



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

December 30, 2009

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

**Re: NERC Notice of Penalty regarding Eugene Water & Electric Board
FERC Docket No. NP10-_-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Notice of Penalty¹ regarding Eugene Water & Electric Board (EWEB), NERC Registry ID# NCR05153,² 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)).³

On January 9, 2008, EWEB submitted its response to WECC's 2007 self-certification program identifying compliance with Reliability Standard PRC-005-1 and a possible violation of Reliability Standard PRC-008-0 Requirement (R) 2 for EWEB's failure to fully implement its UFLS equipment maintenance and testing program by not maintaining two (2) UFLS relays in a timely manner. On February 29, 2008, during a Spot Check of Reliability Standard PRC-005-1 conducted by WECC, a possible violation of PRC-005-1 R2 was also discovered because EWEB failed to test some of its Protection System relays in accordance with EWEB's defined intervals. This Notice of Penalty is being filed with the Commission because, based on information from WECC, WECC and EWEB have entered into a 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 of PRC-005-1 R2 and PRC-008-0 R2. EWEB has agreed to the proposed penalty of six thousand dollars (\$6,000) to be assessed to EWEB, in

¹ *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). See 18 C.F.R. § 39.7(c)(2).

² Western Electricity Coordinating Council (WECC) confirmed that EWEB was included on the NERC Compliance Registry as a Generator Operator, Transmission Owner, Generator Owner, Distribution Provider, Load Serving Entity, Transmission Planner and Purchasing-Selling Entity on June 17, 2007 and as a Transmission Operator on May 8, 2009. As a Transmission Owner, Generator Owner and Distribution Provider, EWEB is subject to the requirements of NERC Reliability Standard PRC-005-1 R2. As a Transmission Owner and Distribution Provider, EWEB is subject to the requirements of NERC Reliability Standard PRC-008-0 R2.

³ See 18 C.F.R. § 39.7(c)(2).

addition to other remedies and actions to mitigate the instant violations and facilitate future compliance under the terms and conditions of the Settlement Agreement. Accordingly, the alleged violations identified as NERC Violation Tracking Identification Numbers WECC200801293 and WECC200801029 are being filed in accordance with the NERC Rules of Procedure and the CMEP.

Statement of Findings Underlying the Alleged Violations

This Notice of Penalty incorporates the findings and justifications set forth in the Settlement Agreement executed on April 10, 2009, by and between WECC and EWEB, which is included as Attachment c. 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	Eugene Water & Electric Board	171	WECC200801293	PRC-005-1	2	High ⁴	6,000
			WECC200801029	PRC-008-0	2	Medium	

PRC-005-1 R2

The purpose of Reliability Standard PRC-005-1 R2 is to ensure all transmission and generation Protection Systems⁵ affecting the reliability of the Bulk Power System (BPS) are maintained and tested.

PRC-005-1 R2 requires each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System, such as EWEB, to provide documentation of its Protection System maintenance and testing program and the implementation of that program to its Regional Entity on request (within 30 calendar days). The documentation of the program implementation shall include: (R2.1) Evidence Protection System devices were maintained and tested within the defined intervals; and (R2.2) Date each Protection

⁴ PRC-005-1 R2 has a “Lower” VRF; R2.1 and R2.2 have “High” VRFs. Because EWEB did not meet the requirement or the sub-requirements, a “High” VRF was applied in this case. During a final review of the standards subsequent to the March 23, 2007 filing of the Version 1 VRFs, NERC identified that some standards requirements were missing VRFs; one of these include PRC-005-1 R2.1. On May 4, 2007, NERC assigned PRC-005 R2.1 a “High” VRF. In the Commission’s June 26, 2007 Order on Violation Risk Factors, the Commission approved the PRC-005-1 R2.1 “High” VRF as filed. Therefore, the “High” VRF was in effect from June 26, 2007.

⁵ Protection Systems is defined as “[p]rotective relays, associated communication systems, voltage and current sensing devices, station batteries and DC control circuitry” in the NERC Glossary of Terms Used in Reliability Standards.

System device was last tested/maintained. PRC-005-1 R2 has a “High” Violation Risk Factor (VRF).

On January 9, 2008, in its annual NERC Compliance Self-Certification to WECC for the period covering January 1, 2007 through December 31, 2007, EWEB reported compliance with PRC-005-1.⁶ On January 16, 2008, WECC notified EWEB that WECC was conducting a Spot Check of four NERC Reliability Standards, including PRC-005-1. The Spot Check required EWEB to submit its evidence showing compliance with PRC-005-1 by February 5, 2008. EWEB submitted its documentation on February 5, 2008 and WECC reviewed this documentation on February 28, 2008.

WECC reviewed EWEB’s submitted documentation and subsequently requested additional data for all relays in the EWEB system and not just those tested in 2007. On March 4, 2008, EWEB provided to WECC a spreadsheet entitled *Relay Test History* from the ENOSERV relay test software database which included data for its 434 total devices. This document showed 40 relays that had not been tested within EWEB’s maintenance and testing intervals.⁷ Thirty-three (33) relays from EWEB’s Generation Protection System were behind schedule for maintenance. Of these 33 relays, 18 were from EWEB’s Smith Falls Hydro 36 MW facility composed of three generators and 15 were from EWEB’s Weyco Facility, a part of a 51.2 MW co-generation facility.⁸ The 15 relays are used to sense phase current, phase voltage differential, ground current, phase exciter, *etc.* The *Relay Test History* spreadsheet also showed 7 relays from EWEB’s Transmission Protection System were behind schedule for maintenance. These 7 relays were associated with the Smith Falls Transmission line that integrates the Smith Falls Hydro facility.

These 40 relays (33 from the Generation Protection System and 7 from the Transmission Protection System) were under the responsibility of a third party that was under contract to EWEB.⁹ EWEB discovered that the third party was not performing maintenance and testing procedures as prescribed in EWEB’s maintenance and testing program.

WECC determined that EWEB had an alleged violation of PRC-005-1 R2 under EWEB’s Generator Owner and Transmission Owner registered functions because PRC-005-1 R2 requires EWEB to provide documentation that the devices in its Transmission and Generation Protection System are tested and maintained within its defined intervals. WECC determined the duration of the alleged violation to be from June 18, 2007, the date the standard became enforceable, through March 20, 2008, when EWEB completed its Mitigation Plan.

⁶ EWEB’s Relay Testing and Maintenance Program required EWEB to test one-third of its relays each year. During the 2007 Self-Certification process, EWEB self-certified that it was compliant with PRC-005-1 R2 because it had tested more than one-third of its system relays between January 1, 2007 and December 31, 2007.

⁷ WECC reported that the 40 relays in question were not due to be tested in 2007 and therefore, EWEB’s 2007 Self-Certification response did not discover the instant alleged violation.

⁸ Maintenance and testing for Smith Falls Hydro and Smith Falls Transmission was 10 years overdue. Maintenance and testing for Weyco was less than one year overdue.

⁹ In its 2007 Self-Certification, EWEB had reported compliance on assumption that the third party was performing this maintenance as it was required to do.

PRC-008-0 R2

The purpose of Reliability Standard PRC-008-0 R2 is to provide last resort system preservation by implementing an Under Frequency Load Shedding (UFLS) program.

PRC-008-0 R2 requires a Transmission Owner and Distribution Provider with a UFLS program (as required by its Regional Entity), such as EWEB, to implement its UFLS equipment maintenance and testing program and provide UFLS maintenance and testing program results to its Regional Entity and NERC on request (within 30 calendar days). PRC-008-0 R2 has a “Medium” VRF.

In preparing to complete its NERC Compliance Self-Certification for the period covering January 1, 2007 through December 31, 2007, EWEB discovered in December of 2007 that two UFLS relays, that are part of EWEB’s UFLS maintenance and testing program, had not been tested and maintained according to EWEB’s UFLS program. EWEB reported the two UFLS relays had been out of service for potentially several years, as described below:

1. **Adams Substation:** During scheduled relay testing at the Adams Substation in February 2006, the UFLS relay was discovered to be inoperable. The relay was taken out of service (removed from its case) and a request for maintenance was submitted. In December 2007, while preparing to complete its compliance Self-Certification for 2007, EWEB reviewed its maintenance records and spot-checked field conditions, and discovered the Adams UFLS relay had not been repaired.
2. **Bethel Substation:** In a February 2005 Relay and Substation Maintenance Report for the Bethel Substation, EWEB’s records indicate that the Bethel Substation relays were found to be in good condition. However, in the December 2007 preparation for its compliance Self-Certification, EWEB discovered that the Bethel UFLS relay was missing from its case. With no indication as to when or why the relay was removed from service, the maximum duration for the absence of the relay might be as long as 2-years and 9-months since the previous maintenance record; February 2005 to December 2007.

While EWEB had tested the UFLS relays within the 3-year periodicity specified in its maintenance and testing program, it had not thereafter maintained the equipment in a timely fashion.

WECC determined that EWEB had an alleged violation of PRC-008-0 R2 under EWEB’s Transmission Owner registered function because the evidence showed that EWEB failed to fully implement its UFLS equipment maintenance and testing program by not maintaining two UFLS relays in a timely manner. WECC determined the duration of the alleged violation to be from June 18, 2007, the date the standard became enforceable, through December 14, 2007, when EWEB completed its Mitigation Plan.

Regional Entity’s Basis for Penalty

According to the Settlement Agreement, WECC has assessed a penalty of six thousand dollars (\$6,000) for the referenced alleged violations. In reaching this determination, WECC considered the following mitigating factors: (1) the alleged violations are EWEB’s first violations of NERC

Reliability Standards; (2) there was no evidence of any attempt to conceal a violation nor evidence of intent; (3) EWEB was cooperative throughout the enforcement process; (4) WECC determined that the alleged violation of PRC-005-1 R2 did not pose a serious or substantial risk to the BPS because the generation relays at both facilities (Smith Falls or Weyco) protect the generators and do not initiate actions that reach beyond the immediate facility. Therefore, the loss of either facility due to a relay failure or misoperation would be a loss of only that generation. Additionally, the seven transmission relays could inadvertently open the transmission line that connects Smith Falls Hydro to the larger transmission network, but would have no further impact; and (5) WECC determined that the alleged violation of PRC-008-0 R2 did not pose a serious or substantial risk to the BPS because although two UFLS relays were not tested per the scheduled UFLS maintenance and testing program, EWEB tested the two relays immediately after discovering the possible violation. According to WECC, the two UFLS relays on a system of EWEB's size represent a minimal reliability impact to the BPS.

After consideration of the above factors, WECC determined that, in this instance, the penalty amount of six thousand dollars (\$6,000) is appropriate and bears a reasonable relation to the seriousness and duration of the alleged violations.

Status of Mitigation Plan¹⁰

PRC-005-1 R2

EWEB's completed Mitigation Plan to address its alleged violation of PRC-005-1 R2 was submitted to WECC on April 8, 2008 with a completion date of March 20, 2008. The Mitigation Plan was accepted by WECC on June 19, 2008 and approved by NERC on March 13, 2009. The Mitigation Plan for this alleged violation is designated as MIT-08-1467 and was submitted as non-public information to FERC on March 17, 2009 in accordance with FERC orders.

EWEB's Mitigation Plan stated that upon discovery of the violation, EWEB relay technicians were immediately scheduled to perform testing and maintenance on the protection systems. The work was completed on March 20, 2008.

EWEB certified on April 8, 2008 that its Mitigation Plan was completed as of March 20, 2008. As evidence of completion of its Mitigation Plan, EWEB submitted an excel spreadsheet, *NERC Supplemental Report.xls*, to show that relay testing was completed. To prevent recurrence of the alleged violation, EWEB added the necessary protective devices to its computerized maintenance management system and established triggers for retesting the devices as part of its Protection System Maintenance and Testing Program. Additionally, EWEB will no longer rely on third parties to provide maintenance and testing. Instead, EWEB's relay shop supervisor will be responsible for ensuring all of EWEB's Protection System devices are compliant with PRC-005-1 R2.

On June 19, 2008, after WECC's review of EWEB's submitted evidence, WECC verified that EWEB's Mitigation Plan was completed on March 20, 2008 and notified EWEB in a letter dated July 18, 2008 that it was in compliance with PRC-005-1 R2.

¹⁰ See 18 C.F.R § 39.7(d)(7).

PRC-008-0 R2

EWEB's completed Mitigation Plan to address its alleged violation of PRC-008-0 R2 was submitted to WECC on April 8, 2008. The Mitigation Plan was accepted by WECC on August 2, 2008 and approved by NERC on December 16, 2008. The Mitigation Plan for this alleged violation is designated as MIT-07-1146 and was submitted as non-public information to FERC on December 16, 2008 in accordance with FERC orders.

EWEB's Mitigation Plan stated that EWEB placed the two (2) underfrequency relays back in service and performed testing and maintenance on them.

EWEB certified on April 8, 2008 that its Mitigation Plan was completed as of December 14, 2007. As evidence of completion of its Mitigation Plan, EWEB submitted documents titled *RTS Test Results – Bethel UFLS*; *RTS Test Results – Adams UFLS*; and a *NERC Report* dated April 4, 2008; providing evidence that the two relays identified in EWEB's mitigation plan were maintained on December 14, 2007. To prevent recurrence of this alleged violation, EWEB added the underfrequency relays to its computerized maintenance management system, including appropriate triggers for retesting as necessary.

On October 1, 2008, after WECC's review of EWEB's submitted evidence, WECC verified that EWEB's Mitigation Plan was completed on December 14, 2007 and notified EWEB in a letter dated September 30, 2008, that it was in compliance with PRC-008-0 R2.

Statement Describing the Proposed Penalty, Sanction or Enforcement Action Imposed¹¹

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,¹² the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on June 10, 2009. The NERC BOTCC approved the Settlement Agreement, including WECC's imposition of a financial penalty, assessing a penalty of six thousand dollars (\$6,000) against EWEB and other actions to facilitate 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 violations at issue.

In reaching this determination, the NERC BOTCC considered the following factors:

- (1) these violations constituted EWEB's first occurrence of violations of the applicable NERC Reliability Standards;
- (2) WECC reported EWEB was cooperative throughout the enforcement process;
- (3) there was no evidence of any attempt to conceal a violation nor evidence of intent; and

¹¹ See 18 C.F.R. § 39.7(d)(4).

¹² *North American Electric Reliability Corporation*, "Guidance Order on Reliability Notices of Penalty," 124 FERC ¶ 61,015 (2008).

- (4) WECC determined that the alleged violations did not pose a serious or substantial risk to the BPS, as discussed above.

For the foregoing reasons, the NERC BOTCC approves the Settlement Agreement and believes that the proposed penalty of six thousand dollars (\$6,000) is appropriate for the violations and circumstances in question, and is consistent with NERC's goal to promote and ensure reliability of the bulk power system.

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 and material:

- a) WECC's Screenshot of its Spot Check Determination and evidence submitted by EWEB in response to its Spot Check for PRC-005-1 R2 dated February 5, 2008, included as Attachment a;
- b) EWEB's Self-Certification response for PRC-008-0 R2 dated January 9, 2008, included as Attachment b;
- c) Settlement Agreement by and between EWEB and WECC executed April 10, 2009, included as Attachment c;
- d) EWEB's Mitigation Plan designated as MIT-08-1467 for the alleged violation of PRC-005-1 R2 and Certification of Completion, submitted April 8, 2008, included as Attachment d;
- e) WECC's Verification of Completion of the Mitigation Plan for PRC-005-1 R2, dated January 13, 2008, included as Attachment e;
- f) EWEB's Mitigation Plan designated as MIT-07-1146 for PRC-008-0 R2 and Certification of Completion, submitted April 8, 2008, included as Attachment f; and
- g) WECC's Verification of Completion of the Mitigation Plan for PRC-008-0 R2, dated August 5, 2008, included as Attachment g.

A Form of Notice Suitable for Publication¹³

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

¹³ 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>David N. Cook* Vice President and General Counsel North American Electric Reliability Corporation 116-390 Village Boulevard Princeton, N.J. 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 615 Arapeen Drive, Suite 210 Salt Lake City, UT 84108-1262 (801) 883-6887 (801) 883-6894 – facsimile CLuras@wecc.biz</p> <p>Randy Berggren* General Manager Eugene Water & Electric Board P.O. Box 10148 Eugene, OR 97440-2148 (541) 484-3751 (541) 484-3762 – facsimile Randy.berggren@eweb.eugene.or.us</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 Holly A. Hawkins* Attorney North American Electric Reliability Corporation 1120 G Street, N.W. Suite 990 Washington, D.C. 20005-3801 (202) 393-3998 (202) 393-3955 – facsimile rebecca.michael@nerc.net holly.hawkins@nerc.net</p> <p>Louise McCarren* Chief Executive Officer Western Electricity Coordinating Council 615 Arapeen Drive, Suite 210 Salt Lake City, UT 84108-1262 (801) 883-6868 (801) 582-3918 – facsimile Louise@wecc.biz</p> <p>Steven Goodwill* Associate General Counsel Western Electricity Coordinating Council 615 Arapeen Drive, Suite 210 Salt Lake City, UT 84108-1262 (801) 883-6857 (801) 883-6894 – facsimile SGoodwill@wecc.biz</p> <p>Constance White* Vice President of Compliance Western Electricity Coordinating Council 615 Arapeen Drive, Suite 210 Salt Lake City, UT 84108-1262 (801) 883-6885 (801) 883-6894 – facsimile CWhite@wecc.biz</p>
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Conclusion

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

Respectfully submitted,

/s/ Rebecca J. Michael

Rebecca J. Michael
Assistant General Counsel
Holly A. Hawkins
Attorney
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cc: Eugene Water & Electric Board
Western Electricity Coordinating Council

Attachments

Attachment a

**WECC's Screenshot of its Spot Check
Determination**

And

**EWEB's Spot Check response for PRC-005-1 R2
dated February 5, 2008**

Post June 18th Violations



Post Violations Tracking and Reporting

Region: WECC Violation Date: 4/9/2008 WECC ID: EWEB_WECC20081430
 Entity: Eugene Water & Electric Board Acronym: EWEB Registry ID: NCR05153 NERC violation ID: WECC200801293
 Standard: PRC-005-1 Transmission and Generation Protection System Maintenance and Testing

Disposition	Final Record	Mitigation Plan	RAD and RAD Appeal	Internal Notes	Pre-June 18
Initial Notice	NAVAPS	Proposed Sanction Penalty	Contested Hearing		

Requirement: 2 Repeat Alleged Violation?

Applicable Functions: TO, GO, DP

Initial Determination by Region: 2/10/2009

Regional Determination of Impact to BPS:

Reporting Method: Spot Check

Detailed Description of Potential Impact to BPS:
Minimal Impact - Technical Related Issues

On Site Audit Off Site Audit

Deemed Date: 3/4/2008

Violation Level: VSL - Lower

Violation Risk Factor: LOWER

Alleged Violation Time:

Alleged Violation End Date:

ID sent to Entity:

Additional Comments

Violation Description:
On January 16, 2008, EWEB was sent an official notice (letter via email) that WECC was conducting a Spot Check Audit of four reliability standards including PRC-005-1 – Transmission and Generation Protection System Maintenance and Testing. EWEB was requested to provide documentation.

Regional Contact Person: O'Donnell, Phil

Close



Eugene Water & Electric Board

500 East 4th Avenue / Post Office Box 10148
Eugene, OR 97440-2148
541-484-2411

Rely on us.

Western Electricity Coordinating Council
Attn: Cassidy Behling
Compliance Program Coordinator
615 Arapeen Drive, Suite 210
Salt Lake City, Utah 84108

Subject: EWEB Response to Spot Check Audit

Dear Cassidy:

The Eugene Water & Electric Board (EWEB) has reviewed the WECC Notice of Spot Check and concluded that, of the four standards being audited, only PRC-005-1 applies. BAL-002-0, EOP-008-0 and FAC-003-1 are not applicable to EWEB under its Registration as a Transmission Owner (TO).

Enclosed please find the following documentation as evidence of EWEB's full compliance with PRC-005-1 – Transmission and Generation Protection System Maintenance and Testing:

- Relay Standards
- Relay Test History
- Cascade Maintenance Order Form (Procedure for battery maintenance)
- Cascade Battery Maintenance History

The following information provides guidance to the Spot Check Audit Team on where to look in the documentation for evidence of compliance.

Requirement R1: Refer to the document entitled "Relay Standards":

Summary of Maintenance Procedure (Section 1.1, 1.2 and 2.1, pages 4-5);

Relay Maintenance Intervals and Basis for Relay Testing (Section 2.2, pages 5-6);

Relay Maintenance Procedures (Section 2.3 – 2.14, pages 6-12);

Communication Circuit Testing (Section 2.2, page 5, paragraphs 2 and 3 - pilot wire/fiber optic testing; Section 2.8, page 9 and Section 2.14, page 12 - end-to-end testing);

Instrument Transformer Testing (Section 6.7, pages 22 – 23);

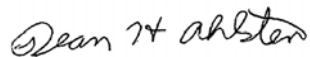
DC Control Circuit Verification (Section 2.1, paragraph 1, page 4 and Section 6.1 – 6.6, pages 18 – 22); and,

Battery Maintenance Procedures (Refer to the document entitled "Cascade Maintenance Order Form")

Requirement R2: Refer to the document entitled "Relay Test History" for a summary report exported from ENOSERV Relay Test Software (RTS) database. The report demonstrates that transmission line relays in 19 (out of 36 total) EWEB substations and 3 (out of 8 total) EWEB generating stations were tested in 2007. In both cases, this meets or exceeds EWEB's prescribed interval for testing one-third of all relays annually. Note that on a number of occasions under the heading of "Routine" the data indicates a "FAIL" designation. In all such cases, EWEB relay technicians verified that the specific relay element that failed was within acceptable limits before returning the relay to service. RTS reports do not make provision for filtering the results to reflect this. The document entitled "Cascade Battery Maintenance History" provides a 7-year history of battery testing, confirming that all battery systems have been tested and maintained annually.

If you have any questions about the submittals, please contact me at (541) 341-1830 or dean.ahlsten@eweb.eugene.or.us.

Sincerely,

A handwritten signature in cursive script that reads "Dean Ahlsten".

Dean Ahlsten
EWEB Compliance Contact

Attachment b

**EWEB's Self-Certification response for PRC-008-
0 R2 dated January 9, 2008**



Western Electricity Coordinating Council

WECC CEP Self-Certification Form

Confidential

Please complete all applicable fields and submit with all the applicable Self-Certification Summary Forms. Please indicate below what functions this Self-Certification is covering.

Self-Certification for: **EWEB**

Self-Certification Period: 1/1/2007 - 12/31/2007

Reported By: **(If applicable)**

Contact Name, Phone Number, and Email: **Dean Ahlsten, (541) 341-1830,
dean.ahlsten@eweb.eugene.or.us**

Functions required to Self-Certify for this period: **BA, TOP, TO, RSG, RC**

List All Registered Functions Included in this Self-Certification:

TO																			
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WECC CEP Self-Certification Form

Confidential

Due to WECC between January 1 and January 10, 2008. Failure to submit on or before the required date will be considered non-compliance with all applicable requirements.

Send Report To: Compliance@WECC.biz

(Instructions For Completing Report Are At The End Of The Report)

Resource Demand and Balancing										
Reliability Standard Number	Reliability Standard Name	Requirement Number	Applicable To	Not Applicable	Fully Compliant	Non-Compliant	Violation previously discovered, please indicate source	Level of Noncompliance or Violation Severity Level	Mitigation Plan Attached	Additional Comments
BAL-001-0	Real Power Balancing Control Performance	R1	BA	Yes						
BAL-001-0	Real Power Balancing Control Performance	R2	BA	Yes						
BAL-001-0	Real Power Balancing Control Performance	R3	BA	Yes						
BAL-001-0	Real Power Balancing Control Performance	R4	BA	Yes						
BAL-002-0	Disturbance Control Performance	R1	BA	Yes						
BAL-002-0	Disturbance Control Performance	R2	RSG	Yes						
BAL-002-0	Disturbance Control Performance	R3	BA, RSG	Yes						
BAL-002-0	Disturbance Control Performance	R4	BA, RSG	Yes						
BAL-002-0	Disturbance Control Performance	R5	RSG	Yes						
BAL-002-0	Disturbance Control Performance	R6	BA, RSG	Yes						
BAL-003-0	Frequency Response and Bias	R1	BA	Yes						
BAL-003-0	Frequency Response and Bias	R2	BA	Yes						
BAL-003-0	Frequency Response and Bias	R3	BA	Yes						

Reliability Standard Number	Reliability Standard Name	Requirement Number	Applicable To	Not Applicable	Fully Compliant	Non-Compliant	Violation previously discovered, please indicate source	Level of Noncompliance or Violation Severity Level	Mitigation Plan Attached	Additional Comments
BAL-003-0	Frequency Response and Bias	R4	BA	Yes						
BAL-003-0	Frequency Response and Bias	R5	BA	Yes						
BAL-003-0	Frequency Response and Bias	R6	BA	Yes						
Critical Infrastructure Protection										
CIP-001-1	Sabotage Reporting	R1	RC, BA, TOP, GOP, LSE	Yes						
CIP-001-1	Sabotage Reporting	R2	RC, BA, TOP, GOP, LSE	Yes						
CIP-001-1	Sabotage Reporting	R3	RC, BA, TOP, GOP, LSE	Yes						
CIP-001-1	Sabotage Reporting	R4	RC, BA, TOP, GOP, LSE	Yes						
Communications										
COM-001-1	Telecommunications	R1	BA, RC, TOP	Yes						
COM-001-1	Telecommunications	R2	BA, RC, TOP	Yes						
COM-001-1	Telecommunications	R3	BA, RC, TOP	Yes						
COM-001-1	Telecommunications	R4	BA, RC, TOP	Yes						
COM-001-1	Telecommunications	R5	BA, RC, TOP	Yes						
COM-001-1	Telecommunications	R6	NERCNet User Organizations.	Yes						
Emergency Preparedness and Operations										
EOP-001-0	Emergency Operations Planning	R1	BA	Yes						
EOP-001-0	Emergency Operations Planning	R2	TOP	Yes						
EOP-001-0	Emergency Operations Planning	R3	BA, TOP	Yes						

Reliability Standard Number	Reliability Standard Name	Requirement Number	Applicable To	Not Applicable	Fully Compliant	Non-Compliant	Violation previously discovered, please indicate source	Level of Noncompliance or Violation Severity Level	Mitigation Plan Attached	Additional Comments
EOP-001-0	Emergency Operations Planning	R4	BA, TOP	Yes						
EOP-001-0	Emergency Operations Planning	R5	BA, TOP	Yes						
EOP-001-0	Emergency Operations Planning	R6	BA, TOP	Yes						
EOP-001-0	Emergency Operations Planning	R7	BA, TOP	Yes						
EOP-003-1	Load Shedding Plans	R1	BA, TOP	Yes						
EOP-003-1	Load Shedding Plans	R2	BA, TOP	Yes						
EOP-003-1	Load Shedding Plans	R3	BA, TOP	Yes						
EOP-003-1	Load Shedding Plans	R4	BA, TOP	Yes						
EOP-003-1	Load Shedding Plans	R5	BA, TOP	Yes						
EOP-003-1	Load Shedding Plans	R6	BA, TOP	Yes						
EOP-003-1	Load Shedding Plans	R7	BA, TOP	Yes						
EOP-003-1	Load Shedding Plans	R8	BA, TOP	Yes						
EOP-005-0	System Restoration Plans	R1	TOP	Yes						
EOP-005-0	System Restoration Plans	R2	TOP	Yes						
EOP-005-0	System Restoration Plans	R3	TOP	Yes						
EOP-005-0	System Restoration Plans	R4	TOP	Yes						
EOP-005-0	System Restoration Plans	R5	BA, TOP	Yes						
EOP-005-0	System Restoration Plans	R6	BA, TOP	Yes						
EOP-005-0	System Restoration Plans	R7	BA, TOP	Yes						

Reliability Standard Number	Reliability Standard Name	Requirement Number	Applicable To	Not Applicable	Fully Compliant	Non-Compliant	Violation previously discovered, please indicate source	Level of Noncompliance or Violation Severity Level	Mitigation Plan Attached	Additional Comments
EOP-005-0	System Restoration Plans	R8	TOP	Yes						
EOP-005-0	System Restoration Plans	R9	BA, TOP	Yes						
EOP-005-1	System Restoration Plans Effective May 2, 2007	R1	TOP	Yes						
EOP-005-1	System Restoration Plans Effective May 2, 2007	R2	TOP	Yes						
EOP-005-1	System Restoration Plans Effective May 2, 2007	R3	TOP	Yes						
EOP-005-1	System Restoration Plans Effective May 2, 2007	R4	TOP	Yes						
EOP-005-1	System Restoration Plans Effective May 2, 2007	R5	BA, TOP	Yes						
EOP-005-1	System Restoration Plans Effective May 2, 2007	R6	BA, TOP	Yes						
EOP-005-1	System Restoration Plans Effective May 2, 2007	R7	BA, TOP	Yes						
EOP-005-1	System Restoration Plans Effective May 2, 2007	R8	TOP	Yes						
EOP-005-1	System Restoration Plans Effective May 2, 2007	R9	TOP	Yes						
EOP-005-1	System Restoration Plans Effective May 2, 2007	R10	TOP	Yes						
EOP-005-1	System Restoration Plans Effective May 2, 2007	R11	BA, TOP	Yes						
EOP-008-0	Plans for Loss of Control Center Functionality	R1	BA, TOP, RC	Yes						
Facilities Design, Connections and Maintenance										
FAC-003-1	Vegetation Management Program	R1	TO	Yes						EWEB does not own any transmission lines operated at 200 kV and above or that are designated by the RRO as critical.
FAC-003-1	Vegetation Management Program	R2	TO	Yes						EWEB does not own any transmission lines operated at 200 kV and above or that are designated by the RRO as critical.
FAC-003-1	Vegetation Management Program	R3	TO	Yes						EWEB does not own any transmission lines operated at 200 kV and above or that are designated by the RRO as critical.
FAC-003-1	Vegetation Management Program	R4	RRO	Yes						

Reliability Standard Number	Reliability Standard Name	Requirement Number	Applicable To	Not Applicable	Fully Compliant	Non-Compliant	Violation previously discovered, please indicate source	Level of Noncompliance or Violation Severity Level	Mitigation Plan Attached	Additional Comments
FAC-008-1	Facility Ratings Methodology	R1	TO, GO		No	Yes	Self-Reporting			Violation reported 5/23/07, mitigation plan submitted 6/12/07, mitigation plan completed 11/08/07
FAC-008-1	Facility Ratings Methodology	R2	TO, GO		No	Yes	Self-Reporting			Violation reported 5/23/07, mitigation plan submitted 6/12/07, mitigation plan completed 11/08/07
FAC-008-1	Facility Ratings Methodology	R3	TO, GO		No	Yes	Self-Reporting			Violation reported 5/23/07, mitigation plan submitted 6/12/07, mitigation plan completed 11/08/07
FAC-009-1	Establish and Communicate Facility Ratings	R1	TO, GO		No	Yes	Self-Reporting			Violation reported 5/23/07, mitigation plan submitted 6/12/07, mitigation plan completed 01/09/08
FAC-009-1	Establish and Communicate Facility Ratings	R2	TO, GO		No	Yes	Self-Reporting			Violation reported 5/23/07, mitigation plan submitted 6/12/07, mitigation plan completed 01/09/08
Interchange Scheduling and Coordination										
Interconnection Reliability Operations and Coordination										
IRO-001-1	Reliability Coordination – Responsibilities and Authorities	R1	RC, RRO	Yes						
IRO-001-1	Reliability Coordination – Responsibilities and Authorities	R2	RC	Yes						
IRO-001-1	Reliability Coordination – Responsibilities and Authorities	R3	RC	Yes						
IRO-001-1	Reliability Coordination – Responsibilities and Authorities	R4	RC	Yes						
IRO-001-1	Reliability Coordination – Responsibilities and Authorities	R5	RC	Yes						
IRO-001-1	Reliability Coordination – Responsibilities and Authorities	R6	RC	Yes						
IRO-001-1	Reliability Coordination – Responsibilities and Authorities	R7	RC	Yes						
IRO-001-1	Reliability Coordination – Responsibilities and Authorities	R8	TOP, BA, GOP, TSP, LSE, PSE	Yes						
IRO-001-1	Reliability Coordination – Responsibilities and Authorities	R9	RC	Yes						
IRO-004-1	Reliability Coordination - Operations Planning	R1	RC	Yes						
IRO-004-1	Reliability Coordination - Operations Planning	R2	RC	Yes						
IRO-004-1	Reliability Coordination - Operations Planning	R3	RC	Yes						

Reliability Standard Number	Reliability Standard Name	Requirement Number	Applicable To	Not Applicable	Fully Compliant	Non-Compliant	Violation previously discovered, please indicate source	Level of Noncompliance or Violation Severity Level	Mitigation Plan Attached	Additional Comments
IRO-004-1	Reliability Coordination - Operations Planning	R4	BA, TOP, TO, GO, GOP, LSE		Yes					
IRO-004-1	Reliability Coordination - Operations Planning	R5	RC	Yes						
IRO-004-1	Reliability Coordination - Operations Planning	R6	RC	Yes						
IRO-004-1	Reliability Coordination - Operations Planning	R7	BA, TOP, TSP	Yes						
Modeling, Data, and Analysis										
MOD-010-0	Steady-State Data for Transmission System Modeling and Simulation	R1	TO, TP, GO, RP		No	Yes	Self-Reporting			Violation reported 5/23/07, mitigation plan submitted 6/12/07, mitigation plan completed 10/19/07
MOD-010-0	Steady-State Data for Transmission System Modeling and Simulation	R2	TO, TP, GO, RP		No	Yes	Self-Reporting			Violation reported 5/23/07, mitigation plan submitted 6/12/07, mitigation plan completed 10/19/07
MOD-012-0	Dynamics Data for Transmission System Modeling and Simulation	R1	TO, TP, GO, RP		No	Yes	Self-Reporting			Violation reported 5/23/07, mitigation plan submitted 6/12/07, mitigation plan completed 10/19/07
MOD-012-0	Dynamics Data for Transmission System Modeling and Simulation	R2	TO, TP, GO, RP		No	Yes	Self-Reporting			Violation reported 5/23/07, mitigation plan submitted 6/12/07, mitigation plan completed 10/19/07
Personnel Performance, Training, Qualifications										
PER-002-0	Operator Personnel Training	R1	BA, TOP	Yes						
PER-002-0	Operator Personnel Training	R2	BA, TOP	Yes						
PER-002-0	Operator Personnel Training	R3	BA, TOP	Yes						
PER-002-0	Operator Personnel Training	R4	BA, TOP	Yes						
PER-003-0	Operating Personnel Credentials	R1	BA, TOP, RC	Yes						
Protection and Control										
PRC-004-1	Analysis and Mitigation of Transmission and Generation Protection System Misoperations	R1	TO, DP		Yes					
PRC-004-1	Analysis and Mitigation of Transmission and Generation Protection System Misoperations	R2	GO	Yes						
PRC-004-1	Analysis and Mitigation of Transmission and Generation Protection System Misoperations	R3	DP, TO, GO		Yes					

Reliability Standard Number	Reliability Standard Name	Requirement Number	Applicable To	Not Applicable	Fully Compliant	Non-Compliant	Violation previously discovered, please indicate source	Level of Noncompliance or Violation Severity Level	Mitigation Plan Attached	Additional Comments
PRC-005-1	Transmission and Generation Protection System Maintenance and Testing	R1	DP, GO, TO		Yes					
PRC-005-1	Transmission and Generation Protection System Maintenance and Testing	R2	DP, GO, TO		Yes					
PRC-008-0	Underfrequency Load Shedding Equipment Maintenance Programs	R1	DP, TO		Yes					
PRC-008-0	Underfrequency Load Shedding Equipment Maintenance Programs	R2	DP, TO		No	Yes	Self-Reporting	Level 2		EWEB discovered in December, 2007 that two underfrequency relays had been decommissioned for several years and therefore not tested and maintained according to schedule. EWEB corrected the problem immediately, therefore no Mitigation Plan was submitted.
PRC-010-0	Assessment of the Design and Effectiveness of UVLS Program	R1	TO, TOP, DP, LSE	Yes						EWEB has delegated this responsibility to the Bonneville Power Administration
PRC-010-0	Assessment of the Design and Effectiveness of UVLS Program	R2	TO, TOP, DP, LSE	Yes						EWEB has delegated this responsibility to the Bonneville Power Administration
PRC-011-0	UVLS System Maintenance and Testing	R1	TO, DP		No	Yes	Self-Reporting	Level 2		Violation reported 5/23/07, mitigation plan submitted 6/12/07, mitigation plan completed 10/22/07
PRC-011-0	UVLS System Maintenance and Testing	R2	TO, DP		Yes					
PRC-016-0	Special Protection System Misoperations	R1	DP, GO, TO	Yes						
PRC-016-0	Special Protection System Misoperations	R2	DP, GO, TO	Yes						
PRC-016-0	Special Protection System Misoperations	R3	DP, GO, TO	Yes						
PRC-017-0	Special Protection System Maintenance and Testing	R1	DP, GO, TO	Yes						
PRC-017-0	Special Protection System Maintenance and Testing	R2	DP, GO, TO	Yes						
PRC-021-1	Under-Voltage Load Shedding Program Data	R1	TO, DP		No	Yes	Self-Reporting	Level 2		Violation reported 5/23/07, mitigation plan submitted 6/12/07, mitigation plan completed 10/15/07
PRC-021-1	Under-Voltage Load Shedding Program Data	R2	TO, DP		Yes					
Transmission Operations										
TOP-003-0	Planned Outage Coordination	R1	GOP, TOP, RC	Yes						
TOP-003-0	Planned Outage Coordination	R2	BA, GOP, TOP	Yes						

Reliability Standard Number	Reliability Standard Name	Requirement Number	Applicable To	Not Applicable	Fully Compliant	Non-Compliant	Violation previously discovered, please indicate source	Level of Noncompliance or Violation Severity Level	Mitigation Plan Attached	Additional Comments
TOP-003-0	Planned Outage Coordination	R3	BA, GOP, TOP	Yes						
TOP-003-0	Planned Outage Coordination	R4	RC	Yes						
TOP-004-0	Transmission Operations	R1	TOP	Yes						
TOP-004-0	Transmission Operations	R2	TOP	Yes						
TOP-004-0	Transmission Operations	R3	TOP	Yes						
TOP-004-0	Transmission Operations	R4	TOP	Yes						
TOP-004-0	Transmission Operations	R5	TOP	Yes						
TOP-004-0	Transmission Operations	R6	TOP	Yes						
TOP-004-1	Transmission Operations Effective October 1, 2007	R1	TOP	Yes						
TOP-004-1	Transmission Operations Effective October 1, 2007	R2	TOP	Yes						
TOP-004-1	Transmission Operations Effective October 1, 2007	R3	TOP	Yes						
TOP-004-1	Transmission Operations Effective October 1, 2007	R4	TOP	Yes						
TOP-004-1	Transmission Operations Effective October 1, 2007	R5	TOP	Yes						
TOP-004-1	Transmission Operations Effective October 1, 2007	R6	TOP	Yes						
TOP-005-1	Operational Reliability Information	R1	BA, RC, TOP	Yes						
TOP-005-1	Operational Reliability Information	R2	NERC_Net	Yes						
TOP-005-1	Operational Reliability Information	R3	BA, TOP	Yes						
TOP-005-1	Operational Reliability Information	R4	PSE	Yes						
TOP-007-0	Reporting SOL and IROL Violations	R1	TOP	Yes						

Reliability Standard Number	Reliability Standard Name	Requirement Number	Applicable To	Not Applicable	Fully Compliant	Non-Compliant	Violation previously discovered, please indicate source	Level of Noncompliance or Violation Severity Level	Mitigation Plan Attached	Additional Comments
TOP-007-0	Reporting SOL and IROL Violations	R2	TOP	Yes						
TOP-007-0	Reporting SOL and IROL Violations	R3	TOP	Yes						
TOP-007-0	Reporting SOL and IROL Violations	R4	RC	Yes						
Transmission Planning										
Voltage and Reactive										
VAR-001-1	Voltage and Reactive Control Effective February 1, 2007	R1	TOP	Yes						
VAR-001-1	Voltage and Reactive Control Effective February 1, 2007	R2	TOP	Yes						
VAR-001-1	Voltage and Reactive Control Effective February 1, 2007	R3	TOP	Yes						
VAR-001-1	Voltage and Reactive Control Effective February 1, 2007	R4	TOP	Yes						
VAR-001-1	Voltage and Reactive Control Effective February 1, 2007	R5	PSE	Yes						
VAR-001-1	Voltage and Reactive Control Effective February 1, 2007	R6	TOP	Yes						
VAR-001-1	Voltage and Reactive Control Effective February 1, 2007	R7	TOP	Yes						
VAR-001-1	Voltage and Reactive Control Effective February 1, 2007	R8	TOP	Yes						
VAR-001-1	Voltage and Reactive Control Effective February 1, 2007	R9	TOP	Yes						
VAR-001-1	Voltage and Reactive Control Effective February 1, 2007	R10	TOP	Yes						
VAR-001-1	Voltage and Reactive Control Effective February 1, 2007	R11	TOP	Yes						
VAR-001-1	Voltage and Reactive Control Effective February 1, 2007	R12	TOP	Yes						



WECC CMEP Self-Certification Form

Confidential

Authorized Signatory Page

By completion of the attached Self-Certification forms and execution of this "Authorized Signatory Page" I attest that the following statements are true:

Eugene Water & Electric Board (EWEB) has a familiarity with and understanding of the Self-Certification auditing process as articulated in the WECC Compliance Monitoring and Enforcement Program document.

EWEB has a familiarity with and understanding of your organization's responsibilities and accountabilities regarding this Self-Certification Form.

Prior the completion of these Self-Certification forms an internal review of compliance was completed for each standards and requirements listed on the forms.

The information presented on these forms is an accurate and complete representation of the results of that review.

For any non-compliance that is being reported on these forms a Mitigation Plan has been developed and attached to this submittal. (Note: If the Mitigation Plan is not complete at the time of this submittal, an estimated date of submittal of the Mitigation Plan must be provided).

EWEB has a familiarity with potential consequences should your organization not complete the Self-Certification Form accurately.

EWEB is aware that if these Self-Certification forms are not received by the WECC Compliance Staff on or before the due date, **EWEB** could be considered in violation of all standards and requirements listed on these forms.

Authorized Individual Signature:

Name (Print): Randy L Berggren
Title: General Manager
Date: 01/09/2008

Attachment c

**Settlement Agreement by and between EWEB and
WECC executed April 10, 2009**

SETTLEMENT AGREEMENT
OF
WESTERN ELECTRICITY COORDINATING COUNCIL
AND
EUGENE WATER & ELECTRIC BOARD

I. Introduction

Western Electricity Coordinating Council ("WECC") and Eugene Water & Electric Board ("EWEB"); (hereinafter jointly referred to as the "Parties") enter into this Settlement Agreement ("Agreement") to resolve all outstanding issues arising from a non-public, preliminary assessment resulting in WECC's determinations and findings, pursuant to the North American Electric Reliability Corporation ("NERC") Rules of Procedure of the following two violations by EWEB of NERC Reliability Standards:

1. PRC-005-1 Requirement 2: *Transmission and Generation Protection System Maintenance and Testing*
2. PRC-008-0 Requirement 2: *Underfrequency Load Shedding Equipment Maintenance Programs*

II. Stipulation

The facts stipulated herein are stipulated for the purpose of resolving, between WECC and EWEB, the matters discussed herein and do not constitute stipulations or admissions for any other purpose. Except, however, nothing in this Agreement shall limit or prevent WECC from evaluating EWEB for subsequent violations of the same Reliability Standards addressed herein and taking enforcement action, if necessary. Such enforcement action may include assessing penalties against EWEB for subsequent violations of the Reliability Standards addressed herein in accordance with NERC Rules of Procedure. WECC and EWEB hereby stipulate and agree to the following:

Background

EWEB is a citizen-owned utility chartered by the city of Eugene, Oregon. The city charter classifies EWEB as a municipal utility. EWEB serves approximately 86,000 customers in Eugene, Oregon, and specified areas outside the city limits. Its principal offices are located in Eugene. In 2007, EWEB's customers consumed approximately 2,728,684 Megawatt-hours of electricity. On June 17, 2007 EWEB registered on the NERC Compliance Registry as a Generator Owner, Generator Operator, Transmission Owner, Distribution Provider, Load Serving Entity, Purchasing-Selling Entity, and Transmission Planner.

EWEB's total electric service area covers 236 square miles. EWEB owns and operates 170.7 circuit miles of transmission line, including two 115 Kv lines, a 69 Kv line, a 34.5 Kv line, and 1,092 circuit miles of distribution lines. In addition to other assets, EWEB owns the Smith Creek Hydroelectric Plant and the Weyco #3 and #4 steam generators.

Confirmed Violations

NERC Reliability Standard PRC-005-1, Requirement 2

***R2:** Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System shall provide documentation of its Protection System maintenance and testing program and the implementation of that program to its Regional Reliability Organization on request (within 30 calendar days). The documentation of the program implementation shall include:*

***R2.1:** Evidence Protection System devices were maintained and tested within the defined intervals.*

***R2.2:** Date each Protection System device was last tested/maintained.*

NERC Reliability Standard PRC-005-1 is applicable to Transmission Owners, Generator Owners, and Distribution Providers that own a transmission protection system. On June 17, 2007, EWEB registered on the NERC Compliance Registry for the functions necessary to show compliance with PRC-005-1. As such, EWEB must ensure all its transmission and generation Protection Systems affecting the reliability of the Bulk Power System ("BPS") are maintained and tested. Requirement 2 of the standard requires EWEB to provide documentation of its

Protection System maintenance and testing program to WECC on request, including , evidence its Protection System devices were maintained and tested according to EWEB's defined maintenance and testing program, and the date each Protection System device was last maintained/tested.

On January 16, 2008, WECC sent official notice to EWEB that WECC was conducting a Spot Check of four NERC Reliability Standards, including PRC-005-1. The Spot Check required EWEB to submit its evidence showing compliance with PRC-005-1 by February 5, 2008. EWEB submitted its documentation on February 5, 2008. WECC reviewed this documentation on February 28, 2008.

As part of the Spot Check, EWEB provided to WECC a spreadsheet from the ENOSERV relay test software database. This spreadsheet was titled *Relay Test History*. This document showed 33 relays from EWEB's Generation Protection System were behind schedule for maintenance. Of these 33 relays, 18 were from EWEB's Smith Falls facility and 15 were from EWEB's Weyco Facility. The *Relay Test History* spreadsheet also showed seven relays from EWEB's Transmission Protection System were behind schedule for maintenance. These seven relays were from EWEB's Smith Falls facility.

EWEB's failure to maintain these 40 relays (33 from the Generation Protection System and 7 from the Transmission Protection System) in accordance with EWEB's schedule is a violation of PRC-005-1 Requirement 2 under EWEB's Generator Owner and Transmission Owner registered functions, because PRC-005-1 Requirement 2 requires EWEB to provide documentation that the devices in its Transmission and Generation Protection System are tested and maintained within defined intervals.

NERC Reliability Standard PRC-008-0, Requirement 2

R2. The Transmission Owner and Distribution Provider with a UFLS program (as required by its Regional Reliability Organization) shall implement its UFLS equipment maintenance and testing program and shall provide UFLS maintenance and testing program results to its Regional Reliability Organization and NERC on request (within 30 calendar days).

EWEB is a Transmission Owner and Distribution Provider with an Underfrequency Load Shedding ("UFLS") program, and is therefore required to "implement its UFLS equipment maintenance and testing program and...provide

UFLS maintenance and testing program results [to WECC] and NERC on request (within 30 calendar days).”

In preparing to complete its NERC Compliance Self-Certification for the period covering January 1, 2007 through December 31, 2007, EWEB discovered in December of 2007 that two UFLS relays, that are part of EWEB's UFLS maintenance and testing program, had not been tested and maintained according to EWEB's UFLS program. EWEB reported the two UFLS relays had been out of service for potentially several years, as described below:

1. **Adams Substation;** during scheduled relay testing at the Adams Substation in February 2006, the UFLS relay was discovered to be inoperable. The relay was taken out of service (removed from its case) and a request for maintenance was submitted. In December, 2007, while preparing to complete its compliance Self-Certification for 2007, EWEB reviewed its maintenance records and spot-checked field conditions, and discovered the Adams UFLS relay had not been repaired.
2. **Bethel Substation;** In a February 2005 Relay and Substation Maintenance Report for the Bethel Substation, EWEB's record indicates that the Bethel Substation relays were found to be in good condition. However, in the December 2007 preparation for its compliance Self-Certification, EWEB discovered that the Bethel UFLS relay was missing from its case. With no indication as to when or why the relay was removed from service, the maximum duration for the absence of the relay might be as long as 2-years and 9-months since the previous maintenance record; February 2005 to December 2007.

While EWEB had tested the UFLS relays within the 3-year periodicity specified in its maintenance and testing program, it had not thereafter maintained the equipment in a timely fashion. EWEB's failure to maintain these two UFLS relays constitutes a failure to comply with PRC-008-0 Requirement 2 under EWEB's Transmission Owner registered function.

III. Parties' Separate Representations

Statement of WECC and Summary of Findings

Violation of PRC-005-1 Requirement 2

In light of the evidence and circumstances described above, WECC finds for the period of June 18, 2007, when the violation became enforceable, until March 20, 2008, when the violation was mitigated (as outlined in section IV below), EWEB was in violation of NERC Reliability Standard PRC-005-1 Requirement 2. In its response to the spot check, EWEB reported that of 434 total devices, 40 Protection System relays were behind schedule for maintenance and testing. These relays were operated by a third party under contract to EWEB. EWEB discovered that the third party was not performing maintenance and testing procedures as prescribed in EWEB's maintenance and testing program. A failure to test in accordance with EWEB's defined intervals is a violation of PRC-005-1 Requirement 2, because this standard requires evidence that Protection System devices are maintained and tested according to defined intervals and the date each device was last maintained.

Violation of PRC-008-0 Requirement 2

In light of the evidence and circumstances described above, WECC finds for the period of June 18, 2007, when the violation became enforceable, until December 14, 2007, when the violation was mitigated (as outlined in section IV below), EWEB was in violation of NERC Reliability Standard PRC-008-0 Requirement 2.

PRC-008-0 Requirement 2 states that EWEB shall implement its UFLS maintenance and testing program. However, EWEB failed to fully implement its UFLS equipment maintenance and testing program in that EWEB did not maintain the two identified UFLS relays in a timely manner. As a result, the relays remained out of service for an extended period of time. EWEB was therefore not compliant with PRC-008-0 Requirement 2.

WECC agrees this Agreement is in the best interest of the Parties and in the best interest of maintaining a reliable BPS.

Statement of EWEB

EWEB requested settlement negotiations prior to receiving a Notice of Alleged Violation and Proposed Penalty or Sanction to expedite the remedial process and focus its efforts on furthering its on-going compliance and reliability efforts. In so doing, EWEB has been adapting its business processes and work practices to address compliance with NERC Reliability Standards, to assess and apply best industry practices, and to improve BPS reliability. EWEB added a new Compliance Auditor position to its organization to assure NERC Compliance. This position reports to the Corporate Services Director, is organizationally independent from reliability operations, and its sole focus is compliance with NERC Reliability Standards.

EWEB has agreed to enter into this Agreement with WECC to effectuate a complete and final resolution of the issues set forth herein. EWEB agrees this Agreement is in the best interest of the Parties and in the best interest of maintaining a reliable BPS.

IV. Mitigating Actions, Remedies, and Sanctions

Mitigation of PRC-005-1 Requirement 2

On April 8, 2008, EWEB submitted a Mitigation Plan to address its violation of PRC-005-1 Requirement 2. Also on April 8, 2008 EWEB submitted a Mitigation Plan Completion Form for the same violation. EWEB certified it had completed its Mitigation Plan on March 20, 2008. As part of its Mitigation Plan, EWEB confirmed protective relays at two of its generation facilities had not been maintained within the intervals prescribed in its testing and maintenance procedure. Upon discovery of the violation, EWEB scheduled relay technicians to test and maintain the protection systems responsible for violation of this Standard. This testing and maintenance work, as noted in the certified date above, was completed on March 20, 2008. EWEB provided evidence, specifically *NERC Supplemental Report.xls*, proving relay testing was completed to be in compliance with PRC-005-1.

To ensure future compliance with this Standard, EWEB documented the completion of its Mitigation Plan and added the necessary protective devices to EWEB's computerized maintenance management system. EWEB established

triggers for retesting these devices as part of its Protection System Maintenance and Testing Program.

Mitigation of PRC-008-0 Requirement 2

On April 8, 2008, EWEB submitted a Mitigation Plan to address its violation of PRC-008-0 Requirement 2. Also on April 8, 2008 EWEB submitted a Mitigation Plan Completion Form for the same violation. EWEB certified it had completed its Mitigation Plan on December 14, 2007.

As part of its Mitigation Plan for PRC-008-0, EWEB confirmed two underfrequency relays had not been undergoing the required testing and maintenance according to EWEB's maintenance and testing program. Upon discovering the violation, EWEB placed the two underfrequency relays in service and dispatched technicians to maintain and test the relays. To ensure future compliance with this Standard and mitigate the violation, EWEB added the underfrequency relays to its computerized maintenance management system, including appropriate triggers for retesting as necessary.

Agreed Penalty

In settlement of the Parties' dispute, the Parties hereby agree EWEB shall pay a monetary penalty of \$6,000 (US) to WECC, via wire transfer or cashier's check to a WECC account that will be outlined in a Notice of Payment sent to EWEB upon approval of this Agreement by Order of the Federal Energy Regulatory Commission ("FERC"), or by operation of law. Payment to WECC shall be made twenty days after the receipt of the Notice of Payment. WECC will notify NERC if the payment is not received.

WECC's determination of penalties is guided by the statutory requirement codified at 16 U.S.C. § 824o(e)(6) that any penalty imposed "shall bear a reasonable relation to the seriousness of the violation and shall take into consideration the efforts of EWEB to remedy the violation in a timely manner." In addition, WECC considers the direction of the Federal Energy Regulatory Commission ("Commission") provided in Order No. 693, the NERC Sanction Guidelines, and the Commission's July 3, 2008 Guidance Order. Specifically, WECC considers the following factors: (1) the relation of the penalty to the seriousness of the violation, including consideration of the applicable Violation Risk Factor and Violation Severity Level, as well as the actual and foreseen risk to the reliability of the BPS as determined by WECC subject matter experts; (2)

the violation duration; (3) the Registered Entity's compliance history; (4) the Registered Entity's self-disclosure 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 directed; (6) the presence and quality of the Registered Entity's compliance program; (7) the violation time horizon; (8) the failure of the Registered Entity to comply with compliance directives, (9) any attempt by the Registered Entity to conceal the violation or information needed to investigate the violation, (10) intentional violation, (11) any other extenuating circumstances, and (12) the Registered Entity's ability to pay a penalty.

In considering the factors used to assess this monetary penalty, the Parties agree the violations of PRC-005-1 R2 and PRC-008-0 R2 had High and Medium Violation Risk Factors, respectively. The Parties further agree the monetary penalty is appropriate given that the violations disclosed herein are EWEB's first violations of NERC Reliability Standards and together posed no substantial risk to the reliability of the BPS.

WECC determined that there were no aggravating factors to warrant a higher penalty; specifically, there was no repeat violation, no relevant negative compliance history, no applicable compliance directives, no evidence of any attempt by EWEB to conceal the violation or that the violation was intentional.

WECC reviewed and considered all applicable mitigation plans pertaining to this Agreement. At the time of settlement, all violations had been completely mitigated as verified by WECC auditors.

This proposed penalty or sanction is subject to review and possible revision by NERC and FERC. NERC will include its determination of the proposed penalty or sanction in a Notice of Proposed Penalty or Sanction to be filed with FERC.

V. Additional Terms

The signatories to this Agreement agree that each enters the Agreement voluntarily and that, other than the recitations set forth herein, no tender, offer, or promise of any kind by any member, employee, officer, director, agent, or representative of EWEB or WECC has been made to induce the signatories or any other party to enter into the Agreement.

WECC shall report the terms of all settlements of compliance matters to NERC. NERC will review the Agreement for the purpose of evaluating its consistency with other settlements entered into for similar violations or under other, similar, circumstances. Based on this review, NERC will either approve the Agreement or reject the Agreement and notify WECC and EWEB of changes to the settlement that would result in approval. If NERC rejects the settlement, WECC will attempt to negotiate a revised settlement agreement with EWEB including any changes to the Agreement specified by NERC. If a settlement cannot be reached, the enforcement process shall continue to conclusion. If NERC approves the Agreement, NERC will (i) report the approved Agreement to FERC for FERC's review and approval by order or operation of law and (ii) publicly post the confirmed violation and the terms provided in the Agreement.

This Agreement shall become effective upon FERC's approval of the Agreement by order or operation of law as submitted to it or as modified in a manner acceptable to WECC and EWEB.

EWEB agrees this Agreement, when approved by NERC and FERC, shall represent a final settlement of all matters set forth herein. EWEB waives its right to further hearings and appeal, unless and only to the extent that EWEB contends that any NERC or FERC action on the Agreement contains one or more material modifications to the Agreement. WECC reserves all rights to initiate enforcement, penalty, or sanction actions against EWEB in accordance with this agreement and the NERC Rules of Procedure. However, in the event EWEB fails to comply with any of the stipulations, remedies, sanctions, or additional terms, as set forth in this Agreement, WECC will initiate enforcement, penalty, or sanction actions against EWEB up to the maximum penalty statutorily allowed by the NERC Rules of Procedure. EWEB shall retain all rights to defend against such enforcement actions in accordance with the NERC Rules of Procedure.


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 the Agreement is entered into by such party in express reliance on those representations, provided, however, that such affirmation by each party's representative shall not apply to the other party's statements of position set forth in Section III of this Agreement.

Each of the undersigned warrants that he or she is an authorized representative of the entity designated, is authorized to bind such entity, and accepts the Agreement on the entity's behalf.

The Agreement may be signed in counterparts.

This Agreement is executed in duplicate, each of which so executed shall be deemed to be an original.

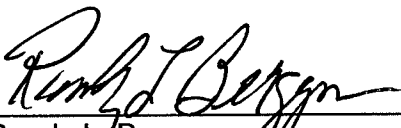
Agreed to and accepted:



Constance B. White
Vice President of Compliance
Western Electricity Coordinating Council

4/9/09

Date



Randy L. Berggren
General Manager/ Chief Compliance Officer
Eugene Water & Electric Board

4/10/09

Date

Attachment d

EWEB's Mitigation Plan designated as MIT-08-1467 for the alleged violation of PRC-005-1 R2 and Certification of Completion, submitted April 8, 2008



Mitigation Plan Submittal Form

New or Revised

Date this Mitigation Plan is being submitted: 04/08/08

If this Mitigation Plan has already been completed:

- Check this box and submit a Mitigation Plan Completion Form in conjunction with this Mitigation Plan Submittal Form
- Provide the Date of Completion of the Mitigation Plan: 03/20/08

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: Eugene Water & Electric Board
Company Address: 500 Ease 4th Ave, Eugene, OR
NERC Compliance Registry ID *[if known]*:

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

Name: Dean Ahlsten
Title: Systems Engineering & Substation Reliability Manager
Email: dean.ahlsten@eweb.eugene.or.us
Phone: 541-341-1830



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: PRC-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 Date ^(*) (MM/DD/YY)
		R2	03/04/08

(*) 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.

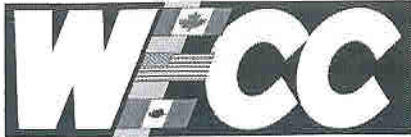
C.3 Identify the cause of the violation(s) identified above:

On March 4, 2008 EWEB discovered that the protective relays at two of its generation facilities, Weyerhaeuser No. 4 and Smith Falls Hydro, had not been tested and maintained within the intervals prescribed in its test and maintenance procedure.

[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 Smith Falls generating facility is a remote project in northern Idaho. It is operated and maintained by a third party, under contract. EWEB falsely assumed that the testing and maintenance program was current. The Weyerhaeuser generating facility is owned by EWEB, but operated and maintained by the mill owner, under contract. These contractual



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relationships are extenuating circumstances, though they do not relieve EWEB of its responsibility to ensure the equipment is maintained. [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:

Upon discovery of the violation, EWEB relay technicians were immediately scheduled to perform testing and maintenance on the protection systems. This work was completed on March 20, 2008. [Provide your response here; additional detailed information may be provided as an attachment as necessary]

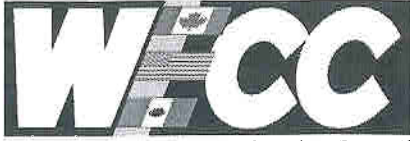
Check this box and proceed to Section E of this form if this Mitigation Plan, as set forth in Part D.1, has already been completed; otherwise respond to Part D.2, D.3 and, optionally, Part D.4, below.

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)



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(*) 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]

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 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:

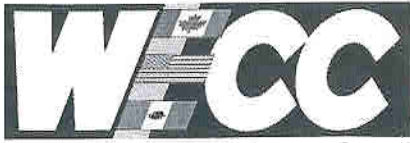
[Provide your response here; additional detailed information may be provided as an attachment as necessary]

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:

After completion of the testing and maintenance of these protective relays they were documented in EWEB's computerized maintenance management system with appropriate triggers for retesting.
[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:



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The supervisor of the relay shop is being charged with responsibility for future compliance with these standards, effective on May 1, 2008. [Provide your response here; additional detailed information may be provided as an attachment as necessary]

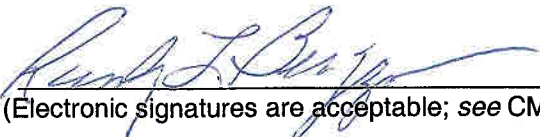


Section F: Authorization

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 Randy Berggren of Eugene Water & Electric Board (EWEB).
 2. I am qualified to sign this Mitigation Plan on behalf of EWEB.
 3. I have read and understand EWEB'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. EWEB 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: _____


(Electronic signatures are acceptable; see CMEP)

Name (Print): Randy Bergren
Title: General Manager
Date: 04/08/08



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:

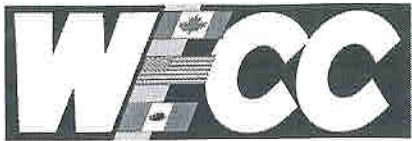
Jim Stuart, Sr. Compliance Engineer
Email: Jstuart@wecc.biz
Phone: (801) 883-6887



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.

¹ "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.

Attachment e

WECC's Verification of Completion of the Mitigation Plan for PRC-005-1 R2

CONFIDENTIAL



STEVEN W. McCOY
Vice President and Director of Compliance

801.582.0353 ext. 6889
smccoy@wecc.biz

July 18, 2008

Dean Ahlsten
Systems Engineering & Substation Reliability Manag
Eugene Water & Electric Board
P.O. Box 10148
Eugene, OR 97440

Subject: Mitigation Plan Completion Review(s)

Dear Dean,

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 August 4, 2008, 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. Thanks for your assistance in this effort.

CONFIDENTIAL

Sincerely,

Steve McCoy

STEVEN W. McCOY
WECC Vice President and
Director of Compliance

SM:ar

Attachment

Cc: Rod Price, EWEB Systems Engineering Supervisor
Lisa Milanes, WECC Manager of Compliance Administration
Tim Kucey, NERC Manager of Enforcement and Mitigation
Ed Ruck, NERC Regional Compliance Program Coordinator



Registered Entity: Eugene Water & Electric Board

Date: July 18, 2008

	Standard Number	Requirement	Sufficient Evidence	Review Status
1	PRC-005-1	R2	Yes	Compliant

Attachment f

EWEB's Mitigation Plan designated as MIT-07-1146 for PRC-008-0 R2 and Certification of Completion, submitted April 8, 2008



Mitigation Plan Submittal Form

New or Revised

Date this Mitigation Plan is being submitted:

If this Mitigation Plan has already been completed:

- Check this box and submit a Mitigation Plan Completion Form in conjunction with this Mitigation Plan Submittal Form
- 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: Eugene Water & Electric Board
Company Address: 500 East 4th Avenue Eugene, OR
NERC Compliance Registry ID *[if known]*:

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

Name: Dean Ahlsten
Title: Systems Engineering & Substation Reliability Manager
Email: dean.ahlsten@eweb.eugene.or.us
Phone: 541-341-1830



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: PRC-008-0
[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 Date ^(*) (MM/DD/YY)
		R2	12/07/07

(*) 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:

In December 2007 EWEB discovered that two underfrequency relay's had been taken out of service, and had been out for multiple years, therefore testing and maintenace had not been performed according to schedule.

[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:

[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:

EWEB reported this violation during its 1st quarter self-certification process but did not submit a mitigation plan because the violation had been addressed and mitigated. This Mitigation Plan is being submitted upon request of WECC along with evidence that it has been completed.
 [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)

(* 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]



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 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:

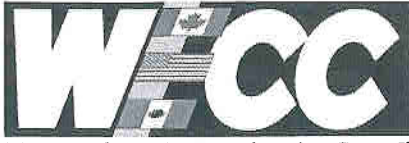
[Provide your response here; additional detailed information may be provided as an attachment as necessary]

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:

After placing the underfrequency relay's in service and performing testing & maintenance they were documented in EWEB's computerized maintenance management system with appropriate triggers for retesting.
[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:



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The supervisor of the relay shop is being charged with responsibility for future compliance with these standards, effective on May 1, 2008
[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 Randy L Berggren of [Eugene Water & Electric Board (EWEB)].
 - 2. I am qualified to sign this Mitigation Plan on behalf of [EWEB].
 - 3. I have read and understand [EWEB'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. [EWEB] 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:



(Electronic signatures are acceptable; see CMEP)

Name (Print): Randy Berggren
Title: General Manager
Date: 04/08/08



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
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.

¹ "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.



- 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.

Attachment g

WECC's Verification of Completion of the "Mitigation Plan for PRC-008-0 R2"

CONFIDENTIAL



Bob Kiser
Manager of Audits and Investigations

360.980.2799
bkiser@wecc.biz

September 30, 2008

Dean Ahlsten
Systems Engineering & Substation Reliability Manag
Eugene Water & Electric Board
P.O. Box 10148
Eugene, Oregon 97440-2148

Subject: Mitigation Plan Completion Review(s)

Dear Dean Ahlsten,

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 October 14, 2008, 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. Thanks for your assistance in this effort.

CONFIDENTIAL

Sincerely,

Bob Kiser

Bob Kiser
Manager of Audits and
Investigations

BK:gc

Attachment

Cc: Rod Price, EWEB Systems Engineering Supervisor
Lisa Milanes, WECC Manager of Compliance Administration
Ed Ruck, NERC Regional Compliance Program Coordinator



Registered Entity: Eugene Electric and Water

Date: September 30, 2008

	Standard Number	Requirement	Sufficient Evidence	Review Status
1	PRC-008-0	R2	Yes	Compliant

Attachment h

Notice of Filing

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Eugene Water and Electric Board

Docket No. NP10-____-000

NOTICE OF FILING
December 30, 2009

Take notice that on December 30, 2009, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding Eugene Water & Electric Board 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, or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Comment Date: [BLANK]

Kimberly D. Bose,
Secretary