



Compliance Spot Check Report Public Version

**Southern Company Services, Inc - Gen
(SCS-Gen)
(NCR01319)**

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

Date of Spot Check: April 13, 2011

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Executive Summary

A compliance spot check of Southern Company Services, Inc. - Gen (SCS-Gen) (NCR01319) was conducted on April 13, 2011. At the time of the spot check, SCS-Gen was registered for the Generator Operator (GOP) function.

The spot check team evaluated SCS-Gen for compliance with two requirements in the 2011 NERC Compliance Monitoring and Enforcement Program (CMEP). The spot check team assessed compliance with one NERC Reliability Standard, for the period of October 22, 2010 to April 13, 2011. SCS-Gen had been audited on NUC-001-2 during their last audit, October 2010. SCS-Gen submitted information and documentation for the spot check team's evaluation of compliance with the requirements. The spot check team reviewed and evaluated all information provided by SCS-Gen to assess compliance with the standard as applicable to SCS-Gen.

The spot check team did not discover areas of non-compliance based on the evidence presented by the registered entity 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.¹ The spot check objectives are to:

- Review compliance with the requirements of reliability standards that are applicable to SCS-Gen, based on the functions that SCS-Gen is registered to perform and identified in the spot check detail letter;

¹ North American Electric Reliability Corporation CMEP, paragraph 3.1, Compliance Audits
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- 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 one NERC Reliability Standard from the SERC 2011 Implementation Plan and identified as a NERC 2011 Actively Monitored Reliability Standards.

At the time of the spot check, SCS-Gen was registered for the function of Generator Operator (GOP). The spot check team evaluated SCS-Gen 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) mandatory effective date of the applicable standard 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. SCS-Gen 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 SCS-Gen. SCS-Gen 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. SCS-Gen had not submitted any objections by the stated 25 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 SCS-Gen.

Methodology

The spot check team reviewed the information, data, and evidence submitted by SCS-Gen 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.

The spot check team reviewed documentation provided by SCS-Gen. 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

Based in Atlanta, Southern Company is one of the largest generators of electricity in the nation with a total generating capacity in excess of 44,000 MW. Southern Company provides both retail and wholesale electric service to more than 4.4 million customers via four electric utility subsidiaries – Alabama Power, Georgia Power, Gulf Power, and Mississippi Power. Retail electric service is regulated by the public service commissions in the states they serve. Wholesale electric service is regulated by FERC. Other major subsidiaries and business units of Southern Company include Southern Nuclear, the licensed operator of Southern Company's three nuclear generating plants in Alabama and Georgia; Southern Power Company, the competitive wholesale generation business; Southern Renewable Energy, a partnership with Turner Renewable Energy to explore and develop renewable energy resources; SouthernLINC Wireless, a communications network with about 300,000 subscribers in the Southeast; and Southern Telecom, a fiber optic wholesaler in the Southeast.

Southern Company Services, Inc. provides shared services to the subsidiary utilities and business units of Southern Company.

Spot Check Participants

The following is a listing of all personnel from the spot check team and SCS-Gen who were present during the meetings or interviews.

Spot Check Team Participants

Role	Title	Entity
Spot Check Team Lead	Senior Compliance Auditor	SERC
Team Member	Senior Compliance Auditor	SERC

SCS-Gen Spot Check Participants

Title	Entity
Reliability Standards Compliance Assurance Manager	Southern Company Services, Inc. – Gen
Fleet Design Director	Southern Nuclear Operating Company Inc.
Compliance Director	Southern Company Services, Inc.

Spot Check Results

The spot check team evaluated SCS-Gen for compliance with two requirements in the 2011 NERC Compliance Monitoring and Enforcement Program (CMEP). The spot check reviewed NERC Reliability Standards for the period of October 22, 2010 to April 13, 2011. SCS-Gen had been audited on NUC-001-2 during their last audit on October 2010. SCS-Gen 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 SCS-Gen to assess compliance with standards applicable to SCS-Gen at this time.

The spot check team did not discover areas of non-compliance based on the evidence presented by the registered entity 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 Finding
NUC-001-2	R2.	No Finding