

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 publicly filed at the time of filing with FERC)



Laura Scholl
Managing Director, Compliance

(801) 819-7619
lscholl@wecc.biz

February 8, 2010

James Leigh-Kendall
Manager, Reliability Compliance and Coordination
Sacramento Municipal Utility District

Re: Notice of Proposed Expedited Disposition of an Alleged Violation

Dear James,

This letter gives notice that WECC proposes expedited disposition of the alleged violation 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 alleged violation listed in Attachment B and to accept disposition of this alleged violation under the terms of the Agreement in Attachment A hereto, based on the following factors:

- The violation does not pose a high risk to system reliability.
- The violation occurred prior to July 2008.
- Sacramento Municipal Utility District filed and completed a mitigation plan addressing the alleged violation listed in Attachment B as set forth in the Agreement attached hereto.

This proposed expedited disposition will result in the assessment of a \$35,000 penalty for the violation listed in Attachment B if this disposition is accepted by Sacramento Municipal Utility District and by NERC and FERC.

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Notice of Proposed Expedited Disposition of an Alleged Violation
Sacramento Municipal Utility District
February 8, 2010

Please sign the attached Agreement below and return it to WECC within 15 days after the date of this Notice.

Cordially,



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

LS:rh

Attachments:

A – Agreement

B – List of Violations

cc: Laura Lewis, SMUD Senior Attorney

ATTACHMENT A

AGREEMENT

Sacramento Municipal Utility District and WECC agree to the following:

1. Acceptance of this Agreement, and fulfillment of the requirements set forth herein, results in the assessment of a \$35,000 penalty for the violation listed in Attachment B, subject to approval or modification by the North American Electric Reliability Corporation and the Federal Energy Regulatory Commission ("FERC"). Payment must be made pursuant to the terms of an invoice that WECC will submit to Sacramento Municipal Utility District after the Agreement is approved by FERC or is rendered effective by operation of law. Payment shall be made within thirty days after the date of said invoice and WECC shall notify NERC if payment is not received.
2. The violation listed in Attachment B will be considered a Confirmed Violation 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. This Agreement supersedes all other prior communication and correspondence by and between WECC and Sacramento Municipal Utility District regarding the violation listed in Attachment B. All such previous communication and correspondence shall remain confidential.
4. Sacramento Municipal Utility District attests it has not had repeat occurrences of the violation listed in Attachment B.
5. The expedited disposition agreed to herein represents a full and final disposition of the violation listed in Attachment B, subject to approval or modification by NERC and FERC.
6. If Sacramento Municipal Utility District does not make the monetary penalty payment above at the times agreed to by the parties, interest payable to WECC will begin to accrue pursuant to FERC's regulations at 18 C.F.R. § 35.19(a)(2)(iii) from the date that payment is due, in addition to the penalty specified above.

Accepted:

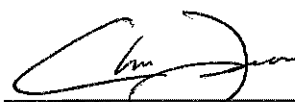
SACRAMENTO MUNICIPAL UTILITY DISTRICT


By James Leigh-Kendall,
Manager, Reliability Compliance & Coordination

Date

Feb 10, 2010

WECC


By

For Laura Scholl, Managing Director of Compliance

Date

02/11/2010

ATTACHMENT B

Violation

NERC Violation ID	Registered Entity	Standard	Requirement	Penalty
WECC200800791	Sacramento Municipal Utility District	VAR-STD-002a-1	WR1	\$35,000.00 USD

Attachment c

Mitigation Plan

**PRIVILEGED AND CONFIDENTIAL INFORMATION &
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Attachment d

Registered Entity's Certification of Completion

**PRIVILEGED AND CONFIDENTIAL INFORMATION &
CRITICAL ENERGY INFRASTRUCTURE INFORMATION
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Attachment e

Regional Entity's Verification of Completion

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