



**Compliance Audit Report  
Public Version**

## **Platte River Power Authority (PRPA)**

NERC ID: NCR05321

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

**Date of Audit: March 16 – 19, 2009**

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## Executive Summary

This final compliance audit report is the public version. Confidential information (including privileged and critical energy infrastructure information) has been redacted from this report. The full final compliance audit report was submitted to the audited entity and NERC.

The Western Electricity Coordinating Council (“WECC”) performed an on-site compliance audit of Platte River Power Authority (“PRPA”) (NERC ID # NCR05321) on March 16-19, 2009. At the time of the audit, PRPA was registered on the North American Electric Reliability Corporation (“NERC”) Compliance Registry for the following functions:

Transmission Operator (TOP)	Transmission Owner (TO)
Generator Operator (GOP)	Generator Owner (GO)
Load Serving Entity (LSE)	Transmission Service Provider (TSP)
Purchase Selling Entity (PSE)	Planning Authority (PA)
Resource Planner (RP)	Transmission Planner (TP)

The Audit Team evaluated PRPA for compliance with 37 NERC Reliability Standards for the period of June 18, 2007 through March 16, 2009 in accordance with the 2009 NERC Compliance Monitoring and Enforcement Program (“CMEP”). Also, the Audit Team evaluated PRPA for compliance with one additional NERC Reliability Standard associated with an existing PRPA mitigation plan, and for compliance with six WECC Regional Reliability Standards. PRPA provided information for the Audit Team’s evaluation. The information provided by PRPA is described below in the section titled “On-Site Audit”.

Based on the information provided by PRPA, the Audit Team determined that PRPA complied with all of the applicable Reliability Standards. The Audit Team found no new possible violations. PRPA had submitted and completed six mitigation plans at the time of the audit. The Audit Team reviewed PRPA’s mitigation plans in the course of the audit.

## Audit Process

The CMEP details the compliance audit process. The CMEP conforms generally to United States Government Accountability Office Government Auditing Standards (“GAGAS”) and to 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. The audit objectives are to:

- Independently review PRPA's compliance with the requirements of the Reliability Standards that apply to PRPA based on PRPA's registered functions.
- Validate the Registered Entity's compliance with the applicable NERC Reliability Standards from the NERC 2009 Implementation Plan list of actively-monitored Reliability Standards and as selected by WECC.
- 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 PRPA's compliance culture.

## **Scope**

A compliance audit will include an evaluation of all of the Reliability Standards that apply to PRPA monitored by WECC in accordance with the NERC and WECC 2009 Implementation Plans. The scope of an on-site compliance audit can vary depending on whether it is part of a regular, periodic scheduled audit, or as part of a compliance investigation. The Audit Team evaluated PRPA for compliance during the period of June 18, 2007 to March 16, 2009.

## **Confidentiality and Conflicts of Interest**

The WECC Delegation Agreement with NERC, and Section 1500 of the NERC Rules of Procedure, govern issues of confidentiality and conflicts of interest that may arise as the result of an audit. WECC informed PRPA of WECC's obligations and responsibilities under the Delegation Agreement and Rules of Procedure. WECC provided the work history for each Audit Team member to PRPA. PRPA had the opportunity to object to an Audit Team member's participation in the audit on the basis of a possible conflict of interest or because of other circumstances that could interfere with an Audit Team member's impartiality. PRPA did not submit any objections within the fifteen day deadline.

## On-Site Audit

WECC notified PRPA of the audit on January 5, 2009. WECC informed PRPA that the Audit Team would perform the audit in accordance with the CMEP and the 2009 NERC Compliance Questionnaire and Reliability Standard Audit Worksheet (“QRSAW”). WECC provided the following documents and information to PRPA on January 5, 2009:

### Notice of Compliance Audit

- Attachment A: Compliance Monitoring Authority Letter
- Attachment B: Audit Team Biographies
- Attachment C: Pre-Audit Survey
- Attachment D: 2009 NERC Questionnaire Reliability Standard Worksheets and WECC Reliability Standard Audit Worksheets (“WECC RSAWs”)
- Attachment E: Compliance Audit Certification Letter (This certification letter is a form document that NERC requires Registered Entities to review and sign.)

WECC asked PRPA to complete the Pre-Audit Survey, QRSAWs and WECC RSAWs, and return to WECC no later than March 2, 2009. WECC also asked PRPA to provide the following documentation no later than February 23, 2009:

<b>Program and Procedure Document</b>	<b>Function</b>
Sabotage Reporting Procedure (CIP-001-1)	GOP,LSE, TOP
Automatic and Manual Load Shed Plan or Procedure (EOP-003-1)	TOP
System Restoration Plan (EOP-005-1)	TOP
Loss of Primary Control Center Plan (EOP-008-1)	TOP
Vegetation Management Program (FAC-003-1)	TO
Vegetation Management Annual Work Plan for the current and previous year	TO
Operator Training Program (PER-002)	TOP
Current Transmission Planning Assessment (TPL Stds)	PA, TP
List of NERC Certified Operators and Certification Numbers	TOP

In response to WECC’s requests, PRPA provided completed QRSAWs and WECC RSAWs. It also submitted copies of the above-listed documents to WECC. In preparation for the on-site audit, the Audit Team reviewed the QRSAWs and other documents submitted by PRPA to evaluate PRPA’s compliance with each applicable Reliability Standard.

## **Methodology**

As referenced above in the Audit Process section, WECC follows the GAGAS and conducts compliance audits as described in the NERC Compliance Auditor Manual.

## **Audit Overview**

The on-site audit began on March 16, 2009. The Audit Team leader provided an overview of the audit process. PRPA personnel presented an overview of the company's organization and operations. After the introductory meeting, the Audit Team separated into sub-groups of two to three auditors each to review and investigate each applicable Reliability Standard. At least twice each day, the entire Audit Team met to recount preliminary findings and to ensure the entire Audit Team concurred with each sub-group's conclusions.

## **Audit**

During the on-site audit, the Audit Team substantiated the documents and information that PRPA provided before the on-site audit commenced. The Audit Team requested additional information from PRPA during the on-site audit, and cross-checked that information as well to ensure accuracy. The Audit Team spent a significant amount of time reviewing PRPA's procedures, transactions and records. Additionally, the Audit Team interviewed PRPA personnel and subject matter experts during the on-site audit. It also consulted with PRPA's subject matter experts to evaluate PRPA's compliance with the applicable Reliability Standards. Finally, it is worthwhile to note for the purposes of this report that the Audit Team communicated with PRPA's management personnel throughout the course of the audit.

To reach its conclusions during the audit process, the Audit Team relied upon the following: (1) documentation provided by PRPA; (2) interviews with PRPA personnel; (3) consultation with PRPA's subject matter experts; (4) observations made by the Audit Team during the on-site audit; (5) the Reliability Standards; (6) the Audit Team's expertise regarding the Bulk Power System; and (7) consensus of the Audit Team's members. The interviews and documents provided by PRPA provided the Audit Team with a basis for professional judgment when validating PRPA's compliance with the Reliability Standards.

## **Exit Briefing**

To conclude the on-site audit, the Audit Team leader gave a slide presentation to PRPA's personnel summarizing the Audit Team's preliminary findings regarding each

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applicable Reliability Standard. The Audit Team leader also explained the next steps in the audit process and how WECC handles possible violations under the CMEP.

### Company Profile

PRPA is a political subdivision and public corporation of the State of Colorado. It acts as a wholesale electric utility under contract with the Town of Estes Park, the City of Fort Collins, the City of Longmont and the City of Loveland, all of which are located in northern Colorado. PRPA is governed by a Board of Directors whose members include the mayor and utility director from each of the four municipalities listed above.

### Audit Specifics

WECC conducted the compliance audit on March 16-19, 2009 at PRPA's offices in Fort Collins, Colorado.

### Audit Team

The following is a list of WECC Audit Team members and PRPA personnel who participated in the audit.

### Audit Team Members

<b>Title</b>	<b>Company</b>
Sr. Compliance Engineer	WECC
Sr. Compliance Engineer	WECC
Compliance Engineer	WECC
Consultant - Compliance Engineer	WECC
Consultant - Compliance Engineer	WECC
Consultant - Compliance Engineer	WECC
Compliance Program Coordinator	WECC

### PRPA Audit Participants

<b>Title</b>	<b>Company</b>
Systems Planning Manager	PRPA
System Operations Manager	PRPA
System Maintenance Manager	PRPA
System Engineering Manager	PRPA
Plant Electrical Engineer	PRPA
Chief Power System Operator	PRPA

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<b>Title</b>	<b>Company</b>
Power System Training Coordinator	PRPA
Engineering Services Manager	PRPA
Telecommunications Technician	PRPA
Plant Operations Manager	PRPA
Reliability Compliance Officer	PRPA
Distribution Substation Maintenance Supervisor	PRPA
Power System Outage Coordinator	PRPA
Scheduling Supervisor	PRPA
System Planning Engineer	PRPA
Power System Operator	PRPA
Power System Operator	PRPA
Power System Operator	PRPA

## **Audit Results**

The Audit Team reviewed and validated all of the evidence presented by PRPA for the audit, including additional information requested by the Audit Team during the audit and information provided during interviews with PRPA's subject matter experts.

- The Audit Team spent significant time reviewing the evidence, findings and conclusions. The Audit Team conducted an extensive review of PRPA's procedures, descriptions of processes, transactions and records.
- The Audit Team exercised its professional judgment during the overall assessment of the evidence, and determined whether PRPA's evidence was sufficient to confirm compliance with the applicable Reliability Standards.
- The Audit Team had ongoing communications with PRPA during the audit.
- The Audit Team used RSAWS and summaries of auditor notes from interviews to validate compliance with each applicable Reliability Standard and to complete the findings for the audit.
- The Audit Team reviewed PRPA's evidence concerning appropriate supervisory reviews, communications about any deficiencies in internal control and instances of possible violations, and the current status of any mitigation plans pending completion.

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## Findings

The “Finding” column may contain any one of the following: Compliant, Possible Violation (“PV”), Not Applicable (“N/A”).

Reliability Standard	Requirement	Finding
BAL-005-0	R1.	N/A
	R2.	N/A
	R3.	N/A
	R4.	N/A
	R5.	N/A
	R6.	N/A
	R7.	N/A
	R8.	N/A
	R9.	N/A
	R10.	N/A
	R11.	N/A
	R12.	N/A
	R13.	N/A
	R14.	N/A
	R15.	N/A
	R16.	N/A
	R17.	N/A
CIP-001-1	R1.	Compliant
	R2.	Compliant
	R3.	Compliant
	R4.	Compliant
COM-001-1	R1.	Compliant
	R2.	N/A
	R3.	N/A
	R4.	N/A
	R5.	N/A
	R6.	N/A
COM-002-2	R1.	Compliant
	R2.	N/A
EOP-001-0	R1.	N/A
	R2.	Compliant
	R3.	Compliant
	R4.	Compliant
	R5.	Compliant

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<b>Reliability Standard</b>	<b>Requirement</b>	<b>Finding</b>
	R6.	Compliant
	R7.	Compliant
EOP-002-2	R1.	N/A
	R2.	N/A
	R3.	N/A
	R4.	N/A
	R5.	N/A
	R6.	N/A
	R7.	N/A
	R8.	N/A
	R9.	N/A
EOP-003-1	R1.	Compliant
	R2.	Compliant
	R3.	Compliant
	R4.	Compliant
	R5.	Compliant
	R6.	Compliant
	R7.	Compliant
	R8.	Compliant
EOP-005-1	R1.	Compliant
	R2.	Compliant
	R3.	Compliant
	R4.	Compliant
	R5.	Compliant
	R6.	Compliant
	R7.	Compliant
	R8.	Compliant
	R9.	Compliant
	R10.	N/A
	R11.	Compliant
EOP-008-0	R1.	Compliant
FAC-001-0	R1.	Compliant
	R2.	Compliant
	R3.	Compliant
FAC-003-1	R1.	Compliant
	R2.	Compliant
	R3.	Compliant
	R4.	N/A
FAC-008-1	R1.	Compliant

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<b>Reliability Standard</b>	<b>Requirement</b>	<b>Finding</b>
	R2.	Compliant
	R3.	Compliant
FAC-009-1	R1.	Compliant
	R2.	Compliant
FAC-010-1	R1.	N/A
	R2.	Compliant
	R3.	N/A
	R4.	N/A
	R5.	N/A
FAC-014-1	R1.	N/A
	R2.	N/A
	R3.	N/A
	R4.	N/A
	R5.	Compliant
	R6.	N/A
IRO-001-1	R1.	N/A
	R2.	N/A
	R3.	N/A
	R4.	N/A
	R5.	N/A
	R6.	N/A
	R7.	N/A
	R8.	Compliant
	R9.	N/A
IRO-004-1	R1.	N/A
	R2.	N/A
	R3.	Compliant
	R4.	Compliant
	R5.	N/A
	R6.	N/A
	R7.	Compliant
IRO-005-1	R1.	N/A
	R2.	N/A
	R3.	N/A
	R4.	N/A
	R5.	N/A
	R6.	N/A
	R7.	N/A
	R8.	Compliant

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<b>Reliability Standard</b>	<b>Requirement</b>	<b>Finding</b>
	R9.	N/A
	R10.	N/A
	R11.	N/A
	R12.	N/A
	R13.	Compliant
	R14.	N/A
	R15.	N/A
	R16.	N/A
	R17.	N/A
IRO-006-3	R1.	N/A
	R2.	N/A
	R3.	N/A
	R4.	N/A
	R5.	N/A
	R6.	N/A
IRO-STD-006-0	WR1.	Compliant
PER-001-0	R1.	Compliant
PER-002-0	R1.	Compliant
	R2.	Compliant
	R3.	Compliant
	R4.	Compliant
PER-003-0	R1.	Compliant
PRC-001-1	R1.	Compliant
	R2.	Compliant
	R3.	Compliant
	R4.	Compliant
	R5.	Compliant
	R6.	N/A
PRC-004-1	R1.	Compliant
	R2.	Compliant
	R3.	N/A
PRC-005-1	R1.	Compliant
	R2.	Compliant
PRC-STD-005-1	WR1.	N/A
PRC-STD-007-0	WR1.	N/A
PRC-007-0	R1.	Compliant
	R2.	Compliant

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<b>Reliability Standard</b>	<b>Requirement</b>	<b>Finding</b>
	R3.	Compliant
PRC-008-0	R1.	N/A
	R2.	N/A
PRC-017-0	R1.	N/A
	R2.	N/A
TOP-001-1	R1.	Compliant
	R2.	Compliant
	R3.	Compliant
	R4.	Compliant
	R5.	Compliant
	R6.	Compliant
	R7.	Compliant
	R8.	Compliant
TOP-002-2	R1.	Compliant
	R2.	N/A
	R3.	Compliant
	R4.	Compliant
	R5.	N/A
	R6.	N/A
	R7.	N/A
	R8.	N/A
	R9.	N/A
	R10.	N/A
	R11.	Compliant
	R12.	N/A
	R13.	Compliant
	R14.	Compliant
	R15.	Compliant
	R16.	Compliant
	R17.	Complaint
	R18.	Compliant
	R19.	Compliant
TOP-004-1	R1.	Compliant
	R2.	Compliant
	R3.	Compliant
	R4.	Compliant
	R5.	Compliant
	R6.	N/A

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<b>Reliability Standard</b>	<b>Requirement</b>	<b>Finding</b>
TOP-006-1	R1.	N/A
	R2.	Compliant
	R3.	N/A
	R4.	N/A
	R5.	N/A
	R6.	Compliant
	R7.	Compliant
TOP-007-0	R1.	Compliant
	R2.	Compliant
	R3.	Compliant
	R4.	N/A
TOP-008-1	R1.	Compliant
	R2.	Compliant
	R3.	Compliant
	R4.	N/A
TOP-STD-007-0	WR1.	Compliant
TPL-001-0	R1.	Compliant
	R2.	N/A
	R3.	N/A
TPL-002-0	R1.	Compliant
	R2.	N/A
	R3.	N/A
TPL-003-0	R1.	Compliant
	R2.	N/A
	R3.	N/A
VAR-001-1	R1.	Compliant
	R2.	Compliant
	R3.	N/A
	R4.	N/A
	R5.	Compliant
	R6.	N/A
	R7.	Compliant
	R8.	Compliant
	R9.	Compliant
	R10.	Compliant
	R11.	N/A
	R12.	Compliant
VAR-STD-002a-1	WR1.	Compliant
VAR-STD-002b-1	WR1.	Compliant

## **Compliance Culture**

The Audit Team evaluated PRPA's compliance culture during the on-site audit. The Audit Team used the Compliance Program Assessment Worksheet in accordance with the guidance set forth in the Revised Statement of Enforcement issued by the Federal Energy Regulatory Commission on May 15, 2008.

PRPA provided the Audit Team with documentation of its Internal Compliance Program ("ICP"). The documentation showed PRPA's implementation of the ICP, wide dissemination of the ICP contents to PRPA personnel, and active involvement and participation in the ICP by senior management. In addition, PRPA has organized its ICP staff to be independent of personnel directly responsible for compliance with reliability standards. PRPA has staffed its ICP adequately and funded the ICP so that it can fulfill its purpose.

## **Summary of Platte River Power Authority Comments to the Audit Report**

Platte River Power Authority was provided a draft of this audit report for review and comment. They recommended adding the name of an individual that participated in the audit, recommended technical corrections to some of the titles of individuals that participated in the audit, and recommended minor editorial changes in the document. All corrections and recommended changes were incorporated as requested.