



NERC Compliance Monitoring and Enforcement Program

SERC Reliability Corporation

2010 Implementation Plan

November 2009

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1. Introduction

A. Mission

The MISSION of SERC Reliability Corporation's compliance organization is to comprehensively monitor and enforce compliance with Reliability Standards among all users, owners and operators of the bulk power system in the SERC region. SERC's Compliance Monitoring and Enforcement Program (CMEP) will be conducted with integrity, consistency, confidentiality, fairness, independence and impartiality.

B. Vision

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

C. Key Objectives

- Reliable and secure bulk power system (BPS)
- Promote registered entity self-identification and aggressive mitigation of possible violations
- Effective and efficient staff processing of compliance actions
- Consistency – intra and inter-regionally
- Transparency of processes and results (within confidentiality constraints)

D. SERC Compliance Monitoring and Enforcement Program

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

The CMEP defines eight monitoring (discovery) methods employed by the compliance staff to identify possible violations: compliance audits, spot checks, self reporting, complaint, self certification, exception reporting, periodic data submittal, and compliance violation investigations. These methods are further described in section 3.0 of this plan.

Each possible violation will be promptly reported to NERC and then further evaluated by SERC compliance staff. If staff determines sufficient basis exists to allege a violation, then staff contacts the registered entity and overviews the bases, the potential daily penalty exposure, the proposed penalty given the facts and circumstances of the alleged violation, and the basic registered entity response options. Subsequently, staff will either commence settlement negotiations and/or issue a Notice of Alleged Violation and Proposed Penalty or Sanction (NAVAPS) to the registered entity. Upon completion of the settlement agreement or confirmation of the violation in accordance with applicable SERC procedures and provisions of the CMEP, SERC compliance staff will submit the settlement agreement or Notice of Confirmed Violation (NOCV) to NERC for its approval. Upon approval of the settlement or NOCV by NERC, a Notice of Penalty (NOP) will be filed with FERC and simultaneously served upon the registered entity and publicly posted pursuant to the Rules of Procedure.

During 2010, SERC compliance staff will initiate trend analysis of compliance actions to identify potential themes requiring further staff review and action. This information will be shared with SERC registered entities (in generic form) so as to provide timely feedback and enhance compliance in the region.

SERC staff has developed and continues to refine an extensive set of compliance implementing procedures. These procedures detail the actions and processes that SERC uses to conduct its compliance monitoring and enforcement responsibilities. Procedures are aligned with and follow a similar numbering scheme to the applicable sections of the CMEP to promote linkage. One or more members of SERC compliance staff are assigned as subject matter experts (SMEs) for each procedure to ensure technical accuracy and to help coordinate revisions. New procedures and procedure revisions are posted publicly for comment to promote transparency. The SERC Compliance Implementing Procedures are on the SERC website (www.serc1.org) under the "Compliance" tab.

E. Board Compliance Committee

The SERC Board Compliance Committee, a balanced stakeholder committee of the SERC Board of Directors, is responsible for oversight of the SERC Compliance Monitoring and Enforcement Program. The Board Compliance Committee, or a subset thereof, also acts as the hearing body responsible for resolving any disputes related to either a finding of an alleged violation or a sanction administered for an alleged violation.

SERC compliance staff works independently, without guidance or interaction with the Board Compliance Committee, to complete all of the steps in the regional entity compliance process except final approval before submittal to NERC. These steps conducted independently by staff include evaluating whether a sufficient basis exists for a possible violation, issuing a Notice of Alleged Violation,

confirming a violation, developing proposed sanctions and penalties, negotiating settlements, and reviewing mitigation plans for acceptability. During this time, staff does not consult with the Board Compliance Committee and all information regarding a particular alleged violation remains confidential with the staff only.

At the conclusion of the staff's work, prior to filing with NERC, the staff conducts a final review of the confirmed violations, penalties and sanctions, and mitigation plans with the Board Compliance Committee; and the committee approves the submittal of the actions produced by staff to NERC. Final approval of SERC compliance action by the Board Compliance Committee is a means of acknowledging SERC's submittals of compliance actions of the SERC Reliability Corporation and not simply the opinions of individual staff members.

F. Compliance Staff

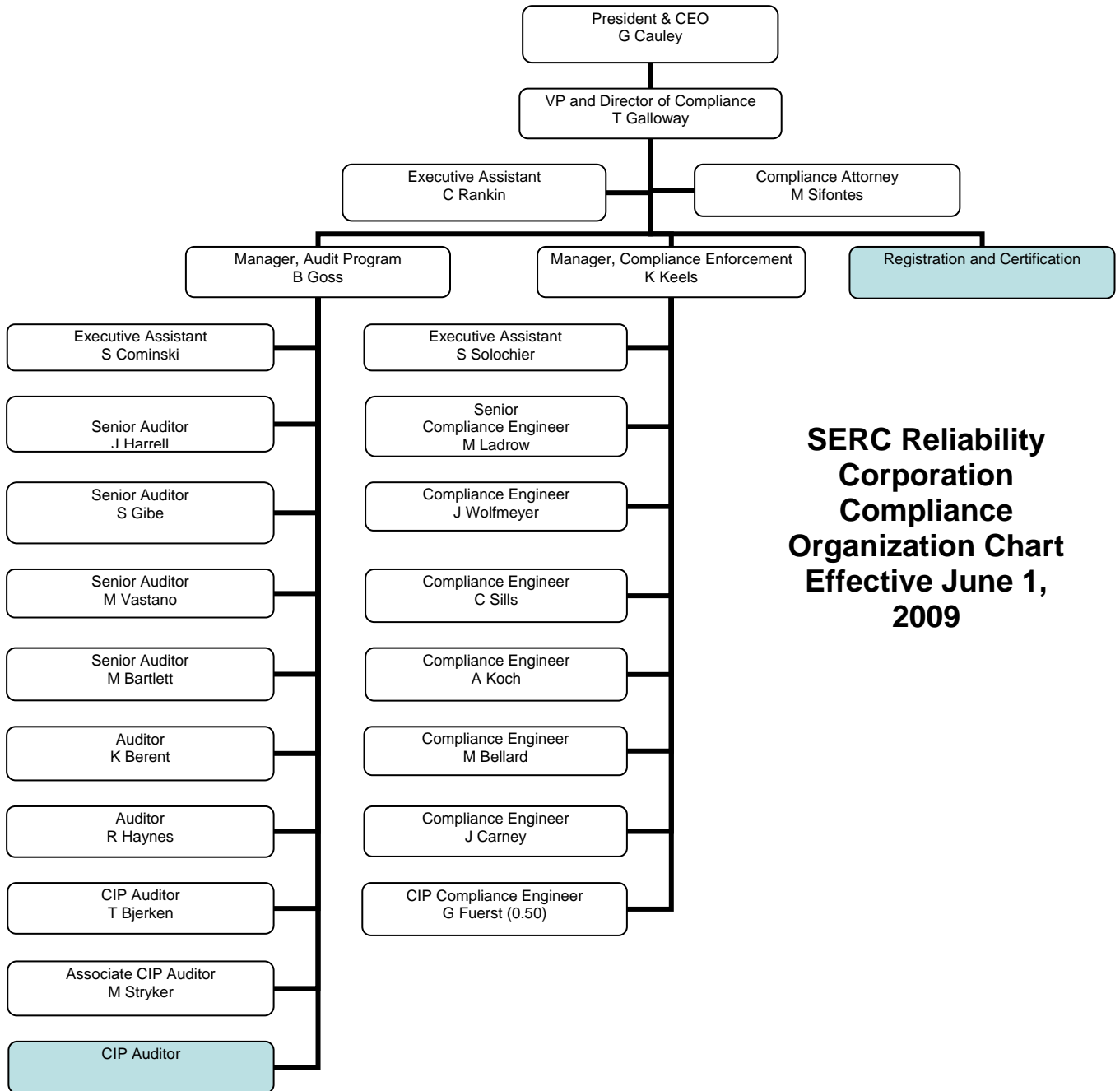
SERC compliance staff implements the Compliance Monitoring and Enforcement Program. The SERC compliance staff makes determinations of alleged violations and proposes appropriate penalties and sanctions in accordance with the CMEP and the Penalties and Sanctions Guidelines (Appendix 4B of the NERC Rules of Procedure). To accomplish these activities, SERC's compliance staff is further divided into an enforcement branch and an audit branch.

SERC significantly expanded and developed the competencies of its compliance staff from 2007 through 2009, while continuing to engage the technical expertise and active participation of industry volunteers as supporting members of audit teams. SERC's compliance staff continues to develop as a learning organization, working to improve processes and practices to enhance its ability to efficiently and effectively implement and administer the CMEP and promote a culture of reliability excellence across the region.

G. Compliance Advisory Groups (CAGs)

Compliance advisory groups, consisting of stakeholder technical experts across all sectors for each of the major disciplinary areas (operations, planning/engineering, and cyber security), are available upon request to assist the compliance staff and the Board Compliance Committee as needed. The CAGs do not have an approval role in compliance actions. SERC is evaluating development of a Registered Entity Forum (REF) to promote consistent input and feedback from a broader set of registered entities.

2. SERC Compliance Monitoring and Enforcement Program Organization



**SERC Reliability
Corporation
Compliance
Organization Chart
Effective June 1,
2009**

3. 2010 Program Implementation - Discovery

3.1 Application of Discovery Methods under the CMEP

SERC employs each of the eight (8) monitoring (discovery) methods described under the NERC CMEP as described below. Work will continue through 2010 and beyond to transition all compliance related forms (discovery, mitigation, etc.) to the SERC web-based Portal system and to standardize these forms with each of the other seven (7) regions.

3.1.1 Compliance Audit and Self Certification

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

The Audit group maintains a long-range compliance audit plan that ensures compliance audits are conducted for each applicable registered entity within the SERC region in accordance with a predefined frequency. Qualified senior SERC staff leads each on-site compliance audit team, composed of a combination of SERC compliance staff auditors and industry subject matter experts (ISMEs). The teams prepare audit reports with their findings and recommendations, including the identification of any possible violations. Specific lessons learned from these audits will be factored into the compliance program to promote continuous improvement. Additionally, audit staff has a lead role in executing spot-checks of registered entities for compliance with Reliability Standards.

A. Long Range Audit Plan

A long range (6 year) Audit Plan was developed to ensure that each entity registered within the SERC region receives a compliance audit on a prescribed schedule. Registered entities that perform Reliability Coordinator (RC), Balancing Authority (BA), or Transmission Operator (TOP) functions will be audited on a three (3) year periodicity for those three functions plus any other functions for which the entity is registered. Entities that are not registered as RC, BA or TOP will typically be audited on a six (6) year periodicity. The annual plan will be updated at least annually to account for changes in registration and other factors. See attached 6.1, Long Term Plan.

B. Audit Team Composition and Emphasis

Each SERC compliance audit will be led by a member of SERC compliance staff. The audit team will be composed from SERC compliance staff, other SERC staff members, SERC registered entity ISMEs, and NERC and FERC personnel as applicable. All audit team members will operate under approved conflict of interest and non-disclosure agreements and will receive requisite training prior to the audit. Advance notifications will occur as required by the CMEP to allow for audited registered entity objections to participation of selected team members. The Compliance Director will review and act on such objections as appropriate.

In 2010, SERC will continue a heavy focus towards “on-site” compliance audits. In particular, those entities that have been more recently registered in the SERC region will typically undergo an on-site audit as one means to promote communication of processes and expectations. In 2010, SERC will conduct several “off-site” audits, in particular for those registered entities performing only a single function, in order to test that process to ensure quality when deployed in greater scope.

All FERC approved Reliability Standards applicable to the registered entity based on registered functions are subject to audit. The subset of Reliability Standards / requirements designated for audit in the 2010 NERC Plan will serve as the default scope for SERC audits. See the NERC 2010 Actively Monitored Reliability Standards spreadsheet for the breakdown by requirement of the scope for audits. Additional applicable requirements will be added to audit scope at the discretion of compliance management.

C. Self-certifications

Sixty Standards are designated for Self Certification in the NERC 2010 Implementation Plan with 13 additional standards included in the SERC 2010 Implementation Plan. Registered entities are required to self-certify to all requirements of the Reliability Standards listed in Attachment 6.3.

SERC has two major filings for annual self-certifications targeted for June 1 and October 1. For annual filings, the associated forms are “posted” to the Portal approximately two months ahead of the scheduled due date. One exception is an annual filing due January 15, 2011 for PER-002 and PER-004 in which the forms are posted 14 days in advance of the filing deadline. SERC requires at least one individual from each registered entity to be identified as an authorized signatory. The authorized signatory is a role which should be given to the representative(s) who will be certifying to compliance submittals. Self-certification must be approved by the registered entity’s authorized signatory prior to being accepted by SERC. A systematic notification process to the registered entity’s compliance contact, with

possible escalation of notices to the officer or CEO contact will be initiated for any late submittals.

A reporting period will be defined for each reliability standard monitored by self certification. The reporting period is a 12 month period of time prior to posting of the form. The self certification will be an attestation by the registered entity for all FERC-approved versions of the reliability standard in effect during the defined reporting period. The response to the certification should accurately reflect the registered entity's compliance status for the entire reporting period.

During 2010, SERC will continue efforts in conjunction with other regions to standardize, to the extent practical, various forms used for self-certifications, exception reporting, and periodic data submittal. Much of the standardization effort will be coordinated through two separate but related groups – the Consortium Users Group (CUG) and the Compliance Information Management Group (CIMG). Each of these working groups are comprised of representatives of regions along with a liaison from NERC, working together to promote consistent implementation of the CMEP.

Self-certification by applicable entities to CIP-002 to 009 will continue in 2010 (refer to section 3.1.3).

3.1.2 2010 Compliance Audit Schedule

Approximately 40 registered entities are scheduled for compliance audits during 2010, the majority of which will be onsite audits. During initial phases of the enforceable program, focus was placed on auditing regional Generator Owners (GO) and Generator Operators (GOP); as subsequent to RC, BA, and TOP, these registered entities are considered to pose the largest potential impact on the bulk power system. This strategy will be maintained in 2010 to the extent needed, but a shift in focus towards entities registered as PSE/DP will occur; as audits of most of the higher priority functions have now been completed.

In addition, for registered entities operating in multiple regions, some audits are targeted for completion in collaboration with other regions to promote consistency and the exchange of best practices. During 2010 SERC will conduct several unscheduled audits to further promote the concept of “continuous compliance”. SERC currently plans to conduct four such audits, roughly one per quarter. See Attachment 6.2 for the 2010 audit schedule.

3.1.3 Semi-Annual Self Certifications for CIP-002-1 through CIP-009-1 Reliability Standards

SERC will conduct semi-annual self-certifications regarding implementation status on Critical Infrastructure Protection (CIP) Standards CIP-002 through CIP-009. All registered entities to which the CIP Standards apply, will be required to submit two self-certifications attesting to their compliance status with respect to

the CIP Standards. Target dates for these self-certifications are mid-January and mid-July. Once a registered entity has reached the stage at which it is required to be “auditably compliant” pursuant to the CIP Standards Implementation Plan for all of the functions for which it is registered, the registered entity will be required to submit annual self-certifications, rather than semi-annual self-certifications.

3.1.4 Spot Check

The SERC Spot-Check program will be managed under the Manager of Compliance Audits. Spot-checking of individual registered entities and selected Reliability Standards will be authorized by the Compliance Director and will involve notice to the applicable registered entity(s) in accordance with CMEP requirements. During 2010, SERC will perform spot-checks of Table 1 registered entities’ for compliance with CIP-002 through CIP-009. In addition, SERC will also perform spot-checks on all Balancing Authorities (BA) for BAL-003 requirements 1, 2, and 5. Further spot checks will be conducted based on results of trend analysis and to validate self-certifications, as needed.

3.1.5 Periodic Data Submittals

Thirteen Standards are designated for Periodic Data Submittal in the NERC 2010 Implementation Plan with 7 additional standards included in the SERC 2010 Implementation Plan. The reliability standards subject to periodic data submittal and the filing frequency (monthly, quarterly, bi-annual or annual) are defined in Attachment 6.3. The “Notes” column specifies the standards for which Periodic Data Submittals will be collected by Reliability Services or Reliability Assessments.

SERC uses Periodic Data Submittals to obtain information from registered entities such as modeling, studies, analyses, documents, procedures, methodologies, or operating data needed to demonstrate compliance with certain reliability standards. The registered entity does not attest to compliance.

For each FERC-approved reliability standard requirement that is designated for Periodic Data Submittal in the NERC 2010 Implementation Plan, SERC will also monitor the associated reliability standard through self certification. The additional self certification requirements associated with required Periodic Data Submittal are highlighted in Attachment 6.3.

3.1.6 Exception Reporting

Nineteen Standards are designated for Exception Reporting in the NERC 2010 Implementation Plan. Therefore, registered entities are required to promptly report any exceptions to the designated Reliability Standard Requirements. Since there is no specific form or template for Exception Reporting, registered entities should self report, as possible violations, any “exceptions” to the Reliability Standard requirements designated for monitored through Exception Reporting, using the SERC Portal Self-Report form. Submittal by registered

entities of self-certifications for these standards indicating the Registered Entity is “Compliant” will serve as a declaration by the registered entity that it has had no exceptions to the designated Reliability Standard requirements during the reporting period (a zero-exception report). The Reliability Standards subject to exception reporting are defined in Attachment 6.3.

3.1.7 Compliance Violation Investigation

All regulatory authority-approved Reliability Standards are subject to Compliance Violation Investigation (CVI). The CMEP Section 3.4 states: *“A Compliance Violation Investigation may be initiated at any time by the Compliance Enforcement Authority, NERC, FERC or another Applicable Governmental Authority in response to a system disturbance, complaint, or possible violation of a Reliability Standard identified by any other means.”*

CVIs will be initiated on the authority of the Compliance Director in response to system events, complaints, or as otherwise deemed necessary. CVIs are a systematic and rigorous analysis of a situation to determine what, if any, possible violations of Reliability Standards have occurred. SERC will report initiation of a CVI to NERC as described in the CMEP and will follow applicable registered entity notice requirements. SERC CVIs will be led by a member of SERC staff and will have sponsorship from senior SERC management. CVIs will typically include members of NERC and FERC staff.

3.1.8 Self Report

Self-reporting forms are maintained on the SERC website; and for 2010, will be transitioned to direct entry form(s) on the SERC Portal. Registered entities are strongly encouraged to self-report possible violations of applicable Reliability Standards as soon as they become aware of such a condition.

SERC staff will review and validate the submitted information. Registered entities are encouraged to conduct a prompt and thorough review of the circumstances associated with the self-report to accurately identify relevant scope and underlying causes. Strong consideration will be given to moderate associated sanctions and penalties for violations that are promptly and comprehensively self-reported.

3.1.9 Complaint

Complaint forms are maintained on the SERC website, and for 2010, will be transitioned to direct entry form(s) on the SERC Portal. Registered entities are encouraged to lodge complaints, as appropriate, if they become aware of possible violations by other registered entities. Complaints can be submitted to SERC or can be submitted directly to NERC. Complaints can also be submitted anonymously.

3.2 Reliability Standards Subject to 2010 CMEP Implementation

SERC will actively monitor all the Reliability Standards specified by the NERC 2010 Compliance Implementation Plan. For compliance audits and spotchecks, the specific requirements designated by NERC will be the default scope. For self-certifications, all requirements of each Standard cited for active monitoring will require entity certification of compliance. For the full list of Reliability Standards and associated monitoring methods see Attachment 6.3.

NOTE: Each Balancing Authority will be audited or spot checked against Reliability Standard BAL-003 requirements 1, 2, and 5. A revised reliability audit worksheet (RSAW) is under development to support these activities. BAL-003 will be removed from the scope of audits scheduled early in 2010 before the revised RSAW is approved. Any such omission will be addressed via spot check later in 2010.

4. 2010 Program Implementation - Enforcement

4.1 Overall Process

Each possible violation, identified through any monitoring (discovery) source, is assigned a unique identifying number at the Reliability Standard requirement level. All such possible violations are directed to a compliance screener who performs an initial coarse review for applicability and a review of the potential reliability impact and need for prompt remediation.

Following screener review, each possible violation is reviewed by the compliance team, assigned to a single-point-of-contact (SPOC) for follow-up, and reported to NERC as appropriate. The SPOC issues a notice to the registered entity that a formal assessment has been initiated and that all relevant data must be retained.

The SPOC accumulates data and other information, including conduct of site visits and interviews, as needed. The SPOC then drafts a written determination as to whether sufficient basis exists to formally allege that a violation of one or more Reliability Standard requirements has occurred. The determination receives peer and management reviews and is finalized. If sufficient basis does not exist, notice, termed an Insufficient Basis letter (IBL), is sent to the registered entity and to NERC.

If sufficient basis exists to allege a violation, work proceeds in parallel to develop any appropriate proposed sanctions and penalties. Staff assigns a violation severity level (VSL) based on the issue specifics and identifies the violation risk factor (VRF) associated with the applicable requirement(s). From these two factors, staff determines the relevant penalty range from the base penalty amount (BPA) table. The proposed penalty is further refined using factors described in relevant documents such as the NERC Sanctions Guideline (Appendix 4B to the NERC Rules of Procedure), FERC's October 20, 2005 Policy Statement on Enforcement, May 15, 2008 Revised Policy Statement on Enforcement, October 16, 2008 Policy Statement on Compliance, and other sources as appropriate. Ultimately, the Compliance Director approves a proposed penalty that bears a reasonable relation to the seriousness of the violation and takes into consideration the efforts of the registered entity to remedy the violation in a timely manner.

Staff conducts a meeting with the registered entity, generally via web conference, to discuss its findings and conclusions, the potential penalty exposure and proposed penalty, and registered entity response options. The registered entity is provided an opportunity to introduce facts that are material to the issue for consideration. The registered entity can request entry into settlement negotiations at any time. Based upon the outcome of the discussion and the registered entity's decision regarding settlement, compliance staff determines whether to proceed with a formal NAVAPS, settlement negotiations, or both. If a

NAVAPS is issued, the content or due process considerations are as defined by the NERC CMEP. If a settlement negotiation is undertaken, it will be conducted as described below.

4.2 Settlements

Settlements are viewed as an expedient and efficient method to address alleged violations. The settlement process is conducted as described by the NERC CMEP and SERC implementing procedures. Some key points include:

- Staff details the basis for determining one or more alleged violations occurred
- Staff details what the penalties could have been, the negotiated penalties and sanctions arrived at and the attendant considerations
- Registered entities are allowed to either admit that a violation occurred or indicate they neither admit nor deny the violation
- Registered entities can provide a statement within the settlement providing their perspective on the issues
- The settlement provides for correction of the violation and actions to prevent recurrence. Approved mitigation plans, the registered entity's certification of completion of the mitigation plan, and SERC staff's verification of completion of the mitigation plan will be appended as an appendix to settlement documents.

Among other factors, SERC staff may take the following into account when determining the proposed penalty: whether the alleged violation was self-reported, whether the entity admits the violation, the level of cooperation received from the entity during the investigation and the strength of the entity's compliance program.

Whether the alleged violation is dispositioned via the formal notice and registered entity response or settlement processes, the SERC Board Compliance Committee reviews and affirms the basis for the violation(s) and associated penalties as the final regional approval. The Board Compliance Committee can delegate some aspects of these approvals, in writing, to compliance staff.

4.3 Mitigation Plans

Aggressive and thorough registered entity mitigation of any possible violation is strongly encouraged, although submittal of a mitigation plan is not required under the CMEP until a violation has been confirmed after issuance of a NAVAPS. Mitigation plan forms are available on the SERC website and will be transitioned to direct entry forms on the SERC Portal for 2010.

Submission of a mitigation plan is NOT an admission by the registered entity that a violation has occurred.

Compliance staff reviews submitted mitigation plans and provides the registered entity feedback on any modifications required to support approval. Mitigation plans must specifically address the alleged violations in question and describe specific actions to remedy the violation and prevent recurrence aimed at the root cause of the violations. After mitigation plans are staff approved, the plans are forwarded, as needed, to the Board Compliance Committee for acceptance. Regionally accepted mitigation plans are subsequently forwarded to NERC and then to FERC.

SERC staff monitors the registered entity's progress towards completion of its mitigation plans in accordance with Section 6.0 of the uniform CMEP. Pursuant to the CMEP, registered entities are required to establish implementation milestones no more than three (3) months apart. SERC staff solicits quarterly reports from all registered entities with open mitigation plans to monitor the progress on completion of milestones. SERC staff also produces and reviews mitigation plan status reports highlighting mitigation plans that are nearing the scheduled completion date. If the registered entity fails to complete its mitigation plan according to schedule, appropriate additional enforcement action is initiated to assure compliance is attained.

Registered entities are required to certify completion of the mitigation plan and to provide supporting evidence. Compliance staff reviews supplied evidence to determine whether the approved mitigation plan has been implemented as agreed upon and has restored compliance. Staff will initiate new enforcement action in those cases where a registered entity does not complete mitigation plan actions on time or cannot demonstrate current compliance through evidence.

4.4 Hearings

In those cases where a registered entity chooses to contest the alleged violation, proposed penalty, remedial action directive, or the region's rejection of a mitigation plan, the registered entity can request a hearing. Requirements regarding staff and registered entity actions and associated timing are detailed in the NERC CMEP and associated implementing procedures. The Board Compliance Committee or a subset of the Board Compliance Committee will serve as the hearing body.

5. Key CMEP Activities and Initiatives

In 2010 SERC compliance will undertake several initiatives to improve and refine the conduct of our compliance monitoring and enforcement responsibilities based on various sources of feedback. These items are detailed below.

5.1 Organization Registration and Certification

5.1.1 Registration

NERC maintains the official registration list for registered entities in each of the eight (8) regions (“Compliance Registry”). SERC provides periodic updates to NERC to reconcile any changes in the SERC registration list. Registered entities are expected to promptly notify SERC of any change in their registration status.

Currently, registration activities are coordinated by members of the enforcement staff and certification activities (see 5.1.2 below) by members of the audit staff. SERC plans to hire a new full time equivalent (FTE) in 2010 focused on registration and certification. This individual will systematically apply registration criteria to ensure all entities within the SERC region are registered as required and will develop an inventory of all discrete BPS elements within the region.

In addition, this individual will also support cross-regional initiatives regarding multi-regional registered entities (MRRE). This work will include identification of a lead region for monitoring compliance for those entities registered in multiple regions and to evaluate standardized filing schedules and scopes.

5.1.2 Organization Certification

The purpose of certification is to evaluate and certify the competency of entities performing primary reliability responsibilities. The entities presently expected to be certified include Reliability Coordinators, Transmission Operators, and Balancing Authorities. Other entities may be added, as required, by approved Reliability Standards.

All entities responsible for the Reliability Coordinator, Transmission Operator, and/or Balancing Authority functions shall be certified. All non-certified entities or a new entity seeking certification as a Reliability Coordinator, Transmission Operator, or Balancing Authority function must complete the organization certification process for each function. Entities seeking certification to perform one of these functions shall contact SERC at serccomply@serc1.org, Attention: Manager of Compliance Audits to apply for certification. (See NERC Rules of Procedure Section 500- Organization Registration and Certification and Appendix 5 to NERC Rules of Procedure: Organization Registration and Certification Manual.)

5.2 Outreach efforts

5.2.1 Compliance Seminars

Four (4) compliance seminars are planned during 2010. Each of the seminars will be held in a different SERC sub-region to promote attendance. Common topics will be included in each offering including background and objective of the Electric Reliability Organization, SERC-NERC-FERC roles, compliance processes, and experiential lessons learned from registered entities and SERC staff. Each of the seminars will be specifically tailored to focus on current events of interest and compliance themes.

5.2.2 Compliance Open Forum

SERC will conduct quarterly “Open Forums” to convey key messages and allow for registered entity questions and feedback

5.2.3 Compliance Statistics and Lessons Learned

Generic lessons learned regarding in-process and completed compliance actions will be compiled and posted to provide registered entities timely feedback and promote transparency. During 2010, SERC will continue to work with other regions to standardize processes and positions on topics. Agreement will be sought with other regions and common (ERO wide) lessons learned will likewise be posted. Currently statistics on in-process violations are updated monthly and posted on the SERC public web site.

5.3 Training

Audit team leaders and members receive NERC-provided auditor training as a required part of qualifications prior to independent work on compliance audits. In addition to NERC-provided training, SERC compliance undertook to obtain vendor-provided training for compliance staff on industry generally accepted auditing basics to promote enhanced auditor performance in 2010. During 2010, SERC compliance will continue internal training on selected topics including Reliability Standards. Members of compliance staff are designated as subject-matter-experts (SMEs) for each of the FERC approved Reliability Standards. A schedule is defined and training is provided to staff on a routine basis.

During 2010, internal training will be expanded to include coverage of key skills areas for both audit and enforcement staff. Training topics will include topics such as project management, critical thinking, and communications. Additionally, training will commence on selected NERC CMEP processes such as mitigation plans and settlements.

Training will be developed, to the extent practical, using the Systematic Approach to Training (SAT). Under this approach, there are five key steps to training development as follows:

- Analyze key tasks for the target training population

- Design training framework that best suits the target population
- Develop training content that is focused on key tasks using framework
- Implement training in a highly professional and organized fashion
- Evaluate the effectiveness of the provided training

5.4 Benchmarking, Self Assessment, and Corrective Action

During 2010, SERC compliance staff will initiate and/or build on previously initiated self-improvement activities in the areas of benchmarking, self-assessment and corrective action.

Benchmarking will be used to identify best practices that can be deployed. Benchmarking will be focused on techniques in use by other regions on key processes. Benchmarking will also be applied on subjects within the general industry but, outside the ERO.

Self-assessments began in 2008 with a targeted self-assessment of SERC compliance to RRO specific requirements within the Reliability Standards. This effort also yielded a staff procedure governing conduct of future self-assessments. Four self-assessments are targeted for 2010 (roughly one per quarter). The Compliance Director will select the topics; assign a staff lead and work with the lead to determine appropriate scope. Each self-assessment will have results documented in a written report. Corrective action will be specified for each identified improvement opportunity.

Corrective action program elements will be further refined during 2010. The established SAT process will be further evolved to track improvement opportunities (both internal and regional), apply some basic cause coding and initiate trend analysis. Important improvement items such as benchmarking and self-assessment results, as well as feedback from other sources such as the NERC audit of SERC, will be entered into the corrective action program form tracking as appropriate.

5.5 Operating Experience

Regional and cross-regional incidents will be evaluated for common themes applicable to compliance requiring adjusted focus and action. Lessons learned from operating experience will be used to adjust, as required, in-process and future compliance plans.

5.6 Information Technology Platform

During 2010, SERC will continue efforts to spear-head a common cross-regional information Technology (IT) platform to manage compliance related data and information. The first phase of the Compliance Implementation Tracking System (CITS) is scheduled for launch in 4Q09. Subsequent phases with enhanced reporting capability are scheduled for 2010.

CITS is a Regional Entity application that incorporates all aspects of violation tracking including mitigation, penalty, settlement, hearings, Remedial Action Directives (RADs), and Compliance Violation Investigation (CVIs) data and documents. Registered Entities interface with the CITS application through the SERC Portal by submitting self certification, self report, complaint, and mitigation forms. The mitigation forms include milestone updates, extensions, and certification of closure.

Standards, registration, and violations data will be transferred electronically between SERC and NERC. This electronic exchange of data promotes uniformity, improves data quality, and supports timely reporting.

5.7 Technical Feasibility Exceptions (TFEs)

Certain requirements of the CIP reliability standards allow for registered entities to take exception to submit TFEs where technically justified. SERC has configured the Portal (IT system) to allow entities to make electronic submittal of Part A (summary level) information. SERC CIP staff will evaluate these submittals and provide feedback to the submitting entity as to acceptability. Part B (detailed TFE information) will be evaluated on-site at the entity during pre-planned audits or spot checks.

SERC 2009-2017 Audit Schedule

NERC ID#	Registered Entities to be Audited (based on NERC Compliance Registry as of 9/30/2009)	2010	2011	2012	2013	2014	2015	2016	2017
NCR01165	Alabama Municipal Electric Authority				X				
NCR01166	Alabama Power Company						X		
NCR00667	Alcoa Power Generating, Inc.	X						X	
NCR01168	Alcoa Power Generating, Inc. - Tapoco Division	X			X			X	
NCR01169	Alcoa Power Generating, Inc. - Yadkin Division	X			X			X	
NCR01170	Alcoa Power Marketing LLC	X						X	
NCR00678	Ameren Energy Marketing Company		X						X
NCR10309	Ameren Energy Resources		X						X
NCR01175	Ameren Services Company		X			X			X
NCR10248	Ameren Union Electric		X						X
NCR10081	ArcLight Energy Marketing, LLC				X				
NCR01177	Associated Electric Cooperative, Inc.	X			X			X	
NCR01178	Baconton Power LLC				X				
NCR09030	Barclays Bank PLC						X		
NCR01179	Batesville Balancing Authority ¹	X			X			X	
NCR01180	Big Rivers Electric Corporation	X			X			X	
NCR01181	Birchwood Power Partners LP		X						X
NCR01182	Black Warrior Electric Membership Corporation		X						X
NCR01183	Blue Ridge Electric Membership Corporation		X						X
NCR01184	BlueStar Energy Services, Inc.			X					
NCR00005	BP Energy Company	X						X	
NCR01186	Brazos Electric Power Cooperative, Inc.		X						X
NCR00006	Calpine Corporation					X			
NCR01189	Calpine Energy Services					X			
NCR08080	CAMS - Mackinaw Power					X			
NCR01066	Cargill Power Markets, LLC						X		
NCR09001	Catalyst Old River Hydroelectric Limited Partnersh						X		
NCR01191	Central Electric Power Cooperative Inc.	X						X	
NCR10207	Choctaw Gas Generation, LLC					X			
NCR10206	Choctaw Generation Limited Partnership					X			
NCR10055	Citigroup Energy Inc.						X		
NCR01192	Citizens Electric Corporation	X						X	

SERC 2009-2017 Audit Schedule

NERC ID#	Registered Entities to be Audited (based on NERC Compliance Registry as of 9/30/2009)	2010	2011	2012	2013	2014	2015	2016	2017
NCR01193	City of Benton ¹	X			X			X	
NCR01195	City of Camden	X						X	
NCR01196	City of Columbia, MO	X			X			X	
NCR01197	City of Concord		X						X
NCR01198	City of Conway ¹	X			X			X	
NCR01199	City of Dalton d/b/a Dalton Utilities					X			
NCR09002	City of Manassas		X						X
NCR01201	City of North Little Rock, AR (DENL) ¹	X			X			X	
	City of Osceola ¹								
NCR01202	City of Orangeburg Department of Public Utilities		X						X
NCR01203	City of Ruston, LA (DERS) ¹	X			X			X	
NCR01328	City of Springfield, IL - CWLP			X			X		
NCR08081	City of Troy, Alabama			X					
NCR01204	City of West Memphis ¹	X		X	X			X	
NCR00499	Claiborne Electric Cooperative, Inc.	X						X	
NCR01206	Cogentrix Virginia Leasing Corp	X						X	
NCR08044	ConocoPhillips Company			X					X
NCR00015	Constellation Energy Commodities Group, Inc.	X						X	
NCR00180	Constellation NewEnergy, Inc.	X						X	
NCR01210	Cottonwood Energy, LP				X				
NCR01211	Covanta, Fairfax, Inc.						X		
NCR01212	Craven County Wood Energy Limited				X				
NCR00749	DB Energy Trading, LLC						X		
NCR09003	DC Energy Mid-Atlantic, LLC					X			
NCR09004	DC Energy Midwest, LLC					X			
NCR09005	DC Energy, LLC					X			
NCR00443	Direct Energy Business, LLC						X		
NCR00416	Dixie Electric Membership Corporation	X						X	
NCR00335	Dow Pipeline Company	X						X	
NCR01216	Doyle I, LLC				X				
NCR00760	DTE Energy Trading, Inc.						X		

SERC 2009-2017 Audit Schedule

NERC ID#	Registered Entities to be Audited (based on NERC Compliance Registry as of 9/30/2009)	2010	2011	2012	2013	2014	2015	2016	2017
NCR01219	Duke Energy Carolinas					X			
NCR09007	Duke Energy Generation Services, Inc.						X		
NCR00200	Dynegy Inc.				X				
NCR00201	Dynegy Power Marketing, Inc.						X		
NCR09008	E. I. du Pont de Nemours and Company						X		
NCR01223	E.ON U.S. Services Inc. for LG&E & KU Companies			X			X		
NCR00551	Eagle Energy Partners I, L.P.				X				
NCR01225	East Kentucky Power Cooperative			X			X		
NCR01226	East Mississippi Electric Power Association	X						X	
NCR01227	East Texas Electric Cooperative Inc.						X		
NCR01228	Edgecombe Genco, LLC						X		
NCR01229	Edgecombe Operating Services, LLC						X		
NCR01230	Electric Energy, Inc.		X			X			X
NCR08084	Elizabethtown Energy, LLC North Carolina Energy Holdings				X				
NCR00505	Endure Energy, LLC			X					
NCR01232	EnergyUnited Electric Membership Corporation		X						X
NCR01234	Entergy			X			X		
NCR00776	Exelon Energy Company		X						X
NCR01238	Exelon Generation Company LLC		X						X
NCR00778	Exelon Generation Company, LLC - Exelon Nuclear				X				
NCR00128	ExxonMobil Corp - Baton Rouge			X					
NCR01239	ExxonMobil Corp - Beaumont						X		
NCR01240	Fayetteville Public Works Commission	X						X	
NCR01241	Florida Power & Light Company	X						X	
NCR09009	Fortis Energy Marketing & Trading GP						X		
NCR01244	French Broad Electric Membership Corporation	X						X	
NCR00626	GDF SUEZ Energy Marketing NA, Inc.						X		
NCR01247	Georgia Power Company						X		
NCR01248	Georgia System Operations Corporation		X			X			X
NCR01249	Georgia Transmission Corporation					X			
NCR01250	Greenwood Commissioners of Public Works		X						X
NCR01251	Greenwood Utilities Commission		X						X

SERC 2009-2017 Audit Schedule

NERC ID#	Registered Entities to be Audited (based on NERC Compliance Registry as of 9/30/2009)	2010	2011	2012	2013	2014	2015	2016	2017
NCR01252	Gulf Power Company						X		
NCR09032	Harrisonburg Electric Commission		X						X
NCR01253	Hartwell Energy Limited Partnership					X			
NCR10293	Haywood Electric Membership Corporation		X						X
NCR01254	Henderson Municipal Power & Light					X			
NCR01255	Holland Energy, LLC						X		
NCR01256	Hopewell Cogeneration, L.P.					X			
NCR01257	Hot Spring Power Company, LLC					X			
NCR00795	Illinois Municipal Electric Agency				X				X
NCR00255	Integritys Energy Services, Inc.						X		
NCR00256	J. Aron & Company						X		
NCR10263	J.P. Morgan Ventures Energy Corporation				X				
NCR01262	James River Cogeneration Co.				X				
NCR10379	Kansas Energy, LLC					X			
NCR09011	KGen Hinds LLC						X		
NCR09012	KGen Hot Spring LLC						X		
NCR09013	KGen Murray I and II LLC						X		
NCR09014	KGen Sandersville LLC						X		
NCR09015	LG&E Energy Marketing Inc.			X					
NCR06004	Lighthouse Energy Trading Co., Inc.				X				
NCR01265	Louisiana Generating, LLC	X			X			X	
NCR01266	LSP Energy Limited Partnership					X			
NCR08085	Lumberton Energy, LLC North Carolina Energy Holdings				X				
NCR08082	Mackinaw Power, LLC					X			
NCR01268	Magnolia Energy, LP						X		
NCR08088	Merrill Lynch Commodities, Inc.						X		
NCR00167	Mid Georgia Cogen L.P.		X						X
NCR00824	MidAmerican Energy Company					X			
NCR08083	MidAmerican Energy Company - Retail					X			
NCR00825	Midwest Contingency Reserve Sharing Group ³						X		
NCR00826	Midwest Independent Transmission System Operator ²			X			X		
NCR01273	Mississippi Power Company						X		

SERC 2009-2017 Audit Schedule

NERC ID#	Registered Entities to be Audited (based on NERC Compliance Registry as of 9/30/2009)	2010	2011	2012	2013	2014	2015	2016	2017
NCR00050	Morgan Stanley Capital Group, Inc.		X						X
NCR01277	Mt. Carmel Public Utility Co.		X						X
NCR01278	Municipal Electric Authority of Georgia	X						X	
NCR09018	North American Energy Services - Cottonwood				X				
NCR01283	North American Energy Services - Holland						X		
NCR08086	North American Energy Services - Magnolia						X		
NCR09017	Nelson Industrial Steam Company		X						X
NCR10317	NextEra Energy Power Marketing, LLC			X				X	
NCR01243	NextEra Energy Resources, LLC	X						X	
NCR01284	North Carolina Eastern Municipal Power Agency		X						X
NCR01279	North Carolina Electric Membership Corporation					X			
NCR01285	North Carolina Municipal Power Agency #1		X						X
NCR10281	Northern Virginia Electric Cooperative	X						X	
NCR09019	Occidental Chemical Corporation					X			
NCR10100	Occidental Power Services, Inc.						X		
NCR01287	Oglethorpe Power Corporation				X				
NCR00859	Old Dominion Electric Cooperative					X			
NCR01290	Owensboro, KY Municipal Utilities					X			
NCR01292	Piedmont Electric Membership Corporation			X					
NCR01293	Piedmont Municipal Power Agny			X					
NCR00879	PJM Interconnection, LLC ²	X			X			X	
	Plum Point Energy Station ¹								
NCR10294	Portsmouth Operating Services, LLC	X						X	
NCR10203	PowerSouth Energy Cooperative	X			X			X	
NCR09034	PPG Industries, Inc.						X		
NCR00371	PPL EnergyPlus, LLC						X		
NCR09035	Prairie Power, Inc.						X		
NCR01296	Prairieland Energy Incorporated	X						X	
NCR09021	Primary Energy of North Carolina (Roxboro) LLC					X			
NCR09020	Primary Energy of North Carolina (Southport) LLC					X			
NCR01298	Progress Energy Carolinas		X			X			X
NCR09036	RRI Energy Services, Inc.			X					

SERC 2009-2017 Audit Schedule

NERC ID#	Registered Entities to be Audited (based on NERC Compliance Registry as of 9/30/2009)	2010	2011	2012	2013	2014	2015	2016	2017
NCR00396	RRI Energy Wholesale Generation, LLC				X				
NCR01303	Rutherford Electric Membership Corporation	X						X	
NCR01305	Sabine River Authority of TX/LA	X						X	
NCR01307	Sam Rayburn G&T Electric Cooperative Inc.						X		
NCR00419	Sempra Energy Solutions LLC			X					
NCR09024	Sempra Energy Trading LLC			X					
NCR01309	Seneca Light and Water			X					
NCR05118	Shell Energy North America (US), L.P.					X			
NCR07211	Silverhill Ltd.			X					
NCR00915	South Carolina Electric & Gas Company		X			X			X
NCR01312	South Carolina Public Service Authority			X			X		
NCR01313	South Eastern Electric Development Corporation					X			
NCR01314	South Eastern Generating Corporation					X			
NCR00163	South Louisiana Electric Cooperative Association	X						X	
NCR01315	South Mississippi Electric Power Association			X			X		
NCR00070	Southeastern Power Administration			X			X		
NCR01319	Southern Company Services, Inc. - Gen	X			X			X	
NCR01320	Southern Company Services, Inc. - Trans	X			X			X	
NCR01321	Southern Illinois Power Cooperative			X			X		
NCR01322	Southern Power Company						X		
NCR10328	Southwest Louisiana Electric Membership Corporation		X					X	
NCR08087	Southwest Power Pool, Inc.	X			X			X	
NCR01323	Southwest Power Pool, Inc. - ICTE	X			X			X	
NCR09025	Southwest Power Pool, Inc. - ITO	X						X	
NCR01324	Southwestern Electric Cooperative, Inc.					X			
NCR01325	SOWEGA Power LLC				X				
NCR01329	Spruance Genco, LLC				X				
NCR01330	Spruance Operating Services, LLC				X				
NCR01331	SRW Cogeneration Limited Partnership						X		
NCR01334	Tenaska Alabama II Partners, L.P.					X			
NCR01335	Tenaska Alabama Partners, L.P.					X			
NCR00632	Tenaska Frontier Partners, Ltd						X		

SERC 2009-2017 Audit Schedule

NERC ID#	Registered Entities to be Audited (based on NERC Compliance Registry as of 9/30/2009)	2010	2011	2012	2013	2014	2015	2016	2017
NCR01337	Tenaska Georgia Partners, L.P.						X		
NCR00635	Tenaska Power Services Co.			X					
NCR01339	Tenaska Virginia Partners, L.P.						X		
NCR01151	Tennessee Valley Authority	X			X			X	
NCR01341	Tennessee Valley Authority - TVAM						X		
NCR00075	Teton Operating Services, LLC		X						X
NCR01342	Tex-La Electric Cooperative of Texas, Inc.						X		
NCR09037	The Dow Chemical Company					X			
NCR00076	The Energy Authority, Inc.						X		
NCR01345	Town of Black Creek		X						X
NCR09026	Town of Culpeper Light & Power			X					
NCR01347	Town of Lucama			X					
NCR01348	Town of Sharpsburg			X					
NCR01349	Town of Stantonsburg			X					
NCR01350	Town of Waynesville			X					
NCR01352	Town of Winterville			X					
NCR08074	TransAlta Energy Marketing (U.S) Inc.						X		
NCR01354	Union Power Partners, L.P.					X			
NCR01355	Union Power Partners, L.P. (PUPP) ¹	X			X			X	
NCR01356	USACE - Charleston District			X					
NCR01359	USACE - Mobile District			X					
NCR01360	USACE - Nashville District			X					
NCR01361	USACE - Savannah District			X					
NCR01364	USACE - Wilmington District			X					
NCR01365	VACAR South		X			X			X
NCR00938	Virginia Electric & Power Company (PSE)				X				
NCR09028	Virginia Electric and Power Company – Fossil and Hydro (GO, GOP)				X				
NCR09006	Virginia Electric and Power Company – Nuclear (GO, GOP)				X				
NCR01214	Virginia Electric and Power Company (DP, LSE, TO, TP)				X				
NCR00940	Wabash Valley Power Association, Inc.				X				
NCR01368	West Georgia Generating Company, LLC				X				
NCR00658	Westar Energy, Inc.		X						X

SERC 2009-2017 Audit Schedule

NERC ID#	Registered Entities to be Audited (based on NERC Compliance Registry as of 9/30/2009)	2010	2011	2012	2013	2014	2015	2016	2017
NCR09029	Western Kentucky Energy Corp.					X			
NCR01370	Westmoreland Partners					X			
NCR01320	Southern Company Services, Inc. - Trans RC			X			X		
NCR01151	Tennessee Valley Authority RC			X			X		
NCR10386	WGPPS Hardin County Peaking Facility						X		
NCR10387	WGPPS San Jacinto County Peaking Facility						X		
		45	33	38	47	42	60	47	34

Footnotes:

1. Constellation - All entities will be audited at the same time.
2. All functions audited by RFC with SERC participation.
3. All functions audited by MRO with SERC participation.

Legend
MRRE - all functions audited by a designated region for all applicable regions

SERC 2010 Audit Schedule

NERC ID#	SERC Registered Entities to be Audited in 2010 (based on NERC Compliance Registry as of 9/30/2009)	Audit Type	Start Date	End Date	Location
NCR01168	Alcoa Power Generating, Inc. - Tapoco Division	On-site Audit	1/25/2010	1/29/2010	Alcoa, TN
NCR01169	Alcoa Power Generating, Inc. - Yadkin Division	On-site Audit	1/25/2010	1/29/2010	Alcoa, TN
NCR01240	Fayetteville Public Works Commission	On-site Audit	2/9/2010	2/11/2010	Fayetteville, NC
NCR00879	PJM Interconnection, LLC (RFC Lead)	On-site Audit	2/23/2010	2/26/2010	Norristown, PA
NCR01244	French Broad Electric Membership Corporation	On-site Audit	3/1/2010	3/3/2010	Marshall, NC
NCR01303	Rutherford Electric Membership Corporation	On-site Audit	3/3/2010	3/5/2010	Forrest City, NC
NCR01265	Louisiana Generating, LLC	On-site Audit	3/22/2010	3/26/2010	New Roads, LA
NCR00667	Alcoa Power Generating, Inc.(RFC Lead)	Off-site Audit	4/4/2010	4/16/2010	Akron, OH
NCR01170	Alcoa Power Marketing LLC (SERC Lead)	Off-site Audit	4/4/2010	4/16/2010	Akron, OH
NCR00015	Constellation Energy Commodities Group, Inc.(RFC Lead)	Off-site Audit	4/4/2010	4/16/2010	Akron, OH
NCR00180	Constellation NewEnergy, Inc. (RFC Lead)	Off-site Audit	4/4/2010	4/16/2010	Akron, OH
NCR01192	Citizens Electric Corporation	On-site Audit	4/13/2010	4/15/2010	Ste. Genevieve, MO
NCR01226	East Mississippi Electric Power Association	On-site Audit	4/20/2010	4/22/2010	Meridian, MS
NCR01151	Tennessee Valley Authority	On-site Audit	5/3/2010	5/7/2010	Chattanooga, TN
NCR08087	Southwest Power Pool, Inc.	On-site Audit	5/10/2010	5/14/2010	Little Rock, AR
NCR01323	Southwest Power Pool, Inc. - ICTE	On-site Audit	5/10/2010	5/14/2010	Little Rock, AR
NCR09025	Southwest Power Pool, Inc. - ITO	On-site Audit	5/10/2010	5/14/2010	Little Rock, AR
NCR01180	Big Rivers Electric Corporation	On-site Audit	5/24/2010	5/28/2010	Henderson, KY
NCR00499	Claiborne Electric Cooperative, Inc.	On-site Audit	6/8/2010	6/10/2010	Homer, LA
NCR01191	Central Electric Power Cooperative Inc.	On-site Audit	6/21/2010	6/23/2010	Columbia, SC
NCR01195	City of Camden	On-site Audit	6/23/2010	6/25/2010	Camden, SC
NCR00335	Dow Pipeline Company	Off-site Audit	7/12/2010	7/16/2010	Charlotte, NC
NCR01296	PrairieLand Energy Incorporated	Off-site Audit	7/12/2010	7/12/2010	Charlotte, NC
NCR01206	Cogentrix Virginia Leasing Corp	On-site Audit	7/19/2010	7/21/2010	Portsmouth, VA
NCR10294	Portsmouth Operating Services, LLC	On-site Audit	7/21/2010	7/23/2010	Portsmouth, VA
NCR00416	Dixie Electric Membership Corporation	On-site Audit	8/10/2010	8/12/2010	Greenwell Springs, LA
NCR01305	Sabine River Authority of TX/LA	Off-site Audit	8/23/2010	8/27/2010	Charlotte, NC
NCR10281	Northern Virginia Electric Cooperative	On-site Audit	8/31/2010	9/2/2010	Gainesville, VA
NCR01177	Associated Electric Cooperative, Inc.	On-site Audit	9/13/2010	9/17/2010	Springfield, MO
NCR01196	City of Columbia, MO	On-site Audit	10/4/2010	10/8/2010	Columbia, MO
NCR01179	Batesville Balancing Authority	On-site Audit	10/18/2010	10/22/2010	Houston, TX
NCR01193	City of Benton	On-site Audit	10/18/2010	10/22/2010	Houston, TX
NCR01198	City of Conway	On-site Audit	10/18/2010	10/22/2010	Houston, TX
NCR01201	City of North Little Rock, AR (DENL)	On-site Audit	10/18/2010	10/22/2010	Houston, TX
	City of Osceola	On-site Audit	10/18/2010	10/22/2010	Houston, TX
NCR01203	City of Ruston, LA (DERS)	On-site Audit	10/18/2010	10/22/2010	Houston, TX
NCR01204	City of West Memphis	On-site Audit	10/18/2010	10/22/2010	Houston, TX
	Plum Point Energy Station	On-site Audit	10/18/2010	10/22/2010	Houston, TX
NCR01355	Union Power Partners, L.P. (PUPP)	On-site Audit	10/18/2010	10/22/2010	Houston, TX
NCR10203	PowerSouth Energy Cooperative	On-site Audit	10/25/2010	10/29/2010	Andalusia, AL
NCR01278	Municipal Electric Authority of Georgia	On-site Audit	11/8/2010	11/12/2010	Atlanta, GA
NCR01319	Southern Company Services, Inc. - Gen	On-site Audit	11/15/2010	11/19/2010	Birmingham, AL
NCR01320	Southern Company Services, Inc. - Trans	On-site Audit	11/15/2010	11/19/2010	Birmingham, AL

Reliability Standards Included in the NERC & SERC 2010 CMEP

Standard Number	Title	Applicable Function(s)	Audit ¹	Self-Certification ²	Periodic Data Submittal (M: Monthly, Q: Quarterly, B: Bi-Annual, A: Annual)	Exception Reporting ³	Spot Check ¹	Notes
Resource and Demand Balancing								
BAL-001-0.1a	Real Power Balancing Control Performance	BA			M			
BAL-002-0	Disturbance Control Performance	BA, RSG	√	√	Q			
BAL-003-0.1b	Frequency Response and Bias	BA	√	√	A	√	√	Periodic Data Submittal collected by Reliability Services department.
BAL-004-0	Time Error Correction	BA, RC		√		√		
BAL-005-0.1b	Automatic Generation Control	BA, GOP, LSE, TOP	√	√				
BAL-006-1	Inadvertent Interchange	BA		√	M	√		Data submitted through a NERC-hosted application
Communications								
COM-001-1.1	Telecommunications	BA, RC, TOP	√	√				
COM-002-2	Communications and Coordination	BA, GOP, RC, TOP	√	√				
Critical Infrastructure Protection								
CIP-001-1	Sabotage Reporting	BA, GOP, LSE, RC, TOP	√	√				
CIP-002-1	Critical Cyber Asset Identification	BA, GO, GOP, IA, LSE, NERC, RC, RE, TO, TOP, TSP	√	√			√	CIP Spot Checks will target Table 1 entities, per the CIP Implementation Plan, for compliance with the following 13 requirements: CIP-002-1: R.1 – R.3 CIP-003-1: R.1 – R.3 CIP-004-1: R.2 – R.4 CIP-007-1: R.1 CIP-008-1: R.1 CIP-009-1: R.1 – R.2. After July 1, 2010, the CIP Spot Checks will target Table 1 entities for all CIP-002-1 through CIP-009-1 Requirements.
CIP-003-1	Security Management Controls	BA, GO, GOP, IA, LSE, NERC, RC, RE, TO, TOP, TSP	√	√			√	
CIP-004-1	Personnel & Training	BA, GO, GOP, IA, LSE, NERC, RC, RE, TO, TOP, TSP	√	√			√	
CIP-005-1	Electronic Security Perimeter(s)	BA, GO, GOP, IA, LSE, NERC, RC, RE, TO, TOP, TSP	√	√			√	
CIP-006-1	Physical Security of Critical Cyber Assets	BA, GO, GOP, IA, LSE, NERC, RC, RE, TO, TOP, TSP	√	√			√	
CIP-007-1	Systems Security Management	BA, GO, GOP, IA, LSE, NERC, RC, RE, TO, TOP, TSP	√	√			√	
CIP-008-1	Incident Reporting and Response Planning	BA, GO, GOP, IA, LSE, NERC, RC, RE, TO, TOP, TSP	√	√			√	
CIP-009-1	Recovery Plans for Critical Cyber Assets	BA, GO, GOP, IA, LSE, NERC, RC, RE, TO, TOP, TSP	√	√			√	
Emergency Preparedness and Operations								
EOP-001-0	Emergency Operations Planning	BA, TOP	√	√				
EOP-002-2.1	Capacity and Energy Emergencies	BA, LSE, RC	√	√			√	
EOP-003-1	Load Shedding Plans	BA, TOP	√	√				
EOP-004-1	Disturbance Reporting	BA, GOP, LSE, RC, TOP		√		√		
EOP-005-1	System Restoration Plans	BA, TOP	√	√		√		
EOP-006-1	Reliability Coordination - System Restoration	RC	√	√		√		
EOP-008-0	Plans for Loss of Control Center Functionality	BA, RC, TOP	√	√				
EOP-009-0	Documentation of Blackstart Generating Unit Test Results	GO, GOP		√	A			Periodic Data Submittal collected by Reliability Services department.
Facilities Design, Connections, and Maintenance								
FAC-001-0	Facility Connection Requirements	TO	√	√				
FAC-002-0	Coordination of Plans for New Facilities	DP, GO, LSE, PA, TO, TP	√	√				
FAC-003-1	Vegetation Management Program	TO	√	√	R2: A R3: Q			
FAC-008-1	Facility Ratings Methodology	GO, TO	√	√				
FAC-009-1	Establish and Communicate Facility Ratings	GO, TO	√	√				
FAC-010-2	System Operating Limits Methodology for the Planning Horizon	PA	√	√				

Reliability Standards Included in the NERC & SERC 2010 CMEP

Standard Number	Title	Applicable Function(s)	Audit ¹	Self-Certification ²	Periodic Data Submittal (M: Monthly, Q: Quarterly, B: Bi-Annual, A: Annual)	Exception Reporting ³	Spot Check ¹	Notes
FAC-011-2	System Operating Limits Methodology for the Operations Horizon	RC	√	√				
FAC-013-1	Establish and Communicate Transfer Capabilities	PA, RC		√				
FAC-014-2	Establish and Communicate System Operating Limits	PA, RC, TOP, TP	√	√				
Interchange Scheduling and Coordination								
INT-001-3	Interchange Information	BA, PSE		√			√	
INT-003-2	Interchange Transaction Implementation	BA		√			√	
Interconnection Reliability Operations and Coordination								
IRO-001-1.1	Reliability Coordination – Responsibilities and Authorities	BA, GOP, LSE, PSE, RC, TOP, TSP	√	√				
IRO-002-1	Reliability Coordination – Facilities	RC	√	√				
IRO-003-2	Reliability Coordination – Wide-Area View	RC	√	√				
IRO-004-1	Reliability Coordination - Operations Planning	BA, GO, GOP, LSE, RC, TO, TOP, TSP	√	√			√	
IRO-005-2	Reliability Coordination – Current-Day Operations	BA, GOP, LSE, PSE, RC, TOP, TSP	√	√				
IRO-006-4	Reliability Coordination – Transmission Loading Relief	BA, RC, TOP	√	√			√	
IRO-015-1	Notifications and Information Exchange Between Reliability Coordinators	RC		√			√	
IRO-016-1	Coordination of Real-time Activities Between Reliability Coordinators	RC		√			√	
Modeling, Data, and Analysis								
MOD-010-0	Steady-State Data for Transmission System Modeling and Simulation	GO, RP, TO, TP		√	A			Periodic Data Submittal collected by Reliability Assessments department.
MOD-012-0	Dynamics Data for Transmission System Modeling and Simulation	GO, RP, TO, TP		√	A			Periodic Data Submittal collected by Reliability Assessments department.
MOD-024-1	Verification of Generator Gross and Net Real Power Capability	GO			A			Periodic Data Submittal collected by Reliability Assessments department.
MOD-025-1	Verification of Generator Gross and Net Reactive Power Capability	GO			A			Periodic Data Submittal collected by Reliability Assessments department.
Personnel Performance, Training, and Qualifications								
NUC-001-1	Nuclear Plant Interface Coordination	BA, DP, GO, GOP, LSE, PA, RC, TO, TOP, TP, TSP	√	√				See standard for effective date.
Personnel Performance, Training, and Qualifications								
PER-001-0	Operating Personnel Responsibility and Authority	BA, TOP	√	√				
PER-002-0	Operating Personnel Training	BA, TOP	√	√				
PER-003-0	Operating Personnel Credentials	BA, RC, TOP	√	√			√	
PER-004-1	Reliability Coordination – Staffing	RC	√	√				
Protection and Control								
PRC-001-1	System Protection Coordination	BA, GOP, TOP	√	√				
PRC-004-1	Analysis and Mitigation of Transmission and Generation Protection System Misoperations	DP, GO, TO	√	√	B			Periodic Data Submittal collected by Reliability Services department.
PRC-005-1	Transmission and Generation Protection System Maintenance and Testing	DP, GO, TO	√	√				
PRC-007-0	Assuring Consistency with Regional UFLS Program Requirements	DP, LSE, TO, TOP		√	A			Periodic Data Submittal collected by Reliability Assessments department.
PRC-008-0	Underfrequency Load Shedding Equipment Maintenance Programs	DP, TO	√	√				
PRC-015-0	Special Protection System Data and Documentation	DP, GO, TO		√	A			Periodic Data Submittal collected by Reliability Assessments department.
PRC-016-0.1	Special Protection System Misoperations	DP, GO, TO		√	A		√	Periodic Data Submittal collected by Reliability Services department.
PRC-017-0	Special Protection System Maintenance and Testing	DP, GO, TO	√	√				
PRC-018-1	Disturbance Monitoring Equipment Installation and Data Reporting	GO, TO			A			Periodic Data Submittal collected by Reliability Services department.

Reliability Standards Included in the NERC & SERC 2010 CMEP

Standard Number	Title	Applicable Function(s)	Audit ¹	Self-Certification ²	Periodic Data Submittal (M: Monthly, Q: Quarterly, B: Bi-Annual, A: Annual)	Exception Reporting ³	Spot Check ¹	Notes
PRC-021-1	Under-Voltage Load Shedding Program Data	DP, TO		√	A	√		Periodic Data Submittal collected by Reliability Assessments department.
Transmission Operations								
TOP-001-1	Reliability Responsibilities and Authorities	BA, DP, GOP, LSE, TOP	√	√				
TOP-002-2	Normal Operations Planning	BA, GOP, LSE, TOP, TSP	√	√				
TOP-003-0	Planned Outage Coordination	BA, GOP, RC, TOP	√	√				
TOP-004-2	Transmission Operations	TOP	√	√				
TOP-005-1.1	Operational Reliability Information	BA, PSE, RC, TOP		√		√		
TOP-006-1	Monitoring System Conditions	BA, GOP, RC, TOP	√	√				
TOP-007-0	Reporting SOL and IROL Violations	RC, TOP	√	√		√		
TOP-008-1	Response to Transmission Limit Violations	TOP	√	√				
Transmission Planning								
TPL-001-0.1	System Performance Under Normal Conditions	PA, TP	√	√	A			
TPL-002-0	System Performance Following Loss of a Single BES Element	PA, TP	√	√	A			
TPL-003-0	System Performance Following Loss of Two or More BES Elements	PA, TP	√	√	A			
TPL-004-0	System Performance Following Extreme BES Events	PA, TP		√	A			
Voltage and Reactive								
VAR-001-1	Voltage and Reactive Control	PSE, TOP	√	√				
VAR-002-1.1a	Generator Operation for Maintaining Network Voltage Schedules	GO, GOP	√	√		√		

¹ The scope of audits and spot checks will be on a requirement basis as set forth in the 2010 Actively Monitored Reliability Standards spreadsheet posted with the NERC implementation plan. Spot checks listed for BAL-003 and CIP-002 through CIP-009 are mandatory; all other spot checks are at the discretion of the Regional Entity consistent with any requirements in the Reliability Standards, CMEP or RoP.

² Self-Certifications cover all requirements applicable to the Registered Entity.

³ There is no specific form or template for Exception Reporting. Registered Entities should self report, using the portal Self-Report form, any possible violations of Reliability Standards monitored through Exception Reporting. Submittal by Registered Entities of self-certifications for these standards indicating the Registered Entity is "Compliant" will serve as a declaration by the Registered Entity that it has had no exceptions to the designated Reliability Standard Requirements during the reporting period (a zero-exception report).

Additional monitoring by SERC

	Added Self Certification
	Added Periodic Data Submittal.