



Compliance Audit Report Public Version

**Oglethorpe Power Corporation (OPC)
NCR01287
November 15, 2007**

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

December 19, 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.

Oglethorpe Power Corporation (OPC) was audited on November 15, 2007 for compliance with the requirements contained in the NERC Reliability Operating Standards that are currently enforceable and applicable to OPC's operation. This audit focused on documents and other evidence provided to SERC by the staff of OPC, and did not include any evidence obtained through system observation or inspection. The findings of the audit are based on the state of compliance 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 OPC staff to show valid evidence of meeting each individual requirement and sub-requirement contained in the 13 reliability standards that had been previously identified by SERC to OPC as subject to this audit. OPC staff would then cite specific portions of the evidence supplied in paper and electronic form 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 OPC was judged to be compliant. Likewise, if any of the requirements or sub-requirements were not fully met, then OPC 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.

The audit team determined that OPC's only Blackstart capable generation facility is jointly owned by Georgia Power Company and that Georgia Power is responsible for testing and reporting requirements established in EOP-009-0, therefore EOP-009-0 Documentation of Blackstart Generating Unit Test Results was not assessed by the audit team. The audit team further determined that OPC does not own or operate any Special Protection Systems, and therefore PRC-016 – Special Protection System Misoperations and PRC-017-0 – Special Protection System Maintenance and Testing were not assessed by the audit team.

Evidence provided by OPC demonstrated full compliance with the remaining ten audited standards.

The quality of evidence, programs and procedures provided to auditors indicated a strong compliance culture within OPC's operations. OPC's subject matter experts were well prepared, knowledgeable of reliability standard requirements and demonstrated a total commitment to compliance and improvement of their compliance program.

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 review OPC's compliance with the requirements of the reliability standards that are applicable to OPC based on the OPC registered functions.
- Validate compliance with applicable reliability standards from the NERC 2007 Implementation Plan list of actively monitored standards.

Scope

The scope of the audit of OPC was to look at all applicable reliability standards in the NERC 2007 Compliance Monitoring and Enforcement Plan. OPC is registered with SERC as a Generator Owner, Generator Operator and Purchasing Selling Entity. Of the NERC approved reliability standards that were identified as applicable to OPC, 13 were selected for review in this audit. Additionally, on October 30, 2007, OPC certified completion of a Mitigation Plan for their Self-Report of a possible violation of PRC-005-1, SERC Tracking Number 07-025. The audit team verified satisfactory completion of OPC's Mitigation Plan for this issue during the in-scope audit of the standard.

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 OPC, based on OPC's registered functions, in the NERC 2007 Compliance Monitoring and Enforcement Program. The audit was scheduled during normal business hours and standards were grouped to minimize imposition and make the most efficient use of OPC staff's time. OPC's staff had been briefed on the standards that were to be addressed so that documentation and evidence of compliance could be assembled.

One team of two SERC staff auditors, the NERC Regional Compliance Coordinator for the SERC Region, and an Audit Team Leader conducted the audit of OPC. The audit team had a moderator who would initiate dialogue on each standard requirement and request evidence of compliance. A second auditor served as a scribe to document the evidence presented, staff responses, and auditor comments. The audit team reviewed the evidence and questioned OPC staff to obtain sufficient understanding of the evidence and processes to enable a determination of compliance with standard requirements. This process was used to determine compliance with each individual requirement and sub-requirement of the thirteen standards that had been

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

previously identified by SERC to OPC as subject to this audit. OPC staff responded by providing evidence in the form of reports, procedures, policies, studies and other documents. OPC 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 OPC 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, OPC did not have sufficient evidence to support a finding of compliance, a possible violation was identified by the team and OPC staff.

Company Profile

Oglethorpe Power Corporation (OPC) is a Georgia Electric Membership Corporation (EMC) that is owned by 38 retail electric distribution cooperative members. OPC provides wholesale electric service to the 38 Members for a substantial portion of their requirements from a combination of its generation assets and power purchased from power marketers and other suppliers. OPC has interest in 24 generating units comprising hydroelectric, fossil, and nuclear facilities.

OPC has a relationship with other entities that work together to serve the members. OPC, the 38 Members and Flint EMC, are members of Georgia Transmission Corporation (GTC), which is also a Georgia EMC. GTC was founded in 1997 to own and operate the transmission business previously owned by OPC. GTC provides transmission services to its members for delivery of the members' power purchases from OPC and other power suppliers.

OPC, GTC and the 38 Members are members of Georgia System Operations Corporation (GSOC), which is also a Georgia EMC. GSOC was founded in 1997 to own and operate the system operations business previously owned by OPC. GSOC operates the system control center and currently provides system operations services and administrative support services to OPC and to GTC.

OPC has a relationship with Georgia Power Company (GPC). All of OPC's co-owned generating facilities, with the exception of the Rocky Mountain Hydroelectric Plant, are operated by GPC, acting as agent for OPC, as well as other co-owners of those facilities. OPC, acting as agent for GPC, operates the Rocky Mountain Hydroelectric Plant. OPC also operates three simple cycle combustion turbine facilities, one of which is solely owned by OPC, and two of which are owned by Smarr EMC. OPC registered in the ERO Compliance Registry as a Generator Owner on behalf of Smarr EMC, and has the associated agreement with Smarr EMC on file. In addition, OPC operates a solely owned combined cycle facility.

OPC also has a relationship with Alliance for Cooperative Energy Services Power Marketing, LLC (APM). APM, acting as agent for OPC, arranges or executes certain capacity and/or energy purchase and sales transactions.

OPC has executed letter agreements with each of the above to memorialize the relationship with respect to meeting reliability standards compliance requirements.

OPC's generation resources include:

Nuclear – 1,185 MW
Coal – 1,501 MW
Pumped Storage Hydro – 632 MW
Gas – 1,411 MW (206 of which is capable of running on oil), and
15 MW of oil-fired combustion turbine capacity

NOTE: Capacities are “nameplate”

Audit Specifics

The compliance audit was conducted on November 15, 2007 at the OPC office in Tucker, Georgia.

Audit Team

Audit Team Role	Name	Title	Company
Lead	Sam Stryker	Senior Compliance Auditor	SERC Staff
Member	James Harrell	Compliance Auditor	SERC Staff
Member	Chris Schaeffer	Manager, Planning & Engineering	SERC Staff
Member	Earl Shockley	NERC Regional Compliance Coordinator	NERC Staff

AUDIT RESULTS

The audit began with an introductory and logistics coordination meeting of the Audit Team, and Oglethorpe Power Corporation's Kim Haynes, Director Contracts, Regulatory Oversight & Project Services and Scott McCough, Sr. Contracts Administrator at 3:00 p.m., November 14, 2007. Each Audit Team Member and OPC representative was introduced and discussions of audit procedures, rules of conduct and audit logistics ensued. Kim Haynes provided an excellent overview of OPC's operations and compliance program for auditor information. The meeting concluded at 4:30 p.m., November 14, 2007.

The audit began at 8:00 a.m., November 15, 2007 with a brief welcome and presentation by Mike Price, Chief Operating Officer of Oglethorpe Power Corporation, an introduction of OPC staff and an introduction of Audit Team Members, with identification of their professional affiliations. OPC's presentation was followed by an opening presentation by Sam Stryker, SERC Senior Auditor and Audit Team Leader. He reviewed the NERC Compliance Monitoring and Enforcement Program for 2007 in general, and how it applied to OPC specifically. He introduced and reviewed the standards to be covered in the audit, and addressed both the expectations of OPC staff and the quality of evidence to be presented. He also covered the basic procedure for the audit, and the rules of conduct.

The audit team initially reviewed the registration status of OPC with OPC staff to verify application of each standard. Each standard's audit began with a recitation of each requirement

and an explanation, if requested by OPC. OPC 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 OPC staff before proceeding to the next requirement. At that point, the team scribe would record the evidence presented to satisfy the requirement and the team's recommendation on that requirement using the Reliability Standard Auditor Worksheet (RSAW).

After completing a review of all applicable requirements in the standard, the overall compliance to that standard was reviewed first by the team and OPC 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 RSAW would be updated with the compliance recommendation.

The review of all applicable standards was completed at approximately 2:00 p.m., November 15, 2007 and the audit team met to review and discuss the findings. At approximately 2:15 p.m., the audit team collected all notes and evidence as needed and began to finalize the RSAWs. 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 team's findings and recommendations.

The Exit Briefing was presented to the assembled Audit Team and OPC staff at approximately 3:00 p.m. and was followed by an informal response from OPC staff. The Audit Team Leader solicited both informal comments from the OPC staff, and requested that they fill out formal feedback forms for submission to SERC and NERC. The Audit Team left the OPC meeting room at approximately 4:45 p.m., November 15, 2007.

Findings

Reliability Standard	Auditor Notes	Finding
BAL-001-0	Not Applicable – OPC is not a BA	N/A
BAL-002-0	Not Applicable – OPC is not a BA, RSG or RRO	N/A
BAL-003-0	Not Applicable – OPC is not a BA	N/A

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Reliability Standard	Auditor Notes	Finding
CIP-001-1	<p>R1 - PGP CIP 001 – Sabotage Reporting, Sections 5.0 thru 7.0, Rev 1, dated 6/25/07, issued 6/1/07, approval COO, section 6 identifies responsibilities for sabotage reporting.</p> <p>PGP CIP 001 – Sabotage Reporting, Sections 5.0 thru 7.0, Rev 1, dated 6/25/07, approval COO, appendix C, Section 2 identifies sabotage event. Section 3 identifies notification responsibilities. Section 6 specifies that each facility has procedures specific for their responsibilities as to identification, reporting and response to sabotage events.</p> <p>OPC Resource Data Guide, Section -Operational Communications between GSOC and OPC, dated 4/1/07, page 86, Note 3 refers to notifications provided by GSOC to individual facilities and appropriate key personnel of abnormal events, sabotage not specifically covered, but provides a category for events not specifically assigned to operational categories.</p> <p>Oglethorpe demonstrated compliance with Requirement 1.</p> <p>R2 - Site Security Guidelines, Rev 0, 6/1/07, issued 6/1/07, COO approval, Chattahoochee, pages 13 and 14, Rocky Mount, pages 11 and 12, and Combustion Turbines, pages 11 and 12.</p> <p>Oglethorpe demonstrated compliance with requirement 2.</p> <p>R3 - PGP CIP 001 – Sabotage Reporting, Sections 5.0 thru 7.0, section 6, and appendix C, ii and iii describes specific communications protocols to/from GSOC.</p> <p>Oglethorpe demonstrated compliance with requirement 3.</p> <p>R4 - PGP CIP 001 – Sabotage Reporting, Sections 5.0 thru 7.0 item 6 of appendix C.</p> <p>Confirming e-mail from Lloyd Snyder, date 5/18/07 @10:39 PM, Subject FBI contact.</p> <p>Oglethorpe demonstrated compliance with requirement 4.</p>	Compliant
CIP-002-1 through CIP-009-1	Standards apply to OPC but were not assessed in this audit.	Not Assessed
COM-001-1	Not Applicable – OPC is not a BA, TOP, RC or NERCNet User Organization	N/A
EOP-001-0	Not Applicable – OPC is not a BA or TOP	N/A
EOP-003-1	Not Applicable – OPC is not a BA or TOP	N/A
EOP-005-1	Not Applicable – OPC is not a BA or TOP	N/A
EOP-006-1	Not applicable – OPC is not a Reliability Coordinator	NA
EOP-008-0	Not applicable – OPC is not a BA, TOP or RC	N/A

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Reliability Standard	Auditor Notes	Finding
EOP-009-0	<p>PGP EOP 009 – Documentation of Blackstart Generating Unit Test Results demonstrates that the single Blackstart jointly owned unit (Wansley 5A) is operated by Georgia Power and Georgia Power is responsible for testing and reporting.</p> <p>SERC Portal submission from Georgia Power, submitted 9/26/07, verifies Georgia Power's acceptance of responsibility for reporting and testing Wansley 5A, Blackstart unit.</p> <p>Letter to Clarence Mitchell, from Steve Jackson, dated 5/23/07, subject: Reliability Standards Compliance verifies Georgia Power's operational agreement for specified units.</p> <p>Standard is applicable to Oglethorpe, but since Oglethorpe is not responsible for operating, reporting and testing of unit, standard was not assessed.</p>	Not Assessed
FAC-003-1	Not applicable – OPC is not a TO or RRO	N/A

Reliability Standard	Auditor Notes	Finding
FAC-008-1	<p>R1 - PGP FAC 008, 009 – Facility Ratings Methodology, Sections 4.0 and 5.0, page 4, section 5.2 addresses jointly owned facilities, compliance action page 5, Section 6 for jointly owned but subcontracted operation. Section 7.2.1.1 refers to emergency ratings, if applicable, for Rocky Mt. Plant, 7.3.1.2 Chattahoochee – no emergency ratings.</p> <p>PGP MOD 024, 025 – Generator Real Power & Reactive Power Capability Verification Methodology, Appendix A, exhibit on page 14, demonstrates requirements for real power capability testing, limiting equipment analysis. Section D references emergency ratings.</p> <p>Chattahoochee Energy Facility, Facility Ratings Methodology and Communications Procedure, issued 6/1/07, rev 0, Page 2, section 5, limiting component analysis. Table of components used in analysis located in Appendix D; real power capability limiting element analysis. Describes 2X1 combined cycle; lists all components from generator to high side of GSUT, does not include components from GSUT to ring bus and outgoing to interconnection specifically, although considered in term “leads.” Identify prime mover as limiting component, quoting OEM’s documentation and capability curves (Siemens AG Reactive Capability Curve for Oglethorpe Wansley STG. Ambient temperature covered in section 6.3.</p> <p>Oglethorpe demonstrated compliance with R1.</p> <p>R2 - PGP FAC 008, 009 – Facility Ratings Methodology, page 7, recognizes requirement to supply. Page 8, section 6.2, director of Contracts will respond to request.</p> <p>Oglethorpe has not had a request to review documents. Oglethorpe demonstrated compliance with R2.</p> <p>R3 - PGP FAC 008, 009 – Facility Ratings Methodology, page 7, recognizes requirement to supply. Page 8, section 6.2, director of Contracts will respond to request.</p> <p>Request to review FRM has not been made therefore comments have not been made. Oglethorpe demonstrated compliance with R3.</p>	Compliant

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Reliability Standard	Auditor Notes	Finding
FAC-009-1	<p>R1 - PGP FAC 008, 009 – Facility Ratings Methodology, Section 6 provides dialogue for procedures for compliance with requirement, reference to individual plant procedures.</p> <p>OPC Resource Data Guide, Chattahoochee Energy Facility, rev 5, Table 1.2 Capacity provides ratings.</p> <p>Oglethorpe demonstrated compliance with R1.</p> <p>R2 - PGP 2.1.11, issued January 2008, section 2.4.0 Communication of Resource Guide Revision.</p> <p>Oglethorpe demonstrated compliance with R2.</p>	Compliant
IRO-001-1	<p>R1 – R7 & R9 are not applicable to OPC. OPC is not a Reliability Coordinator or Regional Reliability Organization.</p> <p>R8 - PGP IRO 001- Reliability Coordination, Responsibility and Authority, Section 7.1.1 and 7.1.2, page 8 designates GSOC as responsible for complying with directives for OPC.</p> <p>E-mail from Steve Corbin (Reliability Coordinator), to Doug Newbauer, dated 10/23/07 at 1:22 PM verifies that no directives have been issued to Oglethorpe.</p> <p>No directive issued by SOCO. Oglethorpe demonstrated compliance with R8.</p>	Compliant
IRO-004-1	<p>R1, R2, R3, R5 and R6 are not applicable – OPC is not a Reliability Coordinator.</p> <p>R7 is not applicable – OPC is not a BA, TOP or TSP.</p> <p>R4 - PGP IRO 004 – Operations Planning Information for Reliability Coordination, Sections 4.0 and 5.0, provides introduction as to how comply; in section 6.0 describes how GSOC is contractually assigned responsibility for compliance.</p> <p>E-mail from Gary Jenkins, dated 10/19/07 at 11:18 AM, to Energy Control Center, Southern Sub-Region Security Coordinator, weweather@southernco.com; Yilmaz, Aziz, provides evidence of preliminary next day commitment and dispatch plan (GSOC Day Ahead Schedule).</p> <p>Oglethorpe demonstrated compliance with R4.</p>	Compliant
IRO-014-1	Not applicable – OPC is not a Reliability Coordinator	N/A
IRO-015-1	Not applicable – OPC is not a Reliability Coordinator	N/A
IRO-016-1	Not applicable – OPC is not a Reliability Coordinator	N/A
PER-002-0	Not Applicable – OPC is not a BA or TOP	N/A
PER-003-0	Not Applicable – OPC is not a BA, TOP or RC	N/A
PER-004-1	Not applicable – OPC is not a RC	N/A

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Reliability Standard	Auditor Notes	Finding
PRC-004-1	<p>R1 - Not Applicable – OPC is not a DP or TO.</p> <p>R2 - SERC Portal submission PRC-004-1-G RF, dated 11/7/07 indicating completion of misoperation analysis for 12/12/06 Rocky Mountain differential relay 01GMI-870001B.</p> <p>Rocky Mountain Plant's Shift Supervisor Daily Journal dated 12/11-12/06 documenting misoperation above.</p> <p>Plant Procedures for Protection System Maintenance, Testing, Misoperation and Coordination – Sewell Creek, Smarr, Talbot, rev 3, 11/8/07; Rocky Mountain, rev, 1 11/1/07.</p> <p>Rocky Mountain Plant Relay Inspection Report for misoperation 12/12/06, including event list, relay panel target log, SFC Fault indications, Woodward Governor Latch Status, Relay Inspection Follow-up report.</p> <p>Oglethorpe demonstrated compliance with R2.</p> <p>R3 - SERC Portal submission PRC-004-1-G RF, dated 11/7/07 indicating completion of misoperation analysis for 12/12/06 Rocky Mountain differential relay 01GMI-870001B.</p> <p>Oglethorpe demonstrated compliance with R3.</p>	Compliant
PRC-005-1	<p>R1 - PGP PRC 001, PRC 004 & PRC 005 – Protection System Maintenance, Testing, Misoperations and Coordination, Sections 4.0 through 7.0, page 4 recognizes requirement, page 5 recognizes Supplement requirements. Refers to individual facility procedures.</p> <p>Chattahoochee Energy Facility, rev 2 11/8/07 Procedures for Protection System Maintenance and Testing, Section 5 identifies maintenance basis; sections 6.3.2 covers DC Control Circuitry maintenance; 6.3.1 covers relays maintenance; 6.4 covers instrument transformers maintenance, 6.5 covers batteries maintenance, 6.6 states protection systems do not utilize communications systems. Appendix B lists protective devices and maintenance intervals.</p> <p>Oglethorpe demonstrated compliance with R1.</p> <p>R2 - Rocky Mountain Regulatory PMs, as of 11/2007, spreadsheet from MAXIMO CMMS identifying last maintenance periods and activities for protective systems.</p> <p>Chattahoochee Preventative Maintenance complete report dated 10/12/07 at 14:23.</p> <p>Reviewed completion of mitigation plan for PRC-005.</p> <p>Oglethorpe demonstrated compliance with R2.</p>	Compliant
PRC-008-0	Not applicable – OPC is not a TO or DP and does not own an UVLS.	N/A

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Reliability Standard	Auditor Notes	Finding
PRC-010-0	Not applicable – OPC is not a DP, LSE, TO or TOP and does not own an UVLS.	Not Assessed
PRC-011-0	Not applicable – OPC is not a TO or DP and does not own an UVLS.	NA
PRC-016-0	Applies to OPC as a GO, but OPC does not own or operate any Special Protection Systems.	Not Assessed
PRC-017-0	Applies to OPC as a GO, but OPC does not own or operate any Special Protection Systems.	Not Assessed
PRC-021-1	Not applicable – OPC is not a DP or TOP	N/A
TOP-003-0	<p>R1 - PGP TOP002, 003, 006 – Operations Planning and Outage Coordination, Sections 5.0 and 6.0, page 9, section 6.2, section 2.1.7 – OPC Power Plant Outage Schedule Optimization, outage schedules communicated via email yearly, quarterly.</p> <p>PGP 2.1.7 OPC Power Plant Outage Optimization, dated 10/31/07, section 1.3.1., describes the procedures for “just in time outage schedule changes”.</p> <p>E-mail from Ken Rosenski, to @advisory and @advisorycc, dated 11/13/07, at 14:45 p.m., advising Hatch Unit 2 would down-power late that weekend.</p> <p>Oglethorpe demonstrated compliance with R1.</p> <p>R2 - PGP TOP002, 003, 006 – Operations Planning and Outage Coordination, Sections 5.0 and 6.0, page 10 provides for reporting and coordination.</p> <p>Oglethorpe has never had an AVR outage. Oglethorpe demonstrated compliance with R2.</p> <p>R3 - PGP TOP002, 003, 006 – Operations Planning and Outage Coordination, Sections 5.0 and 6.0, page 10, section 6.2 references GSOC procedure.</p> <p>GSOC PGP: Notification Procedures for Scheduled Outages of Telemetering and Control Equipment, Number 12-017, issue date 4/27/07, sections 3 and 4.</p> <p>Oglethorpe demonstrated compliance with R3.</p> <p>R4 – Not applicable – OPC is not a RC.</p>	Compliant

Reliability Standard	Auditor Notes	Finding
TOP-004-1	<p>R1 – Not applicable – OPC is not a BA or TOP.</p> <p>R2 – Not applicable – OPC does not receive data from the ISN.</p> <p>R3 – Not applicable – OPC is not a BA or TOP.</p> <p>R4 - PGP TOP 005 – Operational Reliability Information, section 5.0 and 6.0, page 3, process is defined.</p> <p>Reviewed Transaction Tags SOCO EG71022, 11/07 13:25; MISO M551716, 11/10/07 @14:15; and MT51698 SOCO 11/9/07 12:16.</p> <p>Oglethorpe demonstrated compliance with R4.</p>	Compliant
TOP-005-1	Not applicable – OPC is not a BA, TOP, PSE or RC	N/A
TOP-007-0	Not applicable – OPC is not a TOP or RC	N/A
TPL-001-0	Not applicable – OPC is not a PA or TP	N/A
TPL-002-0	Not applicable – OPC is not a PA or TP	N/A
TPL-003-0	Not applicable – OPC is not a PA or TP	N/A
TPL-004-0	Not applicable – OPC is not a PA or TP	N/A
VAR-001-1	<p>R1, R2, R3, R4, R6, R7, R8, R9, R10, R11 and R12 are not applicable – OPC is not a TOP.</p> <p>R5 - PGP VAR 001, Sections 4.0 and 5.0.</p> <p>Control Area Compact between GPC and Oglethorpe and GSOC, dated 9/30/04, page 22, Section 8.2 – provides intent to supply VARs as needed.</p> <p>Georgia Transmission Corporation Transmission Service Tariff, effective 4/1/97, Service Schedules, Ancillary Services, section 2.</p> <p>MW/MVAR and tie MVAR trend group for Hartwell U1, U2.</p> <p>GENCOM message requesting Voltage Schedule 3 for 11/15/07, sent @ 3:46:08.</p> <p>Southern Control Area Target Voltage Schedule Georgia 2/5/07.</p> <p>Oglethorpe demonstrated compliance with R5.</p>	N/A

Conclusions

Oglethorpe Power Corporation was audited on 13 monitored standards identified as being applicable to OPC as a Generator Owner, Generator Operator and Purchasing Selling Entity. The Audit Team determined that OPC is in compliance with all of the audited standards.

SUMMARY OF OPC RESPONSE TO THE AUDIT FINDINGS

OPC appreciated the opportunity to review and discuss its Reliability Compliance Program with the knowledgeable and well prepared Audit Team. This independent review serves as validation that OPC's Reliability Compliance Program has been developed in conformance with applicable NERC and SERC standards and requirements, and that OPC's processes, procedures and documentation are well structured to provide evidence of full compliance. OPC continues to actively manage its compliance program, seeking and implementing improvements to support our corporate goal of full compliance.

APPENDIX 1 — APPLICABLE RELIABILITY STANDARDS

Std #	Requirements	Standard	Who	Purpose	Monitoring Timeframe	Applicable to OPC 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.	No
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.	No
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.	No

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Std #	Requirements	Standard	Who	Purpose	Monitoring Timeframe	Applicable to OPC 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, NERCNet 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.	No
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.	No

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Std #	Requirements	Standard	Who	Purpose	Monitoring Timeframe	Applicable to OPC 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	No
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 five years.	No
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.	No
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 OPC 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 four quarterly outage reports.	No
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 OPC 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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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	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.	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.	No
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.	No
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

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Std #	Requirements	Standard	Who	Purpose	Monitoring Timeframe	Applicable to OPC Yes or 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
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.	No
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.	No
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.	No

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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
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
PRC-021-1	All	Under-Voltage Load Shedding Program Data	DP, TO	DOCUMENTATION of undervoltage load shedding program	By request – latest UVLS data.	No
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.	No
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

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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.	No
TPL-001-0	All	System Performance Under Normal (No Contingency) Conditions	PA, TPL	System performance under normal conditions	By request – latest annual assessment.	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.	No
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.	No
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.	No

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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