



Compliance Audit Report Public Version

City of Columbus, Ohio, Department of Public
Utilities, Division of Water and Power
NERC ID# NCRO2000

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Critical Energy Infrastructure Information)
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Date of Audit: October 14-17, 2008

Date of Audit Report: November 13, 2008

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Executive Summary

An off-site compliance audit of the City of Columbus, Ohio was conducted from October 14, 2008 to October 17, 2008. At the time of the audit, the City of Columbus, Ohio was registered for the Distribution Provider (DP) function.

The audit team evaluated the City of Columbus, Ohio for compliance with seventeen (17) requirements and applicable sub requirements in eight (8) NERC Reliability Standards for the period of June 18, 2007 to October 17, 2008. The City of Columbus, Ohio submitted information and documentation to aid the audit team's evaluation of compliance with standards. The audit team reviewed and evaluated all information provided by the City of Columbus, Ohio to assess compliance with standards applicable to the DP function.

Based on the information and documentation provided by the City of Columbus, Ohio, the audit team made the determination that all seventeen (17) requirements in eight (8) NERC Reliability Standards were not applicable to the City of Columbus, Ohio. The audit team did not identify any possible compliance violations of NERC Reliability Standards. These results are further explained in the Audit Results section of this report which includes detailed information of the audit team's determination of applicability and compliance for the Reliability Standards within the scope of the compliance audit.

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

Audit Process

The compliance audit process steps are detailed in the NERC and ReliabilityFirst Compliance Monitoring and Enforcement Program (CMEP). The NERC and ReliabilityFirst CMEP generally conform to the United States Government Accountability Office Government Auditing Standards and other generally accepted audit practices.

Objectives

All registered NERC entities are subject to audit for compliance with all Reliability Standards applicable to the functions for which the entity is registered.

The audit objectives are to:

- Review the City of Columbus, Ohio's compliance with the requirements of Reliability Standards that are applicable to the City of Columbus, Ohio based on the function that the City of Columbus, Ohio is registered to perform.
- Validate compliance with applicable Reliability Standards from the NERC 2008 Implementation Plan list of actively monitored standards.
- Validate compliance with applicable Regional Standards from the ReliabilityFirst 2008 Implementation Plan list of actively monitored standards.
- Validate evidence of self-reported violations and previous self-certifications, confirm compliance with other requirements of the Reliability Standard, and review the status of associated mitigation plans.
- Document the City of Columbus, Ohio's compliance culture and its current Compliance Program.

Scope

The scope of the compliance audit included applicable NERC Reliability Standards in the NERC 2008 Implementation Plan.

At the time of the audit, the City of Columbus, Ohio was registered for the Distribution Provider (DP) function. The audit team evaluated the City of Columbus, Ohio for compliance with seventeen (17) requirements in eight (8) NERC Reliability Standards for the period of June 18, 2007 to October 17, 2008.

Confidentiality and Conflict of Interest

Confidentiality and Conflict of Interest of the audit team are governed under the ReliabilityFirst Delegation Agreement with NERC, and Section 1500 of the NERC Rules of Procedure. The City of Columbus, Ohio was informed of the ReliabilityFirst obligations and responsibilities under the agreement and procedures. The work history for each audit team member was provided to the City of Columbus, Ohio. The City of Columbus, Ohio was given an opportunity to object to an audit team member on the basis of a possible conflict of interest or the existence of other circumstances that could interfere with an audit team member's impartial performance

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of duties. The City of Columbus, Ohio had not submitted any objections by the stated fifteen day objection due date and accepted the audit team member participants without objection.

Off-site Audit

The City of Columbus, Ohio is currently subject to a compliance audit at a minimum of once every six years per the NERC Compliance Audit Schedule. The City of Columbus, Ohio was provided with a sixty (60) day notification of this scheduled audit and at that time, all necessary documents required by the Reliability*First* audit process were provided.

The following documents were provided to the City of Columbus, Ohio as part of the notification:

- 60-day Notification letter which contained a request for evidence, information and data submittals
- Compliance Audit Survey
- Internal Compliance Program Survey
- Audit Agenda as applicable
- Audit Team Work History with discussion of objection process
- General Instructions for Data or Information Submittals
- Reliability Standard Auditor Worksheets (RSAWs)
- Reliability Standard Questionnaires

Documents were provided to the City of Columbus, Ohio in both electronic and hardcopy format.

Reliability*First* discussed the use of technical experts with the City of Columbus, Ohio and allowed their usage as deemed necessary by the City of Columbus, Ohio to provide the audit team an understanding of the evidence provided to demonstrate their compliance to the standards.

An audit agenda was provided to the City of Columbus, Ohio in advance to allow the necessary time to prepare for the audit. The City of Columbus, Ohio's cooperation and flexibility with the agenda was appreciated by the audit team.

At times, and according to the generally accepted government auditing standard 3.31, auditors are required to use professional judgment in planning, performing audits, attestation engagements and in reporting the results.

Additionally, and with the generally accepted government auditing standard 3.39, while this standard places responsibility on each auditor and audit organization to exercise professional judgment in planning and performing an audit or attestation engagement, it does not imply unlimited responsibility, nor does it imply infallibility on the part of either the individual auditor or the audit organization.

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Professional judgment does not mean eliminating all possible limitations or weaknesses associated with a specific audit, but rather identifying, considering, minimizing, mitigating, and explaining them.

Methodology

Reliability*First* staff conducted the audit off-site from its Akron office. The audit team reviewed the information, evidence and data submitted by the City of Columbus, Ohio and assessed compliance with requirements of applicable Reliability Standards. The audit team requested and received, via email and phone conversations, additional information and clarification when the audit team determined it was necessary.

Opening Briefing

An Opening Briefing was conducted on October 14, 2008 via a conference call and utilizing a PowerPoint presentation to discuss the following:

- Introduction of audit team
- Audit Objective and Scope
- Team Audit Expectations
- Discussion on Clarification Calls
- Audit Process
- Exit Briefing and schedule

Audit

The Audit team consisted of one Reliability*First* Compliance staff member and one contract auditor. The Reliability*First* Compliance staff member was designated as the audit team lead responsible for facilitating the audit process, serving as the primary contact person for the audit team, and completing the audit report. The audit team worked together to review evidence provided by the City of Columbus, Ohio and assessed compliance with the requirements of the standards that were audited. Requests for additional information, verification and clarification were communicated to the City of Columbus, Ohio primary contact through phone conversations and/or email. The City of Columbus, Ohio was NOT permitted to create new documents or edit existing material or documents that were previously provided as evidence.

Exit Briefing

The audit team conducted an exit briefing with the City of Columbus, Ohio on October 17, 2008 via a conference call and utilizing a PowerPoint presentation. The primary and alternate compliance contacts for the City of Columbus, Ohio participated in the exit briefing. The status of the off-site audit process was discussed, followed by the audit scope, preliminary audit findings, and compliance audit report process. No possible violations were identified during the audit and this was discussed in the preliminary results. The City of Columbus, Ohio was provided an opportunity to ask questions about the compliance findings that the audit team addressed.

Company Profile

The City of Columbus, Ohio serves customers in limited areas of the city with the objective of obtaining income with which to operate and maintain a street lighting system of over 50,000 light poles. Major customers include the city itself, for water, sewer, and street lighting, other governmental entities, Columbus City School District, and construction material suppliers. The City of Columbus, Ohio has six meter points with American Electric Power (AEP) that serve as delivery points for purchased power that is distributed to customers.

Audit Specifics

The compliance audit was conducted from October 14 to October 17, 2008 at the ReliabilityFirst offices in Akron, Ohio.

Audit Team Participants

Audit Team Role	Title	Company
Team Lead	Senior Compliance Engineer	ReliabilityFirst
Team Member	Consultant	ReliabilityFirst

City of Columbus, Ohio Audit Participants

Title	Organization
Assistant Administrator	City of Columbus, Ohio
Operations Engineer	City of Columbus, Ohio

Audit Results

The audit team evaluated the City of Columbus, Ohio's compliance with the seventeen (17) requirements in eight (8) NERC Reliability Standards for the period from June 18, 2007 to October 17, 2008. The audit team used data provided by the City of Columbus, Ohio to determine compliance with requirements in the eight (8) standards. Based on information provided by the City of Columbus, Ohio, of the seventeen (17) requirements in eight (8) Reliability Standards audited, all seventeen (17) requirements were determined to be not applicable. The audit team found that the City of Columbus, Ohio did not have any possible violations of NERC Reliability Standards that were within the scope of the compliance audit.

The audit team carefully and methodically reviewed the submitted evidence and discussed findings as a team to determine if the evidence met the applicable requirements of the Reliability Standards. If the evidence was inadequate or did not cover all of the applicable requirements in the Reliability Standards, the audit team asked for additional evidence and/or clarification. The City of Columbus, Ohio provided a primary compliance contact for clarification of submittals through phone conversations and e-mail correspondence. Throughout the audit, the audit team members took notes on findings of evidence of compliance.

The audit team reviewed documentation in hardcopy and electronic forms provided by the City of Columbus, Ohio

Findings

The following table details the findings for compliance with the Reliability Standards listed in the NERC 2008 Implementation Plan and/or selected for this audit:

Reliability Standard	Requirement	Finding
PRC-004-1	R1. & R3.	N/A
PRC-005-1	R1. & Sub-Requirements & R2. & Sub-Requirements	N/A
PRC-008-0	R1. & R2.	N/A
PRC-010-0	R1. & Sub-Requirements & R2.	N/A
PRC-011-0	R1. & Sub-Requirements & R2	N/A
PRC-016-0	R1. & R2. & R3.	N/A
PRC-017-0	R1. & Sub-Requirements & R2.	N/A
PRC-021-1	R1. & Sub-Requirements & R2.	N/A

Compliance Culture

The City of Columbus, Ohio is a Municipal Distribution Provider with two people monitoring the compliance program. All information from NERC and ReliabilityFirst is reviewed by the Primary and Secondary Compliance Contacts.