

Attachment a

Source Document

**PRIVILEGED AND CONFIDENTIAL INFORMATION &
CRITICAL ENERGY INFRASTRUCTURE INFORMATION
HAVE BEEN REMOVED FROM THIS PUBLIC VERSION.**

Attachment b

Settlement Agreement(s)

CONFIDENTIAL



Laura Scholl
Managing Director, Compliance

(801) 819-7619
lscholl@wecc.biz

September 10, 2009

Wayne Evelo
DOE/NNSA Los Alamos Energy & Natural Resource Program
National Nuclear Security Administration - Los Alamos National Laboratory

Re: Notice of Proposed Expedited Disposition of Pending Violations or Alleged Violations

Dear Mr. Evelo,

This letter is giving notice that WECC proposes expedited disposition of the pending violations or alleged violations listed in **Attachment B**. **Please review the information below and respond in writing ~~no today~~ by September 14, 2009.** Responses should be directed to Laura Scholl, Managing Director of Compliance, at lscholl@wecc.biz. If you have questions, please call Ms. Scholl at 801-819-7619. If a timely response is not received, WECC will issue a Notice of Alleged Violation and Proposed Penalty or Sanction, as explained more fully below.

WECC intends to file with the North American Electric Reliability Corporation ("NERC") and the Federal Energy Regulatory Commission ("FERC") a request to expedite resolution of the pending violations or alleged violations listed in **Attachment B** and to accept disposition of these violations or alleged violations under the terms of the Agreement in **Attachment A** hereto, based on the following factors:

- The violations do not pose a high risk to system reliability.
- The violations occurred prior to July 2008.
- National Nuclear Security Administration - Los Alamos National Laboratory files a mitigation plan to address the violations listed in **Attachment B** as set forth in the Agreement attached hereto.

This proposed expedited disposition will result in the assessment of zero penalties for the violations listed in **Attachment B** if this disposition is accepted by National Nuclear Security Administration - Los Alamos National Laboratory and by NERC and FERC.

WESTERN ELECTRICITY COORDINATING COUNCIL • WWW.WECC.BIZ
515 GRAPEEN DRIVE • SUITE 210 • SALT LAKE CITY • UTAH • 84102-1262 • PH 801 582 0353 • FX 801 863 6894

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Notice of Proposed Disposition of Pending Violations or Alleged Violations
National Nuclear Security Administration - Los Alamos National Laboratory
September 10, 2009

If National Nuclear Security Administration - Los Alamos National Laboratory accepts this proposed expedited disposition, sign the attached Agreement below and return it to WECC by today, September 10, 2009. If National Nuclear Security Administration - Los Alamos National Laboratory does not by the today, September 10, 2009, WECC may issue a Notice of Alleged Violation and Proposed Penalty or Sanction.

14 (per Dalebout email) 14

Cordially,



Managing Director of Compliance
615 Arapeen Drive Suite 210
Salt Lake City, UT 84108

LS:rh

Attachments:

- A - Agreement
- B - List of Violations

CONFIDENTIAL

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Notice of Proposed Disposition of Pending Violations or Alleged Violations
National Nuclear Security Administration – Los Alamos National Laboratory
September 10, 2009

ATTACHMENT A AGREEMENT

National Nuclear Security Administration - Los Alamos National Laboratory and WECC agree to the following:

1. Acceptance of this Agreement, and fulfillment of the requirements set forth herein, results in the assessment of zero penalties for the violations listed in **Attachment B**, subject to approval or modification by the North American Electric Reliability Corporation ("NERC") and the Federal Energy Regulatory Commission ("FERC").
2. The violations listed in **Attachment B** will be considered Confirmed Violations for all purposes and may be used as aggravating factors in accordance with the NERC Sanction Guidelines for determining appropriate monetary penalties or sanctions for future violations.
3. National Nuclear Security Administration – Los Alamos National Laboratory will file an acceptable mitigation plan with WECC to address the violations listed in **Attachment B**, if it has not already done so, by the end of today, September 10, 2009. National Nuclear Security Administration – Los Alamos National Laboratory will complete the mitigation plan addressing the violations listed in **Attachment B** and file a complete mitigation plan with WECC in accordance with the WECC-approved mitigation plan. If National Nuclear Security Administration – Los Alamos National Laboratory has already filed an acceptable mitigation plan for the violations listed in **Attachment B**, but has failed to meet the expected completion date of that mitigation plan, National Nuclear Security Administration – Los Alamos National Laboratory must complete and file the completed mitigation plan with WECC by the end of today, September 10, 2009.
4. National Nuclear Security Administration – Los Alamos National Laboratory attests there have been no repeat occurrences of the violations listed in **Attachment B**.
5. WECC agrees that it will not use this Agreement as support in any future proceedings for the jurisdictional question of whether federal users, owners, or operators of the bulk power system are subject to monetary penalties for violations of the Reliability Standards. LANL does not agree as part of this Agreement that federal users, owners, or operators of the bulk power system are subject to the Reliability Standards and this Agreement shall not constitute a waiver of jurisdictional issues, including sovereign immunity. LANL has entered into this Agreement for settlement purposes only.

Accepted:

National Nuclear Security Administration – Los Alamos National Laboratory

By Wayne Eubank

Date 9/14/2009

WECC

By Jim Gray

Date 9/15/09

Notice of Proposed Disposition of Pending Violations or Alleged Violations
National Nuclear Security Administration - Los Alamos National Laboratory
September 10, 2009

ATTACHMENT B**List of Violations**

NERC Violation ID	Registered Entity	Standard	Requirement
TBD	National Nuclear Security Administration - Los Alamos National Laboratory	PRC-005-1	2
TBD	National Nuclear Security Administration - Los Alamos National Laboratory	IRO-004-1	4

Attachment c

Mitigation Plan

**PRIVILEGED AND CONFIDENTIAL INFORMATION &
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Attachment d

Registered Entity's Certification of Completion

**PRIVILEGED AND CONFIDENTIAL INFORMATION &
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Attachment e

Regional Entity's Verification of Completion

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