



**Compliance Audit Report  
Public Version**

**GWFP Power Systems, LP (GWFP)  
NCR05175**

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

**Date of Audit: February 09, 2010**

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## **Executive Summary**

The Western Electricity Coordinating Council (WECC) performed an Off-site compliance audit of GWF Power Systems, LP GWFP NERC ID NCR05175 on February 09, 2010. At the time of the audit, GWFP was registered on the North American Electric Reliability Corporation (NERC) Compliance Registry for the following functions:

Generator Owner (GO)  
Generator Operator (GOP)

The Audit Team evaluated GWFP for compliance with 83 requirements in the 2010 NERC Compliance Monitoring and Enforcement Program Implementation Plan (CMEP IP). Additionally, the Audit Team reviewed the NERC Reliability Standards for the period from June 18, 2007 to February 09, 2010. GWFP submitted information and documentation for the Audit Team's evaluation of compliance with requirements. The Audit Team reviewed and evaluated all information provided by GWFP to assess compliance with standards applicable to GWFP at this time.

Based on the information and documentation provided by GWFP, the Audit Team found GWFP to be compliant with 37 applicable requirements. The Audit Team determined that 46 requirements were not applicable to GWFP. The Audit Team identified no New Possible Violation(s).

These audit results are further explained in the Audit Results Findings section of this report which includes detailed information regarding the Audit Team's findings of applicability and compliance for the NERC Reliability Standards reviewed during the compliance audit. Any Possible Alleged Violations will be processed through the NERC and WECC CMEP.

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

## **Audit Process**

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

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

## **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, GWFP was registered for the functions GO and GOP. The Audit Team evaluated GWFP for compliance during the period of June 18, 2007 to February 09, 2010.

WECC notified GWFP of the audit on December 04, 2009. WECC informed GWFP 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 off-site audit, the Audit Team reviewed the RSAWs and other documents submitted by GWFP 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. GWFP was informed of WECC's obligations and responsibilities under the agreement and procedures. WECC provided the work history for each Audit Team member to GWFP. GWFP 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 GWFP to submit any objections no later than fifteen days prior to the start of the on-site audit. GWFP 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 GWFP.

## **Methodology**

The Audit Team reviewed the information, data, and evidence submitted by GWFP and assessed compliance with requirements of the applicable Reliability Standards. Submittals of information and requests for data were sent to GWFP 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 GWFP. 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**

GWF Power Systems, LP is comprised of Bay Area, Inc. (GWFB) (2%), a wholly owned subsidiary of GWF Power Systems Company, Inc. (GWF), as managing general partner, PSEG Bay Area, Inc. (PSEGB) (0.5%) and Harbert Bay Area, Inc. (HB) (0.5%) as general partners; and PSEG Global USA L.L.C. (PSEGU) and Harbert GWF, Inc. (HG) (48.5%) as limited partners.

The ultimate holdings company of PSEGU and PSEGB is Public Service Enterprise Group Incorporated (PSEG), and the ultimate holdings company of HG and HB is Harbert Corporation. The Partnership is ultimately owned 50% each by PSEG and Harbert Corporation.

## **Audit Participants**

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

### Audit Team Members

<b>Audit Team Role</b>	<b>Title</b>	<b>Company</b>
Audit Team Lead	Sr. Compliance Engineer	WECC
Member	Consultant	WECC
Member	Consultant	WECC

### GWFP Audit Participants

<b>Title</b>	<b>Company</b>
Director, Operations	GWFP
Technical Specialist	GWFP
I&E Supervisor	GWFP

### Audit Results

The Audit Team evaluated GWFP for compliance with 83 requirements in the 2010 CMEP IP. The Audit Team reviewed the NERC Reliability Standards for the period of June 18, 2007 to February 09, 2010. GWFP submitted information and documentation for the Audit Team's evaluation of compliance with requirements. The Audit Team reviewed and evaluated all information provided by GWFP to assess compliance with standards applicable to GWFP at this time.

Based on the information and documentation provided by GWFP, the Audit Team found GWFP to be compliant with 37 of applicable requirements. The Audit Team determined that 46 were not applicable to GWFP. The Audit Team identified no New Possible Violation(s).

### Findings

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

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

<b>Standard</b>	<b>Req.</b>	<b>Finding</b>
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 Applicable

<b>Standard</b>	<b>Req.</b>	<b>Finding</b>
FAC-002-0	R1.	Compliant
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-001-1.1	R3.	Not Applicable
IRO-001-1.1	R7.	Not Applicable
IRO-001-1.1	R8.	Compliant
IRO-001-1.1	R9.	Not Applicable
IRO-004-1	R1.	Not Applicable
IRO-004-1	R2.	Not Applicable
IRO-004-1	R3.	Not Applicable
IRO-004-1	R4.	Compliant
IRO-004-1	R5.	Not Applicable
IRO-004-1	R6.	Not Applicable
IRO-004-1	R7.	Not Applicable
IRO-005-2	R1.	Not Applicable
IRO-005-2	R2.	Not Applicable
IRO-005-2	R3.	Not Applicable
IRO-005-2	R4.	Not Applicable
IRO-005-2	R5.	Not Applicable
IRO-005-2	R7.	Not Applicable
IRO-005-2	R8.	Not Applicable
IRO-005-2	R9.	Not Applicable
IRO-005-2	R10.	Not Applicable
IRO-005-2	R11.	Not Applicable
IRO-005-2	R12.	Not Applicable
IRO-005-2	R13.	Compliant
IRO-005-2	R14.	Not Applicable
IRO-005-2	R15.	Not Applicable
IRO-005-2	R16.	Not Applicable
IRO-005-2	R17.	Not Applicable
PRC-001-1	R1.	Compliant
PRC-001-1	R2.	Compliant
PRC-001-1	R3.	Compliant
PRC-001-1	R4.	Not Applicable
PRC-001-1	R5.	Compliant
PRC-001-1	R6.	Not Applicable
PRC-004-1	R1.	Not Applicable

<b>Standard</b>	<b>Req.</b>	<b>Finding</b>
PRC-004-1	R2.	Compliant
PRC-005-1	R1.	Compliant
PRC-005-1	R2.	Compliant
PRC-017-0	R1.	Not Applicable
TOP-001-1	R1.	Not Applicable
TOP-001-1	R2.	Not Applicable
TOP-001-1	R3.	Compliant
TOP-001-1	R4.	Not Applicable
TOP-001-1	R5.	Not Applicable
TOP-001-1	R6.	Compliant
TOP-001-1	R7.	Compliant
TOP-001-1	R8.	Not Applicable
TOP-002-2	R1.	Not Applicable
TOP-002-2	R2.	Not Applicable
TOP-002-2	R3.	Compliant
TOP-002-2	R4.	Not Applicable
TOP-002-2	R5.	Not Applicable
TOP-002-2	R6.	Not Applicable
TOP-002-2	R11.	Not Applicable
TOP-002-2	R13.	Compliant
TOP-002-2	R14.	Compliant
TOP-002-2	R15.	Compliant
TOP-002-2	R16.	Not Applicable
TOP-002-2	R17.	Not Applicable
TOP-002-2	R18.	Compliant
TOP-002-2	R19.	Not Applicable
TOP-003-0	R1.	Not Applicable
TOP-003-0	R2.	Compliant
TOP-003-0	R3.	Compliant
TOP-003-0	R4.	Not Applicable
VAR-002-1.1a	R1.	Compliant
VAR-002-1.1a	R2.	Compliant
VAR-002-1.1a	R3.	Compliant
VAR-002-1.1a	R4.	Compliant
VAR-002-1.1a	R5.	Compliant
VAR-STD-002a-1	WR1.	Compliant
VAR-STD-002b-1	WR1.	Not Applicable

## **Compliance Culture**

GWFP's compliance culture was not reviewed by the Audit Team.

## **Exit Briefing**

To conclude the audit, the Audit Team leader gave a PowerPoint presentation for GWFP'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 GWFP on March 15, 2010 for review and comment. However, GWFP provided no comments.

## **Management Approval**

This report was reviewed and approved by WECC's Director of Compliance Audits and Investigations on April 8, 2010.