



Compliance Audit Report Public Version

**NAES Corporation-Holland
NCR01283**

August 31-September 2, 2009

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

October 5, 2009

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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.

NAES Corporation–Holland was audited on August 31, 2009 – September 2, 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 NAES Corporation-Holland's registered functions. NAES Corporation-Holland is registered with SERC Reliability Corporation (SERC) as a Generator Operator (GOP). Nine standards were selected and identified to NAES Corporation-Holland as subject to review during this audit. The audit focused on documents and other evidence provided to SERC by the staff of NAES Corporation-Holland, 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.

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

The audit team found NAES Corporation-Holland 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:

- Independently review NAES Corporation-Holland's compliance with the requirements of the reliability standards that are applicable to NAES Corporation-Holland based on the NAES Corporation-Holland registered functions.
- Validate compliance with applicable reliability standards from the NERC 2009 Implementation Plan list of actively monitored standards.

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

- 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 NAES Corporation-Holland's compliance culture.

Scope

The scope of the audit of NAES Corporation-Holland included all monitored standards that are in the NERC 2009 CMEP. Based on the confirmed registration of NAES Corporation-Holland, the six reliability standards previously identified were the focus of the compliance audit. 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 NERC representative and regional entity staff were provided to NAES Corporation-Holland in advance of the audit. Work history and conflict of interest forms submitted by each audit team member were provided to NAES Corporation-Holland upon request. SERC has confirmed that confidentiality agreements have been executed by, and are on file for SERC Industry Subject Matter Experts (SME's) who participated in the audit. NAES Corporation-Holland 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. NAES Corporation-Holland accepted the audit team member participants with no objections.

On-site Audit

NAES Corporation-Holland was contacted by letter on March 6, 2009 by SERC staff. The letter provided NAES Corporation-Holland 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 NAES Corporation-Holland both verify their currently registered functions and complete and return an attached Pre-Audit Survey within 30 days.

On June 4, 2009, SERC staff forwarded an Audit Detail Letter to NAES Corporation-Holland, again confirming the scheduled audit dates and confirming NAES Corporation-Holland's registered functions within SERC. The Audit Detail Letter also provided NAES Corporation-Holland with notice of the Standards in Audit Scope, Proposed Audit Schedule, Audit Team Roster (with industry affiliations), and requested that NAES Corporation-Holland 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, NAES Corporation-Holland 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 Questionnaires/Reliability Standard Auditor Worksheets (QRSAs) 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 and Industry SMEs were identified and conducted the audit of NAES Corporation-Holland. The standards were grouped and scheduled for review to make the most efficient use of NAES Corporation-Holland staff's time. The audit team moderator (ATL or designee) initiated dialogue on each standard requirement and requested compliance evidence. This evidence and NAES Corporation-Holland's staff response was documented. NAES Corporation-Holland 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 NAES Corporation-Holland as subject to this audit. NAES Corporation-Holland staff responded by providing evidence in the form of reports, procedures, studies, and other documents. NAES Corporation-Holland 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 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 NAES Corporation-Holland 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 NAES Corporation-Holland did not provide sufficient evidence to support a finding of compliance, then a possible violation was identified by the team and NAES Corporation-Holland staff was informed.

Audit Overview

The audit team arrived at the NAES Corporation-Holland offices at 2:45 PM, August 31, 2009. At 3:00 PM on August 31, 2009 the Audit Team Lead (ATL) began the session with an opening presentation. He reviewed the NERC compliance plan for 2009 in general, and how it applied to NAES Corporation-Holland specifically. The ATL introduced and reviewed the standards to be covered in the audit, and addressed both the expectations of NAES Corporation-Holland 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. NAES Corporation-Holland staff made a brief presentation describing NAES Corporation-Holland's corporate structure and compliance program. The staff of NAES Corporation-Holland was introduced, and general housekeeping matters explained. The audit team was given a tour of the Holland Facility after a safety briefing. After the tour the staff of NAES Corporation-Holland was excused and the audit team reviewed team assignments and a general overview for preparation of the audit activities. The audit team left the NAES Corporation-Holland office at 5:00 PM, August 31, 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 NAES Corporation-Holland office at 7:45 AM, September 1, 2009. The audit team initially reviewed the registration status of NAES Corporation-Holland with entity staff to verify applicability of each standard. Each standard's audit began with a recitation of each requirement. NAES Corporation-Holland 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 NAES Corporation-Holland 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 QRSAW.

The review of all applicable standards was completed at 4:00 PM, September 1, 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 QRSAs.

Exit Briefing

The ATL presented an exit briefing to the assembled audit team and entity staff at 8:15 AM, September 2, 2009. This was followed by an informal response and questions from the NAES Corporation-Holland 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 NAES Corporation-Holland staff, along with requesting that they fill out formal feedback forms for submission to NERC and SERC.

The ATL thanked NAES Corporation-Holland staff for their cooperation and support of the audit process. NAES Corporation-Holland staff expressed their appreciation of the professional manner in which the audit was conducted.

The audit team left the NAES Corporation-Holland meeting room at 9:25 Am on September 2, 2009.

Company Profile

NAES is a third party operator contracted by Holland Energy, LLC to perform operations and maintenance at the facility. NAES provides a comprehensive array of services to industries that generate or consume power.

Audit Specifics

The compliance audit was conducted on August 31, 2009 - September 2, 2009 at the NAES Corporation-Holland office in Beecher City, IL.

Audit Team

Audit Team Role	Title	Company
Lead	Senior Compliance Auditor	SERC
Member	Senior Compliance Auditor	SERC
Member	ISME	Georgia Power Company

NAES Corporation-Holland Audit Participants Titles and Organization

Title	NAES Corporation-Holland Organization
Division Director	NAES
Plant Manager	NAES- Holland Energy, LLC
Lead Compliance Manager	Wabash Valley Power (Generator Co-Owner)
Project Manager II	NAES
Operations Analyst II	NAES
I&C Technician	NAES- Holland Energy, LLC
O&M Manager	NAES- Holland Energy, LLC
Plant Engineer	NAES- Holland Energy, LLC

I&C Technician	NAES- Holland Energy, LLC
Lead CRO	NAES- Holland Energy, LLC

AUDIT RESULTS

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

The audit team reviewed the evidence provided by NAES Corporation-Holland 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 NAES Corporation-Holland 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 that NAES Corporation-Holland 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 NAES Corporation-Holland's status and progress of mitigation of all open and/or recently closed mitigation plans in conjunction with the review of each standard applicable to NAES Corporation-Holland's currently registered functions.

If the audit team determined that the evidence provided by NAES Corporation-Holland was insufficient or inappropriate to substantiate a determination of compliance, the team immediately informed NAES Corporation-Holland's Subject Matter Experts (SME) of this fact. Additionally, the Audit Team Lead, through coordination with NAES Corporation-Holland's audit coordinator, ensured that NAES Corporation-Holland's 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 Audit Team Lead clearly identified the team's findings of compliance and basis for their findings, areas of concern, and available remedies in an exit presentation to NAES Corporation-Holland's management on completion of the audit.

The audit team documented their review and determination of compliance of each standard requirement on QRSAs. NAES Corporation-Holland's 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.

Prior to being forwarded to SERC's Manager of Compliance Audits for review and approval as SERC's Final Confidential Non-Public Audit Report of NAES Corporation-Holland, the content and accuracy of this report:

- Is reviewed and commented on by all audit team members,
- Is reviewed by Holland Energy's management for correction and comment, and
- Is reviewed and approved by the Audit Team Lead.

Upon final disposition of 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 NAES Corporation-Holland.

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
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

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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.	Compliant
CIP-001-1	R2.	Compliant
CIP-001-1	R3.	Compliant
CIP-001-1	R4.	Compliant
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.	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

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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
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.	N/A
FAC-008-1	R2.	N/A
FAC-008-1	R3.	N/A
FAC-009-1	R1.	N/A
FAC-009-1	R2.	N/A
FAC-010-1	R1.	N/A
FAC-010-1	R2.	N/A
FAC-010-1	R3.	N/A

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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
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.	Compliant
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

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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
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.	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
IRO-015-1	R3.	N/A
IRO-016-1	R1.	N/A

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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
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.	Compliant
PRC-001-1	R2.	Compliant
PRC-001-1	R3.	Compliant

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PRC-001-1	R4.	N/A
PRC-001-1	R5.	Compliant
PRC-001-1	R6.	N/A
PRC-004-1	R1.	N/A
PRC-004-1	R2.	N/A
PRC-004-1	R3.	N/A
PRC-005-1	R1.	N/A
PRC-005-1	R2.	N/A
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
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.	Compliant
TOP-001-1	R4.	N/A
TOP-001-1	R5.	N/A
TOP-001-1	R6.	Compliant

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TOP-001-1	R7.	Compliant
TOP-001-1	R8.	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
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-004-2	R1.	N/A
TOP-004-2	R2.	N/A
TOP-004-2	R3.	N/A
TOP-004-2	R4.	N/A
TOP-004-2	R5.	N/A
TOP-004-2	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

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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
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 NASE Holland Internal Compliance Program in conjunction with the audit. Evidence reviewed in assessing the program included: NASE Holland's Compliance Pre-Audit Survey, NAES Corporation "NERC Reliability Compliance Policy" document, compliance staff organizational charts, interviews with NASE Holland's 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 NASE Holland's Internal Compliance Program documents and their staff's demonstrated compliance culture indicate an effective compliance program.