



November 5, 2010

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

**Re: NERC Abbreviated Notice of Penalty  
PSEG Power Connecticut LLC, FERC Docket No. NP11-\_\_-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Abbreviated Notice of Penalty (NOP) regarding PSEG Power Connecticut, LLC (PSEG Power Connecticut), with information and details regarding the nature and resolution of the violation<sup>1</sup> discussed in detail in the Settlement Agreement (Attachment b) and the Disposition Document (Attachment f), in accordance with the Federal Energy Regulatory Commission's (Commission or FERC) rules, regulations and orders, as well as NERC Rules of Procedure including Appendix 4C (NERC Compliance Monitoring and Enforcement Program (CMEP)).<sup>2</sup>

PSEG Power Connecticut submitted a self-certification form to NPCC on June 22, 2009 for non-compliance with Reliability Standard PRC-005-1 Requirement (R) 2.1. PSEG Power Connecticut's records indicated that it did not test 4 out of the 155 relays at its New Haven Harbor generating facility in accordance with the requirements of its *Protective Relay Maintenance and Testing Program*. This Notice of Penalty is being filed with the Commission because NPCC and PSEG Power Connecticut have entered into a Settlement Agreement to resolve all outstanding issues arising from NPCC's determination and findings of the enforceable violation of PRC-005-1 R2.1. According to the Settlement Agreement, PSEG Power Connecticut neither admits nor denies the violation, but has agreed to the assessed penalty of

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

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

seven thousand five hundred dollars (\$7,500) in 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 violation identified as NERC Violation Tracking Identification Number NPCC200900082 is being filed in accordance with the NERC Rules of Procedure and the CMEP.

### **Statement of Findings Underlying the Violation**

This Notice of Penalty incorporates the findings and justifications set forth in the Settlement Agreement executed on July 15, 2010 by and between NPCC and PSEG Power Connecticut. The details of the findings and the basis for the penalty are set forth in the Disposition Document. 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, NERC provides the following summary table identifying each 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 (\$)
NPCC	PSEG Power Connecticut LLC	NOC-TBD	NPCC200900082	PRC-005-1	2.1	High <sup>3</sup>	7,500

The text of the Reliability Standard at issue is set forth in the Disposition Document.

#### PRC-005-1 - OVERVIEW<sup>4</sup>

NPCC determined that PSEG Power Connecticut, as a Generator Owner, identified four (4) out of 155 relays that PSEG Power Connecticut had no evidence of testing within the 3-year interval required by PSEG Power Connecticut's *Protective Relay Maintenance and Testing Program*.

The duration of the PRC-005-1 R2.1 violation was from June 21, 2007, when PSEG Power Connecticut was included on the NERC Compliance Registry, through June 18, 2009, the date PSEG Power Connecticut completed testing of the four (4) relays.

NPCC determined that PSEG Power Connecticut's violation of PRC-005-1 R2.1 did not pose a serious or substantial risk to the bulk power system (BPS) because the entity at the other end of the transmission line was testing its relays, and had a fault occurred it would have been detected by the other entity's relays which would have tripped the feeder isolating the fault.

<sup>3</sup> PRC-005-1 R2 has a "Lower" VRF; R2.1 and R2.2 each have a "High" VRF. 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.

<sup>4</sup> Further information on this violation is contained in the Disposition Document included as Attachment f.

## **Statement Describing the Assessed Penalty, Sanction or Enforcement Action Imposed<sup>5</sup>**

### **Basis for Determination**

Taking into consideration the Commission's direction in Order No. 693, the NERC Sanction Guidelines, the Commission's July 3, 2008 and October 26, 2009 Guidance Orders,<sup>6</sup> the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on June 10, 2010. The NERC BOTCC approved the Settlement Agreement, including NPCC's assessment of a seven thousand five hundred dollars (\$7,500) financial penalty against PSEG Power Connecticut 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 violation at issue.

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

1. the violation constituted PSEG Power Connecticut's first occurrence of violation of NERC Reliability Standards;
2. NPCC reported that PSEG Power Connecticut was cooperative throughout the compliance enforcement process;
3. PSEG Power Connecticut had a compliance program,<sup>7</sup> as discussed in the Disposition Document;
4. NPCC reported there was no evidence of any attempt to conceal a violation nor evidence of intent to do so;
5. the violations did not pose a serious or substantial risk to the BPS, as discussed above and in the Disposition Document; and
6. NPCC reported that there were no other mitigating or aggravating factors or extenuating circumstances that would affect the assessed penalty.

For the foregoing reasons, the NERC BOTCC approves the Settlement Agreement and believes that the assessed penalty of seven thousand five hundred dollars (\$7,500) is appropriate for the violation and circumstances in question, and is consistent with NERC's goal to promote and ensure reliability of the BPS.

Pursuant to 18 C.F.R. § 39.7(e), the penalty will be effective upon expiration of the 30 day period following the filing of this Notice of Penalty with FERC, or, if FERC decides to review the penalty, upon final determination by FERC.

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

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

<sup>7</sup> NPCC considered PSEG Power Connecticut's internal compliance program to be a mitigating factor in the penalty determination.

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

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

- a) PSEG Power Connecticut's Self-Certification for PRC-005-1 R2.1 dated June 22, 2009, included as Attachment a;
- b) Settlement Agreement between NPCC and PSEG Power Connecticut executed July 15, 2010, included as Attachment b;
- c) PSEG Power Connecticut's Mitigation Plan submitted February 4, 2010, included as Attachment c;
- d) PSEG Power Connecticut's Certification of Mitigation Plan Completion dated March 9, 2010, included as Attachment d;
- e) NPCC's Verification of Mitigation Plan Completion dated March 17, 2010 included as Attachment e; and
- f) Disposition Document dated June 10, 2010, included as Attachment f.

**A Form of Notice Suitable for Publication<sup>8</sup>**

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

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<sup>8</sup> See 18 C.F.R § 39.7(d)(6).

## Notices and Communications

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

<p>Gerald W. Cauley* President and Chief Executive Officer David N. Cook* Senior Vice President and General Counsel North American Electric Reliability Corporation 116-390 Village Boulevard Princeton, NJ 08540-5721 (609) 452-8060 (609) 452-9550 – facsimile <a href="mailto:gerry.cauley@nerc.net">gerry.cauley@nerc.net</a> <a href="mailto:david.cook@nerc.net">david.cook@nerc.net</a></p>	<p>Rebecca J. Michael* Assistant General Counsel North American Electric Reliability Corporation 1120 G Street, N.W. Suite 990 Washington, DC 20005-3801 (202) 393-3998 (202) 393-3955 – facsimile <a href="mailto:rebecca.michael@nerc.net">rebecca.michael@nerc.net</a></p>
<p>Jodi Moskowitz* General Regulatory Counsel – Operations and Compliance and NERC Compliance Officer PSEG Services Corp. 80 Park Plaza, T-5G Newark, NJ 07102 973-430-5983 – facsimile <a href="mailto:Jodi.moskowitz@pseg.com">Jodi.moskowitz@pseg.com</a></p>	<p>Edward A. Schwerdt* President &amp; Chief Executive Officer Northeast Power Coordinating Council, Inc. 1040 Avenue of the Americas-10th Fl. New York, NY 10018-3703 (212) 840-1070 (212) 302-2782 – facsimile <a href="mailto:eschwerdt@npcc.org">eschwerdt@npcc.org</a></p>
<p>Jeffrey Mueller* Manager – ERO/RE Policy and Standards Interface Public Service Electric and Gas Company 80 Park Plaza, T-13 Newark, NJ 07102 973-242-0677 – facsimile <a href="mailto:Jeffrey.Mueller@pseg.com">Jeffrey.Mueller@pseg.com</a></p>	<p>Stanley E. Kopman* Assistant Vice President of Compliance Northeast Power Coordinating Council, Inc. 1040 Avenue of the Americas-10th Fl. New York, NY 10018-3703 (212) 840-1070 (212) 302-2782 – facsimile <a href="mailto:skopman@npcc.org">skopman@npcc.org</a></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>Walter Cintron* Manager of Compliance Enforcement Northeast Power Coordinating Council, Inc. 1040 Avenue of the Americas-10th Fl. New York, NY 10018-3703 (212) 840-1070 (212) 302-2782 – facsimile <a href="mailto:wcintron@npcc.org">wcintron@npcc.org</a></p>

## Conclusion

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

Respectfully submitted,

Gerald W. Cauley  
President and Chief Executive Officer  
David N. Cook  
Vice President and General Counsel  
North American Electric Reliability Corporation  
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Princeton, NJ 08540-5721  
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[gerry.cauley@nerc.net](mailto:gerry.cauley@nerc.net)  
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/s/ Rebecca J. Michael  
Rebecca J. Michael  
Assistant General Counsel  
North American Electric Reliability  
Corporation  
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[rebecca.michael@nerc.net](mailto:rebecca.michael@nerc.net)

cc: PSEG Power Connecticut LLC  
Northeast Power Coordinating Council, Inc.

Attachments

## **Attachment a**

**PSEG Power Connecticut's Self-Certification for  
PRC-005-1 R2.1 dated June 22, 2009**



NPCC, Inc.

Logged in as:

Kenneth Brown

► Log Out

PRC-005-1 Self Certification (GO) - Transmission and Generation Protection System Maintenance and Testing - 06/01/2008 to 05/31/2009

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Attachments (0)

This form has been locked.

If you need to edit data contained in this form, please contact your NPCC Administrator.

This form was marked as ready to be added to a certification statement on 6/22/2009.

\* Required Fields

Status: Read Only

**Technical Contact**

\* Kenneth Brown (Kenneth.Brown@PSEG.com)

Notice: Prior to submitting this self-certification form, you are directed to review the complete text of the applicable reliability standard (including interpretations) that is found at [www.nerc.com](http://www.nerc.com). Each registered entity should evaluate its compliance with the official standard in preparing this filing.

Evidence must be retained to support the responses to this Self-Certification, including any follow-up investigation, until the completion of the next scheduled audit, unless the NERC or Regional Entity advises otherwise.

NPCC will disclose this information to NERC and other third parties, only as required, and in accordance with established procedures pursuant to section 1500 of the NERC rules of procedure.

This self-certification covers the Reporting Period for **06/01/2008 to 05/31/2009**. The response to the certification should accurately reflect the entity's compliance status for the entire Reporting Period.

**Applicable Function: GO**

As an authorized representative of **PSEG Power Connecticut LLC**, I certify the following:

- PSEG Power Connecticut LLC** was in Compliance with the NERC Reliability Standard PRC-005-1 for the entire Reporting Period.
  
- PSEG Power Connecticut LLC** is Not in Compliance for a portion of or the entire Reporting Period with the following requirement(s) of NERC Reliability Standard PRC-005-1 (indicated by checkmark) but was in compliance with all other requirements of the standard for the entire Reporting Period.
  - PSEG Power Connecticut LLC** is indicating a possible violation that has **not** been previously identified to NPCC.
  - PSEG Power Connecticut LLC** is indicating a possible violation that was previously identified to NPCC. Provide issues tracking number, if known.

Check all requirements for which PSEG Power Connecticut LLC was Not in Compliance for a portion of or the entire Reporting Period:

- R1. Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System shall have a Protection System maintenance and testing program for Protection Systems that affect the reliability of the BES. The program shall include:

- R1.1. Maintenance and testing intervals and their basis.

- R1.2. Summary of maintenance and testing procedures.

 **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.

**NOTE:** While submittal of a mitigation plan is not required until after a determination of a violation is confirmed, early submittal of a mitigation plan to address and remedy an identified deficiency is encouraged. Submittal of a mitigation plan shall not be deemed an admission of a violation. (See NERC Rules of Procedure, Appendix 4C, Section 6.4.)

Provide a detailed explanation why this was not accomplished

PSEG Power Connecticut LLC ("PSEG Power Connecticut") wishes to explain the relevant facts and circumstances of this self-certification.

PSEG Power Connecticut owns and operates the Bridgeport Harbor and New Haven Harbor Generating Stations, which are connected to 115kV buses owned by UI. PSEG Power Connecticut has been registered as a GO and GOP since early 2007 based on the then in effect NERC registration guidelines.

In the course of reviewing its records in connection with this self-certification, PSEG Power Connecticut was unable to find records of the maintenance and testing according to the intervals of its Protection System Maintenance and Testing Program ("Program") for the primary and backup line protection differential relays at the New Haven Harbor Station. PSEG Power Connecticut was able to obtain the records for the related UI relays in the protection scheme which indicate that the UI relays were in fact tested by UI in 2008, 2006 and previously. While it is possible that the two PSEG Power Connecticut relays were tested at the same time as they are part of the same scheme, PSEG Power Connecticut cannot in good faith confirm that was done. Accordingly, PSEG Power Connecticut, upon discovery of this issue, promptly scheduled the maintenance and testing of these two relays which was accomplished on June 18, 2009, and both were found to be within specifications and neither has misoperated. PSEG Power Connecticut does have records of the maintenance and testing of all other protection system devices in accordance with its Program. Thus the BES was never at risk and the issue has been fully mitigated as of June 18th. All relevant protection system devices are compliant, are contained in the PSEG Power Connecticut Program and will continue to be maintained and tested at the proper intervals going forward.

It should also be noted that, since the time of registration, PSEG Power Connecticut has not been able to determine if the buses to which it is connected are on the NPCC BPS/BES list. PSEG Power Connecticut responded "Don't Know" on the NPCC facility survey on September 11, 2008, never received a response from NPCC clarifying its status, and on several occasions before and after that date was unsuccessful in ascertaining its status from NPCC. PSEG Power Connecticut did receive a letter from ISO-NE that indicated it was on that ISO's list as calculated by the ISO, but never a communication from NPCC stating if the buses were deemed BES by NPCC. Because of the uncertainty of the BES definition in NPCC, the subject of the ongoing FERC proceeding, PSEG Power Connecticut believes that it is equitable to treat it similarly to newly identified generators that will be included as BES facilities in the proposed bright line test.

Enter date of alleged violation

6/4/2009 

Enter time of alleged violation

hh:mm:ss

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

-  3. The NERC Reliability Standard PRC-005-1 **does not apply to PSEG Power Connecticut LLC** because

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## **Attachment b**

**Settlement Agreement between NPCC and PSEG  
Power Connecticut executed July 15, 2010**

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**SETTLEMENT AGREEMENT  
OF  
NORTHEAST POWER COORDINATING COUNCIL, INC.  
AND  
PSEG POWER CONNECTICUT LLC**

**I. INTRODUCTION**

1. Northeast Power Coordinating Council, Inc. (“NPCC”) and PSEG POWER CONNECTICUT LLC (“PSEG POWER CONNECTICUT”) enter into this Settlement Agreement (“Agreement”) to resolve all outstanding issues arising from a preliminary and non-public assessment resulting in NPCC’s determination and findings, pursuant to the North American Electric Reliability Corporation (“NERC”) Rules of Procedure, for alleged violations by PSEG POWER CONNECTICUT of the NERC Reliability Standard PRC-005-1.

**II. STIPULATION**

2. The facts stipulated herein are stipulated solely for the purpose of resolving between PSEG POWER CONNECTICUT and NPCC the matters discussed herein and do not constitute stipulations or admissions for any other purpose. PSEG POWER CONNECTICUT and NPCC hereby stipulate and agree to the following:

**A      Background**

3. PSEG POWER CONNECTICUT has been registered as a Generator Owner and Generator Operator as of June 21, 2007. PSEG POWER CONNECTICUT owns and operates the Bridgeport Harbor and the New Haven Harbor Generating Stations, which are connected to 115kV buses owned by United Illuminating. PSEG Power Connecticut is a direct subsidiary of PSEG Fossil LLC, which is in turn a direct subsidiary of PSEG Power LLC. PSEG Power Connecticut has a portfolio of 995 MWs of which 455 MWs are at New Haven Harbor Generating Station and 540 MWs are at Bridgeport Harbor Generating Station. The issue in question occurred with respect to relays at the New Haven Harbor Generating Station.

**B.      Alleged Violation(s)**

4. NERC Reliability Standard PRC-005-1 Transmission and Generation Protection System Maintenance and Testing was written with the purpose to ensure all transmission and generation Protection Systems affecting the reliability of the Bulk Electric System (“BES”) are maintained and tested. Requirement (R) 2 of the standard requires that:

**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.

5. PSEG POWER CONNECTICUT LLC submitted a self certification form to NPCC on June 22, 2009 indicating a possible violation of NERC Reliability Standard PRC-005-1 R2.1.
6. NPCC Compliance Enforcement Staff performed a compliance assessment and reviewed the self-certification form along with the evidence provided by PSEG POWER CONNECTICUT and determined that PSEG POWER CONNECTICUT was not in compliance with NERC Reliability Standard PRC-005-1, R2.1
7. NERC Reliability Standard PRC-005-1, R2.1 has a “HIGH” Violation Risk Factor (“VRF”).

### **III. PARTIES’ SEPARATE REPRESENTATIONS**

#### **A. Statement of NPCC and Summary of Findings**

8. NPCC Compliance Enforcement Staff confirmed that PSEG POWER CONNECTICUT is a registered entity in the NERC registry as a Generator Owner and a Generator Operator.
9. PSEG POWER CONNECTICUT submitted a self certification form to NPCC on June 22, 2009 indicating that a possible violation had occurred with regard to NERC Reliability Standard PRC-005-1, R2.1. PSEG POWER CONNECTICUT reported that they could not find any evidence to indicate that it tested 4 out of 155 relays at their generating facility according to their Protective Relay Maintenance and Testing Program. According to the self certification the 4 relays were tested satisfactorily on June 18, 2009.

10. NPCC Staff reviewed the self certification and requested the evidence to demonstrate the 4 relays were tested. PSEG POWER CONNECTICUT provided the relay test reports as evidence and NPCC Staff determined the relays were tested and had the relays been called upon to operate, they would have operated successfully protecting the generator and the BES. NPCC Staff determined that the actual or foreseeable risk to the BES as a result of the violation was minimal and did not pose a serious or substantial risk to the reliability of the BES.
11. Based on its findings into the investigation of PSEG POWER CONNECTICUT NPCC Compliance Enforcement Staff issued an Initial Notice of Alleged Violation on July 21, 2009, identifying R2.1 of NERC Reliability Standard PRC-005-1 as the alleged violation.
12. On August 11, 2009 PSEG POWER CONNECTICUT requested to enter into settlement discussions.
13. NPCC Staff requested that PSEG POWER CONNECTICUT submit a Mitigation Plan to correct the alleged violation that was determined during the Compliance Enforcement Staff's investigation. PSEG POWER CONNECTICUT submitted the Mitigation Plan as requested on February 4, 2010.
14. NPCC Staff finds PSEG POWER CONNECTICUT non-compliant with NERC Reliability Standard PRC-005-1, R2.1 from June 21, 2007 until June 18, 2009, the date the relays were tested, as they did not have evidence indicating 4 relays in their switchyard were tested within its defined intervals. This is a violation of the standard for failing to have documentation showing "Evidence Protection System devices were maintained and tested within the defined intervals".
15. NPCC agrees that this Agreement is in the best interest of the parties and in the best interest of bulk power system reliability

**B. Statement of PSEG POWER CONNECTICUT**

16. PSEG POWER CONNECTICUT stipulates to the facts set forth in Section II.B. of this Agreement.
17. PSEG POWER CONNECTICUT neither admits nor denies that it violated the specific requirements of PRC-005-1 R2.1 but has agreed to enter into this Agreement with NPCC to avoid extended litigation with respect to the matters described or referred to herein, to avoid uncertainty, and to effectuate a complete and final resolution of the issues set forth herein. PSEG POWER CONNECTICUT agrees that this Agreement is in the best interest of the parties and is in the best interest of bulk power system reliability.

#### **IV. MITIGATING ACTIONS, REMEDIES AND SANCTIONS**

18. On February 4, 2010, PSEG POWER CONNECTICUT submitted a Mitigation Plan (MP) as complete. It was accepted by NPCC on February 19, 2010 and submitted for approval to NERC on February 19, 2010. NERC approved the MP on March 1, 2010 and submitted the MP to the Federal Energy Regulatory Commission (“FERC” or “Commission”) on March 1, 2010.

19. For the purpose of settling any and all disputes arising from NPCC Compliance Enforcement Staff’s review and assessment with respect to the alleged violations of NERC Reliability Standard PRC-005-1 R2.1 PSEG POWER CONNECTICUT and NPCC agree that, on and after the effective date of this Agreement, PSEG POWER CONNECTICUT has taken or shall take the following actions as set forth in its MP:

Identify and test the 4 relays that required testing and verify the inclusion of all bulk electric system relays at Bridgeport and New Haven Harbor Generating Stations have been entered into their work management system (SAP). All new or changed BES devices will be entered into the work management system (SAP) not later than the time they are placed in service on a go forward basis. This will ensure maintenance and testing to be done at proper intervals. By conducting physical walk downs of each station, comparing the one line diagrams, the test records and the actual physical infrastructure all verified the maintenance and testing schedule.

20. On March 9, 2010, PSEG POWER CONNECTICUT certified completion of its Mitigation Plan by submitting a Mitigation Plan Closure form referencing the completion of the relays testing and the verification that the relays associated with Bridgeport and New Haven Harbor Generating Stations were entered into the work management system. As part of the verification PSEG POWER CONNECTICUT compared the one line diagrams with individual test records for all BES relays at the stations and conducted physical walk downs of each station comparing the one line diagrams, the test records and the actual physical infrastructure.

21. NPCC Compliance Enforcement Staff reviewed the evidence of the Mitigation Plan’s completion submitted by PSEG POWER CONNECTICUT and verified completion of the Mitigation Plan on March 17, 2010. The verification included reviewing the test data for the 4 relays tested and review of a screenshot of their work management system indicating the relay work was completed.

22. Based on PSEG POWER CONNECTICUT’s mitigation of the alleged violation, the above actions taken or to be taken by PSEG POWER CONNECTICUT, PSEG POWER CONNECTICUT agrees to pay \$7,500 (the “Payment”) to NPCC via wire transfer to an account to be identified by NPCC (“NPCC Account”) within (20) twenty days after the Agreement is either approved by the

Commission or by operation of law, and NPCC will notify NERC if the payment is not received.

23. Failure of PSEG POWER CONNECTICUT to make a timely Payment or to comply with any of the terms and conditions agreed to herein, or any other conditions of the Settlement Agreement, shall be deemed to be either the same alleged violations that initiated this Settlement and/or additional violations and may subject PSEG POWER CONNECTICUT to new or additional enforcement, penalty or sanction actions in accordance with the NERC Rules of Procedure.
24. If PSEG POWER CONNECTICUT does not remit the Payment by the required date, interest payable to NPCC will begin to accrue pursuant to FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date that payment is due, and shall be payable in addition to the Payment.

## V. ADDITIONAL TERMS

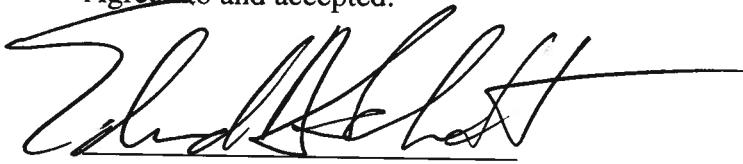
25. The signatories to the Agreement agree that they enter into the Agreement voluntarily and that, other than the recitations set forth herein, no tender, offer or promise of any kind by any member, employee, officer, director, agent or representative of NPCC or PSEG POWER CONNECTICUT has been made to induce the signatories or any other party to enter into the Agreement.
26. NPCC shall report the terms of all settlement agreements of compliance matters to NERC. NERC will review the settlement 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 or reject the settlement agreement and notify the Regional Entity and the Registered Entity of changes to the settlement that would result in approval. If NERC rejects the Agreement, NERC will provide specific written reasons for such rejection and NPCC will attempt to negotiate a revised Agreement with PSEG POWER CONNECTICUT 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 the Commission for the Commission's review and approval by order or operation of law and (ii) publicly post the alleged violation and the terms provided for in the Agreement.
27. This Agreement shall become effective upon the Commission's approval of the Agreement by order or operation of law as submitted to it or as modified in a manner acceptable to the parties.

28. PSEG POWER CONNECTICUT agrees that this Agreement, when approved by NERC and the Commission, shall represent a final settlement of all matters set forth herein and PSEG POWER CONNECTICUT waives its right to further hearings and appeal, unless and only to the extent that PSEG POWER CONNECTICUT contends that any NERC or Commission action on the Agreement contains one or more material modifications to the Agreement. NPCC reserves all rights to initiate enforcement, penalty or sanction actions against PSEG POWER CONNECTICUT in accordance with the NERC Rules of Procedure in the event that PSEG POWER CONNECTICUT fails to comply with the terms agreed to herein. In the event PSEG POWER CONNECTICUT fails to comply with any of the stipulations, remedies, sanctions or additional terms, as set forth in this Agreement, NPCC will initiate enforcement, penalty, or sanction actions against PSEG POWER CONNECTICUT to the maximum extent allowed by the NERC Rules of Procedure, up to the maximum statutorily allowed penalty. PSEG POWER CONNECTICUT shall retain all rights to defend against such enforcement actions, also according to the NERC Rules of Procedure.
29. PSEG POWER CONNECTICUT consents to the use of NPCC's determinations, findings, and conclusions set forth in this Agreement for the purpose of assessing the factors, including the factor of determining the company's history of violations, in accordance with the NERC Sanction Guidelines and applicable Commission orders and policy statements. Such use may be in any enforcement action or compliance proceeding undertaken by NERC and/or Regional Entity; provided, however, that PSEG POWER CONNECTICUT does not consent to the use of the specific facts set forth in this Agreement as the sole basis for any other action or proceeding brought by NERC and/or NPCC, nor does PSEG POWER CONNECTICUT consent to the use of this Agreement by any other party in any other action or proceeding.
30. 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.
31. The undersigned representative of each party affirms that he or she has read the Agreement, that all of the matters set forth in the Agreement are true and correct to the best of his or her knowledge, information and belief, and that he or she understands that 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.
32. The Agreement may be signed in counterparts.

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

*Remainder of page intentionally blank.  
Signatures to be affixed to the following page*

Agreed to and accepted:



Edward A. Schwerdt  
President & CEO  
NPCC

7/15/10

Date



Richard Lopriore  
President  
PSEG POWER CONNECTICUT LLC

7/14/10

Date

## **Attachment c**

**PSEG Power Connecticut's Mitigation Plan  
submitted February 4, 2010**



**NPCC, Inc.**

NORTHEAST POWER COORDINATING COUNCIL, INC.  
1040 AVF OF THE AMERICAS NEW YORK, NY 10018 TEL/FAX (212) 640-1070 FAX (212) 302-2782

## Mitigation Plan Submittal Form

February 4, 2010

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

- A.1 Notices and requirements applicable to Mitigation Plans and this Submittal Form are set forth in "Attachment A - Compliance Notices & Mitigation Plan Requirements" to this form.
- A.2  I have reviewed Attachment A and understand that this Mitigation Plan Submittal Form will not be accepted unless this box is checked.

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

- B.1 Identify your organization:

Company Name: PSEG Power Connecticut LLC  
Company Address: 80 Park Plaza – T25  
Newark, NJ 07102-4106

NERC Compliance Registry ID: NCR07201

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

Name: David J. Murray  
Title: CFAM Manager- Technical  
Email: David.Murray@pseg.com  
Phone: 973-430-7520

### **Section C: Identification of Alleged or Confirmed Violation(s) Associated with this Mitigation Plan**

- C.1 This Mitigation Plan is associated with the following Alleged or Confirmed violation(s) of the reliability standard listed below.

Applicable Standard, Requirement(s) and dates:



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NERC Violation ID #	Reliability Standard	Requirement Number	Violation Risk Factor	Alleged or Confirmed Violation Date <sup>(*)</sup>	Method of Detection (e.g., Audit, Self-report, Investigation)
NPCC2009 00082	PRC-005-1	2.1	High	June 21, 2007	Self-Certification

(\*) Note: The Alleged or Confirmed Violation Date shall be expressly specified by Registered Entity, and subject to modification by NPCC, as: (i) the date the Alleged or Confirmed violation occurred; (ii) the date that the Alleged or Confirmed violation was self-reported; or (iii) the date that the Alleged or Confirmed violation has been deemed to have occurred on by NPCC. Questions regarding the date to use should be directed to the NPCC contact identified in Section G of this form.

- C.2 Identify the cause of the Alleged or Confirmed violation(s) identified above.  
 Additional detailed information may be provided as an attachment:

The following is the description as reported by PSEG Power Connecticut LLC in the self-certification on June 22, 2009:

PSEG Power Connecticut LLC ("PSEG Power Connecticut") wishes to explain the relevant facts and circumstances of this self-certification.

PSEG Power Connecticut owns and operates the Bridgeport Harbor and New Haven Harbor Generating Stations, which are connected to 115kV buses owned by United Illuminating ("UI"). PSEG Power Connecticut has been registered as a GO and GOP since early 2007. In the course of reviewing its records in connection with this self-certification, PSEG Power Connecticut was unable to find records of the maintenance and testing according to the intervals of its Protection System Maintenance and Testing Program ("Program") for the primary and backup line protection differential relays at the New Haven Harbor Station. PSEG Power Connecticut was able to obtain the records for the related UI relays in the protection scheme which indicate that the UI relays were in fact tested by UI in 2008, 2006 and previously. While it is possible that the four (4) PSEG Power Connecticut relays were tested at the same time as they are part of the same scheme, PSEG Power Connecticut cannot in good faith confirm that was done.

Accordingly, PSEG Power Connecticut, upon discovery of this issue, promptly scheduled the maintenance and testing of these four (4) relays which was accomplished on June 18, 2009, and all were found to be within specifications and had not misoperated. PSEG Power Connecticut does have records of the maintenance and testing of all other bulk electric system ("BES") protection system devices in accordance with its Program. The four subject relays were fully mitigated as of June 18, 2009. All BES protection system



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devices are compliant, are contained in the PSEG Power Connecticut Program and will continue to be maintained and tested at the proper intervals going forward.

Notification and scheduling of the testing was routinely initiated by the TO (UI) contacting the GO/GOP (station). In reviewing the work management system used by the station to track BES relay maintenance, the four (4) 115kV line protection relays were found not to be included.

- C.3 Provide any additional relevant information regarding the Alleged or Confirmed violations associated with this Mitigation Plan. Additional detailed information may be provided as an attachment:

#### **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 Alleged or Confirmed violations identified above in Part C.1 of this form. Additional detailed information may be provided as an attachment:

This Mitigation Plan has been completed as of August 17, 2009.

As described above, the four (4) devices (115kV relays) that were identified were promptly tested and maintained and found to be within desired parameters. No misoperations of these devices have occurred.

By August 17, 2009 the inclusion of all relevant BES protection system devices were verified as being properly entered into the work management system (SAP) so that maintenance and testing will be done at proper intervals in the future. Also, all new or changed BES devices shall be entered into the work management system not later than the time they are placed into service.

##### **Mitigation Plan Timeline and Milestones**

- D.2 Provide the date by which full implementation of the Mitigation Plan will be, or has been, completed with respect to the Alleged or Confirmed violations identified above. State whether the Mitigation Plan has been fully implemented:



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The Mitigation Plan was fully completed on August 17, 2009.

D.3 Enter Milestone Activities, with due dates, that your organization is proposing, or has completed, for this Mitigation Plan:

Milestone Activity	Proposed/Actual Completion Date* (shall not be more than 3 months apart)
Four (4) devices identified as possibly not maintained within the specified interval.	June 4, 2009 Complete
The four (4) above devices tested and maintained.	June 18, 2009 Complete
Inclusion of all BES relays (Bridgeport Harbor and New Haven Harbor Generating Stations) verified as being properly entered into the work management system (SAP) so that maintenance and testing of all BES protection system devices will be done at proper intervals in the future. This verification process was accomplished by ; (1) Comparing the one line diagrams with individual test records for all BES relays at the stations and (2) By conducting physical walk downs of each station, comparing the one line diagrams, the test records and the actual physical infrastructure. All new or changed BES devices will be entered into the work management system (SAP) not later than the time they are placed in service on a go forward basis.	August 17, 2009 Complete

(\*) Note: Implementation milestones no more than three (3) months apart are permissible only 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.



**NPCC, Inc.**

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## **Section E: Interim and Future Reliability Risk**

### **Abatement of Interim BPS Reliability Risk**

- E.1 While your organization is implementing this Mitigation Plan the reliability of the Bulk Power System (BPS) 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 to mitigate this increased risk to the reliability of the BPS. Additional detailed information may be provided as an attachment:

There was no interim risk to the BPS since our mitigation plan has already been successfully completed and including the fact that the four (4) devices identified above tested within specifications on June 18, 2009 and no misoperations of these devices occurred.

### **Prevention of Future BPS Reliability Risk**

- E.2 Describe how successful completion of this Mitigation Plan will prevent or minimize the probability that your organization incurs further risk or Alleged violations of the same or similar reliability standards requirements in the future. Additional detailed information may be provided as an attachment:

As described above , in D.3 the actions taken by PSEG Power Connecticut LLC will ensure that all protection system devices will be maintained and tested within the intervals specified by its BES Protection System Maintenance and Testing Program.



**NPCC, Inc.**

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### **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 this Mitigation Plan for acceptance by NPCC and approval by NERC, and
- b) If applicable, certifies that this Mitigation Plan was completed on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- c) Acknowledges:
  1. I am President of PSEG Power Connecticut LLC.
  2. I am qualified to sign this Mitigation Plan on behalf of PSEG Power Connecticut LLC.
  3. I understand PSEG Power Connecticut LLC'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" (CMEP NERC).
  3. I have read and am familiar with the contents of this Mitigation Plan.
  4. PSEG Power Connecticut LLC agrees to comply with this Mitigation Plan, including the timetable completion date, as accepted by NPCC and approved by NERC.

**Authorized Individual Signature**

A handwritten signature in black ink, appearing to read 'Richard P. Lopriore', is written over a horizontal line.

Name: Richard P. Lopriore  
Title: President - PSEG Power Connecticut LLC  
Date: February 4<sup>th</sup>, 2010



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1040 AVE OF THE AMERICAS NEW YORK, NY 10018 TEL/FAX (212) 840-1070 FAX (212) 302-2782

### Section G: Regional Entity Contact

Please direct any questions regarding completion of this form to:

Walter Cintron  
Manager, Compliance Enforcement  
Northeast Power Coordinating Council, Inc.  
1040 Ave. of the Americas – 10<sup>th</sup> Floor  
New York, N.Y. 10018  
Tel: 212-840-1070  
Fax: 212-302-2782  
E-mail: [wcintron@npcc.org](mailto:wcintron@npcc.org)



NPCC, Inc.

NORTHEAST POWER COORDINATING COUNCIL, INC.  
1040 AVF OF THE AMERICAS NEW YORK, NY 10018 TEL FPHONE (212) 840-1070 FAX (212) 302-2782

## Attachment A – Compliance Notices & Mitigation Plan Requirements

- I. Section 6.2 of the CMEP<sup>1</sup> 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 must be used to provide a required Mitigation Plan for review and acceptance by NPCC and approval by NERC.

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



**NPCC, Inc.**

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- III. This Mitigation Plan is submitted to the regional entity (ies) and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
- IV. This Mitigation Plan Submittal Form may be used to address one or more related Alleged or Confirmed violations of one Reliability Standard. A separate mitigation plan is required to address Alleged or Confirmed violations with respect to each additional Reliability Standard, as applicable.
- V. If the Mitigation Plan is accepted by NPCC and approved by 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. NPCC 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 BPS.

## **Attachment d**

**PSEG Power Connecticut's Certification of  
Mitigation Plan Completion dated March 9, 2010**



## Certification of a Completed Mitigation Plan

### NPCC Violation Mitigation Plan Closure Form

Name of registered entity submitting certification: PSEG Power Connecticut LLC, NCR07201

Date of Certification<sup>1</sup>: March 9<sup>th</sup>, 2010

Name of Standard and the Requirement of which a violation was mitigated: PRC-005-1 / R2.1

Date of the Mitigation Plan submittal<sup>2</sup>: February 4, 2010

Date of completion of the Milestone Activities in Mitigation Plan<sup>3</sup>: August 17, 2009

I certify that the mitigation plan for the above named violation has been completed on the date shown above and that all submitted information is complete and correct to the best of my knowledge.

Please provide any additional information required for NPCC to verify completion of the mitigation plan.

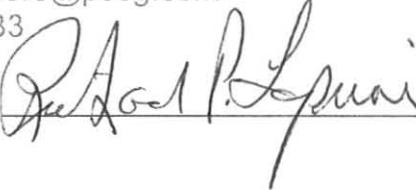
Name: Richard Lopriore

Title: President - PSEG Power Connecticut LLC

Entity: PSEG Power Connecticut LLC

Email: Richard.Lopriore@pseg.com

Phone: 973-430-7533

Executive Signature  Date: 3/9/10

<sup>1</sup> This date has to be the same as the signature date

<sup>2</sup> The date final Mitigation Plan has been signed

<sup>3</sup> The completion date for the last Milestone Activity

Mitigation Plan Milestone Activity Reporting



Date:

To: Walter Cintron,  
Manager, Compliance Enforcement

[REGISTERED ENTITY] provides the following evidence for NPCC to verify the completed activities in the Mitigation Plan.

Activity	Dates Completed	Documentation <sup>1</sup> Insert any documents indicating completion of the Activity.
i. Four (4) devices identified as possibly not maintained within the specified interval.	June 4, 2009 Completed	Previously Submitted March 9 <sup>th</sup> , 2010
ii. The four (4) Above devices tested and maintained.	June 18, 2009 Completed	Previously Submitted March 9 <sup>th</sup> , 2010
iii. Inclusions of all BES relays (Bridgeport Harbor) and New Haven Harbor Generating Stations) verified as being properly entered into the work management system (SAP) so that maintenance and testing of all BES protection system devices will be done at proper intervals in the future. This verification process was accomplished by; (1) Comparing the one line diagrams with individual test records for all BES relays at the stations and (2) By conducting physical walk downs of each station, comparing the one line diagrams, the test records and the actual physical infrastructure. All new or changed BES devices will be entered into the work management system (SAP) not later than the time they are placed in service on a go forward basis.	August 17, 2009 Completed	Previously Submitted March 9 <sup>th</sup> , 2010
iv.		
v.		

1. To attach a file: from the INSERT drop down menu in Microsoft Word click OBJECT, click the tab CREATE FROM FILE, click BROWSE, find the file you wish to attach, click INSERT, click the DISPLAY AS ICON check box, click CHANGE ICON, in the CAPTION field change the file name, click OK, click OK. Resize the attached file to fit in the cell.

Authorized Signature:

A handwritten signature in black ink is written over a horizontal line. To the right of the signature, the date "3/9/10" is handwritten in a smaller, cursive font.

## **Attachment e**

**NPCC's Verification of Mitigation Plan  
Completion dated March 17, 2010**



NORTHEAST POWER COORDINATING COUNCIL, INC.  
1040 AVE OF THE AMERICAS, NEW YORK, NY 10018 TELEPHONE (212) 840-1070 FAX (212) 302-2782

**Confidential**

March 17, 2010

Mr. Richard Lopriore  
President  
PSEG Power Connecticut LLC

**Re: MIT-07-2335, Violation # NPCC200900082**

This letter is to notify you that NPCC has verified the completion of the Mitigation Plan PSEG Power Connecticut LLC submitted on February 4, 2010.

NPCC thanks you for your cooperation in this matter and for improving the reliability of the bulk electric system.

Please do not hesitate to call if you have any questions regarding this issue.

Sincerely,

Walter Cintron  
Manager, Compliance Enforcement  
Tel: 212 840-1070  
Fax: 212 302-2782

**Attachment f**

**Disposition Document dated June 10, 2010**

## **DISPOSITION OF VIOLATION<sup>1</sup>**

Dated June 10, 2010

NERC TRACKING NO. <b>NPCC200900082</b>	REGIONAL ENTITY TRACKING NO. <b>PSEG Power Connecticut LLC (PSEG Power Connecticut)</b>	NOC# <b>NOC-557</b>
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REGISTERED ENTITY <b>PSEG Power Connecticut LLC (PSEG Power Connecticut)</b>	NERC REGISTRY ID <b>NCR07201</b>
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REGIONAL ENTITY <b>Northeast Power Coordinating Council, Inc. (NPCC)</b>	
---	--

### **I. REGISTRATION INFORMATION**

ENTITY IS REGISTERED FOR THE FOLLOWING FUNCTIONS:

BA	DP	GO	GOP	IA	LSE	PA	PSE	RC	RP	RSG	TO	TOP	TP	TSP
		X	X											
		6/21/2007	6/21/2007											

\* VIOLATION APPLIES TO SHADED FUNCTIONS

### DESCRIPTION OF THE REGISTERED ENTITY

**Public Service Enterprise Group (PSEG) is a publicly traded (NYSE:PEG) diversified energy company headquartered in New Jersey, and one of the ten largest electric companies in the U.S. with total assets of \$29 billion, total annual revenues of \$13.3 billion and approximately 10,500 employees. PSEG's principal subsidiaries are: Public Service Electric & Gas Company, PSEG Power and PSEG Energy Holdings.**

**PSEG Power Connecticut is a direct subsidiary of PSEG Fossil LLC, which is in turn a direct subsidiary of PSEG Power LLC. PSEG Power Connecticut has a portfolio of 995 MW of which 455 MW are at New Haven Harbor Generating Station and 540 MW are at Bridgeport Harbor Generating Station.**

**Bridgeport Harbor Station, located on the west shore of Bridgeport Harbor in Bridgeport, includes three units; a 375-MW coal-fired unit (oil backup) which is**

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

**the largest coal-fired unit in Connecticut and the third-largest in New England; a 159-MW oil-fired unit; and a 19-MW combustion turbine peaking unit. A fourth unit at the site is in deactivated reserve.**

**New Haven Harbor Station is located on the east shore of New Haven Harbor in New Haven and consists of one unit, a 466-MW oil-fired facility that also has the capability to burn natural gas at up to 40% of capacity.**

## **II. VIOLATION INFORMATION**

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
<b>PRC-005-1</b>	<b>2</b>	<b>2.1</b>	<b>High<sup>2</sup></b>	<b>Lower</b>

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

**The purpose statement of Reliability Standard PRC-005-1 provides: “To ensure all transmission and generation Protection Systems<sup>[3]</sup> affecting the reliability of the Bulk Electric System (BES) are maintained and tested.”**

**PRC-005-1 R2 requires that:**

**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 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.**

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

### **VIOLATION DESCRIPTION**

**PSEG Power Connecticut submitted a self-certification form to NPCC on June 22, 2009 indicating that a violation had occurred with regard to PRC-005-1 R2.1.**

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<sup>2</sup> PRC-005-1 R2 has a “Lower” VRF; R2.1 and R2.2 each have a “High” VRF. 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.

<sup>3</sup> The NERC Glossary of Terms Used in Reliability Standards defines Protection System as “Protective relays, associated communication systems, voltage and current sensing devices, station batteries and DC control circuitry.”

PSEG Power Connecticut reported that it could not provide any evidence to demonstrate that it tested 4 out of the 155 relays at its New Haven Harbor generating facility according to its *Protective Relay Maintenance and Testing Program*. PSEG Power Connecticut's program required 3-year testing intervals. PSEG Power Connecticut's records showed that 3 of the 4 relays were last tested on April 27, 2000, April 28, 2000 and June 5, 2000. PSEG Power Connecticut could not find evidence to show a last test date for the fourth relay, but a supervisor directly involved in the relay testing believed it was done in the same timeframe as the other three (3). Therefore, there was no evidence that testing on these four (4) relays was completed within the required 3-year interval.

#### RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

The violations did not pose a serious or substantial risk to the bulk power system (BPS) because the entity at the other end of the transmission line was testing its relays, and had a fault occurred it would have been detected by the other entity's relays which would have tripped the feeder isolating the fault.

IS THERE A SETTLEMENT AGREEMENT      YES       NO

#### WITH RESPECT TO THE VIOLATION(S), REGISTERED ENTITY

NEITHER ADMITS NOR DENIES IT (SETTLEMENT ONLY)	YES <input checked="" type="checkbox"/>
ADMITS TO IT	YES <input type="checkbox"/>
DOES NOT CONTEST IT (INCLUDING WITHIN 30 DAYS)	YES <input type="checkbox"/>

#### WITH RESPECT TO THE ASSESSED PENALTY OR SANCTION, REGISTERED ENTITY

ACCEPTS IT/ DOES NOT CONTEST IT      YES

### **III. DISCOVERY INFORMATION**

#### METHOD OF DISCOVERY

- |                                    |                                     |
|------------------------------------|-------------------------------------|
| SELF-REPORT                        | <input type="checkbox"/>            |
| SELF-CERTIFICATION                 | <input checked="" type="checkbox"/> |
| COMPLIANCE AUDIT                   | <input type="checkbox"/>            |
| COMPLIANCE VIOLATION INVESTIGATION | <input type="checkbox"/>            |
| SPOT CHECK                         | <input type="checkbox"/>            |
| COMPLAINT                          | <input type="checkbox"/>            |
| PERIODIC DATA SUBMITTAL            | <input type="checkbox"/>            |
| EXCEPTION REPORTING                | <input type="checkbox"/>            |

DURATION DATE(S) **June 21, 2007, the date PSEG Power Connecticut was included on the NERC Compliance Registry, through June 18, 2009, the date the missing Protection System devices were tested and maintained.**

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY **6/22/2009**

IS THE VIOLATION STILL OCCURRING  
 YES  NO   
 IF YES, EXPLAIN

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

#### **IV. MITIGATION INFORMATION**

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO. **MIT-07-2335**

DATE SUBMITTED TO REGIONAL ENTITY	<b>2/04/10</b>
DATE ACCEPTED BY REGIONAL ENTITY	<b>2/19/10</b>
DATE APPROVED BY NERC	<b>3/01/10</b>
DATE PROVIDED TO FERC	<b>3/01/10</b>

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

**NONE**

MITIGATION PLAN COMPLETED      YES       NO

EXPECTED COMPLETION DATE	<b>8/17/2009</b>
EXTENSIONS GRANTED	<b>NONE</b>
ACTUAL COMPLETION DATE	<b>8/17/2009</b>

DATE OF CERTIFICATION LETTER	<b>3/9/2010</b>
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF	<b>8/17/2009</b>

DATE OF VERIFICATION LETTER	<b>3/17/2010</b>
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF	<b>8/17/2009</b>

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

**PSEG Power Connecticut identified and tested the 4 relays that required testing and verified that all BPS relays at Bridgeport and New Haven Harbor Generating Stations have been entered into their work management system (SAP). All new or changed BPS devices will be entered into SAP no later**

**than the time they are placed in service. This will ensure maintenance and testing to be done at proper intervals.**

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

**NPCC reviewed PSEG Power Connecticut's test data for the four (4) relays tested and a screenshot of SAP which showed that the relay work had been completed.**

**V. PENALTY INFORMATION**

**TOTAL ASSESSED PENALTY OR SANCTION OF SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$7,500) FOR ONE VIOLATION OF RELIABILITY STANDARDS.**

**(1) REGISTERED ENTITY'S COMPLIANCE HISTORY**

PRIOR VIOLATIONS OF ANY OF THE INSTANT RELIABILITY STANDARD(S) OR REQUIREMENT(S) THEREUNDER

YES  NO

LIST ANY CONFIRMED OR SETTLED VIOLATIONS AND STATUS

ADDITIONAL COMMENTS

PRIOR VIOLATIONS OF OTHER RELIABILITY STANDARD(S) OR REQUIREMENTS THEREUNDER

YES  NO

LIST ANY PRIOR CONFIRMED OR SETTLED VIOLATIONS AND STATUS

ADDITIONAL COMMENTS

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

FULL COOPERATION      YES       NO   
IF NO, EXPLAIN

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

IS THERE A DOCUMENTED COMPLIANCE PROGRAM<sup>4</sup>

YES     NO

EXPLAIN

**PSEG Power Connecticut's internal compliance program is incorporated as a part of its parent PSEG's corporate compliance program.**

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

**PSEG senior management from the top down is committed to reliability.**

**The PSEG Compliance Council is comprised primarily of executive officers and is dedicated to ensuring that all employees comply with all applicable laws and regulations – including NERC Reliability Standards. The Chief Compliance Officer, who is also an Executive Vice President and the General Counsel of PSEG, sits on this Council and is empowered to bring compliance matters directly to the attention of the PSEG CEO and PSEG Board of Directors Audit Committee.**

**Officers and senior officers in the lines of business, including PSEG Power Connecticut, are the sponsors of the Standards Review and Compliance Team, whose members have compliance with NERC Reliability Standards as a significant part of their job responsibilities and who keep the officers informed of significant compliance matters and status. These officers are responsible for signing self-certifications with respect to specific reliability standards after a review of the supporting evidence supplied by their Subject Matter Experts. Senior management is also copied on significant reliability standards compliance emails/correspondence so that they maintain a current awareness of activities and significant developments in the area.**

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<sup>4</sup> NPCC considered PSEG Power Connecticut's internal compliance program to be a mitigating factor in the penalty determination.

**Also at the direction of PSEG's CEO, the company utilizes a balanced scorecard approach to determining metrics for how well it is doing and that factor into personal compensation incentives for officers and employees. Additionally, the PSEG Compliance Council ensures that, where necessary, appropriate corrective action is taken, which could include disciplinary action.**

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

YES  NO   
IF YES, EXPLAIN

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

YES  NO   
IF YES, EXPLAIN

(6) ANY OTHER MITIGATING FACTORS FOR CONSIDERATION

YES  NO   
IF YES, EXPLAIN

(7) ANY OTHER AGGRAVATING FACTORS FOR CONSIDERATION

YES  NO   
IF YES, EXPLAIN

(8) ANY OTHER EXTENUATING CIRCUMSTANCES

YES  NO   
IF YES, EXPLAIN

(9) ADDITIONAL SUPPORT FOR ASSESSED PENALTY OR SANCTION

EXHIBITS:

SOURCE DOCUMENT

**PSEG Power Connecticut's Self-Certification submitted June 22, 2009**

MITIGATION PLAN

**PSEG Power Connecticut's Mitigation Plan submitted February 4, 2010**

CERTIFICATION BY REGISTERED ENTITY

**PSEG Power Connecticut's Certification of Mitigation Plan Completion submitted March 9, 2010**

OTHER RELEVANT INFORMATION:

NOTICE OF ALLEGED VIOLATION AND PROPOSED PENALTY OR SANCTION ISSUED

DATE: OR N/A

SETTLEMENT DISCUSSIONS COMMENCED

DATE: 8/11/09 OR N/A

NOTICE OF CONFIRMED VIOLATION ISSUED

DATE: OR N/A

SUPPLEMENTAL RECORD INFORMATION

DATE(S) OR N/A

REGISTERED ENTITY RESPONSE CONTESTED

FINDINGS  PENALTY  BOTH  NO CONTEST

HEARING REQUESTED

YES  NO

DATE

OUTCOME

APPEAL REQUESTED

## **Attachment g**

### **Notice of Filing**

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

PSEG Power Connecticut LLC

Docket No. NP11-\_\_-000

NOTICE OF FILING  
November 5, 2010

Take notice that on November 5, 2010, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding PSEG Power Connecticut LLC in the Northeast Power Coordinating Council, Inc. region.

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

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

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

Comment Date: [BLANK]

Kimberly D. Bose,  
Secretary