

# **New Braunfels Utilities**

**NCR04101**

## **Audit Report**

**for Compliance with**

## **NERC Reliability Standards**

### **Public Version**

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

Audit Date: June 18, 2008 and June 19, 2008  
Audit Location: Texas Regional Entity  
Report Date: August 1, 2008  
Prepared By: J. Frank Vick

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## **1.0 EXECUTIVE SUMMARY**

The table top compliance audit of New Braunfels Utilities was conducted on June 18, 2008 and June 19, 2008. The NERC Reliability Standards that are being actively monitored for 2008 were reviewed based on New Braunfels Utilities' registration as a Transmission Owner, Transmission Planner and Distribution Provider. The audit team consisted of three (3) representatives from Texas Regional Entity (Texas RE) and one (1) representative from North American Electric Reliability Corporation (NERC). Based on the review of documentation provided by New Braunfels Utilities, New Braunfels Utilities met all of the North American Electric Reliability Corporation (NERC) Standard requirements.

## **2.0 AUDIT PROCESS**

The compliance audit process is detailed in the NERC Compliance Monitoring and Enforcement Program (CMEP), available at [www.nerc.com](http://www.nerc.com). The NERC CMEP generally conforms to the United States Government Accountability Office Government Auditing Standards and other generally accepted audit practices.

### **2.1 Objectives**

All registered entities are subject to audit for compliance with all reliability standards applicable to the functions for which the registered entity is registered.<sup>1</sup> The audit objectives are:

- Independently review New Braunfels Utilities' compliance with the requirements of the reliability standards that are applicable to New Braunfels Utilities based on the New Braunfels Utilities' registered functions
- Validate compliance with applicable reliability standards from the NERC 2008 CMEP Implementation Plan list of actively monitored standards
- Validate evidence of any self-reported violations and previous self-certifications, confirm compliance with other requirements of the reliability standard, and review the status of any associated mitigation plans
- Document New Braunfels Utilities' compliance culture

### **2.2 Scope**

The scope of this compliance audit is inclusive of all requirements of the NERC Reliability Standards that are being actively monitored in 2008 and any others that may be identified by the audit team at the time of the audit applicable to: Transmission Owner, Transmission Planner and Distribution Provider. The audit was performed by three (3) members of Texas RE and one (1) NERC representative.

For the 2008 CMEP, the monitoring period for the compliance audit will be the past 12 months or periods specified in individual reliability standards. The monitoring period is not limited to the time period for which penalties and sanctions are assessed.

#### **2.2.1 Confidentiality and Conflict of Interest**

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<sup>1</sup> North American Electric Reliability Corporation CMEP, paragraph 3.1, Compliance Audits

Confidentiality agreements and code of conduct documentation for the regional entity staff were provided to New Braunfels Utilities prior to the audit. Work history and conflict of interest forms submitted by each audit team member were provided to the New Braunfels Utilities. New Braunfels Utilities 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 the audit team member's impartial performance of duties. New Braunfels Utilities accepted the audit team member participants with no objections.

### 2.3 Methodology

Once an audit date was set by Texas RE, New Braunfels Utilities was sent a pre-audit questionnaire and the Reliability Standard Audit Work Sheet (RSAW) for the list of actively monitored NERC Standards. Texas RE reviewed the responses to the RSAW, pre-audit questions and supporting documentation.

The audit team conducted an exit briefing conference call with New Braunfels Utilities. The audit team verbally shared its preliminary results with New Braunfels Utilities' management.

### 2.4 Company Profile

New Braunfels Utilities (NBU) was established in 1942 when the City Commission of New Braunfels purchased the electric transmission and distribution system from the Public Service Company of San Antonio. In 1959, the City of New Braunfels assigned operations of the water and sewer systems to NBU.

NBU employs approximately 200 people in three lines of business: Electric, Water and Sewer/Wastewater.

The NBU Electric System consists of 592 miles of overhead distribution line, 152 miles of underground distribution line, 16 miles of 138 kV transmission line and eight substation/metering points on the transmission system.

Over 27,000 electric meters are on in the 169 square mile service area which ranges from Clear Springs to Smithson Valley, from York Creek to Northcliffe.

### 2.5 Audit Specifics

Audit Date: June 18, 2008 and June 19, 2008

Audit Location: Texas Regional Entity

Texas RE Audit Team:

Name	Company/Title
J. Frank Vick	Texas RE/Audit Team Leader
Kent Grammer	Texas RE/Auditor
Rashida Williams	Texas RE/Auditor
Jule Tate	NERC

New Braunfels Utilities Conference Call Participants:

Name	Company/Title
Gregory Baumbach, P.E.	NBU / Executive Director of Electric Services
Gregory Thomas, P.E.	NBU / Manager of Electric Engineering
Jim Williams	NBU / Substation Supervisor
Bob Cates, CIA	NBU / Internal Auditor

### 3.0 AUDIT RESULTS

#### 3.1 Findings

The Compliance Audit Team found that New Braunfels Utilities was compliant with all 2008 actively monitored NERC Standards at the time of the audit.

The following table is a summary of the auditor's notes for those NERC standards reviewed during the audit:

Reliability Standard	Requirement	Finding
CIP-002-1 through CIP-009-1		Reviewed
FAC-003-1	R1.	Compliant
FAC-003-1	R2.	Compliant
FAC-003-1	R3.	Compliant
FAC-003-1	R4.	N/A
FAC-008-1	R1.	Compliant
FAC-008-1	R2.	Compliant
FAC-008-1	R3.	Compliant
FAC-009-1	R1.	Compliant
FAC-009-1	R2.	Compliant
IRO-004-1	R1.	N/A
IRO-004-1	R2.	N/A
IRO-004-1	R3.	N/A
IRO-004-1	R4.	Compliant
IRO-004-1	R5.	N/A
IRO-004-1	R6.	N/A
IRO-004-1	R7.	N/A
PRC-004-1	R1.	Compliant
PRC-004-1	R2.	N/A
PRC-004-1	R3.	Compliant

Reliability Standard	Requirement	Finding
PRC-005-1	R1.	Compliant
PRC-005-1	R2.	Compliant
PRC-008-0	R1.	Compliant
PRC-008-0	R2.	Compliant
PRC-010-0	R1.	Compliant
PRC-010-0	R2.	Compliant
PRC-011-0	R1.	Compliant
PRC-011-0	R2.	Compliant
PRC-016-0	R1.	Compliant
PRC-016-0	R2.	Compliant
PRC-016-0	R3.	Compliant
PRC-017-0	R1.	Compliant
PRC-017-0	R2.	Compliant
PRC-021-1	R1.	Compliant
PRC-021-1	R2.	Compliant
TPL-001-0	R1.	Compliant
TPL-001-0	R2.	Compliant
TPL-001-0	R3.	Compliant
TPL-002-0	R1.	Compliant
TPL-002-0	R2.	Compliant
TPL-002-0	R3.	Compliant
TPL-003-0	R1.	Compliant
TPL-003-0	R2.	Compliant
TPL-003-0	R3.	Compliant
TPL-004-0	R1.	Compliant
TPL-004-0	R2.	Compliant

### 3.2 Conclusion

New Braunfels Utilities was found in compliance with the standards that were audited.

### 3.3. Compliance Culture

This subject was not discussed during the audit.