



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 Energy Northwest - Energy Business Services
FERC Docket No. NP10-_-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Notice of Penalty¹ regarding Energy Northwest - Energy Business Services (ENWB), NERC Registry ID# NCR00250,² 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

On July 8, 2008, ENWB self-reported non-compliance with CIP-001-1 Requirements (R) 1 through R4 to the Western Electricity Coordinating Council (WECC) for ENWB's failure to have a procedure with content for recognizing sabotage events and for making its operating personnel aware of the sabotage events, have appropriate communication procedures in place, make sabotage response guidelines available to operating personnel and have appropriate procedures for reporting to or coordinating with local Federal Bureau of Investigation (FBI) personnel in the event of a sabotage event. This Notice of Penalty is being filed with the Commission because, based on information from WECC, WECC and ENWB have entered into a Settlement Agreement to resolve all outstanding issues arising from a preliminary and non-public assessment resulting in WECC's determination and findings of the enforceable alleged violations of CIP-001-1 R1 through R4. According to the Settlement Agreement, these are Confirmed Violations and ENWB has agreed to the proposed penalty of three thousand dollars (\$3,000) to be assessed to ENWB, in addition to other remedies and actions to mitigate the instant alleged violations and facilitate future compliance under the terms and conditions of the Settlement

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 Western Electricity Coordinating Council confirmed that Energy Northwest - Energy Business Services (ENWB) was included on the NERC Compliance Registry as a Generator Operator and Generator Owner on June 30, 2008. As a Generator Operator, ENWB is subject to the requirements of NERC Reliability Standard CIP-001-1.

³ See 18 C.F.R. § 39.7(c)(2).

Agreement. Accordingly, the alleged violations identified as NERC Violation Tracking Identification Numbers WECC200801186, WECC200801187, WECC200801188 and WECC200801189 are being filed in accordance with the NERC Rules of Procedure and the CMEP.

Statement of Findings Underlying the Alleged Violations

This Notice of Penalty incorporates the findings and justifications set forth in the Settlement Agreement entered into as of October 26, 2009, by and between WECC and ENWB, which is included as Attachment b. 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 (\$)
WECC	Energy Northwest - Energy Business Services	NOC-403	WECC200801186	CIP-001-1	1	Medium	3,000
			WECC200801187	CIP-001-1	2	Medium	
			WECC200801188	CIP-001-1	3	Medium	
			WECC200801189	CIP-001-1	4	Medium	

CIP-001-1

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

CIP-001-1 R1 requires each Generator Operator, such as ENWB, to 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 R1 has a "Medium" Violation Risk Factor (VRF).

CIP-001-1 R2 requires each Generator Operator, such as ENWB, to have procedures for the communication of information concerning sabotage events to appropriate parties in the Interconnection. CIP-001-1 R2 has a "Medium" VRF.

CIP-001-1 R3 requires each Generator Operator, such as ENWB, to provide its operating personnel with sabotage response guidelines, including personnel to contact, for reporting disturbances due to sabotage events. CIP-001-1 R3 has a "Medium" VRF.

CIP-001-1 R4 requires each Generator Operator, such as ENWB, to establish communications contacts, as applicable, with local FBI or Royal Canadian Mounted Police officials and develop reporting procedures as appropriate to their circumstances. CIP-001-1 R4 has a "Medium" VRF.

On July 8, 2008, ENWB self-reported its non-compliance with CIP-001-1 R1 through R4, stating that an initial review of all applicable NERC Reliability Standards indicated that the requirements of CIP-001-1 were not being met as of June 30, 2008, the date it was included on the NERC Compliance Registry. Specifically, ENWB did not have procedures for recognizing sabotage events, nor did ENWB have a procedure for making its operating personnel aware of sabotage events as required by R1. ENWB did not have procedures for communicating information concerning sabotage events to the appropriate parties in the Interconnection as required by R2. ENWB did not provide its operating personnel with sabotage response guidelines as required by R3, and ENWB failed to establish communications contacts with local FBI officials and did not develop reporting procedures as appropriate to ENWB's circumstances as required by R4.

WECC determined that ENWB had alleged violations of CIP-001-1 R1 through R4 because ENWB: (a) did not have written procedural content that described how to recognize a sabotage event, and make operating personnel aware of the event; (b) did not have procedures for the communication of sabotage information to appropriate parties in the Interconnection; (c) did not provide its operating personnel with sabotage response guidelines; and (d) did not establish communication contacts or reporting procedures for coordination between local FBI and its facility. WECC determined the duration of each of the alleged violations to be from June 30, 2008, the date ENWB was included on the NERC Compliance Registry, through July 9, 2008, when ENWB completed its Mitigation Plan.

Regional Entity's Basis for Penalty

According to the Settlement Agreement, WECC has assessed a penalty of three thousand dollars (\$3,000) for the referenced alleged violations. In reaching this determination, WECC considered the following mitigating factors: (1) ENWB self-reported the alleged violations the same day it received notice it was accepted on the NERC Compliance Registry; (2) These alleged violations were ENWB's first occurrence of violations of NERC Reliability Standards; (3) ENWB's Nine Canyon Project is comprised of 63 wind turbines on a 75-acre site with a total generating capacity of 96 MW; (4) WECC reported ENWB was cooperative throughout the enforcement process; and (5) WECC determined that the alleged violations did not pose a serious or substantial risk to the bulk power system (BPS) because sabotage to one or more wind turbines would not alter the generating capacity of other wind turbines in ENWB's system, and the net result would be similar to normal variances in wind conditions.

After consideration of the above factors, WECC determined that, in this instance, the penalty amount of three thousand dollars (\$3,000) is appropriate and bears a reasonable relation to the seriousness and duration of the alleged violations.

Status of Mitigation Plan⁴

ENWB's completed Mitigation Plan to address its alleged violations of CIP-001-1 R1 through R4 was submitted to WECC on July 9, 2008 stating that it had been completed on July 9, 2008.⁵ The Mitigation Plan was accepted by WECC on November 14, 2008 and approved by NERC on January 6, 2009. The Mitigation Plan for these alleged violations is designated as MIT-08-1214 and was submitted as non-public information to FERC on January 6, 2009 in accordance with FERC orders.

ENWB's Mitigation Plan stated that ENWB developed and implemented sabotage reporting procedure meeting all requirements of CIP-001-1.

ENWB certified on November 6, 2008 that its Mitigation Plan was completed on July 9, 2008. As evidence of completion of its Mitigation Plan, ENWB submitted its procedure titled *Sabotage Events Recognition, Response and Reporting, SWP-SEC-13*, (Revision 0) and an e-mail stating ENWB formally adopted the procedure, dated July 9, 2008. The procedure specifically contained the following information:

- a method and procedure for recognizing sabotage events including steps to make ENWB's operating personnel aware of sabotage events;
- a list of appropriate parties to contact in the Interconnection and documented procedures for communicating information concerning sabotage events to the appropriate parties;
- sabotage response guidelines; and
- external and internal notification listings, among other contacts, the listings include a contact at the FBI with two phone numbers, an alternate FBI contact number, and the general number to the Seattle, Washington FBI office.

On November 14, 2008, after reviewing ENWB's submitted evidence, WECC verified that ENWB's Mitigation Plan was completed on July 9, 2008 and notified ENWB on December 1, 2008 that it was in compliance with CIP-001-1 R1 through R4.

Statement Describing the Proposed Penalty, Sanction or Enforcement Action Imposed⁶

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,⁷ the NERC BOTCC reviewed

⁴ See 18 C.F.R § 39.7(d)(7).

⁵ On August 12, 2008, WECC rejected the section in the Mitigation Plan regarding ENWB's Certification of Completion, because ENWB did not submit evidence to support its completion. However, WECC determined that ENWB's proposed action in its Mitigation Plan was adequate to ensure compliance with CIP-001-1. According to WECC, it could not accept the Mitigation Plan as completed until ENWB provided evidence supporting completion. The Mitigation Plan submitted to WECC on July 9, 2008 was the Mitigation Plan that was approved by NERC and submitted to FERC.

⁶ See 18 C.F.R § 39.7(d)(4).

⁷ *North American Electric Reliability Corporation*, "Guidance Order on Reliability Notices of Penalty," 124 FERC ¶ 61,015 (2008).

the Settlement Agreement and supporting documentation on February 10, 2010. The NERC BOTCC approved the Settlement Agreement, including WECC's imposition of a financial penalty, assessing a penalty of three thousand dollars (\$3,000) against ENWB and other actions to facilitate future compliance required under the terms and conditions of the Settlement Agreement. In approving the Settlement Agreement, the NERC BOTCC reviewed the applicable requirements of the Commission-approved Reliability Standards and the underlying facts and circumstances of the alleged violations at issue.

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

- (1) ENWB self-reported the alleged violations;
- (2) These alleged violations constituted ENWB's first occurrence of violations of NERC Reliability Standards;
- (3) WECC reported ENWB was cooperative throughout the enforcement process; and
- (4) The alleged violations did not pose a serious or substantial risk to the BPS, as discussed above.

For the foregoing reasons, the NERC BOTCC approves the Settlement Agreement and believes that the proposed penalty of three thousand dollars (\$3,000) is appropriate for the alleged violations 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 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.

Attachments to be Included as Part of this Notice of Penalty

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

- a) ENWB's Self-Report for CIP-001-1 R1 through R4 dated July 8, 2008, included as Attachment a;
- b) Settlement Agreement by and between WECC and ENWB executed October 26, 2009, included as Attachment b;
- c) ENWB's Mitigation Plan designated as MIT-08-1214 for CIP-001-1 R1 through R4 submitted July 9, 2008, included as Attachment c;
- d) ENWB's Certification of Completion of the Mitigation Plan for CIP-001-1 R1 through R4 dated November 6, 2008, included as Attachment d; and
- e) WECC's Verification of Completion of the Mitigation Plan for CIP-001-1 R1 through R4 dated December 1, 2008, included as Attachment e.

A Form of Notice Suitable for Publication⁸

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

⁸ 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>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>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> <p>JW Baker* Vice President Energy Business Services P.O. BOX 968 Mail Drop 1035 Richland, WA 99352-0968 (509) 377-8322 (509) 372-5078 jwbaker@energy-northwest.com</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>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>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>*Persons to be included on the Commission's service list are indicated with an asterisk. NERC requests waiver of the Commission's rules and regulations to permit the inclusion of more than two people on the service list.</p>
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Conclusion

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
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cc: Energy Northwest - Energy Business Services
Western Electricity Coordinating Council

Attachments

Attachment a

ENWB's Self-Report for CIP-001-1 R1 through R4 dated July 8, 2008



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 return to Compliance@WECC.biz

Registered Entity Name: Energy Northwest - Energy Business Services

Contact Name: Don Gregoire

Contact Phone: 509-377-8616

Contact email: dwgregoire@energy-northwest.com

Date noncompliance was discovered: July 8, 2008

Date noncompliance was reported: July 8, 2008

Standard Title: Sabotage Reporting

Standard Number: CIP-001

Requirement Number(s)¹: **R1, R2, R3, & R4**

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

Initial self-evaluation of standards for a newly registered entity.

***Submit a Mitigation Plan in conjunction with this form to show that corrective steps are being taken within ten (10) business days. If a mitigation plan is not being submitted with this form please complete the following:**

Describe the cause of non-compliance:

Effective June 30, 2008, Energy Northwest - Energy Business Services was recognized by NERC as a responsible GO/GOP entity. This notification was received by Energy Northwest on July 8, 2008. An initial review of all applicable standards indicated that the requirements of CIP-001 were not being met by Energy Northwest - Energy Business Services.

Describe the reliability impact of this non-compliance:

¹ Violations are on a per requirement basis.

There is very minimal impact to the reliability of the Bulk Electric System. Energy Northwest - Energy Business Services is responsible for the Nine-Canyon Wind Farm located southeast of Kennewick, Washington. The Nine Canyon Wind Farm is a 63-Turbine, 95.9 mW generation facility feeding directly into a 115 kV transmission system.

As is typical of all wind generation, the generation of power is unreliable and is highly variable depending upon wind conditions. Wind generation is inherently unstable in that at any moment power output can fluctuate dramatically. Sabotage of one or more of the wind turbines would produce results no different than that which could be produced by the wind itself. Therefore, the lack of ability to identify and communicate suspected or actual sabotage events associated with the Nine-Canyon Wind Farm would not significantly impact the reliability of the Bulk Electric System.

Expected date of Mitigation Plan submittal: 7/10/08

Attachment b

**Settlement Agreement by and between WECC
and ENWB executed October 26, 2009**

SETTLEMENT AGREEMENT
OF
WESTERN ELECTRICITY COORDINATING COUNCIL
AND
ENERGY NORTHWEST - ENERGY BUSINESS SERVICES

Western Electricity Coordinating Council ("WECC") and Energy Northwest - Energy Business Services ("ENWB") (collectively the "Parties") hereby enter into this Settlement Agreement ("Agreement") on this 26th day of October, 2009.

RECITALS

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

<i>NERC ID WECC200801186:</i>	<i>CIP-001-1 R1</i>	<i>Sabotage Reporting</i>
<i>NERC ID WECC200801187:</i>	<i>CIP-001-1 R2</i>	<i>Sabotage Reporting</i>
<i>NERC ID WECC200801188:</i>	<i>CIP-001-1 R3</i>	<i>Sabotage Reporting</i>
<i>NERC ID WECC200801189:</i>	<i>CIP-001-1 R4</i>	<i>Sabotage Reporting</i>

B. ENWB is a municipal corporation and joint operating agency of the State of Washington located in Richland, Washington. ENWB owns and operates the Nine Canyon Wind Project ("Nine Canyon") located near Kennewick, Washington. The Nine Canyon Wind Project has a total generating capacity of approximately 96 MW. It is comprised of 63 wind turbines placed throughout a 75-acre site. On June 30, 2008, ENWB was listed on the NERC Compliance Registry as a Generator Owner and Generator Operator.

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

D. The Parties are entering into this Agreement to settle the disputed matters between them. It is in the Parties' and the public's best interests to resolve this matter efficiently without the delay and burden associated with a contested proceeding. Nothing contained in this Agreement shall be construed as an admission or waiver of either party's rights. Except, however, nothing in this Agreement shall limit or prevent WECC from evaluating ENWB for subsequent violations of the same Reliability Standards addressed herein and taking enforcement action, if necessary. Such enforcement action can include assessing penalties against ENWB for subsequent violations of the Reliability Standards addressed herein in accordance with NERC Rules of Procedure.

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

I. Representations of the Parties

For purposes of this Agreement, ENWB stipulates to the facts contained herein. WECC has established sufficient facts, as set forth herein, to support its determination that ENWB has Confirmed Violations as this term is defined in the WECC Compliance and Monitoring Enforcement Program ("CMEP"), of the Reliability Standards described below in detail.

II. Confirmed Violations

A. NERC Reliability Standard CIP-001-1, Requirement 1

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.*

ENWB is subject to this Standard because it was registered on the NERC Compliance Registry on June 30, 2008 as a Generator Operator. ENWB received notice it was on the Registry on July 8, 2008, and that same day conducted a self-evaluation and discovered possible noncompliance with this Standard. ENWB recognized that its existing vandalism procedure needed to be enhanced to fully meet Requirement 1 of CIP-001-1. As a result, ENWB submitted a Self-Report on July 8, 2008 and a mitigation plan on July 9, 2008. ENWB's Self-Report stated "requirements of CIP-001-1 were not being met."

WECC reviewed ENWB's Self-Report and mitigation plan and determined ENWB appropriately self-reported this violation. Specifically, WECC determined ENWB did not have a proper procedure for recognizing sabotage events, nor did ENWB have a procedure for making its operating personnel aware of sabotage events. Thus, WECC concluded ENWB had a possible violation of CIP-001-1 R1.

The WECC Compliance Enforcement Department ("Enforcement") reviewed the Self-Report and mitigation plan. ENWB is required to have procedures for the

recognition of and for making their operating personnel aware of sabotage events. Enforcement confirmed ENWB did not have such procedures. Enforcement concluded ENWB's failure to 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 is an Alleged Violation of CIP-001-1 R1.

On July 9, 2008, ENWB submitted a mitigation plan to address this violation. Although ENWB certified the plan was complete on July 9, 2008, ENWB did not submit evidence to support its completion. As a result of the missing evidence, a WECC subject matter expert ("SME") rejected this mitigation plan on August 12, 2008. However, the WECC SME based the rejection on ENWB's failure to provide evidence of completion, not on ENWB's proposed actions. ENWB's mitigation plan stated "procedural guidance was developed and implemented to meet all of the requirements associated with standard CIP-001."

The WECC SME agreed ENWB's proposed action was adequate to ensure compliance with this Standard, but could not accept the mitigation plan as completed until ENWB provided evidence supporting completion.

As a result, ENWB submitted evidence and a formal mitigation plan completion form on November 6, 2008. ENWB submitted *Sabotage Events Recognition, Response and Reporting* (Revision 0) and an email stating ENWB formally adopted *Sabotage Events Recognition, Response and Reporting* on July 9, 2008.

On November 14, 2008, WECC SMEs reviewed the mitigation plan completion form and the *Sabotage Events Recognition, Response and Reporting* document. The SMEs determined ENWB's *Sabotage Events Recognition, Response and Reporting* contained a method and procedure for recognizing sabotage events and included steps to make ENWB's operating personnel aware of sabotage events. Accordingly, WECC accepted the completed mitigation plan on November 14, 2008. In accepting the completed mitigation plan, WECC verified ENWB was in compliance with CIP-001-1 R1 as of July 9, 2008. Thus, ENWB was in violation of CIP-001-1 R1 from June 30, 2008 to July 9, 2008, a period of 9 days.

B. NERC Reliability Standard CIP-001-1, Requirement 2

CIP-001-1 R2: *Each Reliability Coordinator, Balancing Authority, Transmission Operator, Generator Operator, and Load Serving Entity shall have procedures for the communication of information concerning sabotage events to appropriate parties in the Interconnection.*

ENWB is subject to this Standard because it was registered on the NERC Compliance Registry on June 30, 2008 as a Generator Operator. ENWB received notice it was on the Registry on July 8, 2008, and that same day conducted a self-evaluation and discovered possible noncompliance with this Standard. ENWB recognized that its existing vandalism procedure needed to be enhanced to fully meet Requirement 2 of CIP-001-1. As a result, ENWB submitted a Self-Report on July 8, 2008 and a mitigation

plan on July 9, 2008. ENWB's Self-Report stated "requirements of CIP-001-1 were not being met."

WECC reviewed ENWB's Self-Report and mitigation plan and determined ENWB appropriately self-reported this violation. Specifically, WECC determined ENWB did not have procedures for communicating information concerning sabotage events to the appropriate parties in the Interconnection. Thus, WECC concluded ENWB had a possible violation of CIP-001-1 R2.

Enforcement reviewed the Self-Report and mitigation plan. ENWB is required to have procedures for the recognition of and for making their operating personnel aware of sabotage events. Enforcement confirmed ENWB did not have such procedures. Specifically, Enforcement concluded ENWB did not have procedures for the communication of information concerning sabotage events to appropriate parties in the Interconnection. Thus, Enforcement confirmed ENWB had an Alleged Violation of CIP-001-1 R2.

On July 9, 2008, ENWB submitted a mitigation plan to address this violation. Although ENWB certified the plan was complete on July 9, 2008, ENWB did not submit evidence to support its completion. As a result of the missing evidence, a WECC SME rejected this mitigation plan on August 12, 2008. However, the WECC SME based the rejection on ENWB's failure to provide evidence of completion, not on ENWB's proposed actions. ENWB's mitigation plan stated "procedural guidance was developed and implemented to meet all of the requirements associated with standard CIP-001."

The WECC SME agreed ENWB's proposed action was adequate to ensure compliance with this Standard, but could not accept the mitigation plan as completed until ENWB provided evidence supporting completion.

As a result, ENWB submitted evidence and a formal mitigation plan completion form on November 6, 2008. ENWB submitted *Sabotage Events Recognition, Response and Reporting* (Revision 0) and an email stating ENWB formally adopted *Sabotage Events Recognition, Response and Reporting* on July 9, 2008.

On November 14, 2008, WECC SMEs reviewed the mitigation plan completion form and the *Sabotage Events Recognition, Response and Reporting* document. The SMEs determined ENWB's *Sabotage Events Recognition, Response and Reporting* included a list of appropriate parties to contact in the Interconnection and documented procedures for communicating information concerning sabotage events to the appropriate parties. Accordingly, WECC accepted the completed mitigation plan on November 14, 2008. In accepting the completed mitigation plan, WECC verified ENWB was in compliance with CIP-001-1 R2 by July 9, 2008. Thus, ENWB was in violation of CIP-001-1 R2 from June 30, 2008 to July 9, 2008, a period of 9 days.

C. NERC Reliability Standard CIP-001-1, Requirement 3

CIP-001-1 R3: *Each Reliability Coordinator, Balancing Authority, Transmission Operator, Generator Operator, and Load Serving Entity shall provide its operating personnel with*

sabotage response guidelines, including personnel to contact, for reporting disturbances due to sabotage events.

ENWB is subject to this Standard because it was registered on the NERC Compliance Registry on June 30, 2008 as a Generator Operator. ENWB received notice it was on the Registry on July 8, 2008, and that same day conducted a self-evaluation and discovered possible noncompliance with this Standard. ENWB recognized that its existing guidelines needed to be enhanced to fully meet Requirement 3 of CIP-001-1. As a result, ENWB submitted a Self-Report on July 8, 2008 and a mitigation plan on July 9, 2008. ENWB's Self-Report stated "requirements of CIP-001-1 were not being met."

WECC reviewed ENWB's Self-Report and mitigation plan and determined ENWB appropriately self-reported this violation. Specifically, WECC determined ENWB did not provide its operating personnel with sabotage response guidelines. Thus, WECC concluded ENWB had a possible violation of CIP-001-1 R3.

Enforcement reviewed the Self-Report and mitigation plan. ENWB is required to have procedures for the recognition of and for making their operating personnel aware of sabotage events. Enforcement confirmed ENWB did not have such procedures. Specifically, Enforcement concluded ENWB failed to provide its operating personnel with sabotage response guidelines, including personnel to contact, for reporting disturbances due to sabotage events. Thus, Enforcement confirmed ENWB had an Alleged Violation of CIP-001-1 R3.

On July 9, 2008, ENWB submitted a mitigation plan to address this violation. Although ENWB certified the plan was complete on July 9, 2008, ENWB did not submit evidence to support its completion. As a result of the missing evidence, a WECC SME rejected this mitigation plan on August 12, 2008. However, the WECC SME based the rejection on ENWB's failure to provide evidence of completion, not on ENWB's proposed actions. ENWB's mitigation plan stated "procedural guidance was developed and implemented to meet all of the requirements associated with standard CIP-001."

The WECC SME agreed ENWB's proposed action was adequate to ensure compliance with this Standard, but could not accept the mitigation plan as completed until ENWB provided evidence supporting completion.

As a result, ENWB submitted evidence and a formal mitigation plan completion form on November 6, 2008. ENWB submitted *Sabotage Events Recognition, Response and Reporting* (Revision 0) and an email stating ENWB formally adopted *Sabotage Events Recognition, Response and Reporting* on July 9, 2008.

On November 14, 2008, WECC SMEs reviewed the mitigation plan completion form and the *Sabotage Events Recognition, Response and Reporting* document. The SMEs determined ENWB's *Sabotage Events Recognition, Response and Reporting* contained sabotage response guidelines, including personnel to contact. WECC SMEs verified ENWB provided the sabotage response guidelines to its operating personnel. Accordingly, WECC accepted the completed mitigation plan on November 14, 2008. In

accepting the completed mitigation plan, WECC verified ENWB was in compliance with CIP-001-1 R3 by July 9, 2008. Thus, ENWB was in violation of CIP-001-1 R3 from June 30, 2008 to July 9, 2008, a period of 9 days.

D. NERC Reliability Standard CIP-001-1, Requirement 4

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.*

ENWB is subject to this Standard because it was registered on the NERC Compliance Registry on June 30, 2008 as a Generator Operator.-

ENWB received notice it was on the Registry on July 8, 2008, and that same day conducted a self-evaluation and discovered possible noncompliance with this Standard. ENWB recognized that its existing vandalism procedure needed to be enhanced to fully meet Requirement 4 of CIP-001-1. As a result, ENWB submitted a Self-Report on July 8, 2008 and a mitigation plan on July 9, 2008. ENWB's Self-Report stated "requirements of CIP-001-1 were not being met."

WECC reviewed ENWB's Self-Report and mitigation plan and determined ENWB appropriately self-reported this violation. Specifically, WECC determined ENWB failed to establish communications contacts with local Federal Bureau of Investigation officials and did not develop reporting procedures as appropriate to ENWB's circumstances. Thus, WECC concluded ENWB had a possible violation of CIP-001-1 R4.

Enforcement reviewed the Self-Report and mitigation plan. ENWB is required to have procedures for the recognition of and for making their operating personnel aware of sabotage events. Enforcement confirmed ENWB did not have such procedures. Additionally, Enforcement concluded ENWB failed to establish communications contacts with local Federal Bureau of Investigation officials and did not develop reporting procedures as appropriate to ENWB's circumstances. Thus, Enforcement confirmed ENWB had an Alleged Violation of CIP-001-1 R4.

On July 9, 2008, ENWB submitted a mitigation plan to address this violation. Although ENWB certified the plan was complete on July 9, 2008, ENWB did not submit evidence to support its completion. As a result of the missing evidence, a WECC SME rejected this mitigation plan on August 12, 2008. However, the WECC SME based the rejection on ENWB's failure to provide evidence of completion, not on ENWB's proposed actions. ENWB's mitigation plan stated "procedural guidance was developed and implemented to meet all of the requirements associated with standard CIP-001."

The WECC SME agreed ENWB's proposed action was adequate to ensure compliance with this Standard, but could not accept the mitigation plan as completed until ENWB provided evidence supporting completion. As a result, ENWB submitted evidence and a formal mitigation plan completion form on November 6, 2008. ENWB submitted *Sabotage Events Recognition, Response and Reporting* (Revision 0) and an

email stating ENWB formally adopted *Sabotage Events Recognition, Response and Reporting* on July 9, 2008.

On November 14, 2008, WECC SMEs reviewed the mitigation plan completion form and the *Sabotage Events Recognition, Response and Reporting* document. On page 13, ENWB's *Sabotage Events Recognition, Response and Reporting* contain External and Internal Notification Listings. Among other contacts, the listings include a contact at the FBI with two phone numbers, an alternate FBI contact number, and the general number to the Seattle, WA FBI Office. Accordingly, WECC accepted the completed mitigation plan on November 14, 2008. In accepting the completed mitigation plan, WECC verified ENWB was in compliance with CIP-001-1 R4 by July 9, 2008. Thus, ENWB was in violation of CIP-001-1 R4 from June 30, 2008 to July 9, 2008, a period of 9 days.

III. Settlement Terms

A. Payment. To settle this matter, ENWB hereby agrees to pay \$3,000 to WECC via wire transfer or cashier's check. ENWB shall make the funds payable to a WECC account identified in a Notice of Payment Due that WECC will send to ENWB upon approval of this Agreement by NERC and the Federal Energy Regulatory Commission ("FERC"). ENWB shall issue the payment to WECC no later than thirty days after receipt of the Notice of Payment Due.

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

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

Specifically, to determine penalty assessment, WECC considers the following factors: (1) the seriousness of the violation, including the applicable Violation Risk Factor and Violation Severity Level, and the risk to the reliability of the BPS; (2) the violation's duration; (3) the Registered Entity's compliance history; (4) the Registered Entity's self-reports and voluntary corrective action; (5) the degree and quality of cooperation by the Registered Entity in the audit or investigation process, and in any remedial action; (6) the quality of the Registered Entity's compliance program; (7) any

attempt by the Registered Entity to conceal the violation or any related information; (8) whether the violation was intentional; (9) any other relevant information or extenuating circumstances; and (10) the Registered Entity's ability to pay a penalty.

The following VRFs apply to ENWB's Alleged Violations in accordance with NERC's VRF Matrix dated February 3, 2009:

1. The violation of CIP-001-1 R1 has a "Medium" VRF. This Standard ensures that Registered Entities identify sabotage events accurately and alert operating personnel of sabotage events that could affect large portions of the Interconnection. ENWB's Nine Canyon is a small, exclusively wind-powered entity located near Kennewick, Washington. ENWB owns and operates 63 wind turbines with a total generating capacity of approximately 96 MW. Sabotage to one or more wind turbines would not alter the generating capacity of other wind turbines in ENWB's system, and the net result would be similar to normal variances in wind conditions. For these reasons, WECC determined this violation posed minimal risk to the reliability of the Bulk Power System ("BPS").
2. The violation of CIP-001-1 R2 has a "Medium" VRF. This Standard ensures that Registered Entities have procedures in place to communicate information concerning sabotage events to appropriate parties in the Interconnection. However, ENWB's Nine Canyon is a small, exclusively wind-powered entity located near Kennewick, Washington. ENWB owns and operates 63 wind turbines with a total generating capacity of approximately 96 MW. Sabotage to one or more wind turbines would not alter the generating capacity of other wind turbines in ENWB's system, and the net result would be similar to normal variances in wind conditions. For these reasons, WECC determined this violation posed minimal risk to the reliability of the BPS.
3. The violation of CIP-001-1 R3 has a "Medium" VRF. This Standard ensures that Registered Entities have procedures in place to provide its operating personnel with sabotage response guidelines. ENWB's Nine Canyon is a small, exclusively wind-powered entity located near Kennewick, Washington. ENWB owns and operates 63 wind turbines with a total generating capacity of approximately 96 MW. Sabotage to one or more wind turbines would not alter the generating capacity of other wind turbines in ENWB's system, and the net result would be similar to normal variances in wind conditions. For these reasons, WECC determined this violation posed minimal risk to the reliability of the BPS.
4. The violation of CIP-001-1 R4 has a "Medium" VRF. This Standard ensures that Registered Entities identify sabotage events and report them to the appropriate local FBI personnel. ENWB's Nine Canyon is a small, exclusively wind-powered entity located near Kennewick, Washington. ENWB owns and operates 63 wind turbines with a total generating capacity of approximately 96 MW. Sabotage to one or more wind turbines would not alter the generating capacity of other wind turbines in ENWB's system, and the net result would

be similar to normal variances in wind conditions. For these reasons, WECC determined this violation posed minimal risk to the reliability of the BPS.

In addition to the factors listed above, WECC considered several mitigating factors to reach an agreement with ENWB regarding the payment amount. First, the Alleged Violations addressed by this Agreement are ENWB's first assessed noncompliance with the applicable Reliability Standards. Second, ENWB promptly mitigated all of the violations. Third, ENWB was cooperative throughout WECC's evaluation of its compliance with the Reliability Standards and the enforcement process. Finally, ENWB self-reported these violations immediately upon being notified of ENWB's registration on the NERC Compliance Registry.

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

IV. Additional Terms

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

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

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

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

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

F. Waiver of Right to Further Proceedings. ENWB agrees that the Agreement, upon approval by NERC and FERC, is a final settlement of all matters set forth herein. ENWB waives its right to further hearings and appeal, unless and only to

the extent that ENWB contends that any NERC or FERC action concerning the Agreement contains one or more material modifications to the Agreement.

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

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

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

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

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

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

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

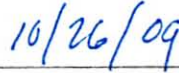
*[Remainder of page intentionally left blank -
signatures affixed to following page]*

Agreed to and accepted:

WESTERN ELECTRICITY COORDINATING COUNCIL



Constance B. White
Vice President of Compliance

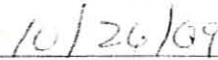


Date

Energy Northwest - Energy Business Services



J.W. Baker
Vice President, Energy Business Services



Date

Attachment c

ENWB's Mitigation Plan designated as MIT-08-1214 for CIP-001-1 R1 through R4 submitted July 9, 2008



Mitigation Plan Submittal Form

New ☒ or Revised ☐

Date this Mitigation Plan is being submitted: July 9, 2008

If this Mitigation Plan has already been completed:

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

Section A: Compliance Notices & Mitigation Plan Requirements

- A.1 Notices and requirements applicable to Mitigation Plans and this Submittal Form are set forth in "Appendix A - Compliance Notices & Mitigation Plan Requirements" to this form. **Review Appendix 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: Energy Northwest - Energy Business Services

Registered Entity Address: PO Box 968, Mail Drop PE20, Richland,
Wa, 99352-0968

NERC Compliance Registry ID: NCR00250

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

Name: Don Gregoire

Title: Engineering Specialist, Regulatory Programs

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



Western Electricity Coordinating Council

Email: dwgregoire@energy-northwest.com

Phone: 509-377-8616



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: CIP-001-1

[Identify by Standard Acronym (e.g. FAC-001-1)]

C.2 Requirement(s) violated and violation dates:

[Enter information in the following Table]

NERC Violation ID # [if known]	WECC Violation ID # [if known]	Requirement Violated (e.g. R3)	Violation Risk Factor	Alleged or confirmed Violation Date ^(*) (MM/DD/YY)	Method of Detection (e.g. audit, self-report, investigation)
		R1		07/08/08	self-eval
		R2		07/08/08	self-eval
		R3		07/08/08	self-eval
		R4		07/08/08	self-eval

(*) 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:

Effective June 30, 2008, Energy Northwest - Energy Business Services was recognized by NERC as a responsible GO/GOP entity. This notification was received by Energy Northwest on July 8, 2008. As part of the initial review for compliance with all of the applicable standards it was identified that the requirements of CIP-001 were not being met.

[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:



Action was taken immediately to develop the necessary guidance to establish compliance with the requirements of CIP-001

[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:

Procedural guidance was developed and implemented to meet all of the requirements associated with standard CIP-001, Sabotage Reporting.

[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)



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

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

Additional Relevant Information (Optional)

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

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



Section E: Interim and Future Reliability Risk

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

Abatement of Interim BPS Reliability Risk

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

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

Prevention of Future BPS Reliability Risk

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

This violation was related to the initial review for compliance with the standards. On June 16, 2008, Energy Northwest communicated in a letter to WECC the need for Energy Northwest - Energy Business Services to be recognized as a responsible entity with the functions of GO and GOP associated with the Nine Canyon Wind Farm. Actions were undertaken to evaluate initial compliance with the applicable standards. This violation was identified during the initial review. Since the violation was associated with the initial review and immediate actions were taken to meet the requirements (i.e., the development and implementation of procedural guidance), it is not expected that a future violation of the same or similar reliability standards requirements will occur. [Provide your response here; additional detailed information may be provided as an attachment as necessary]



Western Electricity Coordinating Council



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:

N/A

[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 Vice President of Energy Business Services.
 2. I am an officer, employee, attorney or other person authorized to sign this Mitigation Plan on behalf of Energy Northwest - Energy Business Services.
 3. I understand Energy Northwest - Energy Business Service's obligations to comply with Mitigation Plan requirements and WECC or ERO remedial action directives and I have reviewed the WECC and ERO documents related to these obligations, including, but not limited to, the WECC CMEP and the NERC Rules of Procedure.
 4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
 5. Energy Northwest - Energy Business Services 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): JW Baker

Title: Vice President, Energy Business Services

Date: July 9, 2008

Attachment d

ENWB's Certification of Completion of the Mitigation Plan for CIP-001-1 R1 through R4 dated November 6, 2008



CONFIDENTIAL

Mitigation Plan Completion Form

Please complete a Mitigation Plan Completion form for each fully mitigated violation and return to Compliance@WECC.biz along with the supporting evidence that confirms full compliance and Authorized Officer's signature.

Registered Entity Name: Energy Northwest - Energy Business Services

Standard Title: Sabotage Reporting

Standard Number: CIP-001-1

Requirement Number(s): **R1, R2, R3, R4**

Actual completion date of Mitigation Plan: July 9, 2008

Check this box ☒ to indicate that you understand that the submittal of this Completion form is incomplete and cannot be reviewed for approval unless supporting documentation/evidence that confirms full compliance is attached.

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

R1 Compliance - Please refer to attached procedure SWP-SEC-13, Revision 0 that was developed to provide guidance for the recognition and response to sabotage events at Nine Canyon Wind Project. This procedure was made effective July 9, 2008. Section 4.2 of this procedure (pg 7) contain steps for how personnel can identify potential sabotage events.

R2 Compliance - Please refer to section 4.3 of procedure SWP-SEC-13 (pg 8) which provides guidance for how to communicate information regarding sabotage events at Nine Canyon Wind Project. In addition, section 4.4 (pg 9) provides guidance on communicating information to appropriate parties in the interconnection.

R3 Compliance - Please refer to section 4.3 (pg 8) and attachment 8.1 (pg 13) of procedure SWP-SEC-13 which documents who to contact for reporting disturbances due to sabotage events at Nine Canyon Wind Project. In addition, please refer to the attached email from the Energy Northwest Manager of O&M/Professional Services regarding how SWP-SEC-13 was provided to employees performing work at the Nine Canyon Wind Project.

R4 Compliance - Please refer to attachment 8.1 (pg 13) of procedure SWP-SEC-13 which provides a list of applicable communication contacts including the FBI. In addition, please refer to section 4.5 (pg 9) of procedure SWP-SEC-13 which provides guidance on reporting as appropriate.

Additional Notes or Comments pertaining to this violation:

Regarding previous levels of non-compliance:

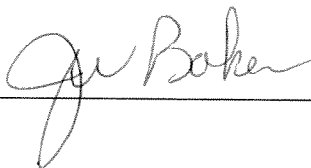
Effective June 30, 2008, Energy Northwest-Energy Business Services was recognized by NERC as a responsible GO/GOP entity. This notification was received by Energy Northwest on July 8, 2008. As part of the initial review for compliance with all of the applicable standards it was identified that the requirements of CIP-001 were not being met.

Initially when this violation was self-identified on July 8, Energy Northwest-Energy Business Services did not meet any of the specific requirements of CIP-001. However, Energy Northwest-Energy Business Services did have in place guidance for addressing apparent acts of vandalism (which could in fact be related to potential sabotage events) and for reporting such occurrences to proper authorities.

Lastly, it should be noted that within one day of self identifying the non-compliance, Energy Northwest-Energy Business Services had in fact established compliance with the CIP-001 requirements.

By endorsement of this document I attest that Energy Northwest-Energy Business Services is now in full compliance with the standard / requirements addressed in this Mitigation Plan and documentation / evidence supporting full compliance is attached for review and audit by the WECC Compliance Staff.

Authorized Officer's Signature: _____



Authorized Officer's Name: J.W. Baker

Authorized Officer's Title: Vice President, Energy Business Services

Date: 11/06/08

Attachment e

WECC's Verification of Completion of the Mitigation Plan for CIP-001-1 R1 through R4 dated December 1, 2008

CONFIDENTIAL



Western Electricity Coordinating Council

Bob Kiser
Manager of Audits and Investigations

360.980.2799
bkiser@wecc.biz

December 1, 2008

Don Gregoire
Engineering Specialist - Regulatory Programs
Energy Northwest - Energy Business Services
P.O. Box 968
Richland, Washington 99352-0968

Subject: Mitigation Plan Completion Review(s)

Dear Don Gregoire,

The Western Electricity Coordinating Council (WECC) received Mitigation Plan Completion Form(s) and supporting evidence for each violation listed in Table 1 of Attachment A. The table indicates which plans have been completed and which remain incomplete. Attachment A also includes audit notes that detail the findings supporting this conclusion.

Each compliance violation associated with the incomplete Mitigation Plan(s) is now subject to sanctions and penalties under the Energy Policy Act of 2005. You will be receiving a letter from the WECC Compliance Department outlining the next steps in the penalty and sanction process regarding such violation(s).

Please submit a revised Mitigation Plan by December 15, 2008, to the [Compliance Web Portal](#) including new proposed completion dates, for each unmitigated violation identified in Attachment A. The Mitigation Plan template form can be found on the WECC Compliance Manuals webpage, as Manual 03.03:

<http://www.wecc.biz/wrap.php?file=/wrap/Compliance/manuals.html>

Upon review, the WECC Compliance Department will provide written notice of its acceptance or rejection of the newly submitted Mitigation Plan.

If you have any questions or concerns, please contact Mike Wells at (801) 883.6884 or mike@wecc.biz. Thanks for your assistance in this effort.

Sincerely,

CONFIDENTIAL

Bob Kiser

Bob Kiser
Manager of Audits and
Investigations

BK:gc

Attachment

Cc: GV Cullen, ENWB Regulatory Programs Manager
Lisa Milanes, WECC Manager of Compliance Administration

Registered Entity: Energy Northwest - Energy Business Services

Date: December 1, 2008

	Standard Number	Requirement	Completion Received by WECC	Accepted	Rejected	Review Status
1	CIP-001-1	1	11/06/2008	11/14/2008		Compliant
2	CIP-001-1	2	11/06/2008	11/14/2008		Compliant
3	CIP-001-1	3	11/06/2008	11/14/2008		Compliant
4	CIP-001-1	4	11/06/2008	11/14/2008		Compliant

Attachment f

Notice of Filing

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Energy Northwest - Energy Business Services

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 Energy Northwest - Energy Business Services 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