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EXECUTIVE SUMMARY

The on-site compliance audit of Oncor Electric Delivery (Oncor) was conducted on June 28, 2007. The NERC reliability standards that are being actively monitored for 2007 were reviewed based on Oncor's registration as a Transmission Owner and Transmission Planner. The audit team consisted of members from NERC and Texas Regional Entity (Texas RE).

From the documentation provided and reviewed and interviews conducted, Oncor Electric Delivery met all of the NERC Standard requirements that were reviewed.

AUDIT PROCESS

The compliance audit process steps are detailed in the NERC CMEP.

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

Scope

The Scope of this compliance audit is inclusive of all requirements of the NERC Standards that are being actively monitored in 2007 and any others that may be identified by the audit team at the time of the audit applicable to Transmission Owners and Transmission Planners. The audit was performed by a NERC Compliance Coordinator and members of Texas RE.

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

A list of actively monitored NERC Standards was sent to Oncor prior to the audit. Once Texas RE received the responses to the pre-audit questions, a date was set for the site visit to the Oncor facility. Texas RE audit team interviewed appropriate personnel and reviewed documents to substantiate those operations personnel were trained and capable of following the criteria to ensure reliable operations from that entity. The audit team also interviewed IT, Communications, and Planning personnel as necessary to get answers to questions and verify documentation.

The audit team conducted an exit briefing immediately following the audit with Oncor. The audit team verbally shared its preliminary results with Oncor management.

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

Company Profile

Oncor Electric Delivery (Formerly TXU Electric Delivery) serves miles of Texas' vast energy market. The company operates parent TXU regulated power assets, which include approximately 14,300 miles of transmission lines and nearly 100,000 miles of distribution lines in 92 counties situated in the eastern, north-central, and western portions of the state. Oncor Electric Delivery maintains more than 180,000 streetlights in its service territory. The company was formed at the onset of Texas' power market deregulation, which took effect on January 1, 2002.

Audit Specifics

The compliance audit was conducted on June 28, 2007 at the Mountain Creek facility in Dallas, Texas.

Audit Team

Audit Team Role	Name	Title	Company
Lead	Robert Potts	Senior Compliance Analyst	Texas RE
Member	Frank Vick	Reliability Analyst	Texas RE
Member	Jacki Power	Regional Compliance Program Coordinator	NERC
Member	Bob Collins	Compliance Engineer /Analyst	Texas RE

Oncor Audit Participants

Name	Title	Oncor Organization
Allan Moore		
Charles Wilson	Control Center Engr. Specialist	
Bill Fuller	Mgr. Ops. Support	
Wes Speed	Director	System Protection
Gary White	Manager	VM Program
Lee Maurer		Maintenance Strategy
Lance Spross	Director	Maintenance Strategy
Steve Martin	TMS Project Manager	TMS
Ross Owen		Real Time Operations
Ellis Rankin	Director	Transmission System Ops.
Ken Donohoo	Director	System Planning
Michael Juricek	Manager	System Planning
Rafael Garcia	Conceptual Design Mgr.	System Protection

AUDIT RESULTS

Findings

The Compliance Audit Team found that Oncor Electric Delivery was compliant with all 2007 actively monitored NERC Standards at the time of the audit

Reliability Standard	Auditor Notes	Finding
CIP-001-1	Procedures in place that meet the requirements for their TOP delegated sabotage reporting duties	Compliant
CIP-002-1 through CIP-009-1	Oncor has an implementation plan	Reviewed
FAC-003-1	TVMP was provided and covered every aspect	Compliant
FAC-008-1	Oncor provided the methodology documentation for their facility ratings	Compliant
FAC-009-1	Review of data provided to ERCOT for planning studies and dynamic ratings	Compliant
IRO-004-1	Procedures in place that address the transmittal of information to ERCOT Reliability Coordinator	Compliant
PRC-004-1	The analysis and plan were discussed	Compliant
PRC-005-1	Maintenance, testing intervals and procedures documentation was provided	Compliant
PRC-008-0	Maintenance, testing intervals and procedures documentation was provided	Compliant
PRC-010-0	UVLS system is less than five years old	Compliant
PRC-011-0	Maintenance, testing intervals and procedures documentation was provided	Compliant
PRC-016-0	Reviewed the documentation that has been shared with ERCOT	Compliant
PRC-017-0	Testing and maintenance are in place and up to date.	Compliant
PRC-021-1	Provided its annual submittal of Voltage/Stability data to ERCOT DWG	Compliant
TPL-001-0	Provided their annual "Transmission Plan (2007-2016) and ONCOR Electric Delivery Procedures	Compliant
TPL-002-0	Provided their annual "Transmission Plan (2007-2016) and ONCOR Electric Delivery Procedures	Compliant
TPL-003-0	Provided their annual "Transmission Plan (2007-2016) and ONCOR Electric Delivery Procedures	Compliant
TPL-004-0	Provided their annual "Transmission Plan (2007-2016) and ONCOR Electric Delivery Procedures	Compliant

CIP-001-1

Oncor has procedures in place that meet the requirements for their delegated sabotage reporting duties as a TDSP, including call out lists for the local FBI.

Requirement 1- **COMPLIANT**

CIP-002-1 through CIP-009-1

Oncor has an implementation plan for CIP-002-1 through CIP-009-1. Full compliance assessment will be conducted in the future, in accordance with NERC's implementation schedule for these standards.

FAC-003-1

Oncor's TVMP was provided and covered every aspect of FAC-003-1. Oncor is on schedule to complete their 2007 work plan. Requirement 3 is covered by monthly report submittals. Requirements 1, 2, 3 - **COMPLIANT**

FAC-008-1

Oncor provided the methodology documentation for their facility ratings (5/15/07). Requirements 1, 2 - **COMPLIANT**

FAC-009-1

Based on a review of data provided to ERCOT for planning studies and dynamic ratings viewed online, the facility ratings are consistent with the methodology. Requirements 1, 2 - **COMPLIANT**

IRO-004-1

Oncor has procedures in place that address the transmittal of information to ERCOT Reliability Coordinator as required. The information in R4 that refers to 1200 CST does not appear to apply to the ERCOT region. Requirement 4 - **COMPLIANT**

PRC-004-1

The analysis and plan were discussed with Oncor. The data was provided by June 1st in the misoperation report as required to ERCOT. Requirements 1, 3 - **COMPLIANT**

PRC-005-1

Oncor maintenance, testing intervals and procedures documentation were provided and reviewed. Requirements 1, 2 - **COMPLIANT**

PRC-008-1

Oncor maintenance, testing intervals and procedures documentation were provided and reviewed. Requirements 1, 2 - **COMPLIANT**

PRC-010-0

Oncor's UVLS system is less than five (5) years old and is scheduled to be reassessed in 2010. Requirements 1, 2 - **COMPLIANT**

PRC-011-0

Oncor maintenance, testing intervals and procedures documentation were provided and reviewed. Requirements 1, 2 - **COMPLIANT**

PRC-016-0

While there have been operations of the SPS systems there have been none that were determined to be misoperations. The audit team reviewed the documentation that has been shared with ERCOT on this subject.

Requirements 1, 2, 3 - **COMPLIANT**

PRC-017-0

All SPS systems in the Oncor systems are identified and documented. Testing and maintenance are in place and up to date. Oncor has data and can provide to ERCOT upon request.

Requirements 1, 2 - **COMPLIANT**

PRC-021-1

Oncor provided its annual submittal of Voltage/Stability data to ERCOT DWG (Dynamic Working Group) (pages 69 and 70.)

Requirements 1, 2 - **COMPLIANT**

TPL-001-1

Oncor provided their annual "Transmission Plan (2007-2016) and Oncor Electric Delivery Procedures" dated 11/05 as documentation meeting all requirements for TPL-001-0.

Requirements 1, 2, 3 - **COMPLIANT**

TPL-002-0

Oncor provided their annual "Transmission Plan (2007-2016) and Oncor Electric Delivery Procedures" dated 11/05 as documentation meeting all requirements for TPL-002-0.

Requirements 1, 2, 3 - **COMPLIANT**

TPL-003-0

Oncor provided their annual "Transmission Plan (2007-2016) and Oncor Electric Delivery Procedures" dated 11/05 as documentation meeting all requirements for TPL-003-0.

Requirements 1, 2, 3 - **COMPLIANT**

TPL-004-0

Oncor provided their annual "Transmission Plan 2007 – 2016, Oncor Electric Delivery Procedures" dated 11/05 and separate examples of category 'D' studies as documentation meeting all the requirements of TPL-004-0

Requirements 1, 2 - **COMPLIANT**

Conclusion

Oncor Electric Delivery Company was found in compliance with the standards that were audited.

SUMMARY OF ONCOR'S RESPONSE TO THE AUDIT FINDINGS

Oncor had no response to the audit findings and the draft audit report.

APPENDIX 1 — APPLICABLE RELIABILITY STANDARDS

Std #	Requirements	Standard	Who	Purpose	Monitoring Timeframe	Applicable to Oncor? 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.	N
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.	N
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.	N

Std #	Requirements	Standard	Who	Purpose	Monitoring Timeframe	Applicable to Oncor? 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.	N
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.	Y
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.	N
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.	N

Std #	Requirements	Standard	Who	Purpose	Monitoring Timeframe	Applicable to Oncor? 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	N
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.	N
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.	N
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.	N
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.	N

Std #	Requirements	Standard	Who	Purpose	Monitoring Timeframe	Applicable to Oncor? 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.	Y
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.	Y
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.	Y

Std #	Requirements	Standard	Who	Purpose	Monitoring Timeframe	Applicable to Oncor? 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.	N
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.	Y
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.	N

Std #	Requirements	Standard	Who	Purpose	Monitoring Timeframe	Applicable to Oncor? 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.	N
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.	N
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.	N
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.	N
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.	N

Std #	Requirements	Standard	Who	Purpose	Monitoring Timeframe	Applicable to Oncor? 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.	Y
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.	Y
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.	Y
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.	Y
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.	Y

Std #	Requirements	Standard	Who	Purpose	Monitoring Timeframe	Applicable to Oncor? Yes or No
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.	Y
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.	Y
PRC-021-1	All	Under-Voltage Load Shedding Program Data	DP, TO	DOCUMENTATION of undervoltage load shedding program	By request – latest UVLS data.	Y
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.	N
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.	N
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.	N

Std #	Requirements	Standard	Who	Purpose	Monitoring Timeframe	Applicable to Oncor? Yes or No
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.	N
TPL-001-0	All	System Performance Under Normal (No Contingency) Conditions	PA, TPL	System performance under normal conditions	By request – latest annual assessment.	Y
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.	Y
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.	Y
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.	Y

Std #	Requirements	Standard	Who	Purpose	Monitoring Timeframe	Applicable to Oncor? Yes or No
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.	N

APPENDIX 2 — CONFIDENTIAL: SECURITY SENSITIVE INFORMATION

No confidential security sensitive information is included with this report.