

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

(May be publically filed at the time of filing with FERC)



Laura Scholl
Managing Director, Compliance

(801) 819-7619
lscholl@wecc.biz

January 20, 2010

Ronald Darnell
Vice President, Regulatory Policy
Public Service Company of New Mexico

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

Dear Robert,

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 later than 15 days from the date of this Notice. Responses should be directed to Chris Luras, Manager of Compliance Enforcement, at cluras@wecc.biz. If you have questions, please call Mr. Luras at (801) 891-7127.

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.
- The violations have been mitigated with mitigation plan completion verified by WECC.


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 Public Service Company of New Mexico and by NERC and FERC.

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Notice of Proposed Disposition of Pending Violations or Alleged Violations
Public Service Company of New Mexico
January 20, 2010

If Public Service Company of New Mexico accepts this proposed expedited disposition, sign the attached Agreement and return it to WECC within 15 days after the date of this Notice. If Public Service Company of New Mexico does not respond within 15 days, WECC will deem this Agreement accepted by Public Service Company of New Mexico.

Cordially,



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

LS:rh

Attachments:

A – Agreement

B – List of Violations

cc: Dave Eubank, Director Power Operations

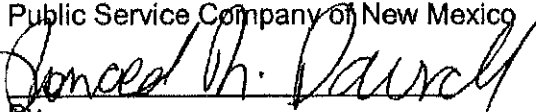
ATTACHMENT A

AGREEMENT

Public Service Company of New Mexico and WECC agree to the following:

1. Acceptance of this Agreement 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. Public Service Company of New Mexico attests there have been no repeat occurrences of the violations listed in Attachment B.
4. The expedited disposition agreed to herein represents a full and final disposition of the violations listed in Attachment B, subject to approval or modification by NERC and FERC.

Accepted:
Public Service Company of New Mexico

By 

2/1/10
Date

WECC

By 

2/2/10
Date

ATTACHMENT B

List of Violations

NERC Violation ID	Registered Entity	Standard	Requirement
WECC200810410	Public Service Company of New Mexico	PRC-001-1	4

Attachment c

Mitigation Plan

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

Attachment d

Registered Entity's Certification of Completion

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CRITICAL ENERGY INFRASTRUCTURE INFORMATION
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Attachment e

Regional Entity's Verification of Completion

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