

SERC Compliance Monitoring and Enforcement Program

2008 Annual Plan



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1. COMPLIANCE PROGRAM OVERVIEW

A. SERC Compliance Monitoring and Enforcement Program

As a Regional Entity, SERC Reliability Corporation (SERC), through its Compliance Organization, adopts and implements the NERC Compliance Monitoring and Enforcement Program (CMEP) (Appendix 4C to the NERC Rules of Procedure) to monitor, assess, and enforce compliance with reliability standards by the owners, operators, and users of the bulk-power system in SERC. In particular, SERC Compliance Staff is responsible for conducting monitoring processes, assessment of all possible violations, recommending confirmation or dismissal of violations and recommending penalties and sanctions.

The CMEP defines eight monitoring methods employed by the Compliance Staff to identify possible violations: compliance audits, spot checks, self reporting, complaint, self certification, exception reporting, periodic data submittal, and compliance violation investigations. In addition, during 2008, SERC Compliance Staff will initiate trend analysis of compliance actions to identify potential themes requiring further assessment or investigation. Each possible violation will be evaluated by SERC Compliance Staff and; if sufficient basis exists, a Notice of Alleged Violation will be issued to the Registered Entity along with an appropriate sanction and penalty. Upon confirmation of the violation in accordance with applicable SERC procedures and provisions of the CMEP, SERC Compliance Staff will issue a final report to NERC and FERC and a notice of penalty will be issued to the Registered Entity and the findings will be publicly posted pursuant to the Rules of Procedure.

To augment the CMEP, SERC developed an extensive set of Implementing Procedures in early 2007. These procedures detail the actions and processes that SERC will use to conduct its compliance monitoring and enforcement responsibilities. Procedures are aligned with and follow a similar numbering scheme to the applicable sections of the CMEP to promote linkage. One or more members of SERC Compliance Staff are assigned as subject matter experts (SMEs) for each procedure to ensure technical accuracy and to help coordinate revisions. The SERC Compliance Implementing Procedures are on the SERC Web Site (www.serc1.org) Compliance Tab. Attachment 2 provides the procedure index.

B. Board Compliance Committee

The SERC Board Compliance Committee, a balanced stakeholder committee of the SERC Board of Directors, is responsible for oversight of the SERC Compliance Monitoring and Enforcement Program. The Board Compliance Committee provides regional verification of confirmed violations, approved mitigation plans submitted by Registered Entities in response to a Notice of Alleged Violation and approves sanctions and penalties or settlements recommended by the SERC Compliance Staff for submittal to NERC and FERC for final approval. The Board Compliance Committee, or appropriate subset thereof, will also act as the hearing body responsible for resolving any disputes related to either a finding of alleged violation or a sanction administered for an alleged violation.

C. Compliance Staff

The SERC Compliance Monitoring and Enforcement Program is implemented by the SERC Compliance Staff, which is independent of the SERC Reliability Services Staff. The SERC Compliance Staff makes determinations of alleged violations and proposes appropriate penalties and sanctions in accordance with the CMEP and the Penalties and Sanctions Guidelines (Appendix 4B of the NERC Rules of Procedure). To accomplish these activities, SERC's Compliance Staff is further divided into enforcement and audit branches.

SERC significantly expanded and developed the competencies of its Compliance Staff in 2007, while continuing to extensively engage the technical expertise and active participation of industry volunteers on advisory committees and as supporting members of audit teams. SERC's Compliance Staff continues to develop as a learning organization, working to improve processes and practices to enhance its ability to efficiently and effectively implement and administer the CMEP and promote a culture of reliability excellence across the region. See Attachment 1.

D. Compliance Advisory Groups (CAGs)

Compliance Advisory Groups, consisting of stakeholder technical experts across all sectors, for each of the major disciplinary areas (operations, planning/engineering, and cyber security) are available to assist the Compliance Staff and the Board Compliance Committee as needed, but do not have an approval role in compliance actions. Some of the key activities performed by the CAGs include:

1. Provide input to the compliance long-range and annual plans.
2. Support development of compliance implementation guidance, including development of new or revised reliability standard audit worksheets (RSAWs).
3. Ensure compliance forms, such as used for self-certification, fully address the reliability standards in unambiguous language and have clear instructions.
4. Participate in compliance educational activities, including compliance seminars.
5. Serve as industry volunteers for audits and other compliance activities.
6. Help address and resolve complaints pertaining to the compliance program.
7. Recommend changes in overall compliance program to the Compliance Director.
8. Provide input on determinations of complex alleged violations, as requested.
9. Provide input to quantify actual and potential reliability impact of violations.
10. Provide input on generic expectations for mitigation plans and adequacy of selected mitigation plans.
11. Provide technical input in support of regional hearings.
12. Make recommendations on compliance submittals and reports.
13. Provide liaison(s) to committees, subcommittees, working groups, etc.
14. Coordinate identification of non-CAG volunteers for compliance activities.
15. Meet periodically, as requested, to support the above activities.

2. 2008 COMPLIANCE Goals and Objectives

A. Mission

The MISSION of SERC Reliability Corporation's Compliance Organization is to comprehensively monitor and enforce compliance with reliability standards among all users, owners and operators of the bulk-power system in the SERC Region. SERC's compliance monitoring and enforcement program will be conducted with integrity, consistency, confidentiality, fairness, independence and impartiality.

B. Vision

The VISION of SERC Reliability Corporation's Compliance Organization is to optimize reliability across the SERC Region by fostering a culture of compliance among all users, owners and operators of the bulk-power system.

C. Goals

1. Continuously improve compliance with reliability standards through active monitoring of registered entities and thorough investigation of possible violations. Focus on enabling registered entities to achieve and document compliance for the purpose of ensuring the reliability of the bulk power system.
2. Stay focused on ensuring reliability by having entities fix any identified compliance issues in a timely manner through an approved mitigation plan.
3. Enhance reliability by informing registered entities of compliance requirements and procedures.
4. Establish SERC's reputation on compliance matters as one of integrity, fairness, independence, impartiality, balanced decision-making, and expedition.
5. Strive for consistency of compliance actions and penalties and sanctions between SERC and other regions.
6. Identify and implement innovative approaches to achieve productivity gains in compliance monitoring and auditing approaches to provide the greatest positive impact to reliability while making the most effective use of SERC staff, expert volunteers, and registered entity resources.
7. Design and test concepts for a compliance document management system that is trusted by Compliance Staff and bulk power system owners, operators, and users (full deployment in 2009).
8. Evaluate compliance program results and recommend process improvements.

D. Summary of 2008 Key Objectives and Deliverables

1. Implement the 2008 Annual CMEP as scheduled.
2. Conduct compliance audits of approximately 50 entities in accordance with FERC regulations, ERO rules of procedure, and the delegation agreement. Compliance audits will be a combination of on-site and table-top reviews and will vary in team size and scope based on the registered entity and functions under audit.
3. Proactively review and update the registry of bulk power system owners, operators, and users within the SERC footprint to be monitored for compliance with reliability standards, including the basis for inclusion.
4. Educate and inform registered entities of compliance requirements through three compliance seminars and direct dissemination of information about lessons learned from compliance monitoring and enforcement on how to improve reliability/compliance and documentation.
5. Perform all enforcement activities on schedule (penalty calculation, notifications, reports written, hearings scheduled and held, etc.) in accordance with the CMEP. Promptly report to NERC all compliance actions per CMEP requirements.
6. Promptly enter all possible violations and subsequent compliance actions into a tracking database. Provide rigorous record keeping of compliance documents.
7. Provide a comprehensive review of all compliance mitigation plans to ensure they are appropriate to resolve the compliance issue and are timely.
8. Collaborate with NERC and other regions through joint compliance activities to achieve a high degree of consistency of procedures, compliance actions, and penalties and sanctions. Apply feedback from NERC and FERC to address causes of any inconsistencies to ensure they do not continue.
9. Resolve all seams issues that arise with regard to monitoring the compliance of registered entities that operate in two or more regions.
10. Ensure a fair and procedurally correct hearing process for disputed violations; procure any special services necessary for conducting hearings.
11. Complete the integration of compliance forms into the SERC portal.
12. Support other regions' selection of the SERC portal for compliance data management.
13. Develop the 2009 CMEP factoring in feedback from lessons learned and continuous improvement efforts.
14. Identify and implement innovative approaches to achieve productivity gains in compliance monitoring and auditing approaches to provide the greatest positive impact to reliability while making the most effective use of SERC staff, volunteer resources, and registered entity resources.

15. Continue to improve the level of training and qualifications of the staff and volunteer audit personnel. Expand the pool of auditors available.
16. Promote continuous improvement through a variety of techniques including benchmarking to other regions, “best practices” exchanges, and consistent capture of lessons learned following compliance activities including audits, alleged violation determinations, and seminars.

3. AUDIT PROGRAM

A. Overview

SERC audit staff is charged with proactively monitoring compliance of all registered entities and identifying possible violations through compliance audits and spot checks. In essence, these are primary compliance “discovery” processes.

The Audit group maintains a long-range compliance audit plan that ensures compliance audits are conducted for each applicable registered entity within the SERC Region in accordance with a predefined frequency. Qualified senior SERC staff leads each on-site compliance audit team which is composed of a combination of SERC Compliance Staff auditors and expert volunteers. The teams prepare audit reports with their findings and recommendations, including the identification of any possible violations. Specific lessons learned from these audits will be factored into the compliance program to promote continuous improvement. Additionally, audit staff has a lead role in the spot-checking compliance. They also provide technical expertise in support of the compliance enforcement staff.

B. Long Range Audit Plan

A long range (6 year) Audit Plan was developed to ensure that each entity registered within the SERC region receives a compliance audit on a prescribed schedule. Entities that perform Reliability Coordinator (RC), Balancing Authority (BA), or Transmission Operator (TOP) functions will be audited on a three (3) year periodicity for those three functions plus any other functions for which the entity is registered. Entities that are not registered as RC, BA or TOP will typically be audited on a six (6) year periodicity. The long range plan will be updated at least annually to account for changes in registration and other factors. See Attachment 5a.

C. 2008 Compliance Audit Schedule

Approximately 50 entities are scheduled for compliance audits during 2008, the majority of which will be onsite audits. Heavy focus has been placed on auditing regional Generator Owners (GO) and Generator Operators (GOP); as after RC, BA, and TOP, these entities are considered to pose the largest potential impact on the bulk power system. In addition, two audits will be completed in conjunction (co-lead) with another region to promote best practice exchange. See Attachment 5b.

D. 2008 Spot Check Program

The Spot Check program is aligned to support the self-certification process and to provide added depth when investigating important regional issues. A number of Spot-Checks will be assigned randomly to entities / standards as a means to confirm self-certification submittals. Additionally, Compliance Staff will periodically identify “top regional issues” through trend analysis and other mechanisms. Spot-Checks will be assigned to these topics. Approximately 12 spot-checks are anticipated for 2008.

E. Auditor Training Activities

Each professional member of Compliance Staff will receive NERC lead auditor training. In addition, other members of SERC professional staff will receive volunteer auditor training and participate on audits to augment resources and promote cross-divisional learning. Starting in late 2008 or early 2009, audit group members and enforcement staff will rotate on a pre-selected basis to further promote mutual understanding of the respective roles.

F. Audit Feedback Processes

Audit group members coordinate and participate in a number of feedback processes to promote continuous improvement. These include solicitation and analysis of feedback from audit team members, participation in an audit observation team (AOT) along with all other regions, and recording of specific lessons learned in the SERC Compliance Staff Action Tracking (SAT) system for disposition.

4. COMPLIANCE ENFORCEMENT

A. Overview

SERC’s compliance enforcement group has the lead role coordinating monitoring processes other than compliance audits and spot-checks. In addition, the compliance enforcement group evaluates all possible violations of reliability standards, whether identified in an audit, self-report, complaint, or other source, and determines whether the facts and circumstances warrant further assessment.

If so, the staff creates a record to accumulate relevant information and completes a thorough assessment of the possible violation. At the outset, the compliance enforcement staff informs the affected entity that it has commenced an assessment of a possible violation and reports the activity to NERC. The affected entity is advised to retain all records and information relevant to the issue under review. Once the assessment is completed, the staff will notify the entity of its determination regarding the violation along with any applicable penalties or sanctions. The enforcement staff may also engage in settlement negotiations with the entity as determined by the Compliance Director.

If the entity challenges the findings, the enforcement staff would prosecute its case before the Board Compliance Committee, in its role as the hearing body. Hearings are conducted at SERC under the supervision of a qualified, independent hearing officer hired by SERC.

The enforcement staff is also responsible for evaluating mitigation plans and may seek the advice of applicable compliance advisory groups and technical committees in doing so. Ultimately, all mitigation plans must be approved by the Board Compliance Committee. The enforcement staff also monitors progress of the entity in achieving the mitigation plan.

Once all proceedings have been completed, the compliance enforcement staff would file the case with NERC for review and approval, subject to final approval by FERC.

B. Registration and Certification

Compliance enforcement staff is responsible for maintaining the current list of registered entities within SERC using approved NERC registration criteria. During 2008, registration tracking methods will be enhanced to provide more definitive bases information. Compliance enforcement is responsible for coordinating SERC responses to entity registration appeals.

Organization Certification requirements and processes are provided by NERC and SERC will carry out those responsibilities. In 2008, SERC will participate in a joint Balancing Authority certification for the Midwest ISO.

C. Monitoring

1. Self-Reports

Registered entities are strongly encouraged to self-report any possible violations of reliability standards as soon as they become aware of the possible violation. Compliance Staff will promote self-reporting by entities in various forums as a positive indicator of a healthy compliance culture. In accordance with the Sanctions Guidelines of the NERC Rules of Procedure, SERC may reduce the violator's penalty if the violator self-disclosed the violation prior to detection or intervention by NERC or the regional entity, and voluntary corrective action was undertaken by the violator to correct the situation.

2. Complaints

SERC staff will review complaints regarding possible violations of reliability standards. Those cases where the complaint is directed at or against SERC Reliability Corporation or the complainant requests anonymity will be referred to NERC for action. Complaints assessed by SERC will be reported to NERC in the prescribed manner. If the complaint appears valid, a compliance violation investigation will be initiated at the direction of the SERC Compliance Director.

3. Self-Certification, Exception Reporting, and Periodic Data Submittals

NERC, in consultation with the Regional Entities, designates a subset of the reliability standards active monitoring. A subset of these monitored standards are designated for monitoring via self-certification, periodic data submittal, and exception reporting as described in Attachment 3. SERC has two major filings for annual self-certifications: June 1 for Planning-related standards and October 1 for Operations-related standards. Additionally, in a process similar to the self-certification process, a survey of the status of implementation of the cyber security standards (CIP-002 – CIP-009) is scheduled for filing by applicable Registered Entities in early July. Quarterly and monthly dates are specified for filing of other standards. Specific dates and standards associated with these filings are defined in detail by implementing procedures. Entity filings are made by submittal of data directly to the SERC portal. For annual filings, the associated forms are “posted” to the Portal approximately two months ahead of the scheduled due date.

4. Compliance Violation Investigations

Compliance Violation Investigations (CVI) can be initiated at any time per the direction of the Compliance Director while abiding with the notification requirements specified by the CMEP. CVIs will be initiated in response to selected system events, complaints, and other causes. In most instances, Reliability Services personnel will lead the initial analysis of system events. However, a liaison from Compliance Staff will be assigned as the single-point-of-contact for each significant event to ensure compliance has a complete understanding of the causes of the event and compliance implications at an early stage. During 2008 CVI implementing procedures will be augmented to include specific, acknowledged cause analysis techniques to enhance the thoroughness and consistency on these investigations.

D. Compliance Enforcement

1. Overview

Each possible violation is assigned a unique tracking number and entered into the SERC tracking system to ensure consistent processing to conclusion. Each issue undergoes initial screening for impact on the bulk electric system and a determination of the need for prompt remedial action. Next, a single-point-of-contact is assigned to the issue to perform a preliminary determination to establish the need for further assessment and reporting to NERC. If a possible violation is deemed to have merit, a detailed determination is performed which will serve as the basis for issuing a Notice of Alleged Violation (NoAV) or an insufficient basis letter to the entity. In either case, the determinations become part of the permanent record of the compliance action.

Key dates, such as issuance of the NoAV are entered into the tracking system to allow for tracking of timing requirements associated with entity due process.

2. SERC Portal

The SERC Portal, one of the more significant improvements enhancing SERC's ability to effectively and efficiently administer its Compliance Monitoring and Enforcement Program, is a secure central database that provides registered entities within the SERC Region a systematic way to file compliance certifications and other data with SERC. Portal capabilities are being aggressively augmented to track alleged violations and mitigation plans to completion. With the increase in the number of entities registering as users, owners and operators of the bulk-power system in the SERC Region, the SERC Portal has been indispensable in expanding the Compliance Monitoring Enforcement Program to those entities. Based on each entity's registration information, the SERC Portal applications ensure registered entities are properly assigned within the Compliance Monitoring and Enforcement Program.

3. Sanctions and Penalties

Compliance enforcement staff will determine and propose appropriate sanctions and penalties for all enforceable violations of reliability standards. The magnitude of the sanction and penalty will be determined with the aid of the current version of the penalty calculator tool and applicable implementing procedures. SERC Compliance Staff will also initiate and maintain dialogue with other regions, while maintaining appropriate confidentiality, to promote consistency in application of penalties for equivalent violations.

4. Remedial Action

Upon initial identification of a possible violation, designated SERC Compliance Staff performs a screening of the issue to determine the potential impact on the bulk electric system. If the issue poses a potential imminent threat to the bulk electric system (BES), the screener contacts the Compliance Director to provide for consideration of a Remedial Action Directive (RAD). As additional information is obtained on any issue undergoing enforcement action the need for a RAD can be revisited.

5. Mitigation Plans

SERC Compliance Staff will deploy the common "cross-regional" mitigation plan template. This template will be available to SERC registered entities on the SERC Portal and is also posted on SERC's public website. Registered entities will be encouraged in various forums to submit mitigation plans promptly as another indicator of a positive compliance culture. *Early submission shall not be deemed an admission of a violation or the appropriateness of a penalty or sanction.*

Each mitigation plan submitted by a registered entity will receive a structured review by Compliance Staff in accordance with procedures and guidelines. Feedback will be provided to the entity on specific changes needed to improve plan content and/or timeliness. Each mitigation plan will receive final regional approval via the BCC.

A single-point-of-contact (SPOC) will be assigned to each active mitigation plan to coordinate periodic review of progress on related milestones. The SPOC will also provide for final review and acceptance of proper mitigation plan completion based on evidence supplied by the entity.

6. Settlements

Settlement discussions can be initiated at any point in a given compliance activity. The SERC Compliance Director or his designee is the individual authorized to conduct settlement discussions on behalf of SERC. The Registered Entity must designate a specific individual(s) authorized to negotiate settlements on their behalf. Any agreed to settlements must be subsequently approved by the BCC, NERC, and ultimately FERC.

7. Hearings

SERC will use the common “cross-regional” hearing procedure (Attachment 2 of Appendix 4C to the Rules of Procedure, the CMEP) to conduct hearings on contested issues. SERC will make use of a designated hearing officer, as required, to facilitate proceedings.

8. Other

Other sections of the NERC CMEP such as reporting, data retention, and confidentiality are implemented, as required, via specific compliance implementing procedures.

5. LEARNING ORGANIZATION / CONTINUOUS IMPROVEMENT

During 2008 SERC Compliance Staff will initiate use of several processes aimed at fostering continuous improvement.

A. Lessons Learned / Self-Evaluation

1. Staff Action Tracking (SAT)

The SAT process is used to track staff assignments to proper completion, including incorporation of actions related to lessons learned. Lessons learned reviews will be conducted after specific compliance activities such as audits and during closeout review of individual compliance actions. These reviews and associated actions will be focused on addressing the specific shortfall and the underlying cause – whether process, training, or human error.

2. Causal Analysis, Cause-Coding, and Trend Analysis

During 2008, SERC Compliance Staff will identify and deploy cause analyses techniques that can be applied towards the most significant performance shortfalls associated with Compliance Staff, processes, and procedures.

3. Self-assessment

During 2008, one or more topics or processes will be selected for performance of an in-depth self-assessment to ensure conformance to applicable sections of the CMEP and NERC Rules of procedure (ROP).

B. Benchmarking, Best Practices Exchange, and Operating Experience

Best-practices will be identified through review of NERC's learning management system, a series of interactions with other regional entities, and by selected benchmarking of other industries performing similar functions. Regional interactions will include staff participation of audits led by other regions, conduct of collaborative audits, and active participation in groups such as audit observation group and regional entity compliance manager's forums.

C. Training

In addition to supporting NERC development and delivery of auditor training, SERC staff will initiate and/or support development of training on selected enforcement activities. Additionally, internal training for Compliance Staff will be developed to reinforce key processes and reliability standards.

6. GENERAL / OTHER

A. Standards

1. Actively Monitored Standards for 2008

SERC compliance will use the list of standards designated by NERC for active monitoring in 2008 (See Attachment 3). In addition, SERC will require filings from registered entities related to subparts of two other standards ((PRC-007 and PRC-015) to gather selected regional data on Under Frequency Load Shed (UFLS) and Special Protection Systems (SPS).

2. Regional Standards Development

Four “fill-in-the-blank” regional standards will be developed during the latter stages of 2008 and in 2009. SERC Reliability Services has the lead role for supporting this effort. However, Compliance Staff will be engaged in the development and review to the extent needed. Involved standards are as follows:

- (1) PRC-006 / Under Frequency Load Shed (UFLS)
- (2) PRC-002 / Disturbance Monitoring
- (3) PRC-012 / SPS Review
- (4) BAL-002 / Disturbance Control Performance

3. Regional Supplements

Regional supplements will be reviewed and prioritized for revision to ensure coherence with applicable approved reliability standards. In addition, a session will be included in compliance seminars to clarify for Registered Entities the role of the supplements in the compliance program. In particular, to reinforce the primacy of approved reliability standards in the event of any perceived conflict between these standards and the associated supplements.

4. Standards - Compliance Implementation Guidance

Requests for implementation guidance regarding how the SERC compliance program will be measuring and enforcing a NERC Reliability Standard will be forwarded to the SERC Compliance Staff. The SERC Compliance Staff will assign the request to the applicable compliance advisory group to develop appropriate implementation guidance. As soon as practical, the assigned compliance advisory group will draft written implementation guidance for review by the SERC Compliance Staff. The SERC Compliance Staff will notify the requestor of the approved implementation guidance. It is anticipated that in many cases this guidance may actually be clarification of existing, available guidance such as reliability audit worksheet (RSAW) or formal NERC Standards Interpretation.

5. Cyber Security Standards

a. Phased Implementation

For 2008, compliance assessment with CIP-002-1 through CIP-009-1 includes validating the Responsible Entity’s status with respect to one of four specific milestones: BW (Begin Work), SC (Substantially Compliant), C (Compliant), and AC (Auditably Compliant) in accordance with the implementation plan for these standards. Special surveys / questionnaires will be developed to ascertain registered entity status per these milestones as defined below:

- “Begin Work” means a Responsible Entity has developed and approved a plan to address the requirements of a Standard, has begun to identify and plan for necessary resources, and has begun implementing the requirements.
- “Substantially Compliant” means an entity is well along in its implementation to becoming compliant with a requirement, but is not yet fully compliant.
- “Compliant” means the entity meets the full intent of the requirements and is beginning to maintain required “data, documents, documentation, logs, and records”.
- “Auditably Compliant” means the entity meets the full intent of the requirement and can demonstrate compliance to an auditor, including 12-calendar-months of auditable “data, documents, documentation, logs, and records”. Per the Standards, each subsequent compliance-monitoring period will require the previous full calendar year of such material.

In 2008, Responsible Entities shall self-certify the status in terms of progress (BW, SC, C, or AC) in meeting the requirements found in CIP-002-1 through CIP-009-1. In 2008, compliance assessment and violation determination, as well as sanction and penalty will not occur for the CIP-002-1 through CIP-009-1 Standards. NERC’s website provides specific information regarding implementation milestones to achieve based on the entity type and the specific standard.

b. Pilot Cyber Audits

During 2008, work will be initiated on development of the audit processes and teams required to ensure effective future auditing of cyber-related standards (CIP-001 through 009). SERC Compliance Staff will interact with technical groups, in particular the Cyber Advisory Group, to identify the requisite audit team skill sets. In addition, SERC Staff and technical support will assess needed changes in audit approach, if any, required for effective auditing of this particular set of standards.

B. Cross-regional Coordination Initiative

Several registered entities in the SERC region also operate businesses and/or are similarly registered in other geographic regions. To promote consistency in compliance enforcement, SERC will update its compliance registration to denote entities that operate in multiple regions and will work with other regional entities to designate a lead region for enforcement of compliance for each of these entities.

C. Communications / Entity Interactions

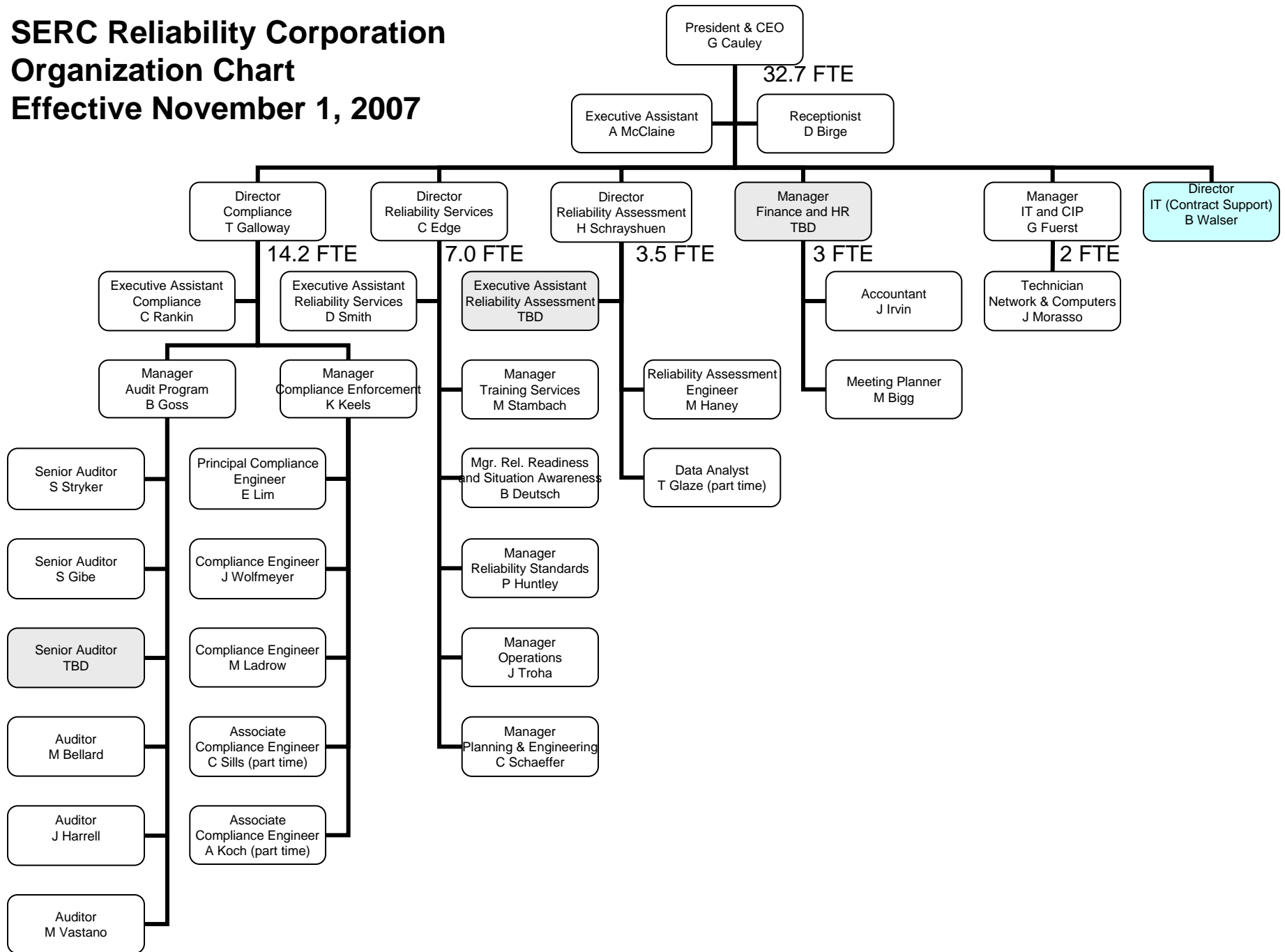
1. Compliance Seminars

Three compliance seminars will be held in 2008 (March, May, and April and/or July) to educate registered entities in the SERC Region on topics including compliance processes, filing dates and requirements, trends in compliance actions, and top regional issues. The location of the seminars will be rotated to different geographical subregions to promote attendance. Presenters will include SERC Compliance Staff, members of Compliance Advisory Groups and other volunteer technical experts, and selected guests – such as representatives from NERC and/or FERC.

2. Other Communications

To augment communications, SERC Compliance Staff will use some other communication methods including WebEx, Website Postings, and mass emails to alert registered entities to upcoming key activities and compliance trends.

SERC Reliability Corporation Organization Chart Effective November 1, 2007



SERC 2008 Compliance Plan Attachment 2 / Implementing Procedures
November 1, 2007

Number	Title	Current Revision Level	SME	Backup	Comments / Expected Changes	Estimated Update Timing
N/A	Compliance Overview	0	Galloway	Keels	Clarify settlement initiation at any time.	12/31/07
Program, Process, and Procedure Controls						
1.1	Procedure Development, Issuance, and Control	0	Harrell	Koch	Include process for staff acknowledgement of changes (read & sign or equivalent)	12/31/07
1.2	Board Compliance Committee	To Draft	Galloway	Keels	Augment existing SERC Bylaws and Delegation Agreement	BCC discretion
1.3	Compliance Advisory Group Roles & Responsibilities	To Draft	Galloway	Goss	Convert CAG scope document to procedure format.	CD discretion
1.4	Standards Implementation Guidance	To Draft	Galloway	Ladrow	Per delegation agreement revision. Define implementation guidance process that uses CAG expertise, interfaces with Standard Revision and Interpretation processes, and promotes cross-regional consistency via Work Groups (RECM, AOG)	1Q08
1.5	Compliance Staff Guides	To Draft	Galloway	Keels	Refine process for staff guidance for internal processes not involving entity due process	CD discretion
1.6	Staff Action Tracking (SAT), Lessons Learned, and Corrective Action Program	To Draft	Galloway	Keels	Used for tracking staff actions and capture lessons learned	CD discretion
Registration and Certification						
2.0	Identification of Organizations Responsible for Complying with Reliability Standards	0	Keels	Wolfmeyer		
2.1	Entity Certification Process	To Draft	Keels	Lim	Following NERC definition	1Q08 est.

SERC 2008 Compliance Plan Attachment 2 / Implementing Procedures
November 1, 2007

Number	Title	Current Revision Level	SME	Backup	Comments / Expected Changes	Estimated Update Timing
Monitoring Processes						
3.1	Compliance Audits	1	Goss	Stryker	Include RE authority in notification letter	12/31/07
3.2	Self-Certification	0	Sills	Ladrow	Address new monitored standards	12/31/07
3.3	Spot Checking	0	Goss	Stryker	As required, address FERC comments	2Q08
3.4	Investigations of Reliability Standard Violations	0	Lim	Wolfmeyer Bellard	Include guidance for structured review of events using acknowledged process.	2Q08
3.5	Self-Reporting	0	Wolfmeyer	Keels	Improved self-reporting forms / portal use	1Q08
3.6	Periodic Data Submittals	0	Sills	Ladrow	Address new monitored standards	12/31/07
3.7	Exception Reporting	0	Sills	Ladrow	Address new monitored standards	12/31/07
3.8	Complaints	0	Wolfmeyer	Keels	Improved self-reporting forms / Portal use	1Q08
3.9	SERC Regional Trend Analysis	To Draft	Lim	Koch	Systematic review of compliance results within region to hone focus	2Q08
3.10	Cross-Regional operating experience	To Draft	Lim	Koch	Systematic review of experience / themes in other regions to hone regional focus	3Q08
4.0	Annual Implementation Plans	1	Goss	Stryker	Include 2008 specific information – audit schedule, spot check.	12/31/07
Enforcement Processes						
5.0	Consolidated Compliance Enforcement Tracking	1	Galloway	Keels	Update to reflect screening, prelim determination, and reporting	1/1/08
5.3	Hearing Process for Compliance Hearings	0	Keels	Ladrow	Use of cross-regional procedure as attach 2	2Q08
5.4	Settlement Process	0	Ladrow	Keels	As required, address FERC comments	2Q08
5.5	<i>NERC Appeal Process (later)</i>	To Draft	<i>Keels</i>	Ladrow	Clarify steps for registration appeals (likely will add to 2.0 versus standalone)	
5.7	Penalties and Sanctions	0	Ladrow	Lim	Reflect revised S&P processes	1Q08
6.0	Mitigation of Violations of Reliability Standards	0	Wolfmeyer	Ladrow	Reflect common mitigation template. Include guidance on staff review of closure evidence	12/31/07
7.0	Remedial Action Directives	0	Wolfmeyer	Ladrow	As required, address FERC comments	2Q08
8.0	Reporting and Disclosure	0	Keels	Lim	Update to reflect screening, prelim determination, and reporting	12/31/07
9.0	Data Retention and Confidentiality	0	Wolfmeyer	Sills	Revise to augment document controls	1Q08

**2008 CMEP Matrix
NERC Reliability Standards**

	Std #	Requirements	Standard	Who	Purpose	3-Year On-Site Audit	Self-Certification	Monthly/Quarterly Reporting	Exception Reporting	Investigation
1	BAL-001-0	All	Real Power Balancing Control Performance	BA	To maintain Interconnection steady-state frequency within defined limits by balancing real power demand and supply in real-time.	√		M		
2	BAL-002-0	All	Disturbance Control Performance	BA, RSG, RRO	To ensure the Balancing Authority is able to utilize its Contingency Reserve to balance resources and demand and return Interconnection frequency within defined limits.	√-8		Q		
3	BAL-003-0	All	Frequency Response and Bias	BA	This standard provides a consistent method for calculating the Frequency Bias component of ACE.	√				
4	BAL-004-0	All	Time Error Correction	RC and BA	The purpose of this standard is to ensure that Time Error Corrections are conducted in a manner that does not adversely affect the reliability of the Interconnection.	√-8				
5	BAL-005-0	All	Automatic Generation Control	BA, GOP, TOP and LSE	This standard establishes requirements for Balancing Authority Automatic Generation Control (AGC) necessary to calculate Area Control Error (ACE) and to routinely deploy the Regulating Reserve. The standard also ensures that all facilities and load electrically synchronized to the Interconnection are included within the metered boundary of a Balancing Area so that balancing of resources and demand can be achieved.	√-8				

√-8 = added for the 2008 compliance year

**2008 CMEP Matrix
NERC Reliability Standards**

	Std #	Requirements	Standard	Who	Purpose	3-Year On-Site Audit	Self-Certification	Monthly/Quarterly Reporting	Exception Reporting	Investigation
6	BAL-006-1	All	Inadvertent Interchange	BA	This standard defines a process for monitoring Balancing Authorities to ensure that, over the long term, Balancing Authority Areas do not excessively depend on other Balancing Authority Area so that balancing of resources and demand can be achieved.	√-8		M	√	
7	BAL-STD-002-0	All-WECC Only	Operating Reserves (WECC)	BA and RSG	Regional Reliability Standard to address the Operating Reserve requirements of the Western Interconnection.	√-8		Q	√	
8	CIP-001-1	All	Sabotage Reporting	RC, BA, TOP, GOP, LSE	Disturbances or unusual occurrences, suspected or determined to be caused by sabotage, shall be reported to the appropriate systems, governmental agencies, and regulatory bodies.	√	√			
9	CIP-002-1 through CIP-009-1	All	Critical Infrastructure Protection Standards	BA, GO, GOP, IA, LSE, NERC, RC, RRO, TO, TOP, TSP	Cyber Security Standards- Follow revised Implementation Plan for Cyber Security Standards CIP-002-1 through CIP-009-1		√			
10	COM-001-1	R2 and R5	Telecommunications	TOP, BA, RC, NERCNet User Organizations.	Each Reliability Coordinator, Transmission Operator and Balancing Authority needs adequate and reliable telecommunications facilities internally and with others for the exchange of interconnection and operating information necessary to maintain reliability.	√	√			

**2008 CMEP Matrix
NERC Reliability Standards**

	Std #	Requirements	Standard	Who	Purpose	3-Year On-Site Audit	Self-Certification	Monthly/Quarterly Reporting	Exception Reporting	Investigation
11	COM-002-2	All	Communications and Coordination	RC, BA, TOP and GOP	To ensure Balancing Authorities, Transmission Operators, and Generator Operators have adequate communications and that these communications capabilities are staffed and available for addressing a real-time emergency condition. To ensure communications by operating personnel are effective.	√-8	√			
12	EOP-001-0	All	Emergency Operations Planning	BA, TOP	Each Transmission Operator and Balancing Authority needs to develop, maintain, and implement a set of plans to mitigate operating emergencies. These plans need to be coordinated with other Transmission Operators and Balancing Authorities, and the Reliability Coordinator.	√	√			
13	EOP-002-2	All	Capacity and Energy Emergencies	RC and BA	To ensure Reliability Coordinators and Balancing Authorities are prepared for capacity and energy emergencies.	√-8	√			√
14	EOP-003-1	All	Load Shedding Plans	BA, TOP	A Balancing Authority and Transmission Operator operating with insufficient generation or transmission capacity must have the capability and authority to shed load rather than risk an uncontrolled failure of the Interconnection.	√	√			

**2008 CMEP Matrix
NERC Reliability Standards**

	Std #	Requirements	Standard	Who	Purpose	3-Year On-Site Audit	Self-Certification	Monthly/Quarterly Reporting	Exception Reporting	Investigation
15	EOP-004-1	All	Disturbance Reporting	RC, BA, TOP, GOP, LSE and RRO	Disturbances or unusual occurrences that jeopardize the operation of the Bulk Electric System, or result in system equipment damage or customer interruptions, need to be studied and understood to minimize the likelihood of similar events in the future.	√-8	√			√
16	EOP-005-1	All	System Restoration Plans	BA, TOP	To ensure plans, procedures, and resources are available to restore the electric system to a normal condition in the event of a partial or total shut down of the system	√-8	√			
17	EOP-006-1	All	Reliability Coordination – System Restoration	RC	The Reliability Coordinator must have a coordinating role in system restoration to ensure reliability is maintained during restoration and priority is placed on restoring the Interconnection.	√	√			
18	EOP-008-0	All	Plans for Loss of Control Center Functionality	BA, RC, TOP	Each reliability entity must have a plan to continue reliability operations in the event its control center becomes inoperable.	√	√			
19	EOP-009-0	All	Documentation of Blackstart Generating Unit Test Results	GO, GOP	To ensure that the quantity and location of system blackstart generators are sufficient and that they can perform their expected functions.	√	√			

**2008 CMEP Matrix
NERC Reliability Standards**

	Std #	Requirements	Standard	Who	Purpose	3-Year On-Site Audit	Self-Certification	Monthly/Quarterly Reporting	Exception Reporting	Investigation
20	FAC-003-1	All	Vegetation Management	RRO, TO	To improve the reliability of the electric transmission systems by preventing outages from vegetation located on transmission rights-of-way (ROW) and minimizing outages from vegetation located adjacent to ROW, maintaining clearances between transmission lines	√	√	Q		
21	FAC-008-1	All	Facility Ratings Methodology	GO, TO	To ensure that Facility Ratings used in the reliable planning and operation of the Bulk Electric System (BES) are determined based on an established methodology	√	√			
22	FAC-009-1	All	Establish and Communicate Facility Ratings	GO, TO	To ensure that Facility Ratings used in the reliable planning and operation of the Bulk Electric System (BES) are determined based on an established methodology or methodologies.	√	√			
23	FAC-013-1	All	Establish and Communicate Transfer Capabilities	RC and PA	To ensure that Transfer Capabilities used in the reliable planning and operation of the Bulk Electric System (BES) are determined based on an established methodology or methodologies.	√-8	√			
24	INT-001-2	All	Interchange Information	BA and PSE	To ensure that Interchange information is submitted to the NERC-identified reliability analysis service.	√-8	√			√

**2008 CMEP Matrix
NERC Reliability Standards**

	Std #	Requirements	Standard	Who	Purpose	3-Year On-Site Audit	Self-Certification	Monthly/Quarterly Reporting	Exception Reporting	Investigation
25	INT-003-2	All	Interchange Transaction Implementation	BA	To ensure Balancing Authorities confirm Interchange Schedules with Adjacent Balancing Authorities prior to implementing the schedules in their Area Control Error (ACE) equations.	√-8	√			√
26	INT-004-1	All	Dynamic Interchange Transaction Modifications	RC, BA, TOP and PSE	To ensure Dynamic Transfers are adequately tagged to be able to determine their reliability impacts.	√-8				
27	IRO-001-1	All	Reliability Coordination – Responsibilities and Authorities	BA, GOP, LSE, PSE, RC, RRO, TOP, TSP	Reliability Coordinators must have the authority, plans, and agreements in place to immediately direct reliability entities within their Reliability Coordinator Areas to re-dispatch generation, reconfigure transmission, or reduce load to mitigate critical conditions to return the system to a reliable state. If a Reliability Coordinator delegates tasks to others, the Reliability Coordinator retains its responsibilities for complying with NERC and regional standards. Standards of conduct are necessary to ensure the Reliability Coordinator does not act in a manner that favors one market participant over another.	√	√			
28	IRO-003-2	All	Reliability Coordination – Wide-Area View	RC	The Reliability Coordinator must have a wide-area view of its own Reliability Coordinator Area and that of neighboring Reliability Coordinators.	√-8	√			√

**2008 CMEP Matrix
NERC Reliability Standards**

	Std #	Requirements	Standard	Who	Purpose	3-Year On-Site Audit	Self-Certification	Monthly/Quarterly Reporting	Exception Reporting	Investigation
29	IRO-004-1	All	Reliability Coordination — Operations Planning	BA, GO, GOP, LSE, RC, TO, TOP, TSP	Each Reliability Coordinator must conduct next-day reliability analyses for its Reliability Coordinator Area to ensure the Bulk Electric System can be operated reliably in anticipated normal and Contingency conditions.	√	√		√	
30	IRO-005-1	All	Reliability Coordination – Current-Day Operations	RC, BA, TOP, TSP, GOP, LSE AND PSE	The Reliability Coordinator must be continuously aware of conditions within its Reliability Coordinator Area and include this information in its reliability assessments. The Reliability Coordinator must monitor Bulk Electric System parameters that may have significant impacts upon the Reliability Coordinator Area and neighboring Reliability Coordinator Areas.	√-8				
31	IRO-006-3	All	Reliability Coordination – Transmission Loading Relief	RC, TOP and BA	Regardless of the process it uses, the Reliability Coordinator must direct its Balancing Authorities and Transmission Operators to return the transmission system to within its Interconnection Reliability Operating Limits as soon as possible, but no longer than 30 minutes. The Reliability Coordinator needs to direct Balancing Authorities and Transmission Operators to execute actions such as reconfiguration, redispatch, or load shedding until relief requested by the TLR process is achieved.	√-8				√

**2008 CMEP Matrix
NERC Reliability Standards**

	Std #	Requirements	Standard	Who	Purpose	3-Year On-Site Audit	Self-Certification	Monthly/Quarterly Reporting	Exception Reporting	Investigation
32	IRO-014-1	All	Procedures, Processes, or Plans to Support Coordination Between Reliability Coordinators	RC	To ensure that each Reliability Coordinator's operations are coordinated such that they will not have an Adverse Reliability Impact on other Reliability Coordinator Areas and to preserve the reliability benefits of interconnected operations.	√	√			
33	IRO-015-1	All	Notifications and Information Exchange Between Reliability Coordinators	RC	To ensure that each Reliability Coordinator's operations are coordinated such that they will not have an Adverse Reliability Impact on other Reliability Coordinator Areas and to preserve the reliability benefits of interconnected operations.	√	√			
34	IRO-016-1	All	Coordination of Real-time Activities Between Reliability Coordinators	RC	To ensure that each Reliability Coordinator's operations are coordinated such that they will not have an Adverse Reliability Impact on other Reliability Coordinator Areas and to preserve the reliability benefits of interconnected operations.	√	√			
35	IRO-STD-006-0	All	Qualified Path Unscheduled Flow Relief (WECC)	BA, TOP and LSE	Mitigation of transmission overloads due to unscheduled line flow on Qualified Paths.	√-8			√	
36	PER-002-0	All	Operating Personnel Training	BA, TOP	Each Transmission Operator and Balancing Authority must provide their personnel with a coordinated training program that will ensure reliable system operation.	√	√			

**2008 CMEP Matrix
NERC Reliability Standards**

	Std #	Requirements	Standard	Who	Purpose	3-Year On-Site Audit	Self-Certification	Monthly/Quarterly Reporting	Exception Reporting	Investigation
37	PER-003-0	All	Operating Personnel Credentials	BA, RC, TOP	Certification of operating personnel is necessary to ensure minimum competencies for operating a reliable Bulk Electric System.	√			√	
38	PER-004-1	All	Reliability Coordination — Staffing	RC	Reliability Coordinators must have sufficient, competent staff to perform the Reliability Coordinator functions.		√			
39	PRC-004-1	All	Analysis and Mitigation of Transmission and Generation Protection System Misoperations	DP*, GO, TO	Provide trip operation / misoperation information per regional process.	√	√			
40	PRC-005-1	All	Transmission and Generation Protection System Maintenance and Testing	DP*, GO, TO	Document/implement transmission protection system maintenance/testing/monitoring PROGRAM	√	√			
41	PRC-008-0	All	Implementation and Documentation of Underfrequency Load Shedding Equipment Maintenance Program	DP, TO	Document/implement UFLS maintenance/testing PROGRAM	√	√			
42	PRC-010-0	All	Technical Assessment of the Design and Effectiveness of Undervoltage Load Shedding Program.	DP, LSE, TO, TOP	ASSESS design and effectiveness of UVLS programs	√	√			

**2008 CMEP Matrix
NERC Reliability Standards**

	Std #	Requirements	Standard	Who	Purpose	3-Year On-Site Audit	Self-Certification	Monthly/Quarterly Reporting	Exception Reporting	Investigation
43	PRC-011-0	All	UVLS System Maintenance and Testing	DP, TO	Document/implement UVLS maintenance/testing PROGRAM	√	√			
44	PRC-016-0	All	Special Protection System Misoperations	DP, GO, TO	DOCUMENT/analyze misoperations	√	√			
45	PRC-017-0	All	Special Protection System Maintenance and Testing	DP, GO, TO	Document/implement SPS maintenance/testing PROGRAM	√	√			
46	PRC-021-1	All	Under-Voltage Load Shedding Program Data	DP, TO	DOCUMENTATION of undervoltage load shedding program	√	√			
47	TOP-002-2	All	Normal Operations Planning	BA, TOP, GOP, LSE and TSP	Current operations plans and procedures are essential to being prepared for reliable operations, including response for unplanned events.	√-8	√			√
48	TOP-003-0	All	Planned Outage Coordination	BA, GOP, RC, TOP	Scheduled generator and transmission outages that may affect the reliability of interconnected operations must be planned and coordinated among Balancing Authorities, Transmission Operators, and Reliability Coordinators.	√	√			√
49	TOP-004-1	R6	Transmission Operations	TOP	To ensure that the transmission system is operated so that instability, uncontrolled separation, or cascading outages will not occur as a result of the most severe single Contingency and specified multiple Contingencies.	√-8	√			√

**2008 CMEP Matrix
NERC Reliability Standards**

	Std #	Requirements	Standard	Who	Purpose	3-Year On-Site Audit	Self-Certification	Monthly/Quarterly Reporting	Exception Reporting	Investigation
50	TOP-005-1	All	Operational Reliability Information	BA, PSE, RC, TOP	To ensure reliability entities have the operating data needed to monitor system conditions within their areas.	√	√		√	
51	TOP-007-0	All	Reporting System Operating Limit (SOL) and Interconnection Reliability	RC, TOP	Ensure SOL and IROL violations are being reported to the Reliability Coordinator so that the Reliability Coordinator may evaluate actions being taken and direct additional corrective actions as needed.	√			√	
52	TPL-001-0	All	System Performance Under Normal (No Contingency) Conditions	PA, TP	System performance under normal conditions	√	√			
53	TPL-002-0	All	System Performance Following Loss of a Single Bulk Electric System Element	PA, TP	System performance under single contingency	√	√			
54	TPL-003-0	All	System Performance Following Loss of Two or More Bulk Electric System Elements	PA, TP	System performance under multiple contingencies	√	√			
55	TPL-004-0	All	System Performance Following Extreme Events Resulting in the Loss of Two or More Bulk Electric System Elements	PA, TP	System performance under extreme contingencies	√	√			

**2008 CMEP Matrix
NERC Reliability Standards**

	Std #	Requirements	Standard	Who	Purpose	3-Year On-Site Audit	Self-Certification	Monthly/Quarterly Reporting	Exception Reporting	Investigation
56	VAR-001-1	All	Voltage and Reactive Control	PSE, TOP	To ensure voltage levels, reactive flows, and reactive resources are monitored, controlled, and maintained within limits in real time to protect equipment and the reliable operation of the Interconnection.	√	√			
57	VAR-002-1	All	Generator Operation for Maintaining Network Voltage Schedules	GO and GOP	To ensure generators provide reactive and voltage control necessary to ensure voltage levels, reactive flows, and reactive resources are maintained within applicable Facility Ratings to protect equipment and the reliable operation of the Interconnection.	√-8	√			√

SERC 2008 Compliance Plan Attachment 4 – Special 48-Hour Reporting
November 1, 2007

Regional Entities shall report to NERC, on a confidential basis, any Alleged Violations of Reliability Standards regardless of significance, whether verified or still under investigation, within five (5) business days, unless the violation has resulted in or has the potential to result in, a reduced level of reliability to the bulk power system (as provided in Section 408 of the NERC Rules of Procedure), in which cases the Regional Entity shall notify NERC within forty-eight (48) hours.

NERC shall notify FERC or any Applicable Governmental Authority within two (2) business days of receiving notice from the Regional Entity. Such reports shall include information regarding the nature of the Alleged Violation and its potential impact on the reliability of the bulk power system, the name of the Registered Entity involved, the status and timetable of any compliance violation assessment, and the name of a Regional Entity staff person knowledgeable about the violation or Alleged Violation to serve as a point of contact.

In 2008, the following Reliability Standards and specific requirements have been identified for 48-hour reporting:

- COM-002-2 — Communications and Coordination
- EOP-004-1 — Disturbance Reporting
- FAC-003-1 – R3.4.1 and R3.4.2 — Vegetation Management Program
- IRO-001-1 - Reliability Coordination, Responsibilities and Authorities – R8 and 9
- IRO-002-1 — R4-R9 - Reliability Coordination – Facilities
- IRO-003-2 — Reliability Coordination – Wide Area View
- IRO-004-1 — Reliability Coordination – Operations Planning
- IRO-005-1 — Reliability Coordination – Current Day Operations
- IRO-006-3 — Reliability Coordination –Transmission Loading Relief
- IRO-015-1 — Notifications and Information Exchange Between RCs
- IRO-016-1 — Coordination of Real-time Activities Between RCs
- PER-004-1 — Reliability Coordinator Staffing
- TOP-001-1 — Reliability Responsibilities and Authorities
- TOP-003-0 — Planned Outage Coordination
- TOP-004-1 — Transmission Operations –for R4 only
- TOP-005-1 — Operational Reliability Information
- TOP-006-1 — Monitoring System Conditions
- TOP-007-0 — Reporting SOL and IROL Violations
- TOP-008-1 — Response to Transmission Limit Violations
- VAR-001-1 — Voltage and Reactive Control

2008-2014 Audit Schedule

Registered Entities to be Audited * (based on SERC Compliance Registry as of 10-9-2007)	2008	2009	2010	2011	2012	2013	2014
Alabama Electric Cooperative, Inc. ⁷	P		C			C	
Alabama Municipal Electric Authority						C	
Alabama Power Company		C					
Alcoa Power Generating, Inc.			C				
Alcoa Power Generating, Inc. - Tapoco Division ^{3,7}	P		C			C	
Alcoa Power Generating, Inc. - Yadkin Division ^{3,7}	P		C			C	
Alcoa Power Marketing LLC			C				
Ameren - Illinois (AMIL) ²	C			C			C
Ameren - Missouri (AMMO) ²	C			C			C
Ameren Energy				C			
Ameren Energy Marketing				C			
Ameren Services Company ²	C			C			C
AmerGen Energy Company LLC	C						C
ArcLight Energy Marketing, LLC	C					C	C
Associated Electric Cooperative, Inc. ⁶	O		C			C	
Baconton Power LLC						C	
Barclays Bank PLC				C			
Batesville Balancing Authority ⁴			C			C	
Big Rivers Electric Corporation ⁶	O		C			C	
Birchwood Power Partners LP				C			
Black Warrior Electric Membership Corporation				C			
Blue Ridge Electric Membership Corporation				C			
BlueStar Energy Services, Inc.					C		
BP Energy Company						C	
Brazos Electric Power Cooperative, Inc.				C			
Caledonia Generating LLC		C					
Calpine Corporation	C						C
Calpine Energy Services	C						C
CAMS - Mackinaw Power	C						C
Cargill Power Markets, LLC				C			
Catalyst Old River Hydroelectric Limited Partnersh		C					
Central Electric Power Cooperative Inc			C				
Citizens Electric Corporation			C				
City of Benton ⁴			C			C	
City of Camden			C				
City of Columbia, MO ⁶	O		C			C	
City of Concord				C			

2008-2014 Audit Schedule

Registered Entities to be Audited * (based on SERC Compliance Registry as of 10-9-2007)	2008	2009	2010	2011	2012	2013	2014
City of Conway ⁴			C			C	
City of Dalton d/b/a Dalton Utilities	C						C
City of Manassas				C			
City of North Little Rock, AR (DENL) ⁴			C			C	
City of Orangeburg Department of Public Utilities				C			
City of Ruston, LA (DERS) ⁴			C			C	
City of Troy, Alabama					C		
City of West Memphis ⁴			C			C	
Cogentrix Virginia Leasing Corp			C				
ConocoPhillips Company				C			
Constellation Energy Commodities Group, Inc.					C		
Constellation NewEnergy, Inc.						C	
Coral Power, L.L.C.					C		
Cottonwood Energy, LP						C	
Covanta, Fairfax, Inc.		C					
Craven County Wood Energy Limited						C	
DC Energy Mid-Atlantic, LLC				C			
DC Energy Midwest, LLC				C			
DC Energy, LLC				C			
Dominion Virginia Power - Fossil & Hydro						C	
Dominion Virginia Power - Nuclear						C	
Dominion Virginia Power - Transmission						C	
Doyle I, LLC						C	
DTE Energy Trading, Inc.				C			
Duke Energy Americas, LLC (DEA)	C						C
Duke Energy Carolinas	C			C			C
Duke Energy Generation Services, Inc.				C			
Dynegy Inc.						C	
Dynegy Power Marketing, Inc.						C	
E. I. du Pont de Nemours and Company		C					
E.ON U.S. Services Inc. for LG&E & KU Companies		C			C		
Eagle Energy Partners I, L.P.					C		
East Kentucky Power Cooperative		C			C		
East Mississippi Electric Power Association			C				
East Texas Electric Cooperative Inc.		C					
Edgecombe Genco, LLC		C					
Edgecombe Operating Services, LLC		C					
Electric Energy, Inc.	C			C			C

2008-2014 Audit Schedule

Registered Entities to be Audited * (based on SERC Compliance Registry as of 10-9-2007)	2008	2009	2010	2011	2012	2013	2014
EnergyUnited Electric Membership Corporation				C			
Entergy		C			C		
Entergy Power, Inc.		C					
EWOM Marketing, LP					C		
Exelon Energy Company					C		
Exelon Generation Company LLC					C		
ExxonMobil Corp		C					
Fayetteville Public Works Commission			C				
Florida Power & Light Company			C				
Florida Public Utilities			C				
Fortis Energy Marketing & Trading GP				C			
FPL Energy	C						C
French Broad Electric Membership Corporation			C				
Georgia Power Company		C					
Georgia System Operations Corporation	C			C			C
Georgia Transmission Corporation	C						C
Greenwood Commissioners of Public Works				C			
Greenwood Utilities Commission				C			
Gulf Power Company		C					
Harrisonburg Electric Commission				C			
Hartwell Energy Limited Partnership	C						C
Henderson Municipal Power & Light	C						C
Holland Energy, LLC		C					
Hopewell Cogeneration, L.P.	C						C
Hot Spring Power CO., LP	C						C
Illinois Municipal Electric Agency				C			
Integrays Energy Services, Inc.						C	
J. Aron & Company					C		
James River Cogeneration Co.						C	
Jasper-Newton (TX) Electric Coop Inc				C			
KeyTex Energy LLC				C			
KGen Hinds LLC		C					
KGen Hot Spring LLC		C					
KGen Murray I and II LLC		C					
KGen Sandersville LLC		C					
LG&E Energy Marketing Inc.					C		
Louisiana Generating, LLC			C			C	
LSP Energy Limited Partnership	C						C
Mackinaw Power, LLC	C						C

2008-2014 Audit Schedule

Registered Entities to be Audited * (based on SERC Compliance Registry as of 10-9-2007)	2008	2009	2010	2011	2012	2013	2014
Magnolia Energy, LP		C					
Merrill Lynch Commodities, Inc.					C		
MidAmerican Energy Company				C			
MidAmerican Energy Company				C			
Midwest Contingency Reserve Sharing Group	C						C
Midwest Independent Transmission System Operator RC		C			C		
Mirant Energy Trading, LLC						C	
Mississippi Power Company		C					
Morgan Stanley Capital Group Inc						C	
Mt. Carmel Public Utility Co.				C			
Municipal Electric Authority of Georgia			C				
N.C. Electric Membership Corp.	C						C
N.C. Power Holdings, Inc. - Elizabethtown Power						C	
N.C. Power Holdings, Inc. - Lumberton Power						C	
Nelson Industrial Steam Company			C				
New Horizon Electric Cooperative, Inc.				C			
North American Energy Services - Cottonwood		C					
North American Energy Services - Holland		C					
North American Energy Services - Magnolia		C					
North Carolina Eastern Municipal Power Agency				C			
North Carolina Municipal Power Agency #1				C			
Occidental Chemical Corporation	C						C
Occidental Power Services, Inc.	C						C
Oglethorpe Power Corporation						C	
Old Dominion Electric Cooperative			C				
Ouachita Operating Services, LLC		C					
Owensboro, KY Municipal Utilities	C						C
Peoples Energy Services Corporation					C		
Piedmont Electric Membership Corporation					C		
Piedmont Municipal Power Agny					C		
PJM Interconnection, LLC RC ⁵			C			C	
PPG Industries, Inc.							
PPL EnergyPlus, LLC					C		
Prairie Power, Inc.		C					
Prairieland Energy, Inc.		C					
Primary Energy of North Carolina (Southport) LLC	C						C
Primary Energy of North Carolina(Roxboro) LLC	C						C
Progress Energy Carolinas	C			C			C
Quachita Power, LLC		C					
Reliant Energy Services, Inc.						C	

2008-2014 Audit Schedule

Registered Entities to be Audited * (based on SERC Compliance Registry as of 10-9-2007)	2008	2009	2010	2011	2012	2013	2014
Reliant Energy Wholesale Generation, LLC						C	
Rutherford Electric Membership Corporation			C				
Sabine River Authority of TX/LA			C				
Sam Rayburn G&T Electric Cooperative Inc.		C					
Sempra Energy Solutions LLC					C		
Sempra Energy Trading Corp					C		
Seneca Light and Water					C		
South Carolina Electric & Gas Company	C			C			C
South Carolina Public Service Authority		C			C		
South Eastern Electric Development Corporation	C						C
South Eastern Generating Corporation	C						C
South Mississippi Electric Power Association		C			C		
Southaven Operating Services, LLC		C					
Southaven Power, LLC		C					
Southeastern Power Administration		C			C		
Southern Company Services, Inc. - Gen			C			C	
Southern Company Services, Inc. - Trans			C			C	
Southern Company Services, Inc. - Trans RC		C			C		
Southern Illinois Power Cooperative			C			C	
Southern Power Company			C				
Southwest Power Pool, Inc. – SWPP RC ⁹	C	C	C	C	C	C	C
Southwest Power Pool, Inc. - ICTE RC	C			C			C
Southwest Power Pool, Inc. – ITO			C				
Southwestern Electric Cooperative, Inc.	C						C
SOWEGA Power LLC						C	
Springfield, City of - CWLP		C			C		
Spruance Genco, LLC						C	
Spruance Operating Services, LLC						C	
SRW Cogeneration Limited Partnership		C					
Strategic Energy, LLC					C		
SUEZ Energy Marketing NA, Inc.	C						C
Tenaska Alabama II Partners, L.P.	C						C
Tenaska Alabama Partners, L.P.	C						C
Tenaska Frontier Partners, Ltd		C					
Tenaska Georgia Partners, L.P.		C					
Tenaska Power Services Co.			C				
Tenaska Virginia Partners, L.P.		C					
Tennessee Valley Authority			C			C	
Tennessee Valley Authority - TVAM					C		

2008-2014 Audit Schedule

Registered Entities to be Audited * (based on SERC Compliance Registry as of 10-9-2007)	2008	2009	2010	2011	2012	2013	2014
Tennessee Valley Authority RC		C			C		
Tex-La Electric Cooperative of Texas, Inc.		C					
The Dow Chemical Company	C						C
The Energy Authority					C		
Town of Black Creek				C			
Town of Culpeper Light & Power					C		
Town of Lucama					C		
Town of Sharpsburg					C		
Town of Stantonburg					C		
Town of Waynesville					C		
Town of Winnsboro					C		
Town of Winterville					C		
TransAlta Energy Marketing (U.S) Inc.						C	
Union Power Partners, L.P.	C						C
Union Power Partners, LLC (PUPP) ⁴			C			C	
USACE - Charleston, SC District					C		
USACE - Little Rock District					C		
USACE - Mobile District					C		
USACE - Nashville District					C		
USACE - Savannah District					C		
USACE - St Louis District						C	
USACE - Vicksburg District						C	
USACE - Wilmington District					C		
VACAR South RC ⁸	C			C			C
Virginia Electric and Power Company						C	
Wabash Valley Power Association, Inc.					C		
West Georgia Generating Company, LLC						C	
Westar Energy, Inc.					C		
Western Kentucky Energy Corp.	C						C
Westmoreland Partners	C						C
Williams Power Company, Inc.		C					
	49	46	39	43	48	50	43

Footnotes:

1. C indicates that all applicable standards that apply to the entity's registered functions are subject to audit
2. Audited at the same time - Operating
3. Audited at the same time - Planning
4. Constellation - All entities will be audited at the same time.
5. All functions audited by RFC with SERC participation.
6. Operating Audit Only for 2008
7. Planning Audit Only for 2008

2008-2014 Audit Schedule

8. Audited at the same time as Duke Energy Carolinas
9. All functions audited by SPP with SERC participation.

Legend
Operating or Planning Audit Only - Due to transition
Reliability Coordinators

* The entities to be audited and the dates set forth in this schedule are preliminary and subject to change. Registered Entities will be notified approximately 180 days in advance of a scheduled audit. This schedule is for routine on-site audits only and SERC has the right under FERC Rules and NERC Rules of Procedure to audit users, owners and operators of the bulk power system at any time.

SERC 2008 Audit Schedule

Entity to be Audited	Audit Type	Audit Dates
Union Power Partners, L.P.	C	1/29-30/2008
FPL Energy	C	2/12-13/2008
Duke Energy Americas, LLC (DEA)	C	3/4-5/2008
LSP Energy Limited Partnership	C	3/6-7/2008
Ameren Services Company ²	C	4/8-11/2008
Ameren - Illinois (AMIL) ²	C	4/8-11/2008
Ameren - Missouri (AMMO) ²	C	4/8-11/2008
Hopewell Cogeneration, L.P.	C	4/15-16/2008
Hot Spring Power CO., LP	C	4/15-16/2008
SUEZ Energy Marketing NA, Inc.	C	4/15-16/2008
Westmoreland Partners	C	4/15-16/2008
Duke Energy Carolinas ¹	C	4/22-25/2008
VACAR South RC ¹	RC	4/22-25/2008
Progress Energy Carolinas	C	4/29-5/2/2008
CAMS - Mackinaw Power	C	5/13-14/2008
Mackinaw Power, LLC	C	5/13-14/2008
City of Dalton d/b/a Dalton Utilities	C	5/15-16/2008
N.C. Electric Membership Corp.	C	5/20-21/2008
ArcLight Energy Marketing, LLC	C	5/22/23/2008
Calpine Corporation	C	6/10-11/2008
Calpine Energy Services	C	6/10-11/2009
Georgia System Operations	C	6/17-18/2008
Georgia Transmission Corporation	C	6/19-20/2008
Alabama Electric Cooperative, Inc.	P	7/15-17/2008
Hartwell Energy Limited Partnership	C	8/12-13/2008
AmerGen Energy Company LLC	C	8/19-20/2008
Occidental Chemical Corporation	C	8/19-20/2008
Occidental Power Services, Inc.	C	8/19-20/2008
The Dow Chemical Company	C	8/21-22/2008
Tenaska Alabama II Partners, L.P.	C	9/9-10/2008
Tenaska Alabama Partners, L.P.	C	9/9-10/2008
Alcoa Power Generating, Inc. - Tapoco Division ³	P	9/9-11/2008
Alcoa Power Generating, Inc. - Yadkin Division ³	P	9/9-11/2008
City of Columbia, MO	O	9/16-18/2008
South Eastern Electric Development Corporation	C	9/16-18/2008
South Eastern Generating Corporation	C	9/16-18/2008
Midwest Contingency Reserve Sharing Group ⁴	C	9/17-18/2008
Southwestern Electric Cooperative, Inc.	C	9/18-19/2008
Associated Electric Cooperative, Inc.	O	9/23-25/2008
Primary Energy of North Carolina (Southport) LLC	C	10/7-8/2008
Primary Energy of North Carolina(Roxboro) LLC	C	10/8-9/2008
Electric Energy, Inc.	C	10/21-24/2008
South Carolina Electric & Gas Company	C	10/28-31/2008
Western Kentucky Energy Corp.	C	11/4-5/2008
Southwest Power Pool, Inc. - ICTE RC	RC	11/4-6/2008
Owensboro, KY Municipal Utilities	C	11/6-7/2008
Big Rivers Electric Corporation	O	11/11-13/2008
Henderson Municipal Power & Light	C	11/13-14/2008
Southwest Power Pool, Inc. – SWPP RC ⁵	RC	TBD

O - Applicable Operating Standards Only
P - Applicable Planning Standards Only
C - All Applicable Standards
RC - Reliability Coordinator

Footnotes:
1. Audited at the same time - Combined
2. Audited at the same time - Operating
3. Audited at the same time - Planning
4. Joint RFC, MRO & SERC Audit
5. SPP audit with SERC participation