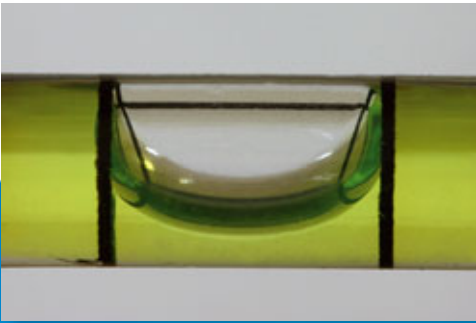


UCTE



Compliance Monitoring Program 2007
union for the co-ordination of transmission of electricity

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1 Introduction

The main purpose of the UCTE is to promote the reliable and efficient operation of the UCTE interconnected power system in Europe through the establishment of commonly agreed rules for system operation. Besides the definition and regular review of these rules within the scope of the Operation Handbook (OH) this implies a procedure to monitor the compliance with them in order to ensure that the TSO community continuously remains credible in its commitment to reliable operation of the interconnected system. By the development of reliability rules, the UCTE considers the need for a development of fair, effective and efficient competitive electricity markets.

This document addresses a Compliance Monitoring Program in 2007 that is a basic element of the Security Package for demonstrating that the UCTE is a self-regulating organization. It provides a framework and a process flow for compliance assessment and mitigation of non-compliance. The changes/ modifications in comparison with the Compliance Monitoring Program 2006 result from experiences gained and remarks obtained from UCTE members during 2006 that was the year of introduction of the compliance monitoring within the UCTE.

2 Definitions

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:

Ad-hoc compliance inquiry team	An investigating group set up among the WG CME members and, if necessary, other UCTE member TSO's experts appointed with the task to conduct an ad-hoc (on-site) compliance inquiry . The members of the group must be free of interest conflicts and must not belong to the investigated TSO. Furthermore, they must comply with UCTE confidentiality provisions.
Ad-hoc (on-site) compliance inquiry	The exceptional process that can be introduced by the WG CME in case of triggering events and upon an estimation that the Compliance Monitoring Process can't be fully performed without additional information. An ad-hoc (on-site) compliance inquiry is conducted by an ad-hoc compliance inquiry team .
Complementary regular process documents	Accompanying documents in form of a mitigation plan and progress reports on a regular basis to be sent to the WG CME by an UCTE member TSO that declares non-compliance with an Operation Handbook rule or submits a non-compliance self-report .
Compliance	Conformity with the UCTE Operation Handbook rules .
Compliance database	The database maintained by the UCTE secretariat containing current and historical results of the Compliance Monitoring Process . It allows for automatic processing of self-assessment submittals of the UCTE member TSOs.
Compliance inquiry report	The document written by an ad-hoc compliance inquiry team containing the results of an ad-hoc (on site) compliance inquiry .

Compliance level	The degree to which a UCTE member TSO complies with a specific UCTE Operation Handbook rule . Three levels (categories) are defined: fully compliant, sufficiently compliant and non-compliant .
Compliance Monitoring Process	The process of assessing whether the UCTE member TSOs are compliant with the UCTE Operation Handbook rules . It consists of the regular processes of self-assessment and non-compliance self-reports as well as of the exceptional processes of ad-hoc (on-site) compliance inquiries and remedial actions enforcement .
Compliance Monitoring Program	The document that delineates the Compliance Monitoring Process , points out the UCTE Operation Handbook rules to be checked during a period of one calendar year as well as lists and describes the procedures to be followed and the demands to be responded by each TSO as scheduled in the compliance questionnaires and self-assessment timetables .
Compliance Oversight Report	The document in which the current compliance status of the UCTE member TSOs is presented based on declarations provided according to the annual Compliance Monitoring Program . For non-compliant TSOs it details the deficiency findings, the mitigation plans, progress reports and, if applicable, the follow-up process . It may also contain proposals on how to improve the UCTE Operation Handbook and recommendations concerning the development of the Compliance Monitoring Process .
Compliance questionnaire	A list of questions concerning the conformity of the UCTE member TSOs with the UCTE Operation Handbook rules . The list includes a description of how the compliance with each UCTE Operation Handbook rule is to be assessed. The compliance questionnaire is a mean to perform the self-assessment process .
Compliance status of UCTE member TSO	Formal assessment by the WG CME of the general situation concerning the compliance of an UCTE member TSO with the Operation Handbook rules .
Control Area Manager	The person that is officially responsible for the Compliance Monitoring Process on the site of an UCTE member TSO – single point of contact of TSO with respect to Compliance Monitoring Process .
Follow up process	The exceptional processes of the ad-hoc (on-site) compliance inquiry and of the remedial actions enforcement .
Fully compliant – full compliance	This category applies when the TSO fulfils the examined UCTE Operation Handbook rule in all details. This implies that the security and quality of system operation of the UCTE interconnected system is <ul style="list-style-type: none"> • neither <u>adversely</u> influenced • nor <u>jeopardized</u>.
Mitigation plan	A list of measures submitted by an UCTE member TSO concerning non-compliance declaration that will lead to the compliance with an UCTE Operation Handbook rule . It contains a description of temporary remedial measures (if anything of that kind is feasible), a timetable and a description of actions that will allow to remove the non-compliance and a deadline for the accomplishment of this actions.
Mitigation plan schedule	A schedule of actions on behalf of a UCTE member TSO that will lead to its compliance with the specific UCTE Operation Handbook rule .

Non-compliance	The situation in which a UCTE member TSO is non-compliant with a specific UCTE Operation Handbook rule . This can be communicated within the frame of the self-assessment in form of a non-compliance declaration or separately in form of a non-compliance self-report .
Non-compliance declaration	The formal communication within the scope of the self-assessment process of an UCTE member TSO to the WG CME that it is non-compliant with an UCTE Operation Handbook rule . The non-compliance declaration must be accompanied with a valid mitigation plan .
Non-compliance self-report	The regular process, in which an UCTE member TSO formally notifies the WG CME that it is non-compliant with an Operation Handbook rule due to unforeseen situations (and therefore not declared within the scope of self-assessment), which have already occurred, are in the process of occurring or will probably occur.
Non-compliant	This category applies when the examined UCTE Operation Handbook rule is not fulfilled at all or in any of its essential parts. This implies that the security and quality of system operation of the interconnected UCTE system <ul style="list-style-type: none"> • may be <u>adversely</u> influenced • or even <u>jeopardized</u>. The non-compliant TSO must submit a non-compliance declaration .
Progress reports on a regular basis	A formal communication by a non-compliant UCTE member TSO concerning the implementation of the actions that will lead to the success of a mitigation plan and eventually to the compliance with an UCTE Operation Handbook rule .
Remedial actions enforcement	The exceptional process conducted by the WG CME and the WG O&S as well as approved by the UCTE Steering Committee comprising a Directive to the affected TSO to apply actions (operational limitations, operating practices, development of operating plans, operating plans, specific studies, data submittal, specific training) in order to protect the system reliability from an imminent threat. Each remedial action includes a deadline for its completion.
Self-assessment forms	Forms maintained by the UCTE secretariat that contain the compliance questionnaire , facilitate the self-assessment process and tabulate the self-assessment data.
Self-assessment process	The regular process of submitting and communicating to the WG CME a full amount of information and data resulting from the UCTE member TSO's self-evaluation of the conformity (compliance) of its equipment, guidelines, processes and practices with the UCTE Operation Handbook rules . This information contains a declaration of one of the three possible compliance levels (fully compliant, sufficiently compliant, non-compliant) , an explanation by qualitative comments why the declared compliance level has been chosen, and, if applicable, a reference list of all relevant documents (legislation, internal process description etc.) It also includes a permanent reviewing of the compliance level and, if applicable, notifying the WG CME of the mitigation plan .
Self-assessment timetables	Timetables issued by the UCTE secretariat for the submittal of the self-assessment data.

Self-regulation	The process aspired and realized by an association or other legal subject, which defines and enforces the compliance with all the rules necessary for a secure, stable and sustainable functioning of technical systems and markets.
Sufficiently compliant	This category applies when the TSO fulfills all essential parts of the examined UCTE Operation Handbook rule . This implies that the security and quality of system operation of the interconnected UCTE system <ul style="list-style-type: none"> • may be <u>adversely</u> influenced • but is not <u>jeopardized</u>.
Temporary remedial measures	A list of actions stated in a non-compliance declaration or a non-compliance self-report that will decrease the risk during the period of non-compliance , in which the corresponding mitigation plan should be realized. Temporary measures are not equal the mitigation plan and do not replace it.
Triggering events	Events and situations that can bring the WG CME to the decision that an ad-hoc (on-site) compliance inquiry has to be started.
UCTE assistance	Any action undertaken by UCTE bodies in order to help the UCTE member TSOs to evaluate its compliance with the UCTE Operation Handbook rules . The UCTE bodies provide the technical and administrative assistance to the TSOs in a suitable dialog form.
UCTE Extranet tool	Tool in UCTE Extranet that contains the self-assessment forms .
UCTE Operation Handbook rules	Conformity requirements and standards resulting from the UCTE Operation Handbook.
WG Compliance Monitoring and Enforcement – WG CME	An UCTE competence centre acting as the Compliance Monitoring Body of the UCTE. Its main task is to define and establish the processes and procedures for monitoring the compliance of the UCTE member TSOs with the Operation Handbook rules .
WG Operation and Security – WG O&S	An UCTE competence centre. The main task thereof is to ensure and maintain a high standard of operability, reliability and security of the interconnected UCTE synchronous network within the frame of the liberalized energy market.

3 Compliance Monitoring Process – an overview

The Compliance Monitoring Process is the process of assessing whether the UCTE member TSOs are compliant with the UCTE Operation Handbook rules. It assumes that the UCTE, on behalf of its members, will continue to co-ordinate the development of the Operation Handbook Policies as well as to promote and support the application of the UCTE Operation Handbook rules as approved by the UCTE Steering Committee (SC).

All compliance assessment information, forms, questionnaires, schedules, documents, reviews and reports will be maintained and posted on the UCTE Extranet by the UCTE Secretariat in accordance with the UCTE Internal Regulations regarding the confidentiality of data submitted by UCTE member TSOs. Forms, questionnaires and schedules will be adapted on the yearly basis, according to the annual Compliance Monitoring Program.

To facilitate the Compliance Monitoring Process the UCTE will create a compliance database which will allow automatic processing of submittals. The submittals by UCTE member TSOs will be required via a password protected domain in the UCTE extranet and will be stored in electronic form. Exceptions will be handled from case to case.

UCTE members that have questions regarding the Compliance Monitoring Process as a whole or in relation to any specific compliance assessment processes should contact the UCTE Secretariat or the members of the WG CME.

The Compliance Monitoring Process will be performed via regular and exceptional processes as described in the subchapters 3.1 and 3.2.

The WG CME develops an annual Compliance Monitoring Program. In this program the Operation Handbook rules to be checked during the subsequent year will be pointed out.

The UCTE focuses mainly on self-assessment and self-reporting of its member TSOs and monitoring of the results. These are the regular processes that must be realized in a rigorous and precise manner providing a full amount of necessary information, without which a successful monitoring and analysis/comparison of data is impossible. Therefore, the exceptional processes of ad-hoc compliance inquiry (on-site, if necessary) and remedial actions enforcement can and will be used as a matter of last resort in cases the regular compliance monitoring processes do not bring expected results.

Concluding the Compliance Monitoring Program the WG CME publishes an annual Compliance Oversight Report (COR) that is acknowledged by the UCTE Steering Committee.

3.1 Regular compliance monitoring processes

As a regular tool the WG CME uses the following two processes:

- **self-assessment**
- **non-compliance self-report**

In case of a negative outcome of the self-assessment process for an Operation Handbook rule (i.e. non-compliance) and in case a non-compliance self report is submitted, **complementary regular process documents** are required (see subchapter 3.1.3).

3.1.1 Self-assessment

Self assessment means that each UCTE member TSO itself assesses its compliance level with each Operation Handbook rule to be checked within the frame of the annual Compliance Monitoring Program. This task consists of filling in the questionnaires prepared by the WG CME and posted in the extranet by the UCTE Secretariat. The questionnaires require that the TSO for each rule

- (i) declare one of the three possible compliance levels (fully compliant, sufficiently compliant, non-compliant),
- (ii) explain by qualitative comments why the declared compliance level has been chosen, and
- (iii) if applicable, add a reference list of all relevant documents (legislation, internal process description etc.) – the documents themselves are not required within this process.

At this stage it is not foreseen to enter into details concerning the methodology normally applied by UCTE member TSOs related to launching and following up of the risk analysis for each Operation Handbook rule. However, this will be the case, should the exceptional process of ad-hoc (on-site) compliance inquiry be started (see subchapter 3.2.1).

If under (i) a TSO declares that it is non-compliant with an OH rule, it must fill in a formal **non-compliance declaration**.

3.1.2 Non-compliance self-report

On the other side, a **non-compliance self-report** is also a formal declaration issued by an UCTE member TSO and submitted to the WG CME, but referring to unforeseen (and therefore not declared within the scope of the self-assessment process) exceptions to the Operation Handbook rules, which have already occurred, are in the process of occurring or will probably occur. A non-compliance self-report can be issued even in the case, when the same non-compliance has already occurred, been declared and removed by the TSO.

3.1.3 Complementary regular process documents

In both cases (non-compliance declaration and non-compliance self-report) the affected TSO must provide the following documents:

- **a valid mitigation plan followed by**
- **progress reports on a regular basis**

The **mitigation plan** is in fact an action plan of the TSO, which will allow to lift the non-compliance. It contains

- (i) a description of temporary remedial measures (if anything of that kind is feasible),
- (ii) a timetable and a description of actions that will allow to remove the non-compliance and
- (iii) a deadline for the accomplishment of this actions.

The mitigation plan is only valid if it contains at least the second and the third information mentioned above and can be rejected in case of incompleteness by the WG CME within two months. Alternatively, the WG CME can demand improvements of the mitigation plan from the TSO, which have to be submitted one month after having been requested at the latest.

Nevertheless, the WG CME will also evaluate the mitigation plans from the point of view of their adequacy and technical appropriateness to undoubtedly remove the non-compliance in question in due time. For this, it will consult the UCTE WG Operation & Security. If necessary, as mentioned above, the affected TSO will be demanded to improve its mitigation plan. The WG CME defines the frequency and the contents of progress reports. Finally, the WG CME will inform the UCTE Steering Committee.

3.2 Exceptional compliance monitoring processes

In some cases the WG CME will conclude that a mitigation plan is inappropriate and revert to the exceptional tools within the frame of the Compliance Monitoring Process, i.e. to the processes of ad-hoc (on-site) compliance inquiries and remedial actions enforcement.

3.2.1 Ad-hoc (on-site) compliance inquiry

In order to assess the risks to which the reliable operation of the UCTE transmission system is exposed, the WG CME will first start the **ad hoc (on-site) compliance** inquiry and inform the UCTE SC. This decision will be taken by $\frac{3}{4}$ majority of the present members of WG CME.

This will be the case, when the WG CME estimates that the Compliance Monitoring Process needs additional information in order to be fully performed.

The accomplishment of this task may require additional expert effort that possibly exceeds the professional qualifications of the WG CME members. Therefore, if necessary, the WG CME will nominate additional experts. The members of an ad-hoc compliance inquiry team must be free of interest conflicts and must not belong to the investigated TSO and, if possible, its neighbours. Furthermore, they must comply with UCTE confidentiality provisions.

The conditions and the extent of an ad-hoc (on-site) compliance inquiry will be agreed between the ad-hoc compliance inquiry team and the affected TSOs (control area manager). As a general rule, this will comprise:

- a briefing with the affected TSO's control area manager,
- if necessary, a request for and an analyses of further material to be prepared and delivered by the affected TSO (here, a more detailed approach can be chosen, especially concerning the methodology normally applied by the affected UCTE member TSO related to launching and following up of the risk analysis for the violated Operation Handbook rule),
- if necessary, an on-site visit and inspection by the investigation team,
- a debriefing with the presence of the affected TSO's control area manager (on-site, if applicable),
- a writing of a compliance inquiry report,
- approval of the compliance inquiry report by the WG CME,
- issuing of the final compliance inquiry report,
- informing the UCTE Steering Committee.

Inquiry teams merely support the work of the WG CME itself and enable it to reach more profound insights in relation to the Compliance Monitoring Process and to fully perform it. However, their significance should not be underestimated. Full co-operation of the inspected TSO is expected. If the inspected TSO refuses the co-operation, the WG CME will immediately start the process of remedial actions enforcement (see subchapter 3.2.2).

The triggering events for the use of the ad-hoc (on-site) compliance inquiry can be:

- insufficient information provided by TSO concerning its compliance with an Operation Handbook rule monitored (incomplete answers to the questionnaires)
- TSO's non-compliance declaration or non-compliance self-report without a valid mitigation plan
- inappropriate mitigation plan
- missing or inappropriate progress report concerning a mitigation plan
- unsuccessful mitigation plan
- officially submitted complaints by other TSOs
- SC UCTE request

Complaints by other TSOs have to be submitted only to the WG CME and therefore they are not the same as defined in the MLA. They do not automatically trigger compliance inquiries either. Nevertheless, they will be treated in a serious manner, the risks for the reliable operation of the transmission system will be analysed and the defendant TSO will be asked by the WG CME to disprove the complaints.

As on-site compliance inquiry results in additional organisational burden and costs for inspected TSO as well as for inquiry team, the compliance inquiry should be applied reasonably, in exceptional situations affecting the reliability of interconnected operation.

3.2.2 Remedial actions enforcement (Directive)

In case the compliance inquiry related to any of the above triggering events reveals considerable risks for the reliable operation of the UCTE system, the WG CME will initiate a **remedial actions enforcement**. This decision will be taken by $\frac{3}{4}$ majority of the present members of WG CME.

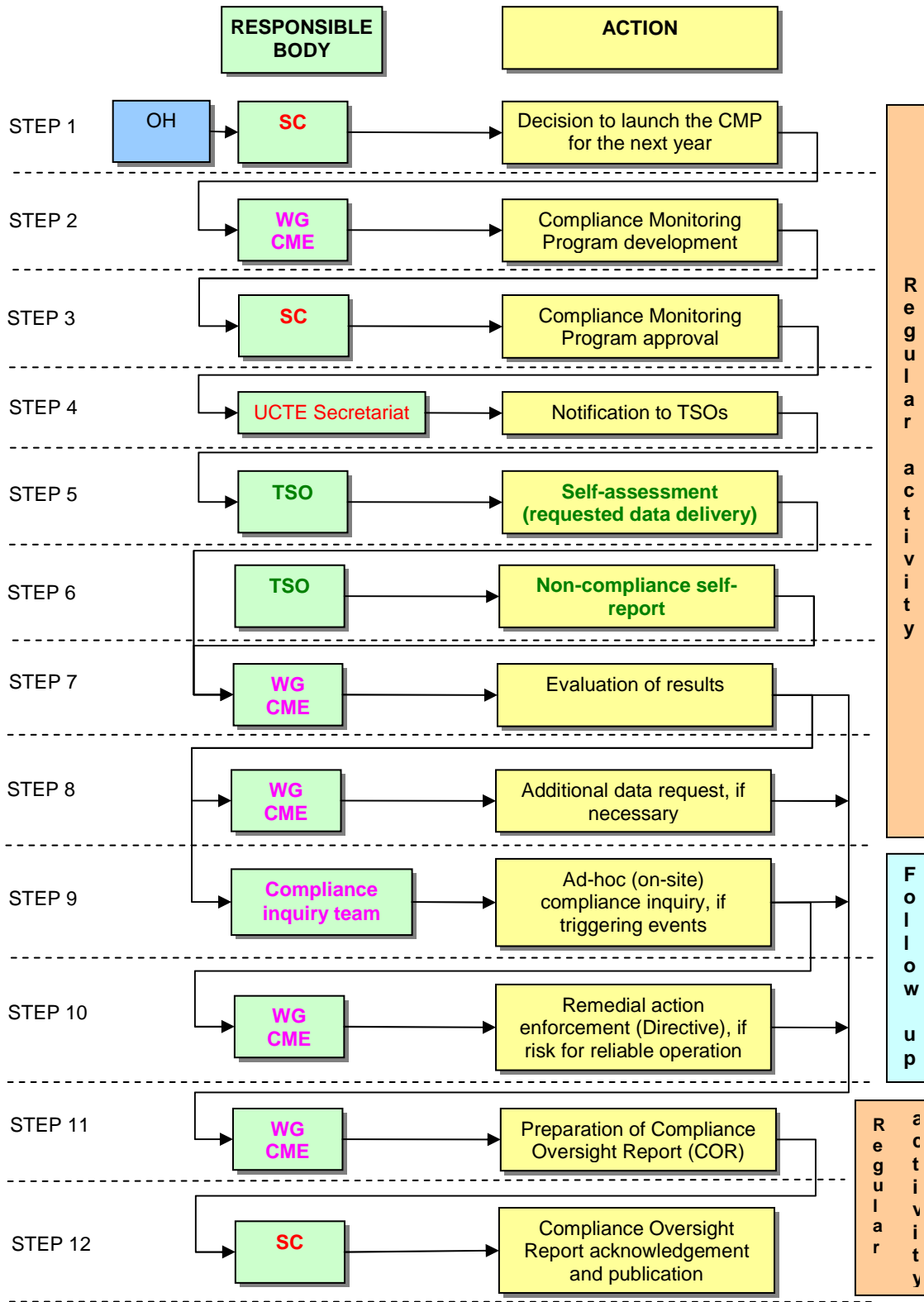
This means issuing of a Directive to the affected TSO to apply actions (operational limitations, operating practices, development of operating plans, operating plans, specific studies, data submittal, specific training) in order to protect the system reliability from an imminent threat. Each remedial action includes a deadline for its completion.

This Directive is prepared by the WG CME in co-operation with the UCTE WG Operation & Security, thus ensuring the full relevance with discussions or works already in progress. The UCTE Steering Committee will be informed.

As such Directives are not defined as a part of the MLA their observance is not obligatory for the affected TSO though. However, a Directive is a clear sign for everyone that something is wrong. Therefore, it is obvious that the other UCTE member TSOs will analyze the risks and that anyone of them might possibly start the MLA process. This may lead to the appointment of the Technical Committee and to all the financial and professional consequences that may result from its work.

4 Compliance Monitoring Process – roles and steps

The overall process review as described in the previous chapter is shown in the flowchart on the next page. It presents the basic program concepts, delineates actions required and assigns the prerequisite of the process and the roles (and responsibilities) for each activity (step) within.



Flowchart of the Compliance Monitoring Process

In the following the roles, prerequisites and the regular and the exceptional activities within the Compliance Monitoring Process are described.

4.1 Prerequisite

The prerequisite for the Compliance Monitoring Process are the Operation Handbook rules. They should:

- be written in a clear and understandable manner,
- be transposable into questions,
- define who is responsible for the compliance with each Operation Handbook rule,
- contain a clear description of how the compliance levels can be measured and verified,
- name all relevant information, studies, analyses, designs, documents, procedures, methodologies, process and operating data that must be submitted to the WG CME as well as
- contain clear instructions on how to use this material for analysis, comparison and assigning of compliance levels within the scope of the Compliance Monitoring Process.

WG CME has an interest to see the Operation Handbook rules on the above very high level of accomplishment, which at present is not yet achieved. Therefore, the WG CME will continue to play an important role in the further development of the Operation Handbook by producing comments and proposals for the attention of the Operation Handbook drafting teams of the WG O&S.

4.2 Roles and responsibilities

UCTE member TSOs

Each UCTE member TSO has the responsibility to adhere to UCTE Operation Handbook Policies. In case of non-compliance the affected TSO may be a subject to relevant measures stemming from the MLA.

The participation in the Compliance Monitoring Process is not only an obligation, but also a matter of professional pride and high quality rules the UCTE member TSOs stick to. This is also a matter of the credibility of the specific TSO and UCTE as a reliability organization. Therefore, objective self-assessment and self-reporting, submittal of all necessary information and, if applicable, valid mitigation plans and progress reports as well as full co-operation in case of compliance inquiry and remedial actions enforcement are expected.

UCTE Steering Committee

The UCTE Steering Committee is the executive directing body of the UCTE specifically responsible for the

- appointment of the WG CME members and of its chairman,
- approval of the Compliance Monitoring Process,
- approval of the Compliance Monitoring Program,
- acknowledgement of the Compliance Oversight Report.

UCTE Working Group Compliance Monitoring and Enforcement (WG CME)

The working group Compliance Monitoring and Enforcement (WG CME) is the Compliance Monitoring Body of the UCTE. Its representatives are selected from the UCTE member TSOs according to their professional knowledge and current work assignments. The WG CME consist today of 16 persons.

Each two years the chairman reports to the Steering Committee of his evaluation about the suitability of each current member for the further work in the group by taking into consideration:

- his/her professional knowledge,
- the importance of his/her participation in the work of the group and
- the quality and impact of his/her performance by carrying out the working group tasks.

UCTE Secretariat

The UCTE Secretariat is responsible for all administrative aspects of implementation, update, maintenance and amendment of the Compliance Monitoring Process. Its responsibilities include:

- Co-ordination between the WG CME, WG O&S and the UCTE Steering Committee concerning all the efforts to develop, perform and maintain a successful Compliance Monitoring Process
- Administration of the Compliance Monitoring Process and scheduling of reviews
- Communicating of compliance requirements to the UCTE member TSOs
- Support at organization of ad-hoc compliance inquiry teams in cases of ad-hoc (on-site) compliance inquiries
- Posting reports on the UCTE extranet and website
- Managing and maintaining the compliance database

Ad-hoc compliance inquiry team

The employment of ad-hoc compliance inquiry teams will be on irregular basis with the only task to perform the ad-hoc (on-site) compliance inquiries as prescribed by the WG CME.

4.3 Regular activities

The following steps summarize the regular activities performed by the bodies participating in the Compliance Monitoring Process:

STEP 1 (decision to launch the CMP for the next year)

End of the year an initial decision is taken by the UCTE Steering Committee to launch the Compliance Monitoring Process for the subsequent year. This decision should be based on the experiences from the past compliance monitoring processes and organization's strategy. The permanent (regular) activity consists of a systematic investigation of Operation Handbook rules with a predefined frequency (preferably yearly).

STEP 2 (Compliance Monitoring Program development)

The WG CME prepares the annual Compliance Monitoring Program, which includes:

- the compliance monitoring process description taking into account the experiences from the past years,
- a list of Operation Handbook rules, which will be investigated,

- the compliance questionnaires to be filled in by the UCTE member TSOs,
- the compliance monitoring schedule (self-assessment timetables)

STEP 3 (Compliance Monitoring Program approval)

The UCTE Steering Committee approves the Compliance Monitoring Program.

STEP 4 (notification to TSOs)

The UCTE Secretariat notifies the UCTE member TSOs of the Operation Handbook rules that will be investigated and sends to them the official document, which lists and describes the procedures to be followed and the demands to be responded by each TSO. The latter takes place in form of filling in the compliance questionnaires. The entire material will be posted on the UCTE extranet.

STEP 5 (self assessment)

UCTE member TSOs conduct the self-assessment within defined time limits and submit the information and responses required in electronic form. If they claim that a rule is not applicable to them, submittal is still required with justification provided.

Each TSO will have the access to the self-assessment reports and non-compliance self-reports of other TSOs in order to improve its own self-assessment and self-reporting. The TSOs can ask for help and advices from all UCTE working groups (UCTE assistance).

If a UCTE member TSO declares non-compliance with any of the rules, it must submit a valid mitigation plan and regular progress reports afterwards.

STEP 6 (non-compliance self-report)

In case of an unforeseen (i.e. not declared within the scope of the self-assessment process) non-compliance with an Operation Handbook rule the affected UCTE member TSO must submit a non-compliance self-report. This is to be issued in a standard written form (see Appendix) and sent to the WG CME accompanied with a valid mitigation plan. Progress reports must follow.

STEP 7 (evaluation of results)

The Secretariat reviews the reported data in the database and sends a notification of the data delivery to the WG CME.

The WG CME discusses each deficiency (including those stemming from non-compliance self-reports) from a formal (i.e. completeness of data) and technical point of view, assesses the level of its gravity and evaluates the validity, adequacy and technical appropriateness of mitigation plans and progress reports. If necessary, this can be realized in co-operation with the UCTE WG Operations & Security.

STEP 8 (additional data request)

The WG CME can demand additional data concerning the self-assessment and non-compliance self-report processes as well as improvements of mitigation plans and progress reports from the UCTE member TSOs.

STEP 11 (preparation of Compliance Oversight Report)

The WG CME prepares the Compliance Oversight Report and sends it to the UCTE Steering Committee.

STEP 12 (Compliance Oversight Report acknowledgement and publication)

The UCTE Steering Committee acknowledges the Compliance Oversight Report and the report is published on the UCTE website.

4.4 Exceptional activities – follow up

The following steps summarize the exceptional activities performed by the bodies participating in the Compliance Monitoring Process:

STEP 9 (ad-hoc (on-site) compliance inquiry)

The WG CME starts an ad-hoc (on-site) compliance inquiry in case of triggering events (see subchapter 3.2.1) and upon an estimation that the Compliance Monitoring Process can't be fully performed without additional information.

An ad-hoc compliance inquiry team is set up among the WG CME members and, if necessary, other UCTE member TSO's experts excluding those from the affected TSO.

The results of ad-hock compliance inquiries will be presented in the Compliance Oversight Report.

STEP 10 (remedial actions enforcement)

The WG CME starts the process of remedial actions enforcement if the ad-hoc (on-site) compliance inquiry realized in the previous step reveals considerable risks for the reliable operation of the UCTE transmission system. In this case, the WG CME issues (in co-operation with the UCTE WG Operation & Security) a Directive to the affected UCTE member TSO. The Directive provides for the enforcement of specific remedial actions at the TSO (operational limitations, operating practices, development of operating plans, operating plans, specific studies, data submittal, specific training) and for deadlines for their completion.

The Directives are reproduced and the reasons for their issuance are described in the Compliance Oversight Report.

5 Reporting and disclosure

In 2007, the relevant information within the scope of the regular compliance monitoring process of TSOs' self-assessment will comprise:

- declaration of Compliance level for pre-selected OH rules from Policies 4-7 including a non-compliance declaration with a valid mitigation plan in case of non-compliance
- explanation by qualitative comments why the declared compliance level has been chosen
- if applicable, a reference list of all relevant documents (legislation, internal process description etc.) – the documents themselves will not be required

Additionally, as a contribution to the development of the UCTE Operation Handbook, TSOs will be invited to provide general comments on the rules monitored.

As a prerequisite for obtaining the best possible insight in overall conformity with the OH rules, the WG CME will prepare adequate extranet tools and different kinds of supporting documents (questionnaires, pertaining instructions for the use of extranet tools...). Afterwards, the WG CME

will address all Control Area Managers with a proper letter and supporting documents providing basic explanations on the purpose and format of requested information and the deadline of compliance data collection.

On behalf of a TSO, its Control Area Manager has to submit to the WG CME all required information in due time and predefined format. In case of delay or inadequate replay, the WG CME will send a warning letter addressed to the Control Area Manager. If the answer to this letter is not satisfactory the WG CME will initiate exceptional compliance monitoring processes.

In case the reasons for non-compliance are outside the responsibility (or influence) of an UCTE member TSO, it should still declare non-compliance by providing an explanation of the situation and a possible solution (even if the latter is feasible only on a regional basis).

In 2007 the WG CME will continue to use specially designed UCTE extranet tools (comprising self-assessment forms) in order to provide all needed data for the compliance database. Control Area Managers will still be able to access the compliance database via UCTE extranet in order to get proper insight in temporary and final data collection results of their own and of all the others TSOs.

After completing the data collection, the WG CME will prepare the Compliance Oversight Report 2007. This report will incorporate, at least, the following issues:

- 2007 Compliance Monitoring Program Results
- Recommendations for the UCTE Operation Handbook
- Recommendations for the Compliance Monitoring Program 2008

WG CME will request more detailed information for the standards requiring bilateral/multilateral agreements. In this way the symmetry for given information can be verified by the WG CME.

The Compliance Questionnaires will have a field "not applicable" to be filled in by TSOs for which the specific rule is not applicable.

Since marking the compliance level is mandatory, a missing declaration will be treated as "non-compliant" (a default value).

TSOs should declare non-compliances even if they have corresponding Addenda, the Compliance Questionnaires will have a field to indicate the existence of the corresponding Addendum.

The answers in the Questionnaire should reflect the current status of compliance in structural sense till June 15, 2007.

6 Appeal and dispute resolution process

The compliance decision process in terms of evaluation of a mitigation plan is a two-step sequential process that provides affected entities with the opportunity to participate in and to appeal adverse decisions. The steps are:

1. The WG CME finding a mitigation plan or progress report not adequate
2. Appeal to the UCTE Steering Committee

Appeals at each level are initiated by notifying that the affected TSO is appealing the results of the evaluation of the WG CME.

6.1 The WG CME rejection of the mitigation plan or progress report

In accordance with the Compliance Monitoring Program the WG CME will evaluate the adequacy of mitigation plans and progress reports. If upon receipt of the notification of rejection of any of this documents the affected TSO wishes to present its position on the matter it may do so in writing subjoining any supporting documentation within 14 days of issuance of the notification. This information will form a part of the record upon which the WG CME will base its final decision on adequacy or non-adequacy of the mitigation plan or progress report.

The WG CME decision will be based on ¾ majority of the present members.

6.2 Appeal to the UCTE Steering Committee

The affected TSO may appeal a WG CME decision to the UCTE Steering Committee. A notification of the affected TSO intending to appeal must be sent to the Chairman of the Steering Committee no later than 14 calendar days after it has received the WG's CME final decision. Both the affected TSO and the WG CME will prepare written statements of their positions on the issues and present them, with any supporting documentation they believe is appropriate, to the UCTE Steering Committee. The affected TSO and the WG CME shall have the right to make oral presentations to the UCTE Steering Committee, in which case questions may be asked only by members of the UCTE Steering Committee. Either the affected TSO or the WG CME may raise any issues it wishes respecting the WG CME decision, such as the factual basis for the decision or the procedural steps involved, but neither may challenge the validity of the Operation Handbook rules.

The UCTE Steering Committee's decision will be based on UCTE Internal Regulations (it should exclude from voting members of the UCTE Steering Committee that are directly involved in the outcome of the proceeding (especially any Steering Committee representative of the affected TSO(s)). The UCTE Steering Committee decision is the final decision on the matter.

7 Time schedule of implementation

The due date indicates the last date for performing actions or for submitting the filled forms.

1	Approval of Compliance Monitoring Program 2007	March 22
2	Publishing of the Compliance Monitoring Program 2007 and Questionnaire (in Extranet) to member TSOs	April 10
3	Results of self assessment by member TSOs	June 10
4	Additional information submittal by member TSOs	August 31
5	Preparation of the draft Compliance Oversight Report 2007	September 30
6	Presentation of the final Compliance Oversight Report 2007 to the Steering Committee	November 22



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