



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

March 31, 2010

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

**Re: NERC Notice of Penalty regarding ExxonMobil Oil Corporation - Beaumont Refinery
FERC Docket No. NP10-_-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Notice of Penalty¹ regarding ExxonMobil Oil Corporation - Beaumont Refinery (ExxonMobil),² NERC Registry ID# NCR01239,³ 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)).⁴

¹ *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 (2009). *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 ExxonMobil Oil Corporation is an affiliate of Exxon Mobil Corporation, a global, integrated petrochemical energy corporation with approximately 80,000 employees. ExxonMobil's Beaumont Refinery is a wholly-owned subsidiary of Mobil Oil Corporation, which is a wholly-owned subsidiary of Exxon Mobil Corporation. The ExxonMobil cogeneration plant is considered a Qualifying Facility under PURPA. The Public Utility Regulatory Policies Act (or PURPA) was a law passed in 1978 by the United States Congress as part of the National Energy Act to promote greater use of renewable energy. This law created a market for non-utility electric power producers by requiring electric utilities to buy power from these producers at the "avoided cost" rate, which was the cost the electric utility would incur were it to generate or purchase from another source.

³ NERC Reliability Corporation confirmed that ExxonMobil was included on the NERC Compliance Registry and Generator Owner on May 31, 2007 and as a Generator Operator on December 2, 2008. As a Generator Owner, ExxonMobil is subject to the requirements of NERC Reliability Standards IRO-004-1 and PRC-005-1; as a Generator Operator, ExxonMobil is subject to the requirements of NERC Reliability Standard IRO-004-1 and TOP-002-2.

⁴ *See* 18 C.F.R. § 39.7(c)(2).

On March 19, 2009, after being notified of an upcoming compliance audit,⁵ ExxonMobil self-reported to SERC Reliability Corporation (SERC) possible non-compliance with NERC Reliability Standards (Standards) IRO-004-1 Requirement (R) 4 and TOP-002-2 R3 because ExxonMobil failed to provide its Balancing Authority (BA) with ExxonMobil's Power Export Forecast on a daily basis and did not coordinate its current day and next-day operations with its Host BA and Transmission Service Provider; and PRC-005-1 R2.1 for ExxonMobil's failure to provide documentation or demonstrate that it had conducted quarterly and yearly testing on its generation Protection System⁶ station batteries. This Notice of Penalty is being filed with the Commission because, based on information from SERC, SERC and ExxonMobil have entered into a Settlement Agreement to resolve all outstanding issues arising from a preliminary and non-public assessment resulting in SERC's determination and findings of the enforceable alleged violations of IRO-004-1 R4, TOP-002-2 R3 and PRC-005-1 R2.1. According to the Settlement Agreement, ExxonMobil neither admits nor denies the alleged violations, but has agreed to the proposed penalty of ten thousand dollars (\$10,000) to be assessed to ExxonMobil, in addition to other remedies and actions to mitigate the instant violations and facilitate future compliance under the terms and conditions of the Settlement Agreement. Accordingly, the alleged violations identified as NERC Violation Tracking Identification Numbers SERC200900253, SERC200900254 and SERC200900255 are being filed in accordance with the NERC Rules of Procedure and the CMEP.

Statement of Findings Underlying the Alleged Violations

This Notice of Penalty incorporates the findings and justifications set forth in the Settlement Agreement entered as of November 19, 2009, by and between SERC and ExxonMobil, which is included as Attachment d. 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 (2007), NERC provides the following summary table identifying each alleged violation of a Reliability Standard resolved by the Settlement Agreement, as discussed in greater detail following.

⁵ On January 24, 2009, SERC Reliability Corporation notified ExxonMobil that an audit to determine its compliance with the NERC Reliability Standards had been scheduled for July 22, 2009 through July 24, 2009 (Audit). On April 24, 2009 and again on May 7, 2009, SERC Staff sent letters to ExxonMobil detailing, among other things, the Reliability Standards that would be the focus of the upcoming Audit. The Audit took place on July 22, 2009 and July 23, 2009, with no additional possible violations identified by the Audit team.

⁶ *The NERC Glossary of Terms Used in Reliability Standards*, updated April 20, 2009, defines Protection System as "Protective relays, associated communication systems, voltage and current sensing devices, station batteries and DC control circuitry."

Region	Registered Entity	NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Total Penalty (\$)
SERC	ExxonMobil Oil Corporation - Beaumont Refinery	NOC-428	SERC200900253	IRO-004-1	4	High	10,000
			SERC200900254	TOP-002-2 ⁷	3	Medium	
			SERC200900255	PRC-005-1	2.1	High ⁸	

IRO-004-1 and TOP-002-2

The purpose of IRO-004-1 is to require each Reliability Coordinator to conduct next-day reliability analyses for its Reliability Coordinator Area to ensure the bulk power system (BPS) can be operated reliably in anticipated normal and Contingency conditions. System studies must be conducted to highlight potential interface and other operating limits, including overloaded transmission lines and transformers, voltage and stability limits, etc. Plans must be developed to alleviate System Operating Limit (SOL) and Interconnection Reliability Operating Limit (IROL) violations.

IRO-004-1 R4 requires each Generator Owner and Generator Operator, such as ExxonMobil, in the Reliability Coordinator Area to provide information required for system studies, such as critical facility status, Load, generation, operating reserve projections, and known Interchange Transactions. This information shall be available by 1200 Central Standard Time for the Eastern Interconnection and 1200 Pacific Standard Time for the Western Interconnection. IRO-004-1 R4 has a “High” Violation Risk Factor (VRF).

The purpose of TOP-002-2 confirms that current operations plans and procedures are essential to being prepared for reliable operations, including response for unplanned events.

TOP-002-2 R3 requires each Generator Operator, such as ExxonMobil, to coordinate (where confidentiality agreements allow) its current-day, next-day, and seasonal operations with its Host Balancing Authority and Transmission Service Provider. TOP-002-2 R3 has a “Medium” VRF.

⁷ TOP-002-2 became enforceable on June 18, 2007. The core version of this standard remains in effect today. There has been one interpretation, TOP-002-2a (December 2, 2009 through the present) that provides clarity regarding R11 only and do not change the meaning or language of the original NERC Reliability Standard and its requirements at issue in this Notice. For consistency in this filing, the original NERC Reliability Standard, TOP-002-2, is used throughout.

⁸ 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.

On March 19, 2009, ExxonMobil submitted a self-report to SERC stating that, while it had been providing its Power Export Forecast, containing a two-week rolling forecast of planned power exports from the facility, it had only been doing so as updates occurred, typically two to three times each week, and not on Saturdays and Sundays. In its self-report, ExxonMobil stated that it had requested that its Power and Gas Marketing Division change its process to have the information sent daily before 1200 Noon Central Standard Time.

After receiving ExxonMobil's self-report, SERC Enforcement requested ExxonMobil provide any written agreement that ExxonMobil had with its BA, Entergy, regarding when ExxonMobil was to submit the Power Export Forecast before the recent schedule change to meet the requirement of the IRO-004-1 and TOP-002-2 Standards, and evidence of the information that ExxonMobil was reporting to Entergy prior to the recent change. SERC Enforcement also requested a copy of all submissions of the Power Export Forecast to Entergy covering the period January 13, 2009 through January 19, 2009.

SERC Enforcement found that prior to the self-report, ExxonMobil's practice had been to e-mail Entergy's System Operation Center (SOC) a two-week Power Export Forecast which provided a rolling 14-day forecast of planned power exports from its generating facility. The Power Export Forecast was e-mailed as updates occurred, typically two to three times per week, and the document was not sent on weekends.

SERC Enforcement also identified a gap in ExxonMobil's reporting and requested additional information to assist in its review. In its response to SERC Enforcement's request, ExxonMobil verified that there was a time period, from December 12, 2008 to January 22, 2009, when it did not provide the Power Export Forecast to Entergy.⁹ ExxonMobil explained that due to the effects of Hurricane Ike, Entergy had declared an "Emergency Generation Period" on October 2, 2008 and required ExxonMobil to route the Power Export Forecast to Entergy to a special emergency e-mail address. By phone on December 12, 2008, a representative from Entergy stated that the "Emergency Generation Period" had ended and stated that ExxonMobil no longer needed to send the Forecast to the emergency address. At that time, the reports were being provided by an ExxonMobil's Power and Gas Marketing Division, and the employee who was originally responsible for providing the forecast to Entergy misunderstood the instruction, interpreting it to mean that ExxonMobil should completely discontinue sending the Power Export Forecast. Because of that misunderstanding, ExxonMobil ceased sending the Power Export Forecast to Entergy, although ExxonMobil continued to generate the forecast. While preparing for its internal assessment, ExxonMobil's corporate office instructed its Power and Gas Marketing Division to transmit the forecast to Entergy every day including weekends beginning January 22, 2009.

On April 17, 2009, SERC Enforcement spoke with Entergy's Transmission Services Manager to determine the impact to Entergy of ExxonMobil's reporting frequency prior to the self-report and then the gap in reporting. On June 24, 2009, SERC Enforcement requested information from

⁹ Exports from the unit during December 2008 were approximately 115 MW and exports during January 2009 were approximately 215 MW.

ExxonMobil regarding any excess generation, to determine whether or not ExxonMobil was generating tags, which they were not. SERC Enforcement also requested information to verify that ExxonMobil was communicating with Entergy about generator outages.

By the time of the Audit on July 22-23, 2009, SERC Audit Staff found ExxonMobil to be in compliance with NERC Reliability Standard IRO-004-1 R4 and TOP-002-2 R3.

SERC determined that ExxonMobil had an alleged violation of IRO-004-1 R4 because it was not reporting information required for system studies on a daily basis. SERC Enforcement determined the duration of the instant violation to be from December 27, 2008, the first day for which ExxonMobil failed to provide Entergy information about the unit's availability, to January 22, 2009, the first date for which Entergy received forecast information.

SERC Enforcement concluded that the facts and evidence also supported a finding that ExxonMobil violated TOP-002-2 R3, because ExxonMobil did not coordinate its current day and next-day operations¹⁰ with its Host Balancing Authority and Transmission Service Provider. SERC Enforcement determined the duration of the instant violation to be from December 27, 2008, the first date for which ExxonMobil failed to provide Entergy information about the unit's availability, to January 22, 2009, the first date for which Entergy received forecast information.

SERC Staff determined that the alleged violations of IRO-004-1 R4 and TOP-002-2 R3 did not pose a serious or substantial risk to the BPS because of the limited duration of the violation, the relatively small size of the ExxonMobil facility at issue (total generation for the Beaumont cogeneration facility is 491.1 MW) and ExxonMobil was providing the Power Export Forecast three times per week.

PRC-005-1

The purpose of Reliability Standard PRC-005-1 is to ensure all transmission and generation Protection Systems affecting the reliability of the BPS are maintained and tested.

PRC-005-1 R2 requires each Generator Owner that owns a generation Protection System, such as ExxonMobil, to provide documentation of its Protection System maintenance and testing program and the implementation of that program to its Regional Entity on request (within 30 calendar days). The documentation of the program implementation shall include: (R2.1) evidence Protection System devices were maintained and tested within the defined intervals and (R2.2) date each Protection System device was last tested/maintained. PRC-005-1 R2.1 is assigned a "High" VRF.

On March 19, 2009, ExxonMobil submitted a self-report to SERC stating that its *Generator Protection System Maintenance and Testing Plan* required it to perform monthly, quarterly and yearly testing on its station batteries and, while it had documentation that it had completed the monthly inspection requirements, ExxonMobil did not have documentation to verify completion of the quarterly and yearly inspections for all its generation Protection System station batteries.

¹⁰ Due to the limited duration of the gap, seasonal operations were not affected and were not included here.

In response to ExxonMobil's self-report, SERC Enforcement Staff requested a copy of the maintenance activities performed at each interval for annual, quarterly and monthly station battery inspections. In its review of ExxonMobil's procedure, SERC Enforcement found that ExxonMobil's *Generator Protection System Maintenance and Testing Plan*, based on manufacturer recommendations and its own in-plant maintenance program, requires monthly, quarterly and yearly testing be performed on the station batteries included as part of the generation Protection System.

SERC Enforcement determined that the facts and evidence supported a finding that ExxonMobil had an alleged violation of PRC-005-1 R2.1, because ExxonMobil was unable to produce evidence demonstrating that it performed quarterly and yearly inspections of its generation Protection System station batteries. SERC Enforcement determined the duration of the alleged violation to be from June 18, 2007, the date the Standard became enforceable, through June 30, 2009, when ExxonMobil completed its Mitigation Plan.

SERC Enforcement determined that the alleged violation of PRC-005-1 R2 did not pose a serious or substantial risk to the BPS because ExxonMobil was performing and had documentation of its monthly battery inspections which provided a regular check of the batteries' condition.

ExxonMobil's Compliance Program

Based on the compliance pre-audit questionnaire, the Audit Team's assessment and SERC Enforcement's interaction with ExxonMobil, SERC Enforcement confirmed that ExxonMobil has an effective compliance program consisting of the following components:

- an established, formal program for internal compliance;
- the compliance program is well documented and widely disseminated within the company;
- the program is supervised by an officer or other high-ranking official;
- the program is fully supported by senior management;
- the compliance official has independent access to the CEO contact;
- the program has sufficient resources dedicated to the compliance program;
- personnel from this site and other ExxonMobil sister sites meet for external compliance assessments at least annually for company review and possible modification of the compliance program;
- annual training is provided for employees involved in positions where following NERC Reliability Standards is required;
- the training is sufficiently detailed and thorough to instill an understanding of relevant rules and the importance of compliance;
- the company has an ongoing process for auditing compliance with Commission regulations in addition to training, including internal self auditing for compliance on an annual basis for full compliance with Reliability Standards applicable to Entity; and
- ExxonMobil's Employee Standards of Business Conduct includes remedies up to and including termination as disciplinary action for employees involved in violations of the Reliability Standards.

Regional Entity's Basis for Penalty

According to the Settlement Agreement, SERC has assessed a penalty of ten thousand dollars (\$10,000) for the referenced alleged violations. In reaching this determination, SERC considered the following factors: (1) ExxonMobil self-reported the alleged violations; (2) the alleged violations constituted ExxonMobil's first occurrence of violations of the NERC Reliability Standards; (3) ExxonMobil was cooperative throughout the compliance enforcement process; (4) there was no evidence of any attempt to conceal a violation nor evidence of intent to do so; (5) ExxonMobil had an effective compliance program and culture as discussed above; and (6) SERC determined that the alleged violations did not pose a serious or substantial risk to the BPS, as discussed above.

After consideration of the above factors, SERC determined that, in this instance, the penalty amount of ten thousand dollars (\$10,000) is appropriate and bears a reasonable relation to the seriousness and duration of the alleged violations.

Status of Mitigation Plans¹¹

IRO-004-1 R4 and TOP-002-2 R3

ExxonMobil's identical Mitigation Plans to address its alleged violations of IRO-004-1 R4 and TOP-002-2 R3 were originally submitted to SERC on March 25, 2009 and then again on May 19, 2009, as completed on March 20, 2009, because SERC requested that ExxonMobil include additional actions it had taken to prevent recurrence of these violations. These Mitigation Plans were accepted by SERC on July 7, 2009 and approved by NERC on July 29, 2009. The Mitigation Plan for the alleged violation of IRO-004-1 R4 is designated as MIT-07-1810. The Mitigation Plan for the alleged violation of TOP-002-2 R3 is designated as MIT-08-1811. Both Mitigation Plans were submitted as non-public information to FERC on August 3, 2009 in accordance with FERC orders.

ExxonMobil's actions required by its identical Mitigation Plans to return it to compliance had been completed at the time the Mitigation Plans were submitted. The Mitigation Plans stated that ExxonMobil had:

1. changed its process to have the 2-week Power Export Forecast e-mailed to the Entergy SOC daily, before 1200 Noon Central Standard Time;
2. included copying a member of ExxonMobil's NERC Compliance Team on the daily e-mails for the purpose of saving the export forecast and the e-mail;
3. developed procedure *NP-TOP-002* which specifies reporting responsibilities and requirements; and
4. provided procedure training to appropriate personnel, including the Power Sales & Utilities Coordinator, Coordination Section Supervisor and the Regional Supply Manager for Power and Gas Marketing.

¹¹ See 18 C.F.R. § 39.7(d)(7).

This Mitigation Plan also required the following additional actions to prevent future recurrence of noncompliance:

1. transferred the responsibility for providing the forecast to Entergy from the ExxonMobil Power and Gas Marketing Division to ExxonMobil to minimize communication difficulties and to ensure that the forecast is sent daily.

ExxonMobil certified on April 17, 2009 that its Mitigation Plans were completed on March 20, 2009. As evidence of completion of its Mitigation Plan, ExxonMobil submitted a copy of the *Beaumont Refinery Power Export Forecast E-mail Log* that lists the dates that each of the export forecast e-mails were sent to its BA; examples of Power Export Forecasts for December 12, 2008, January 21, 2009, April 6, 2009, April 20, 2009 and May 5, 2009; and *NP-TOP-002A*, ExxonMobil's procedure defining forecast submittal requirements.

On June 10, 2009, after SERC's review of ExxonMobil's submitted evidence, SERC verified that ExxonMobil's Mitigation Plans were completed on March 20, 2009 and that ExxonMobil was in compliance with IRO-004-1 R4 and TOP-002-2 R3.

PRC-005-1 R2.1

ExxonMobil's Mitigation Plan to address its alleged violation of PRC-005-1 R2.1 was submitted to SERC on March 25, 2009 with a proposed completion date of July 1, 2009. The Mitigation Plan was accepted by SERC on April 21, 2009 and approved by NERC on April 29, 2009. The Mitigation Plan for this alleged violation is designated as MIT-07-1640 and was submitted as non-public information to FERC on April 30, 2009 in accordance with FERC orders.

ExxonMobil's Mitigation Plan required ExxonMobil to:

1. revise the process to ensure that the required quarterly and annual battery maintenance procedures (PM)s are part of the JobCop maintenance software system. An Internal memorandum will have to be approved for the generation of a PM. Once entered into JobCop, this system will produce work orders in ExxonMobil's TabWare Database at the designated intervals. ExxonMobil will use its current PM report to track completion;
2. develop a maintenance procedure which incorporates the requirements associated with PRC-005-1 R2. This work order will cover the inspection and maintenance guidelines for the equipment associated with the generation Protection Systems at Power Plant #4;
3. institute a work process to ensure: a) documentation is scanned and stored electronically, b) Quarterly Cold Eyes Assessments are scheduled with Engineering, and c) that the process is being followed and the documentation is maintained; and
4. complete all remaining quarterly and annual PMs. ExxonMobil will complete the remaining inspections when the remaining units (GTG-42 and GTG-43) are down for an off-line water wash.

ExxonMobil certified on June 30, 2009 that the above Mitigation Plan requirements were completed on that same day. As evidence of completion of its Mitigation Plan, ExxonMobil submitted the following evidence in support that its Mitigation Plan was completed in accordance with its terms:

1. *PM 33001 - Quarterly Battery Inspection for Burt Street and Power Plant #4 (PP4)* - Summary of quarterly battery inspection tasks;
2. *PM 33002 – Annual Battery Inspection for Burt Street and PP4* - Summary of annual battery inspection tasks;
3. *PM-33007 – 6-yr Relay Inspection Summary* - Summary of 6-year relay inspection tasks and tests;
4. Screenshots of Maintenance System Software showing monthly, quarterly and annual tests for Burt Street and PP4 - Print-outs of computer screens showing maintenance requirements and schedules for maintenance intervals;
5. *MP-321 Generator Protection System Maintenance and Testing* dated May 14, 2009 - Maintenance procedure that covers PRC-005-1 requirements;
6. Record of “Cold Eyes Review” - Print-out of calendar entry of Engineering & Maintenance Supervisor’s meeting to perform a manual review of maintenance schedules;
7. *Quarterly and Annual Test Record* - Screen shot of battery test dates for quarterly and annual inspections;
8. *PP4 Statement of Completion* dated June 30, 2009 – E-mail from contractor that battery tests on PP4 were completed on June 22, 2009;
9. Burt Street Bank 1 test results dated March 27, 2009;
10. Unit 41 test results dated March 27, 2009;
11. Unit 42 test results dated March 25, 2009;
12. Unit 43 test results dated March 27, 2009;
13. Unit 42 test results dated June 15, 2009 and Unit 43 test results dated June 22, 2009;
14. Battery test specifications and results dated March 4, 2009; and Burt Street and PP4 Report from contractor on work performed and results;
15. Quarterly battery test results dated July 16, 2009;
16. *ABB 145 PM Circuit Breaker Maintenance Guide* - Manufacturing document recommending testing DC control circuitry as part of the 5-7 year maintenance cycle of the gas circuit breaker;
17. *Schweitzer 2505 Communication Module* - Manufacturing document with recommended testing procedure; and
18. *BAE battery operating instructions (OPZS Cells North America - Maintenance)* – Manufacturing document listing required inspections and testing for the BAE batteries located in the PP4 switch room.

On August 21, 2009, after SERC’s review of ExxonMobil’s submitted evidence, SERC verified that ExxonMobil’s Mitigation Plan was completed on June 30, 2009 and ExxonMobil was in compliance with PRC-005-1 R2.1.

Statement Describing the Proposed Penalty, Sanction or Enforcement Action Imposed¹²

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 Guidance Order,¹³ the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on March 10, 2010. The NERC BOTCC approved the Settlement Agreement, including SERC's imposition of a financial penalty, assessing a penalty of ten thousand dollars (\$10,000) against ExxonMobil 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 alleged violations at issue.

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

1. ExxonMobil self-reported the alleged violations;
2. these alleged violations constituted ExxonMobil's first occurrence of violations of the NERC Reliability Standards;
3. SERC reported ExxonMobil was cooperative throughout the compliance enforcement process;
4. SERC determined that ExxonMobil has an effective compliance program and culture as discussed above;
5. there was no evidence of any attempt to conceal a violation nor evidence of intent to do so; and
6. SERC determined that the alleged violations did not pose a serious or substantial risk to the BPS, as discussed above.

For the foregoing reasons, the NERC BOTCC approves the Settlement Agreement and believes that the proposed penalty of ten thousand dollars (\$10,000) is appropriate for the alleged violations and circumstances in question, and is consistent with NERC's goal to promote and ensure reliability of the BPS.

Pursuant to Order No. 693, 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.

¹² See 18 C.F.R. § 39.7(d)(4).

¹³ *North American Electric Reliability Corporation*, "Guidance Order on Reliability Notices of Penalty," 124 FERC ¶ 61,015 (2008).

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 and material:

- a) ExxonMobil's Self-Report for IRO-004-1 R4 dated March 19, 2009, included as Attachment a;
- b) ExxonMobil's Self-Report for TOP-002-2 R3 dated March 19, 2009, included as Attachment b;
- c) ExxonMobil's Self-Report for PRC-005-1 R2.1 dated March 19, 2009, included as Attachment c;
- d) Settlement Agreement by and between SERC and ExxonMobil executed November 19, 2009, included as Attachment d with the following Appendixes:
 - i) ExxonMobil's Mitigation Plan designated as MIT-07-1810 for IRO-004-1 R4 submitted May 19, 2009, included as Appendix A-1 to the Settlement Agreement;
 - ii) ExxonMobil's Certification of Completion of the Mitigation Plan for IRO-004-1 R4 dated April 17, 2009, included as Appendix A-2 to the Settlement Agreement;
 - iii) SERC's Verification of Completion of the Mitigation Plan for IRO-004-1 R4 dated June 10, 2009, included as Appendix A-3 to the Settlement Agreement;
 - iv) ExxonMobil's Mitigation Plan designated as MIT-08-1811 for TOP-002-2 R3 submitted May 19, 2009, included as Appendix A-4 to the Settlement Agreement;
 - v) ExxonMobil's Certification of Completion of the Mitigation Plan for TOP-002-2 R3 dated April 17, 2009 and signed May 19, 2009, included as Appendix A-5 to the Settlement Agreement;
 - vi) SERC's Verification of Completion of the Mitigation Plan for TOP-002-2 R3 dated June 10, 2009, included as Appendix A-6 to the Settlement Agreement;
 - vii) ExxonMobil's Mitigation Plan designated as MIT-07-1640 for PRC-005-1 R2.1 submitted March 25, 2009, included as Appendix A-7 to the Settlement Agreement;
 - viii) ExxonMobil's Certification of Completion of the Mitigation Plan for PRC-005-1 R2.1 dated June 30, 2009,¹⁴ included as Appendix A-8 to the Settlement Agreement; and
 - ix) SERC's Verification of Completion of the Mitigation Plan for PRC-005-1 R2.1 dated August 21, 2009, included as Appendix A-9 to the Settlement Agreement.

A Form of Notice Suitable for Publication¹⁵

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

¹⁴ Appendix A-8 incorrectly states "Date of Certification: 06/30/2008" but the correct date is 06/30/2009.

¹⁵ See 18 C.F.R. § 39.7(d)(6).

Notices and Communications

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

<p>Gerald W. Cauley* President and Chief Executive Officer David N. Cook* Vice President and General Counsel North American Electric Reliability Corporation 116-390 Village Boulevard Princeton, N.J. 08540-5721 (609) 452-8060 (609) 452-9550 – facsimile gerry.cauley@nerc.net david.cook@nerc.net</p> <p>Elijah Culpepper* Annex 110 ExxonMobil Oil Corporation - Beaumont Refinery 1795 Burt St. Beaumont, TX 77704 (409) 757-1245 elijah.t.culpepper@exxonmobil.com</p> <p>Larry Placette* NERC Compliance Contact ExxonMobil Oil Corporation - Beaumont Refinery Building 253, Rm. 19 1795 Burt St. Beaumont, TX 77704 (409) 757-3908 (409) 757-4065 (facsimile) larry.w.placette@exxonmobil.com</p> <p>David Askin* Refinery Attorney ExxonMobil Oil Corporation - Beaumont Refinery Main Building Rm. 402 1795 Burt St. Beaumont, TX 77704 (409) 757-1664 (409) 757-3379 (facsimile) david.c.askin@exxonmobil.com</p>	<p>Rebecca J. Michael* Assistant General Counsel Holly A. Hawkins* Attorney North American Electric Reliability Corporation 1120 G Street, N.W. Suite 990 Washington, D.C. 20005-3801 (202) 393-3998 (202) 393-3955 – facsimile rebecca.michael@nerc.net holly.hawkins@nerc.net</p> <p>Thomas J. Galloway Interim President and Chief Executive Officer SERC Reliability Corporation 2815 Coliseum Centre Drive Charlotte, NC 28217 (704) 940-8205 (704) 357-7914 – facsimile tgalloway@serc1.org</p> <p>Marisa Sifontes* Interim Compliance Director and Compliance Legal Counsel SERC Reliability Corporation 2815 Coliseum Centre Drive Charlotte, NC 28217 (704) 494-7775 (704) 357-7914 – facsimile msifontes@serc1.org</p> <p>Kenneth B. Keels, Jr.* Manager of Compliance Enforcement SERC Reliability Corporation 2815 Coliseum Centre Drive Charlotte, NC 28217 (704) 940-8214 (704) 357-7914 – facsimile kkeels@serc1.org</p>
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Joseph Gourley NERC Power Engineer ExxonMobil Oil Corporation - Beaumont Refinery RTF 10-plex, Rm. 28a 1795 Burt St. Beaumont, TX 77704 (409) 757-1336 (409) 757-3126 (facsimile) joseph.w.gourley@exxonmobil.com	*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.
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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,

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President and Chief Executive Officer
David N. Cook
Vice President and General Counsel
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/s/ Rebecca J. Michael
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cc: ExxonMobil Oil Corporation - Beaumont Refinery
SERC Reliability Corporation

Attachments

Attachment a

**ExxonMobil's Self-Report for IRO-004-1 R4
dated March 19, 2009**



SERC Reliability Corporation
Self-Reporting / Complaint Form Template
Revision 1 (10-25-07)

Report Type (please check): ☒ **Self-Report** ☐ **Complaint**

Date of Report: 03/19/2009

NAME OF PERSON REPORTING POSSIBLE STANDARD VIOLATION(S)		
CONTACT NAME	CONTACT TELEPHONE NUMBER	
Elijah Culpepper	409-757-1245	
CONTACT E-MAIL	CONTACT FAX	
Elijah.T.Culpepper@exxonmobil.com	409-757-3126	
REPORTING COMPANY NAME	ANONYMOUS? (Y/N)	
ExxonMobil	No	
NERC OR REGIONAL STANDARD(S) AND SPECIFIC REQUIREMENT(S) POSSIBLY VIOLATED		
NAME OF COMPANY POSSIBLY VIOLATING STANDARD(S)		ENTITY FUNCTION TYPE(S)
ExxonMobil		GO/GOP
STANDARD # AND VERSION	MEASURE / REQUIREMENT	DATE OF POSSIBLE VIOLATION(S)
IRO-004-1	R4	Dec 2008 – Feb 2009
POSSIBLE VIOLATION DESCRIPTION, REASON FOR COMPLAINT, OR QUESTION		
<p>NERC Standard IRO-004-1 Requirement 4 states that each Generator Operator shall provide information required for system studies, such as critical facility status, load, generation, operating reserve projections and known Interchange Transactions by 1200 Central Standard Time for the eastern Interconnection.</p> <p>In the past, to meet Entergy requirements, we e-mailed a two-week Power Export Forecast to Entergy System Operations Center which provided a rolling 14 day forecast of planned power exports from ExxonMobil Beaumont Refinery. This export forecast was e-mailed as updates occurred and it was not required to update and send the document on Saturday and Sunday. Upon discovering that the document was not being sent on weekends, we contacted the ExxonMobil Power and Gas Marketing Division and requested that this information be sent daily before 1200 Noon Central Standard Time. We now e-mail this two-week export forecast daily, including weekends and copies of the report are e-mailed to a member of the ExxonMobil NERC compliance team for documentation purposes.</p>		
RELIABILITY IMPACT (IF KNOWN)		
<p>Reliability Impact = None</p> <p>We believe the reliability impact to be low because while the two-week Power Export Forecast was not e-mailed on the weekends, it did provide a forecast of expected export levels for Friday, Saturday and Sunday for each week.</p> <p>In addition, Entergy (TO, TOP, BA, PA) has not previously requested ExxonMobil to provide this information on weekends.</p>		



SERC Staff will contact the person providing the report as soon as possible.

If you do not receive a response from SERC Staff within 2 business days please contact the SERC office (704-357-7372).

Please complete the form as completely as possible and email to serccomply@serc1.org.

Attachment b

**ExxonMobil's Self-Report for TOP-002-2 R3
dated March 19, 2009**



SERC Reliability Corporation
Self-Reporting / Complaint Form Template
Revision 1 (10-25-07)

Report Type (please check): ☒ **Self-Report** ☐ **Complaint**

Date of Report: 03/19/2009

NAME OF PERSON REPORTING POSSIBLE STANDARD VIOLATION(S)		
CONTACT NAME	CONTACT TELEPHONE NUMBER	
Elijah Culpepper	409-757-1245	
CONTACT E-MAIL	CONTACT FAX	
Elijah.T.Culpepper@exxonmobil.com	409-757-3126	
REPORTING COMPANY NAME	ANONYMOUS? (Y/N)	
ExxonMobil	No	
NERC OR REGIONAL STANDARD(S) AND SPECIFIC REQUIREMENT(S) POSSIBLY VIOLATED		
NAME OF COMPANY POSSIBLY VIOLATING STANDARD(S)		ENTITY FUNCTION TYPE(S)
ExxonMobil		GOP
STANDARD # AND VERSION	MEASURE / REQUIREMENT	DATE OF POSSIBLE VIOLATION(S)
TOP-002-2	R3	Dec 2008 – Feb 2009
POSSIBLE VIOLATION DESCRIPTION, REASON FOR COMPLAINT, OR QUESTION		
<p>NERC Standard TOP-002-2 Requirement 3 states that each Generator Operator shall coordinate (where confidentiality agreements allow) its current-day, next-day, and seasonal operations with its Host Balancing Authority and Transmission Service Provider.</p> <p>In the past, to meet Entergy requirements, we e-mailed a two-week Power Export Forecast to Entergy System Operations Center. This document provided a 14 day forecast of planned power exports from the ExxonMobil Beaumont Refinery. The export forecast was e-mailed as updates occurred and the document was not sent on weekends. Upon discovering that this information was not being sent daily, including weekends, we contacted the ExxonMobil power and Gas Marketing Division and requested that this information be sent daily. We now e-mail this two-week export forecast daily, including weekends.</p>		
RELIABILITY IMPACT (IF KNOWN)		
<p>Reliability Impact = None</p> <p>We believe the reliability impact to be low because while the two-week Power Export Forecast was not e-mailed on the weekends, it did provide an updated forecast of the Beaumont Refinery power export levels for Friday, Saturday and Sunday.</p> <p>In addition, Entergy (TO, TOP, BA, PA) has not previously requested ExxonMobil to provide this information on weekends.</p>		

SERC Staff will contact the person providing the report as soon as possible.



If you do not receive a response from SERC Staff within 2 business days please contact the SERC office (704-357-7372).

Please complete the form as completely as possible and email to serccomply@serc1.org.

Attachment c

ExxonMobil's Self-Report for PRC-005-1 R2.1 dated March 19, 2009



SERC Reliability Corporation
Self-Reporting / Complaint Form Template
Revision 1 (10-25-07)

Report Type (please check): ☒ **Self-Report** ☐ **Complaint**

Date of Report: 03/19/2009

NAME OF PERSON REPORTING POSSIBLE STANDARD VIOLATION(S)		
CONTACT NAME	CONTACT TELEPHONE NUMBER	
Elijah Culpepper	409-757-1245	
CONTACT E-MAIL	CONTACT FAX	
Elijah.T.Culpepper@exxonmobil.com	409-757-3126	
REPORTING COMPANY NAME	ANONYMOUS? (Y/N)	
ExxonMobil	No	
NERC OR REGIONAL STANDARD(S) AND SPECIFIC REQUIREMENT(S) POSSIBLY VIOLATED		
NAME OF COMPANY POSSIBLY VIOLATING STANDARD(S)		ENTITY FUNCTION TYPE(S)
ExxonMobil		GOP
STANDARD # AND VERSION	MEASURE / REQUIREMENT	DATE OF POSSIBLE VIOLATION(S)
PRC-005-1	R2.1	June 2007 – June 2009
POSSIBLE VIOLATION DESCRIPTION, REASON FOR COMPLAINT, OR QUESTION		
<p>NERC Standard PRC-005-1 Requirement 2.1 states that each Generator Owner shall provide on request evidence that Protection Systems were maintained and tested within the defined intervals.</p> <p>Our Generator Protection System maintenance and testing plan requires that we perform monthly, quarterly and yearly testing on the station batteries included as part of the Generator protection System. We have preventive maintenance documentation to show we have completed the monthly inspection requirements. We are unable to locate the documentation to verify the completion of the quarterly and yearly inspections.</p>		
RELIABILITY IMPACT (IF KNOWN)		
<p>Reliability Impact = None</p> <p>We believe the reliability impact to be low because we have not had any battery failures resulting in reliability incidents.</p>		

SERC Staff will contact the person providing the report as soon as possible.

If you do not receive a response from SERC Staff within 2 business days please contact the SERC office (704-357-7372).



Please complete the form as completely as possible and email to serccomply@serc1.org.

Attachment d

**Settlement Agreement by and between SERC and
ExxonMobil executed November 20, 2009**

SETTLEMENT AGREEMENT

OF

SERC RELIABILITY CORPORATION

AND

EXXONMOBIL OIL CORPORATION

I. INTRODUCTION

1. SERC Reliability Corporation (“SERC”) and ExxonMobil Oil Corporation – Beaumont Refinery (“ExxonMobil”) enter into this Settlement Agreement (“Settlement Agreement”) to resolve all outstanding issues arising from a preliminary and non-public assessment resulting in SERC’s determination and findings, pursuant to the North American Electric Reliability Corporation (“NERC”) Rules of Procedure, of three alleged violations by ExxonMobil of NERC Reliability Standards IRO-004-1 (Reliability Coordination – Operations Planning) Requirement 4 (SERC Tracking No. 09-008, NERC Violation ID No. SERC200900253), TOP-002-2 (Normal Operations Planning), Requirement 3 (SERC Tracking No. 09-009, NERC Violation ID No. SERC200900254) and PRC-005-1 (Transmission and Generation Protection System Maintenance and Testing) Requirement 2 (SERC Tracking No. 09-010, NERC Violation ID No. SERC200900255).

II. STIPULATION

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

Background

3. ExxonMobil Oil Corporation is an affiliate of Exxon Mobil Corporation, a global, integrated petrochemical energy corporation, with upstream, downstream/chemicals, and marketing divisions with approximately 80,000 employees. ExxonMobil’s Beaumont Refinery is a wholly-owned subsidiary of Mobil Oil Corporation, which is a wholly-owned subsidiary of Exxon Mobil

Corporation. The Refinery has been in operation since 1903 and has a current crude capacity of 359,100 barrels per day and produces an average of approximately 150,000 barrels per day of motor gasoline. The Refinery currently employs approximately 1,100 employees and between 700 and 1,200 contractors. The Refinery is co-located and integrated with an ExxonMobil chemical complex.

4. Construction of the ExxonMobil Beaumont Refinery's NERC-registered steam and electricity generating cogeneration plant began in 2002.¹ The plant became operational between December 2004 and June 2005. The generating plant consists of three independent GE Frame 7FA gas turbine generator trains that each have nameplate ratings of 163.7 MW. Each gas turbine is connected to the Bulk Electrical System at 138 kV via dedicated generator step-up transformers at an interconnection point with Entergy. The Generated electricity is used to supplement the Refinery's power needs and approximately 50 - 200 MW of excess power is sold to Entergy. Total generation for the Beaumont cogeneration facility is 491.1 MW.
5. ExxonMobil is registered with SERC as a Generator Owner ("GO") and Generator Operator ("GOP") (NCR01239). ExxonMobil became registered as a Generator Operator on December 2, 2008. Entergy is the Balancing Authority (BA) and Transmission Operator (TOP) for ExxonMobil. The Reliability Coordinator (RC) role is performed by the Southwest Power Pool – ICTE, on behalf of Entergy. ExxonMobil communicates all balancing and reliability information directly to Entergy.
6. On January 24, 2009, SERC notified ExxonMobil that a compliance audit to determine its compliance with the NERC Reliability Standards had been scheduled to take place on July 22-24, 2009.²
7. On April 24, 2009 and again on May 7, 2009, SERC Staff sent letters to ExxonMobil detailing, among other things, the Reliability Standards that would be the focus of the upcoming compliance audit. Among the standards to be audited were NERC Reliability Standards IRO-004-1 (Reliability Coordination – Operations Planning), TOP-002-2 (Normal Operations Planning) and PRC-005-1 (Transmission and Generation Protection System Maintenance and Testing).

¹ The Exxon-Mobil cogeneration plant is considered a Qualifying Facility under PURPA.

² The May 7 letter added NERC Reliability Standard TOP-003-0 to the list of standards in scope for the upcoming audit.

Alleged Violations

Alleged Violations of NERC Reliability Standards IRO-004-1, Requirement 4 and TOP-002-2, Requirement 3

8. The purpose of NERC Reliability Standard IRO-004-1 is to ensure that Reliability Coordinators have sufficient information to conduct next-day reliability analyses to ensure the Bulk Electric System can be operated reliably in anticipated normal and Contingency conditions.
9. NERC Reliability Standard IRO-004-1, Requirement 4 requires a Generator Owner and Generator Operator to provide to its Reliability Coordinator information required for system studies, such as critical facility status, Load, generation, operating reserve projections, and known Interchange Transactions. The information must be provided by 1200 Central Standard Time for the Eastern Interconnection.³
10. The purpose of NERC Reliability Standard TOP-002-2, Requirement 3 is to ensure that current operations plans and procedures are made available; as such plans and procedures are essential to being prepared for reliable operations, including response for unplanned events.
11. NERC Reliability Standard TOP-002-2, Requirement 3 requires that a Generator Operator coordinate its current-day, next-day and seasonal operations with its Host Balancing Authority and Transmission Service Provider.⁴
12. On March 19, 2009, ExxonMobil submitted a self-report to SERC stating that while it had been providing its Power Export Forecast, containing a two-week rolling forecast of planned power exports from the facility, it had only been doing so as updates occurred, typically two to three times each week, and not on Saturdays and Sundays. Upon learning that the forecast was not being sent on the weekends, ExxonMobil changed its practice to require that the information be sent to its Host Balancing Authority on a daily basis.
13. After confirming ExxonMobil's NERC registration status, SERC Enforcement Staff commenced its detailed compliance assessment. On March 30, 2009, SERC Enforcement Staff issued to ExxonMobil a Compliance Assessment Notice advising ExxonMobil of the initiation of a formal assessment to determine, in part, its compliance relative to NERC Reliability Standard IRO-004-1, Requirement 4, and

³ NERC Reliability Standard IRO-004-1 – Reliability Coordination – Operations Planning, approved by NERC Board of Trustees on February 7, 2006, approved by FERC effective June 18, 2007.

⁴ NERC Reliability Standard TOP-002-2 – Normal Operations Planning, approved by NERC Board of Trustees on November 1, 2006, approved by FERC effective June 18, 2007.

directing ExxonMobil to preserve all relevant records and information. SERC Staff promptly established direct contact with representatives of ExxonMobil to begin the process of gathering information and documentation for the detailed compliance assessment. SERC Staff also reported the possible violations to NERC, which, in turn, reported the possible violations to the Federal Energy Regulatory Commission (“Commission”) in accordance with the Compliance Monitoring Enforcement Program (“CMEP”) of the NERC Rules of Procedure.

14. SERC Enforcement Staff contacted ExxonMobil with questions to assist in its assessment, to which ExxonMobil promptly responded. Specifically, SERC Enforcement Staff requested ExxonMobil provide any written agreement that ExxonMobil had with Entergy regarding when ExxonMobil was to submit the Power Export Forecast prior the recent schedule change to meet the requirement of the Standards, and evidence of the information that ExxonMobil was reporting to Entergy prior to the recent change. SERC Enforcement Staff also requested a copy of all submissions of the Power Export Forecast to Entergy covering the period January 13, 2009 – January 19, 2009.
15. In reviewing ExxonMobil’s responses, SERC Enforcement Staff identified a gap in ExxonMobil’s reporting and requested additional information to assist in its review. In its response, ExxonMobil verified that there was a time period, from December 12, 2008 to January 22, 2009, when it did not provide the Power Export Forecast to Entergy. ExxonMobil explained that due to the effects of Hurricane Ike, Entergy declared an “Emergency Generation Period” on October 2, 2008 and required that ExxonMobil route the Power Export Forecast to Entergy at a special emergency email address. By phone on December 12, 2008, a representative from Entergy stated that the “Emergency Generation Period” had ended and stated that ExxonMobil no longer needed to send the Forecast to the emergency address. At that time, an employee of the ExxonMobil affiliate that was originally responsible for providing the forecast to Entergy misunderstood the instruction, interpreting it to mean that ExxonMobil should completely discontinue sending the Power Export Forecast. In accordance with that misunderstanding, the ExxonMobil affiliate ceased sending the Power Export Forecast to Entergy, although ExxonMobil continued to generate the forecast. While preparing for its internal assessment, ExxonMobil instructed its affiliate to transmit the forecast to Entergy every day including weekends beginning January 22, 2009.
16. On April 17, 2009, SERC Enforcement Staff spoke with Entergy’s Transmission Services Manager to determine the impact to Entergy of ExxonMobil’s reporting frequency prior to the self-report and then the gap in reporting. On June 24, 2009, SERC Enforcement Staff requested information from ExxonMobil regarding any excess generation, to determine whether or not ExxonMobil was generating tags, which they were not. SERC Enforcement Staff also requested information to verify that ExxonMobil was communicating with Entergy about generator outages.

17. In its review, SERC Enforcement Staff found that prior to the self-report, ExxonMobil's practice had been to e-mail Entergy's System Operation Center (SOC) a two-week Power Export Forecast which provided a rolling 14-day forecast of planned power exports from its generating facility. The Power Export Forecast was e-mailed as updates occurred, typically 2 - 3 times per week, and the document was not sent on weekends. During its independent assessment process, ExxonMobil identified that this information was not being sent daily, including weekends. Upon discovering that the document was not being sent daily, ExxonMobil self-reported a possible violation to SERC and changed its process to have the information sent daily before 1200 Noon Central Standard Time. This information is now e-mailed to Entergy daily, including on weekends, and copies of the report are e-mailed to a member of ExxonMobil's NERC compliance team for documentation purposes. In addition, the responsibility for providing the forecast to Entergy was transferred from the affiliate to ExxonMobil to minimize communication difficulties and to ensure that the forecast is sent daily.
18. During its review, SERC Enforcement Staff also found that there was a period of time from December 12, 2008 to January 22, 2009 during which no Power Export Forecast reports were submitted by Entity because of an employee's misunderstanding of instructions. Exports from the unit during December 2008 were approximately 115 MW and exports during January 2009 were approximately 215 MW. Entergy was not aware of any reliability impacts as a result of the gap in reporting.
19. At the time of the Audit, SERC Audit Staff found ExxonMobil to be in compliance with NERC Reliability Standards IRO-004-1, Requirement 4 and TOP-002-2, Requirement 3.
20. SERC Enforcement Staff found that the facts and evidence supported a finding that ExxonMobil violated NERC Reliability Standard IRO-004-1, Requirement 4, because from December 27, 2008, the first day for which Entergy had no information about the unit's availability to January 22, 2009, the first date for which Entergy received forecast information, ExxonMobil was unable to produce evidence to show that it had provided its Reliability Coordinator information required for system studies. Requirement 4 of NERC Reliability Standard IRO-004-1 is assigned a "High" VRF.
21. SERC Enforcement Staff concluded that the facts and evidence supported a finding that ExxonMobil violated NERC Reliability Standard TOP-002-2, Requirement 3, because from December 27, 2008, the first date for which Entergy had no information about the unit's availability to January 22, 2009, the first date for which Entergy received forecast information, ExxonMobil did not coordinate its current day and next-day operations⁵ with its Host Balancing Authority and Transmission

⁵ Due to the limited duration of the gap, seasonal operations were not affected.

Service Provider. Requirement 3 of NERC Reliability Standard TOP-002-2 is assigned a “Medium” VRF.

22. SERC Staff concluded that there was no serious or substantial risk to the reliability of the bulk power system as a result of the alleged violations of NERC Reliability Standards IRO-004-1 and TOP-002-2 due to the limited duration of the violation, the small size of the Entity and the direct communication between ExxonMobil and its Balancing Authority, Reliability Coordinator and Transmission Operator.

Alleged Violation of NERC Reliability Standard PRC-005-1, Requirement 2

23. The purpose of NERC Reliability Standard PRC-005-1 is to ensure that all transmission and generation Protection Systems that affect the reliability of the Bulk Electric System are maintained and tested.
24. NERC Reliability Standard PRC-005-1, Requirement 2 requires each Generator Owner that owns a generation Protection System 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).
25. On March 19, 2009, ExxonMobil submitted a self-report to SERC stating that while its Generator Protection System maintenance and testing plan required it to perform monthly, quarterly and yearly testing on its station batteries, it was unable to locate the documentation to verify completion of the quarterly and yearly inspections.
26. After confirming ExxonMobil’s NERC registration status, SERC Enforcement Staff commenced its detailed compliance assessment. On March 30, 2009, SERC Enforcement Staff issued to ExxonMobil a Compliance Assessment Notice advising ExxonMobil of the initiation of a formal assessment to determine, in part, its compliance relative to NERC Reliability Standard PRC-005-1, Requirement 2, and directing ExxonMobil to preserve all relevant records and information. At this time, SERC Enforcement Staff contacted ExxonMobil with questions to assist in its assessment, to which ExxonMobil promptly responded. Specifically, SERC Enforcement Staff requested a copy of the maintenance activities performed at each interval for annual, quarterly and monthly station battery inspections. SERC Enforcement Staff promptly established direct contact with representatives of ExxonMobil to begin the process of gathering information and documentation for the detailed compliance assessment. SERC Enforcement Staff also reported the possible violations to NERC, which, in turn, reported the possible violations to the Commission in accordance with the CMEP of the NERC Rules of Procedure.
27. In its review of ExxonMobil’s procedure to comply with NERC Reliability Standard PRC-005-1, SERC Enforcement Staff found that ExxonMobil’s generator Protection System maintenance and testing plan, developed based on manufacturer recommendations and its own in-plant maintenance program, requires monthly,

quarterly and yearly testing be performed on the station batteries included as part of the generator Protection System. ExxonMobil's internal assessment of its compliance with all NERC Reliability Standards found that it had completed the monthly inspection requirements but had not performed the quarterly and yearly inspections.

28. ExxonMobil was found to be compliant with remaining requirements of NERC Reliability Standard PRC-005-1 at the time of the audit.
29. SERC Enforcement Staff concluded that the facts and evidence supported a finding that ExxonMobil violated NERC Reliability Standard PRC-005-1, Requirement 2, ExxonMobil was unable to produce evidence to support its compliance with the standard. Requirement 2 of NERC Reliability Standard PRC-005-1 is assigned a "High" VRF consistent with the VRF filed by NERC and approved by the Commission.
30. SERC Enforcement Staff concluded that there was no serious or substantial risk to the reliability of the bulk power system as a result of the alleged violation of NERC Reliability Standard PRC-005-1. ExxonMobil was performing and had documentation of its monthly battery inspections which provided a regular check of the batteries' condition.
31. On August 5, 2009, ExxonMobil formally requested settlement discussions for the resolution of the alleged violations.
32. On August 24, 2009, SERC Enforcement Staff conducted a web conference with ExxonMobil representatives. At this time, SERC Enforcement Staff presented its findings and conclusions, the potential daily penalty exposure, and SERC Enforcement Staff's total proposed penalty based on SERC Enforcement Staff's assessment of the seriousness of the alleged violation and ExxonMobil's efforts to remedy the alleged violation, and the settlement process.
33. ExxonMobil's compliance audit took place on July 22 and 23, 2009, with no additional possible violations identified by the Audit team.

III. PARTIES' SEPARATE REPRESENTATIONS

Statement of SERC and Summary of Findings

34. SERC finds that ExxonMobil, as a Generator Owner and Generator Operator, failed to provide evidence that it provided its Reliability Coordinator with information required for system studies. This is a violation of NERC Reliability Standard IRO-004-1, Requirement 4, beginning on December 27, 2008 and continuing until January 22, 2009.

35. SERC finds ExxonMobil, as a Generator Operator, failed to coordinate its current day and next day operations with its Host Balancing Authority and Transmission Service Provider. This is a violation of NERC Reliability Standard TOP-002-2, Requirement 3, beginning on December 27, 2008 and continuing until January 22, 2009.
36. SERC finds that ExxonMobil, as a Generator Owner, could not produce evidence or records to confirm all Protection System devices were maintained and tested within the defined intervals and the date each Protection System device was last tested/maintained. This is a violation of NERC Reliability Standard PRC-005-1, Requirement 2, beginning on June 18, 2007 and continuing until June 30, 2009.
37. SERC Staff concluded that there was no serious or substantial risk on the reliability of the bulk power system, as discussed above.
38. SERC 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 ExxonMobil

39. ExxonMobil neither admits nor denies that the allegations set herein for purposes of this Agreement constitute violations of NERC Reliability Standards IRO-004-1, Requirement 4, TOP-002-2, Requirement 3 and PRC-005-1, Requirement 2.
40. Although ExxonMobil does not admit to nor does it deny the alleged violations of NERC Reliability Standards IRO-004-1, Requirement 4, TOP-002-2, Requirement 3 and PRC-005-1, Requirement 2, ExxonMobil has agreed to enter into this Settlement Agreement with SERC 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. ExxonMobil agrees that this agreement is in the best interest of the parties and in the best interest of maintaining a reliable electric infrastructure.
41. ExxonMobil has a very effective compliance program consisting of the following components:
 - An established, formal program for internal compliance;
 - The compliance program is well documented and widely disseminated within the company;
 - The program is supervised by an officer or other high-ranking official;
 - The program is fully supported by senior management;
 - The compliance official has independent access to the CEO contact;
 - The program has sufficient resources dedicated to the compliance program;
 - Personnel from this site and other ExxonMobil sister sites meet for external compliance assessments at least annually for company review and possible modification of the compliance program;

- Annual training is provided for employees involved in positions where following NERC standards is required.
- The training is sufficiently detailed and thorough to instill an understanding of relevant rules and the importance of compliance.
- The company has an ongoing process for auditing compliance with Commission regulations in addition to training, including internal self auditing for compliance on an annual basis for full compliance with Reliability Standards applicable to Entity.
- ExxonMobil's Employee Standards of Business Conduct (SBC) includes remedies up to and including termination as disciplinary action for employees involved in violations of the Reliability Standards.

IV. MITIGATING ACTIONS, REMEDIES AND SANCTIONS

42. ExxonMobil submitted two identical mitigation plans to address the alleged violations of NERC Reliability Standards IRO-004-1, Requirement 4 and TOP-002-2, Requirement 3. ExxonMobil originally submitted each of these mitigation plans on March 25, 2009, stating that they had been completed on March 20, 2009. The mitigation plans were later revised on May 19, 2009 to provide additional details of actions to prevent reoccurrence. Mitigation Plan MIT-07-1810 for NERC Reliability Standard IRO-004-1, Requirement 4 and Mitigation Plan MIT-08-1811 for NERC Reliability Standard TOP-002-2, Requirement 3 were each accepted by SERC on July 7, 2009 and were approved by NERC on July 29, 2009 and submitted to FERC on August 3, 2009. SERC staff verified completion of ExxonMobil's Mitigation Plans for NERC Reliability Standard IRO-004-1, Requirement 4 and TOP-002-2, Requirement 3 on June 10, 2009.
43. ExxonMobil's Mitigation Plan MIT-07-1810 is attached hereto as Appendix A-1. Its Certification of Mitigation Plan Completion is attached hereto as Appendix A-2, and the Statement of SERC Compliance Staff Regarding Completion of ExxonMobil's Mitigation Plan MIT-07-1810 is attached hereto as Appendix A-3. ExxonMobil's Mitigation Plan MIT-08-1811 is attached hereto as Appendix A-4. Its Certification of Mitigation Plan Completion is attached hereto as Appendix A-5, and the Statement of SERC Compliance Staff Regarding Completion of ExxonMobil's Mitigation Plan MIT-08-1811 is attached hereto as Appendix A-6.
44. Actions implemented by ExxonMobil in its Mitigation Plans will help to prevent a recurrence of any similar violation of NERC Reliability Standards IRO-004-1, Requirement 4 and TOP-002-2, Requirement 3. Specifically, to ensure that the Power Export Forecast is provided on a daily basis, ExxonMobil developed procedure NP-TOP-002 and provided procedure training to ExxonMobil's Power Sales & Utilities Coordinator, Coordination Section Supervisor, and the employee of the affiliate previously responsible for sending the forecast.
45. ExxonMobil's Mitigation Plan MIT-07-1640 for NERC Reliability Standard PRC-005-1, Requirement 2 dated March 25, 2009, was accepted by SERC on April 21,

2009. It was approved by NERC on April 29, 2009 and transmitted to FERC on April 30, 2009. ExxonMobil's Mitigation Plan was completed on June 30, 2009, and ExxonMobil certified its completion on that date. SERC verified completion of Mitigation Plan MIT-07-1640 on August 21, 2009. Mitigation Plan MIT-07-1640 is attached as Appendix A-7. Its Certification of Mitigation Plan Completion is attached hereto as Appendix A-8, and the Statement of SERC Compliance Staff Regarding Completion of ExxonMobil's Mitigation Plan MIT-07-1640 is attached hereto as Appendix A-9.

46. Actions implemented by ExxonMobil in its Mitigation Plan will help to prevent a recurrence of any similar violation of NERC Reliability Standard PRC-005-1, Requirement 2. Specifically, Exxon has:
 - a. Ensured that required quarterly and annual battery maintenance procedure (PM) is part of its JobCop maintenance software system. ExxonMobil has approved a Management of Change record to authorize the generation of these PMs. The system produces work orders in its TabWare work management database at the designated intervals. The current PM reporting process will be used to track PM execution;
 - b. Developed a PM which incorporates the requirements associated with NERC Reliability Standard PRC-005-1, Requirement 2. This PM covers the inspection and maintenance guidelines for the equipment associated with the Generation Protection Systems at Power Plant 4;
 - c. Instituted a work process to ensure documentation is scanned and stored electronically. Engineering will review maintenance documentation on a quarterly basis to ensure the process is being followed and the documentation is being maintained;
 - d. Completed all remaining quarterly and annual PMs.
47. SERC has reviewed the preventative measures described in the Mitigation Plans and has determined that these measures will assist ExxonMobil in improving prospective compliance with the requirements of all of the Reliability Standards, including NERC Reliability Standards IRO-004-1, TOP-002-2 and PRC-005-1 and will ultimately enhance the reliability of the bulk power system within an appropriate time-frame.
48. To verify completion of the mitigation plans for NERC Reliability Standards IRO-004-1 and TOP-002-2, SERC reviewed:
 - a. ExxonMobil's Power Export Forecast E-mail log – a log of emails sent to Entergy with power export forecast listing date and time forecast sent;
 - b. Two-week export forecasts for Dec 12, 2008, Jan 21, 2009, April 6, 2009, April 20, 2009 and May 5, 2009 submissions;

- c. Procedure NP-TOP-002A, Rev 6 which was revised to add language requiring the export forecast to be sent to Entergy prior to 1200 Central Standard Time to meet the requirements of IRO-004-1 and TOP-002-2.
- 49. To verify completion of the mitigation plans for NERC Reliability Standard PRC-005-1, Requirement 2, SERC reviewed quarterly, annual and 6-year maintenance and inspection records.
- 50. SERC Staff also considered the specific facts and circumstances of the alleged violation and ExxonMobil's actions in response to the alleged 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 take into consideration the efforts of [ExxonMobil] to remedy the violation in a timely manner."⁶ The factors considered by SERC Staff in the determination of the appropriate penalty for ExxonMobil's alleged violations of NERC Reliability Standards IRO-004-1, TOP-002-2 and PRC-005-1 pursuant to this Settlement Agreement included the following:
 - a. ExxonMobil has had no prior violation history for any reliability standards during the mandatory reliability period,
 - b. ExxonMobil cooperated with SERC Staff during the investigation, and provided responses to all of SERC Staff's data requests,⁷
 - c. ExxonMobil agreed to resolve this issue via settlement and initiated various mitigation actions and preventative measures before receiving a Notice of Alleged Violation from SERC.
 - d. As described above, ExxonMobil has implemented several measures to address the alleged violations and to protect against future violations of the same or similar requirements, as set forth in Paragraphs 44 and 46.
 - e. ExxonMobil has a well developed and effective compliance program.
- 51. SERC and ExxonMobil agree that in addition to the actions taken in its Mitigation Plans, ExxonMobil will take the following actions within sixty (60) days of the execution of this Settlement Agreement:
 - a. ExxonMobil agrees to revise its Generator Protection System Maintenance and Testing procedure, MP-321, to address the specific testing procedures for the

⁶ 16 U.S.C. § 824o(e)(6).

⁷ Revised Policy Statement on Enforcement, 123 FERC ¶ 61,156, P 65 (May 15, 2008).

batteries that, according to manufacturer specifications, cannot be tested under ExxonMobil's normal procedure; and

- b. ExxonMobil also agrees to revise its Generator Protection System Maintenance and Testing procedure to have one comprehensive procedure to address all aspects of its maintenance and testing program.
52. Based on the above factors, as well as the mitigation actions and preventative measures taken, ExxonMobil shall pay \$10,000 to SERC as set forth in this Settlement Agreement. ExxonMobil shall remit the payment to SERC via check, or by wire transfer to an account to be identified by SERC ("SERC Account"), within twenty days after SERC provides ExxonMobil with a notice of penalty payment due and invoice, to be issued by SERC after this Settlement Agreement is either approved by the Commission or by operation of law. SERC shall notify NERC, and NERC shall notify the Commission, if the payment is not timely received. If ExxonMobil does not remit the payment by the required date, interest payable to SERC will begin to accrue pursuant to the Commission's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date that payment is due, and shall be payable in addition to the payment.
 53. Failure to make a timely penalty payment or to comply with any of the terms and conditions agreed to herein, or any other conditions of this Settlement Agreement, may subject ExxonMobil to new or additional enforcement, penalty or sanction actions in accordance with the NERC Rules of Procedure. ExxonMobil will retain all rights to defend against such enforcement actions in accordance with the NERC Rules of Procedure.

V. ADDITIONAL TERMS

54. 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 SERC or ExxonMobil has been made to induce the signatories or any other party to enter into the Settlement Agreement. The signatories agree that the terms and conditions of this Settlement Agreement are consistent with the Commission's regulations and orders, and NERC's Rules of Procedure.
55. SERC shall report the terms of all settlements of compliance matters to NERC. NERC will review the settlement for the purpose of evaluating its consistency with other settlements entered into for similar violations or under other, similar circumstances. Based on this review, NERC will either approve the settlement or reject the settlement and notify SERC and ExxonMobil of changes to the settlement that would result in approval. If NERC rejects the settlement, NERC will provide specific written reasons for such rejection and SERC will attempt to negotiate a revised settlement agreement with ExxonMobil including any changes to the settlement specified by NERC. 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 to the Commission for the Commission's review and approval by order or operation of law and (ii) publicly post this Settlement Agreement.

56. 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.
57. ExxonMobil agrees that this Settlement Agreement, when approved by NERC and the Commission, shall represent a final settlement of all matters set forth herein and ExxonMobil waives its right to further hearings and appeal, unless and only to the extent that ExxonMobil contends that any NERC or Commission action on the Settlement Agreement contains one or more material modifications to the Settlement Agreement. SERC reserves all rights to initiate enforcement, penalty or sanction actions against ExxonMobil in accordance with the NERC Rules of Procedure in the event that ExxonMobil fails to comply with the mitigation plan and compliance program agreed to in this Settlement Agreement. In the event ExxonMobil fails to comply with any of the stipulations, remedies, sanctions or additional terms, as set forth in this Settlement Agreement, SERC will initiate enforcement, penalty, or sanction actions against ExxonMobil to the maximum extent allowed by the NERC Rules of Procedure, up to the maximum statutorily allowed penalty. Except as otherwise specified in this Settlement Agreement, ExxonMobil shall retain all rights to defend against such enforcement actions, also according to the NERC Rules of Procedure.
58. ExxonMobil consents to the use of SERC's determinations, findings, and conclusions set forth in this Agreement for the purpose of assessing the factors, including the factor of determining the company's history of violations, in accordance with the NERC Sanction Guidelines and applicable Commission orders and policy statements. Such use may be in any enforcement action or compliance proceeding undertaken by NERC and/or any Regional Entity; provided, however, that ExxonMobil does not consent to the use of the specific acts set forth in this Agreement as the sole basis for any other action or proceeding brought by NERC and/or SERC, nor does ExxonMobil consent to the use of this Agreement by any other party in any other action or proceeding.
59. 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.
60. 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

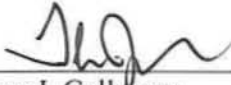
affirmation by each party's representative shall not apply to the other party's statements of position set forth in Section III of this Settlement Agreement.

61. The Settlement Agreement may be signed in counterparts.

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

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

Agreed to and accepted:



Thomas J. Galloway
Vice President and Director of Compliance
SERC RELIABILITY CORPORATION

11/19/09
Date



Daniel A. Risso
Agent and Attorney-in-Fact
EXXONMOBIL OIL CORPORATION

11/10/09
Date

**APPENDIX A
TO
SETTLEMENT AGREEMENT
OF
SERC RELIABILITY CORPORATION
AND
EXXONMOBIL OIL CORPORATION**

- (1) ExxonMobil's Mitigation Plan for IRO-004-1, R4**
- (2) ExxonMobil's Certification of Mitigation Plan Completion for IRO-004-1, R4**
- (3) Statement of SERC Reliability Corporation Compliance Staff Regarding
Completion of ExxonMobil's Mitigation Plan for IRO-004-1, R4**
- (4) ExxonMobil's Mitigation Plan for TOP-002-2, R3**
- (5) ExxonMobil's Certification of Mitigation Plan Completion for TOP-002-2, R3**
- (6) Statement of SERC Reliability Corporation Compliance Staff Regarding
Completion of ExxonMobil's Mitigation Plan for TOP-002-2, R3**
- (7) ExxonMobil's Mitigation Plan for PRC-005-1, R2**
- (8) ExxonMobil's Certification of Mitigation Plan Completion for PRC-005-1, R2**
- (9) Statement of SERC Reliability Corporation Compliance Staff Regarding
Completion of ExxonMobil's Mitigation Plan for PRC-005-1, R2**



Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: 05/19/2009

If this Mitigation Plan has already been completed:

- Check this box ☒ and
- Provide the Date of Completion of the Mitigation Plan: 3/20/2009

Section A: Compliance Notices¹

- Section 6.2 of the CMEP² sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:
 - (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section 2.0.
 - (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
 - (3) The cause of the Alleged or Confirmed Violation(s).
 - (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
 - (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed violation(s).
 - (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.

¹ This document will become part of the public record to be included in the Notice of Penalty filing to be submitted to the Federal Energy Regulatory Commission (Commission) upon determination that a confirmed violation has occurred or in the event a settlement agreement is reached between the Registered Entity and the Regional Entity. The entire document will be submitted as part of the public record, unless the Registered Entity marks specific information as confidential Critical Energy Infrastructure Information or Privileged Information in accordance with the NERC Rules of Procedure Section 1500 and the Commission's regulations, rules and orders. The Registered Entity must provide adequate justification supporting designation of information that is submitted to the Commission as Confidential Information. Until such time as this document is submitted to the Commission, it will remain confidential within NERC and the Regional Entity compliance organization pursuant to Section 1500 of the Rules of Procedure.

² "Uniform Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation;" a copy of the current version approved by the Federal Energy Regulatory Commission is posted on NERC's website.



- (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
 - (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.
 - (9) Any other information deemed necessary or appropriate.
 - (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self-Certification or Self Reporting submittals.
- This submittal form shall be used to provide a required Mitigation Plan for review and approval by SERC and NERC.
 - The Mitigation Plan shall be submitted to SERC and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
 - This Mitigation Plan form may be used to address one or more related violations of one Reliability Standard. A separate mitigation plan is required to address violations with respect to each additional Reliability Standard, as applicable.
 - If the Mitigation Plan is approved by SERC and 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.
 - SERC or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
 - Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.

Section B: Registered Entity Information

B.1 Identify your organization:

Company Name: ExxonMobil Oil Corporation - Beaumont Refinery

Company Address: 1795 Burt Street, Beaumont, Texas 77701
NERC Compliance Registry ID *[if known]*: NCR01239

B.2 Identify the individual in your organization who will serve as the Contact to SERC regarding this Mitigation Plan. This person shall be technically knowledgeable regarding this Mitigation Plan and authorized to respond to SERC regarding this Mitigation Plan.

Appendix A-1



Name: Elijah T. Culpepper
Title: Beaumont E&I&A Engineering Section Supervisor
Email: Elijah.T.Culpepper@ExxonMobil.com
Phone: 409-757-1245



Section C: Identity of Reliability Standard Violations Associated with this Mitigation Plan

This Mitigation Plan is associated with the following violation(s) of the reliability standard listed below:

C.1 Standard: IRO-004-001
[Identify by Standard Acronym (e.g. FAC-001-1)]

C.2 Requirement(s) violated and violation dates:
[Enter information in the following Table]

NERC Violation ID # [if known]	SERC Violation ID # [if known]	Requirement Violated (e.g. R3.2)	Violation Date ^(*)
SERCYYYYnnnnn	09-008	R4	03/20/2009

(*) Note: The Violation Date shall be: (i) the date that the violation occurred; (ii) the date that the violation was self-reported; or (iii) the date that the violation has been deemed to have occurred on by SERC. Questions regarding the date to use should be directed to SERC.

C.3 Identify the cause of the violation(s) identified above:

NERC Standard IRO-004-1 Requirement 4 states that each Generator Operator shall provide information required for system studies, such as critical facility status, load, generation, operating reserve projections and known Interchange Transactions by 1200 Central Standard Time for the eastern Interconnection.

In the past, to meet Entergy requirements, we e-mailed a two-week Power Export Forecast to the Entergy System Operations Center. This document provided a 14 day forecast of planned power exports from the ExxonMobil Beaumont Refinery. This export forecast was e-mailed as updates occurred and the document was not sent on weekends. During our independent assessment process, we identified that this information was not being sent daily, including weekends. We then contacted the ExxonMobil Power and Gas Marketing



Division and requested that this information be sent daily. We now e-mail this two-week export forecast daily, including weekends. In addition, copies of the report are e-mailed to a member of Beaumont's ExxonMobil NERC Compliance Team for document retention purposes.

C.4 **[Optional]** Provide any relevant additional information regarding the violations associated with this Mitigation Plan:

[Provide your response here; additional detailed information may be provided as an attachment as necessary]



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 violations identified above in Part C.2 of this form:

To address this violation, we began:

- 1) E-mailing the 2-week Power Export Forecast to the Entergy System Operations Center daily.
- 2) As part of this e-mail, a member of Beaumont's NERC Compliance Team is copied for the purpose of saving the export forecast and the e-mail.
- 3) To ensure that the Power Export Forecast is provided on a daily basis, we developed procedure NP-TOP-002 and provided procedure training to the Power Sales & Utilities Coordinator, Coordination Section Supervisor, and the Regional Supply Manager for Gas & Power Marketing.

Check this box ☒ and proceed to Section E of this form if this Mitigation Plan, as set forth in Part D.1, has already been completed; otherwise respond to Part D.2, D.3 and, optionally, Part D.4, below.

Mitigation Plan Timeline and Milestones

- D.2 Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the violations associated with this Mitigation Plan are corrected:
- D.3 Enter Milestone Activities, with completion dates, that your organization is proposing for this Mitigation Plan:

Milestone Activity	Proposed Completion Date* (shall not be more than 3 months apart)



--	--

(*) Note: 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.

[Note: Provide your response here; additional detailed information may be provided as an attachment as necessary]



Additional Relevant Information (Optional)

- D.4 If you have any relevant additional information that you wish to include regarding the mitigation plan, milestones, milestones dates and completion date proposed above you may include it here:

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Section E: Interim and Future Reliability Risk

Check this box ☒ and proceed and respond to Part E.2 and E.3, below, if this Mitigation Plan, as set forth in Part D.1, has already been completed.

Abatement of Interim BPS Reliability Risk

- E.1 While your organization is implementing the Mitigation Plan proposed in Part D of this form, the reliability of the Bulk Power System 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 or is proposing as part of the Mitigation Plan to mitigate any increased risk to the reliability of the bulk power system while the Mitigation Plan is being implemented:

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Prevention of Future BPS Reliability Risk

- E.2 Describe how successful completion of the Mitigation Plan as laid out in Part D of this form will prevent or minimize the probability that your organization incurs further violations of the same or similar reliability standards requirements in the future:

Sending the document to the Entergy SOC by 1200 Central Standard Time ensures that we comply with NERC Standard IRO-004-1. In addition, sending the e-mail to a member of the NERC Compliance Team acts a secondary verification that the e-mail was sent as required. In



addition, providing periodic refresher training on procedure NP-TOP-002 will ensure that the people responsible for providing the export forecast are familiar with the requirements of the NERC standard.

- E.3 Your organization may be taking or planning other action, beyond that listed in the Mitigation Plan, as proposed in Part D.1, to prevent or minimize the probability of incurring further violations of the same or similar standards requirements listed in Part C.2, or of other reliability standards. If so, identify and describe any such action, including milestones and completion dates:

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

[Continued on Next Page](#)



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 the Mitigation Plan, as laid out in Section D of this form, to SERC for acceptance by SERC and approval by NERC, and
- b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- c) Acknowledges:
 1. I am E&I&A Engineering Supervisor of ExxonMobil Oil Corporation - Beaumont Refinery.
 2. I am qualified to sign this Mitigation Plan on behalf of ExxonMobil Oil Corporation - Beaumont Refinery.
 3. I have read and understand ExxonMobil Oil Corporation - Beaumont Refinery's obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure, including Appendix 4(C) (Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation" (NERC CMEP)).
 4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
 5. ExxonMobil Oil Corporation - Beaumont Refinery agrees to be bound by, and comply with, the Mitigation Plan, including the timetable completion date, as approved by SERC and approved by NERC.

Authorized Individual Signature Elijah T. Culpepper

(Electronic signatures are acceptable; see CMEP)

Name (Print): Elijah T. Culpepper

Title: Beaumont E&I&A Engineering Section Supervisor

Date: May 19, 2009





Section G: Comments and Additional Information

You may use this area to provide comments or any additional relevant information not previously addressed in this form.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Submittal Instructions:

Please convert the completed and signed document to a text-searchable Adobe .pdf document using the following naming convention:

[(MP ExxonMobil Oil Corporation – Beaumont Refinery (IRO-004) 05-18-09.pdf)]

Email the pdf file to serccomply@serc1.org.

Please direct any questions regarding completion of this form to:

Ken Keels
Manager, Compliance Enforcement
SERC Reliability Corporation
704-357-7372
kkeels@serc1.org



Certification of a Completed Mitigation Plan

SERC Reliability Corporation Violation Mitigation Plan Closure Form

Name of Registered Entity submitting certification: ExxonMobil Oil Corporation –
Beaumont Refinery

Date of Certification: 04/17/2009

Name of Standard and the Requirement(s) of mitigated violation(s): IRO-004-1 R4

SERC Tracking Number (contact SERC if not known): 09-008

NERC Violation ID Number (if assigned):

Date of completion of the Mitigation Plan: 03/20/2009

Summary of all actions described in Part D of the relevant mitigation plan: To address this violation, we began:

1. E-mailing the 2-week Power Export Forecast to the Entergy System Operations Center daily.
2. As part of this e-mail, a member of Beaumont's NERC Compliance Team is copied for the purpose of saving the export forecast and the e-mail.

Description of the information provided to SERC for their evaluation:

We have attached a copy of the Power Export Forecast E-mail Log that lists the dates that each of the export forecast e-mails were sent to Entergy. Each e-mail included the most recent revision of the Beaumont Refinery 2-week Power Export Forecast.

Appendix A-2

I certify that the mitigation plan for the above-named violation has been completed on the date shown above. In doing so, I certify that all required mitigation plan actions described in Part D of the relevant mitigation plan have been completed, compliance has been restored, the above-named entity is currently compliant with all of the requirements of the referenced standard, and that all information submitted information is complete and correct to the best of my knowledge.

Name: Elijah T. Culpepper

Title: Beaumont E&I&A Engineering Section Supervisor
acting for ExxonMobil Oil Corporation

Entity: ExxonMobil Oil Corporation – Beaumont Refinery

Email: Elijah.T.Culpepper@ExxonMobil.com

Phone: 409-757-1245

Designated Signature Elijah T. Culpepper Date 4/17/2009



Statement of SERC Reliability Corporation Compliance Staff Regarding Completion of Mitigation Plan

Registered Entity: ExxonMobil Oil Corporation - Beaumont Refinery
SERC Tracking ID: 09-008 and 09-009
NERC Violation No: SERC200900253 and SERC200900254
NERC Mitigation Plan ID: MIT-07-1810 and MIT-08-1811
Standard: IRO-004-1 and TOP-002-2
Requirement(s): R4 and R3

Violation Summary:

SERC staff determined that ExxonMobil was in violation of IRO-004-1 R4 for the period from December 2, 2008 through January 22, 2009 when it did not submit Power Export Forecasts to its Balancing Authority. By not providing the Power Export Forecasts, ExxonMobil failed to provide information required for system studies, such as critical facility status, Load, generation, operating reserve projections, and known Interchange Transactions by 1200 Central Standard Time, as required by IRO-004-1 R4.

SERC staff determined that ExxonMobil was in violation of TOP-002-2 R3 for the period from December 2, 2008 through January 22, 2009 when it did not submit Power Export Forecasts to its Balancing Authority. By not providing the Power Export Forecasts, ExxonMobil failed to coordinate during that period its current-day and next-day operations with its Host Balancing Authority and Transmission Service Provider, as required by TOP-002-2 R3. SERC staff confirmed that ExxonMobil was coordinating its seasonal operations by providing its Host Balancing Authority with planned outage schedules in accordance with the Host Balancing Authority's procedures.

Mitigation Plan Summary:

ExxonMobil's Mitigation Plan to address the referenced violations was submitted on March 25, 2009 and was accepted by SERC on July 7, 2009 and approved by NERC on July 29, 2009. The Mitigation Plan is identified as MIT-07-1810 and MIT-08-1811 and was submitted as non-public information to FERC on August 3, 2009 in accordance with FERC orders.

ExxonMobil submitted two identical mitigation plans to address the alleged violations of NERC Reliability Standards IRO-004-1, Requirement 4 and TOP-002-2, Requirement 3. ExxonMobil originally submitted each of these mitigation plans on March 25, 2009, stating that they had been completed on March 20, 2009. The mitigation plans were later revised on May 19, 2009 to provide additional details of actions to prevent reoccurrence.

To address this violation, ExxonMobil:

- 1) Began e-mailing the 2-week Power Export Forecast to the System Operations Center daily by 1200 Central Standard Time.
- 2) As part of the e-mail listed above, a member of ExxonMobil's NERC Compliance Team is copied for the purpose of saving the export forecast and the email.
- 3) Developed procedure NP-TOP-002 which specifies reporting responsibilities and requirements.
- 4) Provided procedure training to appropriate personnel.

SERC's Monitoring of Registered Entity's Mitigation Plan Progress:

SERC Reliability Corporation Compliance Staff ("SERC Staff") monitors the Registered Entity's progress towards completion of its Mitigation Plans in accordance with Section 6.0 of the uniform Compliance Monitoring and Enforcement Program, ("CMEP"). Pursuant to the CMEP, Registered Entities are required to establish implementation milestones no more than three (3) months apart. SERC Staff solicits quarterly reports from all Registered Entities with open mitigation plans to monitor the progress on completion of milestones. SERC Staff also produces and reviews daily Mitigation Plan status reports highlighting Mitigation Plans that are nearing the scheduled completion date. If the Registered Entity fails to complete its Mitigation Plan according to schedule, appropriate additional enforcement action is initiated to assure compliance is attained.

In this case, ExxonMobil submitted the Mitigation Plan as complete and no additional monitoring of progress was necessary.

Mitigation Plan Completion Review Process:

ExxonMobil certified on April 17, 2009 that the subject Mitigation Plan was completed on March 20, 2009. A SERC compliance staff member reviewed the evidence submitted in a manner similar to a compliance audit. That action was followed by another compliance staff member's peer review of the initial conclusion.

Evidence Reviewed:

ExxonMobil submitted and SERC Staff reviewed the following evidence in support of its certification that its Mitigation Plan was completed in accordance with its terms:

- 1) NP-TOP-002A Procedure – ExxonMobil's procedure defining forecast submittal requirements
- 2) Power Export Forecasts for: 04/06/09, 04/20/09 and 05/05/09
- 3) Export Power Forecast – email log which verified forecasts were being sent in accordance with ExxonMobil's procedure.

Conclusion:

On June 10, 2009 SERC Reliability Corporation Compliance Staff ("SERC Staff") completed its review of the evidence submitted by ExxonMobil in support of its Certification of Completion of the subject Mitigation Plan. Based on its review of the evidence submitted, SERC Staff verifies that, in its professional judgment, all required actions in the Mitigation Plan have been completed and ExxonMobil is in compliance with the subject Reliability Standard Requirements.

This Statement, along with the subject Mitigation Plan, may become part of a public record upon final disposition of the possible violation.

Respectfully Submitted,

Janice Carney
SERC Compliance Engineer

Steve Gibe
SERC Senior Auditor



Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: 05/19/2009

If this Mitigation Plan has already been completed:

- Check this box and
- Provide the Date of Completion of the Mitigation Plan: 03/20/2009

Section A: Compliance Notices¹

- Section 6.2 of the CMEP² sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:
 - (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section 2.0.
 - (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
 - (3) The cause of the Alleged or Confirmed Violation(s).
 - (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
 - (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed violation(s).
 - (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.

¹ This document will become part of the public record to be included in the Notice of Penalty filing to be submitted to the Federal Energy Regulatory Commission (Commission) upon determination that a confirmed violation has occurred or in the event a settlement agreement is reached between the Registered Entity and the Regional Entity. The entire document will be submitted as part of the public record, unless the Registered Entity marks specific information as confidential Critical Energy Infrastructure Information or Privileged Information in accordance with the NERC Rules of Procedure Section 1500 and the Commission's regulations, rules and orders. The Registered Entity must provide adequate justification supporting designation of information that is submitted to the Commission as Confidential Information. Until such time as this document is submitted to the Commission, it will remain confidential within NERC and the Regional Entity compliance organization pursuant to Section 1500 of the Rules of Procedure.

² "Uniform Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation;" a copy of the current version approved by the Federal Energy Regulatory Commission is posted on NERC's website.



- (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
 - (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.
 - (9) Any other information deemed necessary or appropriate.
 - (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self-Certification or Self Reporting submittals.
- This submittal form shall be used to provide a required Mitigation Plan for review and approval by SERC and NERC.
 - The Mitigation Plan shall be submitted to SERC and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
 - This Mitigation Plan form may be used to address one or more related violations of one Reliability Standard. A separate mitigation plan is required to address violations with respect to each additional Reliability Standard, as applicable.
 - If the Mitigation Plan is approved by SERC and 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.
 - SERC or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
 - Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.

Section B: Registered Entity Information

B.1 Identify your organization:

Company Name: ExxonMobil Oil Corporation - Beaumont Refinery

Company Address: 1795 Burt Street, Beaumont, Texas 77701
NERC Compliance Registry ID *[if known]*: NCR01239

B.2 Identify the individual in your organization who will serve as the Contact to SERC regarding this Mitigation Plan. This person shall be technically knowledgeable regarding this Mitigation Plan and authorized to respond to SERC regarding this Mitigation Plan.

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Name: Elijah T. Culpepper
Title: Beaumont E&I&A Engineering Section Supervisor
Email: Elijah.T.Culpepper@ExxonMobil.com
Phone: 409-757-1245



Section C: Identity of Reliability Standard Violations Associated with this Mitigation Plan

This Mitigation Plan is associated with the following violation(s) of the reliability standard listed below:

C.1 Standard: TOP-002-2
[Identify by Standard Acronym (e.g. FAC-001-1)]

C.2 Requirement(s) violated and violation dates:
[Enter information in the following Table]

NERC Violation ID # [if known]	SERC Violation ID # [if known]	Requirement Violated (e.g. R3.2)	Violation Date ^(*)
SERCYYYYnnnnn	09-009	R3	03/20/2009

(*) Note: The Violation Date shall be: (i) the date that the violation occurred; (ii) the date that the violation was self-reported; or (iii) the date that the violation has been deemed to have occurred on by SERC. Questions regarding the date to use should be directed to SERC.

C.3 Identify the cause of the violation(s) identified above:

NERC Standard TOP-002-2 Requirement 3 states that each Generator Operator shall coordinate (where confidentiality agreements allow) its current-day, next-day, and seasonal operations with its Host Balancing Authority and Transmission Service Provider.

In the past, to meet Entergy requirements, we e-mailed a two-week Power Export Forecast to the Entergy System Operations Center. This document provided a 14 day forecast of planned power exports from the ExxonMobil Beaumont Refinery. The export forecast was e-mailed as updates occurred and the document was not sent on weekends. During our independent assessment process, we identified that this information was not being sent daily, including weekends. We then contacted the ExxonMobil Power and Gas Marketing



Division and requested that this information be sent daily. We now e-mail this two-week export forecast daily, including weekends. Copies of the report are e-mailed to a member of the ExxonMobil NERC compliance team for document retention purposes.

C.4 **[Optional]** Provide any relevant additional information regarding the violations associated with this Mitigation Plan:

[Provide your response here; additional detailed information may be provided as an attachment as necessary]



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 violations identified above in Part C.2 of this form:

To address this violation, we began:

- 1) E-mailing the 2-week Power Export Forecast to the Entergy System Operations Center daily.
- 2) As part of this e-mail, a member of Beaumont's NERC Compliance Team is copied for the purpose of saving the export forecast and the e-mail.
- 3) To ensure that the Power Export Forecast is provided on a daily basis, we developed procedure NP-TOP-002 and provided procedure training to the Power Sales & Utilities Coordinator, Coordination Section Supervisor, and the Regional Supply Manager for Gas & Power Marketing.

Check this box and proceed to Section E of this form if this Mitigation Plan, as set forth in Part D.1, has already been completed; otherwise respond to Part D.2, D.3 and, optionally, Part D.4, below.

Mitigation Plan Timeline and Milestones

- D.2 Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the violations associated with this Mitigation Plan are corrected:
- D.3 Enter Milestone Activities, with completion dates, that your organization is proposing for this Mitigation Plan:

Milestone Activity

Proposed Completion Date*
(shall not be more than 3 months apart)

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(*) Note: 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.

[Note: Provide your response here; additional detailed information may be provided as an attachment as necessary]



Additional Relevant Information (Optional)

- D.4 If you have any relevant additional information that you wish to include regarding the mitigation plan, milestones, milestones dates and completion date proposed above you may include it here:

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Section E: Interim and Future Reliability Risk

Check this box and proceed and respond to Part E.2 and E.3, below, if this Mitigation Plan, as set forth in Part D.1, has already been completed.

Abatement of Interim BPS Reliability Risk

- E.1 While your organization is implementing the Mitigation Plan proposed in Part D of this form, the reliability of the Bulk Power System 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 or is proposing as part of the Mitigation Plan to mitigate any increased risk to the reliability of the bulk power system while the Mitigation Plan is being implemented:

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Prevention of Future BPS Reliability Risk

- E.2 Describe how successful completion of the Mitigation Plan as laid out in Part D of this form will prevent or minimize the probability that your organization incurs further violations of the same or similar reliability standards requirements in the future:

Sending the document to the Entergy SOC by 1200 Central Standard Time ensures that we comply with NERC Standard IRO-004-1. In addition, sending the e-mail to a member of the NERC Compliance Team acts a secondary verification that the e-mail was sent as required. In



addition, providing periodic refresher training on procedure NP-TOP-002 will ensure that the people responsible for providing the export forecast are familiar with the requirements of the NERC standard.

- E.3 Your organization may be taking or planning other action, beyond that listed in the Mitigation Plan, as proposed in Part D.1, to prevent or minimize the probability of incurring further violations of the same or similar standards requirements listed in Part C.2, or of other reliability standards. If so, identify and describe any such action, including milestones and completion dates:

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Continued on Next Page



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 the Mitigation Plan, as laid out in Section D of this form, to SERC for acceptance by SERC and approval by NERC, and
- b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- c) Acknowledges:
 1. I am E&I&A Engineering Supervisor of ExxonMobil Oil Corporation - Beaumont Refinery.
 2. I am qualified to sign this Mitigation Plan on behalf of ExxonMobil Oil Corporation - Beaumont Refinery.
 3. I have read and understand ExxonMobil Oil Corporation - Beaumont Refinery's obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure, including Appendix 4(C) (Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation" (NERC CMEP)).
 4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
 5. ExxonMobil Oil Corporation - Beaumont Refinery agrees to be bound by, and comply with, the Mitigation Plan, including the timetable completion date, as approved by SERC and approved by NERC.

Authorized Individual Signature _____ **Elijah T. Culpepper**_____
(Electronic signatures are acceptable; see CMEP)
Name (Print):Elijah T. Culpepper
Title: Beaumont E&I&A Engineering Section Supervisor
Date: May 19, 2009

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Section G: Comments and Additional Information

You may use this area to provide comments or any additional relevant information not previously addressed in this form.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Submittal Instructions:

Please convert the completed and signed document to a text-searchable Adobe .pdf document using the following naming convention:

[(MP ExxonMobil Oil Corporation – Beaumont Refinery (TOP-002) 05-18-09.pdf)]

Email the pdf file to serccomply@serc1.org.

Please direct any questions regarding completion of this form to:

Ken Keels
Manager, Compliance Enforcement
SERC Reliability Corporation
704-357-7372
kkeels@serc1.org

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ExxonMobil
Refining & Supply Company
1795 Burt St.
P.O. Box 3311
Beaumont, Texas 77704-3311



Certification of a Completed Mitigation Plan

SERC Reliability Corporation Violation Mitigation Plan Closure Form

Name of Registered Entity submitting certification: ExxonMobil Oil Corporation – Beaumont Refinery

Date of Certification: 04/17/2009

Name of Standard and the Requirement(s) of mitigated violation(s): TOP-002-2 R3

SERC Tracking Number (contact SERC if not known): 09-009

NERC Violation ID Number (if assigned):

Date of completion of the Mitigation Plan: 03/20/2009

Summary of all actions described in Part D of the relevant mitigation plan: To address this violation, we began:

1. E-mailing the 2-week Power Export Forecast to the Entergy System Operations Center daily.
2. As part of this e-mail, a member of Beaumont's NERC Compliance Team is copied for the purpose of saving the export forecast and the e-mail.
3. Developed ExxonMobil Oil Corporation – Beaumont Refinery procedure NP-TOP-002 and provided procedure training for the Power Sales & Utilities Coordinator, Coordination Section Supervisor and the Regional Supply Manager for Gas & Power Marketing.

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Description of the information provided to SERC for their evaluation:

We have attached a copy of the Power Export Forecast E-mail Log that lists the dates that each of the export forecast e-mails were sent to Entergy. Each e-mail included the most recent revision of the Beaumont Refinery 2-week Power Export Forecast.

I certify that the mitigation plan for the above-named violation has been completed on the date shown above. In doing so, I certify that all required mitigation plan actions described in Part D of the relevant mitigation plan have been completed, compliance has been restored, the above-named entity is currently compliant with all of the requirements of the referenced standard, and that all information submitted information is complete and correct to the best of my knowledge.

Name: Elijah T. Culpepper

Title: Beaumont E&I&A Engineering Section Supervisor
acting for ExxonMobil Oil Corporation

Entity: ExxonMobil Oil Corporation – Beaumont Refinery

Email: Elijah.T.Culpepper@ExxonMobil.com

Phone: 409-757-1245

Designated Signature Elijah T. Culpepper Date 5/19/2009



Statement of SERC Reliability Corporation Compliance Staff Regarding Completion of Mitigation Plan

Registered Entity: ExxonMobil Oil Corporation - Beaumont Refinery
SERC Tracking ID: 09-008 and 09-009
NERC Violation No: SERC200900253 and SERC200900254
NERC Mitigation Plan ID: MIT-07-1810 and MIT-08-1811
Standard: IRO-004-1 and TOP-002-2
Requirement(s): R4 and R3

Violation Summary:

SERC staff determined that ExxonMobil was in violation of IRO-004-1 R4 for the period from December 2, 2008 through January 22, 2009 when it did not submit Power Export Forecasts to its Balancing Authority. By not providing the Power Export Forecasts, ExxonMobil failed to provide information required for system studies, such as critical facility status, Load, generation, operating reserve projections, and known Interchange Transactions by 1200 Central Standard Time, as required by IRO-004-1 R4.

SERC staff determined that ExxonMobil was in violation of TOP-002-2 R3 for the period from December 2, 2008 through January 22, 2009 when it did not submit Power Export Forecasts to its Balancing Authority. By not providing the Power Export Forecasts, ExxonMobil failed to coordinate during that period its current-day and next-day operations with its Host Balancing Authority and Transmission Service Provider, as required by TOP-002-2 R3. SERC staff confirmed that ExxonMobil was coordinating its seasonal operations by providing its Host Balancing Authority with planned outage schedules in accordance with the Host Balancing Authority's procedures.

Mitigation Plan Summary:

ExxonMobil's Mitigation Plan to address the referenced violations was submitted on March 25, 2009 and was accepted by SERC on July 7, 2009 and approved by NERC on July 29, 2009. The Mitigation Plan is identified as MIT-07-1810 and MIT-08-1811 and was submitted as non-public information to FERC on August 3, 2009 in accordance with FERC orders.

ExxonMobil submitted two identical mitigation plans to address the alleged violations of NERC Reliability Standards IRO-004-1, Requirement 4 and TOP-002-2, Requirement 3. ExxonMobil originally submitted each of these mitigation plans on March 25, 2009, stating that they had been completed on March 20, 2009. The mitigation plans were later revised on May 19, 2009 to provide additional details of actions to prevent reoccurrence.

To address this violation, ExxonMobil:

- 1) Began e-mailing the 2-week Power Export Forecast to the System Operations Center daily by 1200 Central Standard Time.
- 2) As part of the e-mail listed above, a member of ExxonMobil's NERC Compliance Team is copied for the purpose of saving the export forecast and the email.
- 3) Developed procedure NP-TOP-002 which specifies reporting responsibilities and requirements.
- 4) Provided procedure training to appropriate personnel.

SERC's Monitoring of Registered Entity's Mitigation Plan Progress:

SERC Reliability Corporation Compliance Staff ("SERC Staff") monitors the Registered Entity's progress towards completion of its Mitigation Plans in accordance with Section 6.0 of the uniform Compliance Monitoring and Enforcement Program, ("CMEP"). Pursuant to the CMEP, Registered Entities are required to establish implementation milestones no more than three (3) months apart. SERC Staff solicits quarterly reports from all Registered Entities with open mitigation plans to monitor the progress on completion of milestones. SERC Staff also produces and reviews daily Mitigation Plan status reports highlighting Mitigation Plans that are nearing the scheduled completion date. If the Registered Entity fails to complete its Mitigation Plan according to schedule, appropriate additional enforcement action is initiated to assure compliance is attained.

In this case, ExxonMobil submitted the Mitigation Plan as complete and no additional monitoring of progress was necessary.

Mitigation Plan Completion Review Process:

ExxonMobil certified on April 17, 2009 that the subject Mitigation Plan was completed on March 20, 2009. A SERC compliance staff member reviewed the evidence submitted in a manner similar to a compliance audit. That action was followed by another compliance staff member's peer review of the initial conclusion.

Evidence Reviewed:

ExxonMobil submitted and SERC Staff reviewed the following evidence in support of its certification that its Mitigation Plan was completed in accordance with its terms:

- 1) NP-TOP-002A Procedure – ExxonMobil's procedure defining forecast submittal requirements
- 2) Power Export Forecasts for: 04/06/09, 04/20/09 and 05/05/09
- 3) Export Power Forecast – email log which verified forecasts were being sent in accordance with ExxonMobil's procedure.

Conclusion:

On June 10, 2009 SERC Reliability Corporation Compliance Staff ("SERC Staff") completed its review of the evidence submitted by ExxonMobil in support of its Certification of Completion of the subject Mitigation Plan. Based on its review of the evidence submitted, SERC Staff verifies that, in its professional judgment, all required actions in the Mitigation Plan have been completed and ExxonMobil is in compliance with the subject Reliability Standard Requirements.

This Statement, along with the subject Mitigation Plan, may become part of a public record upon final disposition of the possible violation.

Respectfully Submitted,

Janice Carney
SERC Compliance Engineer

Steve Gibe
SERC Senior Auditor



Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: 3/25/2009

If this Mitigation Plan has already been completed:

- Check this box ☐ and
- Provide the Date of Completion of the Mitigation Plan: XX/XX/XXXX

Section A: Compliance Notices¹

- Section 6.2 of the CMEP² sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:
 - (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section 2.0.
 - (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
 - (3) The cause of the Alleged or Confirmed Violation(s).
 - (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
 - (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed violation(s).
 - (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.

¹ This document will become part of the public record to be included in the Notice of Penalty filing to be submitted to the Federal Energy Regulatory Commission (Commission) upon determination that a confirmed violation has occurred or in the event a settlement agreement is reached between the Registered Entity and the Regional Entity. The entire document will be submitted as part of the public record, unless the Registered Entity marks specific information as confidential Critical Energy Infrastructure Information or Privileged Information in accordance with the NERC Rules of Procedure Section 1500 and the Commission's regulations, rules and orders. The Registered Entity must provide adequate justification supporting designation of information that is submitted to the Commission as Confidential Information. Until such time as this document is submitted to the Commission, it will remain confidential within NERC and the Regional Entity compliance organization pursuant to Section 1500 of the Rules of Procedure.

² "Uniform Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation;" a copy of the current version approved by the Federal Energy Regulatory Commission is posted on NERC's website.



- (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
 - (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.
 - (9) Any other information deemed necessary or appropriate.
 - (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self-Certification or Self Reporting submittals.
- This submittal form shall be used to provide a required Mitigation Plan for review and approval by SERC and NERC.
 - The Mitigation Plan shall be submitted to SERC and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
 - This Mitigation Plan form may be used to address one or more related violations of one Reliability Standard. A separate mitigation plan is required to address violations with respect to each additional Reliability Standard, as applicable.
 - If the Mitigation Plan is approved by SERC and 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.
 - SERC or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
 - Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.

Section B: Registered Entity Information

B.1 Identify your organization:

Company Name: ExxonMobil Oil Corporation - Beaumont Refinery

Company Address: 1795 Burt Street, Beaumont, Texas 77701
NERC Compliance Registry ID **[if known]:**

B.2 Identify the individual in your organization who will serve as the Contact to SERC regarding this Mitigation Plan. This person shall be technically knowledgeable regarding this Mitigation Plan and authorized to respond to SERC regarding this Mitigation Plan.

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Name: Joe Welch
Title: Maintenance Section Supervisor - I&E
Email: Joseph.Welch@ExxonMobil.com
Phone: 409-757-1789



Section C: Identity of Reliability Standard Violations Associated with this Mitigation Plan

This Mitigation Plan is associated with the following violation(s) of the reliability standard listed below:

C.1 Standard: PRC-005-1
[Identify by Standard Acronym (e.g. FAC-001-1)]

C.2 Requirement(s) violated and violation dates:
[Enter information in the following Table]

NERC Violation ID # [if known]	SERC Violation ID # [if known]	Requirement Violated (e.g. R3.2)	Violation Date ^(*)
SERCYYYYnnnnn	YYYY-nnn	R2.1	03/20/2009

(*) Note: The Violation Date shall be: (i) the date that the violation occurred; (ii) the date that the violation was self-reported; or (iii) the date that the violation has been deemed to have occurred on by SERC. Questions regarding the date to use should be directed to SERC.

C.3 Identify the cause of the violation(s) identified above:

NERC Standard PRC-005-1 Requirement 2.1 states that each Generator Owner shall provide on request evidence that Protection Systems were maintained and tested within the defined intervals.

Our Generator Protection System maintenance and testing plan, developed based on manufacturer recommendations and our in plant maintenance program, requires that we perform monthly, quarterly and yearly testing on the station batteries included as part of the Generator Protection System. An ExxonMobil assessment of the Beaumont Refinery's compliance with all NERC Standards revealed that we have completed the monthly inspection requirements but we have not performed the quarterly and yearly inspections.



C.4 **[Optional]** Provide any relevant additional information regarding the violations associated with this Mitigation Plan:

[Provide your response here; additional detailed information may be provided as an attachment as necessary]



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 violations identified above in Part C.2 of this form:

1) Ensure that the required Quarterly and Annual Battery PMs are part of the JobCop system. An Internal MOC will be approved for the generation of a PM. Once entered into JobCop, this system will produce Work Orders in our TabWare Database at the designated intervals. We will use our current PM report to track completion.

2) Develop a Maintenance Procedure which incorporates the requirements associated with NERC Standard PRC-005-1 R2. This PM will cover the inspection and maintenance guidelines for the equipment associated with the Generation Protection Systems at Power Plant 4.

3) Institute a work process in my group to ensure documentation is scanned and stored electronically. I will schedule Quarterly Cold Eyes Assessments, with Engineering, to ensure the process is being followed and the documentation is maintained.

4) Complete all remaining Quarterly / Annual PM's. We will complete the remaining inspections when the remaining units (GTG-42 & GTG-43) are down for an off-line water wash.

Check this box and proceed to Section E of this form if this Mitigation Plan, as set forth in Part D.1, has already been completed; otherwise respond to Part D.2, D.3 and, optionally, Part D.4, below.

Mitigation Plan Timeline and Milestones

D.2 Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the violations associated with this Mitigation Plan are corrected: The mitigation plan will be complete by July 1, 2009.

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D.3 Enter Milestone Activities, with completion dates, that your organization is proposing for this Mitigation Plan:

Milestone Activity	Proposed Completion Date* (shall not be more than 3 months apart)
Schedule Quarterly Cold Eyes Review	Complete
Quarterly / Annual PM's in JobCop	Complete
Finalize Maintenance Procedure	5/31/2009
Complete Remaining Quarterly / Annual PM's	7/1/2009

(*) Note: 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.



Additional Relevant Information (Optional)

- D.4 If you have any relevant additional information that you wish to include regarding the mitigation plan, milestones, milestones dates and completion date proposed above you may include it here:

See attachments

Section E: Interim and Future Reliability Risk

Check this box and proceed and respond to Part E.2 and E.3, below, if this Mitigation Plan, as set forth in Part D.1, has already been completed.

Abatement of Interim BPS Reliability Risk

- E.1 While your organization is implementing the Mitigation Plan proposed in Part D of this form, the reliability of the Bulk Power System 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 or is proposing as part of the Mitigation Plan to mitigate any increased risk to the reliability of the bulk power system while the Mitigation Plan is being implemented:

There are no known existing exposures to the Bulk Electrical System due to the mitigation plan being incomplete.

Prevention of Future BPS Reliability Risk

- E.2 Describe how successful completion of the Mitigation Plan as laid out in Part D of this form will prevent or minimize the probability that your organization incurs further violations of the same or similar reliability standards requirements in the future:

Following the new Maintenance Procedure, performing the required preventive maintenance tasks, completing all required documentation and forwarding the documents to the NERC Compliance Team member will ensure that we are performing the required inspections at the



specified intervals.

- E.3 Your organization may be taking or planning other action, beyond that listed in the Mitigation Plan, as proposed in Part D.1, to prevent or minimize the probability of incurring further violations of the same or similar standards requirements listed in Part C.2, or of other reliability standards. If so, identify and describe any such action, including milestones and completion dates:

We will use Compliance Tracker software to have the Maintenance Second Line Supervisor verify that the required inspections were completed on time.

Continued on Next Page



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 the Mitigation Plan, as laid out in Section D of this form, to SERC for acceptance by SERC and approval by NERC, and
- b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- c) Acknowledges:
 1. I am the E&I&A Engineering Supervisor of ExxonMobil Oil Corporation - Beaumont Refinery.
 2. I am qualified to sign this Mitigation Plan on behalf of ExxonMobil Oil Corporation - Beaumont Refinery.
 3. I have read and understand ExxonMobil Oil Corporation - Beaumont Refinery's obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure, including Appendix 4(C) (Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation" (NERC CMEP)).
 4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
 5. ExxonMobil Oil Corporation - Beaumont Refinery agrees to be bound by, and comply with, the Mitigation Plan, including the timetable completion date, as approved by SERC and approved by NERC.

Authorized Individual Signature _____ **Elijah T. Culpepper** _____
(Electronic signatures are acceptable; see CMEP)
Name (Print): Elijah T. Culpepper
Title: Beaumont E&I&A Engineering Section Supervisor
Date: 02/13/2009

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Section G: Comments and Additional Information

You may use this area to provide comments or any additional relevant information not previously addressed in this form.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Submittal Instructions:

Please convert the completed and signed document to a text-searchable Adobe .pdf document using the following naming convention:

[(MP ExxonMobil Oil Corporation – Beaumont Refinery (PRC-005) 03-25-09.pdf)]

Email the pdf file to serccomply@serc1.org.

Please direct any questions regarding completion of this form to:

Ken Keels
Manager, Compliance Enforcement
SERC Reliability Corporation
704-357-7372
kkeels@serc1.org



Certification of a Completed Mitigation Plan

SERC Reliability Corporation Violation Mitigation Plan Closure Form

Name of Registered Entity submitting certification: ExxonMobil Oil Corporation –
Beaumont Refinery

Date of Certification: 06/30/2008

Name of Standard and the Requirement(s) of mitigated violation(s): PRC-005-1 R2.1

SERC Tracking Number (contact SERC if not known): 09-010

NERC Violation ID Number (if assigned): SERC200900255

Date of completion of the Mitigation Plan: 6/30/2009

Summary of all actions described in Part D of the relevant mitigation plan: To address this violation, we:

1. Ensured that the required Quarterly and Annual Battery PMs are part of the maintenance software system. An Internal MOC was approved for the generation of a PM. The JobCop system produces Work Orders in our TabWare Database at the designated intervals. E&I Maintenance uses their current PM report to track completion.
2. Developed a Maintenance Procedure (MP-321) which incorporates the requirements associated with NERC Standard PRC-005-1 R2. This MP covers the inspection and maintenance guidelines for the equipment associated with the Generation Protection Systems at Power Plant 4 and Burt Street Substation.
3. Instituted a work process in E&I Maintenance to ensure the maintenance documentation is scanned and stored electronically. E&I Maintenance held a Quarterly Cold Eyes Assessment with Engineering, to ensure the process is being followed and the documentation is maintained.

We developed a NERC Compliance Tracker Program to verify compliance with all of the GO and GOP requirements. It includes tasks that are e-mailed on a monthly basis that require the recipient to confirm that the required maintenance is being completed on time. When initiated in July 2009, the Compliance Tracker tasks will replace the requirement of holding a quarterly cold eyes review with Engineering. The NERC Compliance Tracker is similar to the program used to

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ensure compliance with Title V environmental regulations at the Beaumont Refinery.

4. We have completed all remaining Quarterly / Annual PMs. The last of these PMs were performed during the off-line water wash for GTG-42 & GTG-43.

Description of the information provided to SERC for their evaluation:

- We have included an e-mail from the battery inspection contractor stating that all tests were completed on June 22, 2009 and that the test results will be provided to ExxonMobil by July 2, 2009. Upon receipt from the contractor, we will forward the battery inspection reports for the Quarterly and Annual Battery Inspections for Burt Street Substation and Power Plant 4 GTG-41, GTG-42 and GTG-43.
- We have attached a copy of Maintenance Procedure MP-321 – Generator Protection System Maintenance and Testing.
- We have attached the PM tasks in TabWare maintenance software.

I certify that the mitigation plan for the above-named violation has been completed on the date shown above. In doing so, I certify that all required mitigation plan actions described in Part D of the relevant mitigation plan have been completed, compliance has been restored, the above-named entity is currently compliant with all of the requirements of the referenced standard, and that all information submitted information is complete and correct to the best of my knowledge.

Name: Joseph Welch

Title: Beaumont E&I Maintenance Section Supervisor

Entity: ExxonMobil Oil Corporation – Beaumont Refinery

Email: Joseph.Welch@ExxonMobil.com

Phone: 409-757-1789

Designated Signature Joe Welch Date 6/30/2009



Statement of SERC Reliability Corporation Compliance Staff Regarding Completion of Mitigation Plan

Registered Entity:	ExxonMobil Oil Corporation - Beaumont Refinery
SERC Tracking ID:	09-010
NERC Violation No:	SERC200900255
NERC Mitigation Plan ID:	MIT-07-1640
Standard:	PRC-005-1
Requirement(s):	R2

Violation Summary:

Although ExxonMobil was performing their monthly inspection of station batteries as required by ExxonMobil's maintenance and testing plan, ExxonMobil was not performing the required quarterly and yearly station battery testing in accordance with their stated maintenance and testing program, which is a violation of PRC-005-1 R2.1.

Mitigation Plan Summary:

ExxonMobil's Mitigation Plan to address the referenced violation was submitted on March 25, 2009 and was accepted by SERC on April 21, 2009 and approved by NERC on April 29, 2009. The Mitigation Plan is identified as MIT-07-1640 and was submitted as non-public information to FERC on April 30, 2009 in accordance with FERC orders.

ExxonMobil will ensure that quarterly and annual battery PMs are part of their internal maintenance program system and will use the current PM report to track completion. ExxonMobil will develop a Maintenance Procedure which will cover the inspection and maintenance guidelines for the equipment associated with the Generation Protection Systems. ExxonMobil will institute a work process to ensure documentation is scanned and stored electronically. ExxonMobil will complete all remaining Quarterly/Annual PM's.

SERC's Monitoring of Registered Entity's Mitigation Plan Progress:

SERC Reliability Corporation Compliance Staff ("SERC Staff") monitors the Registered Entity's progress towards completion of its Mitigation Plans in accordance with Section 6.0 of the uniform Compliance Monitoring and Enforcement Program, ("CMEP"). Pursuant to the CMEP, Registered Entities are required to establish implementation milestones no more than three (3) months apart. SERC Staff solicits quarterly reports



from all Registered Entities with open mitigation plans to monitor the progress on completion of milestones. SERC Staff also produces and reviews daily Mitigation Plan status reports highlighting Mitigation Plans that are nearing the scheduled completion date. If the Registered Entity fails to complete its Mitigation Plan according to schedule, appropriate additional enforcement action is initiated to assure compliance is attained.

Mitigation Plan Completion Review Process:

ExxonMobil certified on June 30, 2009 that the subject Mitigation Plan was completed on June 30, 2009. A SERC compliance staff member reviewed the evidence submitted in a manner similar to a compliance audit. That action was followed by another compliance staff member's peer review of the initial conclusion.

Evidence Reviewed:

ExxonMobil submitted and SERC Staff reviewed the following evidence in support of its certification that its Mitigation Plan was completed in accordance with its terms:

- PM 33001 - Quarterly Battery Inspection – Burt St & PP4 - Summary of quarterly battery inspection tasks
- PM 33002 – Annual Battery Inspection – Burt St & PP4 - Summary of annual battery inspection tasks
- PM-33007 – 6-yr relay inspection summary - Summary of 6-year relay inspection tasks and tests
- Screenshots of Maint. System Software pgm. monthly, quarterly and annual test for Burt St and PP4 - Print-outs of computer screens showing maintenance requirements and schedules for maintenance intervals
- MP-321 Generator Protection sys M&T 05/14/09 - Maintenance Procedure that covers PRC-005-1 requirements
- Record of “cold eyes review” - Print-out of calendar entry of Engineering & Maint. Supervisor’s meeting to perform “Cold Eye Review” (manual review of maint. schedule)
- Quarterly and Annual Test Record - Screen shot of battery test dates for quarterly and annual inspections
- PP4 statement of completion – 06/30/09 - Email from contractor that battery tests on Power Plant 4 (PP4) were completed on 06/22/09
- Burt St Bank 1 – 03/27/09 test results
- Unit 41 – 03/27/09 test results
- Unit 42 – 03/25/09 test results
- Unit 43 – 03/27/09 test results
- Unit 42 & 43 – 06/15/09 & 06/22/09 test results
- Battery test specs & results – 03/04/09 – PP4 & Burt St - Report from contractor on work performed and results
- 07/16/09 – quarterly battery test results



- ABB 145 PM Circuit Breaker maintenance guide - Mfg document recommending testing DC control circuitry as part of the 5 – 7 year maintenance cycle of the gas circuit breaker
- Schweitzer 2505 communication module - Mfg document with recommended testing procedure
- BAE battery operating instructions (OPZS Cells North America - Maintenance) - Mfg document listing required inspections and testing for the BAE batteries located in the Power Plant 4 switch room

Conclusion:

On August 21, 2009 SERC Reliability Corporation Compliance Staff ("SERC Staff") completed its review of the evidence submitted by ExxonMobil in support of its Certification of Completion of the subject Mitigation Plan. Based on its review of the evidence submitted, SERC Staff verifies that, in its professional judgment, all required actions in the Mitigation Plan have been completed and ExxonMobil is in compliance with the subject Reliability Standard Requirements.

This Statement, along with the subject Mitigation Plan, may become part of a public record upon final disposition of the possible violation.

Respectfully Submitted,

Janice Carney, SERC Compliance Engineer
Kevin Berent, SERC Auditor

Attachment e

Notice of Filing

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

ExxonMobil Oil Corporation - Beaumont Refinery

Docket No. NP10-____-000

NOTICE OF FILING
March 31, 2010

Take notice that on March 31, 2010, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding ExxonMobil Oil Corporation - Beaumont Refinery in the SERC Reliability 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