



# **Compliance Audit Report Public Version**

City of Winter Park  
NERC ID# 00081

**Does Not Contain Confidential Information  
(including Privileged and Critical Energy  
Infrastructure Information)**

**Date of Audit: October 18, 2011  
Date of Approval: December 19, 2011**

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## Executive Summary

A compliance audit of the City of Winter Park (WP), NERC ID NCR00081 was conducted on October 18, 2011 at the WP office. Compliance pre-audit reviews were performed on September 27, 2011 and October 3, 2011 at the Florida Reliability Coordinating Council, Inc. (FRCC) office. At the time of the audit, WP was registered for the Distribution Provider (DP) and Load Serving Entity (LSE) functions.

The audit team evaluated WP for compliance with eleven (11) Reliability Standards and twenty (20) requirements in the 2011 NERC Compliance Monitoring and Enforcement Program (CMEP). The audit team assessed compliance with the North American Electric Reliability Corporation (NERC) Reliability Standards, and applicable Regional Reliability Standards, for the period of June 18, 2007 to October 18, 2011. WP submitted information and documentation for the audit team's evaluation of compliance with requirements. The audit team reviewed and evaluated all information provided by WP to assess compliance with standards applicable to WP at this time.

Based on the information and documentation provided by WP, the audit team found WP to have no findings of non-compliance with eight (8) applicable requirements. The audit team determined that twelve (12) requirements were not applicable to WP.

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. There were not any ongoing or recently completed mitigation plans and therefore none were reviewed by the audit team.

The FRCC audit team lead certifies that the audit team adhered to all applicable requirements of the NERC Rules of Procedure (RoP) and NERC CMEP.\*

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

\*\* Per FERC Guidance Order on Compliance Audits Conducted by the Electric Reliability Organization and Regional Entities, dated January 15, 2009.

## **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.

### *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 WP, based on the functions that WP is registered to perform;
- Validate compliance with applicable reliability standards from the NERC 2011 Implementation Plan list of actively monitored standards, and additional NERC Reliability Standards selected by FRCC;
- Validate compliance with applicable regional standards from the FRCC 2011 Implementation Plan list of actively monitored standards;
- Validate evidence of self-reported violations and previous self-certifications;
- Observe and document WP'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 2011 Implementation Plan.

At the time of the audit, WP was registered for the functions of DP and LSE. The audit team evaluated WP for compliance during the period of June 18, 2007 to October 18, 2011.

## **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. WP was informed of FRCC's obligations and responsibilities under the agreement and procedures. The work history for each audit team member was provided to WP. WP was given an opportunity to object to an audit team member's participation on the basis of a possible conflict of interest or

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

the existence of other circumstances that could interfere with an audit team member's impartial performance of duties. WP 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 WP.

### ***Methodology***

The audit team reviewed the information, data, and evidence submitted by WP and assessed compliance with requirements of the applicable reliability standards. Submittal of information and data were sent to FRCC sixty-four (64) 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 WP. 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 Winter Park electric utility coverage extends to its City limits and is approximately 9 square miles. The City does not own or operate any transmission and is served by Progress Energy Florida at the 69 kV level. The City owns two (2) radial fed substations; Interlachen Substation of the east side and Canton Substation on the west side of the City.

The maximum peak load for the City of Winter Park is 108 MW, set during January 2010.

### ***Audit Participants***

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

#### **Audit Team Participants**

<b>Title</b>	<b>Entity</b>
Compliance Engineer	FRCC
Senior Compliance Engineer	FRCC

#### **WP Audit Participants**

<b>Title</b>	<b>Entity</b>
Assistant Director	WP
Electric Utility Specialist	WP
Operations Manager	WP
Regulatory Compliance Specialist	FMPA
Consultant	Contractor for City of Winter Park

### **Audit Results**

The audit team evaluated WP for compliance with twenty (20) requirements in the 2011 NERC CMEP. The audit reviewed NERC Reliability Standards for the period of June 18, 2011 to October 18, 2011. WP submitted information and documentation for the audit team's evaluation of compliance with requirements. The audit team reviewed and evaluated all information provided by WP to assess compliance with standards applicable to WP at this time.

Based on the information and documentation provided by WP, the audit team found WP to have no findings of non-compliance with eight (8) applicable requirements. The audit team determined that twelve (12) requirements were not applicable to WP. An audit report will be prepared to document these findings and the FRCC Director of Compliance will approve the final report.

### ***Findings***

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

<b>Reliability Standard</b>	<b>Req.</b>	<b>Finding</b>
CIP-001-1	R1	No Finding
CIP-001-1	R2	No Finding
CIP-001-1	R3	No Finding
CIP-001-1	R4	No Finding
IRO-004-1	R4	No Finding
IRO-005-2	R13	No Finding
MOD-004-1	R3	Not Applicable
MOD-004-1	R10	Not Applicable
PRC-004-1	R1	Not Applicable
PRC-005-1	R1	Not Applicable
PRC-005-1	R2	Not Applicable
PRC-008-0	R1	No Finding
PRC-008-0	R2	No Finding
PRC-011-0	R1	Not Applicable
PRC-017-0	R1	Not Applicable
PRC-017-0	R2	Not Applicable
PRC-023-1	R1	Not Applicable
PRC-023-1	R2	Not Applicable
TOP-002-2a	R3	No Finding
TOP-002-2a	R18	Not Applicable

### ***Compliance Culture***

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

The audit team developed an overview of WP's compliance culture based upon the Internal Compliance Survey questions, information gathered at the audit, and observations made at the audit.

The audit team was cognizant of the following four factors that characterize vigorous and effective compliance programs and address these factors in the compliance culture overview:

- active engagement and leadership by senior management;
- preventive measures appropriate to the circumstances of the company that are effective in practice;
- prompt detection of problems, cessation of misconduct, and reporting of a violation; and

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- remediation of the misconduct.

WP does not have a single integrated written Internal Compliance Program (ICP) that is signed and supported at a high level of WP's organization. The ICP is not managed or operated independently of the work groups that are responsible for complying with Reliability Standards. The ICP staff is appropriately manned. WP trains its Utility Division employees to support and enhance its ICP. WP reviews its ICP, along with periodically internally auditing its requirements, on an as needed basis.

### **Areas of Concern & Recommendations**

The audit team notified WP of zero (0) Areas of Concern and zero (0) Recommendations.