



NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

April 28, 2010

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

**Re: NERC Notice of Penalty regarding Montville Power LLC  
FERC Docket No. NP10-\_-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Notice of Penalty<sup>1</sup> regarding Montville Power LLC (Montville),<sup>2</sup> NERC Registry ID# NCR07150,<sup>3</sup> in accordance with the Federal Energy Regulatory Commission's (Commission or FERC) rules, regulations and orders, as well as NERC Rules of Procedure including Appendix 4C (NERC Compliance Monitoring and Enforcement Program (CMEP)).<sup>4</sup>

On October 23, 2008, after being notified of an upcoming Spot Check,<sup>5</sup> Montville submitted a self-report of a possible violation of VAR-002-1 Requirement (R) 3.1 to Northeast Power Coordinating Council, Inc. (NPCC) for Montville's failure to notify its Transmission Operator (TOP) within 30 minutes of a status change in an automatic voltage regulator (AVR). This Notice of Penalty is being filed with the Commission because NPCC and Montville have entered into a Settlement Agreement to resolve all outstanding issues arising from a preliminary and non-public assessment resulting in NPCC's determination and findings of the enforceable alleged violation of VAR-002-1 R3.1. According to the Settlement Agreement, Montville neither admits

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<sup>1</sup> *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards* (Order No. 672), III FERC Stats. & Regs. ¶ 31,204 (2006); *Notice of New Docket Prefix "NP" for Notices of Penalty Filed by the North American Electric Reliability Corporation*, Docket No. RM05-30-000 (February 7, 2008). See also 18 C.F.R. Part 39 (2010). *Mandatory Reliability Standards for the Bulk-Power System*, FERC Stats. & Regs. ¶ 31,242 (2007) (Order No. 693), *reh'g denied*, 120 FERC ¶ 61,053 (2007) (Order No. 693-A). See 18 C.F.R. § 39.7(c)(2).

<sup>2</sup> Also concurrently being filed are two Notices of Penalty designated as NOC-463 and NOC-464 regarding separate Settlement Agreements between Northeast Power Coordinating Council, Inc. and two other NRG Energy subsidiaries for alleged violations of VAR-002-1 R3.1.

<sup>3</sup> Northeast Power Coordinating Council, Inc. confirmed that Montville was included on the NERC Compliance Registry as a Generator Operator (GOP) and as a Generator Owner (GO) on June 21, 2007. As a GOP and as a GO, Montville is subject to the requirements of NERC Reliability Standard VAR-002-1. The Settlement Agreement incorrectly states that Montville was included on the NERC Compliance Registry on July 21, 2007.

<sup>4</sup> See 18 C.F.R. § 39.7(c)(2).

<sup>5</sup> NPCC issued the notice of the upcoming Spot Check to Montville on August 29, 2008.

nor denies the alleged violation, but has agreed to the proposed penalty of two thousand dollars (\$2,000) to be assessed to Montville, in addition to other remedies and actions to mitigate the instant alleged violation and facilitate future compliance under the terms and conditions of the Settlement Agreement. Accordingly, the alleged violation identified as NERC Violation Tracking Identification Number NPCC200800047 is being filed in accordance with the NERC Rules of Procedure and the CMEP.

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

This Notice of Penalty incorporates the findings and justifications set forth in the Settlement Agreement executed on January 13, 2010, by and between NPCC and Montville, which is included as Attachment b. 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 (2010), NERC provides the following summary table identifying each alleged violation of a Reliability Standard resolved by the Settlement Agreement, as discussed in greater detail below.

| <b>Region</b> | <b>Registered Entity</b> | <b>NOC ID</b> | <b>NERC Violation ID</b> | <b>Reliability Std.</b> | <b>Req. (R)</b> | <b>VRF</b> | <b>Total Penalty (\$)</b> |
|---------------|--------------------------|---------------|--------------------------|-------------------------|-----------------|------------|---------------------------|
| NPCC          | Montville Power LLC      | 465           | NPCC200800047            | VAR-002-1 <sup>6</sup>  | 3.1             | Medium     | 2,000                     |

#### VAR-002-1

The purpose of Reliability Standard VAR-002-1 is to ensure generators provide reactive and voltage control necessary to ensure voltage levels, reactive flows, and reactive resources are maintained within applicable Facility Ratings to protect equipment and the reliable operation of the Interconnection.

VAR-002-1 R3 requires a Generator Operator, such as Montville, to notify its associated Transmission Operator as soon as practical, but within 30 minutes of any of the following: (R3.1) a status or capability change on any generator Reactive Power resource, including the status of each AVR and power system stabilizer and the expected duration of the change in status or capability; and (R3.2) a status or capability change on any other Reactive Power resources under the Generator Operator's control and expected duration of the change in status or capability. VAR-002-1 R3 has a "Medium" Violation Risk Factor (VRF).

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<sup>6</sup> VAR-002-1a was the version that was effective on January 16, 2008, the time of alleged violation. VAR-002-1 was enforceable from June 18, 2007 through August 27, 2008. VAR-002-1a was approved by the Commission and became enforceable on August 28, 2008. VAR-002-1.1a is the current enforceable Standard as of May 13, 2009. The subsequent interpretations provide clarity regarding the responsibilities of a registered entity and do not change the meaning or language of the original NERC Reliability Standard and its requirements. For consistency in this filing, the original NERC Reliability Standard, VAR-002-1, is used throughout.

On October 23, 2008, following an internal review by the Regulatory Compliance group of NRG Energy, Montville's parent company,<sup>7</sup> and after being notified of an upcoming Spot Check, Montville self-reported a possible violation of VAR-002-1 R3.1 for its failure to notify its Transmission Operator within 30 minutes of a status change in an AVR.<sup>8</sup>

On December 3, 2007, at 0124 hours, Montville Plant Operations placed the AVR for unit #6 in manual mode, while the AVR was out of service, and did not notify the Transmission Operator with 30 minutes. Repairs on the AVR needed to be made on the next unit outage before the AVR could be placed back in automatic mode. Montville's report to its Transmission Operator of a change in an AVR status occurred on December 5, 2007 at 1054 hours, 57 hours later. The AVR was placed back into auto on December 7, 2007 at 1625 hours and the Transmission Operator was properly notified.

NPCC determined that Montville had an alleged violation of VAR-002-1 R3.1 because Montville did not notify its Transmission Operator<sup>9</sup> within the required 30 minute limit specified by the Standard. NPCC further determined the duration of the alleged violation to be from December 3, 2007, the date the AVR was placed in manual mode without notification to Montville's Transmission Operator, through December 5, 2007, when Montville mitigated the violation by notifying its Transmission Operator of the change in its AVR status. The Mitigation Plan was completed on December 8, 2008.

NPCC Compliance Staff concluded that the violation did not pose a serious or substantial risk to the reliability of the transmission system as the voltage for the transmission system was being monitored and maintained by the Generator Operator (Montville) consistent with the required voltage schedule.

#### Regional Entity's Basis for Penalty

According to the Settlement Agreement, NPCC has assessed a penalty of two thousand dollars (\$2,000) for the referenced alleged violation. In reaching this determination, NPCC considered the following factors:

- (1) The alleged violation reported by Montville after NPCC issued a notice of an upcoming Spot Check to Montville;
- (2) this alleged violation constituted Montville's first occurrence of a violation of NERC Reliability Standards;
- (3) NPCC reported Montville was cooperative throughout the compliance enforcement process;

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<sup>7</sup> In preparation of an upcoming Spot Check at NRG Energy's Dunkirk Power LLC facility, NRG Energy discovered a possible violation at the Dunkirk Power LLC facility. The discovery of the possible violation prompted NRG Energy to initiate an internal compliance review of all its facilities in the NPCC Region.

<sup>8</sup> All of NRG's facilities in the NPCC Region communicate changes in AVR status through the NRG Power Marketing LLC.

<sup>9</sup> Montville's process to notify its Transmission Operator is that Montville will notify NGR Power Marketing Group and the NRG Power Marketing Group will notify Montville's Transmission Operator.

- (4) NPCC determined that the alleged violations did not pose a serious or substantial risk to the bulk power system, as discussed above; and
- (5) there was no evidence of any attempt to conceal a violation nor evidence of intent to do so.

After consideration of the above factors, NPCC determined that, in this instance, the penalty amount of two thousand dollars (\$2,000) is appropriate and bears a reasonable relation to the seriousness and duration of the alleged violation.

#### **Status of Mitigation Plan<sup>10</sup>**

Montville's Mitigation Plan to address its alleged violation of VAR-002-1 R3.1 was submitted to NPCC on October 23, 2008,<sup>11</sup> with a proposed completion date of December 8, 2008. The Mitigation Plan was accepted by NPCC on October 31, 2008 and approved by NERC on November 6, 2008. The Mitigation Plan for this alleged violation is designated as MIT-07-1104 and was submitted as non-public information to FERC on November 6, 2008 in accordance with FERC orders.

Montville's Mitigation Plan required it to:

1. install signs in the control room requiring notification to its Transmission Operator by October 8, 2008;
2. conduct an informal communications review with Plant Operations and the Maintenance Manager by October 8, 2008;
3. issue a Plant Information E-mail regarding the proper notification when there is a change in the AVR mode by October 8, 2008; and
4. provide refresher training on the NRG corporate policy OCC-004 on Voltage Control by December 8, 2008;
5. review and provide refresher training on NRG Standard Operating System Policy OCC-013, *Regulatory Compliance Communication Policy* by December 8, 2008; and
6. complete all follow up reporting to close out Mitigation Plan by December 8, 2008.

In addition, the Mitigation Plan stated that on April 1, 2008, after the date of the event but prior to the detection and Self-Report of the alleged violation at issue, Montville installed voice recording of Control Room telephones so that calls affecting generation can be verified as necessary.

Montville certified on December 8, 2008 that the above Mitigation Plan requirements were completed as of that same date. As evidence of completion of its Mitigation Plan, Montville submitted the following:

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<sup>10</sup> See 18 C.F.R § 39.7(d)(7).

<sup>11</sup> The Mitigation Plan was dated October 21, 2008.

1. photos of AVR Placards on Units #5, 6, 10 and 11. Signs were posted in the control room next to the AVR Manual/Auto switches to remind operators of the requirement to notify Commercial Operations within 15 minutes for all status changes to the AVRs for Montville Units #5, 6, 10 and 11. Commercial Operations will relay this information to the Transmission Operator within the required 30 minutes. Temporary signs that were added on October 8, 2008 were upgraded to more permanent signage prior to the certification as indicated on the pictures;
2. Memo from Montville Plant Manager indicating informal meeting was held.
3. Plant Information E-mail regarding the proper notification;
4. Training Roster for refresher training on NRG Voltage Control corporate policy OCC-004; and
5. Training Roster for refresher training on NRG Standard Operating System Policy OCC-013, *Regulatory Compliance Communication Policy*.

On February 9, 2009, after NPCC's review of Montville's submitted evidence, NPCC verified that Montville's Mitigation Plan was completed on December 8, 2008 and notified Montville in a letter dated March 9, 2009 that it was in compliance with VAR-002-1 R3.1.<sup>12</sup>

### **Statement Describing the Proposed Penalty, Sanction or Enforcement Action Imposed<sup>13</sup>**

#### **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,<sup>14</sup> the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on March 10, 2010. The NERC BOTCC approved the Settlement Agreement, including NPCC's imposition of a financial penalty, assessing a penalty of two thousand dollars (\$2,000) against Montville 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 violation at issue.

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

- (1) The alleged violation was self-reported, although the self-report was made after the NPCC had issued a notice of an upcoming Spot Check to Montville;
- (2) this alleged violation constituted Montville's first occurrence of violations of NERC Reliability Standards;
- (3) NPCC reported Montville was cooperative throughout the compliance enforcement process;

<sup>12</sup> The verification letter incorrectly states that the Mitigation Plan was submitted on October 23, 2008.

<sup>13</sup> See 18 C.F.R. § 39.7(d)(4).

<sup>14</sup> *North American Electric Reliability Corporation*, "Guidance Order on Reliability Notices of Penalty," 124 FERC ¶ 61,015 (2008).

- (4) there was no evidence of any attempt to conceal a violation nor evidence of intent to do so; and
- (5) NPCC determined that the alleged violation did not pose a serious or substantial risk to the bulk power system, as discussed above.

For the foregoing reasons, the NERC BOTCC approves the Settlement Agreement and believes that the proposed penalty of two thousand dollars (\$2,000) is appropriate for the alleged violation and circumstances in question, and is consistent with NERC's goal to promote and ensure reliability of the bulk power system.

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.

#### **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) Montville's Self-Report for VAR-002-1 R3.1 dated October 23, 2008, included as Attachment a;
- b) Settlement Agreement by and between NPCC and Montville executed January 13, 2010, included as Attachment b;
- c) Montville's Mitigation Plan designated as MIT-07-1104 for VAR-002-1 R3.1, submitted October 21, 2008, included as Attachment c;
- d) Montville's Certification of Completion of the Mitigation Plan for VAR-002-1 R3.1, submitted December 8, 2008, included as Attachment d; and
- e) NPCC's Verification of Completion of the Mitigation Plan for VAR-002-1 R3.1, dated March 9, 2009, included as Attachment e.

#### **A Form of Notice Suitable for Publication<sup>15</sup>**

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

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<sup>15</sup> See 18 C.F.R. § 39.7(d)(6).

## Notices and Communications

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

|  |  |
|--|--|
| <p>Gerald W. Cauley*<br/>President and Chief Executive Officer<br/>David N. Cook*<br/>Vice President and General Counsel<br/>North American Electric Reliability Corporation<br/>116-390 Village Boulevard<br/>Princeton, N.J. 08540-5721<br/>(609) 452-8060<br/>(609) 452-9550 – facsimile<br/>gerry.cauley@nerc.net<br/>david.cook@nerc.net</p> <p>Christopher O'Hara*<br/>Assistant General Counsel- Regulatory<br/>Compliance Officer<br/>NRG Energy, Inc.<br/>211 Carnegie Center<br/>Princeton, New Jersey 08540<br/>(609) 524-4601<br/>Chris.Ohara@nrgenergy.com</p> <p>Patricia Lynch*<br/>Director of Regulatory Compliance<br/>NRG Energy, Inc.<br/>211 Carnegie Center<br/>Princeton, New Jersey 08540<br/>(609) 524-5147<br/>(609) 524-4501 – facsimile<br/>patricia.lynch@nrgenergy.com</p> <p>*Persons to be included on the Commission's<br/>service list are indicated with an asterisk.<br/>NERC requests waiver of the Commission's<br/>rules and regulations to permit the inclusion of<br/>more than two people on the service list.</p> | <p>Rebecca J. Michael*<br/>Assistant General Counsel<br/>Holly A. Hawkins*<br/>Attorney<br/>North American Electric Reliability Corporation<br/>1120 G Street, N.W.<br/>Suite 990<br/>Washington, D.C. 20005-3801<br/>(202) 393-3998<br/>(202) 393-3955 – facsimile<br/>rebecca.michael@nerc.net<br/>holly.hawkins@nerc.net</p> <p>Edward A. Schwerdt*<br/>President and Chief Executive Officer<br/>Northeast Power Coordinating Council, Inc.<br/>1040 Avenue of the Americas-10th Fl.<br/>New York, N.Y. 10018-3703<br/>(212) 840-1070<br/>(212) 302-2782 – facsimile<br/>eschwerdt@npcc.org</p> <p>Stanley E. Kopman*<br/>Assistant Vice President of Compliance<br/>Northeast Power Coordinating Council, Inc.<br/>1040 Avenue of the Americas-10th Fl.<br/>New York, N.Y. 10018-3703<br/>(212) 840-1070<br/>(212) 302-2782 – facsimile<br/>skopman@npcc.org</p> <p>Walter Cintron*<br/>Manager of Compliance Enforcement<br/>Northeast Power Coordinating Council, Inc.<br/>1040 Avenue of the Americas-10th Fl.<br/>New York, N.Y. 10018-3703<br/>(212) 840-1070<br/>(212) 302-2782 – facsimile<br/>wcintron@npcc.org</p> |
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## Conclusion

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

Respectfully submitted,

/s/ Rebecca J. Michael

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

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

cc: Montville Power LLC  
Northeast Power Coordinating Council, Inc.

Attachments

## **Attachment a**

### **Montville's Self-Report for VAR-002-1 R3.1 dated October 23, 2008**

Logged in as:

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## VAR-002-1 Self Report (GOP)

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Attachments (1)

**This form has been locked due to an expired lockout date.**  
**If you need to edit data contained in this form, please contact your NPCC Administrator.**

**This form was marked as ready to be added to a certification statement on 10/23/2008.**

\* Required Fields

Status: Read Only

## Technical Contact

\*  |

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

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

**Montville Power LLC** was Not in Compliance for a portion of or the entire Reporting Period with the following Requirements of NERC Reliability Standard VAR-002-1 (indicated by checkmark) but was in compliance with all other Requirements of the standard for the entire Reporting Period.

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

- ☒ **R1.** The Generator Operator shall operate each generator connected to the interconnected transmission system in the automatic voltage control mode (automatic voltage regulator in service and controlling voltage) unless the Generator Operator has notified the Transmission Operator..
- ☒ **R2.** Unless exempted by the Transmission Operator, each Generator Operator shall maintain the generator voltage or Reactive Power output (within applicable Facility Ratings<sup>1</sup>) as directed by the Transmission Operator.
  - ☒ **R2.1.** When a generator's automatic voltage regulator is out of service, the Generator Operator shall use an alternative method to control the generator voltage and reactive output to meet the voltage or Reactive Power schedule directed by the Transmission Operator.
  - ☒ **R2.2.** When directed to modify voltage, the Generator Operator shall comply or provide an explanation of why the schedule cannot be met.
- ☒ **R3.** Each Generator Operator shall notify its associated Transmission Operator as soon as practical, but within 30 minutes of any of the following:
  - ☒ **R3.1.** A status or capability change on any generator Reactive Power resource, including the status of each automatic voltage regulator and power system stabilizer and the expected duration of the change in status or capability.
  - ☒ **R3.2.** A status or capability change on any other Reactive Power resources under the Generator Operator's control and the expected duration of the change in status or capability.
- ☒ **R5.** After consultation with the Transmission Operator regarding necessary step-up transformer tap changes, the Generator Owner shall ensure that transformer tap positions are changed according to the specifications provided by the Transmission Operator, unless such action would violate safety, an equipment rating, a regulatory requirement, or a statutory requirement.
  - ☒ **R5.1.** If the Generator Operator can't comply with the Transmission Operator's specifications, the Generator Operator shall notify the Transmission Operator and shall provide the technical

justification.

Date of Violation 12/3/2007

Reason for the non-compliance Plant Operations placed the AVR for unit # 6 in manual and did not notify the Transmisison Operator in the proper interval of 30 minutes.

Reliability Impact Statement Minimal as the unit voltage was controlled in manual mode.

Mitigation Plan Included? ☒ Yes ☒ No

Additional Comments:

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 Ready to Create Certification Statement

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## **Attachment b**

**Settlement Agreement by and between NPCC and  
Montville executed January 13, 2010**

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**SETTLEMENT AGREEMENT  
OF  
MONTVILLE POWER L.L.C.  
AND  
NORTHEAST POWER COORDINATING COUNCIL, INC.**

**I. INTRODUCTION**

1. Montville Power L.L.C. ("MONTVILLE") and Northeast Power Coordinating Council, Inc. ("NPCC") enter into this Settlement Agreement ("Agreement") to resolve all outstanding issues arising from a preliminary and non-public assessment of the possible violation and determined, pursuant to the North American Electric Reliability Corporation ("NERC") Rules of Procedure, of an alleged violation by MONTVILLE of NERC Reliability Standard VAR-002-1.

**II. STIPULATION**

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

**A. Background**

3. MONTVILLE is a registered Generator Owner and Generator Operator in Connecticut registered on July 21, 2007. MONTVILLE owns and operates a 500 MW oil/natural gas/diesel-fired generating facility located in Uncasville, Connecticut.

**B. Alleged Violation(s)**

4. NERC Reliability Standard VAR-002-1 Generator Operation for Maintaining Network Voltage Schedules was written with the purpose of ensuring generators provide reactive and voltage control necessary to ensure voltage levels, reactive flows, and reactive resources are maintained within applicable Facility Ratings to protect equipment and the reliable operation of the Interconnection. The standard requires that:

R3. Each Generator Operator shall notify its associated Transmission Operator as soon as practical, but within 30 minutes of the following:

R3.1 A status or capability change on any generator Reactive Power resource, including the status of each automatic voltage regulator and power system stabilizer and the expected duration of the change in status and capability.

5. VAR-002-1 Reliability Standard Requirement 3.1 has a “Medium” Violation Risk Factor (VRF).

**C. Summary of Findings**

6. The NRG Regulatory Compliance group, in its review of past evidence to support compliance to VAR002, discovered a potential violation at this facility and proceeded to perform an extensive review of all NRG facilities in NPCC. On August 29, 2008 MONTVILLE was notified that NPCC would be performing a Spot Check on its facility. On October 23, 2008, MONTVILLE self-reported a potential violation with NERC Reliability Standard VAR-002-1, Requirement 3.1. The self-report explained that on December 3, 2007 at 0124 hours the AVR was removed from service because of a defective Regulator Mode Indicating relay and that MONTVILLE did not notify the Transmission Operator of the AVR status change until December 5, 2007, a period of two days. The AVR was placed in service on December 7, 2007 at 1625 hours after the repair was completed. Proper notifications to the Transmission Operator were made at that time.
7. NPCC confirmed MONTVILLE’s NERC Registration Status as a Generator Owner and Generator Operator and that MONTVILLE, therefore, was subject to the Requirements of NERC’s Standard(s) VAR-002-1. NPCC staff reviewed the data submitted by MONTVILLE to confirm the violation self-reported by MONTVILLE. NPCC reviewed the events of December, 2007 and found sufficient evidence to support a finding that MONTVILLE was non-compliant with Requirement 3.1 because MONTVILLE failed to report an AVR change in status within the 30 minute time interval specified in VAR-002-1.
8. MONTVILLE submitted a Mitigation plan to NPCC on October 23, 2008. In its Mitigation Plan, MONTVILLE committed to implementing new procedures for complying with NERC Reliability Standard VAR-002-1, including the installation of signage on the AVR mode control switch to remind operators to notify the Transmission Operator within the required 30 minute time interval after an AVR status change and to conduct remedial training to the entire MONTVILLE operating staff on the corporate policy. These mitigation corrective actions were completed and put into effect as of December 8, 2008. NPCC has verified that MONTVILLE completed the measures specified in the Mitigation Plan.

9. NPCC issued a Preliminary Notice of Alleged Violation on October 30, 2008, identifying the alleged violation of NERC Reliability Standard VAR-002-1 Requirement 3.1 existed between December 3, 2007 and December 5, 2007, a period of 57 hours.
10. On November 2, 2008, MONTVILLE requested settlement discussions with NPCC to address the alleged violation of NERC Reliability Standard VAR-002-1 Requirement 3.1.
11. Throughout the settlement process, MONTVILLE has cooperated fully with NPCC.
12. After review of the evidence submitted by MONTVILLE, NPCC Compliance Staff concluded that the violation did not pose a serious or substantial risk to the reliability of the transmission system as the voltage schedule for the transmission system was being maintained by the Generator Operator.

### **III. PARTIES' SEPARATE REPRESENTATIONS**

#### **A. Statement of NPCC**

13. MONTVILLE self reported a potential violation of NERC Reliability Standard VAR-002-1 Requirement 3.1 on October 23, 2008. After reviewing all the evidence submitted by MONTVILLE, the NPCC Compliance Staff found MONTVILLE non-compliant with VAR-002-1 Requirement 3.1 because for a period of two days, from December 3 to December 5, 2007, MONTVILLE did not notify the Transmission Operator that the AVR was removed from service due to a defective Regulator Mode Indicating relay. MONTVILLE submitted the Mitigation Plan with the self report to demonstrate how the violation would be corrected. MONTVILLE certified completion of the mitigation plan on December 8, 2008, and NPCC verified it completed on March 9, 2009.<sup>1</sup>
14. NPCC agrees that this Agreement is in the best interest of the parties and in the best interest of bulk power system reliability.

#### **B. Statement of MONTVILLE**

15. MONTVILLE neither admits nor denies the facts set forth herein, and agreed to by the parties for the purposes of this Agreement, constitute violations of VAR-002-1. However, after reviewing the events of December 2007 with respect to

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<sup>1</sup> NPCC Compliance Staff verified completion of the plan with MONTVILLE on February 9, 2009 although the signed document for verification was completed on March 9, 2009.

compliance with VAR-002-1, Requirement R3.1, MONTVILLE identified a number of improvements to its AVR reporting methodologies that will improve the reliability of the bulk power system, has voluntarily re-trained its plant employees and strengthened its guidance to employees regarding proper reporting of changes of status in AVR availability.

16. MONTVILLE has agreed to enter into this Agreement with NPCC to avoid extended litigation with respect to the matters described or referred to herein, to avoid uncertainty, and to effectuate a complete and final resolution of the issues set forth herein. MONTVILLE agrees that this Agreement is in the best interest of the parties and is in the best interest of bulk power system reliability.

17. For purposes of this Agreement, MONTVILLE has agreed to a penalty payment in the amount of \$2,000 ("Payment") in addition to the additional terms and conditions set forth in Section V.

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

18. On October 23, 2008, MONTVILLE submitted a Mitigation Plan. For purposes of settling any and all disputes arising from NPCC's investigation into the self-report by MONTVILLE, MONTVILLE and NPCC agree that on and after the effective date of this Agreement, MONTVILLE has taken the following actions:

| <b>Activity</b>   | <b>Dates completed<sup>2</sup></b> |
|---|------------------------------------|
| i. Reviewed NERC reporting Requirements pertaining to NERC Reliability Standard VAR-002-1 with all of the MONTVILLE operational staff. (This included informal communications review and plant information email on proper notification). | October 8, 2008                    |
| ii. Installed signage on the AVR mode control switch to remind operators to notify the Transmission Operator within the required 30 minute time interval after an AVR status change.  | October 8, 2008                    |

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<sup>2</sup> Evidence was verified by NPCC Compliance Staff.

|   |                  |
|---|------------------|
| iii. Provided remedial training to the entire MONTVILLE operating staff on the corporate policy and procedures related to NERC Reliability Standard VAR-002-1 to address the potential violation, specifically, Standard Operating System Procedure OCC-004, "Voltage Control." | October 21, 2008 |
| iv. Reviewed Standard Operating System Policy OCC-013, "Regulatory Compliance Communication Policy," with all MONTVILLE personnel and provided training.  | December 4, 2008 |
| v. Completed all follow-up reporting for this plan.   | December 8, 2008 |

i **Payment to NPCC**

19. Based on MONTVILLE's mitigation of the alleged violation MONTVILLE agrees to pay \$2,000 (the Payment) to NPCC. In agreeing with the Payment, NPCC has taken into consideration MONTVILLE's cooperation exhibited during the self-report investigation, in providing the information necessary to conform to the NERC Rules of Procedure, and its cooperation and commitment in this settlement process. NPCC has determined that the lack of reporting the AVR status changes to the Transmission Operator resulted in no real time voltage changes in the Transmission Operators voltage schedule and resulted in minimal risk to the Bulk Electric System.

ii **Timing of Payment**

20. MONTVILLE shall remit the Payment to NPCC, via wire transfer to an account to be identified by NPCC ("NPCC Account"). By the later of (i) twenty days after this Agreement is either approved by the Commission or by operation of law and (ii) twenty days after NPCC provides MONTVILLE the NPCC Account, MONTVILLE shall remit the Payment. NPCC shall notify NERC if the payment is not timely received. If MONTVILLE does not remit the Payment by the required date, interest payable to NPCC will begin to accrue pursuant to FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date that payment is due, and shall be payable in addition to the Payment.

iii **Failure to Comply with this Agreement**

21. Failure of MONTVILLE to timely remit the Payment, complete the Compliance Program Enhancement, or satisfy any other conditions of this Agreement, unless released by NPCC in writing from such obligations, shall be deemed to be either the same alleged violation that initiated this Agreement and/or additional violation(s) and may subject MONTVILLE to new or additional enforcement, penalty or sanction actions in accordance with the NERC Rules of Procedure.

22. It is understood that NPCC staff shall track the progress of mitigation plans and any other remedies of this Agreement if necessary, including, but not limited to site inspection, interviews, and request other documentation to validate progress and/or completion of the mitigation plans and any other remedies of this Agreement. NPCC verifies that MONTVILLE has successfully completed all activities of its Mitigation Plan as of March 9, 2009.<sup>3</sup>

## **V. ADDITIONAL TERMS**

23. The signatories to the Agreement agree that they enter into the Agreement voluntarily and that, other than the recitations set forth herein, no tender, offer or promise of any kind by any member, employee, officer, director, agent or representative of NPCC or MONTVILLE has been made to induce the signatories or any other party to enter into the Agreement.
24. NPCC 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 the Regional Entity and the Registered Entity 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 the NPCC will attempt to negotiate a revised settlement agreement with MONTVILLE 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 the alleged violation and the terms provided for in the settlement.
25. MONTVILLE consents to the use of NPCC's determinations, findings, and conclusions set forth in this Agreement for the purpose of assessing the factors, including the factor of determining the company's history of violations, in accordance with the NERC Sanction Guidelines and applicable Commission orders and policy statements. Such use may be in any enforcement action or compliance proceeding undertaken by NERC and/or Regional Entity; provided, however, that MONTVILLE 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 NPCC, nor does MONTVILLE consent to the use of this Agreement by any other party in any other action or proceeding.

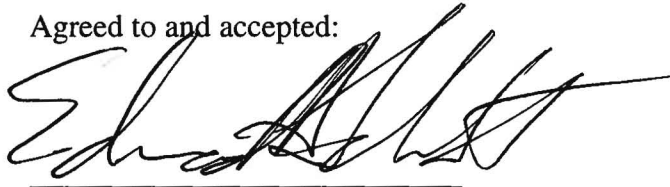
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<sup>3</sup> NPCC Compliance Staff verified completion of the plan with MONTVILLE on February 9, 2009 although the signed document for verification was completed on March 9, 2009.

26. This Agreement shall become effective upon the Commission's approval of the Agreement by order or operation of law as submitted to it or as modified in a manner acceptable to the parties.
27. MONTVILLE agrees that this Agreement, when approved by NERC and the Commission, shall represent a final settlement of all matters set forth herein and MONTVILLE waives its right to further hearings and appeal, unless and only to the extent that MONTVILLE contends that any NERC or Commission action on the Agreement contains one or more material modifications to the Agreement. NPCC reserves all rights to initiate enforcement, penalty or sanction actions against MONTVILLE in accordance with the NERC Rules of Procedure in the event that MONTVILLE fails to comply with the mitigation plan and compliance program agreed to in this Agreement. In the event MONTVILLE fails to comply with any of the stipulations, remedies, sanctions or additional terms, as set forth in this Agreement, NPCC will initiate enforcement, penalty, or sanction actions against MONTVILLE to the maximum extent allowed by the NERC Rules of Procedure, up to the maximum statutorily allowed penalty. MONTVILLE shall retain all rights to defend against such enforcement actions, also according to the NERC Rules of Procedure.
28. Each of the undersigned warrants that he or she is an authorized representative of the entity designated, is authorized to bind such entity and accepts the Agreement on the entity's behalf.
29. The undersigned representative of each party affirms that he or she has read the Agreement, that all of the matters set forth in the Agreement are true and correct to the best of his or her knowledge, information and belief, and that he or she understands that the Agreement is entered into by such party in express reliance on those representations, provided, however, that such affirmation by each party's representative shall not apply to the other party's statements of position set forth in Section III of this Agreement.
30. The Agreement may be signed in counterparts.
31. This Agreement is executed in duplicate, each of which so executed shall be deemed to be an original.

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

Agreed to and accepted:



Edward A. Schwerdt  
President and CEO  
NPCC

1/13/10  
Date

\



J. Andrew Murphy  
President  
Montville Power LLC

1/7/2010  
Date

## **Attachment c**

**Montville's Mitigation Plan designated as MIT-07-1104 for VAR-002-1 R3.1, submitted October 21, 2008**



NORTHEAST POWER COORDINATING COUNCIL, INC.  
1515 BROADWAY, NEW YORK, NY 10036-8901 TELEPHONE: (212) 846-1070 FAX: (212) 302-2782

## Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: 10-21-08

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

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

### Section B: Registered Entity Information

- B.1 Identify your organization:

Company Name: Montville Power LLC  
Company Address: 74 Lathrop Road, Uncasville, CT 06382  
NERC Compliance Registry ID: NCR 07150

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

Name: David J. Desroberts  
Title: Plant Manager  
Email: david.desroberts@nrgenergy.com  
Phone: 860-848-6057

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

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

Applicable Standard, Requirement(s) and dates:

| NERC Violation ID # | Reliability Standard | Requirement Number | Violation Risk Factor | Alleged or Confirmed Violation Date <sup>(*)</sup> | Method of Detection (e.g., Audit, Self-report, Investigation) |
|---------------------|----------------------|--------------------|-----------------------|--|---|
|                     | VAR-002-1            | R3.1               | Medium                | 12/03/07   | Self Report   |



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

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

On 12/03/07, at 0124, Plant Operations placed the AVR for Unit 6 in manual. Proper notification was made to the Transmission Operator (CONVEX), but not within the required time frame. CONVEX was notified of the AVR change of state on 12/05/07 at 1054.

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

The AVR was placed back into auto on 12/07/07 at 16:25 and the Transmission Operator (CONVEX) was properly notified.

## **Section D: Details of Proposed Mitigation Plan**

### **Mitigation Plan Contents**

- D.1 Identify and describe the action plan, including specific tasks and actions that your organization is proposing to undertake, or which it undertook if this Mitigation Plan has been completed, to correct the Alleged or Confirmed violations identified above in Part C.1 of this form. Additional detailed information may be provided as an attachment:

After the date of the event, but prior to the detection and self report, Montville Power LLC personnel as well as NRG Power Marketing LLC ("Commercial Operations") personnel (who serve as part of the communication chain) had received refresher training in the revised Corporate Policy OCC-004 on Voltage Control (dated April 16, 2008) which added clarity to the communication process in the event of an AVR outage during operation. This training was completed by all Plant Operations personnel at Montville and all personnel within Commercial Operations in August 2008, with the exception of two non-control room operators at the Plant who completed this training by October 21, 2008. One of these individuals was recently hired following launch of the retraining.



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During the time in which the event occurred, there were no voice recordings being captured between the Montville Control Room and the Transmission Operator (CONVEX). After the date of the event, but prior to the detection and self report, long-planned voice recording of Control Room telephones at Montville was installed. Telephones at the Plant (in addition to those at Commercial Operations) are now monitored following an installation of 4/1/08 so that calls affecting generation between Montville and Commercial Operations and/or CONVEX (Transmission Owner) can be verified as necessary.

Upon discovery of this event, signs were added to the Control Room to remind the Plant Operators of their responsibility to properly notify the Transmission Operator within 30 minutes for all status changes to the AVR's for both units. An informal review of this requirement was completed with the Operations & Maintenance Manager as well as the Shift Supervisor on duty. In addition, Operations management reviewed the importance of proper communications, reporting and documentation with operating personnel (via email) when communicating with internal and external parties. A formal review of NRG Standard Operating System Procedure OCC-004 on Voltage Control, as well as refresher training of NRG Corporate policy OCC-013 entitled "Regulatory Compliance Communication Policy" will be completed by Plant Operations by December 8, 2008.

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

- D.2 Provide the date by which full implementation of the Mitigation Plan will be, or has been, completed with respect to the Alleged or Confirmed violations identified above. State whether the Mitigation Plan has been fully implemented: This mitigation plan will be completely implemented on or before December 8, 2008.
- D.3 Enter Milestone Activities, with due dates, that your organization is proposing, or has completed, for this Mitigation Plan:

| Milestone Activity   | Proposed/Actual Completion Date*<br>(shall not be more than 3 months apart) |
|--|---|
| Installation of signage in Control Room                                    | 10-08-08  |
| Informal communications review with Plant Operations & Maintenance Manager | 10-08-08  |
| Plant Information Email on proper notification                             | 10-08-08  |
| Re-training of NRG Standard Operating System Procedure OCC-004             | To be completed by 12-08-08   |



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|   |                             |
|---|-----------------------------|
| Review and retraining on NRG Standard<br>Operating System Policy OCC-013<br>"Regulatory Compliance Communication<br>Policy" | To be completed by 12-08-08 |
| Complete all followup reporting for this<br>plan  | To be completed by 12-08-08 |

(\*) Note: Implementation milestones no more than three (3) months apart are permissible only for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.



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

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

- E.1 While your organization is implementing this Mitigation Plan the reliability of the Bulk Power System (BPS) may remain at higher risk or be otherwise negatively impacted until the plan is successfully completed. To the extent they are, or may be, known or anticipated: (i) identify any such risks or impacts; and (ii) discuss any actions that your organization is planning to take to mitigate this increased risk to the reliability of the BPS. Additional detailed information may be provided as an attachment:

Following the incident but prior to the detection, Montville Power LLC personnel as well as NRG Power Marketing LLC personnel (who serve as part of the communication chain) had received refresher training in the revised Corporate Policy OCC-004 on Voltage Control (dated April 16, 2008) which added clarity to the communication process in the event of an AVR outage during operation. This training was completed by all Plant Operations at Montville and Power Marketing in August 2008, with the exception of two non-control room operator who completed this training on October 21, 2008.

Upon discovery of this incident, Operations management reviewed the importance of proper communications and documentation with operating personnel when communicating with Commercial Operations and external parties whenever equipment affecting generation is removed from service and/or returned to service. Refresher training will occur within the mitigation plan schedule.

Additionally signs have been posted at the AVR controls to act as a reminder to call when AVR equipment affecting generating conditions is removed or restored to service. Voice recordings at Montville have been installed and telephones are now monitored so that calls of notification to Commercial Operations and CONVEX can be verified as necessary.

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

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

Training will reinforce the requirements of accurate, complete and timely reporting of essential communication through the proper channels and the need for accurate documentation of these communications. This in addition to



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recording the phone lines should enhance the plant's ability to remain compliant in the future.

In addition, NRG Energy Inc. is in the process of rolling out the new Regulatory Compliance Database for monitoring and tracking which will provide for automated monthly assessment of activities assigned to specific individuals for compliance to the NERC standards. Development of the database had been in progress for the last 9 months and the roll out had already been planned for Q4 2008.



**NPCC, Inc.**

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**Section F: Authorization**

An authorized individual must sign and date this Mitigation Plan Submittal Form. By doing so, this individual, on behalf of your organization:

- a) Submits this Mitigation Plan for acceptance by [NPCC] and approval by NERC, and
- b) If applicable, certifies that this Mitigation Plan was completed on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- c) Acknowledges:
  1. I am Michael Bramnick of NRG Energy Inc.
  2. I am qualified to sign this Mitigation Plan on behalf of Montville Power LLC.
  3. I understand Montville Power LLC's obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure, including Appendix 4(C) (Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation" (NERC CMEP)).
  3. I have read and am familiar with the contents of this Mitigation Plan.
  4. Montville Power LLC agrees to comply with, this Mitigation Plan, including the timetable completion date, as accepted by [RE acronym] and approved by NERC.

**Authorized Individual Signature**

Name (Print): Michael Bramnick

Title: Deputy General Counsel and Chief Compliance Officer

Date: October 21, 2008



**NPCC, Inc.**

NORTHEAST POWER COORDINATING COUNCIL, INC.  
1515 BROADWAY, NEW YORK, NY 10036-8701 TELEPHONE: (212) 840-1070 FAX: (212) 302-2782

**Section G: Regional Entity Contact**

Please direct any questions regarding completion of this form to:

|        |                                |
|--------|--------------------------------|
|        | David J. Desroberts            |
| Title: | Plant Manager                  |
| Email: | david.desroberts@nrgenergy.com |
| Phone: | 860-848-6057                   |



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1515 BROADWAY, NEW YORK, NY 10036-8901 TELEPHONE: (212) 840-1070 FAX: (212) 302-2782

## **Attachment A – Compliance Notices & Mitigation Plan Requirements**

- I. Section 6.2 of the CMEP<sup>1</sup> sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:
  - (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section 2.0.
  - (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
  - (3) The cause of the Alleged or Confirmed Violation(s).
  - (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
  - (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed violation(s).
  - (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
  - (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
  - (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.
  - (9) Any other information deemed necessary or appropriate.
  - (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self-Certification or Self Reporting submittals.
- II. This submittal form must be used to provide a required Mitigation Plan for review and acceptance by [NPCC] and approval by NERC.
- III. This Mitigation Plan is submitted to the regional entity(ies) and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.

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



**NPCC, Inc.**

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- IV. This Mitigation Plan Submittal Form may be used to address one or more related Alleged or Confirmed violations of one Reliability Standard. A separate mitigation plan is required to address Alleged or Confirmed violations with respect to each additional Reliability Standard, as applicable.
- V. If the Mitigation Plan is accepted by [NPCC] and approved by NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission in accordance with applicable Commission rules, regulations and orders.
- VI. [NPCC] or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- VII. Remedial action directives also may be issued as necessary to ensure reliability of the BPS.

## **Attachment d**

**Montville's Certification of Completion of the  
Mitigation Plan for VAR-002-1 R3.1, submitted  
December 8, 2008**

**Montville Power LLC  
Violation Mitigation Plan Closure Form**

Name of registered entity submitting certification: Montville Power LLC  
Date of Certification: December 8, 2008  
Name of Standard and the Requirement of which a  
violation was mitigated: VAR 002-1 R 3.1  
Date of completion of the mitigation plan: December 8, 2008

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

Name: Michael Bramnick  
Title: Deputy General Counsel and Chief Compliance Officer  
Entity: Montville Power LLC  
Email: Michael.bramnick@nrgenergy.com  
Phone: (609) 524-4598

Executive Signature  Date 12/8/08

**NERC Violation ID# NPC200800047- VAR-002-1 R 3.1**

**Mitigation Plan Completion for Montville Power LLC:**  
NERC Compliance Registry ID: NCR 07150

## **Attachment e**

### **NPCC's Verification of Completion of the Mitigation Plan for VAR-002-1 R3.1, dated March 9, 2009**



NORTHEAST POWER COORDINATING COUNCIL, INC.  
1515 BROADWAY, NEW YORK, NY 10036-8901 TELEPHONE: (212) 840-1070 FAX: (212) 302-2782

**Confidential**

March 9, 2009

Ms. Patricia Lynch  
Director of Regulatory Compliance  
NRG Energy, Inc.  
211 Carnegie Center  
Princeton, New Jersey 08540

Re: Mitigation Plan Tracking # MIT-07-1104, NERC Violation # NPCC200800047

This letter is to notify you that on February 9, 2009, NPCC verified the completion of the mitigation plan Montville Power LLC submitted on October 23, 2008.

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

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

Sincerely,

Walter Cintron  
Manager, Compliance Enforcement  
Tel: 212 840-1070  
Fax: 212 302-2782  
wcintron@npcc.org

**Attachment f**

**Notice of Filing**

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Montville Power LLC

Docket No. NP10-\_\_\_\_-000

NOTICE OF FILING  
April 28, 2010

Take notice that on April 28, 2010, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding Montville Power LLC in the Northeast Power Coordinating Council, Inc. region.

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

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

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

Comment Date: [BLANK]

Kimberly D. Bose,  
Secretary