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Compliance Audit Report Public Version

**CMEEC-Alfred L. Pierce Power Station
(ALP)
NERC ID#NCR10357**

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Critical Energy Infrastructure Information)
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Date of Audit: March 16 – April 9, 2010

CMEEC Alfred L. Pierce Power Station Compliance Audit Report
April 9, 2010

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Executive Summary

An off-site compliance audit of CMEEC Alfred L. Pierce Power Station (ALP), NERC ID # NCR10357 was conducted from March 16, 2010 until April 9, 2010. At the time of the audit, ALP was registered for the GO/GOP functions.

The audit team evaluated ALP for compliance with seventeen standards and their eighty-nine requirements and sub-requirements in the 2010 NERC Compliance Monitoring and Enforcement Program (CMEP). The audit team reviewed the NERC Reliability Standards for the period from their effective registration date of August 14, 2009 to March 16, 2010. ALP submitted information and documentation for the audit team's evaluation of compliance with the requirements. The audit team reviewed and evaluated all information provided by ALP to assess compliance with standards applicable to ALP at this time.

Based on the information and documentation provided by ALP, the audit team found ALP to be compliant with fifteen standards and their seventy applicable requirements and sub-requirements. The audit team determined that two standards and their nineteen requirements and sub-requirements were not applicable to ALP. The audit team identified zero Possible Alleged Violation(s).

Any Possible Alleged Violations will be processed through the NERC and NPCC CMEP.

There were no ongoing or recently completed mitigation plans and therefore none were reviewed by the audit team.

Audit Process

The compliance audit process steps are detailed in the NPCC CMEP. The NPCC 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 an audit for compliance with all reliability standards applicable to the functions for which the Registered Entity is registered.* The audit objectives are to:

- Review compliance with the requirements of reliability standards that are applicable to ALP, based on the functions that ALP is registered to perform;

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

- Validate compliance with applicable reliability standards from the NERC 2010 Implementation Plan list of actively monitored standards and additional NERC Reliability Standards selected by NPCC;
- Validate compliance with applicable regional standards from the NPCC 2010 Implementation Plan list of actively monitored standards;
- Validate evidence of self-reported violations and previous self-certifications;
- Observe and document ALP's compliance program and culture;
- Review the status of mitigation plans.

Scope

The scope of this off-site compliance audit included the NERC Reliability Standards from the NPCC 2010 Implementation Plan. In addition, this audit included any self-reports, self-certifications, outstanding mitigation plans or remedial action directives which have been completed or pending in the year of the compliance audit.

At the time of the audit, ALP was registered for the functions GO/GOP. The audit team evaluated ALP for compliance during the period from August 14, 2009 to March 16, 2010.

Confidentiality and Conflict of Interest

Confidentiality and conflict of interest of the audit team are governed under the NPCC Delegation Agreement with NERC and Section 1500 of the NERC Rules of Procedure. ALP was informed of NPCC's obligations and responsibilities under the agreement and procedures. The work history for each audit team member was provided to ALP. ALP was given an opportunity to object to an audit team member's participation on the basis of a possible conflict of interest or the existence of other circumstances that could interfere with an audit team member's impartial performance of duties. ALP had not submitted any objections by the stated fifteen day objection due date and accepted the audit team member participants without objection. There have been no denials of or access limitations placed upon this audit team by ALP.

Methodology

The audit team reviewed the information, data, and evidence submitted by ALP and assessed compliance with requirements of the applicable reliability standards. Submittal of information and data were sent to NPCC by the scheduled date of the entity review. Additional information relevant to the audit could be submitted until the conclusion of the exit briefing. After that date, only data or information which was relevant to the content of the report or its finding can be submitted upon agreement by the audit team lead.

The audit team requested and received additional information and sought clarification from subject matter experts during the audit.

The audit team reviewed documentation provided by ALP. Data, information and evidence submitted in the form of policies, procedures, e-mails, logs, studies, data sheets, etc. which were validated, substantiated and cross-checked for accuracy as appropriate. Requirements which required a sampling to be conducted were developed based upon the significance of the sampling to the reliability of the Bulk Electric System (BES).

Findings were based on the audit team's knowledge of the BES, the NERC Reliability Standards and their professional judgment. All findings were developed based upon the consensus of the audit team.

Company Profile

The Connecticut Municipal Electric Energy Cooperative ("CMEEC") is a publicly directed joint action supply agency formed by the state's municipal electric utilities in 1976 under authority of the state's General Statutes. CMEEC is owned by the municipal utilities in the cities of Groton and Norwich, the Borough of Jewett City, and the Second (South Norwalk) and Third (East Norwalk) Taxing Districts of the City of Norwalk, Connecticut. CMEEC also provides all the power required by other utilities participating in CMEEC, including the Town of Wallingford Department of Public Utilities, the Bozrah Light and Power Company, and the Mohegan Tribal Utility Authority.

CMEEC is responsible for the financing, acquisition and construction of generating resources and implementation of power supply contracts for the purpose of furnishing low-cost and reliable electric power to its Members and Participants. The organizational structure of CMEEC is a partnership of municipal utilities, which through their ownership and active participation in CMEEC provide the overall direction to CMEEC. CMEEC is governed by a Board of Directors made up of 2 representatives from each of the 6 Connecticut municipal utilities. The Board sets policy for CMEEC and performs other duties and responsibilities as determined by applicable State Statutes or the bylaws of CMEEC.

The Alfred L. Pierce Power Station is located in Wallingford, Connecticut. The control area, which includes this facility, is entirely in the states of Connecticut, Massachusetts, New Hampshire, Rhode Island, and Vermont. Maine is also a part of the control area but the northern portion of the State of Maine is a part of the Canadian Maritime's control area. Therefore, the facility is entirely interconnected within the metered boundaries of the immediate control area.

The generator output voltage is 13.8 kV and is stepped up to 115 kV within the facility's switchyard. The switchyard is located at the station and physically less than 0.1 miles from the Wallingford 13M interconnection substation.

CMEEC Alfred L. Pierce Power Station has a nominal winter rating of 95 MW and a nominal summer rating of 80 MW. The high side voltage is 115 kV and the low side voltage is 13.8 kV.

Audit Participants

The following is a listing of all personnel from the Audit Team and ALP who were present during the meetings or interviews.

Audit Team Participants

Title	Entity
Lead Compliance Auditor	NPCC
Manager - Compliance Audits	NPCC

ALP Audit Participants

Title	Entity
Load & Generation Analyst -Primary Compliance Contact	CMEEC Alfred L. Pierce Power Station
Manager, Engineering Services-Alternate Compliance Contact	CMEEC Alfred L. Pierce Power Station
Consultant	Utility Services LLC

Audit Results

The audit team evaluated ALP for compliance with seventeen standards and their eighty-nine requirements and sub-requirements in the 2010 NERC Compliance Monitoring and Enforcement Program (CMEP). The audit reviewed NERC Reliability Standards for the period from August 14, 2009 to March 16, 2010. ALP submitted information and documentation for the audit team's evaluation of compliance with requirements. The audit team reviewed and evaluated all information provided by ALP to assess compliance with standards applicable to ALP at this time.

Based on the information and documentation provided by ALP, the audit team found ALP to be compliant with fifteen standards and their seventy applicable requirements and sub-requirements. The audit team determined that two standards and their nineteen requirements and sub-requirements were not applicable to ALP. The audit team identified zero Possible Alleged Violation(s).

Findings

The following table details the findings for compliance for the scope identified for this audit.

Reliability Std	Req.	Finding
COM-002-2	R1.	Compliant

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CIP-001-1	R1.	Compliant
CIP-001-1	R2.	Compliant
CIP-001-1	R3.	Compliant
CIP-001-1	R4.	Compliant
FAC-002-0	R1.	Compliant
FAC-002-0	R1.4.	Compliant
FAC-002-0	R1.5.	Compliant
FAC-008-1	R1.	Compliant
FAC-008-1	R1.1.	Compliant
FAC-008-1	R1.2.	Compliant
FAC-008-1	R1.2.1.	Compliant
FAC-008-1	R1.2.2.	Compliant
FAC-008-1	R1.3.	Compliant
FAC-008-1	R1.3.1.	Compliant
FAC-008-1	R1.3.2.	Compliant
FAC-008-1	R1.3.3.	Compliant
FAC-008-1	R1.3.4.	Compliant
FAC-008-1	R1.3.5.	Compliant

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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-005-1	R13.	Compliant
NUC-001-1 <i>Effective April 1, 2009</i>	R3.	Not Applicable
NUC-001-1 <i>Effective April 1, 2009</i>	R4.	Not Applicable
NUC-001-1 <i>Effective April 1, 2009</i>	R4.1.	Not Applicable
NUC-001-1 <i>Effective April 1, 2009</i>	R4.2.	Not Applicable

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<u>NUC-001-1</u> <i><u>Effective April 1, 2009</u></i>	R4.3.	Not Applicable
<u>NUC-001-1</u> <i><u>Effective April 1, 2009</u></i>	R5.	Not Applicable
<u>NUC-001-1</u> <i><u>Effective April 1, 2009</u></i>	R6.	Not Applicable
<u>NUC-001-1</u> <i><u>Effective April 1, 2009</u></i>	R7.	Not Applicable
<u>NUC-001-1</u> <i><u>Effective April 1, 2009</u></i>	R8.	Not Applicable
<u>PRC-001-1</u>	R1.	Compliant
<u>PRC-001-1</u>	R2.	Compliant
<u>PRC-001-1</u>	R2.1.	Compliant
<u>PRC-001-1</u>	R3.1.	Compliant
<u>PRC-001-1</u>	R5.	Compliant
<u>PRC-001-1</u>	R5.1.	Compliant
<u>PRC-004-1</u>	R2.	Compliant
<u>PRC-005-1</u>	R1.	Compliant
<u>PRC-005-1</u>	R1.1.	Compliant
<u>PRC-005-1</u>	R1.2.	Compliant

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PRC-005-1	R2.	Compliant
PRC-005-1	R2.1.	Compliant
PRC-005-1	R2.2.	Compliant
PRC-017-0	R1.	Not Applicable
PRC-017-0	R1.1.	Not Applicable
PRC-017-0	R1.1.1.	Not Applicable
PRC-017-0	R1.1.2.	Not Applicable
PRC-017-0	R1.1.3.	Not Applicable
PRC-017-0	R1.1.4.	Not Applicable
PRC-017-0	R1.2.	Not Applicable
PRC-017-0	R1.3.	Not Applicable
PRC-017-0	R1.4.	Not Applicable
PRC-017-0	R1.5.	Not Applicable
TOP-001-1	R3.	Compliant
TOP-001-1	R6.	Compliant
TOP-001-1	R7.	Compliant
TOP-001-1	R7.1.	Compliant
TOP-001-1	R7.3.	Compliant
TOP-002-2	R3.	Compliant
TOP-002-2	R13.	Compliant

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TOP-002-2	R14.	Compliant
TOP-002-2	R14.1.	Compliant
TOP-002-2	R14.2.	Compliant
TOP-002-2	R15.	Compliant
TOP-002-2	R18.	Compliant
TOP-003-0	R1.	Compliant
TOP-003-0	R1.1.	Compliant
TOP-003-0	R2.	Compliant
TOP-003-0	R3.	Compliant
VAR-002-1a	R1.	Compliant
VAR-002-1a	R2.	Compliant
VAR-002-1a	R2.1.	Compliant
VAR-002-1a	R2.2.	Compliant
VAR-002-1a	R3.	Compliant
VAR-002-1a	R3.1.	Compliant
VAR-002-1a	R3.2.	Compliant
VAR-002-1a	R4.	Compliant
VAR-002-1a	R4.1.	Compliant
VAR-002-1a	R4.1.1.	Compliant

VAR-002-1a	R4.1.2.	Compliant
VAR-002-1a	R4.1.3.	Compliant
VAR-002-1a	R4.1.4.	Compliant
VAR-002-1a	R5.	Compliant
VAR-002-1a	R5.1.	Compliant

Compliance Culture

ALP's compliance culture was reviewed by the audit team. ALP is a relatively new registrant- August 14, 2009, but in the Lead Auditor's opinion, ALP has created an excellent set of procedures to specifically address the reliability standards as they pertain to its registered functions. In addition, all contact with ALP was very timely and professional in manner, and their commitment to compliance was evident to the audit team.

Additional information pertaining to the compliance culture of ALP can be found in the Internal Compliance Survey.