



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

Dominion Energy Brayton Point NCR07060

October 24 to November 21, 2008

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

11/21/2008

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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.

The offsite compliance audit of Dominion Energy Brayton Point was conducted between October 24 and November 21, 2008. The audit was completed using data submitted by Dominion Energy Brayton Point and telephone and email data exchanges. The audit team evaluated Dominion Energy Brayton Point's compliance with ten 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 ten standards audited, two were deemed to be non-applicable; of the remaining standards, eight were judged to be compliant.

Dominion Energy Brayton Point provided a subject matter expert for each standard resulting in a more clear understanding of the Dominion Energy Brayton Point business model and accelerated the audit process. The evidence provided to demonstrate compliance required requests for additional information and evidence. The Dominion Energy Brayton Point audit team responded to requests for further information in an expeditious manner. The audit team would like to thank the Dominion Energy Brayton Point team for the support offered throughout 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 Dominion Energy Brayton Point's compliance with the requirements of the reliability standards that are applicable to them based on their 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 Dominion Energy Brayton Point and information via email data exchanges. The audit team evaluated Dominion Energy

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

Brayton Point's compliance with ten 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 ten standards audited (two of the standards were deemed to be not applicable to Dominion Energy Brayton Point), eight were judged to be compliant 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 Dominion Energy Brayton Point's compliance with the requirements of the reliability standards that are applicable to them based on their 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 Dominion Energy Brayton Point's compliance culture.

Scope

The audit included all standards identified in the August 6, 2008 audit letter for the previous year. The audit was a regularly scheduled audit and no self reported violations or compliance investigations were involved.

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

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. The audited 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

Dominion Energy Brayton Point was provided with a pre-audit request letter identifying the standards and requirements subject to audit. The audit letter was sent to Dominion Energy Brayton Point more than 60 days in advance of the scheduled audit. This is an offsite audit conducted every six years or as determined to be necessary by the region. Dominion Energy Brayton Point had not self reported any violations.

The audit team leader requested that Dominion Energy Brayton Point employees representing subject matter expertise regarding all of registered functions of Dominion Energy Brayton Point be made available for interviews should the need arise. These interviews, in conjunction with the evidence submitted, provide the audit team with a basis for professional judgment when validating compliance with reliability standards.

Generally accepted government auditing standard 3.39 places responsibility on each auditor and audit organization to exercise professional judgment in planning and performing an audit or attestation engagement, it does not imply unlimited responsibility, nor does it imply infallibility on the part of either the individual auditor or the audit organization. Absolute assurance is not attainable because of the nature of evidence and the characteristics of fraud. Professional judgment does not mean eliminating all possible limitations or weaknesses associated with a specific audit, but rather identifying, considering, minimizing, mitigating, and explaining them.

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

The audit overview was conducted at 11:00 AM October 24, 2008 via conference call. The auditors reviewed their careers and noted that they had signed a confidentially agreement. The Dominion Energy Brayton Point Audit Staff also shared their background with the NPCC auditors. A brief explanation of the audit process was given and the timelines were discussed. Dominion Energy Brayton Point was given the opportunity to reject any of the auditors should they feel that there was a possible conflict of interest or they thought that the auditors would not be impartial. Dominion Energy Brayton Point accepted the audit team.

Audit

The audit was performed off site by a team of NPCC auditors. The auditors reviewed the information submitted by Dominion Energy Brayton Point and then developed a list of questions and requests for further information; the list was then sent to Dominion Energy Brayton Point for their review. Dominion Energy Brayton Point then took the time necessary to gather the necessary information and submitted them by email to the auditor.

Exit Briefing

The exit briefing was conducted via conference call at 11:00 November 21, 2008. The teleconference was between the NPCC auditor team, representatives of Dominion Energy Brayton Point. The NPCC staff reviewed the audit process and summarized the findings of the audit. After reviewing all the data, Dominion Energy Brayton Point was judged to be compliant with eight of the ten standards, however two of the standards were deemed to be not applicable Dominion Energy Brayton Point.

Dominion Energy Brayton Point was presented an opportunity to question the audit findings and provide comment on the audit. Dominion Energy Brayton Point representatives commented that they appreciated the thoroughness of the audit and thanked the audit team for their flexibility in combining the DENE, DEBP, DEMS and the DESH audits and performing them at the same time.

Company Profile

Dominion Energy Brayton Point, LLC (“Brayton Point”) is a limited liability company incorporated in the Commonwealth of Virginia and a wholly owned subsidiary of Dominion Energy New England, Inc (“DENE”). Brayton Point owns and operates the Brayton Point Station located in Somerset, MA. As an independent power producer, Brayton Point is registered with FERC as an exempt wholesale generator to produce and sell wholesale electric power into the New England competitive markets. Brayton Point is functionally registered with NERC as a GOP. Its parent, DENE, is registered as a GO. Brayton Point Station consists of three coal-fired generating units, one oil/gas-fired unit, and a 10 MW diesel unit with a total net summer capacity of 1,545 MW. The station began commercial operation in 1963 with the startup of Unit 1, followed shortly by Unit 2 in 1964. As the youngest Brayton Point unit, Unit 4 began commercial operation in 1974. The station’s four primary units each employ a conventional fossil fueled boiler driving individual steam turbine-generators.

The Brayton Point Station units interconnect to the 115 kV and 345 kV bulk power grids through the transmission facilities of host Transmission Owner, New England Power Company (NEP), a subsidiary of National Grid USA. Brayton Point’s transmission interconnection is the subject of a Standard Large Generator Interconnection Agreement (LGIA) with NEP in accordance with the provisions of ISO New England’s (ISO-NE) FERC approved Open Access Transmission Tariff. The LGIA between DEBP and NEP has been filed with FERC. Brayton Point is electrically located within the Southeastern Massachusetts (SEMA) load zone of the New England control area. DEBP does not own or operate any transmission facilities that are part of the New England Bulk Electric System as defined under NPCC A-10 – Classification of Bulk Power System Elements.

Audit Specifics

The compliance audit was conducted from October 24 and November 21, 2008 at the offices of the NPCC Audit Staff.

Audit Team Role	Title	Company
Lead	Contracted Consultant	NPCC-Compliance Audit Program
Member	Contracted Consultant	NPCC-Compliance Audit Program
Member	Contracted Consultant	NPCC-Compliance Audit Program
Member	Contracted Consultant	NPCC-Compliance Audit Program
Member	Manager Compliance Audit Program	NPCC-Compliance Audit Program

Dominion Energy Brayton Point

Title	Organization
Manager, NEPOOL Operations	Dominion Energy Brayton Point Inc.

Audit Results

Dominion Energy Brayton Point provided data used to demonstrate their compliance with the standards identified in the audit letter from NPCC. When the auditor had additional questions, emails were used to request additional documentation until the auditor was convinced that the standards and requirements had been met and Dominion Energy Brayton Point had demonstrated compliance.

Findings

Reliability Standard	Requirement	Finding
BAL-005-0	R1.	Compliant
CIP-001-1	R1	Compliant
	R2	Compliant
	R3	Compliant
	R4	Compliant
COM-002-2	R1	Compliant
EOP-004-1	R2	Not Applicable
	R3	Not Applicable
EOP-009-0	R1	Not Applicable
	R2	Not Applicable
IRO-001-1	R8	Compliant
IRO-004-1	R4	Compliant
TOP-002-2	R3	Compliant
	R13	Compliant
	R14	Compliant
	R15	Compliant
	R18	Compliant
TOP-003-0	R1	Compliant
	R2	Compliant
	R3	Compliant
VAR-002-1	R1	Compliant
	R2	Compliant
	R3	Compliant
	R5	Compliant

Compliance Culture

The audit team reviewed the Dominion Energy Brayton Point compliance culture. The regional entity compliance staff may review additional aspects of the Dominion Energy Brayton Point compliance culture. During all contacts with the Dominion Energy Brayton Point staff they acted professionally in their approach to compliance and understood the importance of the compliance and its role in maintaining reliability.