



NORTHEAST POWER COORDINATING COUNCIL, INC.  
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# **Compliance Audit Report Public Version**

**Brick Power Holdings LLC  
Rumford Power  
Tiverton Power**

**February 27 to April 10, 2009  
NCR10268**

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

**April 10, 2009**

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## Executive Summary

The off-site compliance audit of the Brick Power Holdings LLC – Rumford Power and Tiverton Power, NERC ID #NCR10268 was conducted between February 27th and April 10th, 2009. At the time of the audit, Brick Power Holdings LLC was registered for the GO and GOP functions. The audit was completed using data submitted by Brick Power Holdings LLC prior to the off-site audit being started and data provided by way of follow-up emails and phone calls as a result of questions raised during the off-site audit.

The auditor evaluated Brick Power Holdings LLC – Rumford Power and Tiverton Power's compliance with thirteen reliability standards and sixty-one requirements/sub-requirements in the 2009 NERC Compliance Monitoring and Enforcement Program (CMEP). The audit reviewed reliability standards identified in the NERC 2009 Implementation Plan for the period of the last twelve months or monitoring timeframes specified in each reliability standard.

Of the thirteen standards and sixty-one requirements and sub-requirements audited for the functions Brick Power Holdings LLC – Rumford Power is registered for, ten standards and thirty-seven requirements and sub-requirements were judged to be compliant. One standard and its eleven requirements and sub-requirements were judged to be not applicable. Two standards and twelve requirements and sub-requirements are not applicable for this audit period as the actions specified in the standard and/or requirements/sub-requirements had not taken place and one sub-requirement was not applicable as its applicability is outside the initial registration of October 15, 2008.

Of the thirteen standards and sixty-one requirements and sub-requirements audited for the functions Brick Power Holdings LLC – Tiverton Power is registered for, ten standards and thirty-five requirements and sub-requirements were judged to be compliant. One standard and its eleven requirements and sub-requirements were judged to be not applicable. Two standards and fourteen requirements and sub-requirements are not applicable for this audit period as the actions specified in the standard and/or requirements/sub-requirements had not taken place and one sub-requirement was not applicable as its applicability is outside the initial registration of October 15, 2008.

Brick Power Holdings LLC provided an overview resulting in a more clear understanding of their business model and accelerated the audit process. The evidence provided to demonstrate compliance was well presented and well organized. The audit team would like to thank the Brick Power Holdings LLC audit preparation team for the support offered throughout the audit.

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 NERC CMEP. The NERC 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 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 to:

- Independently review Brick Power Holdings LLC – Rumford Power and Tiverton Power’s compliance with the requirements of the reliability standards that are applicable to Brick Power Holdings LLC based on the Brick Power Holdings LLC registered functions.
- Validate compliance with applicable reliability standards from the NERC 2009 Implementation Plan list of actively monitored standards and additional NERC reliability standards selected by NERC.
- Validate compliance with applicable Regional Standards from the NPCC 2009 Implementation Plan list of actively monitored standards.
- Validate evidence of self-reported violations and previous self-certifications and confirm compliance with other requirements of the reliability standard.
- Review the status of associated mitigation plans.
- Observe and document Brick Power Holdings LLC’s compliance program and culture.

### **Scope**

The audit included all standards identified in the December 23rd, 2008 audit letter for the previous year. The audit was a regularly scheduled audit and no self-reported violations or compliance investigations were involved.

At the time of the audit, Brick Power Holdings LLC was registered for the functions GO and GOP. The audit team evaluated Brick Power Holdings LLC for compliance during the period of October 15, 2008 to April 10, 2009.

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

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

Confidentiality and Conflict of Interest of the audit team are governed under the Delegation Agreement with NERC and Section 1500 of the NERC Rules of Procedure.

The audited entity was informed in advance of the audit that the independent contractors executed confidentiality agreements and code of conduct documentation was in place for the NERC representative and regional entity staff. Work history and conflict of interest forms submitted by each audit team member are on file in the NPCC corporate offices. The audited entity 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. The audited entity accepted the audit team member participants with no objections.

## ***Off-site Audit***

Brick Power Holdings LLC was provided with a pre-audit request letter identifying the standards and requirements subject to audit. The audit letter was sent to Brick Power Holdings LLC more than 60 days in advance of the scheduled audit. This is an off-site audit conducted every six years or as determined to be necessary by the region. Brick Power Holdings LLC had not self reported any violations.

Brick Power Holdings LLC was registered for the GO and GOP functions as of October 15, 2008. The assessment of compliance to the applicable standards and requirements will start from that date.

If necessary, the auditor would have requested interviews with Brick Power Holdings LLC – Rumford Power and Tiverton Power employees representing subject matter expertise regarding all of the registered functions of Brick Power Holdings LLC. These interviews in conjunction with the submitted evidence would provide the auditor with a basis for professional judgment when validating compliance with reliability standards.

## ***Methodology***

The auditor prepared reliability standards audit worksheets (RSAWs) to evaluate each standard. The RSAWs are used to ensure consistency and to document evidence of compliance or non-compliance with the standards. All relevant documents are considered and to the extent they form a portion of the audit trail are included in the RSAWs.

## ***Audit Overview***

The audit overview was conducted on Monday, March 2, 2009 with Brick Power Holdings LLC staff from Tiverton Power, Rumford Power and the primary compliance contact from Caithness New England Services LLC. The call was led by the auditor and participating for Brick Power Holdings LLC were several staff from operations and support functions. An explanation of the

audit process was given and the timelines were discussed. Brick Power Holdings LLC was given an opportunity to reject the auditor but accepted the auditor and his credentials for this audit.

### ***Audit***

The audit was performed off-site by the auditor with NPCC assisting. Additional questions were provided to the Brick Power Holdings LLC by way of emails and phone calls, and the Brick Power Holdings LLC staff then took the time necessary to develop the answers and submitted them by way of email and phone calls to the auditor.

### ***Exit Briefing***

The exit briefing was led by NPCC by way of a conference call on April 10th, 2009 and was attended by several staff from Brick Power Holdings LLC. The auditor reviewed the audit process and summarized the preliminary findings of the audit.

The results of the audit were that of the thirteen standards and sixty-one requirements and sub-requirements audited for the functions Brick Power Holdings LLC – Rumford Power is registered for, ten standards and thirty-seven requirements and sub-requirements were judged to be compliant. One standard and its eleven requirements and sub-requirements were judged to be not applicable. Two standards and twelve requirements and sub-requirements are not applicable for this audit period as the actions specified in the standard and/or requirements/sub-requirements had not taken place and one sub-requirement was not applicable as its applicability is outside the initial registration of October 15, 2008.

The results of the audit were that of the thirteen standards and sixty-one requirements and sub-requirements audited for the functions Brick Power Holdings LLC – Tiverton Power is registered for, ten standards and thirty-five requirements and sub-requirements were judged to be compliant. One standard and its eleven requirements and sub-requirements were judged to be not applicable. Two standards and fourteen requirements and sub-requirements are not applicable for this audit period as the actions specified in the standard and/or requirements/sub-requirements had not taken place and one sub-requirement was not applicable as its applicability is outside the initial registration of October 15, 2008.

Brick Power Holdings LLC was given an opportunity to question the audit findings and provide comment on the audit. Brick Power Holdings LLC accepted the preliminary findings and said they found the process to be very informative. They have a much better appreciation of how the audit process works and what it entails to be fully compliant to all standards.

### ***Company Profile***

Brick Power Holdings, LLC (“Brick”) is a holding company owned by multiple investment funds. Brick is the owner of Tiverton Power Holdings, LLC and Rumford Power Holdings, LLC. These two holding companies are the owners of Tiverton Power

Inc. and Rumford Power Inc., respectively.

Rumford & Tiverton are both gas-fired combined cycle facilities with nominal capacities of 265 MW. Each site is equipped with a single GE 7FA+e (7241) gas turbine, HRSG and GE A-10 steam turbine. These two facilities constitute the total of Brick Power Holdings LLC energy assets.

Tiverton Power is located in the town of Tiverton, Newport County, Rhode Island. Tiverton Power is interconnected with National Grid at a voltage of 115kV. Tiverton Power serves the ISO-NE market. Reference attached file: Tiverton Interconnect.pdf.

Rumford Power is located in the town of Rumford, Oxford County, Maine. Rumford Power is interconnected with Central Maine Power at a voltage of 115kV. Rumford Power serves the ISO-NE market. Reference attached file: Rumford Interconnect.pdf.

Rumford Power and Tiverton Power have three key third party participants in day-to-day operations.

Caithness New England Services provides asset management services, including regulatory compliance, under an Asset Management Agreement. Consolidated Edison Energy, Inc. provides energy management under an Energy Management Agreement. General Electric International, Inc. provides operations and maintenance services under the Operations and Maintenance Agreement.

### ***Audit Specifics***

The compliance audit was conducted off-site between February 27th and April 10th, 2009. The audit team members and Brick Power Holdings LLC – Rumford Power and Tiverton Power staff did an excellent job in completing the audit.

#### **NPCC**

<b>Audit Team Role</b>	<b>Title</b>	<b>Company</b>
Lead	Contracted Consultant	NPCC-Compliance Audit Program
Regional staff	Manager Compliance	NPCC-Compliance Audit Program

### **Brick Power Holdings LLC and associated service providers**

<b>Name and Title</b>		<b>Audited Entity's Organization</b>
	Project Engineer/Primary Compliance Contact	Caithness New England Services
	Rumford Facility Manager	GE Infra, Energy
	Rumford Operations Manager	
	Rumford Maintenance Manager	
	Rumford Plant Engineer	

Name and Title		Audited Entity's Organization	
	Tiverton Plant Engineer		Caithness New England Services
	Tiverton Operations Manager		
	VP Operations		

## Audit Results

The auditor evaluated Brick Power Holdings LLC – Rumford Power and Tiverton Power's compliance with thirteen reliability standards and sixty-one requirements and sub-requirements identified in the NERC 2009 Implementation Plan for the period of the last twelve months or monitoring timeframes specified in each reliability standard.

Of the thirteen standards and sixty-one requirements and sub-requirements audited for the functions Brick Power Holdings LLC – Rumford Power is registered for, ten standards and thirty-seven requirements and sub-requirements were judged to be compliant. One standard and its eleven requirements and sub-requirements were judged to be not applicable. Two standards and twelve requirements and sub-requirements are not applicable for this audit period as the actions specified in the standard and/or requirements/sub-requirements had not taken place and one sub-requirement was not applicable as its applicability is outside the initial registration of October 15, 2008.

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Brick Power Holdings LLC provided an overview resulting in a more clear understanding of their business model and accelerated the audit process. The evidence provided to demonstrate compliance was well presented and well organized. The audit team would like to thank the Brick Power Holdings LLC audit preparation team for the support offered through the audit.

### **Findings**

The following two tables detail the summarized auditor notes relating to evidence reviewed for compliance with the reliability standards listed in the NERC 2009 Implementation Plan. These tables can also include details summarizing auditor notes relating to evidence reviewed for

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reliability standard requirements for self-reported violations, ongoing mitigation plans, and other discussions.

**RUMFORD POWER**

NA+ indicates not applicable for this monitored audit period

\* indicates that requirement is applicable to more than one registered functions

<b>Reliability Standard</b>	<b>Requirement</b>	<b>Finding</b>
CIP-001-1	R1.	Compliant
CIP-001-1	R2.	Compliant
CIP-001-1	R3.	Compliant
CIP-001-1	R4.	Compliant
CIP-002-3	*	Self certification
COM-002-2	R1.	Compliant
FAC-008-1	R1.	Compliant
FAC-008-1	R1.1.	Compliant
FAC-008-1	R1.2.	Compliant
FAC-008-1	R1.2.1.	Compliant
FAC-008-1	R1.2.2.	Compliant
FAC-008-1	R1.3.	Compliant
FAC-008-1	R1.3.1.	Compliant
FAC-008-1	R1.3.2.	Compliant
FAC-008-1	R1.3.3.	Compliant
FAC-008-1	R1.3.4.	Compliant
FAC-008-1	R1.3.5.	Compliant
FAC-008-1	R2.	NA+
FAC-008-1	R.3.	NA+
FAC-009-1	R1.	Compliant
FAC-009-1	R2.	Compliant
IRO-001-1	R8.	NA+
IRO-004-1	R.4.*	Compliant
IRO-005-1	R.13.	Compliant
PRC-001-1	R.1.	Compliant
PRC-001-1	R.2.	NA+
PRC-001-1	R.2.1	NA+
PRC-001-1	R.3.	NA+
PRC-001-1	R.3.1	NA+
PRC-001-1	R.5.	NA+
PRC-001-1	R5.1.	NA+
PRC-004-1	R.2.	NA+

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<b>Reliability Standard</b>	<b>Requirement</b>	<b>Finding</b>
PRC-004-1	R.3.	NA+
PRC-005-1	R.1.	Compliant
PRC-005-1	R.1.1.	Compliant
PRC-005-1	R.1.2.	Compliant
PRC-005-1	R.2.	Compliant
PRC-005-1	R.2.1.	Compliant
PRC-005-1	R.2.2.	Compliant
PRC-017-0	R.1.	NA
PRC-017-0	R.1.1.	NA
PRC-017-0	R1.1.1.	NA
PRC-017-0	R1.1.2.	NA
PRC-017-0	R.1.1.3.	NA
PRC-017-0	R.1.1.4.	NA
PRC-017-0	R.1.2.	NA
PRC-017-0	R.1.3.	NA
PRC-017-0	R.1.4.	NA
PRC-017-0	R.1.5.	NA
PRC-017-0	R.2.	NA
TOP-001-1	R.3.	Compliant
TOP-001-1	R.6.	Compliant
TOP-001-1	R.7.	Compliant
TOP-001-1	R.7.1.	Compliant
TOP-001-1	R.7.3.	NA+
TOP-002-2	R.3.	Compliant
TOP-002-2	R.13.	Compliant
TOP-002-2	R.14.	Compliant
TOP-002-2	R.14.1.	Compliant
TOP-002-2	R14.2.	NA
TOP-002-2	R15.	Compliant
TOP-002-2	R18.	Compliant

**TIVERTON POWER**

NA+ indicates not applicable for this monitored audit period

\* indicates that requirement is applicable to more than one registered functions

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<b>Reliability Standard</b>	<b>Requirement</b>	<b>Finding</b>
CIP-001-1	R1.	Compliant
CIP-001-1	R2.	Compliant
CIP-001-1	R3.	Compliant
CIP-001-1	R4.	Compliant
CIP-002-3	*	Self certification
COM-002-2	R1.	Compliant
FAC-008-1	R1.	Compliant
FAC-008-1	R1.1.	Compliant
FAC-008-1	R1.2.	Compliant
FAC-008-1	R1.2.1.	Compliant
FAC-008-1	R1.2.2.	Compliant
FAC-008-1	R1.3.	Compliant
FAC-008-1	R1.3.1.	Compliant
FAC-008-1	R1.3.2.	Compliant
FAC-008-1	R1.3.3.	Compliant
FAC-008-1	R1.3.4.	Compliant
FAC-008-1	R1.3.5.	Compliant
FAC-008-1	R2.	NA+
FAC-008-1	R3.	NA+
FAC-009-1	R1.	Compliant
FAC-009-1	R2.	Compliant
IRO-001-1	R8.	NA+
IRO-004-1	R.4.*	Compliant
IRO-005-1	R.13.	Compliant
PRC-001-1	R.1.	Compliant
PRC-001-1	R.2.	NA+
PRC-001-1	R.2.1	NA+
PRC-001-1	R.3.	NA+
PRC-001-1	R.3.1	NA+
PRC-001-1	R.5.	NA+
PRC-001-1	R5.1.	NA+
PRC-004-1	R.2.	NA+
PRC-004-1	R.3.	NA+
PRC-005-1	R.1.	Compliant
PRC-005-1	R.1.1.	Compliant
PRC-005-1	R.1.2.	Compliant
PRC-005-1	R.2.	Compliant
PRC-005-1	R.2.1.	Compliant
PRC-005-1	R.2.2.	Compliant

<b>Reliability Standard</b>	<b>Requirement</b>	<b>Finding</b>
PRC-017-0	R.1.	NA
PRC-017-0	R.1.1.	NA
PRC-017-0	R1.1.1.	NA
PRC-017-0	R1.1.2.	NA
PRC-017-0	R.1.1.3.	NA
PRC-017-0	R.1.1.4.	NA
PRC-017-0	R.1.2.	NA
PRC-017-0	R.1.3.	NA
PRC-017-0	R.1.4.	NA
PRC-017-0	R.1.5.	NA
PRC-017-0	R.2.	NA
TOP-001-1	R.3.	NA+
TOP-001-1	R.6.	NA+
TOP-001-1	R.7.	Compliant
TOP-001-1	R.7.1.	Compliant
TOP-001-1	R.7.3.	NA+
TOP-002-2	R.3.	Compliant
TOP-002-2	R.13.	Compliant
TOP-002-2	R.14.	Compliant
TOP-002-2	R.14.1.	Compliant
TOP-002-2	R14.2.	NA
TOP-002-2	R15.	Compliant
TOP-002-2	R18.	Compliant

### ***Compliance Culture***

The audit team reviewed Brick Power Holdings LLC compliance culture. During all contact, Brick Power Holdings LLC staff was professional in their approach to compliance and understood the importance of the compliance and its role in maintaining reliability.