



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

November 30, 2010

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

Re: NERC Abbreviated Notice of Penalty regarding Jersey Central Power & Light Company and Pennsylvania Electric Company [DP, LSE, PSE, TO], FERC Docket No. NP11-__-000

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Abbreviated Notice of Penalty (NOP) regarding Jersey Central Power & Light Company (Jersey Central) and Pennsylvania Electric Company [DP, LSE, PSE, TO] (Penelec), with information and details regarding the nature and resolution of the violations¹ discussed in detail in the Settlement Agreement (Attachment a) and the Disposition Document (Attachment b), 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)).²

This NOP is being filed with the Commission because ReliabilityFirst Corporation (ReliabilityFirst), Jersey Central and Penelec have entered into a joint Settlement Agreement to resolve all outstanding issues arising from ReliabilityFirst's determination and findings of the enforceable violations of PRC-005-1 Requirement (R) 2. According to the Settlement Agreement, Jersey Central and Penelec neither admit nor deny the violations, but have agreed to the assessed penalty of ten thousand dollars (\$10,000) collectively, in addition to other remedies and actions to mitigate the instant violations and facilitate future compliance under the terms and

¹ 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.

² *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).

conditions of the Settlement Agreement. Accordingly, the violations identified as NERC Violation Tracking Identification Numbers RFC200900140 and RFC200900141 are being filed in accordance with the NERC Rules of Procedure and the CMEP.

Statement of Findings Underlying the Violations

This NOP incorporates the findings and justifications set forth in the Settlement Agreement executed on July 28, 2010, by and between ReliabilityFirst, Jersey Central and Penelec. The details of the findings and the basis for the penalty are set forth in the Disposition Document. This NOP 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.

NOC ID	Registered Entity	NERC Violation ID	Reliability Std.	Req. (R)	VRF ³	Duration	Total Penalty (\$)
NOC-632	Penelec	RFC200900140	PRC-005-1	2	High	6/18/07-4/2/09	10,000
	Jersey Central	RFC200900141	PRC-005-1	2	High	6/18/07-4/2/09	

The text of the Reliability Standard at issue and further information on the subject violations are set forth in the Disposition Document.

PRC-005-1 R2 - OVERVIEW

On June 5, 2009, FirstEnergy self-reported, on behalf of Jersey Central and Penelec, violations of PRC-005-1 R2.⁴ ReliabilityFirst determined that Jersey Central, as a Transmission Owner and Distribution Provider that owns a transmission Protection System⁵ and Penelec, as a Transmission Owner and Distribution Provider that owns a transmission Protection System and Generator Owner that owns a generation Protection System, did not provide complete documentation of the implementation of their Protection System maintenance and testing programs, specifically for failing to locate evidence that 18 relays were maintained and tested

³ 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. In the context of this case, ReliabilityFirst determined that the violation related to both R2.1 and R2.2, and therefore a “High” VRF is appropriate.

⁴ FirstEnergy incorrectly stated violations to PRC-005-1 R2.1 in its Self-Report and Mitigation Plan documentation; ReliabilityFirst later determined that the violations related to R2.

⁵ 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.”

within defined intervals as required by R2.1 and the dates they were last tested and maintained as required by R2.2.⁶

Statement Describing the Assessed Penalty, Sanction or Enforcement Action Imposed⁷

Basis for Determination

Taking into consideration the Commission's direction in Order No. 693, the NERC Sanction Guidelines, the Commission's July 3, 2008, October 26, 2009 and August 27, 2010 Guidance Orders,⁸ the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on November 2, 2010. The NERC BOTCC approved the Settlement Agreement, including ReliabilityFirst's assessment of a ten thousand dollar (\$10,000) financial penalty against Jersey Central and Penelec collectively 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 violations at issue.

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

1. the violations constituted Jersey Central's and Penelec's first occurrences of violation of the subject NERC Reliability Standard;
2. FirstEnergy self-reported the violations;
3. ReliabilityFirst reported that Jersey Central and Penelec were cooperative throughout the compliance enforcement process;
4. FirstEnergy has had a corporate-wide documented compliance program since September 20, 2007, as discussed in the Disposition Document which ReliabilityFirst considered a mitigating factor;
5. there was no evidence of any attempt to conceal a violation nor evidence of intent to do so;
6. ReliabilityFirst determined that the violations did not pose a serious or substantial risk to the reliability of the bulk power system (BPS), as discussed in the Disposition Document; and

⁶ FirstEnergy is primarily responsible for developing maintenance and testing programs and procedures for its affiliates and the affiliates themselves are responsible for actually performing the maintenance and testing. Across the entire system for all FirstEnergy affiliates, FirstEnergy is responsible to ensure that 20,410 relays comply with PRC-005-1. Specifically, 2,308 relays are owned by Jersey Central and 6,370 relays are owned by Penelec; FirstEnergy was unable to locate 15 relay maintenance and testing records for Jersey Central and 3 relay maintenance and testing records for Penelec in violation of PRC-005-1 R2.

⁷ See 18 C.F.R. § 39.7(d)(4).

⁸ *North American Electric Reliability Corporation*, "Guidance Order on Reliability Notices of Penalty," 124 FERC ¶ 61,015 (2008); *North American Electric Reliability Corporation*, "Further Guidance Order on Reliability Notices of Penalty," 129 FERC ¶ 61,069 (2009); *North American Electric Reliability Corporation*, "Notice of No Further Review and Guidance Order," 132 FERC ¶ 61,182 (2010).

7. the violations were identified and mitigated during a single corporate review by FirstEnergy to facilitate compliance, which ReliabilityFirst considered a mitigating factor;
8. ReliabilityFirst 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 ten thousand dollars (\$10,000) is appropriate for the violations and circumstances at issue, 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 NOP 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 NOP are the following documents:

- a) Settlement Agreement by and between ReliabilityFirst, Jersey Central and Penelec executed July 28, 2010, included as Attachment a;
 - i. FirstEnergy's Self-Report for PRC-005-1 R2, included as Attachment A to the Settlement Agreement;
 - ii. FirstEnergy's Mitigation Plan for PRC-005-1 R2 designated as MIT-07-1899 submitted July 15, 2009, included as Attachment B to the Settlement Agreement;
 - iii. FirstEnergy's Certification of Mitigation Plan Completion for PRC-005-1 R2 dated December 4, 2009, included as Attachment C to the Settlement Agreement;
 - iv. ReliabilityFirst's Verification of Mitigation Plan Completion for PRC-005-1 R2 dated February 5, 2010,⁹ included as Attachment D to the Settlement Agreement; and
- b) Disposition Document, included as Attachment b.

A Form of Notice Suitable for Publication¹⁰

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

⁹ ReliabilityFirst's Verification documentation incorrectly states PRC-005-1 R2.1 was mitigated instead of R2.

¹⁰ 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:

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Conclusion

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

Respectfully submitted,

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cc: Jersey Central Power & Light Company
Pennsylvania Electric Company [DP, LSE, PSE, TO]
ReliabilityFirst Corporation

Attachments

Attachment a

Settlement Agreement by and between ReliabilityFirst, Jersey Central and Penelec executed July 28, 2010



In re: JERSEY CENTRAL POWER & LIGHT COMPANY)	Docket Nos. RFC200900140; and RFC200900141
)	
<i>and</i>)	
)	
PENNSYLVANIA ELECTRIC COMPANY)	
)	
NERC Registry ID Nos. NCR00806; and NCR00872)	NERC Reliability Standard: PRC-005-1, Requirement 2
)	

**SETTLEMENT AGREEMENT
AMONG
RELIABILITYFIRST CORPORATION,
JERSEY CENTRAL POWER & LIGHT COMPANY, AND
PENNSYLVANIA ELECTRIC COMPANY**

I. INTRODUCTION

1. Jersey Central Power & Light Company (“Jersey Central”) and Pennsylvania Electric Company (“Penelec”) enter into this Settlement Agreement (“Agreement”) with the ReliabilityFirst Corporation (“ReliabilityFirst”) to resolve all outstanding issues arising from a preliminary and non-public assessment resulting in ReliabilityFirst’s determination and findings, pursuant to the North American Electric Reliability Corporation (“NERC”) Rules of Procedure, of an alleged violation by Jersey Central and Penelec of NERC Reliability Standard PRC-005-1, Requirement 2.

II. STIPULATION OF FACTS

2. The facts stipulated herein are stipulated solely for the purpose of resolving among Jersey Central, Penelec, ReliabilityFirst the matters discussed herein and do not constitute admissions or stipulations for any other purpose. Jersey Central and Penelec neither admit nor deny that the facts set forth and agreed to by the parties for purposes of this Agreement constitute a violation of PRC-005-1, R2. Jersey Central, Penelec, and ReliabilityFirst hereby stipulate and agree to the following:

3. Jersey Central, Penelec, and Reliability*First* have agreed to enter into this Agreement with Reliability*First* to avoid extended litigation with respect to the matters referred to herein, to avoid uncertainty, and to effectuate a complete and final resolution of the issues set forth herein. Jersey Central, Penelec, and Reliability*First* agree that this Agreement is in the best interest of the parties.

A. Background.

4. Jersey Central and Penelec are affiliates of FirstEnergy Service Company (“First Energy”), and, as such, FirstEnergy provides certain compliance-related services to Jersey Central and Penelec. While the matters discussed in this Agreement involve two entities that are registered separately on the NERC Compliance Registry, Reliability*First* accepted a single self-report and a single mitigation plan submitted by FirstEnergy on behalf of Jersey Central and Penelec.
5. Jersey Central serves northern and central New Jersey, and Penelec serves northern, western, south central, and eastern Pennsylvania. In total, Jersey Central operates 778 miles of Bulk Electric System (“BES”) transmission lines, and Penelec operates 2501 miles of BES transmission lines. Jersey Central’s peak load is 6702 megawatts (“MWs”), and it serves 1,087,395 customers. Penelec’s peak load is 3069 MWs, and it serves 589,481 customers.¹
6. Jersey Central is registered in the NERC Compliance Registry as a Generator Owner, Transmission Owner, and Distribution Provider in the Reliability*First* region with the NERC Registry Identification Number NCR00806 and is, therefore, subject to compliance with PRC-005-1, R2. Penelec is registered in the NERC Compliance Registry as a Transmission Owner and Distribution Provider in the Reliability*First* region with the NERC Registry Identification Number NCR00872 and is, therefore, subject to compliance with PRC-005-1, R2.
7. FirstEnergy and its affiliated companies, including Jersey Central and Penelec, implement a comprehensive, system-wide maintenance program involving over 20,000 protective relays in three states.

B. Alleged Violation of PRC-005-1, R2.

8. PRC-005-1, R2, states:

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

¹ Peak loads for both Jersey Central and Penelec are from the Summer of 2006.

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.

9. In a self-report dated June 5, 2009 (the "Self Report") (attached as **Attachment A**), FirstEnergy notified ReliabilityFirst of 20 relays for which it was not able to locate test records that Jersey Central and Penelec are required to maintain in accordance with PRC-005-1. FirstEnergy maintains a database of test records on behalf of all its affiliates.
10. In the Self-Report, FirstEnergy explains that, in an effort to more efficiently perform certain PRC-005-1 functions on behalf of its affiliates, in 2006, it undertook a comprehensive review of all substations that are owned by its affiliates to ensure that all equipment at those substations was included in the FirstEnergy maintenance database.² As this review progressed, information was added into the FirstEnergy maintenance database. In December, 2008, FirstEnergy's analysis of the results of this review identified certain relay schemes that were not included in the maintenance database.
11. Upon discovering the excluded relay schemes, Jersey Central, Penelec, and FirstEnergy, on behalf of Jersey Central and Penelec, took several actions. First, in January, 2009, FirstEnergy initiated a search in an attempt to locate records evidencing maintenance and testing of the excluded relay schemes. Second, in February, 2009, Jersey Central and Penelec began to perform maintenance on the excluded relay schemes while continuing to search for records evidencing prior maintenance and testing. Third, after approximately five months of searching for maintenance and testing records, in May, 2009, FirstEnergy concluded its search after locating substantially all of the records for these relay schemes and entering the records into the FirstEnergy maintenance database.
12. FirstEnergy, however, was unable to locate records for 20 individual relays, spread across nine relay schemes. Sixteen of the individual relays belong to Jersey Central, and four belong to Penelec. Across the entire system for all FirstEnergy affiliates, FirstEnergy is responsible to ensure that 20,410 relays comply with PRC-005, 2,308 of which are owned by Jersey Central and 6,370 of which are owned by Penelec.
13. Subsequent to submitting the Self-Report, FirstEnergy located maintenance and testing records for two of the relays identified in the Self-Report, one owned by

² FirstEnergy is primarily responsible for developing maintenance and testing programs and procedures for its affiliates, and the affiliates themselves are responsible for actually performing the maintenance and testing.

Jersey Central and one owned by Penelec. Because FirstEnergy located these records, these two relays were not considered occurrences in this alleged violation of PRC-005-1, R2. Therefore, in total, there were 18 occurrences where Jersey Central and Penelec were not compliant with PRC-005-1, R2.

14. ReliabilityFirst concluded that Jersey Central and Penelec did not maintain test records for a total of 18 relays in accordance with PRC-005-1, R2.

III. RISK CONSIDERATIONS AND COMPLIANCE CULTURE

A. Risk Considerations for PRC-005-1, R2.

15. PRC-005-1, R2 has a Violation Risk Factor (“VRF”) of “Lower,” consistent with the VRF Matrix promulgated by NERC. In the Self-Report, FirstEnergy designated a VRF of “High” in connection with an alleged violation of sub-requirement 2.1 of PRC-005-1, R2. ReliabilityFirst determined that the facts and circumstances implicated sub-requirements 2.1 and 2.2 of PRC-005-1, R2, both of which have a VRF of “High.” Therefore, for purposes of evaluating the range of monetary penalties related to the reported alleged violation, ReliabilityFirst used a VRF of “High.”
16. The duration of this alleged violation is from June 18, 2007, the date on which Jersey Central and Penelec were required to comply with PRC-005-1, through April 2, 2009, the date that Jersey Central and Penelec completed the steps in the mitigation plan (defined below).
17. This alleged violation’s actual impact on the reliability of the BES was also minimal. The 18 relays for which test records were not located were spread across eight relay schemes. None of the 18 implicated relays had experienced misoperations since June 18, 2007, and all the implicated relays were found to have been set properly and functioning properly when Jersey Central and Penelec ultimately performed maintenance and testing. Furthermore, the operational risk to the BES associated with the relevant schemes is minimal, as four of the schemes were protected with backup protection schemes. Two of the remaining three schemes were associated with transformers serving non-BES loads. The final scheme was associated with a BES transformer, which, although not having direct backup, would have been isolated by other BES protection devices impacting local load only. Given these facts and considering the low number of relays implicated in this alleged violation relative to the number of relays for which FirstEnergy is responsible for developing maintenance and testing programs and procedures, ReliabilityFirst determined that this alleged violation’s potential impact on the reliability of the BES was minimal.

B. Culture of Compliance.

18. Jersey Central and Penelec, as FirstEnergy affiliates, follow FirstEnergy’s well-documented compliance program. ReliabilityFirst commends certain aspects of

this Program including its high level “FERC Reliability and Compliance Policy,” which was initially created on September 20, 2007 to address all Reliability Standards applicable to FirstEnergy’s affiliates, including Jersey Central and Penelec. The policy is supported by a series of detailed procedures comprising a Program Manual that establish a consistent methodology for implementing FirstEnergy’s compliance program across all business units and affiliates. The policy and procedures are updated as necessary and distributed to FirstEnergy and affiliate employees through a variety of channels, including, monthly emails, bimonthly newsletters, and meetings.

19. Further, FirstEnergy has established an independent FERC Compliance organization unit that provides oversight, guidance, and manages compliance for FirstEnergy and its affiliates, as well as provides training programs for compliance, reliability, standards, codes of conduct, and related items. This group has led the development of software tools that provide efficient means for demonstrating compliance on a continuous basis. As demonstrated in FirstEnergy compliance audits, the compliance program has the strong engagement and support of senior management. An Executive Reliability Steering Committee comprised of executive leadership of respective business units, is chaired by the FirstEnergy Chief Compliance Officer (“CCO”) and provides oversight and guidance for reliability compliance matters. Department directors within the respective business units have been assigned ownership of all Reliability Standards and are responsible for ensuring compliance with reliability standards. Additionally, departments with compliance responsibilities have implemented dedicated “Compliance Champions” to assist management with maintaining a high level of focus on compliance and continuous improvement. The directors assigned Reliability Standard ownership are responsible to verify and report compliance to FirstEnergy’s CCO. The CCO has access to the FirstEnergy Chief Executive Officer and Board of Directors.
20. FirstEnergy’s Board of Directors also maintains an Audit Committee that considers compliance matters for FirstEnergy and its affiliates, and the CCO provides the Audit Committee periodic reports on FERC compliance matters, including matters related to Reliability Standards. FirstEnergy performs a wide range of assessments of its affiliates seeking to find any possible areas of non-compliance, and seeking continuous improvement and compliance. FirstEnergy routinely uses external independent personnel to ensure different perspectives and other industry experiences are considered. When identified, these areas are communicated to the appropriate personnel and corrected.

IV. MITIGATING ACTIONS, REMEDIES, AND SANCTIONS

C. Mitigating Actions for PRC-005-1, R2.

21. On July 15, 2009, FirstEnergy submitted to ReliabilityFirst the mitigation plan on behalf of Jersey Central and Penelec (“Mitigation Plan”) addressing the alleged violations set forth in this Agreement. *See*, NERC Mitigation Plan ID No. MIT-

07-1899, FirstEnergy Mitigation Plan (attached as **Attachment B**). ReliabilityFirst accepted the Mitigation Plan on August 12, 2009, and, on this same date, submitted the accepted Mitigation Plan to NERC for approval. NERC approved the Mitigation Plan on August 19, 2009 and, on this same date, submitted the Mitigation Plan to the Federal Energy Regulatory Commission (the “Commission”) as confidential, non-public information.

22. On December 4, 2009, FirstEnergy submitted to ReliabilityFirst a certification of completion of the Mitigation Plan and evidence in support of this certification, which stated that the Mitigation Plan was completed as of April 2, 2009. *See*, Certification of Mitigation Plan Completion (attached as **Attachment C**).
23. In the Mitigation Plan, FirstEnergy outlined actions necessary for Jersey Central and Penelec to mitigate the alleged violation, all of which were taken prior to FirstEnergy’s submission of the Mitigation Plan. First, FirstEnergy performed a comprehensive “walk-down” of all its affiliates’ substations and identified all instances where its affiliates did not possess maintenance and testing records for protection system devices in accordance with PRC-005-1, R2. In addition to uncovering and enabling the remediation of the alleged violations, this “walk-down” should prevent reoccurrences of similar alleged violations within the FirstEnergy system because the “walk-down” resulted in the completion of a single, centralized database containing all relay maintenance and testing information.
24. To mitigate the immediate impact of the alleged violation, Jersey Central and Penelec performed maintenance and testing on all 18 excluded relays. The results of this testing indicated that all relays were configured and functioning properly at all relevant times, and there were no occurrences of any misoperations.
25. ReliabilityFirst analyzed the following evidence to confirm completion of the Mitigation Plan:
 - *Self-Report Exhibit 1*: This document identifies the 20 relays for which FirstEnergy lacked documentation of maintenance and testing.
 - *Certificate of Mitigation Plan Completion*: This document identifies two of the 20 relays for which adequate records were discovered subsequent to the submittal of the Self-Report, and six of the 20 relays which were replaced prior to being tested as part of system modifications planned before the alleged violations were discovered.
 - *Last Test Results and Screenshots of Database Records*: This evidence documents the initial testing of the six newly-installed relays discussed above.
 - *Screenshots of Database Summary and Associated Work Orders*: This evidence documents remedial maintenance and testing performed on the

12 remaining relays and confirms that this information was included in the FirstEnergy electronic maintenance database.

26. ReliabilityFirst reviewed the evidence FirstEnergy submitted in support of its certification of completion of the Mitigation Plan. On February 5, 2010, ReliabilityFirst verified that FirstEnergy completed the Mitigation Plan in accordance with its terms. *See*, Summary and Review of Evidence of Mitigation Plan Completion (attached as **Attachment D**).

D. Monetary Penalty.

27. Jersey Central and Penelec shall pay a monetary penalty of \$10,000 to ReliabilityFirst. Jersey Central and Penelec shall be jointly and severally liable for payment of this monetary penalty.
28. ReliabilityFirst shall present a \$10,000 invoice to Jersey Central and Penelec within 20 days after this Agreement is approved by the Commission or affirmed by operation of law. Upon receipt, Jersey Central and Penelec shall have 30 days to remit payment.
29. If Jersey Central and Penelec fail to timely remit the \$10,000 monetary penalty payment to ReliabilityFirst, interest will commence to accrue on the outstanding balance, pursuant to 18 C.F.R. § 35.19 (a)(2)(iii), on the earlier of (a) the 31st day after the date on the invoice issued by ReliabilityFirst to Jersey Central and Penelec for the \$10,000 monetary penalty payment or (b) the 51st day after this Agreement is approved by the Commission or affirmed by operation of law.
30. ReliabilityFirst may deem the failure of Jersey Central and Penelec to timely remit the \$10,000 payment as either the same alleged violations identified in this Agreement or additional violation(s) or both, and, if so deemed, Jersey Central and Penelec will be subject to new or additional enforcement, penalty, or sanction actions in accordance with the NERC Rules of Procedure. Jersey Central and Penelec shall retain all rights to defend against such additional actions in accordance with the NERC Rules of Procedure.

V. ADDITIONAL TERMS

31. ReliabilityFirst, Jersey Central, and Penelec agree that the steps undertaken by FirstEnergy and its affiliated companies in accordance with this Agreement, including the implementation of the Mitigation Plan which entailed a comprehensive “walk-down” of all First Energy substitutions, are in the best interest of BES reliability.
32. The terms and conditions of this Agreement are consistent with the regulations and orders of the Commission and the NERC Rules of Procedure.
33. ReliabilityFirst shall report the terms of all settlements of compliance matters to NERC. NERC will review this Agreement for the purpose of evaluating its

consistency with other settlements entered into for similar violations or under similar circumstances. Based on this review, NERC will either approve or reject this Agreement. If NERC rejects this Agreement, NERC will provide specific written reasons for such rejection and ReliabilityFirst will attempt to negotiate with Jersey Central and Penelec a revised settlement agreement that addresses NERC's concerns. If a settlement cannot be reached, the enforcement process shall continue to conclusion. If NERC approves this Agreement, NERC will (a) report the approved settlement to the Commission review and approval by order or operation of law and (b) publicly post the alleged violation and the terms provided for in this Agreement.

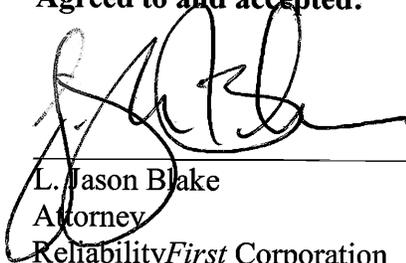
34. This Agreement shall become effective upon the Commission's approval of this Agreement by order or affirmation by operation of law or as modified in a manner acceptable to the parties.
35. Jersey Central and Penelec agree that this Agreement, when approved by NERC and the Commission, shall represent a final settlement of all matters set forth herein and binds Jersey Central and Penelec to perform the actions enumerated herein. Jersey Central and Penelec expressly waive their right to any hearing or appeal concerning any matter set forth herein, unless and only to the extent that Jersey Central and Penelec contend that any NERC or Commission action constitutes a material modification to this Agreement.
36. ReliabilityFirst reserves all rights to initiate enforcement actions against Jersey Central and Penelec in accordance with the NERC Rules of Procedure in the event that Jersey Central or Penelec fails to comply with any of the terms or conditions of this Agreement. In the event Jersey Central or Penelec fails to comply with any of the terms or conditions of this Agreement, ReliabilityFirst may initiate an action or actions against Jersey Central or Penelec to the maximum extent allowed by the NERC Rules of Procedure, including, but not limited to, the imposition of the maximum statutorily allowed monetary penalty. Jersey Central and Penelec will retain all rights to defend against such action or actions in accordance with the NERC Rules of Procedure.
37. Jersey Central and Penelec consent to the future use of conclusions, determinations, and findings set forth in this Agreement for the purpose of assessing the factors within the NERC Sanction Guidelines and applicable Commission orders and policy statements, including, but not limited to, the factor evaluating the history of violations of Jersey Central and Penelec. Such use may be in any enforcement action or compliance proceeding undertaken by NERC or any Regional Entity or both, provided however that Jersey Central and Penelec each do not consent to the use of the conclusions, determinations, and findings set forth in this Agreement as the sole basis for any other action or proceeding brought by NERC or any Regional Entity, or both, nor consent to the use of this Agreement by any other party in any other action or proceeding.

38. The undersigned representative of each Party affirms he or she has read this Agreement, that all of the matters set forth in this Agreement are true and correct to the best of his or her knowledge, information, and belief, and that he or she understands that this Agreement is entered into in express reliance on the representations contained herein.
39. Each of the undersigned warrants that he or she is an authorized representative of the entity designated below, is authorized to bind such entity, and accepts this Agreement on the entity's behalf.
40. The signatories to this Agreement agree that they enter into this 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 ReliabilityFirst, Jersey Central, or Penelec has been made to induce the signatories or any other party to enter into this Agreement.
41. This Agreement may be signed in counterparts.
42. This Agreement is executed in duplicate, each of which so executed shall be deemed to be an original.

[SIGNATURE PAGE TO FOLLOW]

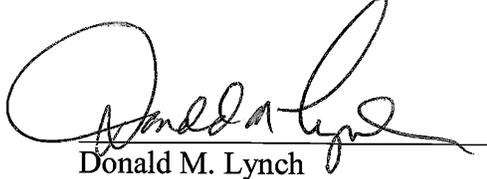
[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Agreed to and accepted:



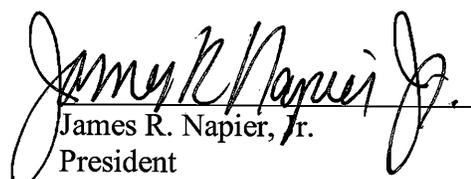
L. Jason Blake
Attorney
ReliabilityFirst Corporation

7-23-10
Date



Donald M. Lynch
President
Jersey Central Power & Light Company

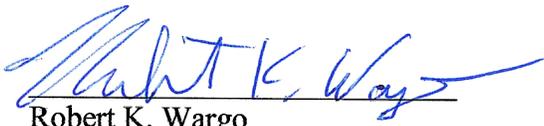
7-27-10
Date



James R. Napier, Jr.
President
Pennsylvania Electric Company

7-28-10
Date

Approved:



Robert K. Wargo
Manager of Compliance Enforcement
ReliabilityFirst Corporation

7/23/2010
Date

Attachment A

Violation Self-Report

Dated June 5, 2009

**Confidential Information (including
Privileged and Critical Energy
Infrastructure Information) Has Been
Removed**



COMPLIANCE MONITORING AND ENFORCEMENT PROGRAM VIOLATION SELF-REPORTING FORM

This Violation Self-Reporting Form can be used for submittals via e-mail or fax for violations of the Reliability Standards identified by a self- assessment.

1. Reliability Standard (XXX-###-# or XXX-###-RFC-##) PRC-005-1

2. Violation(s): Check the appropriate box(s) to identify violation(s) of any of the applicable requirement(s) referenced in the standard.

For violations of requirements with Levels of Non-Compliance or Violation Severity Levels (VSL) specified in the standard:

- Entity is Level 1 Non-Compliance or has Lower VSL for the following: requirement(s):R 2.1 for function(s):
Entity is Level 2 Non-Compliance or has Moderate VSL for the following: requirement(s): for function(s):
Entity is Level 3 Non-Compliance or has High VSL for the following: requirement(s): for function(s):
Entity is Level 4 Non-Compliance or has Severe VSL for the following: requirement(s): for function(s):

For violations of requirements with no Levels of Non-Compliance or Violation Severity Levels specified in the standard:

- Entity is in violation of requirement(s) not referenced in the Levels of Non-Compliance or Violation Severity Levels section of the standard: requirement(s): for function(s):

3. Description of the violation: See Attachment A.

4. Additional information: See Attachment B.

5. Mitigation Plan attached: Yes No

6. Officer Verification: I understand that this information is being provided as required by the ReliabilityFirst Compliance Monitoring and Enforcement Program. Any review of this violation will require all information certified on this form be supported by appropriate documentation.

Enter NERC Registry ID# [NCR00806, NCR00872]

Officer's Name: Stanley F. Szwed

Officer's Title: Vice President and Chief FERC Compliance Officer

Officer's e-mail address: sfszwed@firstenergycorp.com Phone: (330) 384-2454

Registered Company Name: Jersey Central Power & Light Company, Pennsylvania Electric Company

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Infrastructure Information Has Been Removed**

Primary Compliance Contact/Secondary: Henry W. Stevens, Jr., Manager, Reliability Compliance

Email: stevensh@firstenergycorp.com Phone: (330) 761-4460 Date: June 5th, 2009

E-mail Submittals to compliance@rfirst.org Subject Line: Violation Self-Report
For any questions regarding compliance submittals, please e-mail compliance@rfirst.org.

Attachment AQuestion No. 3.

In late 2008, employees of certain FirstEnergy affiliate operating companies performed a comprehensive “walk-down” of the affiliate operating companies’ physical Bulk-Electric System (“BES”) relay schemes. The walk-down consisted of having field personnel physically inspect all of the relevant facilities and ensure, among other actions, that all of the relays were entered into the [REDACTED] database that FirstEnergy utilizes to track record-keeping and reporting requirements under the PRC-005-1 standard. The result of the walk-down was that FirstEnergy has identified 9 relay schemes, comprised of 20 relays (out of 20,410 relays in total), for which there were no maintenance and testing records entered into the electronic [REDACTED] database that FirstEnergy uses to track compliance with the PRC-005-1 requirements. FirstEnergy has since entered the 20 relays into the database, has completed testing and maintenance for all 20 relays and, moreover, has created records as “evidence” that such maintenance and testing are now complete. FirstEnergy also reviewed its records and confirmed that there have been no relay misoperations of these relays since June of 2007.

The summary results of calibration of 20 relays include:

<u>Operating Company:</u>	Pennsylvania Electric Company
<u>Number of Relays:</u>	4
<u>Calibration Results:</u>	No problems found and no adjustments required. All relays were found to be functional and within accepted tolerances.

<u>Operating Company:</u>	Jersey Central Power & Light Company
<u>Number of Relays:</u>	16
<u>Calibration Results:</u>	No problems found and no adjustments required. All relays were found to be functional and within accepted tolerances.

Regarding the PRC-005-1 R2.1 requirement, FirstEnergy respectfully submits that the standard permits the company to demonstrate device testing and maintenance within a defined interval of four (4) years commencing on June 18, 2007. In other words, since the program provides for a 4-year inspection and maintenance testing cycle, FirstEnergy believes that it had four years to perform maintenance and testing of its Protective Systems, and to create records regarding the results of such maintenance and testing during that defined interval. Accordingly, FirstEnergy’s affiliate operating companies would not be in violation of the PRC-005-1 R2.1 documentation requirement. Nevertheless, because FirstEnergy believes that RFC may view FirstEnergy’s inability to produce testing and maintenance evidence for the 20 relays described herein as being non-compliant with the PRC-005-1 documentation requirement, FirstEnergy is submitting this self-report of a potential non-compliance with PRC-005-1, R2.

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Infrastructure Information Has Been Removed**

To the extent that RFC were to determine an occurrence of non-compliance, FirstEnergy respectfully submits that because all of the relays in question were found to be set and functioning properly (with no adjustments required), such non-compliance was of a low severity level with no impact on BES reliability. Moreover, it is important to note that because many of the affected relays are bundled into one of 9 larger protective relay schemes, it is accurate to state that any “risk” to the BES was limited to the 9 affected relay schemes that contained one or more of the 20 relays at issue.

Attachment B

Question No. 4.

Attached as **Exhibit 1** please find a spreadsheet that provides a description of each affected relay. The spreadsheet identifies the FirstEnergy affiliate operating company with responsibility for each affected relay, the functional location of each affected relay, the type of relay(s) employed, and the equipment that the relay is protecting.

**Exhibit 1 to Attachment B of
the Violation Self-Report
REDACTED**

Attachment B

Mitigation Plan (MIT-07-1899)

Dated July 15, 2009

**Confidential Information (including
Privileged and Critical Energy
Infrastructure Information) Has Been
Removed**

RFC200900140
RFC200900141

Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: 7/15/2009

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."
- A.2 This form must be used to submit required Mitigation Plans for review and acceptance by ReliabilityFirst and approval by NERC.
- A.3 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: FirstEnergy Service Company on behalf of Jersey Central Power & Light Company and Pennsylvania Electric Company

Company Address: 76 South Main Street
A-GO-10
Akron, OH 44308

NERC Compliance Registry ID: [NCR00806 (Jersey Central Power & Light), NCR00872 (Pennsylvania Electric Company)]

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

Name: Henry W. Stevens

Title: Reliability Compliance Manager,
FERC Compliance

Email: hwstevens@firstenergycorp.com

FOR PUBLIC RELEASE - NOVEMBER 30, 2010

Confidential, Proprietary, and Critical Energy
Infrastructure Information Has Been Removed

Phone: (330) 761-4460

**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.

NERC Violation ID #	Reliability Standard	Requirement Number	Violation Risk Factor	Alleged or Confirmed Violation Date ^(*)	Method of Detection (e.g., Audit, Self-report, Investigation)
RFC200900 140	PRC-005-1	2.1	High	6/5/09	Self-Report
RFC200900 141	PRC-005-1	2.1	High	6/5/09	Self-Report

(*) Note: The Alleged or Confirmed Violation Date shall be expressly specified by the Registered Entity, and subject to modification by ReliabilityFirst, 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 ReliabilityFirst. Questions regarding the date to use should be directed to the ReliabilityFirst 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.

Response: In 2006, FE initiated a comprehensive effort as part of an enhanced physical inventory review to physically walk down all 1,718 substations to verify that all data related to substation equipment in its maintenance database, including protective relays, was complete and accurate. The field and data gathering aspects of the walk-downs were completed in December of 2008. As the inventory data review progressed, updated information was entered into [REDACTED] [REDACTED] electronic database and maintenance work initiation tool adopted at FirstEnergy. In December of 2008 Substation Maintenance management review of the walk-down results as they existed at that time identified that certain relay schemes that were not in the [REDACTED] database that is used to track PRC-005 record-keeping and compliance requirements. Recognizing the PRC-005 requirement to



have evidence that Protection System devices were maintained and tested within defined intervals, in January of 2009, searches were initiated within FirstEnergy's operating companies to locate other forms of records to validate that the devices were maintained within defined intervals. In February 2009 – and while continuing the search for the documentation records – FirstEnergy began to perform maintenance on the relay schemes for which records had not thus far been located. In May of 2009, the searches and inspections of the operating companies' local maintenance records were completed. In the large majority of instances, alternate forms of records satisfactorily demonstrating the performance of maintenance within defined intervals were located and entered into the [REDACTED] database accordingly. The overall results were that FirstEnergy determined that it did not have complete records demonstrating satisfaction of the PRC-005 requirement for 9 (nine) relay schemes. These 9 relay schemes, comprised of 20 relays, are the basis for this report. Nevertheless, the inspection, testing and maintenance of these 20 relays was completed by April 2, 2009.

The cause of this self-reported compliance issue – lack of records demonstrating maintenance and testing performed within defined intervals for 9 relay schemes comprising 20 relays – appears to be human error in the migration of maintenance records [REDACTED]
[REDACTED]

- 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.

Response: none.



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.

Response: The comprehensive 100% walk-down of all substations identified all instances of records not contained in the [REDACTED] database. In each instance of missing records which are the subject of this self-report, FirstEnergy completed the PRC-005 inspection, testing and maintenance requirement by April 2, 2009. Further – and immediately upon completion of the inspection, testing and maintenance of the affected relays, FirstEnergy added records of such inspection, testing and maintenance to its [REDACTED] database.

The comprehensive walk-down – together with the follow-up inspection, testing and maintenance and the creation of records integrated into the [REDACTED] database concerning the same – mitigated the possibility of further PRC-005 issues, and provides assurance of complete records for BES protection relays subject to PRC-005.

It should be noted that upon completion of the inspection and testing of each of the 20 relays that were implicated in this matter, the results indicated that each relay was found to be calibrated and functioning properly.

FirstEnergy advised RFC of the potential for a PRC-005 issue in late 2008, and provided updates of its progress in addressing this issue. FirstEnergy self-reported a potential non-compliance to RFC on 6/5/09 once the actual number of relays without records was determined. Additional mitigating factors include: this is a lack of documentation issue; there was minimal risk to the BES because all affected relays were found during inspection and testing to be set and functioning properly; the violation-severity level for this issue is “low;” the documentation necessary to satisfy the PRC-005-1 R2.1 evidence requirements was created upon inspection/testing of the affected relays; and there have been no mis-operations of these relays since June of 2007.

[REDACTED]



FirstEnergy believes that these actions constitute full mitigation of the issue. Therefore, FirstEnergy does not propose further mitigation.

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, and/or whether the actions necessary to assure the entity has returned to full compliance have been completed.

Response: As noted above, FirstEnergy believes that its affiliate operating companies fully mitigated the issue by performing a comprehensive walk-down of all 1718 substations to ensure that all protective relays were identified in FirstEnergy’s [REDACTED] records keeping database and by completion of maintenance for the 20 relays by 4/2/2009 for which there were no records. Therefore all mitigation actions are complete and FirstEnergy’s affiliate operating companies are in full compliance with the PRC-005-1 standard.

D.3 Enter Key Milestone Activities (with due dates) that can be used to track and indicate progress towards timely and successful completion of this Mitigation Plan.

Key Milestone Activity	Proposed/Actual Completion Date* (shall not be more than 3 months apart)
Complete maintenance and enter data into [REDACTED] for all relays whose records could not be located	April 2, 2009

(*) Note: Additional violations could be determined for not completing work associated with accepted milestones.



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.

Response: Because mitigation is complete, no additional risks are known to exist. Additional mitigating factors include: there was minimal risk to the BES because all affected relays were found to be set and functioning properly during inspection and testing; there was a lack of documentation indicating that Protection System devices were maintained within defined intervals; the violation-severity level for this issue is "low;" the documentation necessary to satisfy the PRC-005-1 R2.1 evidence requirements was created promptly upon inspection/testing of the affected relays; there have been no relay mis-operations of these relays since June of 2007.

Prevention of Future BPS Reliability Risk

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

Response: With 100% walk-downs of all BES substations complete, and maintenance completed on all relay schemes, FirstEnergy is now fully compliant with PRC-005. [REDACTED]



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 ReliabilityFirst 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 Thomas C Burgess, Director, FERC Compliance, of FirstEnergy Service Company.
 2. I am qualified to sign this Mitigation Plan on behalf of FirstEnergy Service Company.
 3. I have read and am familiar with the contents of this Mitigation Plan.
 4. FirstEnergy Service Company agrees to comply with, this Mitigation Plan, including the timetable completion date, as accepted by ReliabilityFirst and approved by NERC.

Authorized Individual Signature _____

A handwritten signature in blue ink, appearing to read "Thomas C. Burgess", is written over a horizontal line.

Name (Print): Thomas C. Burgess
 Title: Director, FERC Compliance
 Date: 6/5/2009

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Confidential, Proprietary, and Critical Energy
Infrastructure Information Has Been Removed**Section G: Regional Entity Contact**

Please direct completed forms or any questions regarding completion of this form to the ReliabilityFirst Compliance e-mail address mitigationplan@rfirst.org.

Please indicate the company name and reference the NERC Violation ID # (if known) in the subject line of the e-mail. Additionally, any ReliabilityFirst Compliance Staff member is available for questions regarding the use of this form. Please see the contact list posted on the ReliabilityFirst Compliance web page.



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.
 - (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) Key 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 ReliabilityFirst and approval by NERC.
- III. This Mitigation Plan is submitted to ReliabilityFirst and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.

¹ "Compliance Monitoring and Enforcement Program" of the ReliabilityFirst Corporation;" a copy of the current version approved by the Federal Energy Regulatory Commission is posted on the ReliabilityFirst website.



- 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 ReliabilityFirst 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. ReliabilityFirst 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.

FOR PUBLIC RELEASE - NOVEMBER 30, 2010

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Infrastructure Information Has Been Removed

DOCUMENT CONTROL

Title: Mitigation Plan Submittal Form
Issue: Version 2.0
Date: 11 July 2008
Distribution: Public
Filename: ReliabilityFirst Mitigation Plan Submittal Form - Ver 2.DOC
Control: Reissue as complete document only

DOCUMENT APPROVAL

Prepared By	Approved By	Approval Signature	Date
Robert K. Wargo Senior Consultant Compliance	Raymond J. Palmieri Vice President and Director Compliance	<i>Raymond J. Palmieri</i>	1/2/08

DOCUMENT CHANGE/REVISION HISTORY

Version	Prepared By	Summary of Changes	Date
1.0	Robert K. Wargo	Original Issue – Replaces “Proposed Mitigation Plan” Form	1/2/08
2.0	Tony Purgar	Revised email address from compliance@rfirst.org to mitigationplan@rfirst.org	7/11/08

Attachment C

Certification of Mitigation Plan Completion

Dated December 4, 2009

**Confidential Information (including
Privileged and Critical Energy
Infrastructure Information) Has Been
Removed**



Certification of Mitigation Plan Completion

Submittal of a Certification of Mitigation Plan Completion shall include data or information sufficient for ReliabilityFirst Corporation to verify completion of the Mitigation Plan. ReliabilityFirst Corporation may request additional data or information and conduct follow-up assessments, on-site or other Spot Checking, or Compliance Audits as it deems necessary to verify that all required actions in the Mitigation Plan have been completed and the Registered Entity is in compliance with the subject Reliability Standard. (CMEP Section 6.6)

Registered Entity Name: Jersey Central Power & Light Company
Pennsylvania Electric Company

NERC Registry ID:NCR00806
NCR00872

Date of Submittal of Certification:12/4/09

NERC Violation ID No(s):RFC200900140
RFC200900141

Reliability Standard and the Requirement(s) of which a violation was mitigated:
PRC-005-1 Requirement 2

Date Mitigation Plan was scheduled to be completed per accepted Mitigation Plan:April 2, 2009

Date Mitigation Plan was actually completed:April 2, 2009

Additional Comments (or List of Documents Attached):The attached data and screen shots from FirstEnergy's (FE's) [REDACTED] database demonstrate that the 20 protective relays associated with the self-report had their maintenance completed by April 2,2009. Since these include [REDACTED] screenshots, it also demonstrates that the relays were entered into [REDACTED] [REDACTED] asset and maintenance management system. Three comments are provided to help understand the data provided:

1) With the exception of Bank 4 at Englishtown and Bank 6 at Morristown which were replaced as described in comment #2 , the [REDACTED] dates on the first screenshot are the dates when the maintenance was actually completed.

2): Two sets of [REDACTED] relays (total of 6 relays), for Bank #4 @ Englishtown and Bank #6 @ Morristown, were replaced as part of pre-scheduled system modifications before calibrations could be performed on the previously installed relays. Both sets of [REDACTED] relays were replaced with [REDACTED] relays, not because of any deficiency or problem with these relays, but because of system expansions at Englishtown and Morristown Substations. The [REDACTED] orders that had been created to calibrate the old



relays were closed without completing, and [REDACTED] was later updated to reflect the installation of the new [REDACTED] relays. The [REDACTED] screenshots for these relays were provided to show that [REDACTED] is updated to reflect the correct relays now installed. Therefore, test data sheets for the new [REDACTED] relays are provided to show that the [REDACTED] relays at Englishtown were calibrated on 3/17/09 and Bank 6 at Morristown were calibrated on 9/16/08.

3) Calibration records for two (2) of the protective relays identified in our self report (the [REDACTED] at Morristown and the [REDACTED] under voltage fault detector at Summit) were found subsequent to the self report, and they had actually been calibrated within the correct maintenance periodicity and did not represent a noncompliance. However, since [REDACTED] displays the most recent calibration information, the screen shots reflect the most recent calibrations of the relays.

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.

Name: Henry Stevens

Title: Manager, Reliability Compliance

Email: hwstevens@firstenergycorp.com

Phone: 330-472-4460

Authorized Signature Henry W Stevens, J

Date 12/4/09

Please direct completed forms or any questions regarding completion of this form to the ReliabilityFirst Compliance e-mail address mitigationplan@rfirst.org.

Please indicate the company name and reference the NERC Violation ID # (if known) in the subject line of the e-mail. Additionally, any ReliabilityFirst Compliance Staff member is available for questions regarding the use of this form. Please see the contact list posted on the ReliabilityFirst Compliance web page.



DOCUMENT CONTROL

Title: Certification of Mitigation Plan Completion
Issue: Version 1
Date: 5 January 2008
Distribution: Public
Filename: Certification of a Completed Mitigation Plan_Ver1.doc
Control: Reissue as complete document only



DOCUMENT APPROVAL

Prepared By	Approved By	Approval Signature	Date
Robert K. Wargo Manager of Compliance Enforcement	Raymond J. Palmieri Vice President and Director Compliance	<i>Raymond J. Palmieri</i>	1/5/2009

DOCUMENT CHANGE/REVISION HISTORY

Version	Prepared By	Summary of Changes	Date
1.0	Robert K. Wargo	Original Issue	1/5/2009

Attachment D

Summary and Review of Mitigation Plan Completion

Dated February 5, 2010

February 5, 2010

Summary and Review of Evidence of Mitigation Plan Completion

NERC Violation ID #:	RFC200900140
	RFC200900141
NERC Plan ID:	MIT-07-1899
Registered Entity;	Pennsylvania Electric Company
	Jersey Central Power & Light Company
NERC Registry ID:	NCR00879
	NCR00806
Standard:	PRC-005-1
Requirement:	2.1
Status:	Compliant

FirstEnergy Services Company on behalf of Pennsylvania Electric Company and Jersey Central Power & Light Company submitted a Self Report of noncompliance with NERC Reliability Standard PRC-005-1, Requirement 2.1, on June 5, 2009. FirstEnergy Services Company on behalf of Pennsylvania Electric Company and Jersey Central Power & Light Company submitted a Proposed Mitigation Plan to ReliabilityFirst on July 15, 2009, whereby stating Pennsylvania Electric Company and Jersey Central Power & Light Company would complete all mitigating actions on or about April 2, 2009. This Mitigation Plan, designated MIT-07-1899, was accepted by ReliabilityFirst on August 12, 2009 and approved by NERC on August 19, 2009.

Review Process:

On December 4, 2009 FirstEnergy Services Company on behalf of Pennsylvania Electric Company and Jersey Central Power & Light Company certified that Mitigation Plan for PRC-005-1, Requirement 2.1 was completed as of April 2, 2009. ReliabilityFirst requested and received evidence of completion for actions taken by Pennsylvania Electric Company and Jersey Central Power & Light Company as specified in the Mitigation Plan. ReliabilityFirst performed an in depth review of the information provided to verify that all actions specified in the Mitigation Plan were successfully completed.

PRC-005-1, Requirement 2.1 states: “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.”

Summary and Review of Mitigation Plan Completion
Pennsylvania Electric Company and Jersey Central Power & Light Company
February 5, 2010
Page 2 of 3

Evidence Submitted:

Requirement 2.1:

Self Report Exhibit 1 dated June 5, 2009

(The above was submitted June 5, 2009 with the Self Report and February 1, 2009 as evidence of completion.)

This document lists the 20 relays in nine relay schemes for which there were no adequate records in the FirstEnergy record-keeping database.

The following items were submitted December 4, 2009:

Certificate of Mitigation Plan Completion dated December 4, 2009

This document identifies two of the 20 relays for which adequate records were found after the Self Report was submitted. It also identifies six relays that were replaced as part of pre-scheduled system modifications before testing was performed on the old relays.

Last Test Results and screenshots of Database Records

These provide documentation of initial testing of six new relays and inclusion of records in the database.

Screenshots of Database Summary and associated Work Orders

These provide documentation of maintenance and testing and inclusion of records in the database for twelve relays.

The combination of all of the above:

- a. provides evidence that the last test dates are within the defined testing interval (R2.1.), i.e., no subsequent tests have been required,
- b. provides evidence that the work was completed by the Milestone date of April 2, 2009.
- c. addresses the stated violation, and
- d. brings Pennsylvania Electric Company and Jersey Central Power & Light Company into Compliance with PRC-005-1, R2.1.

Also, ReliabilityFirst staff verified that none of the identified relays was on the lists of reported misoperations from 2007 through the completion of testing on April 2, 2009.

Review Results:

ReliabilityFirst Corporation reviewed the evidence FirstEnergy Services Company on behalf of Pennsylvania Electric Company and Jersey Central Power & Light Company submitted in support of its Certification of Completion. On February 5, 2010 ReliabilityFirst verified that the Mitigation Plan was completed in accordance with its terms and has therefore deemed that Pennsylvania Electric Company and Jersey Central

Summary and Review of Mitigation Plan Completion
Pennsylvania Electric Company and Jersey Central Power & Light Company
February 5, 2010
Page 3 of 3

Power & Light Company had successfully mitigated the alleged violation of the
aforementioned NERC Reliability Standard.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Robert K. Wargo", with a long horizontal flourish extending to the right.

Robert K. Wargo
Manager of Compliance Enforcement
ReliabilityFirst Corporation

Attachment b

Disposition Document

DISPOSITION OF VIOLATION¹
Dated November 2, 2010

NERC TRACKING NO.	REGIONAL ENTITY TRACKING NO.	NOC#
RFC200900140	RFC200900140	NOC-632
RFC200900141	RFC200900141	

REGISTERED ENTITY Jersey Central Power & Light Company (Jersey Central) and Pennsylvania Electric Company [DP, LSE, PSE, TO] (Penelec)	NERC REGISTRY ID NCR00806 and NCR00872
--	--

REGIONAL ENTITY
ReliabilityFirst Corporation (ReliabilityFirst)

I. REGISTRATION INFORMATION

Jersey Central IS REGISTERED FOR THE FOLLOWING FUNCTIONS:

BA	DP	GO	GOP	IA	LSE	PA	PSE	RC	RP	RSG	TO	TOP	TP	TSP
	X	X			X		X				X			
	5/30/07	5/30/07			5/30/07		5/30/07				5/30/07			

Penelec IS REGISTERED FOR THE FOLLOWING FUNCTIONS:

BA	DP	GO	GOP	IA	LSE	PA	PSE	RC	RP	RSG	TO	TOP	TP	TSP
	X				X		X				X			
	5/30/07				5/30/07		11/26/07				5/30/07			

* VIOLATIONS APPLY TO SHADED FUNCTIONS

DESCRIPTION OF THE REGISTERED ENTITY

Jersey Central and Penelec are affiliates of FirstEnergy Service Company (“First Energy”), and, as such, FirstEnergy provides certain compliance-related services to Jersey Central and Penelec. While the matters discussed in this Agreement involve

¹ 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.

two entities that are registered separately on the NERC Compliance Registry, *ReliabilityFirst* accepted a single self-report and a single mitigation plan submitted by FirstEnergy on behalf of Jersey Central and Penelec.

Jersey Central serves northern and central New Jersey, and Penelec serves northern, western, south central, and eastern Pennsylvania. In total, Jersey Central operates 778 miles of Bulk Electric System (“BES”) transmission lines, and Penelec operates 2501 miles of BES transmission lines. Jersey Central’s peak load is 6702 megawatts (“MWs”), and it serves 1,087,395 customers. Penelec’s peak load is 3069 MWs, and it serves 589,481 customers.

Jersey Central is registered in the NERC Compliance Registry as a Generator Owner, Transmission Owner, and Distribution Provider in the *ReliabilityFirst* region with the NERC Registry Identification Number NCR00806 and is, therefore, subject to compliance with PRC-005-1, R2. Penelec is registered in the NERC Compliance Registry as a Transmission Owner and Distribution Provider in the *ReliabilityFirst* region with the NERC Registry Identification Number NCR00872 and is, therefore, subject to compliance with PRC-005-1, R2.

FirstEnergy and its affiliated companies, including Jersey Central and Penelec, implement a comprehensive, system-wide maintenance program involving over 20,000 protective relays in three states.

II. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S) ²	VSL(S)
PRC-005-1	2		HIGH	LOWER
PRC-005-1	2		HIGH	LOWER

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

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

² PRC-005-1 R2 has a “Lower” VRF; PRC-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. In the context of this case, *ReliabilityFirst* determined that the violation related to both R2.1 and R2.2, and therefore a “High” VRF is appropriate.

³ *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.”

PRC-005-1 R2 provides:

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^[4] 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.**

(Footnotes added)

VIOLATION DESCRIPTION

FirstEnergy is primarily responsible for developing maintenance and testing programs and procedures for its affiliates and the affiliates themselves are responsible for actually performing the maintenance and testing. Across the entire system for all FirstEnergy affiliates, FirstEnergy affiliates are responsible to ensure that a total of 20,410 relays comply with PRC-005-1; 2,308 relays are owned by Jersey Central and 6,370 relays are owned by Penelec. In December 2008, FirstEnergy identified certain relay schemes that were not included in its maintenance database and over the course of five months took several actions to locate missing records.

On June 5, 2009, FirstEnergy self-reported, on behalf of Jersey Central and Penelec, violations of PRC-005-1 R2 for its failure to locate records for 20 individual relays spread across nine relay schemes.⁵ FirstEnergy was unable to locate 16 relay maintenance and testing records for Jersey Central and 4 relay maintenance and testing records for Penelec.

Subsequent to submitting the Self-Report, FirstEnergy located maintenance and testing records for two of the relays identified in the Self-Report, one owned by Jersey Central and one owned by Penelec. Because FirstEnergy located these records, these two relays were not considered occurrences of PRC-005-1 R2. Therefore, in total, ReliabilityFirst found there were 18 occurrences where Jersey Central and Penelec were not compliant with PRC-005-1 R2.

⁴ Consistent with applicable FERC precedent, the term 'Regional Reliability Organization' in this context refers to ReliabilityFirst.

⁵ FirstEnergy incorrectly stated violations of PRC-005-1 R2.1 in its Self-Report and Mitigation Plan documentation; ReliabilityFirst later determined that the violations related to R2.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

ReliabilityFirst determined the violations of PRC-005-1 R2 did not pose a serious or substantial risk to the BPS because 18 relays for which test records were not located were spread across seven⁶ relay schemes and represented a small number of the total number of relays. None of the 18 implicated relays had experienced misoperations since June 18, 2007, and all the implicated relays were found to have been set properly and functioning properly when Jersey Central and Penelec ultimately performed maintenance and testing. Furthermore, four of the schemes were protected with backup protection schemes. Two of the remaining three schemes were associated with transformers serving non-BPS loads. The final scheme was associated with a BPS transformer, which, although not having direct backup, would have been isolated by other BPS protection devices impacting local load only.

IS THERE A SETTLEMENT AGREEMENT YES NO

WITH RESPECT TO THE VIOLATION(S), REGISTERED ENTITY

NEITHER ADMITS NOR DENIES IT (SETTLEMENT ONLY) YES
 ADMITS TO IT YES
 DOES NOT CONTEST IT (INCLUDING WITHIN 30 DAYS) YES

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
 SELF-CERTIFICATION
 COMPLIANCE AUDIT
 COMPLIANCE VIOLATION INVESTIGATION
 SPOT CHECK
 COMPLAINT
 PERIODIC DATA SUBMITTAL
 EXCEPTION REPORTING

DURATION DATE(S) 6/18/07 (when the Standard became mandatory and enforceable) through 4/2/09 (Mitigation Plan completion)

⁶ The Settlement Agreement at P 17 incorrectly states the 18 relays were spread across eight relay schemes.

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY **6/5/09**IS THE VIOLATION STILL OCCURRING YES NO
IF YES, EXPLAINREMEDIAL ACTION DIRECTIVE ISSUED YES NO
PRE TO POST JUNE 18, 2007 VIOLATION YES NO **IV. MITIGATION INFORMATION**

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO. **MIT-07-1899**
DATE SUBMITTED TO REGIONAL ENTITY **7/15/09**
DATE ACCEPTED BY REGIONAL ENTITY **8/12/09**
DATE APPROVED BY NERC **8/19/09**
DATE PROVIDED TO FERC **8/19/09**

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

N/A

MITIGATION PLAN COMPLETED YES NO EXPECTED COMPLETION DATE **Submitted as Complete**
EXTENSIONS GRANTED **N/A**
ACTUAL COMPLETION DATE **4/2/09**DATE OF CERTIFICATION LETTER **12/4/09**
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF **4/2/09**DATE OF VERIFICATION LETTER **2/5/10**
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF **4/2/09**

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

In the Mitigation Plan, FirstEnergy outlined actions necessary for Jersey Central and Penelec to mitigate the violations, all of which were taken prior to FirstEnergy's submission of the Mitigation Plan. First, FirstEnergy performed a comprehensive "walk-down" of all its affiliates' substations and identified all instances where its affiliates did not possess maintenance and testing records for Protection System devices in accordance with PRC-005-1

R2. This “walk-down” confirmed that the violations were limited to Jersey Central and Penelec. In addition to uncovering and enabling the remediation of the violations, this “walk-down” should prevent reoccurrences of similar violations within the FirstEnergy system because the “walk-down” resulted in the completion of a single, centralized database containing all relay maintenance and testing information.

To mitigate the immediate impact of the violations, FirstEnergy completed maintenance and data entry into SAP for all relays whose records could not be located.

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)

- **Self-Report Exhibit 1 dated June 5, 2009 identified 20 relays for which FirstEnergy lacked documentation of maintenance and testing.**
- **Certification of Mitigation Plan Completion dated December 4, 2009 identified two of the 20 relays for which adequate records were discovered subsequent to the submittal of the Self-Report, and six of the 20 relays which were replaced prior to being tested as part of system modifications planned before the violations were discovered.**
- ***Last Test Results* and screenshots of SAP database records documented the initial testing of the six newly-installed relays discussed above.**
- **Screenshots of SAP database summary and associated work orders documented remedial maintenance and testing performed on the 12 remaining relays and confirmed that this information was included in the FirstEnergy electronic maintenance database.**

Also, ReliabilityFirst staff verified that none of the identified relays was on the lists of reported misoperations from 2007 through the completion of testing on April 2, 2009.

V. PENALTY INFORMATION

TOTAL ASSESSED PENALTY OR SANCTION OF TEN THOUSAND DOLLARS (\$10,000) FOR TWO VIOLATIONS OF RELIABILITY STANDARDS.

(1) REGISTERED ENTITY’S COMPLIANCE HISTORY

PRIOR FILED 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

Jersey Central and Penelec are the only two FirstEnergy companies with a violation of this Standard.

PRIOR FILED 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 IF NO, EXPLAIN YES NO

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

IS THERE A DOCUMENTED COMPLIANCE PROGRAM
YES NO UNDETERMINED
EXPLAIN

Effective September 20, 2007, FirstEnergy had a documented internal compliance program (ICP), which ReliabilityFirst considered a mitigating factor in determining the penalty. ReliabilityFirst commended certain aspects of FirstEnergy's ICP titled *FERC Reliability and Compliance Policy* which addresses all Reliability Standards applicable to FirstEnergy's affiliates, including Jersey Central and Penelec. The policy is supported by a series of detailed procedures comprising a Program Manual that establishes a consistent methodology for implementing FirstEnergy's compliance program across all business units and affiliates. The policy and procedures are updated as necessary and distributed to FirstEnergy and affiliate employees through a variety of channels, including, monthly e-mails, bi-monthly newsletters and meetings.

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.

Further, FirstEnergy has established an independent FERC Compliance organization unit that provides oversight, guidance, and manages compliance for FirstEnergy and its affiliates, as well as provides training programs for compliance, reliability, standards, codes of conduct and related items. This group has led the development of software tools that provide efficient means for demonstrating compliance on a continuous basis. As demonstrated in FirstEnergy compliance audits, the compliance program has the strong engagement and support of senior management. An Executive Reliability Steering Committee comprised of executive leadership of respective business units is chaired by the FirstEnergy Chief Compliance Officer (CCO) and provides oversight and guidance for reliability compliance matters. Department directors within the respective business units have been assigned ownership of all Reliability Standards and are responsible for ensuring compliance with them. Additionally, departments with compliance responsibilities have implemented dedicated "Compliance Champions" to assist management with maintaining a high level of focus on compliance and continuous improvement. The directors assigned Reliability Standard ownership are responsible to verify and report compliance to FirstEnergy's CCO. The CCO has access to the FirstEnergy Chief Executive Officer and Board of Directors.

FirstEnergy's Board of Directors also maintains an Audit Committee that considers compliance matters for FirstEnergy and its affiliates, and the CCO provides the Audit Committee periodic reports on FERC compliance matters, including matters related to Reliability Standards. FirstEnergy performs a wide range of assessments of its affiliates seeking to find any possible areas of noncompliance, and seeking continuous improvement and compliance. FirstEnergy routinely uses external independent personnel to ensure different perspectives and other industry experiences are considered. When identified, these areas are communicated to the appropriate personnel and corrected.

(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

Although Jersey Central and Penelec both had a violation of PRC-005-1 R2, the violations were identified and mitigated during a single corporate review by FirstEnergy to facilitate compliance.

(7) ANY OTHER AGGRAVATING FACTORS FOR CONSIDERATION

YES NO
IF YES, EXPLAIN

(8) ANY OTHER EXTENUATING CIRCUMSTANCES

YES NO
IF YES, EXPLAIN

EXHIBITS:

SOURCE DOCUMENT
FirstEnergy's Self-Report for PRC-005-1 R2 dated June 5, 2009

MITIGATION PLAN
FirstEnergy's Mitigation Plan for PRC-005-1 R2 designated as MIT-07-1899 submitted July 15, 2009

CERTIFICATION BY REGISTERED ENTITY
**FirstEnergy's Certification of Mitigation Plan Completion for PRC-005-1 R2
dated December 4, 2009**

VERIFICATION BY REGIONAL ENTITY
**ReliabilityFirst's Verification of Mitigation Plan Completion for PRC-005-1
R2 dated February 5, 2010**

OTHER RELEVANT INFORMATION:

NOTICE OF ALLEGED VIOLATION AND PROPOSED PENALTY OR
SANCTION ISSUED

DATE: OR N/A

SETTLEMENT DISCUSSIONS COMMENCED

DATE: **6/25/10** 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 c

Notice of Filing

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Jersey Central Power & Light Company
Pennsylvania Electric Company [DP, LSE, PSE, TO]

Docket No. NP11-____-000

NOTICE OF FILING
November 30, 2010

Take notice that on November 30, 2010, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding Jersey Central Power & Light Company and Pennsylvania Electric Company [DP, LSE, PSE, TO] in the Reliability *First* Corporation 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