

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

July 29, 2009

Doug Jackson
President
TransAlta Centralia Generation, LLC

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

Dear Mr. Jackson,

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 10 days from the date of this Notice.** 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.
- TransAlta Centralia Generation, LLC 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 TransAlta Centralia Generation, LLC and by NERC and FERC.

Notice of Proposed Disposition of Pending Violations or Alleged Violations
TransAlta Centralia Generation, LLC
July 29, 2009

If TransAlta Centralia Generation, LLC accepts this proposed expedited disposition, sign the attached Agreement below and return it to WECC within 10 days after the date of this Notice. If TransAlta Centralia Generation, LLC does not respond within 10 days, WECC may issue a Notice of Alleged Violation and Proposed Penalty or Sanction.

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: Paul Hails, TACG Operations Compliance Manager

CONFIDENTIAL

ATTACHMENT A

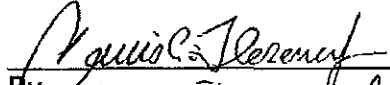
AGREEMENT

TransAlta Centralia Generation, LLC 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 and the Federal Energy Regulatory Commission.
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. TransAlta Centralia Generation, LLC will file an acceptable mitigation plan with WECC to address the violations listed in **Attachment B**, if it has not already done so, within 10 days of the date of this Agreement. TransAlta Centralia Generation, LLC will complete the mitigation plan addressing the violations listed in **Attachment B** and file a completed mitigation plan with WECC in accordance with the WECC-approved mitigation plan. If TransAlta Centralia Generation, LLC 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, TransAlta Centralia Generation, LLC must complete and file the completed mitigation plan with WECC within 30 days or else submit a new mitigation plan to WECC within 30 days.
4. TransAlta Centralia Generation, LLC attests there have been no repeat occurrences of the violations listed in **Attachment B**.

Accepted:

TransAlta Centralia Generation, LLC

By 
Lou Florence, President

Date 8/6/09

WECC

By 
Jim Flory

Date 8/10/09

Notice of Proposed Disposition of Pending Violations or Alleged Violations
TransAlta Centralia Generation, LLC
July 29, 2009

ATTACHMENT B

List of Violations

NERC Violation ID	Registered Entity	Standard	Requirement
WECC200801004	TransAlta Centralia Generation, LLC	PRC-005-1	2

Attachment c

Mitigation Plan

**PRIVILEGED AND CONFIDENTIAL INFORMATION &
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Attachment d

Registered Entity's Certification of Completion

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Attachment e

Regional Entity's Verification of Completion

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