



Compliance Audit Report Public Version

**Tennessee Valley Authority Reliability
Coordinator – TVA - RC
NCR 01151
May 4-7, 2009**

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

July 30, 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.

Tennessee Valley Authority Reliability Coordinator (TVA - RC) was audited on May 4-8, 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 TVA - RC's registered functions. TVA - RC is registered with SERC Reliability Corporation (SERC) as a Reliability Coordinator (RC). Eighteen standards were selected and identified to TVA - RC as subject to review during this audit. The audit focused on documents and other evidence provided to SERC by the staff of TVA - RC, and did not include any evidence obtained through system observation or inspection. The audit team conducted interviews with two system operators as a part of the evidence validation process. 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.

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

The audit team found TVA - 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:

- Independently review TVA - RC's compliance with the requirements of the reliability standards that are applicable to TVA - RC based on the TVA - RC 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 TVA - RC's compliance culture.

Scope

The scope of the audit of TVA - RC included all monitored standards that are in the NERC 2009 CMEP. Based on the confirmed registration of TVA - RC, the 18 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 TVA - RC in advance of the audit. Work history and conflict of interest forms submitted by each audit team member were provided to TVA - RC upon request. SERC has confirmed that confidentiality agreements have been executed by, and are on file for SERC Industry Subject Matter Experts (SMEs) who participated in the audit. TVA - RC 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. TVA - RC accepted the audit team member participants with no objections.

On-site Audit

TVA - RC was contacted by letter on November 11, 2008 by SERC staff. The letter provided TVA - 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 TVA - RC both verify their currently registered functions and complete and return an attached Pre-Audit Survey within 30 days.

On February 10, 2009, SERC staff forwarded an Audit Detail Letter to TVA - RC, again confirming the scheduled audit dates and confirming TVA - RC's registered functions within SERC. The Audit Detail Letter also provided TVA - RC with notice of the Standards in Audit Scope, Proposed Audit Schedule, Audit Team Roster (with industry affiliations), and requested that TVA - RC 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, TVA - RC was provided with a Non-Disclosure Agreement Signature Verification for audit team members, a list of Documentation and Evidence Requirements, and Questionnaire/Reliability Standard Auditor Worksheets (QRSAs) for each standard to be audited.

Interviews with SMEs and system operators were conducted, in conjunction with the review of 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 TVA - RC. The standards were grouped and scheduled for review to make the most efficient use of TVA - RC staff's time. The audit team moderator (ATL or designee) initiated dialogue on each standard requirement and requested compliance evidence. This evidence and TVA - RC's staff response was documented. TVA - RC staff was requested to show valid evidence of meeting each applicable requirement and sub-requirement contained in the 18 standards that had been previously identified by SERC to TVA - RC as subject to this audit. TVA - RC staff responded by providing evidence in the form of reports, procedures, studies, and other documents. TVA - 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 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 TVA - RC 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 TVA - RC did not provide sufficient evidence to support a finding of compliance, then a possible violation was identified by the team and TVA - RC staff was informed.

Audit Overview

The audit team arrived at the TVA - RC meeting room at 2:55 PM, May 4, 2009. At 4:00 PM on May 4, 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 TVA - RC specifically. The ATL introduced and reviewed the standards to be covered in the audit, and addressed both the expectations of TVA - 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. TVA - RC staff made a brief presentation describing TVA - RC's corporate structure and compliance program. The staff of TVA - RC was introduced, and general housekeeping matters explained. The staff of TVA - RC was excused and the audit team reviewed team assignments and a general overview for preparation of the audit activities. The audit team left the TVA - RC meeting room at 5:18 PM, May 4, 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 TVA - RC meeting room at 7:42 AM, May 5, 2009. The audit team initially reviewed the registration status of TVA - RC with entity staff to verify applicability of each standard. Each standard's audit began with a recitation of each requirement. TVA - 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 team reached agreement on the evidence. By audit team consensus a determination of compliance was reached for each of the requirements and communicated to TVA - RC 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 QRSAs.

The review of all applicable standards was completed at 11:13 AM, May 7, 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 1:00 PM, May 7, 2009. This was followed by an informal response and questions from the TVA - 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 TVA - RC staff, along with requesting that they fill out formal feedback forms for submission to NERC and SERC.

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

The audit team left the TVA - RC meeting room at 1:23 PM on May 7, 2009.

Company Profile

The Tennessee Valley Authority is a federal corporation and the nation's largest public power company. As a regional development agency, TVA supplies reliable, competitively priced power, supports a thriving river system, and stimulates sustainable economic development in the public interest. TVA operates fossil-fuel, nuclear, and hydropower plants, and also produces energy from renewable sources. It manages the nation's fifth largest river system to reduce flood damage, produce power, maintain navigation, provide recreational opportunities, and protect water quality in the 41,000-square-mile watershed.

Audit Specifics

Prior to the audit date and in response to the H1N1 flu outbreak, TVA implemented Phase 2 of their Pandemic Plan which restricts contact with individuals involved in air travel with TVA operations personnel for a period of 72 hours from time of travel. In light of this situation, TVA arranged for, and SERC agreed to, conducting the audit in the conference facilities of a hotel adjacent to TVA's corporate offices. This agreement facilitated on time continuation of the audit without imposing an undue threat to TVA operations personnel. The compliance audit was conducted on May 4-7, 2009.

Audit Team

Audit Team Role	Title	Company
Lead	Senior Compliance Auditor	SERC
Member	Senior Compliance Auditor	SERC
Member	Associate Compliance Auditor	SERC
Member	SERC Industry Subject Matter Expert	SMEPA
Member	SERC Industry Subject Matter Expert	SCPSA
Observer	FERC Staff	FERC
Observer	FERC Staff	FERC
Observer	FERC Staff	FERC
Observer	NERC Regional Compliance Coordinator	NERC
Observer	NERC Regional Compliance Coordinator	NERC

TVA - RC Audit Participants Title and Organizations

Title	TVA - RC Organization
Manager, Transmission System Services	PSO - TRO
Manager, Reliability Operations	PSO - TRO
Project Manager, Emergency Preparedness	PSO - TRO
Reliability Coordinator System Operator	PSO - TRO
Specialist Reliability Analysis and Operations	PSO - TRO
Manager, Compliance / EP	PSO - TRO
Acting Manager, TRO Compliance	PSO - TRO
Senior Attorney	OGC
Manager, Reliability Engineering	PSO - TRO
Principal Engineer	TVA
Manager, Network Operations Center	PSO - TRO
Specialist, Electrical Engineer	PSO - TRO
HR Principal Consultant	HR
HR Principal Consultant	HR
Specialist	PSO-TRO

AUDIT RESULTS

The audit team reviewed documents provided by TVA - RC prior to the audit, as requested in the Documentation and Evidence Requirements section of TVA - RC'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 TVA - 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 TVA - 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 that TVA - RC 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 TVA - RC'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 TVA - RC's currently registered functions.

If the audit team determined that the evidence provided by TVA - RC was insufficient or inappropriate to substantiate a determination of compliance, the team immediately informed TVA - RC's Subject Matter Experts (SME) of this fact. Additionally, the Audit Team Lead, through coordination with TVA - RC's audit coordinator, ensured that TVA - 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 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 TVA - RC’s management on completion of the audit.

The audit team documented their review and determination of compliance of each standard requirement on QRSAs. TVA - 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 TVA - RC to be in compliance with all of the NERC Reliability Standards in the audit scope. Please see Findings Table below.

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

- Is reviewed and commented on by all audit team members
- Is reviewed by TVA - 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 Vice President and Director of Compliance before being issued as SERC’s Final Public Audit Report of TVA - 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

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

Reliability Standard	Requirement	Finding
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.	Compliant
CIP-001-1	R2.	Compliant
CIP-001-1	R3.	Compliant
CIP-001-1	R4.	Compliant
CIP-002-1 through CIP-009-1	A spot check of the 13 requirements that TVA - RC was required to be compliant with as of July 1, 2008 was conducted and a separate spot check report written.	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

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Reliability Standard	Requirement	Finding
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.	Compliant
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
EOP-006-1	R2.	Compliant
EOP-006-1	R3.	N/A
EOP-006-1	R4.	N/A

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Reliability Standard	Requirement	Finding
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
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

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Reliability Standard	Requirement	Finding
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
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-005-2	R1.	Compliant
IRO-005-2	R2.	Compliant
IRO-005-2	R3.	Compliant
IRO-005-2	R4.	Compliant
IRO-005-2	R5.	Compliant
IRO-005-2	R6.	Compliant
IRO-005-2	R7.	Compliant

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Reliability Standard	Requirement	Finding
IRO-005-2	R8.	Compliant
IRO-005-2	R9.	Compliant
IRO-005-2	R10.	Compliant
IRO-005-2	R11.	Compliant
IRO-005-2	R12.	Compliant
IRO-005-2	R13.	Compliant
IRO-005-2	R14.	Compliant
IRO-005-2	R15.	Compliant
IRO-005-2	R16.	Compliant
IRO-005-2	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
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

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Reliability Standard	Requirement	Finding
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
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

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

Reliability Standard	Requirement	Finding
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
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

Confidential Information (including Privileged and
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Reliability Standard	Requirement	Finding
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-004-2	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.	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
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

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Critical Energy Infrastructure Information) – Has Been Removed

Reliability Standard	Requirement	Finding
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 TVA's Internal Compliance Program in conjunction with the audit. Evidence reviewed in assessing the program included: TVA's Compliance Pre-Audit Survey, TVA Business Practice 32, compliance staff organizational charts, interviews with TVA 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 TVA - RC's Internal Compliance Program documents and their staff's demonstrated compliance culture indicate an outstanding compliance program.