, and (4) perform the testing for these relays. This mitigation plan has an expected completion date of October 1, 2010. On April 28, 2010, WECC SMEs reviewed and accepted this mitigation plan. On September 14, 2010, BLEC submitted a Milestone Update Form providing details of the milestone activity and the progress that has been made.

Thus, BLEC was in violation of this Standard from June 18, 2007 until successful completion of the mitigation plan.

#### **B. NERC Reliability Standard PRC-008-0 R2**

On January 23, 2008, PNGC submitted a Self-Reported Violation Retraction Form for possible violations of PRC-008-0 R1 and R2 on behalf of BLEC. In its retraction request, PNGC stated, "it was PNGC Power's belief that none of PNGC Power's members had a UFLS Program, but PNGC Power lacked the required documentation to substantiate this belief. PNGC Power now has the required documentation, thus PNGC Power is retracting." On April 22, 2008, a WECC SME accepted PNGC's retraction request, confirming that BLEC, as a PNGC member, does not have an Under Frequency Load shedding (UFLS) Program, and therefore BLEC is not subject to this Standard. On May 30, 2008, WECC sent PNGC a letter accepted its retraction request on behalf of BLEC.

Despite the contrary determination described above, BLEC is subject to this Standard because it was registered on the NERC Compliance Registry on June 17, 2007 as a Distribution Provider. BLEC self-certified non-compliance with this Standard on or about April 16, 2010, and submitted a Self-Report on or about April 19, 2010, for a possible violation of the Standard. According to the Self-Report, BLEC stated that it does not have documentation to prove it has maintained and tested its UFLS relays.

On April 27, 2010, WECC SMEs reviewed BLEC's Self-Certification and its Self-Report, and determined that BLEC had a possible violation of this Standard because BLEC cannot provide documentation that the UFLS relays have been maintained and tested.

Enforcement reviewed BLEC's Self-Certification, the Self-Report, and the findings of the WECC SMEs. Enforcement determined that BLEC has an Alleged Violation of this Standard because BLEC does not have UFLS maintenance and testing program results and therefore could not provide said results if requested. Enforcement determined that the violation period for this Alleged Violation is from June 18, 2007, until successful completion of the mitigation plan.

BLEC submitted a mitigation plan to address this violation on April 19, 2010. This mitigation plan stated that BLEC would (1) create a list of its UFLS relays, (2) create a maintenance and testing program, (3) determine which of the UFLS relays need to have testing performed, and (4) perform the testing for these relays. This mitigation plan has an expected completion date of October 1, 2010. On April 28, 2010, WECC SMEs reviewed and accepted this mitigation plan. On September 14, 2010, BLEC submitted a Milestone Update Form providing details of the milestone activity and the progress that has been made.

Thus, BLEC was in violation of this Standard from June 18, 2007, until successful completion of the mitigation plan.

## **II. Settlement Terms**

A. **Payment.** To settle this matter, BLEC hereby agrees to pay \$0 to WECC.

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 BLEC 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.

In consideration of the facts detailed in the descriptions of the violations, WECC determined that a \$0 penalty is appropriate for these violations. BLEC's non-compliance first occurred and was self-reported prior to the effective date of the mandatory Reliability Standards. WECC considered that on May 30, 2008, it accepted PNGC's retraction request on BLEC's behalf for possible violations of this Standard, implying that PRC-008 R1 and R2 were not applicable to PNGC members. As such it is appropriate that WECC apply the enhanced discretion it possesses to levy \$0 penalties in the period immediately following the Standard's effective date.

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

1. The violation of PRC-008-0 R1 has a "Medium" VRF. WECC determined that this violation posed a minimal risk to the reliability of the BPS because BLEC is a small entity and during a UFLS event would shed no more than 12.6 MW. This amount of load is very small in relation to the amount of load that would be shed in the Northwest during a UFLS event.
2. The violation of PRC-008-0 R2 has a "Medium" VRF. WECC determined that this violation posed a minimal risk to the reliability of the BPS because BLEC is a small entity and during a UFLS event would shed no more than 12.6 MW. This amount of load is very small in relation to the amount of load that would be shed in the Northwest during a UFLS event.

In addition, WECC considered that (1) the Alleged Violations addressed by this Agreement are BLEC's first assessed noncompliance with the applicable Reliability Standards, (2) BLEC is in the process of mitigating the Alleged Violations, and (3) BLEC 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, BLEC did not have any negative compliance history. There was no failure by BLEC to comply with applicable compliance directives, nor any evidence of an attempt by BLEC to conceal a violation. Finally, there was no evidence that BLEC'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 BLEC 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. BLEC agrees that the Agreement, upon approval by NERC and FERC, is a final settlement of all matters set forth herein. BLEC waives its right to further hearings and appeal, unless and only to the extent that BLEC 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 BLEC in accordance with this Agreement, the CMEP and the NERC Rules of Procedure. In the event that BLEC fails to comply with any of the terms of this Agreement, WECC shall have the right to pursue enforcement, penalty or sanction actions against BLEC up to the maximum penalty allowed by the NERC Rules of Procedure. BLEC 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. BLEC 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 BLEC 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.

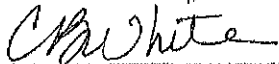
L. Captions. The Agreement's titles, headings and captions are for the purpose of convenience only and in no way define, describe or limit the scope or intent of the Agreement.

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.

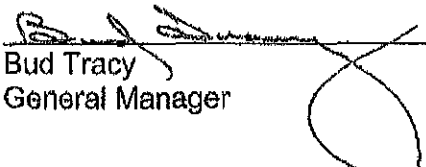
***[Remainder of page intentionally left blank -  
signatures affixed to following page]***

Agreed to and accepted:

WESTERN ELECTRICITY COORDINATING COUNCIL

 1/5/11  
Constance B. White Date  
Vice President of Compliance

BLACHLY-LANE ELECTRIC COOPERATIVE

 1-4-11  
Bud Tracy Date  
General Manager

**Attachment b**

**Disposition Document**



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

**Dated June 10, 2011**

NERC TRACKING NO.	REGIONAL ENTITY TRACKING NO.	NOC#
<b>WECC201001910</b>	<b>BLEC_WECC20102180</b>	<b>NOC-769</b>
<b>WECC201001911</b>	<b>BLEC_WECC20102181</b>	

REGISTERED ENTITY <b>Blachly-Lane Electric Coop/PNGC (BLEC)</b>	NERC REGISTRY ID <b>NCR05028</b>
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REGIONAL ENTITY  
**Western Electricity Coordinating Council (WECC)**

### I. REGISTRATION INFORMATION

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

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

\* VIOLATION APPLIES TO SHADED FUNCTIONS

#### DESCRIPTION OF THE REGISTERED ENTITY

**BLEC is a non-profit cooperative utility with approximately 17 MW of load, which is spread over 380 square miles in western Lane County, Oregon. About 50% of BLEC's load is industrial, and the remainder is comprised of rural residential customers. BLEC is a member of the Pacific Northwest Generating Cooperative (PNGC), which provides technical, legal and other advice to its members but is not responsible for their compliance programs.**

### II. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
<b>PRC-008-0</b>	<b>1</b>		<b>Medium</b>	<b>Severe</b>
<b>PRC-008-0</b>	<b>2</b>		<b>Medium</b>	<b>Severe</b>

<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.

**The purpose statement of PRC-008-0 provides: “Provide last resort system preservation measures by implementing an Under Frequency Load Shedding (UFLS) program.”**

**PRC-008-0 provides:**

- R1 The Transmission Owner and Distribution Provider with a UFLS program (as required by its Regional Reliability Organization)<sup>[2]</sup> shall have a UFLS equipment maintenance and testing program in place. This UFLS equipment maintenance and testing program shall include UFLS equipment identification, the schedule for UFLS equipment testing, and the schedule for UFLS equipment maintenance.**
- R2 The Transmission Owner and Distribution Provider with a UFLS program (as required by its Regional Reliability Organization) shall implement its UFLS equipment maintenance and testing program and shall provide UFLS maintenance and testing program results to its Regional Reliability Organization and NERC on request (within 30 calendar days).**

#### **VIOLATION DESCRIPTION**

**On May 23, 2007, BLEC submitted a Self-Report for violations of PRC-008-0 R1 and R2. BLEC asserted that its noncompliance was due to lack of time to remedy the problem prior to the Reliability Standards becoming mandatory and enforceable on June 18, 2007.**

**On January 23, 2008, PNGC retracted BLEC’s Self-Report and stated that it had obtained the required documentation to prove that none of its members, including BLEC, had an UFLS program, and as a result, were not subject to the Standard.**

**WECC’s subject matter expert accepted the retraction request on April 22, 2008, and confirmed that BLEC, as a member of PNGC, did not have an UFLS program and was not subject to this Reliability Standard. On May, 30, 2008, WECC sent a letter to PNGC, accepting the retraction request<sup>3</sup> submitted on January 23, 2008. Subsequently, WECC determined that BLEC was subject to the Standard because it was registered on the NERC Compliance Registry as a Distribution Provider and owned UFLS equipment.**

**BLEC self-certified noncompliance with the Standard on April 16, 2010 and submitted a Self-Report to WECC on April 19, 2010. In its Self-Report, BLEC stated that it did not have a formal maintenance and testing program for its UFLS**

<sup>2</sup> Consistent with applicable FERC precedent, the term ‘Regional Reliability Organization’ in this context refers to WECC.

<sup>3</sup> WECC accepted the initial retraction request, based on the information provided by PNGC. According to the current WECC auditing practices, if an entity has UFLS equipment, it is subject to PRC-008.



**DURATION DATE(S): 6/18/07 (when the Standard became mandatory and enforceable) through 9/30/10 (Mitigation Plan completion).**

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY      **4/16/10**

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.      **MIT-07-2511**  
DATE SUBMITTED TO REGIONAL ENTITY      **4/19/10**  
DATE ACCEPTED BY REGIONAL ENTITY      **4/28/10**  
DATE APPROVED BY NERC      **5/27/10**  
DATE PROVIDED TO FERC      **5/27/10**

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

MITIGATION PLAN COMPLETED      YES       NO

EXPECTED COMPLETION DATE      **10/1/10<sup>5</sup>**  
EXTENSIONS GRANTED  
ACTUAL COMPLETION DATE      **9/30/10**

DATE OF CERTIFICATION LETTER      **10/4/10**  
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF      **9/30/10**

DATE OF VERIFICATION LETTER      **10/27/10**  
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF      **9/30/10**

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

**BLEC created a list of all its UFLS equipment, created a PRC-008-0 maintenance and testing program, determined which of its UFLS relays needed to have testing performed, and completed all required UFLS**

<sup>5</sup> In its Mitigation Plan, BLEC stated that it planned to confirm its full compliance with PRC-008-0 by September 15, 2010, and close the Plan with WECC by October 1, 2010.

**equipment maintenance and testing. BLEC implemented the program at its Parker Substation, its only substation with UFLS equipment.**

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)

**BLEC provided its PRC-008 maintenance and testing program dated April 13, 2010, and documentation of its functional and maintenance tests for its UFLS equipment. .**

**V. PENALTY INFORMATION**

TOTAL ASSESSED PENALTY OR SANCTION OF \$0 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 TOP-002-2 R3 and TOP-002-2 R18 for BLEC. 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. WECC determined that these prior violations were not an aggravating factor because they involved Reliability Standards that are not same or similar to the instant violations.**

ADDITIONAL COMMENTS

**BLEC is a member of PNGC, and other PNGC entities have had prior violations, some of which may be viewed as the same or similar to the instant violations of PRC-008-0 R1 and R2:**

**On December 22, 2010, NERC filed PRC-005-1 violations for the following PNGC entities:**

- NOC-494: Coos-Curry Electric Cooperative (R1 and R2) – also had Omnibus I violations: TOP- 002-2 R18 and CIP-001-1 R3**
- NOC-504: Umatilla Electric Cooperative (R1 and R2) – also had Omnibus I violation: TOP-002-2 R3**

**Also, the following PNGC entities had PRC-005-1 violations that were resolved in Omnibus I filed on October 14, 2009:**

- NOC-127: Clearwater Power Company (R1 and R2); and TOP-002-2 R18**
- NOC-200: Northern Lights/PNGC (R1 and R2); and TOP-002-2 R18**
- NOC-295: Consumer’s Power (R2)**
- NOC-302: Fall River Rural Electric/PNGC (R1 and R2); and TOP-002-2 R18**
- NOC-334: Raft River Rural Electric Coop/PNGC (R1 and R2); and TOP-002-2 R18 and IRO-004-1 R4**

**Nevertheless, WECC determined that these affiliate violations should not serve as a basis for aggravating the penalties in the instant case because there is no commonality of compliance responsibilities between BLEC and these other PNGC members. The members of PNGC are not corporate affiliates and are managed independently. Each individual member is responsible for its own compliance decisions. Therefore, WECC determined that it would not consider the violations of other PNGC members as an aggravating factor in determining the penalty for this violation.**

**(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

**WECC did not review a Compliance Program for BLEC.**

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

**The instant PRC-008-0 R1 and R2 violations were originally self-reported on May 23, 2007 and subsequently retracted with WECC's consent. Upon reevaluation by WECC and BLEC, the violations were resubmitted and reinstated. Based on the timing of BLEC's original PRC-008-0 Self-Report and WECC's subsequent actions, WECC determined that it was appropriate to apply its discretion during the first year of mandatory and enforceable Reliability Standards to levy a penalty of \$0 for these violations.**

EXHIBITS:

SOURCE DOCUMENT

**BLEC's Self-Certification for PRC-008-0 R1 and R2 dated April 16, 2010  
BLEC's Self-Report for PRC-008-0 R1 and R2 dated April 19, 2010**

MITIGATION PLAN

**BLEC's Mitigation Plan MIT-07-2511 for PRC-008-0 R1 and R2 dated April 19, 2010**

CERTIFICATION BY REGISTERED ENTITY

**BLEC's Certification of Mitigation Plan Completion for PRC-008-0 R1 and R2 dated October 4, 2010**

VERIFICATION BY REGIONAL ENTITY

**WECC's Verification of Mitigation Plan Completion for PRC-008-0 R1 and R2 dated October 27, 2010**

OTHER RELEVANT INFORMATION:

NOTICE OF ALLEGED VIOLATION AND PROPOSED PENALTY OR  
SANCTION ISSUED

DATE: **5/27/10** 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**

### **Record Documents for PRC-008-0 R1 and R2**

- i. BLEC's Self-Certification for PRC-008-0 R1 and R2 dated April 16, 2010**
- ii. BLEC's Self-Report for PRC-008-0 R1 and R2 dated April 19, 2010**
- iii. BLEC's Mitigation Plan MIT-07-2511 for PRC-008-0 R1 and R2 dated April 19, 2010**
- iv. BLEC's Certification of Mitigation Plan Completion for PRC-008-0 R1 and R2 dated October 4, 2010**
- v. WECC's Verification of Mitigation Plan Completion for PRC-008-0 R1 and R2 dated October 27, 2010**

Logged in as:  
Rick Paschall

Log Out

- System Administration
- Compliance
- TFE Request
- File Upload

### PRC-008-0 Self Certification - Implementation and Documentation of Underfrequency Load Shedding Equipment Maintenance Program - April 1, 2009 - March 31, 2010

Save Item | Delete Item | Cancel Changes | Save PDF | Return To Search Results

New Mitigation Plan | Attachments (0)

**This form was marked as ready to be added to a certification statement on 4/16/2010.**

\*Required Fields

Status: Saved

#### Technical Contact

\* Rick Paschall (rpaschall@pngcpower.com) Find | Clear | New Contact

WECC will disclose this information to NERC and other third parties, only as required, and in accordance with established procedures pursuant to section 1500 of the NERC rules of procedure.

#### Applicable Function(s): DP

As an authorized representative of **Blachly-Lane Electric Coop/PNGC**, I certify the following:

Do Not  
C NC Own  
jn jn jn

**R1.** The Transmission Owner and Distribution Provider with a UFLS program (as required by its Regional Reliability Organization) shall have a UFLS equipment maintenance and testing program in place. This UFLS equipment maintenance and testing program shall include UFLS equipment identification, the schedule for UFLS equipment testing, and the schedule for UFLS equipment maintenance.

Violation was previously self-reported or identified by Blachly-Lane Electric Coop/PNGC

Yes No

Date of Violation

4/15/2010

Additional Comments (Violation)

BLEC submitted a SR and a MP on 041910.

Violation Severity Level (Levels of Non-Compliance)

Not Specified

Provide a detailed explanation of non-compliance

BLEC submitted a SR and a MP on 041910.

Reliability Impact to the Bulk Power System

Minimal

Describe the Reliability Impact of this Non-Compliance

Minimal as this is a documentation issue.

Do Not  
C NC Own  
jn jn jn

**R2.** The Transmission Owner and Distribution Provider with a UFLS program (as required by its Regional Reliability Organization) shall implement its UFLS equipment maintenance and testing program and shall provide UFLS maintenance and testing program results to its Regional Reliability Organization and NERC on request (within 30 calendar days).

Violation was previously self-reported or identified by Blachly-Lane Electric Coop/PNGC

Yes  No

Date of Violation

4/15/2010

Additional Comments (Violation)

BLEC submitted a SR and a MP on 041910.

Violation Severity Level (Levels of Non-Compliance)

Not Specified

Provide a detailed explanation of non-compliance

BLEC submitted a SR and a MP on 041910.

Reliability Impact to the Bulk Power System

Minimal

Describe the Reliability Impact of this Non-Compliance

Minimal as this is a documentation issue.

Summary of Self Certification Submittal [Auto Populated from responses]:

Blachly-Lane Electric Coop/PNGC is Non-Compliant with NERC Reliability Standard PRC-008-0 Requirement(s): R1,R2

[Return to top](#)

**b** Ready to Create Certification Statement

 Save Item |  Delete Item | Cancel Changes |  Save PDF | [Return To Search Results](#)



Western Electricity Coordinating Council

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### Self-Reporting Form

Date Submitted by Registered Entity:

NERC Registry ID: NCR05028

Joint Registration Organization (JRO) ID:

Registered Entity: Blachly-Lane Electric Cooperative (BLEC)

Registered Entity Contact: Rick Paschall

Function(s) Applicable to Self-Report:

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

Standard: PRC-008-0

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: 041510

Date violation discovered: 041510

Is the violation still occurring?  Yes       No

Detailed explanation and cause of violation: BLEC has not had a 'formal' maintenance and testing program for their UFLS relays.

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

Detailed explanation of Potential Impact: This is a documentation issue. BLEC has had an 'informal' maintenance and testing program, but does not have the required documentation to be compliant with this standard.

Additional Comments: BLEC and PNGC continue to believe that PRC-008-0 does not apply to them since WECC has not required that BLEC have an UFLS program. BLEC is an Active Participant in BPA's UFLS program, which means that BLEC owns the UFLS relays .



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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.)*



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## Mitigation Plan Submittal Form

New  or Revised

Date this Mitigation Plan is being submitted: 041910

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: Blachly-Lane Electric Cooperative (BLEC)  
 Registered Entity Address: 90680 Hwy 99N, Eugene, OR 97448  
 NERC Compliance Registry ID: NCR05028

- 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: Rick Paschall  
 Title: Manager of Compliance

<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.





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Email:

Phone:



**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-008-0  
*[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)
		R1		041510	Self Report
		R2		041510	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:

BLEC does not have a 'formal' maintenance and testing program for their UFLS relays. BLEC does not have the required documentation to prove they have maintained and tested their UFLS relays.

*[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:





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This is simply a documentation issue for BLEC. Historically, BLEC has had an 'informal' maintenance and testing program, but does not have the required documentation to be compliant with this standard. BLEC and PNGC continue to believe that PRC-008-0 does not apply to BLEC since WECC has not required that BLEC have an UFLS program, which is required in the Applicability section of PRC-008-0. BLEC is an Active Participant in BPA's UFLS program, which means that BLEC owns the UFLS relays for BPA's UFLS program.

[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:

BLEC first plans to create a list of their UFLS relays. Then BLEC will create a Maintenance & Testing Program. Then BLEC will determine which of the UFLS relays needs to have testing performed. BLEC will then have the required testing performed on their UFLS relays. Once all this is done BLEC will close the Mitigation Plan.

[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: By 05/14/10 BLEC will have a list of their UFLS relays. By 06/15/10 BLEC will have a M&T Program. By 08/15/10 BLEC will have all the UFLS relays tested. By 09/15/10 BLEC will confirm that BLEC is fully compliant with PRC-008-0. By 10/01/10 BLEC will close the MP with WECC.



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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)
BLEC will have a complete list of all their UFLS relays, have a M&T Program, and will have completed the required maintenance and testing on their UFLS relays.	09/15/10

(\* 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:

None.

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





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## 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:

BLEC believes that this is simply a documentation issue. That is, BLEC believes that all the required maintenance and testing has been done on their UFLS relays. However, BLEC does not have the required documentation to prove this is the case. In addition, the load shed by BLEC's UFLS relays are 9.1 MW in the summer and 12.6 MW during the winter. Thus, BLEC believes the risk to the BPS is very minimal.

[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:

Once BLEC completes this MP, BLEC will have the required documentation to prove they are compliant. BLEC understands the importance of documentation to regulatory agencies and will ensure that they do a better job creating and maintaining the required documentation in the future.

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



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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:

None.

[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 Manger of Compliance of BLEC.
  2. I am an officer, employee, attorney or other person authorized to sign this Mitigation Plan on behalf of BLEC.
  3. I understand BLEC's obligations to comply with Mitigation Plan requirements and WECC or ERO remedial action directives and I have reviewed the WECC and ERO documents related to these obligations, including, but not limited to, the WECC CMEP and the NERC Rules of Procedure.
  4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
  5. BLEC 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): Rick Paschall  
 Title: Manager of Compliance  
 Date: 04/19/10





### **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.

none.

[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:

Duane Cooke, Compliance Process Analyst

Email: [dcooke@wecc.biz](mailto:dcooke@wecc.biz)

Phone: (801) 819-7639

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/Documents/2%20-%20WECC%20-%20Reporting%20Forms/00.00%20-%20WECC%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.



# Compliance

## Member Portal

Blachly-Lane Electric Coop/PNGC

Logged in as:  
**Rick Paschall**

Log Out

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

### Edit

| 
  | 
 Cancel Changes | 
  | 
 Return to Mitigation Plan

\* Required Fields

Status: Saved

All Mitigation Plan Completion Certification submittals shall include data or information sufficient for WECC to verify completion of the Mitigation Plan. WECC may request such 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) Data or information submitted may become part of a public record upon final disposition of the possible violation, therefore any confidential information contained therein should be marked as such in accordance with the provisions of Section 1500 of the NERC Rules of Procedure.

Name of Registered Entity submitting certification: **Blachly-Lane Electric Coop/PNGC**

Name of Standard of mitigation violation(s): PRC-008-0PRC-008-0

Mitigated information:

Requirement	Tracking Number	Violation ID
R1.	BLEC_WECC20102180	WECC201001910
R2.	BLEC_WECC20102181	WECC201001911

Date of completion of the Mitigation Plan:

9/30/2010

Summary of all actions described in Part D of the relevant mitigation plan:

BLEC created a PRC-008 M&T Program. Then BLEC completed all the required maintenance and testing of their UFLS equipment. For BLEC, the only substation with UFLS equipment is the Parker substation.

Description of the information provided to WECC for their evaluation:

PNGC and BLEC have submitted a summary document which has all the file names. There is a PRC-008 M&T Program. There is also the required functional and maintenance tests for the BLEC's UFLS equipment.

Please provide the specific location (i.e. paragraph numbers, page numbers) in the documentation/evidence submitted to verify compliance.

Additional Notes or Comments pertaining to this violation:

I certify that the mitigation plan for the above-named violation has been completed on the date shown above. In doing so, I certify that all required mitigation plan actions described in Part D of the relevant mitigation plan have been completed, compliance has been restored, the above-named entity is currently compliant with all of the requirements of the referenced standard, and that all information submitted is complete and correct to the best of my knowledge. Submit all supporting documentation.

**Authorized Individual Signature [Sign](#)**

Name: Rick Paschall

Title: Manager of Compliance

Entity: Blachly-Lane Electric Coop/PNGC

Email: rpaschall@pngc.com

Phone: 503-288-5553

**CONFIDENTIAL**



Western Electricity Coordinating Council

Chris Luras  
Manager of Compliance Enforcement

(801) 883-6887  
cluras@wecc.biz

VIA COMPLIANCE WEB PORTAL

October 27, 2010

Rick Paschall  
Manager of Compliance  
Blachly-Lane Electric Coop/PNGC  
711 NE Halsey  
Portland, Oregon 97232

NERC Registration ID: NCR05028  
NERC Violation ID: WECC201001910 and WECC201001911

Subject: Notice of Completed Mitigation Plan Acceptance  
Reliability Standard PRC-008-0 Requirements 1 and 2

Dear Rick,

The Western Electricity Coordinating Council (WECC) received the Certification of Mitigation Plan Completion and evidence submitted by Blachly-Lane Electric Coop/PNGC (BLEC) on October 4, 2010 for the alleged violation of Reliability Standard PRC-008-0 Requirements 1 and 2. After a 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](mailto:mrieger@wecc.biz).

Sincerely,

Chris Luras  
Manager of Compliance Enforcement

CL:rph

cc: Margaret Ryan, BLEC Real-time Operations Manager  
John McGhee, WECC Director of Audits and Investigations  
Mary Rieger, WECC Compliance Engineer

**Attachment d**

**Notice of Filing**

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Blachly-Lane Electric Coop/PNGC

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

NOTICE OF FILING  
June 29, 2011

Take notice that on June 29, 2011, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding Blachly-Lane Electric Coop/PNGC 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