

February 28, 2013

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

**Re: NERC Full Notice of Penalty regarding Jersey Central Power & Light Company,
FERC Docket No. NP13-_-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Notice of Penalty¹ regarding Jersey Central Power & Light Company (JCP&L), NERC Registry ID# NCR00806,² in accordance with the Federal Energy Regulatory Commission's (Commission or FERC) rules, regulations and orders, as well as NERC's Rules of Procedure including Appendix 4C (NERC Compliance Monitoring and Enforcement Program (CMEP)).³

JCP&L is an affiliate of FirstEnergy Corp. (FirstEnergy), a public utility holding company. JCP&L serves 13 counties in northern and central New Jersey and operates 778 miles of transmission lines. Its peak load is 6,702 MW. JCP&L serves 1,087,395 customers. FirstEnergy was formed in 1997, when Ohio Edison Company and its subsidiary, Pennsylvania Power Company, merged with Centerior Energy Corp. and its subsidiaries, The Cleveland Electric Illuminating Company and The Toledo Edison Company. In 2001, FirstEnergy merged with GPU, Inc., the owner of JCP&L, Pennsylvania Electric Company, and Metropolitan Edison Company. FirstEnergy's ten regulated distribution companies

¹ *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards* (Order No. 672), 111 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 (2011). *Mandatory Reliability Standards for the Bulk-Power System*, FERC Stats. & Regs. ¶ 31,242 (2007) (Order No. 693), *reh'g denied*, 120 FERC ¶ 61,053 (2007) (Order No. 693-A). See 18 C.F.R § 39.7(c)(2).

² NERC Compliance Enforcement Authority (NCEA) confirmed that JPC&L was included on the NERC Compliance Registry as a Distribution Provider (DP), Generator Owner (GO), Load Serving Entity (LSE), Purchasing-Selling Entity (PSE) and Transmission Owner (TO) on May 30, 2007. As a TO, JCP&L is subject to the requirements of NERC Reliability Standard PRC-005-1. The Settlement Agreement states that the NERC Registry ID# is NCR05299, however, the correct number is NCR00806.

³ See 18 C.F.R § 39.7(c)(2).

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comprise one of the nation's largest investor-owned electric systems, based on serving six million customers in the Midwest and Mid-Atlantic regions. Stretching from the Ohio-Indiana border to the New Jersey shore, the companies operate an infrastructure of more than 194,000 miles of distribution lines.

NERC initiated an investigation into a system disturbance occurring on November 13, 2009 and continued as the Compliance Enforcement Authority for the subsequent settlement negotiations based on the investigations findings. This Notice of Penalty is being filed with the Commission because NERC and JCP&L have entered into a Settlement Agreement to resolve all outstanding issues arising from NERC's determination and findings of the violation⁴ of PRC-005-1. According to the Settlement Agreement, JCP&L neither admits nor denies the violation, but has agreed to the assessed penalty of forty thousand dollars (\$40,000), in addition to other remedies and actions to mitigate the instant violation and facilitate future compliance under the terms and conditions of the Settlement Agreement. Accordingly, the violation identified as NERC Violation Tracking Identification Number NCEA201200132 is being filed in accordance with the NERC Rules of Procedure and the CMEP.

Statement of Findings Underlying the Violations

This Notice of Penalty incorporates the findings and justifications set forth in the Settlement Agreement executed on January 4, 2013, by and between NERC and JCP&L, which is included as Attachment a. The details of the findings and basis for the penalty are set forth in the Settlement Agreement and herein. This Notice of Penalty filing contains the basis for approval of the Settlement Agreement by the NERC Board of Trustees Compliance Committee (NERC BOTCC). In accordance with Section 39.7 of the Commission's regulations, 18 C.F.R. § 39.7 (2012), NERC provides the following summary table identifying each violation of a Reliability Standard resolved by the Settlement Agreement, as discussed in greater detail below.

⁴ 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.

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Region	Registered Entity	NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Total Penalty
NERC Compliance Enforcement Authority	Jersey Central Power & Light Company	NOC-1790	NCEA201200132	PRC-005-1	R2	High ⁵	\$40,000

PRC-005-1

The purpose statement of PRC-005-1 provides: “To ensure all transmission and generation Protection Systems^[6] affecting the reliability of the Bulk Electric System (BES) are maintained and tested.”

[Footnote added].

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^[7] 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.

[Footnote added].

⁵ PRC-005-1 R2 has a “Lower” Violation Risk Factor (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, NERC determined that the violation related to R2.1, and therefore a “High” VRF is appropriate.

⁶ *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.”

⁷ Consistent with applicable FERC precedent, the term “Regional Reliability Organization” in this context refers to ReliabilityFirst Corporation (ReliabilityFirst).

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PRC-005-1 R2 has a “High” VRF and a “Lower” Violation Severity Level (VSL). The subject violation applies to JCP&L’s Transmission Owner (TO) function.

The violation relates to an event that occurred on November 13, 2009, when a fault occurred near the Morristown substation. The fault was caused by a landscaping company’s aluminum carport being lifted by high winds and blown into the Morristown-Whippany 230 kV transmission line. The event was exacerbated by wiring errors that went unnoticed during the commissioning of the breaker associated with the Morristown-Whippany 230 kV line. This error made during commissioning, in addition to an improper current transformer (CT) ratio that resulted from incorrect design information provided to the commissioning engineer (improper CT ratios identified), prevented the breaker from tripping as designed for the line fault. This resulted in over-tripping of other transmission lines and transformers at the Morristown substation and the loss of service to 11,780 customers.

While the Morristown substation event began with the contact of the carport with the transmission line, the resulting loss of service was a result of JCP&L’s failure to fully implement the commissioning procedures outlined in the FirstEnergy substation practices document. Specifically, JCP&L failed to perform complete trip checking of a circuit breaker prior to commissioning the breaker. The FirstEnergy practices document, effective October 3, 2008, provides a checklist of items to be performed. One of these items is that trip checking of a circuit breaker is to be done prior to commissioning.

NERC determined that JCP&L had a violation of PRC-005-1 R2 for failing to fully implement commissioning procedures according to its Protection System maintenance and testing program.

NERC determined the duration of the violation to be from October 21, 2008, when the breaker was commissioned, through March 31, 2013, when JCP&L expects to complete its Mitigation Plan.⁸

NERC determined that this violation posed a serious and substantial risk to the bulk power system (BPS). Had the Protection System operated as designed, this event would have been isolated by the opening of the breaker at Morristown Substation. This would have resulted in the loss of 230 kV supply to Transformer #1 at Stoney Brook Substation with a momentary loss of load due to a distribution auto throw-over switch. This event also should have only resulted in loss of the B1016 Morristown-Whippany 230 kV Line; however, there was also loss of the C2003 Gilbert-Morristown 230 kV Line and the 34.5 kV Buses “A” and “B” at Morristown Substation, which resulted in sustained

⁸ The Disposition Document states that the violation duration end date is April 29, 2010; however, the correct date will be when the training activities in the Mitigation Plan are completed, which is expected to be March 31, 2013.

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outages for 11,780 customers. If complete trip checks of the Morristown 230 kV breaker B-105 had been conducted as outlined in the substation practices document, the improper wiring would have been detected prior to the 230 kV breaker B-105 being released into service and would have been corrected. Detecting and correcting this wiring error prior to releasing the breaker into service, or avoiding the design error that resulted in the improper CT ratio, would have prevented the outage to 11,780 customers that occurred in connection with the event.

The affected customers represent a 42.5 MW sustained outage with an additional 30 MW experiencing a momentary outage. There was also approximately 20 MW of load dropped from circuits that experienced a momentary outage due to depressed system voltage resulting in the loss of customers with sensitive equipment. Not only was there loss of all the customers served by the Morristown substation, this event resulted in a momentary outage to several other 34.5 kV distribution substations, namely the Whitney, Stoney Brook, Collinsville and Cedar Knoll Substations.

Despite the serious and substantial risk to the BPS, immediate corrective actions were completed to mitigate the risk to the BPS. Approximately 15 minutes after the fault, a close operation on the Bus Tie 230 kV Breaker B83 at Morristown substation was initiated to restore the transmission system to its normal configuration, which led to the tripping of other breakers at the Morristown Substation and the Gilbert Substation. In addition, this was an isolated incident that affected a single panel. The C2003 Gilbert-Morristown 230 kV Line Zone 2 timer at Morristown Substation timed out and successfully tripped the Bus Tie 230 kV Breaker B83 and the L38, Y77, and H762 34.5 kV breakers at Morristown Substation. The 34.5 kV Bus "A" at Morristown Substation was all clear, except for the Transformer #4 12.47 kV Breaker B44. The C2003 Gilbert-Morristown 230 kV Line protection auxiliary relays (types AR/CP, AR/CP1, AR/CB, AR/CB1) remained energized because all 34.5 kV Bus "A" breakers needed to trip to drop out the seal-in contacts and the Transformer #4 12.47 kV Breaker B44 "a" contact was still closed. These sealed-in auxiliary relays limited the signal coming from the primary protection to trip the breaker to the Bus Tie 230 kV Breaker B83 failure relay (type SEL-352). This isolated and minimized the impact of the incorrectly-wired Morristown substation panel to just that facility. As this was isolated to just that facility, there was no danger of cascading outages or rolling blackouts. Further, all the other facilities properly tripped out.

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Compliance Enforcement Authority's Basis for Penalty

According to the Settlement Agreement, NERC has assessed a penalty of forty thousand dollars (\$40,000) for the referenced violation. In reaching this determination, NERC considered the following factors:

1. JCPL's previous violation of the same NERC Reliability Standard was not considered to be an aggravating factor in the penalty determination.⁹ Similarly, NERC did not consider JCPL's previous violation of another NERC Reliability Standard to be an aggravating factor in the penalty determination;¹⁰
2. NERC reported that JCP&L was cooperative throughout the compliance enforcement process;
3. NERC considered certain aspects of FirstEnergy's internal compliance program as a mitigating factor in penalty determination;¹¹
4. There was no evidence of any attempt to conceal a violation nor evidence of intent to do so;
5. There was no evidence that the violation was intentional;
6. NERC determined that this violation posed a serious and substantial risk to reliability of the BPS; as discussed above; and
7. NERC reported that there were no other mitigating or aggravating factors or extenuating circumstances that would affect the assessed penalty.

⁹ NERC determined that the facts and circumstances of JCP&L's prior PRC-005-1 R2 violation, which involved failure to include certain relay schemes in its maintenance database, as well as failure to locate the missing records for five months, are not related to the instant violation of PRC-005-1 R2, which involves failure to fully implement commissioning procedures according to its Protection System maintenance and testing program. A Settlement Agreement covering a violation of PRC-005-1 R2 for JCP&L was filed with FERC under NP11-52-000 on November 30, 2010. On December 30, 2010, FERC issued an order stating it would not engage in further review of the Notice of Penalty.

¹⁰ NERC determined that JCP&L's prior violation should not serve as a basis for aggravating the penalty because it involved a Standard that is not the same or similar to the instant Standard. Moreover, there was nothing in the record to suggest that broader corporate issues were implicated. A Settlement Agreement covering a violation of PRC-007-0 R1 for JCP&L was filed with FERC under NP12-6-000 on December 30, 2011. On January 27, 2012, FERC issued an order stating it would not engage in further review of the Notice of Penalty.

¹¹ JCP&L uses FirstEnergy's FERC Compliance Policy, which also addresses NERC Reliability Standards. FirstEnergy updates the policy and procedures as necessary and distributes them to FirstEnergy and its affiliates' employees. The compliance program includes engagement and support of senior management. FirstEnergy's Chief Compliance Officer reviews and approves FirstEnergy's ICP. FirstEnergy's Executive Reliability Steering Committee has a role in directing Reliability Standards compliance initiatives.

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After consideration of the above factors, NERC determined that, in this instance, the penalty amount of forty thousand dollars (\$40,000) is appropriate and bears a reasonable relation to the seriousness and duration of the violation.

Status of Mitigation Plan¹²

JCP&L's Mitigation Plan to address its violation of PRC-005-1 R2 was submitted to NERC on August 3, 2012 with a proposed completion date of March 31, 2013.¹³ The Mitigation Plan was accepted by NERC on August 3, 2012 and approved by NERC on January 11, 2013. The Mitigation Plan for this violation is designated as NERCMIT002200 and was submitted as non-public information to FERC on January 11, 2013 in accordance with FERC orders. JCP&L has completed all its mitigating activities except those noted below.

JCP&L's Mitigation Plan required JCP&L to:

1. Verify all trip paths testing during Protection System commissioning;
2. Confirm existing procedures were in place in 2009 to include the requirement to verify all trip paths via testing;
3. Provide briefing to substation engineers covering specific conditions and actions associated with the Morristown event and how to perform nodal analysis and identify all Protection System trip paths to be tested;
4. Enhance acceptance testing of protective relays following the Morristown event by the inclusion of mandatory end-to-end testing of all communication-assisted relay schemes applied at voltages 230 kV and higher;
5. Prepare an instructional paper concerning how to commission protection schemes and issued on May 24, 2012 to all commissioning engineers assigned to the JCP&L area;
6. Change design processes to ensure the accuracy of construction packages available to field personnel;
7. Develop and implement a project review checklist to establish a more formal quality assurance process for project design packages; and

¹² See 18 C.F.R § 39.7(d)(7).

¹³ The Mitigation Plan incorrectly states the mitigating activities would be completed December 31, 2013 instead of December 31, 2012. Although the Mitigation Plan document was originally supposed to be completed on December 31, 2012, JCP&L indicated and NERC granted an extension so that the Mitigation Plan will actually be completed by March 31, 2013. March 31, 2013 is the correct Mitigation Plan completion date.

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8. Revise practices to distribute a copy of a procedure to emphasize the internal requirement to review, approve, prepare and issue all as-built design drawings within 40 days of receipt of the markups for the installation;

JCP&L will complete the following mitigation activities by March 31, 2013:

1. Develop and conduct required training to focus on Protection System lessons learned, testing best practices, and regulatory commitments related to BPS reliability; and
2. Require refresher training for commissioning engineers and relay technicians beginning in 2013 that will include Protection System lessons learned, testing best practices, and regulatory commitments related to BPS reliability. This training will include any changes to existing FirstEnergy testing programs and practices impacting the reliability of BPS equipment. New employees also will be given this training.

Statement Describing the Assessed Penalty, Sanction or Enforcement Action Imposed¹⁴

Basis for Determination

Taking into consideration the Commission's direction in Order No. 693, the NERC Sanction Guidelines and the Commission's July 3, 2008, October 26, 2009 and August 27, 2010 Guidance Orders,¹⁵ the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on February 5, 2013. The NERC BOTCC approved the Settlement Agreement, including NERC's assessment of a forty thousand dollar (\$40,000) financial penalty against JCP&L 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. NERC considered JCP&L's prior violations of the NERC Reliability Standards to be a neutral factor in the penalty determination, as discussed above;
2. NERC reported that JCP&L was cooperative throughout the compliance enforcement process;

¹⁴ See 18 C.F.R. § 39.7(d)(4).

¹⁵ *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).

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3. JPC&L had a compliance program at the time of the violation which NERC considered a mitigating factor, as discussed above;
4. There was no evidence of any attempt to conceal a violation nor evidence of intent to do so;
5. There was no evidence that the violation was intentional;
6. NERC determined that this violation posed a serious and substantial risk to reliability of the BPS; as discussed above; and
7. NERC 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 approved the Settlement Agreement and believes that the assessed penalty of forty thousand dollars (\$40,000) is appropriate for the violation 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 Notice of Penalty with FERC, or, if FERC decides to review the penalty, upon final determination by FERC.

Attachments to be Included as Part of this Notice of Penalty

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

- a) Settlement Agreement by and between NERC and JCP&L executed January 4, 2013, included as Attachment a; and
- b) JCP&L's Mitigation Plan designated as NCEAMIT002200 for PRC-005-1 R2 submitted August 3, 2012, included as Attachment b.

A Form of Notice Suitable for Publication¹⁶

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

¹⁶ See 18 C.F.R § 39.7(d)(6).

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

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<p>Charles A. Berardesco* Senior Vice President and General Counsel North American Electric Reliability Corporation 1325 G Street N.W., Suite 600 Washington, DC 20005 (202) 400-3000 (202) 644-8099 – facsimile charles.berardesco@nerc.net</p>	<p>Sean Bodkin* Manager, Enforcement Actions North American Electric Reliability Corporation 1325 G Street N.W., Suite 600 Washington, DC 20005 (202) 400-3022 (202) 644-8099 – facsimile sean.bodkin@nerc.net</p>
<p>Hugh R. Conley, Jr.* Manager, Reliability Compliance FirstEnergy 76 South Main Street Akron, Ohio 44308 hconley@firstenergycorp.com</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>	

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Conclusion

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

Respectfully submitted,

/s/ Rebecca J. Michael

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cc: Jersey Central Power & Light Company
NERC Compliance Enforcement Authority

Attachments

Attachment a

**Settlement Agreement by and between NERC
and JCP&L executed January 4, 2013**

SETTLEMENT AGREEMENT OF NERC COMPLIANCE ENFORCEMENT AUTHORITY AND JERSEY CENTRAL POWER & LIGHT COMPANY

I. INTRODUCTION

1. Staff of the North American Electric Reliability Corporation (NERC) and Jersey Central Power & Light Company ("JCP&L") enter into this Settlement Agreement ("Settlement Agreement") to resolve all outstanding issues arising from a preliminary and non-public Compliance Investigation resulting in NERC's determination and findings, pursuant to the NERC Rules of Procedure, of one violation by JCP&L of the NERC Reliability Standard PRC-005-1 Requirement (R)2, NERC Violation ID NCEA201200132.
2. JCP&L neither admits nor denies the violation of NERC Reliability Standard PRC-005-1 and has agreed to the proposed penalty of forty thousand dollars (\$40,000) to be assessed to JCP&L, in addition to other remedies and mitigation actions to mitigate the instant alleged violation and ensure future compliance under the terms and conditions of the Settlement Agreement.

II. STIPULATION

3. The facts stipulated herein are stipulated solely for the purpose of resolving between JCP&L and NERC the matters discussed herein and do not constitute stipulations or admissions for any other purpose. The attached Disposition Document is incorporated herein in its entirety. JCP&L and NERC hereby stipulate and agree to the following:

Background

4. See the attached Disposition Document for: (i) a description of JCP&L, (ii) summaries of the system events during which NERC alleges the subject NERC Reliability Standard violation occurred, and (iii) NERC's findings and determinations with respect to those events. As noted therein, NERC has found that JCP&L incurred the violation identified below, during the November 13, 2009 event at the Morristown substation.

Violation of NERC Reliability Standard PRC-005-1 R2

5. See the Full Disposition Document for the description of the violation.

III. PARTIES' SEPARATE REPRESENTATIONS

STATEMENT OF NERC AND SUMMARY OF FINDINGS

6. NERC finds that JCP&L incurred the violation listed above for the reason indicated in the violation's description section in the Disposition Document.
7. NERC accepts that the findings include corrective and mitigation actions that address the conditions at JCP&L that resulted in the indicated violation. NERC, therefore, finds that further additional mitigation by JCP&L is neither warranted nor required by NERC to address or complete mitigation of the present violation. JCP&L is obligated to complete the remaining conditions outlined in Section IV below.
8. NERC agrees that this Settlement Agreement is in the best interest of the parties and in the best interest of bulk power system reliability.

STATEMENT OF JCP&L

9. JCP&L neither admits nor denies that the facts set forth and agreed to by the parties for the purposes of this Settlement Agreement constitute a violation of PRC-005-1 R2.
10. JCP&L has agreed to enter into this Settlement Agreement with NERC 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. JCP&L agrees that this Settlement Agreement is in the best interest of the parties and in the best interest of maintaining a reliable electric infrastructure.

IV. MITIGATING ACTIONS, REMEDIES AND SANCTIONS

11. NERC and JCP&L agree that JCP&L mitigated the violation addressed herein as discussed in the attached Disposition Document.
12. JCP&L will complete the two outstanding mitigating actions by March 31, 2013. JCP&L has certified, to NERC's satisfaction, that all other mitigating actions have been completed.
13. NERC also considered the specific facts and circumstances of the violation and JCP&L's actions in response to the violation in determining a proposed penalty that meets the requirement in Section 215 of the Federal Power Act that "[a]ny penalty imposed under this section shall bear a reasonable relation to the seriousness of the violation and shall

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take into consideration the efforts...to remedy the violation in a timely manner.”¹ The factors considered by NERC in the determination of the appropriate penalty are set forth in the Disposition Document.

14. Based on the above factors, as well as the mitigation actions and preventative measures taken, JCP&L shall pay the monetary penalty of forty thousand dollars (\$40,000) via wire transfer to NERC within twenty days after the Settlement Agreement is either approved by the Federal Energy Regulatory Commission (“Commission”) or by operation of law.

V. **ADDITIONAL TERMS**

15. The signatories to the Settlement Agreement agree that they enter into the Settlement 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 NERC or JCP&L has been made to induce the signatories or any other party to enter into the Settlement Agreement.
16. The NERC Board of Trustees (“Board”) will review the Settlement Agreement for the purpose of evaluating its consistency with other Settlement Agreements entered into for similar violations or under other, similar circumstances. Based on this review, the Board will either approve or reject the Settlement Agreement and notify JCP&L of changes to the Settlement Agreement that would result in approval. If the Board rejects the Settlement Agreement, NERC will provide specific written reasons for such rejection and attempt to negotiate a revised Settlement Agreement with JCP&L including any changes to the settlement specified by the Board. If a settlement cannot be reached, the enforcement process shall continue to conclusion. If NERC approves the settlement, NERC will: (i) report the approved Settlement Agreement to the Commission for the Commission’s review and approval by order or operation of law and (ii) publicly post this Settlement Agreement.
17. This Settlement Agreement shall become effective upon the Commission’s approval of the Settlement Agreement by order or operation of law as submitted to it or as modified in a manner acceptable to the parties.
18. JCP&L agrees that this Settlement Agreement, when approved by the Board and the Commission, shall represent a final resolution of all matters set forth herein and JCP&L waives its right to further hearings and appeal, unless and only to the extent that JCP&L contends that any NERC or Commission action on the Settlement Agreement contains one or more material modifications to the Settlement Agreement. JCP&L shall retain all rights to defend against such enforcement actions, also according to the NERC Rules of Procedure. In addition, failure to make a timely penalty payment will result in interest payable to NERC that will begin to accrue pursuant to the Commission's regulations at

¹ 16 U.S.C. § 824o (e)(6).

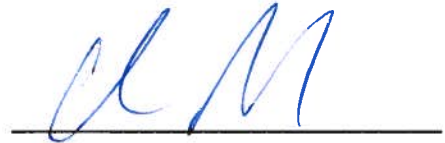
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18 C.F.R. § 35.19(a)(2)(iii) from the date that payment is due, in addition to the penalty specified above. Failure to comply with any of the terms and conditions agreed to herein, or any other conditions of this Settlement Agreement, shall be deemed to be either the same alleged violations that initiated this Settlement Agreement and/or additional violation(s) and may subject JCP&L to new or additional enforcement, penalty or sanction actions in accordance with the NERC Rules of Procedure.

19. JCP&L consents to the use of NERC's determinations, findings, and conclusions set forth in this Settlement Agreement for the purpose of assessing the factors, including the factor of determining the JCP&L'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 any Regional Entity; provided, however, that JCP&L does not consent to the use of the specific acts set forth in this Settlement Agreement as the sole basis for any other action or proceeding brought by NERC and/or any Regional Entity, nor does JCP&L consent to the use of this Settlement Agreement by any other party in any other action or proceeding.
20. 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 Settlement Agreement on the entity's behalf.
21. The undersigned representative of each party affirms that he or she has read the Settlement Agreement, that all of the matters set forth in the Settlement Agreement are true and correct to the best of his or her knowledge, information and belief, and that he or she understands that the Settlement 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 the Parties' Separate Representations Section of this Settlement Agreement.
22. The Settlement Agreement may be signed in counterparts.
23. This Settlement Agreement is executed in duplicate, each of which so executed shall be deemed to be an original.

CONTAINS PRIVILEGED AND CONFIDENTIAL INFORMATION
DO NOT RELEASE

Agreed to and accepted:



Charles A. Berardesco
General Counsel
North American Electric Reliability Corporation



Date



Robert R. Mattiuz
Director, FERC Compliance
FirstEnergy on behalf of JCP&L



Date

DISPOSITION OF VIOLATION¹

Dated December 19, 2012

NERC TRACKING NO.
NCEA201200132

NOC#
NOC-1790

REGISTERED ENTITY
Jersey Central Power & Light Company (JCP&L)

NERC REGISTRY ID
NCR05299

REGIONAL ENTITY
NERC Compliance Enforcement Authority (NERC)

I. REGISTRATION INFORMATION

ENTITY IS REGISTERED FOR THE FOLLOWING FUNCTIONS (BOTTOM ROW INDICATES
REGISTRATION DATE):

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			

* VIOLATION APPLIES TO SHADED FUNCTIONS

DESCRIPTION OF THE REGISTERED ENTITY

JCP&L is an affiliate of FirstEnergy Corp. (FirstEnergy), a public utility holding company. JCP&L serves 13 counties in northern and central New Jersey and operates 778 miles of transmission lines. Its peak load is 6,702 MW. JCP&L serves 1,087,395 customers. FirstEnergy was formed in 1997, when Ohio Edison Company and its subsidiary, Pennsylvania Power Company merged with Centerior Energy Corp. and its subsidiaries, The Cleveland Electric Illuminating Company and The Toledo Edison Company. In 2001, FirstEnergy merged with GPU, Inc., the owner of JCP&L, Pennsylvania Electric Company, and Metropolitan Edison Company. FirstEnergy's ten regulated distribution companies comprise one of the nation's largest investor-owned electric systems, based on serving 6 million customers in the Midwest and Mid-Atlantic regions. Stretching from the Ohio-Indiana border to the New Jersey shore, the companies operate an infrastructure of more than 194,000 miles of distribution lines.

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.

II. VIOLATION INFORMATION

RELIABILITY STANDARD	REQUIREMENT(S)	SUB-REQUIREMENT(S)	VRF(S)	VSL(S)
PRC-005-1	R2	R2.1	High ²	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 all transmission and generation Protection Systems^[3] affecting the reliability of the Bulk Electric System (BES) are maintained and tested."

[Footnote added].

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.

[Footnote added].

² PRC-005-1 R2 has a "Lower" Violation Risk Factor (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, NERC determined that the violation related to R2.1, 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."

⁴ Consistent with applicable FERC precedent, the term "Regional Reliability Organization" in this context refers to ReliabilityFirst Corporation (ReliabilityFirst).

VIOLATION DESCRIPTIONS

The violation relates to an event which occurred on November 13, 2009, when a fault occurred near the Morristown substation caused by a landscaping company's aluminum carport being lifted by high winds and blown into the Morristown-Whippany 230 kV transmission line. The event was exacerbated by wiring errors which went unnoticed during the commissioning of the breaker associated with Morristown - Whippany 230 kV line. This error made during commissioning in addition to an improper current transformer (CT) ratio that resulted from incorrect design information provided to the commissioning engineer (improper CT ratios identified), prevented the breaker from tripping as designed for the line fault. This resulted in over-tripping of other transmission lines and transformers at the Morristown substation and the loss of service to 11,780 customers.

While the Morristown substation event began with the contact of the shed with the transmission line, the resulting loss of service was a result of JCP&L's failure to fully implement the commissioning procedures outlined in the FirstEnergy substation practices document. Specifically, JCP&L failed to perform complete trip checking of a circuit breaker prior to commissioning the breaker. The FirstEnergy practices document, effective October 3, 2008, provides a checklist of items to be performed. One of these items is that trip checking of a circuit breaker is to be done prior to commissioning.

NERC determined that JCP&L had a violation of PRC-005-1 R2 for failing to fully implement commissioning procedures according to its Protection System maintenance and testing program.

RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL

NERC determined that this violation posed a serious or substantial risk to the bulk power system (BPS). Had the Protection System operated as designed, this event would have been isolated by the opening of the breaker at Morristown Substation. This would have resulted in the loss of 230 kV supply to Transformer #1 at Stoney Brook Substation with a momentary loss of load due to a distribution auto throw over switch. This event also should have only resulted in loss of the B1016 Morristown-Whippany 230 kV Line; however, there was also loss of the C2003 Gilbert-Morristown 230kV Line, 34.5 kV Buses "A" and "B" at Morristown Substation which resulted in sustained outage for 11, 780 customers. If complete trip checks of the Morristown 230 kV breaker B-105 had been conducted as outlined in the substation practices document the improper wiring would have been detected prior to 230 kV breaker B-105 being released into service and would have been corrected. Either detecting and correcting this wiring error prior to releasing the breaker into service or avoiding the design error that resulted in the improper CT ratio, would have prevented the outage to 11,780 customers that occurred in connection with the event.

The customers affected represent a 42.5 MW sustained outage with an additional 30 MW experiencing a momentary outage. There was also approximately 20 MW of load dropped from circuits that experienced a momentary outage due to depressed system voltage resulting in the loss of customers with sensitive equipment. Not only was there loss of all the customers served by the Morristown substation, this event resulted in a momentary outage to several other 34.5 kV distribution substations, the Whitney, Stoney Brook, Collinsville and Cedar Knoll Substations.

Despite the serious and substantial risk to the BPS, immediate corrective actions were completed to mitigate the risk to the BPS. Approximately 15 minutes after the fault, a close operation on the Bus Tie 230 kV Breaker B83 at Morristown substation was initiated to restore the transmission system to its normal configuration which led to the tripping of other breakers at the Morristown Substation and the Gilbert Substation. In addition, this was an isolated incident which affected a single panel. The C2003 Gilbert-Morristown 230 kV Line Zone 2 timer at Morristown Substation timed out and successfully tripped the Bus Tie 230kV Breaker B83 and the L38, Y77, and H762 34.5kV breakers at Morristown Substation. The 34.5 kV Bus "A" at Morristown Substation was all clear, except for the Transformer #4 12.47 kV Breaker B44. The C2003 Gilbert-Morristown 230 kV Line protection auxiliary relays (types AR/CP, AR/CP1, AR/CB, AR/CB1) remained energized because all 34.5 kV Bus "A" breakers needed to trip to drop out the seal-in contacts and the Transformer #4 12.47 KV Breaker B44 "a" contact was still closed. These sealed-in auxiliary relays held in the breaker failure initiate to the Bus Tie 230 kV Breaker B83 failure relay (type SEL-352). This isolated and minimized the impact of the incorrectly wired Morristown substation panel to just that facility. As this was isolated to just that facility, there was no danger of cascading outages or rolling blackouts. Further, all the other facilities properly tripped out.

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	<input type="checkbox"/>
COMPLIANCE AUDIT	<input type="checkbox"/>
COMPLIANCE VIOLATION INVESTIGATION	<input checked="" 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) **10/21/08 (when the breaker was commissioned) through 4/29/10 (mitigation activity completion)**

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY **1/4/12**

IS THE VIOLATION STILL OCCURRING	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>
IF YES, EXPLAIN				

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

IV. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:

MITIGATION PLAN NO.	NERCMIT002200
DATE SUBMITTED TO REGIONAL ENTITY	8/3/2012
DATE ACCEPTED BY REGIONAL ENTITY	8/3/2012
DATE APPROVED BY NERC	Pending
DATE PROVIDED TO FERC	Pending

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

MITIGATION PLAN COMPLETED	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>
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EXPECTED COMPLETION DATE	3/31/13
EXTENSIONS GRANTED	
ACTUAL COMPLETION DATE	Pending
DATE OF CERTIFICATION LETTER	Pending
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF	Pending

DATE OF VERIFICATION LETTER
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF

Pending

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT RECURRENCE

- **Verification of all trip paths testing during Protection System commissioning**
 - **Confirmed existing procedures were in place in 2009 to include the requirement to verify all trip paths via testing**
 - **Provided briefing to substation engineers covering specific conditions and actions associated with Morristown event and how to perform nodal analysis and identify all Protection System trip paths to be tested**
 - **Acceptance testing of Protective Relaying was enhanced following the Morristown event by the inclusion of mandatory “End-to-End Testing” of all communication-assisted relay schemes applied at voltages 230 kV and higher on February 26, 2010. End-to-End Testing provides a more thorough review of the protection system which will further ensure that all trip paths are verified**
 - **An instructional paper was prepared on March 22, 2011 by FirstEnergy concerning how to commission protection schemes and issued on May 24, 2012 to all commissioning engineers assigned to the JCP&L area**
- **Changes to design processes were implemented to ensure the accuracy of construction packages available to field personnel**
 - **FirstEnergy Substation Engineering department developed and implemented a project review checklist on April 1, 2010 to establish a more formal quality assurance process for project design packages**
 - **FirstEnergy Substation Engineering department revised their practices to distribute a copy of a procedure to emphasize the internal requirement to review, approve, prepare and issue all as-built design drawings within 40 days , after receipt of the markups for the installation.**
- **Complete the following mitigation activities by March 31, 2013:**
 - **Develop and conduct required training to be completed by March 31, 2013 to focus on Protection System lessons learned, testing best practices and regulatory commitments related to BPS reliability**
 - **Require refresher training for commissioning engineers and relay technicians beginning in 2013 that will include same topics included in the training above. This training will include any changes to**

existing FirstEnergy testing programs and practices impacting the reliability of BPS equipment. New employees will be given this training

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)

- **Attachment A: Section 27M of the Substation Maintenance Practices for Commissioning**
- **Attachment B: Section 13P of the Substation Maintenance Practices for Protective Relaying**
- **Attachment C: Lessons Learned briefing provided during the June 8-9, 2010 Substation Engineers' Meeting**
 - **Attachment D: Document on how to perform nodal analysis and identify all Protection System trip paths to be tested**
- **Attachment E: follow-up instructions to the substation staffs by the Substation Maintenance Engineers following the finalized revision of Section 13P**
- **Attachment F: March 22, 2011 instructional paper on how to commission protection schemes**
- **Attachment G: May 24, 2012 Instructional commissioning paper**
- **Attachment H and I: The FirstEnergy Design Standards for Relay and Control Schemes (Section 25)**
- **Attachment J: Substation Control and Protection Scheme Isolation Form**
- **Attachment K: February 13, 2009 revised Substation Maintenance Practice Section 13P, Relays and Associated Devices**
- **Attachment L: FirstEnergy Substation Engineering Project Review Checklist**
- **Attachment M: Procedure for Substation As-Built/Record Documents**

V. PENALTY INFORMATION

TOTAL ASSESSED PENALTY OR SANCTION OF **\$40,000** FOR **ONE** VIOLATION OF RELIABILITY STANDARDS.

(1) REGISTERED ENTITY'S COMPLIANCE HISTORY

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

YES NO

LIST VIOLATIONS AND STATUS

A Settlement Agreement covering a violation of PRC-005-1 R2 for JCP&L (NOC-632) was filed with FERC under NP11-52-000 on November 30, 2010. On December 30, 2010, FERC issued an order stating it would not engage in further review of the Notice of Penalty.

ADDITIONAL COMMENTS

NERC determined that this prior violation should not serve as a basis for aggravating the penalty because the facts and circumstances of the previously filed violation of PRC-005-1 R2 are not same or similar to the present violation. These previous violations involved JCP&L's failure to include certain relay schemes in its maintenance database, as well as failure to locate the missing records for five months.

PREVIOUSLY FILED VIOLATIONS OF OTHER RELIABILITY STANDARD(S) OR REQUIREMENTS THEREUNDER

YES NO

LIST VIOLATIONS AND STATUS

A Settlement Agreement covering a violation of FAC-003-1 R2 for Metropolitan Edison Company (NOC-926), an affiliate of JCP&L's through FirstEnergy, was filed with FERC under NP11-267-000 on September 30, 2010. On October 28, 2011, FERC issued an order stating it would not engage in further review of the Notice of Penalty.

ADDITIONAL COMMENTS

NERC determined that this prior violation should not serve as a basis for aggravating the penalty because they involved Standards that are not the same or similar to the instant Standard. Moreover, there was nothing in the record to suggest that broader corporate issues were implicated.

(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

NERC considered certain factors of FirstEnergy’s Internal Compliance Program (ICP), in place at the time of the violation, as a mitigating factor in penalty assessment. JCP&L abides by FirstEnergy’s FERC Compliance Policy, which also addresses NERC Reliability Standards. FirstEnergy updates the policy and procedures as necessary and distributes them to FirstEnergy and affiliate employees. The compliance program includes engagement and support of senior management.

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. FirstEnergy’s Chief Compliance Officer reviews and approves FirstEnergy’s ICP. FirstEnergy’s Executive Reliability Steering Committee has a role in directing Reliability Standards compliance initiatives.

(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

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

OTHER RELEVANT INFORMATION:

NOTICE OF ALLEGED VIOLATION AND PROPOSED PENALTY OR SANCTION ISSUED
DATE: OR N/A

SETTLEMENT REQUEST DATE
DATE: 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 DID NOT CONTEST

HEARING REQUESTED
YES NO
DATE
OUTCOME
APPEAL REQUESTED

Attachment b

**JCP&L's Mitigation Plan designated as
NCEAMIT002200 for PRC-005-1 R2
submitted August 3, 2012**

CONFIDENTIAL NON-PUBLIC

Contains Privileged and Confidential Information and/or Critical Energy Infrastructure Information.
Do Not Release or Disclose Pursuant to NERC ROP Section 1500, CMEP Section 9.3 and 18 C.F.R. § 388.112

Jersey Central Power & Light Company

North American Electric Reliability Corporation, Request for Information dated: July 16, 2012)))	NERC Compliance Investigation NERC0008CI
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3. Regarding the mitigating actions, please provide the list of activities with their corresponding completion/or anticipated completion dates. While you did provide the document with the summary of the mitigation actions undertaken by JCP&L in response to the incidents investigated in CI NERC0008CI, we need more definitive completion/anticipated completion dates for each action

Response 3:

Question: With reference to the summarized mitigating actions developed and provided to NERC on May 31, 2012, provide a list of the mitigation actions with their corresponding completion/or anticipated completion dates.

As included in the summarized list of Mitigating Actions provided on May 31, 2012, the applicable Completion or Scheduled due dates are as follows:

I. Verification of all trip paths testing during protection system commissioning.		
Mitigating Action(s):	Completion Date:	Scheduled Date:
A. Confirmed that existing FirstEnergy Substation Maintenance procedure(s) that were in place in 2009 included the requirement to verify all trip paths via testing.	May 11, 2012	N/A
B. A Lessons Learned briefing was provided during the June 8-9, 2010 Substation Engineers' Meeting	June 8, 9 - 2010	N/A
C. Acceptance testing of Protective Relaying was enhanced by the inclusion of mandatory "End-to-End Testing" of all communication-assisted relay schemes applied at voltages 230 kV and higher.	February 26, 2010	N/A
D. An instructional paper was prepared on March 22, 2011 concerning how to commission protection schemes and presented at the Spring 2011 Engineering Association of Pennsylvania Meeting	April 1, 2011	N/A
E. The instructional commissioning paper was issued to all commissioning engineers assigned to the JCP&L area. In addition, the paper will be reviewed at the 2012 FirstEnergy Engineer's Meeting that will include commissioning engineers from all FirstEnergy areas	May 24, 2012	N/A
	N/A	12/31/2012
F. FirstEnergy will develop and conduct required training in the 2012 calendar year that will focus on protection system lessons learned, testing best practices and regulatory commitments related to BES reliability.	N/A	12/31/2012

CONFIDENTIAL NON-PUBLIC

Contains Privileged and Confidential Information and/or Critical Energy Infrastructure Information.
Do Not Release or Disclose Pursuant to NERC ROP Section 1500, CMEP Section 9.3 and 18 C.F.R. § 388.112

Jersey Central Power & Light Company

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G. FirstEnergy will implement required annual refresher training beginning in 2013 that will include the same topics included in the 2012 training. New employees in these positions will also be given this training as part of their initial training.	N/A	12/31/2013
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II. Protection system procedures and practices to prevent open slide link related issues.		
Mitigating Action(s):	Completion Date:	Scheduled Date:
A. Eliminated the use of sliding link terminal blocks in new designs.	N/A	N/A
1. The FirstEnergy Design Standards for Relay and Control Schemes (Section 25) were revised and implemented on June 10, 2011 to eliminate the use of sliding link terminal blocks in new designs.	June 10, 2011	N/A
B. Improved FirstEnergy practices to prevent open isolation points following maintenance and testing of protection systems.	N/A	N/A
1. FirstEnergy developed a Substation Control and Protection Scheme Isolation Form (X7310) to document and track the temporary repositioning of any sliding links, test switches, test paddles, wiring changes required to perform protection system maintenance and testing.	April 1, 2009	N/A
2. FirstEnergy revised Substation Maintenance Practice Section 13P, Relays and Associated Devices to require the completion of the Substation Control and Protection Scheme Isolation Form.	February 13, 2009	N/A
3. JCP&L held a mandatory meeting for all substation employees on the new requirement for using the Substation Control and Isolation Form. Each service center provided follow-up instructions to the substation staffs.	January 31, 2009	N/A

CONFIDENTIAL NON-PUBLIC

Contains Privileged and Confidential Information and/or Critical Energy Infrastructure Information.
Do Not Release or Disclose Pursuant to NERC ROP Section 1500, CMEP Section 9.3 and 18 C.F.R. § 388.112

Jersey Central Power & Light Company

North American Electric Reliability Corporation, Request for Information dated: July 16, 2012)))	NERC Compliance Investigation NERC0008CI
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III. Changes to the design process were implemented that ensure the accuracy of construction packages available to field personnel.		
Mitigating Action(s):	Completion Date:	Scheduled Date:
A. FirstEnergy Substation Engineering developed and implemented a Project Review Checklist to establish a more formal quality assurance process for project design packages.	April 1, 2010	N/A
B. FirstEnergy Substation Engineering revised their practices to distribute a copy of the Procedure for Substation As-Built/Record Documents with every design package.	October 13, 2010	N/A

Response Prepared By: Eric D Schock and Cheryl Orner

Date: July 25, 2012

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Attachment c
Notice of Filing

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Jersey Central Power & Light Company

Docket No. NP13-____-000

NOTICE OF FILING
February 28, 2013

Take notice that on February 28, 2013, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding Jersey Central Power & Light Company in the NERC Compliance Enforcement Authority 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