



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 Salt River Project Agricultural Improvement and Power District, FERC Docket No. NP10-_-000

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Notice of Penalty¹ regarding Salt River Project Agricultural Improvement and Power District (SRP), NERC Registry ID# NCR05372,² 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 December 16, 2008, SRP self-reported a possible violation of Reliability Standard PRC-005-1 Requirement (R) 2 to the Western Electricity Coordinating Council (WECC) for SRP's failure to test 29 relays in accordance with the *SRP Relay Maintenance Plan*. This Notice of Penalty is being filed with the Commission because, based on information from WECC, WECC and SRP 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 violation of PRC-005-1 R2. According to Section II.A. of the Settlement Agreement, SRP stated that it was in violation of this Reliability Standard because 29 relays were not tested in accordance with its *Relay Maintenance Plan* and agreed to the proposed penalty of fifteen thousand dollars (\$15,000) to be assessed to SRP, in addition to other remedies and actions to mitigate the instant violation and facilitate future compliance under the terms and

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 SRP was included on the NERC Compliance Registry as a Balancing Authority, Distribution Provider, Generator Operator, Generator Owner, Load Serving Entity, Planning Authority, Purchasing-Selling Entity, Resource Planner, Transmission Operator, Transmission Owner, Transmission Planner and Transmission Service Provider on June 17, 2007. As Transmission Owner, Distribution Provider and Generator Owner, SRP is subject to the requirements of NERC Reliability Standard PRC-005-1 R2. The Settlement Agreement incorrectly states that SRP was included on the NERC Compliance Registry on April 10, 2007.

³ *See* 18 C.F.R. § 39.7(c)(2).

conditions of the Settlement Agreement. Accordingly, the alleged violation identified as NERC Violation Tracking Identification Number WECC200801237 is 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 SRP, 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	Salt River Project Agricultural Improvement and Power District	NOC-404	WECC200801237	PRC-005-1	2	High ⁴	15,000

PRC-005-1 R2

The purpose of Reliability Standard PRC-005-1 is to ensure all transmission and generation Protection Systems⁵ affecting the reliability of the bulk power system (BPS) are maintained and tested.

PRC-005-1 R2 requires each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System, such as SRP, 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 has a "Lower" Violation Risk Factor (VRF) and R2.1 and R2.2 each have a "High" VRF.

⁴ During a final review of the standards subsequent to the March 23, 2007 filing of the Version 1 Violation Risk Factors (VRFs), NERC identified that some standards requirements were missing VRFs. One of these was PRC-005-1 R2.1. On May 4, 2007, NERC assigned PRC-005-1 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. PRC-005-1 R2 has a "Lower" VRF and its sub-requirements have "High" VRFs. WECC determined that a "High" VRF was appropriate for the instant alleged violation.

⁵ *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."

During an internal compliance review conducted between October 2, 2008 and December 5, 2008, SRP discovered two instances of possible non-compliance with PRC-005-1 R2 which it self-reported to WECC on December 16, 2008. In the Self-Report, SRP stated that 29 relays were not tested in accordance with the *SRP Relay Maintenance Plan*, less than 25% of the applicable protective devices..

In early October 2008, SRP determined that a differential relay installed on its Navajo Generating Station (NGS) 500/13.8 kV main station service transformer should have been included in its *Relay Maintenance Plan*. SRP previously thought this relay was the responsibility of the Transmission Operator that operates the NGS 500 kV switchyard. This relay controls the operation of 500 kV circuit breakers in the switchyard when a transformer differential occurs. Once the NGS relay was identified as SRP's responsibility, it was tested approximately three weeks later on October 21, 2008.

On December 5, 2008, SRP discovered that 28 relays installed on its Agua Fria Generating Units 5 and 6 had been tested approximately four to five months late based on the four year test interval mandated in the *SRP Relay Maintenance Plan*. This discrepancy was caused by a relay maintenance software error. SRP's relay maintenance software was designed to track a date one year prior to the end of each relay's maintenance interval. A work order was automatically generated on that date for the relay to be tested. The Relay Maintenance group then planned its work activities to ensure each relay was tested prior to the end of its maintenance interval. The software issued a work order approximately 13 months late for maintenance of the Agua Fria relays and the work was performed in a normal manner based on the date the late work order had been issued. The Relay Maintenance group was unaware that the work order had been issued 13 months late until the 2008 internal compliance review was performed.

WECC determined that SRP had an alleged violation of PRC-005-1 R2 because 29 relays were not maintained and tested in accordance with SRP's Protection System maintenance and testing program. WECC determined the duration of the first instance of non-compliance discovered in October 2008 to be from June 18, 2007, the date the Standard became enforceable and the differential relay installed on its NGS should have been added to SRP's Protection System maintenance and testing program, through October 21, 2008, when the differential relay was tested. WECC determined the duration of the second instance of non-compliance discovered in December 2008 to be from February 25, 2008, when the four year interval for the 28 relays installed on its Agua Fria Generating Units 5 and 6 was first exceeded, through July 30, 2008, when the 28 relays were tested.

WECC determined that the alleged violation of PRC-005-1 R2 did not pose a serious or substantial risk to the bulk power system because these relays were not related to circuits which are critical to the Western Interconnection. The one missed relay at NGS is related to a differential relay that is energized by the BPS and serves a radially-connected load associated with the generating station. The low side of the transformer is not connected to a generating source or a distribution network. As for the 28 relays that were tested four months late, the Agua Fria Units 5 and 6 were installed in the 1960s and are vintage simple-cycle gas turbine units connected to SRP's 230 kV transmission system through the SRP Agua Fria 230/69 kV substation. SRP rarely runs these units because of their inefficient high heat rates and

uneconomical operating costs. During 2008, these Units 5 and 6 only ran for 72 hours (0.82% of the year) and 95 hours (1.1 % of the year), respectively. Given the limited time these units were on-line and the fact that the units interconnect at 230 kV and do not interconnect to any higher voltage facilities, a short delay in maintenance of these relays would not pose a serious or substantial risk to the BPS. This is demonstrated by transmission reliability studies which have been run by SRP and which demonstrate that if the entire Agua Fria 230 kV switchyard is removed from service during system peak conditions, there would be no resulting thermal overload, stability, or voltage problems. Finally, WECC noted that this alleged violation involved less than one percent of SRP's total relays.

Regional Entity's Basis for Penalty

According to the Settlement Agreement, WECC has assessed a penalty of fifteen thousand dollars (\$15,000) for the referenced alleged violation. In reaching this determination, WECC considered the following mitigating factors: (1) the alleged violation was self-reported; (2) the alleged violation constituted SRP's first violation of PRC-005-1; (3) SRP was cooperative throughout the enforcement process; (4) there was no evidence of any attempt to conceal a violation nor evidence of intent to do so; and (5) the alleged violation did not pose a serious or substantial risk to the bulk power system, as discussed above.

After consideration of the above factors, WECC determined that, in this instance, the penalty amount of fifteen thousand dollars (\$15,000) is appropriate and bears a reasonable relation to the seriousness and duration of the alleged violation.

Status of Mitigation Plan⁶

SRP's Mitigation Plan to address its alleged violation of PRC-005-1 R2 was submitted to WECC on December 23, 2008 with a proposed completion date of April 30, 2009. The Mitigation Plan was accepted by WECC on December 26, 2008⁷ and approved by NERC on February 3, 2009. The Mitigation Plan for this alleged violation is designated as MIT-08-1325 and was submitted as non-public information to FERC on February 9, 2009 in accordance with FERC orders.

SRP's Mitigation Plan required SRP to complete the following actions:

- Develop a relay maintenance report which includes all relays that require testing within the next 60 and 90 days – completed before the Mitigation Plan was submitted;
- Develop a relay maintenance error report to identify missing dates such as the last maintenance date, previous maintenance date, work order date and maintenance interval due date – to be completed by February 1, 2009;
- Develop a relay maintenance report to include all relays that have exceeded their maintenance interval – to be completed by February 1, 2009;
- Revise the *SRP Relay Maintenance Plan* to include the monthly review of the reports described above – to be completed by February 1, 2009;

⁶ See 18 C.F.R § 39.7(d)(7).

⁷ SRP's Certification of Mitigation Plan Completion incorrectly states that the Mitigation Plan was accepted by WECC on February 23, 2009.

- Compare all SRP substation one-line diagrams versus the current list of station relays associated with PRC-005-1 and update the relay maintenance list as required – to be completed by April 30, 2009; and
- Develop a process to ensure that relays associated with a common participation facility are accounted for in one of the Transmission Operators' relay maintenance plans – to be completed by April 30, 2009.

SRP certified on April 30, 2009, on a form signed on April 28, 2009, that the above Mitigation Plan requirements were completed on April 30, 2009. As evidence of completion of its Mitigation Plan, SRP submitted its revised Protection System maintenance and testing program and data sheets demonstrating the test dates of all relays. SRP's Certification of Mitigation Plan Completion also stated that to prevent recurrence of this alleged violation, the Supervisors of both System Protection and Relay Maintenance will meet every June to review the existing relay reports and identify changes that occurred over the past year in order to keep SRP's NERC reports current with system upgrades and replacements. Additionally, any changes that are identified will be updated and documented in SRP's relay maintenance database by July 31st of each year. SRP added these requirements to the *SRP Relay Maintenance Procedure*.

On May 8, 2009, after reviewing SRP's submitted evidence, WECC verified that SRP's Mitigation Plan was completed on April 30, 2009 and notified SRP in a letter dated June 2, 2009 that it was in compliance with PRC-005-1 R2.

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 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 fifteen thousand dollars (\$15,000) against SRP 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 violation at issue.

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

- (1) SRP self-reported the alleged violation;
- (2) the alleged violation constituted SRP's first violation of PRC-005-1;
- (3) WECC reported SRP was cooperative throughout the enforcement process;
- (4) there was no evidence of any attempt to conceal a violation nor evidence of intent to do so; and

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).

- (5) WECC determined that the alleged violation did not pose a serious or substantial risk to the bulk power system, as discussed above.

For the foregoing reasons, the NERC BOTCC approves the Settlement Agreement and believes that the proposed penalty of fifteen thousand dollars (\$15,000) 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 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) SRP's Self-Report for PRC-005-1 R2 dated December 16, 2008, included as Attachment a;
- b) Settlement Agreement by and between WECC and SRP executed October 26, 2009, included as Attachment b;
- c) SRP's Mitigation Plan designated as MIT-08-1325 for PRC-005-1 R2 submitted on December 23, 2008, included as Attachment c;
- d) SRP's Certification of Completion of the Mitigation Plan for PRC-005-1 R2 dated April 30, 2009, included as Attachment d; and
- e) WECC's Verification of Completion of the Mitigation Plan for PRC-005-1 R2 dated June 2, 2009, included as Attachment e.

A Form of Notice Suitable for Publication¹⁰

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

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 germy.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>Gary Harper* Compliance Executive and Manager, System Operations Mail Station POB009 P.O. Box 52025 Phoenix, AZ 85072-2025 (602) 236-4343 (602) 236-3873 – facsimile Gary.Harper@srpnet.com</p> <p>Steven Cobb* Manager, Electric Reliability Compliance Mail Station POB300 P.O. Box 52025 Phoenix, AZ 85072-2025 (602) 236-3065 (602) 236-0995 – facsimile Steven.Cobb@srpnet.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>
--	---

Conclusion

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

Respectfully submitted,

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

/s/ Rebecca J. Michael
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

cc: Salt River Project Agricultural Improvement and Power District
Western Electricity Coordinating Council

Attachments

Attachment a

**SRP's Self-Report for PRC-005-1 R2 dated
December 16, 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 submit via the WECC Compliance Web Portal File Upload

Registered Entity Name: Salt River Project Agricultural Improvement and Power District (SRP)

Contact Name: Steven Cobb

Contact Phone: 602-236-3965

Contact email: Steven.Cobb@SRPnet.com

Date noncompliance was discovered: 12-05-08

Date noncompliance was reported: 12-16-08

Standard Title: Transmission and Generation Protection System Maintenance and Testing

Standard Number: PRC-005-1

Requirement Number(s)¹: R2

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

The non-compliance was discovered during an Internal Audit

During the timeframe of October 2, 2008 – December 5, 2008, SRP's Electric Reliability Compliance group conducted an extensive internal compliance review of all Standards applicable to SRP as a Registered Entity. During this review, twenty-nine Bulk Electric System relays were identified as exceeding the maintenance interval specified in the *SRP Relay Maintenance Plan*.

***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:**

¹ Violations are on a per requirement basis.

Describe the cause of non-compliance:

Describe the reliability impact of this non-compliance:

Expected date of Mitigation Plan submittal: Concurrent with this *Compliance Violation Self-Reporting Form*.

Attachment b

Settlement Agreement by and between WECC and SRP executed October 26, 2009

SETTLEMENT AGREEMENT
OF
WESTERN ELECTRICITY COORDINATING COUNCIL
AND
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

Western Electricity Coordinating Council ("WECC") and Salt River Project Agricultural Improvement and Power District ("SRP") (collectively the "Parties") hereby enter into this Settlement Agreement ("Agreement") on this 21 day of Oct, 2009.

RECITALS

A. The Parties desire to enter into this Agreement to resolve all outstanding issues between them arising from a Self-Report submitted by SRP that resulted in certain WECC determinations and findings regarding one alleged SRP violation of the following North American Electric Reliability Corporation ("NERC") Reliability Standard ("Reliability Standard" or "Standard"):

WECC200801237: PRC-005-1 R2, Protection System Maintenance and Testing

B. SRP, an Arizona corporation, is a political subdivision of the state of Arizona. Its principal offices are located in Phoenix, Arizona. SRP provides electricity to nearly 934,000 retail customers in the Phoenix area and has a peak load of 6,410 MW. It operates or participates in 11 major power plants and numerous other generating stations, including thermal, nuclear, natural gas and hydroelectric sources.

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 SRP for subsequent violations of the same Reliability Standards addressed herein and taking enforcement action, if necessary. Such enforcement action can include assessing penalties against SRP 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 SRP hereby agree and stipulate to the following:

I. Representations of the Parties

For purposes of this Agreement only, the Parties stipulate to the facts contained herein. WECC has established sufficient facts, as set forth herein, to support its determination that SRP 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 PRC-005-1, Requirement 2

R2: Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System shall provide documentation of its Protection System maintenance and testing program and the implementation of that program to its Regional Reliability Organization on request (within 30 calendar days). The documentation of the program implementation shall include:

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

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

SRP is subject to this Standard because it was registered on the NERC Compliance Registry on April 10, 2007 as a Transmission Owner, Distribution Provider and Generator Owner. SRP discovered this violation during an internal compliance review conducted between October 2, 2008 and December 5, 2008. SRP self-reported this violation to WECC on December 16, 2008. SRP stated that it was in violation of this Standard because 29 relays were not tested in accordance with the SRP Relay Maintenance Plan. WECC subject matter experts ("SMEs") reviewed SRP's Self-Report and determined that SRP had a possible violation of this Standard.

In early October 2008, SRP determined that a differential relay installed on its Navajo Generating Station ("NGS") 500/13.8 kV main station service transformer should be included in its Relay Maintenance Plan. SRP previously thought this relay was the responsibility of the Transmission Operator ("TOP") that operates the NGS 500kV switchyard. This relay controls the operation of 500kV circuit breakers in the switchyard when a transformer differential occurs. Once the NGS relay was identified as SRP's responsibility, it was tested approximately three weeks later on October 21, 2008. The

violation period for this relay was from June 18, 2007, when the Standard became effective and this relay should have been added to SRP's Protection System maintenance and testing program, until October 21, 2008, when the relay was tested.

On December 5, 2008, SRP discovered that 28 relays installed on Agua Fria Generating Units 5 and 6 had been tested approximately 4-5 months late based on the 4 year test interval mandated in the SRP Relay Maintenance Plan. This discrepancy was caused by a relay maintenance software error. The violation period for these relays was from February 25, 2008, when the four year interval for these relays was first exceeded, until July 30, 2008, when these relays were tested. Based on these facts, WECC SMEs determined that SRP had a possible violation of this Standard. The WECC SMEs forwarded their findings to the WECC Enforcement Department ("Enforcement") for its review and consideration.

Enforcement reviewed SRP's Self-Report and the findings of WECC SMEs and determined that SRP has an Alleged Violation of this Standard because 29 relays were not maintained and tested in accordance with SRP's Protection System maintenance and testing program.

SRP submitted a mitigation plan to address this violation on December 23, 2008. This mitigation plan stated that SRP would (1) develop a relay maintenance report that will include all relays that require testing within the next 60 and 90 days, (2) develop a relay maintenance error report that will identify missing data such as the last maintenance date, previous maintenance date, work order date, and maintenance interval due date, (3) develop a relay maintenance report that will include all relays that have exceeded their maintenance interval, (4) revise the SRP Relay Maintenance Plan to include the monthly review of the reports mentioned above, (5) compare all SRP substation one-line diagrams versus the current list of station relays associated with PRC-005-1 and update the relay maintenance list as required, and (6) develop a process to ensure that relays associated with a common participation facility are accounted for in one of the TOPs' relay maintenance plans. This mitigation plan had an expected completion date of April 30, 2009.

SRP certified completion of this mitigation plan on April 30, 2009, certifying that it was completed that same day. To demonstrate completion of this mitigation plan, SRP provided WECC with a revised Protection System maintenance and testing program and data sheets demonstrating the test dates of all relays. On May 8, 2009, WECC SMEs reviewed the completion documentation and determined that SRP had completed its mitigation plan. WECC SMEs determined that all Protection System devices had been tested and were on schedule. WECC SMEs also determined that SRP had instituted new tracking processes to capture the Protection Systems with upcoming testing and maintenance dates.

III. Settlement Terms

A. Payment. To settle this matter, SRP hereby agrees to pay \$15,000 to WECC via wire transfer or cashier's check. SRP shall make the funds payable to a WECC account identified in a Notice of Payment Due that WECC will send to SRP upon

approval of this Agreement by NERC and the Federal Energy Regulatory Commission ("FERC"). SRP 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 SRP 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 SRP's Alleged Violations in accordance with NERC's VRF Matrix dated February 3, 2009:

1. This violation of PRC-005-1 R1 has a VRF of High. SRP failed to test 29 Protection System relays within defined intervals. However, WECC determined that this violation posed only a Minimal risk to the reliability of the Bulk Electric System ("BES") due to the fact that these relays were not related to circuits which are critical to the Western Interconnection. The one missed relay at NGS is related to a MSS Transformer that is energized by the BES and serves a radially-connected load associated with the generating station. The low side of the transformer is not connected to a generating source or a distribution network. As for the 28 relays that were tested four months late, the Agua Fria Units 5 and 6 were installed in the 1960s and are vintage simple-cycle gas turbine units connected to SRP's 230 kV transmission system through the SRP Agua Fria 230/69 kV substation. SRP rarely runs these units because of their inefficient high heat rates and uneconomical

operating costs. During 2008, these Units 5 and 6 only ran for 72 hours (0.82% of the year) and 95 hours (1.1% of the year) respectively. Given the limited time these units were on-line, the fact that the units interconnect at 230 kV and do not interconnect to any higher voltage facilities, a short delay in maintenance of these relays realistically poses only an extremely low risk to the reliability of the BES. This is demonstrated by transmission reliability studies which have been run by SRP and which demonstrate that if the entire Agua Fria 230 kV switchyard is removed from service during system peak conditions, there would be no resulting thermal overload, stability, or voltage problems. Finally, WECC notes that this violation involved less than one (1) percent of SRP's total relays. For these reasons, WECC determined that this violation posed a Minimal risk to the BES.

WECC considered several mitigating factors to reach an agreement with SRP regarding the payment amount. First, the Alleged Violation addressed by this Agreement is SRP's first assessed noncompliance with this Standard. Second, SRP self-reported and mitigated this violation in a timely manner. Third, SRP was cooperative throughout WECC's evaluation of its compliance with the Standard and the enforcement process. Finally, WECC notes that the late testing of the Agua Fria relays was the result of a computer software error.

WECC also considered the quality of SRP's Internal Compliance Program ("ICP"). On January 11, 2008, during an on-site Compliance Audit, the Audit Team evaluated SRP's ICP using the Compliance Program Audit Worksheet. The Audit Team found that: (1) SRP's ICP is well documented, (2) SRP has named and staffed an ICP oversight position, (3) the ICP oversight position is supervised at a high level in the entity, (4) SRP has dedicated sufficient staff and budget to its ICP, (5) the ICP has the support and participation of senior management, (6) SRP regularly reviews and modifies its ICP, (7) SRP's ICP includes appropriate and sufficient training of all the staff, and (8) SRP's ICP includes formal, internal, self-auditing for compliance with all applicable Reliability Standards on a set periodic basis.

WECC considered that there were no aggravating factors warranting a higher payment amount. Specifically, SRP did not have any negative compliance history. There was no failure by SRP to comply with applicable compliance directives, nor any evidence of an attempt by SRP to conceal a violation. Finally, there was no evidence that SRP'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 SRP 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. SRP agrees that the Agreement, upon approval by NERC and FERC, is a final settlement of all matters set forth herein. SRP waives its right to further hearings and appeal, unless and only to the extent that SRP 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 SRP in accordance with the Agreement, the CMEP and the NERC Rules of Procedure. In the event that SRP fails to comply with any of the terms of this Agreement, WECC shall have the right to pursue enforcement, penalty or sanction actions against SRP up to the maximum penalty allowed by the NERC Rules of Procedure. SRP 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. SRP consents to the use of WECC's determinations, findings, and conclusions set forth in this Agreement for the purpose of assessing the factors, including the factor of determining the company's history of violations, in accordance with the NERC Sanction Guidelines and applicable Commission orders and policy statements. Such use may be in any enforcement action or compliance proceeding undertaken by NERC and/or any Regional Entity; provided, however, that Registered Entity does not consent to the use of the specific acts set forth in this Agreement as the sole basis for any other action or proceeding brought by NERC and/or WECC, nor does SRP 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.

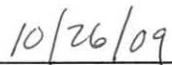
***[Remainder of page intentionally left blank -
signatures affixed to following page]***

Agreed to and accepted:

WESTERN ELECTRICITY COORDINATING COUNCIL




Constance B. White
Vice President of Compliance

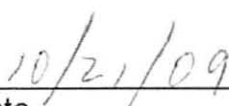


Date

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER
DISTRICT



Gary W. Harper
Manager, System Operations



Date

Attachment c

**SRP's Mitigation Plan designated as MIT-08-1325
for PRC-005-1 R2 submitted on December 23,
2008**



Mitigation Plan Submittal Form

New ☒ or Revised ☐

Date this Mitigation Plan is being submitted: 12/23/08

If this Mitigation Plan has already been completed:

- Check this box ☐ and
- Provide the Date of Completion of the Mitigation Plan:

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: Salt River Project Agricultural Improvement and Power District (SRP)
Registered Entity Address: P.O. Box 52025, Phoenix, AZ 85072
NERC Compliance Registry ID: NCR05372

- 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: Steven C. Cobb
Title: Manager, Electric Reliability Compliance
Email: Steven.Cobb@srpnet.com

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

Phone: (602) 236-3965



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		10/02/08	Self-Report
		R2		12/05/08	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:

Navajo Generating Station MSS Transformer Differential Relay:

In early October 2008, SRP System Protection determined that a differential relay installed on the Navajo Generating Station (NGS) 500/13.8kV Main Station Service transformer should be included in SRP's Relay Maintenance Plan, not the plan of the TOP that operates the NGS 500kV switchyard.

SRP is the operator of the NGS plant. Another TOP operates the NGS 500kV switchyard. Previously, it was believed that the maintenance responsibility for the NGS differential relay belonged to the TOP that operates the NGS 500kV



switchyard. The relay in question controlled the operation of 500kV circuit breakers in the switchyard when a transformer differential occurred. Once the NGS relay was identified as SRP's responsibility, it was tested on October 21, 2008, approximately 3 weeks after the initial discovery.

Agua Fria Generating Units 5 & 6 Relays:

Early in December 2008, it was discovered that twenty-eight relays installed on Agua Fria Generating Units 5 and 6 had been tested approximately 4-5 months late based on the 4 year test interval required in the SRP Relay Maintenance Plan. This discrepancy was caused by a relay maintenance software error.

SRP's relay maintenance software (Cascade) is designed to track a date one year prior to the end of each relay's maintenance interval. A work order is automatically generated on that date for the relay to be tested. The Relay Maintenance group then plans its work activities to ensure each relay is tested prior to the end of its maintenance interval. The Cascade software issued a work order approximately 13 months late for maintenance of the Agua Fria relays. The work was performed in a normal manner based on the date the late work order had been issued. The relay testing was actually completed 4-5 months beyond the relays' maintenance interval. Relay Maintenance was unaware that the work order had been issued 13 months late until the 2008 compliance review was performed.

A chronology of this event is as follows:

2/25/04 & 3/8/04 Relay Testing completed on Agua Fria Units 5 & 6.

4/16/08 Work Orders created for Agua Fria Units 5 & 6. Maintenance interval for these relays is 4 years. The work orders were not generated until 1-2 months after the expiration of the 4 year maintenance interval.

7/30/08 Relay testing was completed on Agua Fria Units 5 & 6 relays.

12/5/08 System Protection determined through review of the last and previous test dates that Agua Fria 5 & 6 relays were maintained approximately 4-5 months late.

SRP believes the delayed maintenance of the 29 relays identified above represents a determined effort on our part to ensure ALL relays are accounted for in the SRP Relay Maintenance Plan.



Western Electricity Coordinating Council



[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:

SRP had maintained all of the Agua Fria relays prior to discovering they had exceeded their maintenance interval. The NGS relay was maintained as soon as SRP personnel residing in the Phoenix area could be scheduled to assist NGS personnel. NGS is a remote site approximately 300 miles from Phoenix. These relay maintenance issues were discovered during SRP's extensive annual compliance review.

The discovery that the Agua Fria relays were maintained after their maintenance cycle had ended was a product of an extensive audit of relay maintenance records. Relay Maintenance System Protection has been in the process of combining all of SRP's Relay Maintenance records into the Cascade system since late 2007. Relay maintenance had originally been tracked by "groups." A group was comprised of all relays associated with a specific substation or generator. Relay Maintenance System Protection has improved the granularity of their maintenance process by tracking the testing records on an individual relay basis.

The NGS relay is a RADSS - high speed bus differential relay. SRP has a number of these relays in service at this time. This particular model of relay has proven to be very reliable. SRP has not had a RADSS relay fail or misoperate. No trouble orders on the relay in question had been generated based on alarms received in the NGS control room.

[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:



See Attachment 1 letter from Steven Cobb dated 12/23/08.
[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: 4/30/09

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)
Develop a relay maintenance report that will include all relays that require testing within the next 60 and 90 days.	Complete
Develop a relay maintenance error report that will identify missing data such as "Last Maintenance Date, Previous Maintenance Date, Work Order date, and Maintenance Interval Due Date."	2/1/09
Develop a relay maintenance report that will include all relays that have exceeded their maintenance interval.	2/1/09
Revise the SRP Relay Maintenance Plan to include the monthly review of the reports mentioned above.	2/1/09
Compare all SRP substation one line diagrams versus the current list of station relays associated with PRC-005-1. Update the relay maintenance list as required.	4/30/09
Develop a process to ensure that relays associated with a common or participation	4/30/09



Western Electricity Coordinating Council



facility are accounted for in one TOP's Relay Maintenance Plan	
---	--

(*) 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:

All relay maintenance records will be checked manually until the report automation defined in section D.3 above is implemented.
[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:

The reliability of the BES will not be at an increased risk during the implementation of the Mitigation Plan defined above. All relay maintenance dates will be manually checked on a monthly basis to ensure maintenance intervals are not exceeded.
[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:

Automation of maintenance reporting along with manual validation will ensure SRP's BES relays will not exceed their maintenance intervals.

Validating Station one-lines to ensure all of the appropriate relays are included in the SRP Maintenance Plan will ensure the maintenance plan scope is accurate and all inclusive.

Developing and documenting a process to ensure all relays at common or participation facilities are captured in a TOP's maintenance plan will also ensure no relays are excluded from a TOP relay maintenance plan.
[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:

N/A

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

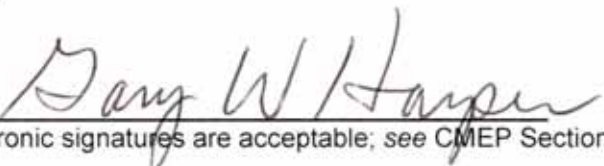


Section F: Authorization

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 Gary W. Harper of SRP.
 2. I am an officer, employee, attorney or other person authorized to sign this Mitigation Plan on behalf of SRP.
 3. I understand SRP'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. SRP 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): Gary W. Harper
Title: Manager, System Operations
Date: 12/23/08



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



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.
- 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.



Western Electricity Coordinating Council



- 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.



Mail Station POB300
P O Box 52025
Phoenix AZ 85072-2025

Steven C. Cobb
Manager, Electric Reliability Compliance
Phone: (602) 236-3965
Fax: (602) 236-0995
E-mail: Steven.Cobb@SRPnet.com

December 23, 2008

WECC Compliance Staff
615 Arapeen Drive Suite 210
Salt Lake City, UT 84108-1262

Re: Attachment 1 to SRP PRC-005-1 R2 Mitigation Plan Section D.1

WECC Compliance Staff,

This letter provides additional details of SRP's PRC-005-1 R2 Mitigation Plan, Section D.1, filed with your office on December 23, 2008.

SRP is self-reporting two potential violations to NERC Standard PRC-005-1 R2 as defined in the Mitigation Plan. These potential violations and their associated mitigation actions are defined below.

Aqua Fria Generating Units 5 and 6

The work orders to perform maintenance on Aqua Fria Units 5 and 6 were generated approximately 13 months late. Work orders are typically generated 12 months prior to the end of each relay's maintenance interval. As a result, the relays were tested 4-5 months after the end of their maintenance cycle. In order to ensure this potential violation is not repeated, SRP plans to make the following enhancements to its relay maintenance software reports:

1. A monthly report will be generated to identify all relays that are within 60 days and 90 days of the end of their maintenance interval and still require testing.
 - This report is complete. It is included as Attachment 2.
2. A monthly report will be generated to identify any missing data that is required for relay maintenance reporting. This missing data will be checked for each relay. The data will include Last Maintenance Date, Maintenance Date Previous to the Last Maintenance Date, Work Order date, and Maintenance Interval Due Date.
 - This report will be completed prior to 2/1/09.

3. A monthly report will be generated to identify any relay that has exceeded its maintenance interval.
 - This report will be completed prior to 2/1/09.

The information in each of the above reports will be manually validated until the reports are proven accurate.

SRP's Relay Maintenance Plan will be revised to include the existence of the reports above. The Plan shall also require that the information in the reports be reviewed monthly.

Navajo Generating Station 500/13.8kV Main Station Service Transformer Differential Relay

SRP believed the maintenance responsibility for the NGS MSS Transformer relay was assigned to the TOP responsible for operating the NGS 500kV switchyard. In October 2008, SRP discovered that the maintenance responsibility belonged to SRP. To ensure that this scenario does not reoccur, SRP is taking the following actions:

1. SRP will review all of its station one-line diagrams to ensure each relay is accounted for on the list of relays in the relay maintenance software.
 - This review will be completed prior to 4/30/09.
2. SRP will develop, document, and implement a process to ensure relays located in common or participation transmission or generation facilities are accounted for in the Relay Maintenance Plans of SRP or another TOP, as appropriate. This process will be included within SRP's Relay Maintenance Plan.
 - This procedure will be completed prior to 4/30/09.

Sincerely,



Steven C. Cobb

cc: Gary W. Harper, SRP

Attachment d

SRP's Certification of Completion of the Mitigation Plan for PRC-005-1 R2 dated April 30, 2009



Delivering More Than Power™

Mail Station POB300
PO Box 52025
Phoenix AZ 85072-2025

Steven C. Cobb
Manager, Electric Reliability Compliance
Phone: (602) 236-3965
Fax: (602) 236-0995
E-mail: Steven.Cobb@SRPnet.com

April 30, 2009

Western Electricity Coordinating Council
Compliance Department
615 Arapeen Drive, Suite 210
Salt Lake City UT 84108-1262

WECC Compliance Department,

SRP respectfully submits the attached *Mitigation Plan Completion* for PRC-005-1, R2. The Mitigation Plan was submitted to WECC on December 23, 2008 and was accepted by WECC on February 23, 2009. SRP submitted a *Mitigation Plan Update* to WECC on March 31, 2009.

As indicated on the attached form, SRP has completed all of the Mitigation Plan milestones.

If you have any questions, please don't hesitate to contact me.

Sincerely,

Steven C. Cobb

cc: Gary W. Harper, Compliance Executive, SRP
Electric Reliability Compliance Staff



Mitigation Plan Submittal Form

New ☐ or Revised ☒

Date of submittal: 04/30/2009

If this Mitigation Plan is complete:

- Check this box ☒
- Provide the Date of the Mitigation Plan Completion: 4/30/2009
- 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: Salt River Project (SRP)
Registered Entity Address: P O Box 52025
Phoenix AZ 85072-2025
NERC Compliance Registry ID: NCR05372

- 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%20Mitigaton%20Plan%](http://compliance.wecc.biz/Documents/Forms/03.06%20-%20WECC%20Mitigaton%20Plan%20)
Registered Entities are responsible for following all applicable WECC CMEP procedures. WECC



Name: Steven Cobb
 Title: Manager, Electric Reliability Compliance
 Email: Steven.Cobb@srpnet.com
 Phone: (602) 236-3965

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		10/02/08	Self-Report
		R2		12/05/08	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:

Navajo Generating Station MSS Transformer Differential Relay:

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



In early October 2008, SRP System Protection determined that a differential relay installed on the Navajo Generating Station (NGS) 500/13.8kV Main Station Service transformer should be included in SRP's Relay Maintenance Plan, not the plan of the TOP that operates the NGS 500kV switchyard.

SRP is the operator of the NGS plant. Another TOP operates the NGS 500kV switchyard. Previously, it was believed that the maintenance responsibility for the NGS differential relay belonged to the TOP that operates the NGS 500kV switchyard. The relay in question controlled the operation of 500kV circuit breakers in the switchyard when a transformer differential occurred. Once the NGS relay was identified as SRP's responsibility, it was tested on October 21, 2008, approximately 3 weeks after the initial discovery.

Agua Fria Generating Units 5 & 6 Relays:

Early in December 2008, it was discovered that twenty-eight relays installed on Agua Fria Generating Units 5 and 6 had been tested approximately 4-5 months late based on the 4 year test interval required in the SRP Relay Maintenance Plan. This discrepancy was caused by a relay maintenance software error.

SRP's relay maintenance software (Cascade) is designed to track a date one year prior to the end of each relay's maintenance interval. A work order is automatically generated on that date for the relay to be tested. The Relay Maintenance group then plans its work activities to ensure each relay is tested prior to the end of its maintenance interval. The Cascade software issued a work order approximately 13 months late for maintenance of the Agua Fria relays. The work was performed in a normal manner based on the date the late work order had been issued. The relay testing was actually completed 4-5 months beyond the relays' maintenance interval. Relay Maintenance was unaware that the work order had been issued 13 months late until the 2008 compliance review was performed.

A chronology of this event is as follows:

2/25/04 & 3/8/04 Relay Testing completed on Agua Fria Units 5 & 6.

4/16/08 Work Orders created for Agua Fria Units 5 & 6. Maintenance interval for these relays is 4 years. The work orders were not generated until 1-2 months after the expiration of the 4 year maintenance interval.



7/30/08 Relay testing was completed on Agua Fria Units 5 & 6 relays.

12/5/08 System Protection determined through review of the last and previous test dates that Agua Fria 5 & 6 relays were maintained approximately 4-5 months late.

SRP believes the delayed maintenance of the 29 relays identified above represents a determined effort on our part to ensure ALL relays are accounted for in the SRP Relay Maintenance Plan.

[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:

SRP had maintained all of the Agua Fria relays prior to discovering they had exceeded their maintenance interval. The NGS relay was maintained as soon as SRP personnel residing in the Phoenix area could be scheduled to assist NGS personnel. NGS is a remote site approximately 300 miles from Phoenix. These relay maintenance issues were discovered during SRP's extensive annual compliance review.

The discovery that the Agua Fria relays were maintained after their maintenance cycle had ended was a product of an extensive audit of relay maintenance records. Relay Maintenance System Protection has been in the process of combining all of SRP's Relay Maintenance records into the Cascade system since late 2007. Relay maintenance had originally been tracked by "groups". A group was comprised of all relays associated with a specific substation or generator. Relay Maintenance System Protection has improved the granularity of their maintenance process by tracking the testing records on an individual relay basis.

The NGS relay is a RADSS - high speed bus differential relay. SRP has a number of these relays in service at this time. This particular model of relay has proven to be very reliable. SRP has not had a RADSS relay fail or misoperate. No trouble orders on the relay in question had been generated based on alarms received in the NGS control room.

[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



Western Electricity Coordinating Council



- 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:

MILESTONE 1

Develop a relay maintenance error report that will identify missing data such as "Last Maintenance Date, Previous Maintenance Date, Work Order Date, and Maintenance Interval Due Date".

Status: Completed
Completion Date: 2/1/09

Discussion:

For resolution of the first milestone, SRP created a report to identify missing relay data in the Cascade database. The Cascade database is the primary means of maintenance tracking at SRP. Relay data is available in several separate SRP relay maintenance databases. However, SRP wanted to compile all relay information in a single database for maintenance tracking and reporting purposes. During the month of January 2009, the report format was finalized. On the first business day of February 2009, a final version of the report was created that identified missing relay data.

Once all data missing from Cascade was identified, the data was added to the database. The missing data report generated on the first business day of March 2009, showed no missing relay data. A current copy of this report is included as Attachment 1 "Standard PRC Report - By Relay".

MILESTONE 2

Develop a relay maintenance report that will include all relays that have exceeded their maintenance interval.

Status: Completed
Completion Date: 2/1/09

Discussion:

For resolution of the second milestone, SRP created two reports to track relays that are within 60 days or 90 days of exceeding their maintenance cycles. Any relays that have exceeded their maintenance cycles are shown in red on the monthly report. Current copies of these reports are included as Attachments 2 & 3.



Neither the 60 nor 90 day report currently lists any relays that require maintenance within their associated timeframes. During the last few months of 2008, SRP performed an analysis of its relay maintenance program. This analysis was completed and approved by SRP management at the end of January 2009. This analysis determined that the maintenance cycles on most relays should be increased to 6 years as per current industry practices. The "Revision to Protective Relaying Cycles" is included as Attachment 4.

MILESTONE 3

Revise the SRP Relay Maintenance Plan to include the monthly review of the reports mentioned above.

Status: Completed

Completion Date: 2/1/09

Discussion:

To achieve the third milestone, the requirement for monthly review of the relay reports identified in the MILESTONE 1 & 2 Discussion sections above was added to the Relay Maintenance Procedure (Attachment 5). The requirement to review the reports can be seen on Page 16 of the procedure.

MILESTONE 4

Compare all SRP substation one line diagrams versus the current list of station relays associated with PRC-005-1. Update the relay maintenance list as required.

Status: Completed

Completion Date: 4/28/09

Discussion:

SRP has completed our review of all Transmission and Generation Station One Line Drawings. During this review, SRP has added relay data that will help identify Bulk Electric System relays more quickly in the field. As of April 22, 2009, all of the relays identified in the one line drawings that are covered by PRC-005 R2 have been entered into our Cascade Database. The additional relays identified have been included in Attachment 1 "Standard PRC Report - By Relay." Newly added relays are noted in the comments field of the report. Completion of the substation one line review is certified by the appropriate managers in Attachment 6.



MILESTONE 5

Develop a process to ensure that relays associated with a common or participation facility are accounted for in one Transmission Operator's Relay Maintenance Plan.

Status: Completed

Completion Date: 4/27/09

Discussion:

SRP has completed a review of all station one lines for common and participation substations. The normal process for updating SRP's database is for the Relay Maintenance supervisors to input the new relays when they receive the relay records from the SRP Construction group. In order to provide additional quality control, SRP has incorporated an additional annual review process for relays that are upgraded or replaced. In June of each year, the supervisors of both System Protection and Relay Maintenance Departments will meet to review all of the BES relays covered under the NERC maintenance standards. This additional review will include all participation substations as well as SRP owned substations to ensure that the Cascade Database is up to date with relay additions, upgrades or replacements that were completed over the previous year. Any changes will be implemented in the relay database by July 31st of each year. This procedure is documented on page 16 of the SRP Relay Maintenance Procedure (Attachment 5).

[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:



Western Electricity Coordinating Council



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:

N/A

[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:

SRP continues to maintain its relays at the appropriate intervals. The Agua Fria relays that were reported in December 2008 were missed due to a software error that was reviewed quickly and resolved by Feb. 1, 2009. The review of our Transmission and Generation Station One lines was completed by 4/30/2009 and all of the relays that were discovered during this review had been last tested within the required maintenance cycle.

[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:

In order to keep our NERC reports current with system upgrades and replacements, the Supervisors of both System Protection and Relay Maintenance will meet every June to review the existing relay reports and identify any changes that occurred over the past year. Any changes that are identified will be updated and documented in Cascade by July 31 of each year. This requirement has been added to our Relay Maintenance Procedure.



Western Electricity Coordinating Council



[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:

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 Gary W. Harper of Salt River Project.
 - 2. I am an officer, employee, attorney or other person authorized to sign this Mitigation Plan on behalf of Salt River Project.
 - 3. I understand Salt River Project'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. SRP 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): Gary W. Harper

Title: Manager, System Operations

Date: 4/28/09



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 e

WECC's Verification of Completion of the Mitigation Plan for PRC-005-1 R2 dated June 2, 2009

CONFIDENTIAL



Laura Scholl
Managing Director of Compliance

801.819.7619
lscholl@wecc.biz

June 2, 2009

Steven Cobb
Manager, Electric Reliability Compliance
Salt River Project Agricultural Improvement and Power District
Mail Station POB300
Phoenix, Arizona 85072-2025

NERC Registration ID: NCR05372

Subject: Certification of Completion Response Letter

Dear Steven Cobb,

The Western Electricity Coordinating Council (WECC) received the Certification of Completion and supporting evidence of Salt River Project Agricultural Improvement and Power District (SRP) on 4/30/2009 for the alleged violation of Reliability Standard PRC-005-1 and Requirement(s) 2. Listed below is the outcome of WECC's official review.

WECC has accepted the Certification of Completion for Requirement(s) 2 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: Kathy Murdock, SRP Transmission Scheduler, Electric Reliability Compliance
Lisa Milanese, WECC Manager of Compliance Program Administration
Phil O'Donnell, WECC Acting Manager of Audits

Attachment f

Notice of Filing

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Salt River Project Agricultural Improvement
and Power District

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 Salt River Project Agricultural Improvement and Power District 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