



NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

September 25, 2009

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

**Re: NERC Notice of Penalty regarding Truckee Donner Public Utility District, FERC  
Docket No. NP09-\_-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Notice of Penalty<sup>1</sup> regarding Truckee Donner Public Utility District (TDPD), NERC Registry ID NCR05433,<sup>2</sup> 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 Notice of Penalty is being filed with the Commission because, based on information from Western Electricity Coordinating Council (WECC), TDPD does not dispute the alleged violation of CIP-001-1 Requirement (R) 2. WECC and TDPD have entered into a Settlement Agreement in which TDPD has agreed to the proposed penalty of three thousand dollars (\$3,000) to be assessed to TDPD, in addition to other remedies and mitigation actions to mitigate the instant violation and ensure future compliance under the terms and conditions of the Settlement Agreement. WECC and TDPD have entered into the Settlement Agreement to resolve all outstanding issues arising from a preliminary and non-public assessment resulting in WECC's determination and findings of the enforceable alleged violations at issue in this Notice of Penalty. Accordingly, the alleged violation identified as NERC Violation Tracking Identification Number WECC200801227 is being filed in accordance with the NERC Rules of Procedure and the CMEP.

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<sup>1</sup> *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards* (Order No. 672), 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 (2008). *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).

<sup>2</sup> Western Electricity Coordinating Council confirmed that TDPD was included on the NERC Compliance Registry on June 17, 2007 as a Distribution Provider (DP) and Load Serving Entity (LSE), and as a LSE was subject to the requirements of NERC Reliability Standard CIP-001-1. In the Settlement Agreement, WECC incorrectly stated the date TDPD was registered on the NERC Compliance Registry as April 10, 2007.

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

### Statement of Findings Underlying the Alleged Violation

This Notice of Penalty incorporates the findings and justifications set forth in the Settlement Agreement executed as of May 29, 2008, by and between WECC and TDPD, which is included as Attachment b. The details of the findings and basis for the penalty are set forth in the Settlement Agreement and herein. This Notice of Penalty filing contains the basis for approval of the Settlement Agreement by the NERC Board of Trustees Compliance Committee (NERC BOTCC). In accordance with Section 39.7 of the Commission's regulations, 18 C.F.R. § 39.7 (2007), NERC provides the following summary table identifying each alleged violation of a Reliability Standard resolved by the Settlement Agreement, as discussed in greater detail below.

Region	Registered Entity	NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Total Penalty (\$)
WECC	Truckee Donner Public Utility District	NOC-209	WECC200801227	CIP-001-1	2	Medium	\$3,000

The purpose of Reliability Standard CIP-001-1 is to ensure that disturbances or unusual occurrences, suspected or determined to be caused by sabotage, shall be reported to the appropriate systems, governmental agencies and regulatory bodies.

CIP-001-1 R2 requires an entity such as TDPD to have procedures for the communication of information concerning sabotage events to appropriate parties in the Interconnection. CIP-001-1 R2 has a "Medium" Violation Risk Factor (VRF).

According to the Settlement Agreement, WECC conducted an off-site compliance audit on October 15, 2008, during which it found TDPD had a possible violation of Reliability Standard CIP-001-1 R2. WECC's audit team reviewed two documents that referenced internal processes for communicating sabotage event information: (1) TDPD's *Procedure Manual #01-CIP-001-1* (section 1b, page 1); and (2) TDPD's *Outage Guide* effective January 10, 2008. The audit team found these documents to be nearly identical; both referenced internal processes for communication of information concerning sabotage events only to TDPD's organization. Both failed to include procedures for communicating sabotage event information to the appropriate parties in the Interconnection.

The audit team recommended that, at a minimum, TDPD's Balancing Authority and Transmission Operator, Sierra Pacific Power Company, should be notified of sabotage events due to its facilities location with respect to TDPD's location. WECC's enforcement team reviewed the documents and audit team's findings, and confirmed the alleged violation of CIP-001-1 R2.

On October 17, 2008, TDPD revised its *Procedure Manual #01-CIP-001-1* to include a specific section titled "Sabotage Reporting Procedure." This new section stated that TDPD would contact neighboring electric utilities (appropriate parties within the Interconnection) to warn them of sabotage events. It also included the names and telephone numbers of the appropriate electric utilities that TDPD would contact upon discovering an act of sabotage.

WECC determined that TDPD had a deficient “Sabotage Reporting Procedure” in place from June 18, 2007, the effective date of the Reliability Standard, until October 17, 2008, the date TDPD updated the procedure and effectively mitigated the CIP-001-1 R2 violation, as discussed below.

According to the Settlement Agreement, WECC assessed a total penalty of three thousand dollars (\$3,000) against TDPD for the alleged violation of CIP-001-1 R2. In reaching this determination, WECC considered that a procedure to communicate information concerning sabotage events within its corporate structure existed, but that procedure failed to include appropriate parties in the Interconnection. WECC determined that this posed a moderate risk to the reliability of the bulk power system, because failure to communicate with other parties in the Interconnection could allow the escalation of sabotage events. Additionally such a communication failure could leave neighboring entities unprepared for forthcoming sabotage events. However, WECC found that this was TDPD’s first assessed noncompliance with CIP-001-1, and TDPD cooperated with WECC and effectively mitigated the violation within two days. In addition, WECC took into consideration the following mitigating factors with respect to the facts and circumstances of the referenced alleged violation: (a) the violation did not pose serious or substantial risk to the reliability of the bulk power system; (b) the violation was corrected two days after discovery; (c) TDPD’s timely corrective action; (d) TDPD’s cooperation during the audit and investigation process; (e) TDPD did not attempt to conceal the violation; and (f) there was no evidence that the alleged violation was intentional.

### **Status of Mitigation Plan**

TDPD’s Mitigation Plan to address the violation of CIP-001-1 R2 was submitted to WECC on October 17, 2008, accepted by WECC on November 3, 2007 and approved by NERC on February 9, 2009. The Mitigation Plan for this violation is designated as MIT-08-1360 and was submitted as non-public information to FERC on February 17, 2009 in accordance with FERC orders. TDPD certified on October 17, 2008 to WECC that its Mitigation Plan was complete on October 17, 2008. WECC reviewed an updated version of TDPD’s *Procedure Manual #01-CIP-001-1*, which was revised by WECC on October 17, 2008, to verify that TDPD completed its Mitigation Plan. In order to mitigate this violation, TDPD added a new section to the *Procedure Manual* titled, “Sabotage Reporting Procedure.” This new section stated that TDPD would contact neighboring electric utilities (appropriate parties within the Interconnection) so that TDPD can warn them to be on guard for similar acts of sabotage. This section also included the names and telephone numbers of the appropriate electric utilities that TDPD must contact upon discovering an act of sabotage.

On November 3, 2008, WECC reviewed the completed Mitigation Plan and determined that the additional section in TDPD’s October 17, 2008 *Procedure Manual* included all necessary elements for full compliance with CIP-001-1 R2. On February 18, 2009, WECC notified TDPD that its Mitigation Plan was complete.

## **Statement Describing the Proposed Penalty, Sanction or Enforcement Action Imposed**

### **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 Guidance Order,<sup>4</sup> the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on July 10, 2009. The NERC BOTCC approved the Settlement Agreement, including WECC's imposition of a financial penalty of three thousand dollars (\$3,000) against TDPD, in addition to other actions in order to mitigate the instant violation and ensure future compliance required under the terms and conditions of the Settlement Agreement. In approving the Settlement Agreement, the NERC BOTCC reviewed the applicable requirements of the Commission-approved Reliability Standards and the underlying facts and circumstances of the alleged violation at issue.

In reaching this determination, NERC BOTCC considered the following factors: (1) this is the first occurrence of a violation of a Reliability Standard Requirement by TDPD; (2) TDPD promptly completed its Mitigation Plan within two-days of the audit to remedy the violation; (3) TDPD cooperated during the audit and investigation process; (4) according to WECC, TDPD did not attempt to conceal the violation; (5) there was no evidence that the alleged violation was intentional; (6) TDPD did not contest the alleged violation; (7) TDPD agreed to the settlement to resolve the alleged violation and to avoid extended litigation; and (8) TDPD is a small publicly-owned non-profit entity, with a peak load of 36 MW.

Therefore, NERC approves the Settlement Agreement and believes that the proposed three thousand dollar (\$3,000) penalty is appropriate and consistent with NERC's goal to ensure reliability of the BPS.

Pursuant to Order No. 693, the penalty will be effective upon expiration of the 30 day period following the filing of this Notice of Penalty with FERC, or, if FERC decides to review the penalty, upon final determination by FERC.

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

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

- a) WECC's Determination Summary, included as Attachment a;
- b) Settlement Agreement by and between TDPD and WECC, included as Attachment b;
- c) Mitigation Plan designated as MIT-08-1360 and Certification of Completion, included as Attachment c; and
- d) WECC's statement of verification that the Mitigation Plan has been completed, dated November 3, 2008, included as Attachment d.

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<sup>4</sup> *Guidance on Filing Reliability Notices of Penalty*, 124 FERC ¶ 61,015 (2008).

## **A Form of Notice Suitable for Publication**

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

## **Notices and Communications**

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

Rick Sergel  
President and Chief Executive Officer  
David N. Cook\*  
Vice President and General Counsel  
North American Electric Reliability Corporation  
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(801) 883-6894 – facsimile  
CLuras@wecc.biz

Stephen Hollabaugh\*  
Assistant General Manager  
Truckee Donner Public Utility District  
PO Box 309  
Truckee, CA 96160  
(530) 582-3934  
(530) 587-1189 – facsimile  
stephenhollabaugh@tdpud.org

\*Persons to be included on the Commission's service list are indicated with an asterisk. NERC respectfully requests waiver of the Commission's rules and regulations to permit more than two persons on the service list.

Rebecca J. Michael\*  
Assistant General Counsel  
Holly A. Hawkins\*  
Attorney  
North American Electric Reliability Corporation  
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Truckee Donner Public Utility District  
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## Conclusion

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

Respectfully submitted,

Rick Sergel  
President and Chief Executive Officer  
David N. Cook  
Vice President and General Counsel  
North American Electric Reliability Corporation  
116-390 Village Boulevard  
Princeton, NJ 08540-5721  
(609) 452-8060  
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/s/ Rebecca J. Michael  
Rebecca J. Michael  
Assistant General Counsel  
Holly A. Hawkins  
Attorney  
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holly.hawkins@nerc.net

cc: Truckee Donner Public Utility District  
Western Electricity Coordinating Council

Attachment(s)

## **Attachment a**

# **WECC's Determination Summary**



Post June 18th Violations



### Compliance and Registration Database Post Violations Tracking and Reporting

Region: WECC Violation Date: 10/15/2008 WECC ID: TDPD\_WECC20081338  
Entity: Truckee Donner Public Utility District Acronym: TDPD Registry ID: NCR05433 NERC violation ID: WECC200801227  
Standard: CIP-001-1 Sabotage Reporting

<b>Disposition_Final Record</b>	<b>Mitigation Plan</b>	<b>RAD and RAD Appeal</b>	<b>Internal Notes</b>	<b>Pre-June 18</b>
Initial Notice	NAVAPS	Proposed Sanction Penalty	Contested Hearing	

Requirement: 2 Repeat Alleged Violation?

Initial Determination by Region: 12/15/2008

Reporting Method: Compliance Audit

On Site Audit  Off Site Audit

Deemed Date: 10/15/2008

Violation Level: VSL - Moderat

Violation Risk Factor: MEDIUM

Alleged Violation Time:

Alleged Violation End Date:

**Violation Description:**  
TDPD does not have procedures to notify any party in the interconnection regarding sabotage events. The audit team recommends that at a minimum their BA and TOP (Sierra Pacific Power Company) should be notified of sabotage events. Due to SPPC location of facilities with respect to TDPD's

Regional Contact Person: Miller, Patrick

Applicable Functions: LSE

Regional Determination of Impact to BPS:

**Detailed Description of Potential Impact to BPS:**  
Moderate Impact – Failure to communicate with other interconnected parties could allow the escalation the sabotage event(s) or other events.

ID sent to Entity:

**Additional Comments**

Close



## **Attachment b**

# **Settlement Agreement by and between TDPD and WECC**

**SETTLEMENT AGREEMENT**  
**OF**  
**WESTERN ELECTRICITY COORDINATING COUNCIL**  
**AND**  
**TRUCKEE DONNER PUBLIC UTILITY DISTRICT**

Western Electricity Coordinating Council (“WECC”) and Truckee Donner Public Utility District (“TDPD”) (collectively the “Parties”) hereby enter into this Settlement Agreement (“Agreement”) on this 28th day of May, 2009.

**RECITALS**

A. The Parties enter into this Agreement to resolve all outstanding issues between them arising from a non-public assessment of TDPD by WECC that resulted in certain WECC determinations and findings regarding one alleged TDPD violation of the following North American Electric Reliability Corporation (“NERC”) Reliability Standard (“Reliability Standard”):

**CIP-001-1 Requirement 2 *Sabotage Reporting***

B. TDPD is a public utility district of the State of California engaged in the distribution, sale, and delivery of electric power and energy. TDPD is a transmission-dependent utility located on the eastern slope of the Sierra Nevada Mountains with a service territory of approximately 44 square miles in eastern Nevada County (Nevada) and approximately 1.5 square miles in adjacent Placer County (Nevada). TDPD is within Sierra Pacific Power Company’s balancing area and serves approximately 13,370 customers. Its peak load is 36 MW. TDPD normally peaks during the winter between Christmas and New Years Eve due to resort load and a high number of second homeowner loads that arise during weekends and holidays. TDPD has more than 208 miles of 12.47 kV distribution lines, including 73 miles of underground distribution cables. On June 17, 2007, TDPD was registered on the NERC Compliance Registry as a Distribution Provider and Load Serving Entity.

C. WECC was formed on April 18, 2002 by the merger of the Western Systems Coordinating Council, Southwest Regional Transmission Association, and Western Regional Transmission Association. WECC is one of eight regional entities in the United States with responsibility for coordinating and promoting electric system reliability and enforcing the mandatory Reliability Standards created by NERC under the authority granted in Section 215 of the Federal Power Act. In addition, WECC supports efficient competitive power markets, assures open and non-discriminatory transmission access among members, provides a forum for resolving transmission access disputes, and provides an environment for coordinating the operating and planning activities of its members. WECC’s region encompasses a vast area of nearly 1.8 million square miles extending from Canada to Mexico and including 14 western states. It is the largest and most diverse of the eight regional entities in the United States.

D. The Parties are entering into this Agreement to settle the disputed matters between them. It is in the Parties' and the public's best interests to resolve this matter efficiently without the delay and burden associated with a contested proceeding. Nothing contained in this Agreement shall be construed as an admission or waiver of either party's rights. Except, however, nothing in this Agreement shall limit or prevent WECC from evaluating TDPD for subsequent violations of the same Reliability Standard addressed herein and taking enforcement action, if necessary. Such enforcement action may include assessing penalties against TDPD for subsequent violations of the Reliability Standard addressed herein in accordance with NERC Rules of Procedure.

NOW, THEREFORE, in consideration of the terms set forth herein, including in the Recitals, WECC and TDPD hereby agree and stipulate to the following:

## **I. Representations of the Parties**

For purposes of this Agreement, TDPD stipulates to the facts contained herein. WECC has established sufficient facts, as set forth herein, to support its determination that TDPD has a Confirmed Violation, as this term is defined in the WECC Compliance and Monitoring Enforcement Program ("CMEP"), of the Reliability Standard described below in detail.

## **II. Confirmed Violation**

### **NERC Reliability Standard CIP-001-1 Requirement 2**

*Each Reliability Coordinator, Balancing Authority, Transmission Operator, Generator Operator, and Load Serving Entity shall have procedures for the communication of information concerning sabotage events to appropriate parties in the Interconnection.*

TDPD is subject to this Standard because it was registered on the NERC Compliance Registry on April 10, 2007 as a Load Serving Entity. On October 15, 2008, WECC conducted an off-site Compliance Audit of TDPD and determined that TDPD had a possible violation of this Standard. The WECC Audit Team ("Audit Team") reviewed TDPD's *Procedure Manual #01-CIP-001-1* (section 1b, page 1) ("*Procedure Manual*") and the TDPD *Outage Guide* dated January 10, 2008 ("*Outage Guide*").

The Audit Team found the *Procedure Manual* and *Outage Guide* to be nearly identical; the documents referenced internal processes for communication of information concerning sabotage events, but did not include procedures for communicating that information to the appropriate parties outside of TDPD's organization. Thus, the Audit Team concluded that TDPD did not have procedures for communicating information regarding sabotage events to appropriate parties in the Interconnection and was in possible violation of CIP-001-1 Requirement 2. The Audit Team forwarded this information to the WECC Enforcement Department ("Enforcement") for its review and consideration.

Enforcement reviewed TDPD's documents and the Audit Team's findings. Based on its independent review, Enforcement confirmed that TDPD had an Alleged Violation of CIP-001-1 Requirement 2 because TDPD lacked specific procedures to notify appropriate parties in the Interconnection of sabotage events.

On October 17, 2008, TDPD submitted a mitigation plan and a completed mitigation plan addressing this violation. With its mitigation plan, TDPD included an updated version of its *Procedure Manual #01-CIP-001-1* (revised October 17, 2008). In order to mitigate this violation, TDPD added a new section to the *Procedure Manual* titled, “Sabotage Reporting Procedure.” This new section stated that TDPD will contact neighboring electric utilities (appropriate parties within the Interconnection) so that TDPD can warn them to be on guard for similar acts of sabotage. This section also includes the names and telephone numbers of the appropriate electric utilities that TDPD must contact upon discovering an act of sabotage.

WECC reviewed the mitigation plan and completed mitigation plan on November 3, 2008. WECC concluded that TDPD’s October 17, 2008 revision to *Procedure Manual #01-CIP-001-1* included the necessary elements for communicating sabotage event information to appropriate parties in the Interconnection. Accordingly, WECC verified completion of the mitigation plan and accepted it on November 3, 2008. Based upon these facts, Enforcement determined that TDPD was in violation of CIP-001-1 Requirement 2 from June 18, 2007 to October 17, 2008, a period of 487 days.

### **III. Settlement Terms**

A. Payment. To settle this matter, TDPD hereby agrees to pay \$3,000.00 to WECC via wire transfer or cashier’s check. TDPD shall make the funds payable to a WECC account identified in a forthcoming Notice of Payment that WECC will send to TDPD upon approval of this Agreement by NERC and the Federal Energy Regulatory Commission (“FERC”). TDPD shall issue the payment to WECC no later than twenty days after receipt of the Notice of Payment.

The terms of this Agreement, including the agreed-upon payment, are subject to review and possible revision by NERC and FERC. Upon NERC approval of the Agreement, NERC will file a Notice of Penalty with FERC. If FERC approves the Agreement, NERC will publicly post the Agreement. If either NERC or FERC rejects the Agreement, the Parties will attempt to negotiate a revised settlement agreement that shall include any changes to the Agreement recommended or required by NERC or FERC. If the Parties cannot reach a settlement agreement, the CMEP shall govern the enforcement process.

B. Settlement Rationale. WECC’s determination of penalties in an enforcement action is guided by the statutory requirement codified at 16 U.S.C. § 824o(e)(6) that any penalty imposed “shall bear a reasonable relation to the seriousness of the violation and shall take into consideration the efforts of such user, owner, or operator to remedy the violation in a timely manner”. Additionally, WECC considers the guidance provided by the NERC Sanction Guidelines and by FERC in Order No. 693 and in its July 3, 2008 Guidance Order on Reliability Notices of Penalty.

Specifically, to determine penalty assessment, WECC considers the following factors: (1) the seriousness of the violation, including the applicable Violation Risk Factor and Violation Severity Level, and the risk to the reliability of the Bulk Power System (“BPS”); (2) the violation’s duration; (3) the Registered Entity’s compliance history; (4) the Registered Entity’s self-reports and voluntary corrective action; (5) the degree and quality of cooperation by the Registered Entity in the audit or investigation process, and in any remedial action; (6) the quality

of the Registered Entity's compliance program; (7) any attempt by the Registered Entity to conceal the violation or any related information; (8) whether the violation was intentional; (9) any other relevant information or extenuating circumstances; and (10) the Registered Entity's ability to pay a penalty.

The VRF that applies to TDPD's Alleged Violation of CIP-001-1 R2 in accordance with NERC's VRF Matrix dated February 3, 2009 is "Medium". Because TDPD had a procedure to communicate information concerning sabotage events within its corporate structure, but that procedure failed to provide for the communication of information concerning sabotage events to all of the appropriate parties in the Interconnection, WECC determined that this violation posed a moderate risk to the reliability of the BPS.

In addition to the factors listed above, WECC considered several mitigating factors to reach an agreement with TDPD regarding the payment amount. First, this violation was TDPD's first assessed noncompliance with this Standard. Second, TDPD mitigated this violation promptly within two days. Third, TDPD cooperated with WECC throughout the compliance and enforcement process.

Finally, in reaching this Agreement, WECC considered that there were no aggravating factors warranting a higher payment amount. Specifically, TDPD did not have any negative compliance history. There was no failure by TDPD to comply with applicable compliance directives, nor any evidence of an attempt by TDPD to conceal a violation. Finally, there was no evidence that TDPD's violation was intentional.

#### **IV. Additional Terms**

A. Authority. The undersigned representative of each Party warrants that he or she is authorized to represent and bind the designated party.

B. Representations. The undersigned representative of each Party affirms that he or she has read the Agreement, that all matters set forth in the Agreement are true and correct to the best of his or her knowledge, information, or belief, and that he or she understands that the Agreement is entered into by each Party in express reliance on the representations set forth herein.

C. Review. Each Party acknowledges that it has had the opportunity to consult with legal counsel regarding the Agreement and to review it carefully. Each Party enters the Agreement voluntarily. No tender, offer, or promise of any kind outside the terms of the Agreement by any member, employee, officer, director, agent, or representative of TDPD or WECC has been made to induce the signatories or the Parties to enter into the Agreement.

D. Entire Agreement. The Agreement represents the entire agreement between the Parties. No oral representations shall be considered a part of the Agreement.

E. Effective Date. The Agreement shall become effective upon FERC's approval of the Agreement by order or operation of law.

F. Waiver of Right to Further Proceedings. TDPD agrees that the Agreement, upon approval by NERC and FERC, is a final settlement of all matters set forth herein. TDPD waives its right to further hearings and appeal, unless and only to the extent that TDPD contends that any NERC or FERC action concerning the Agreement contains one or more material modifications to the Agreement.

G. Reservation of Rights. WECC reserves all of its rights to initiate enforcement, penalty, or sanction actions against TDPD in accordance with the Agreement, the CMEP, and the NERC Rules of Procedure. In the event that TDPD fails to comply with any of the terms of this Agreement, WECC shall have the right to pursue enforcement, penalty, or sanction actions against TDPD up to the maximum penalty allowed by the NERC Rules of Procedure. TDPD shall retain all of its rights to defend against such enforcement actions in accordance with the CMEP and the NERC Rules of Procedure. Failure by WECC to enforce any provision hereof on occasion shall not constitute a waiver by WECC of its enforcement rights or bind WECC on any other occasion.

H. Amendments. Any amendments to the Agreement shall be in writing. No amendment to the Agreement shall be effective unless it is in writing and executed by the Parties.

I. Successors and Assigns. The Agreement shall be binding on successors or assigns of the Parties.

J. Governing Law. The Agreement shall be governed by and construed under the laws of the State of Utah.

K. Captions. The Agreement's titles, headings, and captions are for the purpose of convenience only and in no way define, describe, or limit the scope or intent of the Agreement.

L. Counterparts and Facsimiles. The Agreement may be executed in counterparts, in which case each of the counterparts shall be deemed to be an original. Also, the Agreement may be executed via facsimile, in which case a facsimile shall be deemed to be an original.

Agreed to and accepted:

[Intentionally left blank; signature page follows]

WESTERN ELECTRICITY COORDINATING COUNCIL

*Constance B White*  
\_\_\_\_\_  
Constance B. White *by Laura Shaw*  
Vice President of Compliance

*5/29/09*  
\_\_\_\_\_  
Date

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

*Stephen Hollabaugh*

May 28, 2009

\_\_\_\_\_  
Stephen Hollabaugh  
Assistant General Manager  
Truckee Donner Public Utility District

\_\_\_\_\_  
Date



## **Attachment c**

# **Mitigation Plan designated as MIT-08-1360 and Certification of Completion**



## Mitigation Plan Submittal Form

New  or Revised

Date this Mitigation Plan is being submitted: October 17, 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: Truckee Donner Public Utility District (TDPD)

Registered Entity Address: P.O. Box 309, Truckee, CA 96160  
NERC Compliance Registry ID: NCR05433

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: Stephen Hollabaugh  
Title: Assistant General Manager / Electric Utility Manager  
Email: Stephenhollabaugh@tdpud.org

<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.



Western Electricity Coordinating Council

Phone:



**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: CIP-001-1, R2  
*[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)
		R2		Alleged 10/15/2008	Off Site Audit

(\*) 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:

During Off-Site Audit of October 15,2008, the auditors were unsure if TDPD correctly documented communication with appropriate parties within the Interconnection. TDPD has a procedure for Sabotage reporting and a communication procedure. TDPD is a transmission dependent utility of Sierra Pacific Power Company. The communication procedure includes the following:  
c. Sierra Pacific Power contacted (if appropriate see attachment 1, Important Phone Numbers)  
i. Early Cause: Sierra Pacific is contacted by the Electrical Superintendent or his representative to determine if they have system problems affecting the TDPUD system.



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ii Status: Sierra Pacific is periodically contacted by the Electrical Superintendent or his representative to determine their system problem status.

The auditors questioned if TDPUD would contact Sierra Pacific concerning a sabotage issue that might affect the Sierra Pacific System. Attached is the current Sabotage procedure and evidence.

[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:

TDPUD believes the current procedure meets the R2 requirement but it could be clarified. TDPUD can easily insert a procedure statement and the reporting procedures with the appropriate phone numbers directly within the 01-CIP-00101 Procedure Manual. This will clarify all the appropriate contacts within the Interconnection.

[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:

Action plan: Update the Procedure Manual 01-CIP-001-1 to include a procedure statement and update the reporting procedure to include all the contact information for appropriate parties within the Interconnection rather than going to the existing separate communication procedures. This may clarify the communication of information concerning sabotage events to appropriate parties. Attached is the updated procedure, additions are in RED.  
[Provide your response here; additional detailed information may be provided as an attachment as necessary]



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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:

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)

(\* ) 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:

[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:

[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:

Completion of this mitigation plan which included updating the existing procedural manual should clarify the contact of appropriate parties within the Interconnection and document it such that individuals within and outside TDPUD will not have any question to who will be contacted. This updated procedure will be provided to district personnel including electric personnel.  
[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



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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 Assistant General Manager of Truckee Donner Public Utility District.
  2. I am an officer, employee, attorney or other person authorized to sign this Mitigation Plan on behalf of Truckee Donner Public Utility District.
  3. I understand Truckee Donner Public Utility District's 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. Truckee Donner Public Utility District 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:**

A handwritten signature in blue ink that reads 'Stephen Hollabaugh'. The signature is written in a cursive style and is positioned above a horizontal line.

(Electronic signatures are acceptable; see CMEP Section 3.0)

Name (Print): Stephen Hollabaugh

Title: Assistant General Manager/Electric Utility Manager

Date: 10/17/2008



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### **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:

Mike Wells, Sr. Compliance Engineer

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

Phone: (801) 883-6884

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.



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- 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.

## **Attachment d**

**WECC's Statement of Verification that the  
Mitigation Plan has been completed, dated  
August 3, 2009**

**CONFIDENTIAL**



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

360.567.4058  
[bkiser@wecc.biz](mailto:bkiser@wecc.biz)

February 18, 2009

Stephen Hollabaugh  
Assistant General Manager  
Truckee Donner Public Utility District  
NCR05433  
PO Box 309  
Truckee, California 96160

Subject: Certification of Completion Response Letter

Dear Stephen Hollabaugh,

The Western Electricity Coordinating Council (WECC) has received Truckee Donner Public Utility District TDPD's Certification of Completion and supporting evidence on 10/20/2008 for TDPD's alleged violation of Reliability Standard CIP-001-1 and Requirement(s) 2. Listed below is the outcome of WECC's official review.

WECC has accepted the Certification of Completion for Requirement(s) 2 of the Reliability Standard CIP-001-1 and have found these requirements to be fully mitigated. No further mitigation of these requirements will be required at this time.

If you have any questions or concerns, please contact Patrick Miller at [pmiller@wecc.biz](mailto:pmiller@wecc.biz). Thanks for your assistance in this effort.

Sincerely,

*Bob Kiser*

Bob Kiser  
Manager of Audits and  
Investigations

BK:cm

cc: Joe Horvath, TDPD System Electrical Engineer  
Lisa Milanese, WECC Manager of Compliance Administration  
Patrick Miller, WECC Senior Compliance Engineer

**Attachment e**

**Notice of Filing**



UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Truckee Donner Public Utility District

Docket No. NP09-\_\_\_\_-000

NOTICE OF FILING  
September 25, 2009

Take notice that on September 25, 2009, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding Truckee Donner Public Utility District 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