



Compliance Audit Report Public Version

**AmerGen Energy Company, LLC
NCR00679
August 18-20, 2008**

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

September 20, 2008

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EXECUTIVE SUMMARY

This final compliance audit report is the public version. Confidential information (including privileged and critical energy infrastructure information) has been redacted from this report. The full final compliance audit report was submitted to the audited entity and NERC.

AmerGen Energy Company, LLC (AmerGen) was audited on August 18-20, 2008 for compliance with the requirements contained in the current mandatory and enforceable Reliability Standards in the 2008 NERC Compliance Monitoring and Enforcement Program (CMEP), as applicable to AmerGen's registered functions. AmerGen is registered with SERC Reliability Corporation (SERC) as a Generator Operator (GOP) and Generator Owner (GO). Seventeen standards were selected and identified to AmerGen as subject to review during this audit. The audit focused on documents and other evidence provided to SERC by the staff of AmerGen, and did not include any evidence obtained through system observation or inspection. The findings of the audit are based on the state of compliance and current mitigation activity at the time of the audit, and do not reflect past compliance activities or activities that will be completed in the future.

AmerGen staff was requested to provide valid evidence of meeting each and every applicable requirement and sub-requirement contained in each standard that had been previously identified by SERC Compliance staff to AmerGen as subject to this audit. AmerGen staff responded by providing evidence in the form of reports, procedures, studies and other documents. AmerGen staff then cited specific portions of the evidence that demonstrated compliance. This evidence and the citations were documented and evaluated by the audit team to assess the level of compliance. If all of the requirements and sub-requirements of an audited standard were met, then AmerGen was judged to be compliant. Likewise, if any of the requirements or sub-requirements were not fully met, then AmerGen was judged to have a possible violation of the standard. A score of 100% is required for compliance.

The audit team determined that AmerGen does not own or operate Special Protection Systems and that AmerGen does not own or operate any blackstart facilities as part of the SERC System Regional Restoration Plan. Therefore, 3 of the 17 standards were not applicable: EOP-009-0, PRC-016 and PRC -017.

The audit team found AmerGen to be in compliance with all of the NERC Reliability Standards in the audit scope.

AUDIT PROCESS

The compliance audit process steps are detailed in the NERC 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:

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

- Independently review AmerGen compliance with the requirements of the reliability standards that are applicable to AmerGen based on the AmerGen registered functions.
- Validate compliance with applicable reliability standards from the NERC 2008 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 standard, and review the status of associated mitigation plans.
- Document the AmerGen compliance culture.

Scope

The scope of the audit of AmerGen included all monitored standards that are in the NERC 2008 CMEP. Based on the confirmed registration of AmerGen, the 17 Reliability Standards previously indentified were the focus of the compliance audit. Of these 17 standards 3 standards were not applicable: EOP-009-0, PRC-016-0 and PRC-017-0. The scope of the audit is further detailed in the Audit Results section.

Note: For the 2008 compliance program, the monitoring period for the compliance audit will generally be 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.

Confidentiality and Conflict of Interest

Code of conduct documentation for the SERC regional entity staff was provided to AmerGen in advance of the audit. Work history and conflict of interest forms submitted by each audit team member were provided to AmerGen upon request. AmerGen 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. AmerGen accepted the audit team member participants with no objections.

On-site Audit

AmerGen was contacted by letter on February 18, 2008 by SERC staff. The letter provided AmerGen with their initial notification of their upcoming audit in 2008, and the desire to schedule audit dates that would be acceptable to both parties. SERC staff then provided formal acknowledgement of the scheduled audit dates and requested that AmerGen both verify their currently registered functions and complete and return an attached Pre-Audit Survey within 30 days.

On May 21, 2008, SERC staff forwarded an Audit Detail Letter to AmerGen, again confirming the scheduled audit dates and confirming AmerGen's registered functions within SERC. The Audit Detail Letter also provided AmerGen with notice of the Standards in Audit Scope, Proposed Audit Schedule, Audit Team Roster (with industry affiliations), and requested that AmerGen Subject Matter Experts (SMEs) responsible for and knowledgeable of compliance submittals be available for interview during the audit. In addition to the Audit Detail Letter, AmerGen was provided with a Non-Disclosure Agreement Signature Verification for audit team members, a Pre-Audit Questionnaire, a list of "Documentation and Evidence Requirements", and Reliability Standard Auditor Worksheets (RSAWs) for each standard to be audited.

Interviews with SMEs were requested, in conjunction with documented evidence, to provide the audit team with additional information or clarification as a basis for professional judgment when validating compliance with reliability standards.

Methodology

A team of auditors was identified and conducted the audit of AmerGen. The standards were grouped and scheduled for review to make the most efficient use of AmerGen staff's time. The audit team moderator (ATL or designee) initiated dialogue on each standard requirement and requested evidence of compliance. This evidence and AmerGen's staff response were documented. AmerGen staff was requested to show valid evidence of meeting each applicable requirement and sub-requirement contained in the 17 standards that had been previously identified by SERC to AmerGen as subject to this audit. AmerGen staff responded by providing evidence in the form of reports, procedures, studies and other documents. AmerGen staff would then cite specific portions of the evidence that demonstrated compliance.

This evidence and the citations were documented by the scribe on the RSAWs and evaluated by the audit team for the level of compliance and agreement with the requirement. Discrepancies between the requirement and the evidence provided were the subject of dialogue among the team members and AmerGen staff members until it was determined that each requirement was met by the cited evidence or other evidence offered.

Once all the evidence was presented and discussed, if AmerGen did not provide sufficient evidence to support a finding of compliance, then a possible violation was identified by the team and AmerGen staff was informed.

Audit Overview

The audit team arrived at the AmerGen offices at 2:55 p.m., August 18, 2008. Each member of the audit team was introduced and professional affiliation identified. The staff of AmerGen was introduced, and general housekeeping matters explained.

Steve Gibe, Senior Compliance Auditor and Audit Team Lead (ATL) then gave an opening presentation. He reviewed the NERC compliance plan for 2008 in general, and how it applied to AmerGen specifically. The ATL introduced and reviewed the standards to be covered in the audit, and addressed both the expectations of AmerGen staff and the quality of evidence to be presented. The ATL also covered the basic procedure for the audit, and the bounding rules of conduct. AmerGen staff made a brief presentation describing AmerGen's corporate structure and compliance program. The audit team left at 4:55 p.m.

Audit

The audit team arrived at the AmerGen offices at 7:50 a.m., August 19, 2008. The audit began at 8:05 a.m. CDT. The audit team initially reviewed the registration status of AmerGen with entity staff to verify applicability of each standard. Each standard's audit began with a recitation of each requirement. AmerGen staff then presented evidence supporting compliance with each requirement, or cited evidence previously provided to the audit team. At that point, the evidence was reviewed and discussed until the team reached agreement on the evidence. By audit team consensus a determination of compliance was reached for each of the requirements, and communicated to AmerGen staff before proceeding to the next requirement. At that point the team scribe would record the evidence presented to satisfy the requirement and the team's recommendation on that requirement using the RSAW.

The review of all applicable standards was completed at 5:00 p.m., August 19, 2008. The audit team left the building at 5:30 p.m.

The audit team arrived at the AmerGen offices at 7:50 a.m., August 20, 2008. The audit team met to review and discuss the findings. The scribe collected all notes and evidence as needed.

The scribe reviewed all the evidence provided for pending items with the AmerGen staff lead. The scribe checked the evidence memory stick for all evidence that was presented during the audit process for completeness. The labeled evidence memory stick was turned over to the ATL.

Exit Briefing

The ATL presented an exit briefing to the assembled audit team and entity staff at 9:35 a.m. CDT, August 20, 2008. This was followed by an informal response and questions from the AmerGen staff. The exit briefing summarized the team's preliminary conclusions, including any items of potential noncompliance or possible violation with supporting information, areas of concern, any added information required and the expected timeline for review and issuance of the audit report.

The ATL solicited both informal comments from AmerGen staff, along with requesting that they fill out formal feedback forms for submission to NERC and SERC.

The audit team left the AmerGen meeting room at 10:45 a.m. CDT, August 20, 2008.

Company Profile

AmerGen is a part of utility holding company Exelon's; Exelon Generation Company unit. Three of the 17 nuclear reactors in the Exelon Nuclear fleet are operated by AmerGen. The AmerGen nuclear fleet includes Clinton Power Station, Oyster Creek Nuclear Power Station and Three Mile Island, Unit 1. AmerGen Energy Company, LLC is registered in SERC as a Generator Operator and Generator Owner. Clinton Power Station is the only facility owned by AmerGen within the SERC Region. AmerGen's Clinton Power Station is located in Central Illinois, in the middle of a triangle of the cities of Bloomington/Normal to the north, Champaign/Urbana to the east, and Decatur to the south. The station is located just six miles east of Clinton, Ill. in DeWitt County. The station is built on a 14,300-acre site, and its 5000-acre cooling lake was formed by building a dam at the convergence of Salt Creek and the North Fork of Salt Creek. Clinton Power Station provided electricity to customers for the first time on April 24, 1987 and reached 100 percent power on September 15, 1987. Clinton Power Station's reactor was designed by General Electric. The unit is capable of generating nearly 1,043 net megawatts.

Clinton Power Station has entered into a Nuclear Plant Operating Agreement (NPOA) with AmerenIP and the Midwest Independent Transmission System Operator (Midwest ISO). Ameren Service Company is the registered Transmission System Owner/Operator that connects with Clinton Power Station and provides interconnection services for Clinton. Midwest ISO is the Transmission Service Provider and Reliability Coordinator for the Clinton Power Station. Ameren is currently the Balancing Authority for the Clinton Power Station, but that is scheduled to change to MISO later this year.

Audit Specifics

The compliance audit was conducted on August 18-20, 2008 at the Exelon Nuclear office in Warrenville, IL.

Audit Team

Audit Team Role	Name	Title	Company
Lead	Steve Gibe	Senior Compliance Auditor	SERC
Member	Gerry Cauley	President and CEO	SERC

Audit Team Role	Name	Title	Company
Member	Mike Vastano	Compliance Auditor	SERC

AmerGen Audit Participants Title and Organization

Title	AmerGen Organization
Nuclear Compliance Licensing Engineer	Exelon Nuclear
Reg. Compliance Analyst	Exelon
Nuclear Duty Officer Corp. Ops. Support	Exelon Nuclear
EP Drill & Exercise Coordinator	Exelon Nuclear
Corp. EP Manager	Exelon Nuclear
Corp. Security	Exelon Nuclear
Corp. Licensing Manager	Exelon Nuclear
Security Manager Clinton	AmerGen
NSSS Engineering Manager	AmerGen
Site VP Clinton	Exelon Nuclear
Maint. Supervisor	AmerGen
Operation Support Manager	AmerGen
Sr. Rates & Regulatory Spec.	Exelon
Sr. Staff Engineer	Exelon Nuclear
Senior Engineer	Exelon Nuclear
Director – Licensing	Exelon Nuclear
Sr. Staff Engineer	Exelon Nuclear
EMD FLS Clinton	AmerGen

AUDIT RESULTS

The audit team found AmerGen to be in compliance with all of the NERC Reliability Standards in the audit scope. Please see Findings Table below.

Findings

Reliability Standard	Requirement	Finding
BAL-001-0	R1.	N/A
BAL-001-0	R2.	N/A
BAL-001-0	R3.	N/A
BAL-001-0	R4.	N/A
BAL-002-0	R1.	N/A
BAL-002-0	R2.	N/A
BAL-002-0	R3.	N/A
BAL-002-0	R4.	N/A
BAL-002-0	R5.	N/A
BAL-002-0	R6.	N/A
BAL-003-0	R1.	N/A
BAL-003-0	R2.	N/A
BAL-003-0	R3.	N/A
BAL-003-0	R4.	N/A
BAL-003-0	R5.	N/A
BAL-003-0	R6.	N/A
BAL-004-0	R1.	N/A
BAL-004-0	R2.	N/A
BAL-004-0	R3.	N/A
BAL-004-0	R4.	N/A
BAL-005-0	R1.	Compliant
BAL-005-0	R2.	N/A
BAL-005-0	R3.	N/A
BAL-005-0	R4.	N/A
BAL-005-0	R5.	N/A
BAL-005-0	R6.	N/A
BAL-005-0	R7.	N/A
BAL-005-0	R8.	N/A
BAL-005-0	R9.	N/A
BAL-005-0	R10.	N/A
BAL-005-0	R11.	N/A
BAL-005-0	R12.	N/A
BAL-005-0	R13.	N/A
BAL-005-0	R14.	N/A
BAL-005-0	R15.	N/A
BAL-005-0	R16.	N/A
BAL-005-0	R17.	N/A
BAL-006-1	R1.	N/A
BAL-006-1	R2.	N/A
BAL-006-1	R3.	N/A
BAL-006-1	R4.	N/A

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

Reliability Standard	Requirement	Finding
BAL-006-1	R5.	N/A
CIP-001-1	R1.	Compliant
CIP-001-1	R2.	Compliant
CIP-001-1	R3.	Compliant
CIP-001-1	R4.	Compliant
CIP-002-1 through CIP-009-1		
COM-001-1	R1.	N/A
COM-001-1	R2.	N/A
COM-001-1	R3.	N/A
COM-001-1	R4.	N/A
COM-001-1	R5.	N/A
COM-001-1	R6.	N/A
COM-002-2	R1.	Compliant
COM-002-2	R2.	N/A
EOP-001-0	R1.	N/A
EOP-001-0	R2.	N/A
EOP-001-0	R3.	N/A
EOP-001-0	R4.	N/A
EOP-001-0	R5.	N/A
EOP-001-0	R6.	N/A
EOP-001-0	R7.	N/A
EOP-002-2	R1.	N/A
EOP-002-2	R2.	N/A
EOP-002-2	R3.	N/A
EOP-002-2	R4.	N/A
EOP-002-2	R5.	N/A
EOP-002-2	R6.	N/A
EOP-002-2	R7.	N/A
EOP-002-2	R8.	N/A
EOP-002-2	R9.	N/A
EOP-003-1	R1.	N/A
EOP-003-1	R2.	N/A
EOP-003-1	R3.	N/A
EOP-003-1	R4.	N/A
EOP-003-1	R5.	N/A
EOP-003-1	R6.	N/A
EOP-003-1	R7.	N/A
EOP-003-1	R8.	N/A
EOP-004-1	R1.	N/A
EOP-004-1	R2.	Compliant
EOP-004-1	R3.	Compliant
EOP-004-1	R4.	N/A

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Reliability Standard	Requirement	Finding
EOP-004-1	R5.	N/A
EOP-005-1	R1.	N/A
EOP-005-1	R2.	N/A
EOP-005-1	R3.	N/A
EOP-005-1	R4.	N/A
EOP-005-1	R5.	N/A
EOP-005-1	R6.	N/A
EOP-005-1	R7.	N/A
EOP-005-1	R8.	N/A
EOP-005-1	R9.	N/A
EOP-005-1	R10.	N/A
EOP-005-1	R11.	N/A
EOP-006-1	R1.	N/A
EOP-006-1	R2.	N/A
EOP-006-1	R3.	N/A
EOP-006-1	R4.	N/A
EOP-006-1	R5.	N/A
EOP-006-1	R6.	N/A
EOP-008-0	R1.	N/A
EOP-009-0	R1.	N/A
EOP-009-0	R2.	N/A
FAC-003-1	R1.	N/A
FAC-003-1	R2.	N/A
FAC-003-1	R3.	N/A
FAC-003-1	R4.	N/A
FAC-008-1	R1.	Compliant
FAC-008-1	R2.	Compliant
FAC-008-1	R3.	Compliant
FAC-009-1	R1.	Compliant
FAC-009-1	R2.	Compliant
FAC-013-1	R1.	N/A
FAC-013-1	R2.	N/A
INT-001-2	R1.	N/A
INT-001-2	R2.	N/A
INT-003-2	R1.	N/A
INT-004-1	R1.	N/A
INT-004-1	R2.	N/A
IRO-001-1	R1.	N/A
IRO-001-1	R2.	N/A
IRO-001-1	R3.	N/A
IRO-001-1	R4.	N/A
IRO-001-1	R5.	N/A

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Reliability Standard	Requirement	Finding
IRO-001-1	R6.	N/A
IRO-001-1	R7.	N/A
IRO-001-1	R8.	Compliant
IRO-001-1	R9.	N/A
IRO-003-2	R1.	N/A
IRO-003-2	R2.	N/A
IRO-004-1	R1.	N/A
IRO-004-1	R2.	N/A
IRO-004-1	R3.	N/A
IRO-004-1	R4.	Compliant
IRO-004-1	R5.	N/A
IRO-004-1	R6.	N/A
IRO-004-1	R7.	N/A
IRO-005-1	R1.	N/A
IRO-005-1	R2.	N/A
IRO-005-1	R3.	N/A
IRO-005-1	R4.	N/A
IRO-005-1	R5.	N/A
IRO-005-1	R6.	N/A
IRO-005-1	R7.	N/A
IRO-005-1	R8.	N/A
IRO-005-1	R9.	Compliant
IRO-005-1	R10.	N/A
IRO-005-1	R11.	N/A
IRO-005-1	R12.	N/A
IRO-005-1	R13.	Compliant
IRO-005-1	R14.	N/A
IRO-005-1	R15.	N/A
IRO-005-1	R16.	N/A
IRO-005-1	R17.	N/A
IRO-006-3	R1.	N/A
IRO-006-3	R2.	N/A
IRO-006-3	R3.	N/A
IRO-006-3	R4.	N/A
IRO-006-3	R5.	N/A
IRO-006-3	R6.	N/A
IRO-014-1	R1.	N/A
IRO-014-1	R2.	N/A
IRO-014-1	R3.	N/A
IRO-014-1	R4.	N/A
IRO-015-1	R1.	N/A
IRO-015-1	R2.	N/A

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Reliability Standard	Requirement	Finding
IRO-015-1	R3.	N/A
IRO-016-1	R1.	N/A
IRO-016-1	R2.	N/A
PER-002-0	R1.	N/A
PER-002-0	R2.	N/A
PER-002-0	R3.	N/A
PER-002-0	R4.	N/A
PER-003-0	R1.	N/A
PER-004-1	R1.	N/A
PER-004-1	R2.	N/A
PER-004-1	R3.	N/A
PER-004-1	R4.	N/A
PER-004-1	R5.	N/A
PRC-004-1	R1.	N/A
PRC-004-1	R2.	Compliant
PRC-004-1	R3.	Compliant
PRC-005-1	R1.	Compliant
PRC-005-1	R2.	Compliant
PRC-008-0	R1.	N/A
PRC-008-0	R2.	N/A
PRC-010-0	R1.	N/A
PRC-010-0	R2.	N/A
PRC-011-0	R1.	N/A
PRC-011-0	R2.	N/A
PRC-016-0	R1.	N/A
PRC-016-0	R2.	N/A
PRC-016-0	R3.	N/A
PRC-017-0	R1.	N/A
PRC-017-0	R2.	N/A
PRC-021-1	R1.	N/A
PRC-021-1	R2.	N/A
TOP-002-2	R1.	N/A
TOP-002-2	R2.	N/A
TOP-002-2	R3.	Compliant
TOP-002-2	R4.	N/A
TOP-002-2	R5.	N/A
TOP-002-2	R6.	N/A
TOP-002-2	R7.	N/A
TOP-002-2	R8.	N/A
TOP-002-2	R9.	N/A
TOP-002-2	R10.	N/A
TOP-002-2	R11.	N/A

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Reliability Standard	Requirement	Finding
TOP-002-2	R12.	N/A
TOP-002-2	R13.	Compliant
TOP-002-2	R14.	Compliant
TOP-002-2	R15.	Compliant
TOP-002-2	R16.	N/A
TOP-002-2	R17.	N/A
TOP-002-2	R18.	Compliant
TOP-002-2	R19.	N/A
TOP-003-0	R1.	Compliant
TOP-003-0	R2.	Compliant
TOP-003-0	R3.	Compliant
TOP-003-0	R4.	N/A
TOP-004-1	R1.	N/A
TOP-004-1	R2.	N/A
TOP-004-1	R3.	N/A
TOP-004-1	R4.	N/A
TOP-004-1	R5.	N/A
TOP-004-1	R6.	N/A
TOP-005-1	R1.	N/A
TOP-005-1	R2.	N/A
TOP-005-1	R3.	N/A
TOP-005-1	R4.	N/A
TOP-007-0	R1.	N/A
TOP-007-0	R2.	N/A
TOP-007-0	R3.	N/A
TOP-007-0	R4.	N/A
TPL-001-0	R1.	N/A
TPL-001-0	R2.	N/A
TPL-001-0	R3.	N/A
TPL-002-0	R1.	N/A
TPL-002-0	R2.	N/A
TPL-002-0	R3.	N/A
TPL-003-0	R1.	N/A
TPL-003-0	R2.	N/A
TPL-003-0	R3.	N/A
TPL-004-0	R1.	N/A
TPL-004-0	R2.	N/A
VAR-001-1	R1.	N/A
VAR-001-1	R2.	N/A
VAR-001-1	R3.	N/A
VAR-001-1	R4.	N/A
VAR-001-1	R5.	N/A

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Reliability Standard	Requirement	Finding
VAR-001-1	R6.	N/A
VAR-001-1	R7.	N/A
VAR-001-1	R8.	N/A
VAR-001-1	R9.	N/A
VAR-001-1	R10.	N/A
VAR-001-1	R11.	N/A
VAR-001-1	R12.	N/A
VAR-002-1	R1.	Compliant
VAR-002-1	R2.	Compliant
VAR-002-1	R3.	Compliant
VAR-002-1	R4.	Compliant
VAR-002-1	R5.	Compliant

Compliance Culture

Information regarding the compliance culture of AmerGen was obtained from the Pre-Audit Compliance Survey, Compliance Program Survey, and Pre-Audit Questionnaires that were completed by AmerGen prior to the audit.