

October 30, 2013

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

**Re: NERC Full Notice of Penalty regarding PacifiCorp,
FERC Docket No. NP14-_-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Notice of Penalty¹ regarding PacifiCorp,² NERC Registry ID# NCR05304,³ in accordance with the Federal Energy Regulatory Commission's (Commission or FERC) rules, regulations and orders, as well as NERC's Rules of Procedure including Appendix 4C (NERC Compliance Monitoring and Enforcement Program (CMEP)).⁴

PacifiCorp, which includes PacifiCorp and its subsidiaries, is a vertically-integrated electric utility company serving approximately 1.8 million retail customers, including residential, commercial, industrial, irrigation, and other customers, in portions of the states of Utah, Oregon, Wyoming, Washington, Idaho, and California. PacifiCorp owns, or has an interest in, 75 thermal, hydroelectric, wind-powered, and geothermal generating facilities, with a net owned capacity of 10,579 MW.

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 (2013). *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 The Settlement Agreement refers to PacifiCorp as both "PAC" and "PacifiCorp." For consistency, "PacifiCorp" will be used exclusively in the Notice of Penalty document.

³ Western Electricity Coordinating Council (WECC) confirmed that PacifiCorp was included on the NERC Compliance Registry as a Balancing Authority, Distribution Provider (DP), Generator Owner (GO), Generator Operator, Load-Serving Entity, Planning Authority, Purchasing-Selling Entity, Resource Planner, Transmission Owner (TO), Transmission Operator, Transmission Planner, and Transmission Service Provider on June 17, 2007. As a GO and TO, PacifiCorp is subject to the requirements of NERC Reliability Standard FAC-009-1. As a DP, GO, and TO, PacifiCorp is subject to the requirements of NERC Reliability Standard PRC-023-1.

⁴ See 18 C.F.R § 39.7(c)(2).

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PacifiCorp also owns, or has an interest in, electric transmission and distribution assets, and it transmits electricity through approximately 16,200 miles of transmission lines.

This Notice of Penalty is being filed with the Commission because Western Electricity Coordinating Council (WECC) and PacifiCorp have entered into a Settlement Agreement to resolve all outstanding issues arising from WECC’s determination and findings of the violations⁵ of FAC-009-1 R1⁶ and PRC-023-1 R1. According to the Settlement Agreement, PacifiCorp agrees and stipulates to the violations, and has agreed to the assessed penalty of ninety-two thousand dollars (\$92,000), in addition to other remedies and actions to mitigate the instant violations and facilitate future compliance under the terms and conditions of the Settlement Agreement. Accordingly, the violations identified as NERC Violation Tracking Identification Numbers WECC2012011158 and WECC2012010889 are being filed in accordance with the NERC Rules of Procedure and the CMEP.

Statement of Findings Underlying the Violations

This Notice of Penalty incorporates the findings and justifications set forth in the Settlement Agreement entered into as of August 6, 2013 and executed on August 2, 2013, by and between WECC and PacifiCorp, which is included as Attachment a. 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 (2013), NERC provides the following summary table identifying each 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
Western Electricity Coordinating Council	PacifiCorp	NOC-2179	WECC2012011158	FAC-009-1	R1	Medium	\$92,000
			WECC2012010889	PRC-023-1	R1	High	

⁵ 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.

⁶ FAC-009-1 was enforceable from June 18, 2007 through January 1, 2013. FAC-009-1 R1 was incorporated into FAC-008-3 which became enforceable on January 1, 2013. For consistency in this filing, the original NERC Reliability Standard, FAC-009-1, is used throughout.

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FAC-009-1

The purpose statement of Reliability Standard FAC-009-1 provides: "To ensure that Facility Ratings used in the reliable planning and operation of the Bulk Electric System (BES) are determined based on an established methodology or methodologies."

FAC-009-1 R1 provides: "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."

FAC-009-1 R1 has a "Medium" Violation Risk Factor (VRF) and a "Severe" Violation Severity Level (VSL). The subject violation applies to PacifiCorp's GO and TO functions.

On October 4, 2012, PacifiCorp submitted a Self-Report citing possible noncompliance with FAC-009-1 R1. Specifically, PacifiCorp reported that "due to an inadvertent oversight, PacifiCorp did not establish facility ratings consistent with its [F]acility [R]atings [M]ethodology where settings for 100-200kV protective relays were not included in the facility ratings analysis process."

WECC reviewed PacifiCorp's Self-Report and requested additional information on October 24, 2012. Following a review of this additional information, WECC determined that PacifiCorp failed to establish facility ratings in accordance with its Facility Ratings Methodology for 278 out of a total of 451 lines. WECC determined that in each case, PacifiCorp failed to consider 100 kV-200 kV protective relay settings in its analysis and application of its Methodology. WECC also determined that in 98 instances, the protective relay setting was lower than the established facility rating and became the most limiting element. In 28 of the 98 instances, the corresponding line was de-rated to match the relay setting. In the remaining 70 of the 98 instances, the relays were reset to establish the line rating.

WECC determined that PacifiCorp had a violation of FAC-009-1 R1 because it failed to establish facility ratings in accordance with its Facility Ratings Methodology.

WECC determined the duration of the violation to be from June 18, 2007, the date the Standard became mandatory and enforceable, through the present.

WECC determined that this violation posed a moderate risk to the reliability of the bulk power system (BPS), but did not pose a serious or substantial risk. Specifically, the failure to establish facility ratings pursuant to FAC-009-1 R1 may create confusion in grid operations resulting in System Operating Limit violations, transmission line overloads, and equipment damage.

However, the following factors mitigated the potential risk to the BPS. None of the lines that were de-rated were on WECC-identified major transmission paths. All relays in question were located on 138 kV and 115 kV lines. Also, each of the lines was equipped with protection systems that were maintained and tested within defined intervals under PRC-005-1, a compensating measure in the event of a line exceedance. Accordingly, WECC determined that PacifiCorp's noncompliance with FAC-009-1 R1 posed a moderate risk to the BPS, and not a serious or substantial risk.

PRC-023-1

The purpose statement of Reliability Standard PRC-023 provides: "Protective relay settings shall not limit transmission loadability; not interfere with system operators' ability to take remedial action to protect system reliability and; be set to reliably detect all fault conditions and protect the electrical network from these faults."

PRC-023-1 R1 provides, in pertinent part:

- R1. Each Transmission Owner, Generator Owner, and Distribution Provider shall use any one of the following criteria (R1.1 through R1.13) for any specific circuit terminal to prevent its phase protective relay settings from limiting transmission system loadability while maintaining reliable protection of the Bulk Electric System for all fault conditions. Each Transmission Owner, Generator Owner, and Distribution Provider shall evaluate relay loadability at 0.85 per unit voltage and a power factor angle of 30 degrees . . .
 - R1.1. Set transmission line relays so they do not operate at or below 150% of the highest seasonal Facility Rating of a circuit, for the available defined loading duration nearest 4 hours (expressed in amperes).
 - R1.3. Set transmission line relays so they do not operate at or below 115% of the maximum theoretical power transfer capability (using a 90-degree angle between the sending end and receiving-end voltages and either reactance or complex impedance) of the circuit (expressed in amperes) using one of the following to perform the power transfer calculation:
 - R1.3.1. An infinite source (zero source impedance) with a 1.00 per unit bus voltage at each end of the line.
 - R1.3.2. An impedance at each end of the line, which reflects the actual system source impedance with a 1.05 per unit voltage behind each source impedance.

- R1.4. Set transmission line relays on series compensated transmission lines so they do not operate at or below the maximum power transfer capability of the line, determined as the greater of:
- 115% of the highest emergency rating of the series capacitor.
 - 115% of the maximum power transfer capability of the circuit (expressed in amperes), calculated in accordance with R1.3, using the full line inductive reactance.
- R1.10. Set transformer fault protection relays and transmission line relays on transmission lines terminated only with a transformer so that they do not operate at or below the greater of:
- 150% of the applicable maximum transformer nameplate rating (expressed in amperes), including the forced cooled ratings corresponding to all installed supplemental cooling equipment.
 - 115% of the highest operator established emergency transformer rating.

PRC-023-1 R1 has a “High” VRF and a “Severe” VSL. The subject violation applies to PacifiCorp’s DP, GO, and TO functions.

On August 16, 2012, PacifiCorp submitted a Self-Report citing possible noncompliance with PRC-023-1 R1. Compliance with PRC-023-1 R1 requires entities to ensure that applicable relays described in Sections 1.2 and 2 of Attachment A to PRC-023-1 are set in accordance with one of the 13 sub-requirements in PRC-023-1. Specifically, PacifiCorp reported that it “inadvertently did not consider certain out-of-step tripping relays [and] out of step blocking schemes among covered facilities in the manner described in Sections 1.2 and 2 of Attachment A to the Standard, respectively.”

WECC reviewed the Self-Report. On August 20, 2012, WECC contacted PacifiCorp and initially determined that the scope of the violation included 70 transmission relays. On August 22, 2012, WECC issued a Data Request for lists of relays in scope as well as relay settings. Based on information included in PacifiCorp’s August 29, 2012 response to the Data Request, WECC determined that PacifiCorp failed to set 11 relays in accordance with PRC-023-1 R1 and sub-requirements R1.1, R1.3, R1.4, and R1.10.

WECC determined that PacifiCorp had a violation of PRC-023-1 R1 and the sub-requirements thereof because PacifiCorp failed to set 11 out-of-step tripping and blocking relays pursuant to the requirements of the Standard.

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WECC determined the duration of the violation to be from July 1, 2010, the date the Standard became mandatory and enforceable, through December 31, 2012, when PacifiCorp completed its Mitigation Plan.

WECC determined that this violation posed a moderate risk to the reliability of the BPS, but did not pose a serious or substantial risk. Specifically, failure to set relays pursuant to PRC-023-1 R1 may limit transmission system loadability and may also interfere with the operator's ability to take remedial action. In this case, the relays in scope of the violation were associated with approximately eight transmission lines out of 173 transmission lines greater than 200 kV owned and operated by PacifiCorp.⁷ This rendered 4.6% of the entity's transmission system susceptible to large separation of generator rotor angles, large swings of power flows, and large fluctuations of voltages and currents, and could have eventually led to a loss of synchronism between groups of generators or neighboring transmission systems. Further, the relays were on three lines associated with Path 28, a WECC-identified major transmission path.⁸

However, the risk to normal operations was limited in this instance. The relay settings did not impact the rating of any transmission line. Nor did the relay settings impact PacifiCorp transmission studies or System Operating Limit calculations. Furthermore, although the existing relay settings were not compliant with PRC-023-1, the relays were set within a range that would have provided some protection to PacifiCorp's Bulk Electric System equipment. Therefore, WECC determined that the violation posed a moderate risk to the reliability of the BPS, and not a serious or substantial risk.

Regional Entity's Basis for Penalty

According to the Settlement Agreement, WECC has assessed a penalty of ninety-two thousand dollars (\$92,000) for the referenced violations. In reaching this determination, WECC considered the following factors:

1. PacifiCorp's compliance history was considered an aggravating factor;⁹
2. PacifiCorp self-reported both violations;

⁷ Paragraph 14 of the Settlement Agreement states that 11 transmission lines were affected as a result of the violation. WECC confirmed that eleven relays were not set in accordance with the Standard, affecting eight transmission lines (or 4.6% of PacifiCorp's transmission system).

⁸ Paragraph 14 of the Settlement Agreement states that the relays were on three WECC Paths. WECC confirmed that the relays affected three lines on a single WECC Path.

⁹ PacifiCorp has previous violations of PRC-023-1 R1. WECC determined that PacifiCorp's previous violations of PRC-023-1 R1 should be considered an aggravating factor in the penalty determination. The present violation constitutes PacifiCorp's first instance of violation of the FAC-009-1 standard.

3. WECC reported that PacifiCorp was cooperative throughout the compliance enforcement process;
4. PacifiCorp had an internal compliance program (ICP) at the time of the violations, which WECC considered a mitigating factor;¹⁰
5. upon undertaking the actions outlined in the Mitigation Plans, PacifiCorp took voluntary corrective action to remediate the violations, which WECC considered to be a mitigating factor;
6. PacifiCorp did not fail to complete any applicable compliance directives;
7. there was no evidence of any attempt by PacifiCorp to conceal a violation nor evidence of intent to do so;
8. there was no evidence that PacifiCorp's violations were intentional;
9. PacifiCorp agreed to submit a narrative that described PacifiCorp's PRC-023 Project Management Improvement Plan to WECC for review;
10. WECC determined that the violations each posed a moderate risk to the reliability to the BPS and did not pose a serious or substantial risk, as discussed above; and
11. there were no other mitigating or aggravating factors or extenuating circumstances that would affect the assessed penalty.

After consideration of the above factors, WECC determined that, in this instance, the penalty amount of ninety-two thousand dollars (\$92,000) is appropriate and bears a reasonable relation to the seriousness and duration of the violations.

¹⁰ WECC reviewed PacifiCorp's ICP and found that: PacifiCorp's ICP is documented; the ICP is disseminated throughout PacifiCorp's operations staff; PacifiCorp has ICP oversight staff; ICP oversight staff is supervised at a high level in the organization; ICP oversight staff has independent access to the chief executive officer and/or board of directors; PacifiCorp operates the ICP such that it is independent of staff responsible for compliance with the Reliability Standards; PacifiCorp has allocated sufficient resources to its ICP; the ICP has the support and participation of senior management; PacifiCorp reviews and modifies its ICP regularly; PacifiCorp's ICP includes formal, internal self-auditing for compliance with all Reliability Standards on a periodic basis; and PacifiCorp's ICP includes disciplinary action for employees involved in violations of Reliability Standards, when applicable.

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Status of Mitigation Plans¹¹

FAC-009-1 R1

PacifiCorp's Mitigation Plan to address its violation of FAC-009-1 was submitted to WECC on December 4, 2012 with a proposed completion date of December 2, 2013. The Mitigation Plan was accepted by WECC on December 13, 2012 and approved by NERC on December 24, 2012. The Mitigation Plan for this violation is designated as WECCMIT008419 and was submitted as non-public information to FERC on December 24, 2012 in accordance with FERC orders.

PacifiCorp's Mitigation Plan requires PacifiCorp to:

1. install revised relay settings for relays not requiring replacement;
2. replace identified relays as determined to be necessary by the company; and
3. update its facility ratings analysis process to include a review of relay settings prior to ratings issuance to ensure that the relay settings are not the most limiting element.

PRC-023-1 R1

PacifiCorp's Mitigation Plan to address its violation of PRC-023-1 R1 was submitted to WECC on September 19, 2012 with a proposed completion date of December 31, 2012. The Mitigation Plan was accepted by WECC on September 21, 2012 and approved by NERC on October 16, 2012. The Mitigation Plan for this violation is designated as WECCMIT008077 and was submitted as non-public information to FERC on October 17, 2012 in accordance with FERC orders.

PacifiCorp's Mitigation Plan required PacifiCorp to:

1. complete development and review of revised relay settings and issue to operations department for implementation; and
2. complete implementation of revised relay settings.

PacifiCorp certified on December 31, 2012 that the above Mitigation Plan requirements were completed on December 31, 2012. As evidence of completion of its Mitigation Plan, PacifiCorp submitted the following:

1. *08292012-PRC-023_R1-PacifiCorp.pdf*;
2. *082092012-PRC-023_R1-PacifiCorp-Relay Detail.xlsx*; and

¹¹ See 18 C.F.R § 39.7(d)(7).

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3. *PRC-023 – Completed Mitigation Plan – relays status.pdf.*

On May 20, 2013, after WECC's review of PacifiCorp's submitted evidence, WECC accepted PacifiCorp's Certification of Mitigation Plan Completion.

Statement Describing the Assessed Penalty, Sanction or Enforcement Action Imposed¹²

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, October 26, 2009 and August 27, 2010 Guidance Orders,¹³ the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on October 8, 2013. The NERC BOTCC approved the Settlement Agreement, including WECC's assessment of a ninety-two thousand dollar (\$92,000) financial penalty against PacifiCorp 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 violations at issue.

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

1. PacifiCorp has previous violations of PRC-023-1 R1;¹⁴
2. PacifiCorp self-reported the violations;
3. WECC reported that PacifiCorp was cooperative throughout the compliance enforcement process;
4. PacifiCorp had a compliance program at the time of the violations which WECC considered a mitigating factor, as discussed above;
5. upon undertaking the actions outlined in the mitigation plans, PacifiCorp took voluntary corrective action to remediate the violations, which WECC considered a mitigating factor, as discussed above;

¹² See 18 C.F.R. § 39.7(d)(4).

¹³ *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); *North American Electric Reliability Corporation*, "Notice of No Further Review and Guidance Order," 132 FERC ¶ 61,182 (2010).

¹⁴ See *supra* note 9.

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6. PacifiCorp did not fail to complete any applicable compliance directives;
7. there was no evidence of any attempt to conceal a violation nor evidence of intent to do so;
8. there was no evidence that PacifiCorp's violations were intentional;
9. PacifiCorp agreed to submit a narrative that described PacifiCorp's PRC-023 Project Management Improvement Plan to WECC for review, and WECC reported that PacifiCorp submitted the plan as agreed;
10. WECC determined that the violations posed a moderate risk but did not pose a serious or substantial risk to the reliability of the BPS, as discussed above; and
11. WECC reported that there were no other mitigating or aggravating factors or extenuating circumstances that would affect the assessed penalty.

For the foregoing reasons, the NERC BOTCC approved the Settlement Agreement and believes that the assessed penalty of ninety-two thousand dollars (\$92,000) is appropriate for the violations and circumstances at issue, and is consistent with NERC's goal to promote and ensure reliability of the BPS.

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 Notice of Penalty with FERC, or, if FERC decides to review the penalty, upon final determination by FERC.

Attachments to be Included as Part of this Notice of Penalty

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

- a) Settlement Agreement by and between WECC and PacifiCorp entered into as of August 6, 2013 and executed on August 2, 2013, included as Attachment a;
- b) Record documents for the violation of FAC-009-1 R1, included as Attachment b;
 1. PacifiCorp's Self-Report dated October 4, 2012;
 2. PacifiCorp's Mitigation Plan designated as WECCMIT008419 submitted December 4, 2012;
- c) Record documents for the violation of PRC-023-1 R1, included as Attachment c;
 1. PacifiCorp's Self-Report dated August 16, 2012;
 2. PacifiCorp's Mitigation Plan designated as WECCMIT008077 submitted September 19, 2012;

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3. PacifiCorp's Certification of Mitigation Plan Completion submitted December 31, 2012;
and
4. WECC's Acceptance of PacifiCorp's Certification of Mitigation Plan Completion dated
May 20, 2013.

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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 North American Electric Reliability Corporation 3353 Peachtree Road NE Suite 600, North Tower Atlanta, GA 30326 (404) 446-2560</p> <p>Charles A. Berardesco* Senior Vice President and General Counsel North American Electric Reliability Corporation 1325 G Street N.W., Suite 600 Washington, DC 20005 (202) 400-3000 (202) 644-8099 – facsimile charles.berardesco@nerc.net</p> <p>Mark Maher* Chief Executive Officer Western Electricity Coordinating Council 155 North 400 West, Suite 200 Salt Lake City, UT 84103 (360) 713-9598 (801) 582-3918 – facsimile Mark@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>Sonia C. Mendonça* Assistant General Counsel and Director of Enforcement North American Electric Reliability Corporation 1325 G Street N.W. Suite 600 Washington, DC 20005 (202) 400-3000 (202) 644-8099 – facsimile sonia.mendonca@nerc.net</p> <p>Edwin G. Kichline* Senior Counsel and Associate Director, Enforcement Processing North American Electric Reliability Corporation 1325 G Street N.W. Suite 600 Washington, DC 20005 (202) 400-3000 (202) 644-8099 – facsimile edwin.kichline@nerc.net</p> <p>Ruben Arredondo* Senior Legal Counsel Western Electricity Coordinating Council 155 North 400 West, Suite 200 Salt Lake City, UT 84103 (801) 819-7674 (801) 883-6894 – facsimile raredondo@wecc.biz</p>
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*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.

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Conclusion

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

Respectfully submitted,

/s/ Sonia Mendonça

Sonia C. Mendonça
Assistant General Counsel and Director of
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cc: PacifiCorp
Western Electricity Coordinating Council

Attachments

Attachment a

**Settlement Agreement by and between WECC
and PacifiCorp entered into as of August 6,
2013 and executed on August 2, 2013**



SETTLEMENT AGREEMENT
OF
WESTERN ELECTRICITY COORDINATING COUNCIL
AND
PACIFICORP

Western Electricity Coordinating Council ("WECC") and PacifiCorp ("PAC") (collectively the "Parties") hereby enter into this Settlement Agreement ("Agreement") on this 11th day of Aug, 2013.

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 PAC by WECC that resulted in certain WECC determinations and findings regarding what were two PAC Alleged Violations of the following North American Electric Reliability Corporation ("NERC") Reliability Standards ("Reliability Standards" or "Standards"):

WECC2012011158: FAC-009-1 R.1 Establish and Communicate Facility Ratings
WECC2012010889: PRC-023-1 R.1 Transmission Relay Loadability

B. PacifiCorp, which includes PacifiCorp and its subsidiaries, is a United States regulated, vertically integrated electric utility company serving approximately 1.8 million retail customers, including residential, commercial, industrial, irrigation and other customers in portions of the states of Utah, Oregon, Wyoming, Washington, Idaho and California. PacifiCorp owns, or has interest in, 75 thermal, hydroelectric, wind-powered and geothermal generating facilities, with a net owned capacity of 10,579 MW. PacifiCorp also owns, or has interests in, electric transmission and distribution assets, and transmits electricity through approximately 16,200 miles of transmission lines.

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.

[REDACTED]

D. The Parties are entering into this Agreement to settle the disputed matters between them. It is in the Parties' and the public's best interests to resolve this matter efficiently without the delay and burden associated with a contested proceeding. Thus, for the purposes of this agreement, PAC agrees that the violations addressed hereby may be treated as Confirmed Violations as set forth in the NERC Rules of Procedure.

Nothing contained in this Agreement shall be construed as an admission, denial, or waiver of either party's rights, except as otherwise contained herein. Except, however, nothing in this Agreement shall limit or prevent WECC from evaluating PAC for subsequent violations of the same Reliability Standards addressed herein and taking enforcement action, if necessary. Such enforcement action can include assessing penalties against PAC for subsequent violations of the Reliability Standards addressed herein in accordance with NERC Rules of Procedure, which can include consideration of the violations resolved herein as prior non-compliance with Reliability Standards.

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

I. Stipulated Violation Facts

A. NERC Reliability Standard FAC-009-1 Requirement 1

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.

VIOLATION FACTS

1. On October 4, 2012, PAC submitted a Self Report citing possible noncompliance with FAC-009-1 R1. Specifically, PAC reported that "due to an inadvertent oversight, PacifiCorp did not establish facility ratings consistent with its [F]acility [R]atings [M]ethodology where settings for 100-200kV protective relays were not included in the facility ratings analysis process."

2. WECC Subject Matter Experts ("SMEs") reviewed PAC's Self Report. On October 24, 2012, SMEs contacted PAC to request additional information. SMEs determined that PAC failed to establish Facility Ratings in accordance with its Methodology for 278 out of a total of 451 lines. SMEs determined that in each case, PAC failed to consider 100 kV-200 kV relay settings in its analysis and application of its Methodology. SMEs determined that in 98 instances the protective relay setting was lower than the established facility rating. In 28 of the 98 instances the line was de-rated to match the relay setting. In the remaining 70 of the 98 instances the relays were reset to establish the line rating. SMEs, therefore, determined that PAC was in possible violation of FAC-009-1 R1 and forwarded their findings to WECC Enforcement ("Enforcement").

[REDACTED]

3. Enforcement reviewed PAC's Self Report and SMEs' determinations. Enforcement determined that PAC failed to use its Methodology to establish Facility Ratings for 278 lines. Enforcement determined that PAC's failure constitutes a violation of FAC-009-1 R1.

4. Accordingly, Enforcement alleges PAC in violation of FAC-009-1 R1 as of June 18, 2007, the effective date of the Standard. The violation is ongoing.

MITIGATION PLAN DETAILS

5. On December 4, 2012, PAC submitted a Mitigation Plan to WECC with a completion date of December 2, 2013. According to the plan, mitigation actions will include installing revised relay settings where allowable or otherwise replacing identified relays. Additionally, PAC will update its facility ratings analysis process to include a review of relay settings prior to ratings issuance to ensure that the relay settings are not the most limiting element. On December 13, 2012, WECC issued Notice of Mitigation Plan Acceptance.

RELIABILITY IMPACT STATEMENT

6. Failure to establish Facility Ratings pursuant to FAC-009-1 R1 may create confusion in grid operations resulting in System Operating Limit ("SOL") violations, transmission line overloads, and equipment damage. In this case, PAC did not establish facility ratings in accordance with its Methodology for 278 out of a total of 451 lines. In approximately 98 instances the protective relay setting was lower than the established facility rating and became the most limiting element. In 28 of these 98 instances the line was de-rated to match the relay setting. In the remaining 70 instances the relays were reset to the established line rating.

7. In assessing risk, Enforcement considered compensating measures in place during the violation period. None of the thirteen (13) lines that were de-rated were on WECC Paths. All relays were located on 138 kV and 115 kV lines. In the event of line exceedance, lines were equipped with protection systems that were maintained and tested within defined intervals under PRC-005-1. Enforcement, therefore, determined that PAC noncompliance posed a moderate risk to the BES.

PENALTY CONSIDERATIONS

The Violation Risk Factor ("VRF") is Medium, the Violation Severity Level ("VSL") is Severe, and this violation posed moderate risk to the reliability of the BES.

MITIGATING FACTORS

Upon undertaking the actions outlined in the mitigation plan, PAC took voluntary corrective action to remediate this violation.

PAC self-reported this violation.

WECC reviewed PAC's Internal Compliance Program ("ICP"). WECC found that: PAC's ICP is documented; the ICP is disseminated throughout its operations staff; PAC has ICP oversight staff; ICP oversight staff is supervised at a high and/or board of directors; PAC operates the ICP such that it is independent of staff responsible for compliance with the Reliability Standards; PAC has allocated sufficient resources to its ICP; the ICP has the support and participation of senior management; PAC reviews and modifies its ICP regularly; PAC's ICP includes formal, internal self-auditing for compliance with all Reliability Standards on a periodic basis; and PAC's ICP includes disciplinary action for employees involved in violations of the Reliability Standards, when applicable.

Enforcement determined there were no aggravating factors warranting a penalty higher than the proposed penalty.

PAC did not have repeat violations of this Standard or any relevant negative compliance history.

PAC was cooperative throughout the process.

PAC did not fail to complete any applicable compliance directives.

There was no evidence of any attempt by PAC to conceal the violation.


There was no evidence that PAC's violation was intentional.

WECC is not aware of any violations of this Reliability Standard by PAC affiliates or any involvement in PAC's activities such that this violation by PAC should be treated as recurring conduct.

B. NERC Reliability Standard PRC-023-1, Requirement 1

R1. Each Transmission Owner, Generator Owner, and Distribution Provider shall use any one of the following criteria (R1.1 through R1.13) for any specific circuit terminal to prevent its phase protective relay settings from limiting transmission system loadability while maintaining reliable protection of the Bulk Electric System for all fault conditions. Each Transmission Owner, Generator Owner, and Distribution Provider shall evaluate relay loadability at 0.85 per unit voltage and a power factor angle of 30 degrees: [Violation Risk Factor: High] [Mitigation Time Horizon: Long Term Planning].

R1.1. Set transmission line relays so they do not operate at or below 150% of the highest seasonal Facility Rating of a circuit, for the available defined loading duration nearest 4 hours (expressed in amperes).

- 
- R1.3.** Set transmission line relays so they do not operate at or below 115% of the maximum theoretical power transfer capability (using a 90-degree angle between the sending end and receiving-end voltages and either reactance or complex impedance) of the circuit (expressed in amperes) using one of the following to perform the power transfer calculation:
- R1.3.1.** An infinite source (zero source impedance) with a 1.00 per unit bus voltage at each end of the line.
- R1.3.2.** An impedance at each end of the line, which reflects the actual system source impedance with a 1.05 per unit voltage behind each source impedance.
- R1.4.** Set transmission line relays on series compensated transmission lines so they do not operate at or below the maximum power transfer capability of the line, determined as the greater of:
- 115% of the highest emergency rating of the series capacitor.
 - 115% of the maximum power transfer capability of the circuit (expressed in amperes), calculated in accordance with R1.3, using the full line inductive reactance.
- R1.10.** Set transformer fault protection relays and transmission line relays on transmission lines terminated only with a transformer so that they do not operate at or below the greater of:
- 150% of the applicable maximum transformer nameplate rating (expressed in amperes), including the forced cooled ratings corresponding to all installed supplemental cooling equipment.
 - 115% of the highest operator established emergency transformer rating.

VIOLATION FACTS

8. On August 16, 2012, PacifiCorp submitted a Self Report citing possible noncompliance with PRC-023-1 R1. Specifically, PacifiCorp reported that it “inadvertently did not consider certain out-of step tripping relays [and] out of step blocking schemes among covered facilities in the manner described in Sections 1.2 and 2 of Attachment A to the Standard, respectively.”

9. On August 20, 2012, WECC SMEs contacted PacifiCorp and determined that the scope of the possible violation included seventy (70) transmission relays. On August 22, 2012, WECC SMEs issued a Data Request for lists of relays in scope as well as relay settings. On August 29, 2012, PAC submitted its Response to the Data Request. Based on the information contained therein, WECC SMEs determined that PAC failed to consider eleven (11) out of step tripping and blocking relays as being subject to PRC-023-1 R1. WECC SMEs determined that PAC’s failure to set these eleven devices pursuant to PRC-023-1 R1 sub parts R1.1, R1.3, R1.4, and R1.10, constitutes a possible violation thereof. SMEs forwarded their findings to WECC Enforcement (“Enforcement”).



10. Enforcement reviewed the SMEs' findings and PAC's Self Report. Compliance with PRC-023-1 R1 requires entities to ensure that applicable relays described in Sections 1.2 and 2 of Attachment A to PRC-023-1, are set in accordance with one of the thirteen sub requirements in PRC-023-1 R1. Enforcement determined that in this case, PAC failed to set eleven devices subject to PRC-023-1 R1 in accordance with the subrequirements thereof.

11. Accordingly, Enforcement alleges PAC in violation of PRC-023-1 as of July 1, 2010, the effective date of the Standard Requirement, until December 31, 2012, when PAC mitigated this violation

MITIGATION PLAN DETAILS

12. On September 19, 2012, PAC submitted a Mitigation Plan addressing possible noncompliance disclosed in its Self Report citing possible noncompliance with PRC-023-1 R1. The following summarizes mitigation activity to be completed by PAC by December 31, 2012:

	Description	Date
Milestone 1	Complete development and review of revised relay settings and issue to operations department for implementation	10/1/2012
Completion	Complete implementation of revised relay settings	12/31/2012

13. WECC reviewed PAC's Mitigation Plan. On September 21, 2012, WECC issued Notice of Mitigation Plan Acceptance. On May 20, 2013, WECC verified PAC's Mitigation Completion. PAC completed all actions outlined in the plan on December 31, 2012.

RELIABILITY IMPACT STATEMENT

14. Failure to set relays pursuant to PRC-023-1 R1 may limit transmission system loadability and may also interfere with the operator's ability to take remedial action. In this case, the relays in scope of the alleged violation are associated with approximately 11 transmission lines out of 173 transmission lines owned and operated by PAC. This renders 4.6% of the entity's transmission system susceptible to large separation of generator rotor angles, large swings of power flows, large fluctuations of voltages and currents, and eventually led to a loss of synchronism between groups of generators or neighboring transmission systems. Further, the relays are on three WECC Paths. The risk to normal operations is, however, limited in this instance. The relay settings did not impact the rating of any transmission line. Nor did the relays impact PAC Transmission studies, and SOL calculations. Although the existing relay settings were not compliant with PRC-023-1, relays were set within a range that would have provided some

[REDACTED]

protection to PAC and BES equipment. WECC, therefore, determined this violation posed moderate risk to the reliability of the BES.

PENALTY CONSIDERATIONS

The Violation Risk Factor ("VRF") is High, the Violation Severity Level ("VSL") is Severe, and this violation posed moderate risk to the reliability of the BES.

MITIGATING FACTORS

Upon undertaking the actions outlined in the mitigation plan, PAC took voluntary corrective action to remediate this violation.

PAC self-reported this violation.

WECC reviewed PAC's Internal Compliance Program ("ICP"). WECC found that: PAC's ICP is documented; the ICP is disseminated throughout its operations staff; PAC has ICP oversight staff; ICP oversight staff is supervised at a high level in the organization; the ICP oversight staff has independent access to the CEO and/or board of directors; PAC operates the ICP such that it is independent of staff responsible for compliance with the Reliability Standards; PAC has allocated sufficient resources to its ICP; the ICP has the support and participation of senior management; PAC reviews and modifies its ICP regularly; PAC's ICP includes formal, internal self-auditing for compliance with all Reliability Standards on a periodic basis; and PAC's ICP includes disciplinary action for employees involved in violations of the Reliability Standards, when applicable.

AGGRAVATING FACTORS

This is PAC's third violation of PRC-023-1 R1. [REDACTED]

[REDACTED] In PAC's [REDACTED] instance of noncompliance with PRC-023-1 R1, PAC did not revise relay settings given changes to PAC's transmission system over time. In this instance, PAC failed to consider 11 relays subject to PRC-023 and accordingly failed to set the relays in accordance with subparts R1.1, R1.3, R1.4, and R1.10 of PRC-023-1.

Enforcement determined there were no other aggravating factors warranting a penalty higher than the proposed penalty. PAC was cooperative throughout the process. PAC did not fail to complete any applicable compliance directives. There was no evidence of any attempt by PAC to conceal the violation. There was no evidence that PAC's violation was intentional.



II. Settlement Terms

A. Payment. To settle this matter, PAC hereby agrees to pay \$92,000 to WECC via wire transfer or cashier's check. PAC shall make the funds payable to a WECC account identified in a Notice of Payment Due that WECC will send to PAC upon approval of this Agreement by NERC and the Federal Energy Regulatory Commission ("FERC"). PAC shall issue the payment to WECC no later than thirty days after receipt of the Notice of Payment Due. If this payment is not timely received, WECC shall assess, and PAC agrees to pay, an interest charge calculated according to the method set forth at 18 CFR §35.19(a)(2)(iii) beginning on the 31st day following issuance 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 and will post the Agreement publicly. If either NERC or FERC rejects the Agreement, then WECC will attempt to negotiate a revised settlement agreement with PAC that includes any changes to the Agreement specified by NERC or FERC. If the Parties cannot mutually reach a settlement agreement, the CMEP governs the enforcement process.

B. Additional Terms. In addition to monetary penalties, to settle this matter, PAC hereby agrees to submit to WECC Enforcement by September 2, 2013, a narrative that will describe PAC's PRC-023 Project Management Improvement Plan. The plan is submitted to WECC for review, but not approval, and this settlement is not conditioned on WECC Enforcement's approval of the plan submitted by PAC.

C. Settlement Rationale. WECC's determination of any penalty and sanction included in this settlement agreement 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 [the Registered Entity] to remedy the violation in a timely manner." In addition, WECC considers the direction of the Commission provided in Order No. 693, the NERC Sanction Guidelines, the Commission's Policy Statement on Enforcement, the Commission's July 3, 2008 Guidance Order, the Commission's August 27, 2010 Guidance Order, and all other applicable guidance from NERC and FERC.

To determine a penalty or sanction, WECC considers various factors including, but not limited to: (1) Violation Risk Factor; (2) Violation Severity Level, (3) risk to the reliability of the Bulk Power System ("BPS"), including the seriousness of the violation; (4) Violation Time Horizon (5) the violation's duration; (6) the Registered Entity's compliance history; (7) the Registered Entity's self-reports and voluntary corrective action; (8) the degree and quality of cooperation by the Registered Entity in the audit or investigation process, and in any remedial action; (9) the quality of the Registered Entity's compliance program; (10) any attempt by the Registered Entity to conceal the violation or any related information; (11) whether the violation was intentional; (12) any

[REDACTED]

other relevant information or extenuating circumstances; and (13) the Registered Entity's ability to pay a penalty, as applicable.

WECC determined the penalty is appropriate in light of the specific violation facts and penalty considerations described above.

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

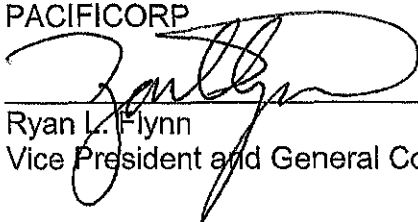


Constance B. White
Vice President of Compliance

8/2/13

Date

PACIFICORP



Ryan L. Flynn
Vice President and General Counsel, Pacific Power

8/2/13

Date

Attachment b

Record documents for the violation of FAC-009-1 R1

- 1. PacifiCorp's Self-Report dated October 4, 2012**
 - 2. PacifiCorp's Mitigation Plan designated as WECCMIT008419 submitted December 4, 2012**
-

Self Report - 2012

Entity Name: PacifiCorp

Address: 825 NE Multnomah Street Suite 2000 LCT
Portland OR 97232

NERC Registry ID: NCR05304

Standard Requirement: FAC-009-1 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.

Date of Alleged Violation: June 18, 2007

Date Submitted: October 04, 2012

Self Report Status: Self Report has been submitted

Description and Cause: Due to an inadvertent oversight, PacifiCorp did not establish facility ratings consistent with its facility ratings methodology where settings for 100-200kV protective relays were not included in the facility ratings analysis process. Upon identifying this oversight, PacifiCorp performed a subsequent review that included consideration of the protective relay settings, and determined that in approximately 70 instances the protective relay setting was lower than the established facility rating.

Potential Impact to the Bulk Power System: There is low risk or impact to the Bulk Electric System (BES).

PacifiCorp had previously evaluated all 200kV and above lines as part of the company's review of its compliance with PRC-023, resulting in protective relay settings above the most limiting element rating in the related FAC-009 facility ratings analysis.

Furthermore, PacifiCorp has now reviewed all facilities with protective relay settings included as part of the facilities ratings analysis process, and for relays identified as impacting currently established facilities ratings, the company has performed an additional review back to 2010 and confirmed that there were no relay operations identified that were caused by relay setting errors related to loadability and/or weak link issues.

Mitigation Plan

Registered Entity: PacifiCorp

Mit Plan Code	NERC Violation ID	Requirement	Violation Validated On	Mit Plan Version
	WECC2012011158	FAC-009-1 R1	10/29/2012	1

Mitigation Plan Submitted On: December 04, 2012

Mitigation Plan Accepted On:

Mitigation Plan Proposed Completion Date: December 02, 2013

Actual Completion Date of Mitigation Plan:

Mitigation Plan Certified Complete by PAC On:

Mitigation Plan Completion Verified by WECC On:

Mitigation Plan Completed? (Yes/No): No

Section A: Compliance Notices

Section 6.2 of the NERC 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 B.
 - (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. Additional violations could be determined or recommended to the applicable governmental authorities 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.
 - (11) This submittal form may be used to provide a required Mitigation Plan for review and approval by regional entity(ies) and NERC.
- The Mitigation Plan shall be submitted to the regional entity(ies) and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
 - 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 alleged or confirmed violations with respect to each additional Reliability Standard, as applicable.
 - If the Mitigation Plan is accepted by regional entity(ies) and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission or filed with the applicable governmental authorities for approval in Canada.
 - Regional Entity(ies) or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
 - Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.
 - The user has read and accepts the conditions set forth in these Compliance Notices.

Section B: Registered Entity Information

B.1 Identify your organization:

Entity Name: PacifiCorp

NERC Compliance Registry ID: NCR05304

Address: 825 NE Multnomah Street Suite 2000 LCT
Portland OR 97232

B.2 Identify the individual in your organization who will serve as the Contact to the Regional Entity regarding this Mitigation Plan. This person shall be technically knowledgeable regarding this Mitigation Plan and authorized to respond to Regional Entity regarding this Mitigation Plan:

Name: Colt Norrish

Title: Director, Corporate NERC Standards Compliance

Email: colt.norrish@pacificorp.com

Phone: 503-813-5134

Section C: Identification of Reliability Standard Violation(s) Associated with this Mitigation Plan

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

Violation ID	Date of Violation	Requirement
Requirement Description		
WECC2012011158	07/01/2010	FAC-009-1 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.		

C.2 Brief summary including the cause of the violation(s) and mechanism in which it was identified above:

PacifiCorp did not establish facility ratings consistent with its facility ratings methodology to the extent that settings for 100-200 kV protective relays were not included in the company's initial facility ratings analysis process. This oversight was identified by internal subject matter experts while performing a review of new and revised requirements contained within PRC-023-2. Upon identifying this discrepancy, PacifiCorp performed a subsequent review that captured the balance of the protective relay settings and determined that in approximately 98 instances the protective relay setting was lower than the established facility rating.

C.3 Provide any relevant information regarding the identification of the violation(s) associated with this Mitigation Plan:

PacifiCorp had previously evaluated all 200 kV and above lines as part of the company's review of its compliance with PRC-023, resulting in protective relay settings above the most limiting element rating in its related FAC-009 facility ratings analysis.

Furthermore, it is important to note that PacifiCorp has now reviewed all facilities with protective relay settings included as part of the facilities ratings analysis process and, for relays identified as impacting currently established facilities ratings, the company has performed an additional review from 2010 through the present and confirmed that there were no relay operations identified that were caused by relay settings related to loadability and/or weak link issues.

Section D: Details of Proposed Mitigation Plan

- 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 violation(s) identified above in Section C.1 of this form:

Mitigation actions will include installing revised relay settings where allowable or otherwise replacing identified relays as determined to be necessary by the company. Additionally, PacifiCorp has updated its facility ratings analysis process to include a review of relay settings prior to ratings issuance to ensure that the relay settings are not the most limiting element.

- 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 violations associated with this Mitigation Plan are corrected:

Proposed Completion date of Mitigation Plan: December 02, 2013

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

Milestone Activity	Description	*Proposed Completion Date (Shall not be greater than 3 months apart)	Actual Completion Date
Relay settings installation for relays not requiring replacement.	Relay settings installation for relays not requiring replacement.	01/30/2013	
50% of relay designs completed.	50% of relay designs completed.	04/26/2013	
30% of relay replacement plan completed.	30% of relay replacement plan completed.	07/26/2013	
60% of relay replacement plan completed.	60% of relay replacement plan completed.	10/25/2013	
All relays and settings completed and installed.	All relays and settings completed and installed.	12/02/2013	

- D.4 Additional Relevant Information (Optional)

Section E: Interim and Future Reliability Risk

E.1 Abatement of Interim BPS Reliability Risk

While your organization is implementing the Mitigation Plan proposed in Section 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, 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 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:

As stated above, PacifiCorp had previously evaluated all 200 kV and above lines as part of the company's review of its compliance with PRC-023, resulting in protective relay settings above the most limiting element rating in the related FAC-009 facility ratings analysis.

Furthermore, PacifiCorp has now reviewed all facilities with protective relay settings included as part of the facilities ratings analysis process and, for relays identified as impacting currently established facilities ratings, the company has performed an additional review from 2010 through the present and confirmed that there were no relay operations identified that were caused by relay setting errors related to loadability and/or weak link issues.

E.2 Prevention of Future BPS Reliability Risk

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

Protective relays will now be included in the company's weak link database, which is the primary source of information used to develop facility ratings.

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

Section F: Authorization

An authorized individual must sign and date the signature page. By doing so, this individual, on behalf of your organization:

- (a) Submits the Mitigation Plan, as laid out in Section D, to the Regional Entity for acceptance and approval by NERC, and
- (b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- (c) Acknowledges:
 1. I am Compliance Control Analyst of PacifiCorp
 2. I am qualified to sign this Mitigation Plan on behalf of PacifiCorp
 3. I have read and understand PacifiCorp's obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure and the NERC CMEP currently in effect or the NERC CMEP-Province of Manitoba, Schedule B currently in effect, whichever is applicable.
 4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
 5. PacifiCorp Agrees to be bound by, and comply with, this Mitigation Plan, including the timetable completion date, as accepted by the Regional Entity, NERC, and if required, the applicable governmental authorities in Canada.

Authorized Individual Signature: _____
(Electronic signature was received by the Regional Office via CDMS. For Electronic Signature Policy see CMEP.)

Authorized Individual

Name: John Volz

Title: Compliance Control Analyst

Authorized On: December 03, 2012

Attachment c

Record documents for the violation of PRC-023-1 R1

- 1. PacifiCorp's Self-Report dated August 16, 2012**
 - 2. PacifiCorp's Mitigation Plan designated as WECCMIT008077 submitted September 19, 2012**
 - 3. PacifiCorp's Certification of Mitigation Plan Completion submitted December 31, 2012**
 - 4. WECC's Acceptance of PacifiCorp's Certification of Mitigation Plan Completion dated May 20, 2013**
-

Self Report - 2012

Entity Name: PacifiCorp

Address: 825 NE Multnomah Street Suite 2000 LCT
Portland OR 97232

NERC Registry ID: NCR05304

Standard Requirement: PRC-023-1 R1

Each Transmission Owner, Generator Owner, and Distribution Provider shall use any one of the following criteria (R1.1 through R1.13) for any specific circuit terminal to prevent its phase protective relay settings from limiting transmission system loadability while maintaining reliable protection of the Bulk Electric System for all fault conditions. Each Transmission Owner, Generator Owner, and Distribution Provider shall evaluate relay loadability at 0.85 per unit voltage and a power factor angle of 30 degrees: [Violation Risk Factor: High] [Mitigation Time Horizon: Long Term Planning].

Date of Alleged Violation: July 01, 2010

Date Submitted: August 16, 2012

Self Report Status: Self Report has been submitted

Description and Cause: In preparation for the company's initial compliance with PRC-023-1, PacifiCorp performed a review and analysis of relays it believed to be applicable to the standard, but inadvertently did not consider certain out-of-step tripping relays or out-of-step blocking schemes among covered facilities in the manner described in Sections 1.2 and 2 of Attachment A to the standard, respectively.

PacifiCorp initially failed to include out-of-step tripping relays, as described in Section 1.2 of Attachment A, among the relays covered by Requirement R1. Further, PacifiCorp initially failed to evaluate out-of-step blocking schemes to ensure they do not block trip for faults during the loading conditions defined in the standard, as described in Section 2 of Attachment A.

In PRC-023-2, the requirement to evaluate out-of-step blocking schemes was moved into the Requirements section of the standard, as R2 requires entities to set out-of-step blocking elements to allow tripping of phase protective relays for faults that occur during the loading conditions used to verify transmission line relay loadability per R1. It was during the review and preparation for compliance with PRC-023-2 that PacifiCorp identified its original oversight in neither evaluating out-of-step blocking schemes nor considering out-of-step tripping relays in a manner consistent with Attachment A.

Upon analysis of its out-of-step blocking and out-of-step tripping relays, PacifiCorp determined that it is non-compliant with certain lines operated at 200kV or above.

Potential Impact to the Bulk Power System: PacifiCorp believes that there was no risk or impact to the Bulk Electric System. Planning studies performed by PacifiCorp indicate that the risk is minimal to experience any system swings for these disturbances and loadings on system elements that may be a concern for the impedance based on out-of-step to pick up

Mitigation Plan

Registered Entity: PacifiCorp

Mit Plan Code	NERC Violation ID	Requirement	Violation Validated On	Mit Plan Version
	WECC2012010889	PRC-023-1 R1	09/19/2012	2

Mitigation Plan Submitted On: September 19, 2012

Mitigation Plan Accepted On:

Mitigation Plan Proposed Completion Date: December 31, 2012

Actual Completion Date of Mitigation Plan:

Mitigation Plan Certified Complete by PAC On:

Mitigation Plan Completion Verified by WECC On:

Mitigation Plan Completed? (Yes/No): No

Section A: Compliance Notices

Section 6.2 of the NERC 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 B.
 - (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. Additional violations could be determined or recommended to the applicable governmental authorities 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.
 - (11) This submittal form may be used to provide a required Mitigation Plan for review and approval by regional entity(ies) and NERC.
- The Mitigation Plan shall be submitted to the regional entity(ies) and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
 - 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 alleged or confirmed violations with respect to each additional Reliability Standard, as applicable.
 - If the Mitigation Plan is accepted by regional entity(ies) and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission or filed with the applicable governmental authorities for approval in Canada.
 - Regional Entity(ies) or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
 - Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.
 - The user has read and accepts the conditions set forth in these Compliance Notices.

Section B: Registered Entity Information

B.1 Identify your organization:

Entity Name: PacifiCorp

NERC Compliance Registry ID: NCR05304

Address: 825 NE Multnomah Street Suite 2000 LCT
Portland OR 97232

B.2 Identify the individual in your organization who will serve as the Contact to the Regional Entity regarding this Mitigation Plan. This person shall be technically knowledgeable regarding this Mitigation Plan and authorized to respond to Regional Entity regarding this Mitigation Plan:

Name: Colt Norrish

Title: Manager, Compliance

Email: colt.norrish@pacificorp.com

Phone: 503-813-5545

Section C: Identification of Reliability Standard Violation(s) Associated with this Mitigation Plan

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

Violation ID	Date of Violation	Requirement
Requirement Description		
WECC2012010889	07/01/2010	PRC-023-1 R1
Each Transmission Owner, Generator Owner, and Distribution Provider shall use any one of the following criteria (R1.1 through R1.13) for any specific circuit terminal to prevent its phase protective relay settings from limiting transmission system loadability while maintaining reliable protection of the Bulk Electric System for all fault conditions. Each Transmission Owner, Generator Owner, and Distribution Provider shall evaluate relay loadability at 0.85 per unit voltage and a power factor angle of 30 degrees: [Violation Risk Factor: High] [Mitigation Time Horizon: Long Term Planning].		

C.2 Brief summary including the cause of the violation(s) and mechanism in which it was identified above:

In preparation for the company's initial compliance with PRC-023-1, PacifiCorp performed a review and analysis of relays it believed to be applicable to the standard, but inadvertently did not consider certain out-of-step tripping relays or out-of-step blocking schemes among covered facilities in the manner described in Sections 1.2 and 2 of Attachment A to the standard, respectively.

PacifiCorp initially failed to include out-of-step tripping relays, as described in Section 1.2 of Attachment A, among the relays covered by Requirement R1 of PRC-023-1. Further, PacifiCorp initially failed to evaluate out-of-step blocking schemes to ensure they do not block trip for faults during the loading conditions defined in the standard, as described in Section 2 of Attachment A of PRC-023-1.

C.3 Provide any relevant information regarding the identification of the violation(s) associated with this Mitigation Plan:

In PRC-023-2, the requirement to evaluate out-of-step blocking schemes was moved into the Requirements section of the standard, as R2 requires entities to set out-of-step blocking elements to allow tripping of phase protective relays for faults that occur during the loading conditions used to verify transmission line relay loadability per R1. It was during the review and preparation for compliance with PRC-023-2 that PacifiCorp identified its original oversight with respect to PRC-023-1 in neither evaluating out-of-step blocking schemes nor considering out-of-step tripping relays in a manner consistent with Attachment A.

Upon analysis of its out-of-step blocking and out-of-step tripping relays, PacifiCorp determined that it has not addressed certain lines operated at 200kV or above as required by PRC-023-1 and PRC-023-2.

Section D: Details of Proposed Mitigation Plan

- 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 violation(s) identified above in Section C.1 of this form:

Revised settings for affected relays will be developed, reviewed, and implemented.

- 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 violations associated with this Mitigation Plan are corrected:

Proposed Completion date of Mitigation Plan: December 31, 2012

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

Milestone Activity	Description	*Proposed Completion Date (Shall not be greater than 3 months apart)	Actual Completion Date
Development and Review of Settings	Complete development and review of revised relay settings and issue to operations department for implementation	10/01/2012	
Complete Implementation	Complete implementation of revised relay settings.	12/31/2012	

- D.4 Additional Relevant Information (Optional)

Section E: Interim and Future Reliability Risk

E.1 Abatement of Interim BPS Reliability Risk

While your organization is implementing the Mitigation Plan proposed in Section 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, 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 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:

There was no risk or impact to the Bulk Electric System. Planning studies performed by PacifiCorp indicate that the risk is minimal to experience any system swings for these disturbances and loadings on system elements that may be a concern for the impedance based on out-of-step to pick up.

E.2 Prevention of Future BPS Reliability Risk

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

Out-of-step blocking and out-of-step tripping relays have been identified as within the scope of PRC-023-2, and PacifiCorp will monitor these elements via the Company's established PRC-023-2 compliance processes going forward.

Additionally, studies performed by PacifiCorp's planners have determined the out-of-step blocking function can be disabled for all PacifiCorp relays.

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

Section F: Authorization

An authorized individual must sign and date the signature page. By doing so, this individual, on behalf of your organization:

(a) Submits the Mitigation Plan, as laid out in Section D, to the Regional Entity for acceptance and approval by NERC, and

(b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and

(c) Acknowledges:

1. I am Compliance Control Analyst of PacifiCorp
2. I am qualified to sign this Mitigation Plan on behalf of PacifiCorp
3. I have read and understand PacifiCorp's obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure and the NERC CMEP currently in effect or the NERC CMEP-Province of Manitoba, Schedule B currently in effect, whichever is applicable.
4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
5. PacifiCorp Agrees to be bound by, and comply with, this Mitigation Plan, including the timetable completion date, as accepted by the Regional Entity, NERC, and if required, the applicable governmental authorities in Canada.

Authorized Individual Signature: _____

(Electronic signature was received by the Regional Office via CDMS. For Electronic Signature Policy see CMEP.)

Authorized Individual

Name: John Volz

Title: Compliance Control Analyst

Authorized On: September 19, 2012

Certification of Mitigation Plan Completion

Submittal of a Certification of Mitigation Plan Completion shall include data or information sufficient for the Regional Entity to verify completion of the Mitigation Plan. The Regional Entity 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: PacifiCorp

NERC Registry ID: NCR05304

NERC Violation ID(s): WECC2012010889

Mitigated Standard Requirement(s): PRC-023-1 R1,

Scheduled Completion as per Accepted Mitigation Plan: December 31, 2012

Date Mitigation Plan completed: December 31, 2012

WECC Notified of Completion on Date: December 31, 2012

Entity Comment:

Additional Documents			
From	Document Name	Description	Size in Bytes
Entity	08292012-PRC-023_R1-PacifiCorp.pdf		115,015
Entity	08292012-PRC-023_R1-PacifiCorp-Relay Detail.xlsx		26,738
Entity	PRC-023 - Completed Mitigation Plan - relays status .pdf		81,694

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

Name: John Volz

Title: Compliance Control Analyst

Email: john.volz@pacificorp.com

Phone: 1 (503) 813-5134

Authorized Signature _____ Date _____

(Electronic signature was received by the Regional Office via CDMS. For Electronic Signature Policy see CMEP.)

E-Mail Notification Detail

From: noreply@oati.net
Sent: 05/20/2013 14:57:08
To: colt.norrish@pacificorp.com;john.volz@pacificorp.com
Subject: WECC Notice - Completed Mitigation Plan Acceptance - PRC-023-1 R1 - PacifiCorp

Please do not REPLY to this message. It was sent from an unattended mailbox and replies are not monitored.

NERC Registration ID: NCR05304
NERC Violation ID: WECC2012010889
Standard/Requirement: PRC-023-1 R1
Subject: Completed Mitigation Plan Acceptance

The Western Electricity Coordinating Council (WECC) received the Certification of Mitigation Plan Completion submitted by PacifiCorp on 12/31/2012 for the violation of PRC-023-1 R1. After a thorough review, WECC has accepted the Certification of Mitigation Plan Completion.

If you have any questions or concerns, please contact Keshav Sarin at ksarin@wecc.biz.

Note: Effective 04/01/2013, WECC will formally notify registered entities of completed Mitigation Plan acceptances via this email notice. WECC will no longer notify entities by uploading a Notice of Completed Mitigation Plan Acceptance letter to the Enhanced File Transfer (EFT) Server.

[OATI Information - Email Template: MitPlan_Completed]