



Compliance Audit Report Public Version

**CAMS - Mackinaw Power & Mackinaw
Power, LLC (MACKINAW)
NCR08080, NCR08082
May 14-15, 2008**

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

June 5, 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.

CAMS - Mackinaw Power and Mackinaw Power, LLC (MACKINAW) were audited on May 13-15, 2008 for compliance with the requirements contained in the currently mandatory and enforceable Reliability Standards in the 2008 NERC Compliance Monitoring and Enforcement Program (CMEP) that are applicable to MACKINAW's registered functions. CAMS – Mackinaw Power is registered with SERC Reliability Corporation (SERC) as a Generator Operator (GOP) and Mackinaw Power, LLC is registered with SERC as a Generator Owner (GO). Of the 23 standards identified as being applicable to MACKINAW, 23 standards were selected and identified to MACKINAW as subject to review during this audit. The audit focused on documents and other evidence provided to SERC by the staff of MACKINAW, and did not include any evidence obtained through system observation. Evidence obtained did, however, include inspection of facility relay panels. The findings of the audit are based on the state of compliance and current mitigation activity at the time of the audit, and do not reflect past compliance activities or activities that will be completed in the future.

MACKINAW staff was requested to provide valid evidence of meeting each and every applicable requirement and sub-requirement contained in each standard that had been previously identified by SERC Compliance staff to MACKINAW as subject to this audit. MACKINAW staff responded by providing evidence in the form of reports, procedures, studies, and other documents. MACKINAW staff then cited specific portions of the evidence that demonstrated compliance. This evidence and the citations were documented and evaluated by the audit team to assess the level of compliance. If all of the requirements and sub-requirements of an audited standard were met, then MACKINAW was judged to be compliant. Likewise, if any of the requirements or sub-requirements were not fully met, then MACKINAW was judged to have a possible violation of the standard. A score of 100% is required for compliance.

The audit team determined that MACKINAW does not own or operate Under Voltage Load Shedding or Special Protection Systems and is not a blackstart plant; therefore, 3 of the 23 standards in scope for MACKINAW were not applicable. These standards are EOP-009, PRC-016 and PRC-017.

MACKINAW was found to be in compliance with all but one of the standards that were audited. The audit team identified a possible violation of PRC-005-1 Maintenance and Testing of Protection Systems, Requirement 1. MACKINAW had stated in the documentation submitted that there were no communications systems associated with or integral to their protective equipment. The audit team subsequently identified equipment that appeared to be communications systems associated with their protective equipment. There was documentation of the appropriate testing and maintenance for this equipment, so the audit team has identified this possible violation as a documentation only issue.

This audit report includes information about how far MACKINAW missed the requirements for the possible compliance violations. This information will be used to help determine the severity level of sanctions and penalties. The possible compliance violations will be processed through the SERC CMEP. Any further actions related to possible compliance violations will be through that process.

AUDIT PROCESS

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.¹ The audit objectives are:

- Independently review MACKINAW compliance with the requirements of the reliability standards that are applicable to MACKINAW based on the MACKINAW 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 MACKINAW compliance culture.

Scope

The scope of the audit of MACKINAW included all monitored standards that are in the NERC 2008 CMEP. Based on the confirmed registration of MACKINAW, the 23 Reliability Standards previously identified were the focus of the compliance audit. Of these 23 standards 3 standards; EOP-009-0, PRC-016-0 and PRC-017-0 were not applicable. This is detailed in the Audit Results section.

Note: For the 2008 compliance program, the monitoring period for the compliance audit will generally 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.

Confidentiality and Conflict of Interest

Code of conduct documentation for the NERC representative and regional entity staff were provided to MACKINAW in advance of the audit. Work history and conflict of interest forms submitted by each audit team member were provided to MACKINAW upon request. SERC has confirmed that confidentiality agreements have been executed by, and are on file for SERC Industry Volunteers. MACKINAW 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. MACKINAW accepted the audit team member participants with no objections.

On-site Audit

MACKINAW was contacted by letter on December 14, 2007 by SERC staff. The letter provided MACKINAW with their initial notification of their upcoming audit in 2008, and the desire to schedule audit dates that would be acceptable to both parties. SERC staff then provided formal acknowledgement of the scheduled audit dates and requested that MACKINAW both verify their

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

currently registered functions and complete and return an attached Pre-Audit Survey within 30 days.

On February 18, 2008, SERC staff forwarded an Audit Detail Letter to MACKINAW, again confirming the scheduled audit dates and confirming MACKINAW's registered functions within SERC. The Audit Detail Letter also provided MACKINAW with notice of the Standards in Audit Scope, Proposed Audit Schedule, Audit Team Roster (with industry affiliations), and requested that MACKINAW Subject Matter Experts (SMEs) responsible for and knowledgeable of compliance submittals be available for interview during the audit. In addition to the Audit Detail Letter, MACKINAW was provided with a Non-Disclosure Agreement Signature Verification for audit team members, a Pre-Audit Questionnaire, a list of Documents to be Provided or Have Available, and Reliability Standard Auditor Worksheets (RSAWs) for each standard to be audited.

Interviews with SMEs were requested, in conjunction with documented evidence, to provide the audit team with additional information or clarification as a basis for professional judgment when validating compliance with reliability standards.

Methodology

A team of auditors and SMEs were identified and conducted the audit of MACKINAW. The standards were grouped and scheduled for review to make the most efficient use of MACKINAW staff's time. The audit team moderator (ATL or designee) initiated dialogue on each standard requirement and requested compliance evidence. This evidence and MACKINAW's staff response was documented. MACKINAW staff was requested to show valid evidence of meeting each applicable requirement and sub-requirement contained in the 23 standards that had been previously identified by SERC to MACKINAW as subject to this audit. MACKINAW staff responded by providing evidence in the form of reports, procedures, studies, and other documents. MACKINAW's staff would then cite specific portions of the evidence that demonstrated compliance.

This evidence and the citations were documented by the scribe on the RSAWs 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 MACKINAW staff members until it was determined that each requirement was met by the cited evidence or other evidence offered.

Once all the evidence was presented and discussed, if MACKINAW did not provide sufficient evidence to support a finding of compliance, then a possible violation was identified by the team and MACKINAW staff was informed.

Audit Overview

Pre-Audit On-Site Meeting

The audit team arrived at the MACKINAW offices at 2:30 p.m., May 13, 2008. Each member of the audit team was introduced and professional affiliation identified. A brief presentation covering the background of MACKINAW and its compliance activities took place. The staff of MACKINAW was introduced, and general housekeeping matters explained. The staff of MACKINAW was excused and the audit team reviewed team assignments and a general overview for preparation of the audit activities starting on the next day.

On-Site Audit

The audit team arrived at the MACKINAW offices at 7:50 a.m., May 14, 2008. At 8:00 a.m., May 14, 2008, the Audit Team Lead (ATL) began the session with an opening presentation. He reviewed the NERC compliance plan for 2008 in general, and how it applied to MACKINAW specifically. The ATL introduced and reviewed the standards to be covered in the audit, and addressed both the expectations of MACKINAW staff and the quality of evidence to be presented. The ATL also covered the basic procedure for the audit, and the bounding rules of conduct.

The audit team initially reviewed the registration status of MACKINAW with entity staff to verify applicability of each standard. Each standard's audit began with a recitation of each requirement. MACKINAW staff then presented evidence supporting requirement compliance, or cited evidence previously provided to the audit team. At that point, the evidence was reviewed and discussed until the team reached agreement on the evidence. By audit team consensus, a determination of compliance was reached for each of the requirements, and communicated to MACKINAW 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 RSAW.

The review of all applicable standards was completed at approximately 3:30 p.m., May 14, 2008 and the audit team met to review and discuss the findings. Following these discussions, the scribe collected all notes and evidence as needed and began to finalize the RSAWs.

Exit Briefing

The ATL presented an exit briefing to the assembled audit team and entity staff at 4:45 p.m., May 14, 2008. This was followed by an informal response and questions from the MACKINAW staff. The exit briefing summarized the team preliminary conclusions, including any items of potential noncompliance or possible violation with supporting information, areas of concern, any added information required and the expected timeline for review and issuance of the audit report.

The ATL solicited both informal comments from MACKINAW staff, along with requesting that they fill out formal feedback forms for submission to NERC and SERC.

The audit team left the MACKINAW meeting room and facility at 5:15 p.m., May 14, 2008.

Company Profile

Consolidated Asset Management Services Mackinaw Power Operations (Georgia), LLC was formed in 2007 to provide operating and maintenance services for the four Mackinaw Power, LLC generation facilities.

Consolidated Asset Management Services Mackinaw Power Operations (Georgia), LLC (CAMS - Mackinaw Power Ops) is a wholly owned subsidiary of Consolidated Asset Management Services, LLC. CAMS – Mackinaw Power Ops operates the four generating facilities through four separate O&M agreements with the generation facilities. The four generation facilities are wholly owned by Mackinaw Power, LLC. Mackinaw Power, LLC is indirectly wholly-owned by ArcLight Energy Partners Fund III, L.P. a Delaware limited partnership.

The four generating plants interconnect with the bulk transmission system on the respective plant properties as follows:

- MPC Generating interconnects with Georgia Power at the 230 kV level.
- Walton County Power interconnects with GTC at the 230 kV level.
- Washington County Power interconnects with GTC at the 230 kV level.

Effingham County Power primarily interconnects with GTC at the 230 kV level, but also maintains an interconnect agreement with Georgia Power at the 230 kV level.

Audit Specifics

The compliance audit was conducted on May 14, 2008 at the CAMS Mackinaw Effingham County Generating Station located near Rincon, GA

Audit Team

Audit Team Role	Title	Company
Lead	Audit Team Leader	SERC Staff
Member	Senior Compliance Auditor	SERC Staff
Member	Senior Compliance Auditor	SERC Staff

MACKINAW Audit Participants Title and Organization

Title	MACKINAW Organization
Production Manager	CAMS-Mackinaw Power/Peakers
General Manager	CAMS-Mackinaw Power
EH&S Manager	CAMS-Mackinaw Power
Production Manager	CAMS-Mackinaw Power/Effingham

AUDIT RESULTS

The audit team found MACKINAW to be in compliance with all of the NERC Reliability Standards in the audit scope, with the exception of a possible violation of NERC Reliability Standard PRC-005-1, Requirement 1. Please see Findings Table below

Findings

Reliability Standard	Requirement	Finding
BAL-001-0	R1.	N/A
BAL-001-0	R2.	N/A
BAL-001-0	R3.	N/A
BAL-001-0	R4.	N/A
BAL-002-0	R1.	N/A
BAL-002-0	R2.	N/A
BAL-002-0	R3.	N/A
BAL-002-0	R4.	N/A
BAL-002-0	R5.	N/A
BAL-002-0	R6.	N/A

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

Reliability Standard	Requirement	Finding
BAL-003-0	R1.	N/A
BAL-003-0	R2.	N/A
BAL-003-0	R3.	N/A
BAL-003-0	R4.	N/A
BAL-003-0	R5.	N/A
BAL-003-0	R6.	N/A
BAL-004-0	R1.	N/A
BAL-004-0	R2.	N/A
BAL-004-0	R3.	N/A
BAL-004-0	R4.	N/A
BAL-005-0	R1.	Compliant
BAL-005-0	R2.	N/A
BAL-005-0	R3.	N/A
BAL-005-0	R4.	N/A
BAL-005-0	R5.	N/A
BAL-005-0	R6.	N/A
BAL-005-0	R7.	N/A
BAL-005-0	R8.	N/A
BAL-005-0	R9.	N/A
BAL-005-0	R10.	N/A
BAL-005-0	R11.	N/A
BAL-005-0	R12.	N/A
BAL-005-0	R13.	N/A
BAL-005-0	R14.	N/A
BAL-005-0	R15.	N/A
BAL-005-0	R16.	N/A
BAL-005-0	R17.	N/A
BAL-006-1	R1.	N/A
BAL-006-1	R2.	N/A
BAL-006-1	R3.	N/A
BAL-006-1	R4.	N/A
BAL-006-1	R5.	N/A
CIP-001-1	R1.	Compliant
CIP-001-1	R2.	Compliant
CIP-001-1	R3.	Compliant
CIP-001-1	R4.	Compliant
CIP-002-1 through CIP-009-1		Not Assessed
COM-001-1	R1.	N/A
COM-001-1	R2.	N/A
COM-001-1	R3.	N/A
COM-001-1	R4.	N/A

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Reliability Standard	Requirement	Finding
COM-001-1	R5.	N/A
COM-001-1	R6.	N/A
COM-002-2	R1.	Compliant
COM-002-2	R2.	N/A
EOP-001-0	R1.	N/A
EOP-001-0	R2.	N/A
EOP-001-0	R3.	N/A
EOP-001-0	R4.	N/A
EOP-001-0	R5.	N/A
EOP-001-0	R6.	N/A
EOP-001-0	R7.	N/A
EOP-002-2	R1.	N/A
EOP-002-2	R2.	N/A
EOP-002-2	R3.	N/A
EOP-002-2	R4.	N/A
EOP-002-2	R5.	N/A
EOP-002-2	R6.	N/A
EOP-002-2	R7.	N/A
EOP-002-2	R8.	N/A
EOP-002-2	R9.	N/A
EOP-003-1	R1.	N/A
EOP-003-1	R2.	N/A
EOP-003-1	R3.	N/A
EOP-003-1	R4.	N/A
EOP-003-1	R5.	N/A
EOP-003-1	R6.	N/A
EOP-003-1	R7.	N/A
EOP-003-1	R8.	N/A
EOP-004-1	R1.	N/A
EOP-004-1	R2.	Compliant
EOP-004-1	R3.	Compliant
EOP-004-1	R4.	N/A
EOP-004-1	R5.	N/A
EOP-005-1	R1.	N/A
EOP-005-1	R2.	N/A
EOP-005-1	R3.	N/A
EOP-005-1	R4.	N/A
EOP-005-1	R5.	N/A
EOP-005-1	R6.	N/A
EOP-005-1	R7.	N/A
EOP-005-1	R8.	N/A
EOP-005-1	R9.	N/A

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Reliability Standard	Requirement	Finding
EOP-005-1	R10.	N/A
EOP-005-1	R11.	N/A
EOP-006-1	R1.	N/A
EOP-006-1	R2.	N/A
EOP-006-1	R3.	N/A
EOP-006-1	R4.	N/A
EOP-006-1	R5.	N/A
EOP-006-1	R6.	N/A
EOP-008-0	R1.	N/A
EOP-009-0	R1.	N/A
EOP-009-0	R2.	N/A
FAC-003-1	R1.	N/A
FAC-003-1	R2.	N/A
FAC-003-1	R3.	N/A
FAC-003-1	R4.	N/A
FAC-008-1	R1.	Compliant
FAC-008-1	R2.	Compliant
FAC-008-1	R3.	Compliant
FAC-009-1	R1.	Compliant
FAC-009-1	R2.	Compliant
FAC-013-1	R1.	N/A
FAC-013-1	R2.	N/A
INT-001-2	R1.	N/A
INT-001-2	R2.	N/A
INT-003-2	R1.	N/A
INT-004-1	R1.	N/A
INT-004-1	R2.	N/A
IRO-001-1	R1.	N/A
IRO-001-1	R2.	N/A
IRO-001-1	R3.	N/A
IRO-001-1	R4.	N/A
IRO-001-1	R5.	N/A
IRO-001-1	R6.	N/A
IRO-001-1	R7.	N/A
IRO-001-1	R8.	Compliant
IRO-001-1	R9.	N/A
IRO-003-2	R1.	N/A
IRO-003-2	R2.	N/A
IRO-004-1	R1.	N/A
IRO-004-1	R2.	N/A
IRO-004-1	R3.	N/A
IRO-004-1	R4.	Compliant

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Reliability Standard	Requirement	Finding
IRO-004-1	R5.	N/A
IRO-004-1	R6.	N/A
IRO-004-1	R7.	N/A
IRO-005-1	R1.	N/A
IRO-005-1	R2.	N/A
IRO-005-1	R3.	N/A
IRO-005-1	R4.	N/A
IRO-005-1	R5.	N/A
IRO-005-1	R6.	N/A
IRO-005-1	R7.	N/A
IRO-005-1	R8.	N/A
IRO-005-1	R9.	N/A
IRO-005-1	R10.	N/A
IRO-005-1	R11.	N/A
IRO-005-1	R12.	N/A
IRO-005-1	R13.	N/A
IRO-005-1	R14.	N/A
IRO-005-1	R15.	N/A
IRO-005-1	R16.	N/A
IRO-005-1	R17.	N/A
IRO-006-3	R1.	N/A
IRO-006-3	R2.	N/A
IRO-006-3	R3.	N/A
IRO-006-3	R4.	N/A
IRO-006-3	R5.	N/A
IRO-006-3	R6.	N/A
IRO-014-1	R1.	N/A
IRO-014-1	R2.	N/A
IRO-014-1	R3.	N/A
IRO-014-1	R4.	N/A
IRO-015-1	R1.	N/A
IRO-015-1	R2.	N/A
IRO-015-1	R3.	N/A
IRO-016-1	R1.	N/A
IRO-016-1	R2.	N/A
PER-002-0	R1.	N/A
PER-002-0	R2.	N/A
PER-002-0	R3.	N/A
PER-002-0	R4.	N/A
PER-003-0	R1.	N/A
PER-004-1	R1.	N/A
PER-004-1	R2.	N/A

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Reliability Standard	Requirement	Finding
PER-004-1	R3.	N/A
PER-004-1	R4.	N/A
PER-004-1	R5.	N/A
PRC-004-1	R1.	N/A
PRC-004-1	R2.	Compliant
PRC-004-1	R3.	Compliant
PRC-005-1	R1.	Possible Violation
PRC-005-1	R2.	Compliant
PRC-008-0	R1.	N/A
PRC-008-0	R2.	N/A
PRC-010-0	R1.	N/A
PRC-010-0	R2.	N/A
PRC-011-0	R1.	N/A
PRC-011-0	R2.	N/A
PRC-016-0	R1.	N/A
PRC-016-0	R2.	N/A
PRC-016-0	R3.	N/A
PRC-017-0	R1.	N/A
PRC-017-0	R2.	N/A
PRC-021-1	R1.	N/A
PRC-021-1	R2.	N/A
TOP-002-2	R1.	N/A
TOP-002-2	R2.	N/A
TOP-002-2	R3.	Compliant
TOP-002-2	R4.	N/A
TOP-002-2	R5.	N/A
TOP-002-2	R6.	N/A
TOP-002-2	R7.	N/A
TOP-002-2	R8.	N/A
TOP-002-2	R9.	N/A
TOP-002-2	R10.	N/A
TOP-002-2	R11.	N/A
TOP-002-2	R12.	N/A
TOP-002-2	R13.	Compliant
TOP-002-2	R14.	Compliant
TOP-002-2	R15.	Compliant
TOP-002-2	R16.	N/A
TOP-002-2	R17.	N/A
TOP-002-2	R18.	Compliant
TOP-002-2	R19.	N/A
TOP-003-0	R1.	Compliant
TOP-003-0	R2.	Compliant

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Reliability Standard	Requirement	Finding
TOP-003-0	R3.	Compliant
TOP-003-0	R4.	N/A
TOP-004-1	R1.	N/A
TOP-004-1	R2.	N/A
TOP-004-1	R3.	N/A
TOP-004-1	R4.	N/A
TOP-004-1	R5.	N/A
TOP-004-1	R6.	N/A
TOP-005-1	R1.	N/A
TOP-005-1	R2.	N/A
TOP-005-1	R3.	N/A
TOP-005-1	R4.	N/A
TOP-007-0	R1.	N/A
TOP-007-0	R2.	N/A
TOP-007-0	R3.	N/A
TOP-007-0	R4.	N/A
TPL-001-0	R1.	N/A
TPL-001-0	R2.	N/A
TPL-001-0	R3.	N/A
TPL-002-0	R1.	N/A
TPL-002-0	R2.	N/A
TPL-002-0	R3.	N/A
TPL-003-0	R1.	N/A
TPL-003-0	R2.	N/A
TPL-003-0	R3.	N/A
TPL-004-0	R1.	N/A
TPL-004-0	R2.	N/A
VAR-001-1	R1.	N/A
VAR-001-1	R2.	N/A
VAR-001-1	R3.	N/A
VAR-001-1	R4.	N/A
VAR-001-1	R5.	N/A
VAR-001-1	R6.	N/A
VAR-001-1	R7.	N/A
VAR-001-1	R8.	N/A
VAR-001-1	R9.	N/A
VAR-001-1	R10.	N/A
VAR-001-1	R11.	N/A
VAR-001-1	R12.	N/A
VAR-002-1	R1.	Compliant
VAR-002-1	R2.	Compliant
VAR-002-1	R3.	Compliant

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Reliability Standard	Requirement	Finding
VAR-002-1	R4.	Compliant
VAR-002-1	R5.	Compliant

Compliance Culture

Information regarding the compliance culture of MACKINAW was obtained from other sources and has been documented.

Determination Summary for Possible Violations Identified in an Audit

Regional Tracking Number 08-041
Entity Mackinaw Power, LLC
Audit Date 5/14/2008
Standard PRC-005-1
Requirement R1

Sufficient Basis for Violation

Factual Basis Entity's Protection System Maintenance and Testing Program specifically excluded "associated communications systems" as a part of their program, stating that they do not have communications equipment associated with Protection Systems. The audit team determined, through review of maintenance reports and visual inspection of relay cabinets, that the entity does have associated communications equipment. Maintenance records verify that said communications equipment is being maintained, in accordance and in conjunction with the entity's relay maintenance and testing program. This issue was determined to be a documentation only issue and was mitigated while the team was on site.

This minor documentation error was the only instance of a possible violation of this standard or any other monitored standard identified by the audit team during the compliance audit. The description was changed before the audit team left the site and a completed mitigation plan was submitted to SERC.

Conclusion Violation Summary The entity's description of the maintenance and testing procedure addressed all components included in the glossary definition of protection system, but explicitly excluded a description of communication system maintenance and testing. This is merely an oversight of the single communication system that exists at one of the generation plants. However, because the entity's description of the maintenance and testing program did not include a description of the maintenance and testing being performed on communication systems it is in violation of R1. The entity presented evidence that it was performing protection system maintenance as required by the standard. Maintenance records of all components of the system were reviewed by the audit team. Maintenance records for the communication system were included in the review of evidence. Only one communication system is present at this location. The system is maintained and tested at the same time as the associated relay. This is a documentation-only issue.

This particular situation is not addressed by the VSL matrix. A Lower VSL was selected because of the very minor, documentation nature of this violation and that fact that the entity is found to be in compliance with all other aspects of the standard and in compliance with all other monitored standards.

NERC BOTCC Determination Taking into consideration the Commission's direction in Order No. 693, the NERC Sanction Guidelines, and the July 3, 2008 Guidance Order, the NERC BOTCC reviewed the NOCV and supporting documentation on August 31, 2009. The NERC BOTCC affirmed SERC's findings and determination to impose a zero dollar (\$0) financial penalty against Mackinaw Power based upon the NERC BOTCC's review of the applicable requirements of the Commission-approved Reliability Standards and the underlying facts and circumstances of the violation.

In reaching this determination, the NERC BOTCC considered the following factors:
1. there was no serious or substantial risk to the reliability of the BPS because the violation was a Program documentation issue only; the actual testing of the associated communication system

Determination Summary for Possible Violations Identified in an Audit

- was being performed and the testing was being documented;
2. Mackinaw Power had no prior violation of this standard or any closely-related standard, and no other violations were identified during the audit with the other 23 applicable standards;
 3. Mackinaw Power promptly corrected its violation to bring it into compliance with the reliability standard; and
 4. Mackinaw Power was cooperative and open throughout the investigation process.

Therefore, for the foregoing reasons, the NERC BOTCC believes that the proposed zero dollar (\$0) penalty is appropriate for the violation and circumstances in question, and consistent with NERC's goal to promote and ensure reliability of the bulk power system.

Pursuant to Order No. 693, the penalty will be effective upon expiration of the 30 day period following the filing of this Notice of Penalty with FERC, or, if FERC decides to review the penalty, upon final determination by FERC.

<i>NERC Violation Number</i>	<u>SERC200800131</u>
<i>NOC Number</i>	<u>NOC-212</u>
<i>NOP Number</i>	<u>NOP-212</u>
<i>FERC Docket Number</i>	<u>NP09-42-000</u>