



**Compliance Audit Report
Public Version**

**City of Longmont (CYLM)
NCR05086**

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

Date of Audit: September 16, 2010

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Executive Summary

The Western Electricity Coordinating Council (WECC) performed a compliance audit of City of Longmont (CYLM), NERC ID NCR05086 on September 16, 2010. At the time of the audit, CYLM was registered on the North American Electric Reliability Corporation (NERC) Compliance Registry for the following functions:

Distribution Provider (DP)

The Audit Team evaluated CYLM for compliance with twenty-five (25) requirements in the NERC Compliance Monitoring and Enforcement Program 2010 Implementation Plan (CMEP IP). Additionally zero (0) requirements in the WECC Regional Reliability Standards were audited. The Audit Team assessed compliance with the NERC Reliability Standards for the period of June 18, 2007 to September 16, 2010. CYLM submitted information and documentation for the Audit Team's evaluation of compliance with requirements. The Audit Team reviewed and evaluated all information provided by CYLM to assess compliance with standards applicable to CYLM at this time.

Based on the information and documentation provided by CYLM, the Audit Team found CYLM to be compliant with seven (7) applicable requirements. The Audit Team determined that eighteen (18) Requirements were not applicable to CYLM. CYLM had zero (0) Outstanding Violations. The Audit Team identified zero New Possible Violation(s).

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.

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

Objectives

A Registered Entity is subject to audit for compliance with all Reliability Standards applicable to its registered functions.

The audit objectives are to:

- Review compliance with the requirements of Reliability Standards that are applicable to CYLM , based on the functions that CYLM is registered to perform;
- Validate compliance with applicable Reliability Standards from the NERC 2010 CMEP Implementation Plan list of actively-monitored Reliability Standards and any applicable NERC Reliability Standards selected by WECC;
- Validate compliance with applicable Regional Standards from the WECC 2010 CMEP Implementation Plan list of actively monitored standards;
- Validate evidence of self-reported violations and previous self-certifications;
- Review the status of mitigation plans.

Scope

The scope of the compliance audit included the NERC Reliability Standards from the WECC CMEP 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, CYLM was registered for the function of Distribution Provider (DP). The Audit Team evaluated CYLM for compliance during the period of June 18, 2007 to September 16, 2010.

WECC notified CYLM of the audit on July 09, 2010. WECC informed CYLM that the Audit Team would perform the audit in accordance with the CMEP and the 2010 NERC Compliance Questionnaire and Reliability Standard Audit Worksheets (RSAW). In preparation for the audit, the Audit Team reviewed the RSAWs and other documents submitted by CYLM to evaluate compliance with each applicable Reliability Standard.

Confidentiality and Conflicts of Interest

Confidentiality and Conflict of Interest of the Audit Team are governed under the WECC Delegation Agreement with NERC, and Section 1500 of the NERC Rules of Procedure. CYLM was informed of WECC's obligations and responsibilities under the Delegation Agreement and Rules of Procedure. On July 09, 2010, WECC provided the work history for each Audit Team member to CYLM. CYLM 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. Section 3.1.5 of the WECC CMEP requires the CYLM to submit any objections no later than fifteen days prior to the start of the audit. CYLM did not submit any objections regarding any Audit Team members. There have been no denials of information or access limitations placed upon this Audit Team by CYLM.

Methodology

The Audit Team reviewed the information, data, and evidence submitted by CYLM and assessed compliance with requirements of the applicable Reliability Standards. Submittals of information and requests for data were sent to CYLM at least thirty days before the scheduled date of the audit. Additional information relevant to the audit could be submitted until the last day of the review at the audit site. After that date, only data or information which was relevant to the content of the report or its findings 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 CYLM. Data, information and evidence submitted in the form of policies, procedures, emails, logs, data sheets, etc., was validated, substantiated and cross checked for accuracy as appropriate. Where sampling is applicable to a requirement, the sample set is determined by a statistical methodology augmented with professional judgment to ensure that the sample set is representative of the Requirement's significance to the reliability of the Bulk Electrical System (BES).

Findings were based on the Audit Team's knowledge of the BES, the NERC Reliability Standards and team members' professional judgment. All findings were developed based on the consensus of the Audit Team.

Company Profile

The City of Longmont – Longmont Power and Communications Department (CYLM) is governed by a City Council which includes the Mayor and six Council Members. The CYLM Director reports to the City Manager. CYLM provides distribution electric service to 36,383 customers in northern Colorado. Presently, all of the CYLM power is acquired from a wholesale electric utility, Platte River Power Authority (PRPA). CYLM is a summer peaking area with a system peak load of 178 MW.

Audit Participants

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

Audit Team Members

Audit Team Role	Title	Company
Audit Team Lead	Senior Compliance Engineer	WECC
Auditor	Compliance Engineer	WECC

CYLM Audit Participants

Title	Company
Chief Electrical Engineer	CYLM
Senior Electrical Engineer	CYLM

Audit Results

The Audit Team evaluated CYLM for compliance with twenty-five (25) requirements in the NERC Compliance Monitoring and Enforcement Program 2010 Implementation Plan (CMEP IP). Additionally zero (0) requirements in the WECC Regional Reliability Standards were audited. The Audit Team assessed compliance with the NERC Reliability Standards for the period of June 18, 2007 to September 16, 2010. CYLM submitted information and documentation for the Audit Team's evaluation of compliance with requirements. The Audit Team reviewed and evaluated all information provided by CYLM to assess compliance with standards applicable to CYLM at this time.

Based on the information and documentation provided by CYLM, the Audit Team found CYLM to be compliant with seven (7) applicable requirements. The Audit Team determined that eighteen (18) Requirements were not applicable to CYLM. CYLM had zero (0) Outstanding Violations. The Audit Team identified zero New Possible Violation(s).

Findings

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

The Finding column may contain any one of the following: Compliant, New Possible Violation, Not Applicable (N/A), Outstanding Violation, Retraction Requested, Self-Reported Violation, or other appropriate description.

Standard	Req.	Finding
FAC-002-0	R1.	Compliant
NUC-001-2	R1.	N/A
NUC-001-2	R2.	N/A
NUC-001-2	R3.	N/A

NUC-001-2	R4.	N/A
NUC-001-2	R5.	N/A
NUC-001-2	R6.	N/A
NUC-001-2	R7.	N/A
NUC-001-2	R8.	N/A
NUC-001-2	R9.	N/A
PRC-004-1	R1.	Compliant
PRC-004-1	R2.	N/A
PRC-005-1	R1.	Compliant
PRC-005-1	R2.	Compliant
PRC-008-0	R1.	Compliant
PRC-008-0	R2.	Compliant
PRC-017-0	R1.	N/A
TOP-001-1	R1.	N/A
TOP-001-1	R2.	N/A
TOP-001-1	R3.	N/A
TOP-001-1	R4.	Compliant
TOP-001-1	R5.	N/A
TOP-001-1	R6.	N/A
TOP-001-1	R7.	N/A
TOP-001-1	R8.	N/A

Compliance Culture

CYLM's compliance culture was not reviewed in detail by the Audit Team.

Exit Briefing

To conclude the audit, the Audit Team leader gave a PowerPoint presentation for CYLM's personnel summarizing the Audit Team's preliminary findings. The Audit Team leader also explained the next steps in the audit process and how WECC handles possible violations under the CMEP.

In Accordance with WECC CMEP Section 3.1.6:

WECC provided the draft of this audit report and an Entity Comment Form to CYLM on September 22, 2010 for review and comment. On September 23, 2010, CYLM provided comments. The Entity Comment Form on file in the WECC Compliance Department provides a record of these comments and WECC's consideration of them for inclusion in this final report.

Management Approval

This report was reviewed and approved by John McGhee, WECC Director of Compliance Audits and Investigations on September 24, 2010.