



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

November 13, 2009

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

**Re: NERC Notice of Penalty regarding Westmoreland Partners, FERC Docket No. NP10-
-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Notice of Penalty¹ regarding Westmoreland Partners (Westmoreland), NERC Registry ID NCR01370,² 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)).³

This Notice of Penalty is being filed with the Commission because, based on information from SERC Reliability Corporation (SERC), SERC and Westmoreland have entered into a Settlement Agreement in which Westmoreland has agreed to the proposed financial penalty of \$10,000 to be assessed to Westmoreland, in addition to other actions to promote prospective compliance required under the terms and conditions of the Settlement Agreement, and to resolve all outstanding issues arising from a preliminary and non-public assessment resulting in SERC's determination and findings of enforceable alleged violations of PRC-005-1 Requirement (R) 1 and CIP-001-1 R1 at issue in this Notice of Penalty. Accordingly, the alleged violations identified as NERC Violation Tracking Identification Numbers SERC200800108 and SERC200800109 are being filed in accordance with the NERC Rules of Procedure and the CMEP.

¹ *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 (2008). *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).

² SERC Reliability Corporation confirmed that Westmoreland Partners was included on the NERC Compliance Registry on May 31, 2007 as a Generator Owner and a Generator Operator and was subject to the requirements of NERC Reliability Standard PRC-005-1 and CIP-001-1.

³ See 18 C.F.R. § 39.7(c)(2).

Statement of Findings Underlying the Alleged Violations

This Notice of Penalty incorporates the findings and justifications set forth in the Settlement Agreement executed as of November 20, 2008, by and between SERC and Westmoreland, which is included as Attachment c. The details of the findings and basis for the penalty are set forth in the Settlement Agreement and herein. This Notice of Penalty 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 (2007), NERC provides the following summary table identifying each alleged violation of a Reliability Standard resolved by the Settlement Agreement, as discussed in greater detail below.

Region	Registered Entity	NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Total Penalty (\$)
SERC	Westmoreland Partners	NOC-128	SERC200800108	PRC-005-1	1	High ⁴	10,000
SERC	Westmoreland Partners	NOC-128	SERC200800109	CIP-001-1	1	Medium	

The purpose of Reliability Standard PRC-005-1 is to ensure all transmission and generation Protection Systems affecting the reliability of the Bulk Electric System (BES) are maintained and tested.

PRC-005-1 R1 requires an entity such as Westmoreland that owns a generation Protection System to have a Protection System maintenance and testing program for Protection Systems that affect the reliability of the Bulk Electric System. The program shall include the following: maintenance and testing intervals and their basis; and a summary of maintenance and testing procedures.

The purpose of Reliability Standard CIP-001-1 is to ensure that disturbances or unusual occurrences, suspected or determined to be caused by sabotage, shall be reported to the appropriate systems, governmental agencies and regulatory bodies.

CIP-001-1 R1 requires an entity such as Westmoreland to have procedures for the recognition of, and for making its operating personnel aware of, sabotage events on its facilities and multi-site sabotage affecting larger portions of the Interconnection.

On March 25, 2008, Westmoreland self-reported a possible violation of CIP-001-1 R4⁵ for a failure to have contacted the FBI, and a possible violation of PRC-005-1 R1 because its

⁴ When NERC filed Violation Risk Factors (VRF) it originally assigned PRC-005-1 R1 a "Medium" VRF. The Commission approved the VRF as filed; however, it directed NERC to submit modifications. NERC submitted the modified "High" VRF and on August 6, 2007, the Commission approved the modified "High" VRF. Therefore, the "Medium" VRF for PRC-005-1 R1 was in effect from June 18, 2007 until August 6, 2007 when the "High" VRF became effective.

⁵ CIP-001-1 R4 requires an entity such as Westmoreland to establish communications contacts, as applicable, with local Federal Bureau of Investigation (FBI) or Royal Canadian Mounted Police (RCMP) officials and develop reporting procedures as appropriate to their circumstances.

protection system maintenance and protection program did not include a description of the maintenance performed on DC Control Circuits.

According to the Settlement Agreement, during a scheduled on-site compliance audit on April 16, 2008, the SERC Audit team identified the same possible violations of PRC-005-1 R1 and CIP-001-1 R4 that Westmoreland had self-reported earlier. The SERC Audit team also identified an additional possible violation of CIP-001-1 R1 for Westmoreland's failure to have a method of sabotage identification in its sabotage reporting procedure in effect between June 18, 2007 and November 9, 2007.⁶ This possible violation was identified by the Audit team's observation that the current sabotage reporting procedure, which was compliant with the requirements of CIP-001-1 R1, was approved on November 9, 2007 and therefore asked to review the procedure that was in effect between June 18, 2007, when the standards went into effect, and November 9, 2007 when the conforming procedure became effective. The SERC Audit team reviewed Westmoreland's procedure document in effect prior to November 9, 2007, a safety procedure dated December 15, 2005, and determined that it did not include a method for identification of sabotage events.

The SERC Audit team also identified additional deficiencies in Westmoreland's Protection System maintenance and testing program for PRC-005-1 R1 beyond the scope of the violation previously self-reported by Westmoreland. After reviewing maintenance and testing records and procedures, the Audit team documented a possible violation for Westmoreland's failure to include maintenance intervals and their bases for Voltage and Current sensing devices, and also for Westmoreland's failure to include a summary of maintenance and testing procedures for any of the elements included in the approved Reliability Standards Glossary of Terms definition of Protection System (Protective relays, associated communication systems, voltage and current sensing devices, station batteries and DC control circuitry).

The findings of the Audit team were reported to SERC Compliance Enforcement Staff (SERC Staff) who initiated an independent review of the findings. The review included the evidence presented during the audit, the Reliability Standard Audit Worksheets (RSAW) related to each of the possible violations, interviews with the Audit team members and telephone interviews and e-mail correspondence with Westmoreland staff.

According to SERC, on April 18, 2008, SERC Staff sent Westmoreland a Compliance Assessment Notice letter informing them that SERC had initiated an assessment of the possible violations. Based on its detailed compliance assessment, SERC Staff determined that Westmoreland had violated PRC-005-1 R1 and CIP-001-1 R1. SERC Staff also determined to dismiss the CIP-001-1 R4⁷ violation, which was self-reported by Westmoreland and also

⁶ As discussed below, the section of the Mitigation Plan pertaining to CIP-001-1, Requirement 1 was completed on November 9, 2007 with the revision of Westmoreland Partner's sabotage reporting procedure to include a method for identification of sabotage. The Mitigation Plan also included actions to establish contact with the local FBI as required under Requirement 4. Completion of the establishment of contact with the local FBI occurred on April 9, 2008 with Westmoreland Partners' Revision 1 to its procedure to incorporate information obtained from the FBI.

⁷ As noted above, CIP-001-1 R4 requires an entity such as Westmoreland to establish communications contacts, as applicable, with local FBI or RCMP officials and develop reporting procedures as appropriate to their circumstances. SERC determined that Westmoreland's emergency action plans that were in effect since June 18,

identified by the SERC Audit team, and found Westmoreland to be compliant with this Requirement as of June 18, 2007.

For PRC-005-1 R1, SERC Staff determined that, while Westmoreland was able to present evidence that appropriate maintenance and testing was taking place, it was unable to provide evidence that its maintenance and testing program included descriptions of its procedures for all components of the Protection System, and also determined that maintenance intervals and their bases were absent for all Protection System components except for relays and batteries. SERC determined that the duration of the alleged violation of PRC-005-1 R1 was from June 18, 2007, the date the standard became mandatory and enforceable, until it was mitigated on June 12, 2008.

For CIP-001-1 R1, SERC Staff recognized that Westmoreland had a procedure for responding to abnormal conditions; however, SERC Staff also confirmed that Westmoreland's sabotage reporting procedure did not include a method of identification of sabotage for the period of June 18, 2007 to November 9, 2007. Therefore, SERC determined Westmoreland was in violation of CIP-001-1 R1 for the period from June 18, 2007 through November 9, 2007, the date upon which Westmoreland's procedure included the method of identification.⁸

SERC assessed the alleged violation of PRC-005-1 R1 to have a "High" Violation Risk Factor (VRF) and SERC assessed the alleged violation of CIP-001-1 to have a "Medium" VRF.

According to the Settlement Agreement, SERC Staff concluded that Westmoreland's insufficiently documented sabotage reporting procedure and undocumented maintenance of the Protection Systems for its generating facilities represented a low actual and foreseeable risk to bulk power system reliability, because it had a sabotage procedure in place and was performing testing and maintenance of its Protection Systems. Thus, according to SERC, its Compliance Enforcement Staff determined that Westmoreland would pay a monetary penalty of \$1,000 for the violation of CIP-001-1 R1 and a monetary penalty of \$9,000 for the violation of PRC-005-1 R1. In this instance, the total penalty amount of \$10,000 bears a reasonable relation to the seriousness and duration of the alleged violations and takes into consideration Westmoreland's voluntary efforts to remedy the alleged violations in a timely manner. Furthermore, based on Westmoreland's cooperation, commitment to compliance and agreement to expeditiously reconcile this issue via settlement, SERC determined that the penalty of \$10,000 was appropriate.

2007 showed evidence of a working telephone number for the FBI during the period at issue. SERC based this decision on the revised guidance on CIP-001-1 R4 issued by NERC on May 29, 2008.

⁸ The section of the Mitigation Plan pertaining to CIP-001-1, Requirement 1 was completed on November 9, 2007 with the revision of Westmoreland Partner's sabotage reporting procedure to include a method for identification of sabotage. The Mitigation Plan also included actions to establish contact with the local FBI as required under Requirement 4. Completion of the establishment of contact with the local FBI occurred on April 9, 2008 with Westmoreland Partners' Revision 1 to its procedure to incorporate information obtained from the FBI.

Status of Mitigation Plans⁹

Westmoreland's Mitigation Plan to address the alleged violation of PRC-005-1 R1 was submitted to SERC on July 2, 2008, accepted by SERC on July 17, 2008 and was approved by NERC on August 28, 2008.¹⁰ The Mitigation Plan is designated as MIT-07-0628 and was submitted as non-public information to FERC on August 28, 2008 in accordance with FERC orders. Westmoreland certified on July 2, 2008 to SERC that its Mitigation Plan was completed on June 26, 2008.¹¹ SERC Staff reviewed Westmoreland's document, *RCP-SERC-PRC-005 06-08*, which showed the revised protection system maintenance and testing documentation to be complete. Westmoreland submitted this evidence in support of its Certification of Completion and SERC verified on July 3, 2008¹² that the Mitigation Plan was timely completed.

For the alleged violation of PRC-005-1 R1, Westmoreland's Generation Protection System Maintenance documentation did not clearly define the complete scope of testing required by PRC-005-1. To restore compliance and prevent recurrence, as set forth in Westmoreland's Mitigation Plan submitted to SERC on July 2, 2008, Westmoreland revised its PRC-005-1 Compliance Procedure on June 12, 2008 to include maintenance intervals and their bases for voltage and current sensing devices, to include a summary of maintenance and testing procedures for all of the elements included in the approved Reliability Standards Glossary of Terms definition of Protection System (protective relays, associated communication systems, voltage and current sensing devices, station batteries and DC control circuitry). Westmoreland also stated it was in the process of evaluating other procedures and programs throughout the facility to ensure the facility is in compliance with all Reliability Standards in the future. On July 1, 2009, SERC received a statement from Westmoreland's President indicating the following: "In the mitigation plan, Westmoreland agreed to review all policies and procedures for similar compliance issues by July 1, 2008. This milestone activity was performed by the Roanoke Valley Energy Facilities Technical Contact, Rob Harrison and was completed by the target date and no additional deficiencies were noted and the facility remains in compliance with all applicable standards."

Westmoreland's Mitigation Plan to address the alleged violation of CIP-001-1 R1 was submitted to SERC on June 30, 2008, accepted by SERC on August 1, 2008 and was approved by NERC on August 28, 2008. The Mitigation Plan is designated as MIT-07-0629 and was submitted as non-public information to FERC on August 28, 2008 in accordance with FERC orders. Westmoreland certified on June 30, 2008 to SERC that its Mitigation Plan was completed on

⁹ See 18 C.F.R § 39.7(d)(7).

¹⁰ The Settlement Agreement incorrectly states that SERC accepted the Mitigation Plan on July 2, 2008 and that NERC approved the Mitigation Plan on July 17, 2008.

¹¹ The Certification of a Completed Mitigation Plan submitted by Westmoreland incorrectly states the Mitigation Plan was completed on June 12, 2009. SERC Staff confirmed the date of the completion of the Mitigation Plan with Westmoreland and it should state June 26, 2008, the same date listed on the Mitigation Plan.

¹² Pursuant to SERC's compliance implementing procedures at the time of this review, SERC's Board Compliance Committee (BCC) was required to affirm the SERC Compliance Staff's acceptance of Mitigation Plans. The date of the BCC's affirmation of SERC Compliance Staff's actions establishes the date of Regional acceptance of Mitigation Plans. SERC Compliance Staff completed its acceptance and verification of the subject completed mitigation plans before the plans were taken to and affirmed by the SERC BCC at its monthly meeting on July 17, 2008.

April 9, 2008.¹³ Westmoreland submitted the following evidence to show that the requirements of the standard and the elements of the Mitigation Plan have been met: (1) the Westmoreland Power Partners Safety Manual Procedure 2 (SMP-02), Emergency Response Plan; Rev 0 dated November 9, 2007, which addressed the method for identification of sabotage in Section 4 – Standard Procedure for Acts of Sabotage, and Appendices and demonstrated compliance with CIP-001-1 R1; (2) the Westmoreland Power Partners Safety Manual Procedure 2 (SMP-02), Emergency Response Plan; Rev 1 dated April 9, 2008, which revised pages 21-24 and Appendices A, B, C, D and H of the procedure to incorporate information obtained from the FBI after Westmoreland discussed its sabotage plan with the FBI; (3) a copy of the plant engineer’s notes from the phone conversations with the FBI; and (4) a copy of the plant’s phone bill. SERC Staff reviewed the evidence Westmoreland submitted in support of its Certification of Completion and verified on July 3, 2008¹⁴ that the Mitigation Plan was timely completed.

For the alleged violation of CIP-001-1 R1, Westmoreland’s Procedures SAF-18 and SAF-18a did not clearly identify the recognition of a sabotage event. To restore compliance and prevent recurrence, Westmoreland revised its procedures and issued them November 9, 2007. The revised procedure, SMP-02, meets the requirement of CIP-001-1, Requirement 1 as acknowledged in the SERC audit report. Because this procedure was in effect at the time of the audit, the Mitigation Plan for the violation of CIP-001-1 R1 was submitted to SERC as a completed Mitigation Plan on June 30, 2008.

Statement Describing the Proposed Penalty, Sanction or Enforcement Action Imposed¹⁵

Basis for Determination

Taking into consideration the Commission’s direction in Order No. 693, the NERC Sanction Guidelines and the Commission’s July 3, 2008 Guidance Order,¹⁶ the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on February 8, 2009. The NERC BOTCC approved the Settlement Agreement, including SERC’s imposition of a financial penalty of \$10,000 against Westmoreland, in addition to other actions to promote prospective

¹³ The section of the Mitigation Plan pertaining to CIP-001-1, Requirement 1 was completed on November 9, 2007 with the revision of Westmoreland Partner’s sabotage reporting procedure to include a method for identification of sabotage. The Mitigation Plan also included actions to establish contact with the local FBI as required under Requirement 4. Completion of the establishment of contact with the local FBI occurred on April 9, 2008 with Westmoreland Partners’ Revision 1 to its procedure to incorporate information obtained from the FBI. SERC Staff determined that Westmoreland’s emergency action plans in effect since June 18, 2007 had evidence of a working FBI number and, based on the revised guidance on CIP-001-1, Requirement 4 issued by NERC on June 3, 2008, the possible violation of CIP-001-1, Requirement 4 was dismissed by SERC Staff, as reflected in the Settlement Agreement.

¹⁴ Pursuant to SERC’s compliance implementing procedures at the time of this review, SERC’s Board Compliance Committee (BCC) was required to affirm the SERC Compliance Staff’s acceptance of Mitigation Plans. The date of the BCC’s affirmation of SERC Compliance Staff’s actions establishes the date of Regional acceptance of Mitigation Plans. SERC Compliance Staff completed its acceptance and verification of the subject completed mitigation plans before the plans were taken to and affirmed by the SERC BCC at its monthly meeting on August 1, 2008.

¹⁵ See 18 C.F.R § 39.7(d)(4).

¹⁶ *North American Electric Reliability Corporation*, “Guidance Order on Reliability Notices of Penalty,” 124 FERC ¶ 61,015 (2008).

compliance required under the terms and conditions of the Settlement Agreement. In approving the Settlement Agreement, the NERC BOTCC reviewed the applicable requirements of the Commission-approved Reliability Standards and the underlying facts and circumstances of the alleged violations at issue.

In reaching this determination, NERC BOTCC considered the following factors: (1) the alleged violations reflected a deficiency in procedures and documentation; (2) the time of actual non-compliance began in 2007 and was remedied early in 2008; (3) Westmoreland's cooperated throughout the proceeding; (4) there was no prior violation history for Westmoreland of this standard or a closely-related requirement; (5) there was no indication of an attempt by Westmoreland to conceal any information; (6) there was no indication that the alleged violations were intentional; and (7) Westmoreland agreed to expeditiously resolve the alleged violations by settlement.

Therefore, NERC approves the Settlement Agreement and believes that the proposed \$10,000 financial penalty is appropriate and consistent with NERC's goal to ensure reliability of the bulk power system.

Pursuant to Order No. 693, the penalty will be effective upon expiration of the 30 day period following the filing of this Notice of Penalty with FERC, or, if FERC decides to review the penalty, upon final determination by FERC.

The Record of the Proceeding¹⁷

The record of the proceeding includes the following documents and material:

- a) Westmoreland's self-report dated March 25, 2008, included as Attachment a;
- b) SERC Audit Screening Worksheets, included as Attachment b;
- c) Settlement Agreement by and between Westmoreland and SERC, included in Attachment c;
 - i) Mitigation Plan designated as MIT-07-0629 submitted June 30, 2008, included in the Settlement Agreement as Appendix A-1;
 - ii) Westmoreland's certification of completion of the Mitigation Plan MIT-07-0629, dated June 30, 2008, included in the Settlement Agreement as Appendix A-2;
 - iii) SERC's statement of verification that the Mitigation Plan MIT-07-0629 has been completed, dated July 3, 2008, included in the Settlement Agreement as Appendix A-3;
 - iv) Mitigation Plan designated as MIT-07-0628 submitted July 2, 2008, included in the Settlement Agreement as Appendix A-4;
 - v) Westmoreland's certification of completion of the Mitigation Plan MIT-07-0628, dated July 2, 2008, included in the Settlement Agreement as Appendix A-5; and

¹⁷ See 18 C.F.R. § 39.7(d)(5).

- vi) SERC's statement of verification that the Mitigation Plan MIT-07-0628 has been completed, dated July 3, 2008, included in the Settlement Agreement as Appendix A-6.

A Form of Notice Suitable for Publication¹⁸

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

¹⁸ 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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*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.

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Conclusion

NERC respectfully requests that the Commission accept this Notice of Penalty as compliant with its rules, regulations and orders.

Respectfully submitted,

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David N. Cook
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/s/ Rebecca J. Michael
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cc: Westmoreland Partners
SERC Reliability Corporation

Attachments

Attachment a

Westmoreland's self-report dated March 25, 2008



SERC Reliability Corporation
Self-Reporting / Complaint Form Template
Revision 1 (10-25-07)

Report Type (please check): Self-Report Complaint

Date of Report: March 25, 2008

NAME OF PERSON REPORTING POSSIBLE STANDARD VIOLATION(S)		
CONTACT NAME	CONTACT TELEPHONE NUMBER	
Rob Harrison	P: 252-536-3200 ext 233 C: 252-532-7327	
CONTACT E-MAIL	CONTACT FAX	
Robert.harrison@pwrops.com	252-536-4448	
REPORTING COMPANY NAME	ANONYMOUS? (Y/N)	
Westmoreland Partners, Roanoke Valley Energy Facility	N	
NERC OR REGIONAL STANDARD(S) AND SPECIFIC REQUIREMENT(S) POSSIBLY VIOLATED		
NAME OF COMPANY POSSIBLY VIOLATING STANDARD(S)	ENTITY FUNCTION TYPE(S)	
Westmoreland Partners, Roanoke Valley Energy Facility	GO, GOP	
STANDARD # AND VERSION	MEASURE / REQUIREMENT	DATE OF POSSIBLE VIOLATION(S)
PRC-005-1	R1	Current
POSSIBLE VIOLATION DESCRIPTION, REASON FOR COMPLAINT, OR QUESTION		
The facility has not included the DC control circuitry in our generation protection system maintenance program.		
RELIABILITY IMPACT (IF KNOWN)		

SERC Staff will contact the person providing the report as soon as possible.
If you do not receive a response from SERC Staff within 2 business days please contact the SERC office (704-357-7372).

Please complete the form as completely as possible and email to serccomply@serc1.org.

Attachment b

SERC Audit Screening Worksheet

Screening Worksheet

Tracking Number

Entity Name
Westmoreland Partners

Is Entity Registered?
Yes

Entity Contact
Rob Harrison

Entity Telephone Number
252 536-3200 ext 233

Standard	Requirement
CIP-001-1	R1

Is Issue Still Occurring?
No

Remedial Action Directive?
No

Date Issue Occurred
6/18/07

Date Issue/Event Reported
4/16/08

Method of Discovery
Audit

NERC 48-Hour Reportable?
No

Threat to BES?
No

Alleged Violation Applies to:													
BA	DP	GO	GOP	LSE	PA	PSE	RC	RP	RSG	TO	TOP	TP	TSP
		Yes	Yes										

Brief Description
Entity did not have procedures for the recognition of a sabotage event in Emergency Action Plans that were in effect from 6/18/07 through 11/9/07

Detailed Description
Entity' procedures/Emergency Action Plans (SAF 18, revised 8/10/07 and 18a, an attachment to SAF 18, revised 12/15/05) did not have procedures for the recognition of potential sabotage events for the period of June 18, 2007 to November 9 2007. Their current Emergency Response procedure and it's predecessor (Safety Manual Procedure 2 (SMP-02) Emergency Response Plan Rev 1 – April 9, 2008 Rev0 dated Nov 9, 2007, respectively) provide recognition procedures.

Prepared By	Date
Harrell	4/17/08

Screening Worksheet

Tracking Number

Entity Name
Westmoreland Partners

Is Entity Registered?
Yes

Entity Contact
Rob Harrison

Entity Telephone Number
252 536-3200 ext 233

Standard	Requirement
PRC-005-1	R1

Is Issue Still Occurring?
Yes

Remedial Action Directive?
No

Date Issue Occurred
6/18/07

Date Issue/Event Reported
4/16/08

Method of Discovery
Audit

NERC 48-Hour Reportable?
No

Threat to BES?
No

Alleged Violation Applies to:													
BA	DP	GO	GOP	LSE	PA	PSE	RC	RP	RSG	TO	TOP	TP	TSP
		Yes											

Brief Description
<p>Entity's Generation Protection System Maintenance and Testing Program only identifies the intervals and basis, for said intervals, for relays and batteries. Voltage and Current sensing devices are not covered at all, and no summary of maintenance and testing procedures are provided for any protection system elements. (Entity does not have related communication equipment).</p>

Detailed Description
<p>Entity's Generation Protection System Maintenance and Testing Program only identifies the intervals and basis, for said intervals, for relays and batteries. Voltage and Current sensing devices are not covered at all, and no summary of maintenance and testing procedures are provided for any protection system elements. (Entity does not have related communication equipment).</p> <p>The audit team verified that intervals, and a basis for those intervals, have been established for voltage and current sensing devices. Full protection system maintenance and testing procedures were provided:</p> <ul style="list-style-type: none"> Relay – contractor's description of work to be performed Batteries – Manufacturer's equipment manuals Current and voltage sensing devices – SME statement that these devices are tested and maintained during relay maintenance and testing, and review of maintenance records for two PT's.

Prepared By	Date
Harrell	4/17/08

Attachment c

Settlement Agreement by and between Westmoreland and SERC

**SETTLEMENT AGREEMENT
OF
SERC RELIABILITY CORPORATION
AND
WESTMORELAND PARTNERS**

I. INTRODUCTION

1. SERC Reliability Corporation (“SERC”) and Westmoreland Partners (“Westmoreland”) (NERC Compliance Registry ID# 01370) enter into this Settlement Agreement (“Agreement”) to resolve all outstanding issues arising from a preliminary and non-public assessment resulting in SERC’s determination and findings, pursuant to the North American Electric Reliability Corporation (“NERC”) Rules of Procedure, of a violation by Westmoreland of the NERC Reliability Standards CIP-001-1, Requirement 1 and PRC-005-1, Requirement 1 (SERC Issue Tracking Nos. 08-023 and 08-024; NERC Violation ID Nos. SERC200800108 and SERC200800109).

II. STIPULATION

2. The facts stipulated herein are stipulated solely for the purpose of resolving between Westmoreland and SERC the matters discussed herein and do not constitute stipulations or admissions for any other purpose. Westmoreland and SERC hereby stipulate and agree to the following:

Background

3. Westmoreland Partners is a subsidiary of Westmoreland Energy, LLC, which is owned by Westmoreland Coal Company. Westmoreland employs over 1,250 people in seven states, producing approximately 30 million tons of coal and generating 1.6 million MW-hrs of electric power annually.
4. The Roanoke Valley Energy Facility consists of 2 units, totaling 210 MW. Both Units connect to Dominion’s transmission grid at 230 kV. Westmoreland Partners is the sole owner of this facility.

Alleged Violations

5. The relevant subset of the requirements of CIP-001-1 and PRC-005-1, and the text thereof, are as follows:

CIP-001-1 R1. Each Reliability Coordinator, Balancing Authority, Transmission Operator, Generator Operator, and Load Serving Entity shall have procedures for the recognition of and for making their operating personnel aware of sabotage events on its facilities and multi-site sabotage affecting larger portions of the Interconnection.

CIP-001-1 R4. Each Reliability Coordinator, Balancing Authority, Transmission Operator, Generator Operator, and Load Serving Entity shall establish communications contacts, as applicable, with local Federal Bureau of Investigation (FBI) or Royal Canadian Mounted Police (RCMP) officials and develop reporting procedures as appropriate to their circumstances.

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

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

R1.2. Summary of maintenance and testing procedures.

6. On March 25, 2008, Westmoreland self-reported a possible violation of CIP-001-1, Requirement 4 for a failure to have contacted the FBI, and a possible violation of PRC-005-1, Requirement 1 because their protection system maintenance and protection program did not include a description of the maintenance performed on DC Control Circuits.
7. During a scheduled on-site compliance audit on April 16, 2008, the SERC audit team identified the same possible violations that Westmoreland had self-reported earlier. The audit team also identified an additional possible violation of CIP-001-1, Requirement 1 for failure to have a method of sabotage identification in their sabotage reporting procedure between June 18, 2007 and November 9, 2007. This possible violation was identified by the audit team's observation that the current sabotage reporting procedure was approved on November 9, 2007 and therefore asked to review the procedure that was in effect between June 18, 2007, when the standards went into effect, and the approval date of the current procedure. The prior procedure document did not include a method for identification of sabotage events. As a result, the audit team reported that a possible violation of CIP-001-1,

Requirement 1 existed from June 18, 2007 through November 9, 2007, when the deficiency was corrected with the revision of the procedure.

8. The SERC audit team also identified additional deficiencies in Westmoreland's Protection System maintenance and testing program for PRC-005-1, Requirement 1 beyond the scope of the possible violations previously self-reported by Westmoreland. After reviewing maintenance and testing records and procedures, the audit team documented a possible violation of PRC-005-1 Requirement 1 for Westmoreland's failure to include maintenance intervals and their bases for Voltage and Current sensing devices, and also for its failure to include a summary of maintenance and testing procedures for any of the elements included in the approved Reliability Standards Glossary of Terms definition of Protection System (Protective relays, associated communication systems, voltage and current sensing devices, station batteries and DC control circuitry). This possible violation had endured since the standards became mandatory and enforceable on June 18, 2007.
9. The audit team reviewed maintenance and testing documentation that confirmed that the Westmoreland's Protection System was being maintained in compliance with PRC-005, Requirement 2. The possible violation identified by the audit team was an issue only with the documentation required in Requirement 1.
10. The findings of the audit team were reported to SERC Compliance Enforcement Staff ("SERC Staff") who initiated an independent review of the findings. The review included the evidence presented during the audit, the Reliability Standard Audit Worksheets ("RSAW") related to each of the possible violations, interviews with the audit team members and telephone interviews and email correspondence with Westmoreland staff.
11. On April 18, 2008, SERC Staff sent Westmoreland a Compliance Assessment Notice letter informing them that SERC had initiated an assessment of the possible violations and had assigned a SERC staff member as their single point of contact with regard to the possible violations. The letter also served notice to Westmoreland to preserve all documentation pertaining to the possible violations
12. SERC Staff's review, and the enforcement actions described in this Agreement, incorporated the issues identified by the audit team, as well as those that were previously self-reported by Westmoreland.
13. Westmoreland requested commencement of settlement discussions by letter to SERC dated June 20, 2008.

III. PARTIES' SEPARATE REPRESENTATIONS

Statement of SERC and Summary of Findings

14. SERC Staff confirmed Westmoreland's NERC Registration Status as a Generator Operator and a Generator Owner (NCRID 01370) and that Westmoreland, therefore, was subject to the Requirements of NERC's Standards CIP-001-1 and PRC-005-1.
15. SERC Staff confirmed the audit team's identification of possible violations of CIP-001, Requirement 1 and Requirement 4, and of PRC-005-1, Requirement 1 as discussed below.

With respect to the violation of CIP-001-1:

16. SERC Staff confirmed that Westmoreland's sabotage reporting procedure did not include a method of identification of sabotage for the period of June 18, 2007 to November 9, 2007. Therefore, SERC finds that Westmoreland was in violation of CIP-001-1, Requirement 1 for the period from June 18, 2007 through November 9, 2007, the date upon which Westmoreland's procedure included the method of identification. The duration of the violation was 145 days.
17. CIP-001-1, Requirement 1 has a "Medium" Violation Risk Factor ("VRF").
18. Westmoreland had a procedure for responding to abnormal conditions, however it did not specifically include the identification of sabotage. In the unlikely event of a sabotage event, SERC Staff has a high level of confidence that corrective action would have been taken by Westmoreland and, therefore, the impact on reliability is minimal. In addition, Westmoreland self-identified the shortcoming in their procedure and self-corrected the omission. SERC Staff considered these mitigating factors in determining the proposed penalty amount.
19. Concerning Westmoreland's self-reported possible violation of CIP-001-1, R4, SERC Staff determined that Westmoreland's emergency action plans in effect since June 18, 2007 had evidence of a working FBI number and, based on the revised guidance on CIP-001-1, R4 issued by NERC on June 3, 2008, SERC finds that the Alleged Violation of CIP-001-1, R4 should be dismissed, as reflected in this Agreement.

With respect to the violation of PRC-005-1:

20. PRC-005-1, Requirement 1 has a "High" VRF.
21. SERC Staff determined that Westmoreland was unable to provide evidence that its maintenance and testing program included descriptions of their procedures for all components of the Protection System, and also determined that maintenance intervals and their bases were absent for all Protection System components except for relays and batteries. This was determined to be a violation of PRC-005-1,

Requirement 1 that endured from June 18, 2007, the date the standard became mandatory and enforceable, until it was mitigated on June 12, 2008.

22. Westmoreland was able to present evidence that appropriate maintenance and testing was taking place. The SERC audit team reviewed Westmoreland's maintenance and testing records and concluded that the violation of PRC-005-1, Requirement 1 was related to Westmoreland's documentation of its maintenance and testing and, therefore, the impact on reliability was minimal. SERC Staff considered these mitigating factors in determining the proposed penalty amount.
23. SERC agrees that this Agreement is in the best interest of the parties and in the best interest of bulk-power system reliability.

Statement of Westmoreland Partners

24. Westmoreland admits that the facts set forth and agreed to by the parties for purposes of this Agreement constitute violations of Reliability Standard CIP-001-1, Requirement 1 and PRC-005-1, Requirement 1.
25. Westmoreland acknowledges that its violation of CIP-001-1, Requirement 1 began on June 18, 2007, the date the standard became mandatory and enforceable, until the documentation deficiency that caused the violation was corrected on November 9, 2007.
26. Westmoreland further acknowledges that it was in violation of Reliability Standard PRC-005-1, Requirement 1 because its program documentation did not clearly define the complete scope of testing required by PRC-005-1. Westmoreland self-reported to SERC a possible violation of PRC-005-1, Requirement 1 on March 25, 2008, however additional deficiencies were identified as part of the on-site compliance audit on April 16, 2008. Westmoreland asserts that the required generator Protection System maintenance was being performed, as confirmed by SERC during the compliance audit, and this is a documentation-only issue. Westmoreland has corrected the documentation deficiency and submitted a Certification of Mitigation Plan Completion for PRC-005-1 to SERC on July 2, 2008. SERC Staff reviewed the evidence supporting Westmoreland's completion of the Mitigation Plan and verified its completion, as set forth in Appendix A attached hereto.
27. Westmoreland has agreed to enter into this Agreement with SERC to avoid extended litigation with respect to the matters described or referred to herein, to avoid uncertainty, and to effectuate a complete and final resolution of the issues set forth herein. Westmoreland agrees that this Agreement is in the best interest of the parties and in the best interest of maintaining a reliable electric infrastructure.

IV. MITIGATING ACTIONS, REMEDIES AND SANCTIONS

28. For purposes of settling any and all disputes arising from SERC's assessment of the alleged violations reported by Westmoreland in its Self-Report and further identified in the compliance audit conducted by SERC on April 16, 2007, SERC and Westmoreland herein agree that Westmoreland has taken the following actions to restore compliance and prevent recurrence, as set forth in Westmoreland's Mitigation Plans submitted to SERC on November 9, 2007 (for CIP-001) and July 2, 2008 (for PRC-005):

- i. With respect to the violation of CIP-001-1, Requirement 1: as referenced in the SERC audit report, Westmoreland's Procedures SAF-18 and SAF-18a did not clearly identify the recognition of a sabotage event. These procedures were replaced by Westmoreland Procedure SMP-02 on November 9, 2007. SMP-02 meets the requirement of CIP-001-1, Requirement 1 as acknowledged in the SERC audit report. Westmoreland's implementation of Procedure SMP-02 will serve to prevent reoccurrence of CIP-001-1 violations.
- ii. With respect to the violation of PRC-005-1, Requirement 1: Westmoreland revised its PRC-005-1 Compliance Procedure on June 12, 2008 to include maintenance intervals and their bases for voltage and current sensing devices, to include a summary of maintenance and testing procedures for all of the elements included in the approved Reliability Standards Glossary of Terms definition of Protection System (protective relays, associated communication systems, voltage and current sensing devices, station batteries and DC control circuitry). Westmoreland's revised procedure and its implementation will serve to prevent reoccurrence of similar PRC-005-1 violations.

29. SERC accepted Westmoreland's Mitigation Plan for CIP-001-1 on August 1, 2008 and NERC approved the Mitigation Plan on August 28, 2008. . The Mitigation Plan is identified as MIT-07-0629 and was submitted as non-public information to the Commission on August 28, 2008 in accordance with Commission orders. Westmoreland certified on June 30, 2008 that the Mitigation Plan and the actions to prevent recurrence were completed on November 9, 2007.

SERC accepted Westmoreland's Mitigation Plan for PRC-005-1 on July 2, 2008 and NERC approved the Mitigation Plan on July 17, 2008. The Mitigation Plan is identified as MIT-07-0628 and was submitted as non-public information to the Commission on August 28, 2008 in accordance with Commission orders. Westmoreland certified on July 2, 2008 that the Mitigation Plan and the actions to prevent recurrence were completed on June 26, 2008.

Westmoreland's Mitigation Plans, its Certifications of Mitigation Plan Completion, and the Statements of SERC Reliability Corporation Compliance Staff Regarding Completion of Mitigation Plan are attached hereto as Appendix A.

30. The parties agree that the actions taken referenced in paragraph 29 have been completed as of July 3, 2008.
31. In addition to the mitigating actions and remedies set forth above, Westmoreland will pay a monetary penalty of \$10,000 to SERC--\$1,000 for the violation of CIP-001-1, Requirement 1 and \$9,000 for the violation of PRC-005-1, Requirement 1. Such payment shall be made via electronic funds transfer to a SERC account that will be outlined in an invoice sent to Westmoreland within 20 days after this Agreement is either approved by the Commission or rendered effective by operation of law. Payment shall be remitted to SERC within 20 days of the date of the invoice and SERC will notify NERC if the payment is not received.
32. SERC Staff concluded that Westmoreland's insufficiently documented sabotage reporting procedure and undocumented maintenance of the Protection Systems for its generating facilities represented a low actual and foreseen risk to bulk-power system reliability, since SERC Staff determined that Westmoreland was, in fact, maintaining and testing its Protection Systems. Given the small size of Westmoreland's facility, Westmoreland's self-report of deficiencies in its documentation prior to the audit, and the documentation nature of the violations of the two standards, and in consideration of Westmoreland's cooperation, commitment to compliance, and agreement to expeditiously reconcile this issue via settlement, SERC Staff determined that applying the penalty as a one-day, single, aggregate penalty in the amount of \$10,000 bears a reasonable relation to the seriousness and duration of the violations and takes into consideration Westmoreland's voluntary efforts to remedy the violations in a timely manner.
33. Failure to make a timely penalty payment or to comply with any of the terms and conditions agreed to herein, or any other conditions of this Agreement, shall be deemed to be either the same alleged violations that initiated this Agreement and/or additional violations and may subject Westmoreland to new or additional enforcement, penalty or sanction actions in accordance with the NERC Rules of Procedure.
34. If Westmoreland does not make the monetary penalty payment above at the times agreed by the parties, interest payable to SERC will begin to accrue pursuant to the Commission's regulations at 18 C.F.R. § 35.19(a)(2)(iii) from the date that payment is due, in addition to the penalty specified above.

V. ADDITIONAL TERMS

35. The signatories to this Agreement agree that they enter into the Agreement voluntarily and that, other than the recitations set forth herein, no tender, offer or promise of any kind by any member, employee, officer, director, agent or representative of SERC or Westmoreland has been made to induce the signatories or any other party to enter into this Agreement.

36. SERC shall report the terms of all settlements of compliance matters to NERC. NERC will review the settlement for the purpose of evaluating its consistency with other settlements entered into for similar violations or under other, similar circumstances. Based on this review, NERC will either approve the settlement or reject the settlement and notify SERC and Westmoreland of changes to the settlement that would result in approval. If NERC rejects the settlement, NERC will provide specific written reasons for such rejection and SERC will attempt to negotiate a revised settlement agreement with Westmoreland including any changes to the settlement specified by NERC. If a settlement cannot be reached, the enforcement process shall continue to conclusion. If NERC approves the settlement, NERC will (i) report the approved settlement to the Commission for the Commission's review and approval by order or operation of law and (ii) publicly post the alleged violation and the terms provided for in the settlement.
37. The Agreement will be submitted to the Commission and will be subject to Commission review pursuant to section 39.7 of the Commission's regulations.
38. This Agreement shall become effective upon NERC and the Commission's approval by order or operation of applicable law as submitted to it or as modified in a manner acceptable to the parties.
39. Westmoreland agrees that this Agreement, when approved by NERC and the Commission, shall represent a final settlement of all matters set forth herein and Westmoreland waives its right to further hearings and appeal, unless and only to the extent that Westmoreland contends that any NERC or Commission action on this Agreement contains one or more material modifications to this Agreement. SERC reserves all rights to initiate enforcement, penalty or sanction actions against Westmoreland in accordance with the NERC Rules of Procedure in the event that Westmoreland fails to comply with the mitigation plan and compliance program agreed to in this Agreement. In the event Westmoreland fails to comply with any of the stipulations, remedies, sanctions or additional terms, as set forth in this Agreement, SERC will initiate enforcement, penalty, or sanction actions against Westmoreland to the maximum extent allowed by the NERC Rules of Procedure, up to the maximum statutorily allowed penalty. Westmoreland shall retain all rights to defend against such enforcement actions, also according to the NERC Rules of Procedure.
40. Each of the undersigned warrants that he or she is an authorized representative of the entity designated, is authorized to bind such entity and accepts this Agreement on the entity's behalf.
41. The undersigned representative of each party affirms that he or she has read this Agreement, that all of the matters set forth in this Agreement are true and correct to the best of his or her knowledge, information and belief, and that he or she understands that this Agreement is entered into by such party in express reliance on those representations, provided, however, that such affirmation by each party's

representative shall not apply to the other party's statements of position set forth in Section III of this Agreement.

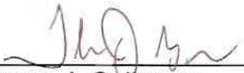
42. This Agreement may be signed in counterparts.

43. This Agreement is executed in duplicate, each of which so executed shall be deemed to be an original.

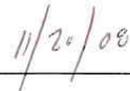
***Remainder of page intentionally blank.
Signatures to be affixed to the following page.***

Agreed to and accepted:

SERC RELIABILITY CORPORATION



Thomas J. Galloway
Vice President and Director of Compliance

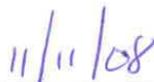


Date

WESTMORELAND PARTNERS



[NAME] DIANE S. JONES
[TITLE] Secretary



Date

**APPENDIX A
TO
SETTLEMENT AGREEMENT
OF
SERC RELIABILITY CORPORATION
AND
WESTMORELAND PARTNERS**

For CIP-001-1, Requirement 1:

- (1) Westmoreland's Mitigation Plan
- (2) Westmoreland's Certification of Mitigation Plan Completion
- (3) Statement of SERC Reliability Corporation Compliance Staff Regarding Completion of Westmoreland's Mitigation Plan

For PRC-005-1, Requirement 1:

- (4) Westmoreland's Mitigation Plan
- (5) Westmoreland's Certification of Mitigation Plan Completion
- (6) Statement of SERC Reliability Corporation Compliance Staff Regarding Completion of Westmoreland's Mitigation Plan

APPENDIX A-1



Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: June 30, 2008

If this Mitigation Plan has already been completed:

- Check this box and
- Provide the Date of Completion of the Mitigation Plan: April 9, 2008

Section A: Compliance Notices

- Section 6.2 of the CMEP¹ 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. Additional violations could be determined for not completing work associated with accepted milestones.
 - (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.

¹ "Uniform Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation;" a copy of the current version approved by the Federal Energy Regulatory Commission is posted on NERC's website

APPENDIX A-1



- This submittal form shall be used to provide a required Mitigation Plan for review and approval by SERC and NERC.
- The Mitigation Plan shall be submitted to SERC and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
- This Mitigation Plan form may be used to address one or more related violations of one Reliability Standard. A separate mitigation plan is required to address violations with respect to each additional Reliability Standard, as applicable.
- If the Mitigation Plan is approved by SERC and NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission in accordance with applicable Commission rules, regulations and orders.
- SERC or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.

Section B: Registered Entity Information

B 1 Identify your organization:

Company Name: Westmoreland Partners
Company Address: P.O. Box 351 Weldon, NC 27890
NERC Compliance Registry ID *[if known]*:

B 2 Identify the individual in your organization who will serve as the Contact to SERC regarding this Mitigation Plan. This person shall be technically knowledgeable regarding this Mitigation Plan and authorized to respond to SERC regarding this Mitigation Plan.

Name: Rob Harrison
Title: Plant Engineer
Email: robert.harrison@pwrops.com
Phone: 252-536-3200 ext 233

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

This Mitigation Plan is associated with the following violation(s) of the reliability standard listed below:

C.1 Standard: CIP-001
[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]	SERC Violation ID # [if known]	Requirement Violated (e.g. R3.2)	Violation Date ^(*)
SERCYYYYnnnnn	08-014	R.1	6/18 -11/9/07
	08-014	R.4	3/25/2008

(*) Note: The Violation Date shall be: (i) the date that the violation occurred; (ii) the date that the violation was self-reported; or (iii) the date that the violation has been deemed to have occurred on by SERC. Questions regarding the date to use should be directed to SERC.

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

R.1 - the facility's emergency response plan did not meet the standard during the time period specified in that it did not contain adequate information concerning recognition of a potential sabotage event.

R.4 - the facility's emergency response plan contained contact information for the nearest FBI field office, but the facility had not contacted the FBI directly for reporting procedures in the event of an incident.

[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 violations associated with this Mitigation Plan:

APPENDIX A-1



R.1 - discovered in the course of the facility's reliability audit - April 14-16, 2008

R.4 - self reported to SERC on 3/25/2008

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

APPENDIX A-1



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:

Requirement R.1 was corrected as of November 9, 2007 by the adoption of a new emergency action plan at the facility.

Requirement R.4 was corrected as of May 1, 2008 with the revision of the emergency action plan following contact with the FBI's Charlotte and Raleigh, NC offices.

[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 violations associated with this Mitigation Plan are corrected:

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

Milestone Activity	Proposed Completion Date* (shall not be more than 3 months apart)

(*) Note: 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. Additional violations could be determined for not completing work associated with accepted milestones.

APPENDIX A-1



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

APPENDIX A-1



Additional Relevant Information (Optional)

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

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

Section E: Interim and Future Reliability Risk

Check this box and proceed and respond to Part E.2 and E.3, 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, or may be, known or anticipated: (i) identify any such risks or impacts; and (ii) discuss any actions that your organization is planning to take or is proposing as part of the Mitigation Plan to mitigate any increased risk to the reliability of the bulk power system while the Mitigation Plan is being implemented:

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

Prevention of Future BPS Reliability Risk

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

The revision of the procedure as part of the mitigation effort restored the facility to compliance with the CIP-001 standard.

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

APPENDIX A-1



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:

A review of other facility procedures is being conducted with consideration to reliability standards to ensure that no similar issues exist at the facility.
[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Continued on Next Page

APPENDIX A-1

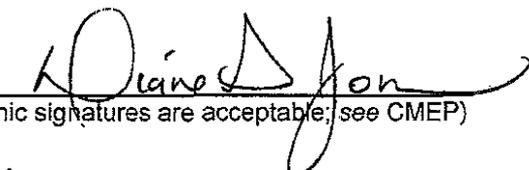


Section F: Authorization

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 SERC for acceptance by SERC and approval by NERC, and
- b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- c) Acknowledges:
 1. I am Vice President, Corporate Relations of Westmoreland Coal Company.
 2. I am qualified to sign this Mitigation Plan on behalf of Westmoreland Partners.
 3. I have read and understand Westmoreland Partners obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure, including Appendix 4(C) (Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation" (NERC CMEP)).
 4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
 5. Westmoreland Partners agrees to be bound by, and comply with, the Mitigation Plan, including the timetable completion date, as approved by SERC and approved by NERC.

Authorized Individual Signature


(Electronic signatures are acceptable; see CMEP)

Name (Print): Diane Jones
Title: Vice-President, Corporate Relations
Date: June 30, 2008

APPENDIX A-1



Section G: Comments and Additional Information

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

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

Submittal Instructions:

Please convert the completed and signed document to an Adobe .pdf document using the following naming convention:

[(MP Entity Name (STD-XXX) MM-DD-YY.pdf)]

Email the pdf file to serccomply@serc1.org.

Please direct any questions regarding completion of this form to:

Ken Keels
Manager, Compliance Enforcement
SERC Reliability Corporation
704-357-7372
kkeels@serc1.org

APPENDIX A-2

WESTMORELAND COAL COMPANY

14th Floor, 2 North Cascade Avenue, Colorado Springs, CO 80903
Phone: (719) 442-2600 • Fax: (719) 448-5824 or 5825

Certification of a Completed Mitigation Plan

SERC Reliability Corporation Violation Mitigation Plan Closure Form

Name of Registered Entity submitting certification: Westmoreland Partners

Date of Certification: 6/30/2008

Name of Standard and the Requirement(s) of mitigated violation(s): CIP-001, R1 & R4

SERC Tracking Number (contact SERC if not known): 08-014

NERC Violation ID Number (if assigned):

Date of completion of the Mitigation Plan: April 9, 2008

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

A new procedure was put into effect as of November 9, 2007 which met the requirements of R1. To meet the requirements of R4, the FBI offices in Charlotte and in Raleigh, NC were contacted for reporting instructions in the event of a sabotage incident. The plant's emergency action plan was modified to reflect the information obtained from the FBI.

Description of the information provided to SERC for their evaluation:

A copy of the revised emergency action plan, a copy of the plant engineer's notes from the phone conversations with the FBI, and a copy of the plant's phone bill are being submitted as evidence that the requirements of the standard and the elements of the mitigation plan have been met.

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 information is complete and correct to the best of my knowledge.

Name: Diane Jones

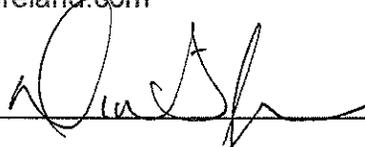
Title: Secretary

Entity: Westmoreland Partners

Email: diane.jones@westmoreland.com

Phone: 719-448-5814

Designated Signature



Date

7/2/08



APPENDIX A-3

Statement of SERC Reliability Corporation Compliance Staff Regarding Completion of Mitigation Plan

Registered Entity: Westmoreland Partners
SERC Tracking ID: 08-024
NERC Violation No: SERC200800109
NERC Mitigation Plan ID: MIT-07-0629
Standard: CIP-001-1
Requirement(s): R1

Violation Summary:

Westmoreland Partners' sabotage reporting procedure did not include a method of identification of sabotage for the period of June 18, 2007 to November 9, 2007.

Mitigation Plan Summary:

Westmoreland Partners' Mitigation Plan to address the referenced violation was submitted on June 30, 2008 and was accepted by SERC on August 1, 2008 and approved by NERC on August 28, 2008. The Mitigation Plan is identified as MIT-07-0629 and was submitted as non-public information to FERC on August 28, 2008 in accordance with FERC orders.

Westmoreland Partners self-identified the shortcoming in their procedure and self-corrected the omission. Westmoreland Partners' Sabotage Reporting Procedure was edited to include a method of identification of sabotage. As of November 9, 2007, the date of the inclusion of this methodology, Westmoreland Partners is no longer in violation.

SERC's Monitoring of Registered Entity's Mitigation Plan Progress:

SERC Reliability Corporation Compliance Staff ("SERC Staff") monitors the Registered Entity's progress towards completion of its Mitigation Plans in accordance with Section 6.0 of the uniform Compliance Monitoring and Enforcement Program, ("CMEP"). Pursuant to the CMEP, Registered Entities are required to establish implementation milestones no more than three (3) months apart. SERC Staff solicits quarterly reports from all Registered Entities with open mitigation plans to monitor the progress on completion of milestones. SERC Staff also produces and reviews daily Mitigation Plan status reports highlighting Mitigation Plans that are nearing the scheduled completion date. If the Registered Entity fails to complete its Mitigation Plan according to schedule, appropriate additional enforcement action is initiated to assure compliance is attained.

In this case, Westmoreland Partners submitted the Mitigation Plan as complete and no additional monitoring of progress was necessary.



APPENDIX A-3

Mitigation Plan Completion Review Process:

Westmoreland Partners certified on June 30, 2008 that the subject Mitigation Plan was completed on April 9, 2008¹. A SERC compliance staff member reviewed the evidence submitted in a manner similar to a compliance audit. That action was followed by another compliance staff member's peer review of the initial conclusion.

Evidence Reviewed:

Westmoreland Partners submitted and SERC Staff reviewed the following evidence in support of its certification that its Mitigation Plan was completed in accordance with its terms:

Westmoreland Power Partners Safety Manual Procedure 2 (SMP-02), Emergency Response Plan; Rev 0 dated November 9, 2007

(Section 4 - Standard Procedure for Acts of Sabotage, and Appendices C, D and E address Westmoreland Partners' method for identification of sabotage and provide sufficient evidence of compliance with Requirement 1 of CIP-001-1.)

Westmoreland Power Partners Safety Manual Procedure 2 (SMP-02), Emergency Response Plan; Rev 1 dated April 9, 2008

(This revision of Westmoreland Partners' Emergency Response Plan meets Requirement 1 of CIP-001-1 which reads: "Each Reliability Coordinator, Balancing Authority, Transmission Operator, Generator Operator, and Load Serving Entity shall have procedures for the recognition of and for making their operating personnel aware of sabotage events on its facilities and multi-site sabotage affecting larger portions of the Interconnection". Pages 21-24 and Appendix A, B, C, D and H of this procedure, are sufficient evidence of compliance.)

Conclusion:

On July 3, 2008 SERC Reliability Corporation Compliance Staff ("SERC Staff") completed its review of the evidence submitted by Westmoreland Partners in support of its Certification of Completion of the subject Mitigation Plan. Based on its review of the evidence submitted, SERC Staff verifies that, in its professional judgment, all required actions in the Mitigation Plan have been completed and Westmoreland Partners is in compliance with the subject Reliability Standard Requirements.

This Statement, along with the subject Mitigation Plan, may become part of a public record upon final disposition of the possible violation.

Respectfully Submitted,

John Wolfmeyer
Mike Vastano

¹ The section of the Mitigation Plan pertaining to CIP-001-1, Requirement 1 was completed on November 9, 2007 with the revision of Westmoreland Partner's sabotage reporting procedure to include a method for identification of sabotage. The Mitigation Plan also included actions to establish contact with the local FBI as required under Requirement 4. Completion of the establishment of contact with the local FBI occurred on April 9, 2008. SERC Staff determined that Westmoreland's emergency action plans in effect since June 18, 2007 had evidence of a working FBI number and, based on the revised guidance on CIP-001-1, Requirement 4 issued by NERC on June 3, 2008, the possible violation of CIP-001-1, Requirement 4 was dismissed by SERC Staff, as reflected in the Settlement Agreement.

APPENDIX A-4



Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: July 2, 2008

If this Mitigation Plan has already been completed:

- Check this box and
- Provide the Date of Completion of the Mitigation Plan: June 26, 2008

Section A: Compliance Notices

- Section 6.2 of the CMEP¹ 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. Additional violations could be determined for not completing work associated with accepted milestones.
 - (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.

¹ "Uniform Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation;" a copy of the current version approved by the Federal Energy Regulatory Commission is posted on NERC's website.

APPENDIX A-4



- This submittal form shall be used to provide a required Mitigation Plan for review and approval by SERC and NERC.
- The Mitigation Plan shall be submitted to SERC and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
- This Mitigation Plan form may be used to address one or more related violations of one Reliability Standard. A separate mitigation plan is required to address violations with respect to each additional Reliability Standard, as applicable.
- If the Mitigation Plan is approved by SERC and NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission in accordance with applicable Commission rules, regulations and orders.
- SERC or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.

Section B: Registered Entity Information

B.1 Identify your organization:

Company Name: Westmoreland Partners
Company Address: P.O. Box 351 Weldon, NC 27890
NERC Compliance Registry ID *[if known]*:

B.2 Identify the individual in your organization who will serve as the Contact to SERC regarding this Mitigation Plan. This person shall be technically knowledgeable regarding this Mitigation Plan and authorized to respond to SERC regarding this Mitigation Plan.

Name: Rob Harrison
Title: Plant Engineer
Email: robert.harrison@pwrops.com
Phone: 252-536-3200 ext 233

APPENDIX A-4



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

This Mitigation Plan is associated with the following violation(s) of the reliability standard listed below:

C.1 Standard: PRC-005
[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]	SERC Violation ID # [if known]	Requirement Violated (e.g. R3.2)	Violation Date ^(*)
SERCYYYYnnnnn	08-015	R1	4/14/2008

(*) Note: The Violation Date shall be: (i) the date that the violation occurred; (ii) the date that the violation was self-reported; or (iii) the date that the violation has been deemed to have occurred on by SERC. Questions regarding the date to use should be directed to SERC.

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

The facility's Generation Protection System Maintenance documentation did not fully meet the requirements of the standard as laid out in Requirement 1. This is only an issue with the program documentation, as all maintenance is being performed as required.

[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 violations associated with this Mitigation Plan:

The non-compliance issue was partially self-reported on March 25, 2008. However, additional deficiencies were identified as part of the facility's compliance audit April 14-16, 2008.

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

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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:

The facility's program documentation has been revised to fully meet the requirements of the standard.

[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 violations associated with this Mitigation Plan are corrected:

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

Milestone Activity	Proposed Completion Date* (shall not be more than 3 months apart)

(* Note: 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. Additional violations could be determined for not completing work associated with accepted milestones.

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

APPENDIX A-4



Additional Relevant Information (Optional)

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

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

Section E: Interim and Future Reliability Risk

Check this box and proceed and respond to Part E.2 and E.3, 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, or may be, known or anticipated: (i) identify any such risks or impacts; and (ii) discuss any actions that your organization is planning to take or is proposing as part of the Mitigation Plan to mitigate any increased risk to the reliability of the bulk power system while the Mitigation Plan is being implemented:

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

Prevention of Future BPS Reliability Risk

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

The revision and maintenance of the program documentation will prevent a recurrence of this violation.

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

APPENDIX A-4



- 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:

Other procedures and programs throughout the facility are being evaluated to ensure the facility is in compliance with all reliability standards in the future. [Provide your response here; additional detailed information may be provided as an attachment as necessary]

Continued on Next Page

APPENDIX A-4

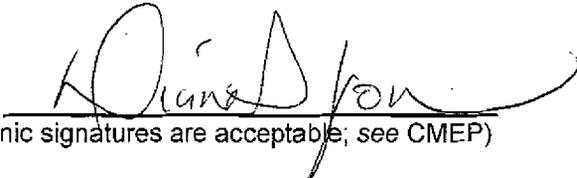


Section F: Authorization

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 SERC for acceptance by SERC and approval by NERC, and
- b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- c) Acknowledges:
 1. I am Vice President, Corporate Relations and Secretary of Westmoreland Coal Company.
 2. I am qualified to sign this Mitigation Plan on behalf of Westmoreland Partners.
 3. I have read and understand Westmoreland Partners obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure, including Appendix 4(C) (Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation" (NERC CMEP)).
 4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
 5. Westmoreland Partners agrees to be bound by, and comply with, the Mitigation Plan, including the timetable completion date, as approved by SERC and approved by NERC.

Authorized Individual Signature


(Electronic signatures are acceptable; see CMEP)

Name (Print): Diane Jones

Title: Vice President, Corporate Relations, and Secretary

Date: July 2, 2008



Section G: Comments and Additional Information

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

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

Submittal Instructions:

Please convert the completed and signed document to an Adobe .pdf document using the following naming convention:

[(MP Entity Name (STD-XXX) MM-DD-YY).pdf]

Email the pdf file to serccomply@serc1.org.

Please direct any questions regarding completion of this form to:

Ken Keels
Manager, Compliance Enforcement
SERC Reliability Corporation
704-357-7372
kkeels@serc1.org

APPENDIX A-5

WESTMORELAND COAL COMPANY

14th Floor, 2 North Cascade Avenue, Colorado Springs, CO 80903
Phone: (719) 442-2600 • Fax: (719) 448-5824 or 5825

Certification of a Completed Mitigation Plan

SERC Reliability Corporation Violation Mitigation Plan Closure Form

Name of Registered Entity submitting certification: Westmoreland Partners

Date of Certification: 7/2/2008

Name of Standard and the Requirement(s) of mitigated violation(s): PRC-005 R1

SERC Tracking Number (contact SERC if not known): 08-015

NERC Violation ID Number (if assigned):

Date of completion of the Mitigation Plan: 6/12/2008

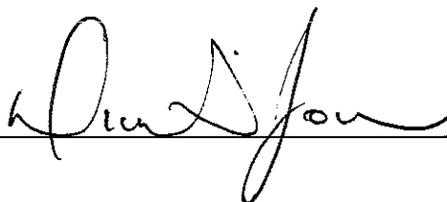
Summary of all actions described in Part D of the relevant mitigation plan: Updated the facility's generation protection system maintenance program document to fully meet the requirements of the standard.

Description of the information provided to SERC for their evaluation: A copy of the new program document is provided as evidence of compliance.

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 information is complete and correct to the best of my knowledge.

Name: Diane Jones
Title: Secretary
Entity: Westmoreland Partners
Email: diane.jones@westmoreland.com
Phone: 719-448-5814

Designated Signature



Date 7/2/08





APPENDIX A-6

Statement of SERC Reliability Corporation Compliance Staff Regarding Completion of Mitigation Plan

Registered Entity: Westmoreland Partners
SERC Tracking ID: 08-023
NERC Violation No: SERC200800108
NERC Mitigation Plan ID: MIT-07-0629
Standard: PRC-005-1
Requirement(s): R1

Violation Summary:

Westmoreland was unable to provide evidence that its maintenance and testing program included descriptions of their procedures for all components of the Protection System, and also determined that maintenance intervals and their bases were absent for all Protection System components except for relays and batteries.

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

Westmoreland was able to present evidence that appropriate maintenance and testing was taking place. The SERC audit team reviewed Westmoreland's maintenance and testing records and concluded that the violation of PRC-005-1 was related to Westmoreland's documentation of its maintenance and testing

Mitigation Plan Summary:

Westmoreland Partners' Mitigation Plan to address the referenced violation was submitted on July 2, 2008 and was accepted by SERC July 17, 2008 and approved by NERC on August 8, 2008. The Mitigation Plan is identified as MIT-07-0626 and was submitted as non-public information to FERC on August 28, 2008 in accordance with FERC orders.

Westmoreland Partners' maintenance and testing program documentation was edited to include all required aspects of PRC-005-1 R1 and the glossary definition of Protection System.

SERC's Monitoring of Registered Entity's Mitigation Plan Progress:

SERC Reliability Corporation Compliance Staff ("SERC Staff") monitors the Registered Entity's progress towards completion of its Mitigation Plans in accordance with Section 6.0 of the uniform Compliance Monitoring and Enforcement Program, ("CMEP"). Pursuant to the CMEP, Registered Entities are required to establish implementation milestones no more than three (3) months apart. SERC Staff solicits quarterly reports from all Registered Entities with open mitigation plans to monitor the progress on completion of milestones. SERC Staff also produces and reviews daily Mitigation Plan status reports highlighting Mitigation Plans that are nearing the scheduled completion date. If the Registered Entity fails to complete its Mitigation Plan according to schedule, appropriate additional enforcement action is initiated to assure compliance is attained.



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In this case, Westmoreland Partners submitted the Mitigation Plan as complete and no additional monitoring of progress was necessary.

Mitigation Plan Completion Review Process:

Westmoreland Partners certified on July 2, 2008 that the subject Mitigation Plan was completed on June 26, 2008. A SERC compliance staff member reviewed the evidence submitted in a manner similar to a compliance audit. That action was followed by another compliance staff member's peer review of the initial conclusion.

Evidence Reviewed:

Westmoreland Partners submitted and SERC Staff reviewed the following evidence in support of its certification that its Mitigation Plan was completed in accordance with its terms:

Westmoreland Power Partners' document RCP-SERC-PRC-005 6-08:

(This document is the revised protection system maintenance and testing documentation which was reviewed to ensure it included all of the elements required by the standard. It was noted that the document did not address "associated communication systems." Westmoreland Partners personnel explained, and audit staff confirmed, that Westmoreland Partners' protection system does not include those components. Therefore, the document has been reviewed to be complete and satisfactory for purposes of Westmoreland Partners.)

Conclusion:

On July 3, 2008, SERC Reliability Corporation Compliance Staff ("SERC Staff") completed its review of the evidence submitted by Westmoreland Partners in support of its Certification of Completion of the subject Mitigation Plan. Based on its review of the evidence submitted, SERC Staff verifies that, in its professional judgment, all required actions in the Mitigation Plan have been completed and Westmoreland Partners is in compliance with the subject Reliability Standard Requirement.

This Statement, along with the subject Mitigation Plan, may become part of a public record upon final disposition of the possible violation.

Respectfully Submitted,

John Wolfmeyer
Sam Stryker

Attachment d

Notice of Filing

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Westmoreland Partners

Docket No. NP10-____-000

NOTICE OF FILING
November 13, 2009

Take notice that on November 13, 2009, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding Westmoreland Partners in the SERC Reliability Corporation 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