



Compliance Audit Report Public Version

**Southern Company
Services, Inc. – Trans RC
NCR01320
November 16-18, 2009**

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

March 16, 2010

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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.

Southern Company Services, Inc. – Transmission - RC (SOCO-RC) was audited on November 16-18, 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 Southern Company Services, Inc. – Transmission's Reliability Coordinator (SOCO-RC) function. Southern Company Services, Inc. – Transmission (SOCO – Trans) is registered with SERC Reliability Corporation (SERC) as a Balancing Authority (BA), Interchange Authority (IA), Planning Authority (PA), Reliability Coordinator (RC), Transmission Planner (TP), Transmission Operator (TOP), and Transmission Service Provider (TSP). Nineteen standards applicable to SOCO-RC in their role as a Reliability Coordinator were selected and identified to SOCO-RC as subject to review during this audit. The audit focused on documents and other evidence provided to SERC by the staff of SOCO-RC, 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. A separate spot check of the 13 Critical Infrastructure Protection (CIP) requirements that SOCO-RC was required to be compliant with as of July 1, 2008 was also conducted, and will be covered via a separate report.

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

The audit team found SOCO-RC 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 SOCO-RC's compliance with the requirements of the reliability standards that are applicable to SOCO-RC based on their Reliability Coordinator functions.
- Validate compliance with applicable Reliability Coordinator-related 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 SOCO-RC's compliance culture.

Scope

The scope of the audit of SOCO-RC included all monitored standards applicable to the Reliability Coordinator function that are in the NERC 2009 CMEP. Based on the confirmed RC registration of SOCO-RC, the 19 reliability standards previously identified were the focus of the compliance audit and are 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 representatives and regional entity staff were provided to SOCO-RC in advance of the audit. Work history and conflict of interest forms submitted by each audit team member were provided to SOCO-RC upon request. SERC has confirmed that confidentiality agreements have been executed by, and are on file for SERC Industry Subject Matter Experts (ISMEs) who participated in the audit. The names of FERC Observers participating in the audit, and their departments, were also identified to SOCO-RC prior to the audit. SOCO-RC was given an opportunity to object to audit team members 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. SOCO-RC accepted the audit team member participants with no objections.

On-site Audit

SOCO-RC was contacted by letter on May 20, 2009 by SERC staff. The letter provided SOCO-RC 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 SOCO-RC both verify their currently registered functions and complete and return an attached Pre-Audit Survey within 30 days.

On August 24, 2009, SERC staff forwarded an Audit Detail Letter to SOCO-RC, again confirming the scheduled audit dates and confirming SOCO-RC's registered functions within SERC. The Audit Detail Letter also provided SOCO-RC with notice of the Standards in Audit Scope, Proposed Audit Schedule, Audit Team Roster (with industry affiliations), and requested that SOCO-RC Subject Matter Experts responsible for and knowledgeable of compliance submittals be available for interview during the audit. In addition to the Audit Detail Letter, SOCO-RC was 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 and system operators 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 SOCO-RC. The standards were grouped and scheduled for review to make the most efficient use of SOCO-RC staff's time. The Audit Team Leader (ATL) or designee initiated dialogue on each standard requirement and requested compliance evidence. This evidence and SOCO-RC's staff response were documented. SOCO-RC staff was requested to show valid evidence of meeting each applicable requirement and sub-requirement contained in the 19 standards that had been previously identified by SERC to SOCO-RC as subject to this audit. SOCO-RC staff responded by providing evidence in the form of reports, procedures, studies, and other documents. SOCO-RC 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 QRSAs, 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 audit team members and SOCO-RC 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 SOCO-RC did not provide sufficient evidence to support a finding of compliance, then a possible violation would have been identified by the team and SOCO-RC staff would have been informed.

Audit Overview

The audit team arrived at the SOCO-RC offices at 2:45 PM, November 16, 2009. The staff of SOCO-RC was excused and the audit team reviewed team assignments and a general overview for preparation of the audit activities. At 4:18 PM, the ATL began the session with an opening presentation. He reviewed the NERC compliance plan for 2009 in general, and how it applied to SOCO-RC specifically. The ATL introduced and reviewed the standards to be covered in the audit, and addressed both the expectations of SOCO-RC 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.

SOCO-RC staff made a brief presentation describing SOCO-RC's corporate structure and compliance program. The staff of SOCO-RC was introduced, and general housekeeping matters were explained. The audit team left the SOCO-RC office at 5:35 PM, to return the next day to start the review of the reliability standards in the audit scope.

Audit

The audit team arrived at the SOCO-RC office at 7:45 AM, November 17, 2009. The audit team initially reviewed the registration status of SOCO-RC with entity staff to verify applicability of each standard. Every standard's audit began with a recitation of each requirement. SOCO-RC 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 audit team reached agreement, and by consensus, a determination of compliance was reached for each of the requirements and communicated to SOCO-RC staff before proceeding to the next requirement. The team scribe would record the evidence presented to satisfy the requirement, and the team's determination of compliance for that requirement, using the QRSAs.

The review of all applicable standards was completed at 2:52 PM, November 18, 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 3:36 PM, November 18, 2009. This was followed by an informal response and questions from the SOCO-RC 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 SOCO-RC staff, along with requesting that they fill out formal feedback forms for submission to NERC and SERC. The ATL thanked SOCO-RC staff for their cooperation and support of the audit process.

The audit team left the SOCO-RC meeting room at 5:05 PM on November 18, 2009.

Company Profile

Southern Company Services – Transmission – RC (also referred to as the SERC Southeastern Reliability Coordinator) provides reliability coordination services to the operating entities within the Southeastern Subregion of SERC. These include:

- Southern Company Services as agent for:
 - Alabama Power Company
 - Georgia Power Company
 - Gulf Power Company, and
 - Mississippi Power Company
- Georgia System Operations Company as agent for:
 - Georgia Transmission Corporation, and
 - Oglethorpe Power Corporation
- Municipal Electric Authority of Georgia
- Southeastern Power Administration
- South Mississippi Electric Power Association
- Power South Energy Cooperative

The SERC Southeastern Reliability Coordinator Reliability Area has 500, 230, 161, 115, and 69 kV networked facilities. The Area has three Balancing Authorities with over 49,000 MWs of peak demand (2007) and more than 55,100 MWs of generation. The Southeastern Subregion has thirty-eight (38) 115 kV and above network ties with adjacent Reliability Coordinators.

Audit Specifics

The compliance audit was conducted on November 16-18, 2009 at the SOCO-RC office in Birmingham, AL.

Audit Team

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

Audit Team Role	Title	Company
Member	Manager, Compliance Audits	SERC
Member	SERC Industry Subject Matter Expert	E.ON U.S. Services
Member	SERC Industry Subject Matter Expert	NRG Energy
Member	NERC Compliance Auditor	NERC

SOCO-RC Audit Participants Title and Organization

Title	SOCO-RC Organization
EVP & Chief Transmission Officer	SOCO
VP, Transmission Planning & Operations	SOCO
GM, Bulk Power Operations	SOCO
GM, EMS	SOCO
Director, Transmission Compliance	SOCO
Manager, System Operations	SOCO
System Operator Principal	SOCO
Reliability Standards Project Manager	SOCO
Manager, System Control	SOCO
Engineer	SOCO
Manager, Southeastern RC	SOCO
EMS, Operations Manager	SOCO
System Operator, Sr.	SOCO
System Operator, Principal	SOCO

AUDIT RESULTS

The audit team reviewed documents provided by SOCO-RC prior to the audit, as requested in the Documentation and Evidence Requirements section of SOCO-RC's Compliance Audit Certification Letter. Pre-audit review of these documents, and of currently open or recently closed mitigation plans (none), helped to establish the audit team's focus during the audit.

The audit team reviewed the evidence provided by SOCO-RC 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 SOCO-RC 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 SOCO-RC was, in the team's professional judgment, satisfactorily meeting the requirements of the standard or is in possible violation of the requirement.

If the audit team determined that the evidence provided by SOCO-RC was insufficient or inappropriate to substantiate a determination of compliance, the team immediately informed SOCO-RC's Subject Matter Expert of this fact. Additionally, the ATL, through coordination with SOCO-RC's audit coordinator, ensured that SOCO-RC'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 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 SOCO-RC's management on completion of the audit.

The audit team documented their review and determination of compliance of each standard requirement on QRSAs. SOCO-RC'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.

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

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 SOCO-RC, the content and accuracy of this report:

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

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 Manager of Compliance Programs before being issued as SERC's Final Public Audit Report of SOCO-RC.

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
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

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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		N/A
COM-001-1	R1.	Compliant
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
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.	Compliant
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.	Compliant
EOP-002-2	R9.	Complaint
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

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Reliability Standard	Requirement	Finding
EOP-004-1	R5.	N/A
EOP-005-1	R1.	N/A
EOP-005-1	R2.	Compliant
EOP-005-1	R3.	N/A
EOP-005-1	R4.	N/A
EOP-005-1	R5.	Compliant
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.	Compliant
EOP-006-1	R3.	N/A
EOP-006-1	R4.	N/A
EOP-006-1	R5.	Compliant
EOP-006-1	R6.	N/A
EOP-008-0	R1.	Compliant
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
FAC-010-1	R4.	N/A
FAC-010-1	R5.	N/A
FAC-011-1	R1.	N/A
FAC-011-1	R2.	Compliant
FAC-011-1	R3.	N/A

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Reliability Standard	Requirement	Finding
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.	Compliant
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.	Compliant
IRO-001-1	R3.	Compliant
IRO-001-1	R4.	N/A
IRO-001-1	R5.	N/A
IRO-001-1	R6.	N/A
IRO-001-1	R7.	Compliant
IRO-001-1	R8.	N/A
IRO-001-1	R9.	Compliant
IRO-002-1	R1.	Compliant
IRO-002-1	R2.	N/A
IRO-002-1	R3.	N/A
IRO-002-1	R4.	Compliant
IRO-002-1	R5.	Compliant
IRO-002-1	R6.	Compliant
IRO-002-1	R7.	Compliant
IRO-002-1	R8.	Compliant
IRO-002-1	R9.	N/A
IRO-003-2	R1.	Compliant
IRO-003-2	R2.	Compliant

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

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Reliability Standard	Requirement	Finding
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.	Compliant
PER-004-1	R1.	Compliant
PER-004-1	R2.	Compliant
PER-004-1	R3.	Compliant
PER-004-1	R4.	Compliant
PER-004-1	R5.	Compliant
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.	N/A

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Reliability Standard	Requirement	Finding
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.	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.	Compliant
TOP-002-2	R1.	N/A
TOP-002-2	R2.	N/A
TOP-002-2	R3.	N/A

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

Reliability Standard	Requirement	Finding
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.	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.	Compliant
TOP-003-0	R2.	N/A
TOP-003-0	R3.	N/A
TOP-003-0	R4.	Compliant
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.	Compliant
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.	Compliant
TOP-007-0	R1.	N/A
TOP-007-0	R2.	N/A
TOP-007-0	R3.	N/A
TOP-007-0	R4.	Compliant
TOP-008-1	R1.	N/A
TOP-008-1	R2.	N/A

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

Reliability Standard	Requirement	Finding
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 SOCO-RC's Internal Compliance Program in conjunction with the audit. Evidence reviewed in assessing the program included: SOCO-RC's Compliance Pre-Audit Survey, compliance staff organizational charts, interviews with SOCO-RC 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 SOCO-RC's Internal Compliance Program documents and their staff's demonstrated compliance culture indicate a relatively effective compliance program.