

April 17, 2014

VIA ELECTRONIC FILING

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

**Re: FERC Docket No. NP14-38-000
NERC Full Notice of Penalty Filing – Supplemental Information**

Dear Ms. Bose:

On March 31, 2014, the North American Electric Reliability Corporation (NERC) submitted a Full Notice of Penalty filing. The Full Notice of Penalty filing included violations¹ in a settlement agreement between Northeast Power Coordinating Council (NPCC) and Western Electricity Coordinating Council.² NERC is hereby submitting this supplemental filing to provide additional information regarding the Full Notice of Penalty. The purpose of the additional information is to aid Commission review of the Full Notice of Penalty violations and to provide further explanation of the resolution of the violations.

Penalty Considerations

Although paragraph 171 of the Settlement Agreement mentions “estimated costs” of over \$10,000,000 for “actions beyond those necessary to come into compliance with the Standard,” none of the costs or actions beyond those necessary to comply with the Reliability Standards mentioned in paragraph 171 were considered by NPCC or NERC in assessing or approving the penalty of \$400,000.

¹ NERC Violation IDs NPCC2012010678, NPCC2013012286, NPCC2013012464, NPCC2013012895, NPCC2012010680, NPCC2012010685, NPCC2012010686, NPCC2012011239, NPCC2012010681, NPCC2012011240, NPCC2012010682, NPCC2012010933, NPCC2012010683, NPCC2013012820, NPCC2012010684, NPCC2012010934, NPCC2012010935, NPCC2012010687, and NPCC2012011241.

² At the time of the violations included in the Full Notice of Penalty, WECC was a nonprofit corporation performing the functions of a Reliability Coordinator (RC) and Interchange Authority (IA) in the Western Interconnection.

3353 Peachtree Road NE
Suite 600, North Tower
Atlanta, GA 30326
404-446-2560 | www.nerc.com

NERC Notice of Penalty
Western Electricity Coordinating Council
April 17, 2014
Page 2

Accordingly, NERC respectfully requests that the Commission accept this supplemental filing and issue an order accepting the Notice of Penalty as compliant with its rules, regulations and orders.

Respectfully submitted,

/s/ Edwin Kichline

Edwin Kichline
Senior Counsel and Associate Director,
Enforcement Processing
North American Electric Reliability
Corporation

cc: Western Electricity Coordinating Council
Northeast Power Coordinating Council, Inc.