

Contains Confidential Information (including Privileged and Critical Energy Infrastructure Information) Has Been Remove



Compliance Audit Report Public Version

City of Minden
NERC ID# NCR06034

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

Date of Audit: May 4, 2010

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Executive Summary

A compliance audit of City of Minden (Minden), NERC ID # - NCR06034 was conducted on May 4, 2010. At the time of the audit, Minden was registered for the Distribution Provider (DP), and Load-Serving Entity (LSE) functions.

The audit team evaluated Minden for compliance with 18 requirements in the 2010 NERC Compliance Monitoring and Enforcement Program (CMEP). The audit team reviewed the NERC Reliability Standards for the period of June 18, 2007 to May 4, 2010. Minden submitted information and documentation for the audit team's evaluation of compliance with requirements. The audit team reviewed and evaluated all information provided by Minden to assess compliance with standards applicable to Minden at this time.

Based on the information and documentation provided by Minden, the audit team found Minden to be compliant with 8 applicable requirements. The audit team determined that 6 requirements were not applicable to Minden. The audit team identified 4 Possible Alleged Violations.

Possible Alleged Violations were identified for:

- CIP-001-1 R1, Sabotage Reporting
- CIP-001-1 R2, Sabotage Reporting
- CIP-001-1 R3, Sabotage Reporting
- CIP-001-1 R4, Sabotage Reporting

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 within the scope of the compliance audit. Any Possible Alleged Violations will be processed through the NERC and SPP RE CMEP.

There were no ongoing or recently completed mitigation plans and therefore none were reviewed by the audit team.

The link to the City of Minden's NOP can be viewed [here](#).

Audit Process

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

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.* The audit objectives are to:

- Review compliance with the requirements of reliability standards that are applicable to Minden, based on the functions that Minden 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 SPP RE;
- Validate compliance with applicable regional standards from the SPP RE 2010 Implementation Plan list of actively monitored standards;
- Validate evidence of self-reported violations and previous self-certifications;
- Observe and document Minden'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 SPP RE 2010 Implementation Plan. In addition, this audit included any self-reports, self-certifications, outstanding 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, Minden was registered for the functions Distribution Provider (DP), and Load-Serving Entity (LSE). The audit team evaluated Minden for compliance during the period of June 18, 2007 to May 4, 2010.

Confidentiality and Conflict of Interest

Confidentiality and conflict of interest of the audit team are governed under the SPP RE Delegation Agreement with NERC, and Section 1500 of the NERC Rules of Procedure. Minden was informed of SPP RE's obligations and responsibilities under the agreement and procedures. The work history for each audit team member was provided to Minden. Minden 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. Minden had not submitted any objections by the stated fifteen day objection due date and accepted the audit team member participants without

* North American Electric Reliability Corporation CMEP, paragraph 3.1, Compliance Audits

objection. There have been no denials of or access limitations placed upon this audit team by Minden.

Methodology

The audit team reviewed the information, data, and evidence submitted by Minden and assessed compliance with requirements of the applicable reliability standards. Submittal of information and data were sent to SPP RE 30 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 Minden. Data, information and evidence submitted in the form of policies, procedures, e-mails, logs, studies, data sheets, etc. 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 Minden Entity is operated by the City of Minden Municipality with the Director of Public Utilities reporting directly to the Mayor.

The City of Minden has one interconnection with Entergy at a voltage of 115 KV. Minden has a 20 year full requirements power supply agreement with AEP SWEPCO effective 1/01/09. The City of Minden electrical system has approximately 6,595 customers - 5,443 residential customers, 1,116 commercial customers and 36 industrial customers. The City of Minden had a summer peak load in 2009 of 39,928 KW and a winter peak load of 23,212 KW. There is approximately 2 miles of 115 KV transmission line owned by the City of Minden connecting Entergy's substation to the City of Minden's Steam Plant substation. The City of Minden Steam Plant has two Generators rate at 12.5 MVA each. In addition the City of Minden has 5 Diesel Generators that have a total capacity of 8 MVA. All generators are dispatchable by AEP.

Audit Participants

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

Audit Team Participants

Title	Entity
Lead Compliance Specialist	SPP RE
Contract Consultant	SPP RE
Contract Consultant	SPP RE

Minden Audit Participants

Title	Entity
Electrical Production Superintendent	Minden

Audit Results

The audit team evaluated Minden for compliance with 18 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 May 4, 2010. Minden submitted information and documentation for the audit team's evaluation of compliance with requirements. The audit team reviewed and evaluated all information provided by Minden to assess compliance with standards applicable to Minden at this time.

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- CIP-001-1 R4, Sabotage Reporting

Findings

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

Reliability Std.	Req.	Finding
CIP-001-1	R1	PAV

Reliability Std.	Req.	Finding
CIP-001-1	R2	PAV
CIP-001-1	R3	PAV
CIP-001-1	R4	PAV
EOP-002-2	R9	Compliant
FAC-002-0	R1	Compliant
IRO-001-1	R8	Compliant
IRO-004-1	R4	Compliant
IRO-005-2	R13	Compliant
PRC-004-1	R1	NA
PRC-005-1	R1	NA
PRC-005-1	R2	NA
PRC-008-0	R1	NA
PRC-008-0	R2	NA
PRC-017-0	R1	NA
TOP-001-1	R4	Compliant
TOP-002-2	R3	Compliant
TOP-002-2	R18	Compliant

Compliance Culture

Minden’s compliance culture was reviewed by the audit team.

The Electrical Production Superintendent is responsible for the City of Minden’s Compliance Program. The Electrical Production Superintendent reports to the Public Works Director who reports directly to the Mayor of Minden. The Electrical Production Superintendent meets bi-monthly with the Public Works Director to discuss compliance related issues. Training is provided annually to the Electrical Department on compliance related issues.

Post Audit Activities

This report was reviewed and approved by:
Ronald W. Ciesiel
Executive Director of Compliance, SPP RE
May 27, 2010