



NORTHEAST POWER COORDINATING COUNCIL, INC.
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Compliance Audit Report Public Version

BG DIGHTON POWER LLC
NCR07017

April 21-May 9, 2008

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

May 9, 2008

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Executive Summary

This final compliance audit report is the public version. Confidential information has been redacted from this report. The full final compliance audit report was submitted to the audited entity and NERC.

The offsite compliance audit of BG Dighton Power LLC was conducted between April 21 and May 9, 2008. The audit was completed using data submitted by BG DIGHTON POWER LLC and telephone and email data exchanges. The audit team evaluated BG DIGHTON POWER LLC's compliance for the GO-Generator Owner and GOP-Generator Operator functions with sixteen reliability standards identified in the NERC 2008 Implementation Plan for the period of the last twelve months or monitoring timeframes specified in each, reliability standard. Of the sixteen standards and forty-one requirements audited, three standards and their eight requirements were judged to be not applicable, thirteen standards and twenty-four of the remaining requirements were judged to be compliant. Nine requirements of the thirteen standards were judged to be not applicable for this audit period. BG DIGHTON POWER LLC provided a subject matter expert for the standards resulting in a more clear understanding of the BG DIGHTON POWER LLC business model and accelerated the audit process. The evidence provided to demonstrate compliance was incomplete at submission but follow-up emails provided the additional information required to determine compliance. The audit team would like to thank the BG DIGHTON POWER LLC audit preparation team for the support offered through the audit.

Audit Process

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 BG DIGHTON POWER LLC compliance with the requirements of the reliability standards that are applicable to BG DIGHTON POWER LLC based on the BG DIGHTON POWER LLC registered functions.
- Validate compliance with applicable reliability standards from the NERC 2008 Implementation Plan list of actively monitored standards.

The audit was completed using data submitted by BG DIGHTON POWER LLC and telephone and email data exchanges. The audit team evaluated BG DIGHTON POWER LLC's compliance with sixteen reliability standards and forty-one requirements identified in the NERC 2008 Implementation Plan for the period of the

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

last twelve months or monitoring timeframes specified, in each reliability standard. Of the sixteen standards and forty-one requirements audited, three standards and their eight requirements were judged to be not applicable, thirteen standards and twenty-four of the remaining requirements were judged to be compliant. Nine requirements of the thirteen standards were judged to be not applicable for this audit period based on the data submitted in response to the audit request and further data provided as a result of follow up questions.

The compliance audit process steps are detailed in the NERC CMEP. The NERC CMEP generally conforms 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.² The audit objectives are:

- Independently review BG DIGHTON POWER LLC compliance with the requirements of the reliability standards that are applicable to BG DIGHTON POWER LLC based on the BG DIGHTON POWER LLC registered functions.
- Validate compliance with applicable reliability standards from the NERC 2008 Implementation Plan list of actively monitored standards.
- Validate evidence of self-reported violations and previous self-certifications, confirm compliance with other requirements of the reliability standard, and review the status of associated mitigation plans.
- Document the BG DIGHTON POWER LLC compliance culture.

Scope

The audit included all standards identified in the February 4, 2008 audit letter for the previous year. The audit was a regularly scheduled audit and no self reported violations or compliance investigations were involved.

Confidentiality and Conflict of Interest

Confidentiality agreements executed by the independent contractors and code of conduct documentation for the NERC representative and regional entity staffs were provided to the audited entity in advance of the audit. Work history and conflict of interest forms submitted by each audit team member were provided to the audited entity. The audited

² North American Electric Reliability Corporation CMEP, paragraph 3.1, Compliance Audits

entity 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. The audited entity accepted the audit team member participants with no objections.

Off-site Audit

BG DIGHTON POWER LLC was provided with a pre-audit request letter on February 4, 2008 identifying the standards and requirements subject to audit. The audit letter was sent to BG DIGHTON POWER LLC more than 60 days in advance of the scheduled audit. This is an off site audit conducted every six years or as determined to be necessary by the region. BG DIGHTON POWER LLC had not self reported any violations

If necessary, the audit team leader would have requested interviews with BG DIGHTON POWER LLC employees representing subject matter expertise regarding all of registered functions of BG DIGHTON POWER LLC. These interviews in conjunction with evidence, provide the audit team with a basis for professional judgment when validating compliance with reliability standards

Methodology

The audit team prepared reliability standards auditor worksheets (RSAWs) to evaluate each standard. The RSAW's are used to ensure consistency and to document evidence of compliance or non-compliance with the standards. All relevant documents are considered and to the extent they form portion of the audit trail are included in the RSAW's.

Audit Overview

A brief explanation of the audit process was given and the timelines were discussed when the exit briefing was arranged. The auditor's career was in the audit letter to BG DIGHTON POWER LLC. BG DIGHTON POWER LLC was given the opportunity to reject either auditor should they feel that there was a possible conflict of interest or they thought the auditors would not be impartial. BG DIGHTON POWER LLC accepted the audit team.

Audit

The audit was performed off site by Kim Pitchell. A list of additional questions was provided to BG DIGHTON POWER LLC via of an email and BG DIGHTON POWER LLC then took the time necessary to develop the answers and submitted them by way of email to the auditor.

Exit Briefing

The exit briefing was conducted by telephone call on May 9, 08 between Kim Pitchell of NPCC and Debby Cartney of MASSPOWER and Michael Joyce and John Fielder of BG DIGHTON POWER LLC. The NPCC auditor reviewed the audit process and summarized the findings of the audit. The results of the audit were that of the sixteen standards and forty-one requirements audited, three standards and their eight requirements were judged to be not applicable, thirteen standards and twenty-four of the remaining requirements were judged to be compliant. Nine requirements of the thirteen standards were judged to be not applicable for this audit period. BG DIGHTON POWER LLC was given an opportunity to question the audit findings and provide comment on the audit. BG DIGHTON POWER LLC said they found the process to be very informative. They have a much better appreciation of how the audit process works and what it entails to be fully compliant to all standards.

Company Profile

BG Dighton Power, LLC is a nominal 165 MW natural gas fired combustion turbine power plant located in Dighton, Massachusetts. There are fifteen employees who work on-site directly for BG Dighton Power performing day-to-day care and custody functions, including operations and maintenance, for the generating facility. Additionally, BG Dighton Power is supported by BG North America's Providence, Rhode Island and Houston, Texas offices. In particular, the Houston office provides energy, accounting and information management support services to the generating facility. Engineering, regulatory and other business strategy support functions are available from the Providence office.

BG Dighton Power generates electricity at 13.8 kV. The electricity is stepped up to nominally 115 kV for interconnection onto the National Grid and ISO-NE transmission systems.

BG Dighton Power does not own or operate any transmission lines associated with the bulk electric system.

BG Dighton Power has one interconnection point (ISO-NE Network Node 1005) with National Grid NE at 115 kV at a riser station that is approximately 750 feet from the plant switchyard.

Audit Specifics

The compliance audit was conducted between April 21 and May 9, 2008 at the NPCC offices in New York, New York.

Audit Team Role	Title	Company
Lead	Contracted Consultant	NPCC-Compliance Audit Program
Observer	Coordinator	NERC Regional Compliance Program
Member	Manager Compliance Audit Program	NPCC-Compliance Audit Program

BG DIGHTON POWER LLC

Title	[Audited Entity] Organization
Regulatory and Compliance Manager	Masspower
Facility Engineer	BG Dighton LLC
Plant Manager, Vice President and Director	BG Dighton LLC

Audit Results

BG DIGHTON POWER LLC provided a CD containing data used to demonstrate their compliance with the standards identified in the audit letter from NPCC. When the auditor

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had additional questions email and phone calls were used to request additional documentation.

After reviewing all the data BG DIGHTON POWER LLC provided, of the sixteen standards and forty-one requirements audited, three standards and their eight requirements were judged to be not applicable, thirteen standards and twenty-four of the remaining requirements were judged to be compliant. Nine requirements of the thirteen standards were judged to be not applicable for this audit period.

The Requirements identified with an * are those applicable to the GOP- Generator Operator function. The other requirements are applicable to the GO-Generator Owner function.

Findings

Reliability Standard	Requirement	Finding
BAL-005-0	R1.	*Compliant
CIP-001-1	R1.	*Compliant
CIP-001-1	R2.	* Compliant
CIP-001-1	R3.	* Compliant
CIP-001-1	R4.	* Compliant
COM-002-2	R1.	*Compliant
EOP-004-1	R2.	*Not Applicable
EOP-004-1	R3.	* Not Applicable
EOP-009-0	R2.	Not Applicable
EOP-009-0	R1.	*Not Applicable
EOP-009-0	R2.	*Not Applicable
FAC-008-1	R1.	Compliant
FAC-008-1	R2.	Not Applicable
FAC-009-1	R1.	Compliant
FAC-009-1	R2.	Compliant
IRO-001-1	R8.	*Compliant
IRO-004-1	R4.	Compliant
IRO-004-1	R4.	*Compliant
PRC-004-1	R2.	Not Applicable
PRC-004-1	R3.	Not Applicable
PRC-005-1	R1.	Compliant
PRC-005-1	R2.	Compliant
PRC-016-0	R1.	Not Applicable
PRC-016-0	R2.	Not Applicable
PRC-016-0	R3.	Not Applicable
PRC-017-0	R1.	Not Applicable

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Reliability Standard	Requirement	Finding
PRC-017-0	R2.	Not Applicable
TOP-002-2	R3.	*Compliant
TOP-002-2	R13.	* Compliant
TOP-002-2	R14.	* Compliant
TOP-002-2	R15.	* Compliant
TOP-002-2	R18	*Compliant
TOP-003-0	R1.	*Compliant
TOP-003-0	R2.	*Compliant
TOP-003-0	R3.	*Not Applicable
VAR-002-1	R1	* Compliant
VAR-002-1	R2.	* Compliant
VAR-002-1	R3.	*Not Applicable
VAR-002-1	R5.	*Not Applicable
VAR-002-1	R4.	Compliant
VAR-002-1	R5.	Not Applicable

Compliance Culture

The audit team reviewed BG DIGHTON POWER LLC's compliance culture. The regional entity compliance staff may review additional aspects of BG DIGHTON POWER LLC's compliance culture. During all contacts BG DIGHTON POWER LLC staff was professional in their approach to compliance and understood the importance of the compliance and its role in maintaining reliability.