

STP Nuclear Operating Company

NERC ID # NCR 04127

Audit Report

for Compliance with

NERC Reliability Standards

Public Version

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

Audit Date: July 22-23, 2009
Audit Location: STP Facility, Wadsworth, Texas
Report Date: September 01, 2009
Prepared By: Mark Scovill, Audit Team Leader

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1.0 EXECUTIVE SUMMARY

The On-Site compliance audit of STP Nuclear Operating Company was conducted on July 22-23, 2009. The NERC Reliability Standards that are being actively monitored for 2009 were reviewed based on STP Nuclear Operating Company's registration as a GO, GOP. The audit team consisted of four representatives from Texas Regional Entity (Texas RE). Based on the review of documentation provided by STP Nuclear Operating Company and the interviews of STP Nuclear Operating Company's personnel, STP Nuclear Operating Company met all of the NERC Standard requirements.

2.0 AUDIT PROCESS

The compliance audit process is detailed in the NERC Compliance Monitoring and Enforcement Program (CMEP), available at www.nerc.com. The NERC CMEP generally conforms to the United States Government Accountability Office Government Auditing Standards and other generally accepted audit practices.

2.1 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 STP Nuclear Operating Company's compliance with the requirements of the reliability standards that are applicable to STP Nuclear Operating Company based on the STP Nuclear Operating Company's registered functions.
- Validate compliance with applicable reliability standards from the NERC 2009 CMEP 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 STP Nuclear Operating Company's compliance culture.

2.2 Scope

The scope of this compliance audit is inclusive of all requirements of the NERC Reliability Standards that are being actively monitored in 2009 and any others that may be identified by the audit team at the time of the audit applicable to Generator Operator and Generator Owner. The audit was performed by four members of Texas RE.

Note: For the 2009 compliance program, the monitoring period for the compliance audit will generally be the last six years, the time since STP Nuclear Operating Company's last audit as a GO, GOP, or periods specified in individual reliability standards. The monitoring period is not limited to the time period for which penalties and sanctions are assessed.

2.2.1 Confidentiality and Conflict of Interest

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

Confidentiality agreements and code of conduct documentation for the regional entity staff were provided to STP Nuclear Operating Company prior to the audit. Work history and conflict of interest forms submitted for each audit team member were provided to STP Nuclear Operating Company. STP Nuclear Operating Company 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. STP Nuclear Operating Company accepted the audit team member participants with no objections.

2.3 Methodology

Once an audit date was set by Texas RE, STP Nuclear Operating Company was sent a pre-audit questionnaire and the Reliability Standard Audit Work Sheets (RSAWs) for the list of actively monitored NERC Standards. During the audit, Texas RE reviewed the responses to the RSAWs and pre-audit questions with STP Nuclear Operating Company's management and supervisors. Texas RE audit team interviewed operations personnel and reviewed documents to substantiate those operations personnel were trained and capable of following the procedures to ensure reliable operations from that entity. The audit team also interviewed IT, Communications, and Planning personnel as necessary to get answers to questions and verify documentation.

The audit team conducted an exit briefing immediately following the audit with STP Nuclear Operating Company. The audit team verbally shared its preliminary results with STP Nuclear Operating Company's management.

2.4 Company Profile

The STP Nuclear Operating Company is a non-profit company that manages the plant for its owners. STP's two reactor-generators, together, produce 2700 MW of electricity, serving more than one million homes in Austin, Corpus Christi, Houston, San Antonio and surrounding areas. The plant is located 90 miles southwest of Houston on a 12,200-acre site between Bay City and Palacios in Matagorda County. STP's reactors became operational in August 1988 and June 1989. NRG acts as the Qualified Scheduling Entity for these two facilities and communicates directly with the ERCOT ISO.

2.5 Audit Specifics

Audit Date: July 22-23, 2009
Audit Location: STP Facility, Wadsworth, Texas

Texas RE Audit Team:

Name	Company/Title
Mark Scovill	Texas RE/Audit Team Leader
Bill Lewis	Texas RE/Auditor
Frank Vick	Texas RE/Auditor
Scott Jackson	Texas RE/Auditor

STP Nuclear Operating Company Audit Participants:

Company/Title
STP – Elect Maint Manager
STP – Test/Program Engineering Mgr
STP – Sys Eng Sup
STP – Design Eng. Units 3 & 4
STP – Design Eng Supv React/I&C
STP – Design Engineering
STP – Mgr Design Eng (Compliance)
STP – VP Engineering
STP – Site VP
STP – Electrical Design
STP – Electrical Design
NRG – Asset Desk Coordinator
STP – Design Engineering, Units 3 & 4
Luminant – Generation Compliance
STP – Admin. Asst.
STP – Ops Support
STP – Sys Engineer
STP – Sys Engineer
STP – System Engineer
STP – Maint. Engineer
STP – Site Engr. Director
STP – Mgr Owner Relations
STP - Security Compliance Specialist
STP – Unit 1 Supervisor/Mgr
STP – Unit 1 Unit Supervisor
STP – Unit 2 Shift Supervisor

3.0 AUDIT RESULTS

3.1 Findings

The Compliance Audit Team found that STP Nuclear Operating Company was compliant with all applicable 2009 actively monitored NERC Standards at the time of the audit.

The following table is a summary of the auditor’s notes for those NERC standards reviewed during the audit:

Reliability Standard	Requirement	Finding
BAL-005-0	R1.	NA
BAL-005-0	R2.	NA
BAL-005-0	R3.	NA
BAL-005-0	R4.	NA
BAL-005-0	R5.	NA
BAL-005-0	R6.	NA
BAL-005-0	R7.	NA
BAL-005-0	R8.	NA
BAL-005-0	R9.	NA
BAL-005-0	R10.	NA
BAL-005-0	R11.	NA
BAL-005-0	R12.	NA
BAL-005-0	R13.	NA
BAL-005-0	R14.	NA
BAL-005-0	R15.	NA
BAL-005-0	R16.	NA
BAL-005-0	R17.	NA
CIP-001-1	R1.	C
CIP-001-1	R2.	C
CIP-001-1	R3.	C
CIP-001-1	R4.	C
COM-001-1	R1.	NA
COM-001-1	R2.	NA
COM-001-1	R3.	NA
COM-001-1	R4.	NA
COM-001-1	R5.	NA
COM-002-2	R1.	C
COM-002-2	R2.	NA
EOP-009-0	R1.	NA
EOP-009-0	R2.	NA
FAC-001-0	R1.	NA
FAC-001-0	R2.	NA
FAC-001-0	R3.	NA
FAC-003-1	R1.	NA
FAC-003-1	R2.	NA
FAC-003-1	R3.	NA
FAC-003-1	R4.	NA
FAC-008-1	R1.	C
FAC-008-1	R2.	C

Reliability Standard	Requirement	Finding
FAC-008-1	R3.	C
FAC-009-1	R1.	C
FAC-009-1	R2.	C
FAC-014-1	R1.	NA
FAC-014-1	R2.	NA
FAC-014-1	R3.	NA
FAC-014-1	R4.	NA
FAC-014-1	R5.	NA
FAC-014-1	R6.	NA
IRO-001-1	R1.	NA
IRO-001-1	R2.	NA
IRO-001-1	R3.	NA
IRO-001-1	R4.	NA
IRO-001-1	R5.	NA
IRO-001-1	R6.	NA
IRO-001-1	R7.	NA
IRO-001-1	R8.	C
IRO-001-1	R9.	NA
IRO-004-1	R1.	NA
IRO-004-1	R2.	NA
IRO-004-1	R3.	NA
IRO-004-1	R4.	C
IRO-004-1	R5.	NA
IRO-004-1	R6.	NA
IRO-004-1	R7.	NA
IRO-005-1	R1.	NA
IRO-005-1	R2.	NA
IRO-005-1	R3.	NA
IRO-005-1	R4.	NA
IRO-005-1	R5.	NA
IRO-005-1	R6.	NA
IRO-005-1	R7.	NA
IRO-005-1	R8.	NA
IRO-005-1	R9.	NA
IRO-005-1	R10.	NA
IRO-005-1	R11.	NA
IRO-005-1	R12.	NA
IRO-005-1	R13.	C
IRO-005-1	R14.	NA
IRO-005-1	R15.	NA

Reliability Standard	Requirement	Finding
IRO-005-1	R16.	NA
IRO-005-1	R17.	NA
PRC-001-1	R1.	C
PRC-001-1	R2.	C
PRC-001-1	R3.	C
PRC-001-1	R4.	NA
PRC-001-1	R5.	C
PRC-001-1	R6.	NA
PRC-004-1	R1.	NA
PRC-004-1	R2.	C
PRC-004-1	R3.	C
PRC-005-1	R1.	C
PRC-005-1	R2.	C
PRC-008-0	R1.	NA
PRC-008-0	R2.	NA
PRC-010-0	R1.	NA
PRC-010-0	R2.	NA
PRC-011-0	R1.	NA
PRC-011-0	R2.	NA
PRC-016-0	R1.	NA
PRC-016-0	R2.	NA
PRC-016-0	R3.	NA
PRC-017-0	R1.	NA
PRC-017-0	R2.	NA
TOP-001-1	R1.	NA
TOP-001-1	R2.	NA
TOP-001-1	R3.	C
TOP-001-1	R4.	NA
TOP-001-1	R5.	NA
TOP-001-1	R6.	C
TOP-001-1	R7.	C
TOP-001-1	R8.	NA
TOP-002-2	R1.	NA
TOP-002-2	R2.	NA
TOP-002-2	R3.	C
TOP-002-2	R4.	NA
TOP-002-2	R5.	NA
TOP-002-2	R6.	NA
TOP-002-2	R7.	NA
TOP-002-2	R8.	NA

Reliability Standard	Requirement	Finding
TOP-002-2	R9.	NA
TOP-002-2	R10.	NA
TOP-002-2	R11.	NA
TOP-002-2	R12.	NA
TOP-002-2	R13.	C
TOP-002-2	R14.	C
TOP-002-2	R15.	C
TOP-002-2	R16.	NA
TOP-002-2	R17.	NA
TOP-002-2	R18.	C
TOP-002-2	R19.	NA
TOP-003-0	R1.	C
TOP-003-0	R2.	C
TOP-003-0	R3.	C
TOP-003-0	R4.	NA
TOP-006-1	R1.	NA
TOP-006-1	R2.	NA
TOP-006-1	R3.	NA
TOP-006-1	R4.	NA
TOP-006-1	R5.	NA
TOP-006-1	R6.	NA
TOP-006-1	R7.	NA
TPL-001-0	R1.	NA
TPL-001-0	R2.	NA
TPL-001-0	R3.	NA
TPL-002-0	R1.	NA
TPL-002-0	R2.	NA
TPL-002-0	R3.	NA
TPL-003-0	R1.	NA
TPL-003-0	R2.	NA
TPL-003-0	R3.	NA
VAR-001-1	R1.	NA
VAR-001-1	R2.	NA
VAR-001-1	R3.	NA
VAR-001-1	R4.	NA
VAR-001-1	R5.	NA
VAR-001-1	R6.	NA
VAR-001-1	R7.	NA
VAR-001-1	R8.	NA
VAR-001-1	R9.	NA

Reliability Standard	Requirement	Finding
VAR-001-1	R10.	NA
VAR-001-1	R11.	NA
VAR-001-1	R12.	NA

* C = compliant, NA = not applicable, PV = possible violation

3.2 Conclusion

STP Nuclear Operating Company was found in compliance with the active standards applicable to GO and GOP registration.

3.3. Compliance Culture

An Internal Compliance Program (ICP) typically includes objectives, documented procedures, records, internal controls, wide dissemination, dedicated staff, compliance managers, independent operation, independent access to executive management, sufficient resources, senior management support, measurement, frequent management review and modification, training, self-auditing, supervision from a sufficiently high position in the organization, and a continuous improvement plan. STP Nuclear Operating Company's compliance program appeared to contain these types of elements and activities. The STP compliance program is focused on compliance with the Nuclear Regulatory requirements.