



European Network of
Transmission System Operators
for Electricity

COMPLIANCE MONITORING PROGRAM 2013

28 NOVEMBER 2012

ENTSO-E REGIONAL GROUP
CONTINENTAL EUROPE

Table of contents

1	INTRODUCTION	4
2	COMPLIANCE MONITORING IN RGCE	5
2.1	GENERAL APPROACH	5
2.2	REGULAR AND EXCEPTIONAL PROCESSES	5
2.3	COMPLIANCE DECLARATION	5
3	ROLES OF RGCE BODIES.....	7
3.1	RGCE	7
3.2	RGCE MEMBER TSOs	7
3.3	RGCE PLENARY	7
3.4	SUB GROUP COMPLIANCE MONITORING AND ENFORCEMENT.....	7
3.5	SG CME AUDIT TEAM	8
3.6	COMPLIANCE MONITORING ADVISOR	8
4	REGULAR COMPLIANCE MONITORING PROCESS	9
4.1	OVERVIEW	9
4.2	PREPARATION OF THE COMPLIANCE MONITORING PROGRAM	10
4.3	APPROVAL OF THE CMP	10
4.4	SELF-ASSESSMENT PROCESS	10
4.5	COMPLIANCE AUDITS	10
4.6	STATUS OF MITIGATION AND IMPROVEMENT PLANS.....	11
4.7	PREPARATION OF THE COMPLIANCE OVERSIGHT REPORT.....	11
4.8	ACKNOWLEDGEMENT OF THE COMPLIANCE OVERSIGHT REPORT.....	11
4.9	INITIATION OF ENFORCEMENT	11
5	SELF-ASSESSMENT PROCESS.....	12
5.1	OVERVIEW	12
5.2	SELECTION OF THE STANDARDS	14
5.3	DISTRIBUTION OF THE SAQ.....	14
5.4	COMPLETION OF THE SAQ.....	14
5.5	COMPLEMENTARY INFORMATION REQUEST.....	14
5.6	ANALYSIS OF THE SAQ.....	14
5.7	PREPARATION OF THE SAQ PART FOR COMPLIANCE OVERSIGHT REPORT	14
6	COMPLIANCE AUDIT PROCESS	15
6.1	OVERVIEW	15
6.2	AUDIT TEAM LEADER AND MEMBERS SELECTION.....	17
6.3	TSO AND OH STANDARD SELECTION PRINCIPLES FOR THE AUDIT PROCESS	17
6.4	NOTIFICATION OF A TSO AND THE AUDIT QUESTIONNAIRE	18
6.5	COMPLETION OF THE AUDIT QUESTIONNAIRE	18
6.6	CONDUCTION OF THE COMPLIANCE AUDIT	18
6.7	AUDIT REPORT PREPARATION	19
6.8	FINALISATION OF THE AUDIT REPORT	19
6.9	ACKNOWLEDGMENT OF THE AUDIT REPORT	19
7	APPEAL AND DISPUTE RESOLUTION PROCESS	21

7.1	OVERVIEW	21
7.2	SG CME FINDINGS	21
7.3	APPEAL.....	22
7.4	DISPUTE RESOLUTION	22
8	TERMS, DEFINITIONS AND ABBREVIATIONS.....	23

1 INTRODUCTION

ENTSO-E promotes the reliable and efficient operation of the European interconnected transmission power systems through the establishment of European wide network codes, regional technical rules and standards, **assessments** and enforcement of **compliance** with these rules. In the development of rules, ENTSO-E sets the technical conditions for achieving a harmonised and solid technical framework, while ensuring non-discrimination, effective competition and the efficient functioning of the electricity markets while taking into account the rapid growth of renewable energy sources.

This document addresses the **compliance** monitoring program 2013 that will be used to ensure in a transparent and non-discriminatory way that ENTSO-E member **TSOs** grouped in the Regional Group Continental Europe (RGCE) are compliant with the standards outlined in the Policies of the **RGCE Operation Handbook (OH)**. It addresses accountability, **compliance** expectations, mitigation of **non-compliance**, improvement of **sufficient compliance**, process flows, **compliance audit** process, a survey on the status of addenda, an appeal process and a dispute resolution process.

The **Compliance Monitoring Advisor**, in co-operation with the ENTSO-E RGCE sub group **Compliance Monitoring and Enforcement (SG CME)**, is responsible for the update, maintenance and overseeing of this process. The single point of contact for the ENTSO-E **compliance** monitoring process is the ENTSO-E **Compliance Monitoring Advisor** (Emmanouil.Styvaktakis@entsoe.eu).

This **Compliance monitoring program** document, accompanied by the related documents, questionnaires, reports and schedules associated with the **compliance** monitoring and **assessment** process will be posted on the [ENTSO-E website](#) or [Extranet](#). Lessons learned from ENTSO-E **Compliance** monitoring process will be included in **Compliance Oversight Reports**, which will be published on the ENTSO-E public website.

The **Compliance Monitoring Process** in 2013 is oriented to check **compliance via two processes**: the self assessment process (selected standards of Policy 3 Operational Security of the RGCE OH) and the compliance audit process (selected standards of Policy 4 Coordinated Operational Planning of the RGCE OH). Furthermore a survey on the status of mitigation and improvement plans will be performed.

2 COMPLIANCE MONITORING IN RGCE

2.1 General Approach

The **Compliance monitoring process** is the process of assessing whether the ENTSO-E RGCE member **TSOs** are compliant with the **RGCE OH standards**. The RGCE continues to co-ordinate the development of the **RGCE OH standards** as well as to promote and support its application as approved by the RGCE Plenary.

All **compliance assessment** information, questionnaires, schedules, documents, reviews and reports are maintained and posted on the ENTSO-E Extranet or Internet site by the ENTSO-E **Compliance Monitoring Advisor** in accordance with the ENTSO-E Internal Regulations regarding the confidentiality of data submitted by RGCE member **TSOs**.

2.2 Regular and exceptional processes

The **Compliance monitoring process** is performed via regular and exceptional processes. The **regular Compliance monitoring process** is based on **self-assessment** and **compliance audits**:

- **The compliance self-assessment** is annually performed via reviews of member **self-assessments** and subsequent sets of data provided by the RGCE member **TSOs**.
- **Periodic on-site compliance audits** are performed in a 5 years basis on every RGCE member **TSO** to verify **compliance** with a chosen set of **OH standards**.

The **exceptional Compliance monitoring process** is based on on-site **compliance audits** launched under control of the **RGCE** Plenary following a triggering event that jeopardized the security and reliability of system operation of the interconnected system, after analysis by expert bodies.

Mitigation of **non-compliances** in general and of deficiencies within the scope of the **Compliance monitoring process** in particular is closely monitored by the **SG CME** and the ENTSO-E **Compliance Monitoring Advisor** to promote achieving **compliance**.

At the end of the yearly activities related to the **Compliance monitoring program**, an annual **Compliance Oversight Report (COR)** is prepared and submitted to the RGCE Plenary for acknowledgement. After this acknowledgement the COR is published in the public internet site of ENTSO-E.

2.3 Compliance declaration

While self assessing the compliance of a RGCE Operational Handbook standard the TSO can select one of the 3 compliance levels or not applicable; the TSO must be able to explain why the declared compliance level has been chosen.

FULL COMPLIANCE

The **TSO** may declare **full compliance** (FC) only if it fulfils the monitored **RGCE OH** standard in all details.

SUFFICIENT COMPLIANCE

The **TSO** may declare **sufficient compliance** (SC) only if it fulfils the monitored **RGCE OH standard** in its essential parts, but not in all details. The choice between non compliant and **sufficiently compliant** also has to be considered with a risk analysis approach, with a particular focus on the impact on the security of the European interconnected network or on the neighbouring **TSOs**.

NON-COMPLIANCE

The **TSO** must declare **non-compliance** (NC) if it doesn't fulfil at least one essential requirement specified in the monitored OH standard.

NOT APPLICABLE

Not applicable (N/A) applies when a given standard does not concern the TSO, e.g. it is directed to a Control Block while a TSO performs only the role of a Control Area.

In case of any disagreement on what parts of an RGCE OH standard are essential, the relevant expert bodies of ENTSO-E will be consulted. The final decision on the matter will be taken by the RGCE Plenary as described in chapter 8 of this document (Appeal and dispute resolution process).

3 ROLES OF RGCE BODIES

3.1 RGCE

It is the responsibility of the RGCE to oversee the reliability of the interconnected transmission network in its area. The RGCE therefore ensures that there is a consistent program to monitor each TSO's **compliance** with the **RGCE OH standards**.

The RGCE carries out activities to assess and enforce the **compliance** of its member TSOs with the **RGCE OH standards**.

3.2 RGCE Member TSOs

Each member TSO of the RGCE has the responsibility to comply with the standards outlined in the RGCE OH and is demanded to participate and co-operate in the evaluations of the performance and other activities of the RGCE to assess the **compliance** with **OH standards**.

3.3 RGCE Plenary

The ENTSO-E RGCE Plenary is the executive directing body of the RGCE responsible for:

- Approval of **Compliance monitoring program**;
- Provide guidelines to support the activities of the SG CME;
- Monitor the SG CME activities which are regularly reported by the Convenor of the SG;
- Acknowledgment of the **Compliance Oversight Report**;
- Decisions on measures in case of **non-compliance**;
- Approval of an appeal procedure;
- Decisions on conducting exceptional on-site **compliance audits**.

3.4 Sub group Compliance Monitoring and Enforcement

The **SG CME** is responsible for:

- Developing and executing a detailed and comprehensive **compliance** process;
- Administering the **compliance** process;
- Selecting the OH standards to be included into the annual **self-assessment** process;
- Develop the annual self-assessment questionnaire and assess the credibility of the answers provided by the RGCE member TSOs;
- Selecting the OH standards to be checked at **compliance audits**;
- Selecting the TSOs to be audited within the regular process during the year;
- Proposing to the RGCE Plenary the TSOs to be audited within the exceptional process in cooperation with other expert bodies if required;
- Creating **Audit teams**, composed by members of the own SG CME and perform on-site Audits;
- Preparing the **Compliance Oversight Report**, including Audit reports and outcomes of the annual self-assessment process, and submit it to RGCE Plenary;
- Recommending measures to the RGCE Plenary in case of unsuccessful mitigation processes;

- Detecting inconsistencies within the standards of the OH;
- Recommending RGCE OH Policies improvements to RGCE Plenary;
- Reporting on the status of addenda and improvement and mitigation plans;
- Reporting on the status of non-compliances and sufficient compliances detected during the annual self-assessment process and on-site Audits;
- Co-ordinating efforts with **Compliance Monitoring Advisor** and RGCE Plenary on further development of the **compliance monitoring process**;
- Addressing independence of auditors and non-disclosure of proprietary information, where appropriate.

3.5 SG CME Audit Team

An **Audit team** is in charge of the following tasks:

- Developing audit schedules;
- Preparing and conducting a **compliance audit** of a **TSO**;
- Checking the **TSO's compliance** with OH standards and identifying **non-compliances** and **sufficient compliances**, if any;
- Preparing the audit report;
- Presenting and submitting the final audit report to the audited **TSO** and **SG CME**;
- Recommending any necessary follow-up actions to the **SG CME**;
- Notifying the audited **TSO** of the conclusion of its **compliance audit**.

3.6 Compliance Monitoring Advisor

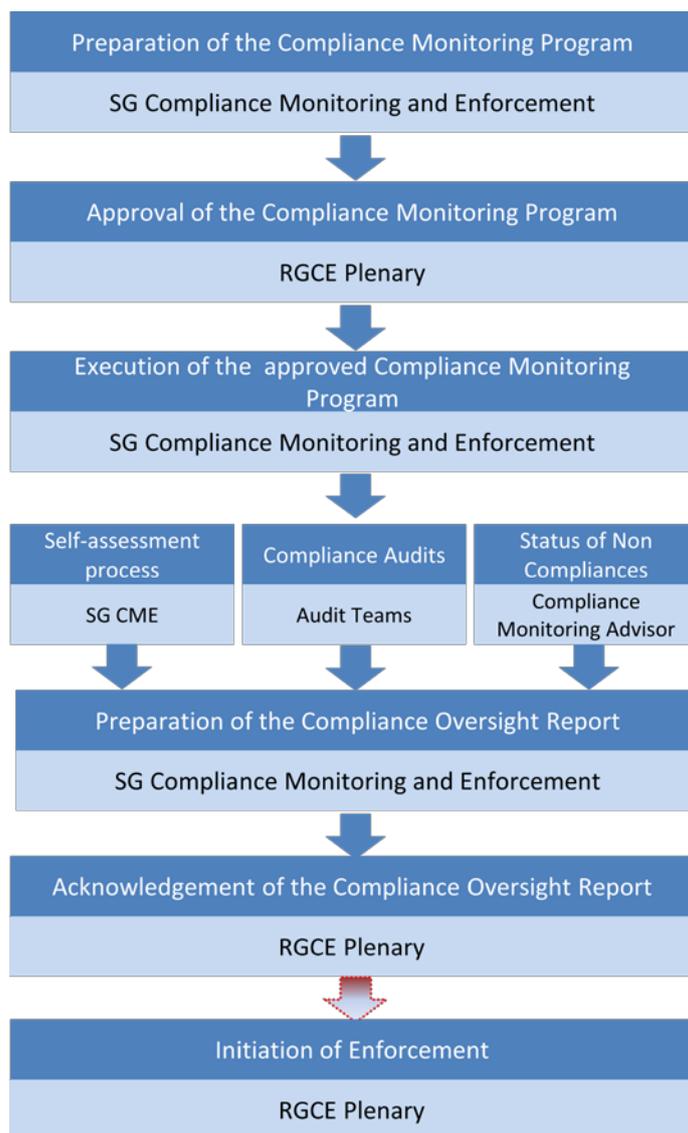
The **Compliance Monitoring Advisor**, in conjunction with the **SG CME** and under the oversight of the ENTSO-E RGCE Plenary, is responsible for all aspects of implementation, update, maintenance and amendment of the **Compliance monitoring program**. RGCE member **TSOs** which have questions regarding the Compliance Monitoring Process or specific **compliance** activities can contact the **Compliance Monitoring Advisor**. His responsibilities include:

- Supporting the efforts of the **SG CME** and the ENTSO-E RGCE Plenary in the **Compliance monitoring process** development;
- Supporting the preparation of the **questionnaires** (e.g. self-assessment questionnaire, pre-Audit questionnaire) needed in the **Compliance monitoring process**;
- Supporting the **SG CME** in the evaluation of every single requirement specified in the ENTSO-E **RGCE OH standards** in order to make it measurable or evaluable;
- Supporting the audit teams during the performance of the on-site Audits;
- Supporting the **SG CME** in the determination of the **compliance** filing requirements and scheduling the annual **Compliance monitoring process**;
- Informing RGCE member **TSOs** on **compliance** requirements;
- Posting reports on the ENTSO-E internet site;
- Managing and maintaining the **compliance database**.

4 REGULAR COMPLIANCE MONITORING PROCESS

4.1 Overview

The flow chart and table on below presents a summarised description of the regular compliance monitoring process.



1	Approval and publication of Compliance monitoring program 2013	November 2012
2	Self-assessment data collection	March – May 2013
3	Compliance Audits	April – October 2013
4	Collect status of improvement and mitigation plans	May – June 2013
5	Draft Compliance Oversight Report 2013	December 2013
6	Presentation of the final Compliance Oversight Report 2013 to the RGCE Plenary	Plenary meeting in 2014

4.2 Preparation of the Compliance Monitoring Program

It is the responsibility of RGCE to develop and review the RGCE OH standards. In order to obtain adequate results from the **Compliance monitoring process** the standards need to be specific, measurable, appropriate, written in understandable manner, clearly and precisely defining what constitutes **compliance** requirements. In case of any doubt related to these prerequisites, **SG CME** consults the relevant ENTSO-E RGCE bodies.

The SG CME prepares the annual **Compliance monitoring program (CMP)**. It contains specifications on the ENTSO-E **RGCE OH standards** to be monitored both in the self assessment and compliance audits, schedules and deadlines, and the method for selection of **TSOs** to be audited within the regular process.

4.3 Approval of the CMP

The ENTSO-E RGCE Plenary approves the annual **CMP**.

4.4 Self-assessment process

Each RGCE member TSO self-evaluates its compliance level on an annual **self-assessment questionnaire** provided by **SG CME**.

4.5 Compliance audits

SG CME Audit Teams perform on-site audits at **RGCE member TSO** premises to investigate the declarations of the **self-assessment questionnaire** from the previous year and of the pre-audit questionnaire, this is done via checking of evidence.

4.6 Status of mitigation and improvement plans

SG CME perform a survey on the current status of mitigation and improvement plans via the submittal of a questionnaire to be filled in by all member TSOs that have such plans in progress. This status will be reported to the RGCE Plenary and in the COR2013.

4.7 Preparation of the Compliance Oversight Report

The **SG CME** prepares the **Compliance Oversight Report** including the detected non **compliances** and concerns on the credibility of the answers provided by analysing the **self-assessment questionnaire**, the results of the **compliance audits** and the results of the survey on the status of the improvement and mitigation plans.

4.8 Acknowledgement of the Compliance Oversight Report

The RGCE Plenary reviews and acknowledges the **Compliance Oversight Report**. The RGCE Plenary may send the **Compliance Oversight Report** back to the **SG CME** only for formal reasons with a clear statement on what has to be adapted.

If needed, the RGCE Plenary makes decisions regarding appeals in accordance with the **Appeal and Dispute Resolution process**, as further described in chapter 8. The **Compliance Monitoring Advisor** sends notification of resolution to the appealing **TSO** and the **SG CME**.

4.9 Initiation of enforcement

In case lack of progress in removing non compliances is detected (meaning the breach of deadlines mentioned in the mitigation and improvement plans) the Convenor of the ENTSO-E RGCE Plenary can start the enforcement process by sending a formal letter prepared by the **Compliance Monitoring Advisor** to the affected **TSO**. The letter specifies standards for which such problems have been found, and the measures including deadlines to be implemented by the **TSO**. The ENTSO-E RGCE Plenary has the final responsibility and authority for issuing such measures. If existing, the measures and deadlines are decided on the basis of the **mitigation plan** delivered by the **TSO**, and upon consultation with the relevant RGCE bodies.

5 SELF-ASSESSMENT PROCESS

5.1 Overview

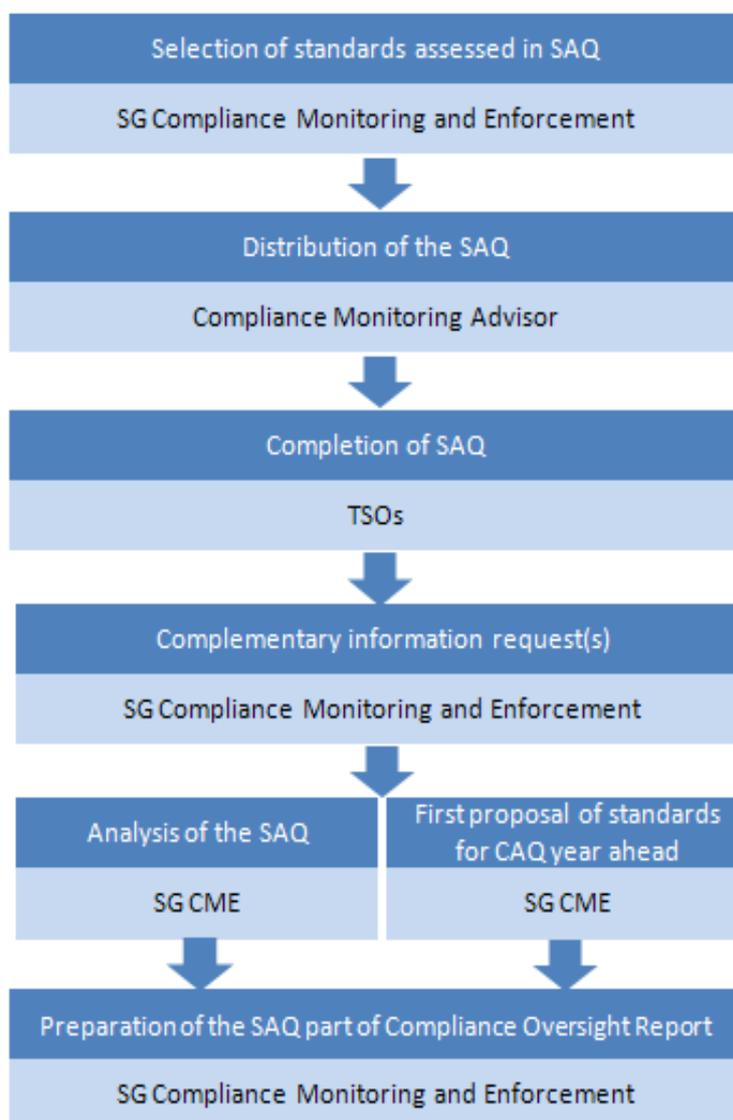
The **self-assessment process** is the main part along with regular **compliance audits** for the regular **Compliance monitoring process**.

Self-assessment means that each RGCE member **TSO** assesses by itself its **compliance** with each OH standard to be monitored within the frame of the annual **Compliance monitoring program**. This task includes filling in questionnaires prepared by the **SG CME** and posted in the ENTSO-E Extranet by the ENTSO-E Secretariat. The questionnaire requires for each monitored standard:

- The **TSO** declaration of one of the three possible **compliance levels: fully compliant (FC), sufficiently compliant (SC), non-compliant (NC) or not applicable (N/A)**.
- A brief explanation by the TSO, consisting on open written sentence(s) to explain the compliance level chosen for the concerned standard. These explanations help the **SG CME** to analyse the credibility of the compliance level chosen by the **TSO**.

Additionally to the chosen standards, it may be asked to answer to one or more COSAQS, "Compliance Self Assessment Questions" (to be answered by yes or no) addressing the unavoidable requirements of the concerned standard. These questions shall drive the **TSOs** to choose its compliance level and help the **SG CME** to analyse the credibility of the compliance level chosen by the **TSO**.

The timetables, plans and a link to the **self-assessment questionnaires (SAQ)** is communicated to the **TSO** Control Area Managers by e-mail. This information is maintained and posted on the ENTSO-E internet site.



1	Delivery of the Self-assessment Questionnaire to member TSOs	March 2013
2	Return of self-assessment by member TSOs	May 2013
3	Preliminary assessment and complementary information requests	May – June 2013
4	Analysis of the SAQ answers	July – October 2013
5	Prepare Compliance Oversight Report	November – December 2013

5.2 Selection of the standards

The **SG CME** selects the monitored standards based on previous years experience and requirements given by RGCE during CMP approval.

5.3 Distribution of the SAQ

The **Compliance Monitoring Advisor** creates the questionnaire and distributes the questionnaire material with a link to ENTSO-E Extranet to the RGCE Control Area Managers.

5.4 Completion of the SAQ

All TSOs should fill in the questionnaire on the ENTSO-E Extranet before the deadline. The questionnaire form has non-compliance as a default value for compliance declaration which TSO must change to respect their compliance level. In case a TSO fails to assess its compliance level before the deadline, the compliance level remains non-compliant.

5.5 Complementary information request

The **SG CME** may require complementary information after preliminary assessment of the questionnaire answers. The main reason for such request is to collect possible missing or vague answers at the questionnaire.

5.6 Analysis of the SAQ

SG CME analyses the SAQ data to check credibility of the compliance declarations. As a parallel process, the standards to be chosen for the CAQ for the next year are proposed, as the policy investigated in the SAQ of the year Y will be audited in the CAQ in the year Y+1.

5.7 Preparation of the SAQ part for Compliance Oversight Report

SG CME elaborates the SAQ analysis results which are included in the Compliance Oversight Report. The detailed analysis results will be annexed to the COR.

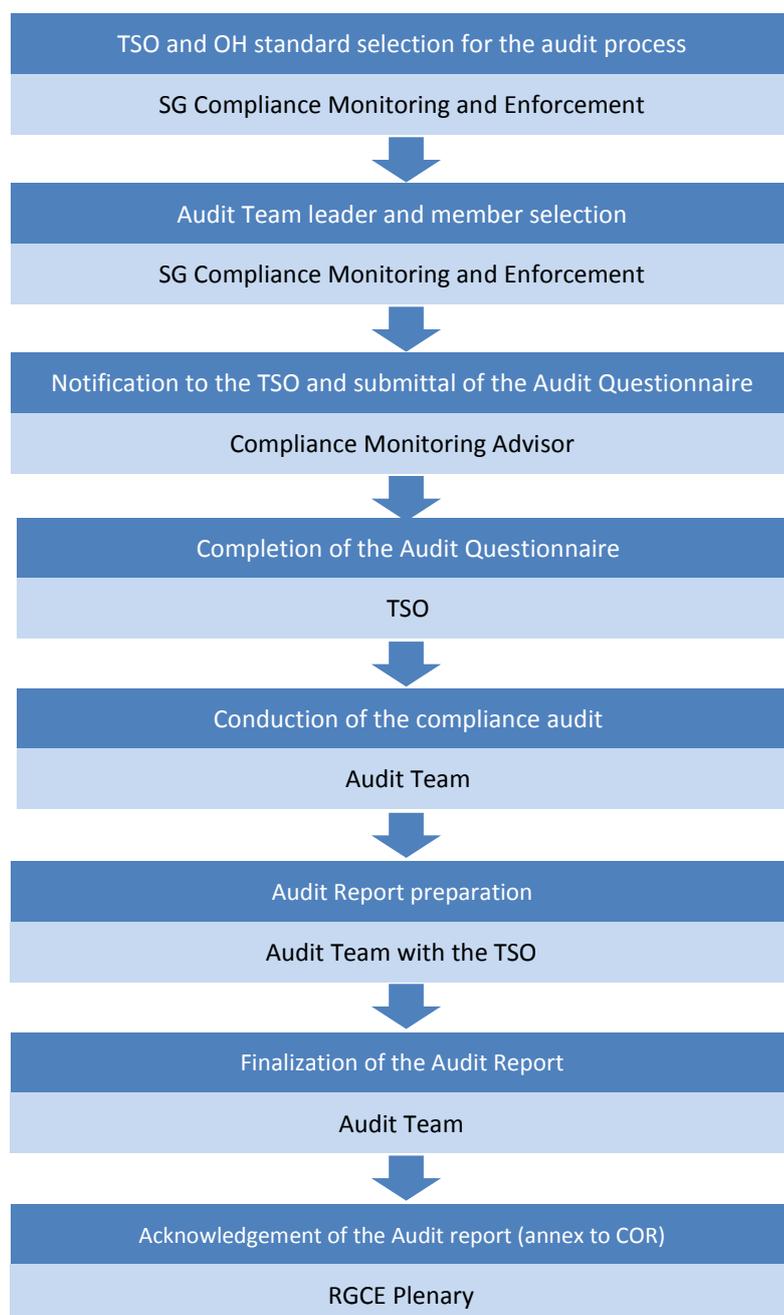
6 COMPLIANCE AUDIT PROCESS

6.1 Overview

The purpose of this chapter is to describe the practice of **compliance audits** which the RGCE uses to review **TSOs'** declarations of **compliance** with OH standards. **Compliance audits** are conducted periodically to ensure each **TSO** is audited at least once every 5 years. **Audit teams** consist of members of the **SG CME**, and of other experienced personnel from the ENTSO-E Secretariat and RGCE member **TSOs** if needed.

The **Audit team** practices are:

- Main purpose of the **compliance audit** is to verify data and information which were provided by the **TSO** before the audit (pre-audit questionnaire and **self-assessment questionnaire** of the previous year).
- **Compliance audits** should be conducted in a manner that minimizes the impact on personnel of the **TSOs** being audited as well as on the **TSOs** which the **Audit team** members belong to.
- Whereas a free exchange of information is encouraged, lengthy and detailed discussions are discouraged: a balanced efficient approach is therefore expected.
- The **Audit team** may ask the **TSO** to demonstrate that the system operators and the responsible personnel are familiar with the OH standards and actually know how to implement the related rules.
- The **Audit team** may ask the **TSO** to explain the process of collecting and reporting **compliance** data. The methods used should be verified as well. The **Audit team** members shall refrain from making premature comments until the entire **Audit team** has the opportunity to reach consensus on its findings. Should there be a disagreement of opinion between the **Audit team** members about whether an issue is compliant/non-compliant, the Team Leader either resolve the disagreement or present both sides of the issue to the **SG CME** for further determination.
- At the end of the Audit, the **Audit team** makes every effort to provide an oral summary to the management of the audited **TSO** of the main issues identified during the audit fieldwork, including the audit report and audit findings.
- The **Audit team** should use their expertise to ensure that the spirit of the audited standard is fulfilled besides only interpreting it literally.



TSOs to be audited are informed of their selection.	Not later than 12 December 2012
Audit questionnaire(s) sent to the TSO involved in the compliance audit by the Compliance Monitoring Advisor	at least 7 weeks prior to audit
Audit questionnaire(s) returned to Compliance Monitoring Advisor by TSO	3 weeks prior to audit
Preliminary findings sent to audited TSO, if needed	5 working days prior to the audit

Audit report draft sent to TSO for review by the Compliance Monitoring Advisor	2 weeks after audit
Audit report draft returned to the Compliance Monitoring Advisor by the TSO	4 weeks after audit
Final audit report issued by the audit team and sent to the TSO	6 weeks after audit
RGCE Plenary acknowledgment of the report in conjunction with Compliance Oversight Report	RGCE Plenary meeting in 2014

6.2 Audit Team Leader and members selection

RGCE member **TSO** may annually nominate its personnel outside of the CME group for the **Audit team** that meet the qualifications listed below. The **SG CME** creates an **Audit team** of minimum 4 Experts for each **compliance audit**. The **Audit team** is responsible for assessing the **TSO's compliance** with the **RGCE OH standards**. If required by the **TSOs** being audited, the **Audit team** members must subject themselves to confidentiality agreements for any data that is made available to them through the audit process.

Qualifications of **Audit team** Members:

- Membership in the **SG CME** or at least three years experience in the area of system operations and scheduling practices;
- Thorough familiarity with the **RGCE OH standards**;
- No affiliation with the **TSOs** being audited and its neighbouring **TSOs**;
- No two or more members from the same **TSO** are allowed.

SG CME appoints one member as the **Audit team** Leader responsible for overall co-ordination of the **compliance audit**. One member of the **Audit team** will be the **Compliance Monitoring Advisor** to ensure consistent adherence to ENTSO-E practices and procedures. The **Compliance Monitoring Advisor** assists the **Audit team** Leader and be responsible for distributing and collecting the audit questionnaires, arranging the on-site visits, and preparing and distributing the audit report.

6.3 TSO and OH standard selection principles for the audit process

Each **TSO** has to be audited at least once every five years. The **SG CME** shall therefore make approximately six **compliance audits** per year. Once a **TSO** has been audited, it is excluded from the audit process for at least two years unless circumstances require a more frequent **compliance audit** as envisaged by RGCE Plenary.

The **SG CME** can select the **TSOs** according to the following criteria:

- **TSOs** that have returned improper or insufficiently filled in self-assessment questionnaires or delivered the data not in time,

- TSOs that have the worst credibility evaluation of the compliance declarations (see chapter 5.6).

The regular **compliance audits** checks the quality of the previous years' **self-assessment**; the **SG CME** has the possibility to focus the audit on a chosen set of standards.

Year	Self-assessment	Compliance audit
2009	Policy 8	Still voluntary audits
2010	Policies 1-3	Policy 8
2011	Policy 5	Chosen set of standards from P1-P3
2012	Policy 4	Chosen set of standards from P5
2013	Policy 3	Chosen set of standards from P4

6.4 Notification of a TSO and the audit questionnaire

The **Compliance Monitoring Advisor** notifies each selected **TSO** about the **compliance audit** which will be performed on-site as soon as possible after the selection is known, (but not later than 7 weeks before the **compliance audit**).

The **SG CME** prepares the **compliance audit** questionnaire(s) which are sent to the **TSOs** selected for audit, offering them the possibility to give additional and updated explanations, especially related to documents and other materials which were not or not fully addressed in the **self-assessment** process.

This questionnaire(s) addresses the capabilities and actions of the audited **TSO** in relation to previously declared **compliance levels**. To ease out audited **TSOs** preparation for the audit, in the audit questionnaire there could be specified examples of material and evidences needed by the **Audit team** for some difficult standards. The questionnaires are not considered confidential.

The **Compliance Monitoring Advisor** sends the audit questionnaire to each audited **TSO**, at least 7 weeks prior to the audit.

6.5 Completion of the audit questionnaire

Each audited **TSO** fills in the questionnaire(s) and returns them to the **Compliance Monitoring Advisor** not later than 3 weeks prior to the audit.

6.6 Conduction of the compliance audit

The **Audit team** conducts the on-site visit to the audited **TSO's** facilities. One of the main reasons of the on-site visits is to review the existing documentation, assessing if the provided evidences supporting (or not) the self-assessed claims of the audited **TSO**.

During the visit, the **Audit team** members will:

- Inspect the **TSO's** facilities and equipment;
- Review with the **TSO** the data collected in the questionnaires;
- Review **TSO's** data submittals (may be conducted off-site);
- Interview the **TSO's** operational, engineering and management personnel;
- Review all documents and data considered necessary.

6.7 Audit report preparation

The **Audit teams** assess the **TSO's compliance** with **RGCE OH standards** on the basis of the results of the audit steps performed as described above. Each **Audit team's** findings has to be documented in a formal report which includes at least the following elements:

- The purpose of the **compliance audit** (routine inspection of the credibility of the **TSO's** declarations of **full compliance**, **sufficient compliance** or **non-compliance** with **RGCE OH standards**, or some more concrete event-driven goal).
- The scope of the **compliance audit** (list of **RGCE OH standards** reviewed).
- Findings based on the **TSO's compliance** with the audited **RGCE OH standards**. All findings concerning **sufficient compliance** and **non-compliance** have to be clearly described.
- The audited **TSO's** response to the audit report findings, including a clear statement as to whether the **TSO** agrees or disagrees with the findings:
If the **TSO** agrees, the audit report should also include the date the **TSO** has to provide to the **Compliance Monitoring Advisor** a detailed **mitigation plan** with relative deadline aiming at correcting the areas of **non-compliance**.
If the **TSO** disagrees, the audit report should include a detailed clear description of the reason for the disagreement. In case the **TSO** wants to appeal, the process described in chapter 8 has to be applied.

6.8 Finalisation of the audit report

Each **Audit team** is responsible for developing a draft audit report and presenting it to the audited **TSO** for review and written response. If appropriate, any difference of opinion on the **compliance audit** results should be discussed to ensure that both the audited **TSO** and the **Audit team** clearly understands each other's position. On this basis and if needed, the audit report is updated and presented to the **SG CME**. In case the **TSO** wants to appeal, the process as described in chapter 8 is applicable.

Furthermore, one common summary report of all onsite audits is included as an additional chapter to the annual **Compliance Oversight Report**. It should include an executive summary and qualitative analysis of each performed audit.

The audit report is published in the ENTSO-E Extranet as an annex to the COR.

6.9 Acknowledgment of the Audit Report

The RGCE Plenary is responsible for acknowledgement of the common summary report of all onsite audits in conjunction with acknowledgement of the **Compliance Oversight Report**. If necessary, the Plenary may send the report back to the **SG CME** for further clarification, review or verification of each audited **TSO's compliance**. The involved **Audit team** has to repeat any **compliance audit** steps

required to ensure the findings are solely based on clear and accurate **compliance audit** results. Once the RGCE Plenary has acknowledged the report, it notifies the **SG CME** and the concerned **TSOs**.

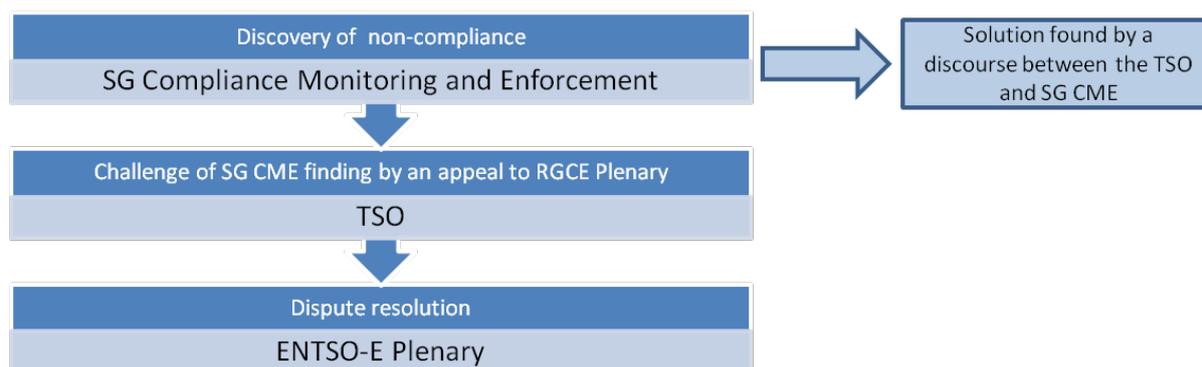
7 APPEAL AND DISPUTE RESOLUTION PROCESS

7.1 Overview

The **Appeal and Dispute Resolution Process** is a three-step sequential process. The steps are:

1. The **SG CME** finding of a **non-compliance** or an inappropriate or incomplete **improvement/mitigation plan** or an **improvement/mitigation plan** which is not on schedule,
2. Appeal by the TSO concerned to the ENTSO-E RGCE Plenary,
3. Dispute resolution by the ENTSO-E RGCE Plenary.

Appeals are initiated by notifying (via e-mail) the **Compliance Monitoring Advisor** that the affected **TSO** is appealing the **improvement/non-compliance** determination of the **SG CME**.



7.2 SG CME findings

The **Compliance Monitoring Advisor** informs the TSO about the discovery of a **non-compliance** or of an inappropriate or incomplete **improvement/mitigation plan** or of an **improvement/mitigation plan** which is not on schedule. This notification is made after review by the **SG CME**. If upon receipt of that notification the affected **TSO** disagrees and wishes to present its position to the RGCE Plenary on the matter, it may do so in writing with any supporting documentation within 14 days of issuance of the notification. This information forms a part of the record upon which the **RGCE Plenary** bases its final decision. The **TSO** may raise any issues it wishes respecting the preliminary finding, but not affect the validity of the OH standards or operating practices.

The **SG CME** shall strive to take its decisions by consensus of the members. Consensus shall be defined as no substantial disagreement on a relevant issue. In the event that consensus cannot be achieved on a matter, the issue should be presented to the RGCE Plenary. Any member of the **SG CME** that has an interest in the outcome of the proceeding, specifically any member that is an employee of an affected **TSO**, cannot participate in the decision process.

If no submittal is made by the affected **TSO** within the prescribed 14 day period, the preliminary finding of **non-compliance** made by the **SG CME** becomes final. The **Compliance monitoring process** proceeds to the submittal and realization of a correct **improvement/mitigation plan** by the affected **TSO** or the proposal to the RGCE Plenary to impose enforcement of **temporary remedial measures**.

7.3 Appeal

An affected **TSO** may appeal a **SG CME** decision to the RGCE Plenary. A written message of the affected **TSO** willing to appeal must be sent to the Convenor of the RGCE Plenary no later than 14 calendar days after the affected **TSO** received the final decision on the subject. Both the affected **TSO** and the **SG CME** prepare written statements of their positions on the issues and present them, with any supporting documentation they believe appropriate, to the RGCE Plenary within 4 weeks after the date of the written notification of the appeal. The affected **TSO** and the **SG CME** shall have the right to make oral presentations to the RGCE Plenary, in which case questions may be asked only by members of the RGCE Plenary. The affected **TSO** or the **SG CME** may raise any issues they wish respecting the **SG CME** decision, such as the factual basis for the decision or the procedural steps involved, but neither affect the validity of the **RGCE OH standards**.

The report on the disputed matter prepared by the **Compliance Monitoring Advisor** for the RGCE Plenary deliberations, shall be made available to the Parties. The parties shall have the opportunity to respond to the report.

7.4 Dispute resolution

The RGCE Plenary delivers its decision at the next scheduled meeting. The decision will be based on ENTSO-E Internal Regulations. Members of the RGCE Plenary directly involved in the outcome of the proceeding, especially any RGCE Plenary representative of the affected **TSO(s)** shall be excluded from voting. The decision of the RGCE Plenary on the matter is final.

8 TERMS, DEFINITIONS AND ABBREVIATIONS

In the following the most important terms used in this document as well as in the written and verbal communication within the scope of the **Compliance monitoring program** are defined:

Appeal and Dispute Resolution process	A TSO challenges SG CME findings and brings the matter to RGCE Plenary for a decision.
Audit team	An investigating group set up among the SG CME members and, if necessary, other RGCE member TSOs' experts appointed with the task to conduct a Compliance audit . The members of the group must be free of interest conflicts and must not belong to the investigated TSO and its physical neighbours. Furthermore, they must comply with ENTSO-E confidentiality provisions.
Assessment	An evaluation that allows a conclusion to be reached or a decision to be made that may or may not involve an analysis or simulation.
Compliance	Conformity with the RGCE OH standards .
Compliance audit	An audit performed on the premises of every RGCE member TSO to verify compliance with the RGCE OH standards . It is conducted either as a regular process (on a five years basis) or as an exceptional process (if deemed necessary by the RGCE Plenary).
Compliance database	The database maintained by the ENTSO-E Secretariat containing current and historical results of the Compliance monitoring process . It allows automatic processing of self-assessment submittals of the RGCE member TSOs .
Compliance level	The degree to which a RGCE member TSO complies with a specific RGCE OH standard . Three levels (categories) are defined: fully compliant , sufficiently compliant and non-compliant .
Compliance monitoring process	The process of assessing whether the RGCE member TSOs are compliant with the RGCE OH standards . It consists of the regular processes of self-assessment and compliance audits and the exceptional process of compliance audits .
Compliance monitoring program (CMP)	The document that defines the Compliance monitoring process and points out the RGCE OH standards to be checked, the TSOs to be audited during a period of one calendar year as well as a description of the procedures to be followed and the demands to be responded by each RGCE member TSO .
Compliance Monitoring Advisor (CMA)	An employee of the ENTSO-E Secretariat whose task is to accompany the Compliance monitoring process from the technical and administrative point of view as well as to support the SG CME at its work.
Compliance	The annual document in which the current Compliance status of the RGCE

Oversight Report (COR)	member TSOs is presented based on the self-assessment and compliance audits conducted by Audit teams according to the annual Compliance monitoring program . For non-compliant TSOs it details the findings, the mitigation plans and progress reports . It may also contain proposals on how to improve the RGCE Operation Handbook and recommendations concerning the development of the Compliance monitoring process .
Complementary regular process documents	Accompanying documents in form of a mitigation plan with deadline and progress reports on a regular basis to be sent to the SG CME by a RGCE member TSO which declared non-compliance with an RGCE OH standard .
Control Area Manager (CAM)	The person that is officially responsible for the Compliance monitoring process on behalf of an RGCE member TSO – single point of contact of TSO with respect to Compliance monitoring process .
Fully compliant – full compliance	The TSO may declare full compliance only if it fulfils the monitored RGCE OH standard in all details.
Improvement plan	A set of measures submitted by a “ sufficiently compliant ” RGCE member TSO that will lead it to full compliance with an RGCE OH standard . It contains a description of actions and a deadline (schedule) for the accomplishment of these actions.
Mitigation plan	A list of measures submitted by an RGCE member TSO concerning a non-compliance declaration that will lead to compliance with an RGCE OH standard . It contains a description of temporary remedial measures (if anything of that kind is feasible), a description of actions that will allow removing the non-compliance and a deadline (schedule) for the accomplishment of these actions.
Non-compliance declaration	The formal communication within the scope of the self-assessment of an RGCE member TSO to the SG CME that it is non-compliant with an RGCE OH standard . The non-compliance declaration must be accompanied with a correct mitigation plan .
Non-compliant - Non-compliance	The TSO must declare non-compliance if it doesn't fulfil at least one essential requirement specified in the monitored OH standard.
Not applicable (N/A)	Not applicable applies when a given standard does not concern the TSO, e.g. it is directed to a Control Block while a TSO performs only the role of a Control Area.
Progress reports on a regular basis	A formal communication by a non-compliant RGCE member TSO to the SG CME concerning the implementation of the actions that will lead to the success of a mitigation plan and eventually to compliance with an RGCE OH standard .
RGCE Operation Handbook standards (RGCE OH)	Conformity standards resulting from the RGCE OH.

standards)	
Self-assessment	The practice of a TSO to review its compliance with a chosen set of RGCE OH standards on regular basis and to notify the ENTSO-E Compliance Monitoring Advisor and the SG CME of its level of compliance for each OH standard. The above set is defined from SG CME .
Self-assessment questionnaire	A list of questions maintained by the ENTSO-E Secretariat concerning the compliance of the RGCE member TSOs with the RGCE OH standards . The questions include a description of how the compliance with each RGCE OH standard is to be assessed. The compliance questionnaire is a mean to perform the self-assessment .
Sub group Compliance Monitoring & Enforcement – SG CME	A RGCE Working Group acting as the Compliance Monitoring Body of the RGCE. Its main task is to define and establish the processes and procedures for monitoring the compliance of the RGCE member TSOs with the OH standards , and to propose enforcement and/or temporary remedial measures to the RGCE Plenary, if necessary.
Sufficiently compliant – sufficient compliance	The TSO may declare sufficient compliance only if it fulfils the monitored RGCE OH standard in its essential parts, but not in all details. The choice between non compliant and sufficiently compliant also has to be considered with a risk analysis approach, with a particular focus on the impact on the security of the European interconnected network or on the neighbouring TSOs .
Temporary remedial measures	A list of actions stated in a mitigation plan in order to decrease the risk during the period of non-compliance in which the corresponding mitigation actions will be realized. Temporary measures are not equal to the mitigation actions and do not replace them.
TSO	A member of ENTSO-E, regardless of its internal legal structure (e.g. ISO, ITO, TSO)