

1 [Settlement of Alleged Violations of the North American Electric Reliability Corporation
Standards and Payment of a \$50,000 Penalty.]

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4 **Resolution approving a settlement of the unlitigated Notice of Alleged Violation filed by**
5 **the Western Electricity Coordinating Council against Hetch Hetchy Water and Power on**
6 **September 30, 2011, with respect to alleged violations of the North American Electric**
7 **Reliability Corporation Reliability Standards.**

8 WHEREAS, on September 30, 2011, the Western Electricity Coordinating Council

9 (WECC) filed a Notice of Alleged Violation (violation numbers WECC201102820,

10 WECC201102865, WECC201102866, WECC201102870, WECC201102872,

11 WECC201102882), alleging that Hetch Hetchy Water and Power (HHWP), a part of the San

12 Francisco Public Utilities Commission (PUC) violated the North American Electric Reliability

13 Corporation (NERC) reliability standards applicable to HHWP as a Generator Owner and

14 Transmission Operator; and

15 WHEREAS, HHWP and WECC engaged in settlement discussions related to the

16 Notice of Alleged Violations and agreed to resolve this matter as stated in the confidential

17 Settlement Agreement on file with the Clerk of the Board in File No. [_____], which

18 will become public after it is approved by NERC and filed with the Federal Energy Regulatory

19 Commission, pursuant to Rule 403, pursuant to Section 12 of the Rules of Procedure of the

20 North American Electric Reliability Corporation, and Appendix 4C to the Rules of Procedure of the

21 the North American Electric Reliability Corporation, Section 5.6; and

22 WHEREAS, the Settlement Agreement provides that:

23 (1) HHWP shall pay a penalty of \$50,000 for the alleged violations; and

24 (2) the terms of the Settlement Agreement, including the penalty amount, are

25 subject to review and approval by NERC and Federal Energy Regulatory Commission; and

1 WHEREAS, The General Manager of the PUC and the City Attorney have
2 recommended settlement of said Notice of Alleged Violation by entering into the Settlement
3 Agreement and payment of \$50,000; now, therefore, be it

4 RESOLVED, That pursuant to Section 10.22 of the San Francisco Administrative Code,
5 settlement and compromise of the Notice of Alleged Violation by payment of a \$50,000
6 penalty, as set forth in the Settlement Agreement, is hereby approved; and be it

7 FURTHER RESOLVED, That \$50,000 is appropriated from the Hetch Hetchy Water
8 operating budget for payment of the penalty set forth in the Settlement Agreement.

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11 APPROVED:
12 DENNIS J. HERRERA, City Attorney

11 RECOMMENDED:
12 PUBLIC UTILITIES COMMISSION

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14 By: _____
15 THERESA L. MUELLER
16 Deputy City Attorney

14 By _____
15 EDWARD HARRINGTON
16 General Manager

17 FUNDS AVAILABLE:

18 _____
19 Ben Rosenfield
20 Controller