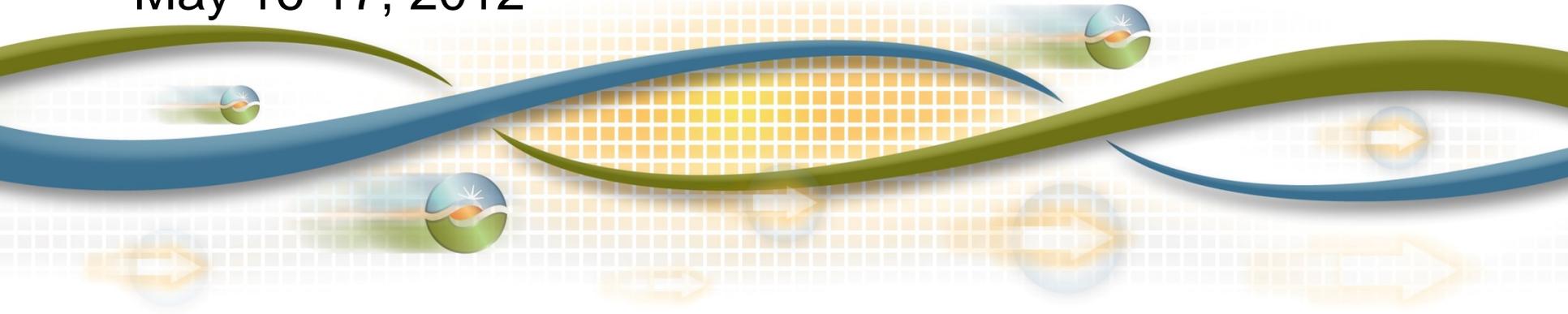


# Briefing on 2012 Operations Audit

Nancy Traweek  
Director, System Operations

Board of Governors Meeting  
General Session  
May 16-17, 2012



# Operation Audit Background

- Independent audit review required by tariff
- Compliance with operations policies, procedures
- PricewaterhouseCoopers, to conduct the 2012 audit
- Scope determined generally by stakeholder feedback, PwC input, and Management
- Minor stakeholder input to Audit processes

# Audit Scope – Validation of the Day Ahead Process

- Schedule, demand, outage, system constraint inputs
- Load forecast information, updates
- Minimum on-line constraint setup
- Extremely long start process
- Ancillary service procurement determination
- Day ahead market result transfers
- Market power mitigation, integrated forward market review process
- Residual unit commitment procurement adjustments

# Audit Schedule

Target Date	
May	Day ahead process data provided to PricewaterhouseCoopers
June	Audit parameters finalized
July	First on-site audit conducted
August	Second on-site audit conducted
December	Audit results presented to the Board