

April 1, 2014

VIA ELECTRONIC FILING

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

**Re: North American Electric Reliability Corporation Informational Filing
Docket No. EL13-22-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (“NERC”) hereby submits this informational filing in the above-referenced docket in accordance with the March 4, 2013 Order of the Federal Energy Regulatory Commission (“FERC” or the “Commission”).¹ The March 4 Order directed NERC to conduct an investigation into allegations made by PacifiCorp in a November 16, 2012 complaint against the Western Electricity Coordinating Council (“WECC”) (in its role as a Reliability Coordinator (“RC”) and Regional Entity) and the Los Angeles Department of Water and Power (“LADWP”).² According to PacifiCorp, WECC RC and LADWP violated mandatory Reliability Standards relating to the establishment of inappropriate System Operating Limits (“SOLs”) for certain facilities. Specifically, PacifiCorp alleged violations of the following Reliability Standards: 1) FAC-014-2, R2 (LADWP);

¹ See *Order on Complaint*, 142 FERC ¶ 61,172 (2013) (the “March 4 Order”)

2) MOD-029-1a, R2.1.2, R2.5, and R3 (LADWP); and 3) FAC-014-2, R1 (WECC RC).

FERC dismissed PacifiCorp's complaint, without prejudice, and referred the matter to NERC for non-public investigation and appropriate action, as necessary. Additionally, FERC directed NERC to file quarterly status reports until the investigation is complete. NERC's investigation into possible violations of mandatory Reliability Standards was initiated on March 12, 2013, and to date NERC has filed three status reports in this docket. This filing constitutes NERC's final informational status report.

NERC has concluded its investigation and based on the evidence reviewed, the Compliance Investigation ("CI") Team did not find any potential noncompliance ("PNC") by LADWP or WECC RC with these Reliability Standards. NERC Enforcement concurs with these conclusions. NERC further notes that LADWP and PacifiCorp have entered into a settlement agreement in which they have agreed to an SOL and associated limit on net generation imports ("Net Imports") for the facilities at issue. While the conclusions of the CI Team and NERC Enforcement regarding no findings of PNC were reached independent of this settlement agreement, a link to this agreement is provided for a complete record.^{3,4}

³ Available at:

<http://www.wecc.biz/committees/StandingCommittees/PCC/Lists/SiteNews/Attachments/13/101013%20Memo%20to%20S.%20Goodwill.pdf>

⁴ Pursuant to this settlement agreement, PacifiCorp has withdrawn its Request for Rehearing in Docket No. EL12-87-000.

Specific Issues Examined

In its March 4 Order, the Commission identified the following questions:⁵

1. Whether LADWP established the SOL for the Intermountain Line consistent with the then effective WECC RC's Methodology for establishing SOLs;
2. Whether LADWP revised the SOL for the Intermountain Line, and were any such revisions established in accordance with the WECC RC's SOL Methodology;
3. Whether LADWP calculated ATC or TTC values for the Intermountain Line in a manner inconsistent with Reliability Standard MOD-029-1a; and
4. Whether LADWP violated Reliability Standards FAC-014-2 or MOD-029-1a.

While the Commission specified these particular issues, it also stated that “the Commission does not intend this to be an exclusive list and NERC may determine the proper scope of its investigation.”⁶ In its analysis of the issues, NERC identified three additional questions pertinent to the determination of whether or not violations had occurred, which were also evaluated by the CI Team. These included:

5. Whether a violation of the WECC Project Rating Review (or Path Rating Process) constitutes a violation of the NERC Reliability Standards;
6. Whether the WECC OTCPC established the IPPDC Line “Interim” SOL in contravention of procedural requirements;
7. Whether LADWP established an SOL for the IPPDC that is inconsistent with the WECC RC SOL Methodology and the FAC-011-2 Regional Difference for the Western Interconnection.

⁵ *Order on Complaint* at P 28.

⁶ *Id.* at P 28, footnote 18.

In evaluating whether any violations of NERC Reliability Standards had occurred, the CI Team conducted an extensive review of the evidence obtained through Requests for Information and on-site visits and interviews with the Registered Entities. The following summarizes the CI Team’s evaluation and findings for each of these seven issues.

Table of Findings

Issue	Standard/ Requirement	Finding	PNC?
1. Whether LADWP established the SOL for the Intermountain Line consistent with the then effective WECC Reliability Coordinator’s Methodology for establishing SOLs.	FAC-014-2, R2	The SOL was established consistent with the RC Methodology.	No
2. Whether LADWP revised the SOL for the Intermountain Line, and were any such revisions established in accordance with the WECC Reliability Coordinator’s SOL Methodology.	FAC-014-2, R2	The SOL for the Intermountain Line was revised in December 2010, and this revision was established consistent with the WECC RC’s SOL Methodology.	No
3. Whether LADWP calculated ATC or TTC values for the Intermountain Line in a manner inconsistent with Reliability Standard MOD-029-1a.	MOD-029-1a, R2 and R3	ATC and TTC were calculated consistent with MOD-029-1a.	No
4. Whether LADWP violated Reliability Standards FAC-014-2 or MOD-029-1a.	FAC-014-2, R2, MOD-029-1a, R2 and R3	There were no violations.	No

5. Whether a violation of the WECC Project Rating Review (or Path Rating Process) constitutes a violation of the NERC Reliability Standards.	FAC-014-2, MOD-029-1a, etc.	A violation of the WECC PRR does not constitute a violation of the NERC Reliability Standards.	N/A
6. Whether the WECC OTCPC established the IPPDC Line “Interim” SOL in contravention of procedural requirements.	FAC-014-2, R2	The SOL was established properly.	No
7. Whether LADWP established an SOL for the IPPDC Line that is inconsistent with the WECC RC SOL Methodology and the FAC-011-2 Regional Difference for the Western Interconnection.	FAC-014-2, R2	The SOL was established consistent with the WECC RC Methodology.	No
As part of this analysis, the CI Team reviewed the associated 600 MW limit on net generation imports referenced in the PacifiCorp complaint and determined that the establishment of this limit did not violate any Reliability Standards.			

In addition, the CI Team evaluated PacifiCorp’s allegations that WECC RC had violated FAC-014-2, R1. The CI Team’s conclusions regarding this alleged violation are set forth below.

Issue	Standard/ Requirement	Finding	PNC?
Whether WECC RC ensured that the SOL for the IPPDC Line was established and was consistent with its SOL Methodology.	FAC-014-2, R1	The SOL was established and was consistent with the RC SOL Methodology. Therefore, WECC RC did not fail to ensure that this SOL was established and was consistent with its SOL Methodology.	No

Please contact the undersigned if you have any questions regarding this filing.

Respectfully submitted,

/s/ Rebecca J. Michael
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cc: Official service list