

1 [Settlement of Alleged Violations of the North American Electric Reliability Corporation  
2 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. [ 120578 ], 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  
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:  
DENNIS J. HERRERA, City Attorney

RECOMMENDED:  
PUBLIC UTILITIES COMMISSION

12  
13  
14 By:   
15 THERESA L. MUELLER  
Deputy City Attorney

By:   
EDWARD HARRINGTON  
General Manager

16 FUNDS AVAILABLE:

17  
18   
19 Ben Rosenfield  
20 Controller



**City and County of San Francisco**  
**Tails**  
**Resolution**

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

**File Number:** 120578

**Date Passed:** June 26, 2012

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

June 07, 2012 Rules Committee - RECOMMENDED..

June 26, 2012 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Olague and Wiener

File No. 120578

I hereby certify that the foregoing Resolution was ADOPTED on 6/26/2012 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo  
Clerk of the Board

  
Mayor

Date Approved