



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

June 5, 2008

Ms. Kimberly Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: NERC Notice of Penalty regarding North Carolina Power Holdings, Inc. - Elizabethtown Power, LLC, FERC Docket No. NP08--000

Dear Ms. Bose:

The North American Electric Reliability Corporation (NERC) hereby provides this Notice of Penalty regarding North Carolina Power Holdings, Inc. - Elizabethtown Power, LLC (Elizabethtown Power, LLC),¹ in accordance with the Federal Energy Regulatory Commission's (Commission or FERC) rules, regulations and orders, as well as NERC Rules of Procedure including Appendix 4C NERC Compliance Monitoring and Enforcement Program (CMEP).²

This Notice of Penalty is being filed with the Commission because, based on information from SERC Reliability Corporation (SERC), Elizabethtown Power, LLC does not dispute the violations of IRO-004-1 Requirements (R.) 4, CIP-001-1 R.1-4, PRC-005-1 R.1, FAC-008-1 R.1, and FAC-009-1 R.1³ and the proposed penalty of \$0 to be assessed to Elizabethtown Power, LLC at issue in this Notice of Penalty. Accordingly, the violations identified as NERC Violation Tracking Identification Numbers SERC200700067, SERC200700074, SERC200700075, SERC200700076, SERC200700077, SERC200700078, SERC200700084 and SERC200700085 are Confirmed Violations, as that term is defined in the NERC Rules of Procedure and the CMEP.

¹ *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards* (Order No. 672), III FERC Stats. & Regs. ¶ 31,204 (2006); *Notice of New Docket Prefix "NP" for Notices of Penalty Filed by the North American Electric Reliability Corporation*, Docket No. RM05-30-000 (February 7, 2008). *See also* 18 C.F.R. Part 39 (2008). *Mandatory Reliability Standards for the Bulk-Power System*, FERC Stats. & Regs. ¶ 31,242 (2007) (Order No. 693), *reh'g denied*, 120 FERC ¶ 61,053 (2007) (Order No. 693-A).

² *See* 18 C.F.R § 39.7(c)(2).

³ FAC-009-1 R. 1 requires an entity to have the methodology and R. 2 requires the entity to provide it upon request. In reviewing the violation, while the entity could be charged with violating both, in this circumstance, SERC Reliability Corporation determined to charge only a violation of R. 1.

Statement of Findings Underlying the Violations

This Notice of Penalty incorporates by reference the findings and justifications set forth in the Notice of Confirmed Violation and Proposed Penalty or Sanction (NOC) issued on March 27, 2008, by SERC Reliability Corporation. The details of the findings and basis for the penalty are set forth in Table 1 of the NOC, as well as the determinations of the NERC Board of Trustees Compliance Committee (NERC BOTCC) in its decision. In accordance with Section 39.7 of the Commission's regulations, 18 C.F.R. § 39.7 (2007), NERC provides the following summary table identifying each Reliability Standard violated by Elizabethtown Power, LLC.

NOP ID	Region	Registered Entity	NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Total Penalty (\$)
NOP-34	SERC	Elizabethtown Power, LLC	NOC-48	SERC200700067	IRO-004-1	4	High	0
NOP-34	SERC	Elizabethtown Power, LLC	NOC-48	SERC200700074	CIP-001-1	1	Medium	0
NOP-34	SERC	Elizabethtown Power, LLC	NOC-48	SERC200700075	CIP-001-1	2	Medium	0
NOP-34	SERC	Elizabethtown Power, LLC	NOC-48	SERC200700076	CIP-001-1	3	Medium	0
NOP-34	SERC	Elizabethtown Power, LLC	NOC-48	SERC200700077	CIP-001-1	4	Medium	0
NOP-34	SERC	Elizabethtown Power, LLC	NOC-48	SERC200700078	PRC-005-1	1	High	0
NOP-34	SERC	Elizabethtown Power, LLC	NOC-48	SERC200700084	FAC-008-1	1	Lower/ Medium	0
NOP-34	SERC	Elizabethtown Power, LLC	NOC-48	SERC200700085	FAC-009-1	1	Medium	0

In summary, IRO-004-1 R.4 requires Elizabethtown Power, LLC to provide information required for system studies, such as critical facility status, Load, generation, operating reserve projections, and known Interchange Transactions. This information shall be available by 1200 Central Standard Time for the Eastern Interconnection and 1200 Pacific Standard Time for the Western Interconnection.

CIP-001-1 R.1 requires Elizabethtown Power, LLC to have procedures for the recognition of and for making their operating personnel aware of sabotage events on its facilities and multi-site sabotage affecting larger portions of the Interconnection.

CIP-001-1 R.2 requires Elizabethtown Power, LLC to have procedures for the communication of information concerning sabotage events to appropriate parties in the Interconnection.

CIP-001-1 R.3 requires Elizabethtown Power, LLC to provide its operating personnel with sabotage response guidelines, including personnel to contact, for reporting disturbances due to sabotage events.

CIP-001-1 R.4 requires Elizabethtown Power, LLC to establish communication contacts, as applicable, with local Federal Bureau of Investigation (FBI) or Royal Canadian Mounted Police (RCMP) officials and develop reporting procedures as appropriate to their circumstances.

PRC-005-1 R.1 requires Elizabethtown Power, LLC, which owns a Protection System, to have a Protection System maintenance and testing program for Protection Systems that affect the reliability of the BPS.

FAC-008-1 R.1 requires an entity, such as Elizabethtown Power, LLC, to document its current methodology used for developing Facility Ratings (Facility Ratings Methodology) of its solely and jointly-owned Facilities.

FAC-009-1 R.1 requires Elizabethtown Power, LLC to establish Facility Ratings for its solely and jointly-owned Facilities that are consistent with the associated Facility Ratings Methodology.

SERC Reliability Corporation performed a compliance audit of Elizabethtown Power, LLC on November 8, 2007. As a result, SERC Reliability Corporation found the violations at issue in this Notice of Penalty. First, SERC Reliability Corporation found that Elizabethtown Power, LLC was providing its unit status and dispatch schedule information at 1600 hours, rather than 1200 hours, in violation of IRO-004-1 R.4.

With respect to CIP-001-1 R.1-4, SERC Reliability Corporation found that Elizabethtown Power, LLC did not have, because Elizabethtown Power, LLC could not produce to the audit team, evidence of a sabotage reporting procedure in violation of the referenced Reliability Standard. SERC Reliability Corporation deemed this to be a documentation issue.

With respect to PRC-005-1 R.1, SERC Reliability Corporation found that Elizabethtown Power, LLC did not have, because Elizabethtown Power, LLC could not produce to the audit team, evidence of a protection system maintenance plan and schedule for the relays and batteries as required by the referenced Reliability Standard. SERC Reliability Corporation deemed this to be a documentation issue.

With respect to FAC-008-1 R.1 and FAC-009-1 R.1, SERC Reliability Corporation found that because Elizabethtown Power, LLC could not provide the required facility ratings methodologies to the audit team, Elizabethtown Power, LLC was therefore unable to demonstrate that the facility ratings were consistent with the facility ratings methodologies. SERC Reliability Corporation deemed this to be a documentation issue.

IRO-004-1 R.4 has a "High" Violation Risk Factor (VRF); CIP-001-1 R.1-4 have a "Medium" VRF; PRC-005-1 R.1 has a "High" VRF; FAC-008-1 R.1 has a "Lower" VRF, although the sub-requirements have a "Medium" VRF; FAC-009-1 R.1 has a "Medium" VRF. While the standards as approved utilize Levels of Non-Compliance, SERC Reliability Corporation assessed a Violation Severity Level (VSL) for each as follows, except IRO-004-1 R.4 which was not assigned a VSL because the case is not contemplated in the Levels of Non-compliance: CIP-001-

1 R.1-4 were assigned a “High” VSL; PRC-005-1 R.1 was assigned a “Severe” VSL; FAC-008-1 R.1 was assigned a “Severe” VSL; and FAC-009-1 R.1 was assigned a “Severe” VSL.

According to the Base Penalty Table of the NERC Sanctions Guidelines, the ERO base penalty range for a “High” VRF violation and a “Severe” VSL is \$20,000 to \$1,000,000; a “Medium” VRF with a “High” VSL is \$6,000 to \$200,000; a “Medium” VRF with a “Severe” VSL is \$10,000 to \$335,000; and \$5,000 to \$25,000.

However, Section 4.4.2 of the NERC Sanction Guidelines states that:

If the actual or foreseen impact of the violation is judged to be inconsequential by NERC or the regional entity and the violation is the first incidence of violation of the requirement in question by the violator, NERC or the regional entity may at its discretion: (i) set the Base Penalty Amount to a value it deems appropriate within the initial value range set above pursuant to Section 4.1, *or (ii) excuse the penalty for the violation (i.e. set the Base Penalty Amount to 0\$).*⁴

SERC Reliability Corporation exercised its discretion to assess no penalty for these violations because (1) they occurred during the period of transition to mandatory standards during which the Commission authorized such discretion (*see* Order Nos. 693 and 693-A⁵); and (2) the violations were deemed by SERC Reliability Corporation not to be violations that put bulk power system reliability at serious or substantial risk.

Status of Mitigation Plan⁶

Elizabethtown Power, LLC’s Mitigation Plans were accepted by SERC Reliability Corporation on December 20, 2007 and were approved by NERC on February 5, 2008. The Mitigation Plans for the violations listed in Table 1 are designated as MIT-07-0260, MIT-07-0263, MIT-07-0264, MIT-07-0267, and MIT-07-0268 and were submitted as non-public information to FERC on February 5, 2008 in accordance with FERC orders. Elizabethtown Power, LLC certified to SERC Reliability Corporation that its Mitigation Plans were completed on January 23, 2008. SERC Reliability Corporation reviewed the evidence Elizabethtown Power, LLC submitted in support of its Certifications of Completion and on January 25, 2008 SERC Reliability Corporation verified that the Mitigation Plans were completed in accordance with their terms

⁴ *Id.* (emphasis added).

⁵ *See* n.1 *supra*.

⁶ *See* 18 C.F.R § 39.7(d)(7).

Statement Describing the Proposed Penalty, Sanction or Enforcement Action Imposed⁷

FERC Order Excerpts

In Order No. 693, the Commission provided guidance to NERC and the industry on the determination of penalties during the first six month period of mandatory and enforceable Reliability Standards:

222. . . . In light of commenters' concerns, including the fact that there are new aspects to the Reliability Standards and the proposed compliance program that will apply to all users, owners and operators of the Bulk-Power System, *the Commission directs the ERO and Regional Entities to focus their resources on the most serious violations during an initial period through December 31, 2007.* This thoughtful use of enforcement discretion should apply to all users, owners and operators of the Bulk-Power System, and not just those new to the program as originally proposed in the NOPR. This approach will allow the ERO, Regional Entities and other entities time to ensure that the compliance monitoring and enforcement processes work as intended and that all entities have time to implement new processes.

223. *By directing the ERO and Regional Entities to focus their resources on the most serious violations through the end of 2007, the ERO and Regional Entities will have the discretion necessary to assess penalties for such violations, while also having discretion to calculate a penalty without collecting the penalty if circumstances warrant.* Further, even if the ERO or a Regional Entity declines to assess a monetary penalty during the initial period, they are authorized to require remedial actions where a Reliability Standard has been violated. Furthermore, where the ERO uses its discretion and does not assess a penalty for a Reliability Standard violation, we encourage the ERO to establish a process to inform the user, owner or operator of the Bulk-Power System of the violation and the potential penalty that could have been assessed to such entity and how that penalty was calculated. We leave to the ERO's discretion the parameters of the notification process and the amount of resources to dedicate to this effort. Moreover, the Commission retains its power under section 215(e)(3) of the FPA to bring an enforcement action against a user, owner or operator of the Bulk-Power System.

224. *The Commission believes that the goal should be to ensure that, at the outset, the ERO and Regional Entities can assess a monetary penalty in a situation where, for example, an entity's non-compliance puts Bulk-Power System reliability at risk.* Requiring the ERO and Regional Entities to focus on the most serious violations will allow the industry time to adapt to the new regime while also protecting Bulk-Power System reliability by allowing the ERO or a Regional Entity to take an enforcement action against an entity whose violation causes a

⁷ See 18 C.F.R § 39.7(d)(4).

significant disturbance. Our approach strikes a reasonable balance in ensuring that the ERO and Regional Entities will be able to enforce mandatory Reliability Standards in a timely manner, while still allowing users, owners and operators of the Bulk-Power System time to acquaint themselves with the new requirements and enforcement program. In addition, our approach ensures that all users, owners and operators of the Bulk-Power System take seriously mandatory, enforceable reliability standards at the earliest opportunity and before the 2007 summer peak season.⁸

Basis for Determination

Taking into consideration the Commission's direction in Order No. 693 and the NERC Sanction Guidelines, the NERC BOTCC reviewed the NOC and supporting documentation on April 24, 2008 and May 5, 2008.

The NERC BOTCC affirmed SERC Reliability Corporation's determination to exercise enforcement discretion to impose a zero dollar (\$) penalty against Elizabethtown Power, LLC, based upon the NERC BOTCC's review of the applicable requirements of the Commission-approved Reliability Standards and the underlying facts and circumstances of the violations at issue.

In reaching this determination, NERC BOTCC considered the following: (1) As to the instant violations of CIP-001-1 R.1-4, PRC-005-1 R.1, FAC-008-1 R.1 and FAC-009-1 R.1, Elizabethtown Power, LLC's failure to produce the sabotage reporting procedure, the maintenance plan and schedule, the facility ratings methodologies and facility ratings was deemed to be a documentation issue. SERC Reliability Corporation made no findings that Elizabethtown Power, LLC did not have a sabotage reporting procedure, a maintenance plan and schedule, or facility ratings. With respect to the violation of IRO-004-1 R.4, SERC Reliability Corporation found that Elizabethtown Power, LLC was providing the required information; however, such information was provided four hours after the deadline set forth in the Reliability Standard; (2) No system disturbance occurred as a result of the violations, and the violations were deemed not to be violations that put bulk power system reliability at serious or substantial risk; (3) The violations occurred prior to January 2008 (during the period the Commission stated NERC and the Regional Entities should focus their enforcement resources on the most serious violations and those that involved a significant disturbance); (4) The violations are the first incidence of violations of the Requirement at issue by Elizabethtown Power, LLC; (5) Elizabethtown Power, LLC worked cooperatively with SERC Reliability Corporation; (6) Elizabethtown Power, LLC acted immediately to mitigate and/or correct the violations; (7) The violation was mitigated in accordance with the approved Mitigation Plan and SERC Reliability Corporation has verified Elizabethtown Power, LLC's Certification of Completion; and (8) The actions taken by Elizabethtown Power, LLC ensure that reliability is maintained.

Therefore, NERC believes that the proposed zero dollar penalty is appropriate and consistent with NERC's goal to ensure reliability of the bulk power system.

⁸ Order No. 693 at PP 222-224 (emphasis added).

Pursuant to Order No. 693, the penalty will be effective upon expiration of the thirty (30) day period following the filing of this Notice of Penalty with FERC, or, if FERC decides to review the penalty, upon final determination by FERC.

The Record of the Proceeding⁹

The record of the proceeding includes the following documents and material, which are set forth in the Attachments below:

- a) SERC Reliability Corporation Source Document;
- b) SERC Reliability Corporation Determination Summary;
- c) Notice of Alleged Violation and Proposed Penalty or Sanction. Elizabethtown Power, LLC's response thereto;
- d) Notice of Confirmed Violation and Penalty or Sanction. Elizabethtown Power, LLC did not submit a response thereto;
- e) Mitigation Plans designated as MIT-07-0260, MIT-07-0263, MIT-07-0264, MIT-07-0267, and MIT-07-0268;
- f) Elizabethtown Power, LLC's Certification of Completion of the Mitigation Plans;
- g) SERC Reliability Corporation's statement of verification that the Mitigation Plans have been completed; and
- h) NERC BOTCC Decision.

A Form of Notice Suitable for Publication¹⁰

A copy of a notice suitable for publication is included in Attachment i.

⁹ See 18 C.F.R § 39.7(d)(5).

¹⁰ See 18 C.F.R § 39.7(d)(6).

Notices and Communications

Notices and communications with respect to this filing may be addressed to the following:

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rebecca.michael@nerc.net

*Persons to be included on the
Commission's service list are indicated with
an asterisk.

Conclusion

NERC respectfully requests that the Commission accept this Notice of Penalty as compliant with its rules, regulations and orders.

Respectfully submitted,

Rick Sergel
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David N. Cook
Vice President and General Counsel
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cc: Elizabethtown Power, LLC
SERC Reliability Corporation

Attachment(s)

Attachment a

SERC Reliability Corporation Source Document

Screening Worksheet

Tracking Number

Entity Name
Elizabethtown Power, LLC

Is Entity Registered?
Yes

Entity Contact
Bill Oglesby

Entity Telephone Number

Standard	Requirement
CIP-001-1	Multiple

Is Issue Still Occurring?
Yes

Remedial Action Directive?

Date Issue Occurred
11/8/07

Date Issue/Event Reported
11/8/07

Method of Discovery
Audit

NERC 48-Hour Reportable?

Threat to BES?
No

Alleged Violation Applies to:													
BA	DP	GO	GOP	LSE	PA	PSE	RC	RP	RSG	TO	TOP	TP	TSP
		X	X										

Brief Description
A possible violation of CIP-001-1 is assessed due to the incomplete satisfaction of all requirements concerning Sabotage Notification and Response Procedures. This is a documentation issue.

Detailed Description

Prepared By	Date
Sam Stryker	11/8/07

Screening Worksheet

Tracking Number

Entity Name
Elizabethtown Power, LLC

Is Entity Registered?
Yes

Entity Contact
Bill Oglesby

Entity Telephone Number

Standard	Requirement
IRO-004-1	R4

Is Issue Still Occurring?
Yes

Remedial Action Directive?

Date Issue Occurred
11/8/07

Date Issue/Event Reported
11/8/07

Method of Discovery
Audit

NERC 48-Hour Reportable?

Threat to BES?
No

Alleged Violation Applies to:													
BA	DP	GO	GOP	LSE	PA	PSE	RC	RP	RSG	TO	TOP	TP	TSP
		X	X										

Brief Description
<p>A possible violation of IRO-004-1 is assessed due to the lack of a specific time period for the daily reporting of plant availability and status as required by the standard. This is a documentation issue.</p>

Detailed Description

Prepared By	Date
Sam Stryker	11/8/07

Screening Worksheet

Tracking Number

Entity Name
Elizabethtown Power, LLC

Is Entity Registered?
Yes

Entity Contact
Bill Oglesby

Entity Telephone Number

Standard	Requirement
PRC-005-1	R1

Is Issue Still Occurring?
Yes

Remedial Action Directive?

Date Issue Occurred
11/8/07

Date Issue/Event Reported
11/8/07

Method of Discovery
Audit

NERC 48-Hour Reportable?

Threat to BES?
No

Alleged Violation Applies to:													
BA	DP	GO	GOP	LSE	PA	PSE	RC	RP	RSG	TO	TOP	TP	TSP
		X	X										

Brief Description
<p>A possible violation of PRC-005-1 is assessed due to the lack of documentation showing a specified maintenance schedule for relays and batteries, or the basis for the schedule interval as required in the standard. This is a documentation issue.</p>

Detailed Description

Prepared By	Date
Sam Stryker	11/8/07

Screening Worksheet

Tracking Number

Entity Name
Elizabethtown Power, LLC

Is Entity Registered?
Yes

Entity Contact
Bill Oglesby

Entity Telephone Number
731-616-2200

Standard	Requirement
FAC-008-1	R1

Is Issue Still Occurring?
Yes

Remedial Action Directive?

Date Issue Occurred
11/9/07

Date Issue/Event Reported
11/9/07

Method of Discovery
Audit

NERC 48-Hour Reportable?

Threat to BES?
No

Alleged Violation Applies to:													
BA	DP	GO	GOP	LSE	PA	PSE	RC	RP	RSG	TO	TOP	TP	TSP
		X	X										

Brief Description
<p>A possible violation of FAC-008-1 is assessed due to the inability to locate documentation of the methodology used to determine the ratings of equipment at Lumberton Power and Elizabethtown Power that connect to the Bulk Electric System as required by the standard.</p>

Detailed Description

Prepared By	Date
Sam Stryker	11/9/07

Screening Worksheet

Tracking Number

Entity Name
Elizabethtown Power, LLC

Is Entity Registered?
Yes

Entity Contact
Bill Oglesby

Entity Telephone Number
731-616-2200

Standard	Requirement
FAC-009-1	R1

Is Issue Still Occurring?
Yes

Remedial Action Directive?

Date Issue Occurred
11/9/07

Date Issue/Event Reported
11/9/07

Method of Discovery
Audit

NERC 48-Hour Reportable?

Threat to BES?
No

Alleged Violation Applies to:													
BA	DP	GO	GOP	LSE	PA	PSE	RC	RP	RSG	TO	TOP	TP	TSP
		X	X										

Brief Description
A possible violation of FAC-009-1 is assessed due to the lack of ability of Lumberton Power and Elizabethtown Power to provide facility ratings based on an appropriate rating methodology.

Detailed Description

Prepared By	Date
Sam Stryker	11/9/07

Attachment b

SERC Reliability Corporation Determination Summary



Determination Summary

SERC Tracking Num	07-224		
Standard	CIP-001-1		
Requirement	R1, R2, R3, R4		
Method of Discovery	Audit		
Date Issue Occured	6/18/2007	Issue Reported to SERC	11/8/2007
SPOC	Eddy Lim		
Registered Entity	Elizabethtown Power		
NERC Registry ID	NCR08084	NERC Violation #	SERC200700074,75,76,77
Sufficient Basis?	<input checked="" type="checkbox"/>	NAVAPS Date	12/17/2007
VERF	Medium		
VSL	High		
Reliability Impact	*DIMI Documentaion Issue Only Minimal impact due to the relatively small size of the unit of 35 MW. Failure to report a sabotage event would have minimal impact on system reliability.		
Text of Requirement	R1. Each Reliability Coordinator, Balancing Authority, Transmission Operator, Generator Operator, and Load Serving Entity shall have procedures for the recognition of and for making their operating personnel aware of sabotage events on its facilities and multi-site sabotage affecting larger portions of the Interconnection. R2. Each Reliability Coordinator, Balancing Authority, Transmission Operator, Generator Operator, and Load Serving Entity shall have procedures for the communication of information concerning sabotage events to appropriate parties in the Interconnection. R3. Each Reliability Coordinator, Balancing Authority, Transmission Operator, Generator Operator, and Load Serving Entity shall provide its operating personnel with sabotage response guidelines, including personnel to contact, for reporting disturbances due to sabotage events. R4. Each Reliability Coordinator, Balancing Authority, Transmission Operator, Generator Operator, and Load Serving Entity shall establish communications contacts, as applicable, with local Federal Bureau of Investigation (FBI) or Royal Canadian Mounted Police (RCMP) officials and develop reporting procedures as appropriate to their circumstances.		
Factual Basis	The entity was not able to provide the audit team with evidence of a procedure that addresses the entity's sabotage events		
Violation Summary	Due to the fact that the entity was not able to provide the audit team with evidence of a sabotage reporting procedure, the entity is found in violation of R1, R2, R3 and R4.		
Peer Reviewer	Mark Ladrow		
Peer Review Date	11/19/2007		
CEM	Ken Keels		
CEM Approval Date	11/20/2007		
CD	Tom Galloway		
CD Concur Date	11/23/2007		



Determination Summary

SERC Tracking Num	<input type="text" value="07-225"/>		
Standard	<input type="text" value="IRO-004-1"/>		
Requirement	<input type="text" value="R4"/>		
Method of Discovery	<input type="text" value="Audit"/>		
Date Issue Occured	<input type="text" value="6/18/2007"/>	Issue Reported to SERC	<input type="text" value="11/8/2007"/>
SPOC	<input type="text" value="Eddy Lim"/>		
Registered Entity	<input type="text" value="Elizabethtown Power"/>		
NERC Registry ID	<input type="text" value="NCR08084"/>	NERC Violation #	<input type="text" value="SERC200700067"/>
Sufficient Basis?	<input checked="" type="checkbox"/>	NAVAPS Date	<input type="text" value="12/17/2007"/>
VRF	<input type="text" value="High"/>		
VSL	<input type="text" value="N/A"/>		
Reliability Impact	<input type="text" value="Reliability impact is low due to the relatively small size of the unit of 35 MW. The information needed is being relayed to the RC but not on time as required by the standard. Presently there is not indication that this is causing a problem or concern."/>		
Text of Requirement	<input type="text" value="R4. Each Transmission Operator, Balancing Authority, Transmission Owner, Generator Owner, Generator Operator, and Load-Serving Entity in the Reliability Coordinator Area shall provide information required for system studies, such as critical facility status, Load, generation, operating reserve projections, and known Interchange Transactions. This information shall be available by 1200 Central Standard Time for the Eastern Interconnection and 1200 Pacific Standard Time for the Western Interconnection."/>		
Factual Basis	<input type="text" value="Entity is notifying the TOP, approximately 1600 hours the day before, on the unit status and dispatch schedule."/>		
Violation Summary	<input type="text" value="The entity is notifying the TOP at 1600 hours the day prior which is after the 1200 hours deadline as required by the standard. Therefore the entity is found in violation of R4."/>		
Peer Reviewer	<input type="text" value="John Wolfmeyer"/>		
Peer Review Date	<input type="text" value="11/13/2007"/>		
CEM	<input type="text" value="Ken Keels"/>		
CEM Approval Date	<input type="text" value="11/20/2007"/>		
CD	<input type="text" value="Tom Galloway"/>		
CD Concur Date	<input type="text" value="11/23/2007"/>		



Determination Summary

SERC Tracking Num	07-226		
Standard	PRC-005-1		
Requirement	R1		
Method of Discovery	Audit		
Date Issue Occured	6/18/2007	Issue Reported to SERC	11/8/2007
SPOC	Eddy Lim		
Registered Entity	Elizabethtown Power		
NERC Registry ID	NCR08084	NERC Violation #	SERC200700078
Sufficient Basis?	<input checked="" type="checkbox"/>	NAVAPS Date	12/17/2007
VRF	High		
VSL	Severe		
Reliability Impact	Minimal impact due to the relatively small size of the unit of 35 MW.		
Text of Requirement	R1. Each Transmission Owner and any Distribution Provider that owns a transmission Protection System and each Generator Owner that owns a generation Protection System shall have a Protection System maintenance and testing program for Protection Systems that affect the reliability of the BES. The program shall include: R1.1. Maintenance and testing intervals and their basis. R1.2. Summary of maintenance and testing procedures.		
Factual Basis	The entity was not able to provide the audit team with a specific maintenance schedule for the relays and batteries.		
Violation Summary	Due to the fact that the entity was not able to provide the audit team with evidence of a maintenance plan and schedule, the entity is found in violation of R1.		
Peer Reviewer	John Wolfmeyer		
Peer Review Date	11/19/2007		
CEM	Ken Keels		
CEM Approval Date	11/20/2007		
CD	Tom Galloway		
CD Concur Date	11/23/2007		



Determination Summary

SERC Tracking Num	07-232		
Standard	FAC-008-1		
Requirement	R1		
Method of Discovery	Audit		
Date Issue Occured	6/18/2007	Issue Reported to SERC	11/8/2007
SPOC	Eddy Lim		
Registered Entity	Elizabethtown Power		
NERC Registry ID	NCR08084	NERC Violation #	SERC200700084
Sufficient Basis?	<input checked="" type="checkbox"/>	NAVAPS Date	12/17/2007
VRF	Lower		
VSL	Severe		
Reliability Impact	*DIMI Documentation Issue Only Minimal impact due to the relatively small size of the unit of 35 MW.		
Text of Requirement	R1. The Transmission Owner and Generator Owner shall each document its current methodology used for developing Facility Ratings (Facility Ratings Methodology) of its solely and jointly owned Facilities. The methodology shall include all of the following: R1.1. A statement that a Facility Rating shall equal the most limiting applicable Equipment Rating of the individual equipment that comprises that Facility. R1.2. The method by which the Rating (of major BES equipment that comprises a Facility) is determined. R1.2.1. The scope of equipment addressed shall include, but not be limited to, generators, transmission conductors, transformers, relay protective devices, terminal equipment, and series and shunt compensation devices. R1.2.2. The scope of Ratings addressed shall include, as a minimum, both Normal and Emergency Ratings.		
Factual Basis	The entity was not able to provide the audit team, the required entities nor the Compliance Enforcement staff its facility rating methodology.		
Violation Summary	Due to the fact that the entity was not able to provide the audit team, the required entities nor the Compliance Enforcement staff its facility ratings methodology, the entity if found in violation of R1.		
Peer Reviewer	John Wolfmeyer		
Peer Review Date	11/19/2007		
CEM	Ken Keels		
CEM Approval Date	11/20/2007		
CD	Tom Galloway		
CD Concur Date	11/23/2007		



Determination Summary

SERC Tracking Num	<input type="text" value="07-233"/>		
Standard	<input type="text" value="FAC-009-1"/>		
Requirement	<input type="text" value="R1"/>		
Method of Discovery	<input type="text" value="Audit"/>		
Date Issue Occured	<input type="text" value="6/18/2007"/>	Issue Reported to SERC	<input type="text" value="11/8/2007"/>
SPOC	<input type="text" value="Eddy Lim"/>		
Registered Entity	<input type="text" value="Elizabethtown Power"/>		
NERC Registry ID	<input type="text" value="NCR08084"/>	NERC Violation #	<input type="text" value="SERC200700085"/>
Sufficient Basis?	<input checked="" type="checkbox"/>	NAVAPS Date	<input type="text" value="12/17/2007"/>
VRF	<input type="text" value="Medium"/>		
VSL	<input type="text" value="Severe"/>		
Reliability Impact	<input type="text" value="*DIMI Documentation Issue Only.
Minimal impact as this is a Documentation Issue only and the unit size is only 35 MW."/>		
Text of Requirement	<input type="text" value="R1. The Transmission Owner and Generator Owner shall each establish Facility Ratings for its
solely and jointly owned Facilities that are consistent with the associated Facility Ratings
Methodology."/>		
Factual Basis	<input type="text" value="The entity was not able to provide the audit team, the required entities nor the Compliance
Enforcement staff its facility ratings that were consistent with the entity's facility rating
methodology.
The entity was not able to provide the audit team, the required entities nor the Compliance
Enforcement staff its facility rating methodology."/>		
Violation Summary	<input type="text" value="Due to the fact that the entity was not able to provide the audit team, the required entities
nor the Compliance Enforcement staff its facility ratings that were consistent with the
entities facility rating methodology, the entity is found in violation of R1."/>		
Peer Reviewer	<input type="text" value="Mark Ladrow"/>		
Peer Review Date	<input type="text" value="11/19/2007"/>		
CEM	<input type="text" value="Ken Keels"/>		
CEM Approval Date	<input type="text" value="11/20/2007"/>		
CD	<input type="text" value="Tom Galloway"/>		
CD Concur Date	<input type="text" value="11/23/2007"/>		

Attachment c

Notice of Alleged Violation and Proposed Penalty or Sanction and Elizabethtown Power, LLC's response



Thomas J. Galloway, Compliance Director
SERC Reliability Corporation
2815 Coliseum Centre Drive, Suite 500 | Charlotte, NC 28217
704.357.7372 | Fax 704.357.7914 | www.serc1.org

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Notice of Alleged Violation and Proposed Penalty or Sanction

VIA EMAIL AND CERTIFIED MAIL

December 17, 2007

North Carolina Power Holdings, Inc.-Elizabethtown Power
Rick Houser
P. O. Box 1063
Lumberton, NC 28358
rick.houser@woodgroup.com

Re: Notice of Alleged Violation and Proposed Penalty or Sanction

**NERC Violation Tracking Identification Number(s):
SERC200700067, SERC200700074, SERC200700075, SERC200700076,
SERC200700077, SERC200700078, SERC200700084, and SERC200700085**

In accordance with the NERC Rules of Procedure including Appendix 4C thereto, which contains the NERC Compliance Monitoring and Enforcement Program (CMEP), SERC Reliability Corporation (SERC) hereby notifies North Carolina Power Holdings, Inc.-Elizabethtown Power (Elizabethtown Power) of an Alleged Violation of the NERC Reliability Standards and the Proposed Penalty or Sanction. In support hereof, SERC states as follows:

On June 18, 2007, Elizabethtown Power was registered on the NERC Compliance Registry for the function(s) listed in Table A. As discussed herein, SERC has determined to charge Elizabethtown Power with a violation based upon information available to it that Elizabethtown Power did not comply or was not in compliance with the NERC Reliability Standards listed in Table A. However, as discussed further below, SERC has determined to exercise its discretion to assess no penalty against Elizabethtown Power for these violations at this time, unless Elizabethtown Power fails to complete and implement its Mitigation Plan as discussed in greater detail below.

Reliability Standard(s) and Requirement(s) Allegedly Violated and Discovery Details

The facts and evidence of each Alleged Violation, the date(s) when each Alleged Violation occurred, the date(s) each Alleged Violation was discovered and the discovery method are also listed in Table A.

Charles White
SERC Chairman
South Carolina Electric & Gas

William Ball
SERC Vice-Chairman
Southern Company Services, Inc.

Terry Blackwell
SERC Secretary-Treasurer
South Carolina Public Service Authority

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Proposed Penalty or Sanction

As authorized and in accordance with the orders of the Federal Energy Regulatory Commission (FERC), SERC has elected to exercise its discretion and will not assess a penalty on Elizabethtown Power at this time for these Alleged Violations. If, however, Elizabethtown Power fails to complete all or part of the approved mitigation plan for any of the Alleged Violations in accordance with the terms and time established by the mitigation plan, SERC may take action to assess and collect a penalty from Elizabethtown Power, which penalty will be determined pursuant to the NERC Rules of Procedure and the NERC Sanction Guidelines considering the period beginning on June 18, 2007 until the violation is fully mitigated. The terms of the mitigation plan and time line for completion may be modified only upon express written approval by SERC and NERC.

Procedures for Response by Registered Entity to this Notice

As required by Section 5.1 of the NERC CMEP, within thirty (30) days of the date of this notification, Elizabethtown Power must notify SERC in writing of its decision to elect one of the following options:

1. Elizabethtown Power agrees with or does not contest the Alleged Violation(s) and proposed penalty or sanction, and agrees to submit and implement a mitigation plan to correct the violation and its underlying causes;
2. Elizabethtown Power agrees to or does not contest the Alleged Violation(s) and agrees to submit and implement a mitigation plan to eliminate the violation and its underlying causes, but contests the proposed penalty or sanction; or
3. Elizabethtown Power contests both the Alleged Violation(s) and the proposed penalty or sanction for the Alleged Violation(s).

With respect to election options 1-3, Elizabethtown Power may submit a response in accordance with CMEP Section 5.2. Elizabethtown Power's statement must be on company letterhead and must include the name, title, and signature of an officer of Elizabethtown Power. The mitigation plan and time line for completion must be accepted by both the SERC and NERC.

Upon acceptance of the Alleged Violation and proposed penalty or sanction, the final notice of the violation, penalty and sanction will then be processed and issued to Elizabethtown Power.

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If Elizabethtown Power does not contest or does not respond to the notice of violation within thirty (30) days, it shall be deemed to have accepted SERC's preliminary determination of violation and proposed penalty or sanction (as applicable), in which case SERC shall issue to Elizabethtown Power and NERC a report of Confirmed Violation. After two (2) business days, NERC will provide a Notice of Penalty, Sanction, or Other Enforcement Action to FERC.

If Elizabethtown Power contests the Alleged Violation or the proposed sanction, Elizabethtown Power shall submit to SERC a response explaining its position, signed by an officer or equivalent, together with any supporting information and documents within thirty (30) days. Elizabethtown Power shall provide a primary contact name who will be the responsible party to respond to questions regarding the above Alleged Violation(s). SERC shall schedule a conference with Elizabethtown Power within ten (10) business days after receipt of the response. If SERC and Elizabethtown Power are unable to resolve all issues within forty (40) days after Elizabethtown Power's response, Elizabethtown Power may request a hearing. If no hearing request is made, the violation will become a Confirmed Violation when filed by NERC with FERC.

Attachment 2 to the CMEP governs the hearing process. A Registered Entity may appeal the hearing body's decision in accordance with the CMEP and the NERC Rules of Procedure.

CMEP Section 5.4 governs the settlement process and provides that settlement negotiations may occur at any time including prior to the issuance of a notice of Alleged Violation and Penalty or Sanction until a Notice of Penalty, Sanction, or Other Enforcement Action is filed with FERC.

Mitigation Plan Procedures and Requirements

CMEP Section 6.0 sets forth the provisions regarding the submittal of a mitigation plan. A Registered Entity found to be in violation of a Reliability Standard shall file with the applicable Regional Entity (i) a proposed Mitigation Plan to correct the violation, or (ii) a description of how the violation has been mitigated, and any requests for extensions of Mitigation Plans or a report of completed mitigation. CMEP Section 6.2 requires that a Mitigation Plan include the following information:

- (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section 2.0.



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- (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
- (3) The cause of the Alleged or Confirmed Violation(s).
- (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
- (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed Violation(s).
- (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
- (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
- (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.
- (9) Any other information deemed necessary or appropriate.

The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self-Certification or Self Reporting submittals.

CMEP Section 6.4 provides that a Mitigation Plan may be submitted at any time but shall have been submitted by the Registered Entity within thirty (30) days after being served the notice of Alleged Violation and Penalty or Sanction, if the Registered Entity does not contest the violation and penalty or sanction. If the Registered Entity disputes the notice of Alleged Violation or penalty or sanction, the Registered Entity shall submit its Mitigation Plan within ten (10) business days following issuance of the written decision of the hearing body, unless the Registered Entity elects to appeal the hearing body's determination to NERC. The Registered Entity may choose to submit a Mitigation Plan while it contests an Alleged Violation or penalty or sanction; such submission shall not be deemed an admission of a violation or the appropriateness of a penalty or sanction. If the Registered Entity has not yet submitted a



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Mitigation Plan, or the Registered Entity submits a Mitigation Plan but it is rejected by the Compliance Enforcement Agency or the hearing body in accordance with section 6.5, any subsequent violations of the Reliability Standard identified by the Compliance Enforcement Authority before the hearing body renders its decision will not be held in abeyance and will be considered as repeat violations of the Reliability Standard.

Mitigation Plans must be submitted using the Mitigation Plan Submittal Form template located in the Compliance Area of the SERC web site.

Mitigation Plan and Implementation Status

Elizabethtown Power has not yet submitted to SERC Mitigation Plans to address the Alleged Violations set forth in this notice. Mitigation Plan content and submittal must follow the procedures and requirements from the CMEP as set forth in the preceding paragraph. Upon receipt of Elizabethtown Power's Mitigation Plans, SERC will process the Mitigation Plans in accordance with the CMEP and the SERC Compliance Implementing Procedures.

Conclusion

Please direct any questions in response to this Notice of Alleged Violation and Proposed Penalty or Sanction to the undersigned. In your reply correspondence to this notice, please provide the name and contact information of Elizabethtown Power's representative who is authorized to respond to questions regarding the above-listed Alleged Violation and who is responsible for providing the required Mitigation Plan. Please also provide the relevant NERC Violation Tracking Identification Number(s) in any correspondence.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'T. Galloway', is written over a white background.

Thomas J. Galloway
SERC Director of Compliance

cc: Rob Chmeil
Ford Graham
G. Cauley, SERC President and CEO
T. Kucey, NERC Manager of Enforcement and Mitigation
K. Keels, SERC Manager of Compliance Enforcement
A. Koch, SERC Associate Compliance Engineer
SERC Tracking File

Attachment(s): Table A



Table A
North Carolina Power Holdings, Inc.-Elizabethtown Power
December 17, 2007

Registered on the NERC Compliance Registry as:
Generator Owner, Generator Operator
 (NERC Compliance Registry ID # **NCR02501**)

Reliability Standard(s) Allegedly Violated and Reference #'s	Requirement(s) Allegedly Violated	Discovery Method of Alleged Violation	Date Alleged Violation Occurred/ Discovered	Facts and Evidence of Alleged Violation
CIP-001-1 NERC Violation #: SERC200700074 SERC200700075 SERC200700076 SERC200700077 SERC Tracking #: 2007-224	R1, R2, R3, & R4	Audit	Occurred: June 18, 2007 Discovered: November 18, 2007	Due to the fact that the entity was not able to provide the audit team with evidence of a sabotage reporting procedure, the entity is found in violation of R1, R2, R3 and R4.
IRO-004-1 NERC Violation #: SERC200700067 SERC Tracking #: 2007-225	R4	Audit	Occurred: June 18, 2007 Discovered: November 18, 2007	The entity is notifying the TOP at 1600 hours the day prior which is after the 1200 hours deadline as required by the standard. Therefore the entity is found in violation of R4.
PRC-005-1 NERC Violation #: SERC200700078 SERC Tracking #: 2007-226	R1	Audit	Occurred: June 18, 2007 Discovered: November 18, 2007	Due to the fact that the entity was not able to provide the audit team with evidence of a maintenance plan and schedule, the entity is found in violation of R1.
FAC-008-1 NERC Violation #: SERC200700084 SERC Tracking #: 2007-232	R1	Audit	Occurred: June 18, 2007 Discovered: November 18, 2007	Due to the fact that the entity was not able to provide the audit team, the required entities nor the Compliance Enforcement staff its facility ratings methodology, the entity is found in violation of R1.
FAC-009-1 NERC Violation #: SERC200700085 SERC Tracking #: 2007-233	R1	Audit	Occurred: June 18, 2007 Discovered: November 18, 2007	Due to the fact that the entity was not able to provide the audit team, the required entities nor the Compliance Enforcement staff its facility ratings that were consistent with the entity's facility rating methodology, the entity is found in violation of R1 and R2.

Elizabethtown/Lumberton Power, LLC

**P.O. Box 1899
3100 West Broad Street
Elizabethtown, N.C. 28337-1899
(910)-862-2698
Fax (910)-862-2919**

**P.O. Box 1063
1866 Hestertown Road
Lumberton, N.C. 28359
(910)-738-8742
Fax (910)-738-8854**

December 21, 2007

Via Email and Certified Mail

SERC Reliability Corporation
Thomas J. Galloway, Compliance Director
2815 Coliseum Centre Drive, Suite 500
Charlotte, NC 28217
tgalloway@serc1.org

Re: North Carolina Power Holdings, LLC - Elizabethtown Power
- Reference 1: Notice of Alleged Violation and Proposed Penalty or Sanction from SERC dated December 17, 2007
- Reference 2: NERC Violation Tracking Identification Number(s)
SERC200700067, SERC200700074, SERC200700075, SERC200700076,
SERC200700077, SERC200700078, SERC200700084, and SERC200700085

In response to the Notice of Alleged Violation and Proposed Penalty or Sanction from the SERC Reliability Corporation dated December 17, 2007 and as per Section 5.1 (Notification of Registered Entity of Alleged Violation), North Carolina Power Holdings, LLC - Elizabethtown Power (Entity) elects "Option 1". Accordingly, the Entity "Agree with the Alleged Violation and proposed penalty or sanction, and agree to submit and implement a Mitigation Plan to correct the violation and its underlying causes."

With respect to the above election of "Option 1" and in accordance with Section 6.0 (Mitigation of Violations of the Reliability Standards), Section 6.1 (Requirement for Submission of Mitigation Plans), and Section 6.2 (Contents of Mitigation Plans) of the NERC CMEP, the Entity has submitted mitigation plan with timeline to the SERC Reliability Corporation for each of the alleged violations listed in Table A of the SERC Notice of Alleged Violation and Proposed Penalty or Sanction letter.

Attached, please find the applicable mitigation plans submitted.

Please direct any questions in response to this matter to the undersigned.

Best Regards,

Rick Houser

Rick Houser
Facility Manager
Elizabethtown/Lumberton Power, LLC

cc: Ford Graham, Vulcan Capitol President
Rob Chmiel, Vulcan Services Corp. Chief Financial Officer
Elizabethtown Power Tracking File

Attachment(s):

1. MP Elizabethtown Power LLC FAC-009-1 12-13-07
2. MP Elizabethtown Power LLC IRO-004-1 12-13-07
3. MP Elizabethtown Power LLC PRC-005-1 12-13-07
4. MP Elizabethtown Power LLC CIP-001-1 12-07-07
5. MP Elizabethtown Power LLC FAC-008-1 12-10-07

Attachment d

Notice of Confirmed Violation and Penalty or Sanction



Thomas J. Galloway, Director of Compliance
SERC Reliability Corporation
2815 Coliseum Centre Drive | Suite 500
Charlotte, NC 28217
704.357.7372 | Fax 704.357.7914 | www.serc1.org

March 27, 2008

VIA EMAIL AND CERTIFIED MAIL

North Carolina Power Holdings, Inc. - Elizabethtown Power
Rob Chmiel
Chief Financial Officer
150 East 52nd Street, 11th Floor
New York, NY 10022
rchmiel@vulcanservicescorp.com

**Re: Regional Entity Notice of Confirmed Violation and Proposed Penalty or Sanction Regarding North Carolina Power Holdings, Inc. - Elizabethtown Power
NERC Violation Tracking Identification Numbers: SERC200700074, SERC200700075, SERC200700076, SERC200700077, SERC200700067, SERC200700078, SERC200700084 and SERC200700085**

Dear Mr. Chmiel:

SERC Reliability Corporation (SERC) hereby provides this Regional Entity Notice of Confirmed Violation and Proposed Penalty or Sanction regarding North Carolina Power Holdings, Inc. - Elizabethtown Power (Elizabethtown Power),¹ in accordance with the Federal Energy Regulatory Commission's (Commission or FERC) rules, regulations and orders, and the North American Electric Reliability Corporation (NERC) Rules of Procedure including Appendix 4C (NERC Compliance Monitoring and Enforcement Program (CMEP)).²

SERC is issuing this Regional Entity Notice of Confirmed Violation and Proposed Penalty or Sanction, because Elizabethtown Power does not dispute the Alleged Violations and the proposed penalty or sanction set forth in the previously issued Notice of Alleged Violation and Proposed Penalty or Sanction. Accordingly, the violations identified by the above NERC Violation Tracking Numbers and listed in Table 1 below are Confirmed Violations, as that term is defined in the NERC Rules of Procedure and the CMEP.

In accordance with Section 39.7 of the Commission's regulations, 18 C.F.R. § 39.7 (2007), SERC provides the following table identifying each Reliability Standard violated by Elizabethtown Power and including a statement by SERC setting forth the findings of fact with respect to the act or practice resulting in the violation of each Reliability Standard. (See Table 1.)

NERC Process

SERC is providing a copy of this Regional Entity Notice of Confirmed Violation and Proposed Penalty or Sanction to NERC for its review and consideration. Upon acceptance by the NERC Board of Trustees Compliance Committee, in its current form or as modified, NERC will provide the Notice of Proposed Penalty or Sanction to FERC, with a copy to Elizabethtown Power and SERC. Following NERC action, FERC may act to accept, reject or modify the findings and/or penalties or sanctions set forth herein.

¹ See 18 C.F.R § 39.7(d)(1).

² See 18 C.F.R § 39.7(c)(2).

Charles White
SERC Chairman
South Carolina Electric & Gas

William Ball
SERC Vice-Chairman
Southern Company Services, Inc.

Terry Blackwell
SERC Secretary-Treasurer
South Carolina Public Service Authority



Table 1
Description of Confirmed Violations

North Carolina Power Holdings, Inc. - Elizabethtown Power

Registered on the NERC Compliance Registry as: Generator Owner, Generator Operator

NERC Compliance Registry ID #: NCR08084

NERC Violation ID#: SERC200700074, SERC200700075, SERC200700076, SERC200700077

SERC Tracking #: 07-224

Reliability Standard Violated ³	CIP-001-1
Requirement Violated ⁴	R1, R2, R3, and R4
Date of Discovery	November 8, 2007
Discovery Method	Audit
Date or Period of Violation	June 18, 2007 through date returned to compliance

Facts and Evidence of the Act or Practice Resulting in the Violation ⁵

In a Compliance Audit on November 8, 2007, the entity did not have evidence of a sabotage reporting procedure.

Due to the fact that the entity was not able to provide the audit team with evidence of a sabotage reporting procedure, the entity was found in violation of R1, R2, R3 and R4.

Proposed Penalty or Sanction

Zero

³ See 18 C.F.R § 39.7(d)(2).

⁴ See 18 C.F.R § 39.7(d)(2).

⁵ See 18 C.F.R § 39.7(d)(3).



NERC Violation ID#: SERC200700067

SERC Tracking #: 07-225

Reliability Standard Violated	IRO-004-1
Requirement Violated	R4
Date of Discovery	November 8, 2007
Discovery Method	Audit
Date or Period of Violation	June 18, 2007 through date returned to compliance

Facts and Evidence of the Act or Practice Resulting in the Violation

In a Compliance Audit on November 8, 2007, evidence was provided that the Entity is notifying the TOP, approximately 1600 hours the day before, on the unit status and dispatch schedule.

The entity was notifying the TOP at 1600 hours the day prior which is after the 1200 hours deadline as required by the standard. Therefore the entity was found in violation of R4.

Proposed Penalty or Sanction

Zero

NERC Violation ID#: SERC200700078

SERC Tracking #: 07-226

Reliability Standard Violated	PRC-005-1
Requirement Violated	R1
Date of Discovery	November 8, 2007
Discovery Method	Audit
Date or Period of Violation	June 18, 2007 through date returned to compliance

Facts and Evidence of the Act or Practice Resulting in the Violation

In a Compliance Audit on November 8, 2007, the entity did not have evidence of a protection system maintenance plan and schedule.

Due to the fact that the entity was not able to provide the audit team with evidence of a maintenance plan and schedule, the entity was found in violation of R1.

Proposed Penalty or Sanction

Zero



NERC Violation ID#: SERC200700084

SERC Tracking #: 07-232

Reliability Standard Violated	FAC-008-1
Requirement Violated	R1
Date of Discovery	November 8, 2007
Discovery Method	Audit
Date or Period of Violation	June 18, 2007 through date returned to compliance

Facts and Evidence of the Act or Practice Resulting in the Violation

In a Compliance Audit on November 8, 2007, the entity did not have evidence of a facility rating methodology.

Due to the fact that the entity was not able to provide the audit team with the required facility ratings methodology, the entity was found in violation of R1.

Proposed Penalty or Sanction

Zero

NERC Violation ID#: SERC200700085

SERC Tracking #: 07-233

Reliability Standard Violated	FAC-009-1
Requirement Violated	R1
Date of Discovery	November 8, 2007
Discovery Method	Audit
Date or Period of Violation	June 18, 2007 through date returned to compliance

Facts and Evidence of the Act or Practice Resulting in the Violation

In a Compliance Audit on November 8, 2007, the entity did not have evidence of applying its facility rating methodology and producing facility ratings for its equipment.

Due to the fact that the entity was not able to provide the audit team, with the required facility ratings that were consistent with the entities facility rating methodology, the entity is found in violation of R1.

Proposed Penalty or Sanction

Zero



Statement Describing Any Proposed Penalty or Sanction Imposed ⁶

SERC has determined to exercise its discretion to assess no penalty, sanction or other enforcement action against Elizabethtown Power for the violations listed in Table 1 at this time, unless Elizabethtown Power fails to complete and implement its Mitigation Plan in accordance with the terms of the Mitigation Plan.

This proposed penalty or sanction is subject to review and possible revision by NERC and FERC. NERC will include its determination of the proposed penalty or sanction in a Notice of Proposed Penalty or Sanction to be filed with FERC.

The proposed penalty or sanction will be effective upon expiration of the thirty (30) day period following the acceptance and the filing of the Notice of Proposed Penalty or Sanction with FERC by NERC, or, if FERC decides to review the proposed penalty or sanction, upon final determination by FERC.

Other Matters of Relevance ⁷

Elizabethtown Power's Mitigation Plan was accepted by SERC on December 20, 2007 and approved by NERC on February 5, 2008. The Mitigation Plans for the violations listed in Table 1 are designated as MIT-07-0260, MIT-07-0263, MIT-07-0264, MIT-07-0267, and MIT-07-0268, and were submitted as non-public information to FERC on February 5, 2008 in accordance with applicable statutes, regulations and FERC orders.

In accordance with the NERC Rules of Procedure, Appendix 4C, no additional proposed penalties or sanctions will be assessed by SERC unless the mitigation is not successfully completed in accordance with the timetable set forth in the Mitigation Plan or an agreed upon extension. An extension of time for completion of the Mitigation Plan requires prior express written approval by SERC and NERC as set forth in the CMEP.

Statement Provided by the Registered Entity as set forth in CMEP Sections 5.6 and 8.0

In accordance with CMEP Section 8.0, the Regional Entity must report to NERC and the affected Registered Entity all Confirmed Violations of Reliability Standards including all penalties, sanctions, Mitigation Plans and schedules, and settlements, within ten (10) business days of each determination. SERC hereby provides notice that Elizabethtown Power may provide a statement to NERC, with a copy to SERC, within five (5) business days after the date of this Regional Entity Notice of Confirmed Violation and Proposed Penalty or Sanction, to accompany the report when posted by NERC. Elizabethtown Power's statement may be the same statement provided by Elizabethtown Power in response to the Notice of Alleged Violation and Proposed Penalty or Sanction. Elizabethtown Power's statement must be on Elizabethtown Power letterhead and must include the name, title, and signature of an officer, employee, attorney or other authorized representative of Elizabethtown Power.

NERC will publicly post each report of a Confirmed Violation, together with any statement submitted by Elizabethtown Power, no sooner than five (5) business days after the report is provided by SERC to NERC and Elizabethtown Power. NERC will include, with the Notice of Penalty filed with FERC, the statement provided by Elizabethtown Power.

The Record of the Proceeding ⁸

⁶ See 18 C.F.R § 39.7(d)(4).

⁷ See 18 C.F.R § 39.7(d)(7).



The record of the proceeding includes this Regional Entity Notice of Confirmed Violation and Proposed Penalty or Sanction and any Elizabethtown Power statement or response thereto, as well as the following documents and material (to the extent applicable).

NERC Violation ID#: SERC200700074,
SERC200700075, SERC200700076, and
SERC200700077

SERC Tracking #: 07-224

Confirmation Record Documents	Document Title	Date
Compliance Monitoring Document Identifying Possible Violation	Audit Screening Worksheet	11/8/07
Compliance Enforcement Staff Determination of Facts and Evidence Supporting Violation	Determination Summary	11/23/07
Notice of Violation and Proposed Penalty or Sanction	Notice of Alleged Violation and Proposed Penalty or Sanction	12/17/07
Entity's Response to Notice of Violation	Response to Notice of Alleged Violation	12/21/07
Entity's Statement in Response to Notice of Violation	None Received	
Remedial Action Directive	Not Applicable	
Entity's Notice Contesting Remedial Action Directive	Not Applicable	
Entity's Request for Hearing	Not Applicable	
SERC Board Compliance Committee (Hearing Body) Final Order	Not Applicable	
Notice of Proposed Penalty or Sanction	Not Applicable	
Clerk's Notice Transmitting Final Order	Not Applicable	
Entity's Appeal to NERC	Not Applicable	

NERC Violation ID#: SERC200700067

SERC Tracking #: 07-225

Confirmation Record Documents	Document Title	Date
Compliance Monitoring Document Identifying Possible Violation	Audit Screening Worksheet	11/8/07
Compliance Enforcement Staff Determination of Facts and Evidence Supporting Violation	Determination Summary	11/23/07

⁸ See 18 C.F.R § 39.7(d)(5).



Notice of Violation and Proposed Penalty or Sanction	Notice of Alleged Violation and Proposed Penalty or Sanction	12/17/07
Entity's Response to Notice of Violation	Response to Notice of Alleged Violation	12/21/07
Entity's Statement in Response to Notice of Violation	None Received	
Remedial Action Directive	Not Applicable	
Entity's Notice Contesting Remedial Action Directive	Not Applicable	
Entity's Request for Hearing	Not Applicable	
SERC Board Compliance Committee (Hearing Body) Final Order	Not Applicable	
Notice of Proposed Penalty or Sanction	Not Applicable	
Clerk's Notice Transmitting Final Order	Not Applicable	
Entity's Appeal to NERC	Not Applicable	

NERC Violation ID#: SERC200700078	SERC Tracking #: 07-226	
Confirmation Record Documents	Document Title	Date
Compliance Monitoring Document Identifying Possible Violation	Audit Screening Worksheet	11/8/07
Compliance Enforcement Staff Determination of Facts and Evidence Supporting Violation	Determination Summary	11/23/07
Notice of Violation and Proposed Penalty or Sanction	Notice of Alleged Violation and Proposed Penalty or Sanction	12/17/07
Entity's Response to Notice of Violation	Response to Notice of Alleged Violation	12/21/07
Entity's Statement in Response to Notice of Violation	None Received	
Remedial Action Directive	Not Applicable	
Entity's Notice Contesting Remedial Action Directive	Not Applicable	
Entity's Request for Hearing	Not Applicable	
SERC Board Compliance Committee (Hearing Body) Final Order	Not Applicable	
Notice of Proposed Penalty or Sanction	Not Applicable	



Clerk's Notice Transmitting Final Order Not Applicable

Entity's Appeal to NERC Not Applicable

NERC Violation ID#: SERC200700084

SERC Tracking #: 07-232

Confirmation Record Documents

Document Title

Date

Compliance Monitoring Document Identifying Possible Violation Audit Screening Worksheet 11/8/07

Compliance Enforcement Staff Determination of Facts and Evidence Supporting Violation Determination Summary 11/23/07

Notice of Violation and Proposed Penalty or Sanction Notice of Alleged Violation and Proposed Penalty or Sanction 12/17/07

Entity's Response to Notice of Violation Response to Notice of Alleged Violation 12/21/07

Entity's Statement in Response to Notice of Violation None Received

Remedial Action Directive Not Applicable

Entity's Notice Contesting Remedial Action Directive Not Applicable

Entity's Request for Hearing Not Applicable

SERC Board Compliance Committee (Hearing Body) Final Order Not Applicable

Notice of Proposed Penalty or Sanction Not Applicable

Clerk's Notice Transmitting Final Order Not Applicable

Entity's Appeal to NERC Not Applicable



NERC Violation ID#: SERC200700085	SERC Tracking #: 07-233	
Confirmation Record Documents	Document Title	Date
Compliance Monitoring Document Identifying Possible Violation	Audit Screening Worksheet	11/8/07
Compliance Enforcement Staff Determination of Facts and Evidence Supporting Violation	Determination Summary	11/23/07
Notice of Violation and Proposed Penalty or Sanction	Notice of Alleged Violation and Proposed Penalty or Sanction	12/17/07
Entity's Response to Notice of Violation	Response to Notice of Alleged Violation	12/21/07
Entity's Statement in Response to Notice of Violation	None Received	
Remedial Action Directive	Not Applicable	
Entity's Notice Contesting Remedial Action Directive	Not Applicable	
Entity's Request for Hearing	Not Applicable	
SERC Board Compliance Committee (Hearing Body) Final Order	Not Applicable	
Notice of Proposed Penalty or Sanction	Not Applicable	
Clerk's Notice Transmitting Final Order	Not Applicable	
Entity's Appeal to NERC	Not Applicable	



Conclusion

Any questions regarding this Regional Entity Notice of Confirmed Violation and Proposed Penalty or Sanction issued by SERC should be directed to the undersigned.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'T. Galloway', is written over a horizontal dashed line.

Thomas J. Galloway
SERC Director of Compliance

cc: Gerry Cauley, SERC President and CEO
David Hilt, NERC Vice President and Director of Compliance
Tim Kucey, NERC Manager of Enforcement and Mitigation
Ken Keels, SERC Manager of Compliance Enforcement
SERC Tracking File

Attachment e

**Mitigation Plans designated as MIT-07-0260,
MIT-07-0263, MIT-07-0264, MIT-07-0267, and
MIT-07-0268**



Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: 12/07/2007

If this Mitigation Plan has already been completed:

- Check this box and
- Provide the Date of Completion of the Mitigation Plan:

Section A: Compliance Notices

- Section 6.2 of the CMEP¹ sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:
 - (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section 2.0.
 - (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
 - (3) The cause of the Alleged or Confirmed Violation(s).
 - (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
 - (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed violation(s).
 - (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
 - (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
 - (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.
 - (9) Any other information deemed necessary or appropriate.
 - (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self-Certification or Self Reporting submittals.

¹ "Uniform Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation;" a copy of the current version approved by the Federal Energy Regulatory Commission is posted on NERC's website.



- This submittal form shall be used to provide a required Mitigation Plan for review and approval by SERC and NERC.
- The Mitigation Plan shall be submitted to SERC and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
- This Mitigation Plan form may be used to address one or more related violations of one Reliability Standard. A separate mitigation plan is required to address violations with respect to each additional Reliability Standard, as applicable.
- If the Mitigation Plan is approved by SERC and NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission in accordance with applicable Commission rules, regulations and orders.
- SERC or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.

Section B: Registered Entity Information

B.1 Identify your organization:

Company Name: Elizabethtown Power, LLC
Company Address: 3100 W. Broad Street, Elizabethtown, NC 28337
NERC Compliance Registry ID **[if known]**:

B.2 Identify the individual in your organization who will serve as the Contact to SERC regarding this Mitigation Plan. This person shall be technically knowledgeable regarding this Mitigation Plan and authorized to respond to SERC regarding this Mitigation Plan.

Name: Rick Houser
Title: Facility Manager
Email: rick.houser@woodgroup.com
Phone: (910) 738-8742



Section C: Identity of Reliability Standard Violations Associated with this Mitigation Plan

This Mitigation Plan is associated with the following violation(s) of the reliability standard listed below:

C.1 Standard: CIP-001-1
[Identify by Standard Acronym (e.g. FAC-001-1)]

C.2 Requirement(s) violated and violation dates:
[Enter information in the following Table]

NERC Violation ID # [if known]	SERC Violation ID # [if known]	Requirement Violated (e.g. R3.2)	Violation Date ^(*)
SERCYYYYnnnnn	YYYY-nnn	R1	11/09/2007
		R2	11/09/2007
		R3	11/09/2007
		R4	11/09/2007

(*) Note: The Violation Date shall be: (i) the date that the violation occurred; (ii) the date that the violation was self-reported; or (iii) the date that the violation has been deemed to have occurred on by SERC. Questions regarding the date to use should be directed to SERC.

C.3 Identify the cause of the violation(s) identified above:

R1, R2, R3: Lack of documentation. R4: Didn't establish communication contact as applicable.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

C.4 **[Optional]** Provide any relevant additional information regarding the violations associated with this Mitigation Plan:

Elizabethtown Power, LLC was cited during an SERC audit on November 8-9, 2007

[Provide your response here; additional detailed information may be provided as an attachment as necessary]



Section D: Details of Proposed Mitigation Plan

Mitigation Plan Contents

D.1 Identify and describe the action plan, including specific tasks and actions that your organization is proposing to undertake, or which it undertook if this Mitigation Plan has been completed, to correct the violations identified above in Part C.2 of this form:

Elizabethtown Power, LLC will develop a procedure to meet each of the requirement of the standard and also to include training to ensure staff is aware of the procedure.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Check this box and proceed to Section E of this form if this Mitigation Plan, as set forth in Part D.1, has already been completed; otherwise respond to Part D.2, D.3 and, optionally, Part D.4, below.

Mitigation Plan Timeline and Milestones

D.2 Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the violations associated with this Mitigation Plan are corrected:
February 1, 2008

D.3 Enter Milestone Activities, with completion dates, that your organization is proposing for this Mitigation Plan:

Milestone Activity	Proposed Completion Date* (shall not be more than 3 months apart)
Completion of draft	12/27/2007
Review, sign, and approve by entity	1/10/2008
Completion of staff training	01/17/2008
Submit to SERC	02/01/2008

(*) Note: Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.

[Note: Provide your response here; additional detailed information may be provided as an attachment as necessary]



Additional Relevant Information (Optional)

D.4 If you have any relevant additional information that you wish to include regarding the mitigation plan, milestones, milestones dates and completion date proposed above you may include it here:

N/A

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Section E: Interim and Future Reliability Risk

Check this box and proceed and respond to Part E.2 and E.3, below, if this Mitigation Plan, as set forth in Part D.1, has already been completed.

Abatement of Interim BPS Reliability Risk

E.1 While your organization is implementing the Mitigation Plan proposed in Part D of this form, the reliability of the Bulk Power System may remain at higher risk or be otherwise negatively impacted until the plan is successfully completed. To the extent they are, or may be, known or anticipated: (i) identify any such risks or impacts; and (ii) discuss any actions that your organization is planning to take or is proposing as part of the Mitigation Plan to mitigate any increased risk to the reliability of the bulk power system while the Mitigation Plan is being implemented:

No risk or negative impact is currently known or anticipated.

Management has the local FBI contact information and will contact the FBI directly in event of disturbances or unusual occurrences, suspected or determined to be caused by sabotage, with or without the procedure in place.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Prevention of Future BPS Reliability Risk

E.2 Describe how successful completion of the Mitigation Plan as laid out in Part D of this form will prevent or minimize the probability that your organization incurs further violations of the same or similar reliability standards requirements in the future:



Elizabethtown Power, LLC is fairly certain that the successful completion of the Mitigation Plan as laid out will prevent violations of the same or similar reliability standards requirement in the future because the documented procedure will be used as part of the facility's periodic review and training to better prepare our facility management and personnel on the required actions in events of disturbances or unusual occurrences, suspected or determined to be caused by sabotage, [Provide your response here; additional detailed information may be provided as an attachment as necessary]

- E.3 Your organization may be taking or planning other action, beyond that listed in the Mitigation Plan, as proposed in Part D.1, to prevent or minimize the probability of incurring further violations of the same or similar standards requirements listed in Part C.2, or of other reliability standards. If so, identify and describe any such action, including milestones and completion dates:

Other than the actions as proposed in the Mitigation Plan Part D.1, E.1, and E.2, Elizabethtown Power, LLC has no further action planned beyond that.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Continued on Next Page

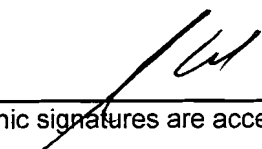


Section F: Authorization

An authorized individual must sign and date this Mitigation Plan Submittal Form. By doing so, this individual, on behalf of your organization:

- a) Submits the Mitigation Plan, as laid out in Section D of this form, to SERC for acceptance by SERC and approval by NERC, and
- b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- c) Acknowledges:
 1. I am Chief Financial Officer of North Carolina Power Holdings, LLC.
 2. I am qualified to sign this Mitigation Plan on behalf of Elizabethtown Power, LLC.
 3. I have read and understand North Carolina Power Holdings, LLC. obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure, including Appendix 4(C) (Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation" (NERC CMEP)).
 4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
 5. North Carolina Power Holdings, LLC. agrees to be bound by, and comply with, the Mitigation Plan, including the timetable completion date, as approved by SERC and approved by NERC.

Authorized Individual Signature


(Electronic signatures are acceptable; see CMEP)

Name (Print): Robert Chmiel
Title: Chief Financial Officer
Date: 12/07/2007



Section G: Comments and Additional Information

You may use this area to provide comments or any additional relevant information not previously addressed in this form.

N/A

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Submittal Instructions:

Please convert the completed and signed document to an Adobe .pdf document using the following naming convention:

[(MP Entity Name (STD-XXX) MM-DD-YY.pdf)]

Email the pdf file to serccomply@serc1.org.

Please direct any questions regarding completion of this form to:

Ken Keels
Manager, Compliance Enforcement
SERC Reliability Corporation
704-357-7372
kkeels@serc1.org



Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: 12/13/07

If this Mitigation Plan has already been completed:

- Check this box and
- Provide the Date of Completion of the Mitigation Plan:

Section A: Compliance Notices

- Section 6.2 of the CMEP¹ sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:
 - (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section 2.0.
 - (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
 - (3) The cause of the Alleged or Confirmed Violation(s).
 - (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
 - (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed violation(s).
 - (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
 - (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
 - (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.
 - (9) Any other information deemed necessary or appropriate.
 - (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self-Certification or Self Reporting submittals.

¹ "Uniform Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation," a copy of the current version approved by the Federal Energy Regulatory Commission is posted on NERC's website.



- This submittal form shall be used to provide a required Mitigation Plan for review and approval by SERC and NERC.
- The Mitigation Plan shall be submitted to SERC and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
- This Mitigation Plan form may be used to address one or more related violations of one Reliability Standard. A separate mitigation plan is required to address violations with respect to each additional Reliability Standard, as applicable.
- If the Mitigation Plan is approved by SERC and NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission in accordance with applicable Commission rules, regulations and orders.
- SERC or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.

Section B: Registered Entity Information

B.1 Identify your organization:

Company Name: Elizabethtown Power, LLC
Company Address: 3100 W. Broad Street, Elizabethtown, NC 28337
NERC Compliance Registry ID *[if known]*:

B.2 Identify the individual in your organization who will serve as the Contact to SERC regarding this Mitigation Plan. This person shall be technically knowledgeable regarding this Mitigation Plan and authorized to respond to SERC regarding this Mitigation Plan.

Name: Rick Houser
Title: Facility Manager
Email: rick.houser@woodgroup.com
Phone: (910) 738-8742



Section C: Identity of Reliability Standard Violations Associated with this Mitigation Plan

This Mitigation Plan is associated with the following violation(s) of the reliability standard listed below:

C.1 Standard: IRO-004-1
[Identify by Standard Acronym (e.g. FAC-001-1)]

C.2 Requirement(s) violated and violation dates:
[Enter information in the following Table]

NERC Violation ID # [if known]	SERC Violation ID # [if known]	Requirement Violated (e.g. R3.2)	Violation Date ^(*)
SERCYYYYnnnnn	YYYY-nnn	R4	11/09/2007

(*) Note: The Violation Date shall be: (i) the date that the violation occurred; (ii) the date that the violation was self-reported; or (iii) the date that the violation has been deemed to have occurred on by SERC. Questions regarding the date to use should be directed to SERC.

C.3 Identify the cause of the violation(s) identified above:

R1: Lack of documentation.
 [Provide your response here; additional detailed information may be provided as an attachment as necessary]

C.4 **[Optional]** Provide any relevant additional information regarding the violations associated with this Mitigation Plan:

Elizabethtown Power, LLC was cited during a SERC audit on November 8-9, 2007
 [Provide your response here; additional detailed information may be provided as an attachment as necessary]



Section D: Details of Proposed Mitigation Plan

Mitigation Plan Contents

D.1 Identify and describe the action plan, including specific tasks and actions that your organization is proposing to undertake, or which it undertook if this Mitigation Plan has been completed, to correct the violations identified above in Part C.2 of this form:

Elizabethtown Power, LLC will develop a procedure to provide information require for system study, such as critical facility status, generation operating reserve projection, and known interchange transaction. This information shall be made available by 1200 Central Standard Time for the Eastern Interconnection and 1200 Pacific Standard Time for the Western Interconnection. This mitigation plan also include training to ensure staff is aware of the procedure.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Check this box and proceed to Section E of this form if this Mitigation Plan, as set forth in Part D.1, has already been completed; otherwise respond to Part D.2, D.3 and, optionally, Part D.4, below.

Mitigation Plan Timeline and Milestones

D.2 Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the violations associated with this Mitigation Plan are corrected:
February 1, 2008

D.3 Enter Milestone Activities, with completion dates, that your organization is proposing for this Mitigation Plan:

Milestone Activity	Proposed Completion Date* (shall not be more than 3 months apart)
Completion of draft reliability coordination-operations planning procedure to meet the requirement R4 of the standard	12/27/2007
Review, sign, and approve of the procedure by entity	01/10/2008



Completion of staff training on the procedure for the reliability coordination-operations planning	01/17/2008
Submit the SERC mitigation plan closure certification and procedure to SERC	02/01/2008

(* Note: Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.

[Note: Provide your response here; additional detailed information may be provided as an attachment as necessary]



Additional Relevant Information (Optional)

D.4 If you have any relevant additional information that you wish to include regarding the mitigation plan, milestones, milestones dates and completion date proposed above you may include it here:

N/A

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Section E: Interim and Future Reliability Risk

Check this box and proceed and respond to Part E.2 and E.3, below, if this Mitigation Plan, as set forth in Part D.1, has already been completed.

Abatement of Interim BPS Reliability Risk

E.1 While your organization is implementing the Mitigation Plan proposed in Part D of this form, the reliability of the Bulk Power System may remain at higher risk or be otherwise negatively impacted until the plan is successfully completed. To the extent they are, or may be, known or anticipated: (i) identify any such risks or impacts; and (ii) discuss any actions that your organization is planning to take or is proposing as part of the Mitigation Plan to mitigate any increased risk to the reliability of the bulk power system while the Mitigation Plan is being implemented:

A documentation issue. No risk or negative impact is currently known or anticipated.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Prevention of Future BPS Reliability Risk

E.2 Describe how successful completion of the Mitigation Plan as laid out in Part D of this form will prevent or minimize the probability that your organization incurs further violations of the same or similar reliability standards requirements in the future:

Elizabethtown Power, LLC is fairly certain that the successful completion of the Mitigation Plan as laid out will prevent or minimize the probability further violation of the same or similar reliability standards requirements



in the future because the documented procedure will be used as part of the facility's periodic review and training of the reliability coordination-operation planning.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

- E.3 Your organization may be taking or planning other action, beyond that listed in the Mitigation Plan, as proposed in Part D.1, to prevent or minimize the probability of incurring further violations of the same or similar standards requirements listed in Part C.2, or of other reliability standards. If so, identify and describe any such action, including milestones and completion dates:

Other than the actions as proposed in the Mitigation Plan Part D.1, E.1, and E.2, Elizabethtown Power, LLC has no further action planned beyond that.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Continued on Next Page

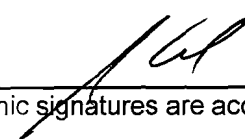


Section F: Authorization

An authorized individual must sign and date this Mitigation Plan Submittal Form. By doing so, this individual, on behalf of your organization:

- a) Submits the Mitigation Plan, as laid out in Section D of this form, to SERC for acceptance by SERC and approval by NERC, and
- b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- c) Acknowledges:
 1. I am Chief Financial Officer of North Carolina Power Holdings, LLC.
 2. I am qualified to sign this Mitigation Plan on behalf of Elizabethtown Power, LLC.
 3. I have read and understand North Carolina Power Holdings, LLC. obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure, including Appendix 4(C) (Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation" (NERC CMEP)).
 4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
 5. North Carolina Power Holdings, LLC agrees to be bound by, and comply with, the Mitigation Plan, including the timetable completion date, as approved by SERC and approved by NERC.

Authorized Individual Signature


(Electronic signatures are acceptable; see CMEP)

Name (Print): Robert Chmiel

Title: Chief Financial Officer

Date: 12/13/2007



Section G: Comments and Additional Information

You may use this area to provide comments or any additional relevant information not previously addressed in this form.

N/A

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Submittal Instructions:

Please convert the completed and signed document to an Adobe .pdf document using the following naming convention:

[(MP Entity Name (STD-XXX) MM-DD-YY).pdf]

Email the pdf file to serccomply@serc1.org.

Please direct any questions regarding completion of this form to:

Ken Keels
Manager, Compliance Enforcement
SERC Reliability Corporation
704-357-7372
kkeels@serc1.org



Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: 12/13/07

If this Mitigation Plan has already been completed:

- Check this box and
- Provide the Date of Completion of the Mitigation Plan:

Section A: Compliance Notices

- Section 6.2 of the CMEP¹ sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:
 - (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section 2.0.
 - (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
 - (3) The cause of the Alleged or Confirmed Violation(s).
 - (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
 - (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed violation(s).
 - (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
 - (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
 - (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.
 - (9) Any other information deemed necessary or appropriate.
 - (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self-Certification or Self Reporting submittals.

¹ "Uniform Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation;" a copy of the current version approved by the Federal Energy Regulatory Commission is posted on NERC's website.



- This submittal form shall be used to provide a required Mitigation Plan for review and approval by SERC and NERC.
- The Mitigation Plan shall be submitted to SERC and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
- This Mitigation Plan form may be used to address one or more related violations of one Reliability Standard. A separate mitigation plan is required to address violations with respect to each additional Reliability Standard, as applicable.
- If the Mitigation Plan is approved by SERC and NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission in accordance with applicable Commission rules, regulations and orders.
- SERC or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.

Section B: Registered Entity Information

B.1 Identify your organization:

Company Name: Elizabethtown Power, LLC
Company Address: 3100 W. Broad Street, Elizabethtown, NC 28337
NERC Compliance Registry ID [*if known*]:

B.2 Identify the individual in your organization who will serve as the Contact to SERC regarding this Mitigation Plan. This person shall be technically knowledgeable regarding this Mitigation Plan and authorized to respond to SERC regarding this Mitigation Plan.

Name: Rick Houser
Title: Facility Manager
Email: rick.houser@woodgroup.com
Phone: (910) 738-8742



Section C: Identity of Reliability Standard Violations Associated with this Mitigation Plan

This Mitigation Plan is associated with the following violation(s) of the reliability standard listed below:

C.1 Standard: PRC-005-1
[Identify by Standard Acronym (e.g. FAC-001-1)]

C.2 Requirement(s) violated and violation dates:
[Enter information in the following Table]

NERC Violation ID # [if known]	SERC Violation ID # [if known]	Requirement Violated (e.g. R3.2)	Violation Date ^(*)
SERCYYYYnnnnn	YYYY-nnn	R1	11/09/2007

(*) Note: The Violation Date shall be: (i) the date that the violation occurred; (ii) the date that the violation was self-reported; or (iii) the date that the violation has been deemed to have occurred on by SERC. Questions regarding the date to use should be directed to SERC.

C.3 Identify the cause of the violation(s) identified above:

R1: Lack of documentation.
 [Provide your response here; additional detailed information may be provided as an attachment as necessary]

C.4 **[Optional]** Provide any relevant additional information regarding the violations associated with this Mitigation Plan:

Elizabethtown Power, LLC was cited during a SERC audit on November 8-9, 2007.
 [Provide your response here; additional detailed information may be provided as an attachment as necessary]



Section D: Details of Proposed Mitigation Plan

Mitigation Plan Contents

D.1 Identify and describe the action plan, including specific tasks and actions that your organization is proposing to undertake, or which it undertook if this Mitigation Plan has been completed, to correct the violations identified above in Part C.2 of this form:

Elizabethtown Power, LLC will develop a plan for protection system testing and maintenance program that meet the requirement R1 and sub-requirement of R1.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Check this box and proceed to Section E of this form if this Mitigation Plan, as set forth in Part D.1, has already been completed; otherwise respond to Part D.2, D.3 and, optionally, Part D.4, below.

Mitigation Plan Timeline and Milestones

D.2 Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the violations associated with this Mitigation Plan are corrected:
February 1, 2008

D.3 Enter Milestone Activities, with completion dates, that your organization is proposing for this Mitigation Plan:

Milestone Activity	Proposed Completion Date* (shall not be more than 3 months apart)
Completion of draft of generation protection system testing and maintenance program to meet the requirement R1 and sub-requirement of R1.	12/27/2007
Review, sign, and approve by entity.	01/10/2008
Completion of staff training on the requirement of the generation protection system maintenance and testing program	01/17/2008
Submit the SERC mitigation plan	02/01/2008



closure certification and documentation of the testing and maintenance program and associated testing procedure to SERC.	
--	--

(* Note: Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.

[Note: Provide your response here; additional detailed information may be provided as an attachment as necessary]



Additional Relevant Information (Optional)

D.4 If you have any relevant additional information that you wish to include regarding the mitigation plan, milestones, milestones dates and completion date proposed above you may include it here:

N/A

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Section E: Interim and Future Reliability Risk

Check this box and proceed and respond to Part E.2 and E.3, below, if this Mitigation Plan, as set forth in Part D.1, has already been completed.

Abatement of Interim BPS Reliability Risk

E.1 While your organization is implementing the Mitigation Plan proposed in Part D of this form, the reliability of the Bulk Power System may remain at higher risk or be otherwise negatively impacted until the plan is successfully completed. To the extent they are, or may be, known or anticipated: (i) identify any such risks or impacts; and (ii) discuss any actions that your organization is planning to take or is proposing as part of the Mitigation Plan to mitigate any increased risk to the reliability of the bulk power system while the Mitigation Plan is being implemented:

A documentation issue. No risk or negative impact is currently known or anticipated.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Prevention of Future BPS Reliability Risk

E.2 Describe how successful completion of the Mitigation Plan as laid out in Part D of this form will prevent or minimize the probability that your organization incurs further violations of the same or similar reliability standards requirements in the future:

Elizabethtown Power, LLC is fairly certain that the successful completion of the Mitigation Plan as laid out will prevent or minimize the probability further violation of the same or similar reliability standards requirements



in the future because the documented procedure will be used as part of the facility's periodic review and training of the generation protection system maintenance and testing program.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

- E.3 Your organization may be taking or planning other action, beyond that listed in the Mitigation Plan, as proposed in Part D.1, to prevent or minimize the probability of incurring further violations of the same or similar standards requirements listed in Part C.2, or of other reliability standards. If so, identify and describe any such action, including milestones and completion dates:

Other than the actions as proposed in the Mitigation Plan Part D.1, E.1, and E.2, Elizabethtown Power, LLC has no further action planned beyond that.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Continued on Next Page

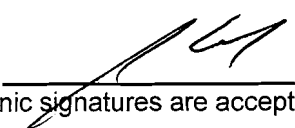


Section F: Authorization

An authorized individual must sign and date this Mitigation Plan Submittal Form. By doing so, this individual, on behalf of your organization:

- a) Submits the Mitigation Plan, as laid out in Section D of this form, to SERC for acceptance by SERC and approval by NERC, and
- b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- c) Acknowledges:
 1. I am Chief Financial Officer of North Carolina Power Holdings, LLC.
 2. I am qualified to sign this Mitigation Plan on behalf of Elizabethtown Power, LLC.
 3. I have read and understand North Carolina Power Holdings, LLC. obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure, including Appendix 4(C) (Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation" (NERC CMEP)).
 4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
 5. North Carolina Power Holdings, LLC agrees to be bound by, and comply with, the Mitigation Plan, including the timetable completion date, as approved by SERC and approved by NERC.

Authorized Individual Signature


(Electronic signatures are acceptable; see CMEP)

Name (Print): Robert Chmiel
Title: Chief Financial Officer
Date: 12/13/2007



Section G: Comments and Additional Information

You may use this area to provide comments or any additional relevant information not previously addressed in this form.

N/A

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Submittal Instructions:

Please convert the completed and signed document to an Adobe .pdf document using the following naming convention:

[(MP Entity Name (STD-XXX) MM-DD-YY.pdf)]

Email the pdf file to serccomply@serc1.org.

Please direct any questions regarding completion of this form to:

Ken Keels
Manager, Compliance Enforcement
SERC Reliability Corporation
704-357-7372
kkeels@serc1.org



Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: 12/10/07

If this Mitigation Plan has already been completed:

- Check this box and
- Provide the Date of Completion of the Mitigation Plan:

Section A: Compliance Notices

- Section 6.2 of the CMEP¹ sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:
 - (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section 2.0.
 - (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
 - (3) The cause of the Alleged or Confirmed Violation(s).
 - (4) The Registered Entity's action plan to correct the Alleged or Confirmed Violation(s).
 - (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed violation(s).
 - (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
 - (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
 - (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.
 - (9) Any other information deemed necessary or appropriate.
 - (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self-Certification or Self Reporting submittals.

¹ "Uniform Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation," a copy of the current version approved by the Federal Energy Regulatory Commission is posted on NERC's website.



- This submittal form shall be used to provide a required Mitigation Plan for review and approval by SERC and NERC.
- The Mitigation Plan shall be submitted to SERC and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
- This Mitigation Plan form may be used to address one or more related violations of one Reliability Standard. A separate mitigation plan is required to address violations with respect to each additional Reliability Standard, as applicable.
- If the Mitigation Plan is approved by SERC and NERC, a copy of this Mitigation Plan will be provided to the Federal Energy Regulatory Commission in accordance with applicable Commission rules, regulations and orders.
- SERC or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.

Section B: Registered Entity Information

B.1 Identify your organization:

Company Name: Elizabethtown Power, LLC
Company Address: 3100 W. Broad Street, Elizabethtown, NC 28337
NERC Compliance Registry ID **[if known]**:

B.2 Identify the individual in your organization who will serve as the Contact to SERC regarding this Mitigation Plan. This person shall be technically knowledgeable regarding this Mitigation Plan and authorized to respond to SERC regarding this Mitigation Plan.

Name: Rick Houser
Title: Facility Manager
Email: rick.houser@woodgroup.com
Phone: (910) 738-8742



Section C: Identity of Reliability Standard Violations Associated with this Mitigation Plan

This Mitigation Plan is associated with the following violation(s) of the reliability standard listed below:

C.1 Standard: FAC-008-1
[Identify by Standard Acronym (e.g. FAC-001-1)]

C.2 Requirement(s) violated and violation dates:
[Enter information in the following Table]

NERC Violation ID # [if known]	SERC Violation ID # [if known]	Requirement Violated (e.g. R3.2)	Violation Date ^(*)
SERCYYYYnnnnn	YYYY-nnn	R1	11/09/2007

(*) Note: The Violation Date shall be: (i) the date that the violation occurred; (ii) the date that the violation was self-reported; or (iii) the date that the violation has been deemed to have occurred on by SERC. Questions regarding the date to use should be directed to SERC.

C.3 Identify the cause of the violation(s) identified above:

R1: Lack of documentation.
 [Provide your response here; additional detailed information may be provided as an attachment as necessary]

C.4 **[Optional]** Provide any relevant additional information regarding the violations associated with this Mitigation Plan:

Elizabethtown Power, LLC was cited during a SERC audit on November 8-9, 2007
 [Provide your response here; additional detailed information may be provided as an attachment as necessary]



Section D: Details of Proposed Mitigation Plan

Mitigation Plan Contents

D.1 Identify and describe the action plan, including specific tasks and actions that your organization is proposing to undertake, or which it undertook if this Mitigation Plan has been completed, to correct the violations identified above in Part C.2 of this form:

Elizabethtown Power, LLC will develop a procedure to meet the requirement of the standard and also to include training to ensure staff is aware of the procedure.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Check this box and proceed to Section E of this form if this Mitigation Plan, as set forth in Part D.1, has already been completed; otherwise respond to Part D.2, D.3 and, optionally, Part D.4, below.

Mitigation Plan Timeline and Milestones

D.2 Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the violations associated with this Mitigation Plan are corrected:
February 1, 2008

D.3 Enter Milestone Activities, with completion dates, that your organization is proposing for this Mitigation Plan:

Milestone Activity	Proposed Completion Date* (shall not be more than 3 months apart)
Completion of draft facility ratings methodology document	12/27/2007
Review, sign, and approve by entity	1/10/2008
Completion of staff training on the methodology for the facility ratings	1/17/2008
Submit to SERC	02/01/2008

(*) Note: Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.



[Note: Provide your response here; additional detailed information may be provided as an attachment as necessary]



Additional Relevant Information (Optional)

D.4 If you have any relevant additional information that you wish to include regarding the mitigation plan, milestones, milestones dates and completion date proposed above you may include it here:

N/A

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Section E: Interim and Future Reliability Risk

Check this box and proceed and respond to Part E.2 and E.3, below, if this Mitigation Plan, as set forth in Part D.1, has already been completed.

Abatement of Interim BPS Reliability Risk

E.1 While your organization is implementing the Mitigation Plan proposed in Part D of this form, the reliability of the Bulk Power System may remain at higher risk or be otherwise negatively impacted until the plan is successfully completed. To the extent they are, or may be, known or anticipated: (i) identify any such risks or impacts; and (ii) discuss any actions that your organization is planning to take or is proposing as part of the Mitigation Plan to mitigate any increased risk to the reliability of the bulk power system while the Mitigation Plan is being implemented:

A documentation issue. No risk or negative impact is currently known or anticipated.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Prevention of Future BPS Reliability Risk

E.2 Describe how successful completion of the Mitigation Plan as laid out in Part D of this form will prevent or minimize the probability that your organization incurs further violations of the same or similar reliability standards requirements in the future:

Elizabethtown Power, LLC is fairly certain that the successful completion of the Mitigation Plan as laid out will prevent or minimize the probability further violation of the same or similar reliability standards requirements



in the future because the documented procedure will be used as part of the facility's periodic ratings methodology review, and training on the methodology.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

- E.3 Your organization may be taking or planning other action, beyond that listed in the Mitigation Plan, as proposed in Part D.1, to prevent or minimize the probability of incurring further violations of the same or similar standards requirements listed in Part C.2, or of other reliability standards. If so, identify and describe any such action, including milestones and completion dates:

Other than the actions as proposed in the Mitigation Plan Part D.1, E.1, and E.2, Elizabethtown Power, LLC has no further action planned beyond that.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Continued on Next Page



Section F: Authorization

An authorized individual must sign and date this Mitigation Plan Submittal Form. By doing so, this individual, on behalf of your organization:

- a) Submits the Mitigation Plan, as laid out in Section D of this form, to SERC for acceptance by SERC and approval by NERC, and
- b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- c) Acknowledges:
 1. I am Chief Financial Officer of North Carolina Power Holdings, LLC.
 2. I am qualified to sign this Mitigation Plan on behalf of Elizabethtown Power, LLC.
 3. I have read and understand North Carolina Power Holdings, LLC. obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure, including Appendix 4(C) (Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation" (NERC CMEP)).
 4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
 5. North Carolina Power Holdings, LLC agrees to be bound by, and comply with, the Mitigation Plan, including the timetable completion date, as approved by SERC and approved by NERC.

Authorized Individual Signature


(Electronic signatures are acceptable; see CMEP)

Name (Print): Robert Chmiel

Title: Chief Financial Officer

Date: 12/10/2007



Section G: Comments and Additional Information

You may use this area to provide comments or any additional relevant information not previously addressed in this form.

N/A

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Submittal Instructions:

Please convert the completed and signed document to an Adobe .pdf document using the following naming convention:

[(MP Entity Name (STD-XXX) MM-DD-YY.pdf)]

Email the pdf file to serccomply@serc1.org.

Please direct any questions regarding completion of this form to:

Ken Keels
Manager, Compliance Enforcement
SERC Reliability Corporation
704-357-7372
kkeels@serc1.org



Mitigation Plan Submittal Form

Date this Mitigation Plan is being submitted: 12/13/07

If this Mitigation Plan has already been completed:

- Check this box and
- Provide the Date of Completion of the Mitigation Plan:

Section A: Compliance Notices

- Section 6.2 of the CMEP¹ sets forth the information that must be included in a Mitigation Plan. The Mitigation Plan must include:
 - (1) The Registered Entity's point of contact for the Mitigation Plan, who shall be a person (i) responsible for filing the Mitigation Plan, (ii) technically knowledgeable regarding the Mitigation Plan, and (iii) authorized and competent to respond to questions regarding the status of the Mitigation Plan. This person may be the Registered Entity's point of contact described in Section 2.0.
 - (2) The Alleged or Confirmed Violation(s) of Reliability Standard(s) the Mitigation Plan will correct.
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 - (5) The Registered Entity's action plan to prevent recurrence of the Alleged or Confirmed violation(s).
 - (6) The anticipated impact of the Mitigation Plan on the bulk power system reliability and an action plan to mitigate any increased risk to the reliability of the bulk power-system while the Mitigation Plan is being implemented.
 - (7) A timetable for completion of the Mitigation Plan including the completion date by which the Mitigation Plan will be fully implemented and the Alleged or Confirmed Violation(s) corrected.
 - (8) Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.
 - (9) Any other information deemed necessary or appropriate.
 - (10) The Mitigation Plan shall be signed by an officer, employee, attorney or other authorized representative of the Registered Entity, which if applicable, shall be the person that signed the Self-Certification or Self Reporting submittals.

¹ "Uniform Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation," a copy of the current version approved by the Federal Energy Regulatory Commission is posted on NERC's website.



- This submittal form shall be used to provide a required Mitigation Plan for review and approval by SERC and NERC.
- The Mitigation Plan shall be submitted to SERC and NERC as confidential information in accordance with Section 1500 of the NERC Rules of Procedure.
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- SERC or NERC may reject Mitigation Plans that they determine to be incomplete or inadequate.
- Remedial action directives also may be issued as necessary to ensure reliability of the bulk power system.

Section B: Registered Entity Information

B.1 Identify your organization:

Company Name: Elizabethtown Power, LLC
Company Address: 3100 W. Broad Street, Elizabethtown, NC 28337
NERC Compliance Registry ID *[if known]*:

B.2 Identify the individual in your organization who will serve as the Contact to SERC regarding this Mitigation Plan. This person shall be technically knowledgeable regarding this Mitigation Plan and authorized to respond to SERC regarding this Mitigation Plan.

Name: Rick Houser
Title: Facility Manager
Email: rick.houser@woodgroup.com
Phone: (910) 738-8742



Section C: Identity of Reliability Standard Violations Associated with this Mitigation Plan

This Mitigation Plan is associated with the following violation(s) of the reliability standard listed below:

C.1 Standard: FAC-009-1
[Identify by Standard Acronym (e.g. FAC-001-1)]

C.2 Requirement(s) violated and violation dates:
[Enter information in the following Table]

NERC Violation ID # [if known]	SERC Violation ID # [if known]	Requirement Violated (e.g. R3.2)	Violation Date ^(*)
SERCYYYYnnnnn	YYYY-nnn	R1	11/09/2007

(*) Note: The Violation Date shall be: (i) the date that the violation occurred; (ii) the date that the violation was self-reported; or (iii) the date that the violation has been deemed to have occurred on by SERC. Questions regarding the date to use should be directed to SERC.

C.3 Identify the cause of the violation(s) identified above:
 R1: Lack of documentation.
[Provide your response here; additional detailed information may be provided as an attachment as necessary]

C.4 **[Optional]** Provide any relevant additional information regarding the violations associated with this Mitigation Plan:
 Elizabethtown Power, LLC was cited during a SERC audit on November 8-9, 2007
[Provide your response here; additional detailed information may be provided as an attachment as necessary]



Section D: Details of Proposed Mitigation Plan

Mitigation Plan Contents

D.1 Identify and describe the action plan, including specific tasks and actions that your organization is proposing to undertake, or which it undertook if this Mitigation Plan has been completed, to correct the violations identified above in Part C.2 of this form:

Elizabethtown Power, LLC will apply the facility ratings methodology developed to meet FAC-008-1 and establish facility ratings to meet the requirement of the standard. The mitigation plan will include training to ensure staff is aware of the procedure.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Check this box and proceed to Section E of this form if this Mitigation Plan, as set forth in Part D.1, has already been completed; otherwise respond to Part D.2, D.3 and, optionally, Part D.4, below.

Mitigation Plan Timeline and Milestones

D.2 Provide the timetable for completion of the Mitigation Plan, including the completion date by which the Mitigation Plan will be fully implemented and the violations associated with this Mitigation Plan are corrected:
February 1, 2008

D.3 Enter Milestone Activities, with completion dates, that your organization is proposing for this Mitigation Plan:

Milestone Activity	Proposed Completion Date* (shall not be more than 3 months apart)
Establish facility ratings for the Elizabethtown facility that are consistent with the associated facility ratings methodology.	12/27/2007
Review and final approve of the facility ratings and completion of staff training on the application of the facility ratings methodology and the associated facility ratings.	01/10/2008



Completion of staff training on the methodology for the facility ratings	01/17/2008
Submit the SERC mitigation plan closure certification form along with the evidence of support to SERC.	02/01/2008

(* Note: Implementation milestones no more than three (3) months apart for Mitigation Plans with expected completion dates more than three (3) months from the date of submission. Additional violations could be determined for not completing work associated with accepted milestones.

[Note: Provide your response here; additional detailed information may be provided as an attachment as necessary]



Additional Relevant Information (Optional)

D.4 If you have any relevant additional information that you wish to include regarding the mitigation plan, milestones, milestones dates and completion date proposed above you may include it here:

N/A

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Section E: Interim and Future Reliability Risk

Check this box and proceed and respond to Part E.2 and E.3, below, if this Mitigation Plan, as set forth in Part D.1, has already been completed.

Abatement of Interim BPS Reliability Risk

E.1 While your organization is implementing the Mitigation Plan proposed in Part D of this form, the reliability of the Bulk Power System may remain at higher risk or be otherwise negatively impacted until the plan is successfully completed. To the extent they are, or may be, known or anticipated: (i) identify any such risks or impacts; and (ii) discuss any actions that your organization is planning to take or is proposing as part of the Mitigation Plan to mitigate any increased risk to the reliability of the bulk power system while the Mitigation Plan is being implemented:

A documentation issue. No risk or negative impact is currently known or anticipated.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Prevention of Future BPS Reliability Risk

E.2 Describe how successful completion of the Mitigation Plan as laid out in Part D of this form will prevent or minimize the probability that your organization incurs further violations of the same or similar reliability standards requirements in the future:

Elizabethtown Power, LLC is fairly certain that the successful completion of the Mitigation Plan as laid out will prevent or minimize the probability further violation of the same or similar reliability standards requirements



in the future because the documented procedure will be used as part of the facility's periodic ratings methodology review, and training on the methodology.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

- E.3 Your organization may be taking or planning other action, beyond that listed in the Mitigation Plan, as proposed in Part D.1, to prevent or minimize the probability of incurring further violations of the same or similar standards requirements listed in Part C.2, or of other reliability standards. If so, identify and describe any such action, including milestones and completion dates:

Other than the actions as proposed in the Mitigation Plan Part D.1, E.1, and E.2, Elizabethtown Power, LLC has no further action planned beyond that.

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Continued on Next Page

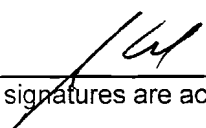


Section F: Authorization

An authorized individual must sign and date this Mitigation Plan Submittal Form. By doing so, this individual, on behalf of your organization:

- a) Submits the Mitigation Plan, as laid out in Section D of this form, to SERC for acceptance by SERC and approval by NERC, and
- b) If applicable, certifies that the Mitigation Plan, as laid out in Section D of this form, was completed (i) as laid out in Section D of this form and (ii) on or before the date provided as the 'Date of Completion of the Mitigation Plan' on this form, and
- c) Acknowledges:
 1. I am Chief Financial Officer of North Carolina Power Holdings, LLC.
 2. I am qualified to sign this Mitigation Plan on behalf of Elizabethtown Power, LLC.
 3. I have read and understand North Carolina Power Holdings, LLC. obligations to comply with Mitigation Plan requirements and ERO remedial action directives as well as ERO documents, including, but not limited to, the NERC Rules of Procedure, including Appendix 4(C) (Compliance Monitoring and Enforcement Program of the North American Electric Reliability Corporation" (NERC CMEP)).
 4. I have read and am familiar with the contents of the foregoing Mitigation Plan.
 5. North Carolina Power Holdings, LLC agrees to be bound by, and comply with, the Mitigation Plan, including the timetable completion date, as approved by SERC and approved by NERC.

Authorized Individual Signature


(Electronic signatures are acceptable; see CMEP)

Name (Print): Robert Chmiel

Title: Chief Financial Officer

Date: 12/13/2007



Section G: Comments and Additional Information

You may use this area to provide comments or any additional relevant information not previously addressed in this form.

N/A

[Provide your response here; additional detailed information may be provided as an attachment as necessary]

Submittal Instructions:

Please convert the completed and signed document to an Adobe .pdf document using the following naming convention:

[(MP Entity Name (STD-XXX) MM-DD-YY).pdf]

Email the pdf file to serccomply@serc1.org.

Please direct any questions regarding completion of this form to:

Ken Keels
Manager, Compliance Enforcement
SERC Reliability Corporation
704-357-7372
kkeels@serc1.org

Attachment f

Elizabethtown Power, LLC's Certification of Completion of the Mitigation Plans



North Carolina Power Holdings, L.L.C.

150 E 52nd St, 11th Floor, New York, NY 10022

Telephone 212.980.9520 Fax 212.980.9510

Robert Chmiel
CFO

rchmiel@vulcanservicescorp.com

To Close Out a Completed Mitigation Plan, fill out this form, save and email it to serccomply@serc1.org.

All Mitigation Plan Completion Certification submittals shall include data or information sufficient for SERC to verify completion of the Mitigation Plan. SERC may request such additional data or information and conduct follow-up assessments, on-site or other Spot Checking, or Compliance Audits as it deems necessary to verify that all required actions in the Mitigation Plan have been completed and the Registered Entity is in compliance with the subject Reliability Standard. (CMEP Section 6.6)

Certification of a Completed Mitigation Plan

SERC Reliability Corporation Violation Mitigation Plan Closure Form (Form Revised 10-25-07)

Name of Registered Entity submitting certification: [N.C. Power Holdings, LLC - Elizabethtown Power](#)

Date of Certification: [1/23/2008](#)

Name of Standard and the Requirement(s) of mitigated violation(s): [CIP-001-1 Sabotage Reporting, R1, R2, R3, R4](#)

SERC Tracking Number (contact SERC if not known): 2007-224

NERC Violation ID Number (if assigned): SERC200700074, SERC200700075, SERC200700076, SERC200700077

Date of completion of the Mitigation Plan: [1/23/2008](#)

I certify that the mitigation plan for the above named violation has been completed on the date shown above, and that all information submitted information is complete and correct to the best of my knowledge.

Name: [Robert Chmiel](#)
Title: [Chief Financial Officer](#)
Entity: [North Carolina Power Holdings, LLC](#)
Email: rchmiel@vulcanservicescorp.com
Phone: [\(212\) 980-9520](tel:(212)980-9520)

Executive Signature

Date 1/23/2008

[\[NOTE – Closure Form should be signed by same individual that signed Mitigation Plan\]](#)



North Carolina Power Holdings, L.L.C.

150 E 52nd St, 11th Floor, New York, NY 10022

Telephone 212.980.9520 Fax 212.980.9510

Robert Chmiel
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rchmiel@vulcanservicescorp.com

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Certification of a Completed Mitigation Plan

SERC Reliability Corporation Violation Mitigation Plan Closure Form (Form Revised 10-25-07)

Name of Registered Entity submitting certification: [N.C. Power Holdings, LLC - Elizabethtown Power](#)

Date of Certification: [1/23/2008](#)

Name of Standard and the Requirement(s) of mitigated violation(s): [IRO-004-1 Reliability Coordination – Operations Planning, R4](#)

SERC Tracking Number (contact SERC if not known): 2007-225

NERC Violation ID Number (if assigned): SERC200700067

Date of completion of the Mitigation Plan: [1/23/2008](#)

I certify that the mitigation plan for the above named violation has been completed on the date shown above, and that all information submitted information is complete and correct to the best of my knowledge.

Name: [Robert Chmiel](#)
Title: [Chief Financial Officer](#)
Entity: [North Carolina Power Holdings, LLC](#)
Email: rchmiel@vulcanservicescorp.com
Phone: [\(212\) 980-9520](tel:(212)980-9520)

Executive Signature

Date 1/23/2008

[\[NOTE – Closure Form should be signed by same individual that signed Mitigation Plan\]](#)



North Carolina Power Holdings, L.L.C.

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Telephone 212.980.9520 Fax 212.980.9510

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Certification of a Completed Mitigation Plan

SERC Reliability Corporation Violation Mitigation Plan Closure Form (Form Revised 10-25-07)

Name of Registered Entity submitting certification: [N.C. Power Holdings, LLC - Elizabethtown Power](#)

Date of Certification: [1/23/2008](#)

Name of Standard and the Requirement(s) of mitigated violation(s): [PRC-005-1, Transmission and Generation Protection System Maintenance and Testing, R1](#)

SERC Tracking Number (contact SERC if not known): 2007-226

NERC Violation ID Number (if assigned): SERC200700078

Date of completion of the Mitigation Plan: [1/23/2008](#)

I certify that the mitigation plan for the above named violation has been completed on the date shown above, and that all information submitted information is complete and correct to the best of my knowledge.

Name: [Robert Chmiel](#)
Title: [Chief Financial Officer](#)
Entity: [North Carolina Power Holdings, LLC](#)
Email: rchmiel@vulcanservicescorp.com
Phone: [\(212\) 980-9520](tel:(212)980-9520)

Executive Signature

Date 1/23/2008

[\[NOTE – Closure Form should be signed by same individual that signed Mitigation Plan\]](#)



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Certification of a Completed Mitigation Plan

SERC Reliability Corporation Violation Mitigation Plan Closure Form (Form Revised 10-25-07)

Name of Registered Entity submitting certification: [N.C. Power Holdings, LLC - Elizabethtown Power](#)

Date of Certification: [1/23/2008](#)

Name of Standard and the Requirement(s) of mitigated violation(s): [FAC-008-1 Facility Ratings Methodology, R1](#)

SERC Tracking Number (contact SERC if not known): 2007-232

NERC Violation ID Number (if assigned): SERC200700085

Date of completion of the Mitigation Plan: [1/23/2008](#)

I certify that the mitigation plan for the above named violation has been completed on the date shown above, and that all information submitted information is complete and correct to the best of my knowledge.

Name: [Robert Chmiel](#)
Title: [Chief Financial Officer](#)
Entity: [North Carolina Power Holdings, LLC](#)
Email: rchmiel@vulcanservicescorp.com
Phone: [\(212\) 980-9520](tel:(212)980-9520)

Executive Signature

Date 1/23/2008

[\[NOTE – Closure Form should be signed by same individual that signed Mitigation Plan\]](#)



North Carolina Power Holdings, L.L.C.

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Telephone 212.980.9520 Fax 212.980.9510

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CFO

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Certification of a Completed Mitigation Plan

SERC Reliability Corporation Violation Mitigation Plan Closure Form (Form Revised 10-25-07)

Name of Registered Entity submitting certification: [N.C. Power Holdings, LLC - Elizabethtown Power](#)

Date of Certification: [1/23/2008](#)

Name of Standard and the Requirement(s) of mitigated violation(s): [FAC-009-1 Establish and Communicate Facility Ratings, R1](#)

SERC Tracking Number (contact SERC if not known): 2007-233

NERC Violation ID Number (if assigned): SERC200700085

Date of completion of the Mitigation Plan: [1/23/2008](#)

I certify that the mitigation plan for the above named violation has been completed on the date shown above, and that all information submitted information is complete and correct to the best of my knowledge.

Name: [Robert Chmiel](#)
Title: [Chief Financial Officer](#)
Entity: [North Carolina Power Holdings, LLC](#)
Email: rchmiel@vulcanservicescorp.com
Phone: [\(212\) 980-9520](tel:(212)980-9520)

Executive Signature

Date 1/23/2008

[\[NOTE – Closure Form should be signed by same individual that signed Mitigation Plan\]](#)

Attachment g

SERC Reliability Corporation's statement of verification that the Mitigation Plans have been completed



SERC Reliability Corporation
2815 Coliseum Centre Drive | Suite 500
Charlotte, NC 28217
704.357.7372 | Fax 704.357.7914 | www.serc1.org

Statement of SERC Reliability Corporation Compliance Enforcement Staff Regarding Completion of Mitigation Plan

January 25, 2008

Registered Entity: North Carolina Power Holdings, Inc.-Elizabethtown Power
SERC Tracking ID: 2007-225
NERC Violation No: SERC200700067
NERC Mitigation Plan ID: MIT-07-0260

SERC Reliability Corporation Compliance Enforcement Staff ("SERC Staff") has completed a review of the evidence submitted by North Carolina Power Holdings, Inc.-Elizabethtown Power in support of its Certification of Completion of the subject Mitigation Plan. Based on its review, SERC Staff has verified North Carolina Power Holdings, Inc.-Elizabethtown Power's certification on January 23, 2008 that the subject Mitigation Plan has been completed on January 23, 2008 in accordance with its terms.

Charles White
SERC Chairman
South Carolina Electric & Gas

William Ball
SERC Vice-Chairman
Southern Company Services, Inc.

Terry Blackwell
SERC Secretary-Treasurer
South Carolina Public Service Authority



SERC Reliability Corporation
2815 Coliseum Centre Drive | Suite 500
Charlotte, NC 28217
704.357.7372 | Fax 704.357.7914 | www.serc1.org

Statement of SERC Reliability Corporation Compliance Enforcement Staff Regarding Completion of Mitigation Plan

January 25, 2008

Registered Entity: North Carolina Power Holdings, Inc.-Elizabethtown Power
SERC Tracking ID: 2007-226
NERC Violation No: SERC200700078
NERC Mitigation Plan ID: MIT-07-0264

SERC Reliability Corporation Compliance Enforcement Staff ("SERC Staff") has completed a review of the evidence submitted by North Carolina Power Holdings, Inc.-Elizabethtown Power in support of its Certification of Completion of the subject Mitigation Plan. Based on its review, SERC Staff has verified North Carolina Power Holdings, Inc.-Elizabethtown Power's certification on January 23, 2008 that the subject Mitigation Plan has been completed on January 23, 2008 in accordance with its terms.



SERC Reliability Corporation
2815 Coliseum Centre Drive | Suite 500
Charlotte, NC 28217
704.357.7372 | Fax 704.357.7914 | www.serc1.org

Statement of SERC Reliability Corporation Compliance Enforcement Staff Regarding Completion of Mitigation Plan

January 25, 2008

Registered Entity: North Carolina Power Holdings, Inc.-Elizabethtown Power
SERC Tracking ID: 2007-232
NERC Violation No: SERC200700084
NERC Mitigation Plan ID: MIT-07-0267

SERC Reliability Corporation Compliance Enforcement Staff ("SERC Staff") has completed a review of the evidence submitted by North Carolina Power Holdings, Inc.-Elizabethtown Power in support of its Certification of Completion of the subject Mitigation Plan. Based on its review, SERC Staff has verified North Carolina Power Holdings, Inc.-Elizabethtown Power's certification on January 23, 2008 that the subject Mitigation Plan has been completed on March 8, 2008 in accordance with its terms.



SERC Reliability Corporation
2815 Coliseum Centre Drive | Suite 500
Charlotte, NC 28217
704.357.7372 | Fax 704.357.7914 | www.serc1.org

Statement of SERC Reliability Corporation Compliance Enforcement Staff Regarding Completion of Mitigation Plan

January 25, 2008

Registered Entity: North Carolina Power Holdings, Inc.-Elizabethtown Power
SERC Tracking ID: 2007-233
NERC Violation No: SERC200700085
NERC Mitigation Plan ID: MIT-07-0268

SERC Reliability Corporation Compliance Enforcement Staff ("SERC Staff") has completed a review of the evidence submitted by North Carolina Power Holdings, Inc.-Elizabethtown Power in support of its Certification of Completion of the subject Mitigation Plan. Based on its review, SERC Staff has verified North Carolina Power Holdings, Inc.-Elizabethtown Power's certification on January 23, 2008 that the subject Mitigation Plan has been completed on January 23, 2008 in accordance with its terms.

Charles White
SERC Chairman
South Carolina Electric & Gas

William Ball
SERC Vice-Chairman
Southern Company Services, Inc.

Terry Blackwell
SERC Secretary-Treasurer
South Carolina Public Service Authority

Attachment h

NERC BOTCC Decision

**Board of Trustees Compliance Committee
Decision on Notices of Penalty
(Issued May 21, 2008)**

The North American Electric Reliability Corporation (NERC) Board of Trustees Compliance Committee approves for filing with the Federal Energy Regulatory Commission (Commission) the following Notices of Penalty in accordance with the NERC *Rules of Procedure* and the Commission's orders and regulations.¹

In each of the Notices identified below, the Board of Trustees Compliance Committee affirms the Regional Entity's determination to exercise its enforcement discretion, in accordance with Order No. 693, to impose a zero dollar penalty against the respective registered entities, based on the Committee's review of the applicable requirements of the Commission-approved Reliability Standards and the underlying facts and circumstances of the violations represented below.²

While certain of the Reliability Standards associated with the violations below have "Medium" or "High" Violation Risk Factors, and the non-compliance level could reach a "Severe" level based on the duration of the violation, most of these violations involved situations where processes, procedures or plans were in place but documentation of one or more elements was lacking. In the case of NOC-16 below, where an entity failed to perform relay maintenance and testing of certain of its facilities due to an administrative oversight, the entity self-reported the violation and expedited completion of the work. In all cases, there was no actual impact on the reliability of the bulk power system.

In reaching this determination, NERC and the Regional Entities considered the following: (1) The violations occurred prior to January 2008 (during the period the Commission stated NERC and the Regional Entities should focus their enforcement resources on the most serious violations); (2) The registered entities worked cooperatively with the Regional Entities; (3) The registered entities acted immediately to mitigate and/or correct the violations; (4) The violations were mitigated in accordance with the approved Mitigation Plans and have been verified as mitigated by the respective Regional Entities; and (5) The actions taken by the registered entities ensure that reliability is maintained.

Therefore, the NERC Board of Trustees Compliance Committee finds that the proposed zero dollar penalty is appropriate and consistent with NERC's goal to ensure reliability of the bulk power system.

¹ *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards* (Order No. 672), III FERC Stats. & Regs. ¶ 31,204 (2006); *Notice of New Docket Prefix "NP" for Notices of Penalty Filed by the North American Electric Reliability Corporation*, Docket No. RM05-30-000 (February 7, 2008). See also 18 C.F.R. Part 39 (2008).

² *Mandatory Reliability Standards for the Bulk-Power System*, FERC Stats. & Regs. ¶ 31,242 (2007) (Order No. 693).

NOP ID ³	Region	Registered Entity	NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Total Penalty (\$)
NOP-01	TRE	Denton Municipal Electric (TDSP)	NOC-01	TRE200700001	PRC-008-0	1	Medium	0
	TRE	Denton Municipal Electric (TDSP)	NOC-01	TRE200700002	PRC-008-0	2	Medium	0
NOP-02	TRE	Bandera Electric Cooperative, Inc	NOC-02	TRE200700003	PRC-005-1	2	Lower/High ⁴	0
NOP-03	TRE	Exelon Generation Company, LLC	NOC-03	TRE200700004	PRC-005-1	2	Lower/High	0
NOP-05	TRE	Suez Energy Marketing NA Inc	NOC-05	TRE200700011	CIP-001-1	1	Medium	0
	TRE	Suez Energy Marketing NA Inc	NOC-05	TRE200700012	CIP-001-1	2	Medium	0
	TRE	Suez Energy Marketing NA Inc	NOC-05	TRE200700013	CIP-001-1	3	Medium	0
	TRE	Suez Energy Marketing NA Inc	NOC-05	TRE200700014	CIP-001-1	4	Medium	0
	TRE	Suez Energy Marketing NA Inc	NOC-05	TRE200700015	IRO-004-1	4	High	0
NOP-06	TRE	Wise County Power Company, LP	NOC-06	TRE200700016	FAC-008-1	1	Lower/Medium	0
	TRE	Wise County Power Company, LP	NOC-06	TRE200700017	FAC-008-1	2	Lower	0
	TRE	Wise County Power Company, LP	NOC-06	TRE200700018	FAC-008-1	3	Lower	0
	TRE	Wise County Power Company, LP	NOC-06	TRE200700019	FAC-009-1	1	Medium	0
	TRE	Wise County Power Company, LP	NOC-06	TRE200700020	FAC-009-1	2	Medium	0
	TRE	Wise County Power Company, LP	NOC-06	TRE200700021	IRO-004-1	4	High	0

³ Document numbers for each of these notices will be assigned by the Commission as NP08-_-000.

⁴ All VRFs for requirements and sub-requirements are identified in this table for the violations at issue.

NOP ID	Region	Registered Entity	NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Total Penalty (\$)
NOP-07	SERC	City of Columbia, MO	NOC-07	SERC200700002	PER-002-0	3	High/ Medium	0
	SERC	City of Columbia, MO	NOC-07	SERC200700003	TPL-001-0	1	High/ Medium	0
	SERC	City of Columbia, MO	NOC-07	SERC200700004	TPL-002-0	1	High/ Medium	0
	SERC	City of Columbia, MO	NOC-07	SERC200700005	TPL-003-0	1	High/ Medium	0
	SERC	City of Columbia, MO	NOC-07	SERC200700006	TPL-004-0	1	Medium	0
NOP-08	SERC	Old Dominion Electric Cooperative	NOC-08	SERC200700010	FAC-008-1	1	Lower/ Medium	0
	SERC	Old Dominion Electric Cooperative	NOC-08	SERC200700011	PRC-005-1	1	High	0
NOP-09	SERC	Doyle I, LLC	NOC-09	SERC200700012	CIP-001-1	4	Medium	0
NOP-10	SERC	Illinois Municipal Electric Agency	NOC-11	SERC200700058	CIP-001-1	1	Medium	0
	SERC	Illinois Municipal Electric Agency	NOC-11	SERC200700059	CIP-001-1	2	Medium	0
	SERC	Illinois Municipal Electric Agency	NOC-11	SERC200700060	CIP-001-1	3	Medium	0
	SERC	Illinois Municipal Electric Agency	NOC-11	SERC200700061	CIP-001-1	4	Medium	0
NOP-11	MRO	Northern States Power	NOC-13	MRO200700004	CIP-001-1	2	Medium	0
NOP-12	MRO	Rochester Public Utilities	NOC-14	MRO200700005	PER-002-0	3	High/ Medium	0
	MRO	Rochester Public Utilities	NOC-14	MRO200700006	PRC-004-1	2	High	0
	MRO	Rochester Public Utilities	NOC-14	MRO200700007	VAR-001-1	6	Medium	0
NOP-13	MRO	Tri-State G&T – Merchant	NOC-15	MRO200700008	INT-004-1	2	Lower	0
NOP-14	MRO	American Transmission Co., LLC	NOC-16	MRO200700009	PRC-005-1	2	Lower/ High	0

NOP ID	Region	Registered Entity	NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Total Penalty (\$)
NOP-15	NPCC	The City of Holyoke Gas and Electric Department	NOC-19	NPCC200700011	CIP-001-1	1	Medium	0
	NPCC	The City of Holyoke Gas and Electric Department	NOC-19	NPCC200700012	CIP-001-1	2	Medium	0
	NPCC	The City of Holyoke Gas and Electric Department	NOC-19	NPCC200700013	CIP-001-1	3	Medium	0
	NPCC	The City of Holyoke Gas and Electric Department	NOC-19	NPCC200700014	CIP-001-1	4	Medium	0
NOP-16	NPCC	Peabody Municipal Light Plant	NOC-22	NPCC200700015	CIP-001-1	1	Medium	0
	NPCC	Peabody Municipal Light Plant	NOC-22	NPCC200700016	CIP-001-1	2	Medium	0
	NPCC	Peabody Municipal Light Plant	NOC-22	NPCC200700017	CIP-001-1	3	Medium	0
	NPCC	Peabody Municipal Light Plant	NOC-22	NPCC200700018	CIP-001-1	4	Medium	0
NOP-17	NPCC	Norwich Public Utilities	NOC-23	NPCC200700019	CIP-001-1	1	Medium	0
	NPCC	Norwich Public Utilities	NOC-23	NPCC200700020	CIP-001-1	2	Medium	0
	NPCC	Norwich Public Utilities	NOC-23	NPCC200700021	CIP-001-1	3	Medium	0
	NPCC	Norwich Public Utilities	NOC-23	NPCC200700022	CIP-001-1	4	Medium	0
NOP-18	SERC	City of Orangeburg Department of Public Utilities	NOC-26	SERC200700016	PRC-005-1	1	High	0
NOP-19	SERC	West Georgia Generating Company, LLC	NOC-27	SERC200700048	PRC-005-1	2	Lower/High	0
	SERC	West Georgia Generating Company, LLC	NOC-27	SERC200700064	PRC-005-1	1	High	0
	SERC	West Georgia Generating Company, LLC	NOC-27	SERC200700065	CIP-001-1	4	Medium	0

NOP ID	Region	Registered Entity	NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Total Penalty (\$)
NOP-20	SERC	Caledonia Generating, LLC	NOC-28	SERC200700052	FAC-008-1	1	Lower/ Medium	0
NOP-21	SERC	City of Orangeburg Department of Public Utilities	NOC-29	SERC200700054	CIP-001-1	1	Medium	0
	SERC	City of Orangeburg Department of Public Utilities	NOC-29	SERC200700055	CIP-001-1	2	Medium	0
	SERC	City of Orangeburg Department of Public Utilities	NOC-29	SERC200700056	CIP-001-1	3	Medium	0
	SERC	City of Orangeburg Department of Public Utilities	NOC-29	SERC200700057	CIP-001-1	4	Medium	0
NOP-22	SPP	Southwestern Public Service Co. (SPS- XCEL)	NOC-30	SPP200700002	EOP-001-0	3.4	Medium	0
	SPP	Southwestern Public Service Co. (SPS- XCEL)	NOC-30	SPP200700003	EOP-001-0	4.4	Medium	0
	SPP	Southwestern Public Service Co. (SPS- XCEL)	NOC-30	SPP200700004	EOP-001-0	5	Medium	0
	SPP	Southwestern Public Service Co. (SPS- XCEL)	NOC-30	SPP200700005	EOP-005-1	1	Medium	0
	SPP	Southwestern Public Service Co. (SPS- XCEL)	NOC-30	SPP200700006	CIP-001-1	2	Medium	0
NOP-23	SERC	East Texas Electric Cooperative, Inc.	NOC-31	SERC200700017	PRC-005-1	1	High	0
	SERC	East Texas Electric Cooperative, Inc.	NOC-31	SERC200700025	FAC-008-1	1	Lower/ Medium	0
	SERC	East Texas Electric Cooperative, Inc.	NOC-31	SERC200700031	CIP-001-1	1	Medium	0
	SERC	East Texas Electric Cooperative, Inc.	NOC-31	SERC200700032	CIP-001-1	2	Medium	0
	SERC	East Texas Electric Cooperative, Inc.	NOC-31	SERC200700033	CIP-001-1	3	Medium	0
	SERC	East Texas Electric Cooperative, Inc.	NOC-31	SERC200700034	CIP-001-1	4	Medium	0

NOP ID	Region	Registered Entity	NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Total Penalty (\$)
NOP-24	SERC	Sam Rayburn G&T Electric Cooperative, Inc.	NOC-32	SERC200700018	PRC-005-1	1	High	0
	SERC	Sam Rayburn G&T Electric Cooperative, Inc.	NOC-32	SERC200700024	FAC-008-1	1	Lower/Medium	0
	SERC	Sam Rayburn G&T Electric Cooperative, Inc.	NOC-32	SERC200700027	CIP-001-1	1	Medium	0
	SERC	Sam Rayburn G&T Electric Cooperative, Inc.	NOC-32	SERC200700028	CIP-001-1	2	Medium	0
	SERC	Sam Rayburn G&T Electric Cooperative, Inc.	NOC-32	SERC200700029	CIP-001-1	3	Medium	0
	SERC	Sam Rayburn G&T Electric Cooperative, Inc.	NOC-32	SERC200700030	CIP-001-1	4	Medium	0
NOP-25	SERC	Tex-LA Electric Coop of Texas, Inc.	NOC-33	SERC200700020	PRC-005-1	1	High	0
	SERC	Tex-LA Electric Coop of Texas, Inc.	NOC-33	SERC200700026	FAC-008-1	1	Lower/Medium	0
	SERC	Tex-LA Electric Coop of Texas, Inc.	NOC-33	SERC200700035	CIP-001-1	1	Medium	0
	SERC	Tex-LA Electric Coop of Texas, Inc.	NOC-33	SERC200700036	CIP-001-1	2	Medium	0
	SERC	Tex-LA Electric Coop of Texas, Inc.	NOC-33	SERC200700037	CIP-001-1	3	Medium	0
	SERC	Tex-LA Electric Coop of Texas, Inc.	NOC-33	SERC200700038	CIP-001-1	4	Medium	0
NOP-26	SERC	The Dow Chemical Company	NOC-35	SERC200700022	IRO-004-1	4	High	0
	SERC	The Dow Chemical Company	NOC-35	SERC200700023	TOP-003-0	1	Medium	0
	SERC	The Dow Chemical Company	NOC-35	SERC200700053	PRC-005-1	2	Lower/High	0
	SERC	The Dow Chemical Company	NOC-35	SERC200700069	FAC-009-1	1	Medium	0
	SERC	The Dow Chemical Company	NOC-35	SERC200700070	FAC-009-1	2	Medium	0
	SERC	The Dow Chemical Company	NOC-35	SERC200700072	PRC-004-1	2	High	0
	SERC	The Dow Chemical Company	NOC-35	SERC200700073	PRC-004-1	3	Lower	0

NOP ID	Region	Registered Entity	NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Total Penalty (\$)
NOP-27	SERC	City of North Little Rock, AR (DENL)	NOC-37	SERC200700041	PER-002-0	3.1	Medium	0
NOP-28	SERC	Cottonwood Energy, LP	NOC-42	SERC200700047	PRC-005-1	1	High	0
NOP-29	SERC	Reliant Energy Wholesale Generation, LLC	NOC-43	SERC200700049	PRC-005-1	1	High	0
NOP-30	SERC	Prairie Power, Inc.	NOC-44	SERC200700050	FAC-008-1	1	Lower/Medium	0
NOP-31	SERC	Mt. Carmel Public Utility Co.	NOC-45	SERC200700062	CIP-001-1	4	Medium	0
NOP-32	SERC	Craven County Wood Energy, LP	NOC-46	SERC200700063	PRC-005-1	1	High	0
NOP-33	SERC	City of Benton	NOC-47	SERC200700066	PER-002-0	3.1	Medium	0
NOP-34	SERC	Elizabethtown Power, LLC	NOC-48	SERC200700067	IRO-004-1	4	High	0
	SERC	Elizabethtown Power, LLC	NOC-48	SERC200700074	CIP-001-1	1	Medium	0
	SERC	Elizabethtown Power, LLC	NOC-48	SERC200700075	CIP-001-1	2	Medium	0
	SERC	Elizabethtown Power, LLC	NOC-48	SERC200700076	CIP-001-1	3	Medium	0
	SERC	Elizabethtown Power, LLC	NOC-48	SERC200700077	CIP-001-1	4	Medium	0
	SERC	Elizabethtown Power, LLC	NOC-48	SERC200700078	PRC-005-1	1	High	0
	SERC	Elizabethtown Power, LLC	NOC-48	SERC200700084	FAC-008-1	1	Lower/Medium	0
	SERC	Elizabethtown Power, LLC	NOC-48	SERC200700085	FAC-009-1	1	Medium	0
NOP-35	SERC	Lumberton Power, LLC	NOC-49	SERC200700068	IRO-004-1	4	High	0
	SERC	Lumberton Power, LLC	NOC-49	SERC200700079	CIP-001-1	1	Medium	0
	SERC	Lumberton Power, LLC	NOC-49	SERC200700080	CIP-001-1	2	Medium	0
	SERC	Lumberton Power, LLC	NOC-49	SERC200700081	CIP-001-1	3	Medium	0
	SERC	Lumberton Power, LLC	NOC-49	SERC200700082	CIP-001-1	4	Medium	0
	SERC	Lumberton Power, LLC	NOC-49	SERC200700083	PRC-005-1	1	High	0
	SERC	Lumberton Power, LLC	NOC-49	SERC200700086	FAC-008-1	1	Lower/Medium	0
	SERC	Lumberton Power, LLC	NOC-49	SERC200700087	FAC-009-1	1	Medium	0

NOP ID	Region	Registered Entity	NOC ID	NERC Violation ID	Reliability Std.	Req. (R)	VRF	Total Penalty (\$)
NOP-36	TRE	TOPAZ POWER MANAGEMENT LP (QSE)	NOC-53	TRE200800028	CIP-001-1	1	Medium	0
NOP-37	SERC	Associated Electric Cooperative Inc.	NOC-24	SERC200700001	FAC-003-1	2	High	0

By the Board of Trustees Compliance Committee

Attachment i

Notice of Filing

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Elizabethtown Power, LLC

Docket No. NP08-____-000

NOTICE OF FILING
(DATE)

Take notice that on [DATE], the North American Electric Reliability Corporation (NERC) filed a Notice of Penalty regarding Elizabethtown Power, LLC in the SERC Reliability Corporation region.

Any person desiring to intervene or to protest this filing must file in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211, 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a notice of intervention or motion to intervene, as appropriate. Such notices, motions, or protests must be filed on or before the comment date. On or before the comment date, it is not necessary to serve motions to intervene or protests on persons other than the Applicant.

The Commission encourages electronic submission of protests and interventions in lieu of paper using the "eFiling" link at <http://www.ferc.gov>. Persons unable to file electronically should submit an original and 14 copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426.

This filing is accessible on-line at <http://www.ferc.gov>, using the "eLibrary" link and is available for review in the Commission's Public Reference Room in Washington, D.C. There is an "eSubscription" link on the web site that enables subscribers to receive email notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please email FERCOnlineSupport@ferc.gov, or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Comment Date: [BLANK]

Kimberly D. Bose,
Secretary