



NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

November 30, 2010

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

**Re: NERC Abbreviated Notice of Penalty regarding Puget Sound Energy, Inc.,  
FERC Docket No. NP11-\_\_-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Abbreviated Notice of Penalty (NOP) regarding Puget Sound Energy, Inc. (PSE),<sup>1</sup> with information and details regarding the nature and resolution of the violation<sup>2</sup> discussed in detail in the Disposition Documents attached hereto (Attachment a), in accordance with the Federal Energy Regulatory Commission's (Commission or FERC) rules, regulations and orders, as well as NERC Rules of Procedure including Appendix 4C (NERC Compliance Monitoring and Enforcement Program (CMEP)).<sup>3</sup>

This NOP is being filed with the Commission because PSE does not dispute the violations of BAL-005-0 Requirement (R) 12 and PRC-STD-005-1 WR1 and the assessed zero dollar (\$0) penalty. Accordingly, the violations identified as NERC Violation Tracking Identification Numbers WECC200700465 and WECC200800771 are Confirmed Violations, as that term is defined in the NERC Rules of Procedure and the CMEP.

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<sup>1</sup> On February 1, 2010, NERC filed a Notice of Penalty designated as NOC-221 and issued FERC Docket No. NP10-37-000 regarding a separate Settlement Agreement between WECC and PSE for PSE's violations of FAC-003-1 R1.3 and EOP-001-0 R6. On March 3, 2010, FERC issued an order stating it would not engage in further review of the Notice of Penalty. WECC determined that the prior violations should not serve as a basis for aggravating the penalty because they involved unrelated standards and their associated mitigation plans would not have resolved or prevented the instant violations. Moreover, there was nothing in the record to suggest that broader corporate issues were implicated.

<sup>2</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.

<sup>3</sup> *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards* (Order No. 672), III FERC Stats. & Regs. ¶ 31,204 (2006); *Notice of New Docket Prefix "NP" for Notices of Penalty Filed by the North American Electric Reliability Corporation*, Docket No. RM05-30-000 (February 7, 2008). See also 18 C.F.R. Part 39 (2010). *Mandatory Reliability Standards for the Bulk-Power System*, FERC Stats. & Regs. ¶ 31,242 (2007) (Order No. 693), *reh'g denied*, 120 FERC ¶ 61,053 (2007) (Order No. 693-A). See 18 C.F.R. § 39.7(c)(2).

### Statement of Findings Underlying the Violations

This NOP incorporates the findings and justifications set forth in the Notice of Confirmed Violation and Proposed Penalty or Sanction (NOCV) issued on May 21, 2010, by Western Electricity Coordinating Council (WECC). The details of the findings and the basis for the penalty are set forth in the Disposition Documents. This NOP filing contains the basis for approval of this NOP by the NERC Board of Trustees Compliance Committee (BOTCC). In accordance with Section 39.7 of the Commission's Regulations, 18 C.F.R. § 39.7, NERC provides the following summary table identifying each violation of a Reliability Standard at issue in this NOP.

NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Duration	Total Penalty (\$)
NOC-561	WECC200700465	BAL-005-0	12/12.1	Medium <sup>4</sup>	6/18/07-5/21/08	0
	WECC200800771	PRC-STD-005-1	WR1	N/A	1/23/08-3/4/08	Letter

The text of the Reliability Standards at issue and further information on the subject violations are set forth in the Disposition Documents.

#### BAL-005-0 R12/12.1 - OVERVIEW

PSE discovered this violation on November 5, 2007 and self-reported it to WECC on November 9, 2007. WECC determined that PSE, as a Balancing Authority, did not ensure Tie Line MW metering is telemetered to both control centers, and emanates from a common, agreed-upon source using common primary metering equipment.

#### PRC-STD-005-1 WR1 - OVERVIEW

PSE discovered this violation on April 3, 2008 and self-reported it to WECC on April 14, 2008. WECC determined that PSE, as a Transmission Operator and Transmission Owner, did not perform monthly inspections at its Cascade Substation as required by its Transmission Maintenance and Inspection Plan (TMIP).

### 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 NOCV and supporting documentation on November 2,

<sup>4</sup> BAL-005-0 R12, R12.2 and R12.3 each have a "Medium" Violation Risk Factor (VRF) and R12.1 has a "Lower" VRF.

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

<sup>6</sup> *North American Electric Reliability Corporation*, "Guidance Order on Reliability Notices of Penalty," 124 FERC ¶ 61,015 (2008); *North American Electric Reliability Corporation*, "Further Guidance Order on Reliability Notices of Penalty," 129 FERC ¶ 61,069 (2009); *North American Electric Reliability Corporation*, "Notice of No Further Review and Guidance Order," 132 FERC ¶ 61,182 (2010).

2010. The NERC BOTCC approved the NOCV and the assessment of a zero dollar (\$0) financial penalty against PSE based upon WECC's findings and determinations, the NERC BOTCC's review of 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 following factors:<sup>7</sup>

1. the violations constituted PSE's first occurrence of violations of the subject NERC Reliability Standards;
2. PSE self-reported the violations;
3. WECC reported that PSE was cooperative throughout the compliance enforcement process;
4. there was no evidence of any attempt to conceal a violation nor evidence of intent to do so;
5. WECC determined that the violations did not pose a serious or substantial risk to the reliability of the bulk power system (BPS), as discussed in the Disposition Documents;
6. for the violation of BAL-005-0 R12, WECC also considered that this violation occurred during the initial discretionary transition period prior to December 31, 2007;
7. for the violation of PRC-STD-005-1 WR1, WECC considered that the monthly data inspections were missed due to extenuating circumstances, specifically that the substation could not be entered due to closed interstate highways and snow levels; as provided for in § 4.3.8 of the NERC Sanction Guidelines; and
8. WECC reported that there were no other mitigating or aggravating factors or extenuating circumstances that would affect the assessed penalty.

For the foregoing reasons, the NERC BOTCC believes that the assessed penalty of zero dollars (\$0) 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 NOP with the Commission, or, if the Commission decides to review the penalty, upon final determination by the Commission.

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<sup>7</sup> WECC reviewed PSE's internal compliance program, but did not consider it a factor in determining the penalty.

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

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

- a) Response to the Notice of Alleged Violation and Proposed Penalty or Sanction dated January 16, 2009, included as Attachment a;
- b) Disposition Document for Common Information, included as Attachment b;
  - i. Disposition Document for BAL-005-0 R12/12.1;
  - ii. Disposition Document for PRC-STD-005-1 WR1;
- c) Record Documents for BAL-005-0 R12/12.1:
  - i. PSE's Self-Report dated November 9, 2007, included as Attachment c-1;
  - ii. PSE's Mitigation Plan MIT-07-0575 submitted November 21, 2007, included as Attachment c-2;
  - iii. PSE's Revised Mitigation Plan MIT-07-0575 dated February 22, 2008, included as Attachment c-3;
  - iv. PSE's Certification of Mitigation Plan Completion dated May 27, 2008, included as Attachment c-4; and
  - v. WECC's Verification of Mitigation Plan Completion dated August 22, 2008, included as Attachment c-5.<sup>8</sup>
- d) Record Documents for PRC-STD-005-1 WR1:
  - i. PSE's Self-Report dated April 14, 2008, included as Attachment d-1;
  - ii. PSE's Mitigation Plan MIT-08-0837 submitted April 24, 2008, included as Attachment d-2;
  - iii. PSE's Certification of Mitigation Plan Completion dated November 21, 2008, included as Attachment d-3; and
  - iv. WECC's Verification of Mitigation Plan Completion dated December 2, 2008, included as Attachment d-4.

### **A Form of Notice Suitable for Publication<sup>9</sup>**

A copy of a notice suitable for publication is included in Attachment e.

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<sup>8</sup> The Verification of Mitigation Plan Completion document for BAL-005-0 R12 addresses other Standards and Requirements not at issue in this Notice of Penalty. The violation of COM-001-1 R2 was a pre-June 18, 2007 violation that was dismissed by WECC on November 6, 2009 because WECC determined that PSE had tested the subject cell phone in accordance with the subject Standard's requirement. The other Standards and Requirements listed in the Verification of Mitigation Plan Completion are pre-June 18, 2007 violations that were mitigated in accordance with the accepted Mitigation Plans.

<sup>9</sup> See 18 C.F.R. § 39.7(d)(6).

## Notices and Communications

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

<p>Gerald W. Cauley President and Chief Executive Officer David N. Cook* Sr. Vice President and General Counsel North American Electric Reliability Corporation 116-390 Village Boulevard Princeton, NJ 08540-5721 (609) 452-8060 (609) 452-9550 – facsimile david.cook@nerc.net</p> <p>Christopher Luras* Manager of Compliance Enforcement Western Electricity Coordinating Council 155 North 400 West, Suite 200 Salt Lake City, UT 84103 (801) 883-6887 (801) 883-6894 – facsimile CLuras@wecc.biz</p> <p>Catherine Koch* Manager, Compliance and Regulatory Audits Puget Sound Energy, Inc. 335 110<sup>th</sup> Avenue NE Bellevue, WA 98004 (425) 462-3877 (425) 462-3770 – facsimile cathy.koch@pse.com</p> <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>Rebecca J. Michael* Assistant General Counsel North American Electric Reliability Corporation 1120 G Street, N.W. Suite 990 Washington, DC 20005-3801 (202) 393-3998 (202) 393-3955 – facsimile rebecca.michael@nerc.net</p> <p>Louise McCarren* Chief Executive Officer Western Electricity Coordinating Council 155 North 400 West, Suite 200 Salt Lake City, UT 84103 (801) 883-6868 (801) 582-3918 – facsimile Louise@wecc.biz</p> <p>Constance White* Vice President of Compliance Western Electricity Coordinating Council 155 North 400 West, Suite 200 Salt Lake City, UT 84103 (801) 883-6885 (801) 883-6894 – facsimile CWhite@wecc.biz</p> <p>Sandy Mooy* Senior Legal Counsel Western Electricity Coordinating Council 155 North 400 West, Suite 200 Salt Lake City, UT 84103 (801) 819-7658 (801) 883-6894 – facsimile Smooy@wecc.biz</p>
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**Conclusion**

Accordingly, NERC respectfully requests that the Commission accept this NOP as compliant with its rules, regulations and orders.

Respectfully submitted,

Gerald W. Cauley  
President and Chief Executive Officer  
David N. Cook  
Sr. Vice President and General Counsel  
North American Electric Reliability Corporation  
116-390 Village Boulevard  
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(609) 452-8060  
(609) 452-9550 – facsimile  
david.cook@nerc.net

/s/ Rebecca J. Michael  
Rebecca J. Michael  
Assistant General Counsel  
North American Electric Reliability  
Corporation  
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(202) 393-3955 – facsimile  
rebecca.michael@nerc.net

cc: Puget Sound Energy, Inc.  
Western Electricity Coordinating Council

Attachments

## **Attachment a**

# **Response to the Notice of Alleged Violation and Proposed Penalty or Sanction dated January 16, 2009**



Puget Sound Energy, Inc.  
P.O. Box 90868  
Bellevue, WA 98009-0868

January 16, 2009

Mr. Mark W. Maher  
Chief Operating Officer  
Western Electricity Coordinating Council  
615 Arapeen Drive, Suite 210  
Salt Lake City, Utah 84108

**NERC Violation Tracking Identification Numbers:**

WECC200700465, WECC200800771

**WECC Violation Tracking Identification Numbers:**

PSE\_WECC2007473, PSE\_WECC2008810

Dear Mr. Maher:

Puget Sound Energy, Inc (PSE) hereby responds to the Notice of Alleged Violation (NOAV) dated December 29, 2008 regarding the self reported violations of BAL-005-0 R12 and PRC-STD-005-1 WR1. Per Section 5.2 of the WECC CMEP, PSE does not contest the Alleged Violations nor the proposed penalty or sanction. However, PSE does desire to raise some points with respect to how some of the potential penalties were calculated, and submits this response to set forth its position in that regard.

**A. DOCUMENTATION ASSOCIATED WITH NOAV**

The NOAV indicates that an Appendix B – Penalty Summary Worksheet is attached. It was not. In a telephone conversation, a WECC representative stated that because the penalties were \$0, no penalty summary worksheet was provided. However, because in the NOAV WECC set forth a discussion of a possible penalty of \$4,100 per day for the BAL-005 violation, and claimed to calculate a number of days that the violation was in place, those calculations should be supported with a summary of how the penalty and days are calculated. In the absence of any explanation of the potential penalty calculation or justification, PSE cannot challenge or accept the figures or the proposed methodology.

**B. PROPOSED PENALTY REGARDING BAL-005-1 R12**

PSE respectfully raises concerns with the calculation of the proposed penalty associated with BAL-005-0. PSE's self reported violation on November 9, 2007 and mitigation plan submitted on November 21, 2007 states, in part:



*“PSE and BPA are not using meter values from a common primary metering source for BPA Covington – White River #1 and #2 230 kV lines (totalized from two meters) and BPA Snohomish- Beverly Park #3 and #4 115 kV lines (totalized from two meters).”*

The mitigation plan completion submitted on May 27, 2008 indicated that these two violations were corrected (metering installation/repairs performed) on February 26, 2008. Further the mitigation plan indicated:

*“PSE’s use of alternate metering (at point of Interties on BPA Snohomish – Beverly Park #3 and #4 115 kV lines provides the same calculated value as the metering used by BPA (as the other end of the line) because the BPA metering has loss compensation. PSE’s use of alternate metering (on BPA Covington-White River #1 and #2 230 kV lines) results in a maximum difference of less than 0.3% of tie line’s peak load. The maximum instantaneous calculated difference (due to line losses) between the 2 metering locations for the past 12 months is 0.65 MW.”*

#### **1. Application of a per day penalty**

Since the violation did not impact the BPS, PSE believes a per day penalty calculation would not be warranted. Per Section 3.20 of the NERC Sanction Guidelines the penalty imposed should bear a reasonable relating to the seriousness of the violation.

***In the United States, the Federal Power Act allows for the imposition of civil penalties of up to \$1,000,000 per day per violation.*** NERC and the regional entities draw their authority to levy penalties from the Federal Power Act; accordingly this figure is and can be understood as the maximum monetary penalty that NERC or regional entities are authorized to levy. However, as this legislation also requires that “[a]ny penalty imposed ... shall: (A) bear a reasonable relation to the seriousness of the violation; and (B) take into consideration the efforts of the user, owner, or operator to remedy the violation in a timely manners” ***entities required to comply with the reliability standards must also understand that NERC and the regional entities will be obligated to assess penalties amounts up to and including the maximum amount for violations where warranted pursuant to these guidelines.***

As noted above, the potential application of a \$4100 per day penalty in this instance is not supported by the facts or any backup information. As such, PSE cannot be deemed to have agreed to the undisclosed penalty calculation methodology. Moreover, the potential penalty of \$4100 per day would not bear a reasonable relation to the seriousness of the violation or PSE’s efforts to remedy the violation in a timely manner.

#### **2. Calculation of penalty for entire length of mitigation plan**

The potential penalty appears to be calculated on a per day basis from the day the self report was submitted to the day the entire mitigation plan was completed (November 9, 2007 to May 27, 2008 is 201 days)—but as noted above, the calculation of dates was not explained in the NOAV. If a per day penalty is appropriate, PSE submits the calculation

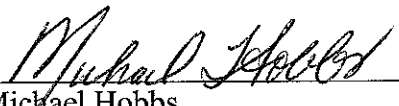
should only span from the day the self report was submitted to the day the 2 violations were corrected (November 9, 2007 to February 26, 2008), a total of 110 days.

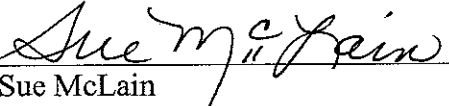
The confusion in the dates to complete the mitigation plan may arise from the manner in which PSE filled out the applicable Mitigation Plan Form. In effort to ensure that these violations were not to re-occur and to ensure no other violations existed, PSE performed extensive validation with all other interconnected entities. Activities associated with this extra work, described as milestones 3, 4, and 5 of this mitigation plan, took until May 27, 2008 to complete. PSE should have described this activity under section E.3 of the Mitigation Plan Form, and that would have removed the penalty aspect. Any further violations discovered (there were none) thus should have been self reported individually to accurately reflect the period of non-compliance

### C. CONCLUSION

PSE appreciates the sanction determination WECC proposes for these two violations, and thus does not contest them. PSE takes these and all violations seriously and takes great effort to ensure they are mitigated to minimize or prevent violations from recurring.

Respectfully,  
PUGET SOUND ENERGY, INC.

  
\_\_\_\_\_  
Michael Hobbs  
Director of Compliance and Safety  
Puget Sound Energy East  
355-110th Ave NE  
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425.456.2702  
Michael.hobbs@pse.com

  
\_\_\_\_\_  
Sue McLain  
Senior Vice President – Operations (PSE Authorized Officer)  
Puget Sound Energy  
10885 N.E. 4th Street  
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425.462.3696  
[Sue.mclain@pse.com](mailto:Sue.mclain@pse.com)

Cc: Cathy Koch  
Rob Neate  
Todd House  
Rudy Wolf  
Jennifer Tada

## **Attachment b**

# **Disposition Document for Common Information**

**DISPOSITION OF VIOLATION<sup>1</sup>**  
**INFORMATION COMMON TO INSTANT VIOLATIONS**  
**Dated November 2, 2010**

REGISTERED ENTITY                      NERC REGISTRY ID                      NOC#  
**Puget Sound Energy, Inc. (PSE)**      **NCR05344**                      **NOC-561**

REGIONAL ENTITY  
**Western Electricity Coordinating Council (WECC)**

**I.      REGISTRATION INFORMATION**

ENTITY IS REGISTERED FOR THE FOLLOWING FUNCTIONS:

BA	DP	GO	GOP	IA	LSE	PA	PSE	RC	RP	RSG	TO	TOP	TP	TSP
X	X	X	X		X	X	X		X		X	X	X	X
<b>6/17/07</b>	<b>6/17/07</b>	<b>6/17/07</b>	<b>6/17/07</b>		<b>6/17/07</b>	<b>6/17/07</b>	<b>6/17/07</b>		<b>6/17/07</b>		<b>6/17/07</b>	<b>6/17/07</b>	<b>6/17/07</b>	<b>6/17/07</b>

DESCRIPTION OF THE REGISTERED ENTITY

**PSE, a regulated utility that provides electric and natural gas service to the Puget Sound region of western Washington State, is a core business of Puget Energy, a subsidiary of Puget Holdings LLC. PSE has a 6,000 square mile service area stretching across 11 Washington counties and serves more than 1 million electric customers and nearly 750,000 natural gas customers.**

**PSE maintains a diversified mix of resources with 41% of its electricity generated through hydroelectric sources, 36% through coal, 20% through natural gas, 1% through nuclear, and 2% through other sources like biomass, landfill gas, petroleum, waste and wind. Approximately one-third of the electricity PSE customers use come from the utility's own power plants. Together, these plants have more than 2,900 MW of power-generating capacity. PSE purchases the rest of its power supply, mostly under long-term contracts, from a variety of other utilities, independent power producers, and energy marketers across the western United States and Canada.**

IS THERE A SETTLEMENT AGREEMENT      YES          NO   

<sup>1</sup> For purposes of this document and attachments hereto, each violation at issue is described as a "violation," regardless of its procedural posture and whether it was a possible, alleged or confirmed violation.

WITH RESPECT TO THE VIOLATION(S), REGISTERED ENTITY

NEITHER ADMITS NOR DENIES IT (SETTLEMENT ONLY) YES

ADMITS TO IT YES

DOES NOT CONTEST IT (INCLUDING WITHIN 30 DAYS) YES

WITH RESPECT TO THE ASSESSED PENALTY OR SANCTION, REGISTERED ENTITY

ACCEPTS IT/ DOES NOT CONTEST IT YES

**II. PENALTY INFORMATION**

TOTAL ASSESSED PENALTY OR SANCTION OF \$0 FOR TWO VIOLATIONS OF A RELIABILITY STANDARD

**PSE was assessed a non-monetary penalty, pursuant to WECC’s Penalty Table associated with PRC-STD-005-1, of a “Letter to PSE’s CEO Informing PSE of its non-compliance with copies to NERC, WECC Member Representative and the WECC Operating Committee Representative” for the violation of PRC-STD-005-1.**

(1) REGISTERED ENTITY’S COMPLIANCE HISTORY

PREVIOUSLY FILED VIOLATIONS OF ANY OF THE INSTANT RELIABILITY STANDARD(S) OR REQUIREMENT(S) THEREUNDER  
 YES  NO

LIST VIOLATIONS AND STATUS

ADDITIONAL COMMENTS

PREVIOUSLY FILED VIOLATIONS OF OTHER RELIABILITY STANDARD(S) OR REQUIREMENTS THEREUNDER<sup>2</sup>  
 YES  NO

LIST VIOLATIONS AND STATUS

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<sup>2</sup> WECC determined that the prior violations should not serve as a basis for aggravating the penalty because they involved unrelated standards and their associated mitigation plans would not have resolved or prevented the instant violations. Moreover, there was nothing in the record to suggest that broader corporate issues were implicated.

**On February 1, 2010, NERC issued FERC Docket No. NP10-37-000 regarding a separate Settlement Agreement between WECC and PSE for PSE's violations of FAC-003-1 R1.3 and EOP-001-0 R6. On March 3, 2010, FERC issued an order stating it would not engage in further review of the Notice of Penalty.**

ADDITIONAL COMMENTS

(2) THE DEGREE AND QUALITY OF COOPERATION BY THE REGISTERED ENTITY (IF THE RESPONSE TO FULL COOPERATION IS "NO," THE ABBREVIATED NOP FORM MAY NOT BE USED.)

FULL COOPERATION      YES       NO   
IF NO, EXPLAIN

(3) THE PRESENCE AND QUALITY OF THE REGISTERED ENTITY'S COMPLIANCE PROGRAM

IS THERE A DOCUMENTED COMPLIANCE PROGRAM  
YES       NO       UNDETERMINED   
EXPLAIN

**WECC reviewed PSE's internal compliance program on November 14, 2007, but did not consider it a factor in determining the penalty. WECC found that PSE had allocated sufficient resources to its documented internal compliance program (ICP) and that the ICP had oversight staff. The ICP oversight staff is supervised at a high level in the organization and has independent access to the CEO and/or board of directors. The ICP has the support and participation of senior management. The ICP is operated such that it is independent of staff responsible for compliance with Reliability Standards. WECC also determined that PSE's ICP has internal controls, including self-assessment and self-enforcement to prevent reoccurrence of Reliability Standard violations.**

**WECC determined that PSE used an internal compliance program independent from its parent company. WECC assessed this penalty using the criterion set forth in the Sanction Table associated with this Standard.**

EXPLAIN SENIOR MANAGEMENT'S ROLE AND INVOLVEMENT WITH RESPECT TO THE REGISTERED ENTITY'S COMPLIANCE PROGRAM, INCLUDING WHETHER SENIOR MANAGEMENT TAKES ACTIONS THAT SUPPORT THE COMPLIANCE PROGRAM, SUCH AS TRAINING, COMPLIANCE AS A FACTOR IN EMPLOYEE EVALUATIONS, OR OTHERWISE.

**See above.**

(4) ANY ATTEMPT BY THE REGISTERED ENTITY TO CONCEAL THE VIOLATION(S) OR INFORMATION NEEDED TO REVIEW, EVALUATE OR INVESTIGATE THE VIOLATION.

YES  NO   
IF YES, EXPLAIN

(5) ANY EVIDENCE THE VIOLATION(S) WERE INTENTIONAL (IF THE RESPONSE IS "YES," THE ABBREVIATED NOP FORM MAY NOT BE USED.)

YES  NO   
IF YES, EXPLAIN

(6) ANY OTHER MITIGATING FACTORS FOR CONSIDERATION

YES  NO   
IF YES, EXPLAIN

**For the violation of BAL-005-0 R12, WECC also considered that this violation occurred during the initial discretionary transition period prior to December 31, 2007.**

**WECC considered that the monthly data inspections were missed due extenuating circumstances, specifically that the substation could not be entered due to closed interstate highways and snow levels; as provided for in § 4.3.8 of the NERC Sanction Guidelines.**

(7) ANY OTHER AGGRAVATING FACTORS FOR CONSIDERATION

YES  NO   
IF YES, EXPLAIN

(8) ANY OTHER EXTENUATING CIRCUMSTANCES

YES  NO   
IF YES, EXPLAIN



OTHER RELEVANT INFORMATION:

NOTICE OF ALLEGED VIOLATION AND PROPOSED PENALTY OR  
SANCTION ISSUED

DATE: 12/29/08 OR N/A

SETTLEMENT DISCUSSIONS COMMENCED

DATE: OR N/A

NOTICE OF CONFIRMED VIOLATION ISSUED

DATE: 5/21/10 OR N/A

SUPPLEMENTAL RECORD INFORMATION

DATE(S) OR N/A

REGISTERED ENTITY RESPONSE CONTESTED

FINDINGS  PENALTY  BOTH  NO CONTEST

HEARING REQUESTED

YES  NO

DATE

OUTCOME

APPEAL REQUESTED

## **Disposition Document for BAL-005-0 R12/12.1**

**DISPOSITION OF VIOLATION**  
**Dated November 2, 2010**

NERC TRACKING NO. **WECC200700465** REGIONAL ENTITY TRACKING NO. **PSE\_WECC2007473**

**I. VIOLATION INFORMATION**

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
<b>BAL-005-0</b>	<b>12</b>	<b>12.1</b>	<b>Medium<sup>1</sup></b>	<b>N/A<sup>2</sup></b>

VIOLATION APPLIES TO THE FOLLOWING FUNCTIONS:

BA	DP	GO	GOP	IA	LSE	PA	PSE	RC	RP	RSG	TO	TOP	TP	TSP
X														

PURPOSE OF THE RELIABILITY STANDARD AND TEXT OF RELIABILITY STANDARD AND REQUIREMENT(S)/SUB-REQUIREMENT(S)

**The purpose statement of BAL-005-0 provides:**

**This standard establishes requirements for Balancing Authority Automatic Generation Control (AGC) necessary to calculate Area Control Error (ACE) and to routinely deploy the Regulating Reserve. The standard also ensures that all facilities and load electrically synchronized to the Interconnection are included within the metered boundary of a Balancing Area so that balancing of resources and demand can be achieved.**

**BAL-005-0 R12 provides:**

**R12. Each Balancing Authority shall include all Tie Line flows with Adjacent Balancing Authority Areas in the ACE calculation.**

**R12.1. Balancing Authorities that share a tie shall ensure Tie Line MW metering is telemetered to both control centers, and emanates from a common, agreed-upon source using common primary metering equipment. Balancing Authorities shall ensure that megawatt-hour data is telemetered or reported at the end of each hour.**

<sup>1</sup> BAL-005-0 R12, R12.2 and R12.3 each have a "Medium" Violation Risk Factor (VRF) and R12.1 has a "Lower" VRF.

<sup>2</sup> For the duration of the violation, there were no Commission-approved VSLs.

**VIOLATION DESCRIPTION**

**On November 9, 2007, in preparation for an upcoming audit, PSE self-reported a violation of BAL-005-0 R12.1 for its failure to use meter values from a common primary source with one of its neighboring Balancing Authorities. PSE stated that it had discovered that PSE and Bonneville Power Administration (BPA) were not using meter values from a common primary metering source for the BPA Covington – White River #1 and #2 230 kV lines (totalized from two meters) and the BPA Snohomish – Beverly Park #3 and #4 115 kV lines (totalized from two meters).**

**WECC reviewed PSE’s Self-Report and determined that PSE had a violation of BAL-005-0 R12.1 because it did not ensure Tie Line MW metering is telemetered to both control centers, and emanates from a common, agreed-upon source using common primary metering equipment.**

**RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL**

**WECC determined that this violation did not pose a serious or substantial risk to the bulk power system (BPS) because: (1) PSE used alternative metering at the point of intertie on the BPA Snohomish – Beverly Park #3 and #4 115 kV lines, which provided the same calculated value as the metering used by BPA at the other end of the line, including loss compensation; and (2) PSE’s use of alternative metering on BPA’s Covington-White River #1 and #2 230 kV lines resulted in a maximum difference of less than 0.3% of the Tie Line's peak load. The maximum instantaneous calculated difference due to line losses between the two metering locations for the past 12 months was 0.65 MW. Accordingly, the data that was actually used in the ACE calculations was reasonably consistent with the data that should have been used.**

**II. DISCOVERY INFORMATION**

**METHOD OF DISCOVERY**

- SELF-REPORT
- SELF-CERTIFICATION
- COMPLIANCE AUDIT
- COMPLIANCE VIOLATION INVESTIGATION
- SPOT CHECK
- COMPLAINT
- PERIODIC DATA SUBMITTAL
- EXCEPTION REPORTING

**DURATION DATE(S) 6/18/07 (when the Standard became mandatory and enforceable) through 5/21/08 (Mitigation Plan completion)**

**DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY 11/9/07**

IS THE VIOLATION STILL OCCURRING YES  NO   
IF YES, EXPLAIN

REMEDIAL ACTION DIRECTIVE ISSUED YES  NO   
PRE TO POST JUNE 18, 2007 VIOLATION YES  NO

### III. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO. **MIT-07-0575<sup>3</sup>**  
DATE SUBMITTED TO REGIONAL ENTITY **2/22/08**  
DATE ACCEPTED BY REGIONAL ENTITY **3/10/08**  
DATE APPROVED BY NERC **11/4/10**  
DATE PROVIDED TO FERC **11/4/10**

IDENTIFY AND EXPLAIN ALL PRIOR VERSIONS THAT WERE ACCEPTED OR REJECTED, IF APPLICABLE

**PSE's Mitigation Plan was initially submitted to WECC on November 21, 2007<sup>4</sup> with a proposed completion date of May 27, 2008. The Mitigation Plan was accepted by WECC on December 17, 2007, approved by NERC on July 3, 2008 and was submitted as non-public information to FERC on July 3, 2008 in accordance with FERC orders. PSE submitted a revised Mitigation Plan on February 22, 2008 (dates discussed above) to revise a proposed milestone completion date. The revised Mitigation Plan did not change the approved Mitigation Plan completion date of May 27, 2008.**

MITIGATION PLAN COMPLETED YES  NO

EXPECTED COMPLETION DATE **5/27/08**  
EXTENSIONS GRANTED **N/A**  
ACTUAL COMPLETION DATE **5/21/08**

DATE OF CERTIFICATION LETTER **5/27/08**  
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **5/21/08**

DATE OF VERIFICATION LETTER **8/22/08<sup>5</sup>**

<sup>3</sup> The Initial Notice of Alleged Violation and Mitigation Plan were initially filed under Puget Sound Energy, Inc. – Operations (NCR05345). PSE subsequently consolidated its registrations into a single entity, Puget Sound Energy, Inc. (NCR05344).

<sup>4</sup> The Mitigation Plan incorrectly refers to BAL-005-1 instead of BAL-005-0.

<sup>5</sup> The Verification of Mitigation Plan Completion document for BAL-005-0 R12 addresses other Standards and Requirements not at issue in this Notice of Penalty. The violation of COM-001-1 R2 was a pre-June 18, 2007 violation that was dismissed by WECC on November 6, 2009 because WECC determined that PSE had tested the subject cell phone in accordance with the subject Standard's requirement. The other Standards and Requirements listed in the Verification of Mitigation Plan Completion are pre-June 18, 2007 violations that were mitigated in accordance with the accepted Mitigation Plans.

VERIFIED COMPLETE BY REGIONAL ENTITY AS OF 5/21/08

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

1. **perform validation on all Tie Line meters,**
2. **install or repair necessary equipment to transition to common primary meter for the noncompliant lines,**
3. **document and share procedures with intertie entities for communicating and documenting transitions between metering sources preventing re-occurrence in the future,**
4. **document periodic validation procedure to ensure compliance of common metering; and**
5. **install or repair necessary equipment for any additional meters found through validation.**

LIST OF EVIDENCE REVIEWED BY REGIONAL ENTITY TO EVALUATE COMPLETION OF MITIGATION PLAN OR MILESTONES (FOR CASES IN WHICH MITIGATION IS NOT YET COMPLETED, LIST EVIDENCE REVIEWED FOR COMPLETED MILESTONES)

**To demonstrate completion of this Mitigation Plan, PSE provided:**

1. **a table demonstrating:**
  - i. **the date that each PSE owned meter was validated;**
  - ii. **the date each meter owned by another entity was validated;**
  - iii. **the date the two noncompliant interties were repaired;**
  - iv. **the date one additional meter was repaired and confirmed with BPA; and**
  - v. **the date six interties owned by other entities were repaired.**
2. ***Intertie Metering PSE Contract or Equipment Change.pdf* dated December 17, 2007, demonstrating the process that was developed to ensure meter information was routed internally to the appropriate parties initiated by PSE;**
3. ***Intertie Metering Other Utility.pdf* dated December 17, 2007, demonstrating the process that was developed to ensure meter information was routed internally to the appropriate parties when initiated by other utilities;**
4. **a copy of an e-mail sent internally on December 20, 2007 communicating the final process outlined in evidence listed in #2 and #3;**
5. ***Intertie Metering PSE Periodic.pdf* dated December 17, 2007, demonstrating the process that will be used to ensure common metering is validated relative to meters PSE owns;**

6. ***Intertie Metering OCA OMA Periodic Meter Testing.pdf*** dated December 17, 2007, demonstrating the process that will be used to ensure common metering is validated relative to meters other utilities own; and
7. an e-mail sent internally on December 20, 2007 communicating the final process outlines in evidence listed in #5 and #6.

EXHIBITS:

SOURCE DOCUMENT

**PSE's Self-Report dated November 9, 2007**

MITIGATION PLAN

**PSE's Mitigation Plan MIT-07-0575 submitted November 21, 2007**

**PSE's Revised Mitigation Plan MIT-07-0575 submitted February 22, 2008**

CERTIFICATION BY REGISTERED ENTITY

**PSE's Certification of Mitigation Plan Completion dated May 27, 2008**

VERIFICATION BY REGIONAL ENTITY

**WECC's Verification of Mitigation Plan Completion dated August 22, 2008**

## **Disposition Document for PRC-STD-005-1 WR1**



## DISPOSITION OF VIOLATION

**Dated November 2, 2010**

NERC TRACKING NO.	REGIONAL ENTITY TRACKING NO.	
WECC200800771	PSE_WECC2008810	

### I. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
PRC-STD-005-1	WR1		N/A	N/A

VIOLATION APPLIES TO THE FOLLOWING FUNCTIONS:

BA	DP	GO	GOP	IA	LSE	PA	PSE	RC	RP	RSG	TO	TOP	TP	TSP
											X	X		

PURPOSE OF THE RELIABILITY STANDARD AND TEXT OF RELIABILITY STANDARD AND REQUIREMENT(S)/SUB-REQUIREMENT(S)

**The purpose statement of WECC Regional Standard PRC-STD-005-1 provides: “Regional Reliability Standard to ensure the Transmission Operator or Owner of a transmission path identified in Attachment A perform maintenance and inspection on identified paths as described by its transmission maintenance plan.”**

**PRC-STD-005-1 WR1 provides in pertinent part:**

**WR1. All bulk power transmission elements (i.e. lines, stations and rights of way) included as part of the transmission facilities (or required to maintain transfer capability) impacting each of the transmission paths listed in Attachment A – WECC Table 2 shall be inspected and maintained in accordance with this criterion, taking into consideration diverse environmental and climatic conditions, terrain, equipment, maintenance philosophies, and design practices.**

**a. General**

**This Transmission Maintenance Standard requires each Responsible Entity identified in Section A.4.1 to develop and implement a Transmission Maintenance and Inspection Plan (TMIP) detailing the Responsible Entity’s inspection and maintenance activities applicable to the transmission facilities comprising each of the transmission paths identified in Attachment A – Table 2.**

VIOLATION DESCRIPTION

**On April 14, 2008, PSE self-reported a violation of PRC-STD-005-1 WR1 for its failure to conduct monthly inspections on one of its substations in accordance with its Transmission Maintenance and Inspection Plan (TMIP). PSE stated that its Cascade Substation is associated with a transmission line that is on Path 4, West Cascades – North and that the substation’s last inspection prior to the violation was on December 23, 2007. PSE was not able to inspect the substation between January 23, 2008 and March 4, 2008 due to road closures that resulted from heavy snowfall. The inspection ticket (or notification) was canceled without completion or follow up actions as it was unclear to the inspector that monthly inspection of this station was required under the TMIP.**

**WECC reviewed PSE’s Self-Report and determined that PSE had a violation of PRC-STD-005-1 WR1 because it did not conduct monthly inspections on one of its substations as required by its TMIP.**

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

**WECC determined that this violation did not pose a serious or substantial risk to the BPS because, under PSE’s TMIP, the only purpose of the missed monthly substation inspections is to gather data. Equipment at this substation is maintained and calibrated according to different regular intervals and those maintenance and calibration intervals were on schedule. Thus, while a few inspections were missed, maintenance and calibration of the substation equipment were conducted at the appropriate intervals.**

**II. DISCOVERY INFORMATION**

METHOD OF DISCOVERY

- SELF-REPORT
- SELF-CERTIFICATION
- COMPLIANCE AUDIT
- COMPLIANCE VIOLATION INVESTIGATION
- SPOT CHECK
- COMPLAINT
- PERIODIC DATA SUBMITTAL
- EXCEPTION REPORTING

**DURATION DATE(S) 1/23/08 (the date of the first missed monthly inspection) through 3/4/08 (the date PSE inspected the substation)**

**DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY 4/14/08**

**IS THE VIOLATION STILL OCCURRING YES  NO**   
**IF YES, EXPLAIN**

REMEDIAL ACTION DIRECTIVE ISSUED	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>
PRE TO POST JUNE 18, 2007 VIOLATION	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>

### III. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO. **MIT-08-0837<sup>1</sup>**  
 DATE SUBMITTED TO REGIONAL ENTITY **4/24/08**  
 DATE ACCEPTED BY REGIONAL ENTITY **5/29/08**  
 DATE APPROVED BY NERC **9/18/08**  
 DATE PROVIDED TO FERC **9/18/08**

IDENTIFY AND EXPLAIN ALL PRIOR VERSIONS THAT WERE ACCEPTED OR REJECTED, IF APPLICABLE

MITIGATION PLAN COMPLETED YES  NO

EXPECTED COMPLETION DATE **11/23/08**  
 EXTENSIONS GRANTED **N/A**  
 ACTUAL COMPLETION DATE **11/23/08**

DATE OF CERTIFICATION LETTER **11/21/08<sup>2</sup>**  
 CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **11/23/08**

DATE OF VERIFICATION LETTER **12/2/08**  
 VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **11/23/08**

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

- 1. establish a communication process to be used when an inspection required by PSE's TMIP cannot be performed to review alternative or mitigating actions;**
- 2. develop and implement periodic training of operating personnel that perform maintenance and inspection relating to equipment associated with PSE's TMIP; and**

<sup>1</sup> The Initial Notice of Alleged Violation and Mitigation Plan were initially filed under Puget Sound Energy, Inc. – Operations (NCR05345). PSE subsequently consolidated its registrations into a single entity, Puget Sound Energy, Inc. (NCR05344).

<sup>2</sup> PSE signed and submitted its Certification of Mitigation Plan Completion on November 21, 2008 stating that its Mitigation Plan would be complete on November 23, 2008.

- 3. implement automated reporting with existing software so that approaching concerns can be addressed prior to missing established interval schedules and establish and document monitoring process as a result of available reports.**

LIST OF EVIDENCE REVIEWED BY REGIONAL ENTITY TO EVALUATE COMPLETION OF MITIGATION PLAN OR MILESTONES (FOR CASES IN WHICH MITIGATION IS NOT YET COMPLETED, LIST EVIDENCE REVIEWED FOR COMPLETED MILESTONES)

- 1. PSE's TMIP dated November 21, 2008;**
- 2. a copy of its maintenance task compliance flow chart;**
- 3. a copy of an internal e-mail stating training was completed;**
- 4. battery inspection records;**
- 5. substation inspection training materials;**
- 6. evidence that an annual training task had been scheduled;**
- 7. a summary policy regarding compliance with substation inspections; and**
- 8. procedures for performing interim battery reports.**

EXHIBITS:

SOURCE DOCUMENT  
**PSE's Self-Report dated April 14, 2008**

MITIGATION PLAN  
**PSE's Mitigation Plan MIT-08-0837 submitted April 24, 2008**

CERTIFICATION BY REGISTERED ENTITY  
**PSE's Certification of Mitigation Plan Completion dated November 21, 2008**

VERIFICATION BY REGIONAL ENTITY  
**WECC's Verification of Mitigation Plan Completion dated December 2, 2008**

## **Attachment c**

### **Record Documents for BAL-005-0 R12/12.1**

- i. PSE's Self-Report dated November 9, 2007**
- ii. PSE's Mitigation Plan MIT-07-0575 submitted November 21, 2007**
- iii. PSE's Revised Mitigation Plan MIT-07-0575 dated February 22, 2008**
- iv. PSE's Certification of Mitigation Plan Completion dated May 27, 2008**
- v. WECC's Verification of Mitigation Plan Completion dated August 22, 2008**



## Compliance Violation Self-Reporting Form

Please complete an individual Self-Reporting Form for each NERC Reliability Standard that indicates any level(s) of non-compliance and return to [Compliance@WECC.biz](mailto:Compliance@WECC.biz)

Registered Entity Name: **PSEI**

Contact Name: **Cathy Koch**

Contact Phone: **425-462-3877**

Contact email: **cathy.koch@pse.com**

Date noncompliance was discovered: **November 5, 2007**

Date noncompliance was reported: **November 9, 2007**

Standard Title: Automatic Generation Control

Standard Number: **BAL-005-0**

Requirement Number(s)<sup>1</sup>: **R12 (specifically R12.1)**

How was the noncompliance found? (e.g. Routine Readiness Evaluation, Self-evaluation, Internal Audit, etc.)

### **Outage Investigation – Self Evaluation**

**The use of different metering sources regarding the BPA Covington – White River #1 and #2 230 kV lines was discovered when PSE lost power to its meter resulting in loss of data. PSE contacted BPA and found BPA had not lost data.**

**The use of different metering sources regarding the BPA Snohomish-Beverly Park #3 and #4 115 kV lines was discovered during a records review as PSE broadened its investigation after the BPA Covington-White River #1 and #2 230 kV concern.**

**\*Submit a Mitigation Plan in conjunction with this form to show that corrective steps are being taken within ten (10) business days. If a mitigation plan is not being submitted with this form please complete the following:**

Describe the cause of non-compliance:

<sup>1</sup> Violations are on a per requirement basis.

**PSE and BPA are not using meter values from a common primary metering source for BPA Covington – White River #1 and #2 230 kV lines (totalized from two meters) and BPA Snohomish- Beverly Park #3 and #4 115 kV lines (totalized from two meters).**

**Communication procedures appear to have contributed to this situation.**

Describe the reliability impact of this non-compliance:

**Minimal – PSE’s use of alternate metering (at point of Intertie on the BPA Snohomish – Beverly Park #3 and #4 115 kV lines) provides the same calculated value as the metering used by BPA (at the other end of the line) because the BPA metering has loss compensation. PSE’s use of alternate metering (on BPA Covington-White River #1 and #2 230 kV lines) results in a maximum difference of less than 0.3% of tie line's peak load. The maximum instantaneous calculated difference (due to line losses) between the 2 metering locations for the past 12 months is 0.65 MW.**

Expected date of Mitigation Plan submittal: **November 21, 2007**



Western Electricity Coordinating Council

FOR PUBLIC RELEASE - NOVEMBER 30, 2010



## Mitigation Plan Submittal Form

New  or Revised

Date this Mitigation Plan is being submitted: November 21, 2007

If this Mitigation Plan has already been completed:

- Check this box  and
- Provide the Date of Completion of the Mitigation Plan:

### **Section A: Compliance Notices & Mitigation Plan Requirements**

- A.1 Notices and requirements applicable to Mitigation Plans and this Submittal Form are set forth in "Appendix A - Compliance Notices & Mitigation Plan Requirements" to this form. **Review the notices and check this box  to indicate that you have reviewed and understand the information provided therein.** This Submittal Form and the Mitigation Plan submitted herein are incomplete and cannot be accepted unless the box is checked.

### **Section B: Registered Entity Information**

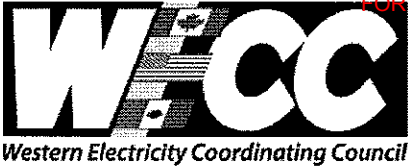
- B.1 Identify your organization:

Company Name: Puget Sound Energy  
Company Address: 355 110 Ave NE  
NERC Compliance Registry ID *[if known]*: NCR05345

- B.2 Identify the individual in your organization who will be the Entity Contact to WECC regarding this Mitigation Plan.

Name: Cathy Koch  
Title: Mgr. Compliance and Regulatory Audits  
Email: cathy.koch@pse.com  
Phone: 425-462-3877





**Section C: Identity of Reliability Standard Violations Associated with this Mitigation Plan**

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

C.1 Standard: BAL-005-1  
*[Identify by Standard Acronym (e.g. FAC-001-1)]*

C.2 Requirement(s) violated and violation dates:  
*[Enter information in the following Table]*

NERC Violation ID # [if known]	WECC Violation ID # [if known]	Requirement Violated (e.g. R3.2)	Violation Date <sup>(*)</sup> (MM/DD/YY)
WECC200700465	PSEI_WECC2007473	R12.1	11/05/07

(\*) Note: The Violation Date shall be: (i) the violation occurred; (ii) the date that the violation was self-reported; or (iii) the date that the violation has been deemed to have occurred on by WECC. Questions regarding the date to use should be directed to the WECC.

C.3 Identify the cause of the violation(s) identified above:

PSE and BPA are not using meter values from a common primary metering source for BPA Covington – White River #1 and #2 230 kV lines (totalized from two meters) and BPA Snohomish- Beverly Park #3 and #4 115 kV lines (totalized from two meters).

Communication procedures appear to have contributed to this situation.  
*[Provide your response here; additional detailed information may be provided as an attachment as necessary]*

C.4 **[Optional]** Provide any relevant additional information regarding the violations associated with this Mitigation Plan:

The use of different metering sources regarding the BPA Covington – White River #1 and #2 230 kV lines was discovered when PSE lost



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power to its meter resulting in loss of data. PSE contacted BPA and found BPA had not lost data.

The use of different metering sources regarding the BPA Snohomish-Beverly Park #3 and #4 115 kV lines was discovered during a records review as PSE broadened its investigation after the BPA Covington-White River #1 and #2 230 kV concern.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

## **Section D: Details of Proposed Mitigation Plan**

### **Mitigation Plan Contents**

D.1 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 violations identified above in Part C.2 of this form:

- 1) PSE to perform validation on all tie line meters (42) for compliance.
- 2) PSE to install/repair necessary equipment to transition to common primary meter for BPA Covington – White River #1 and #2 230 and BPA Snohomish – Beverly Park #3 and #4 115 lines.
- 3) PSE to document and share procedure with intertie entities for communicating and documenting transitions between metering sources preventing re-occurrence in the future.
- 4) PSE to document periodic validation procedure to ensure compliance of common metering.
- 5) PSE to install/repair necessary equipment for any additional meters found through validation.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

**Check this box  and proceed to Section E of this form if this Mitigation Plan, as set forth in Part D.1, has already been completed; otherwise respond to Part D.2, D.3 and, optionally, Part D.4, below.**



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### Mitigation Plan Timeline and Milestones

- D.2 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:
- D.3 Enter Milestone Activities, with completion dates, that your organization is proposing for this Mitigation Plan:

Milestone Activity	Proposed Completion Date* (shall not be more than 3 months apart)
1a) PSE to complete validation on PSE owned meter	January 21, 2008
1b) PSE to complete validation on meters owned by other entities	February 27, 2008
2) PSE to complete installation/repairs at 2 above specific sites	February 27, 2008
Mitigation Plan 3 month update	February 27, 2008
3) PSE to complete communication procedure and share	December 21, 2007
4) PSE to complete periodic validation procedure	December 21, 2007
5a) PSE to complete installation/repairs of any additional PSE owned meters	April 27, 2008
5b) PSE to complete any changes necessary associated with any additional meters owned by other entities	May 27, 2008

(\* Note: 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 for not completing work associated with accepted milestones

[Note: Provide your response here; additional detailed information may be provided as an attachment as necessary]



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**Additional Relevant Information (Optional)**

D.4 If you have any relevant additional information that you wish to include regarding the mitigation plan, milestones, milestones dates and completion date proposed above you may include it here:

PSE's submittal of the self report and follow up mitigation plan intends to cover all metering inconsistencies that may be discovered through the validation process. PSE will not self report individual metering inconsistencies as the validation process discovers them. PSE will provide information regarding discoveries through the 3 month update process.

PSE has attempted to set timelines that demonstrate urgency as well as line up with other open mitigation plans to manage tracking and reporting to WECC.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]



## Section E: Interim and Future Reliability Risk

Check this box  and proceed and respond to Part E.2 and E.3, below, if this Mitigation Plan, as set forth in Part D.1, has already been completed.

### Abatement of Interim BPS Reliability Risk

- E.1 While your organization is implementing the Mitigation Plan proposed in Part D of this form, 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, or may be, known or anticipated: (i) identify any such risks or impacts; and (ii) discuss any actions that your organization is planning to take or is proposing as part of the Mitigation Plan to mitigate any increased risk to the reliability of the bulk power system while the Mitigation Plan is being implemented:

Minimal Impact – No abatement is necessary at this time. PSE's use of alternate metering (at point of Intertie on the BPA Snohomish – Beverly Park #3 and #4 115 kV lines) provides the same calculated value as the metering used by BPA (at the other end of the line) because the BPA metering has loss compensation. PSE's use of alternate metering (on BPA Covington-White River #1 and #2 230 kV lines) results in a maximum difference of less than 0.3% of tie line's peak load. The maximum instantaneous calculated difference (due to line losses) between the 2 metering locations for the past 12 months is 0.65 MW. [Provide your response here; additional detailed information may be provided as an attachment as necessary]

### Prevention of Future BPS Reliability Risk

- E.2 Describe how successful completion of the Mitigation Plan as laid out in Part D of this form will prevent or minimize the probability that your organization incurs further violations of the same or similar reliability standards requirements in the future:

Validation process will provide assurance that all existing metering inconsistencies are identified. Communication procedure will ensure future changes are clearly identified and appropriate actions are taken at the time to prevent future metering inconsistencies. Implementation of periodic validation procedure will ensure communication procedure is being adhered to and any corrections can be made timely.



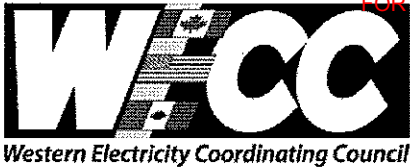
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[Provide your response here; additional detailed information may be provided as an attachment as necessary]

- E.3 Your organization may be taking or planning other action, beyond that listed in the Mitigation Plan, as proposed in Part D.1, to prevent or minimize the probability of incurring further violations of the same or similar standards requirements listed in Part C.2, or of other reliability standards. If so, identify and describe any such action, including milestones and completion dates:

[Provide your response here; additional detailed information may be provided as an attachment as necessary]



## Section F: Authorization

An authorized individual must sign and date this Mitigation Plan Submittal Form. By doing so, this individual, on behalf of your organization:

- a) Submits the Mitigation Plan, as laid out in Section D of this form, to WECC for acceptance by WECC and approval by NERC, and
- b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- c) Acknowledges:
  1. I am [Title] of [Organization].
  2. I am qualified to sign this Mitigation Plan on behalf of [Organization].
  3. I have read and understand [Organization's] obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure, including Appendix 4(C) (Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation" (NERC CMEP)).
  4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
  5. [Organization] agrees to be bound by, and comply with, the Mitigation Plan, including the timetable completion date, as approved by WECC and approved by NERC.

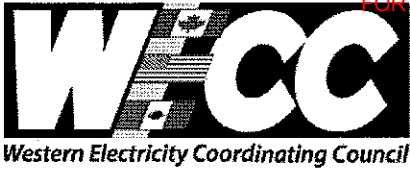
Authorized Entity Officer Signature: \_\_\_\_\_

*Catherine Koch*  
(Electronic signatures are acceptable; see CMEP)

Name (Print): Catherine Koch

Title: Mgr Compliance and Regulatory Audits

Date: November 21, 2007



**Section G: Comments and Additional Information**

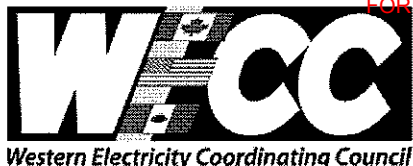
You may use this area to provide comments or any additional relevant information not previously addressed in this form.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Please direct any questions regarding completion of this form to:

Jim Stuart, Sr. Compliance Engineer  
Email: [Jstuart@wecc.biz](mailto:Jstuart@wecc.biz)  
Phone: (801) 883-6887





## **Attachment A – Compliance Notices & Mitigation Plan Requirements**

- I. Section 6.2 of the CMEP1 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 2.0.
  - (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 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.
- II. This submittal form may be used to provide a required Mitigation Plan for review and approval by WECC and NERC.

<sup>1</sup> "Uniform Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation;" a copy of the current version approved by the Federal Energy Regulatory Commission is posted on NERC's website.



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- III. The Mitigation Plan shall be submitted to the WECC and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
- IV. This Mitigation Plan form may be used to address one or more related violations of one Reliability Standard. A separate mitigation plan is required to address violations with respect to each additional Reliability Standard, as applicable.
- V. If the Mitigation Plan is approved by WECC and NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission in accordance with applicable Commission rules, regulations and orders.
- VI. WECC or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- VII. Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.



## Mitigation Plan Submittal Form

New  or Revised

See section D.3 for revisions to original document

Date this Mitigation Plan is being submitted: Original: November 21, 2007

Revised: February 22, 2008

If this Mitigation Plan has already been completed:

- Check this box  and
- Provide the Date of Completion of the Mitigation Plan:

### **Section A: Compliance Notices & Mitigation Plan Requirements**

- A.1 Notices and requirements applicable to Mitigation Plans and this Submittal Form are set forth in "Appendix A - Compliance Notices & Mitigation Plan Requirements" to this form. **Review the notices and check this box  to indicate that you have reviewed and understand the information provided therein.** This Submittal Form and the Mitigation Plan submitted herein are incomplete and cannot be accepted unless the box is checked.

### **Section B: Registered Entity Information**

- B.1 Identify your organization:

Company Name: Puget Sound Energy  
Company Address: 355 110 Ave NE  
NERC Compliance Registry ID *[if known]*: NCR05345

- B.2 Identify the individual in your organization who will be the Entity Contact to WECC regarding this Mitigation Plan.

Name: Cathy Koch  
Title: Mgr. Compliance and Regulatory Audits  
Email: cathy.koch@pse.com  
Phone: 425-462-3877



**Section C: Identity of Reliability Standard Violations Associated with this Mitigation Plan**

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

C.1 Standard: BAL-005-1  
*[Identify by Standard Acronym (e.g. FAC-001-1)]*

C.2 Requirement(s) violated and violation dates:  
*[Enter information in the following Table]*

NERC Violation ID # [if known]	WECC Violation ID # [if known ]	Requirement Violated (e.g. R3.2)	Violation Date <sup>(*)</sup> (MM/DD/YY)
		R12.1	11/05/07

(\*) Note: The Violation Date shall be: (i) the violation occurred; (ii) the date that the violation was self-reported; or (iii) the date that the violation has been deemed to have occurred on by WECC. Questions regarding the date to use should be directed to the WECC.

C.3 Identify the cause of the violation(s) identified above:  
 PSE and BPA are not using meter values from a common primary metering source for BPA Covington – White River #1 and #2 230 kV lines (totalized from two meters) and BPA Snohomish- Beverly Park #3 and #4 115 kV lines (totalized from two meters).

Communication procedures appear to have contributed to this situation.  
*[Provide your response here; additional detailed information may be provided as an attachment as necessary]*

C.4 **[Optional]** Provide any relevant additional information regarding the violations associated with this Mitigation Plan:

The use of different metering sources regarding the BPA Covington – White River #1 and #2 230 kV lines was discovered when PSE lost



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power to its meter resulting in loss of data. PSE contacted BPA and found BPA had not lost data.

The use of different metering sources regarding the BPA Snohomish-Beverly Park #3 and #4 115 kV lines was discovered during a records review as PSE broadened its investigation after the BPA Covington-White River #1 and #2 230 kV concern.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

## **Section D: Details of Proposed Mitigation Plan**

### **Mitigation Plan Contents**

D.1 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 violations identified above in Part C.2 of this form:

- 1) PSE to perform validation on all tie line meters (42) for compliance.
- 2) PSE to install/repair necessary equipment to transition to common primary meter for BPA Covington – White River #1 and #2 230 and BPA Snohomish – Beverly Park #3 and #4 115 lines.
- 3) PSE to document and share procedure with intertie entities for communicating and documenting transitions between metering sources preventing re-occurrence in the future.
- 4) PSE to document periodic validation procedure to ensure compliance of common metering.
- 5) PSE to install/repair necessary equipment for any additional meters found through validation.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

**Check this box  and proceed to Section E of this form if this Mitigation Plan, as set forth in Part D.1, has already been completed; otherwise respond to Part D.2, D.3 and, optionally, Part D.4, below.**



### Mitigation Plan Timeline and Milestones

- D.2 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:
- D.3 Enter Milestone Activities, with completion dates, that your organization is proposing for this Mitigation Plan:

Milestone Activity	Proposed Completion Date* (shall not be more than 3 months apart)
1a) PSE to complete validation on PSE owned meter	January 21, 2008
1b) PSE to complete validation on meters owned by other entities	February 27, 2008 Revised to March 19, 2008***
2) PSE to complete installation/repairs at 2 above specific sites	February 27, 2008
Mitigation Plan 3 month update	February 27, 2008
3) PSE to complete communication procedure and share	December 21, 2007
4) PSE to complete periodic validation procedure	December 21, 2007
5a) PSE to complete installation/repairs of any additional PSE owned meters	April 27, 2008
5b) PSE to complete any changes necessary associated with any additional meters owned by other entities	May 27, 2008

(\*) Note: 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 for not completing work associated with accepted milestones.

[Note: Provide your response here; additional detailed information may be provided as an attachment as necessary]

**\*\*\* PSE needs to revise milestone activity 1b from February 27, 2008 to March 19, 2008. By February 27, 2008 will have completed the validation on 6 meters owned by other entities. PSE was notified today that BPA will not be able to complete meters owned by BPA due to BPA scheduling and internal coordination difficulties. BPA has committed to March 19, 2008. PSE has engaged numerous individuals within BPA and most recently requested help from the Compliance Officer and at the Officer level. PSE**



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**will request regular status reports from BPA until this revised milestone is completed. By March 19<sup>th</sup>, PSE will also document the process by which future coordination will occur when mitigation plan objectives are not exactly the same.**

**Additional Relevant Information (Optional)**

D.4 If you have any relevant additional information that you wish to include regarding the mitigation plan, milestones, milestones dates and completion date proposed above you may include it here:

PSE's submittal of the self report and follow up mitigation plan intends to cover all metering inconsistencies that may be discovered through the validation process. PSE will not self report individual metering inconsistencies as the validation process discovers them. PSE will provide information regarding discoveries through the 3 month update process.

PSE has attempted to set timelines that demonstrate urgency as well as line up with other open mitigation plans to manage tracking and reporting to WECC.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]



## Section E: Interim and Future Reliability Risk

Check this box  and proceed and respond to Part E.2 and E.3, below, if this Mitigation Plan, as set forth in Part D.1, has already been completed.

### Abatement of Interim BPS Reliability Risk

- E.1 While your organization is implementing the Mitigation Plan proposed in Part D of this form, 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, or may be, known or anticipated: (i) identify any such risks or impacts; and (ii) discuss any actions that your organization is planning to take or is proposing as part of the Mitigation Plan to mitigate any increased risk to the reliability of the bulk power system while the Mitigation Plan is being implemented:

Minimal Impact – No abatement is necessary at this time. PSE's use of alternate metering (at point of Intertie on the BPA Snohomish – Beverly Park #3 and #4 115 kV lines) provides the same calculated value as the metering used by BPA (at the other end of the line) because the BPA metering has loss compensation. PSE's use of alternate metering (on BPA Covington-White River #1 and #2 230 kV lines) results in a maximum difference of less than 0.3% of tie line's peak load. The maximum instantaneous calculated difference (due to line losses) between the 2 metering locations for the past 12 months is 0.65 MW. [Provide your response here; additional detailed information may be provided as an attachment as necessary]

### Prevention of Future BPS Reliability Risk

- E.2 Describe how successful completion of the Mitigation Plan as laid out in Part D of this form will prevent or minimize the probability that your organization incurs further violations of the same or similar reliability standards requirements in the future:

Validation process will provide assurance that all existing metering inconsistencies are identified. Communication procedure will ensure future changes are clearly identified and appropriate actions are taken at the time to prevent future metering inconsistencies. Implementation of periodic validation procedure will ensure communication procedure is being adhered to and any corrections can be made timely.





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[Provide your response here; additional detailed information may be provided as an attachment as necessary]

- E.3 Your organization may be taking or planning other action, beyond that listed in the Mitigation Plan, as proposed in Part D.1, to prevent or minimize the probability of incurring further violations of the same or similar standards requirements listed in Part C.2, or of other reliability standards. If so, identify and describe any such action, including milestones and completion dates:

[Provide your response here; additional detailed information may be provided as an attachment as necessary]



**Section F: Authorization**

An authorized individual must sign and date this Mitigation Plan Submittal Form. By doing so, this individual, on behalf of your organization:

- a) Submits the Mitigation Plan, as laid out in Section D of this form, to WECC for acceptance by WECC and approval by NERC, and
- b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- c) Acknowledges:
  - 1. I am [Title] of [Organization].
  - 2. I am qualified to sign this Mitigation Plan on behalf of [Organization].
  - 3. I have read and understand [Organization's] obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure, including Appendix 4(C) (Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation" (NERC CMEP)).
  - 4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
  - 5. [Organization] agrees to be bound by, and comply with, the Mitigation Plan, including the timetable completion date, as approved by WECC and approved by NERC.

**Authorized Entity Officer Signature:**

*Catherine Koch 2/22/08*  
(Electronic signatures are acceptable; see CMEP)

Name (Print): Catherine Koch  
Title: Mgr Compliance and Regulatory Audits  
Date:



**Section G: Comments and Additional Information**

You may use this area to provide comments or any additional relevant information not previously addressed in this form.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Please direct any questions regarding completion of this form to:

Jim Stuart, Sr. Compliance Engineer  
Email: [Jstuart@wecc.biz](mailto:Jstuart@wecc.biz)  
Phone: (801) 883-6887



## **Attachment A – Compliance Notices & Mitigation Plan Requirements**

- I. Section 6.2 of the CMEP1 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 2.0.
  - (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 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.
  
- II. This submittal form may be used to provide a required Mitigation Plan for review and approval by WECC and NERC.

<sup>1</sup> "Uniform Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation;" a copy of the current version approved by the Federal Energy Regulatory Commission is posted on NERC's website



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- III. The Mitigation Plan shall be submitted to the WECC and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
- IV. This Mitigation Plan form may be used to address one or more related violations of one Reliability Standard. A separate mitigation plan is required to address violations with respect to each additional Reliability Standard, as applicable.
- V. If the Mitigation Plan is approved by WECC and NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission in accordance with applicable Commission rules, regulations and orders.
- VI. WECC or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- VII. Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.



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### Mitigation Plan Completion Form

Please complete a Mitigation Plan Completion form for each fully mitigated violation and return to [Compliance@WECC.biz](mailto:Compliance@WECC.biz) along with the supporting evidence that confirms full compliance and Authorized Officer's signature.

Registered Entity Name: PSEI

Standard Title: Balancing

Standard Number: BAL-005-0

Requirement Number(s): **R12 (Specifically R12.1)**

Actual completion date of Mitigation Plan: May 21, 2008

**Check this box  to indicate that you understand that the submittal of this Completion form is incomplete and cannot be reviewed for approval unless supporting documentation/evidence that confirms full compliance is attached.**

Please provide the specific location (i.e. paragraph numbers, page numbers) in the documentation / evidence submitted to verify compliance.

PSE has completed the mitigation plan as outlined.

The following is submitted as evidence of the mitigation plan being completed

1a) PSE to complete validation - January 21, 2008

WECC BAL-005 Mitigation Plan, column titled "1a Validate PSE Meters", indicates the date that each PSE owned meter was validated. The last validation was completed November 20, 2007.

1b) PSE to complete validation on meters owned by other entities - February 27, 2008

PSE submitted an extension to March 19, 2008.

WECC BAL-005 Mitigation Plan, column titled "1b Validate OCA Meters", indicates the date each meter owned by an other entity was validated. The last validation was completed March 18, 2008

2) PSE to complete installation/repairs at 2 above specific sites - February 27, 2008.

WECC BAL-005 Mitigation Plan, column titled "2 Complete repairs at 2 sites", indicates the two interties that caused the self report (BPA Covington - White River #1 and #2 230, and BPA Snohomish-Beverly Park #3 and #4 115 lines) were repaired by February 26, 2008.

3) PSE to complete communication procedure and share - December 21, 2007

Intertie Metering PSE Contract or Equipment Change.pdf, titled "Initiated by Transmission Contract or Equip. Change" drafted December 17, 2007 per revision block demonstrates the process that was developed to ensure meter information was routed internally to the appropriate parties when initiated by PSE.

Intertie Metering Other Utility.pdf, titled "Initiated by Other Utility", drafted December 17, 2007 demonstrates the process that was developed to ensure meter information was routed internally to the appropriate parties when initiated by other utilities.

PSE Communication Process Flow.msg is the e-mail sent internally on December 20, 2007 communicating the final processes. Through the development of this process, it became apparent that the process downfall was internal. There will be many external entry points into PSE. Ensuring the internal process is effectively is the key.

4) PSE to complete periodic validation procedure - December 21, 2007

Intertie Metering PSE Periodic.pdf, titled "PSE Periodic Maintenance of Intertie Metering", drafted December 17, 2007 per revision block demonstrates the process that will be used to ensure common metering is validated relative to meters PSE owns.

Intertie Metering OCA OMA Periodic Meter Testing.pdf, titled "OCA OMA Periodic Maintenance of Intertie Metering", drafted December 17, 2007 per revision block demonstrates the process that will be used to ensure common metering is validated relative to meters other utilities own.

PSE Communication Process Flow.msg is the e-mail sent internally on December 20, 2007 communicating the final processes. Through the development of this process, it became apparent that the process downfall was internal. There will be many external entry points into PSE. Ensuring the internal process is effectively is the key.

5a) PSE to complete installation/repairs for any additional PSE owned meters - April 27, 2008

WECC BAL-005 Mitigation Plan, column titled "5a Complete repairs at new PSE sites", indicates the one additional meter (Paul-Tono 500) was repaired on and confirmed with BPA on April 16, 2008 as a result of step 1a of this mitigation plan.

5b) PSE to complete any changes necessary associated with any additional meters owned by other entities - May 27, 2008

WECC BAL-005 Mitigation Plan, column titled "5b Complete repairs at new OCA sites", indicates 6 interties owned by other entities were repaired as a result of step 1b of this mitigation plan. The last repair was completed May 21, 2008.

PSE is now compliant with BAL-005-0 R12.1.

WECC BAL-005 Mitigation Plan document summarizes all the activities taken to ensure compliance.

Sample documentation includes;

BPA-PSE Interchange Documentation.pdf demonstrating test records for the purposes of this process.

LOG080318.pdf is PSE Power Dispatchers Operating Log, Tuesday Mar 18, 2008, page 3 and 4 demonstrates record of testing performed.

All documentation available upon request that supports spreadsheet summary.



Additional Notes or Comments pertaining to this violation:

By endorsement of this document I attest that <sup>Puget Sound Energy</sup>~~insert company name~~ is now in full compliance with the standard / requirements addressed in this Mitigation Plan and documentation / evidence supporting full compliance is attached for review and audit by the WECC Compliance Staff.

Authorized Officer's Signature: R. J. Iddee

Authorized Officer's Name: Bert Valdman

Authorized Officer's Title: Executive VP and COO

Date: 5/27/08

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**Bob Kiser**  
Manager of Compliance Audits and Investigations

360-567-4058  
bkiser@wecc.biz

Date: August 22, 2008

Catherine Koch  
Reliability Compliance Manager  
Puget Sound Energy, Inc. - Operations  
10885 NE 4 St EST 07W  
Bellevue, WA 98004

Subject: Completed Mitigation Plan(s)

Dear Catherine Koch,

The Western Electricity Coordinating Council (WECC) received a Mitigation Plan Completion Form and supporting evidence of compliance for each of Puget Sound Energy, Inc. - Operations's 2007 Self-Reported violation(s) listed in the attached Table 1.

By this letter I am communicating WECC's acceptance of the completed mitigation plan(s) listed in Table 1 and closing the violation(s). WECC will verify that all required actions in the subject mitigation plan(s) have been completed and that Puget Sound Energy, Inc. - Operations is in compliance with the related Reliability Standard(s) through the next regularly scheduled audit, spot check and or compliance violation investigation as may be necessary.

Should the evidence provided at the next audit, spot check or investigation not be sufficient to verify completion and confirm compliance, the resulting violation period will begin at that time.

If you have any questions or concerns, please contact me at 360-567-4058 or bkiser@wecc.biz. Thank you for your patience and support.

Sincerely,  
*Bob Kiser*

Manager of Compliance Audits and Investigations

BK/cm

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*Western Electricity Coordinating Council*

**Bob Kiser**  
Manager of Compliance Audits and Investigations

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360-567-4058  
bkiser@wecc.biz

Cc: Mike Tongue, PSEI  
Steve Mc Coy, WECC Vice President and Director of Compliance  
Lisa Milanese, WECC Manager of Compliance Administration  
Tim Kucey, NERC Manager of Enforcement and Mitigation  
Ed Ruck, NERC Regional Compliance Program Coordinator



**Bob Kiser**  
Manager of Compliance Audits and Investigations

360-567-4058  
bkiser@wecc.biz

**Registered Entity:** Puget Sound Energy, Inc. - Operations

**Date:** August 22, 2008

**Table 1**

Standard	Requirement	Certified Completion Date	Status
BAL-005-0	12	9/1/2007	Accepted
TOP-003-0	3	9/1/2007	Accepted
PRC-010-0	1	11/30/2007	Accepted
PRC-010-0	2	11/30/2007	Accepted
VAR-002-1	2	11/30/2007	Accepted
BAL-005-0	12	5/27/2008	Accepted
COM-001-1	2	12/21/2007	Accepted

## **Attachment d**

### **Record Documents for PRC-STD-005-1 WR1**

- i. PSE's Self-Report dated April 14, 2008**
- ii. PSE's Mitigation Plan MIT-08-0837  
submitted April 24, 2008**
- iii. PSE's Certification of Mitigation Plan  
Completion dated November 21, 2008**
- iv. WECC's Verification of Mitigation Plan  
Completion dated December 2, 2008**



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## Compliance Violation Self-Reporting Form

Please complete an individual Self-Reporting Form for each NERC Reliability Standard that indicates any level(s) of non-compliance and return to [Compliance@WECC.biz](mailto:Compliance@WECC.biz)

Registered Entity Name: PSEI - Puget Sound Energy - Operations

Contact Name: Catherine Koch

Contact Phone: 425-462-3877

Contact email: [cathy.koch@pse.com](mailto:cathy.koch@pse.com)

Date noncompliance was discovered: April 3, 2008

Date noncompliance was reported: April 14, 2008

Standard Title: Transmission Maintenance

Standard Number: PRC-STD-005-1

Requirement Number(s)<sup>1</sup>: **WR1 - M1.b**

How was the noncompliance found? (e.g. Routine Readiness Evaluation, Self-evaluation, Internal Audit, etc.)

Self Evaluation

**\*Submit a Mitigation Plan in conjunction with this form to show that corrective steps are being taken within ten (10) business days. If a mitigation plan is not being submitted with this form please complete the following:**

Describe the cause of non-compliance:

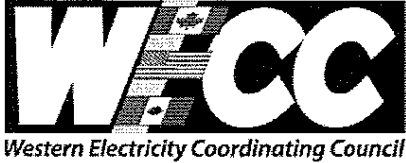
Cascade Substation is associated with a transmission line that is on Path 4, West Cascades - North. PSE's Transmission Maintenance and Inspection Plan (TMIP) requires monthly inspection of this substation. The substation was inspected on December 23, 2007 and then not inspected again until March 4, 2008 because it could not be entered due to closed interstate highway and snow levels. The inspection ticket (notification) was canceled without completion or follow up actions as it was unclear to the inspector that monthly inspection of this station was required under TMIP.

<sup>1</sup> Violations are on a per requirement basis.

Describe the reliability impact of this non-compliance:

Minimal - TMIP monthly substation inspection only gathers data. Equipment as outlined in PRC-STD-005-1 and the TMIP is maintained and calibrated on regular intervals in addition to this monthly inspection. Those intervals are on schedule.

Expected date of Mitigation Plan submittal: April 24, 2008.



## Mitigation Plan Submittal Form

New  or Revised

Date this Mitigation Plan is being submitted: April 24, 2008

If this Mitigation Plan has already been completed:

- Check this box  and
- Provide the Date of Completion of the Mitigation Plan:

### **Section A: Compliance Notices & Mitigation Plan Requirements**

- A.1 Notices and requirements applicable to Mitigation Plans and this Submittal Form are set forth in "Appendix A - Compliance Notices & Mitigation Plan Requirements" to this form. **Review Appendix A and check this box  to indicate that you have reviewed and understand the information provided therein.** This Submittal Form and the Mitigation Plan submitted herein are incomplete and cannot be accepted unless the box is checked.

### **Section B: Registered Entity Information**

- B.1 Identify your organization:

Registered Entity Name: PSEI

Registered Entity Address: 355 110 Ave NE, Bellevue WA 98004

NERC Compliance Registry ID: NCR05345

- B.2 Identify the individual in your organization who will be the Entity Contact regarding this Mitigation Plan. Please see Section 6.2 of the WECC Compliance Monitoring and Enforcement Program (CMEP) for a description of the qualifications required of the Entity Contact.<sup>1</sup>

Name: Catherine Koch

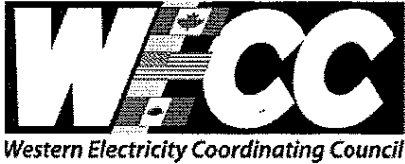
Title: Mgr Electric Compliance And Regulatory Audits

Email: cathy.koch@pse.com

Phone: 425-462-3877

<sup>1</sup> A copy of the WECC CMEP is posted on WECC's website at <http://www.wecc.biz/documents/library/compliance/manuals/Att%20A%20-%20WECC%20CMEP.pdf>. Registered Entities are responsible for following all applicable WECC CMEP procedures. WECC strongly recommends that registered entities become familiar with the WECC CMEP and its requirements, as they may be amended from time to time.





**Section C: Identity of Alleged or Confirmed Reliability Standard Violations Associated with this Mitigation Plan**

This Mitigation Plan is associated with the alleged or confirmed violation(s) of the reliability standard/requirements listed below:

C.1 Standard: PRC-STD-005-1  
*[Identify by Standard Acronym (e.g. FAC-001-1)]*

C.2 Requirement(s) violated and violation dates:  
*[Enter information in the following Table]*

NERC Violation ID # [if known]	WECC Violation ID # [if known ]	Requirement Violated (e.g. R3)	Violation Risk Factor	Alleged or confirmed Violation Date <sup>(*)</sup> (MM/DD/YY)	Method of Detection (e.g. audit, self-report, investigation)
WECC200800771		WR1 - M1 b		April 3, 2008	Self Evaluation

(\*) Note: The Alleged or Confirmed Violation Date shall be: (i) the date the violation occurred; (ii) the date that the violation was self-reported; or (iii) the date upon which WECC has deemed the violation to have occurred. Please contact WECC if you have questions regarding which date to use.

C.3 Identify the cause of the alleged or confirmed violation(s) identified above:

Cascade Substation is associated with a transmission line that is on Path 4, West Cascades - North. PSE's Transmisison Maintenance and Inspection Plan (TMIP) requires monthly inspection of this substation. The substation was inspected on December 23, 2007 and then not inspected again until March 4, 2008 because it could not be entered due to closed interstate highway and snow levels. The January inspection ticket (notification) was canceled without completion or follow up actions. The inspector did not attempt to return to the substation until the February ticket was issued. Again, snow levels prevented him from gaining access to the substation until March 4, 2008.

*[Provide your response here; additional detailed information may be provided as an attachment as necessary]*



- C.4 **[Optional]** Provide any relevant additional information regarding the alleged or confirmed violations associated with this Mitigation Plan:

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

## Section D: Details of Proposed Mitigation Plan

### Mitigation Plan Contents

- D.1 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 violations identified above in Part C.2 of this form:

- 1) Establish immediate communication process when an inspection per the Transmission Maintenance and Inspection Plan (TMIP) can not be performed to review alternative or mitigating actions.
  - 2) Develop and implement periodic training of operating personnel that perform maintenance and inspection relating to equipment associated with TMIP.
  - 3) Implement automated reporting with existing software so that approaching concerns can be addressed prior to missing established interval schedule. Establish and document monitoring process as a result of available reports.
- [Provide your response here; additional detailed information may be provided as an attachment as necessary]

**Check this box  and proceed to Section E of this form if this Mitigation Plan, as set forth in Part D.1, has already been completed; otherwise respond to Part D.2, D.3 and, optionally, Part D.4, below.**

### Mitigation Plan Timeline and Milestones

- D.2 Provide the 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 violations associated with this Mitigation Plan corrected:



Western Electricity Coordinating Council



D.3 Enter Milestone Activities, with completion dates, that your organization is proposing for this Mitigation Plan:

Milestone Activity	Proposed Completion Date* (milestones cannot be more than 3 months apart)
1) Establish immediate communication and alternate action processes	May 27, 2008
2) Develop and implement training of maintenance and inspection personnel a) complete initial training b) document periodic schedule for on-going training	May 27, 2008
Provide mitigation plan status update in alignment with PRC-005 Mitigation Plan	May 27, 2008 August 25, 2008
3) Complete automated reporting and document monitoring process	November 23, 2008

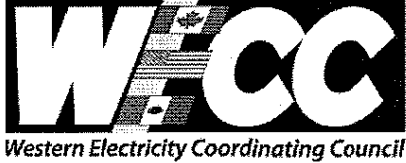
(\* Note: Implementation milestones should be no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. As set forth in CMEP section 6.6, adverse consequences could result from failure to complete, on a timely basis, all required actions in this Mitigation Plan, including implementation of milestones. A request for an extension of the completion date of any milestone or of the Mitigation Plan must be received by WECC at least five (5) business days before the relevant milestone or completion date.

[Note: Provide your response here; additional detailed information may be provided as an attachment as necessary]

#### **Additional Relevant Information (Optional)**

D.4 If you have any relevant additional information that you wish to include regarding the Mitigation Plan, milestones, milestones dates and completion date proposed above you may include it here:

Milestone dates are aligned with current open mitigation plans.  
[Provide your response here; additional detailed information may be provided as an attachment as necessary]



## Section E: Interim and Future Reliability Risk

Check this box  and proceed and respond to Part E.2, below, if this Mitigation Plan, as set forth in Part D.1, has already been completed.

### Abatement of Interim BPS Reliability Risk

- E.1 While your organization is implementing the Mitigation Plan proposed in Part D of this form, 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, reasonably suspected or anticipated: (i) identify any such risks or impacts; and (ii) discuss any actions that your organization is planning to take or is proposing as part of the Mitigation Plan to mitigate any increased risk to the reliability of the bulk power system while the Mitigation Plan is being implemented:

Substation was maintained March 4, 2008 so no abatement of risk necessary.

Reliability Impact deemed minimal - TMIP monthly substation inspection only gathers data. Equipment as outlined in PRC-STD-005-1 and the TMIP is maintained and calibrated on regular intervals in addition to this monthly inspection. Those intervals are on schedule.  
[Provide your response here; additional detailed information may be provided as an attachment as necessary]

### Prevention of Future BPS Reliability Risk

- E.2 Describe how successful completion of the Mitigation Plan as laid out in Part D of this form will prevent or minimize the probability that your organization will incur further violations of the same or similar reliability standards requirements in the future:

PSE takes this violation seriously and will implement controls immediately including communication protocols and training. Training will discuss all equipment within TMIP as opposed to just addressing that which is associated with PRC-STD-005-1.  
[Provide your response here; additional detailed information may be provided as an attachment as necessary]



*Western Electricity Coordinating Council*



E.3 Your organization may be taking or planning other action, beyond that listed in the Mitigation Plan, as proposed in Part D.1, to prevent or minimize the probability of incurring further violations of the same or similar standards requirements listed in Part C.2, or of other reliability standards. If so, identify and describe any such action, including milestones and completion dates:

[Provide your response here; additional detailed information may be provided as an attachment as necessary]



## Section F: Authorization

An authorized individual must sign and date this Mitigation Plan Submittal Form. By doing so, this individual, on behalf of your organization:

- a) Submits the Mitigation Plan, as laid out in Section D of this form, to WECC for acceptance by WECC and approval by NERC, and
- b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- c) Acknowledges:
  1. I am Senior Vice President - Operations of PSEI.
  2. I am an officer, employee, attorney or other person authorized to sign this Mitigation Plan on behalf of PSEI.
  3. I understand PSEI obligations to comply with Mitigation Plan requirements and WECC or ERO remedial action directives and I have reviewed the WECC and ERO documents related to these obligations, including, but not limited to, the WECC CMEP and the NERC Rules of Procedure.
  4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
  5. PSEI agrees to be bound by, and comply with, the Mitigation Plan, including the timetable completion date, as approved by WECC and approved by NERC.

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

*Susan McLain*

(Electronic signatures are acceptable; see CMEP Section 3.0)

Name (Print): Susan McLain  
 Title: Senior Vice President Operations  
 Date: April 24, 2008



### **Section G: Comments and Additional Information**

You may use this area to provide comments or any additional relevant information not previously addressed in this form.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

### **Section H: WECC Contact and Instructions for Submission**

Please direct any questions regarding completion of this form to:

Jim Stuart, Sr. Compliance Engineer

Email: [JStuart@wecc.biz](mailto:JStuart@wecc.biz)

Phone: (801) 883-6887

For guidance on submitting this form, please refer to the "*WECC Compliance Data Submittal Policy*". This policy can be found on the Compliance Manuals website as Manual 2.12:

<http://www.wecc.biz/wrap.php?file=/wrap/Compliance/manuals.html>



## **Attachment A – Compliance Notices & Mitigation Plan Requirements**

- I. Section 6.2 of the WECC 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 2.0.
  - (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.
  - (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.
  
- II. This submittal form may be used to provide a required Mitigation Plan for review and approval by WECC and NERC.





*Western Electricity Coordinating Council*



- III. The Mitigation Plan shall be submitted to the WECC and NERC as confidential information in accordance with Section 9.3 of the WECC CMEP and Section 1500 of the NERC Rules of Procedure.
- IV. 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 violations with respect to each additional Reliability Standard, as applicable.
- V. If the Mitigation Plan is approved by WECC and NERC, a copy of the Mitigation Plan will be provided to the Federal Energy Regulatory Commission in accordance with applicable Commission rules, regulations and orders.
- VI. Either WECC or NERC may reject a Mitigation Plan that it determines to be incomplete or inadequate. If the Mitigation Plan is rejected by either WECC or NERC, the Registered Entity will be notified and required to submit a revised Mitigation Plan.
- VII. In accordance with Section 7.0 of the WECC CMEP, remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.



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### Mitigation Plan Completion Form

Please complete a Mitigation Plan Completion form for each fully mitigated violation and return to [Compliance@WECC.biz](mailto:Compliance@WECC.biz) along with the supporting evidence that confirms full compliance and Authorized Officer's signature.

Registered Entity Name: Puget Sound Energy, Inc - PSE

Standard Title: Transmission Maintenance

Standard Number: PRC-STD-005-1

Requirement Number(s): **WR1 - M1.b**

Actual completion date of Mitigation Plan: November 23, 2008

**Check this box  to indicate that you understand that the submittal of this Completion form is incomplete and cannot be reviewed for approval unless supporting documentation/evidence that confirms full compliance is attached.**

Please provide the specific location (i.e. paragraph numbers, page numbers) in the documentation / evidence submitted to verify compliance.

PSE provides the following evidence for compliance with the mitigation plan and compliance with the requirement.

#### FROM SELF REPORT

Cascade Substation is associated with a transmission line that is on Path 4, West Cascades - North. PSE's Transmission Maintenance and Inspection Plan (TMIP) requires monthly inspection of this substation. The substation was inspected on December 23, 2007 and then not inspected again until March 4, 2008 because it could not be entered due to closed interstate highway and snow levels. The January inspection ticket (notification) was canceled without completion or follow up actions. The inspector did not attempt to return to the substation until the February ticket was issued. Again, snow levels prevented him from gaining access to the substation until March 4, 2008.

#### EVIDENCE OF COMPLIANCE WITH THE MITIGATION PLAN

1) Establish immediate communication process when an inspection per the Transmission Maintenance and Inspection Plan (TMIP) can not be performed to review alternative or mitigating actions by May 27, 2008.

In less than 1 month after the violation was reported, PSE Manager of Substation Operations established training to communicate the actions expectations regarding maintenance schedules that prove difficult to meet. See milestone activity below.

2) Develop and implement periodic training of operating personnel that perform maintenance and inspection relating to equipment associated with TMIP by May 27, 2008.

On May 10<sup>th</sup>, 2008, May 14<sup>th</sup>, 2008, and May 21, 2008 training for the task performers was completed. In addition, in order to heighten awareness, all remaining Substation Operations personnel received training on June 12<sup>th</sup>, 2008 and a follow up on October 1, 2008. The NERC Sub Insp 2008-5-10.pdf presentation along with the NERC Summary rev1.pdf was utilized in the training and the 080510 NERC Training Roster0001.pdf, 080514 NERC Training Roster.pdf, 080521 NERC Training Roster0001.pdf, 6.12.08 NERC Training 101.pdf, and e-mail FW PRC-STD-005-1 Mitigation Plan - Action 1 and 2.pdf document all personnel trained. Annual training has been established and is demonstrated by Compliance Program and NERC Reliability Standards training task.pdf utilizing a task in the compliance tracking tool, xEM.

3) Implement automated reporting with existing software so that approaching concerns can be addressed prior to missing established interval schedule. Establish and document monitoring process as a result of available reports by November 23, 2008.

PSE completed the development of a tracking report within SAP to designate and track maintenance that is required by NERC PRC Standards on November 23, 2008 to support timely information of upcoming due dates and schedule concerns. Provided is Interim Battery Report in SAP.pdf depicting how the report can be run. This report is accessible by all those accountable for meeting the schedules. Compliance Flow Chart.pdf is the monitoring process in place that utilizes this report and ensures the appropriate oversight is occurring to meet schedules and compliance.

## EVIDENCE OF COMPLIANCE WITH WR1-M1.b

Evidence is as follows indicating PSE is now compliant with the requirement that was self reported in violation.

### (ii) Maintenance Record Keeping

M1. Each Responsible Entity identified in Section A.4.1 must retain all pertinent maintenance and inspection records that support the TMIP according to the following guidelines:

- The Responsible Entity shall maintain records of all maintenance and inspection activities for at least five years.
- Each Responsible Entity's maintenance and inspection records shall identify, at a minimum:
  - o The person(s) responsible for performing the work or inspection;
  - o The date(s) the work or inspection was performed;
  - o The transmission facility on which the work was performed, and
  - o A description of the inspection or maintenance performed.

The Transmission Owner or Operator shall maintain (and make available on request) records for maintenance or inspection pertaining to the items listed in subsections (a) and (b) below.

(a) Transmission Line Maintenance Records

- Patrol/Inspection
- Contamination Control (Insulator Washing)

(b) Station Maintenance Records

- Circuit Breakers
- Power Transformers
- Regulators
- Protective Relay Systems and associated Communication Equipment
- RAS Systems and associated Communication Equipment
- Reactive Devices

PSE is not an Operating Agent per Attachment A Table 2 of this standard. However, PSE is a transmission owner of a line that makes up Path 4.

2008-RMS Maintenance Plan WR-RR (11-10-08).pdf indicates the applicable equipment relating to that one line is current with the maintenance schedule outlined in the TMIP (the date is when last updated). The person responsible (column labeled Completed by), the date of the inspection (column labeled Date of Last Inspection or Installation Date), the transmission facility inspected (column labeled Transmission Facility), and description of the inspection performed (column labeled Maint. Task) is provided per the requirement. The column labeled Targeted Time Interval provides comparison for maintenance intervals to demonstrate PSE is in compliance.

Battery Inspections.pdf documents the monthly battery inspections associated with these facilities. The person responsible (column labeled Notification Workcen), the date of the inspection (column labeled Last Inspection), the transmission facility inspected (column labeled Func. Loc. and column labeled Location D), and description of the inspection performed (column labeled Procedure Description) is provided per the requirement. The maintenance interval per the sentence at the top of the spreadsheet indicates monthly for comparison of maintenance intervals to demonstrate PSE is in compliance.

The equipment that is associated with this line and station are gas power circuit breakers, protective relay systems, batteries, switchgear, and potential transformers. There are no regulators, RAS Systems, or reactive devices associated with this line or station. An excerpt from the Transmission Maintenance and Inspection Plan.pdf provides further discussion regarding what is included in inspections and the scope of facilities.

Additional Notes or Comments pertaining to this violation:

By endorsement of this document I attest that PSE is now in full compliance with the standard / requirements addressed in this Mitigation Plan and documentation / evidence supporting full compliance is attached for review and audit by the WECC Compliance Staff.

Authorized Officer's Signature: Sue McLain

Authorized Officer's Name: Sue McLain

Authorized Officer's Title: Senior Vice President Operation

Date: 11-21-08

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**Bob Kiser**  
Manager of Audits and Investigations

360.980.2799  
bkiser@wecc.biz

December 2, 2008

Catherine Koch  
Mgr Compliance and Regulatory Audits  
Puget Sound Energy, Inc.  
355 110th Ave NE  
Bellevue, Washington 98004

Subject: Mitigation Plan Completion Review(s)

Dear Catherine Koch,

The Western Electricity Coordinating Council (WECC) received Mitigation Plan Completion Form(s) and supporting evidence for each violation listed in Table 1 of Attachment A. The table indicates which plans have been completed and which remain incomplete. Attachment A also includes audit notes that detail the findings supporting this conclusion.

Each compliance violation associated with the incomplete Mitigation Plan(s) is now subject to sanctions and penalties under the Energy Policy Act of 2005. You will be receiving a letter from the WECC Compliance Department outlining the next steps in the penalty and sanction process regarding such violation(s).

Please submit a revised Mitigation Plan by December 16, 2008, to the [Compliance Web Portal](#) including new proposed completion dates, for each unmitigated violation identified in Attachment A. The Mitigation Plan template form can be found on the WECC Compliance Manuals webpage, as Manual 03.03:

<http://www.wecc.biz/wrap.php?file=/wrap/Compliance/manuals.html>

Upon review, the WECC Compliance Department will provide written notice of its acceptance or rejection of the newly submitted Mitigation Plan.

If you have any questions or concerns, please contact Mike Wells at (801) 883.6884 or [mike@wecc.biz](mailto:mike@wecc.biz). Thanks for your assistance in this effort.

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Sincerely,

*Bob Kiser*

Bob Kiser  
Manager of Audits and  
Investigations

BK:SB

Attachment

Cc: Kellie Anderson, PSE Mgr Energy Resouce Compliance  
Lisa Milanes, WECC Manager of Compliance Administration



*Western Electricity Coordinating Council*

**Registered Entity:** Puget Sound Energy, Inc.

**Date:** December 2, 2008

	<b>Standard Number</b>	<b>Requirement</b>	<b>Completion Received by WECC</b>	<b>Accepted</b>	<b>Rejected</b>	<b>Review Status</b>
	PRC-STD-005-1	WR1	21-Nov-08	01-Dec-08		Compliant



**Attachment e**

**Notice of Filing**

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Puget Sound Energy, Inc.

Docket No. NP11-\_\_\_\_-000

NOTICE OF FILING  
November 30, 2010

Take notice that on November 30, 2010, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding Puget Sound Energy, Inc. in the Western Electricity Coordinating Council region.

Any person desiring to intervene or to protest this filing must file in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211, 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a notice of intervention or motion to intervene, as appropriate. Such notices, motions, or protests must be filed on or before the comment date. On or before the comment date, it is not necessary to serve motions to intervene or protests on persons other than the Applicant.

The Commission encourages electronic submission of protests and interventions in lieu of paper using the "eFiling" link at <http://www.ferc.gov>. Persons unable to file electronically should submit an original and 14 copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426.

This filing is accessible on-line at <http://www.ferc.gov>, using the "eLibrary" link and is available for review in the Commission's Public Reference Room in Washington, D.C. There is an "eSubscription" link on the web site that enables subscribers to receive email notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please email [FERCOnlineSupport@ferc.gov](mailto:FERCOnlineSupport@ferc.gov), or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Comment Date: [BLANK]

Kimberly D. Bose,  
Secretary