



# **Compliance Audit Report Public Version**

**City of Clewiston**  
NERC ID# 00014

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

**Date of Audit: November 16-17, 2010**

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## Executive Summary

A compliance audit of City of Clewiston (CLE), NERC ID # 00014 was conducted from November 16 to November 17, 2010. At the time of the audit, CLE was registered for the Transmission Owner and Distribution Provider functions.

The audit team evaluated CLE for compliance with twenty-eight (28) requirements in the 2010 NERC Compliance Monitoring and Enforcement Program (CMEP). The audit team assessed compliance with the NERC Reliability Standards, and applicable Regional Reliability Standards, for the period of June 18, 2007 to November 17, 2010. CLE submitted information and documentation for the audit team's evaluation of compliance with requirements. The audit team reviewed and evaluated all information provided by CLE to assess compliance with standards applicable to CLE at this time.

Based on the information and documentation provided by CLE, the audit team found CLE to have no findings of non-compliance with twenty-three (23) applicable requirements. The audit team determined that three (3) requirements were not applicable to CLE. The audit team identified one (1) Possible Violation. A Possible Violation was identified for FAC-008-1, R.1, Facility Ratings Methodology and sub-requirements 1.3.2, 1.3.3, 1.3.4, and 1.3.5. The audit team did not have a finding for PRC-005-1, R.2, Transmission and Generation Protection System Maintenance and Testing due to an open enforcement action due to a self-report (FRCC201000395).

These audit results are further explained in the Audit Results Findings section of this report which includes detailed information of the audit team's findings of applicability and compliance for the NERC Reliability Standards, and Applicable Regional Reliability Standards, within the scope of the compliance audit. Any Possible Violations will be processed through the NERC CMEP. There were not ongoing or recently completed mitigation plans and therefore none were reviewed by the audit team.

The Florida Reliability Coordinating Council, Inc. (FRCC) audit team lead certifies that the audit team adhered to all applicable requirements of the NERC Rules of Procedure (RoP) and Compliance Monitoring and Enforcement Program (CMEP).\*

## Audit Process

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

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\* This statement replaces the Regional Entity Self-Certification process.

### ***Objectives***

All Registered Entities are subject to an audit for compliance with all reliability standards applicable to the functions for which the Registered Entity is registered.<sup>†</sup> The audit objectives are to:

- Review compliance with the requirements of reliability standards that are applicable to CLE, based on the functions that CLE is registered to perform;
- Validate compliance with applicable reliability standards from the NERC 2010 Implementation Plan list of actively monitored standards, and additional NERC Reliability Standards selected by FRCC;
- Validate compliance with applicable regional standards from the FRCC 2010 Implementation Plan list of actively monitored standards;
- Validate evidence of self-reported violations and previous self-certifications;
- Observe and document CLE's compliance program and culture;
- Review the status of mitigation plans.

### ***Scope***

The scope of the compliance audit included the NERC Reliability Standards from the FRCC 2010 Implementation Plan. In addition, this audit included a review of mitigation plans or remedial action directives which have been completed or pending in the year of the compliance audit.

At the time of the audit, CLE was registered for the functions of Transmission Owner and Distribution Provider. The audit team evaluated CLE for compliance during the period of June 18, 2007 to November 17, 2010.

### **Confidentiality and Conflict of Interest**

Confidentiality and conflict of interest of the audit team are governed under the FRCC Delegation Agreement with NERC, and Section 1500 of the NERC Rules of Procedure. CLE was informed of FRCC's obligations and responsibilities under the agreement and procedures. The work history for each audit team member was provided to CLE. CLE was given an opportunity to object to an audit team member's participation on the basis of a possible conflict of interest or the existence of other circumstances that could interfere with an audit team member's impartial performance of duties. CLE had not submitted any objections by the stated fifteen day objection due date and accepted the audit team member participants without objection. There have been no denials of or access limitations placed upon this audit team by CLE.

### ***Methodology***

The audit team reviewed the information, data, and evidence submitted by CLE and assessed compliance with requirements of the applicable reliability standards. Submittal of information

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

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and data were sent to FRCC sixty (60) days before the scheduled date of the entity review. Additional information relevant to the audit could be submitted until the conclusion of the exit briefing. After that date, only data or information which was relevant to the content of the report or its finding can be submitted upon agreement by the audit team lead.

The audit team requested and received additional information and sought clarification from subject matter experts during the audit.

The audit team reviewed documentation provided by CLE. Data, information and evidence submitted in the form of policies, procedures, e-mails, logs, studies, data sheets, etc. which were validated, substantiated and cross-checked for accuracy as appropriate. Requirements which required a sampling to be conducted were developed based upon the significance of the sampling to the reliability of the bulk electric system (BES).

Findings were based on the audit team's knowledge of the BES, the NERC Reliability Standards and their professional judgment. All findings were developed based upon the consensus of the audit team.

### ***Company Profile***

The City of Clewiston is a small municipal located in Glade County, Florida with an area of about four square miles. The Electric Director reports to the City Manager who reports to a City commission. The City of Clewiston owns the 138 kV McCarthy substation which is operated by Florida Power and Light (FPL). The 138 kV McCarthy substation is fed from the FPL's Fort Myers switchyard and the FPL's South Bay substation. From the 138 kV McCarthy substation two 138 kV circuits serve the two autotransformers at Clewiston substation 3.5 miles from the McCarthy substation. City of Clewiston peak load is 26 MW.

### ***Audit Participants***

The following is a listing of all personnel from the Audit Team and CLE who were present during the meetings or interviews.

#### **Audit Team Participants**

<b>Role</b>	<b>Title</b>	<b>Entity</b>
Audit Team Lead	Compliance Engineer	FRCC
Team Member	Compliance Auditor	FRCC

#### **CLE Audit Participants**

<b>Title</b>	<b>Entity</b>
Utilities Director	City of Clewiston
Compliance Manager	City of Clewiston
Compliance Specialist	FMPA

## Audit Results

The audit team evaluated CLE for compliance with twenty-eight (28) requirements in the 2010 NERC Compliance Monitoring and Enforcement Program (CMEP). The audit reviewed NERC Reliability Standards for the period of June 18, 2007 to November 17, 2010. CLE submitted information and documentation for the audit team's evaluation of compliance with requirements. The audit team reviewed and evaluated all information provided by CLE to assess compliance with standards applicable to CLE at this time.

Based on the information and documentation provided by CLE, the audit team found CLE to have no findings of non-compliance with twenty-three (23) applicable requirements. The audit team determined that three (3) requirements were not applicable to CLE. The audit team identified one (1) Possible Violation. A Possible Violation was identified for FAC-008-1, R.1, Facility Ratings Methodology and sub-requirements 1.3.2, 1.3.3, 1.3.4, and 1.3.5. The audit team did not have a finding for PRC-005-1, R.2, Transmission and Generation Protection System Maintenance and Testing due to an open enforcement action due to a self-report (FRCC201000395).

## Findings

The following table details the findings for compliance for the scope identified for this audit.

Reliability Standard	Requirement	Finding
FAC-001-1	1	No Findings
FAC-001-1	1.1	No Findings
FAC-001-1	1.2	No Findings
FAC-001-1	1.3	No Findings
FAC-001-1	2	No Findings
FAC-001-1	2.1	No Findings
FAC-001-1	3	No Findings
FAC-002-0	1.4	No Findings
FAC-002-0	1.5	No Findings
FAC-003-1	1	Not Applicable
FAC-003-1	1.1	Not Applicable
FAC-003-1	1.2	Not Applicable
FAC-003-1	1.3	Not Applicable
FAC-003-1	1.4	Not Applicable
FAC-003-1	1.5	Not Applicable
FAC-003-1	2	Not Applicable
FAC-008-1	1	Possible Violation
FAC-008-1	1.1	No Findings
FAC-008-1	1.2	No Findings

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FAC-008-1	1.3	Possible Violation
FAC-008-1	2	No Findings
FAC-008-1	3	No Findings
FAC-009-1	1	No Findings
FAC-009-1	2	No Findings
IRO-004-1	4	No Findings
NUC-001-2	1	No Findings
NUC-001-2	2	No Findings
NUC-001-2	3	No Findings
NUC-001-2	4	No Findings
NUC-001-2	5	No Findings
NUC-001-2	6	No Findings
NUC-001-2	7	No Findings
NUC-001-2	8	No Findings
NUC-001-2	9	No Findings
PRC-004-1	1	No Findings
PRC-005-1	1	No Findings
PRC-005-1	1.1	No Findings
PRC-005-1	1.2	No Findings
PRC-005-1	2	Open Enforcement Action
PRC-005-1	2.1	Open Enforcement Action
PRC-005-1	2.2	No Findings
PRC-008-0	1	No Findings
PRC-008-0	2	No Findings
PRC-017-0	1	Not Applicable
PRC-017-0	1.1	Not Applicable
PRC-017-0	1.2	Not Applicable
PRC-017-0	1.3	Not Applicable
PRC-017-0	1.4	Not Applicable
PRC-017-0	1.5	Not Applicable
TOP-001-1	4	No Findings

***Compliance Culture***

CLE's compliance culture was reviewed by the audit team.

The audit team compiled an overview of the entities compliance culture based upon the Internal Compliance Survey questions, information gathered at the audit, and observations made at the audit.

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CLE's Internal Compliance Program (ICP) demonstrated an active engagement and leadership components by senior management. CLE's ICP was budgeted and staff sufficiently with management who reported on a regular basis to senior management in an independent manner. A commitment was made to provide training to appropriate parties on the ICP and to provide training to appropriate parties on issues associated with the ICP (workshops, webinars, etc.). CLE is conducting periodic review of the ICP and participates in periodic reviews of the compliance program (PEER review).

Additional information pertaining to the compliance culture of CLE can found in the Internal Compliance Survey.