



# **Compliance Spot Check Report Public Version**

**Tennessee Valley Authority**  
NERC ID # NCR01151

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

**Date of Spot Check: April 12, 2011**

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## **Executive Summary**

A compliance spot check of Tennessee Valley Authority (TVA), NCR01151 was held on April 12, 2011. At the time of the spot check, Tennessee Valley Authority was registered for the Balancing Authority (BA), Distribution Provider (DP), Generator Owner (GO), Generator Operator (GOP), Load-Serving Entity (LSE), Planning Authority (PA), Reliability Coordinator (RC), Transmission Owner (TO), Transmission Planner (TP), Transmission Operator (TOP) and Transmission Service Provider (TSP) functions.

The spot check team evaluated TVA for compliance with NUC-001-2 – Nuclear Plant Interface Coordination, Requirements R1 and R2, as required by the 2011 NERC Compliance Monitoring and Enforcement Program (CMEP) Implementation Plan. The spot check team assessed compliance with the NERC Reliability Standards, for the period of April 1, 2010 to April 12, 2011. TVA submitted information and documentation for the spot check team's evaluation of compliance with requirements. The spot check team reviewed and evaluated all information provided by TVA to assess compliance with standards applicable to TVA.

The spot check team did not discover areas of non-compliance of the two applicable requirements based on the evidence presented by TVA and reviewed by the spot check team.

These spot check results are further explained in the Spot Check Results Findings section of this report. This includes detailed information of the spot check team's findings of applicability and compliance for the NERC Reliability Standards within the scope of the compliance spot check. Any Possible Violations will be processed through the NERC and SERC Reliability Corporation (SERC) CMEP. There were no ongoing or recently completed mitigation plans concerning NUC-001 and therefore no mitigation plans were reviewed by the spot check team.

The SERC spot check team lead certifies that the spot check team adhered to all applicable requirements of the NERC Rules of Procedure (ROP) and Compliance Monitoring and Enforcement Program (CMEP) for spot checks.

## **Spot Check Process**

The compliance spot check process steps are detailed in the SERC CMEP. The SERC 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 a spot check for compliance with any reliability standards applicable to the functions for which the registered entity is registered.<sup>1</sup> The spot check objectives are to:

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<sup>1</sup> North American Electric Reliability Corporation CMEP, paragraph 3.1, Compliance Audits  
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- Review compliance with the requirements of reliability standards that are applicable to TVA , based on the functions that TVA is registered to perform and identified in the spot check detail letter;
- Validate compliance with applicable reliability standards from the NERC 2011 Implementation Plan list of actively monitored standards, and additional NERC Reliability Standards selected by SERC;
- Validate compliance with applicable regional standards from the SERC 2011 Implementation Plan list of actively monitored standards;
- Review the status of mitigation plans for the standards in scope of the spot check.

### **Scope**

The scope of the compliance spot check included NUC-001-2 – Nuclear Plant Interface Coordination, Requirements R1 and R2, as required by the SERC 2011 Implementation Plan and identified in the NERC ERO 2011 Actively Monitored Reliability Standards.

At the time of the spot check, TVA was registered for the Balancing Authority (BA), Distribution Provider (DP), Generator Owner (GO), Generator Operator (GOP), Load-Serving Entity (LSE), Planning Authority (PA), Reliability Coordinator (RC), Transmission Owner (TO), Transmission Planner (TP), Transmission Operator (TOP) and Transmission Service Provider (TSP) functions. The spot check team evaluated TVA for compliance during the period of the lesser of: 1) date of registration to date of audit exit presentation; 2) date of last audit or spot check to date of audit exit presentation; or, 3) June 18, 2007 to date of audit exit presentation.

### **Confidentiality and Conflict of Interest**

Confidentiality and Conflict of Interest of the spot check team are governed under the SERC Delegation Agreement with NERC, and Section 1500 of the NERC Rules of Procedure. TVA was informed of SERC's obligations and responsibilities under the agreement and procedures. The work history for each spot check team member was provided to TVA. TVA was given an opportunity to object to a spot check team member's participation on the basis of a possible conflict of interest or the existence of other circumstances that could interfere with a spot check team member's impartial performance of duties. TVA had not submitted any objections by the stated 15 day objection due date and accepted the spot check team member participants without objection. There have been no denials of or access limitations placed upon this spot check team by TVA.

### **Methodology**

The spot check team reviewed the information, data, and evidence submitted by TVA and assessed compliance with requirements of the applicable reliability standards. Submittal of information and data were sent to SERC 15 days before the scheduled date of the entity review.

Additional information relevant to the spot check could be submitted until the conclusion of the spot check. 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 spot check team lead.

The spot check team reviewed documentation provided by TVA. Data, information, and evidence submitted in the form of policies, procedures, emails, logs, studies, data sheets, etc. 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 spot check team's knowledge of the BES, the NERC Reliability Standards, and their professional judgment. All findings were developed based upon the consensus of the spot check team.

### **Company Profile**

The Tennessee Valley Authority (TVA) is a corporate agency and instrumentality of the United States government, created in 1933 by the TVA Act. TVA is governed by a nine member Board of Directors whose membership is nominated by the President and approved by Congress.

TVA owns and operates generation and transmission facilities within a service area that covers approximately 80,000 square miles in the southeastern United States and includes most of Tennessee, northern Alabama, northeastern Mississippi, southwestern Kentucky, and small portions of Georgia, North Carolina, and Virginia. TVA provides electrical power to 155 municipalities and cooperatives, and directly serves several industrial customers and federal agencies located throughout the area. TVA facilities are located within the Central sub-region of SERC. In addition to its other generating resources, TVA currently owns and operates three nuclear power plants. These plants are interconnected to transmission facilities that are also owned and operated by TVA. These units provide a total net generation of 6632 MW as follows: Browns Ferry located in Alabama, 3242 MW; Sequoyah in Tennessee, 2282 MW; and also in Tennessee, Watts Bar generating 1108 MW.

As a vertically-integrated utility, all applicable Transmission Entity functions are performed by TVA's Power System Operations (PSO) organization. A long-standing agreement (Intergroup Agreement 6, or IGA-6) in place between TVA's Nuclear Power Group (NPG) organization and PSO describes the relationship and division of responsibilities between the organizations, including TVA's approach to meeting the Nuclear Plant Interface Requirements (NPIRs) referenced throughout NUC-001.

### **Spot Check Participants**

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

#### **Spot Check Team Participants**

<b>Role</b>	<b>Title</b>	<b>Entity</b>
Spot Check Team Lead	Senior Compliance Auditor	SERC
Team Member	Compliance Auditor	SERC

#### **Tennessee Valley Authority Spot Check Participants**

<b>Title</b>	<b>Entity</b>
NPG NERC/SERC Compliance Staff	Tennessee Valley Authority
NPG NERC/SERC Program Manager	Tennessee Valley Authority
Electrical Engineer, Planning C	Tennessee Valley Authority
Electrical Engineer, Planning C	Tennessee Valley Authority

Program Manager, Electrical System Analysis & DC Power	Tennessee Valley Authority
Program Manager, Electrical System Analysis & AC Power	Tennessee Valley Authority

### Spot Check Results

The spot check team evaluated TVA for compliance with two requirements of NUC-001-2 – Nuclear Plant Interface Coordination, Requirements R1 and R2, as required by the 2011 NERC Compliance Monitoring and Enforcement Program (CMEP) Implementation Plan. The spot check reviewed NERC Reliability Standards for the period of April 1, 2010 to April 12, 2011. TVA submitted information and documentation for the spot check team’s evaluation of compliance with requirements. The spot check team reviewed and evaluated all information provided by TVA to assess compliance with standards applicable to TVA at this time.

The spot check team did not discover areas of non-compliance of the two applicable requirements based on the evidence presented by TVA and reviewed by the spot check team.

### Findings

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

Reliability Std.	Req.	Finding
NUC-001-2	R1.	No Findings
NUC-001-2	R2.	No Findings