



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

March 31, 2010

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

**Re: NERC Notice of Penalty regarding Brookfield Power Piney & Deep Creek, LLC
FERC Docket No. NP10-_-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Notice of Penalty¹ regarding Brookfield Power Piney & Deep Creek, LLC (Brookfield Power), NERC Registry ID# NCR00699,² 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 September 26, 2008, Brookfield Power self-certified⁴ to ReliabilityFirst Corporation (ReliabilityFirst) a possible violation of Reliability Standard FAC-009-1 Requirement (R) 1 for Brookfield Power's failure to establish Facility Ratings that were consistent and based upon the associated Facility Ratings Methodology. This Notice of Penalty is being filed with the Commission because, based on information from ReliabilityFirst, ReliabilityFirst and Brookfield Power have entered into a Settlement Agreement to resolve all outstanding issues arising from a preliminary and non-public assessment resulting in ReliabilityFirst's determination and findings of the enforceable alleged violation of FAC-009-1 R1. According to the Settlement Agreement, Brookfield Power neither admits nor denies the alleged violation, but has agreed to the proposed penalty of five thousand dollars (\$5,000) to be assessed to Brookfield Power, in addition to other remedies and actions to mitigate the instant violation and facilitate future compliance under the terms and conditions of the Settlement Agreement. Accordingly,

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 ReliabilityFirst Corporation confirmed that Brookfield Power was included on the NERC Compliance Registry as a Generator Operator and Generator Owner on May 30, 2007. As a Generator Owner, Brookfield Power is subject to the requirements of NERC Reliability Standard FAC-009-1.

³ See 18 C.F.R. § 39.7(c)(2).

⁴ The Mitigation Plan incorrectly states that the violation was Self-Reported.

the alleged violation identified as NERC Violation Tracking Identification Number RFC200800102 is being filed in accordance with the NERC Rules of Procedure and the CMEP.

Statement of Findings Underlying the Alleged Violation

This Notice of Penalty incorporates the findings and justifications set forth in the Settlement Agreement executed on November 13, 2009, by and between ReliabilityFirst and Brookfield Power, 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 (\$)
ReliabilityFirst	Brookfield Power Piney & Deep Creek, LLC	NOC-418	RFC200800102	FAC-009-1	1	Medium ⁵	5,000

FAC-009-1

The purpose of Reliability Standard FAC-009-1 is to ensure that Facility Ratings used in the reliable planning and operation of the bulk power system (BPS) are determined based on an established methodology or methodologies.

FAC-009-1 R1 requires the Generator Owner, such as Brookfield Power, to establish Facility Ratings for its solely and jointly owned Facilities that are consistent with the associated Facility Ratings Methodology. FAC-009-1 R1 has a "Medium" Violation Risk Factor (VRF).

According to the Settlement Agreement, on September 26, 2008, Brookfield Power self-certified non-compliance with FAC-009-1 R1. On March 25, 2009,⁶ Brookfield Power provided additional information regarding the alleged violation in response to a ReliabilityFirst information request. Brookfield Power indicated that the existing Brookfield Power FAC-008-1 Ratings Methodology that existed at the time of the self-certification had not been used to develop the Facility Ratings. Facility Ratings existed, but could not be documented to be compliant with the methodology of FAC-008-1. Brookfield Power also indicated that none of the lines at Brookfield Power had experienced flows above their normal ratings and included a supporting letter of attestation from the general manager of the facilities.

⁵ The Mitigation Plan incorrectly states that the Violation Risk Factor for FAC-009-1 R1 is Lower.

⁶ The Settlement Agreement (Page 2 Paragraph 5) incorrectly states that Brookfield Power's response was provided on March 25, 2008.

ReliabilityFirst determined that Brookfield Power had an alleged violation of FAC-009-1 R1 because the evidence reviewed showed that Brookfield Power failed to establish Facility Ratings consistent with the associated Facility Ratings Methodology. ReliabilityFirst determined the duration of the alleged violation to be from June 18, 2007, the date the Standard became enforceable, through April 30, 2009, when Brookfield Power completed its Mitigation Plan.

Regional Entity's Basis for Penalty

According to the Settlement Agreement, ReliabilityFirst has assessed a penalty of five thousand dollars (\$5,000) for this alleged violation. In reaching this determination, ReliabilityFirst considered the following factors: (1) this was Brookfield Power's first assessed non-compliance with FAC-009-1 R1; (2) Brookfield Power was cooperative and open throughout the enforcement process; (3) there was no evidence of any attempt to conceal a violation nor evidence of intent to do so; (4) ReliabilityFirst determined that Brookfield Power is focusing on having an appropriate culture of compliance;⁷ and (5) ReliabilityFirst determined that the alleged violation did not pose a serious or substantial risk to the BPS because facility ratings existed although not consistent with the Facility Ratings Methodology, and none of the lines at Brookfield Power had experienced flows above their normal ratings.

After consideration of the above factors, ReliabilityFirst determined that, in this instance, the penalty amount of five thousand dollars (\$5,000) is appropriate and bears a reasonable relation to the seriousness and duration of the alleged violation.

Status of Mitigation Plan⁸

FAC-009-1 R1

Brookfield Power's completed Mitigation Plan to address its alleged violation of FAC-009-1 R1 was submitted to ReliabilityFirst on March 13, 2009 stating that it was completed on February 2, 2009. The Mitigation Plan was accepted by ReliabilityFirst on April 6, 2009 and approved by NERC on April 13, 2009. The Mitigation Plan for this alleged violation is designated as MIT-08-1550 and was submitted as non-public information to FERC on April 13, 2009 in accordance with FERC orders.

Brookfield Power's Mitigation Plan required it to: (a) perform a root cause analysis to define the human elements affecting the business processes associated with the development of necessary technical data related to FAC-009-1, including improving management of roles and responsibilities to ensure future documentation is developed properly; (b) assign dedicated resources to expedite delivery of the required documentation and Facility Ratings; (c) review the existing business process for managing this activity; and (d) establish a schedule to expedite completion and delivery of its Facility Ratings.

⁷ ReliabilityFirst determined, in addition to other facets of the program, that Brookfield Power's internal Reliability Compliance Program is comprehensively supported and acknowledged by the senior management. Brookfield Power's staff has direct accessibility to senior management regarding compliance related issues. Brookfield Power also has mandatory and optional Reliability compliance training for relevant personnel. Additionally, there are internal Reliability operating and reporting requirements for field staff incorporated in the Planning, Operating, and Maintenance Procedures.

⁸ See 18 C.F.R. § 39.7(d)(7).

Additionally, the Mitigation Plan outlined the following actions to prevent recurrence of a similar violation:

- The Root Cause Analysis identified a need to improve the business processes associated with the development of the technical data related to FAC-009-1. Roles and responsibilities to manage this process were improved to ensure future documentation is developed properly.
- A full-time Reliability Compliance Manager position was created to provide additional resources and guidance in the Compliance Program.
- A Reliability Compliance schedule for reporting deliverables and related deadlines was created.
- Communication with regional operating unit managers on Reliability Compliance Reporting was implemented.
- Accountability matrices were being developed to better define internal roles and responsibilities.

Brookfield Power certified on April 16, 2009⁹ that its Mitigation Plan was completed on February 2, 2009. Brookfield Power submitted the following with its certification as evidence of Mitigation Plan completion:

- *Root Cause Analysis*, dated January 14, 2009;
- Internal Audit Cover Letter, dated March 26, 2009;
- *Brookfield Power Piney Station Facility Rating*, dated January 22, 2009;
- *Brookfield Power Deep Creek Station Facility Rating*, dated January 31, 2009;
- *Reliability Compliance Organizational Chart* and list of Dedicated Resources and job profiles, dated March 26, 2009;
- Examples of communication enhancements, dated February 19, 2009; and
- NERC RFC Reliability Compliance functional accountability matrices, April 16, 2009.

ReliabilityFirst reviewed the submitted documents and deemed the evidence insufficient to demonstrate compliance as of February 2, 2009, and requested additional evidence which included:

- *Brookfield Power Piney & Deep Creek, LLC, NERC Reliability Compliance Procedure, Facility Ratings, FAC-009-1, No.: RCP-079-0*, dated April 30, 2009;
- Schedule B, Single Line Diagram, Piney, dated January 29, 2003; and
- Schedule B, Single Line Diagram, Deep Creek, dated January 29, 2003.

On November 5, 2009, after reviewing the additional evidence Brookfield Power submitted, ReliabilityFirst verified that Brookfield Power's Mitigation Plan was completed on April 30, 2009, the date the Facility Ratings were in effect according to the revised Facility Ratings procedure, and that Brookfield Power was therefore in compliance with FAC-009-1 R1.

⁹ The Certification of Mitigation Plan Completion form was signed by Brookfield Power on April 17, 2009.

Statement Describing the Proposed Penalty, Sanction or Enforcement Action Imposed¹⁰

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,¹¹ the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on February 10, 2010. The NERC BOTCC approved the Settlement Agreement, including ReliabilityFirst's imposition of a financial penalty, assessing a penalty of five thousand dollars (\$5,000) against Brookfield Power 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) the referenced alleged violation is the first violation for Brookfield Power of NERC Reliability Standards;
- (2) ReliabilityFirst reported that Brookfield Power was cooperative throughout the enforcement process;
- (3) there was no evidence of any attempt to conceal a violation nor evidence of intent to do so; and
- (4) ReliabilityFirst determined that the alleged violation 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 five thousand dollars (\$5,000) 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.

¹⁰ See 18 C.F.R. § 39.7(d)(4).

¹¹ *North American Electric Reliability Corporation*, "Guidance Order on Reliability Notices of Penalty," 124 FERC ¶ 61,015 (2008).

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) Brookfield Power's Self Certification Response for FAC-009-1 R1 dated September 26, 2008, included as Attachment a;
- b) Settlement Agreement by and between ReliabilityFirst and Brookfield Power executed November 13, 2009, included as Attachment b;
 - i) Brookfield Power's Mitigation Plan designated as MIT-08-1550 for FAC-009-1 R1 submitted March 13, 2009, included in the Settlement Agreement as Attachment a;
 - ii) Brookfield Power's Certification of Completion of the Mitigation Plan for FAC-009-1 R1 dated April 16, 2009 and signed April 17, 2009, included in the Settlement Agreement as Attachment b; and
 - iii) ReliabilityFirst's Verification of Completion of the Mitigation Plan for FAC-009-1 R1 dated November 5, 2009, included in the Settlement Agreement as Attachment c.

A Form of Notice Suitable for Publication¹²

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

¹² 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>Timothy R. Gallagher* President & CEO ReliabilityFirst Corporation 320 Springside Drive, Suite 300 Akron, Ohio 44333 (330) 456-2488 (330) 456-5390 – facsimile tim.gallagher@rfirst.org</p> <p>Raymond J. Palmieri* Vice President and Director of Compliance ReliabilityFirst Corporation 320 Springside Drive, Suite 300 Akron, Ohio 44333 (330) 456-2488 (330) 456-5408 – facsimile ray.palmieri@rfirst.org</p> <p>Robert K. Wargo* Manager of Compliance Enforcement ReliabilityFirst Corporation 320 Springside Drive, Suite 300 Akron, Ohio 44333 (330) 456-2488 (330) 456-5408 – facsimile bob.wargo@rfirst.org</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>Viggo Lundhild* VP Systems Control, US Operations Brookfield Renewable Power Inc. 200 Donald Lynch Blvd, Suite 300 Marlborough, MA 01752 (508) 251-7703 viggo.lundhild@brookfieldpower.com</p> <p>Mel Jiganti* Director Legal Services, US Operations Brookfield Renewable Power, Inc. 200 Donald Lynch Blvd, Suite 300 Marlborough, MA 01752 (508) 251-7705 Mel.Jiganti@brookfieldpower.com</p> <p>Dave Barnhart* GM Brookfield Power Piney and Deep Creek 326 3rd Ave, Suite 201 Montgomery, WV 25136 (304) 442-5120 x 7266 david.barnhart@brookfieldpower.com</p>
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<p>Megan E. Gambrel* Compliance Enforcement Specialist ReliabilityFirst Corporation 320 Springside Drive, Suite 300 Akron, Ohio 44333 (330) 456-2488 (330) 456-5408 – facsimile megan.gambrel@rfirst.org</p>	<p>Ishwar Saini* Manager, Reliability Compliance Brookfield Renewable Power Inc. 200 Donald Lynch Blvd., Suite 300 Marlborough, MA 07152 (508) 251-7730 Ishwar.Saini@brookfieldpower.com</p> <p>*Persons to be included on the Commission's service list are indicated with an asterisk. NERC requests waiver of the Commission's rules and regulations to permit the inclusion of more than two people on the service list.</p>
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Conclusion

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
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/s/ Rebecca J. Michael
Rebecca J. Michael
Assistant General Counsel
Holly A. Hawkins
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(202) 393-3998
(202) 393-3955 – facsimile
rebecca.michael@nerc.net
holly.hawkins@nerc.net

cc: Brookfield Power Piney & Deep Creek, LLC
ReliabilityFirst Corporation

Attachments

Attachment a

Brookfield Power's Self Certification Response for FAC-009-1 R1 dated September 26, 2008

Logged in as:

PDF Conversion Service

Log Out

System Administration

Committees

Compliance

All Forms

Historical Forms

Certification Statements

Reports

FAC-009-1 Self Certification (All Functions) - Establish and Communicate Facility Ratings - 2008

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Attachments (0)

This form was marked as ready for authorized signatory approval on 9/26/2008.

* Required Fields

Status: Read Only

Technical Contact

* Cole Coleman (cole.coleman@brookfieldpower.co)

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

Applicable Function(s): GO

A possible violation has been previously self-reported or identified by ReliabilityFirst. Provide the issues tracking number, if known.

Please provide a detailed status in the Additional Comments field below.

As an authorized representative of **Brookfield Power Piney & Deep Creek, LLC**, I certify the following:

- Brookfield Power Piney & Deep Creek, LLC is in **Compliance** with the NERC Reliability Standard FAC-009-1.
- Brookfield Power Piney & Deep Creek, LLC is **Not in Compliance** with the following Requirements of NERC Reliability Standard FAC-009-1 (indicated by checkmark) but is in compliance with all other Requirements of the standard.

Select a NERC Compliance Level ☒ Check all requirements for which Brookfield Power Piney & Deep Creek, LLC is Not in Compliance:

- R1.** The Transmission Owner and Generator Owner shall each establish Facility Ratings for its solely and jointly owned Facilities that are consistent with the associated Facility Ratings Methodology.

Provide a detailed explanation why this was not accomplished.

The methodology for how the facility ratings that are currently used by Deep Creek and Piney cannot be determined. We were in the process of having a consultant (Gearhart and McKee) evaluate the facility and develop ratings that are consistent with the policy we developed from the requirements of FAC-008. The project coordinator for Gearhart and McKee was involved in a motorcycle accident so the development / review of the ratings is not complete. We anticipate the ratings to be completed by 11/30/08.

Violation Severity Level

LNC - Level 3

- R2.** The Transmission Owner and Generator Owner shall each provide Facility Ratings for its solely and jointly owned Facilities that are existing Facilities, new Facilities, modifications to existing Facilities and re-ratings of existing Facilities to its associated Reliability Coordinator(s), Planning Authority(ies), Transmission Planner(s), and Transmission Operator(s) as scheduled by such requesting entities.

Provide a detailed explanation why this was not accomplished.

The existing ratings were furnished upon request but the methodology of how those ratings were determined cannot be verified. When the ratings that are consistent with our policy that was based on the requirements of FAC-008 are completed we will forward them to the appropriate agencies. We expect this to be completed by 11/30/08

Violation Severity Level

LNC - Level 3



3. The NERC Reliability Standard FAC-009-1 **does not** apply to **Brookfield Power Piney & Deep Creek, LLC** because

Additional Comments:

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Ready for Authorized Signatory Approval



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Attachment b

**Settlement Agreement by and between
ReliabilityFirst and Brookfield Power executed
November 13, 2009**



In re)	
)	
BROOKFIELD POWER PINEY &)	
DEEP CREEK, LLC)	
)	
)	DOCKET NUMBER
)	
NERC Registry ID # NCR00699)	RFC200800102
)	

**SETTLEMENT AGREEMENT
OF
RELIABILITYFIRST CORPORATION
AND
BROOKFIELD POWER PINEY & DEEP CREEK**

I. INTRODUCTION

1. ReliabilityFirst Corporation (“ReliabilityFirst”) and Brookfield Power Piney & Deep Creek, LLC (“Brookfield Power”) enter into this Settlement Agreement ("Agreement") to resolve all outstanding issues arising from a preliminary and non-public investigation resulting in ReliabilityFirst’s determination and findings, pursuant to the North American Electric Reliability Corporation (“NERC”) Rules of Procedure, of an alleged violation by Brookfield Power of the NERC Reliability Standard FAC-009-1, Requirement 1.

II. STIPULATION OF FACTS

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

A. BACKGROUND

3. Piney and Deep Creek are hydroelectric facilities owned by Brookfield Power, indirectly owned by Brookfield Renewable Power Inc. Brookfield Renewable Power Inc., wholly-owned by Brookfield Asset Management Inc., has more than 100 years of experience as an owner, operator and developer of hydroelectric power facilities. Its total portfolio includes more than 160 generating facilities in North and South America with approximately 4,000 megawatts of capacity. It also has a significant hydroelectric and wind project pipeline.
4. ReliabilityFirst staff confirmed that Brookfield Power is registered on the NERC Compliance Registry as a Generator Owner (GO) and as a Generator Operator (GOP) in the ReliabilityFirst region with the NERC Registry Identification Number of NCR00699 and is therefore subject to compliance with FAC-009-1, Requirement 1.

B. ALLEGED VIOLATION OF FAC-009-1, Requirement 1 – RFC200800102

5. Requirement 1 of FAC-009-1, Requirement 1, states in part,

“The Transmission Owner and Generation Owner shall each establish Facility Ratings for its solely and jointly owned Facilities that are consistent with the associated Facility Ratings Methodology.”

On September 26, 2008, Brookfield Power self-certified Non-Compliance to Requirement 1 of Reliability Standard FAC-009-1.

In a March 25, 2009 response to a ReliabilityFirst information request, Brookfield Power provided additional information regarding the alleged violation. Brookfield Power stated that, “The Self-Certification filed on September 26, 2008 indicated that [Brookfield Power] was not compliant with FAC-009 because the FAC-008 Methodology that existed at the time had not been used to develop the required technical review of the facility.” Facility Ratings existed, but could not be documented to be compliant with the methodology of FAC-008-1.

Brookfield Power also stated in the March 25, 2008 response that none of the lines at Brookfield Power have experienced flows above their normal ratings. In support of the statement that no lines experienced flows above normal ratings, Brookfield Power included a letter of attestation from the general manager of the facilities.

6. ReliabilityFirst alleges that Brookfield Power failed to establish Facility Ratings that were consistent and based upon the associated Facility Ratings Methodology.

III. PARTIES’ SEPARATE REPRESENTATIONS

STATEMENT OF RELIABILITYFIRST AND SUMMARY OF FINDINGS

7. ReliabilityFirst considers this Agreement as the resolution of all issues with regard to the above captioned docket number and to bind Brookfield Power in the commitment to perform actions hereafter enumerated and listed as conditions for this Agreement.
8. FAC-009-1, Requirement 1 has a Violation Risk Factor (VRF) of Medium, as evidenced by the NERC Violation Risk Factor Matrix.
9. ReliabilityFirst found noteworthy and commendable certain aspects of Brookfield Power's compliance program including that Brookfield Power's internal Reliability Compliance Program is comprehensively supported and acknowledged by the senior management. This support is provided via approval of budgeted funds to support the personnel, facilities and materials necessary to maintain an effective compliance program and via direct accessibility to respond to the compliance related issues identified by the compliance staff. Several members of senior management have attended regional reliability compliance training and seminars. Brookfield Power has mandatory and optional Reliability compliance training for relevant personnel. Generator operators have undergone PJM Generator Operator License training. There are internal Reliability operating and reporting requirements for field staff incorporated in the Planning, Operating, and Maintenance Procedures, and these Procedures are reviewed periodically. Senior Management is involved in training sessions conducted by the regional and national reliability entities. Brookfield Power has initiated the process of developing the Internal Audit Program to proactively meet the Reliability Compliance standards. The goal of the Internal Audit Program will be to further improve the existing program based on the recommendations made by the audit team.
10. ReliabilityFirst agrees that this agreement is in the best interest of the parties and in the best interest of bulk power system reliability.

STATEMENT OF BROOKFIELD POWER

11. Brookfield Power neither admits nor denies that the facts set forth and agreed to by the parties for purposes of this Agreement constitute violations of FAC-009-1, Requirement 1.
12. Brookfield Power has agreed to enter into this Settlement Agreement with ReliabilityFirst to avoid extended litigation with respect to the matters described or referred to herein, to avoid uncertainty, and to effectuate a complete and final resolution of the issues set forth herein. Brookfield Power agrees that this agreement is in the best interest of the parties and in the best interest of maintaining a reliable electric infrastructure.

IV. MITIGATING ACTIONS, REMEDIES AND SANCTIONS

A. Mitigating Actions for FAC-009-1, Requirement 1 – RFC200800102

13. On March 13, 2009, Brookfield Power submitted to ReliabilityFirst a Mitigation Plan to address the Alleged Violation set forth in this Agreement. On April 6, 2009, ReliabilityFirst accepted the Mitigation Plan (Mitigation Plan Tracking # MIT-08-1550, *see* Attachment a), and submitted the accepted Mitigation Plan to NERC. NERC approved the Mitigation Plan on April 13, 2009 and submitted the Mitigation Plan to FERC as confidential, non-public information on April 13, 2009. Brookfield Power submitted to ReliabilityFirst a certification of completion of the Mitigation Plan, dated April 16, 2009, which stated that the Mitigation Plan was completed by February 2, 2009 (entitled “Certification of Mitigation Plan Completion”, *see* Attachment b), and also submitted evidence of completion of the Mitigation Plan on April 16, 2009.
14. In the Mitigation Plan, Brookfield Power outlines actions identified to be taken in order to mitigate the violation, as well as the dates by which the actions were to be taken:
 - a. Draft version of facility ratings issued by the consultant. (Completed by January 6, 2009)
 - b. Revised draft expected from the consultant. (Completed by January 20, 2009)
 - c. Final approval by Brookfield Power General Manager and Reliability Compliance Manager. (Completed by January 29, 2009)
 - d. Submit Facility Ratings. (February 2, 2009)
15. Brookfield Power also outlined actions taken in addition to those committed to in the Mitigation Plan which would increase the reliability of the Bulk Power System. Brookfield Power stated, “The Root Cause Analysis identified a need to improve the business processes associated with the development of the technical data related to this standard. Roles and responsibilities to manage this process have been improved to ensure future documentation is developed properly. A full-time Reliability Compliance Manager position has been created to provide additional resources and guidance in the Compliance Program. A Reliability Compliance schedule for reporting deliverables and related deadlines has been created. Communication with regional operating unit managers on Reliability Compliance Reporting has been implemented. Accountability matrices are being developed to better define internal roles and responsibilities.”

16. ReliabilityFirst reviewed the evidence Brookfield Power submitted in support of its certification of completion of the Mitigation Plan. ReliabilityFirst performed an in-depth review to verify that all actions specified in the Mitigation Plan were successfully completed. ReliabilityFirst could not verify completion of the Mitigation Plan without the information contained in the “Brookfield Power Piney & Deep Creek, LLC, NERC RELIABILITY COMPLIANCE PROCEDURE, Facility Ratings, FAC-009-1, No.: RCP-079-0 (April 30, 2009)”. Therefore, since the Facility Ratings were not in effect until April 30, 2009, Brookfield Power was not verified to be compliant until April 30, 2009, not on February 2, 2009 as stated in their Mitigation Plan and Certification of Mitigation Plan Completion. On November 5, 2009, ReliabilityFirst verified that the Mitigation Plan was completed. (*see* Attachment c, “Summary and Review of Evidence of Mitigation Plan Completion”).
17. Brookfield Power shall pay a monetary penalty of \$5,000 to ReliabilityFirst. ReliabilityFirst shall present an invoice to Brookfield Power within twenty days after the Agreement is approved (as submitted or as modified in a manner acceptable to the parties) either by the Federal Energy Regulatory Commission or by operation of law, and ReliabilityFirst shall notify the North American Electric Reliability Corporation if the payment is not received.
18. It is understood that ReliabilityFirst staff shall audit the progress of mitigation plans and any other remedies of this Agreement, including, but not limited to site inspection, interviews, and request other documentation to validate progress and/or completion of the mitigation plans and any other remedies of this Settlement Agreement. ReliabilityFirst shall reasonably coordinate audits and information requests with Brookfield Power related to this Settlement Agreement.
19. Brookfield Power shall pay \$5,000 to ReliabilityFirst as stated in this Settlement Agreement. However, if Brookfield Power fails to complete the actions described above, ReliabilityFirst reserves the right to assess and collect a monetary penalty, to impose a sanction or otherwise to impose enforcement actions. Brookfield Power shall retain all rights to defend against such additional enforcement actions in accordance with NERC Rules of Procedure.
20. Failure to make a timely penalty payment or to comply with any of the terms and conditions agreed to herein, or any other conditions of this Settlement Agreement, shall be deemed to be either the same alleged violations that initiated this Settlement and/or additional violation(s) and may subject Brookfield Power to new or additional enforcement, penalty or sanction actions in accordance with the NERC Rules of Procedure.
21. If Brookfield Power does not make the monetary penalty payment above at the times agreed by the parties, interest payable to ReliabilityFirst will begin to

accrue pursuant to the Commission's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date that payment is due, in addition to the penalty specified above.

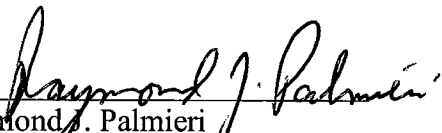
V. ADDITIONAL TERMS

22. The signatories to the Agreement agree that they enter into the Agreement voluntarily and that, other than the recitations set forth herein, no tender, offer or promise of any kind by any member, employee, officer, director, agent or representative of ReliabilityFirst or Brookfield Power has been made to induce the signatories or any other party to enter into the Agreement.
23. ReliabilityFirst shall report the terms of all settlements of compliance matters to NERC. NERC will review the settlement for the purpose of evaluating its consistency with other settlements entered into for similar violations or under other, similar circumstances. Based on this review, NERC will either approve the settlement or reject the settlement and notify ReliabilityFirst and Brookfield Power of changes to the settlement that would result in approval. If NERC rejects the settlement, NERC will provide specific written reasons for such rejection and ReliabilityFirst will attempt to negotiate a revised settlement agreement with Brookfield Power including any changes to the settlement specified by NERC. If a settlement cannot be reached, the enforcement process shall continue to conclusion. If NERC approves the settlement, NERC will (i) report the approved settlement to the Commission for the Commission's review and approval by order or operation of law and (ii) publicly post the alleged violation and the terms provided for in the settlement.
24. This Agreement shall become effective upon the Commission's approval of the Agreement by order or operation of law as submitted to it or as modified in a manner acceptable to the parties.
25. Brookfield Power agrees that this Agreement, when approved by NERC and the Commission, shall represent a final settlement of all matters set forth herein and Brookfield Power waives its right to further hearings and appeal, unless and only to the extent that Brookfield Power contends that any NERC or Commission action on the Agreement contains one or more material modifications to the Agreement.
26. ReliabilityFirst reserves all rights to initiate enforcement, penalty or sanction actions against Brookfield Power in accordance with the NERC Rules of Procedure in the event that Brookfield Power fails to comply with the mitigation plan and compliance program agreed to in this Agreement. In the event that Brookfield Power fails to comply with any of the stipulations, remedies, sanctions or additional terms, as set forth in this Agreement, ReliabilityFirst will initiate enforcement, penalty, or sanction actions against Brookfield Power as allowed by the NERC Rules of Procedure, up to the maximum statutorily

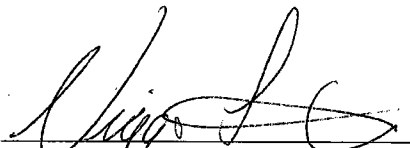
allowed penalty. Brookfield Power shall retain all rights to defend against such enforcement actions, also according to the NERC Rules of Procedure.

27. Brookfield Power consents to the use of ReliabilityFirst'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 Brookfield Power 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 Regional Entity, nor does Brookfield Power consent to the use of this Agreement by any other party in any other action or proceeding.
28. Each of the undersigned warrants that he or she is an authorized representative of the entity designated, is authorized to bind such entity and accepts the Agreement on the entity's behalf.
29. The undersigned representative of each party affirms that he or she has read the Agreement, that all of the matters set forth in the Agreement are true and correct to the best of his or her knowledge, information and belief, and that he or she understands that the Agreement is entered into by such party in express reliance on those representations, provided, however, that such affirmation by each party's representative shall not apply to the other party's statements of position set forth in Section III of this Agreement.
30. The Agreement may be signed in counterparts.
31. This Agreement is executed in duplicate, each of which so executed shall be deemed to be an original.

Agreed to and accepted:

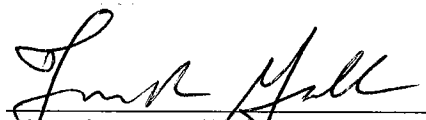

Raymond J. Palmieri
Vice President and Director of Compliance
ReliabilityFirst Corporation

11/13/09
Date


Viggo Lundhild
VP Systems Control, US Operations
Brookfield Renewable Power Inc.

Nov 09/09
Date

Approved by:


Timothy R. Gallagher
President & CEO
ReliabilityFirst Corporation

11/14/09
Date

Attachment a

Mitigation Plan (MIT-08-1550)

Submitted March 13, 2009

Mit Plan ID #:
MIT-08-1550



RFC200800102

Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: March 13, 2009

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."
- A.2 This form must be used to submit required Mitigation Plans for review and acceptance by ReliabilityFirst and approval by NERC.
- A.3 I have reviewed Attachment A and understand that this Mitigation Plan Submittal Form will not be accepted unless this box is checked.

Section B: Registered Entity Information

- B.1 Identify your organization.

Company Name: **Brookfield Power Piney & Deep Creek, LLC**

Company Address: 200 Donald Lynch Blvd., Suite 300,
Marlborough, MA 01752

NERC Compliance Registry ID: NCR00699

- B.2 Identify the individual in your organization who will be the Entity Contact regarding this Mitigation Plan.

Name: Ishwar Saini

Title: Manager, Reliability Compliance

Email: Ishwar.saini@brookfieldpower.com

Phone: 508-251-7730



Section C: Identification of Alleged or Confirmed Violation(s) Associated with this Mitigation Plan

C.1 This Mitigation Plan is associated with the following Alleged or Confirmed violation(s) of the reliability standard listed below.

NERC Violation ID #	Reliability Standard	Requirement Number	Violation Risk Factor	Alleged or Confirmed Violation Date ^(*)	Method of Detection (<i>e.g.</i> , Audit, Self-report, Investigation)
RFC200800 102	FAC-009-01	R1	Lower	September 26, 2008	Self Report

(*) Note: The Alleged or Confirmed Violation Date shall be expressly specified by the Registered Entity, and subject to modification by ReliabilityFirst, as: (i) the date the Alleged or Confirmed violation occurred; (ii) the date that the Alleged or Confirmed violation was self-reported; or (iii) the date that the Alleged or Confirmed violation has been deemed to have occurred on by ReliabilityFirst. Questions regarding the date to use should be directed to the ReliabilityFirst contact identified in Section G of this form.

C.2 Identify the cause of the Alleged or Confirmed violation(s) identified above. Additional detailed information may be provided as an attachment.

Failure to complete the Facility Ratings for the Brookfield Power Piney & Deep Creek, LLC facilities due to delays associated with developing the required technical data.

Note: If a formal root cause analysis evaluation was performed, submit a copy of the summary report.

A root cause analysis focusing on the effect of human elements was performed to identify potential issues in the existing business processes. A copy of the analysis is attached for reference.

C.3 Provide any additional relevant information regarding the Alleged or Confirmed violations associated with this Mitigation Plan. Additional detailed information may be provided as an attachment.

NA



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 Alleged or Confirmed violations identified above in Part C.1 of this form. Additional detailed information may be provided as an attachment.
1. Perform a Root Cause Analysis to define the human elements effecting the business process
 2. Assign dedicated resources to expedite delivery of the required documentation and Facility Ratings
 3. Review existing business process for managing this activity.
 4. Established a schedule to expedite completion and delivery of Brookfield Power Piney & Deep Creek, LLC's Facility Ratings.

Mitigation Plan Timeline and Milestones

- D.2 Provide the date by which full implementation of the Mitigation Plan will be, or has been, completed with respect to the Alleged or Confirmed violations identified above. State whether the Mitigation Plan has been fully implemented, and/or whether the actions necessary to assure the entity has returned to full compliance have been completed.

Mitigation Plan has been completed and implemented.

- D.3 Enter Key Milestone Activities (with due dates) that can be used to track and indicate progress towards timely and successful completion of this Mitigation Plan.

Key Milestone Activity	Proposed/Actual Completion Date* (shall not be more than 3 months apart)
Draft Version of Facility Ratings issued by the Consultant	January 6, 2009
Revised Draft expected from the Consultant	January 20, 2009
Final Approval by Brookfield Power Piney & Deep Creek, LLC GM and Reliability Compliance Manager	January 29, 2009
Submit Facility Ratings with the Mitigation Plan	February 02, 2009

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



Section E: Interim and Future Reliability Risk

Abatement of Interim BPS Reliability Risk

- E.1 While your organization is implementing this Mitigation Plan the reliability of the Bulk Power System (BPS) may remain at higher risk or be otherwise negatively impacted until the plan is successfully completed. To the extent they are, or may be, known or anticipated: (i) identify any such risks or impacts; and (ii) discuss any actions that your organization is planning to take to mitigate this increased risk to the reliability of the BPS. Additional detailed information may be provided as an attachment.

Low risk. Mitigation Plan has been implemented.

Prevention of Future BPS Reliability Risk

Describe how successful completion of this Mitigation Plan by your organization will prevent or minimize the probability that the reliability of the BPS incurs further risk of similar violations in the future. Additional detailed information may be provided as an attachment.

- The Root Cause Analysis identified a need to improve the business processes associated with the development of the technical data related to this standard. Roles and responsibilities to manage this process have been improved to ensure future documentation is developed properly.
- A full-time Reliability Compliance Manager position has been created to provide additional resources and guidance in the Compliance Program.
- A Reliability Compliance schedule for reporting deliverables and related deadlines has been created.
- Communication with regional operating unit managers on Reliability Compliance Reporting has been implemented.
- Accountability matrices are being developed to better define internal roles and responsibilities.



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 this Mitigation Plan for acceptance by ReliabilityFirst and approval by NERC, and
- b) If applicable, certifies that this Mitigation Plan was completed on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- c) Acknowledges:
 1. I am the General Manager of Brookfield Power Piney & Deep Creek, LLC.
 2. I am qualified to sign this Mitigation Plan on behalf of Brookfield Power Piney & Deep Creek, LLC.
 3. I have read and am familiar with the contents of this Mitigation Plan.
 4. Brookfield Power Piney & Deep Creek, LLC agrees to comply with this Mitigation Plan, including the timetable completion date, as accepted by ReliabilityFirst and approved by NERC.

Authorized Individual Signature

A handwritten signature in blue ink that reads "David B. Barnhart".

Name (Print): David B. Barnhart

Title: General Manager

Date: March 13, 2009

Section G: Regional Entity Contact

Please direct completed forms or any questions regarding completion of this form to the ReliabilityFirst Compliance e-mail address mitigationplan@rfirst.org.

Please indicate the company name and reference the NERC Violation ID # (if known) in the subject line of the e-mail. Additionally, any ReliabilityFirst Compliance Staff member is available for questions regarding the use of this form. Please see the contact list posted on the ReliabilityFirst Compliance web page.



Attachment A – Compliance Notices & Mitigation Plan Requirements

- I. Section 6.2 of the CMEP¹ sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:
 - (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan.
 - (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) Key implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.
 - (9) Any other information deemed necessary or appropriate.
 - (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self-Certification or Self Reporting submittals.
- II. This submittal form must be used to provide a required Mitigation Plan for review and acceptance by ReliabilityFirst and approval by NERC.
- III. This Mitigation Plan is submitted to ReliabilityFirst and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
- IV. This Mitigation Plan Submittal Form may be used to address one or more related Alleged or Confirmed violations of one Reliability Standard. A separate

¹ "Compliance Monitoring and Enforcement Program" of the ReliabilityFirst Corporation;" a copy of the current version approved by the Federal Energy Regulatory Commission is posted on the ReliabilityFirst website.



mitigation plan is required to address Alleged or Confirmed violations with respect to each additional Reliability Standard, as applicable.

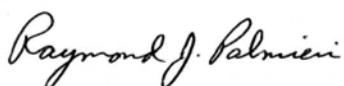
- V. If the Mitigation Plan is accepted by ReliabilityFirst and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission in accordance with applicable Commission rules, regulations and orders.
- VI. ReliabilityFirst or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- VII. Remedial action directives also may be issued as necessary to ensure reliability of the BPS.



DOCUMENT CONTROL

Title: Mitigation Plan Submittal Form
Issue: Version 2.0
Date: 11 July 2008
Distribution: Public
Filename: ReliabilityFirst Mitigation Plan Submittal Form - Ver 2.DOC
Control: Reissue as complete document only

DOCUMENT APPROVAL

Prepared By	Approved By	Approval Signature	Date
Robert K. Wargo	Raymond J. Palmieri		
Senior Consultant Compliance	Vice President and Director Compliance		1/2/08

DOCUMENT CHANGE/REVISION HISTORY

Version	Prepared By	Summary of Changes	Date
1.0	Robert K. Wargo	Original Issue – Replaces “Proposed Mitigation Plan” Form	1/2/08
2.0	Tony Purgar	Revised email address from compliance@rfirst.org to mitigationplan@rfirst.org	7/11/08

Attachment b

Certification of Mitigation Plan Completion

Submitted April 16, 2009

Certification of Mitigation Plan Completion

Submittal of a Certification of Mitigation Plan Completion shall include data or information sufficient for ReliabilityFirst Corporation to verify completion of the Mitigation Plan. ReliabilityFirst Corporation may request additional data or information and conduct follow-up assessments, on-site or other Spot Checking, or Compliance Audits as it deems necessary to verify that all required actions in the Mitigation Plan have been completed and the Registered Entity is in compliance with the subject Reliability Standard. (CMEP Section 6.6)

Registered Entity Name: [Brookfield Power Piney & Deep Creek, LLC](#)

NERC Registry ID: [NCR00699](#)

Date of Submittal of Certification: [April 16, 2009](#)

NERC Violation ID No(s): [RFC200800102](#)

Reliability Standard and the Requirement(s) of which a violation was mitigated: [FAC-009-1](#)

Date Mitigation Plan was scheduled to be completed per accepted Mitigation Plan: [February 02, 2009](#)

Date Mitigation Plan was actually completed: [February 02, 2009](#)

Additional Comments (or List of Documents Attached):

1. [Approved and Accepted Completed Mitigation Plan](#)
2. [Root Cause Analysis, Internal Audit Report Cover Letter, and Piney and Deep Creek Facility Ratings](#)
3. [Reliability Compliance Organizational Chart and list of Dedicated Resources and job profiles](#)
4. [BPP&DC proactive schedule](#)
5. [Examples of communication enhancements](#)
6. [NERC RFC Reliability Compliance functional accountability matrices](#)



I certify that the Mitigation Plan for the above named violation has been completed on the date shown above and that all submitted information is complete and correct to the best of my knowledge.

Name: Ishwar Saini

Title: Manager, Reliability Compliance, US Operations

Email: ishwar.saini@brookfieldpower.com

Phone: 508-251-7730 Direct, 508-494-7227 Cell

Authorized Signature Ishwar Saini

Date: April 17, 2009


Please direct completed forms or any questions regarding completion of this form to the ReliabilityFirst Compliance e-mail address mitigationplan@rfirst.org.

Please indicate the company name and reference the NERC Violation ID # (if known) in the subject line of the e-mail. Additionally, any ReliabilityFirst Compliance Staff member is available for questions regarding the use of this form. Please see the contact list posted on the ReliabilityFirst Compliance web page.

DOCUMENT CONTROL

Title: Certification of Mitigation Plan Completion
Issue: Version 1
Date: 5 January 2008
Distribution: Public
Filename: Certification of a Completed Mitigation Plan_Ver1.doc
Control: Reissue as complete document only

DOCUMENT APPROVAL

Prepared By	Approved By	Approval Signature	Date
Robert K. Wargo Manager of Compliance Enforcement	Raymond J. Palmieri Vice President and Director Compliance		1/5/2009

DOCUMENT CHANGE/REVISION HISTORY

Version	Prepared By	Summary of Changes	Date
1.0	Robert K. Wargo	Original Issue	1/5/2009

Attachment c

Summary and Review of Mitigation Plan Completion

Dated November 5, 2009

November 5, 2009

Summary and Review of Evidence of Mitigation Plan Completion

NERC Violation ID #:	RFC200800102
NERC Plan ID:	MIT-08-1550
Registered Entity;	Brookfield Power Piney & Deep Creek
NERC Registry ID:	NCR00699
Standard:	FAC-009-1
Requirement:	R 1
Status:	Compliant

Brookfield Power Piney & Deep Creek, LLC (“Brookfield Power”) submitted a Self Certification of noncompliance with NERC Reliability Standard FAC-009-1, Requirement 1, on September 26, 2008. Brookfield Power submitted a Proposed Mitigation Plan to ReliabilityFirst on March 13, 2009, whereby stating Brookfield Power had completed all mitigating actions by February 2, 2009. This Mitigation Plan, designated MIT-08-1550, was accepted by ReliabilityFirst on April 6, 2009 and approved by NERC on April 13, 2009.

Review Process:

Brookfield Power submitted a Certification of Mitigation Plan Completion on April 16, 2009 certifying that the Mitigation Plan for FAC-009-1, Requirement 1 had been completed on February 2, 2009. ReliabilityFirst requested and received evidence of completion for actions taken by Brookfield Power as specified in the Mitigation Plan. ReliabilityFirst performed an in depth review to verify that all actions specified in the Mitigation Plan were successfully completed.

FAC-009-1, “Establish and Communicate Facility Ratings” Requirement 1 states: “The Transmission Owner and Generator Operator shall each establish Facility Ratings for its solely and jointly owned Facilities that are consistent with the associated Facility Ratings Methodology.”

Evidence Submitted:

The Brookfield Power Certification of Mitigation Plan Completion dated April 16, 2009 and signed by Ishwar Saini, Reliability Compliance, US Operations, contained the following attachments as evidence of completion of their Mitigation Plan activities:

1. Approved and Accepted Completed Mitigation Plan, March 13, 2009.
2. Root Cause Analysis, January 14, 2009.
3. Internal Audit Cover Letter, March 26, 2009.
4. Brookfield Power Piney Station Facility Rating, January 22, 2009.
5. Brookfield Power Deep Creek Station Facility Rating, January 31, 2009.

Summary and Review of Mitigation Plan Completion

Brookfield Power

November 5, 2009

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6. Reliability Compliance Organizational Chart and list of Dedicated Resources and job profiles, March 26, 2009.
7. Examples of communication enhancements, February 19, 2009.
8. NERC RFC Reliability Compliance functional accountability matrices, April 16, 2009.

Additional documentation that was requested and reviewed by ReliabilityFirst enforcement compliance staff in order to verify completion of the Mitigation Plan included:

9. Brookfield Power Piney & Deep Creek, LLC, NERC RELIABILITY COMPLIANCE PROCEDURE, Facility Ratings, FAC-009-1, No.: RCP-079-0, April 30, 2009.
10. Schedule B, Single Line Diagram, Piney, January 29, 2003.
11. Schedule B, Single Line Diagram, Deep Creek, January 29, 2003.

Requirement 1: Brookfield Deep Creek Station Equipment Ratings

ReliabilityFirst reviewed the Brookfield Power Deep Creek Station Facility Rating, January 31, 2009. It was determined that the Brookfield Power Deep Creek Station Facility Rating, did not identify the scope of the equipment to be addressed as required by FAC-008-1, R1.2.1, "The scope of the equipment addressed shall include, but not be limited to, generators, transmission conductors, transformers, relay protective devices, terminal equipment, and series and shunt compensation devices." Specifically, the Deep Creek Station Facility Rating, did not address cable ratings, CT's, PT's, disconnect switches or breakers.

ReliabilityFirst requested additional information on October 7, 2009, stating that ReliabilityFirst reviewed the Deep Creek Station Facility Rating as well as the Brookfield Power Facility Ratings Methodology (RCP-078-0, March 26, 2009), and additional information would be needed to verify Mitigation Plan completion and compliance with the Standard and Requirement. ReliabilityFirst requested Single Line Diagrams for both Deep Creek Station and Piney Station and ratings for equipment identified in the Brookfield Power Facility Ratings Methodology (RCP-078-0), but not included in the Deep Creek Station Facility Rating submitted to ReliabilityFirst as evidence of Mitigation Plan completion in their Certification of Mitigation Plan Completion of April 16, 2009.

Brookfield Power submitted Single Line Diagrams for both Deep Creek Station and Piney Station, and also submitted "Brookfield Power Piney & Deep Creek, LLC, NERC RELIABILITY COMPLIANCE PROCEDURE, Facility Ratings, FAC-009-1, No.: RCP-079-0, April 30, 2009" on October 7, 2009.

"Brookfield Power Piney & Deep Creek, LLC, NERC RELIABILITY COMPLIANCE PROCEDURE, Facility Ratings, FAC-009-1, No.: RCP-079-0 (April 30, 2009)", "Brookfield Power Deep Creek Station – Facility Rating (January 31, 2009)", and

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Brookfield Power
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“Schedule B, Single Line Diagram, Deep Creek (January 29, 2003)” were supplied to demonstrate Brookfield Deep Creek Facility compliance to FAC-009-1. A review of these documents demonstrated that Brookfield Deep Creek had established ratings that were consistent with the associated Facility Ratings Methodology, and therefore, Brookfield Deep Creek satisfied compliance to FAC-009-1.

Requirement 1: Brookfield Piney Station Equipment Ratings

ReliabilityFirst reviewed the Brookfield Power Piney Station Facility Rating, January 22, 2009. It was determined that the Brookfield Power Piney Station Facility Rating, did not identify the scope of the equipment to be addressed as required by FAC-008-1, R1.2.1, “The scope of the equipment addressed shall include, but not be limited to, generators, transmission conductors, transformers, relay protective devices, terminal equipment, and series and shunt compensation devices.” Specifically, the Piney Station Facility Rating, did not address CT’s, PT’s, disconnect switches or breakers.

ReliabilityFirst requested additional information on October 7, 2009, stating that ReliabilityFirst reviewed the Piney Station Facility Rating as well as the Brookfield Power Facility Ratings Methodology (RCP-078-0, March 26, 2009), and additional information would be needed to verify Mitigation Plan completion and compliance with the Standard and Requirement. ReliabilityFirst requested Single Line Diagrams for both Deep Creek Station and Piney Station and ratings for equipment identified in the Brookfield Power Facility Ratings Methodology (RCP-078-0), but not included in the Deep Creek Station Facility Rating submitted to ReliabilityFirst as evidence of Mitigation Plan completion in their Certification of Mitigation Plan Completion of April 16, 2009.

Brookfield Power submitted Single Line Diagrams for both Deep Creek Station and Piney Station, and also submitted “Brookfield Power Piney & Deep Creek, LLC, NERC RELIABILITY COMPLIANCE PROCEDURE, Facility Ratings, FAC-009-1, No.: RCP-079-0, April 30, 2009” on October 7, 2009.

“Brookfield Power Piney & Deep Creek, LLC, NERC RELIABILITY COMPLIANCE PROCEDURE, Facility Ratings, FAC-009-1, No.: RCP-079-0 (April 30, 2009)”, “Brookfield Power Piney Station – Facility Rating (January 22, 2009)”, and “Schedule B, Single Line Diagram, Piney (January 29, 2003)” were supplied to demonstrate Brookfield Piney Facility compliance to FAC-009-1. A review of these documents demonstrated that Brookfield Deep Creek had established ratings that were consistent with the associated Facility Ratings Methodology, and therefore, Brookfield Power Piney satisfied compliance to FAC-009-1.

Review Results:

Summary and Review of Mitigation Plan Completion
Brookfield Power
November 5, 2009
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ReliabilityFirst Corporation reviewed the evidence the Brookfield Power Piney & Deep Creek, LLC submitted in support of its Certification of Completion. On November 5, 2009, ReliabilityFirst verified that the Mitigation Plan was completed and has therefore deemed Brookfield Power Piney & Deep Creek, LLC compliant to the aforementioned NERC Reliability Standard.

It should be noted that Brookfield Power submitted a Certification of Mitigation Plan Completion on April 16, 2009, certifying the Mitigation Plan was completed on February 2, 2009. ReliabilityFirst could not verify completion of the Mitigation Plan until after the "Brookfield Power Piney & Deep Creek, LLC, NERC RELIABILITY COMPLIANCE PROCEDURE, Facility Ratings, FAC-009-1, No.: RCP-079-0 (April 30, 2009)" was received and reviewed. Therefore, since the Facility Ratings were not in effect until April 30, 2009, Brookfield Power became compliant on April 30, 2009, not on February 2, 2009 as stated in their Mitigation Plan and Certification of Mitigation Plan Completion.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Robert K. Wargo", with a stylized flourish at the end.

Robert K. Wargo
Manager of Compliance Enforcement
ReliabilityFirst Corporation

Attachment c

Notice of Filing

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Brookfield Power Piney & Deep Creek, LLC

Docket No. NP10-____-000

NOTICE OF FILING
March 31, 2010

Take notice that on March 31, 2010, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding Brookfield Power Piney & Deep Creek, LLC in the Reliability *First* Corporation region.

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

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

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

Comment Date: [BLANK]

Kimberly D. Bose,
Secretary