



Compliance Audit Report Public Version

**Springfield Utility Board
(SUB)**

NCR05405

March 14, 17, and 18, 2008

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

October 15, 2008

Audit Overview

The WECC Compliance Department conducted an off-site (table-top) compliance audit of the Springfield Utility Board (SUB) on March 14, 17, 18, 2008. The off-site audit was conducted at the WECC Compliance Department offices at 615 Arapeen Drive, Suite 210, Salt Lake City, Utah.

SUB personnel were notified at the start of the off-site audit and kept informed as the audit progressed. The personnel may have been present during the audit and at the closing presentation, or listened to the presentation on the phone. The audit team may have requested additional evidence during the audit from the personnel.

At the time of the off-site audit, SUB was registered for the following functions: LSE, DP.

The following functions were audited: LSE, DP.

The SUB Internal Compliance Program (ICP) was not reviewed or discussed during the audit.

The audit team used the Reliability Standard Audit Worksheets (RSAWs) during the compliance review of each reliability standard. The evidence provided was reviewed for the period June 18, 2007 through the off-site audit dates. The June 18, 2007 date is when FERC made compliance to eighty-three (83) of the NERC Reliability Standards mandatory and enforceable in the United States. No violations were identified by the audit team during the audit.

Confidentiality and Conflict of Interest

Confidentiality agreements, executed by the WECC independent contractors (consultants) and code of conduct documentation for the NERC representative and WECC compliance staff, were provided to SUB in advance of the off-site audit, if requested. Work history and conflict of interest forms submitted by each audit team member were also provided. SUB 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. SUB accepted the audit team member participants with no objections.

Off-site Audit

Off-site audits of Load-Serving Entities (LSEs), Distribution Providers (DPs) and Purchasing-Selling Entities (PSEs) are conducted on a six-year cycle. If a Registered Entity is registered for other functions (such as GO, GOP, TO, etc.), it has the option of having these other functions audited during the off-site audit.

SUB was officially notified of the off-site audits with a 60-day Notice of Compliance Audit letter. Accompanying this notification are attachments relating to the audit as listed below:

- Pre-audit introduction letter
- Audit team bios
- Pre-audit questionnaire
- Audit documentation matrix
- WECC 2008 Auditing, Monitoring and Reporting Requirements for NERC Standards.

SUB was notified in the Pre-Audit letter that personnel (subject matter experts representing all the registered functions) would need to be available to answer questions (interviews) the audit team might have regarding the documentation.

SUB was also informed that the off-site compliance audit would be conducted consistent with the following WECC Regional and NERC documents:

- WECC Compliance Monitoring and Enforcement Program
- NERC Reliability Standard Audit Worksheets.

SUB was asked to submit the completed questionnaire, the audit documentation matrix and other requested documents back to the WECC Compliance Department.

A pre-audit conference call was held by WECC compliance staff with all the Registered Entities scheduled for an off-site audit.

Professional judgment was used by the audit team during the off-site audit. The audit team leader may have requested interviews with employees representing subject matter expertise regarding the registered functions being audited. These interviews in conjunction with the evidence, gave the audit team a factual basis for determining compliance with the NERC reliability standards.

Reference - Generally accepted government auditing standard 3.31 - Auditors must use professional judgment in planning and performing audits and attestation engagements and in reporting the results.

Reference - 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. Absolute assurance is not attainable because of the nature of evidence and the characteristics of fraud. 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

Methodology: the auditing reliability standards and best practices that are to be followed by compliance auditors in carrying out their work. The methodology should be objective, measurable, complete and relevant to the audit objectives. The auditors should identify potential sources of audit evidence and consider the amount and type of evidence needed given the risk and significance when defining the audit methodology.

Audit Specifics

Audit Team

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

Registered Entity Audit Participants (Attending/Interviewed/Listening)

Title	Audited Organization
Director of Resource Management	SUB

Findings

The findings of the audit team at the off-site audit were presented to SUB at the closing presentation. These findings are indicated in Table A below. The "Finding" column contains one of the following: Compliant, Possible Violation (PV), New Possible Violation (NPV), Not Applicable (NA), Not Audited, Outstanding Alleged Violation (OV), Retraction requested (Retract), Self-reported Violation (Self-Report), or other appropriate description.

Table A

Reliability Standard	Requirement	Finding
BAL-005-0	1.	Compliant
BAL-005-0	2.	NA
BAL-005-0	3.	NA
BAL-005-0	4.	NA
BAL-005-0	5.	NA

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

Reliability Standard	Requirement	Finding
BAL-005-0	6.	NA
BAL-005-0	7.	NA
BAL-005-0	8.	NA
BAL-005-0	9.	NA
BAL-005-0	10.	NA
BAL-005-0	11.	NA
BAL-005-0	12.	NA
BAL-005-0	13.	NA
BAL-005-0	14.	NA
BAL-005-0	15.	NA
BAL-005-0	16.	NA
BAL-005-0	17.	NA
CIP-001-1	1.	Compliant
CIP-001-1	2.	Compliant
CIP-001-1	3.	Compliant
CIP-001-1	4.	Compliant
EOP-004-1	1.	NA
EOP-004-1	2.	Compliant
EOP-004-1	3.	Compliant
EOP-004-1	4.	NA
EOP-004-1	5.	NA
IRO-001-1	1.	NA
IRO-001-1	2.	NA
IRO-001-1	3.	NA
IRO-001-1	4.	NA
IRO-001-1	5.	NA
IRO-001-1	6.	NA
IRO-001-1	7.	NA
IRO-001-1	8.	Compliant
IRO-001-1	9.	NA
IRO-004-1	1.	NA
IRO-004-1	2.	NA
IRO-004-1	3.	NA
IRO-004-1	4.	Compliant
IRO-004-1	5.	NA
IRO-004-1	6.	NA
IRO-004-1	7.	NA
IRO-005-1	1.	NA
IRO-005-1	2.	NA
IRO-005-1	3.	NA
IRO-005-1	4.	NA

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

Reliability Standard	Requirement	Finding
IRO-005-1	5.	NA
IRO-005-1	6.	NA
IRO-005-1	7.	NA
IRO-005-1	8.	NA
IRO-005-1	9.	NA
IRO-005-1	10.	NA
IRO-005-1	11.	NA
IRO-005-1	12.	NA
IRO-005-1	13.	Compliant
IRO-005-1	14.	NA
IRO-005-1	15.	NA
IRO-005-1	16.	NA
IRO-005-1	17.	NA
IRO-STD-006-0	1.	Not Audited
PRC-004-1	1.	NA
PRC-004-1	2.	NA
PRC-004-1	3.	NA
PRC-005-1	1.	NA
PRC-005-1	2.	NA
PRC-007-0	1.	Compliant
PRC-007-0	2.	NA
PRC-007-0	3.	NA
PRC-008-0	1.	NA
PRC-008-0	2.	NA
PRC-010-0	1.	NA
PRC-010-0	2.	NA
PRC-011-0	1.	NA
PRC-011-0	2.	NA
PRC-016-0	1.	NA
PRC-016-0	2.	NA
PRC-016-0	3.	NA
PRC-017-0	1.	NA
PRC-017-0	2.	NA
PRC-021-1	1.	NA
PRC-021-1	2.	NA
TOP-001-1	1.	NA
TOP-001-1	2.	NA
TOP-001-1	3.	NA
TOP-001-1	4.	Compliant
TOP-001-1	5.	NA
TOP-001-1	6.	NA

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

Reliability Standard	Requirement	Finding
TOP-001-1	7.	NA
TOP-001-1	8.	NA
TOP-002-2	1.	NA
TOP-002-2	2.	NA
TOP-002-2	3.	Compliant
TOP-002-2	4.	NA
TOP-002-2	5.	NA
TOP-002-2	6.	NA
TOP-002-2	7.	NA
TOP-002-2	8.	NA
TOP-002-2	9.	NA
TOP-002-2	10.	NA
TOP-002-2	11.	NA
TOP-002-2	12.	NA
TOP-002-2	13.	NA
TOP-002-2	14.	NA
TOP-002-2	15.	NA
TOP-002-2	16.	NA
TOP-002-2	17.	NA
TOP-002-2	18.	Compliant
TOP-002-2	19.	NA