



**Compliance Audit Report
Public Version**

**City of St. George (CYSG)
NERC ID: NCR05096**

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

Date of Audit: August 20 – 21, 2009

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Executive Summary

The Western Electricity Coordinating Council (WECC) performed an off-site compliance audit of City of St. George (CYSG), NERC ID NCR05096, on August 20 – 21, 2009. At the time of the audit, CYSG was registered on the North American Electric Reliability Corporation (NERC) Compliance Registry for the following function(s):

Distribution Provider (DP)	Load Serving Entity (LSE)
Generation Owner (GO)	Purchase Selling Entity (PSE)
Generation Operator (GOP)	

The Audit Team evaluated CYSG for compliance with sixteen NERC Reliability Standards for the period of June 18, 2007 – August 20, 2009 in accordance with the NERC Compliance Monitoring and Enforcement Program 2009 Implementation Plan (2009 NERC CMEP IP). The Audit Team also evaluated CYSG for compliance with three WECC Regional Reliability Standards.

CYSG provided information for the Audit Team's evaluation. The information provided by CYSG is described below in the section titled "Off-Site Audit." Based on the evidence provided by CYSG, the Audit Team determined that CYSG complied with all of the applicable Reliability Standards. The Audit Team found zero new possible violations of those Reliability Standards. The section below titled "Audit Results" explains the Audit Team's findings in detail. CYSG had not submitted any mitigation plans at the time of the audit.

This audit report includes information that will be used to help WECC determine the severity level of sanctions and penalties, if applicable. Any possible violations of the Reliability Standards will be processed by WECC in accordance with the WECC Compliance Monitoring and Enforcement Program (CMEP).

Audit Process

The compliance audit process steps are detailed the WECC CMEP. The audit process conforms generally to United States Government Accountability Office Government Auditing Standards (GAGAS) and to other generally accepted audit practices.

Objectives

Registered Entities are subject to audit for compliance with all Reliability Standards applicable to their registered functions.

The objectives of the audit are to:

- Independently review CYSG's compliance with the requirements of the Reliability Standards applicable to CYSG.

- Validate CYSG's compliance with the applicable NERC Reliability Standards from the 2009 NERC CMEP IP 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 Standards, and review the status of associated mitigation plans.

Scope

A compliance audit will include an evaluation of the Reliability Standards applicable to CYSG. These Reliability Standards are listed in the 2009 NERC CMEP IP Actively-Monitored Standards. The scope of the audit is the current year plus the two previous years back to the date of the previous audit or approval of the Reliability Standard. The audit may also include other Reliability Standards applicable to CYSG as determined by the Audit Team lead.

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 CYSG 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 CYSG. CYSG 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. CYSG did not submit any objections within the fifteen day time period specified in the CMEP.

Off-Site Audit

WECC notified CYSG of the audit on June 17, 2009. WECC informed CYSG that the Audit Team would perform the audit in accordance with the CMEP and the 2009 NERC Compliance Reliability Standard Audit Worksheets (RSAW). WECC provided the following documents and information to CYSG on June 17, 2009.

Notice of Compliance Audit

- Attachment A: Compliance Monitoring Authority Letter
- Attachment B: Audit Team Biographies
- Attachment C: Off-Site Pre-Audit Survey
- Attachment D: 2009 NERC Reliability Standard Audit Worksheets and WECC Reliability Standard Audit Worksheets
- Attachment E: Compliance Audit Certification Letter (This certification letter is a form document that NERC requires Registered Entities to review and sign.)
- Attachment F: Confidentiality Agreements for the Audit Team members

WECC asked CYSG to complete the NERC RSAWs and the WECC RSAWs and return them to WECC by August 06, 2009.

In response to WECC's request, CYSG provided completed RSAWs and copies of the above-listed documents. CYSG also provided copies of policies, procedures, plans, programs, emails, data sheets, reports, and other types of documents. In preparation for the off-site audit, the Audit Team reviewed the RSAWs and other documents submitted by CYSG to evaluate compliance with each applicable Reliability Standard.

WECC staff facilitated a pre-audit conference call to give CYSG staff an opportunity to finalize the audit logistics and address any concerns.

Methodology

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

Audit

During the off-site audit, the Audit Team substantiated the documents and information provided by CYSG prior to the audit. The Audit Team requested additional information from CYSG during the off-site audit, and cross-checked that information as well to ensure accuracy. The Audit Team reviewed CYSG's procedures, transactions and records. Additionally, the Audit Team interviewed CYSG personnel during the off-site audit and consulted with CYSG's subject matter experts to evaluate CYSG's compliance with the applicable Reliability Standards. The Audit Team communicated with CYSG'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 CYSG; (2) consultation with CYSG's subject matter experts; (3) the Reliability Standards; (4) the Audit Team's expertise regarding the Bulk Power System; and (5) consensus of the Audit Team's members. The interviews and documents provided by CYSG provided the Audit Team with a basis to use professional judgment when validating CYSG's compliance with the Reliability Standards.

Exit Briefing

To conclude the off-site audit, the Audit Team leader gave a PowerPoint presentation over the telephone to CYSG's personnel summarizing the Audit Team's preliminary findings regarding each 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

CYSG is a local municipal electric utility operated as an enterprise fund of the City of St. George, Utah. The director of the department reports directly to the City Manager and Mayor.

St. George is located in the southwest portion of the state of Utah. CYSG serves approximately $\frac{3}{4}$ of the residential customers in the City boundaries. An electric cooperative serves the other $\frac{1}{4}$ of the residences.

Voltage Levels are:

138 kV – 9.3 Miles (two radial lines)

69 kV - 18.6 Miles

13.2 kV - Distribution System

CYSG is a member of Utah Associated Municipal Power Systems (UAMPS). UAMPS owns the three 138 kV lines (Skyline #1, Skyline #2, & River lines) that connect to the area transmission provider PacifiCorp at the PAC/UAMPS jointly owned St. George substation. (See provided area single line drawing)

The interconnections to neighboring utilities are as follows:

PacifiCorp/Rocky Mountain Power – Ledges Substation – 34.5 kV (tap to feed a single distribution substation)

- Washington City – Millcreek Distribution Substation 69 kV (Normal feed) (UAMPS Line)
- Washington City – Red Cliffs 69 kV meter point (Alternate feed - Normally Open point)
- Hurricane City – Millcreek Distribution Substation 69 kV (UAMPS Line)
- Santa Clara City – Snow Canyon Substation (UAMPS Line)
- Dixie Escalante – Millcreek Generation Plant 138 kV - not completed (Alternate feed – Normally Open point).
- Dixie Escalante – Bloomington Plant 69 kV – (Alternate feed – normally open)

The peak load for CYSG was 175 MW in 2007. SGES is a summer peaking utility.

Audit Specifics

WECC conducted the compliance audit on August 20 – 21, 2009 at the WECC offices in Salt Lake City, Utah.

Audit Team

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

Audit Team Members

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

CYSG Audit Participants

Title	Company
Chief Electrical Engineer	CYSG

Audit Results

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

- The Audit Team spent significant time reviewing the evidence, findings and conclusions. The Audit Team conducted an extensive review of CYSG’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 CYSG’s evidence was sufficient to confirm compliance with the applicable Reliability Standards.
- The Audit Team had ongoing communications with CYSG 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 CYSG’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.

Findings

The “Finding” column may contain any one of the following: Compliant, New Possible Violation, Not Applicable, Not Audited, Outstanding Violation, Retraction requested (Retract), Self-reported Violation (Self-Report), or other appropriate description.

Reliability Standard	Req.	Finding
CIP-001-1	R1.	Compliant
CIP-001-1	R2.	Compliant
CIP-001-1	R3.	Compliant
CIP-001-1	R4.	Compliant
COM-002-2	R1.	Compliant
COM-002-2	R2.	Not Audited
EOP-002-2	R1.	N/A
EOP-002-2	R2.	N/A
EOP-002-2	R3.	N/A
EOP-002-2	R4.	N/A
EOP-002-2	R5.	N/A
EOP-002-2	R6.	N/A
EOP-002-2	R7.	N/A
EOP-002-2	R8.	N/A
EOP-002-2	R9.	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-001-1	R1.	N/A
IRO-001-1	R2.	N/A
IRO-001-1	R3.	N/A
IRO-001-1	R4.	N/A
IRO-001-1	R5.	N/A
IRO-001-1	R6.	N/A
IRO-001-1	R7.	N/A
IRO-001-1	R8.	Compliant
IRO-001-1	R9.	N/A
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
IRO-005-2	R1.	N/A
IRO-005-2	R2.	N/A
IRO-005-2	R3.	N/A
IRO-005-2	R4.	Compliant

Reliability Standard	Req.	Finding
IRO-005-2	R5.	N/A
IRO-005-2	R6.	N/A
IRO-005-2	R7.	N/A
IRO-005-2	R8.	N/A
IRO-005-2	R9.	N/A
IRO-005-2	R10.	N/A
IRO-005-2	R11.	N/A
IRO-005-2	R12.	N/A
IRO-005-2	R13.	Compliant
IRO-005-2	R14.	N/A
IRO-005-2	R15.	N/A
IRO-005-2	R16.	N/A
IRO-005-2	R17.	N/A
IRO-STD-006-0	WR1	Compliant
PRC-001-1	R1.	Compliant
PRC-001-1	R2.	Compliant
PRC-001-1	R3.	Compliant
PRC-001-1	R4.	Not Audited
PRC-001-1	R5.	Compliant
PRC-001-1	R6.	N/A
PRC-004-1	R1.	Compliant
PRC-004-1	R2.	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-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.	Compliant
TOP-001-1	R4.	Compliant
TOP-001-1	R5.	N/A
TOP-001-1	R6.	Compliant
TOP-001-1	R7.	Compliant
TOP-001-1	R8.	N/A
TOP-002-2	R1.	N/A
TOP-002-2	R2.	Not Audited
TOP-002-2	R3.	Compliant
TOP-002-2	R4.	N/A

Reliability Standard	Req.	Finding
TOP-002-2	R5.	Not Audited
TOP-002-2	R6.	Not Audited
TOP-002-2	R7.	Not Audited
TOP-002-2	R8.	Not Audited
TOP-002-2	R9.	N/A
TOP-002-2	R10.	Not Audited
TOP-002-2	R11.	N/A
TOP-002-2	R12.	Not Audited
TOP-002-2	R13.	Compliant
TOP-002-2	R14.	Compliant
TOP-002-2	R15.	Compliant
TOP-002-2	R16.	N/A
TOP-002-2	R17.	N/A
TOP-002-2	R18.	Compliant
TOP-002-2	R19.	N/A
VAR-001-1	R1.	N/A
VAR-001-1	R2.	N/A
VAR-001-1	R3.	Not Audited
VAR-001-1	R4.	Not Audited
VAR-001-1	R5.	Compliant
VAR-001-1	R6.	Not Audited
VAR-001-1	R7.	N/A
VAR-001-1	R8.	N/A
VAR-001-1	R9.	N/A
VAR-001-1	R10.	N/A
VAR-001-1	R11.	Not Audited
VAR-001-1	R12.	N/A
VAR-STD-002a-1	WR1.	Compliant
VAR-STD-002b-1	WR1.	Compliant