



Compliance Audit Report Public Version

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

**KGen Hinds LLC – NCR09011
KGen Hot Spring LLC – NCR09012
KGen Murray I and II LLC – NCR09013
KGen Sandersville LLC – NCR09014
(Collectively “KGen Projects”)**

September 28-30, 2009

February 1, 2010

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EXECUTIVE SUMMARY

KGen Hinds LLC, KGen Hot Spring LLC, KGen Murray I and II LLC, and KGen Sandersville LLC (collectively “KGen Projects”) were audited on September 28-30, 2009 for compliance with the requirements contained in the currently mandatory and enforceable reliability standards in the 2009 NERC Compliance Monitoring and Enforcement Program (CMEP) that are applicable to the KGen Projects’ registered functions. KGen Projects are all registered with SERC Reliability Corporation (SERC) as a Generator Owner (GO). Six standards were selected and identified to KGen Projects as subject to review during this audit. The audit focused on documents and other evidence provided to SERC by the staff of KGen Projects, 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. KGen Projects’ staff provided an update on their progress with implementation of Cyber Security Standards CIP-002-1 through CIP-009-1.

KGen Projects 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 KGen Projects as subject to this audit. KGen Projects staff responded by providing evidence in the form of reports, procedures, studies, and other documents. KGen Projects 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 KGen Projects were judged to be compliant. Likewise, if any of the requirements or sub-requirements were not fully met, then KGen Projects were judged to have a possible violation of the standard. A score of 100% is required for compliance.

The audit team determined that KGen Projects does not own or operate any Special Protection Systems, and therefore one of the six standards previously identified to KGen Projects was not applicable: PRC-017-0 Special Protection System Maintenance and Testing.

At the time of the audit, KGen Projects had an open mitigation plan regarding NERC Reliability Standard PRC-005-1 Transmission and Generation Protection System Maintenance and Testing, Requirement 1. The audit team reviewed the current status of this mitigation plan.

The audit team also reviewed the recently closed KGen Projects mitigation plans regarding NERC Reliability Standards MOD-010 and MOD-012, Requirement 1.

KGen Projects were found to be in compliance with all but one of the standards that were audited. The audit team identified KGen Hot Spring LLC for a possible violation of PRC-005-1 Transmission and Generation Protection System Maintenance and Testing, Requirement 2.1. During review of the KGen Hot Spring’s records, the entity could not provide evidence to the audit team that certain items were tested and maintained within the defined intervals.

The link to the KGen Projects NOP can be viewed [here](#).

The PRC-005-1 R2 violation, SERC20090331, was reviewed and dismissed by SERC Compliance Enforcement and Mitigation.

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:

- Independently review KGen Projects' compliance with the requirements of the reliability standards that are applicable to KGen Projects based on their registered functions.
- Validate compliance with applicable reliability standards from the NERC 2009 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 KGen Projects' compliance culture.

Scope

The scope of the audit of the KGen Projects included all monitored standards that are in the NERC 2009 CMEP. Based on the confirmed registration of KGen Projects, the six reliability standards previously identified were the focus of the compliance audit. Of these, one standard (PRC-017-0) was not applicable. This is detailed in the Audit Results section.

Note: For the 2009 compliance program, the monitoring period for the compliance audit will generally be the lesser of: 1) Date of registration to current date; 2) Date of last audit or spot check to current date; or, 3) June 18, 2007 to current date. 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 regional entity staff was provided to KGen Projects in advance of the audit. Work history and conflict of interest forms submitted by each audit team member were provided to KGen Projects upon request. KGen Projects were 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. KGen Projects accepted the audit team member participants with no objections.

On-site Audit

KGen Projects were contacted by letter on April 3, 2009 by SERC staff. The letter provided KGen Projects with their initial notification of their upcoming audit in 2009, 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 KGen Projects both verify their currently registered functions and complete and return an attached Pre-Audit Survey within 30 days.

On July 2, 2009, SERC staff forwarded an Audit Detail Letter to KGen Projects, again confirming the scheduled audit dates and confirming KGen Projects' registered functions within

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

SERC. The Audit Detail Letter also provided KGen Projects with notice of the Standards in Audit Scope, Proposed Audit Schedule, Audit Team Roster (with industry affiliations), and requested that KGen Projects Subject Matter Experts responsible for and knowledgeable of compliance submittals be available for interview during the audit. In addition to the Audit Detail Letter, KGen Projects were provided with a Non-Disclosure Agreement Signature Verification for audit team members, a list of Documentation and Evidence Requirements, and Questionnaire and Reliability Standard Auditor Worksheets (QRSAWs) 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 KGen Projects. The standards were grouped and scheduled for review to make the most efficient use of KGen Projects staff's time. The Audit Team Leader (ATL) initiated dialogue on each requirement and requested compliance evidence. KGen Projects staff was requested to show valid evidence of meeting each applicable requirement and sub-requirement contained in the six standards that had been previously identified by SERC to KGen Projects as subject to this audit. KGen Projects staff responded by providing evidence in the form of reports, procedures, studies, and other documents. KGen Projects staff would then cite specific portions of the evidence that demonstrated compliance.

This evidence and the citations were documented by the audit team scribe on the QRSAWs, and were 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 KGen Projects staff until it was determined whether each requirement was met by the cited evidence or other evidence offered.

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

Audit Overview

This audit was executed simultaneously with personnel from both KGen Projects and Duke Energy Generation Services. The audit team arrived at the KGen Projects offices at 3:10 PM, September 28, 2009. At 3:28 PM, SERC Senior Compliance Auditor and ATL began the session with an opening presentation. He reviewed the NERC compliance plan for 2009 in general, and how it applied to KGen Projects specifically. The ATL introduced and reviewed the standards to be covered in the audit, and addressed both the expectations of KGen Projects 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.

KGen Projects staff made a brief presentation describing KGen Projects' corporate structure and compliance program. The staff of KGen Projects was introduced, and general housekeeping matters explained. The staff of KGen Projects was excused and the audit team reviewed team assignments and a general overview for preparation of the audit activities. The audit team left the KGen Power offices at 5:12 PM September 28, 2009 to return the next day to start the review of the reliability standards in the audit scope.

Audit

The audit team arrived at the KGen offices at 7:48 AM September 29, 2009. The audit team initially reviewed the registration status of KGen Projects with entity staff to verify applicability of each standard. Each standard's audit began with a recitation of each requirement. KGen Projects staff then presented evidence supporting requirement compliance, 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 KGen Projects staff before proceeding to the next requirement. The team scribe would record the evidence presented to satisfy the requirement, and the team's recommendation on that requirement, using the QRS AW.

The review of all applicable standards was completed at 10:40 AM September 30, 2009, and the audit team met to review and discuss the findings. Following these discussions, the scribe collected all notes and evidence as needed and began to finalize the QRS AW.

Exit Briefing

The ATL presented an exit briefing to the assembled audit team and entity staff at 11:05 AM September 30, 2009. This was followed by an informal response and questions from the KGen Projects 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 KGen Projects staff, along with requesting that they fill out formal feedback forms for submission to NERC and SERC.

The ATL thanked KGen Projects staff for their cooperation and support of the audit process. KGen Projects staff expressed their appreciation of the professional manner in which the audit was conducted.

The audit team left the KGen Power offices at 11:21 AM on September 30, 2009.

Company Profile

Each of the four KGen Projects companies that were the focus of this audit are an indirect, wholly owned subsidiary of the ultimate parent company, KGen Power Corporation. The KGen Projects have a third-party operation and maintenance agreements with Duke Energy Generation Services, Inc (the Generator Operator). The four companies subject to this audit are:

- **KGen Murray I and II LLC** owns 1250 MW natural gas-fired combined cycle facilities located in Murray County, GA. One block is interconnected with the transmission system at 500 kV. The second block interconnects with the transmission system at 230 kV.
- **KGen Sandersville LLC** owns a 640 MW natural gas-fired simple cycle facility located in Washington County, GA. This facility is interconnected with the transmission system at 500 kV.
- **KGen Hinds LLC** owns a 520 MW natural gas-fired combined cycle facility, located in Jackson, MS. The facility interconnects with the transmission system at 230 kV.
- **KGen Hot Spring LLC** owns a 620 MW natural gas-fired combined cycle facility located in Hot Spring, AR. The Hot Spring facility interconnects with the transmission system 500 kV.

Audit Specifics

The compliance audit was conducted on September 28-30, 2009 at the KGen Power offices in Houston, TX.

Audit Team

Audit Team Role	Title	Company
Lead	Senior Compliance Auditor	SERC
Member	Compliance Auditor	SERC

KGen Projects Audit Participants

Title	Organization
President and CEO	KGen Power
Senior Vice President – Operations	KGen Power
Vice President – Operations	KGen Power
Director – Operations	KGen Power

DEGS Audit Observers

Title	Organization
General Manager – Operations	DEGS
Project Coordinator	DEGS
Senior Compliance Specialist	Duke Energy
Consultant	ZB Solutions

AUDIT RESULTS

The audit team reviewed documents provided by KGen Projects prior to the audit, as requested in the Documentation and Evidence Requirements section of KGen Projects' Compliance Audit Certification Letter. Pre-audit review of these documents and of currently open or recently closed mitigation plans helped to establish the audit team's focus during the audit.

The audit team reviewed the evidence provided by KGen Projects to substantiate compliance with each standard requirement. The team requested clarification and/or additional supporting and corroborating evidence, as required, to obtain sufficient and appropriate evidence to support a determination of compliance.

In instances where the evidence provided by KGen Projects represented multiple facilities and/or large quantities of equipment, the audit team haphazardly selected evidence samples, from the different facilities and/or equipment, to facilitate a consensus agreement of the team whether KGen Projects is, in the team's professional judgment, satisfactorily meeting the requirements of the standard or is in possible violation of the requirement.

The audit team reviewed KGen Projects' status and progress of mitigation of all open and/or recently closed mitigation plans in conjunction with the review of each standard applicable to KGen Projects' currently registered functions.

If the audit team determined that the evidence provided by KGen Projects was insufficient or inappropriate to substantiate a determination of compliance, the team immediately informed

KGen Projects' Subject Matter Expert of this fact. Additionally, the ATL, through coordination with KGen Projects' audit coordinator, ensured that KGen Projects' management was made aware of the potential for a finding of a possible violation in each instance, and of the basis for the team's determination.

The ATL clearly identified the team's findings of compliance and basis for their findings, areas of concern, and available remedies in an exit presentation to KGen Projects' management on completion of the audit.

The audit team documented their review and determination of compliance of each standard requirement on Questionnaire/Reliability Standard Auditor Worksheets. KGen Projects' policies, procedures, screenshots, operator logs, audio clips, correspondence and other evidence presented, as well as auditor comments and determinations of compliance documented on the QRSAs, were used in formulating this report.

The audit team found the KGen Projects to be in compliance with all of the NERC Reliability Standards in the audit scope, with the exception of a possible violation for KGen Hot Spring LLC regarding PRC-005-1 Transmission and Generation Protection System Maintenance and Testing, Requirement 2.1. Please see the Findings Table below for additional details.

Prior to being forwarded to SERC's Manager of Compliance Audits, or his designee, for review and approval as SERC's Final Confidential Non-Public Audit Report of KGen Projects, the content and accuracy of this report:

- Is reviewed and commented on by all audit team members
- Is reviewed by KGen Projects' management for correction and comment, and
- Is reviewed and approved by the ATL.

Upon final disposition of any possible violations determined by the audit team, if any, and redaction of appropriate information contained herein, this report will be reviewed and approved by SERC's Vice President and Director of Compliance before being issued as SERC's Final Public Audit Report of KGen Projects.

Findings

Reliability Standard	Requirement	Finding
BAL-001-0a	R1.	N/A
BAL-001-0a	R2.	N/A
BAL-001-0a	R3.	N/A
BAL-001-0a	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-003-0a	R1.	N/A
BAL-003-0a	R2.	N/A

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Reliability Standard	Requirement	Finding
BAL-003-0a	R3.	N/A
BAL-003-0a	R4.	N/A
BAL-003-0a	R5.	N/A
BAL-003-0a	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-005-0b	R1.	N/A
BAL-005-0b	R2.	N/A
BAL-005-0b	R3.	N/A
BAL-005-0b	R4.	N/A
BAL-005-0b	R5.	N/A
BAL-005-0b	R6.	N/A
BAL-005-0b	R7.	N/A
BAL-005-0b	R8.	N/A
BAL-005-0b	R9.	N/A
BAL-005-0b	R10.	N/A
BAL-005-0b	R11.	N/A
BAL-005-0b	R12.	N/A
BAL-005-0b	R13.	N/A
BAL-005-0b	R14.	N/A
BAL-005-0b	R15.	N/A
BAL-005-0b	R16.	N/A
BAL-005-0b	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
BAL-006-1	R5.	N/A
CIP-001-1	R1.	N/A
CIP-001-1	R2.	N/A
CIP-001-1	R3.	N/A
CIP-001-1	R4.	N/A
CIP-002-1 through CIP-009-1		N/A
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.	N/A

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Reliability Standard	Requirement	Finding
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.	N/A
EOP-004-1	R3.	N/A
EOP-004-1	R4.	N/A
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

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Reliability Standard	Requirement	Finding
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-001-0	R1.	N/A
FAC-001-0	R2.	N/A
FAC-001-0	R3.	N/A
FAC-002-0	R1.	N/A
FAC-002-0	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-010-1	R1.	N/A
FAC-010-1	R2.	N/A
FAC-010-1	R3.	N/A
FAC-010-1	R4.	N/A
FAC-010-1	R5.	N/A
FAC-011-1	R1.	N/A
FAC-011-1	R2.	N/A
FAC-011-1	R3.	N/A
FAC-011-1	R4.	N/A
FAC-011-1	R5.	N/A
FAC-013-1	R1.	N/A
FAC-013-1	R2.	N/A
FAC-014-1	R1.	N/A
FAC-014-1	R2.	N/A
FAC-014-1	R3.	N/A
FAC-014-1	R4.	N/A
FAC-014-1	R5.	N/A
FAC-014-1	R6.	N/A
INT-001-3	R1.	N/A
INT-001-3	R2.	N/A

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Reliability Standard	Requirement	Finding
INT-003-2	R1.	N/A
INT-004-2	R1.	N/A
INT-004-2	R2.	N/A
INT-005-2	R1.	N/A
INT-006-2	R1.	N/A
INT-007-1	R1.	N/A
INT-008-2	R1.	N/A
INT-009-1	R1.	N/A
INT-010-1	R1.	N/A
INT-010-1	R2.	N/A
INT-010-1	R3.	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
IRO-001-1	R6.	N/A
IRO-001-1	R7.	N/A
IRO-001-1	R8.	N/A
IRO-001-1	R9.	N/A
IRO-002-1	R1.	N/A
IRO-002-1	R2.	N/A
IRO-002-1	R3.	N/A
IRO-002-1	R4.	N/A
IRO-002-1	R5.	N/A
IRO-002-1	R6.	N/A
IRO-002-1	R7.	N/A
IRO-002-1	R8.	N/A
IRO-002-1	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

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Reliability Standard	Requirement	Finding
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.	N/A
IRO-005-1	R10.	N/A
IRO-005-1	R11.	N/A
IRO-005-1	R12.	N/A
IRO-005-1	R13.	N/A
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
IRO-015-1	R3.	N/A
IRO-016-1	R1.	N/A
IRO-016-1	R2.	N/A
MOD-006-0	R1.	N/A
MOD-006-0	R2.	N/A
MOD-007-0	R1.	N/A
MOD-007-0	R2.	N/A
MOD-010-0	R1.	N/A
MOD-010-0	R2.	N/A
MOD-012-0	R1.	N/A
MOD-012-0	R2.	N/A
MOD-016-1	R1.	N/A
MOD-016-1	R2.	N/A
MOD-016-1	R3.	N/A
MOD-017-0	R1.	N/A
MOD-018-0	R1.	N/A
MOD-018-0	R2.	N/A

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Reliability Standard	Requirement	Finding
MOD-019-0	R1.	N/A
MOD-020-0	R1.	N/A
MOD-021-0	R1.	N/A
MOD-021-0	R2.	N/A
MOD-021-0	R3.	N/A
NUC-001-1	R1.	N/A
NUC-001-1	R2.	N/A
NUC-001-1	R3.	N/A
NUC-001-1	R4.	N/A
NUC-001-1	R5.	N/A
NUC-001-1	R6.	N/A
NUC-001-1	R7.	N/A
NUC-001-1	R8.	N/A
NUC-001-1	R9.	N/A
PER-001-0	R1.	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-001-1	R1.	N/A
PRC-001-1	R2.	N/A
PRC-001-1	R3.	N/A
PRC-001-1	R4.	N/A
PRC-001-1	R5.	N/A
PRC-001-1	R6.	N/A
PRC-004-1	R1.	N/A
PRC-004-1	R2.	Compliant
PRC-004-1	R3.	Compliant
PRC-005-1	R1.	Open Mitigation Plan
PRC-005-1	R2.	Possible Violation
PRC-007-0	R1.	N/A
PRC-007-0	R2.	N/A
PRC-007-0	R3.	N/A
PRC-008-0	R1.	N/A
PRC-008-0	R2.	N/A
PRC-009-0	R1.	N/A

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

Reliability Standard	Requirement	Finding
PRC-009-0	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-015-0	R1.	N/A
PRC-015-0	R2.	N/A
PRC-015-0	R3.	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-018-1	R1.	N/A
PRC-018-1	R2.	N/A
PRC-018-1	R3.	N/A
PRC-018-1	R4.	N/A
PRC-018-1	R5.	N/A
PRC-018-1	R6.	N/A
PRC-021-1	R1.	N/A
PRC-021-1	R2.	N/A
PRC-022-1	R1.	N/A
PRC-022-1	R2.	N/A
TOP-001-1	R1.	N/A
TOP-001-1	R2.	N/A
TOP-001-1	R3.	N/A
TOP-001-1	R4.	N/A
TOP-001-1	R5.	N/A
TOP-001-1	R6.	N/A
TOP-001-1	R7.	N/A
TOP-001-1	R8.	N/A
TOP-002-2	R1.	N/A
TOP-002-2	R2.	N/A
TOP-002-2	R3.	N/A
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.	N/A
TOP-002-2	R14.	N/A
TOP-002-2	R15.	N/A
TOP-002-2	R16.	N/A
TOP-002-2	R17.	N/A
TOP-002-2	R18.	N/A
TOP-002-2	R19.	N/A
TOP-003-0	R1.	N/A
TOP-003-0	R2.	N/A
TOP-003-0	R3.	N/A
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-006-1	R1.	N/A
TOP-006-1	R2.	N/A
TOP-006-1	R3.	N/A
TOP-006-1	R4.	N/A
TOP-006-1	R5.	N/A
TOP-006-1	R6.	N/A
TOP-006-1	R7.	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
TOP-008-1	R1.	N/A
TOP-008-1	R2.	N/A
TOP-008-1	R3.	N/A
TOP-008-1	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

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Critical Energy Infrastructure Information) – Has Been Removed

Reliability Standard	Requirement	Finding
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
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.	N/A
VAR-002-1	R2.	N/A
VAR-002-1	R3.	N/A
VAR-002-1	R4.	N/A
VAR-002-1	R5.	N/A

Compliance Culture

The audit team assessed KGen Projects' Internal Compliance Program in conjunction with the audit. Evidence reviewed in assessing the program included: KGen Projects' Compliance Pre-Audit Survey, compliance staff organizational charts, interviews with KGen Projects staff, and observation of staff responses in preparation for and during the audit.

Four factors that characterize a vigorous and effective compliance program are: active engagement and leadership by a company's senior management; preventive measures appropriate to the individual circumstances of the company; promptly detecting, stopping, and reporting a violation; and, ultimately fixing the problem and working to avoid future possible violations.

SERC recognizes that there isn't one standard formula for an effective compliance program, and that there will be variations in each company's program and culture based on countless factors, including the size and age of the company, as well as the nature and extent of its business. Ultimately what matters are the results, and whether the compliance program worked as it should.

The audit team determined that KGen Projects' Internal Compliance Program documents and their staff's demonstrated compliance culture indicate a very effective compliance program.