



Compliance Audit Report Confidential Non-Public

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Has been Removed**

**NextEra Energy Resources Midwest Wind
(FPL-MWW)
NCR 06001
July 27-August 7, 2009**

August 10, 2009

TABLE OF CONTENTS

Executive Summary..... 2

Audit Process 3

Objectives..... 3

Scope..... 3

Confidentiality and Conflict of Interest 3

Audit Proceedings 4

Methodology..... 4

Audit Overview 4

Audit..... 4

Exit Briefing 5

Company Profile..... 6

Audit Specifics 8

Audit Results 9

Findings 10

Compliance Culture..... 10

Executive Summary

The Midwest Reliability Organization (MRO) conducted a compliance audit of NextEra Energy-Midwest Wind (FPL-MWW) as a part of its normal six year cycle. Review of documentation submitted by FPL-MWW took place at the MRO offices on July 27-29, 2009. The team conducted audit conference calls on August 6 and 7, 2009 at the MRO office. The audit team consisted of three MRO staff members.

The North American Electric Reliability Corporation (NERC) has designated a subset of Reliability Standards for active compliance monitoring and reporting by the Regional Entities in their 2009 Implementation Plan. NERC has identified 49 standards as “actively monitored” which contain 418 requirements.

FPL-MWW is registered with the MRO as responsible for three functions. As a result of this registration and for this audit, FPL-MWW is responsible for meeting compliance with 14 Reliability Standards which contain 31 requirements. The MRO did not identify any possible violations for FPL-MWW. In July 2008 and January 2009, CIP self-certifications were conducted for all Registrants.

As a part of the audit process, FPL-MWW completed Compliance Questionnaires and provided the MRO with supporting documentation for their audit. Upon completion of the initial review of evidence, the audit team requested additional documentation and identified the subject matter experts to be interviewed.

During the conference call, the FPL-MWW staff was found to be cordial, willing to clarify any questions and, when needed, directed the audit team to the correct supporting documentation. The subject matter experts were open with their responses and were cooperative throughout the process.

Audit Process

The FPL-MWW Compliance Audit was conducted as a part of its normal six year cycle. The 2009 Compliance Program consists of 49 actively monitored Standards. 37 of these Standards were deemed not applicable, which are related to functions other than Generator Owner (GO), Generator Operator (GOP) or Purchasing and Selling Entity (PSE). Documentation was viewed from June 18, 2007 to the date of the audit.

The compliance audit process steps are detailed in the NERC Compliance Monitoring and Enforcement Plan (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 FPL-MWW's compliance with the requirements of the reliability standards that are applicable to FPL-MWW based on FPL-MWW's registered functions.
- Validate compliance with applicable reliability standards from the NERC 2009 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 standards, and review the status of associated mitigation plans.

Scope

The FPL-MWW Compliance Audit was conducted as a part of its normal six year cycle. The audit was conducted under the guidelines of the 2009 CMEP. All applicable NERC and MRO standards were reviewed during this audit.

Confidentiality and Conflict of Interest

Confidentiality agreements and code of conduct documentation for the NERC representative and regional entity staff were available to the audited entity in advance of the audit. Work history and conflict of interest forms submitted by each audit team member were available to the audited entity if requested. 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.

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

Audit Proceedings

The MRO presented a high level overview of the compliance audit process.

The auditor code of conduct was reviewed. MRO staff must adhere to confidentiality as required through the NERC Delegation Agreement.

Methodology

Audit criteria included standards, measures, and expectations based on best practices. The criteria were objective, measurable, complete, and relevant to the objectives. The audit team accepted and was not limited to policies, procedures, screen-prints of EMS, copies of operator logs, audio clips, and correspondence. If needed, additional supporting documentation or clarification was requested.

The Audit team used the Compliance Questionnaire and Reliability Standards Auditor Worksheets (QRSAW) to review each reliability standard during the compliance audit. This is done to ensure consistency and fairness during each compliance audit.

Audit Overview

In 2008, the MRO scheduled FPL-MWW to receive a compliance audit the week of August 3, 2009 as a part of their normal six-year cycle. On June 1, 2009, the MRO sent FPL-MWW the audit package including *the Audit Notification, Audit Certification Letter, Internal Compliance Survey, Pre-Audit Survey, Procedures for Conducting an Audit, Subject Matter Experts Spreadsheet, Preparing for Compliance and Compliance Audit, MRO Biographies*, and the 2009 QRSAWs.

Audit

Two weeks prior to the audit, FPL-MWW supplied MRO with approximately 90% of supporting documentation needed to demonstrate compliance. MRO staff reviewed this documentation. The compliance staff utilized the NERC Standards and the QRSAW while reviewing the supporting documents and responses to the Compliance Questionnaires provided by FPL-MWW.

After evaluation of the supporting documentation, a set of questions was developed to be posed to subject matter experts for FPL-MWW and missing supporting evidence was identified. During the conference call, the team of auditors was able to review the necessary documents and conduct interviews of the subject matter experts. These interviews, in conjunction with supporting evidence, provided the audit team with a basis for professional judgment when reliability standards.

All documentation is stored at the MRO office in a fire proof locked cabinet.

Exit Briefing

Upon completion of the subject matter expert interviews, the MRO audit team was satisfied with the results of the interviews and documentation. The MRO did not identify any incidents of non-compliance of the 31 NERC requirements audited. The MRO conducted the exit briefing August 7, 2009.

Company Profile

FPL Group is the parent company to both Florida Power & Light (Florida-based Utility) and NextEra Energy Resources (unregulated energy subsidiary).

FPL Group: FPL Group, with annual revenues of nearly \$16 billion and a growing presence in 25 states and Canada, is nationally recognized as one of the country's premier energy companies. FPL Group's two principal subsidiaries are Florida Power & Light Company and NextEra Energy Resources.

Florida Power & Light: FPL is the largest investor-owned electric utility in Florida, serving more than 4.4 million customer accounts. It is one of the largest and fastest-growing electric utilities in the United States and is the nation's leading utility in customer energy efficiency programs.

NextEra Energy Resources: NextEra Energy Resources is a leader in producing electricity from clean and renewable fuels, a world leader in the development and operation of wind power, and the largest generator of solar power in the nation.

NextEra Energy Resources Owns and operates over 15,000 MW of generation nationwide including Fossil, Hydro, Solar, Wind, and Nuclear.

Note:

NextEra Energy Resources does not operate a transmission system.

Crystal Lake Wind Energy Center

Crystal Lake Wind Energy Center, located in Hancock and Winnebago Counties, Iowa is a 350 MW facility which has 100 1.5 MW GE turbines and 80 2.5 MW Clipper C93 turbines. The wind farm is connected to the bulk electric system at 161 KV. The Clipper portion of the wind farm is merchant.

Endeavor Wind Energy Center

Endeavor Wind Energy Center, located in Osceola County, Iowa is a 150 MW facility which has 60 2.5 MW Clipper wind turbines. The wind farm is connected to the bulk electric system at 161 KV. A portion of the wind farm, 20 turbines, is merchant.

Mower Wind Energy Center

Mower Wind Energy Center, located in Mower County, Minnesota is a 98.9 MW facility which has 43 2.3 MW Siemens turbines. The wind farm is connected to the bulk electric system at 161 KV.

Hancock County Wind Energy Center

Hancock County Wind Energy Center, located in Hancock County, Iowa is a 97.7 MW facility which has 148 660-KW Vestas V47 turbines. The wind farm is connected to the bulk electric system at 161 KV.

Story County Wind Energy Center

Story County Wind Energy Center, located in Story County, Iowa is a 150 MW facility which has 100 1.5 MW GE turbines. The wind farm is connected to the bulk electric system at 161 KV.

Oliver Wind Energy Center

Oliver Wind Energy Center, located in Oliver County, North Dakota is a 98.6 MW facility which has 22 2.3 MW Siemens turbines and 32 1.5 MW GE turbines. The wind farm is connected to the bulk electric system at 230 KV.

Ashtabula Wind Energy Center

Ashtabula Wind Energy Center , located in Barnes County, North Dakota is a 148.5 MW facility which has 99 1.5 MW GE turbines. The wind farm is connected to the bulk electric system at 230 KV.

Langdon Wind Energy Center

Langdon Wind Energy Center, located in Cavalier County, North Dakota is a 159 MW facility which has 106 1.5-megawatt GE turbines. The wind farm is connected to the bulk electric system at 115 KV.

Audit Specifics

The document review was conducted at the MRO offices July 27-29, 2009. Two conference calls were conducted on August 6 and 7, 2009.

Audit Team

Audit Team Role	Title	Company
Lead	Compliance Audit Manager	MRO
Member	Engineer	MRO
Member	Compliance Principal	MRO

FPL-MWW Audit Participants

Title	FPL-MWW Organization
Area Manager – Substation	Transmission & Substation Operations, NextEra Energy Resources, LLC
Principal PGD Leader	Capability & Performance, NextEra Energy Resources, LLC
PGD Technical Services Manager	T&S Operations, NextEra Energy Resources, LLC
Director	Reliability and Compliance Group, NextEra Energy Resources, LLC.
Production Manager	Due Diligence, FPL
Analyst	Reliability and Compliance Group, NextEra Energy Resources, LLC.
FPDC Wind Supervisor	Fleet Performance and Diagnostic Center, NextEra Energy Resources, LLC
FPDC T/H Supervisor	Fleet Performance and Diagnostic Center, NextEra Energy Resources, LLC
Manager	Reliability and Compliance Group, NextEra Energy Resources, LLC.

Audit Results

- FPL-MWW provided the audit team with supporting documentation for review prior to the conference call. The team received approximately 90% of the supporting documentation needed for evidence. The audit team spent two days prior to the conference call reviewing the supplied documentation. As a result of reviewing this evidence, the audit team developed questions for the subject matter experts and a list of additional required documentation.
- FPL-MWW provided the requested additional documents within the next five business days.
- FPL-MWW personnel were allowed to speak freely without interruption from management during the subject matter expert interviews.
- The audit team utilized the Compliance Questionnaire and Reliability Standard Auditor Worksheets (QRSAW) in order to assess compliance of the reliability standards. The primary questions of the subject matters were documented in addition to the requests for additional evidence.

Findings

Conducted On: **Aug 06, 2009**

Entity: **NextEra Energy Resources - Midwest Wind (FPL-MWW)**

Address: **700 Universe Blvd, Juno Beach, Florida 33408, United States**

NERC Compliance Registry ID: **NCR06001**

Standard Requirement	Compliant
CIP-001-1 R1	Yes
CIP-001-1 R2	Yes
CIP-001-1 R3	Yes
CIP-001-1 R4	Yes
COM-002-2 R1	Yes
FAC-008-1 R1	Yes
FAC-008-1 R2	Yes
FAC-008-1 R3	Yes
FAC-009-1 R1	Yes
FAC-009-1 R2	Yes
IRO-001-1 R8	Yes
IRO-004-1 R4	Yes
IRO-005-2 R13	Yes
PRC-001-1 R1	Yes
PRC-001-1 R2	Yes
PRC-001-1 R3	Yes
PRC-001-1 R5	Yes
PRC-004-1 R2	Yes
PRC-004-1 R3	Yes
PRC-005-1 R1	Yes
PRC-005-1 R2	Yes
PRC-017-0 R1	Yes
TOP-001-1 R3	Yes
TOP-001-1 R6	Yes
TOP-001-1 R7	Yes
TOP-002-2 R13	Yes
TOP-002-2 R14	Yes
TOP-002-2 R15	Yes
TOP-002-2 R18	Yes
TOP-002-2 R3	Yes
VAR-001-1 R5	Yes

Compliance Culture

NextEra Energy-Midwest Wind completed the Internal Compliance Program Survey prior to the compliance audit.