



Compliance Audit Report Public Version

**Confidential Information (including Privileged and
Critical Energy Infrastructure Information) – Has
Been Removed**

**Puget Sound Energy, Incorporated
Operations (PSEI)
NCR05344**

November 13 – 16, 2007

June 25, 2010

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EXECUTIVE SUMMARY

The WECC Compliance Department conducted an On-site Compliance Audit of Puget Sound Energy, Incorporated (PSEI) Operations, on November 13 through 16, 2007. The audit was conducted at the Puget Sound Energy Headquarters in Bellevue, Washington. The Audit Team was made up of WECC Compliance Staff, three WECC Consultants (Independent Contractors), and two NERC Staff members. FERC did not observe this audit.

The audit began the morning of November 13, with presentations from Puget Sound Energy and the WECC Compliance Staff. The audit then proceeded each day thereafter, and on November 16, the audit concluded in the afternoon with the preliminary audit findings presented to Puget Sound Energy personnel in an exit briefing.

The audit scope involved the review of forty-seven (47) NERC Reliability Standards. No WECC Regional Reliability Standards were reviewed during this audit.

Puget Sound Energy had self-reported thirty-two (32) outstanding compliance violations by submitting eighteen (18) Mitigation Plans prior to the start of this audit. PSEI stated that thirteen (13) of these Mitigation Plans were completed prior to September 1, 2007. One of the Mitigation Plans was withdrawn by PSEI just prior to the audit (EOP-001-0, R1). The Audit Team reviewed PSEI's Mitigation Plans and Mitigation Plan Completion Forms for these outstanding compliance violations.

This audit report includes information for Puget Sound Energy regarding the possible compliance violations. This information will be used to help determine the severity level of sanctions and penalties.

The Audit Team found nine (9) possible violations in eight (8) of the forty-seven (47) Reliability Standards reviewed. Three (3) of these possible violations are under continuing Mitigation Plans (PRC-005-1, R2 and PRC-010-0, R1 & R2). One possible violation is under a Mitigation Plan but is pending based on the applicability of the Standard (PRC-017-0, R2).

These nine (9) possible violations along with this on-site Compliance Audit Report will be provided to the WECC Compliance Staff for processing through the WECC Compliance Monitoring and Enforcement Program (CMEP). If the WECC Compliance Department determines that any of the possible compliance violations are Alleged Violations, Puget Sound Energy and NERC will be notified via a Notice of Alleged Violation Letter.

The Audit Team used the Reliability Standard Audit Worksheets (RSAW) during the documentation review of each Reliability Standard. (Note: Several Reliability Standards that were reviewed did not have a developed RSAW. For these standards the Requirements and Measurements of the standards were relied on for review

metrics). The Audit Team used the evidence (documentation provided and interviews) as the factual basis to support the audit findings and conclusions.

The WECC Audit Team reviewed Puget Sound Energy's large amount of documentation and interviewed various Puget Sound Energy personnel, focusing primarily on the 2006 to 2007 timeframe.

The PSEI binders were well organized for the audit and the overview document was very helpful. However the following points were made on the volume of documentation provided:

- There were some instances of providing multiple documents where one document would suffice
 - Multiple documents are somewhat a common theme at all audits
- This increased the time required for the auditing of each standard.

The overall perception of the Audit Team is that PSEI demonstrated a solid commitment to reliability.

In addition PSEI has developed, staffed, and is implementing an Internal Compliance Program that follows guidance provided by FERC and is supported at all management levels.

The Audit Team found the following reliability concerns during the audit:

Vegetation Management - training for imminent threat:

- Recognizing and reporting imminent hazards and vegetation encroachments, and the
- Appropriate operational responses.

These concerns and the information outlined in this section are described in detail in the Findings Table below.

As background FERC Order 693, which was issued on March 16, 2007, made adherence to eighty-three (83) of the NERC Reliability Standards mandatory and enforceable in the United States on June 18, 2007. These 83 standards are subject to the sanctions guidelines effective on this date. It should be noted that this Puget Sound Energy On-Site Compliance Audit was completed after the June 18, 2007, date that compliance to the Reliability Standards became mandatory under the FERC Order.

[HTTP://WWW.NERC.COM/FILEZ/ENFORCEMENT/INDEX.HTML](http://www.nerc.com/filez/enforcement/index.html)

AUDIT PROCESS

The compliance audit process steps are detailed in the NERC Compliance Monitoring and Enforcement Program (CMEP). The NERC CMEP generally conforms to the United States Government Accountability Office Government Auditing Standards and other generally accepted audit practices.

Objectives

All registered entities are subject to audit for compliance with all reliability standards applicable to the functions for which the registered entity is registered.¹ The audit objectives are:

- Independently review Puget Sound Energy's compliance with the requirements of the reliability standards that are applicable to Puget Sound Energy based on the Puget Sound Energy registered functions.
- Validate compliance with applicable reliability standards from the NERC 2007 Implementation Plan list of actively monitored standards.
- Validate evidence of self-reported violations and previous self-certifications, confirm compliance with other requirements of the reliability standards, and review the status of associated mitigation plans.
- Document Puget Sound Energy's compliance culture: Determine if PSEI has developed, staffed, and is implementing an Internal Compliance Program that follows guidance provided by FERC and is supported at all management levels.
- Validate compliance with several standards in addition to the NERC 2007 Implementation Plan list of actively monitored standards (Puget Sound Energy had submitted self-reported non-compliance and Mitigation Plans for a number of standards in addition to the NERC 2007 Implementation Plan list of actively monitored standards).
- Validate compliance to regional standards; however, no WECC Regional Reliability Standards were reviewed during this audit.

Scope

A compliance audit includes all reliability standards applicable to the registered entity monitored in the NERC Implementation Plans in the current and two previous years, and may include other reliability standards applicable to the registered entity. The scope of an on-site compliance audit can vary depending on whether the audit is scheduled as part of a regular, periodic scheduled audit or as part of a compliance investigation.

Note: For the 2007 compliance program, the monitoring period for the compliance audit is the past 12 months or periods specified in individual reliability standards. The monitoring period is not limited to the time period for which penalties and sanctions are assessed.

The Puget Sound Energy audit scope involved the review of forty-seven (47) NERC Reliability Standards. No WECC Regional Reliability Standards were reviewed during this audit.

¹ North American Electric Reliability Corporation CMEP, paragraph 3.1, Compliance Audits

Confidentiality and Conflict of Interest

Confidentiality agreements, executed by the WECC independent contractors (consultants) and code of conduct documentation for the NERC representative and the WECC compliance staff, were provided to Puget Sound Energy in advance of the audit. Work history and conflict of interest forms submitted by each audit team member were provided to Puget Sound Energy. Puget Sound Energy was given an opportunity to object to an audit team member on the basis of a possible conflict of interest or the existence of other circumstances that could interfere with the audit team member's impartial performance of duties. Puget Sound Energy accepted the audit team member participants with no objections.

On-site Audit

On-site audits of Reliability Coordinators (RCs), Balancing Authorities (BAs), and Transmission Operators (TOPs) are conducted on a three-year cycle. Puget Sound Energy is registered as a BA, TOP, and other functions, and is therefore subject to an on-site audit every three years.

In a pre-audit letter Puget Sound Energy was officially notified of the November 13-16, 2007, on-site audit (60 day notice of audit). Accompanying this notification were several documents relating to the audit (pre-audit survey, audit scope, list of reliability standards, audit agenda overview, and request for evidence list):

- Pre-Audit and Data Request Letter
- Registered Entity Introduction Letter (An explanation of Compliance Monitoring Authority and Registered Entity Obligations regarding collection of data and information necessary to assess compliance with approved reliability standards)
- 2007 WECC On-site Compliance Audit Team Bios
- NERC Standards
- Audit Questionnaire
- Audit Documentation Matrix.

Puget Sound Energy was notified in the Pre-Audit letter that personnel (subject matter experts representing all the registered functions) would need to be available to answer questions (interviews) the audit team might have regarding the documentation.

The audit team had the flexibility to expand the scope of the audit by notifying the Puget Sound Energy in advance via the agenda that additions to the initial scope of the audit would be requested by the audit team leader if necessary during the audit overview meeting between the audit team and Puget Sound Energy.

Puget Sound Energy was asked to submit the completed questionnaire and certain requested documents back to WECC. These requested documents included:

- Sabotage Reporting Procedure (CIP-001-1)
- Capacity and Energy Emergency Plan (EOP-002-2)
- Manual Load Shed Plan or Procedure (EOP-003-1)
- System Restoration Plan (EOP-005-1)
- Loss of Primary Control Center Plan (EOP-008-0)
- Vegetation Management Plan (FAC-003-1)
- Operator Training Program (PER-002-0)
- Planning Studies and Assessment (TPL Standards)
- List of NERC Certified Operators and Certification Numbers.

Puget Sound Energy was given an opportunity to object or express concern with any of the audit team members. Puget Sound Energy did not object to any of the audit team members.

Puget Sound Energy also received the audit folders and Reliability Standard Audit Worksheets (RSAWs) approximately 30 days ahead of the on-site audit.

The Audit Documentation Matrix was completed by Puget Sound Energy and sent to WECC approximately 5 days ahead of the on-site audit. This matrix provided guidance to the audit team on where to look in the documentation for compliance to each of the standards.

Puget Sound Energy was also informed that the on-site compliance audit would be conducted as prescribed in the following documents:

- WECC Compliance Monitoring and Enforcement Program
- NERC Compliance Auditor Manual
- NERC Reliability Standard Audit Worksheets.

Professional judgment was used by the audit team during the on-site audit. The audit team leader requested interviews with Puget Sound Energy employees representing subject matter expertise regarding all of registered functions of Puget Sound Energy. These interviews in conjunction with evidence provided the audit team with a basis for professional judgment when validating compliance with reliability standards.

Reference - Generally accepted government auditing standard 3.31 - Auditors must use professional judgment in planning and performing audits and attestation engagements and in reporting the results.

Reference - Generally accepted government auditing standard 3.39 - While this standard places responsibility on each auditor and audit organization to exercise professional judgment in planning and performing an audit or attestation engagement, it does not imply unlimited responsibility, nor does it imply infallibility on the part of either the individual auditor or the audit organization. Absolute assurance is not attainable because of the nature of evidence and the characteristics of fraud. Professional judgment does not mean eliminating all possible limitations or weaknesses associated

with a specific audit, but rather identifying, considering, minimizing, mitigating, and explaining them.

Methodology

Methodology: the auditing standards and best practices that are followed by compliance auditors in carrying out their work are described in the Compliance Auditor Manual. The criteria should be objective, measurable, complete and relevant to the audit objectives. The auditor should identify potential sources of audit evidence and consider the amount and type of evidence needed given the risk and significance when defining the audit methodology.

Audit Overview

Depending on the size of the entity being audited, the on-site audits typically begin at 1:00 PM on a Monday and conclude with an exit briefing around 3:00 PM on Friday. The PSEI compliance audit began Tuesday morning and concluded Friday afternoon.

The PSEI audit overview meeting, given Tuesday morning, was the initial meeting between the audit team and Puget Sound Energy personnel.

The audit overview meeting provided the opportunity for the lead auditor to specify audit expectations, including expected behavior of Puget Sound Energy management and attorneys during the interview process with subject matter experts.

The meeting also provided the audit team with a good overview of Puget Sound Energy's operation and organization prior to actually beginning the audit process.

Audit

The audit began the morning of November 13, with presentations from Puget Sound Energy and the WECC Compliance Staff.

Puget Sound Energy personnel provided an overview of PSEI's system and organization. Puget Sound Energy's service territory covers eight counties in the Puget Sound Region and small parts of one county east of the Cascade Mountains.

The audit team leader (ATL) provided an overview of the on-site audit process and how each standard would be validated using Puget Sound Energy's submitted documentation. The ATL also explained that interviews would be necessary if the audit team members required more information along with additional documentation on any standard. Puget Sound Energy had submitted several self-reported violations and Mitigation Plans prior to the June 18, 2007, mandatory date and it was explained that the audit team would be evaluating these self-reported violations, Mitigation Plans and Mitigation Plan Completion Forms as necessary to complete the audit.

The audit then proceeded each day thereafter with adjustments to the agenda to accommodate interviews and to receive additional evidence. The audit team broke into sub-teams of two auditors each in order to complete the auditing of the evidence. During each day, the audit team recapped the preliminary findings to ensure the whole team concurred with each sub-team's findings.

Puget Sound Energy was very flexible in having subject matter experts available for interviews and several subject matter experts were interviewed during the audit.

The audit team's process for validating compliance used the evidence submitted by Puget Sound Energy, the requested additional evidence, and interviews. After reviewing all the evidence from documentation and interviews, the audit team determined compliance or possible violations.

On November 16, the audit concluded in the afternoon with the preliminary audit findings presented to Puget Sound Energy personnel in an exit briefing.

Exit Briefing

The exit briefing with Puget Sound Energy personnel was conducted during the afternoon of November 16. The closing presentation of preliminary findings was given by the audit team leader using Power Point slides. The presentation included a summary of the preliminary audit findings and audit team comments on the evidence provided. Each standard was then presented with the audit team's preliminary findings. At the end of the standards presentation, a summary of the audit process was explained, including the process of possible violations becoming alleged violations, Puget Sound Energy's options during the process, and the development and timing of the draft and final audit reports.

Company Profile

Puget Sound Energy's electric service territory covers parts of eight counties around the greater Puget Sound Region and parts of one county east of the Cascade Mountains near I-90.

PSEI has one tie each with Tacoma Power and Grant County PUD, two ties with Chelan PUD, five ties with Seattle City Light and 27 ties with BPA. PSEI's service territory, for the most part, is surrounded by the Bonneville Power Administration.

PSEI's transmission system voltages are 230 kV, 115 kV and 55 kV. The majority of the transmission system is operated at 115 kV and it is the source for PSEI distribution substations. The greater part of the 230 kV transmission system is located at interconnections with BPA. The 55 kV system is minimal and will be replaced over the next several years with 115 kV equipment.

PSEI normally peaks in the winter. The System Peak Load established on November 28, 2006, was 4,898 MW.

PSEI Operations is registered for the following functions:

- Balancing Authority (BA)
- Transmission Operator (TOP)

- Transmission Owner (TO)
- Distribution Provider (DP)
- Transmission Service Provider (TSP)
- Planning Authority (PA)
- Transmission Planner (TP)

Note that PSEI Marketing (PSEM) is registered for the GOP, GO, LSE, PSE and RP functions. PSEI Marketing (PSEM) was not audited during this on-site audit of PSEI Operations.

Audit Specifics

The compliance audit was conducted on November 13-16, 2007, at Puget Sound Energy's main office in Bellevue, Washington.

Audit Team

Audit Team Role	Title	Company
Lead	Senior Compliance Engineer	WECC
Member	Senior Compliance Engineer	WECC
Member	Regional Compliance Program Coordinator	NERC
Member	Manager of Compliance Administration	WECC
Observer	Compliance Program Coordinator	WECC
Member	Consultant	WECC
Member	Consultant	WECC
Member	Consultant	WECC
Observer	Standards Development Coordinator	NERC

Puget Sound Energy Audit Participants

Title	Puget Sound Energy Organization
Manager, Reliability Compliance	PSEI
Manager, Load Office	PSEI
Power System Trainer/Operations Engineer	PSEI
Manager, Energy Information Infrastructure	PSEI
Manager Corporate Security	PSEI
Senior Power Dispatcher	PSEI
Senior Power Dispatcher	PSEI
O&M Supervisor	PSEI
Engineer-in-Training	PSEI
Manager, Contractor Management	PSEI
Consulting Engineer	PSEI
Senior Engineer	PSEI
Consulting Engineer	PSEI

Title	Puget Sound Energy Organization
Consulting Engineer	PSEI

AUDIT RESULTS

The audit team reviewed and validated all the Puget Sound Energy evidence, including additional evidence requested during the audit. Puget Sound Energy provided much more documentation than would normally be required to provide validation.

- The audit team took significant time to review the evidence that supported the significant judgments, findings, and conclusions. Extensive review of procedures, descriptions of processes, transactions and records was conducted.
- Decisions were made by the audit team during the overall assessment of evidence, and included assessment of whether the information was sufficient and appropriate.
- The audit team found reliability concerns during the audit:
 - Vegetation Management - training for imminent threat:
 - Recognizing and reporting imminent hazards and vegetation encroachments, and the
 - Appropriate operational responses.
- Communications with Puget Sound Energy management was ongoing during the audit.
- The status of mitigation plans in progress, previous violations, and completed mitigation plans were all used in the validation of each standard as appropriate.
- Puget Sound Energy had self-reported outstanding compliance violations and submitted Mitigation Plans for each one prior to the start of this audit.
- Reliability Standard Auditor Worksheets (RSAW), mitigation plans and completions, and summaries of auditor notes from interviews were used to validate compliance with each standard and to complete the Findings for the audit.
- This audit report includes information about how far Puget Sound Energy missed the requirements for the possible compliance violations. This information will be used to help determine the severity level of sanctions and penalties.

Findings

Findings Table for Puget Sound Energy, Incorporated (PSEI) Operations Audit

The Finding column in the table below contains one or more of the following: Compliant, NA (Not Applicable), NR (Not Reviewed), Not Audited, Possible Violation, Self-Report (Self-Reported Violation), UR (Under Review), or other appropriate description.

Reliability Standard	Requirements	Finding
Real Power Balancing Control Performance BAL-001-0	R1.	Compliant
	R2.	Compliant
	R3.	NA
	R4.	NA
Disturbance Control Performance BAL-002-0	R1.	Compliant
	R2.	Compliant
	R3.	Compliant
	R4.	Compliant
	R5.	Compliant
	R6.	Compliant
Frequency Response and Bias BAL-003-0	R1.	Compliant
	R2.	Compliant
	R3.	Compliant
	R4.	Compliant
	R5.	Compliant
	R6.	NA
Automatic Generation Control BAL-005-1	R1.	NR
	R2.	NR
	R3.	NR
	R4.	NR
	R5.	NR
	R6.	NR
	R7.	NR
	R8.	Compliant
	R9.	Compliant
	R10.	Compliant
	R11.	Compliant

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Reliability Standard	Requirements	Finding
	R12.	Possible Violation
	R13.	Compliant
	R14.	Compliant
	R15.	NR
	R16.	Compliant
	R17.	NR
Inadvertent Interchange BAL-006-1	R1.	Compliant
	R2.	Compliant
	R3.	Compliant
	R4.	Compliant
	R5.	Compliant
Sabotage Reporting CIP-001-1	R1.	Compliant
	R2.	Compliant
	R3.	Compliant
	R4.	Compliant
CIP-002-1 through CIP-009-1	Not Audited at PSEI	Not Audited
Telecommunications COM-001-1	R1.	Compliant
	R2.	Compliant
	R3.	Compliant
	R4.	Compliant
	R5.	Compliant
	R6.	Compliant
Communications and Coordination COM-002-2	R1.	Compliant
	R2.	Compliant
Emergency Operations Planning EOP-001-0	R1.	Compliant
	R2.	Compliant
	R3.	Compliant
	R4.	Compliant
	R5.	Compliant
	R6.	Possible Violation
	R7.	Compliant
Capacity and Energy Emergencies	R1.	Compliant

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Reliability Standard	Requirements	Finding
EOP-002-2	R2.	Compliant
	R3.	Compliant
	R4.	Compliant
	R5.	Compliant
	R6.	Compliant
	R7.	Compliant
	R8.	NA
	R9.	NA
	Load Shedding Plans EOP-003-1	R1.
R2.		Compliant
R3.		Compliant
R4.		Compliant
R5.		Compliant
R6.		Compliant
R7.		Compliant
R8.		Compliant
Load Shedding Plans EOP-004-1	R1.	NR
	R2.	Compliant
	R3.	NR
	R4.	NR
	R5.	NR
System Restoration Plans EOP-005-1	R1.	Compliant
	R2.	Compliant
	R3.	Compliant
	R4.	Compliant
	R5.	Compliant
	R6.	Compliant
	R7.	Compliant
	R8.	Compliant
	R9.	Compliant
	R10.	Compliant
	R11.	Compliant

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Reliability Standard	Requirements	Finding
Plans for Loss of Control Center Functionality EOP-008-0	R1.	Compliant
Facility Connection Requirements FAC-001-0	R1.	Compliant
	R2.	Compliant
	R3.	Compliant
Vegetation Management Program FAC-003-1	R1.	Possible Violation
	R2.	Compliant
	R3.	Compliant
	R4.	NA
Facility Ratings Methodology FAC-008-1	R1.	Compliant
	R2.	Compliant
	R3.	Compliant
Establish and Communicate Facility Ratings FAC-009-1	R1.	Compliant
	R2.	Compliant
Reliability Coordination - Responsibilities and Authorities IRO-001-1	R1.	NA
	R2.	NA
	R3.	NA
	R4.	NA
	R5.	NA
	R6.	NA
	R7.	NA
	R8.	Compliant
	R9.	NA
Reliability Coordination - Operations Planning IRO-004-1	R1.	NA
	R2.	NA
	R3.	NA
	R4.	Compliant
	R5.	NA
	R6.	NA
	R7.	Compliant

Reliability Standard	Requirements	Finding
Reliability Coordination - Current-Day Operations IRO-005-2	R1.	NA
	R2.	NA
	R3.	NA
	R4.	NA
	R5.	NA
	R6.	NA
	R7.	NA
	R8.	Compliant
	R9.	NA
	R10.	NA
	R11.	NA
	R12.	NA
	R13.	Compliant
	R14.	Compliant
	R15.	NA
	R16.	NA
	R17.	NA
Reliability Coordination - Transmission Loading Relief IRO-006-3	R1.	NA
	R2.	NA
	R3.	NA
	R4.	NA
	R5.	NA
	R6.	Compliant
Steady-State Data for Transmission System Modeling and Simulation MOD-010-0	R1.	Compliant
	R2.	Compliant
Dynamics Data for Transmission System Modeling and Simulation MOD-012-0	R1.	Compliant
	R2.	Compliant
Operating Personnel Responsibility and Authority PER-001-0	R1.	Compliant

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Reliability Standard	Requirements	Finding
Operator Personnel Training PER-002-0	R1.	Compliant
	R2.	Compliant
	R3.	Compliant
	R4.	Compliant
Operator Personnel Credentials PER-003-0	R1.	Compliant
Analysis and Mitigation of Transmission and Generation Protection System Misoperations PRC-004-1	R1.	Compliant
	R2.	NA
	R3.	Compliant
Transmission and Generation Protection System Maintenance and Testing PRC-005-1	R1.	Compliant
	R2.	Possible Violation
Assuring Consistency with Regional UFLS Program PRC-007-0	R1.	Compliant
	R2.	Compliant
	R3.	Compliant
Underfrequency Load Shedding Equipment Maintenance Programs PRC-008-0	R1.	Compliant
	R2.	Compliant
Assessment of the Design and Effectiveness of UVLS Program PRC-010-0	R1.	Possible Violation
	R2.	Possible Violation
UVLS System Maintenance and Testing PRC-011-0	R1.	Compliant
	R2.	Compliant
Special Protection System Misoperations PRC-016-0	R1.	Compliant
	R2.	Compliant
	R3.	Compliant
Special Protection System Maintenance and Testing PRC-017-0	R1.	Compliant
	R2.	Possible Violation
Under-Voltage Load Shedding Program Data PRC-021-1	R1.	Compliant
	R2.	Compliant
Reliability Responsibilities and Authorities TOP-001-1	R1.	Compliant
	R2.	Compliant
	R3.	Compliant

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Reliability Standard	Requirements	Finding
	R4.	Compliant
	R5.	Compliant
	R6.	Compliant
	R7.	Compliant
	R8.	Compliant
Normal Operations Planning TOP-002-2	R1.	NR
	R2.	NR
	R3.	NR
	R4.	NR
	R5.	NR
	R6.	NR
	R7.	NR
	R8.	NR
	R9.	NR
	R10.	NR
	R11.	Compliant
	R12.	Compliant
	R13.	NR
	R14.	NR
	R15.	NR
	R16.	NR
	R17.	NR
	R18.	Compliant
	R19.	NR
Planned Outage Coordination TOP-003-0	R1.	Compliant
	R2.	Compliant
	R3.	Compliant
	R4.	NA
Transmission Operations TOP-004-1	R1.	Compliant
	R2.	Compliant
	R3.	Compliant
	R4.	Compliant

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Reliability Standard	Requirements	Finding
	R5.	Compliant
	R6.	Compliant
Operational Reliability Information TOP-005-1	R1.	Compliant
	R2.	Compliant
	R3.	Compliant
	R4.	NA
Reporting SOL and IROL Violations TOP-007-0	R1.	Possible Violation
	R2.	NA
	R3.	NA
	R4.	NA
System Performance Under Normal Conditions TPL-001-0	R1.	Compliant
	R2.	Compliant
	R3.	Compliant
System Performance Following Loss of a Single BES Element TPL-002-0	R1.	Compliant
	R2.	Compliant
	R3.	Compliant
System Performance Following Loss of Two or More BES Element TPL-003-0	R1.	Compliant
	R2.	Compliant
	R3.	Compliant
System Performance Following Extreme Events - Loss of Two or More BES Elements TPL-004-0	R1.	Compliant
	R2.	Compliant
Voltage and Reactive Control VAR-001-1	R1.	Compliant
	R2.	Compliant
	R3.	Compliant
	R4.	Compliant
	R5.	NA
	R6.	Compliant
	R7.	Compliant
	R8.	Compliant
	R9.	Compliant
	R10.	Compliant

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Reliability Standard	Requirements	Finding
	R11.	Compliant
	R12.	Compliant

Compliance Culture

PSEI has developed, staffed, and is implementing an Internal Compliance Program that follows guidance provided by FERC and is supported at all management levels.