

January 28, 2021

**VIA ELECTRONIC FILING**

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

Re: **NERC Full Notice of Penalty regarding NorthWestern Corporation,  
FERC Docket No. NP21-\_-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Notice of Penalty<sup>1</sup> regarding NorthWestern Corporation (NWC), NERC Registry ID# NCR05282,<sup>2</sup> in accordance with the Federal Energy Regulatory Commission's (Commission or FERC) rules, regulations, and orders, as well as NERC's Rules of Procedure including Appendix 4C (NERC Compliance Monitoring and Enforcement Program (CMEP)).<sup>3</sup>

NERC is filing this Notice of Penalty, with information and details regarding the nature and resolution of the violations,<sup>4</sup> with the Commission because Western Electric Coordinating Council (WECC) and NWC have entered into a Settlement Agreement to resolve all outstanding issues arising from WECC's determination and findings of the violations of the Reliability Standard listed below.

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<sup>1</sup> *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards, Order No. 672, 114 FERC ¶ 61,104, order on reh'g, Order No. 672-A, 114 FERC ¶ 61,328 (2006); Notice of New Docket Prefix "NP" for Notices of Penalty Filed by the N. Am. Elec. Reliability Corp., Docket No. RM05-30-000 (February 7, 2008); Mandatory Reliability Standards for the Bulk-Power System, Order No. 693, 118 FERC ¶ 61,218, order on reh'g, Order No. 693-A, 120 FERC ¶ 61,053 (2007).*

<sup>2</sup> NWC was included on the NERC Compliance Registry as a Balancing Authority (BA), Distribution Provider (DP), Generator Owner (GO), Planning Authority/Planning Coordinator (PA/PC), Resource Planner (RP), Transmission Owner (TO), Transmission Operator (TOP), Transmission Planner (TP), and Transmission Service Provider (TSP) on June 17, 2007 and Generator Operator (GOP) on January 1, 2014.

<sup>3</sup> See 18 C.F.R § 39.7(c)(2) and 18 C.F.R § 39.7(d).

<sup>4</sup> For purposes of this document, each violation at issue is described as a "violation," regardless of its procedural posture and whether it was a possible, alleged, or confirmed violation.

**1325 G Street NW Suite 600  
Washington, DC 20005  
202-400-3000 | [www.nerc.com](http://www.nerc.com)**

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According to the Settlement Agreement, NWC admits to the violations and agrees to the penalty of two hundred five thousand dollars (\$205,000) in addition to other activities as outlined in the Settlement Agreement.

**Statement of Findings Underlying the Violations**

This Notice of Penalty incorporates the findings and justifications set forth in the Settlement Agreement, by and between WECC and NWC. The details of the findings and basis for the penalty are set forth in the Settlement Agreement and herein. This Notice of Penalty filing contains the basis for approval of the Settlement Agreement by the NERC Board of Trustees Compliance Committee (NERC BOTCC).

In accordance with Section 39.7 of the Commission’s regulations, 18 C.F.R. § 39.7 (2020), NERC provides the following summary table identifying each violation of a Reliability Standard resolved by the Settlement Agreement. Further information on the subject violations is set forth in the Settlement Agreement and herein.

<b>Violation(s) Determined and Discovery Method</b>								
<small>*SR = Self-Report / SC = Self-Certification / CA = Compliance Audit / SPC = Spot Check / CI = Compliance Investigation</small>								
NERC Violation ID	Standard	Req.	VRF/VSL	Applicable Function(s)	Discovery Method* & Date	Violation Start-End Date	Risk	Penalty Amount
WECC2018020264	FAC-003-4	R2	High/ Severe	TO	SR 8/21/18	2/27/18 – 8/10/18	Serious	\$205k
WECC2019021260	FAC-003-4	R6	Medium/ Severe	TO	CI 3/20/19	2/27/18 – 8/15/18	Serious	

Information About the Entity

NWC does business as NorthWestern Energy and has roots in the Montana Power Company and Northwestern Public Service Company. NWC took its current form with its purchase of Montana Power electric and natural gas transmission and distribution system in 2002. NWC has 6,700 miles of transmission lines ranging from 50 kV to 500 kV. NWC owns 11 hydroelectric dams with a generation capacity of 3,617 MW and owns or has ownership interests in natural gas and coal generators, wind farms, and solar generation.

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FAC-003-4 R2

On August 21, 2018, NWC submitted a Self-Report stating that it had a potential noncompliance with FAC-003-4 R2. NWC failed to prevent two encroachments into the Minimum Vegetation Clearance Distance (MVCD) related to its 230 kV transmission line. Each encroachment caused a high voltage flash over resulting in a Sustained Outage. The first Sustained Outage occurred on August 9, 2018. The second sustained Outage occurred on August 10, 2018. No load was lost during either event. NWC continued to operate all remaining in-service bulk power system (BPS) elements within their designated System Operating Limits.

The cause of the violation was NWC's reliance on vegetation inspections during times of the year that foliage was not visible and lack of redundancy in personnel performing the inspections due to reliance on a single inspector.

WECC determined that this violation posed a serious and substantial risk to the reliability of the BPS. Attachment A includes the facts regarding the violation that WECC considered in its risk assessment.

NWC submitted a Mitigation Plan to address the referenced violation. Attachment A includes a description of the mitigation activities NWC took to address this violation. A copy of the Mitigation Plan is included as Attachment C.

NWC certified that it had completed all mitigation activities. WECC verified that NWC had completed all mitigation activities as of December 30, 2019. Attachments A and E provide specific information on WECC's verification of NWC's completion of the activities.

FAC-003-4 R6

WECC conducted a Compliance Investigation from November 27, 2018 through March 20, 2019, and determined NWC was in noncompliance with FAC-003-4 R6. NWC did not account for the movement of the conductors under its rating and the inter-relationships between vegetation growth rates, vegetation control methods, and inspection frequency in its vegetation inspections. Specifically, the practice of conducting vegetation inspections early in the year increased the risk of error in assessing the MVCD due to the vegetation being bare at this time. Additionally, year-to-date precipitation and unseasonably warm temperatures exceeded normal conditions causing additional foliage blooms.

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The cause of the violation was NWC's reliance on vegetation inspections during times of the year that foliage was not visible and lack of redundancy in personnel performing the inspections due to reliance on a single inspector.

WECC determined that this violation posed a serious and substantial risk to the reliability of the BPS. Attachment A includes the facts regarding the violation that WECC considered in its risk assessment.

NWC submitted a Mitigation Plan to address the referenced violation. Attachment A includes a description of the mitigation activities NWC took to address this violation. A copy of the Mitigation Plan is included as Attachment G.

NWC certified that it had completed all mitigation activities. WECC verified that NWC had completed all mitigation activities as of December 30, 2019. Attachments A and I provide specific information on WECC's verification of NWC's completion of the activities.

#### Regional Entity's Basis for Penalty

According to the Settlement Agreement, WECC has assessed a penalty of two hundred five thousand dollars (\$205,000) for the referenced violations. In reaching this determination, WECC considered the following factors:

1. WECC determined NWC's FAC-003-1 R1 and FAC-003-4 R2 compliance history should not serve as an aggravating factor for the reasons described in Attachment A;
2. The violations of FAC-003-4 R2 and FAC-003-4 R6 posed a serious or substantial risk to the reliability of the BPS, as discussed in Attachment A;
3. NWC self-reported the FAC-003-4 R2 violation in a timely manner from the date of discovery;
4. WECC did not apply mitigating credit for NWC's internal compliance program (ICP) because WECC determined that the ICP was not effective in preventing or detecting these violations;
5. NWC was cooperative throughout the compliance enforcement process;
6. NWC agreed to settle these violations and penalty and accepted responsibility and admitted to the violations; and
7. There were no other mitigating or aggravating factors or extenuating circumstances that would affect the assessed penalty.

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After consideration of the above factors, WECC determined that, in this instance, the penalty amount of two hundred five thousand dollars (\$205,000) is appropriate and bears a reasonable relation to the seriousness and duration of the violations.

### **Statement Describing the Assessed Penalty, Sanction, or Enforcement Action Imposed<sup>5</sup>**

#### **Basis for Determination**

Taking into consideration the Commission's direction in Order No. 693, the NERC Sanction Guidelines and the Commission's July 3, 2008, October 26, 2009 and August 27, 2010 Guidance Orders,<sup>6</sup> the NERC BOTCC reviewed the violations on December 17, 2020 and approved the resolution between WECC and NWC. In approving the resolution, the NERC BOTCC reviewed the applicable requirements of the Commission-approved Reliability Standards and the underlying facts and circumstances of the violations at issue.

In reaching this determination, the NERC BOTCC considered the factors listed above.

For the foregoing reasons, the NERC BOTCC approved the resolution and believes that the assessed penalty of two hundred five thousand dollars (\$205,000) is appropriate for the violations and circumstances at issue, and is consistent with NERC's goal to promote and ensure reliability of the BPS.

Pursuant to 18 C.F.R. § 39.7(e), the penalty will be effective upon expiration of the 30-day period following the filing of this Notice of Penalty with FERC, or, if FERC decides to review the penalty, upon final determination by FERC.

#### **Attachments to be Included as Part of this Notice of Penalty**

The attachments to be included as part of this Notice of Penalty are the following documents:

1. Settlement Agreement by and between WECC and NWC executed October 1, 2020, included as Attachment A;
2. NWC's Self-Report for FAC-003-4 R2 dated August 21, 2018, included as Attachment B;

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<sup>5</sup> See 18 C.F.R. § 39.7(d)(4).

<sup>6</sup> N. Am. Elec. Reliability Corp., "Guidance Order on Reliability Notices of Penalty," 124 FERC ¶ 61,015 (2008); N. Am. Elec. Reliability Corp., "Further Guidance Order on Reliability Notices of Penalty," 129 FERC ¶ 61,069 (2009); N. Am. Elec. Reliability Corp., "Notice of No Further Review and Guidance Order," 132 FERC ¶ 61,182 (2010).

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3. NWC's Mitigation Plan designated as WECCMIT014608 for FAC-003-4 R2 submitted June 13, 2019, included as Attachment C;
4. NWC's Certification of Mitigation Plan Completion for FAC-003-4 R2 submitted December 30, 2019, included as Attachment D;
5. WECC's Verification of Mitigation Plan Completion for FAC-003-4 R2 dated April 9, 2020, included as Attachment E;
6. WECC's Compliance Investigation of NWC for FAC-003-4 R6 dated March 20, 2019, included as Attachment F;
7. NWC's Mitigation Plan designated as WECCMIT014637 for FAC-003-4 R6 submitted July 2, 2019, included as Attachment G;
8. NWC's Certification of Mitigation Plan Completion for FAC-003-4 R6 submitted December 30, 2019, included as Attachment H; and
9. WECC's Verification of Mitigation Plan Completion for FAC-003-4 R6 dated April 9, 2020, included as Attachment I.

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**Notices and Communications:** Notices and communications with respect to this filing may be addressed to the following:

<p>*Persons to be included on the Commission’s service list are indicated with an asterisk. NERC requests waiver of the Commission’s rules and regulations to permit the inclusion of more than two people on the service list.</p> <p>Melanie Frye*          President and Chief Executive Officer          Western Electricity Coordinating Council          155 North 400 West, Suite 200          Salt Lake City, UT 84103          (801) 883-6882          (801) 883-6894 – facsimile          mfrye@wecc.org</p> <p>Ruben Arredondo*          Senior Legal Counsel          Western Electricity Coordinating Council          155 North 400 West, Suite 200          Salt Lake City, UT 84103          (801) 819-7674          (801) 883-6894 – facsimile          rarredondo@wecc.org</p> <p>Heather Laws*          Director of Enforcement          Western Electricity Coordinating Council          155 North 400 West, Suite 200          Salt Lake City, UT 84103          (801) 819-7642          (801) 883-6894 – facsimile          hlaws@wecc.org</p>	<p>Teresina Stasko*          Assistant General Counsel and Director of Enforcement          North American Electric Reliability Corporation          1325 G Street NW, Suite 600          Washington, DC 20005          (202) 400-3000          (202) 644-8099 – facsimile          teresina.stasko@nerc.net</p> <p>James McGrane*          Senior Counsel          North American Electric Reliability Corporation          1325 G Street NW, Suite 600          Washington, DC 20005          (202) 400-3000          (202) 644-8099 – facsimile          james.mcgrane@nerc.net</p> <p>Alexander Kaplen*          Associate Counsel          North American Electric Reliability Corporation          1325 G Street NW          Suite 600          Washington, DC 20005          (202) 400-3000          (202) 644-8099 – facsimile          alexander.kaplen@nerc.net</p>
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## Conclusion

NERC respectfully requests that the Commission accept this Notice of Penalty as compliant with its rules, regulations, and orders.

Respectfully submitted,

/s/ Alexander Kaplen

Teresina Stasko

Assistant General Counsel and Director of  
Enforcement

James McGrane

Senior Counsel

Alexander Kaplen

Associate Counsel

North American Electric Reliability  
Corporation

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cc: NorthWestern Corporation  
Western Electricity Coordinating Council

Attachments

Attachment A  
Settlement Agreement by and between WECC and NWC  
executed October 1, 2020



**CONFIDENTIAL**

**Heather M. Laws**  
**Director, Enforcement and Mitigation**  
**801-819-7642**  
**hlaws@wecc.org**

September 14, 2020

Michael R. Cashell  
Vice President – Transmission  
NorthWestern Corporation

Subject: Draft Notice of Expedited Settlement Agreement

Michael R. Cashell,

**I. Introduction**

The Western Electricity Coordinating Council (WECC) hereby notifies NorthWestern Corporation (NWC) NCR05282 that WECC identified Possible Violations of North American Electric Reliability Corporation (NERC) Reliability Standards (Reliability Standards) in the Preliminary Screen process and that based on an assessment of the facts and circumstances of the Possible Violations addressed herein, evidence exists that NWC has Alleged Violations of the Reliability Standards.

WECC reviewed the Alleged Violations referenced below and determined that these violations are appropriate violations for disposition through the Expedited Settlement process. In determining whether to exercise its discretion to use the Expedited Settlement process, WECC considered all facts and circumstances related to the violations.

This Notice of Expedited Settlement Agreement (Notice) notifies NWC of the proposed penalty and/or sanction for such violations. By this Notice, WECC reminds NWC to retain and preserve all data and records relating to the Alleged Violations.

**II. Alleged Violations**

<b>Standard Requirement</b>	<b>NERC Violation ID</b>	<b>WECC Violation ID</b>
FAC-003-4 R2	WECC2018020264	WECC2018-615085
FAC-003-4 R6	WECC2019021260	WECC2019-615361

The attached Expedited Settlement Agreement includes a summary of the facts and evidence supporting each Alleged Violation, as well as the basis on which the penalty and/or sanction were determined.

### **III. Proposed Penalty or Sanction**

Pursuant to the Federal Energy Regulatory Commission's (FERC or Commission) regulations and orders, NERC Rules of Procedure, and the NERC Sanction Guidelines, WECC proposes to assess a penalty for the violations of the Reliability Standards referenced in the Attachment in the amount of \$205,000.

In determining a penalty and/or sanction, WECC considers various factors that may include, but are not limited to: (1) Violation Risk Factor; (2) Violation Severity Level; (3) risk to the reliability of the Bulk Electric System (BES)<sup>1</sup>, including the seriousness of the violation; (4) Violation Time Horizon and timeliness of remediation; (5) the violation's duration; (6) the Registered Entity's compliance history; (7) the timeliness of the Registered Entity's self-report; (8) the degree and quality of cooperation by the Registered Entity in the audit or investigation process, and in any remedial action; (9) the quality of the Registered Entity's Internal Compliance Program; (10) any attempt by the Registered Entity to conceal the violation or any related information; (11) whether the violation was intentional; (12) any other relevant information or extenuating circumstances; (13) whether the Registered Entity admits to and takes responsibility for the violation; (14) "above and beyond" actions and investments made by the Registered Entity in an effort to prevent recurrence of this issue and/or proactively address and reduce reliability risk due to similar issues; and (15) the Registered Entity's ability to pay a penalty, as applicable.

WECC's determination of penalties is guided by the statutory requirement codified at 16 U.S.C. § 824o(e)(6) that any penalty imposed "shall bear a reasonable relation to the seriousness of the violation and shall take into consideration the efforts of [the Registered Entity] to remedy the violation in a timely manner." In addition, WECC considers all other applicable guidance from NERC and FERC.

### **IV. Procedures for Registered Entity's Response**

If NWC accepts WECC's proposal that the violations listed in the Settlement Agreement be processed through the Expedited Settlement process, NWC must sign the attached Settlement Agreement and submit it through the WECC Enhanced File Transfer (EFT) Server Enforcement folder **within 20 calendar days from the date of this Notice**.

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<sup>1</sup> "The Commission, the ERO, and the Regional Entities will continue to enforce Reliability Standards for facilities that are included in the Bulk Electric System." (*Revision to Electric Reliability Organization Definition of Bulk Electric System*, 113 FERC ¶ 61,150 at P 100 (Nov. 18, 2010))



## Expedited Settlement Agreement

NorthWestern Corporation

CF1686

September 14, 2020

If NWC does not accept WECC's proposal, NWC must submit a written rejection, through the EFT Server, **within 20 calendar days from the date of this Notice**, informing WECC of the decision not to accept WECC's proposal.

If NWC rejects this proposal or does not respond **within 20 calendar days**, WECC will issue a Notice of Alleged Violation and Proposed Penalty or Sanction.

### V. Conclusion

In all correspondence, please provide the name and contact information of a representative from NWC who is authorized to address the Alleged Violations and who is responsible for providing the required Mitigation Plans. Please also list the relevant NERC Violation Identification Numbers in any correspondence.

Responses or questions regarding the Settlement Agreement to Katherine Bennett, Senior Enforcement Analyst, at 801-883-6850 or [kbennett@wecc.org](mailto:kbennett@wecc.org).

Sincerely,



Heather M. Laws

Director, Enforcement and Mitigation

cc: NERC Enforcement



**Attachment**  
**EXPEDITED SETTLEMENT AGREEMENT**  
**OF**  
**WESTERN ELECTRICITY COORDINATING COUNCIL**  
**AND**  
**NORTHWESTERN CORPORATION**

Western Electricity Coordinating Council (WECC) and NorthWestern Corporation (NWC) (individually a “Party” or collectively the “Parties”) agree to the following:

1. NWC admits to and takes responsibility for the violations of the NERC Reliability Standards listed herein.
2. The violations addressed herein will be considered Confirmed Violations as set forth in the NERC Rules of Procedure.
3. The terms of this Settlement Agreement, including the agreed upon payment, are subject to review and possible revision by NERC and FERC. If either NERC or FERC rejects the Settlement Agreement, then WECC will attempt to negotiate a revised Settlement Agreement with NWC that includes any changes to the Settlement Agreement specified by NERC or FERC. If the Parties cannot reach a Settlement Agreement, the CMEP governs the enforcement process.
4. The Parties have agreed to enter into this Settlement Agreement to avoid extended litigation with respect to the matters described or referred to herein, to avoid uncertainty, and to effectuate a complete and final resolution of the issues set forth herein. The Parties agree that this Settlement Agreement is in the best interest of each Party and in the best interest of Bulk Power System (BPS) reliability.
5. This Settlement Agreement represents a full and final disposition of the violations listed herein, subject to approval or modification by NERC and FERC. NWC waives its right to further hearings and appeal; unless and only to the extent that NWC contends that any NERC or FERC action on this Settlement Agreement contains one or more material modifications to this Settlement Agreement.
6. In the event NWC fails to comply with any of the terms set forth in this Settlement Agreement, WECC will initiate enforcement, penalty, and/or sanction actions against NWC to the maximum extent allowed by the NERC Rules of Procedure, up to the maximum statutorily allowed penalty.



## Expedited Settlement Agreement

Except as otherwise specified in this Settlement Agreement, NWC shall retain all rights to defend against such enforcement actions, in accordance with the NERC Rules of Procedure.

7. This Settlement Agreement shall be governed by and construed under federal law. This Settlement Agreement and all terms and stipulations set forth herein shall become effective upon FERC's approval of the Agreement by order or operation of law.
8. This Settlement Agreement contains the full and complete understanding of the Parties regarding all matters set forth herein. The Parties agree that this Settlement Agreement reflects all terms and conditions regarding all matters described herein and no other promises, oral or written, have been made that are not reflected in this Settlement Agreement.
9. Each of the undersigned warrants that he or she is an authorized representative of the Party identified, is authorized to bind such Party and accepts the Settlement Agreement on that Party's behalf.
10. The undersigned representative of each Party affirms that he or she has read the Settlement Agreement, that all representations set forth in the Settlement Agreement are true and correct to the best of his or her knowledge, information, and belief, and that he or she understands that the Settlement Agreement is entered into by each Party in express reliance on those representations.
11. To settle these matters, NWC hereby agrees to pay \$205,000 to WECC via wire transfer or cashier's check. NWC shall make the funds payable to a WECC account identified in a Notice of Payment Due that WECC will send to NWC upon approval of this Settlement Agreement by NERC and FERC. NWC shall issue the payment to WECC no later than thirty days after receipt of the Notice of Payment Due. If this payment is not timely received, WECC may assess, and NWC agrees to pay, an interest charge calculated according to the method set forth at 18 CFR §35.19(a)(2)(iii) beginning on the 31<sup>st</sup> day following issuance of the Notice of Payment Due.
12. In addition, NWC must submit Mitigation Plans within 30 calendar days from the date of this Settlement Agreement, if it has not already done so previously.
13. NOW, THEREFORE, in consideration of the terms set forth herein the Parties stipulate to the following:



**A. NERC RELIABILITY STANDARD FAC-003-4 REQUIREMENT 2**

NERC VIOLATION ID: WECC2018020264

WECC VIOLATION ID: WECC2018-615085

**STANDARD**

1. NERC Reliability Standard FAC-003-4 Requirement 2 states:

*R2. Each applicable Transmission Owner and applicable Generator Owner shall manage vegetation to prevent encroachments into the MVCD of its applicable line(s) which are not either an element of an IROL, or an element of a Major WECC Transfer Path; operating within its Rating and all Rated Electrical Operating Conditions of the types shown below.*

*R2.4. An encroachment due to vegetation growth into the line MVCD that caused a vegetation-related Sustained Outage.<sup>2</sup>*

**B. NERC RELIABILITY STANDARD FAC-003-4 REQUIREMENT 6**

NERC VIOLATION ID: WECC2019021260

WECC VIOLATION ID: WECC2019-615361

**STANDARD**

2. NERC Reliability Standard FAC-003-4 Requirement 6 states:

*R6. Each applicable Transmission Owner and applicable Generator Owner shall perform a Vegetation Inspection of 100% of its applicable transmission lines (measured in units of choice - circuit, pole line, line miles or kilometers, etc.) at least once per calendar year and with no more than 18 calendar months between inspections on the same ROW.<sup>3</sup>*

**VIOLATION FACTS**

1. On August 21, 2018, NWC submitted a Self-Report stating, as a Transmission Owner (TO), it had a potential noncompliance with FAC-003-4 R2.

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<sup>2</sup> Multiple Sustained Outages on an individual line, if caused by the same vegetation, will be reported as one outage regardless of the actual number of outages within a 24-hour period.

<sup>3</sup> When the applicable Transmission Owner or applicable Generator Owner is prevented from performing a Vegetation Inspection within the timeframe in R6 due to a natural disaster, the TO or GO is granted a time extension that is equivalent to the duration of the time the TO or GO was prevented from performing the Vegetation Inspection.





2. Specifically, NWC had two encroachments into its Minimum Vegetation Clearance Distance (MVCD) related to its 230 kV transmission line, which caused two high voltage flash overs resulting in two Sustained Outages. Neither encroachments impacted an element of an IROL, or an element of a Major WECC Transfer Path. On August 9, 2018 at 1:39 PM, when the first Sustained Outage occurred, NWC sent crews to perform a line patrol at which time NWC determined that the line outage was caused by a tree encroaching into the MVCD. The crew removed the tree at the groundline, which caused the first flash over and noted that there were additional trees near the mid-span that could have been an issue to the MVCD as well but did not impact the outage. The crew re-energized the transmission line at 5:05 PM but planned to return to the line the next day to look at and clear the other trees near the mid-span. The next day, on August 10, 2018 at 10:00 AM, a tree-clearing crew returned to the same location to clear all trees in the permitted width down to groundline. As the crew was working to clear the trees, at 12:07 PM, the same 230 kV transmission line tripped and experienced a second Sustained Outage likely due to a different encroachment from a different stem of the same tree they had removed the day before. The tree-clearing crew promptly removed the encroaching tree in NWC's permitted width down to groundline for the affected area. The tree-removal and re-energization was completed at 6:51 PM.
3. NWC reported the Vegetation Caused Sustained Outages to WECC on August 15, 2018 at 4:00 PM and stated that the likely cause of both of the Sustained Outages was a flash over on the affected 230 kV transmission line from an encroachment into the MVCD by two box elder stems that originated from the same stump near the mid-span of the line. NWC noticed the box elder stems had burn damage consistent with a high-voltage power line going to ground. The first Sustained Outage occurred from 1:34 PM to 5:05 PM on August 9, 2018 for a total of three hours and 31 minutes. The second Sustained Outage occurred from 12:07 PM to 7:51 PM on August 10, 2018 for a total of seven hours and 44 minutes. No load was lost during either event. With the N-1 loss of the 230 kV line segment, NWC continued to operate all remaining in-service BPS elements within their designed System Operating Limits (SOLs).
4. The violation with FAC-003-4 R2 began on February 27, 2018 when NWC performed a Vegetation Inspection that did not identify several trees close to the MVCD of the 230 kV line span affected by the Sustained Outages and ended on August 10, 2018 when all the trees that encroached the MVCD of the 230 kV transmission line were removed, for a total of 165 days.
5. Following the encroachments into the MVCD and Sustained Outages that occurred on August 9, 2018 and August 10, 2018, NWC conducted an unplanned inspection between August 12-15, 2018 on all its Bulk Electric System (BES) transmission lines to determine if other potential vegetation



issues existed. NWC performed an additional Vegetation Inspection to determine if any areas had experienced above average tree growth because there had been a wet spring in 2018, which may have caused above normal growing conditions. The aerial patrol of all applicable transmission lines identified nine additional areas of its transmission lines ranging from 115 kV to 230 kV that had not been previously identified needing required corrective action plans due to potential vegetation encroachments. This additional assessment was completed on seven different line segments ranging from 115 kV to 230 kV.

6. Given the circumstances of the FAC-003 R2 noncompliance, WECC conducted a Compliance Investigation November 27, 2018 through March 20, 2019, wherein WECC determined NWC, as a TO, had a potential noncompliance with FAC-003-4 R6.
7. WECC's Compliance Investigation determined that vegetation inspections conducted early in the year increased the risk of error in assessing the minimum vegetation clearance distance due to the vegetation being bare at this time. Also, year-to-date precipitation and unseasonably warm temperatures exceeded normal conditions causing additional foliage blooms. Thus, this inspection method did not account for the movement of the conductors under its rating and the inter-relationships between vegetation growth rates, vegetation control methods, and inspection frequency. NWC's previous Vegetation Inspection was insufficient. Thus, the root cause of these violations was NWC's reliance on Vegetation Inspections during times of the year that foliage was not visible and lack of redundancy in personnel performing the inspections due to reliance on a single inspector, resulting in an inadequate Vegetation Inspection and two Sustained Outages.
8. The FAC-003-4 R6 violation began on February 27, 2018, when the previous vegetation insufficient inspection was completed and ended on August 15, 2018 when NWC completed vegetation inspections for all applicable transmission line areas, for a total of 170 days.

### RELIABILITY RISK ASSESSMENT

9. WECC determined the FAC-003-4 R2 violation posed a serious and substantial risk to the reliability of the BPS. In this instance, harm did occur when NWC failed, on two occasions, to manage vegetation to prevent encroachments into the MVCD of one 230 kV transmission line which caused two vegetation-related Sustained Outages. The 230 kV transmission line was not a WECC Major Transfer Path but was connected to other 230 kV lines and a switchyard which had 100 kV and 230 kV lines, therefore during the events there was risk of cascading or wide spread outages.



10. WECC determined the FAC-003-4 R6 violation also posed a serious and substantial risk to the reliability of the Bulk Power System (BPS). In this instance, NWC failed to perform sufficient Vegetation Inspections on all of its applicable transmission lines ranging from 115 kV to 230 kV as required by FAC-003-4 R6. NWC owned approximately 4,700 miles of transmission lines that were subject to FAC-003-4 R6. These lines were 115 kV, 161 kV and 230 kV. NWC's 115 kV and 161 kV lines were subject to FAC-003 because they were part of a Major WECC Transfer Path.
11. Such failures resulted in two Sustained Outages on a 230 kV transmission line. Additionally, nine other areas of its transmission lines were identified that needed corrective action plans, as described in the violation facts. However, as compensation, during the outages, the transmission line relays operated properly to detect and isolate the fault, containing it to the individual 230 kV transmission line segment. No load was lost as a result of these two Sustained Outages.

### REMEDIATION AND MITIGATION

12. On June 12, 2019, NWC submitted a Mitigation Plan to address these violations and on October 3, 2019, WECC accepted NWC's Mitigation Plan.
13. To remediate and mitigate this violation, NWC has:
  - a. Removed the vegetation encroaching the clearance area of the affected 230 kV line;
  - b. Twice re-energized the 230 kV line that experienced Sustained Outages;
  - c. Conducted an aerial assessment of all line segments applicable to the Standard to ensure that there were no other immediate clearance issues;
  - d. Implemented improvements to NWC's processes and procedures regarding Vegetation Management Program, including:
    - i. Vegetation Inspection Assessments: implemented a new process which allowed for two aerial assessments to be conducted each year. The first assessment will start in early spring and the second assessment will be conducted mid-summer. During the implementation of the new assessment process it will be determined if there is a need for multiple assessors and additional inspectors on the second flight. In addition, NWC defined the process and implementing a schedule for ground assessments at water crossings. The water crossings will be prioritized, and the ground assessments conducted with redundant personnel will be scheduled based on the priority level of the crossing;
    - ii. Technology Enhancements: implemented new mapping and data collection software and the associated procedures to enhance data collection consistency, assessment results, and response time for potential vegetation issues;



- iii. Executive Management review: implemented a formal review process of the annual Vegetation Management work plan. The review meetings included the Vice President - Transmission, Director - Asset Management, Manager - Electric System Integrity, and individuals that were directly responsible for the NWC Transmission Vegetation Management Program. The program review meetings have been scheduled periodically throughout the year;
- iv. Training: expanded NWC's Imminent Threat Procedure training to include key personnel such as, field personnel, field supervisors, system operators, and the appropriate engineers. In addition, the individuals responsible for conducting vegetation assessments participated in training to enhance their skills and understanding of the movement of conductors during various system conditions;
- v. Developed Transmission Vegetation Management Program (TVMP) that clearly defined NWC's proactive vegetation management strategy to prevent vegetation encroachments inside the flash-over clearance. The enhancements to the TVMP considered the following:
  1. Statement addressing the intent of the program;
  2. Purpose and Objectives;
  3. Scope;
  4. Regulatory References and Compliance Requirements;
  5. Definitions of common terms used within the plan;
  6. Program Elements;
  7. Program Implementation;
  8. Program Responsibilities;
  9. Quality Control Measures including more than one inspector;
  10. Program Evaluation; and
  11. Documentation Requirements.

14. On December 30, 2019, NWC submitted a Mitigation Plan Completion Certification and on December 31, 2019, WECC verified NWC's completion of its Mitigation Plan.

### **PENALTY AND/OR SANCTION**

15. WECC determined the proposed penalty of \$205,000 is appropriate based on the following:
- a. Base penalty factors:
    - i. For the FAC-003-4 R2 violation, the Violation Risk Factor is High, and the Violation Severity Level is Severe for this violation.
    - ii. For the FAC-003-4 R6 violation, the Violation Risk Factor is Medium and the Violation Severity Level is Severe for this violation.




- iii. These violations posed a serious and substantial risk to the reliability of the BPS.
  - iv. The FAC-003-4 R2 violation was 165 days as described herein.
  - v. The FAC-003-4 R6 violation was 170 days as described herein.
  - vi. The FAC-003-4 R2 violation Requirement has a Real-time Operations violation time horizon expectation for remediation required within one hour or less to preserve the reliability of the BPS.
  - vii. The FAC-003-4 R6 Requirement has an Operations Planning violation time horizon expectation for remediation of a day-ahead up to and including seasonal to preserve the reliability of the BPS.
- b. WECC applied a mitigating credit for the following reasons:
- i. NWC was cooperative throughout the process.
  - ii. NWC self-reported the FAC-003-4 R2 violation in a timely manner from the date of discovery.
  - iii. NWC accepted responsibility and admitted to the violation.
  - iv. NWC agreed to settle these violations and penalty.
- c. Other Considerations:
- i. WECC did not apply mitigating credit for NWC's Internal Compliance Program (ICP). Although NWC does have a documented ICP, WECC determined that it was not effective in preventing or detecting these violations.
  - ii. WECC considered NWC's relevant compliance history with FAC-003-1 R1 and FAC-003-4 R2 and determined they should not serve as a basis for aggravating the penalty because the difference in the root causes of the previous violations and the instant violations. In addition, the previous violations did not have detailed mitigation that could have prevented the instant violations.
  - iii. NWC did not fail to complete any applicable compliance directives. There was no evidence of any attempt by the entity to conceal the violation. There was no evidence that violation was intentional. NWC submitted all requested documentation and/or mitigation plans timely. There was no evidence NWC's management was involved in or condoned the actions that caused the noncompliance.
  - iv. WECC determined there were no other aggravating factors warranting a penalty higher than the proposed penalty.

**[Remainder of page intentionally left blank - signatures affixed to following page]**



Agreed to and Accepted by:

WESTERN ELECTRICITY COORDINATING COUNCIL

  
Heather M. Laws (Oct 1, 2020 17:42 MDT)

Heather M. Laws  
Director, Enforcement and Mitigation

Oct 1, 2020

Date

NORTHWESTERN CORPORATION

  
Digitally signed by  
Michael Cashell  
Date: 2020.09.25  
14:45:23 -06'00'

Name: Michael R. Cashell  
Title: Vice President - Transmission

September 25, 2020

Date








# WECC - Notice of Expedited Settlement Agreement - NWC - CF1686 -signed by NWC

Final Audit Report

2020-10-01

Created:	2020-10-01
By:	Mailee Cook (mcook@wecc.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAAdMmomxyBQ-t34LJrAt5JgWlJvJbyhdl

## "WECC - Notice of Expedited Settlement Agreement - NWC - CF1686 -signed by NWC" History

-  Document created by Mailee Cook (mcook@wecc.org)  
2020-10-01 - 10:04:17 PM GMT- IP address: 67.2.48.46
-  Document emailed to Heather Laws (hlaws@wecc.org) for signature  
2020-10-01 - 10:05:00 PM GMT
-  Email viewed by Heather Laws (hlaws@wecc.org)  
2020-10-01 - 11:41:49 PM GMT- IP address: 166.70.27.162
-  Document e-signed by Heather Laws (hlaws@wecc.org)  
Signature Date: 2020-10-01 - 11:42:27 PM GMT - Time Source: server- IP address: 166.70.27.162
-  Agreement completed.  
2020-10-01 - 11:42:27 PM GMT

Attachment B

NWC's Self-Report for FAC-003-4 R2

dated August 21, 2018



## Self Report

Entity Name: NorthWestern Corporation (NWC)

NERC ID: NCR05282

Standard: FAC-003-4

Requirement: FAC-003-4 R2.

Date Submitted: August 21, 2018

Has this violation previously No  
been reported or discovered?:

### Entity Information:

Joint Registration  
Organization (JRO) ID:

Coordinated Functional  
Registration (CFR) ID:

Contact Name: Holly Mitchell

Contact Phone: 4064973385

Contact Email: holly.mitchell@northwestern.com

### Violation:

Violation Start Date: August 09, 2018

End/Expected End Date: August 10, 2018

Reliability Functions: Transmission Owner (TO)

Is Possible Violation still No  
occurring?:

Number of Instances: 1

Has this Possible Violation No  
been reported to other  
Regions?:

Which Regions:

Date Reported to Regions:

Detailed Description and Cause of Possible Violation: At 13:39 on 8/9/2018, NWC experienced an outage on our 230 kV line between Billing Steam Plant and South Huntley. At approximately 14:15 crews reached the site and began their line patrol to determine the cause of the outage. During this patrol a box elder tree with singed tips was discovered between structure 005-037 and structure 005-038. The box elder tree was removed at the groundline. It was noted by the line crew that there were some trees near mid-span that could be an issue as well, but they felt that they addressed the cause of the outage. The line was then re-energized at 17:05, and held, so it was felt that the issue was addressed and a plan was made to visit the line the next day for further analysis.

At approximately 10:00 on 8/10/2018, a crew visited the location and developed a plan to remove more vegetation. A tree-clearing crew was mobilized to the area. At 12:07, as the crew was arriving, the line tripped. The tree crew removed all trees within our permitted width down to groundline from structure 005-036 to 005-038. This work was completed and the line was re-energized at 18:51.

During the removal process, the crew discovered two box elder stems that originated from the same stump near mid-span that had burn damage consistent with a high-voltage power line going to ground. It is believed that these stems were the cause of both outages as the line loaded each day instead of the tree that was removed on 8/9.

On 8/13/2018 NWC determined that this event was a Category 1B reportable

Self Report

outage. The Vegetation Caused Sustained Outage 48-hour Reporting was submitted to WECC on 8/15/2018.

**Mitigating Activities:**

Description of Mitigating Activities and Preventative Measure: The associated trees were immediately removed and the line was patrolled in its entirety to ensure no further issues were present. In addition, the tree crew spent approximately 20 hours clearing all trees in the right of way in all creek crossings within this area.

As a precautionary measure, NWC has conducted aerial inspection of all lines that are applicable to FAC-003-4 to ensure there were no other immediate issues. No issues were noted in any aerial inspection. The attached document NWC Line Segments.xls details the line segments that were assessed over the period of several days (8/12/2018 through 8/15/2018).

Have Mitigating Activities been Completed? Yes

Date Mitigating Activities Completed: August 15, 2018

**Impact and Risk Assessment:**

Potential Impact to BPS: Minimal

Actual Impact to BPS: Minimal

Description of Potential and Actual Impact to BPS: During the event transmission line relays operated properly to detect and isolate the fault condition, as designed. The fault was properly isolated and contained to the individual 230 kV Billings Steam - South Huntley line segment. With the N-1 loss of the 230 kV Billings Steam - South Huntley line segment, NWC continued to operate all remaining in-service Bulk Electric System (BES) elements within their designed System Operating Limits (SOLs). NWC also monitored Real-time Contingency Analysis (RTCA) and operated BES assets within criteria set forth by both NWC's and Peak Reliability's SOL Methodology. At no time during this event was there danger of cascading or wide spread outages which could have resulted in negative impacts to the Interconnected BES.

Risk Assessment of Impact to BPS: At no time during this event was there danger of cascading or wide spread outages which could have resulted in negative impacts to the Interconnected BES.

Additional Entity Comments:

Additional Comments		
From	Comment	User Name
No Comments		

Additional Documents			
From	Document Name	Description	Size in Bytes

Self Report

Additional Documents			
From	Document Name	Description	Size in Bytes
Entity	NWC Line Segments.xlsx		11,365

Attachment C

NWC's Mitigation Plan designated as WECCMIT014608 for FAC-003-4 R2  
submitted June 13, 2019

## Mitigation Plan

### Mitigation Plan Summary

Registered Entity: NorthWestern Corporation

Mitigation Plan Code: WECCMIT014608

Mitigation Plan Version: 1

<u>NERC Violation ID</u>	<u>Requirement</u>	<u>Violation Validated On</u>
WECC2018020264	FAC-003-4 R2.	06/05/2019

Mitigation Plan Submitted On: June 13, 2019

Mitigation Plan Accepted On: October 03, 2019

Mitigation Plan Proposed Completion Date: December 31, 2019

Actual Completion Date of Mitigation Plan:

Mitigation Plan Certified Complete by NWC On:

Mitigation Plan Completion Verified by WECC On:

Mitigation Plan Completed? (Yes/No): No

## Compliance Notices

Section 6.2 of the NERC CMEP sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:

- (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section B.
  - (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
  - (3) The cause of the Alleged or Confirmed Violation(s).
  - (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
  - (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed violation(s).
  - (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
  - (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
  - (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined or recommended to the applicable governmental authorities for not completing work associated with accepted milestones.
  - (9) Any other information deemed necessary or appropriate.
  - (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self Certification or Self Reporting submittals.
  - (11) This submittal form may be used to provide a required Mitigation Plan for review and approval by regional entity(ies) and NERC.
- The Mitigation Plan shall be submitted to the regional entity(ies) and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
  - This Mitigation Plan form may be used to address one or more related alleged or confirmed violations of one Reliability Standard. A separate mitigation plan is required to address alleged or confirmed violations with respect to each additional Reliability Standard, as applicable.
  - If the Mitigation Plan is accepted by regional entity(ies) and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission or filed with the applicable governmental authorities for approval in Canada.
  - Regional Entity(ies) or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
  - Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.
  - The user has read and accepts the conditions set forth in these Compliance Notices.

Entity Information

Identify your organization:

Entity Name: NorthWestern Corporation

NERC Compliance Registry ID: NCR05282

Address: 3010 W 69th Street  
Sioux Falls SD 57108

Identify the individual in your organization who will serve as the Contact to the Regional Entity regarding this Mitigation Plan. This person shall be technically knowledgeable regarding this Mitigation Plan and authorized to respond to Regional Entity regarding this Mitigation Plan:

Name: Holly Mitchell

Title: NERC Compliance Specialist

Email: holly.mitchell@northwestern.com

Phone: 406-497-3385

Violation(s)

This Mitigation Plan is associated with the following violation(s) of the reliability standard listed below:

Violation ID	Date of Violation	Requirement
Requirement Description		
WECC2018020264	08/09/2018	FAC-003-4 R2.
Each applicable Transmission Owner and applicable Generator Owner shall manage vegetation to prevent encroachments into the MVCD of its applicable line(s) which are not either an element of an IROL, or an element of a Major WECC Transfer Path; operating within its Rating and all Rated Electrical Operating Conditions of the types shown below:		

Brief summary including the cause of the violation(s) and mechanism in which it was identified:

On August 21, 2018, NWC Self-Reported a Violation of FAC-003-4 Requirement 2 for the failure to manage vegetation to prevent two encroachments into the MVCD. The first encroachment occurred on August 9, 2018, at 13:39 and the second on August 10, 2018 at 12:07. The two encroachments caused a vegetation-related Sustained Outage on a transmission line that is not either an element of an IROL, or an element of a Major WECC Transfer Path; operating within its Rating and all Rated Electrical Operating Conditions in accordance with sub-requirement, part 2.4.

At 13:39 on 8/9/2018, NWC experienced an outage to our 230 kV line between Billing Steam Plant and South Huntley. The line was patrolled and vegetation with singed tips was discovered between structure 005-037 and structure 005-038. The box elder trees were removed at the groundline. It was noted by the line crew that there were some trees near mid-span that could be an issue as well, but they felt that they addressed the cause of the outage. The line was then re-energized at 17:05, and held, so it was felt that the issue was addressed, but a plan was made to visit the line the next day for further analysis.

At approximately 10:00 on 8/10/2018, a crew visited the location and developed a plan to remove more vegetation. A tree-clearing crew was mobilized to the area. At 12:07, as the crew was arriving the line tripped. The tree crew removed all trees down to groundline from structure 005-036 to 005-038. This work was completed and the line was re-energized at 18:51. During the removal process, the crew discovered that a box elder tree near mid-span had burn damage consistent with a high-voltage power line going to ground. The associated trees were immediately removed and the line was patrolled in its entirety to ensure no further issues were present.

Relevant information regarding the identification of the violation(s):

During the outage of the 230kV Billings Steam - South Huntley line segment, NWC System Operators continued to perform Real-time Contingency Analysis. NWC did not exceed System Operating Limits (SOLs) on any BES assets during this outage. The protection systems operated as designed and at no time during the outage was there danger of cascading or wide spread outages which could have resulted in negative impacts to the BES.

As a precautionary measure, NWC has flown all lines that are applicable to FAC-003-4 to ensure there were no other immediate issues. The line segments applicable to FAC-003-4 were assessed over the period of several days (8/12/2018 through 8/15/2018).

No other issues were noted during these inspections.



## Plan Details

Identify and describe the action plan, including specific tasks and actions that your organization is proposing to undertake, or which it undertook if this Mitigation Plan has been completed, to correct the violation(s) identified above in Section C.1 of this form:

NWC took immediate action to identify and mitigate the outage caused by the vegetation encroachment by removing the associated trees and clearing the area. In addition, NWC conducted an aerial assessment of all line segments applicable to FAC-003-4 to ensure that there were no other immediate issues.

In an effort to prevent the potential for future violations NWC has identified the following areas where NWC will work to enhance our Vegetation Management program.

Transmission Vegetation Management Program (TVMP) - Over the next several months NWC will work to develop a more comprehensive TVMP that will more clearly define NWC's proactive vegetation management strategy to prevent vegetation encroachments inside the flash-over clearance. The enhancements to the TVMP will consider the following:

- Statement addressing the intent of the program
- Purpose and Objective(s)
- Scope
- Regulatory References and Compliance Requirements
- Definitions of common terms used within the plan
- Program Elements
- Program Implementation
- Program Responsibilities
- Quality Control Measures
- Program Evaluation
- Documentation Requirements

Improve Vegetation Management Assessment Process - NWC will implement improvements to our processes and procedures related to our vegetation management assessments.

- Assessments - NWC will be implementing a new process which will allow for two aerial assessments to be conducted each year. The first assessment will start in early spring and the second assessment will be conducted mid-summer. During the implementation of the new assessment process it will be determined if there is a need for multiple assessors on the second flight. In addition, NWC will be defining the process and implementing a schedule for ground assessments at water crossings. The water crossings will be prioritized and the ground assessments will be scheduled based on the priority level of the crossing.

- Training - NWC will expand our Imminent Threat Procedure training to include key personnel such as, field personnel, field supervisors, system operators, and the appropriate engineers. In addition, the individuals responsible for conducting vegetation assessments will participate in training to enhance their skills and understanding of the movement of conductors during various system conditions.

- Technology Enhancements - NWC will continue to work towards full implementation of our new mapping and data collection software and the associated procedures to enhance our data collection consistency, assessment results, and response time to potential vegetation issues.

- Executive Management Review - NWC will implement a formal review process of the annual vegetation management work plan. The review meetings will include the Vice President - Transmission, Director - Asset Management, Manager - Electric System Integrity, and individuals that are directly responsible for the NWC Transmission Vegetation Management Program. The program review meetings will be scheduled periodically throughout the year.

- o Before annual assessments are started to review the proposed work plan.
- o After annual assessments have been completed to review the assessment results and corrective

action plans.

- o Before year end to ensure work has been completed and that a timeline has been established to complete any outstanding work that may carry over into the next year.

Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the violations associated with this Mitigation Plan are corrected:

Proposed Completion date of Mitigation Plan: December 31, 2019

Milestone Activities, with completion dates, that your organization is proposing for this Mitigation Plan:

Milestone Activity	Description	*Proposed Completion Date (Shall not be greater than 3 months apart)	Actual Completion Date	Entity Comment on Milestone Completion	Extension Request Pending
Vegetation Management Assessment Process	<p>Executive Management Review - NWC will implement a formal review process of the annual vegetation management work plan. The review meetings will include the Vice President - Transmission, Director - Asset Management, Manager - Electric System Integrity, and individuals that are directly responsible for the NWC Transmission Vegetation Management Program. The program review meetings will be scheduled periodically throughout the year.</p> <ul style="list-style-type: none"> <li>o Before annual assessments are started to review the proposed work plan.</li> <li>o After annual</li> </ul>	03/31/2019	02/20/2019	Q1 2019 - Implementation of a formal review process of the Vegetation Management Program at various stages throughout the year.	No

Milestone Activity	Description	*Proposed Completion Date (Shall not be greater than 3 months apart)	Actual Completion Date	Entity Comment on Milestone Completion	Extension Request Pending
	<p>assessments have been completed to review the assessment results and corrective action plans.</p> <ul style="list-style-type: none"> <li>o Before year end to ensure work has been completed and that a timeline has been established to complete any outstanding work that may carry over into the next year.</li> </ul>				
Vegetation Management Assessment Process	Technology Enhancements - NWC will continue to work towards full implementation of our new mapping and data collection software and the associated procedures to enhance our data collection consistency, assessment results, and response time to potential vegetation issues.	03/31/2019	03/22/2019	Q1 2019 - Implementation of new mapping and data collection software.	No
Vegetation Management Assessment Process	Training - NWC will expand our Imminent Threat Procedure training to include key personnel such as, field personnel, field supervisors, system operators, and the appropriate engineers. In addition, the individuals responsible for	06/30/2019	06/25/2019	Q2 2019 - Training for Vegetation Management team to be completed. Q2 2019 - Training for "key personnel" to be completed.	No

Milestone Activity	Description	*Proposed Completion Date (Shall not be greater than 3 months apart)	Actual Completion Date	Entity Comment on Milestone Completion	Extension Request Pending
	conducting vegetation assessments will participate in training to enhance their skills and understanding of the movement of conductors during various system conditions.				
Vegetation Management Assessment Process	Assessments - NWC will be implementing a new process which will allow for two aerial assessments to be conducted each year. The first assessment will start in early spring and the second assessment will be conducted mid-summer. During the implementation of the new assessment process it will be determined if there is a need for multiple assessors on the second flight. In addition, NWC will be defining the process and implementing a schedule for ground assessments at water crossings. The water crossings will be prioritized and the ground assessments will be scheduled based on the priority level of the crossing	09/30/2019		Q3 2019 - Implementation of two aerial assessments. Q3 2019 - Implementation of a schedule to conduct ground assessments at water crossings based on the priority level of the crossing Q3 2019 - Implementation of a schedule to conduct ground assessments at the remainder of the water crossings.	No
Improvements to Transmission Vegetation	Transmission Vegetation Management	12/31/2019		Q2 2019 - 1st Draft of TVMP to be completed for executive management	No

Milestone Activity	Description	*Proposed Completion Date (Shall not be greater than 3 months apart)	Actual Completion Date	Entity Comment on Milestone Completion	Extension Request Pending
Management Program Document	<p>Program (TVMP) - Over the next several months NWC will work to develop a more comprehensive TVMP that will more clearly define NWC's proactive vegetation management strategy to prevent vegetation encroachments inside the flash-over clearance. The enhancements to the TVMP will consider the following:</p> <ul style="list-style-type: none"> <li>• Statement addressing the intent of the program</li> <li>• Purpose and Objective(s)</li> <li>• Scope</li> <li>• Regulatory References and Compliance Requirements</li> <li>• Definitions of common terms used within the plan</li> <li>• Program Elements</li> <li>• Program Implementation</li> <li>• Program Responsibilities</li> <li>• Quality Control Measures</li> <li>• Program Evaluation</li> <li>• Documentation Requirements</li> </ul>			<p>review Q4 2019 - Final Document to be published</p>	

Additional Relevant Information

## Reliability Risk

### Reliability Risk

While the Mitigation Plan is being implemented, the reliability of the bulk Power System may remain at higher Risk or be otherwise negatively impacted until the plan is successfully completed. To the extent they are known or anticipated : (i) Identify any such risks or impacts, and; (ii) discuss any actions planned or proposed to address these risks or impacts.

NWC does not anticipate that there will be any Risk to the Bulk Power System as we work on the mitigation plan described above. This mitigation plan has been designed to enhance our existing program and is intended to reduce any Risk to the Bulk Power System.

### Prevention

Describe how successful completion of this plan will prevent or minimize the probability further violations of the same or similar reliability standards requirements will occur

This mitigation plan has been designed to enhance our existing program. The successful implementation of this plan will result in a more comprehensive approach to NWC's Vegetation Management Program. In addition, upon completion of this mitigation plan NWC will have the necessary components to achieve the defense-in-depth strategy identified as the purpose of this standard.

Describe any action that may be taken or planned beyond that listed in the mitigation plan, to prevent or minimize the probability of incurring further violations of the same or similar standards requirements

NWC has not identified any additional actions that may be taken beyond the items that have been identified in this mitigation plan. However, as we work to enhance our Vegetation Management Program we will continue to explore areas for improvement. Any additional items identified that this plan does not address will be considered and an updated mitigation plan will be submitted to WECC if necessary.

Authorization

An authorized individual must sign and date the signature page. By doing so, this individual, on behalf of your organization:

- \* Submits the Mitigation Plan, as presented, to the regional entity for acceptance and approval by NERC, and
- \* if applicable, certifies that the Mitigation Plan, as presented, was completed as specified.

Acknowledges:

1. I am qualified to sign this mitigation plan on behalf of my organization.
2. I have read and understand the obligations to comply with the mitigation plan requirements and ERO remedial action directives as well as ERO documents, including but not limited to, the NERC rules of procedure and the application NERC CMEP.
3. I have read and am familiar with the contents of the foregoing Mitigation Plan.

NorthWestern Corporation Agrees to be bound by, and comply with, this Mitigation Plan, including the timetable completion date, as accepted by the Regional Entity, NERC, and if required, the applicable governmental authority.

Authorized Individual Signature: \_\_\_\_\_  
(Electronic signature was received by the Regional Office via CDMS. For Electronic Signature Policy see CMEP.)

Authorized Individual

Name: Holly Mitchell

Title: NERC Compliance Specialist

Authorized On: June 12, 2019

Attachment D

NWC's Certification of Mitigation Plan Completion for FAC-003-4 R2  
submitted December 30, 2019



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## Certification of Mitigation Plan Completion

Submittal of a Certification of Mitigation Plan Completion shall include data or information sufficient for the Regional Entity to verify completion of the Mitigation Plan. The Regional Entity may request additional data or information and conduct follow-up assessments, on-site or other Spot Checking, or Compliance Audits as it deems necessary to verify that all required actions in the Mitigation Plan have been completed and the Registered Entity is in compliance with the subject Reliability Standard. (CMEP Section 6.6)

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Registered Entity Name: NorthWestern Corporation

NERC Registry ID: NCR05282

NERC Violation ID(s): WECC2018020264

Mitigated Standard Requirement(s): FAC-003-4 R2.

Scheduled Completion as per Accepted Mitigation Plan: December 31, 2019

Date Mitigation Plan completed: December 30, 2019

WECC Notified of Completion on Date: December 30, 2019

Entity Comment:

---

I certify that the Mitigation Plan for the above named violation(s) has been completed on the date shown above and that all submitted information is complete and correct to the best of my knowledge.

Name: Holly Mitchell

Title: Specialist - NERC Compliance

Email: holly.mitchell@northwestern.com

Phone: 1 (406) 497-3385

Authorized Signature \_\_\_\_\_ Date \_\_\_\_\_

(Electronic signature was received by the Regional Office via CDMS. For Electronic Signature Policy see CMEP.)

Attachment E

WECC's Verification of Mitigation Plan Completion for FAC-003-4 R2

dated April 9, 2020

From: noreply@oati.net

Sent:

To: belinda.tierney@northwestern.com;holly.mitchell@northwestern.com

Subject: WECC Notice - Completed Mitigation Plan Acceptance - FAC-003-4 R2. - NorthWestern Corporation

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NERC Registration ID: NCR05282

NERC Violation ID: WECC2018020264

Standard/Requirement: FAC-003-4 R2.

Subject: Completed Mitigation Plan Acceptance

WECC received the Certification of Mitigation Plan Completion submitted by NorthWestern Corporation on 12/30/2019 for the violation of FAC-003-4 R2.. After a thorough review, WECC has accepted the Certification of Mitigation Plan Completion.

webCDMS Login: <https://www.cdms.oati.com/CDMS/sys-login.wml>

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[OATI Information - Email Template: MitPlan\_Completed]

Attachment F

WECC's Compliance Investigation of NWC for FAC-003-4 R6

dated March 20, 2019

## Violation - Discovery Record

Registered Entity: NorthWestern Corporation

NERC Registry ID: NCR05282

NERC Violation ID: WECC2019021260

Discovery Method: Investigation

Date Submitted: March 22, 2019

Region Contact: Mailee Cook

Phone: 801-883-6866 Email: mcook@wecc.org

Standard: FAC-003-4 - Transmission Vegetation Management

Purpose: To maintain a reliable electric transmission system by using a defense-in-depth strategy to manage vegetation located on transmission rights of way (ROW) and minimize encroachments from vegetation located adjacent to the ROW, thus preventing the risk of those vegetation-related outages that could lead to Cascading.

Requirement: FAC-003-4 R6.

Each applicable Transmission Owner and applicable Generator Owner shall perform a Vegetation Inspection of 100% of its applicable transmission lines (measured in units of choice - circuit, pole line, line miles or kilometers, etc.) at least once per calendar year and with no more than 18 calendar months between inspections on the same ROW1

Violated Sub-Requirement(s):

Violated Function(s): Generator Owner (GO), Transmission Owner (TO)

Init Determ a Vltn:

Begin Date of Vltn: February 27, 2018

End Date:

Notified of Vltn on: March 20, 2019

Potential Impact to Preventative Controls: THE ENTITY currently relies solely on its aerial patrols as a vegetation inspection method to determine vegetation outside and within their ROWs which could potentially violate the MVCD. Because a number of ROWs are inspected during the late to early spring season, much of the vegetation is void of foliage which makes an aerial assessment more difficult and less accurate. This especially true when having to take in to account the sub-requirements of R3:

R3. Each applicable Transmission Owner and applicable Generator Owner shall have documented maintenance strategies or procedures or processes or specifications it uses to prevent the encroachment of vegetation into the MVCD of its applicable lines that accounts for the following:  
3.1 Movement of applicable line conductors under their Rating and all Rated Electrical Operating Conditions;  
3.2 Inter-relationships between vegetation growth rates, vegetation control methods, and inspection frequency.

Therefore, THE ENTITY should consider semi-annual aerial patrols rather than an annual patrol as well as ensuring that its vegetation inspectors are sufficiently trained to take into account vegetation risk

factors in R3.1 and 3.2.

Detective Controls: Currently, THE ENTITY only uses vegetation ground patrol as inspection method once such vegetation issue is identified by way of the aerial inspections. THE ENTITY calls such vegetation issues "Hot Spots." As detective control, THE ENTITY should use vegetation ground patrols, initiating these types of patrols in areas THE ENTITY considers its high-risk vegetation management ROWs.

Brief Vln Descr. & Cause: The entity failed to perform a systematic examination of vegetation conditions on a 230kV transmission line Right-of-way on 2/27/2018 as required by FAC-003-4 R6.

Alleged Violation:

Registered Entity Report/Response: On August 9, 2018 at 13:39 and again on August 10, 2018 at 12:07, vegetation located within the Billings Steam Plant - South Huntley Transmission line ROW mid-span between structures 005-037 and 005-038 encroached into the MVCD causing a high voltage flash-over resulting in a "Category 1B-Grow-in: Sustained Outage".

The NWC aerial assessment on 2/27/2018 on the Billings Steam Plant - South Huntley 230kV transmission line failed to account for the movement of applicable transmission line conductors under their Rating and all Rated Electrical Operating Conditions and the Inter-relationships between vegetation growth rates, vegetation control methods, and inspection frequency.

NWC failed to perform a systematic examination of vegetation conditions on the Billings Steam Plant - South Huntley 230kV transmission line Right-of-way on 2/27/2018.

Risk Factor: Medium

Severity Level: VSL - Lower

Factual Basis: Violation Risk Factor

Medium - Each applicable Transmission Owner and applicable Generator Owner shall perform a Vegetation Inspection of 100% of its applicable transmission lines (measured in units of choice - circuit, pole line, line miles or kilometers, etc.) at least once per calendar year and with no more than 18 calendar months between inspections on the same ROW.

Source Document: VRFStandardsApplicability Matrix from NERC website on 12/26/2018  
Violation Severity Level

Lower - The responsible entity failed to inspect 5% or less of its applicable lines measured in line miles.

Source Document: Violation Severity Levels (Table 1) from the NERC FAC-003-4 Transmission Vegetation Management Standard

Attachment G

NWC's Mitigation Plan designated as WECCMIT014637 for FAC-003-4 R6  
submitted July 2, 2019

## Mitigation Plan

### Mitigation Plan Summary

Registered Entity: NorthWestern Corporation

Mitigation Plan Code: WECCMIT014637

Mitigation Plan Version: 1

<u>NERC Violation ID</u>	<u>Requirement</u>	<u>Violation Validated On</u>
WECC2019021260	FAC-003-4 R6.	07/17/2019

Mitigation Plan Submitted On: July 02, 2019

Mitigation Plan Accepted On: October 03, 2019

Mitigation Plan Proposed Completion Date: December 31, 2019

Actual Completion Date of Mitigation Plan:

Mitigation Plan Certified Complete by NWC On:

Mitigation Plan Completion Verified by WECC On:

Mitigation Plan Completed? (Yes/No): No



## Compliance Notices

Section 6.2 of the NERC CMEP sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:

- (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section B.
  - (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
  - (3) The cause of the Alleged or Confirmed Violation(s).
  - (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
  - (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed violation(s).
  - (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
  - (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
  - (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined or recommended to the applicable governmental authorities for not completing work associated with accepted milestones.
  - (9) Any other information deemed necessary or appropriate.
  - (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self Certification or Self Reporting submittals.
  - (11) This submittal form may be used to provide a required Mitigation Plan for review and approval by regional entity(ies) and NERC.
- The Mitigation Plan shall be submitted to the regional entity(ies) and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
  - This Mitigation Plan form may be used to address one or more related alleged or confirmed violations of one Reliability Standard. A separate mitigation plan is required to address alleged or confirmed violations with respect to each additional Reliability Standard, as applicable.
  - If the Mitigation Plan is accepted by regional entity(ies) and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission or filed with the applicable governmental authorities for approval in Canada.
  - Regional Entity(ies) or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
  - Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.
  - The user has read and accepts the conditions set forth in these Compliance Notices.

Entity Information

Identify your organization:

Entity Name: NorthWestern Corporation

NERC Compliance Registry ID: NCR05282

Address: 3010 W 69th Street  
Sioux Falls SD 57108

Identify the individual in your organization who will serve as the Contact to the Regional Entity regarding this Mitigation Plan. This person shall be technically knowledgeable regarding this Mitigation Plan and authorized to respond to Regional Entity regarding this Mitigation Plan:

Name: Holly Mitchell

Title: Compliance Specialist

Email: holly.mitchell@northwestern.com

Phone: 406-497-3385

Violation(s)

This Mitigation Plan is associated with the following violation(s) of the reliability standard listed below:

Violation ID	Date of Violation	Requirement
Requirement Description		
WECC2019021260	10/01/2016	FAC-003-4 R6.
Each applicable Transmission Owner and applicable Generator Owner shall perform a Vegetation Inspection of 100% of its applicable transmission lines (measured in units of choice - circuit, pole line, line miles or kilometers, etc.) at least once per calendar year and with no more than 18 calendar months between inspections on the same ROW1		

Brief summary including the cause of the violation(s) and mechanism in which it was identified:

NWC failed to perform a systematic examination of vegetation conditions on the Billings Steam Plant - South Huntley 230kV transmission line Right-of-way between structures 005-037 and 005-038 during its annual vegetation inspection.

Relevant information regarding the identification of the violation(s):

The NWC aerial vegetation assessment on 2/27/2018 on the Billings Steam Plant - South Huntley 230kV transmission line between structures 005-037 and 005-038 failed to account for the movement of applicable transmission line conductors under their Rating, and all Rated Electrical Operating Conditions and the Inter-relationships between vegetation growth rates, vegetation control methods, and inspection frequency.

On August 9, 2018 at 13:39 and again on August 10, 2018 at 12:07, vegetation located within the ROW mid-span between structures 005-037 and 005-038 encroached into the MVCD causing a high voltage flash-over resulting in a "Category 1B-Grow-in: Sustained Outage".

## Plan Details

Identify and describe the action plan, including specific tasks and actions that your organization is proposing to undertake, or which it undertook if this Mitigation Plan has been completed, to correct the violation(s) identified above in Section C.1 of this form:

NWC took immediate action to identify and mitigate the outage caused by the vegetation encroachment by removing the associated trees and clearing the area. In addition, NWC conducted an aerial assessment of all line segments applicable to FAC-003-4 to ensure that there were no other immediate issues.

In an effort to prevent the potential for future violations NWC has identified the following areas where NWC will work to enhance our Vegetation Management program.

Transmission Vegetation Management Program (TVMP) - Over the next several months NWC will work to develop a more comprehensive TVMP that will more clearly define NWC's proactive vegetation management strategy to prevent vegetation encroachments inside the flash-over clearance. The enhancements to the TVMP will consider the following:

- Statement addressing the intent of the program
- Purpose and Objective(s)
- Scope
- Regulatory References and Compliance Requirements
- Definitions of common terms used within the plan
- Program Elements
- Program Implementation
- Program Responsibilities
- Quality Control Measures
- Program Evaluation
- Documentation Requirements

Improve Vegetation Management Assessment Process - NWC will implement improvements to our processes and procedures related to our vegetation management assessments.

Assessments - NWC will be implementing a new process which will allow for two aerial assessments to be conducted each year. The first assessment will start in early spring and the second assessment will be conducted mid-summer. In addition, NWC will be defining the process and implementing a schedule for ground assessments at water crossings. The water crossings will be prioritized and the ground assessments will be scheduled based on the priority level of the crossing.

Training - The individuals responsible for conducting vegetation assessments will participate in training to enhance their skills and understanding of the movement of conductors during various system conditions.

Technology Enhancements - NWC will continue to work towards full implementation of our new mapping and data collection software and the associated procedures to enhance our data collection consistency, assessment results, and response time to potential vegetation issues.

Executive Management Review - NWC will implement a formal review process of the annual vegetation management work plan. The review meetings will include the Vice President - Transmission, Director - Asset Management, Manager - Electric System Integrity, and individuals that are directly responsible for the NWC Transmission Vegetation Management Program. The program review meetings will be scheduled periodically throughout the year.

- o Before annual assessments are started to review the proposed work plan.
- o After annual assessments have been completed to review the assessment results and corrective action plans.
- o Before year end to ensure work has been completed and that a timeline has been established to complete any outstanding work that may carry over into the next year.

Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the violations associated with this Mitigation Plan are corrected:

Proposed Completion date of Mitigation Plan: December 31, 2019

Milestone Activities, with completion dates, that your organization is proposing for this Mitigation Plan:

Milestone Activity	Description	*Proposed Completion Date (Shall not be greater than 3 months apart)	Actual Completion Date	Entity Comment on Milestone Completion	Extension Request Pending
Vegetation Management Assessment Process	<p>Executive Management Review - NWC will implement a formal review process of the annual vegetation management work plan. The review meetings will include the Vice President - Transmission, Director - Asset Management, Manager - Electric System Integrity, and individuals that are directly responsible for the NWC Transmission Vegetation Management Program. The program review meetings will be scheduled periodically throughout the year.</p> <ul style="list-style-type: none"> <li>o Before annual assessments are started to review the proposed work plan.</li> <li>o After annual assessments have been completed to review the assessment results</li> </ul>	03/31/2019	02/20/2019	Q1 2019 - Implementation of a formal review process of the Vegetation Management Program at various stages throughout the year.	No

Milestone Activity	Description	*Proposed Completion Date (Shall not be greater than 3 months apart)	Actual Completion Date	Entity Comment on Milestone Completion	Extension Request Pending
	<p>and corrective action plans.</p> <ul style="list-style-type: none"> <li>o Before year end to ensure work has been completed and that a timeline has been established to complete any outstanding work that may carry over into the next year.</li> </ul>				
Vegetation Management Assessment Process	Technology Enhancements NWC will continue to work towards full implementation of our new mapping and data collection software and the associated procedures to enhance our data collection consistency, assessment results, and response time to potential vegetation issues.	03/31/2019	03/22/2019	Q1 2019 - Implementation of new mapping and data collection software.	No
Vegetation Management Assessment Process	Training - The individuals responsible for conducting vegetation assessments will participate in training to enhance their skills and understanding of the movement of conductors during various system conditions.	06/30/2019	02/27/2019	Q2 2019 - Training for Vegetation Management team to be completed.	No
Vegetation Management Assessment Process	Assessments - NWC will be implementing a new process which	09/30/2019		Q3 2019 - Implementation of two aerial assessments. Q3 2019 - Implementation	No

Milestone Activity	Description	*Proposed Completion Date (Shall not be greater than 3 months apart)	Actual Completion Date	Entity Comment on Milestone Completion	Extension Request Pending
	<p>will allow for two aerial assessments to be conducted each year. The first assessment will start in early spring and the second assessment will be conducted mid-summer. In addition, NWC will be defining the process and implementing a schedule for ground assessments at water crossings. The water crossings will be prioritized and the ground assessments will be scheduled based on the priority level of the crossing.</p>			<p>of a schedule to conduct ground assessments at water crossings based on the priority level of the crossing. Q3 2019 - Implementation of a schedule to conduct ground assessments at the remainder of the water crossings.</p>	
<p>Improvements to Transmission Vegetation Management Program Document</p>	<p>Transmission Vegetation Management Program (TVMP) - Over the next several months NWC will work to develop a more comprehensive TVMP that will more clearly define NWC's proactive vegetation management strategy to prevent vegetation encroachments inside the flash-over clearance. The enhancements to the TVMP will consider the following:</p> <ul style="list-style-type: none"> <li>• Statement addressing the intent of the program</li> <li>• Purpose and Objective(s)</li> </ul>	<p>12/31/2019</p>		<p>Q2 2019 - 1st Draft of TVMP to be completed Q4 2019 - Final Document to be published</p>	<p>No</p>

Milestone Activity	Description	*Proposed Completion Date (Shall not be greater than 3 months apart)	Actual Completion Date	Entity Comment on Milestone Completion	Extension Request Pending
	<ul style="list-style-type: none"> <li>• Scope</li> <li>• Regulatory</li> </ul> References and Compliance Requirements <ul style="list-style-type: none"> <li>• Definitions of common terms used within the plan</li> <li>• Program Elements</li> <li>• Program Implementation</li> <li>• Program Responsibilities</li> <li>• Quality Control Measures</li> <li>• Program Evaluation</li> <li>• Documentation Requirements</li> </ul>				

Additional Relevant Information



## Reliability Risk

### Reliability Risk

While the Mitigation Plan is being implemented, the reliability of the bulk Power System may remain at higher Risk or be otherwise negatively impacted until the plan is successfully completed. To the extent they are known or anticipated : (i) Identify any such risks or impacts, and; (ii) discuss any actions planned or proposed to address these risks or impacts.

NWC does not anticipate that there will be any Risk to the Bulk Power System as we work on the mitigation plan described above. This mitigation plan has been designed to enhance our existing program and is intended to reduce any Risk to the Bulk Power System.

### Prevention

Describe how successful completion of this plan will prevent or minimize the probability further violations of the same or similar reliability standards requirements will occur

This mitigation plan has been designed to enhance our existing program. The successful implementation of this plan will result in a more comprehensive approach to NWC's Vegetation Management Program. In addition, upon completion of this mitigation plan NWC will have the necessary components to achieve the defense-in-depth strategy identified as the purpose of this standard.

Describe any action that may be taken or planned beyond that listed in the mitigation plan, to prevent or minimize the probability of incurring further violations of the same or similar standards requirements

NWC has not identified any additional actions that may be taken beyond the items that have been identified in this mitigation plan. However, as we work to enhance our Vegetation Management Program we will continue to explore areas for improvement. Any additional items identified that this plan does not address will be considered and an updated mitigation plan will be submitted to WECC if necessary.

Authorization

An authorized individual must sign and date the signature page. By doing so, this individual, on behalf of your organization:

- \* Submits the Mitigation Plan, as presented, to the regional entity for acceptance and approval by NERC, and
- \* if applicable, certifies that the Mitigation Plan, as presented, was completed as specified.

Acknowledges:

1. I am qualified to sign this mitigation plan on behalf of my organization.
2. I have read and understand the obligations to comply with the mitigation plan requirements and ERO remedial action directives as well as ERO documents, including but not limited to, the NERC rules of procedure and the application NERC CMEP.
3. I have read and am familiar with the contents of the foregoing Mitigation Plan.

NorthWestern Corporation Agrees to be bound by, and comply with, this Mitigation Plan, including the timetable completion date, as accepted by the Regional Entity, NERC, and if required, the applicable governmental authority.

Authorized Individual Signature: \_\_\_\_\_

(Electronic signature was received by the Regional Office via CDMS. For Electronic Signature Policy see CMEP.)

Authorized Individual

Name: Holly Mitchell

Title: Compliance Specialist

Authorized On: July 02, 2019

Attachment H

NWC's Certification of Mitigation Plan Completion for FAC-003-4 R6  
submitted December 30, 2019

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## Certification of Mitigation Plan Completion

Submittal of a Certification of Mitigation Plan Completion shall include data or information sufficient for the Regional Entity to verify completion of the Mitigation Plan. The Regional Entity may request additional data or information and conduct follow-up assessments, on-site or other Spot Checking, or Compliance Audits as it deems necessary to verify that all required actions in the Mitigation Plan have been completed and the Registered Entity is in compliance with the subject Reliability Standard. (CMEP Section 6.6)

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Registered Entity Name: NorthWestern Corporation

NERC Registry ID: NCR05282

NERC Violation ID(s): WECC2019021260

Mitigated Standard Requirement(s): FAC-003-4 R6.

Scheduled Completion as per Accepted Mitigation Plan: December 31, 2019

Date Mitigation Plan completed: December 30, 2019

WECC Notified of Completion on Date: December 30, 2019

Entity Comment:

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I certify that the Mitigation Plan for the above named violation(s) has been completed on the date shown above and that all submitted information is complete and correct to the best of my knowledge.

Name: Holly Mitchell

Title: Compliance Specialist

Email: holly.mitchell@northwestern.com

Phone: 1 (406) 497-3385

Authorized Signature \_\_\_\_\_ Date \_\_\_\_\_

(Electronic signature was received by the Regional Office via CDMS. For Electronic Signature Policy see CMEP.)

Attachment I

WECC's Verification of Mitigation Plan Completion for FAC-003-4 R6

dated April 9, 2020

From: noreply@oati.net  
Sent:  
To: belinda.tierney@northwestern.com;holly.mitchell@northwestern.com  
Subject: WECC Notice - Completed Mitigation Plan Acceptance - FAC-003-4 R6. - NorthWestern Corporation

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NERC Registration ID: NCR05282  
NERC Violation ID: WECC2019021260  
Standard/Requirement: FAC-003-4 R6.  
Subject: Completed Mitigation Plan Acceptance

WECC received the Certification of Mitigation Plan Completion submitted by NorthWestern Corporation on 12/30/2019 for the violation of FAC-003-4 R6.. After a thorough review, WECC has accepted the Certification of Mitigation Plan Completion.

webCDMS Login: <https://www.cdms.oati.com/CDMS/sys-login.wml>

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