



## NERC INTERNAL COMPLIANCE PROGRAM

Rev	Date	Description	Prepared By	Reviewed & Approved By
0	03/02/2011	New Organization Structure	James Alligan	Michael Hornstein
1	08/22/2011	Review (see redline for specific changes)	James Alligan	Michael Hornstein
2	11/07/2011	Semi-Annual Review (see redline for specific changes)	James Alligan	Michael Hornstein
3	2/20/2012	Review and Update (see redlines for specific changes)	James Alligan	Michael Hornstein <i>[Signature]</i>

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## 1. PURPOSE

This Internal Compliance Program (Program) is intended to ensure Trans Bay Cable's (TBC) compliance with the North American Electric Reliability Corporation (NERC) and Regional Reliability Standards (Reliability Standards). The purpose of this Program is to minimize the occurrence of violations of the Reliability Standards by maintaining a strong emphasis on sustaining compliance and preventing violations, along with strengthening and supporting a culture of compliance throughout the entire TBC organization.

Because TBC strives to ensure a strong culture of compliance with the applicable Reliability Standards, this Program is consistent with best practices.

## 2. GUIDELINES AND INFORMATION

### 2.1. SCOPE

#### 2.1.1. Program<sup>1</sup>

TBC is committed to a strong Program designed to foster compliance with the Reliability Standards beginning with top leadership (CEO) and continuing throughout the entire organization. This Program outlines TBC's internal control foundation, providing discipline and structure to guide compliance with the Reliability Standards. It includes a cross-section of knowledgeable and skilled employees who are responsible to oversee, communicate, track, document, and monitor that compliance and share results with management.

#### 2.1.2. Applicability

This Program applies to all TBC employees, contract, and vendor personnel responsible for reliability compliance.

#### 2.1.3. Effective Date<sup>2</sup>

This Program is effective February 15, 2011.

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<sup>1</sup> *ICPA Item #1. – ICP.* TBC's ICP is a robust, established, and formal program.

<sup>2</sup> *ICPA Item #12. – Program Implementation.* TBC has implemented its ICP, including all relevant associated documentation. Logs, meeting minutes, forms, agendas, and other records being kept to show compliance policies and procedures are being followed and are operating as intended.

## 2.2. PROGRAM OVERSIGHT, REVIEW, AND MODIFICATION

### 2.2.1. Oversight<sup>3</sup>

The TBC Compliance Officer is responsible for the oversight of the Program.

### 2.2.2. Review and Modification<sup>4</sup>

The Program will be reviewed, and if necessary, modified at least two (2) times per year by the TBC Compliance Officer. Any changes to the Program will be reflected in the Revision History block and will be approved by a member of the Senior Management Team or its designee. Upon approval, the revised document will be immediately distributed per Section 2.3 of the Program.

## 2.3. AVAILABILITY/DISTRIBUTION OF PROGRAM<sup>5</sup>

This Program is made readily available to all of the personnel described in Section 2.1.2, as well as all other employees of TBC via the following:

1. Electronically on the TBC network shared drive.
2. Hard copy in TBC Operations Center in the Pittsburg Converter Station.
3. Displayed in a common area for operational staff involved in compliance activities.

## 3. DEFINITIONS

Unless specifically listed below, all defined terms (capitalized) are provided in the TBC-OP-013 Glossary.

**Energy Policy Act of 2005**: A bill passed by the United States Congress on July 29, 2005, and signed into law by President George W. Bush on August 8, 2005.

**FERC**: Federal Energy Regulatory Commission. The United States federal agency with jurisdiction over interstate electricity sales, wholesale electric rates, hydroelectric licensing, natural gas pricing, and oil pipeline rates. FERC also reviews and authorizes liquefied natural gas (LNG) terminals, interstate natural gas pipelines and non-federal hydropower projects.

**NERC**: North American Electric Reliability Corporation. NERC is a non-government organization which has statutory responsibility to regulate bulk power system users, owners, and operators through the adoption and enforcement of standards for fair, ethical, and efficient practices. As

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<sup>3</sup> **ICPA Item #4. – Officers/Personnel.** TBC has named and staffed a Compliance Officer as required to support its ICP.

<sup>4</sup> **ICPA Item #17. – Program Evaluation.** TBC regularly reviews and modifies its ICP.

<sup>5</sup> **ICPA Item #11. – Compliance Communications.** TBC's ICP requires communication to all appropriate relevant employees, including contractors and vendors. ICP and associated documents have been widely disseminated throughout TBC via email, shared drives, and SharePoint.

of June 18, 2007, FERC granted NERC the legal authority to enforce Reliability Standards with all users, owners, and operators of the bulk power system in the United States.

**Reliability Standard:** Define the reliability requirements for planning and operating the North American bulk power system.

## 4. INTERNAL COMPLIANCE PROGRAM

### 4.1. BACKGROUND

The Energy Policy Act of 2005 requires that FERC approve and enforce standards to protect and improve the reliability of the nation's bulk power system. Under this statutory framework, standards are proposed by an Electric Reliability Organization (ERO), a function currently filled by the North American Electric Reliability Corporation (NERC). NERC can further delegate compliance monitoring and enforcement authority to various regional councils, such as the Western Electricity Coordinating Council (WECC). Mandatory compliance with the first set of standards approved by FERC came into effect on June 18, 2007. As of the date of its NERC registration, TBC must comply with all requirements of the FERC-approved Reliability Standards applicable to its current registered functions.

### 4.2. REGISTRATIONS/CERTIFICATIONS

#### 4.2.1. NERC Compliance Registry (NCR)

TBC's registration date with NERC is December 7, 2009.

TBC is currently listed on NERC's Compliance Registry – NERC ID # **NCR03036** as:

- Transmission Owner (TO)
- Transmission Operator (TOP)

#### 4.2.2. Joint Registration Organizations (JRO)/Coordinated Functional Registration (CFR)<sup>6</sup>

TBC is currently a member of the following CFR:

**ID # JRO00056**

Applicable Regional Entity: WECC

Applicable Function: TOP

Member Entities: NCR05048 – California Independent System Operator

NCR03036 – Trans Bay Cable LLC

CFR Effective Date: 12/07/2009

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<sup>6</sup> The Coordinated Functional Registrations were formerly known as JRO Type 2.

**4.2.3. Certification**

TBC has been certified by NERC to begin operations at its “project-go-live” date following project commissioning on November 23, 2010.

**4.3. VISION/MISSION****4.3.1. Vision**

To provide and encourage a culture of compliance throughout the TBC organization and the Industry.

**4.3.2. Mission**

To ensure that compliance is built into every business practice. This mission will be achieved by:

1. Providing tools and practices that lead to a strong control environment.
2. Identifying and communicating applicable standards and requirements.<sup>7</sup>
3. Tracking and reporting standards development at FERC, NERC, and WECC.
4. Providing standards training.
5. Developing and launching standards awareness campaigns.
6. Developing and maintaining an incident response and reporting process.
7. Providing transparent executive reporting.
8. Providing an anonymous Internal Compliance Hotline.
9. Developing and maintaining an electronic repository for Reliability Standards compliance documentation and related data.
10. Performing annual compliance assessments and internal audits, and providing feedback to the appropriate department/business(s) unit for self-improvement.<sup>8</sup>
11. Assisting/becoming a bridge to applicable departments/business units to provide Reliability Standards compliance awareness in order to promote a culture of compliance and awareness throughout the organization.

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<sup>7</sup> **ICPA Item #2. – Identify and Update Requirements.** TBC’s ICP identifies and lists all NERC Reliability Standards applicable to TBC and contains a process for updating this list as Standards change.

<sup>8</sup> **ICPA Item #15. – Self-Audit.** TBC’s ICP includes formal, internal self-auditing for compliance with all applicable NERC Reliability Standards on an annual basis. Results are reported internally.

#### 4.4. OVERVIEW/GOAL

##### 4.4.1. Overview

This Program is designed to ensure that TBC is monitoring compliance with the Reliability Standards. The Program also provides training for staff with compliance responsibilities, ensuring they have all the information required to interpret and develop evidentiary documentation of compliance with the Reliability Standards.<sup>9</sup>

##### 4.4.2. Goal

The goal of the Program is to create a culture of compliance that is characterized by clear communication, documentation, and implementation of actions toward compliance, taking into consideration the following measures:

1. Adherence to approved Reliability Standards.
2. Regular training and awareness programs.
3. Ongoing communication among all parties involved with the Program.
4. Creating a culture of accountability.
5. A documentation framework that supports compliance, and includes clear processes, policies, and procedures.
6. Creating a culture of continuous improvement via regular assessments, self-assessments, and correction.
7. Identifying the key individuals who are responsible and accountable for applicable portions of the Program.
8. Reviewing and developing corporate goals that ensure a strong corporate commitment to compliance.
9. Adopting reporting procedures to appropriate management and cooperation with regulatory agencies.

#### 4.5. ORGANIZATIONAL STRUCTURE<sup>10</sup>

In order for the Program to be effective, TBC has placed the position of TBC Compliance Officer within Senior Management. The TBC Compliance Officer has no direct responsibility over departments/business units whose day-to-day duties require

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<sup>9</sup> **ICPA Item #10. – Compliance Training.** TBC's ICP requires compliance training for all TBC staff, contractors and vendors who have direct responsibility for the implementation of the processes and procedures that demonstrate compliance with the NERC Reliability Standards. Training measures understanding through a variety of methods.

<sup>10</sup> **ICPA Item #4. – Officers/Personnel.** TBC has named and staffed a Compliance Officer as required to support its ICP.

**ICPA Item #5. – Independent Access to Executives.** Assigned compliance official(s) have independent access to the CEO or equivalent and/or Board of Directors.

**ICPA Item #6. – Independently Managed.** TBC's ICP is operated and managed so it is independent of those responsible for compliance with the NERC Reliability Standards.



compliance with the Reliability Standards (see Exhibit A, Organizational Chart). This independence ensures compliance with Reliability Standards is free from undue influence.

TBC's Chief Executive Officer (CEO) appoints its TBC Compliance Officer, who has independent access to the CEO and Senior Management. This ensures direct communication of compliance concerns to the highest levels within the organization. The TBC Compliance Officer reports directly to the CEO.

The primary TBC NERC/WECC compliance enforcement efforts will reside within the Siemens and TBC Operations organization, as detailed in the Operations and Maintenance Services Agreement between the TBC Owner and its Operator. Compliance with both FERC Order No. 693 Reliability Standards and the FERC Order No. 706 CIP Standards will be managed by a dedicated group within Siemens/TBC Operations reporting to the Siemens Director and TBC Operations Manager. This compliance group has the authority and responsibility to take compliance issues directly to TBC Senior Management.

#### **4.6. KEY ROLES AND RESPONSIBILITIES**

The key responsibilities of those individuals participating in the Program are defined below:

##### **4.6.1. Senior Management Team**

The Senior Management Team consists of the TBC Chief Executive Officer(CEO), Chief Operating Officer (COO), VP of Operations, and General Counsel and is responsible for providing the necessary governance and oversight for TBC to achieve and sustain full regulatory compliance with all applicable Reliability Standard requirements by accomplishing the following objectives:

1. Guide, direct, and support activities of the Project Consultation Committee.
2. Ensure resources, processes, and procedures are in place to achieve and sustain full compliance with all applicable Reliability Standard requirements.<sup>11</sup>
3. Ensure that all WECC compliance filings are completed by the responsible leads and that each filing is certified by the appropriate authorized signatory.
4. Monitor and ensure prompt resolution of any potential internal non-compliance issues, questions regarding NERC standard interpretation, and prompt

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<sup>11</sup> *ICPA Item #7. – Resources.* TBC has dedicated adequate resources (staff and budget) to support its ICP.

resolution of WECC compliance actions including spot audits, self-reports, and mitigation plan development and execution.<sup>12</sup>

#### 4.6.2. TBC Compliance Officer

The TBC Compliance Officer, responsible for oversight of the Internal Compliance Program, is appointed by the CEO of TBC LLC.<sup>13</sup> The Compliance Officer may, at his/her discretion, delegate certain duties to members of his/her compliance group. The Compliance Officer responsibilities include:

1. Provide compliance leadership and guidance to the TBC Project Consultation Committee.
2. Ensure TBC is in full compliance with all applicable Reliability Standard requirements and filings.
3. Provide monthly reports to the Senior Management Team on TBC compliance activities.
4. Serve as authorized signatory for approval/certification of NERC/WECC compliance filings.
5. Ensure timely, accurate filings to WECC, according to specified schedule due dates.

#### 4.6.3. Project Consultation Committee<sup>14</sup>

TBC has a strong set of business processes, along with a solid Project Consultation Committee (Committee) who lead the effort to ensure that all Reliability Standards, requirements, sub-requirements, and the appropriate controls are clearly reflected in the business process. This is key to a strong control environment that will help prevent the occurrence and, especially, the reoccurrence of violations.

The purpose of the Committee is to secure prompt and orderly cooperation and consultation and exchange of information between the Project Owner, Siemens, and the

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<sup>12</sup> **ICPA Item #8. – Leadership Support.** TBC's ICP has the support and participation of senior management (Officer Level). This includes reviewing compliance reports, participating in compliance meetings, and communicating the importance of compliance to TBC personnel on a regular basis.

<sup>13</sup> **ICPA Item #4. – Officers/Personnel.** TBC has named and staffed a Compliance Officer as required to support its ICP.

<sup>14</sup> **ICPA Item #3. – Risk Assessment.** TBC's ICP includes procedures to assess compliance risks and practices related to the NERC Reliability Standards on an annual basis.

**ICPA Item #9. – Measurable Compliance Performance Targets.** TBC promotes compliance by including measurable compliance performance targets in the ICP, including use of an Excel spreadsheet to list all requirements, who is responsible for each requirement, target dates, and status of compliance with each. Matrix demonstrates that TBC has met its relevant goals.

**ICPA Item #15. – Self-Audit.** TBC's ICP includes formal, internal self-auditing for compliance with all applicable NERC Reliability Standards on an annual basis. Results are reported internally.

**ICPA Item #16. – Self-Reporting.** TBC's ICP includes specific procedures to promote prompt detection and self-reporting of possible violations to the Regional Entity (WECC).

**ICPA Item #18. – ICP Modifications.** TBC's ICP includes a process to prevent recurrence of NERC Reliability Standard violations. This includes making changes to the ICP following a violation, if necessary.

Project Operator concerning administrative and technical matters that may arise in connection with the operation and maintenance of the TBC facility.

The Committee structure consists of Project Owner members, one of whom is the TBC Compliance Officer<sup>15</sup>, members from Siemens, and members from the Project Operator, one of whom is the Operations Manager. The objectives of the Committee include:

1. Ensure the necessary processes, procedures, and funding are in place to achieve and sustain full compliance.
2. Monitor and ensure prompt resolution of any compliance related issue, questions of standards interpretation, compliance inconsistencies, and audit findings.
3. Conduct or have an independent NERC consultant conduct an annual self-assessment or internal audit to ensure that any Reliability Standards compliance gaps are identified. Following each annual self-assessment, evaluate the causes and design mitigation efforts, if needed, to prevent recurrences.
4. Perform or have an independent NERC consultant perform spot checks.
5. Ensure that any Reliability Standards compliance gaps are appropriately addressed:
  - Self-report violations to WECC, via the TBC Compliance Officer, with a corresponding mitigation plan.
  - Promptly close issues.
6. Promote compliance by identifying measurable performance targets.
7. Provide tracking for mandatory requirements and performance indicators which measure documented evidence supporting compliance.
8. Monitor changes in Reliability Standards, FERC policies, and potential risks to and demands on TBC. Prepare an inventory of compliance risk.
9. Ensure that changes in Reliability Standards are promptly reflected in changes to applicable Operating procedures.
10. Track and review any incidents of non-compliance with the submission of results directly to the Senior Management Team.
11. Ensure all required compliance filings are completed and approved by the authorized signatory by the scheduled filing dates.

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<sup>15</sup> **ICPA Item #8. – Leadership Support.** TBC's ICP has the support and participation of senior management (Officer Level). This includes reviewing compliance reports, participating in compliance meetings, and communicating the importance of compliance to TBC personnel on a regular basis.

12. Provide guidance and oversight for all activities related to the Reliability Standards to the Operator Engineering Team.
13. Provide periodic compliance briefings to the Senior Management Team.

#### **4.6.4. Owner Operations Team**

The TBC Owner Operations Team is directed by the Operations VP and ensures the obligations of TBC as a NERC functional entity are managed and executed by performing the following:

1. Manage NERC program budget.
2. Ensure adequate resources, processes, and procedures are in place to achieve and sustain full compliance with all NERC Reliability Standard requirements.
3. Approve TBC procedures.
4. Make timely, accurate filings to WECC, according to specified schedule due dates.
5. Communicate a monthly program status to the Compliance Officer.
6. Encourage TBC participation on NERC and/or WECC working groups.
7. Manage NERC, WECC, and stakeholders relationships and ensure notifications are communicated to the Operator and required actions executed.
8. Proactively evaluate compliance activities to assist in identifying compliance gaps.
9. Benchmark to ensure TBC utilizes the best practices in Reliability Standards compliance.
10. Manage NERC consulting vendors.
11. Oversee representation at appropriate FERC/NERC/WECC user groups meetings.
12. Take other actions, as appropriate, to ensure TBC has a fully effective compliance program.

#### **4.6.5. Siemens and Operator Engineering Team**

Siemens, led by the Siemens Director, works directly with the Operator Engineering Team. The Siemens Site Representative works in conjunction with the Operator Engineering Team to address the day-to-day activities of the TBC facility. The Operator Engineering Team works under the direction and guidance of the TBC Operations Manager. These teams ensure TBC compliance with all applicable Reliability Standard requirements by performing the following:

1. Perform necessary activities to ensure full compliance with all applicable Reliability Standard requirements, including assisting Subject Matter Experts

(SMEs) with determination of needs for procedures, policies, processes, and other applicable documentation.

2. Ensure the Reliability Standard requirements are well understood and consistently and accurately executed by operating and maintenance personnel, including those specifically related to CIP Standards compliance.
3. Ensure affected stakeholders in TBC are aware of proposed and actual changes to Reliability Standard requirements.
4. Provide compliance status briefings to the Project Consultation Committee to assure adequate resources are properly allocated to ensure compliance.
5. Proactively evaluate compliance activities to assist in identifying compliance gaps.
6. Review and certify all new and revise policies, procedures, and processes developed by the SMEs to ensure compliance with the Reliability Standards.
7. Upon identifying non-compliance or potential non-compliance with any Reliability Standard requirement, ensure immediate and long-term corrective actions are initiated. This includes but is not limited to supporting self-reporting to WECC, via the TBC Compliance Officer, development of mitigation plans, initiation of internal corrective action plans, and internal audits.
8. Ensure the accurate and timely collection of data that supports WECC compliance filings by scheduled dates. Ensure the appropriate authorized signatory is notified and has sufficient time to certify TBC compliance filings before WECC specified due dates.

**4.6.6. Subject Matter Experts**

Subject Matter Experts (SME) are those individuals who have lead responsibility for TBC Reliability Standard areas. SME responsibilities include:

1. Create and revise policies, procedures, and processes developed to ensure compliance with the Reliability Standards.
2. Compile clear, documented evidence to prove compliance with each requirement on a continuous basis. Use Reliability Standard Audit Worksheets (RSAWs) as checklists for completion of this action. Assure the evidence is stored in a central repository and available upon request.
3. Provide data that supports timely and accurate reports and/or filings for NERC and WECC for their areas of responsibility according to the specified reporting schedule(s).
4. Prove compliance in all WECC spot checks and audits.

5. Promptly report any instances of non-compliance to WECC, via the TBC Compliance Officer, and develop, submit, and implement a comprehensive mitigation plan for each.

#### **4.7. TRAINING<sup>16</sup>**

##### **4.7.1. Internal**

1. The Operator Engineering Team assures that information pertaining to the Reliability Standards is disseminated to the SMEs for their review.
2. The Operator Engineering Team meets periodically with SMEs to discuss additions and changes to the Reliability Standards.

##### **4.7.2. Industry Meetings**

Designated key individuals or independent NERC consultants will attend industry-related seminars/workshops, as well as WECC sponsored training, to stay abreast of new and pending developments as they relate to the Reliability Standards. Meeting notes and materials are provided throughout the organization, along with in-house training, if appropriate.

##### **4.7.3. Committees and Work Groups**

If deemed appropriate and recommended by Senior Management, TBC will have representatives on WECC and/or NERC committees, and standards drafting committees.

##### **4.7.4. Annual – Company-wide**

Annual training is provided on a company-wide basis to familiarize employees and applicable contract and vendor personnel with the Reliability Standards and explain how TBC is affected by the standards.

#### **4.8. VIOLATIONS**

##### **4.8.1. Discovery**

Employees, contract, and vendor personnel are continually reminded to report any potential violation to the Compliance Officer. If an individual is uncomfortable making that contact, they may use the TBC Hotline number (855-244-4795) to report the potential compliance issue. The TBC Compliance Hotline is administered through EthicsPoint and provides an avenue for individuals to make an anonymous report.

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<sup>16</sup> **ICPA Item #10. – Compliance Training.** TBC's ICP requires compliance training for all TBC staff, contractors and vendors who have direct responsibility for the implementation of the processes and procedures that demonstrate compliance with the NERC Reliability Standards. Training measures understanding through a variety of methods.

**ICPA Item #19. – External Industry Participation.** TBC has participated in outreach activities to share compliance program activities with other entities, adjacent utilities, local organizations, etc. TBC participates in WECC-related conferences and user meetings such as CIPUG, CUG, Open Mic, WICF, etc.

Individuals can also access EthicsPoint through the web address listed below:  
<http://ethicscompliance.transbaycable.com>.

#### **4.8.2. Investigation and Reporting**

All potential violations will be investigated by the Project Consultation Committee. If a potential violation is reportable to WECC, Senior Management will be notified.

Violations will be reported immediately to WECC via a Self-Report form and any other required Regional forms.

#### **4.8.3. Monitoring**

In the event a Self-Report is filed with WECC, the TBC Compliance Officer will coordinate and follow through with any necessary mitigation plans and monitor all additional required reporting and completions.

### **4.9. COMPLIANCE ENFORCEMENT & REPORTING**

In order to assure that the established processes and procedures for Reliability Standards compliance are being followed, TBC will periodically utilize an independent NERC consultant to conduct assessments. The TBC Compliance Officer will have responsibility for oversight and scheduling of this activity.

In order to provide an independent method for reporting non-compliance issues or potential violations, TBC provides an anonymous Internal Compliance Hotline number and website administered through EthicsPoint as noted in section 4.8.1 above.

### **4.10. ACCOUNTABILITY<sup>17</sup>**

To reinforce the culture of compliance, the TBC Operator includes specific goals and objectives relating to compliance in the annual performance review documents for those individuals that have responsibility for some portion of compliance.

### **4.11. DISCIPLINARY ACTION<sup>18</sup>**

TBC's Internal Compliance Program emphasizes the importance of complying with the Reliability Standards. Any TBC employee found to have knowingly violated a Reliability Standard will be subject to disciplinary action.

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<sup>17</sup> **ICPA Item #13. – Promoting Compliance through Employee Incentives.** TBC provides compensation, awards, employee recognition, or other incentives (monetary or non-monetary) to encourage the relevant employees' compliance with the NERC Reliability Standards. Accountability for compliance is built-in to applicable corporate compensation programs, from senior management to front-line personnel through job descriptions and performance reviews.

<sup>18</sup> **ICPA Item #14. – Enforcement.** TBC's ICP includes procedures for disciplinary action for employees involved in violations of the Reliability Standards. Human Resources (HR) disciplinary programs are utilized as necessary. Senior Leadership and/or the Board is involved as necessary.



#### 4.12. DOCUMENT APPROVAL

As indicated on the title page of this document, this Program has been reviewed and approved by a member of TBC's Senior Management team, as its authorized entity officer.

### 5. ATTACHMENTS

Exhibit A – TBC Organizational Chart<sup>19</sup>

### 6. REFERENCES

- 00 - TBC ICP Program Building Blocks and Key Documents
- 05 - Electronic Repositories Information Document
- 06 - Electronic Folders Mapping Structure and Evidence Mapping to Folders
- 07 - ICP Evidence Gathering and Populating of SharePoint Folders
- 08 - TBC Self-Cert and Compliance Matrix<sup>20</sup>
- 09 - Process for Identifying Stds and Updating TBC Matrix
- 10 - TBC ICP Responsibility-Participation Table
- 11 - Reporting and Scheduled Tasks Tickler List Nov 11\_2011
- 12 - Project Consultation Committee Charter
- 13 - Ops Document Review-Approval Workflow July 27\_2011
- 14 - Self-Report and Mitigation Workflow - Rev\_1 July 27\_2011
- 15 - Trans Bay Cable - Internal Compliance Program PPT Awareness Training
- TBC Glossary TBC-OP-013
- Operations and Maintenance Services Agreement
- WECC Internal Compliance Program Assessment – ICPA Version 1.0

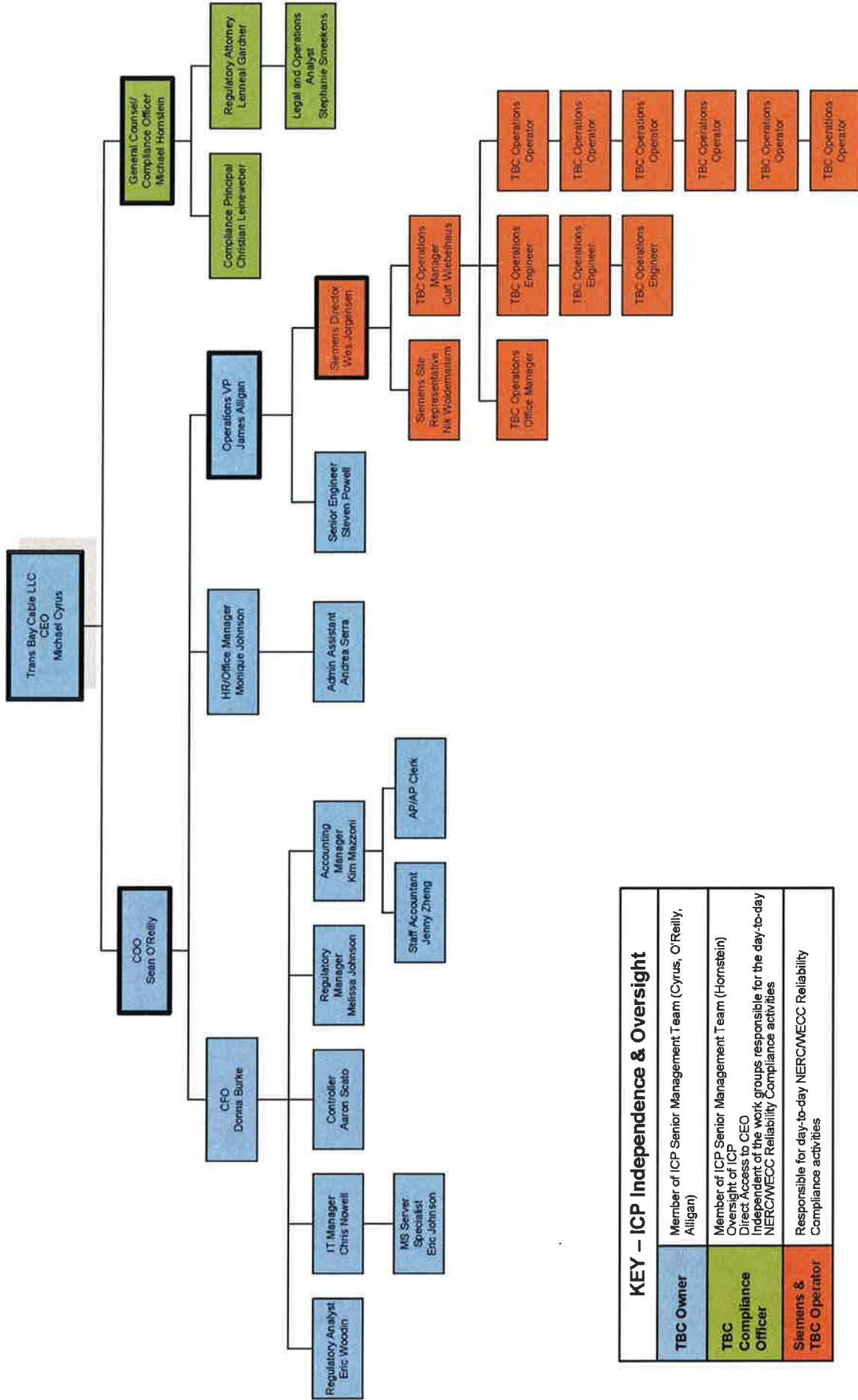
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<sup>19</sup> **ICPA Item #4. – Officers/Personnel.** TBC has named and staffed a Compliance Officer as required to support its ICP.  
**ICPA Item #5. – Independent Access to Executives.** Assigned compliance official(s) have independent access to the CEO or equivalent and/or Board of Directors.  
**ICPA Item #6. – Independently Managed.** TBC's ICP is operated and managed so it is independent of those responsible for compliance with the NERC Reliability Standards.  
**ICPA Item #7. – Resources.** TBC has dedicated adequate resources (staff and budget) to support its ICP.

<sup>20</sup> **ICPA Item #2. – Identify and Update Requirements.** TBC's ICP identifies and lists all NERC Reliability Standards applicable to TBC and contains a process for updating this list as Standards change.  
**ICPA Item #3. – Risk Assessment.** TBC's ICP includes procedures to assess compliance risks and practices related to the NERC Reliability Standards on an annual basis.  
**ICPA Item #9. – Measurable Compliance Performance Targets.** TBC promotes compliance by including measurable compliance performance targets in the ICP, including use of an Excel spreadsheet to list all requirements, who is responsible for each requirement, target dates, and status of compliance with each. Matrix demonstrates that TBC has met its relevant goals.



# ORGANIZATIONAL CHART



KEY – ICP Independence & Oversight	
<b>TBC Owner</b>	Member of ICP Senior Management Team (Cyrus, O'Reilly, Alligan)
<b>TBC Compliance Officer</b>	Member of ICP Senior Management Team (Hornstein) Oversight of ICP Direct Access to CEO Independent of the work groups responsible for the day-to-day NERC/WECC Reliability Compliance activities
<b>Siemens &amp; TBC Operator</b>	Responsible for day-to-day NERC/WECC Reliability Compliance activities

