



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION

September 30, 2010

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

**Re: NERC Deficiency Notice of Penalty regarding City of Tacoma, Department of Public Utilities, Light Division,
FERC Docket No. NP10-__-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Deficiency Notice of Penalty (Deficiency NOP) regarding City of Tacoma, Department of Public Utilities, Light Division (TPWR),¹ 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)). Violations² addressed within a Deficiency NOP are administrative, minor or documentation in nature. Deficiency NOP treatment is appropriate in this case because the violation was minor as the changes made to the emergency plans in 2008 were not substantial as discussed in the Disposition Document.

The Settlement Agreement resolves all outstanding issues arising from the Western Electricity Coordinating Council's (WECC) determination and findings of the enforceable violation of EOP-001-0 Requirement (R) 6. According to the Settlement Agreement, TPWR stipulates to the facts of the violation and has agreed to the assessed penalty of seven thousand five hundred dollars (\$7,500) 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.

¹ The Disposition Document addresses: (1) all relevant facts, in sufficient detail, to indicate the nature of the violation cited and its duration; (2) sufficient information on whether an entity did not perform the action required by the relevant Reliability Standard or failed to document that the action had been performed; (3) a linkage between specific facts and the penalty factors listed as relevant to the penalty determination; (4) specific information in a mitigation plan how a registered entity will comply with the requirements it has violated; and (5) specific information on how a Regional Entity verified that a registered entity timely completed a mitigation plan.

² For purposes of this document, each violation at issue is described as a "violation," regardless of its procedural posture and whether it was a possible, alleged or confirmed violation.

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NERC Deficiency Notice of Penalty
City of Tacoma, Department of Public Utilities, Light Division
September 30, 2010
Page 2

Taking into consideration the Commission's direction in Order No. 693, the NERC Sanction Guidelines and the Commission's July 3, 2008 and October 26, 2009 Guidance Orders,³ the NERC BOTCC reviewed the findings and assessed penalty or sanction and approved the Settlement Agreement, including WECC's assessment of a seven thousand five hundred dollar (\$7,500) financial penalty against TPWR and other actions to facilitate future compliance required under the terms and conditions of the Settlement Agreement.

Pursuant to 18 C.F.R. § 39.7(e), the penalty will be effective upon expiration of the 30 day period following the filing of this Deficiency NOP with the Commission, or, if the Commission decides to review the penalty, upon final determination by the Commission.

Request for Confidential Treatment

Information in and certain attachments to the instant Notice of Penalty include privileged and confidential information as defined by the Commission's regulations at 18 C.F.R. Part 388 and orders, as well as NERC Rules of Procedure including the NERC CMEP Appendix 4C. Specifically, this includes non-public information related to certain Reliability Standard violations, certain Regional Entity investigative files, Registered Entity sensitive business and confidential information exempt from the mandatory public disclosure requirements of the Freedom of Information Act, 5 U.S.C. 552, and should be withheld from public disclosure.

In accordance with the Commission's Rules of Practice and Procedure, 18 C.F.R. § 388.112, a non-public version of the information redacted from the public filing is being provided under separate cover.

Because certain of the attached documents are deemed "confidential" by NERC, Registered Entities and Regional Entities, NERC requests that the confidential, non-public information be provided special treatment in accordance with the above regulation.

³ *North American Electric Reliability Corporation*, "Guidance Order on Reliability Notices of Penalty," 124 FERC ¶ 61,015 (2008); *North American Electric Reliability Corporation*, "Further Guidance Order on Reliability Notices of Penalty," 129 FERC ¶ 61,069 (2009). See also *North American Electric Reliability Corporation*, "Notice of No Further Review and Guidance Order," 132 FERC ¶ 61,182 (2010).

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

NERC Deficiency Notice of Penalty
City of Tacoma, Department of Public Utilities, Light Division
September 30, 2010
Page 3

Attachments to be included as Part of this Notice of Penalty

The attachments to be included as part of this Deficiency NOP are the following documents:

- a) TPWR's Self-Certification for EOP-001-0 R6 dated January 19, 2009, included as Attachment a;
- b) Settlement Agreement by and between WECC and TPWR executed February 9, 2010, included as Attachment b;
- c) TPWR's Mitigation Plan MIT-08-1433 for EOP-001-0 R6 and Certification of Completion therein submitted January 12, 2009, included as Attachment c;
- d) WECC's Verification Completion of the Mitigation Plan dated February 18, 2009, included as Attachment d; and
- e) Disposition Document dated July 12, 2010, included as Attachment e.

A Form of Notice Suitable for Publication⁴

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

⁴ See 18 C.F.R. § 39.7(d)(6).

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NERC Deficiency Notice of Penalty
City of Tacoma, Department of Public Utilities, Light Division
September 30, 2010
Page 4

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* Sr. Vice President and General Counsel North American Electric Reliability Corporation 116-390 Village Boulevard Princeton, NJ 08540-5721 (609)452-8060 (609) 452-9550 – facsimile germy.cauley@nerc.net david.cook@nerc.net</p> <p>Theodore C. Coates Power Superintendent City of Tacoma, Department of Public Utilities, Light Division 2628 South 35th Street Tacoma, WA 98409 (253) 502-8234 (253) 502-8378 – facsimile tcoates@cityoftacoma.org</p> <p>Corrina Markley Utilities Economist City of Tacoma, Department of Public Utilities, Light Division 2628 South 35th Street Tacoma, WA 98409 (253) 502-8902 (253) 396-3199 – facsimile cmarkley@cityoftacoma.org</p> <p>Christopher Luras* Manager of Compliance Enforcement Western Electricity Coordinating Council 155 North 400 West, Suite 200 Salt Lake City, UT 84103 (801) 883-6887 (801) 883-6894 – facsimile CLuras@wecc.biz</p>	<p>Rebecca J. Michael* Assistant General Counsel North American Electric Reliability Corporation 1120 G Street, N.W. Suite 990 Washington, DC 20005-3801 (202) 393-3998 (202) 393-3955 – facsimile rebecca.michael@nerc.net</p> <p>Louise McCarren* Chief Executive Officer Western Electricity Coordinating Council 155 North 400 West, Suite 200 Salt Lake City, UT 84103 (801) 883-6868 (801) 582-3918 – facsimile Louise@wecc.biz</p> <p>Sandy Mooy* Senior Legal Counsel Western Electricity Coordinating Council 155 North 400 West, Suite 200 Salt Lake City, UT 84103 (801) 819-7658 (801) 883-6894 – facsimile SMooy@wecc.biz</p> <p>Constance White* Vice President of Compliance Western Electricity Coordinating Council 155 North 400 West, Suite 200 Salt Lake City, UT 84103 (801) 883-6885 (801) 883-6894 – facsimile CWhite@wecc.biz</p> <p>*Persons to be included on the Commission's service list are indicated with an asterisk. NERC requests waiver of the Commission's rules and regulations to permit the inclusion of more than two people on the service list.</p>
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**PRIVILEGED AND CONFIDENTIAL INFORMATION
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NERC Deficiency Notice of Penalty
City of Tacoma, Department of Public Utilities, Light Division
September 30, 2010
Page 5

Conclusion

Accordingly, NERC respectfully requests that the Commission accept this Deficiency NOP as compliant with its rules, regulations and orders.

Respectfully submitted,

Gerald W. Cauley
President and Chief Executive Officer
David N. Cook
Sr. Vice President and General Counsel
North American Electric Reliability Corporation
116-390 Village Boulevard
Princeton, NJ 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

North American Electric Reliability
Corporation
1120 G Street, N.W.
Suite 990
Washington, DC 20005-3801
(202) 393-3998
(202) 393-3955 – facsimile
rebecca.michael@nerc.net

cc: City of Tacoma, Department of Public Utilities, Light Division
Western Electricity Coordinating Council

Attachments

Attachment a

TPWR's Self-Certification for EOP-001-0 R6 dated January 19, 2009

Logged in as:

Rachel Hays

Log Out

- System Administration
- Compliance
- TFE Request
- File Upload

EOP-001-0 Self Certification - Emergency Operations Planning - January 1, 2009 - December 31, 2009 2010

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Attachments (0)

This form has been locked because it was included on a certification statement. If you need to edit data contained in this form, please contact your WECC Administrator.

This form was marked as ready to be added to a certification statement on 1/19/2010.

* Required Fields

Status: Read Only

Technical Contact

* Corrina Markley (cmarkley@cityoftacoma.org) |

WECC 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): BA, TOP

As an authorized representative of **City of Tacoma, Department of Public Utilities, Light Division**, I certify the following:

Do Not
C NC Own
j n j n j n

R1. Balancing Authorities shall have operating agreements with adjacent Balancing Authorities that shall, at a minimum, contain provisions for emergency assistance, including provisions to obtain emergency assistance from remote Balancing Authorities.

Additional Comments

Do Not
C NC Own
j n j n j n

R2. The Transmission Operator shall have an emergency load reduction plan for all identified IROLs. The plan shall include the details on how the Transmission Operator will implement load reduction in sufficient amount and time to mitigate the IROL violation before system separation or collapse would occur. The load reduction plan must be capable of being implemented within 30 minutes.




Additional Comments

Do Not
C NC Own
j n j n j n




R3. Each Transmission Operator and Balancing Authority shall:







R3.1. Develop, maintain, and implement a set of plans to mitigate operating emergencies for insufficient generating capacity.

-  **R3.2.** Develop, maintain, and implement a set of plans to mitigate operating emergencies on the transmission system.
-  **R3.3.** Develop, maintain, and implement a set of plans for load shedding.
-  **R3.4.** Develop, maintain, and implement a set of plans for system restoration.




Additional Comments

C NC Do Not
Own
  

R4. Each Transmission Operator and Balancing Authority shall have emergency plans that will enable it to mitigate operating emergencies. At a minimum, Transmission Operator and Balancing Authority emergency plans shall include:




-  **R4.1.** Communications protocols to be used during emergencies.
-  **R4.2.** A list of controlling actions to resolve the emergency. Load reduction, in sufficient quantity to resolve the emergency within NERC-established timelines, shall be one of the controlling actions.
-  **R4.3.** The tasks to be coordinated with and among adjacent Transmission Operators and Balancing Authorities.
-  **R4.4.** Staffing levels for the emergency.

Additional Comments

C NC Do Not
Own
  



R5. Each Transmission Operator and Balancing Authority shall include the applicable elements in Attachment 1-EOP-001-0 when developing an emergency plan.

Additional Comments

C NC Do Not
Own
  

R6. The Transmission Operator and Balancing Authority shall annually review and update each emergency plan. The Transmission Operator and Balancing Authority shall provide a copy of its updated emergency plans to its Reliability Coordinator and to neighboring Transmission Operators and Balancing Authorities.

Violation was previously self-reported or identified by City of Tacoma, Department of Public Utilities, Light Division

 Yes  No

Date of Violation

1/9/2009 

Additional Comments (Violation)

This violation was reported by TPWR in a Self-Certification on January 12, 2009.


Violation Severity Level (Levels of Non-Compliance)

VSL - Severe 

Provide a detailed explanation of non-compliance

In 2008, TPWR updated its emergency plans and did not provide the Reliability Coordinator, neighboring Balancing Authorities and Transmission Operators (BPA and PSE) with the updated emergency plans.

Reliability Impact to the Bulk Power System





Minimal 

Describe the Reliability Impact of this Non-Compliance

Although TPWR violated this Standard by failing to provide its updated 2008 emergency plans to its neighboring entities, TPWR had distributed its 2007 emergency plans as required by this Standard so these entities did have an understanding of TPWR's emergency plans and procedures.

Do Not
C NC Own
jn jn jn

R7. The Transmission Operator and Balancing Authority shall coordinate its emergency plans with other Transmission Operators and Balancing Authorities as appropriate. This coordination includes the following steps, as applicable:

-  **R7.1.** The Transmission Operator and Balancing Authority shall establish and maintain reliable communications between interconnected systems.
-  **R7.2.** The Transmission Operator and Balancing Authority shall arrange new interchange agreements to provide for emergency capacity or energy transfers if existing agreements cannot be used.
-  **R7.3.** The Transmission Operator and Balancing Authority shall coordinate transmission and generator maintenance schedules to maximize capacity or conserve the fuel in short supply. (This includes water for hydro generators.)
-  **R7.4.** The Transmission Operator and Balancing Authority shall arrange deliveries of electrical energy or fuel from remote systems through normal operating channels.

Additional Comments

Summary of Self Certification Submittal [Auto Populated from responses]:

City of Tacoma, Department of Public Utilities, Light Division is in Compliance with NERC Reliability Standard EOP-001-0 Requirement(s): R1,R2,R3,R4,R5,R7

City of Tacoma, Department of Public Utilities, Light Division is Non-Compliant with NERC Reliability Standard EOP-001-0 Requirement(s): R6

[Return to top](#)

 Ready to Create Certification Statement



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Attachment b

Settlement Agreement by and between WECC and TPWR executed February 9, 2010

SETTLEMENT AGREEMENT
OF
WESTERN ELECTRICITY COORDINATING COUNCIL
AND
CITY OF TACOMA, DEPARTMENT OF PUBLIC UTILITIES, LIGHT DIVISION

Western Electricity Coordinating Council ("WECC") and City of Tacoma, Department of Public Utilities, Light Division ("TPWR") (collectively the "Parties") hereby enter into this Settlement Agreement ("Agreement") on this 25 day of Jan, 2010.

RECITALS

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

WECC200901286: EOP-001-0 R.6, Emergency Operations Planning

B. The Department of Public Utilities, Light Division (dba Tacoma Power) is a department of the City of Tacoma, a municipal corporation operating and organized under the laws of the State of Washington. Tacoma Power provides electric power to approximately 150,000 residences and businesses located in its service area, which includes the City of Tacoma, Washington and areas near Tacoma. Tacoma Power services these customers at cost, without profit. Tacoma Power is governed by a five-member Public Utility Board for operation matters, and by the Tacoma City Council for approvals of rates, indebtedness, condemnation, and expenditure budget. During 2008, Tacoma Power was registered on the NERC Compliance Registry as a Transmission Operator and a Balancing Authority.

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. In entering into this Settlement Agreement, TPWR neither admits nor denies the violations described herein. The Parties enter 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 TPWR for subsequent violations of the same Reliability Standards addressed herein and taking enforcement action, if necessary. Such enforcement action can include assessing penalties against TPWR for subsequent violations of the Reliability Standards addressed herein in accordance with NERC Rules of Procedure. The facts stipulated herein are stipulated solely for the purpose of resolving, between WECC and Tacoma Power, the matters discussed herein and do not constitute stipulations or admissions for any other purpose. WECC and Tacoma Power hereby stipulate and agree to the following:

I. Stipulation

NERC Reliability Standard EOP-001-0 R.6

***R6:** The Transmission Operator and Balancing Authority shall annually review and update each emergency plan. The Transmission Operator and Balancing Authority shall provide a copy of its updated emergency plans to its Reliability Coordinator and to neighboring Transmission Operators and Balancing Authorities.*

TPWR is subject to this Standard because it was registered on the NERC Compliance Registry on April 10, 2007 as a Transmission Operator and Balancing Authority.

TPWR reported in a Self-Certification on January 12, 2009 that it had provided its emergency plans to the Reliability Coordinator ("RC") and neighboring Balancing Authorities ("BAs") and Transmission Operators ("TOPs") in 2007. According to the Self-Certification, in 2008, TPWR reviewed its emergency plans in February and updated them on October 17, 2008 but did not provide these updates to the RC and neighboring BAs and TOPs until January 9, 2009.

WECC Subject Matter Experts ("SMEs") reviewed TPWR's Self-Certification and determined that TPWR had a possible violation of this Standard. They forwarded the Self-Certification and their findings to the WECC Enforcement Department ("Enforcement") for its review and consideration.

Enforcement discussed this possible violation with TPWR personnel and reviewed TPWR's Self-Certification and the findings of WECC SMEs. Based on this information, Enforcement concluded that TPWR did not update its emergency plans in February 2008 but merely reviewed these plans. Therefore, the Standard did not

require TPWR to provide its emergency plans to the RC and neighboring BAs and TOPs in February 2008. However, Enforcement determined that TPWR had an Alleged Violation of this Standard because TPWR updated its emergency plans on October 17, 2008, but failed to provide the RC and neighboring BAs and TOPs with a copy of these updated plans until January 9, 2009. Enforcement determined that the violation period for this alleged violation extended from October 17, 2008, when the emergency plans were updated to January 9, 2009 when TPWR completed its mitigation plan.

TPWR submitted a mitigation plan to address this possible violation on January 12, 2009. TPWR certified that it completed the mitigation plan on January 9, 2009 by sending its updated 2008 emergency plans to Puget Sound Energy, the Bonneville Power Administration, and the WECC Reliability Coordination Center in Vancouver, Washington. TPWR provided WECC with a copy of the email that distributed these plans. On January 19, 2009, WECC SMEs reviewed and approved TPWR's mitigation plan and its completion documentation.

II. Settlement Terms

A. **Payment.** To settle this matter, TPWR hereby agrees to pay \$7,500 to WECC via wire transfer or cashier's check. TPWR shall make the funds payable to a WECC account identified in a Notice of Payment Due that WECC will send to TPWR upon approval of this Agreement by NERC and the Federal Energy Regulatory Commission ("FERC"). TPWR 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 TPWR 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 ("VRF") and Violation Severity Level, and the risk to the reliability of the Bulk Power System ("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 violation of EOP-001-0 R6 has a VRF of Medium. WECC determined that this violation posed a minimal risk to the reliability of the BPS because TPWR had distributed its previous version of the emergency plan to neighboring entities and had not made substantial changes to that plan.

In addition to the factors listed above, WECC considered several mitigating factors to reach an agreement with TPWR regarding the payment amount. First, the alleged violation addressed by this Agreement is TPWR's first assessed noncompliance with the applicable Reliability Standard. Second, TPWR mitigated the violation. Third, TPWR was cooperative throughout WECC's evaluation of its compliance with the Reliability Standards and the enforcement process.

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

III. 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 TPWR 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. TPWR agrees that the Agreement, upon approval by NERC and FERC, is a final settlement of all matters set forth herein. TPWR waives its right to further hearings and appeal, unless and only to the extent that TPWR 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 TPWR in accordance with the Agreement, the CMEP and the NERC Rules of Procedure. In the event that TPWR fails to comply with any of the terms of this Agreement, WECC shall have the right to pursue enforcement, penalty or sanction actions against TPWR up to the maximum penalty allowed by the NERC Rules of Procedure. TPWR 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. TPWR 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 TPWR 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

2/9/10

Date

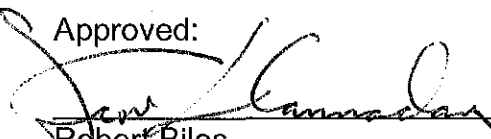
CITY OF TACOMA, DEPARTMENT OF PUBLIC UTILITIES, LIGHT DIVISION



Theodore E. Coates
Superintendent of Power

1/26/10


Date

Approved:


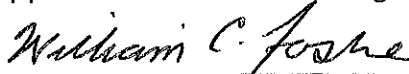
Robert Biles
Finance Director

1-27-10

Date

or designee 

Approved as to form and legality



William C. Fosbre
Chief Deputy City Attorney

1-25-10

Date

Attachment c

**TPWR's Mitigation Plan MIT-08-1433 for EOP-001-0 R6 and Certification of Completion therein
submitted January 12, 2009**

Mitigation Plan Submittal Form

New ☒ or Revised ☐

Date this Mitigation Plan is being submitted: 1/9/2009

1/12/2009
axe

If this Mitigation Plan has already been completed:

- Check this box ☒
- Provide the Date of Completion of the Mitigation Plan: 1/9/2009
- Evidence supporting full compliance must be submitted along with this Mitigation Plan Submittal Form

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: Tacoma Power

Registered Entity Address: 3628 S 354th St, Tacoma, WA 98409

NERC Compliance Registry ID: NCR05097

- 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: Alan Cooke *axe*
Title: Project Manager, Reliability Compliance

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



Western Electricity Coordinating Council

Email: acooke@cityoftacoma.org

Phone: 253-502-8596



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: EOP-001-0
[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)
		R6	Medium	1/9/2009	Self-report

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

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

R6 calls for the registered entity to annually review and as needed revise emergency operations procedures and documents, and to send the documents to neighboring BAs and TOs and to the security coordinator. Tacoma Power reviewed and revised our documentation, but did not send the documentation out during calendar year 2008.

[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:

[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:

Tacoma Power sent the appropriate emergency operations documents to Puget Sound Energy, the Bonneville Power Administration, and the WECC Reliability Coordination Center in Vancouver on January 9, 2009. Tacoma Power sent out:

- Tacoma Power Energy Emergency Plan (attachments include):
 - Attachment A - Standing order for Manual Load Shedding Plan
 - Attachment B - Substation and Feeder Winter Load Conditions
 - Attachment C - Summarized Automatic Underfrequency and Undervoltage Load Shedding Plan
 - Attachment D - Energy Emergency Communication Plan
 - Tacoma Power Restoration Plan
 - Generation Voltage / VAR, Control PSS and AVR Reporting SOP
- Transmission Voltage/ LTC Operation

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

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

Mitigation Plan Timeline and Milestones

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

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

Milestone Activity	Proposed Completion Date* (milestones cannot be more than 3 months apart)

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

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

Additional Relevant Information (Optional)

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

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

Section E: Interim and Future Reliability Risk

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

Abatement of Interim BPS Reliability Risk

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

Tacoma Power sent emergency operations documents to Puget Sound Energy, the Bonneville Power Administration, and the Pacific Northwest Security Coordinator on 9/14/2007. With the 2007 documentation in their possession, neighboring entities are knowledgeable about Tacoma Power's emergency operations procedures.

[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:

Please see note in response to E.2.

[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:

Tacoma Power presently has a manual process of reminders in place to ensure that documents are revised in a timely fashion, per the standards and/or per the guidelines we have built into our plans, processes and procedures. Tacoma Power added a line item to the EOP-001 section of the process to serve as a reminder to distribute the documents externally.

In 2008 Tacoma Power chartered an Accelerated Process Improvement (API) team under our quality improvement program to identify ways to improve the reliability standards compliance program. The API team completed its work in 2008. It recommended implementing a content management system to automate, centralize, and coordinate our document management. Tacoma Power anticipates that the implementation of this process will prevent similar issues from occurring in the future.

[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 the Superintendent of Tacoma Power.
 - 2. I am an officer, employee, attorney or other person authorized to sign this Mitigation Plan on behalf of Tacoma Power.
 - 3. I understand Tacoma Power'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. Tacoma Power 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 Armfield
Title: Power Superintendent
Date: 1/9/2009



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

Attachment d

WECC's Verification Completion of the Mitigation Plan dated February 18, 2009

CONFIDENTIAL



Bob Kiser
Manager of Compliance Audits and Investigations

360.567.4058
bkiser@wecc.biz

February 18, 2009

Alan L. Cooke
Resource Planning Coordinator
City of Tacoma, Department of Public Utilities, Light Division
NCR05097
3628 South. 35th Street
Tacoma, Washington 98409

Subject: Certification of Completion Response Letter

Dear Alan L. Cooke,

The Western Electricity Coordinating Council (WECC) has received City of Tacoma, Department of Public Utilities, Light Division TPWR's Certification of Completion and supporting evidence on 1/15/2009 for TPWR's alleged violation of Reliability Standard EOP-001-0 and Requirement(s) 6. Listed below is the outcome of WECC's official review.

WECC has accepted the Certification of Completion for Requirement(s) 6 of the Reliability Standard EOP-001-0 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 Ed Riley at eriley@wecc.biz. Thanks for your assistance in this effort.

Sincerely,

Bob Kiser

Bob Kiser
Manager of Audits and
Investigations

BK:cm

cc: Tuan Tran, TPWR T & D Supervisor, Sys Planning
Lisa Milanes, WECC Manager of Compliance Administration
Ed Riley, WECC Senior Compliance Engineer

Attachment e

Disposition Document dated July 12, 2010

DISPOSITION OF VIOLATION¹
Dated July 12, 2010

NERC TRACKING NO.	REGIONAL ENTITY TRACKING NO.	NOC#
WECC200901286	TPWR_WECC20091423	NOC-490

REGISTERED ENTITY	NERC REGISTRY ID
City of Tacoma, Department of Public Utilities, Light Division (TPWR)	NCR05097

REGIONAL ENTITY
Western Electricity Coordinating Council (WECC)

I. REGISTRATION INFORMATION

ENTITY IS REGISTERED FOR THE FOLLOWING FUNCTIONS:

BA ²	DP	GO	GOP	IA	LSE	PA	PSE	RC	RP	RSG	TO	TOP ³	TP	TSP
X	X	X	X		X	X	X		X		X	X	X	X
6/17/07	6/17/07	6/17/07	6/17/07		6/17/07	6/17/07	6/17/07		6/17/07		6/17/07	6/17/07	6/17/07	5/8/07

* VIOLATION APPLIES TO SHADED FUNCTIONS

DESCRIPTION OF THE REGISTERED ENTITY

TPWR is a department of the City of Tacoma, a municipal corporation operating and organized under the laws of the State of Washington. TPWR provides electric power to approximately 150,000 residences and businesses located in its service area, which includes the City of Tacoma and areas near Tacoma. TPWR services these customers at cost, without profit. TPWR is governed by a five member Public Utility Board for operation matters, and by the Tacoma City Council for approvals of rates, indebtedness, condemnation, and expenditure budget.

¹ For purposes of this document and attachments hereto, each violation at issue is described as a "violation," regardless of its procedural posture and whether it was a possible, alleged or confirmed violation.

² The Settlement Agreement incorrectly states TPWR was registered on the NERC Compliance Registry for this function on April 10, 2007.

³ *Id.*

II. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
EOP-001-0	6		Medium	Severe

PURPOSE OF THE RELIABILITY STANDARD AND TEXT OF RELIABILITY STANDARD AND REQUIREMENT(S)/SUB-REQUIREMENT(S)

The purpose statement of EOP-001-0 provides: “Each Transmission Operator and Balancing Authority needs to develop, maintain, and implement a set of plans to mitigate operating emergencies. These plans need to be coordinated with other Transmission Operators and Balancing Authorities, and the Reliability Coordinator.”

EOP-001-0 R6 provides: “The Transmission Operator and Balancing Authority shall annually review and update each emergency plan. The Transmission Operator and Balancing Authority shall provide a copy of its updated emergency plans to its Reliability Coordinator and to neighboring Transmission Operators and Balancing Authorities.”

VIOLATION DESCRIPTION

On January 19, 2009, TPWR reported in a Self-Certification that TPWR reviewed its emergency plans in February 2008 and updated them on October 17, 2008, but TPWR failed to provide these updates to the required entities at the time the documents were changed. These entities, including the WECC Reliability Coordination Center in Vancouver, WA; Puget Sound Energy; and Bonneville Power Administration, were sent the revised emergency operations documents on January 9, 2009. TPWR stated that it had provided its emergency plans to its Reliability Coordinator, neighboring Transmission Operators and Balancing Authorities in 2007 as required by EOP-001-0.

WECC Enforcement determined there was a violation of EOP-001-0 R6 because TPWR failed to provide copies of its updated plans to its Reliability Coordinator, neighboring Transmission Operators and Balancing Authorities.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

WECC determined there was a minimal risk to the bulk power system because although TPWR violated EOP-001-0 R6 by failing to provide its 2008 updated plans, TPWR sent emergency operations documents to Pacific Northwest Security Coordinator,⁴ Puget Sound Energy and the Bonneville Power Administration on

⁴ On December 31, 2009 the Pacific Northwest Security Coordinator was removed from the NERC compliance registry. On January 1, 2009, this and other entities performing the Reliability Coordinator function in the WECC region were consolidated into one entity, the WECC Reliability Coordinator.

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

Attachment e

September 14, 2007. With the 2007 documentation in their possession, the required neighboring entities were knowledgeable about TPWR's emergency operations procedures. Substantial changes were not made in the October 17, 2008 updates.

IS THERE A SETTLEMENT AGREEMENT YES ☒ NO ☐

WITH RESPECT TO THE VIOLATION(S), REGISTERED ENTITY

NEITHER ADMITS NOR DENIES IT (SETTLEMENT ONLY) YES ☒
ADMITS TO IT YES ☐
DOES NOT CONTEST IT (INCLUDING WITHIN 30 DAYS) YES ☐

WITH RESPECT TO THE ASSESSED PENALTY OR SANCTION, REGISTERED ENTITY

ACCEPTS IT/ DOES NOT CONTEST IT YES ☒

III. DISCOVERY INFORMATION

METHOD OF DISCOVERY

SELF-REPORT	<input type="checkbox"/>
SELF-CERTIFICATION	<input checked="" type="checkbox"/>
COMPLIANCE AUDIT	<input type="checkbox"/>
COMPLIANCE VIOLATION INVESTIGATION	<input type="checkbox"/>
SPOT CHECK	<input type="checkbox"/>
COMPLAINT	<input type="checkbox"/>
PERIODIC DATA SUBMITTAL	<input type="checkbox"/>
EXCEPTION REPORTING	<input type="checkbox"/>

DURATION DATE(S) October 17, 2008, when the emergency plans were updated through January 9, 2009, when TPWR completed its Mitigation Plan.

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY January 19, 2009

IS THE VIOLATION STILL OCCURRING

YES ☐ NO ☒

IF YES, EXPLAIN

REMEDIAL ACTION DIRECTIVE ISSUED	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
PRE TO POST JUNE 18, 2007 VIOLATION	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>

IV. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO. **MIT-08-1433**
DATE SUBMITTED TO REGIONAL ENTITY **January 12, 2009⁵**
DATE ACCEPTED BY REGIONAL ENTITY **January 19, 2009**
DATE APPROVED BY NERC **March 2, 2009**
DATE PROVIDED TO FERC **March 6, 2009**

IDENTIFY AND EXPLAIN ALL PRIOR VERSIONS THAT WERE ACCEPTED OR REJECTED, IF APPLICABLE

MITIGATION PLAN COMPLETED YES ☒ NO ☐

EXPECTED COMPLETION DATE **January 9, 2009**
EXTENSIONS GRANTED **N/A**
ACTUAL COMPLETION DATE **January 9, 2009**

DATE OF CERTIFICATION LETTER **January 12, 2009**
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **January 9, 2009**

DATE OF VERIFICATION LETTER **February 18, 2009**
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **January 9, 2009**

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

TPWR sent the appropriate emergency operations documents to the WECC Reliability Coordination Center in Vancouver, Puget Sound Energy and the Bonneville Power Administration on January 9, 2009.

LIST OF EVIDENCE REVIEWED BY REGIONAL ENTITY TO EVALUATE COMPLETION OF MITIGATION PLAN (FOR CASES IN WHICH MITIGATION IS NOT YET COMPLETED, LIST EVIDENCE REVIEWED FOR COMPLETED MILESTONES)

TPWR provided WECC with a copy of the e-mail dated January 9, 2009 that distributed these plans to its Reliability Coordinator, neighboring Transmission Operators and Balancing Authorities:

- ***Tacoma Power Energy Emergency Plan:***
 - Attachment A - Standing Order for Manual Load Shedding Plan***
 - Attachment B - Substation and Feeder Winter Load Conditions***

⁵ The Mitigation Plan was signed on January 9, 2009. The Mitigation Plan incorrectly states that the violation was discovered by self-report on January 9, 2009.

*Attachment C - Summarized Automatic Underfrequency and Undervoltage
Load Shedding Plan*

Attachment D - Energy Emergency Communication Plan

- *Tacoma Power Restoration Plan*
- *Generation Voltage/VAR, Control PSS and AVR Reporting SOP*
- *Transmission Voltage/LTC Operation*

V. PENALTY INFORMATION

TOTAL ASSESSED PENALTY OR SANCTION OF **\$7,500** FOR **1** VIOLATION OF RELIABILITY STANDARDS.

(1) REGISTERED ENTITY'S COMPLIANCE HISTORY

PRIOR VIOLATIONS OF ANY OF THE INSTANT RELIABILITY
STANDARD(S) OR REQUIREMENT(S) THEREUNDER

YES ☐ NO ☒

LIST ANY CONFIRMED OR SETTLED VIOLATIONS AND STATUS
N/A

ADDITIONAL COMMENTS

PRIOR VIOLATIONS OF OTHER RELIABILITY STANDARD(S) OR
REQUIREMENTS THEREUNDER

YES ☐ NO ☐

LIST ANY PRIOR CONFIRMED OR SETTLED VIOLATIONS AND
STATUS

ADDITIONAL COMMENTS

**(2) THE DEGREE AND QUALITY OF COOPERATION BY THE REGISTERED
ENTITY (IF THE RESPONSE TO FULL COOPERATION IS "NO," THE
ABBREVIATED NOP FORM MAY NOT BE USED.)**

FULL COOPERATION YES ☒ NO ☐
IF NO, EXPLAIN

**(3) THE PRESENCE AND QUALITY OF THE REGISTERED ENTITY'S
COMPLIANCE PROGRAM**

IS THERE A DOCUMENTED COMPLIANCE PROGRAM⁶

YES ☒ NO ☐

EXPLAIN

At the time of the violation, TPWR did not have a documented internal compliance program (ICP), however, TPWR implemented a formal ICP on February 12, 2010. WECC uses its Compliance Program Assessment Worksheet to evaluate Registered Entities' ICPs. TPWR's newly implemented ICP had been distributed to Management, Supervisors, and Subject Matter experts via an e-mail distribution. TPWR plans on training and more widespread distribution but at this time the plan has not been distributed to all employees. However, some aspects of the ICP such as weekly newsletters and posters have been posted and or are distributed to all personnel. TPWR's ICP is overseen by the Reliability and Compliance Manager.

EXPLAIN SENIOR MANAGEMENT'S ROLE AND INVOLVEMENT WITH RESPECT TO THE REGISTERED ENTITY'S COMPLIANCE PROGRAM, INCLUDING WHETHER SENIOR MANAGEMENT TAKES ACTIONS THAT SUPPORT THE COMPLIANCE PROGRAM, SUCH AS TRAINING, COMPLIANCE AS A FACTOR IN EMPLOYEE EVALUATIONS, OR OTHERWISE.

TPWR has a Reliability and Compliance Governance Committee comprised of Senior Managers which are involved with the ICP. Senior Management has the responsibility to ensure corrective actions are taken and to review compliance documents and activities.

(4) ANY ATTEMPT BY THE REGISTERED ENTITY TO CONCEAL THE VIOLATION(S) OR INFORMATION NEEDED TO REVIEW, EVALUATE OR INVESTIGATE THE VIOLATION.

YES ☐ NO ☒

IF YES, EXPLAIN

(5) ANY EVIDENCE THE VIOLATION(S) WERE INTENTIONAL (IF THE RESPONSE IS "YES," THE ABBREVIATED NOP FORM MAY NOT BE USED.)

YES ☐ NO ☒

IF YES, EXPLAIN

⁶ The internal compliance program was implemented after the execution of the Settlement Agreement, therefore it was not considered in the penalty determination.

(6) ANY OTHER MITIGATING FACTORS FOR CONSIDERATION

YES ☐ NO ☒
IF YES, EXPLAIN

(7) ANY OTHER AGGRAVATING FACTORS FOR CONSIDERATION

YES ☐ NO ☒
IF YES, EXPLAIN

(8) ANY OTHER EXTENUATING CIRCUMSTANCES

YES ☐ NO ☒
IF YES, EXPLAIN

EXHIBITS (SEE ATTACHMENTS TO THE NOTICE OF PENALTY):

SOURCE DOCUMENT

TPWR's Self-Certification for EOP-001-0 R6 dated January 19, 2009

MITIGATION PLAN

TPWR's Mitigation Plan MIT-08-1433 for EOP-001-0 R6 and Certification of Completion therein submitted January 12, 2009

CERTIFICATION BY REGISTERED ENTITY

See Mitigation Plan

OTHER RELEVANT INFORMATION:

NOTICE OF ALLEGED VIOLATION AND PROPOSED PENALTY OR
SANCTION ISSUED

DATE: **August 13, 2009** OR N/A ☐

SETTLEMENT DISCUSSIONS COMMENCED

DATE: **September 14, 2009** OR N/A ☐

NOTICE OF CONFIRMED VIOLATION ISSUED

DATE: OR N/A ☒

SUPPLEMENTAL RECORD INFORMATION

DATE(S) OR N/A ☒

**PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED FROM THIS PUBLIC VERSION**

Attachment e

REGISTERED ENTITY RESPONSE CONTESTED

FINDINGS ☐ PENALTY ☐ BOTH ☐ NO CONTEST ☒

HEARING REQUESTED

YES ☐ NO ☒

DATE

OUTCOME

APPEAL REQUESTED

Attachment f

Notice of Filing

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

City of Tacoma, Department of Public
Utilities, Light Division

Docket No. NP10-____-000

NOTICE OF FILING
September 52, 2010

Take notice that on September 52, 2010, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding City of Tacoma, Department of Public Utilities, Light Division 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