



# **Compliance Audit Report Public**

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

**Northeast Texas Electric Cooperative**  
NCR01124

**Audit  
April 27-30, 2009**

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## Executive Summary

This public version of the final compliance audit report will be posted on the Southwest Power Pool Regional Entity's (SPP RE) and NERC websites. Confidential information has been redacted from this report. The report will be submitted to Texas Electric Cooperative (NTEC) and to NERC after any Possible Alleged Violations have been processed through the Southwest Power Pool Regional Entity's (SPP RE) 2009 Compliance Monitoring and Enforcement Program.

NTEC is registered with Southwest Power Pool Regional Entity (SPP RE) as a Distribution Provider (DP), Load-Serving Entity (LSE), Purchasing-Selling Entity (PSE), and Resource Planner (RP).

Thirteen standards were selected and identified to NTEC as subject to review during this audit. The audit focused on documents and other evidence provided to SERC by the staff of NTEC, 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. NTEC's staff was requested to provide an informational presentation on their progress with implementation of Cyber Security Standards CIP-002-1 through CIP-009-1.

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

The audit team determined that NTEC does not own or operate Special Protection Systems, and the Transmission and Generation Protection System Maintenance and Testing standard is not applicable as the NTEC system as currently configured and operated; therefore, 2 of the 13 standards are not applicable to NTEC at this time. These standards are PRC-005 and PRC -017.

NTEC was found to be in compliance with all of the standards that were audited.

This audit report includes information about how far the individual cooperative missed the requirements for the possible compliance violations. This information will be used to help determine the severity level of sanctions and penalties. The possible compliance violations will be processed through the SPP RE CMEP as required. Any further actions related to possible compliance violations will be through those processes.

## 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.<sup>1</sup> The audit objectives are:

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

### **Scope**

The scope of the audit of NTEC included all monitored standards that are in the NERC 2009 CMEP. Based on the confirmed registration of NTEC, the 13 reliability standards previously identified were the focus of the compliance audit. Of these, two standards, PRC-005-1 and PRC-017-0 were 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 NERC representative and regional entity staffs were provided to NTEC in advance of the audit. Work history and conflict of interest forms submitted by each audit team member were provided to NTEC upon request. NTEC was given an opportunity to object to any 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. NTEC accepted the audit team member participants with no objections.

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<sup>1</sup> North American Electric Reliability Corporation CMEP, paragraph 3.1, Compliance Audits

## ***On-site Audit***

NTEC was contacted by letter on November 3, 2008 by SERC staff on behalf of SPP RE. The letter provided NTEC 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 on behalf of SPP RE staff then provided formal acknowledgement of the scheduled audit dates and requested that NTEC both verify their currently registered functions and complete and return an attached Pre-Audit Survey within 30 days.

On January 30, 2009, SERC staff on behalf of SPP RE forwarded an Audit Detail Letter to NTEC, again confirming the scheduled audit dates and confirming NTEC's registered functions within SPP RE. The Audit Detail Letter also provided NTEC with notice of the Standards in Audit Scope, Proposed Audit Schedule, Audit Team Roster (with industry affiliations), and requested that NTEC 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, NTEC 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 Questionnaire/ Reliability Standard Auditor Worksheets (QRSAs) for each standard to be audited.

On March 26, 2009, SERC Staff on behalf of SPP RE sent a revised audit detail letter to NTEC containing an audit team individual substitution.

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 from three regions were identified and conducted the audit of NTEC. The standards were grouped and scheduled for review to make the most efficient use of NTEC staff's time. The audit team moderator (ATL or designee) initiated dialogue on each standard requirement and requested compliance evidence. This evidence and NTEC's staff response was documented. NTEC staff was requested to show valid evidence of meeting each applicable requirement and sub-requirement contained in the 13 standards that had been previously identified by SERC staff on behalf of SPP RE to NTEC as subject to this audit. NTEC staff responded by providing evidence in the form of reports, procedures, studies, and other documents. NTEC 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 previously prepared 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 NTEC 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 NTEC did not provide sufficient evidence to support a finding of compliance, then a possible violation was identified by the team and NTEC staff was informed.

## ***Audit Overview***

The audit team, consisting of staff from SERC, SPP RE, and Texas RE, arrived at the East Texas Electric Cooperative (ETEC) offices in Nacogdoches, Texas at 3:00 PM on April 27, 2009, and met briefly to coordinate logistics. NTEC staff was represented and supplanted by formally designated consulting firms GDS Associates and Cornelius-Pierce Consulting Engineers, Inc. At 4:00 PM on April 27, 2009, the Senior Compliance Auditor at SERC and 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 NTEC specifically. The ATL introduced and reviewed the standards to be covered in the audit, and addressed both the expectations of NTEC 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. NTEC staff made a brief presentation describing NTEC's corporate structure and compliance program. The staff of NTEC was introduced, and general housekeeping matters explained. The audit team left the ETEC office at 5:20 PM on April 27, 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 ETEC office at 7:35 AM on April 28, 2009 and convened in the prepared meeting room with NTEC staff.

The audit team initially reviewed the registration status of NTEC in each region with entity staff to verify applicability of each standard with the following determination:

Northeast Texas Electric Cooperative (NTEC) is registered in Southwest Power Pool Regional Entity (SPP RE). NTEC is a member of and organized under East Texas Electric Cooperative (ETEC) and is generally covered by the documents and procedures developed by ETEC.

NTEC is registered with Southwest Power Pool Regional Entity (SPP RE) as a Distribution Provider (DP), Load-Serving Entity (LSE), Purchasing-Selling Entity (PSE), and Resource Planner (RP).

Each standard's audit began with a recitation of each applicable requirement. NTEC 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 NTEC 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 QRS AW.

The review of all applicable standards was completed at 4:00 PM, April 29, 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 8:30 AM, April 30, 2009. This was followed by an informal response and questions from the NTEC 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 NTEC staff, along with requesting that they fill out formal feedback forms for submission to NERC and SPP RE.

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

The audit team left the ETEC meeting room at 10:00 AM on April 30, 2009.

### ***Company Profile***

Northeast Texas Electric Cooperative, Inc. (NTEC) was incorporated in 1972 to provide for the bulk power supply needs of six distribution rural electric cooperatives in east Texas. NTEC is headquartered in Longview, Texas and has been designated by the Rural Utilities Services as Texas 158. NTEC supplies full power requirements to Upshur-Rural, Bowie-Cass, and Panola-Harrison Electric Cooperatives, and partial requirements to Wood County, Rusk County, and Deep East Texas Electric Cooperatives.

### **Audit Specifics**

The compliance audit was conducted on April 27-30 at the East Texas Electric Cooperative office in Nacogdoches, Texas.

### **Audit Team**

<b>Title</b>	<b>Company</b>
Senior Compliance Auditor	SERC Reliability Corporation
Senior Compliance Auditor	SERC Reliability Corporation
Manager of Compliance Audits	SERC Reliability Corporation
Lead Engineer, Compliance	SPP Regional Entity
Lead Compliance Specialist	SPP Regional Entity
Compliance Analyst II	Texas Regional Entity
Compliance Engineer II	Texas Regional Entity

### **NTEC Audit Participants**

<b>Title</b>	<b>Organization</b>
Project Manager	GDS Associates, Inc.
Chief Technology Officer	Sam Houston Electric Cooperative
Engineering Supervisor	Sam Houston Electric Cooperative
Consulting Engineer	Cornelius-Pierce Consulting Engineers, Inc.
System Engineer	Jasper-Newton Electric Cooperative, Inc.
Manager, Transmission Services	GDS Associates, Inc.
Project Manager, Transmission Services	GDS Associates, Inc.
Executive Engineer	GDS Associates, Inc.
Office Manager	East Texas Electric Cooperative
General Manager	Northeast Texas Electric Cooperative
Manager	East Texas Electric Cooperative
Project Manager	GDS Associates, Inc.

## Audit Results

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

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

The audit team documented their review and determination of compliance of each standard requirement on QRSAs. NTEC'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 NTEC to be in compliance with all of the standards that were audited. See Findings Table below.

## Findings

### NTEC On-site Audit Findings

\*N/A – Not Applicable

<b>Reliability Standard</b>	<b>Requirement</b>	<b>Finding</b>
BAL-001-0	R1.	N/A
BAL-001-0	R2.	N/A
BAL-001-0	R3.	N/A
BAL-001-0	R4.	N/A
BAL-002-0	R1.	N/A
BAL-002-0	R2.	N/A
BAL-002-0	R3.	N/A
BAL-002-0	R4.	N/A
BAL-002-0	R5.	N/A
BAL-002-0	R6.	N/A
BAL-003-0	R1.	N/A
BAL-003-0	R2.	N/A
BAL-003-0	R3.	N/A
BAL-003-0	R4.	N/A
BAL-003-0	R5.	N/A
BAL-003-0	R6.	N/A
BAL-004-0	R1.	N/A
BAL-004-0	R2.	N/A
BAL-004-0	R3.	N/A
BAL-004-0	R4.	N/A
BAL-005-0	R1.	N/A
BAL-005-0	R2.	NA
BAL-005-0	R3.	N/A
BAL-005-0	R4.	N/A
BAL-005-0	R5.	N/A
BAL-005-0	R6.	N/A
BAL-005-0	R7.	N/A
BAL-005-0	R8.	N/A
BAL-005-0	R9.	N/A
BAL-005-0	R10.	N/A
BAL-005-0	R11.	N/A
BAL-005-0	R12.	N/A
BAL-005-0	R13.	N/A
BAL-005-0	R14.	N/A

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<b>Reliability Standard</b>	<b>Requirement</b>	<b>Finding</b>
BAL-005-0	R15.	N/A
BAL-005-0	R16.	N/A
BAL-005-0	R17.	N/A
BAL-006-1	R1.	N/A
BAL-006-1	R2.	N/A
BAL-006-1	R3.	N/A
BAL-006-1	R4.	N/A
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	R1.	N/A
CIP-002-1	R2.	N/A
CIP-002-1	R3.	N/A
CIP-002-1	R4.	N/A
CIP-003-1	R1.	N/A
CIP-003-1	R2.	N/A
CIP-003-1	R3.	N/A
CIP-003-1	R4.	N/A
CIP-003-1	R5.	N/A
CIP-003-1	R6.	N/A
CIP-004-1	R1.	N/A
CIP-004-1	R2.	N/A
CIP-004-1	R3.	N/A
CIP-004-1	R4.	N/A
CIP-005-1	R1.	N/A
CIP-005-1	R2.	N/A
CIP-005-1	R3.	N/A
CIP-005-1	R4.	N/A
CIP-005-1	R5.	N/A
CIP-006-1	R1.	N/A
CIP-006-1	R2.	N/A
CIP-006-1	R3.	N/A
CIP-006-1	R4.	N/A
CIP-006-1	R5.	N/A
CIP-006-1	R6.	N/A
CIP-007-1	R1.	N/A
CIP-007-1	R2.	N/A
CIP-007-1	R3.	N/A
CIP-007-1	R4.	N/A

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<b>Reliability Standard</b>	<b>Requirement</b>	<b>Finding</b>
CIP-007-1	R5.	N/A
CIP-007-1	R6.	N/A
CIP-007-1	R7.	N/A
CIP-007-1	R8.	N/A
CIP-007-1	R9.	N/A
CIP-008-1	R1.	N/A
CIP-008-1	R2.	N/A
CIP-009-1	R1.	N/A
CIP-009-1	R2.	N/A
CIP-009-1	R3.	N/A
CIP-009-1	R4.	N/A
CIP-009-1	R5.	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
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.	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

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<b>Reliability Standard</b>	<b>Requirement</b>	<b>Finding</b>
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.	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

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<b>Reliability Standard</b>	<b>Requirement</b>	<b>Finding</b>
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.	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-005-1	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

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<b>Reliability Standard</b>	<b>Requirement</b>	<b>Finding</b>
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
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

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<b>Reliability Standard</b>	<b>Requirement</b>	<b>Finding</b>
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
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

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

<b>Reliability Standard</b>	<b>Requirement</b>	<b>Finding</b>
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.	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.	Compliant
PRC-008-0	R2.	Compliant
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

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<b>Reliability Standard</b>	<b>Requirement</b>	<b>Finding</b>
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.	Compliant
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.	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.	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.	Compliant
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

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<b>Reliability Standard</b>	<b>Requirement</b>	<b>Finding</b>
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
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.	Compliant
VAR-001-1	R6.	N/A
VAR-001-1	R7.	N/A
VAR-001-1	R8.	N/A
VAR-001-1	R9.	N/A

<b>Reliability Standard</b>	<b>Requirement</b>	<b>Finding</b>
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 NTEC's Internal Compliance Program in conjunction with the audit. Evidence reviewed in assessing the program included: NTEC's Compliance Pre-Audit Survey, the Compliance Culture PowerPoint provided, compliance staff organizational charts, interviews with NTEC 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, SPP RE, and TRE recognize 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 NTEC's Internal Compliance Program documents and their staff's demonstrated compliance culture indicate an acceptable compliance program.