

SRSG Operating Procedure No. 8
Submitted Data and Operations Audit

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1. Purpose

The purpose of this Operating Procedure No. 8 is to establish a process for auditing a Party's compliance with SRSG data reporting and operating requirements.

2. Data and Processes to be Audited

2.1 The following forecast data will be audited:

2.1.1 Generation

2.1.2 Load

2.1.3 Megawatts associated with most severe single contingency

2.2 The following actual data will be audited:

2.2.1 Spinning reserve

2.2.2 Non-spinning reserve

2.2.3 Generation

2.2.4 Load

2.2.5 Megawatts associated with most severe single contingency

2.3 The following disturbance data and procedural information may be audited:

2.3.1 Data and procedures relating to the reporting of a disturbance including generator or transmission line type and capability.

2.3.2 Data and procedures relating to delivery or receipt of emergency assistance.

2.4 The following operational and procedural information will be reviewed:

2.4.1 Dispatcher's knowledge of SRSG Agreement and Operating Procedures

2.4.2 Dispatcher's ability to use the manual and automated systems

2.4.3 Dispatchers access to the SRSG Participation Agreement, Operating Procedures, and Emergency Assistance Matrices

- 2.4.4 Party's implementation method for calculating and integrating hourly data pertaining to spinning and non-spinning reserve
- 2.4.5 Party's energy transactions and contractual agreements affecting the amount of reportable reserves
- 2.4.6 Party's method of archiving reportable information
- 2.5 The audit team will review a minimum of 4 hours and a maximum of 8 hours of the Party's data, which are randomly selected from the previous month.
- 2.6 The audit team may audit up to 8 additional hours, if a data discrepancy is perceived, in order to gain confidence in the data or process being reported to the SRSG

3. Frequency

- 3.1 Each Party will be audited a minimum of once every 3 years or as otherwise agreed upon by the Operating Committee
- 3.2 A follow-up review may be conducted to ensure all pending items are corrected.
- 3.3 The Operating Committee will determine the audit schedule.
- 3.4 The SRSG Administrator will notify Parties 4 weeks prior to the date of their scheduled audit.

4. Audit team

- 4.1 The audit team will include the SRSG Administrator and one member designated by the Operating Committee. If the SRSG Administrator is an employee of the company being audited the Operating Committee shall designate a second member to participate in the audit.
- 4.2 The SRSG Administrator will serve as the team leader.
- 4.3 Members of the audit team cannot be employees of the Party being audited, with the exception of the SRSG Administrator.
- 4.4 Members of the audit team shall participate in no more than 2 audits per year, with the exception of the SRSG Administrator.

5. Audit process

- 5.1 The audit team will visit a site where an RSS terminal is located.
- 5.2 The following shall be completed prior to the site visit:
 - 5.2.1 The audit team shall provide the Party a list of the hours being audited at least 15 business days prior to the site visit.
 - 5.2.2 The Party shall complete audit spreadsheets for each hour being audited, which will list all data required to calculate a Party's forecast and actual data.

- 5.2.3 The Party shall return the audit spreadsheets to the SRSG Administrator at least 5 business days prior to the site visit.
- 5.2.4 The SRSG Administrator shall review the audit spreadsheets submitted and enter RSS data in order to calculate all values listed in Sections 2.1 and 2.2. This information shall be shared with the audit team.
- 5.3 The following shall be completed during the site visit:
 - 5.3.1 The audit team's site visit to the Party shall be limited to 1 day
 - 5.3.2 The Party shall make available to the audit team the Operating Committee representative or designee, a dispatcher, and all necessary support in securing the data necessary to perform the audit.
 - 5.3.3 The SRSG Administrator shall use an audit checklist as a guide to ensure all necessary data is collected, and to ensure that audits are administered consistently to all Parties.
 - 5.3.4 The SRSG Administrator shall compare all resources listed on the audit spreadsheet against the criteria listed in Operating Procedure 1 Resource Reserve Qualification.
 - 5.3.5 The audit team shall discuss the audit's preliminary findings and action items with the Party's representatives prior to concluding the site visit.
- 5.4 The following shall be completed after the site visit:
 - 5.4.1 The audit team shall send a preliminary audit report, including a summary of discrepancies, to the Party within 10 business days after the conclusion of the site visit.
 - 5.4.2 Within 10 business days after receiving the audit report, the Party may provide written comments, including a rebuttal to the report's findings and proposed or implemented solutions to discrepancies described in the report to the SRSG Administrator.
 - 5.4.3 The SRSG Administrator shall include the Party's response into the audit report.
 - 5.4.4 The SRSG Administrator shall place all action items into an action items log for the purpose of monitoring and clearing action items.

6. Audit report review and approval

- 6.1 The audit team shall complete the final report within 30 business days of the site visit and submit the report to the Operating Committee.
- 6.2 The Operating Committee shall review the audit report, discrepancies listed, and the Party's intended actions to solve the discrepancies.

- 6.3 The Operating Committee shall require additional actions if the Party's intended actions are inadequate.
- 6.4 The Operating Committee shall approve the audit report when it is satisfied that all action items have been resolved.
- 6.5 The Operating Committee shall take appropriate action in response to unresolved issues.

7. Confidentiality

All data obtained during the audit shall be confidential.