

City of Georgetown

NERC ID # NCR10004

Audit Report

for Compliance with

NERC Reliability Standards

Public Version

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

Audit Date: April 22 – 23, 2009
Audit Location: Texas RE Offices, Austin, TX
Report Date: July 9, 2009
Prepared By: David Bueche, Audit Team Leader

TABLE OF CONTENTS

1.0	Executive Summary	3
2.0	Audit Process.....	3
2.1	Objectives	3
2.2	Scope.....	3
2.3	Methodology	4
2.4	Company Profile	4
2.5	Audit Specifics	4
3.0	Audit Results.....	4
3.1	Findings	5
3.2	Conclusion	6
3.3.	Compliance Culture	6

1.0 EXECUTIVE SUMMARY

The Table Top compliance audit of City of Georgetown was conducted on April 22 - 23, 2009. The NERC Reliability Standards that are being actively monitored for 2009 were reviewed based on City of Georgetown's registration as a Transmission Owner (TO) and Distribution Provider (DP). The audit team consisted of four representatives from Texas Regional Entity (Texas RE). Based on the review of documentation provided by City of Georgetown and the interviews of City of Georgetown's personnel, City of Georgetown met all of the NERC Standards that were audited.

2.0 AUDIT PROCESS

The compliance audit process is detailed in the NERC Compliance Monitoring and Enforcement Program (CMEP), available at 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.¹ The audit objectives are:

- Independently review City of Georgetown's compliance with the requirements of the reliability standards that are applicable to City of Georgetown based on the City of Georgetown's registered functions.
- Validate compliance with applicable reliability standards from the NERC 2009 CMEP Implementation Plan's 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 City of Georgetown'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, Distribution Provider. The audit was performed by four members of Texas RE.

Note: For the 2009 compliance program, the monitoring period for the compliance audit will generally be the last three years, the time since City of Georgetown's last audit as a DP and TO 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

¹ 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 City of Georgetown prior to the audit. Work history and conflict of interest forms submitted for each audit team member were provided to City of Georgetown. City of Georgetown 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. City of Georgetown accepted the audit team member participants with no objections.

2.3 Methodology

Once an audit date was set by Texas RE, City of Georgetown was sent a pre-audit questionnaire and the Reliability Standard Audit Work Sheet (RSAW) for the list of actively monitored NERC Standards. During the audit, Texas RE reviewed the responses to the RSAW and pre-audit questions with City of Georgetown's management and supervisors. Texas RE audit team reviewed documents to substantiate the operations personnel were trained and capable of following the procedures to ensure reliable operations from that entity.

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

2.4 Company Profile

City of Georgetown is a Municipal Electric System currently being served by LCRA, but transitioning to ownership of substations serving the city's customers

2.5 Audit Specifics

Audit Date: April 22 - 23, 2009
Audit Location: Texas RE Offices, Austin, TX

Texas RE Audit Team:

Name	Company/Title
David Bueche	Texas RE/Audit Team Leader
Chris Humphreys	Texas RE/Auditor
Sara Hensley	Texas RE/Auditor
Bob Collins	Texas RE/Auditor

City of Georgetown Audit Participants:

Name	Company/Title
Jimmy Sikes	Transmission and Distribution Manager, COG

3.0 AUDIT RESULTS

3.1 Findings

The Compliance Audit Team found that City of Georgetown 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:

Reliability Standard	Requirement	Finding
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-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	R4.	Compliant
PRC-004-1	R1.	Compliant
PRC-004-1	R3.	Compliant
PRC-005-1	R1.	Compliant
PRC-005-1	R2.	Compliant
PRC-008-0	R1.	N/A
PRC-008-0	R2.	N/A
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	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

3.2. Conclusion

City of Georgetown was found in compliance with all the standards that were audited.

3.3. Compliance Culture

City of Georgetown is an adequately run organization that demonstrated both knowledge and promotion of a compliance culture. City of Georgetown was cooperative with the audit team's additional information requests throughout the audit process.