



Compliance Audit Report Public Version

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

**East Coast Power Linden Holding LLC
NCR08019**

**Date of Audit
November 9 to 17, 2009**

**Date of Report
January 6, 2010**

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Executive Summary

This 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.

An off-site compliance audit of East Coast Power Linden Holding LLC (ECPLH) was conducted from November 9 to 17, 2009. ReliabilityFirst conducts compliance audits as part of the ReliabilityFirst Compliance Monitoring and Enforcement Program (CMEP). At the time of the audit, ECPLH, NERC ID NCR08019, was registered for the Generator Owner (GO) and Generator Operator (GOP) functions that it performs in the ReliabilityFirst region.

ReliabilityFirst provided a 90 day notification to ECPLH which requested data and information to provide evidence of compliance with NERC Reliability Standards within the scope of the audit. ECPLH submitted material that the audit team reviewed and used to assess ECPLH's compliance with the NERC Reliability Standards. The audit team developed findings based on this review and assessment.

The audit team assessed ECPLH's compliance with thirteen (13) NERC Reliability Standards, which are applicable for the functions ECPLH is registered to perform in the ReliabilityFirst region. The thirteen (13) NERC Reliability Standards include thirty (30) requirements that are applicable to the GO and GOP functions. Of the thirteen (13) NERC Standards, one (1) Standard and one (1) associated requirement were determined to be not applicable to ECPLH.

After reviewing all of the evidence presented, ECPLH was found to be compliant with twenty nine (29) of twenty nine (29) applicable requirements and twelve (12) of twelve (12) applicable NERC Reliability Standards. The audit team did not identify any Possible Violations (PVs) associated with the NERC Reliability Standards reviewed.

These results are summarized in the Findings in the Audit Results section of this report for the Reliability Standards within the scope of the compliance audit.

There were no ongoing Mitigation Plans and therefore none were reviewed by the audit team.

Audit Process

The compliance audit process steps are detailed in the Reliability*First* CMEP. The Reliability*First* CMEP generally conforms to the United States Government Accountability Office Government Auditing Standards and other generally accepted audit practices.

Objectives

ECPLH is subject to audit for compliance with all Reliability Standards applicable to the functions for which it is registered.¹ The audit objectives are to:

- Review ECPLH's compliance with the requirements of the Reliability Standards that are applicable to ECPLH based on its 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 Standard, and review the status of associated mitigation plans
- Document ECPLH's internal compliance culture
- Validate compliance with other NERC Reliability Standards outside the 2009 implementation plan as selected by Reliability*First*
- Validate compliance with applicable Reliability*First* standards that are applicable to ECPLH

Scope

The scope of the audit included Reliability Standards which were selected by NERC for monitoring via audit in the 2009 CMEP Implementation Plan. Reliability*First* also monitored all applicable Reliability*First* standards, self certifications, and mitigation plans as appropriate for the period of June 18, 2007 through the date of the audit.

Confidentiality and Conflict of Interest

Confidentiality and Conflict of Interest of the audit team are governed under the Reliability*First* Delegation Agreement with NERC and Section 1500 of the NERC Rules of Procedure. ECPLH was informed of the Reliability*First* obligations and responsibilities under the agreement and procedures. The work history of each audit team member was provided to ECPLH. ECPLH 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. ECPLH did not submit any objections by the stated fifteen day

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

objection due date and by this action accepted the audit team member participants without objections. ReliabilityFirst found no conflict of interest for any of the audit team members.

Off-site Audit

ECPLH is subject to an audit once every six years as provided by the NERC Rules of Procedure. ECPLH was provided a 90 day notification of this scheduled audit and at that time all necessary documents required by the NERC and ReliabilityFirst audit process were provided. The following documents were provided as part of the notification:

- 90 day Notification letter which contained a request for evidence, information, and data submittals
- Compliance Audit Survey
- Audit Agenda as applicable
- Internal Compliance Survey
- Audit Team Work History and Confidentiality documents
- General Instructions of Data or Information Submittals
- Compliance Questionnaire and Reliability Standard Auditor Worksheets (QRSAWs)

Documents were provided to ECPLH in electronic format.

ReliabilityFirst discussed the use of technical experts with the ECPLH primary compliance contact and indicated that ReliabilityFirst would welcome the use of technical experts by ECPLH as it deemed necessary to explain their compliance to the Reliability Standards. As such, ECPLH had been notified to provide any technical experts or personnel that it deemed necessary in order to provide the audit team an understanding of the evidence provided to demonstrate compliance with Reliability Standards.

An audit agenda and/or schedule were provided to ECPLH in advance to allow the necessary time to prepare for the audit. ECPLH cooperation and flexibility with the agenda was appreciated by the audit team.

The audit team reviewed ECPLH's compliance processes for all applicable standards with ECPLH and requested additional information to clarify information previously supplied to the team. These discussions in conjunction with evidence provided, supplied the audit team with a basis for using professional judgment when validating compliance to the Reliability Standards.

Methodology

The audit team reviewed the evidence provided by ECPLH for each of the requirements that are applicable to the functions performed by the company to determine if the company complied with those Reliability Standards and associated requirements. The team reviewed each requirement, discussed the levels of compliance and addressed each team member's observations from the audit to determine its findings from the review.

Opening Briefing

An Opening Briefing was conducted to discuss the following:

- Introduction of audit team
- Audit Objective and Scope
- Confidentiality of Information
- Audit Team Expectations
- Discussion on Clarification Calls
- Audit Process
- Exit Briefing and Schedule

Audit

The audit team reviewed each requirement and the evidence provided to determine if ECPLH was compliant with the requirement. The team discussed its findings to determine ECPLH's compliance to each of the standards. Upon request, ECPLH provided additional information or clarified existing information during the review of its material.

Exit Briefing

The audit team presented its preliminary findings to ECPLH staff. The team lead explained the findings from the audit. The exit presentation also covered the reporting process going forward, confidentiality of information, and audit feedback forms that the region is using to improve the audit process. ECPLH was provided an opportunity to ask questions which the audit team addressed.

Company Profile

ECPLH performs the following NERC functions in the Reliability*First* region and is registered with NERC/Reliability*First* for the following functions:

- Generator Owner (GO)
- Generator Operator (GOP)

East Coast Power LLC is a Delaware Limited Partnership that is indirectly owned by General Electric Capital Corporation. The company owns and operates the Linden G6 generator and approximately 4000 feet of 230kV line from the facility to the PSE&G interconnection.

Audit Specifics

The compliance audit was conducted from November 9 to 17, 2009 at the ReliabilityFirst office in Akron, OH.

Audit Team

Audit Team Role	Title	Company
Lead	Senior Engineer - Compliance	ReliabilityFirst
Member	Contract Consultant	ReliabilityFirst

ECPLH Audit Participants

Title	Organization
Vice President	East Coast Power Linden Holding LLC
Asset Manager	East Coast Power Linden Holding LLC

Audit Results

The audit team assessed ECPLH's compliance with thirteen (13) NERC Reliability Standards, and thirty (30) requirements that are applicable to the GO and GOP functions. Of the thirteen (13) NERC Standards, one (1) Standard and one (1) associated requirement were determined to be not applicable to ECPLH.

After reviewing all of the evidence presented, ECPLH was found to be compliant with twenty nine (29) of twenty nine (29) applicable requirements and twelve (12) of twelve (12) applicable NERC Reliability Standards. The audit team did not identify any Possible Violations (PVs) associated with the NERC Reliability Standards reviewed.

Findings

The following table details the auditor findings relating to evidence reviewed for compliance with the Reliability Standards within the scope of the compliance audit.

ECPLH Off-Site Audit Findings Table

Reliability Standard	Requirement	Finding
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
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
IRO-001-1	R8	Compliant
IRO-004-1	R4	Compliant
IRO-005-2	R13	Compliant
PRC-001-1	R1	Compliant
PRC-001-1	R2	Compliant
PRC-001-1	R3	Compliant
PRC-001-1	R5	Compliant
PRC-004-1	R2	Compliant
PRC-004-1	R3	Compliant
PRC-005-1	R1	Compliant
PRC-005-1	R2	Compliant
PRC-017-0	R1	N/A
TOP-001-1	R3	Compliant
TOP-001-1	R6	Compliant
TOP-001-1	R7	Compliant
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

Compliance Culture

East Coast Power Linden Holding LLC maintains an internal compliance program that is supported by Senior Management. Reviews and modifications to the compliance program are performed annually or more frequently if there are changes to the plant, the BES or Reliability Standards.

East Coast Power Linden Holding performs an internal self audit of standards at least annually or more frequently as necessary. Senior Management monitors the compliance program and non-compliance issues are communicated to Senior Management. Violation of any established and approved procedure results in disciplinary action.