

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



Compliance Audit Report Public Version

City of Abbeville
NERC ID# NCR06033

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

Date of Audit: April 13, 2010

TABLE OF CONTENTS

Executive Summary	2
Audit Process	2
<i>Objectives</i>	2
<i>Scope</i>	3
<i>Confidentiality and Conflict of Interest</i>	3
<i>Methodology</i>	3
<i>Company Profile</i>	4
<i>Audit Participants</i>	4
Audit Results.....	5
<i>Findings</i>	5
<i>Compliance Culture</i>	6
<i>Post Audit Activities</i>	6

Executive Summary

A compliance audit of City of Abbeville (COA), NERC ID # - NCR06033 was conducted on April 13, 2010. At the time of the audit, COA was registered for the Load-Serving Entity (LSE) and Distribution Provider (DP) functions.

The audit team evaluated COA for compliance with 18 requirements in the 2010 NERC Compliance Monitoring and Enforcement Program (CMEP). The audit team reviewed the NERC Reliability Standards for the period of June 18, 2007 to April 13, 2010. COA submitted information and documentation for the audit team's evaluation of compliance with requirements. The audit team reviewed and evaluated all information provided by COA to assess compliance with standards applicable to COA at this time.

Based on the information and documentation provided by COA, the audit team found COA to be compliant with 12 applicable requirements. The audit team determined that 6 requirements were not applicable to COA. The audit team identified no Possible Alleged Violations.

These audit results are further explained in the Audit Results Findings section of this report which includes detailed information of the audit team's findings of applicability and compliance for the NERC Reliability Standards within the scope of the compliance audit. Any Possible Alleged Violations will be processed through the NERC and SPP RE CMEP.

There were no ongoing or recently completed mitigation plans and therefore none were reviewed by the audit team.

Audit Process

The compliance audit process steps are detailed in the SPP RE CMEP. The SPP RE CMEP generally conforms to the United States Government Accountability Office Government Auditing Standards and other generally accepted audit practices.

Objectives

All Registered Entities are subject to an audit for compliance with all reliability standards applicable to the functions for which the Registered Entity is registered.* The audit objectives are to:

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

- Review compliance with the requirements of reliability standards that are applicable to COA, based on the functions that COA is registered to perform;
- Validate compliance with applicable reliability standards from the NERC 2010 Implementation Plan list of actively monitored standards, and additional NERC Reliability Standards selected by SPP RE;
- Validate compliance with applicable regional standards from the SPP RE 2010 Implementation Plan list of actively monitored standards;
- Validate evidence of self-reported violations and previous self-certifications;
- Observe and document COA's compliance program and culture;
- Review the status of mitigation plans.

Scope

The scope of the compliance audit included the NERC Reliability Standards from the SPP RE 2010 Implementation Plan. In addition, this audit included any self-reports, self-certifications, outstanding mitigation plans or remedial action directives which have been completed or pending in the year of the compliance audit.

At the time of the audit, COA was registered for the functions Load-Serving Entity (LSE) and Distribution Provider (DP). The audit team evaluated COA for compliance during the period of June 18, 2007 to April 13, 2010.

Confidentiality and Conflict of Interest

Confidentiality and conflict of interest of the audit team are governed under the SPP RE Delegation Agreement with NERC, and Section 1500 of the NERC Rules of Procedure. COA was informed of SPP RE's obligations and responsibilities under the agreement and procedures. The work history for each audit team member was provided to COA. COA was given an opportunity to object to an audit team member's participation on the basis of a possible conflict of interest or the existence of other circumstances that could interfere with an audit team member's impartial performance of duties. COA had not submitted any objections by the stated fifteen day objection due date and accepted the audit team member participants without objection. There have been no denials of or access limitations placed upon this audit team by COA.

Methodology

The audit team reviewed the information, data, and evidence submitted by COA and assessed compliance with requirements of the applicable reliability standards. Submittal of information and data were sent to SPP RE 30 days before the scheduled date of the entity review. Additional information relevant to the audit could be submitted until the conclusion of the exit briefing. After that date, only data or information which was relevant to the content of the report or its finding can be submitted upon agreement by the audit team lead.

The audit team requested and received additional information and sought clarification from subject matter experts during the audit.

The audit team reviewed documentation provided by COA. Data, information and evidence submitted in the form of policies, procedures, e-mails, logs, studies, data sheets, etc. were validated, substantiated and cross-checked for accuracy as appropriate. Requirements which required a sampling to be conducted were developed based upon the significance of the sampling to the reliability of the Bulk Electric System (BES).

Findings were based on the audit team's knowledge of the BES, the NERC Reliability Standards and their professional judgment. All findings were developed based upon the consensus of the audit team.

Company Profile

COA serves the load within the city limits of Abbeville. It is a full energy requirements customer of CLECO. COA has a summer peak load is 34 MW. COA's system consists of a single substation supplied by an Entergy owned 138 kV transmission line that is connected in series through the COA owned 138 kV substation bus. Two 138/34.5 kV radially operated transformers are connected to this bus, each supplying a 34.5 kV feeder. These feeders supply power to 6 distribution substations with transformers rated 34.5 kV to 13.2 or 4.16 kV.

Entergy operates the COA 138 kV bus, and also owns and operates a 36 MVAR capacitor connected to this bus.

Audit Participants

The following is a listing of all personnel from the Audit Team and COA who were present during the meetings or interviews.

Audit Team Participants

Title	Entity
Lead Compliance Specialist	SPP RE
Contract Consultant	SPP RE
Contract Consultant	SPP RE
Senior Compliance Engineer	SPP RE
Lead Compliance Engineer	SPP RE

COA Audit Participants

Title	Entity
Councilman	COA
Contract Consultant	Control Devices Inc.
Electrical Superintendant	COA

Audit Results

The audit team evaluated COA for compliance with 18 requirements in the 2010 NERC Compliance Monitoring and Enforcement Program (CMEP). The audit reviewed NERC Reliability Standards for the period of June 18, 2007 to April 13, 2010. COA submitted information and documentation for the audit team's evaluation of compliance with requirements. The audit team reviewed and evaluated all information provided by COA to assess compliance with standards applicable to COA at this time.

Based on the information and documentation provided by COA, the audit team found COA to be compliant with 12 applicable requirements. The audit team determined that 6 requirements were not applicable to COA. The audit team identified no Possible Alleged Violations.

Findings

The following table details the findings for compliance for the scope identified for this audit.

Reliability Std.	Req.	Finding
CIP-001-1	R1	Compliant
CIP-001-1	R2	Compliant
CIP-001-1	R3	Compliant
CIP-001-1	R4	Compliant
EOP-002-2	R9	Compliant
FAC-002-0	R1	Compliant
IRO-001-1	R8	Compliant
IRO-004-1	R4	Compliant
IRO-005-2	R13	Compliant
PRC-004-1	R1	NA
PRC-005-1	R1	NA
PRC-005-1	R2	NA

Reliability Std.	Req.	Finding
PRC-008-0	R1	NA
PRC-008-0	R2	NA
PRC-017-0	R1	NA
TOP-001-1	R4	Compliant
TOP-002-2	R3	Compliant
TOP-002-2	R18	Compliant

Compliance Culture

COA's compliance program encompasses several essential elements; program oversight, roles and responsibility, and procedures, to address each applicable standard, monitoring, communication and corrective actions.

COA's Compliance Officer is the Mayor, and its Compliance Manager is the Electrical Superintendent. The Compliance Manager has direct access to the Mayor and City Counsel. A dedicated consultant monitors evidence and compliance, and along with the Compliance Manager, has established and monitors the internal compliance program.

The Mayor is brought up to date with the internal compliance program during weekly staff meetings and more often when necessary. In addition to set standard safety meetings, NERC procedures are explained and discussed during information meetings with employees in the electrical department.

The Compliance Manager reviews each requirement and procedure that applies to COA on an annual basis or whenever changes are necessary. He is also the Electrical Superintendent, has direct supervision of all electrical employees, and performs self-assessments on reliability related issues as part of his everyday duties. He also has the authority to discipline an employee should any violation occur. If a violation should occur, appropriate measures and/or controls would be put in place to mitigate the violation, and a permanent solution would be developed to prevent reoccurrence.

Post Audit Activities

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

This report was reviewed and approved by:
Ronald W. Ciesiel
Executive Director of Compliance, SPP RE
May 10, 2010