

# **San Bernard Electric Coop, Inc**

**NERC ID # NCR04118**

## **Audit Report**

**for Compliance with**

## **NERC Reliability Standards**

**Public Version**

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

Audit Date: May 27-28, 2009  
Audit Location: Texas RE Offices, Austin, TX  
Report Date: August 4, 2009  
Prepared By: Frank Vick, Audit Team Leader

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## 1.0 EXECUTIVE SUMMARY

The Table Top compliance audit of San Bernard Electric Coop, Inc (SBEC) was conducted on May 27-28, 2009. The NERC Reliability Standards that are being actively monitored for 2009 were reviewed based on SBEC's registration as a Distribution Provider (DP), Transmission Owner (TO), and Transmission Planner (TP). The audit team consisted of three representatives from Texas Regional Entity (Texas RE). Based on the review of documentation provided by SBEC and the interviews of SBEC's personnel, SBEC met all of the 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 SBEC's compliance with the requirements of the reliability standards that are applicable to SBEC based on the SBEC's registered functions.
- Validate compliance with applicable reliability standards from the NERC 2009 CMEP 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 SBEC's 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 2009 and any others that may be identified by the audit team at the time of the audit applicable to Transmission Owner (TO), Transmission Planner (TP), and Distribution Provider (DP). The audit was performed by three members of Texas RE.

Note: For the 2009 compliance program, the monitoring period for the compliance audit will generally be the last six years, the time since SBEC's last audit as a DP, TO, TP 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

Confidentiality agreements and code of conduct documentation for the regional entity staff were provided to SBEC prior to the audit. Work history and conflict of interest forms submitted for each

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

audit team member were provided to SBEC. SBEC 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. SBEC accepted the audit team member participants with no objections.

### 2.3 Methodology

Once an audit date was set by Texas RE, SBEC was sent a pre-audit questionnaire and the Reliability Standard Audit Work Sheets (RSAWs) for the list of actively monitored NERC Standards. During the audit, Texas RE reviewed the responses to the RSAWs and pre-audit questions with SBEC's management and supervisors. Texas RE audit team interviewed operations personnel and reviewed documents to substantiate those operations personnel were trained and capable of following the procedures to ensure reliable operations from that entity. The audit team also interviewed IT, Communications, and Planning personnel as necessary to get answers to questions and verify documentation.

The audit team conducted an exit briefing immediately following the audit with SBEC. The audit team verbally shared its preliminary results with SBEC's management.

### 2.4 Company Profile

SBEC provided the following company profile for inclusion in this report:

San Bernard Electric Cooperative is a Transmission/Distribution cooperative serving approximately 17,337 members (23,880 meters) spanning an eight-county area west of Houston, Texas (Austin, Colorado, Lavaca, Waller, Montgomery, Harris, Grimes and Fayette counties) and has transmission facilities located mainly in parts of Waller, Austin, and Colorado counties. SBEC does not own generating facilities. SBEC operates 3,507 miles of overhead distribution line, 132 miles of URD line, and 87 miles of transmission line (22.5 miles of which is 138 kV, the remainder being 69 kV). SBEC has 118 employees distributed between our main office in Bellville, Texas, and our three branch offices in Fieldstore, Columbus, and Hallettesville. SBEC purchases the entirety of its wholesale power from the LCRA and City Public Services. SBEC is registered with NERC as a TP, TO, and DP, and its transmission facilities are leased and operated by the LCRA, and are interconnected to the LCRA Transmission Services Corporation (LCRA TSC) transmission system at 138-kV and 69-kV stations. LCRA TSC provides wholesale transmission service in this area and is represented as "Area 7" in the Electric Reliability Council of Texas (ERCOT) system models.

### 2.5 Audit Specifics

Audit Date: May 27-28, 2009  
Audit Location: Texas RE Offices, Austin, TX

Texas RE Audit Team:

Name	Company/Title
Frank Vick	Texas RE/Audit Team Leader
Jagan Mandavilli	Texas RE/Auditor
Scott Jackson	Texas RE/Auditor

SBEC Audit Participants:

<b>Name</b>	<b>Company/Title</b>
Doug Lambert	SBEC/ IT Director
Don Roberts	SBEC/ Electric Systems Manager
Clayton Stanford	SBEC/ Engineering Manager
James Jouett	SBEC/1 <sup>st</sup> Class Apparatus Tech
Mike Ables	SBEC/Vegetation Control Manager
Billy Marricle	SBEC/President/General Manager

### 3.0 AUDIT RESULTS

#### 3.1 Findings

The Compliance Audit Team found that SBEC was compliant with all 2009 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:

<b>Reliability Standard</b>	<b>Requirement</b>	<b>Finding</b>
FAC-001-0	R1.	Compliant
FAC-001-0	R2.	Compliant
FAC-001-0	R3.	Compliant
FAC-003-1	R1.	N/A
FAC-003-1	R2.	N/A
FAC-003-1	R3.	N/A
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.	N/A

Reliability Standard	Requirement	Finding
PRC-004-1	R2.	N/A
PRC-004-1	R3.	N/A
PRC-005-1	R1.	Compliant
PRC-005-1	R2.	Compliant
PRC-008-0	R1.	Compliant
PRC-008-0	R2.	Compliant
PRC-010-0	R1.	N/A
PRC-010-0	R2.	N/A
PRC-011-0	R1.	N/A
PRC-011-0	R2.	N/A
PRC-017-0	R1.	N/A
PRC-017-0	R2.	N/A
TOP-001-1	R1.	N/A
TOP-001-1	R2.	N/A
TOP-001-1	R3.	N/A
TOP-001-1	R4.	Compliant
TOP-001-1	R5.	N/A
TOP-001-1	R6.	N/A
TOP-001-1	R7.	N/A
TOP-001-1	R8.	N/A
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

### 3.2. Conclusion

SBEC was found in compliance with the standards that were audited.

### 3.3. Compliance Culture

Based on the information provided in the Audit General Information Request and the audit results, SBEC has a compliance program in place which promotes compliance within the company. SBEC was cooperative with all of the audit team's initial and additional information requests.