



Compliance Audit Report Public Version

**Associated Electric Cooperative, Inc.
(AECI) - NCR01177
June 19, 2007**

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

December 7, 2007

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EXECUTIVE SUMMARY

This final compliance audit report is the public version. Confidential information (including privileged and critical energy infrastructure information) has been redacted from this report. The full final compliance audit report was submitted to the audited entity and NERC.

Associated Electric Cooperative Inc. (AECI) was audited on June 19-20, 2007 for compliance to the requirements contained in the NERC Reliability Planning Standards that are currently enforceable and apply to AECI's electric utility operation. This audit focused on documents and other evidence provided to SERC by the staff of AECI, and did not include any evidence obtained through system observation or inspection. The findings of the audit are based on the state of compliance and current mitigation activity at the time of the audit, and do not reflect past compliance activities or activities that will be completed in the future.

The audit was conducted by asking AECI staff to show valid evidence of meeting each and every individual requirement and sub-requirement contained in the 15 Planning standards that had been previously identified by SERC to AECI as subject to this audit. AECI staff responded by providing evidence in the form of reports, procedures, studies, and other documents. AECI staff would then cite specific portions of the evidence that demonstrated compliance. This evidence and the citations were documented and evaluated by the audit team for the level of compliance and agreement with the requirement. If all of the requirements and sub-requirements of an audited standard were met, then AECI was judged to be compliant. Likewise, if any of the requirements or sub-requirements were not fully met, then AECI was judged to have a possible violation of the standard. In other words, only a score of 100% is identified as compliant; 99% and below is a possible violation.

AECI was found to be generally in compliance with the standards and mitigation plans that were audited, and exhibited a strong desire and willingness to continue improvement of their compliance effort in the future. Prior to the start of the audit, one self report of a possible violation had been submitted to SERC for PRC-005 concerning the generator relays maintenance and test schedule. During the audit, one possible violation of the Planning Standard FAC-003 - Vegetation Management Program was identified. Details related to this potential violation are listed in the "Findings" section below.

The possible compliance violation will be processed through the SERC Compliance Monitoring and Enforcement Program. Any further actions related to possible compliance violations will be through that process.

AUDIT PROCESS

Objectives

All registered entities are subject to audit for compliance with all reliability standards applicable to the functions for which the registered entity is registered.¹ The audit objectives are:

- Independently and objectively review AECI's compliance with the requirements of the reliability standards that are applicable to AECI based on the Associated Electric Cooperative's functions in the bulk electric system as determined by SERC.

¹ *North American Electric Reliability Corporation CMEP, paragraph 3.1, Compliance Audits*

- Validate compliance with applicable reliability standards from the NERC 2007 Implementation Plan list of actively monitored standards.

Scope

The scope of the audit of AECI was to look at all planning-related standards that are in the NERC 2007 Compliance Monitoring and Enforcement Plan. Of the 32 standards that apply to AECI, 15 were selected for review in this audit.

Note: For the 2007 compliance program, the monitoring period for the compliance audit will be the past 12 months or periods specified in individual reliability standards. The monitoring period is not limited to the time period for which penalties and sanctions are assessed.

Methodology

The audit was conducted by reviewing all of the standards that apply to AECI in the NERC 2007 Enforcement Plan that pertain to system planning, and standards that are currently covered by a mitigation plan. These standards were grouped and scheduled during the day to make the most efficient use of the AECI staff's time. The AECI staff had been briefed on the standards that were to be addressed so that documentation and evidence of compliance could be assembled.

Two teams of auditors and subject matter experts were identified; one that audited the modeling and assessment standards, and one that audited the operations planning and system maintenance related standards. Each team had a moderator who would initiate dialogue on each standard requirement, request compliance evidence, and document the evidence and AECI staff response. This was done by asking AECI staff to show valid evidence of meeting each and every individual requirement and sub-requirement contained in the 15 standards that had been previously identified by SERC to AECI as subject to this audit. AECI staff responded by providing evidence in the form of reports, procedures, studies, and other documents. AECI staff would then cite specific portions of the evidence that demonstrated compliance. This evidence and the citations were documented and evaluated by the audit team for the level of compliance and agreement with the requirement. Discrepancies between the requirement and the evidence provided were the subject of dialogue among the team members and AECI staff members until it could be agreed that each requirement was met by the cited evidence or other evidence offered. If it was felt that, after all evidence had been presented and discussed, that AECI did not have sufficient evidence to support a finding of compliance, a possible violation was identified by the team and AECI staff.

Company Profile

AECI operates an electric utility covering most rural areas of Missouri, parts of southeast Iowa, and northeast Oklahoma all within the footprint of SERC. AECI is a cooperative of six G&T Cooperatives. The six are KAMO Electric Cooperative, M&A Electric Power Cooperative, ShoMe Power Electric Cooperative, Northeast Electric Power Cooperative, NW Electric Power Cooperative and Central Electric Power Cooperative. AECI acts as a single Balancing Authority (BA) that incorporates all six G&T Cooperatives. The aggregate control area is forecasting a 4159MW peak with aggregate generation capacity of 5355 MW's. AECI services over 830,000 customers from 51 member distribution cooperatives. The utility is interconnected with over 152 interconnections with other entities. These include but are not limited to Ameren, Westar, Alliant, TVA, KCPL, Empire, GRDA, SPA and others.

AECI is a Transmission Owner (TO) with a system made up of 46 miles of 500 kV, 657 miles of 345 kV, 1,767 miles of 161 kV and 227 miles of 138 kV. Most of the distribution transmission is 69 kV or less. AECI holds membership on numerous SERC committees, including the Engineering Committee, Operations Committee, Cyber Security Committee, Compliance Review Steering Committee, ATCWG, SERC Generation Sub-committee and various planning groups.

AECI also participates in the following SERC regional planning groups:

NTSG – OASIS and Reliability (former VASTE)
LTSG – DBU and Long Term Reliability (former VSTE)
SCDWG – Short Circuit
DSG – Dynamics and Stability
MRO-RFC-SERC West-SPP
MRSWS

Additionally, AECI is a liaison member of SPP's TWG

Audit Specifics

The compliance audit was conducted on June 19-20, 2007 at the AECI office in Springfield, MO.

Audit Team

Audit Team Role	Name	Title	Company
Audit Team Leader	Bob Goss	Manager of Compliance Audits	SERC
Auditor; Sub-Team Moderator	Ralph Anderson	Senior Compliance Auditor	SERC
Auditor; Sub-Team Moderator	Sam Stryker	Senior Compliance Auditor	SERC
Auditor	Mike Vastano	Compliance Auditor	SERC
Member	Brian Mitchell	Transmission Planning - West	Southern Company Services
Member	John Sullivan	Engineer (DRS Representative)	Ameren
Member	Marion Frick	Manager, Relay and SCADA Applications	SCE&G
Member	Curt Stepanek	Principal Transmission Planning Engineer	Ameren
Member	Ed Ruck	Regional Compliance Program Coordinator	NERC

AUDIT RESULTS

The audit began at 8:30 a.m., June 19, 2007 with an opening presentation by Bob Goss, SERC Manager of Compliance. He reviewed the NERC Compliance Plan for 2007 in general, and how it applied to AECI specifically. He introduced and reviewed the standards to be covered in the audit, and addressed both the expectations of AECI staff and the quality of evidence to be presented. He also covered the basic procedure for the audit, and the bounding rules of conduct. Each member of the audit team was introduced and professional affiliation identified. His presentation was followed by an overview from Chris Bolick, Acting Director of Engineering

and Operations. This overview provided a background of AECI and its compliance activities. The staff of AECI was introduced, and general housekeeping matters explained

The audit team then split into two previously identified sub-teams for the sake of efficiency, and the individual auditing of standards began at 9:15a.m. Each team initially reviewed the registration status of AECI with AECI staff to verify application of each standard. Each standard's audit began with a recitation of each requirement and an explanation, if requested by AECI. AECI staff would then present evidence of meeting this requirement, or cite evidence in material already presented to the team. At that point, the evidence was reviewed and dialogue took place until the team reached a point of satisfaction with the evidence. Consensual approval or concern was reached on each of the requirements, and explained to AECI staff before proceeding to the next requirement. At that point the team moderator would record the evidence presented to satisfy the requirement and the team's recommendation on that requirement using the standard worksheet.

After completing a review of all applicable requirements in the standard, the overall compliance to that standard was reviewed first by the team and AECI staff, and then by the Audit Team Leader. Any concerns or dissention with the recommendation was offered, and the audit team leader would indicate support or disagreement with the recommendation. Dialogue would ensue to the point of decision on the part of the Audit Team Leader. Following this review, the standard worksheet would be updated with the compliance recommendation.

The review of all applicable standards was completed at approximately 5:30 p.m. and the audit team met to review and discuss the findings. At approximately 8:30 a.m., June 20, 2007, the moderators collected all notes and evidence as needed and began to finalize the standards worksheets. The Audit Team Leader began to develop the exit briefing with the help of all team members by using a projector connected to his laptop. This facilitated the consensus of the full team on the content of the exit briefing, and re-affirmed the findings and recommendations of the individual sub-teams.

The exit briefing was presented to the assembled Audit Team and AECI staff at approximately 11:00 a.m., June 20, 2007 and was followed by an informal response from AECI staff. The Audit Team Leader solicited both informal comments from AECI staff, along with requesting that they fill out formal feedback forms for submission to SERC. The audit team left the AECI meeting room at approximately 12:00 p.m., June 20, 2007.

Findings

Reliability Standard	Auditor Notes	Finding
BAL-001-0	Applies to AECI, but not part of planning audit scope.	Not Assessed
BAL-002-0	Applies to AECI, but not part of planning audit scope.	Not Assessed
BAL-003-0	Applies to AECI, but not part of planning audit scope.	Not Assessed
BAL-004-0	Applies to AECI, but not part of planning audit scope.	Not Assessed
BAL-005-0	Applies to AECI, but not part of planning audit scope.	Not Assessed
CIP-001-1	Applies to AECI, but not part of planning audit scope.	Not Assessed
CIP-002-1 through CIP-009-1	Applies to AECI, but not part of planning audit scope	Not Assessed
COM-001-1	Applies to AECI, but not part of planning audit scope	Not Assessed
EOP-001-0	Applies to AEC but not part of planning audit scope	Not Assessed
EOP-003-1	Applies to AEC but not part of planning audit scope	Not Assessed
EOP-005-1	Applies to AEC but not part of planning audit scope	Not Assessed
EOP-006-1	Does not apply to AECI	NA
EOP-008-0	Applies to AEC but not part of planning audit scope	Not Assessed
EOP-009-0	Applies to AEC but not part of planning audit scope	Not Assessed
FAC-003-1	Applies to AECI as a transmission owner. While AECI had a vegetation management plan, it delegated specific portions to its G&T members. Evidence was not provided that all G&T's had all elements required of a vegetation management plan.	Possible Violation
FAC-008-1	Audited for compliance with NERC Standards: AECI was found to meet all standard requirements through evidence provided.	Compliant
FAC-009-1	Audited for compliance with NERC Standards: AECI was found to meet all standard requirements through evidence provided.	Compliant
IRO-001-1	Applies to AEC but not part of planning audit scope	Not Assessed
IRO-004-1	Applies to AEC but not part of planning audit scope	Not Assessed
IRO-014-1	Applies to AEC but not part of planning audit scope	Not Assessed
IRO-015-1	Applies to AEC but not part of planning audit scope	Not Assessed
IRO-016-1	Applies to AEC but not part of planning audit scope	Not Assessed
PER-002-0	Applies to AEC but not part of planning audit scope	Not Assessed

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Reliability Standard	Auditor Notes	Finding
PER-003-0	Applies to AEC but not part of planning audit scope	Not Assessed
PER-004-1	Applies to AEC but not part of planning audit scope	Not Assessed
PRC-004-1	Audited for compliance with NERC Standards: AECI was found to meet all standard requirements through evidence provided.	Compliant
PRC-005-1	AECI's Transmission group met all requirements through evidence provided. However, AECI's Power Production group has submitted a self report of a possible violation with this standard that is currently in the review and mitigation process in accordance with SERC CMEP procedures.	Self-Reported Possible Violation
PRC-008-0	Audited for compliance with NERC Standards: AECI was found to meet all standard requirements through evidence provided.	Compliant
PRC-010-0	Audited for compliance with NERC Standards, but AECI has no SPS plans or equipment.	Compliant
PRC-011-0	Audited for compliance with NERC Standards, but AECI has no UVLS plans or equipment.	Compliant
PRC-016-0	Audited for compliance with NERC Standards, but AECI has no UVLS plans or equipment.	Compliant
PRC-017-0	Audited for compliance with NERC Standards, but AECI has no SPS plans or equipment.	Compliant
PRC-021-1	Audited for compliance with NERC Standards, but AECI has no UVLS plan or equipment.	Compliant
TOP-003-0	Applies to AEC but not part of planning audit scope	Not Assessed
TOP-004-1	Applies to AEC but not part of planning audit scope	Not Assessed
TOP-005-1	Applies to AEC but not part of planning audit scope	Not Assessed
TOP-007-0	Applies to AEC but not part of planning audit scope	Not Assessed
TPL-001-0	Audited for compliance with NERC Standards: AECI was found to meet all standard requirements through evidence provided.	Compliant
TPL-002-0	Audited for compliance with NERC Standards: AECI was found to meet all standard requirements through evidence provided.	Compliant
TPL-003-0	Audited for compliance with NERC Standards: AECI was found to meet all standard requirements through evidence provided...	Compliant
TPL-004-0	Audited for compliance with NERC Standards: AECI was found to meet all standard requirements through evidence provided.	Compliant
VAR-001-1	Applies to AEC but not part of planning audit scope	Not Assessed

Conclusions

AECI electric utility operation was found to be generally in compliance with the standards and mitigation plans that were audited, and exhibited a strong desire and willingness to continue improvement of their compliance effort in the future. In addition to the self-reported area of possible noncompliance, one possible area of violation of the audited standards was noted during the audit and at the exit briefing. The standard associated with the possible violation is FAC-003 - Vegetation Management Program.

AECI has a comprehensive Vegetation Management Program (VMP) that is executed and managed by the individual Generation & Transmission Companies (G&Ts). The G&Ts execute the AECI VMP within each of their respective service areas. Although the lines associated with the VMP are actually maintained by the individual G&Ts, AECI is the owner of the lines, and has established responsibility for compliance with this standard.

Example documents were provided of work plan, procedures, inspections, etc., from the member G&Ts. The AECI VMP, as presented, fully conforms to many of the standard requirements, but not all of the individual G&T plans, as presented, fully conform. This was acknowledged by AECI staff.

Inasmuch as the individual G&T plans should contain the detailed work plans and inspection records for the VMP, AECI, by the evidence submitted, is assessed unanimously by the team to have a possible violation of this requirement.

SUMMARY OF AECI RESPONSE TO THE AUDIT FINDINGS

AECI is in disagreement with the finding of a possible violation associated with FAC-003. AECI had a very lengthy discussion with the audit team concerning the possible violation. This possible violation was in relation to three of the work plans within our G&Ts (ShoMe, Central, and M&A) areas not having adequate documentation. Specifically, the audit team believed that AECI's annual work plans for each of the G&T's were inadequate relative to work specifications, schedule, and inspections.

Each of our G&Ts has a vegetation management process and procedure to meet AECI's Transmission Vegetation Management Program (TVMP). AECI requires each of the G&Ts to submit a written certification that their work plan was completed for the year. This is required by December 31, 2007 of each year and is documented in the AECI TVMP.

Based on the finding, the work plans for Central, ShoMe and M&A were delinquent in providing work specifications. AECI believes that AECI's TVMP provides the work specifications for each G&T and that the G&T does not need to provide a formal work specification in their annual plan as long as the AECI TVMP is being met.

AECI's work plan for ShoMe was cited for not providing an inspection schedule. However, the work plan that was provided to the audit team does provide a statement that flyovers of all lines are performed six times per year and foot patrol once per year. Though no actual dates are provided, AECI contends that this is a schedule as required by AECI's TVMP.

AECI's work plan for Central was cited for not having numerous items associated with AECI's TVMP. While AECI was not immediately able to provide the documentation that the audit team requested, AECI did send it to the Audit Team Lead two days after receiving the request. AECI contends that the annual plan supplied to the Audit Team Leader is compliant with AECI's TVMP and was provided in a timely manner after receiving the request for the documentation.

Based on the discussion above, AECI contends that there is no probable violation associated with FAC-003 and that we are fully compliant.

APPENDIX 1 — APPLICABLE RELIABILITY STANDARDS

Std #	Requirements	Standard	Who	Purpose	Monitoring Timeframe	Applicable to AECI? Yes or No
BAL-001-0	All	Real Power Balancing Control Performance	BA	To maintain Interconnection steady-state frequency within defined limits by balancing real power demand and supply in real-time.	The data that supports the calculation of CPS1 and CPS2 (Attachment 1-BAL-001-0) are to be retained in electronic form for at least a one-year period. If the CPS1 and CPS2 data for a Balancing Authority Area are undergoing a review to address a question that has been raised regarding the data, the data are to be saved beyond the normal retention period until the question is formally resolved. Each Balancing Authority shall retain for a rolling 12-month period the values of: one-minute average ACE (ACEi), one-minute average Frequency Error, and, if using variable bias, one-minute average Frequency Bias.	Yes
BAL-002-0	All	Disturbance Control Performance	BA, RSG, RRO	To ensure the Balancing Authority is able to utilize its Contingency Reserve to balance resources and demand and return Interconnection frequency within defined limits.	Compliance for DCS will be evaluated for each reporting period. Reset is one calendar quarter without a violation. The data that support the calculation of DCS are to be retained in electronic form for at least a one-year period.	Yes
BAL-003-0	All	Frequency Response and Bias	BA	This standard provides a consistent method for calculating the Frequency Bias component of ACE.	Yearly or by request.	Yes

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Std #	Requirements	Standard	Who	Purpose	Monitoring Timeframe	Applicable to AECI? Yes or No
CIP-001-1	All	Sabotage Reporting	RC, BA, TOP, GOP, LSE	Disturbances or unusual occurrences, suspected or determined to be caused by sabotage, shall be reported to the appropriate systems, governmental agencies, and regulatory bodies.	By request and any events in the last year.	Yes
CIP-002-1 through CIP-009-1	All	Critical Infrastructure Protection Standards	BA, GO, GOP, IA, LSE, NERC, RC, RRO, TO, TOP, TSP	Cyber Security Standards- Follow revised Implementation Plan for Cyber Security Standards CIP-002-1 through CIP-009-1	By request.	Yes
COM-001-1	R2 and R5	Telecommunications	TO, BA, RC, NERC Net User Organizations.	Each Reliability Coordinator, Transmission Operator and Balancing Authority needs adequate and reliable telecommunications facilities internally and with others for the exchange of Interconnection and operating information necessary to maintain reliability.	By request.	Yes
EOP-001-0	All	Emergency Operations Planning	BA, TOP	Each Transmission Operator and Balancing Authority needs to develop, maintain, and implement a set of plans to mitigate operating emergencies. These plans need to be coordinated with other Transmission Operators and Balancing Authorities, and the Reliability Coordinator.	By request.	Yes

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Std #	Requirements	Standard	Who	Purpose	Monitoring Timeframe	Applicable to AECI? Yes or No
EOP-003-1	All	Load Shedding Plans	BA, TOP	A Balancing Authority and Transmission Operator operating with insufficient generation or transmission capacity must have the capability and authority to shed load rather than risk an uncontrolled failure of the Interconnection.	R1, R5, R6 - Event Driven. Has an event occurred in the past year? R2, R3, R4, R7, R8 – By request	Yes
EOP-005-1	All	System Restoration Plans	BA, TOP	To ensure plans, procedures, and resources are available to restore the electric system to a normal condition in the event of a partial or total shut down of the system	By request. Note: entity must follow the timelines specified in the standard: show that the plan is reviewed annually; simulation or testing must be done every 5 years.	Yes
EOP-006-1	All	Reliability Coordination – System Restoration	RC	The Reliability Coordinator must have a coordinating role in system restoration to ensure reliability is maintained during restoration and priority is placed on restoring the Interconnection.	By request.	No
EOP-008-0	All	Plans for Loss of Control Center Functionality	BA, RC, TOP	Each reliability entity must have a plan to continue reliability operations in the event its control center becomes inoperable.	By request.	Yes
EOP-009-0	All	Documentation of Blackstart Generating Unit Test Results	GO, GOP	To ensure that the quantity and location of system blackstart generators are sufficient and that they can perform their expected functions.	By request. Note entity must meet testing frequency specified in EOP-007-0.	Yes

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Std #	Requirements	Standard	Who	Purpose	Monitoring Timeframe	Applicable to AECI? Yes or No
FAC-003-1	All	Vegetation Management	RRO, TO	To improve the reliability of the electric transmission systems by preventing outages from vegetation located on transmission rights-of-way (ROW) and minimizing outages from vegetation located adjacent to ROW, maintaining clearances between transmission lines	By request – program documentation and last 4 quarterly outage reports.	Yes
FAC-008-1	All	Facility Ratings Methodology	GO, TO	To ensure that Facility Ratings used in the reliable planning and operation of the Bulk Electric System (BES) are determined based on an established methodology	By request the current methodology and any superseded portions of the methodology within the past 12 months.	Yes
FAC-009-1	All	Establish and Communicate Facility Ratings	GO, TO	To ensure that Facility Ratings used in the reliable planning and operation of the Bulk Electric System (BES) are determined based on an established methodology or methodologies.	By request.	Yes

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Std #	Requirements	Standard	Who	Purpose	Monitoring Timeframe	Applicable to AECI? Yes or No
IRO-001-1	All	Reliability Coordination – Responsibilities and Authorities	BA, GOP, LSE, PSE, RC, RRO, TOP, TSP	Reliability Coordinators must have the authority, plans, and agreements in place to immediately direct reliability entities within their Reliability Coordinator Areas to re-dispatch generation, reconfigure transmission, or reduce load to mitigate critical conditions to return the system to a reliable state. If a Reliability Coordinator delegates tasks to others, the Reliability Coordinator retains its responsibilities for complying with NERC and regional standards. Standards of conduct are necessary to ensure the Reliability Coordinator does not act in a manner that favors one market participant over another.	By request.	Yes
IRO-004-1	All	Reliability Coordination — Operations Planning	BA, GO, GOP, LSE, RC, TO, TOP, TSP	Each Reliability Coordinator must conduct next-day reliability analyses for its Reliability Coordinator Area to ensure the Bulk Electric System can be operated reliably in anticipated normal and Contingency conditions.	By request.	Yes
IRO-014-1	All	Procedures, Processes, or Plans to Support Coordination Between Reliability Coordinators	RC	To ensure that each Reliability Coordinator's operations are coordinated such that they will not have an Adverse Reliability Impact on other Reliability Coordinator Areas and to preserve the reliability benefits of interconnected operations.	By request.	No

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Std #	Requirements	Standard	Who	Purpose	Monitoring Timeframe	Applicable to AECI? Yes or No
IRO-015-1	All	Notifications and Information Exchange Between Reliability Coordinators	RC	To ensure that each Reliability Coordinator's operations are coordinated such that they will not have an Adverse Reliability Impact on other Reliability Coordinator Areas and to preserve the reliability benefits of interconnected operations.	Rolling 12 months of information provided on request.	No
IRO-016-1	All	Coordination of Real-time Activities Between Reliability Coordinators	RC	that they will not have an Adverse Reliability Impact on other Reliability Coordinator Areas	Rolling 12 months of information provided on request.	No
PER-002-0	All	Operating Personnel Training	BA, TOP	Each Transmission Operator and Balancing Authority must provide their personnel with a coordinated training program that will ensure reliable system operation.	By request training program and training records.	Yes
PER-003-0	All	Operating Personnel Credentials	BA, RC, TOP	Certification of operating personnel is necessary to ensure minimum competencies for operating a reliable Bulk Electric System.	By request latest certification information and present calendar year plus previous calendar year staffing plan.	Yes
PER-004-1	All	Reliability Coordination — Staffing	RC	Reliability Coordinators must have sufficient, competent staff to perform the Reliability Coordinator functions.	By request - Each Reliability Coordinator shall keep evidence of compliance for the previous two calendar years plus the current year.	No
PRC-004-1	All	Analysis and Mitigation of Transmission and Generation Protection System Misoperations	DP*, GO, TO	Provide trip operation / misoperation information per regional process.	By request – last 12 months of protection system Misoperation analysis.	Yes

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Std #	Requirements	Standard	Who	Purpose	Monitoring Timeframe	Applicable to AECI? Yes or No
PRC-005-1	All	Transmission and Generation Protection System Maintenance and Testing	DP*, GO, TO	Document/implement transmission protection system maintenance/testing/monitoring PROGRAM	By request - maintenance and testing program and testing records to show that testing intervals are on schedule.	Yes
PRC-008-0	All	Implementation and Documentation of Underfrequency Load Shedding Equipment Maintenance Program	DP, TO	Document/implement UFLS maintenance/testing PROGRAM	By request - maintenance and testing program and testing records to show that testing intervals are on schedule.	Yes
PRC-010-0	All	Technical Assessment of the Design and Effectiveness of Undervoltage Load Shedding Program.	DP, LSE, TO, TOP	ASSESS design and effectiveness of UVLS programs	By request – current assessment.	Yes (Note: AECI does not have a UVLS program)
PRC-011-0	All	UVLS System Maintenance and Testing	DP, TO	Document/implement UVLS maintenance/testing PROGRAM	By request - maintenance and testing program and testing records to show that testing intervals are on schedule.	Yes (Note: AECI does not have a UVLS program)
PRC-016-0	All	Special Protection System Misoperations	DP, GO, TO	DOCUMENT/analyze misoperations	By request – last 12 months of special protection system Misoperation analysis.	Yes (Note: AECI does not have an SPS)
PRC-017-0	All	Special Protection System Maintenance and Testing	DP, GO, TO	Document/implement SPS maintenance/testing PROGRAM	By request - maintenance and testing program and testing records to show that testing intervals are on schedule.	Yes (Note: AECI does not have an SPS)

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Std #	Requirements	Standard	Who	Purpose	Monitoring Timeframe	Applicable to AECI? Yes or No
PRC-021-1	All	Under-Voltage Load Shedding Program Data	DP, TO	DOCUMENTATION of undervoltage load shedding program	By request – latest UVLS data.	Yes (Note: AECI does not have a UVLS program)
TOP-003-0	All	Planned Outage Coordination	BA, GOP, RC, TOP	Scheduled generator and transmission outages that may affect the reliability of interconnected operations must be planned and coordinated among Balancing Authorities, Transmission Operators, and Reliability Coordinators.	By request.	Yes
TOP-004-1	R6	Transmission Operations	TOP	To ensure that the transmission system is operated so that instability, uncontrolled separation, or cascading outages will not occur as a result of the most severe single Contingency and specified multiple Contingencies.	By request - Each Transmission Operator shall keep 90 days of historical data for Measure 1. Each Transmission Operator shall have current, in-force policies and procedures, as evidence of compliance to Measure 2.	Yes
TOP-005-1	All	Operational Reliability Information	BA, PSE, RC, TOP	To ensure reliability entities have the operating data needed to monitor system conditions within their areas.	By request.	Yes
TOP-007-0	All	Reporting System Operating Limit (SOL) and Interconnection Reliability	RC, TOP	Ensure SOL and IROL violations are being reported to the Reliability Coordinator so that the Reliability Coordinator may evaluate actions being taken and direct additional corrective actions as needed.	Event driven.	Yes
TPL-001-0	All	System Performance Under Normal (No Contingency) Conditions	PA, TPL	System performance under normal conditions	By request – latest annual assessment.	Yes

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Std #	Requirements	Standard	Who	Purpose	Monitoring Timeframe	Applicable to AECI? Yes or No
TPL-002-0	All	System Performance Following Loss of a Single Bulk Electric System Element	PA, TPL	System performance under single contingency	By request – latest annual assessment.	Yes
TPL-003-0	All	System Performance Following Loss of Two or More Bulk Electric System Elements	PA, TPL	System performance under multiple contingencies	By request – latest annual assessment.	Yes
TPL-004-0	All	System Performance Following Extreme Events Resulting in the Loss of Two or More Bulk Electric System Elements	PA, TPL	System performance under extreme contingencies	By request – latest annual assessment.	Yes
VAR-001-1	All	Voltage and Reactive Control	PSE, TOP	To ensure voltage levels, reactive flows, and reactive resources are monitored, controlled, and maintained within limits in real time to protect equipment and the reliable operation of the Interconnection.	By request – last 12 months of data.	Yes

Determination Summary for Possible Violations Identified in an Audit

Regional Tracking Number 07-143
Entity Associated Electric Cooperative, Inc.
Audit Date 6/19/2007
Standard FAC-003-1
Requirement R2

Sufficient Basis for Violation

Factual Basis The Entity relies on, and requires its member G&T cooperatives to implement annual plans to support the entity's program. As illustrated by the RSAW for this issue, there are several gaps in the G&T documentation.

Conclusion Violation Summary Because the documentation and certifications provided by the G&Ts are inadequate, the audit team determined that the entity's program is also inadequate. The entity, as the TO, is then in violation of the standard. SERC staff finds this is a violation of FAC-003-1, Requirement 2.

This particular situation is not addressed in the levels of noncompliance of the standard. I made the Violation Severity Level determination based on levels that are described tempered by the fact that AECl has made a good faith effort to have complete documentation and only lacks full cooperation of the G&Ts where documentation is concerned. AECl has reported no Category 1 or 2 violations in the past year and the audit team reports that Right Of Way's viewed during the audit revealed no pending problems.

NERC BOTCC Determination The NERC BOTCC affirmed SERC Reliability Corporation's determination to exercise enforcement discretion to impose a zero dollar (\$0) penalty against Associated Electric Cooperative, Inc., based upon the NERC BOTCC's review of the applicable requirements of the Commission-approved Reliability Standards and the underlying facts and circumstances of the violation at issue.

NERC Violation Number SERC200700001

NOC Number NOC-24

NOP Number NOP-37

FERC Docket Number NP08-33-000