May 26, 2011

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

Re: NERC Abbreviated Notice of Penalty regarding Edison Mission Marketing & Trading, Inc., FERC Docket No. NP11-__-000

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Abbreviated Notice of Penalty (NOP) regarding Edison Mission Marketing & Trading, Inc. (EMMT), with information and details regarding the nature and resolution of the violation discussed in detail in the Settlement Agreement (Attachment a) and the Disposition Document (Attachment c), 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)).

This NOP is being filed with the Commission because Reliability First Corporation (ReliabilityFirst) and EMMT have entered into a Settlement Agreement to resolve all outstanding issues arising from ReliabilityFirst’s determination and findings of the violation of PRC-005-1 Requirement (R) 2.1. According to the Settlement Agreement, EMMT agrees to the stipulated facts of the violation and has agreed to the assessed penalty of ten thousand dollars ($10,000), in addition to other remedies and actions to mitigate the instant violation and facilitate future compliance under the terms and conditions of the Settlement Agreement. Accordingly, the violation identified as NERC Violation Tracking Identification Number RFC201000443 is being filed in accordance with the NERC Rules of Procedure and the CMEP.

1 For purposes of this document, each violation at issue is described as a “violation,” regardless of its procedural posture and whether it was a possible, alleged or confirmed violation.  
NERC Notice of Penalty
Edison Mission Marketing & Trading, Inc.
May 26, 2011
Page 2

**Statement of Findings Underlying the Violation**
This NOP incorporates the findings and justifications set forth in the Settlement Agreement executed on January 26, 2011, by and between ReliabilityFirst and EMMT. The details of the findings and the basis for the penalty are set forth in the Disposition Document. This NOP filing contains the basis for approval of the Settlement Agreement by the NERC Board of Trustees Compliance Committee (NERC BOTCC). In accordance with Section 39.7 of the Commission’s regulations, 18 C.F.R. § 39.7, NERC provides the following summary table identifying each violation of a Reliability Standard resolved by the Settlement Agreement, as discussed in greater detail below.

<table>
<thead>
<tr>
<th>NOC ID</th>
<th>NERC Violation ID</th>
<th>Reliability Std.</th>
<th>Req. (R)</th>
<th>VRF</th>
<th>Duration</th>
<th>Total Penalty ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOC-779</td>
<td>RFC201000443</td>
<td>PRC-005-1</td>
<td>2.1</td>
<td>High³</td>
<td>6/18/07-7/30/10</td>
<td>10,000</td>
</tr>
</tbody>
</table>

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

**PRC-005-1 R2.1 - OVERVIEW**
On August 5, 2010, EMMT self-reported a violation of PRC-005-1 R2.1 to ReliabilityFirst. ReliabilityFirst determined that EMMT, as a Generator Owner that owns a generation Protection System,⁴ failed to test 24 of EMMT’s 54 (44%) batteries within defined intervals, which constituted 3.2% of EMMT’s 750 total Protection System devices.

**Statement Describing the Assessed Penalty, Sanction or Enforcement Action Imposed⁵**

**Basis for Determination**
Taking into consideration the Commission’s direction in Order No. 693, the NERC Sanction Guidelines, the Commission’s July 3, 2008, October 26, 2009 and August 27, 2010 Guidance Orders,⁶ the NERC BOTCC reviewed the Settlement Agreement and supporting documentation on May 9, 2011. The NERC BOTCC approved the Settlement Agreement, including

---
³ PRC-005-1 R2 has a “Lower” VRF; R2.1 and R2.2 each have a “High” VRF. During a final review of the standards subsequent to the March 23, 2007 filing of the Version 1 VRFs, NERC identified that some standards requirements were missing VRFs; one of these include PRC-005-1 R2.1. On May 4, 2007, NERC assigned PRC-005 R2.1 a “High” VRF. In the Commission’s June 26, 2007 Order on Violation Risk Factors, the Commission approved the PRC-005-1 R2.1 “High” VRF as filed. Therefore, the “High” VRF was in effect from June 26, 2007. In the context of this case, ReliabilityFirst determined that the violation related to R2.1, and therefore a “High” VRF is appropriate.
⁴ The NERC Glossary of Terms Used in Reliability Standards defines Protection System as “Protective relays, associated communication systems, voltage and current sensing devices, station batteries and DC control circuitry.”
⁵ See 18 C.F.R. § 39.7(d)(4).
ReliabilityFirst’s assessment of a ten thousand dollar ($10,000) financial penalty against EMMT and other actions to facilitate future compliance required under the terms and conditions of the Settlement Agreement. In approving the Settlement Agreement, the NERC BOTCC reviewed the applicable requirements of the Commission-approved Reliability Standards and the underlying facts and circumstances of the violation at issue.

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

1. The violation constituted a repeat occurrence of violation of the subject NERC Reliability Standard; 7
2. EMMT self-reported the violation;
3. ReliabilityFirst reported that EMMT was cooperative throughout the compliance enforcement process;
4. EMMT had a compliance program at the time of the violation which ReliabilityFirst considered a mitigating factor, as discussed in the Disposition Document;
5. there was no evidence of any attempt to conceal a violation nor evidence of intent to do so;
6. ReliabilityFirst determined that the violation posed a minimal risk and did not pose a serious or substantial risk to the reliability of the bulk power system (BPS), as discussed in the Disposition Document; and
7. ReliabilityFirst reported that there were no other mitigating or aggravating factors or extenuating circumstances that would affect the assessed penalty.

For the foregoing reasons, the NERC BOTCC approved the Settlement Agreement and believes that the assessed penalty of ten thousand dollars ($10,000) is appropriate for the violation and circumstances at issue, and is consistent with NERC’s goal to promote and ensure reliability of the BPS.

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

---

7 EMMT’s violations of PRC-005-1 R2 in other regions, which were considered an aggravating factor, are identified and addressed in the Disposition Document; prior violations of other Reliability Standards, including those of EMMT in other regions and those of its affiliates, which were not viewed as the same or similar to the instant violation, are identified and addressed in the Disposition Document.
Attachments to be included as Part of this Notice of Penalty

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

a) Settlement Agreement by and between ReliabilityFirst and EMMT executed January 26, 2011, included as Attachment a;
   i. EMMT’s Self-Report for PRC-005-1 R2.1 dated August 5, 2010, included as Attachment A to the Settlement Agreement;
   ii. EMMT’s Mitigation Plan MIT-07-2931 for PRC-005-1 R2.1 submitted September 3, 2010, included as Attachment B to the Settlement Agreement; and
   iii. EMMT’s Certification of Mitigation Plan Completion for PRC-005-1 R2.1 dated November 17, 2010, included as Attachment C to the Settlement Agreement.

b) ReliabilityFirst’s Verification of Mitigation Plan Completion for PRC-005-1 R2.1 dated May 5, 2011, included as Attachment b; and

c) Disposition Document, included as Attachment c.

A Form of Notice Suitable for Publication

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

---

8 See 18 C.F.R. § 39.7(d)(6).
NERC Notice of Penalty
Edison Mission Marketing & Trading, Inc.
May 26, 2011
Page 5

**Notices and Communications**

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Company</th>
<th>Address</th>
<th>Phone(s)</th>
<th>Fax(s)</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gerald W. Cauley</td>
<td>President and Chief Executive Officer</td>
<td>North American Electric</td>
<td>116-390 Village Boulevard, Princeton, NJ</td>
<td>(609) 452-8060</td>
<td>(609) 452-9550 – facsimile</td>
<td><a href="mailto:dcook@nerc.net">dcook@nerc.net</a></td>
</tr>
<tr>
<td>David N. Cook*</td>
<td>Sr. Vice President and General Counsel</td>
<td>Reliability Corporation</td>
<td>1120 G Street, N.W., Suite 990, Washington, DC</td>
<td>(202) 393-3998</td>
<td>(202) 393-3955 – facsimile</td>
<td><a href="mailto:rebecca.michael@nerc.net">rebecca.michael@nerc.net</a></td>
</tr>
<tr>
<td>Brenda Frazer*</td>
<td>NERC Compliance Process Analyst</td>
<td>Edison Mission Marketing</td>
<td>320 Springside Drive, Suite 300, Akron, OH</td>
<td>(330) 456-2488</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ellen Oswald*</td>
<td>Director of NERC Compliance</td>
<td>Reliability Corporation</td>
<td>320 Springside Drive, Suite 300, Akron, OH</td>
<td>(330) 456-2488</td>
<td></td>
<td></td>
</tr>
<tr>
<td>John Kennedy*</td>
<td>Vice President, Generation Operation</td>
<td>Reliability Corporation</td>
<td>320 Springside Drive, Suite 300, Akron, OH</td>
<td>(330) 456-2488</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rebecca J. Michael*</td>
<td>Associate General Counsel for Corporate and Regulatory Matters</td>
<td>North American Electric Reliability Corporation</td>
<td>1120 G Street, N.W., Suite 990, Washington, DC</td>
<td>(202) 393-3998</td>
<td>(202) 393-3955 – facsimile</td>
<td><a href="mailto:rebecca.michael@nerc.net">rebecca.michael@nerc.net</a></td>
</tr>
</tbody>
</table>
*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.
Conclusion

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

Respectfully submitted,

/s/ Rebecca J. Michael

Rebecca J. Michael
Associate General Counsel for Corporate and Regulatory Matters
North American Electric Reliability Corporation
1120 G Street, N.W.
Suite 990
Washington, DC 20005-3801
(202) 393-3998
(202) 393-3955 – facsimile
rebecca.michael@nerc.net

Gerald W. Cauley
President and Chief Executive Officer
David N. Cook
Sr. Vice President and General Counsel
North American Electric Reliability Corporation
116-390 Village Boulevard
Princeton, NJ 08540-5721
(609) 452-8060
(609) 452-9550 – facsimile
david.cook@nerc.net

cc: Edison Mission Marketing & Trading, Inc.
ReliabilityFirst Corporation

Attachments
Attachment a

Settlement Agreement by and between ReliabilityFirst and EMMT executed January 26, 2011
In re: EDISON MISSION MARKETING & TRADING, INC. ) Docket No. RFC201000443

NERC Registry ID No. NCR00769 ) NERC Reliability Standard:

SETTLEMENT AGREEMENT
BETWEEN
RELIABILITY FIRST CORPORATION
AND
EDISON MISSION MARKETING & TRADING, INC.

I. INTRODUCTION

1. Reliability First Corporation (“Reliability First”) and Edison Mission Marketing & Trading, Inc. (“EMMT”) enter into this Settlement Agreement (“Agreement”) to resolve all outstanding issues arising from Reliability First’s findings, pursuant to the North American Electric Reliability Corporation (“NERC”) Rules of Procedure, of the alleged violation by EMMT of the NERC Reliability Standard PRC-005-1, Requirement 2.1.

2. EMMT owns and operates 23 coal and oil fired fossil generation units in Illinois and Pennsylvania. EMMT has a total capacity of 7650 MW and is a wholly owned subsidiary of Edison International. EMMT is listed on the NERC Compliance Registry as a Generator Owner, Generator Operator, and Purchasing-Selling Entity in the Reliability First region. NERC Reliability Standard PRC-005-1 is applicable to EMMT by virtue of its registration as a Generator Owner.

3. EMMT and Reliability First agree and stipulate to this Agreement in its entirety. The facts stipulated herein are stipulated solely for the purpose of resolving between EMMT and Reliability First the subject matter of this Agreement and do not constitute admissions or stipulations for any purpose, other than EMMT’s admission that the facts stipulated herein constitute a violation of Reliability Standard PRC-005-1, R2.1.
II. ALLEGED VIOLATION OF PRC-005-1, R2.1

4. In pertinent part, PRC-005-1, R2 states:

R2. Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System shall provide documentation of its Protection System maintenance and testing program and the implementation of that program to its Regional Reliability Organization on request (within 30 calendar days). The documentation of the program implementation shall include:

R2.1. Evidence Protection System devices were maintained and tested within the defined intervals.

5. On August 5, 2010, EMMT submitted a Violation Self-Reporting Form identifying a possible violation of PRC-005-1, R2.1. See, Violation Self-Reporting Form (attached as Attachment A). EMMT identified 24 instances where it failed to test batteries within their defined intervals, in violation of PRC-005-1, R2.1. This alleged violation implicated 24 of EMMT’s 54 (44%) batteries which constitutes 24 of EMMT’s 750 (3.2%) Protection System devices.

6. ReliabilityFirst alleges that EMMT violated PRC-005-1, R2.1 by failing to provide evidence that it maintained and tested 24 batteries within the defined intervals.

Risk Considerations and Violation Duration

7. Applying the Violation Risk Factor (“VRF”) Matrix promulgated by NERC, ReliabilityFirst assigned the alleged violation of PRC-005-1, R2.1 a VRF of “High.” Applying the Violation Severity Level (“VSL”) Matrix promulgated by NERC, ReliabilityFirst assigned this alleged violation a VSL of “Moderate.”

8. This alleged violation did not pose a serious or substantial risk to the reliability of the bulk electric system because EMMT tested the batteries before and after the missed intervals and found them fully functioning within their specifications on both occasions. EMMT has two completely redundant generator protection systems in place for each generator. Each system has at least three layers of overlapping protection within itself. The primary system consists of discreet electro-mechanical relays and the secondary system consists of a multi-functional digital relay. In addition, all of EMMT’s batteries are alarmed to its facility operations control room, which is staffed 24 hours a day. The alarms sound if a battery is inoperable, and during the time period of the alleged violation, no battery alarms occurred for any of the 24 missed batteries.

9. The duration of this alleged violation is from June 18, 2007, the date on which
EMMT was required to comply with PRC-005-1, until July 30, 2010, the date on which EMMT completed testing on all its devices within their defined intervals.

IV. EMMT’S COMPLIANCE CULTURE

10. ReliabilityFirst considered certain aspects of EMMT’s compliance program as mitigating factors. For instance, EMMT’s senior management, including the CEO, is involved with compliance matters and meets with the Director of the NERC Compliance at least monthly. In addition, the NERC compliance group is independent from the operations group. Furthermore, Edison International, EMMT’s holding company, formally audits the NERC compliance program.

11. ReliabilityFirst considered the fact that EMMT self reported the alleged violation as a mitigating factor. ReliabilityFirst also noted EMMT’s prompt submission of its mitigation plan for this alleged violation and EMMT’s cooperation during the enforcement process.

12. When assessing the monetary penalty for the alleged violation at issue in this Agreement, ReliabilityFirst considered whether the facts of these alleged violations evidenced any (a) repeated or continuing conduct similar to that underlying a prior violation of the same or a closely-related Reliability Standard Requirement; (b) conduct addressed in any previously submitted mitigation plan for a prior violation of the same or a closely-related Reliability Standard Requirement; or (c) multiple violations of the same Standard and Requirement. ReliabilityFirst considered these factors in light of the fact that EMMT is a wholly-owned subsidiary of Edison International, which is not a registered entity in any NERC region. ReliabilityFirst reviewed prior violations of EMMT and the other Edison International wholly-owned subsidiary, Southern California Edison, which is a registered entity in the Western Electricity Coordinating Council (“WECC”).

13. EMMT has only a previous violation of VAR-002-1, R3 in the WECC region, which is not a closely related Reliability Standard. Therefore, ReliabilityFirst did not treat that alleged violation as an aggravating factor. ¹ ReliabilityFirst also noted that EMMT’s affiliate, Southern California Edison, had a previous violation of PRC-005-1, R2.1 in the WECC region.² ReliabilityFirst, however, determined that this did not constitute a repetitive infraction because Southern California Edison and EMMT are not involved with one another’s compliance programs, nor do they share any services regarding compliance with the Reliability Standards.

¹ See WECC200901516, FERC Docket No. NP10-166-000.

² See WECC200801408, FERC Docket No. NP10-2-000. ReliabilityFirst also noted that Southern California Edison has had previous violations of other Reliability Standards. See WECC201001877, FERC Docket No. NP11-34-000, Southern California Edison’s alleged violation of VAR-002-1, R3 and WECC201001269 and WECC201001458, FERC Docket No. NP10-64-000, Southern California Edison’s alleged violations of FAC-001-0, R1, and PRC-STD-003-1, WR1.
Furthermore, EMMT and Southern California Edison do not share ownership or operations of any facilities.

14. Furthermore, EMMT self reported similar alleged violations of PRC-005-1 to WECC and the Midwest Reliability Organization. ReliabilityFirst considered these as aggravating factors since they are violations of the same Reliability Standard.

V. MITIGATING ACTIONS, REMEDIES, AND SANCTIONS

A. Mitigating Actions for PRC-005-1, R2.1—RFC201000443.

15. On September 3, 2010, EMMT submitted to ReliabilityFirst its mitigation plan to address the possible violation of PRC-005-1, R2.1. See, NERC Mitigation Plan ID# MIT-07-2931, EMMT Mitigation Plan (attached as Attachment B). ReliabilityFirst accepted this mitigation plan on October 4, 2010, and on October 27, 2010, NERC approved this mitigation plan and sent it to the Federal Energy Regulatory Commission (the “Commission”) as confidential, non-public information.

16. In this mitigation plan, EMMT memorialized the actions it took to address the possible violation of PRC-005-1, R2.1. On November 17, 2010, EMMT submitted to ReliabilityFirst a certification of completion for this mitigation plan, which stated that this mitigation plan was completed as of October 31, 2010. See Certification of Mitigation Plan Completion (attached as Attachment C). Upon verification of the completion of this mitigation plan, which is ongoing, ReliabilityFirst will report the completion to NERC in accordance with Section 6.6 of the CMEP.

B. Monetary Penalty.

17. Based upon the foregoing, EMMT shall pay a monetary penalty of $10,000 to ReliabilityFirst.

18. ReliabilityFirst shall present an invoice to EMMT within 20 days after the Agreement is approved by the Commission or affirmed by operation of law. Upon receipt, EMMT shall have 30 days to remit payment. ReliabilityFirst will notify NERC if it does not timely receive the payment from EMMT.

19. If EMMT fails to timely remit the monetary penalty payment to ReliabilityFirst, interest will commence to accrue on the outstanding balance, pursuant to 18 C.F.R. § 35.19a (a)(2)(iii), on the earlier of (a) the 31st day after the date on the invoice issued by ReliabilityFirst to EMMT for the monetary penalty payment or (b) the 51st day after the Agreement is approved by the Commission or operation of law.
V. ADDITIONAL TERMS

20. ReliabilityFirst and EMMT agree that this Agreement is in the best interest of bulk electric system reliability. The terms and conditions of the Agreement are consistent with the regulations and orders of the Commission and the NERC Rules of Procedure.

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

22. This Agreement shall become effective upon the Commission’s approval of the Agreement by order or operation of law or as modified in a manner acceptable to the parties.

23. EMMT agrees that this Agreement, when approved by NERC and the Commission, shall represent a final settlement of all matters set forth herein and binds EMMT to perform the actions enumerated herein. EMMT expressly waives its right to any hearing or appeal concerning any matter set forth herein, unless and only to the extent that EMMT contends that any NERC or Commission action constitutes a material modification to this Agreement.

24. ReliabilityFirst reserves all rights to initiate enforcement actions against EMMT in accordance with the NERC Rules of Procedure in the event that EMMT fails to comply with any of the terms or conditions of this Agreement, including failure to timely complete mitigation plans or other remedies of this Agreement. In the event EMMT fails to comply with any of the terms or conditions of this Agreement, ReliabilityFirst may initiate an action or actions against EMMT to the maximum extent allowed by the NERC Rules of Procedure, including, but not limited to, the imposition of the maximum statutorily allowed monetary penalty. EMMT will retain all rights to defend against such action or actions in accordance with the NERC Rules of Procedure.

25. EMMT consents to ReliabilityFirst’s future use of this Agreement for the purpose of assessing the factors within the NERC Sanction Guidelines and applicable Commission orders and policy statements, including, but not limited to, the factor evaluating EMMT’s history of violations. Such use may be in any enforcement
action or compliance proceeding undertaken by NERC or any Regional Entity or both, provided however that EMMT does not consent to the use of the conclusions, determinations, and findings set forth in this Agreement as the sole basis for any other action or proceeding brought by NERC or any Regional Entity or both, nor does EMMT consent to the use of this Agreement by any other party in any other action or proceeding.

26. EMMT affirms that all of the matters set forth in this Agreement are true and correct to the best of its knowledge, information, and belief, and that it understands that ReliabilityFirst enters into this Agreement in express reliance on the representations contained herein, as well as any other representations or information provided by EMMT to ReliabilityFirst during any EMMT interaction with ReliabilityFirst relating to the subject matter of this Agreement.

27. Each of the undersigned warrants that he or she is an authorized representative of the entity designated below, is authorized to bind such entity, and accepts the Agreement on the entity's behalf.

28. The signatories to this Agreement agree that they enter into this Agreement voluntarily and that, other than the recitations set forth herein, no tender, offer, or promise of any kind by any member, employee, officer, director, agent, or representative of ReliabilityFirst or EMMT has been made to induce the signatories or any other party to enter into this Agreement.

29. The Agreement may be signed in counterparts.

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

[SIGNATURE PAGE TO FOLLOW]

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
Agreed to and accepted:

Jason Blake
Managing Enforcement Attorney
Reliability First Corporation

John Kennedy
Vice President, Generation Operation
Edison Mission Marketing & Trading, Inc.

1-24-11
Date

1-26-11
Date

Approved:

Timothy R. Gallagher
President & Chief Executive Officer
Reliability First Corporation

Date
Agreed to and accepted:

L. Jason Blake
Managing Enforcement Attorney
ReliabilityFirst Corporation

1-24-11
Date

John Kennedy
Vice President, Generation Operation
Edison Mission Marketing & Trading, Inc.

Date

Approved:

Timothy R. Gallagher
President & Chief Executive Officer
ReliabilityFirst Corporation

1-26-11
Date
Attachment A

Violation Self-Reporting Form

Submitted August 5, 2010
This Violation Self-Reporting Form can be used for submittals via e-mail for violations of the Reliability Standards identified by a self-assessment.

1. Date: 8/5/10
2. Registered Entity: Edison Mission Marketing & Trading
3. NERC Registry ID: Joint Registration ID (JRO) (if applicable:) NCR 00769
4. Multiple Regional Registered Entity (MRRE) Regional Affiliates (if applicable:)
5. Reliability Standard PRC-005 Requirement 2: R2.1
6. Reporting for registered function(s): Generator Owner
7. Date Violation was Discovered: 7/30/10
   Beginning Date of Violation: 6/17/07
   End or Expected End Date of Violation: 7/30/10
8. Has this violation been previously reported: Yes or No
   If yes, Provide NERC Violation ID number:
9. Has this violation been reported to another region(s): Yes or No
   If yes, Provide Region(s): MRO and WECC
10. Is the violation still occurring: Yes or No
11. Detail description and cause of the violation: Missing battery maintenance records
12. Violation Risk Factor: Lower ( ) – Medium ( ) – High (X ) – Not Specified ( ) Select One
13. Violation Severity Level: Lower (X ) – Moderate ( ) – High ( ) – Severe ( ) Select One
   Provide justification for this determination:
14. Provide a determination of the Potential Impact to the Bulk Electric System:

   EMMT affirms batteries were maintained and in good working condition for the reported time period thus there was a low potential impact to the bulk electric system. Real-time, battery monitoring for low voltage and ground conditions are communicated to the unit control room for investigation.
15. Mitigation Plan attached: Yes or No

Self-Report Form – 6-4-2010 – Revision 3
16. Additional Comments:

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

Officer’s Name: Guy Gorney
Title: Senior Vice President, Generation
E-mail address: ggorney@mwgen.com Phone: 630-771-7823

Primary Compliance Contact: Ellen Oswald
E-mail address: eoswald@mwgen.com Phone: 312-37-6839

E-mail Submittals to self-reports@rfirst.org Subject Line: (Registered No.) - Violation Self-Report
For any questions regarding compliance submittals, please e-mail self-reports@rfirst.org.

a. Report on a requirement basis. If the violation is to a sub requirement, or multiple sub requirements, include all sub requirements relevant to this violation.

b. Mitigation Plans are to be submitted to mitigationplan@rfirst.org with the subject line (Registered No. - Mitigation Plan).
Attachment B

Mitigation Plan (MIT-07-2931)

Submitted September 03, 2010
Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: 9/3/10

Section A: Compliance Notices & Mitigation Plan Requirements
A.1 Notices and requirements applicable to Mitigation Plans and this Submittal Form are set forth in “Attachment A - Compliance Notices & Mitigation Plan Requirements.”

A.2 This form must be used to submit required Mitigation Plans for review and acceptance by ReliabilityFirst and approval by NERC.

A.3 X 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: Edison Mission Marketing & Trading

Company Address: 235 Remington Blvd., Suite A Bolingbrook, IL 60440

NERC Compliance Registry ID: NCR 00769

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

Name: Ellen Oswald

Title: Director, NERC Compliance

Email: eoswald@mwgen.com

Phone: 312-237-6839
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.

<table>
<thead>
<tr>
<th>NERC Violation ID #</th>
<th>Reliability Standard</th>
<th>Requirement Number</th>
<th>Violation Risk Factor</th>
<th>Alleged or Confirmed Violation Date(*)</th>
<th>Method of Detection (e.g., Audit, Self-report, Investigation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRC-005</td>
<td>R2.1</td>
<td>High</td>
<td>7/30/10</td>
<td>Self Report</td>
<td></td>
</tr>
</tbody>
</table>

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

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

Station personnel in operations and maintenance perform daily and periodic reviews for all station batteries. Station management views batteries as being the first line of defense for equipment protection and EMMT has maintained their station batteries such that there have been no failures in place. From station to station batteries have been maintained but record keeping has gaps. EMMT acknowledges the need for improved administration in the form of a common template, process and corporate monitoring.

Note: If a formal root cause analysis evaluation was performed, submit a copy of the summary report.
C.3 Provide any additional relevant information regarding the Alleged or Confirmed violations associated with this Mitigation Plan. Additional detailed information may be provided as an attachment.

Section D: Details of Proposed Mitigation Plan

Mitigation Plan Contents

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

1) Use work management system to trigger monthly, quarterly, annual and capacity tests for battery maintenance.
2) Revise EMG-3011, Battery Maintenance Procedure with common data sheet, so there is a common process and data sheet across all stations
3) EME NERC Compliance Group validates battery maintenance is complete for M/Q/A/C in accordance with revised Battery Maintenance Procedure EMG-3011
4) NERC Compliance Group will actively monitor completion of battery maintenance monthly and alert report senior level management so action can be taken to complete maintenance timely.
5) Provide awareness training for responsible parties on revised battery maintenance procedure.

Mitigation Plan Timeline and Milestones

D.2 Provide the date by which full implementation of the Mitigation Plan will be, or has been, completed with respect to the Alleged or Confirmed violations identified above. State whether the Mitigation Plan has been fully implemented, and/or whether the actions necessary to assure the entity has returned to full compliance have been completed.

EMMT is in full compliance with the standard requirement as of Sep 1, 2010. EMMT is initiating additional steps to ensure compliance is maintained.
D.3 Enter Key Milestone Activities (with due dates) that can be used to track and indicate progress towards timely and successful completion of this Mitigation Plan.

<table>
<thead>
<tr>
<th>Key Milestone Activity</th>
<th>Proposed/Actual Completion Date* (shall not be more than 3 months apart)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enter battery maintenance requirements in work management system</td>
<td>8/30/10</td>
</tr>
<tr>
<td>Revise and approve battery maintenance procedure</td>
<td>9/1/10</td>
</tr>
<tr>
<td>EME NERC Compliance Group validates battery maintenance is complete for M/Q/A/C in accordance with revised Battery Maintenance Procedure EMG-3011</td>
<td>9/01/10</td>
</tr>
<tr>
<td>EME NERC Compliance Group monitor battery maintenance</td>
<td>9/30/10</td>
</tr>
<tr>
<td>Provide awareness training for responsible parties on revised battery maintenance procedure</td>
<td>11/1/10</td>
</tr>
</tbody>
</table>

(*) Note: Additional violations could be determined for not completing work associated with accepted milestones.
Section E: **Interim and Future Reliability Risk**

**Abatement of Interim BPS Reliability Risk**

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

No additional risk is presented in that battery maintenance is being documented from time of self report to present.

**Prevention of Future BPS Reliability Risk**

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

The plan will be successful:
- Setting expectations and maintain ongoing communications with station management
- One common battery maintenance procedure with included datasheet template for all stations
- Trigger longer term maintenance through work management software
- Monitor performance and report to management
Section F: Authorization
An authorized individual must sign and date this Mitigation Plan Submittal Form. By doing so, this individual, on behalf of your organization:

a) Submits this Mitigation Plan for acceptance by ReliabilityFirst and approval by NERC, and

b) If applicable, certifies that this Mitigation Plan was completed on or before the date provided as the ‘Date of Completion of the Mitigation Plan’ on this form, and

c) Acknowledges:

1. I am Director, NERC Compliance of Edison Mission Marketing & Trading.

2. I am qualified to sign this Mitigation Plan on behalf of EMMT.

3. I have read and am familiar with the contents of this Mitigation Plan.

4. EMMT agrees to comply with this Mitigation Plan, including the timetable completion date, as accepted by ReliabilityFirst and approved by NERC.

Authorized Individual Signature

Name (Print): Ellen Oswald
Title: Director, NERC Compliance
Date: 9/3/10

Section G: Regional Entity Contact
Please direct completed forms or any questions regarding completion of this form to the ReliabilityFirst Compliance e-mail address mitigationplan@rfirst.org. Please indicate the company name and reference the NERC Violation ID # (if known) in the subject line of the e-mail. Additionally, any ReliabilityFirst Compliance Staff member is available for questions regarding the use of this form. Please see the contact list posted on the ReliabilityFirst Compliance web page.
Attachment C

Certification of Mitigation Plan Completion

Submitted November 17, 2010
Certification of Mitigation Plan Completion

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

Registered Entity Name: Edison Mission Marketing & Trading

NERC Registry ID:NCR00769

Date of Submittal of Certification:11-17-2010

NERC Violation ID No(s):RFC201000443

Reliability Standard and the Requirement(s) of which a violation was mitigated:PRC-005 R2.1

Date Mitigation Plan was scheduled to be completed per accepted Mitigation Plan:11-1-2010

Date Mitigation Plan was actually completed:10-31-2010

Additional Comments (or List of Documents Attached):Documents submitted to RFC, Rich Gloff

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: Ellen Oswald
Title: Director, NERC Compliance Program
Email: eoswald@mwgen.com
Phone: 630-771-7858

Authorized Signature: [Signature]

Date: 11-17-2010

Page 1 of 3
Attachment b

ReliabilityFirst’s Verification of Mitigation Plan Completion for PRC-005-1 R2.1 dated May 5, 2011
VERIFICATION OF MITIGATION PLAN COMPLETION FOR MIT-07-2931

I. RELEVANT BACKGROUND

Edison Mission Marketing & Trading, Inc. ("EMMT") submitted a Self Report to ReliabilityFirst Corporation ("ReliabilityFirst") identifying a possible violation of NERC Reliability Standard PRC-005-1, Requirement 2.1, on August 5, 2010. EMMT identified 24 instances where it failed to test batteries within their defined intervals, in violation of PRC-005-1, R2.1. This alleged violation implicated 24 of EMMT’s 54 (44%) batteries which constitutes 24 of EMMT’s 750 (3.2%) Protection System devices. EMMT submitted a proposed mitigation plan to ReliabilityFirst on September 3, 2010, whereby stating EMMT would complete all mitigating actions on November 1, 2010. ReliabilityFirst accepted this mitigation plan, designated MIT-07-2931, on October 4, 2010, and NERC approved it on October 27, 2010.

II. MITIGATION PLAN COMPLETION REVIEW PROCESS

On November 17, 2010, EMMT certified that it completed the mitigation plan for PRC-005-1, Requirement 2.1 as of October 31, 2010. ReliabilityFirst requested and received evidence of completion for actions taken by EMMT as specified in the mitigation plan. ReliabilityFirst performed an in depth review of the information provided to verify that EMMT successfully completed all actions specified in the mitigation plan.
A. Evidence Reviewed per Standard and Requirement.

<table>
<thead>
<tr>
<th>Evidence Reviewed</th>
<th>Applicable Standard and Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. <em>Monthly Battery Inspection Forms</em> – dated August 11 – August 30, 2010</td>
<td>PRC-005-1 R2.1</td>
</tr>
<tr>
<td>2. <em>Quarterly Battery Inspection Forms</em> – dated June 1 – August 30, 2010</td>
<td>PRC-005-1 R2.1</td>
</tr>
<tr>
<td>3. <em>Annual Battery Inspection Forms</em> – dated August 11, 2009 – August 13, 2010</td>
<td>PRC-005-1 R2.1</td>
</tr>
<tr>
<td>5. <em>SAP Maintenance Plans</em> spreadsheet checklist – undated</td>
<td>PRC-005-1 R2.1</td>
</tr>
<tr>
<td>7. <em>EMG-3011 Battery Inspection and Maintenance</em> procedure – dated August 31, 2010</td>
<td>PRC-005-1 R2.1</td>
</tr>
<tr>
<td>8. <em>EMG-3011A - Monthly Battery Inspection Form</em> – dated August 31, 2010</td>
<td>PRC-005-1 R2.1</td>
</tr>
<tr>
<td>9. <em>EMG-3011B - Quarterly Battery Inspection Form</em> – dated August 31, 2010</td>
<td>PRC-005-1 R2.1</td>
</tr>
<tr>
<td>10. <em>Battery Maintenance and Testing Summary</em> – dated September 20, 2010</td>
<td>PRC-005-1 R2.1</td>
</tr>
<tr>
<td>11. <em>Battery &amp; Protective Relay Maintenance Tutorial</em> training presentation – dated September 22, 2010</td>
<td>PRC-005-1 R2.1</td>
</tr>
<tr>
<td>12. <em>Attendee List</em> of twenty-eight (28) responsible parties present at the September 22, 2010 training – undated</td>
<td>PRC-005-1 R2.1</td>
</tr>
<tr>
<td>13. Email confirmation from six responsible parties that were not at the training indicating they have reviewed the training presentation, procedure and forms and understand what is being communicated – dated October 12-21, 2010</td>
<td>PRC-005-1 R2.1</td>
</tr>
</tbody>
</table>
B. Verification of Mitigation Plan Completion.

1. PRC-005-1, Requirement 2.1

PRC-005-1, Requirement 2 states in pertinent part:

**R2.** Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System shall provide documentation of its Protection System maintenance and testing program and the implementation of that program to its Regional Reliability Organization on request (within 30 calendar days). The documentation of the program implementation shall include:

**R2.1.** Evidence Protection System devices were maintained and tested within the defined intervals.

**Mitigation Plan Task D1.3**
EME NERC Compliance Group validates battery maintenance is complete for Monthly/Quarterly/Annual/Capacity testing in accordance with revised Battery Maintenance Procedure EMG-3011.
Completion date – September 1, 2010.

*Quarterly Battery Inspection Forms* – dated June 1, 2010 – August 30, 2010.

For the 24 battery banks identified in the Self-Report, the above forms and reports:

a. Provide evidence that the devices were maintained and tested within the defined intervals (R2.1.), and
b. Address the stated violation.

**Mitigation Plan Completion**

The approved Mitigation Plan included four additional tasks that will protect the bulk electric system in the future by helping to prevent reoccurrence.

**Mitigation Plan Task D1.1**
Use work management system to trigger monthly, quarterly, annual and capacity tests for battery maintenance. Completion date – August 30, 2010.

*SAP Maintenance Plans* spreadsheet checklist – undated.
This list indicates the Maintenance Plan number for each cycle (monthly, quarterly, etc.) for each of the twenty-four (24) battery banks.

These show the date each Work Order was created, the associated the Maintenance Work Order, due date and Maintenance Plan number (from the checklist).

**Mitigation Plan Task D1.2**
Revise EMG-3011, Battery Maintenance Procedure with common data sheet, so there is a common process and data sheet across all stations. Completion date – September 1, 2010.

This version of the document and Inspection Forms standardizes the process for battery inspection and maintenance across all stations and includes documentation and review steps to reduce the risk of similar violations in the future.

**Mitigation Plan Task D1.4**
NERC Compliance Group will actively monitor completion of battery maintenance monthly and alert report senior level management so action can be taken to complete maintenance timely. Completion date – September 30, 2010.  

This monthly report lists all battery banks and indicates the maintenance that has been completed. This provides time to ensure that incomplete work orders can be completed in a timely manner.

**Mitigation Plan Task D1.5**
Provide awareness training for responsible parties on revised battery maintenance procedure. Completion date – November 1, 2010.

*Attendee List* of 28 responsible parties present at the September 22, 2010 training – undated.  
Email confirmation from six responsible parties that were not at the training indicating they have reviewed the training presentation, procedure and forms and understand what is being communicated – dated October 12-21, 2010.  
These documents provide the material EMMT included in its awareness training and indicate that responsible parties received the training.

## III. CONCLUSION

ReliabilityFirst reviewed the evidence EMMT submitted in support of its Certification of Completion. This evidence demonstrates successful completion of the mitigating activities in mitigation plan MIT-07-2931 associated with PRC-005-1, Requirement 2.1.
ReliabilityFirst hereby verifies that the mitigation plan associated with the alleged violation of the aforementioned NERC Reliability Standard is completed in accordance with its terms and conditions.

Accepted:

David J. Coyle  
Compliance Specialist  
ReliabilityFirst Corporation  

Date: May 2, 2011

Approved:

Robert K. Wargo  
Manager, Compliance Enforcement  
ReliabilityFirst Corporation  

Date: May 5, 2011
Attachment c

Disposition Document
DISPOSITION OF VIOLATION

Dated May 9, 2011

NERC TRACKING NO. RF201000443
REGIONAL ENTITY TRACKING NO. RFC201000443

NOC# NOC-779

REGISTERED ENTITY
Edison Mission Marketing & Trading, Inc. (EMMT)

NERC REGISTRY ID NCR00769

REGIONAL ENTITY
ReliabilityFirst Corporation (ReliabilityFirst)

I. REGISTRATION INFORMATION

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

<table>
<thead>
<tr>
<th>BA</th>
<th>DP</th>
<th>GO</th>
<th>GOP</th>
<th>IA</th>
<th>LSE</th>
<th>PA</th>
<th>PSE</th>
<th>RC</th>
<th>RP</th>
<th>RSG</th>
<th>TO</th>
<th>TOP</th>
<th>TP</th>
<th>TSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5/30/07</td>
<td>5/30/07</td>
<td>5/30/07</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* VIOLATION APPLIES TO SHADED FUNCTIONS

DESCRIPTION OF THE REGISTERED ENTITY

EMMT has a total generation capacity of 7,650 MW and is a wholly-owned subsidiary of Edison Mission Energy (EME), which is owned by Edison International. EMMT is registered on the NERC Compliance Registry List in the Midwest Reliability Organization (MRO), Northeast Power Coordinating Council, Inc. (NPCC), ReliabilityFirst, Southwest Power Pool Regional Entity, Texas Reliability Entity, Inc. and Western Electricity Coordinating Council (WECC) regions. Edison International’s other wholly-owned subsidiary, Southern California Edison, is also registered under four separate NERC Registry IDs in the WECC region.

In the ReliabilityFirst region, EMMT owns and operates 23 coal- and oil-fired fossil generation units in Illinois and Pennsylvania.

---

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

2 On December 11, 2009, EMMT registrations in the MRO region (formerly NCR10017) and NPCC region (formerly NCR00083) were consolidated under the same NERC Registry ID as the four other regions.
II. VIOLATION INFORMATION

<table>
<thead>
<tr>
<th>RELIABILITY STANDARD</th>
<th>REQUIREMENT(S)</th>
<th>SUB-REQUIREMENT(S)</th>
<th>VRF(S)³</th>
<th>VSL(S)⁴</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRC-005-1</td>
<td>2</td>
<td>2.1</td>
<td>High</td>
<td>Moderate</td>
</tr>
</tbody>
</table>

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

The purpose statement of PRC-005-1 provides: “To ensure all transmission and generation Protection Systems⁵ affecting the reliability of the Bulk Electric System (BES) are maintained and tested.”

PRC-005-1 R2 provides in pertinent part:

R2. Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System shall provide documentation of its Protection System maintenance and testing program and the implementation of that program to its Regional Reliability Organization⁶ 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.

(VIOLATION DESCRIPTION)

On July 30, 2010, EMMT discovered a violation of PRC-005-1 R2.1 and self-reported it to ReliabilityFirst on August 5, 2010. EMMT identified 24 instances where it failed to test batteries within their defined intervals in violation of the Standard, but stated that its batteries were maintained and in good working condition. EMMT completed testing of the missed batteries on July 30, 2010.

³ PRC-005-1 R2 has a “Lower” Violation Risk Factor (VRF); R2.1 and R2.2 each have a “High” VRF. During a final review of the standards subsequent to the March 23, 2007 filing of the Version 1 VRFs, NERC identified that some standards requirements were missing VRFs; one of these include PRC-005-1 R2.1. On May 4, 2007, NERC assigned PRC-005 R2.1 a “High” VRF. In the Commission’s June 26, 2007 Order on Violation Risk Factors, the Commission approved the PRC-005-1 R2.1 “High” VRF as filed. Therefore, the “High” VRF was in effect from June 26, 2007. In the context of this case, ReliabilityFirst determined that the violation related to R2.1, and therefore a “High” VRF is appropriate.

⁴ EMMT has a total of 54 battery Protection System devices. ReliabilityFirst determined the VSL to be “Moderate” because the violation involved 44% of its total batteries. The self-report incorrectly states that the VSL was Lower.

⁵ The NERC Glossary of Terms Used in Reliability Standards defines Protection System as “Protective relays, associated communication systems, voltage and current sensing devices, station batteries and DC control circuitry.”

⁶ Consistent with applicable FERC precedent, the term ‘Regional Reliability Organization’ in this context refers to ReliabilityFirst.
Reliability *First* determined that EMMT violated PRC-005-1 R2.1 by failing to test 24 of EMMT's 54 (44%) batteries within defined intervals, which constituted 3.2% of EMMT's 750 total Protection System devices.

**RELIABILITY IMPACT STATEMENT- POTENTIAL AND ACTUAL**

Reliability *First* determined that the violation posed a minimal risk and did not pose a serious or substantial risk to the reliability of the bulk power system (BPS) because EMMT tested the batteries before and after the missed intervals and found them fully functioning within their specifications on both occasions. In addition, EMMT has two completely redundant protective systems in place for each generator; and each system has at least three layers of overlapping protection within itself. The primary system consists of discrete electro-mechanical relays, and the secondary system consists of a multi-functional digital relay. Finally, all of EMMT's batteries are alarmed to its facility operations control room, which is staffed 24 hours a day. The alarms sound if a battery is inoperable, and during the time period of the violation, no battery alarms occurred for any of the 24 missed batteries.

**IS THERE A SETTLEMENT AGREEMENT**

YES [x] NO [ ]

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

NEITHER ADMITS NOR DENIES IT (SETTLEMENT ONLY) YES [ ]

ADmits TO IT YES [x]

Agrees to the stipulated facts

DOES NOT CONTEST IT (INCLUDING WITHIN 30 DAYS) YES [ ]

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

ACCEPTS IT/ DOES NOT CONTEST IT YES [x]

**III. DISCOVERY INFORMATION**

**METHOD OF DISCOVERY**

SELF-REPORT [x]

SELF-CERTIFICATION [ ]

COMPLIANCE AUDIT [ ]

COMPLIANCE VIOLATION INVESTIGATION [ ]

SPOT CHECK [ ]

COMPLAINT [ ]

PERIODIC DATA SUBMITTAL [ ]

EXCEPTION REPORTING [ ]
DURATION DATE(S)
6/18/07 (when the Standard became mandatory and enforceable) through 7/30/10
(when battery testing was completed)

DATE DISCOVERED BY OR REPORTED TO REGIONAL ENTITY 8/5/10

IS THE VIOLATION STILL OCCURRING YES ☐ NO ☒
IF YES, EXPLAIN

REMEDIAL ACTION DIRECTIVE ISSUED YES ☐ NO ☒
PRE TO POST JUNE 18, 2007 VIOLATION YES ☐ NO ☒

IV. MITIGATION INFORMATION

FOR FINAL ACCEPTED MITIGATION PLAN:
MITIGATION PLAN NO. MIT-07-2931
DATE SUBMITTED TO REGIONAL ENTITY 9/3/10
DATE ACCEPTED BY REGIONAL ENTITY 10/4/10
DATE APPROVED BY NERC 10/27/10
DATE PROVIDED TO FERC 10/27/10

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

MITIGATION PLAN COMPLETED YES ☒ NO ☐

EXPECTED COMPLETION DATE 11/1/10
EXTENSIONS GRANTED N/A
ACTUAL COMPLETION DATE 10/31/10

DATE OF CERTIFICATION LETTER 11/17/09
CERTIFIED COMPLETE BY REGISTERED ENTITY AS OF 10/31/10

DATE OF VERIFICATION LETTER 5/05/11
VERIFIED COMPLETE BY REGIONAL ENTITY AS OF 10/31/10

ACTIONS TAKEN TO MITIGATE THE ISSUE AND PREVENT
RECURRENCE

EMMT mitigated the instant violation by completing battery testing prior to
the submittal of the Mitigation Plan. EMMT completed the following actions
to ensure future compliance with the Standard:

Edison Mission Marketing & Trading, Inc.
1) EMMT entered battery maintenance requirements into a work management system and is using this system to trigger monthly, quarterly, annual and capacity tests for battery maintenance.

2) EMMT revised *EMG-3011, Battery Maintenance Procedure* with common data sheets, in order to provide a common maintenance/testing process and data sheet across all its stations in Illinois and Pennsylvania.

3) The EME NERC Compliance Group validated battery maintenance was complete for monthly, quarterly, annual and capacity testing (M/Q/A/C) in accordance with the revised *EMG-3011, Battery Maintenance Procedure*.

4) The EME NERC Compliance Group began and will continue to actively monitor completion of battery maintenance on a monthly basis and alert senior level management to complete maintenance timely.

5) EMMT provided awareness training for responsible parties on the revised procedure.

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

- *Monthly Battery Inspection Forms* – dated August 11 – August 30, 2010
- *Quarterly Battery Inspection Forms* – dated June 1 – August 30, 2010
- *Annual Battery Inspection Forms* – dated August 11, 2009 – August 13, 2010
- *SAP Maintenance Plans* spreadsheet checklist – undated
- *EMG-3011 Battery Inspection and Maintenance procedure* – dated August 31, 2010
- *EMG-3011A - Monthly Battery Inspection Form* – dated August 31, 2010
- *EMG-3011B - Quarterly Battery Inspection Form* – dated August 31, 2010
- *Battery Maintenance and Testing Summary* – dated September 20, 2010
- *Battery & Protective Relay Maintenance Tutorial training presentation* – dated September 22, 2010
- *Attendee List* of twenty-eight (28) responsible parties present at the September 22, 2010 training – undated
- Email confirmation from six responsible parties that were not at the training indicating they have reviewed the training presentation, procedure and forms and understand what is being communicated – dated October 12-21, 2010
V. PENALTY INFORMATION

TOTAL ASSESSED PENALTY OR SANCTION OF $10,000 FOR ONE VIOLATION OF A RELIABILITY STANDARD.

(1) REGISTERED ENTITY’S COMPLIANCE HISTORY

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

YES ☒ NO ☐

LIST VIOLATIONS AND STATUS

Concurrently being filed is a Settlement Agreement (NOC-737) for PRC-005-1 R2.1 for EMMT in the WECC region.

A Settlement Agreement (NOC-691) covering a violation of PRC-005-1 R2.1 for EMMT in the MRO region was filed with FERC under NP11-75-000 on December 22, 2010. On January 21, 2011, FERC issued an order stating it would not engage in further review of the Notice of Penalty.

A Settlement Agreement (NOC-375) covering a violation of PRC-STD-003-1 WR1 for Southern California Edison - Transmission & Distribution Business Unit (SCET) (NCR05398) was filed with FERC under NP10-64-000 on March 1, 2010. On March 31, 2010, FERC issued an order stating it would not engage in further review of the Notice of Penalty.

On October 14, 2009, NERC submitted an Omnibus filing under NP10-2-000 which addressed violations for certain registered entities including a violation of PRC-005-1 R2.1 for Southern California Edison - Generation - Power Production Business Unit (SCEG) (NCR00460). On November 13, 2009, FERC issued an order stating it would not engage in further review of the violations addressed in the Omnibus Notice of Penalty.

ADDITIONAL COMMENTS

Reliability First determined that based on EMMT’s previous violations in NOC-737 and NOC-691, the instant violation of PRC-005-1 R2.1 constitutes a repeat violation, and the penalty was aggravated accordingly.

SCEG’s prior PRC-005-1 R2.1 violation and SCET’s prior PRC-STD-003-1 WR1 violation did not constitute a repeat violation because Southern California Edison and EMMT do not share a commonality of compliance responsibility for the Reliability Standards.
Furthermore, EMMT and Southern California Edison do not share ownership or operations of any facilities, and nothing in the record suggests that broader corporate issues were implicated.

PREVIOUSLY FILED VIOLATIONS OF OTHER RELIABILITY STANDARD(S) OR REQUIREMENTS THEREUNDER
YES ☒ NO ☐

LIST VIOLATIONS AND STATUS
A Settlement Agreement (NOC-473) covering a violation of VAR-002-1 R3 for EMMT in the WECC region was filed with FERC under NP10-166-000 on September 30, 2010. On October 29, 2010, FERC issued an order stating it would not engage in further review of the Notice of Penalty.

A Settlement Agreement (NOC-575) covering a violation of VAR-002-1 R3 for Southern California Edison - Power Procurement Business (SCEP) (NCR05397) was filed with FERC under NP11-34-000 on November 30, 2010. On December 30, 2010, FERC issued an order stating it would not engage in further review of the Notice of Penalty.

A Settlement Agreement (NOC-375) covering a violation of FAC-001-0 R1, in addition to the PRC-STD-003-1 WR1 discussed above, for SCET was filed with FERC under NP10-64-000 on March 1, 2010. On March 31, 2010, FERC issued an order stating it would not engage in further review of the Notice of Penalty.

ADDITIONAL COMMENTS
ReliabilityFirst determined that these prior violations for EMMT and its affiliates should not serve as a basis for aggravating the penalty because they involved standards that are not the same or similar to the instant standard. Moreover, there was nothing in the record to suggest that broader corporate issues were implicated.

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

FULL COOPERATION YES ☒ NO ☐
IF NO, EXPLAIN
(3) THE PRESENCE AND QUALITY OF THE REGISTERED ENTITY’S COMPLIANCE PROGRAM

IS THERE A DOCUMENTED COMPLIANCE PROGRAM
YES ☒ NO ☐ UNDETERMINED ☐
EXPLAIN

Reliability First favorably considered certain aspects of EMMT’s compliance program, in effect at the time of the violation, as mitigating factors. Specifically, EMMT's senior management, including the CEO, is involved with compliance matters and meets with the Director of NERC Compliance at least monthly. In addition, the NERC compliance group is independent from the operations group. Furthermore, Edison International formally audits the NERC compliance program.

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

The compliance program also includes appropriate and sufficient compliance adherence training for all relevant staff. The compliance training is awareness training and lessons learned for compliance contributors. Also, employees involved in NERC Reliability Standard violations will be identified to senior management for disciplinary action.

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

YES ☐ NO ☒ IF YES, EXPLAIN

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

YES ☐ NO ☒ IF YES, EXPLAIN
(6) ANY OTHER MITIGATING FACTORS FOR CONSIDERATION

YES ☐  NO ☒
IF YES, EXPLAIN

(7) ANY OTHER AGGRAVATING FACTORS FOR CONSIDERATION

YES ☐  NO ☒
IF YES, EXPLAIN

(8) ANY OTHER EXTENUATING CIRCUMSTANCES

YES ☐  NO ☒
IF YES, EXPLAIN

EXHIBITS:

SOURCE DOCUMENT
EMMT’s Self-Report for PRC-005-1 R2.1 dated August 5, 2010

MITIGATION PLAN
EMMT’s Mitigation Plan MIT-07-2931 for PRC-005-1 R2.1 submitted September 3, 2010

CERTIFICATION BY REGISTERED ENTITY
EMMT’s Certification of Mitigation Plan Completion for PRC-005-1 R2.1 dated November 17, 2010

VERIFICATION BY REGIONAL ENTITY
ReliabilityFirst’s Verification of Mitigation Plan Completion for PRC-005-1 R2.1 dated May 5, 2011

OTHER RELEVANT INFORMATION:

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

SETTLEMENT REQUEST DATE
DATE: 12/6/10 OR N/A ☐

NOTICE OF CONFIRMED VIOLATION ISSUED
DATE: OR N/A ☒
<table>
<thead>
<tr>
<th>SUPPLEMENTAL RECORD INFORMATION</th>
<th>DATE(S) OR N/A ☒</th>
</tr>
</thead>
<tbody>
<tr>
<td>REGISTERED ENTITY RESPONSE CONTESTED</td>
<td>FINDINGS ☐ PENALTY ☐ BOTH ☐ DID NOT CONTEST ☒</td>
</tr>
<tr>
<td>HEARING REQUESTED</td>
<td>YES ☐ NO ☒</td>
</tr>
<tr>
<td>DATE</td>
<td>OUTCOME</td>
</tr>
<tr>
<td>APPEAL REQUESTED</td>
<td></td>
</tr>
</tbody>
</table>
Attachment d

Notice of Filing
NOTICE OF FILING
May 26, 2011

Take notice that on May 26, 2011, the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding Edison Mission Marketing & Trading, Inc. in the ReliabilityFirst 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.


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