

**Compliance Audit Report**

**Southwest Power Pool**

**Reliability Coordinator**

**October 29-31, 2007**

**Report Date: Nov 12, 2007**

**Public Version**

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## EXECUTIVE SUMMARY

The on-site compliance audit of the Southwest Power Pool Reliability Coordinator (SPP RC) was conducted on October 29 - 31, 2007. The audit team evaluated SPP RC compliance with fourteen reliability standards identified in the NERC 2007 Implementation Plan for the period of the last twelve months or monitoring time frames specified in each reliability standard. The audit team also evaluated SPP RC progress with two CIP reliability standards. The audit team interviewed sixteen SPP RC employees representing subject matter expertise and reviewed accompanying documentation presented as evidence of compliance. Evidence was also obtained through primary control center and backup control center observation and 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 SPP RC provided evidence of compliance with all fourteen reliability standards that were audited. There were no ongoing mitigation plans to be reviewed by the audit team. The audit team found no possible compliance violations with any of the requirements audited.

Questionnaires received from neighboring entities were all favorable with respect to SPP RC.

This audit report depicts all activities performed by the audit team during the audit. Some information discussed during the course of the audit is non-public. Any non-public information included in this report is listed in the Appendix. The Appendix will be redacted from the public posting version of this report.

# AUDIT PROCESS

The compliance audit process steps are detailed in the NERC CMEP. The NERC Compliance Monitoring and Enforcement Program (CMEP) generally conform to the United States Government Accountability Office Government Auditing Standards and other generally accepted audit practices.

## **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.<sup>1</sup> The audit objectives are:

- Independently review SPP RC compliance with the requirements of the reliability standards that are applicable to SPP RC based on the SPP RC registered functions.
- Validate compliance with applicable reliability standards from the NERC 2007 Implementation Plan list of actively monitored standards applicable to the RC function.
- Validate evidence of self-reported violations and previous self-certifications, confirm compliance with other requirements of the reliability standards, and review the status of associated mitigation plans.

## **Scope of Work**

This SPP RC on-site compliance audit was done as a regular periodic scheduled audit. The compliance audit was performed by an audit team consisting of NERC staff, SPP staff (independent contractors), a SERC representative and FERC staff observers.

The reliability standards reviewed for compliance in the SPP RC compliance audit included all of the applicable, monitored, reliability standards in the NERC 2007 Implementation Plan. In addition, two CIP reliability standards were reviewed for progress. For the 2007 program; reliability standards are monitored based on the last twelve months or the retention periods and monitoring timeframes specified in each reliability standard. The list of reliability standards along with their corresponding monitoring timeframes and SPP RC applicability are listed in the Findings section of this report.

Discussions regarding self-reported violations, complaints, mitigation plan status, and ongoing investigations are also included in the scope of the on-site audit.

## **Confidentiality and Conflict of Interest**

Confidentiality agreements, work history, and conflict of interest forms executed by the NERC staff, SERC staff, and independent contractors were provided to the audited entity in advance of the audit. SPP RC was given an opportunity to object to an audit team member on the basis of a possible conflict of interest or the existence of other circumstances that could interfere with the audit team member's impartial performance of duties. SPP RC accepted the audit team member participants with no objections.

## **On-site Audit Preparation**

Compliance audits of SPP RC are scheduled on an annual basis as required by the Southwest Power Pool inc. bylaws. SPP RC is notified sixty days before the on-site audit of the list of standards to be audited. This notification gives the registered entity adequate notice of a request for evidence to validate compliance during the on-site audit.

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<sup>1</sup> North American Electric Reliability Corporation CMEP, paragraph 3.1, Compliance Audits

The audit team leader provided a list of applicable reliability standards and an audit agenda to SPP RC before the audit. Adjacent transmission operators, balancing authorities and generating operators were asked to fill out questionnaires prior to the SPP RC audit. SPP RC was asked to submit a reference list of evidence for each requirement in the standards. The evidence was requested to be placed in folders and provided to the audit team for review when the audit team arrived on site. A letter explaining the legalities of compliance monitoring and data collection authority was provided to SPP RC before the audit and was covered during the audit overview presentation by the audit team leader.

The audit team leader requested interviews with SPP RC employees representing subject matter expertise representing all of registered functions of SPP RC. These interviews in conjunction with evidence provide the audit team with a basis for professional judgment when validating compliance with reliability standards.

## ***Methodology***

### **Audit Overview**

The SPP RC On-site Compliance audit began at 08:30 a.m. on October 29, 2007 with an audit overview presentation by the audit team leader. Each member of the audit team was introduced and professional affiliation identified. The staff of SPP RC was introduced, and general housekeeping matters explained. The audit team leader addressed confidentiality issues and walked through the planned agenda for the next three days. A brief description of the differences between readiness evaluations and compliance audits was given, the scope and methodology of the SPP RC audit was also covered. The audit team leader introduced and reviewed the standards to be covered in the audit, and addressed both the expectations of SPP RC staff and the quality of evidence to be presented.

Other items covered during the presentation were data collection authority, violations, mitigations plans, final audit reports, feedback forms and how those areas applied to SPP RC specifically. The audit team leader explained that any evidence related to possible compliance violations would be submitted to Southwest Power pool Inc. Regional Entity. The audit team leader also explained that SPP RC must provide evidence of compliance with the audited reliability standards. Any failure to provide evidence of compliance by SPP RC will result in a possible compliance violation finding.

A brief presentation of SPP RC's overall business structure and activities was conducted by the Director of Operations and the Manager of Reliability Coordination.

### **Audit**

The audit team generally followed an agenda that was provided in advance to SPP RC. The audit team was flexible with the availability of the SPP RC audit participants when conducting the audit. The audit team worked in two sub-teams for most of the audit process; except during team briefings, and working lunches to discuss issues and seek team consensus. A brief review of SPP RC entity registration status was conducted to verify the applicability of each standard.

Individual auditing of standards began at 09:30 a.m. on October 29, 2007. Each sub-team had a moderator who initiated dialogue for each standard requirement; this was done by asking SPP RC staff to demonstrate valid evidence for meeting each and every individual requirement and sub-requirement contained in the standards that had been previously identified by NERC to SPP RC as subject to this audit.

SPP RC staff responded by providing evidence in the form of reports, procedures, plans, studies, screen shots, voice recordings and other forms of evidence. At that point, the evidence was reviewed and dialogue took place until the teams reached a point of satisfaction with the appropriateness (quality) and sufficiency (quantity) of the evidence. The sub-team Reliability Standards Audit Worksheet (RSAW) administrator would record the evidence presented to satisfy the requirement and the team's recommendation on that requirement using the RSAW. If the evidence was inadequate or did not cover all of the requirements in the reliability standard, the audit team asked for additional evidence. SPP RC was not asked to create documentation in these instances, only to submit existing evidence in addition to what was already submitted.

After completing a review of all applicable requirements in the standard, the overall compliance to that standard was reviewed first by the sub-teams and then by the audit team leader. Any concerns or dissention with the recommendation was offered and the audit team leader would solicit consensus among the team members. Dialog 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 audit teams had the opportunity to tour the SPP RC control center and were able to interview several RC System Operators on shift at the time. The primary control room tour confirmed that evidence presented as company policy, and other procedures that were presented as evidence are readily available to the system operators. A simulated run through of the loss of the primary control center and relocation to the backup control center was conducted at the SPP RC backup control center. The simulation and startup of the backup consoles showed that SPP RC had a fully redundant hot standby backup system. Evidence presented on site showed that company policy and other procedures are readily available to the system operators. It should be noted that the phone system at the backup control center did not have to be transferred or rolled over before the SPP RC could have full voice communications. The hot standby consoles and EMS system could easily be started and a full view of the SPP RC foot print could be obtained in about five minutes from the time the RC system operator began his drill.

The auditing of all applicable standards was completed at around 03:00 p.m. on October 30, 2007. The audit team met to review and discuss the findings. At approximately 04:00 p.m. the audit team leader collected all notes and evidence as needed and began to work with the RSAW administrators to finalize the RSAW. The audit team leader began to develop the exit briefing presentation with the input of all team members. This work facilitated the consensus of the audit team on the content of the exit briefing, and re-affirmed the findings and any concerns the audit team would like to pass on.

## **Exit Briefing**

The exit briefing was presented by the audit team leader to the assembled audit team and SPP RC staff at 09:00 a.m. on October 31, 2007. The audit team leader shared the audit team's preliminary results verbally and via a presentation. The exit briefing was also a forum for the audit team to offer informal recommendations for process improvement. These recommendations are not included in this audit report but were documented in the exit briefing presentation.

The audit team leader solicited informal comments from SPP RC staff and requested that they fill out formal feedback forms for submission to NERC. The audit team leader requested copies of the reviewed evidence relating to the audit for evidence storage. SPP RC provided the requested copies of evidence to the audit team leader. The evidence was turned over to Southwest Power Pool Inc. Regional Entity staff for proper and sufficient confidential storage.

The audit team left the site at around 09:45 a.m. on October 31, 2007

## **Company Profile**

The Southwest Power Pool is one of nine Regional Transmission Organizations/Independent System Operators, one of eight Regional Entities, and one of eight regional Reliability Councils. SPP covers a geographic area of 255,000 square miles and has members in eight states: Arkansas, Kansas, Louisiana, Mississippi, Missouri, New Mexico, Oklahoma, and Texas.

SPP manages 52,301 miles of transmission lines in seven of the above states with transmission voltage levels of 500, 345, 230, 161, 138, 115, 69 kv.

SPP's footprint includes 17 balancing authorities. SPP has 50 members that serve 4.5 million customers. SPP's membership consists of 12 investor-owned utilities, 8 municipal systems, 11 generation and transmission cooperatives, 2 state authorities, 3 independent power producers, 11 power marketers, 1 contract participant, and 2 independent transmission companies with a member owned generation capacity 45,168 MW.

SPP is registered with NERC and SPP Inc. Regional Entity as a Reliability Coordinator, Transmission Service Provider, Transmission Planner, Reserve Sharing Group and Planning Authority.

## **Audit Specifics**

The compliance audit was conducted on October 29-31, 2007 at the SPP RC Primary control center; an off site tour and demonstration of readiness was conducted on October 30, 2007 at the SPP RC backup control center facilities.

## **NERC led Audit Team**

<b>Audit Team Role</b>	<b>Name</b>	<b>Title</b>	<b>Company</b>
Audit Team Lead and Moderator Team 1	Earl Shockley	Regional Compliance Program Coordinator	NERC
Moderator Team 2	Ed Ruck	Regional Compliance Program Coordinator	NERC
RSAW administrator	Roger Lampila	Regional Compliance Program Coordinator	NERC
RSAW administrator	Bob Goss	Manager of Compliance Audits	SERC
Team Member	Norm Jary	PDC Auditor (Consultant)	SPP Regional Entity
Team Member	Dan Schmidt	PDC Auditor (Consultant)	SPP Regional Entity
Team Member	Jim Cyrulewski	PDC Auditor (Consultant)	SPP Regional Entity
Team Member	Rich Heidorn	Energy Industry Analyst	FERC
Team Member	Sharon Mayers	Compliance	FERC
Team Member	Adina Lauster	Auditor	FERC
Team Member	Jennifer Ray	Auditor	FERC

## SPP RC Audit Participants

<b>Title</b>	<b>Department</b>
Standards Compliance Manager	Compliance
Director, Operations	Operations
Training Manager	Training
Technical Trainer	Training
Manager, Reliability Coordination	Reliability Coordination
Supervisor, Ops Engineering	Ops Engineering
Manager, Operations Engineering	Ops Engineering
EMS Engineer	EMS Engineering
IT Specialist II	Telecom\Network
Manager, IT Operations	Telecom\Network
Supervisor, Security	Telecom\Network
Business Analyst	Project Management
EMS Engineer Associate	EMS Engineering
Shift Engineer II	Reliability Coordination
Senior Reliability Coordinator	Reliability Coordination
Senior Reliability Coordinator	Reliability Coordination

# AUDIT RESULTS

## Findings

The following table details the summarized auditor notes relating to evidence reviewed for reliability standard requirements for self-reported violations.

Reliability Standard	Auditor Notes	Monitoring Timeframe / Data Retention	Finding
N/A	At this time SPP RC has no outstanding violations or mitigation plans		

The following table details the summarized auditor notes relating to evidence reviewed for compliance with the reliability standards listed in the NERC 2007 Implementation Plan.

Reliability Standard	Auditor Notes	Monitoring Timeframe / Data Retention	Finding
CIP-001-1	<p>R1. Fully compliant. Reviewed document titled Sabotage reporting policy dated October 12, 2007 Policy # 0173, Document Sabotage Reporting Procedure Proc – 0173 dated October 12, 2007 and Document SPP – Security Sabotage Reporting Policy / Procedure for training.</p> <p>R2. Fully compliant. Reviewed document titled Emergency Response plan. Operator use RCIS.</p> <p>R3. Fully compliant. Reviewed document titled Sabotage reporting policy part 3.</p> <p>R4. Fully compliant. Reviewed FBI contact information and an email that showed contact had been established with the FBI. Email provided of new FBI Point of contact</p> <p>Further evidence documented on RSAWs</p>	By request and any events in the last year.	Compliant
CIP-002-1 through CIP-003-1	<p>Review shows that SPP RC is following the implementation plan for these standards. SPP RC has developed its critical asset identification method to identify and document a risk-based assessment methodology to identify its critical assets, has begun to identify and plan for necessary resources, and has begun implementing the requirements.</p> <p>Further evidence documented on RSAWs</p>	By request.	Progress Review

Reliability Standard	Auditor Notes	Monitoring Timeframe / Data Retention	Finding
COM-001-1	<p>R1. Fully Compliant. Reviewed document titled Response to NERC COM-1-1-1 Telecommunications.</p> <p>R1.1. Fully Compliant. Reviewed Sonet Ring Diagram. Redundancy at least tertiary. There is automatic fail over in this system.</p> <p>R1.2.and R1.3. Fully Compliant. Reviewed Public net used for communication with other RC, BA and TOP. All facilities has A and B with redundancy.</p> <p>R1.4. Fully Compliant. Reviewed Fiber with two nodes at each location from diverse locations</p> <p>R2. Fully Compliant. Reviewed document titled Response to NERC COM-1-1_1 Telecommunications. ATT monitors Sonet Ring 24/7, both data and voice. Phone system is monitored by Real Time Monitor Tool, Cisco Phone Manager. This system monitors the phone system 24 by 7 and sends alerts if issues arise. Sat Test weekly, provided a copy of "Satellite Phone Procedures for SPP dated 3/3/2000</p> <p>R3. Fully Compliant. Reviewed document titled Response to NERC COM-1-1_1 Telecommunications.</p> <p>R4. Fully Compliant. Reviewed document titled Response to NERC COM-1-1_1 Telecommunications. English is use for voice and email</p> <p>R5. Fully Compliant. Reviewed document titled Response to NERC COM-1-1_1 Telecommunications.</p> <p>Crash Kit, TSP Link, and DRS Spreadsheet documents were reviewed and provided evidence of compliance. The DRS Spreadsheet, updated 7/12/2007, is used roll over the regular phones to the cell phones. The on call list was reviewed.</p> <p>R6. Fully Compliant. Reviewed document titled Response to NERC COM-1-1_1 Telecommunications.</p> <p>Further evidence was cited in the RSAW.</p>	<p>Yearly or by request.</p> <p>Data Retention:  <u>For Measure 1,</u> each Reliability Coordinator, Transmission Operator, Balancing Authority shall keep evidence of compliance for the previous two calendar years plus the current year.  <u>For Measure 2,</u> each Reliability Coordinator, Transmission Operator, and Balancing Authority shall keep 90 days of historical data (evidence).  <u>For Measure 3,</u> each Reliability Coordinator, Transmission Operator, Balancing Authority shall have its current operating instructions and procedures to confirm that it meets Requirement 5.  <u>For Measure 4,</u> each Reliability Coordinator, Transmission Operator, Balancing Authority and NERCnet User Organization shall keep 90 days of historical data (evidence). If an entity is found non-compliant the entity shall keep information related to the noncompliance until found compliant or for two years plus the current year, whichever is longer.</p> <p>Evidence used as part of a triggered investigation shall be retained by the entity being investigated for one year from the date that the investigation is closed, as determined by the Compliance Monitor.</p>	Compliant

Reliability Standard	Auditor Notes	Monitoring Timeframe / Data Retention	Finding
EOP-006-1	<p>R1. Fully compliant. Reviewed Reliability Plan Section G Page 21.</p> <p>R2. Fully compliant. SPP RC had no restoration events. Reviewed Reliability Plan section G page 21.</p> <p>R3. Fully compliant. Reviewed Regional Black Start Capability plan revised 4/23/2007. .</p> <p>R4. Fully compliant. Reviewed Reliability plan 9/8/2006 section G page 21 and the Regional Black Start Capability plan revised 4/23/2007 section 3 page 6 roles and responsibilities. As well as section 3, page 7.</p> <p>R5. Fully compliant. Reviewed SPP Regional Reliability Plan Section 3 and 4 and Appendix D.</p> <p>R6. Fully compliant. – Reviewed Regional Black Start Capability plan revised 4/23/2007, section 3.</p> <p>Further evidence documented on RSAWs</p>	<p>By request.</p> <p>Data Retention:  Each Reliability Coordinator shall have the current version of its Transmission Operator's restoration plans (Measure 1) and its current Reliability Coordinator Area restoration plan (Measure 3) Each Reliability Coordinator shall keep historical data (evidence) gathered as a result of each major system disturbance requiring the implementation of system restoration plans and data gathered during the restoration period until normal system operation is resumed, for three years (Measure 2 , 4 , 5 and 6). If an entity is found non-compliant the entity shall keep information related to the noncompliance until found compliant or for two years plus the current year, whichever is longer.  Evidence used as part of a triggered investigation shall be retained by the entity being investigated for one year from the date that the investigation is closed, as determined by the Compliance Monitor.</p>	Compliant

Reliability Standard	Auditor Notes	Monitoring Timeframe / Data Retention	Finding
EOP-008-0	<p>R1.1 Fully compliant. Reviewed Maumelle Operations Evacuation to Backup Center that and communication documents.</p> <p>R1.2 N/A</p> <p>R1.3 Fully compliant. Reviewed Maumelle Operations Evacuation to Backup Center document dated 0/11/2007.</p> <p>R1.4 Fully compliant. Reviewed Telecom records including Satellite phone test procedures.</p> <p>R1.5 Fully compliant. Reviewed Emergency Evacuation Procedure page 3.</p> <p>R1.6 Fully compliant. Reviewed Emergency Evacuation Procedure page 3.</p> <p>R1.7 Fully compliant. Reviewed Table of Changes provided page 2.</p> <p>R1.8 Fully compliant. Reviewed last drill record from training for 2004 using old Primary and Back Up Site.</p> <p>The tour of the control room and operator interviews validated that the documented plan is incorporated throughout the operational procedures.</p>	<p>By request.</p> <p>Data Retention: The contingency plan for loss of primary control facility must be available for review at all times.</p>	Compliant

Reliability Standard	Auditor Notes	Monitoring Timeframe / Data Retention	Finding
IRO-001-1	<p>R1 N/A</p> <p>R2 Fully Compliant. Reviewed Reliability Plan SPP September 8, 2006, Reliability Plan (RP) on file with NERC. Approved by SPP, SERC, and NERC. Responsibility Authority – SPP, Membership Agreement (MA) May 1, 2004 Section 2.1.2 Reliability section (d).</p> <p>R3 Fully Compliant. Reviewed Ref: letter 2/14/05 from Carl Monroe SPP to SPP RC authority to take corrective action including shedding of firm load etc. to maintain secure and reliable operations. Reference Doc SPP IROL Relief Guides page 4 in the OVERVIEW section, second sentence.</p> <p>R4 Fully Compliant. Reviewed Reliability Plan Section B page 6 – no delegated tasks.</p> <p>R5 Fully Compliant. Reviewed Reliability Plan Section B page 6 – no delegated tasks.</p> <p>R6 Fully Compliant. Reviewed Reliability Plan Section B page 6 – no delegated tasks.</p> <p>R7 Fully Compliant. Reviewed Coordination Agreements with RDRC signed May 31, 2007 , ERCOT signed May 31, 2007, between SPP RC and SPP ICT memo of understanding signed 1/11/2007 , TVA signed 5/12/2006 , MISO –viewed online signed <a href="http://www.spp.org/publications/FERC_Filing_SPP-MISO-JOA_12022004.pdf">www.spp.org/publications/FERC_Filing_SPP-MISO-JOA_12022004.pdf</a>. signed 12/01/2004).</p> <p>R8 N/A</p> <p>R9 Fully Compliant. Reference Reliability Plan Section A Responsibilities – Authorization - Page 5 paragraph 2</p> <p>The tour of the control room and operator interviews validated that the documented plan is incorporated throughout the operational procedures.</p> <p>Further evidence documented on RSAWs</p>	<p>By request.</p> <p>Data Retention: Each Regional Reliability Organization shall have its current, in-force document for Measure 1.</p> <p>Each Reliability Coordinator shall have its current, in-force documents or the latest copy of a record as evidence of compliance to Measures 2 through 6.</p> <p>Each Transmission Operator, Generator Operator, Distribution Provider, and Load Serving Entity shall keep 90 days of historical data (evidence) for Measure 7.</p> <p>If an entity is found non-compliant the entity shall keep information related to the noncompliance until found compliant or for two years plus the current year, whichever is longer.</p> <p>Evidence used as part of a triggered investigation shall be retained by the entity being investigated for one year from the date that the investigation is closed, as determined by the Compliance Monitor.</p>	Compliant

Reliability Standard	Auditor Notes	Monitoring Timeframe / Data Retention	Finding
IRO-004-1	<p>R1 Fully Compliant. Reviewed list of files by day of analysis for contingency analysis and flow gate, Reviewed input files including Special Unit. sub, basic.mon, basic(vl).con, a print out as of 12/11/2006 Current Day Analysis and a report for Next Day Analysis as of 12/12/2006, current day analysis/contingency analysis report 10/24/07 Current day flowgate analysis dated 10/24/07.</p> <p>R2 Fully Compliant. Reviewed SPP Contingency Analysis document - current day analysis and reference Monitoring List.</p> <p>R3 Fully Compliant. Reviewed - Operating Guide bus configuration for potential overloads bus New Madrid to Dell. Also reviewed TLR's, IROL guides.</p> <p>R4 N/A</p> <p>R5 Fully Compliant. Reviewed files posted on OPS 1 by 1500. Files were copied from study files to OPS1 and files on OPS 1 for only ~ 24 hours and overwritten next day. SME provided copy of code (zcopy_outputs.bat) which posts file to OPS 1 on the T drive.</p> <p>R6 Fully Compliant. Reviewed Reference details provide for requirement 3 above.</p> <p>R7 N/A</p> <p>Further evidence documented on RSAWs</p>	<p>By request.</p> <p>Data Retention: Documentation shall be available for 3 months to provide verification that system studies were performed as required.</p>	Compliant
IRO-014-1	<p>R1 Fully Compliant. R1.1.1 – R 1.1.6 – Reviewed reference document Interaction with Neighboring Reliability Coordinators. Document signed by Robert Rhodes and dated 10/23/07.</p> <p>R2 Fully Compliant. Reviewed procedures between SPP RC to Entergy ICT (SPP ICT) and SPP to SWPA and Entergy for Start of Normal Substation Operations.</p> <p>R3 Fully Compliant. R3.1 – R.3 - Reviewed document for Hilltop Substation Operating Guide 2007 001 dated 8/15/07, had distribution list and reviewed &lt; 3 years.</p> <p>R4 Fully Compliant. R4.1 – 4.3 - Reviewed document for Hilltop Substation Operating Guide 2007 001 dated 8/15/07, had distribution list and reviewed &lt; 3 years.</p> <p>Further evidence documented on RSAWs</p>	<p>By request.</p> <p>Data Retention: The Reliability Coordinator shall keep documentation for the prior calendar year and the current calendar year.</p>	Compliant

Reliability Standard	Auditor Notes	Monitoring Timeframe / Data Retention	Finding
IRO-015-1	<p>R1 Fully Compliant. Reviewed Generic Coordination Agreements with neighboring RCs, Document Interaction with Neighboring Reliability Coordinators signed 0/23/07 with current revision 10/23/07 supports R1 for process for communications. Also review voice recording to support evidence.</p> <p>R2 Fully Compliant. Reviewed SERC Reliability Hotline Procedure, weekly call, has template of what should be discussed on CC, Also, agreed upon CC with other RC's. Reviewed evidence of reliability information for other RC's included emails JOA Outage for JOA 10/25/07 and JOA Outage lists of 9/20/07 and 9/27/07 for TVA.</p> <p>R2.1 Fully Compliant. Reviewed voice recordings evidence to show SPP RC participation with MISO.</p> <p>R3 Fully Compliant. Reviewed emails for JOA Outage and for JOA 10/25/07, and JOA Outage lists of 9/20/07 and 9/27/07 for TVA.</p> <p>Further evidence documented on RSAWs</p>	<p>Rolling 12 months of information provided on request.</p> <p>Data Retention: The Reliability Coordinator shall keep auditable documentation for a rolling 12 months.</p>	Compliant
IRO-016-1	<p>R1 Fully Compliant. Reviewed voice recordings referenced: for 7/31/07 starting at 021:25 ended 0:47:58 that cover a line overload between SPP and TVA, also included call with SPA. Discussion included various options, to solve issue, and discussed previous history of what has worked; agreements not to do anything until each in agreement. Time 22:19:54 5/4/07 to time 22:25:51 5/4/07 call from TVA to SPP on line overload noted of line overload and agreed with TLR solution SECOND call from TVA to correct contingency to different flow gate and change corrective TLR for 1377 action. Conservative approach and validation that solution will not create issues on the others system.</p> <p>R2 Fully Compliant. Reviewed three voice recordings and reviewed Reliability Logs for 5/4/07, &amp;/31/07 and 8/2/07.</p> <p>Further evidence documented on RSAWs</p>	<p>Rolling 12 months of information provided on request.</p> <p>Data Retention: The Reliability Coordinator shall keep auditable documentation for a rolling 12 months. In addition, entities found non-compliant shall keep information related to the non-compliance until it has been found compliant.</p>	NA
PER-003-0	<p>R1 Fully Compliant. Reviewed spreadsheet that lists the names and certification of the operators. The audit team leader verified the certification numbers with NERC. Copies of shift schedules for 2006/2007 verified both operators are NERC Certified, Reliability.</p> <p>Further evidence documented on RSAWs</p>	<p>By request latest certification information and present calendar year plus previous calendar year staffing plan.</p> <p>Data Retention: Present calendar year plus previous calendar year staffing plan.</p>	Compliant

Reliability Standard	Auditor Notes	Monitoring Timeframe / Data Retention	Finding
PER-004-1	<p>R1 Fully Compliant. 2006 &amp; 2007 Shift Schedules were reviewed by team to ensure all shifts were covered by certified operators.</p> <p>R2 Fully Compliant. Reviewed a printout of the "Employee Complete Transcript" to ensure the required Emergency training is completed. When the database is opened it provides notification of the number of hours each operator needed to complete for the year. The team also reviewed various training activities to ensure the emergency training was properly completed, i.e. Simulations training, TLR training, etc.</p> <p>R3 Fully Compliant. Reviewed regional and sub regional blackstart plan joint training with MISO and TVA. Blackstart training requirements covered in the individual plans. Sub regional blackstart plan tested twice per year.</p> <p>R4 Fully Compliant. Reviewed the "Employee Complete Transcript" database printouts to ensure that training was provided to ensure the operators were trained on the operating guides. The operating guides provide information about the BAs, TOPs and GOPs in their area.</p> <p>R5 Fully Compliant. Reviewed IROL guides, these guides are on the operator's desk to allow for immediate response to the IROL. Simulator training is used and if the operations personnel are unable to complete the simulation within 30 minutes, the simulated IROL is considered unsuccessful. The "Employee Complete Transcript" database printouts confirmed training on these processes. All flowgates are presented on an excel spreadsheet on the EMS; this is open at all times for the operator to monitor. A copy of a screen shot was provides as evidence of their tools.</p> <p>Further evidence documented on RSAWs</p>	<p>By request - Each Reliability Coordinator shall keep evidence of compliance for the previous two calendar years plus the current year.</p> <p>Data Retention: Each Reliability Coordinator shall keep evidence of compliance for the previous two calendar years plus the current year.</p> <p>If an entity is found non-compliant the entity shall keep information related to the noncompliance until found compliant or for two years plus the current year, whichever is longer.</p> <p>Evidence used as part of a triggered investigation shall be retained by the entity being investigated for one year from the date that the investigation is closed, as determined by the Compliance Monitor.</p>	NA

Reliability Standard	Auditor Notes	Monitoring Timeframe / Data Retention	Finding
TOP-003-0	<p>R1 R1.1 N/A</p> <p>R1.2 Fully Compliant. Reviewed screenshots of outages requests in Ops 1 program. This information is then inputted into the SDX. Forced outages as well as planned outages are inputted by the BA/TOP as they occur. Documentation is located in Section 5, page 5-1 in SPP Criteria document. This document covers all data that is required to be submitted to the RC. The Reliability Coordinator shall establish the outage reporting requirements and it is documented in SPP Criteria document, appendix 7, under Other Operating Information page 9. Also in SPP Membership Agreement, section 2.1.3 Transmission Maintenance, section D, page 11. Two procedures on how they enter Generation and Transmission into the OPS 1 program, in SPP RTO Reliability Authority Procedures Manual. "Entering Transmission Facility Outages in OPS1", page 1 and "Entering Generation Outages in OPS1" page 1</p> <p>R1.3 Fully Compliant. Provided two examples of logs; last week and one month ago. Showed data submitted at least every 20 minutes around the clock.</p> <p>R2&amp; R3 N/A</p> <p>R4 Fully Compliant. Reviewed SDX logs, SPP Bylaws document, section 3.13, pages 13-15, also documented in Reliability Plan; section C, pages 7-8. Authority letter dated 2/14/05 signed by the Sr., Vice President of Operations and Chief Operating Officer, gives authority to resolve conflicts. Email dated 5/11/ 2007, to Reliability Coordination and others, that provided evidence that the RC coordinated a requested outage and developed an operating guide to allow the outage to take place.</p> <p>Further evidence documented on RSAW.</p>	<p>By request.</p> <p>Data Retention: One calendar year.</p>	Compliant

Reliability Standard	Auditor Notes	Monitoring Timeframe / Data Retention	Finding
TOP-005-1	<p>R1. N/A</p> <p>R1.1. Reviewed SPP Criteria appendix 7, Data Dictionary for Electric System Security Data dated 9/6/2007. This address all elements list in Attachment 1-TOP-005-0 "Electric System Reliability Data". EMS Screen shots for each required element that shows the data is provided to them.</p> <p>R2. Reviewed a copy of the signed NERC Confidentiality Agreement for Electric System Operating Reliability Data was provided dated 10/14/05 signed by Sr. VP/COO and NERC, 10/18/2005.</p> <p>R3 &amp; R4 - N/A</p> <p>Further evidence documented on RSAWs</p>	By request.	Compliant

## ***SPP Compliance Culture***

SPP provided a description of its internal compliance program. SPP appointed a Standards Compliance Manager as the Compliance Program lead for all internal compliance matters. The Standards Compliance Manager led the pre-audit preparation for SPP RC. The SPP RC staff was accommodating and responded to any requests from the audit team.

All documented evidence presented during the course of the on-site audit contained adequate revision tracking, effective date, approval signature, and was made available to SPP RC staff via the internet and hardcopies. Dedicated personnel monitor the NERC and Regional reliability standard development processes to remain up to date on compliance requirements. SPP RC employees actively participate on NERC committees and standard drafting teams. SPP RC is committed to be proactive in its goal of compliance with the reliability standards.

## ***Conclusions***

Direct observation revealed that the SPP RC promotes a culture of reliability and actively strives for compliance to the NERC reliability Standards.

## **SUMMARY OF SPP RESPONSE TO THE AUDIT FINDINGS**

SPP RC had no written response to add to this report.