



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

March 1, 2010

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

**Re: NERC Notice of Penalty regarding Inland Power and Light Company
FERC Docket No. NP10-_-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Notice of Penalty¹ regarding Inland Power and Light Company (INPL),² NERC Registry ID NCR05198,³ 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)).⁴

On May 19, 2009, INPL self-reported to Western Electricity Coordinating Council (WECC) a violation of PRC-005-1 R2.1 for its failure to test a 125 V DC battery bank at the Trentwood Substation within a one year interval as required by INPL's maintenance and testing program. This Notice of Penalty is being filed with the Commission because, based on information from WECC, INPL does not dispute the violation of PRC-005-1 R2.1 and the proposed eight thousand dollar (\$8,000) penalty to be assessed to INPL. Accordingly, the violation identified as NERC Violation Tracking Identification Number WECC200901412 is a Confirmed Violation, as that term is defined in the NERC Rules of Procedure and the CMEP.

Statement of Findings Underlying the Violation

This Notice of Penalty incorporates the findings and justifications set forth in the Notice of Confirmed Violation and Proposed Penalty or Sanction (NOCV) issued on August 13, 2009, by

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 (2009). *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).

² On October 14, 2009, NERC submitted an Omnibus filing which addressed violations for certain registered entities including INPL. On November 13, 2009, FERC issued an order stating it would not engage in further review of the violations addressed in the Omnibus Notice of Penalty.

³ Western Electricity Coordinating Council (WECC) confirmed that INPL was included on the NERC Compliance Registry as a Distribution Provider and Load Serving Entity on June 17, 2007. As a Distribution Provider that owns a transmission Protection System, INPL is subject to the requirements of Reliability Standard PRC-005-1.

⁴ *See* 18 C.F.R. § 39.7(c)(2).

WECC. The details of the findings and basis for the penalty are set forth herein. This Notice of Penalty filing contains the basis for approval of this Notice of Penalty by the NERC Board of Trustees Compliance Committee (BOTCC). In accordance with Section 39.7 of the Commission's Regulations, 18 C.F.R. § 39.7 (2007), NERC provides the following summary table identifying the Reliability Standard at issue in this Notice of Penalty.

Region	Registered Entity	NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Total Penalty (\$)
WECC	Inland Power and Light Company	NOC-257	WECC200901412	PRC-005-1	2.1	High ⁵	8,000

The purpose of Reliability Standard PRC-005-1 is to ensure all transmission and generation Protection Systems⁶ affecting the reliability of the bulk power system (BPS) are maintained and tested.

PRC-005-1 R2 requires each Distribution Provider that owns a transmission Protection system, such as INPL, to provide documentation of its Protection System maintenance and testing program and the implementation of that program to its Regional Entity on request (within 30 calendar days). Specifically, the documentation of the program implementation shall include: (R2.1) evidence Protection System devices were maintained and tested within the defined intervals and (R2.2) date(s) each Protection System device was last tested/maintained. PRC-005-1 R2.1 has a "High" Violation Risk Factor (VRF).

On May 14, 2009, INPL discovered a possible violation of PRC-005-1 R2.1 for missing the date for testing one battery bank in its system. INPL had been revising its testing procedures to reflect the information in the new Reliability Standards Audit Worksheets and to update its preferred battery testing methodology. It was during this revision process and in the midst of shifting its battery diagnostic practice from a load test, which can diminish battery life, to a more accurate and less intrusive impedance test, that the possible non-compliance was found.

On May 19, 2009, INPL self-reported that it did not test a 125 V DC battery bank at the Trentwood Substation within 12 calendar months as required by Version 1.2 of INPL's testing procedure. The 12 month period for this battery bank elapsed in April 2009. WECC subject matter experts (SMEs) reviewed INPL's Self-Report, and the Mitigation Plan submitted by INPL with its Self-Report, and determined that INPL had a possible violation of PRC-005-1 R2.1.

⁵ PRC-005-1 R2 has a "Lower" Violation Risk Factor (VRF); R2.1 has a "High" VRF. During a final review of the standards subsequent to the March 23, 2007 filing of the Version 1 VRFs, NERC identified that some standards requirements were missing VRFs; one of these include PRC-005-1 R2.1. On May 4, 2007, NERC assigned PRC-005 R2.1 a "High" VRF. In the Commission's June 26, 2007 Order on Violation Risk Factors, the Commission approved the PRC-005-1 R2.1 "High" VRF as filed. Therefore, the "High" VRF was in effect from June 26, 2007.

⁶ *The NERC Glossary of Terms Used in Reliability Standards*, updated April 20, 2009, defines Protection System as "Protective relays, associated communication systems, voltage and current sensing devices, station batteries and DC control circuitry."

WECC Enforcement (Enforcement) reviewed the Self-Report, INPL's Mitigation Plan and the SMEs' findings, and confirmed that a violation occurred because INPL had tested a battery bank one month after its stated maintenance and testing program interval. WECC also determined that INPL's non-compliance posed a minimal risk to the BPS because INPL tested the battery bank one month later. In addition, the battery bank continued to show good voltage and proper float voltage on charges during each monthly inspection, all relays had good DC power and all were operating properly.

Enforcement determined that the violation period for PRC-005-1 R2.1 was from April 1, 2009, when the 12 month maintenance interval for the specified battery lapsed, until May 14, 2009, when the Mitigation Plan was completed.

WECC's Determination of Penalty

WECC assessed a penalty of eight thousand dollars (\$8,000) for the referenced violation. In reaching this determination, WECC considered the following mitigating factors:

1. INPL self-reported the violation;
2. the violation was INPL's first violation of PRC-005-1 R2.1;
3. INPL was cooperative throughout the compliance process;
4. there was no evidence of any attempt by INPL to conceal the violation; and
5. there was no evidence that INPL's violation was intentional.

Therefore, WECC determined that, in this instance, the penalty amount of eight thousand dollars (\$8,000) is appropriate and bears a reasonable relation to the seriousness and duration of the PRC-005-1 R2.1 violation.

Status of Mitigation Plan⁷

INPL's Mitigation Plan to address PRC-005-1 R2.1 was submitted to WECC on May 19, 2009, was accepted by WECC on May 19, 2009 and was approved by NERC on August 14, 2009. The Mitigation Plan is designated as MIT-09-1874 and was submitted as non-public information to FERC on August 17, 2009, in accordance with FERC orders.

On May 19, 2009, INPL, in its submission of its Mitigation Plan, certified that the Mitigation Plan had been completed on May 14, 2009. The Mitigation Plan required INPL to perform an impedance test of the battery system at the Trentwood Substation, specifically the 125 V DC battery bank, to verify that each cell in the battery bank was functioning properly. To prevent future violations of this Standard, all other battery systems were scheduled for testing over the next 12 months, in advance of timelines laid out in INPL's internal procedures. This action will verify that all battery systems are fully functional and to put them on similar testing timeframes in order to create efficiencies in future testing.

⁷ See 18 C.F.R § 39.7(d)(7).

As evidence of its completion of the Mitigation Plan, INPL submitted to WECC its Trentwood Maintenance Test results dated May 14, 2009.

On June 2, 2009, after its review of INPL's submitted evidence, WECC verified that INPL had completed its Mitigation Plan and was therefore compliant with PRC-005-1 R2.1.

Statement Describing the Proposed Penalty, Sanction or Enforcement Action Imposed⁸

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,⁹ the NERC BOTCC reviewed the NOCV and supporting documentation on January 15, 2010. The NERC BOTCC approved the assessment of an eight thousand dollar (\$8,000) penalty against INPL based upon WECC's findings and determinations, the NERC BOTCC's review of the applicable requirements of the Commission-approved Reliability Standards and the underlying facts and circumstances of the violation at issue.

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

1. The violation was self-reported;
2. INPL's prior violation history regarding Reliability Standard PRC-005-1 R1 which was included in the October 2009 Omnibus filing. The prior violation was of R1 and was a failure to include DC Circuitry and Current Sensing Devices in its program and the instant violation is the first violation of R2.1 by INPL and was a failure to test a battery bank. INPL's inclusion of DC Circuitry and Current Sensing Devices in its program to mitigate R1, was not aimed at, nor does not have anything to do with, its failure to implement its program as to batteries under R2.;
3. WECC reported that INPL was cooperative throughout the compliance process;
4. There was no evidence of any attempt by INPL to conceal the violation;
5. There was no evidence that INPL's violation was intentional; and
6. The violation was deemed not to be a violation that put bulk power system reliability at serious or substantial risk, as discussed above.

For the foregoing reasons, the NERC BOTCC believes that the proposed eight thousand dollar (\$8,000) penalty amount is appropriate for the violation and circumstances in question, and is consistent with NERC's goal to promote and ensure reliability of the bulk power system.

Pursuant to Order No. 693, the penalty will be effective upon expiration of the thirty (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.

⁸ See 18 C.F.R. § 39.7(d)(4).

⁹ *North American Electric Reliability Corporation*, "Guidance Order on Reliability Notices of Penalty," 124 FERC ¶ 61,015 (2008).

Attachments Included as Part of the Notice of Penalty

The attachments included as part of this Notice of Penalty are the following documents and material:

- a) INPL's Self-Report dated May 19, 2009, included as Attachment a;
- b) INPL's Response to the Notice of Alleged Violation and Proposed Penalty or Sanction dated June 24, 2009, included as Attachment b;
- c) INPL's Mitigation Plan submitted May 19, 2009 and Certification of Completion therein, included as Attachment c; and
- d) WECC's Verification of Completion of the Mitigation Plan dated June 2, 2009 included as Attachment d.

A Form of Notice Suitable for Publication¹⁰

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

¹⁰ See 18 C.F.R. § 39.7(d)(6).

Notices and Communications

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

<p>Gerald W. Cauley* President and Chief Executive Officer David N. Cook* Vice President and General Counsel North American Electric Reliability Corporation 116-390 Village Boulevard Princeton, N.J. 08540-5721 (609) 452-8060 (609) 452-9550 – facsimile gerry.cauley@nerc.net david.cook@nerc.net</p> <p>Christopher Luras* Manager of Compliance Enforcement Western Electricity Coordinating Council 615 Arapeen Drive, Suite 210 Salt Lake City, UT 84108-1262 (801) 883-6887 (801) 883-6894 – facsimile CLuras@wecc.biz</p> <p>Richard A. Damiano* Chief Engineer Inland Power and Light Company P.O. Box A Spokane, WA 99219 (509) 747-4297 (509) 626-4229 – facsimile richd@inlandpower.com</p> <p>*Persons to be included on the Commission's service list are indicated with an asterisk. NERC requests waiver of the Commission's rules and regulations to permit the inclusion of more than two people on the service list.</p>	<p>Rebecca J. Michael* Assistant General Counsel Holly A. Hawkins* Attorney North American Electric Reliability Corporation 1120 G Street, N.W. Suite 990 Washington, D.C. 20005-3801 (202) 393-3998 (202) 393-3955 – facsimile rebecca.michael@nerc.net holly.hawkins@nerc.net</p> <p>Louise McCarren* Chief Executive Officer Western Electricity Coordinating Council 615 Arapeen Drive, Suite 210 Salt Lake City, UT 84108-1262 (801) 883-6868 (801) 582-3918 – facsimile Louise@wecc.biz</p> <p>Steven Goodwill* Associate General Counsel Western Electricity Coordinating Council 615 Arapeen Drive, Suite 210 Salt Lake City, UT 84108-1262 (801) 883-6857 (801) 883-6894 – facsimile SGoodwill@wecc.biz</p> <p>Constance White* Vice President of Compliance Western Electricity Coordinating Council 615 Arapeen Drive, Suite 210 Salt Lake City, UT 84108-1262 (801) 883-6885 (801) 883-6894 – facsimile CWhite@wecc.biz</p>
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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,

/s/ Rebecca J. Michael

Rebecca J. Michael
Assistant General Counsel
Holly A. Hawkins
Attorney
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Corporation
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cc: Inland Power and Light Company
Western Electricity Coordinating Council

Attachments

Attachment a

INPL's Self-Report dated May 19, 2009



CONFIDENTIAL

Compliance Violation Self-Reporting Form

Please complete an **individual** Self-Reporting Form for each NERC Reliability Standard that indicates any level(s) of non-compliance and submit via the WECC Compliance Web Portal File Upload

Registered Entity Name: Inland Power & Light Co.

Contact Name: Richard Damiano

Contact Phone: 509-789-4297

Contact email: richd@inlandpower.com

Date noncompliance was discovered: May 11, 2009

Date noncompliance was reported: May 13, 2009 - Revised SR on May 19, 2009

Standard Title: Transmission & Generation Protection System Maintenance & Testing

Standard Number: PRC-005-1

Requirement Number(s)¹: **R2.1**

How was the noncompliance found? (e.g. Routine Readiness Evaluation, Self-evaluation, Internal Audit, etc.)

Noncompliance was discovered during an audit and revision of internal procedures for R1 and a subsequent review of records related to battery maintenance.

Describe the cause of non-compliance:

Version 1.2 of our testing procedure called for all battery banks installed more than five years prior to the adoption of Version 1.1 of the testing procedures to be load tested within 12 calendar months of the adoption of Version 1.1. This 12 month date elapsed in April of 2009. While revising the testing procedures to reflect the information in the RSAW's and to update our preferred battery testing methodology (changing from load test to an impedance test) it was discovered we had missed the date for one battery bank in our system, a 125 V DC bank at the Trentwood Substation.

Describe the reliability impact of this non-compliance:

¹ Violations are on a per requirement basis.

There is no reliability impact. The battery bank continues to show good voltage and proper float voltage on charger during each monthly inspection. All relays have good DC power and are operating properly.

Expected date of Mitigation Plan submittal: Concurrent with this self-report.

Attachment b

INPL's Response to the Notice of Alleged Violation and Proposed Penalty or Sanction dated June 24, 2009



June 24, 2009

Constance White
Vice President of Compliance
615 Arapeen Drive, Suite 210
Salt Lake City, UT 84108

E. 320 Second Avenue
P.O. Box 4429
Spokane, WA 99202
509.747.7151
Fax 509.747.7987
www.inlandpower.com

Dear Ms. White:

SUBJECT: NOAV FOR PRC-005 R2

NERC Violation Tracking Numbers: WECC200901412

WECC Violation Tracking Numbers: INPL_WECC20091582

Inland Power & Light Co. has received and reviewed the Notice of Alleged Violation dated June 5, 2009 from you concerning PRC-005-1 R2.

In reviewing the information supplied by WECC and our own records Inland Power does not contest the Alleged Violations or proposed penalty. We appreciate the findings of cooperation and a culture of compliance by WECC and the application of discretion to arrive at a penalty of \$8,000. We further understand that since the requirement has an approved and completed mitigation plan on file with WECC and no further action is required on our part.

Inland Power continues to make improvements and refinements to our compliance program and will use the information gleaned from this missed battery test and the review of this violation by WECC to enhance our compliance program.

On behalf of Inland Power I am authorized to respond to any questions concerning this violation and the resulting process to finalize and close them.

We look forward to finalizing this violation and moving forward in continued cooperation with WECC.

Sincerely,

A handwritten signature in dark ink, appearing to read "Richard A. Damiano". The signature is fluid and cursive.

Richard Damiano
Chief Engineer

Cc: Jeff Budke, Inland Power
David Hilt, NERC Vice President and Director of Compliance

Attachment c

INPL's Mitigation Plan submitted May 19, 2009 and Certification of Completion therein



Mitigation Plan Submittal Form

New ☒ or Revised ☒

Date of submittal: Original on May 14, 2009 - Revised on May 19, 2009

If this Mitigation Plan is complete:

- Check this box ☒
- Provide the Date of the Mitigation Plan Completion: May 14, 2009
- In order for the Mitigation Plan to be accepted for review the following items must be submitted along with this Mitigation Plan Submittal Form:
 - Evidence supporting full compliance
 - Sections A, B, C, D.1, E.2, E.3, and F must be completed in their entirety

Section A: Compliance Notices & Mitigation Plan Requirements

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

Section B: Registered Entity Information

- B.1 Identify your organization:

Registered Entity Name: Inland Power & Light Co.

Registered Entity Address: E. 320 Second Ave, Spokane, WA
99202

NERC Compliance Registry ID: NCR05198

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

¹ A copy of the WECC CMEP is posted on WECC's website at [http://compliance.wecc.biz/Documents/Forms/03.06%20-%20WECC%20Mitigation%20Plan%](http://compliance.wecc.biz/Documents/Forms/03.06%20-%20WECC%20Mitigation%20Plan%20Form.pdf)
Registered Entities are responsible for following all applicable WECC CMEP procedures. WECC



Name: Richard Damiano
 Title: Chief Engineer
 Email: richd@inlandpower.com
 Phone: 509-789-4297

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

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

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

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

NERC Violation ID # [if known]	WECC Violation ID # [if known]	Requirement Violated (e.g. R3)	Violation Risk Factor	Alleged or confirmed Violation Date ^(*) (MM/DD/YY)	Method of Detection (e.g. audit, self-report, investigation)
		R2.1	High	May 11, 2009	self-report

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

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

Version 1.2 of our testing procedure called for all battery banks installed more than five years prior to the adoption of Version 1.1 of the testing

strongly recommends that registered entities become familiar with the WECC CMEP and its requirements, as they may be amended from time to time.



Western Electricity Coordinating Council



procedures to be load tested within 12 calendar months of the adoption of Version 1.1. This 12 month date elapsed in April of 2009. While revising the testing procedures to reflect the information in the RSAW's and to update our preferred battery testing methodology (changing from load test to an impedance test) it was discovered we had missed the date for one battery bank in our system, a 125 V DC bank at the Trentwood Substation.

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

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

The battery system in question is less than nine years old and has exhibited good performance characteristics over the years and has always shown good voltage during the monthly inspections.

Last fall Inland Power reported a protection system misoperation due to an incorrectly performed battery load test by a contractor. This load test was the first of two being performed under Version 1.2 of our testing procedure for PRC-005. The contractor failed to correctly connect the load bank to the batteries resulting in the operation of a 115-kV circuit switcher (see previous information on this event). As a result of this misoperation and our lack of confidence in this contractor, Inland Power set about to find another option. Throughout the spring of this year we have endeavored to contact companies outside of our area to perform battery load tests. While working through the process to acquire battery testing services we were auditing each of our procedures for each standard we are subject to, in the course of time we came to PRC-004 and PRC-005 and began work on modifying these procedures this month. It was during this revision process and in the midst of shifting our battery diagnostic practice from a load test which can diminish batter life to a more accurate and less intrusive impedance test that the noncompliance was found.

The Trentwood Substation serves mostly residential load from a radial transmission tap from a BPA transmission line.

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

Section D: Details of Proposed Mitigation Plan

Mitigation Plan Contents

- D.1** Identify and describe the action plan, including specific tasks and actions that your organization is proposing to undertake, or which it undertook if



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

Inland Power performed an impedance test of the battery system at Trentwood Substation to verify that each cell in the battery bank is functioning properly.
[Provide your response here; additional detailed information may be provided as an attachment as necessary]

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

Mitigation Plan Timeline and Milestones

D.2 Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the alleged or confirmed violations associated with this Mitigation Plan corrected:

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

Milestone Activity	Proposed Completion Date* (milestones cannot be more than 3 months apart)
None.	

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

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

Additional Relevant Information (Optional)

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



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



Section E: Interim and Future Reliability Risk

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

Abatement of Interim BPS Reliability Risk

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

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

Prevention of Future BPS Reliability Risk

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

All other battery systems are scheduled for testing over the next 12 months (in advance of timelines laid out in our internal procedures) to make sure all are fully functional and to put them on similar testing timeframes for ease and efficiency of future testing.

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

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



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




Section F: Authorization

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

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

Authorized Signature:


(Electronic signatures are acceptable; see CMEP Section 3.0)

Name (Print): Richard Damiano
Title: Chief Engineer
Date: May 19, 2009



Western Electricity Coordinating Council



Section G: Comments and Additional Information

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

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

Section H: WECC Contact and Instructions for Submission

Please direct any questions regarding completion of this form to:

Mike Wells, Sr. Compliance Engineer

Email: mike@wecc.biz

Phone: (801) 883-6884

For guidance on submitting this form, please refer to the "*WECC Compliance Data Submittal Policy*". This policy can be found on the Compliance Manuals website as Manual 2.12:

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



Attachment A – Compliance Notices & Mitigation Plan Requirements

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



Western Electricity Coordinating Council



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

Attachment d

WECC's Verification of Completion of the Mitigation Plan dated June 2, 2009

CONFIDENTIAL



Laura Scholl
Managing Director of Compliance

801.819.7619
lscholl@wecc.biz

June 2, 2009

Richard A. Damiano
Chief Engineer
Inland Power and Light Company
PO Box 4429
Spokane, Washington 99202-0429

NERC Registration ID: NCR05198

Subject: Certification of Completion Response Letter

Dear Richard A. Damiano,

The Western Electricity Coordinating Council (WECC) received the Certification of Completion and supporting evidence of Inland Power and Light Company (INPL) on 5/19/2009 for the alleged violation of Reliability Standard PRC-005-1 and Requirement(s) 2.1. Listed below is the outcome of WECC's official review.

WECC has accepted the Certification of Completion for Requirement(s) 2.1 of the Reliability Standard PRC-005-1 and have found these requirements to be fully mitigated. No further mitigation of these requirements will be required at this time.

If you have any questions or concerns, please contact Phil O'Donnell at podonnell@wecc.biz. Thank you for your assistance in this effort.

Sincerely,

Laura Scholl

Laura Scholl
Managing Director of Compliance

LS:cm

cc: Jeff Budke, INPL System Engineer
Lisa Milanese, WECC Manager of Compliance Program Administration
Phil O'Donnell, WECC Acting Manager of Audits

Attachment e

Notice of Filing

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Inland Power and Light Company

Docket No. NP10-____-000

NOTICE OF FILING
March 1, 2010

Take notice that on March 1, 2010, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding Inland Power and Light Company in the Western Electricity Coordinating Council region.

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

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

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

Comment Date: [BLANK]

Kimberly D. Bose,
Secretary