



Compliance Audit Report Public Version

**Grays Harbor PUD – GHPD
NCR05172
June 19, 2009**

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

June 23, 2009

Audit Overview

The WECC Compliance Department conducted an off-site compliance audit of the Grays Harbor County Public Utility District (GHPD) on June 19, 2009. The off-site audit was conducted at the WECC Compliance Department offices at 615 Arapeen Drive, Suite 210, Salt Lake City, Utah.

GHPD personnel were notified at the start of the off-site audit and kept informed as the audit progressed. GHPD had personnel available during the audit and at the closing presentation over the telephone.

At the time of the off-site audit, GHPD was registered for the following functions: Transmission Owner (TO), Distribution Provider (DP) and Load Serving Entity (LSE).

The following functions were audited: Transmission Owner (TO), Distribution Provider (DP), and Load Serving Entity (LSE).

The GHPD Internal Compliance Program (ICP) was not reviewed or discussed in detail during this audit.

The audit team used the NERC Compliance Questionnaire and Reliability Standard Audit Worksheets (QRSAs) during the compliance review of each audited reliability standard.

http://www.nerc.com/filez/enforcement/FinalFiled_NOP_NOC-398.pdf

Confidentiality and Conflict of Interest

Confidentiality agreements, executed by the WECC independent contractors (consultants) and code of conduct documentation for the WECC compliance staff and any NERC representatives were available to GHPD in advance of the off-site audit, if requested. Work history and conflict of interest forms submitted by each audit team member were also provided. GHPD 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 that audit team member's impartial performance of duties. GHPD accepted the audit team member participants with no objections.

Off-site Audit

GHPD was officially notified of the off-site audit with a 60-day Notice of Compliance Audit letter. Accompanying this notification were attachments relating to the audit as listed below:

- Notice of Off-site Audit

- Compliance Monitoring Authority Letter
- Audit Team Bios
- Pre-Audit Survey
- Certification Sheet
- 2009 QRSAs

GHPD was notified in the Pre-Audit letter that personnel (subject matter experts representing all the registered functions) would need to be available to answer questions (interviews) the audit team might have regarding the documentation.

GHPD was also informed that the off-site compliance audit would be conducted consistent with the following WECC Regional and NERC documents:

- WECC Compliance Monitoring and Enforcement Program
- NERC 2009 Reliability Standard Audit Worksheets (QRSAs)

GHPD was asked to submit the completed Pre-Audit Survey and other requested documents back to the WECC Compliance Department.

A pre-audit conference call was held by WECC compliance staff with all the Registered Entities scheduled for an off-site audit.

Professional judgment was used by the audit team during the off-site audit. The audit team leader may have requested interviews with employees representing subject matter expertise regarding the registered functions being audited. These interviews in conjunction with the evidence, gave the audit team a factual basis for determining compliance with the NERC reliability standards.

Reference – Generally accepted government auditing standard 3.31 – Auditors must use professional judgment in planning and performing audits and attestation engagements and in reporting the results.

Reference – Generally accepted government auditing standard 3.39 – While this standard places responsibility on each auditor and audit organization to exercise professional judgment in planning and performing an audit or attestation engagement, it does not imply unlimited responsibility, nor does it imply infallibility on the part of either the individual auditor or the audit organization. Absolute assurance is not attainable because of the nature of evidence and the characteristics of fraud. Professional judgment does not mean eliminating all possible limitations or weaknesses associated with a specific audit, but rather identifying, considering, minimizing, mitigating, and explaining them.

Methodology

Methodology: the auditing of reliability standards and best practices to be followed by compliance auditors in carrying out their work. The methodology is

objective, measurable, complete and relevant to the audit objectives. The auditor identifies potential sources of audit evidence and considers the amount and type of evidence needed given the risk and significance when defining the audit methodology.

Audit Specifics

Audit Team

Audit Team Role	Title	Company
Lead	Sr. Compliance Engineer	WECC
Member	Compliance Consultant	WECC

Registered Entity Audit Participants (Attending/Interviewed/Listening)

Title	Organization
Automation and Planning Supervisor	GHPD
Engineering Manager	GHPD

Findings

The preliminary findings of the audit team were presented to GHPD at the closing presentation. These findings are indicated in Table A below. The “Finding” column contains one of the following: Compliant, New Possible Violation (NPV), Not Applicable, Not Audited, Outstanding Violation (OV), Retraction requested (Retract), Self-reported Violation (Self-Report), or other appropriate description.

Table A

Reliability Standard	Requirement	Finding
CIP-001-1	R1.	Compliant
	R2.	Compliant
	R3.	Compliant
	R4.	Compliant
EOP-002-2	R1.	Not Applicable
	R2.	Not Applicable
	R3.	Not Applicable
	R4.	Not Applicable
	R5.	Not Applicable
	R6.	Not Applicable
	R7.	Not Applicable
	R8.	Not Applicable
	R9.	Not Applicable
FAC-001-0	R1.	Compliant
	R2.	Compliant

Reliability Standard	Requirement	Finding
FAC-001-0	R3.	Compliant
FAC-003-1	R1.	Not Applicable
	R2.	Not Applicable
	R3.	Not Audited
	R4.	Not Applicable
FAC-008-1	R1.	Compliant
	R2.	Compliant
	R3.	Compliant
FAC-009-1	R1.	Compliant
	R2.	Compliant
IRO-001-1	R1.	Not Audited
	R2.	Not Applicable
	R3.	Not Applicable
	R4.	Not Audited
	R5.	Not Audited
	R6.	Not Audited
	R7.	Not Applicable
	R8.	Compliant
	R9.	Not Applicable
IRO-004-1	R1.	Not Applicable
	R2.	Not Applicable
	R3.	Not Applicable
	R4.	Compliant
	R5.	Not Applicable
	R6.	Not Applicable
	R7.	Not Applicable
IRO-005-1	R1.	Not Applicable
	R2.	Not Applicable
	R3.	Not Applicable
	R4.	Not Applicable
	R5.	Not Applicable
	R6.	Not Applicable
	R7.	Not Applicable
	R8.	Not Applicable
	R9.	Not Applicable
	R10.	Not Applicable
	R11.	Not Applicable
	R12.	Not Applicable
	R13.	Compliant
	R14.	Not Audited
	R15.	Not Applicable
	R16.	Not Applicable

Reliability Standard	Requirement	Finding
IRO-005-1	R17.	Not Applicable
IRO-STD-006-0	WR1	Compliant
PRC-004-1	R1.	Compliant
	R2.	Not Applicable
	R3.	Compliant
PRC-005-1	R1.	New Possible Violation
	R2.	New Possible Violation
PRC-008-0	R1.	Not Applicable
	R2.	Not Applicable
PRC-017-0	R1.	Not Applicable
	R2.	Not Audited
PRC-STD-005-1	WR1	Not Applicable
TOP-001-1	R1.	Not Applicable
	R2.	Not Applicable
	R3.	Not Applicable
	R4.	Compliant
	R5.	Not Applicable
	R6.	Not Applicable
	R7.	Not Applicable
	R8.	Not Applicable
TOP-002-2	R1.	Not Applicable
	R2.	Not Audited
	R3.	Compliant
	R4.	Not Applicable
	R5.	Not Audited
	R6.	Not Audited
	R7.	Not Audited
	R8.	Not Audited
	R9.	Not Applicable
	R10.	Not Audited
	R11.	Not Applicable
	R12.	Not Audited
	R13.	Not Applicable
	R14.	Not Applicable
	R15.	Not Applicable
	R16.	Not Applicable
	R17.	Not Applicable
	R18.	Compliant
	R19.	Not Applicable
VAR-001-1	R1.	Not Applicable
	R2.	Not Applicable

Reliability Standard	Requirement	Finding
VAR-001-1	R3.	Not Applicable
	R4.	Not Applicable
	R5.	Compliant
	R6.	Not Applicable
	R7.	Not Applicable
	R8.	Not Applicable
	R9.	Not Applicable
	R10.	Not Applicable
	R11.	Not Applicable