

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



# **Compliance Audit Report Public Version**

**Public Utility District No. 1 of Clark County  
(CKPD)  
NERC ID# NCR05334**

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

**Date of Audit: October 17-27, 2011  
Date of Report: November 17, 2011**

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## Executive Summary

A compliance audit of Public Utility District No. 1 of Clark County CKPD, NERC ID # - NCR05334 was conducted from October 17 – 27, 2011. At the time of the audit, CKPD was registered for the Distribution Provider (DP), Generator Owner (GO), Generator Operator (GOP), Load-Serving Entity (LSE), Purchasing-Selling Entity (PSE), Transmission Owner (TO), and Transmission Operator (TOP) functions.

The audit team evaluated CKPD for compliance with one hundred nineteen (119) requirements in the 2011 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 October 27, 2011. CKPD submitted information and documentation for the audit team's evaluation of compliance with requirements. The audit team reviewed and evaluated all information provided by CKPD to assess compliance with standards applicable to CKPD at this time. Based on the information and documentation provided by CKPD, the audit team determined the following findings for CKPD, summarized in the table below:

	<b>No Finding</b>	<b>Not Applicable</b>	<b>OEA*</b>	<b>Possible Violation</b>	<b>Total</b>
<b>Reliability Standard Requirements</b>	66	53	0	0	119
<b>WECC Regional Standard Requirements</b>	6	8	0	0	14
<b>Total</b>	<b>72</b>	<b>61</b>	<b>0</b>	<b>0</b>	<b>133</b>

\* Open Enforcement Action (see Findings section below for detailed explanation).

The 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 to the NERC Reliability Standards, and Applicable Regional Reliability Standards, within the scope of the compliance audit. Possible Violations will be processed as outlined in the NERC and WECC CMEP. There were not ongoing or recently completed mitigation plans and therefore none were reviewed by the audit team.

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

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

## Audit Process

The compliance audit process steps are detailed in the WECC CMEP. The WECC 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 CKPD, based on the functions that CKPD 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 WECC;
- Validate compliance with applicable regional standards from the WECC 2011 Implementation Plan list of actively monitored standards;
- Validate evidence of self-reported violations and previous self-certifications;
- Observe and document CKPD'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 WECC 2011 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, CKPD was registered for the functions of DP, GO, GOP, LSE, PSE, TO, TOP. The audit team evaluated CKPD for compliance during the period of June 18, 2007 to October 27, 2011.

### Confidentiality and Conflict 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 ROP. CKPD was informed of WECC's obligations and responsibilities under the agreement and procedures. The work history for each audit team member was provided to CKPD. CKPD 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. CKPD 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 CKPD.

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

## **Methodology**

The audit team reviewed the information, data, and evidence submitted by CKPD and assessed compliance with requirements of the applicable reliability standards. Submittal of information and data were sent to WECC twenty (20) 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 CKPD. 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. 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 their professional judgment. All findings were developed based upon the consensus of the audit team.

## **Company Profile**

Clark Public Utilities (CKPD) is a customer-owned utility providing electric and water service in Clark County, WA and headquartered in Vancouver, WA. CKPD's system consists of approximately 120 miles of 115 kV transmission line, 9 miles of 69 kV transmission line, five 69-12.5 kV substations, thirty eight 115-12.5 kV substations, seven 115-12.5 kV substations with sectionalizing switchgear, four 115 kV switching stations.

CKPD owns one generating facility, the River Road generating facility located in Vancouver, WA. The facility is a natural gas fired combined-cycle combustion turbine with an output of 248 MW. Approximately one-third of CKPD's demand is met with the output of River Road. The balance of demand is met by purchasing power, primarily from the Bonneville Power Administration.

CKPD is a winter peaking utility. with a peak load of 975.5 MW which occurred in November, 2010.

## Audit Participants

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

### Audit Team Participants

Role	Title	Entity
Audit Team Lead	Compliance Engineer	WECC
Team Member	Senior Compliance Engineer	WECC
Team Member	Senior Compliance Engineer	WECC
Team Member	Compliance Engineer	WECC
Team Member	Compliance Auditor	WECC
Team Member	Consultant	WECC
Team Member	Consultant	WECC
Documentation	Compliance Program Coordinator	WECC

### CKPD Audit Participants

Title	Entity
NERC Compliance Manager	CKPD
Manager of Systems Engineering and Planning	CKPD
Director of Engineering	CKPD
Technical Services Manager	CKPD
Manager of Dispatch Operations	CKPD
Forestry Maintenance Superintendent	CKPD
Energy Resource Manager	CKPD
Power Manager	CKPD
Business Applications Manager	CKPD
Dispatch Shift Superintendent	CKPD
General Manager	CKPD
Director of Energy Resources	CKPD

## Audit Results

The audit team evaluated CKPD for compliance with one hundred nineteen (119) requirements in the 2011 NERC CMEP. The audit team assessed compliance with the NERC Reliability Standards, and applicable Regional Reliability Standards, for the period of June 18, 2007 to October 27, 2011. CKPD submitted information and documentation for the audit team's evaluation of compliance with requirements. The audit team reviewed and evaluated all information provided by CKPD to assess compliance with standards applicable to CKPD at this time. Based on the information and documentation provided by CKPD, the audit team determined the following findings for CKPD, summarized in the table below:

	No Finding	Not Applicable	OEA*	Possible Violation	Total
<b>Reliability Standard Requirements</b>	66	53	0	0	119
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\* Open Enforcement Action (see Findings section below for detailed explanation).

The 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 to the NERC Reliability Standards, and Applicable Regional Reliability Standards, within the scope of the compliance audit. Possible Violations will be processed as outlined in the NERC and WECC CMEP. There were no ongoing or recently completed mitigation plans and therefore none were reviewed by the audit team.

## Findings

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

**No Finding (NF):** The audit team did not discover areas of non-compliance based on the evidence presented by the Registered Entity and reviewed by the audit team.

**Possible Violation (PV):** The audit team discovered areas of possible non-compliance based on the evidence presented by the Registered Entity and reviewed by the audit team.

### Not Applicable (NA):

- The Requirement does not apply to the Registered Entity based on functions for which the entity is registered.
- The Requirement applies to the Registered Entity based on their functional registration but the entity does not possess the system(s) referenced in the Requirement. Examples could be that the entity does not possess black start units, SPS, or UVLS.

**Open Enforcement Action (OEA):** At the time of the audit, the Registered Entity had an open action item regarding the Requirement. Such items may include, but not limited to, open mitigation plans, self-reports, or settlement agreements.

<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
COM-001-1	R1.	No Finding
COM-001-1	R2.	No Finding
COM-001-1	R3.	No Finding
COM-001-1	R4.	No Finding
COM-001-1	R5.	No Finding
COM-001-1	R6.	Not Applicable
COM-002-2	R1.	No Finding
COM-002-2	R2.	No Finding
EOP-001-0	R2.	Not Applicable
EOP-001-0	R3.	No Finding
EOP-001-0	R5.	No Finding
EOP-003-1	R2.	No Finding
EOP-003-1	R3.	No Finding
EOP-003-1	R4.	No Finding
EOP-003-1	R8.	No Finding
EOP-005-1	R1.	No Finding
EOP-005-1	R2.	No Finding
EOP-005-1	R3.	No Finding
EOP-005-1	R4.	No Finding
EOP-005-1	R5.	No Finding
EOP-005-1	R6.	No Finding
EOP-005-1	R7.	No Finding
EOP-005-1	R9.	No Finding
EOP-005-1	R10.	No Finding
EOP-008-0	R1.	No Finding
FAC-003-1	R1.	Not Applicable
FAC-003-1	R2.	Not Applicable
FAC-008-1	R1.	No Finding
FAC-008-1	R2.	No Finding
FAC-009-1	R1.	No Finding
FAC-009-1	R2.	No Finding
FAC-501-WECC-1	R1.	Not Applicable
FAC-501-WECC-1	R2.	Not Applicable
FAC-501-WECC-1	R3.	Not Applicable
IRO-004-1	R1.	Not Applicable
IRO-004-1	R2.	Not Applicable
IRO-004-1	R3.	Not Applicable
IRO-004-1	R4.	No Finding
IRO-004-1	R5.	Not Applicable

IRO-004-1	R6.	Not Applicable
IRO-004-1	R7.	No Finding
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	R6.	Not Applicable
IRO-005-2	R7.	Not Applicable
IRO-005-2	R8.	No Finding
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.	No finding
IRO-005-2	R14.	Not Applicable
IRO-005-2	R15.	Not Applicable
IRO-005-2	R16.	Not Applicable
IRO-005-2	R17.	Not Applicable
MOD-001-1	R1	Not Applicable
MOD-001-1	R2	Not Applicable
MOD-001-1	R3	Not Applicable
MOD-001-1	R4	Not Applicable
MOD-001-1	R5	Not Applicable
MOD-001-1	R6	Not Applicable
MOD-001-1	R7	Not Applicable
MOD-001-1	R8	Not Applicable
MOD-001-1	R9	Not Applicable
MOD-004-1	R1	Not Applicable
MOD-004-1	R2	Not Applicable
MOD-004-1	R3	Not Applicable
MOD-004-1	R4	Not Applicable
MOD-004-1	R5	Not Applicable
MOD-004-1	R6	Not Applicable
MOD-004-1	R7	Not Applicable
MOD-004-1	R8	Not Applicable
MOD-004-1	R9	Not Applicable
MOD-004-1	R10	No Finding
MOD-004-1	R11	Not Applicable
MOD-004-1	R12	Not Applicable
MOD-008-1	R1.	Not Applicable
MOD-008-1	R2.	Not Applicable
MOD-008-1	R3.	Not Applicable
MOD-008-1	R4.	Not Applicable
MOD-008-1	R5.	Not Applicable

PER-002-0	R1.	No Finding
PER-002-0	R2.	No Finding
PER-002-0	R3.	No Finding
PER-002-0	R4.	No Finding
PRC-001-1	R1.	No Finding
PRC-001-1	R2.	No Finding
PRC-001-1	R3.	No Finding
PRC-001-1	R4.	No Finding
PRC-001-1	R5.	No Finding
PRC-001-1	R6.	Not Applicable
PRC-004-1	R1.	No Finding
PRC-004-1	R2.	No Finding
PRC-004-WECC-1	R1.	Not Applicable
PRC-004-WECC-1	R2.	Not Applicable
PRC-004-WECC-1	R3.	Not Applicable
PRC-005-1	R1.	No Finding
PRC-005-1	R2.	No Finding
PRC-008-0	R1.	No Finding
PRC-008-0	R2.	No Finding
PRC-011-0	R1.	No Finding
PRC-017-0	R1.	Not Applicable
PRC-017-0	R2.	Not Applicable
PRC-023-1	R1	Not Applicable
TOP-002-2a	R3.	No Finding
TOP-002-2a	R6.	No Finding
TOP-002-2a	R11.	No Finding
TOP-002-2a	F18.	No Finding
TOP-004-2	R6.	No Finding
TOP-007-WECC-1	R1.	Not Applicable
TOP-007-WECC-1	R2.	Not Applicable
VAR-001-1	R1.	No Finding
VAR-001-1	R2.	No Finding
VAR-001-1	R3.	No Finding
VAR-001-1	R4.	No Finding
VAR-001-1	R6.	No Finding
VAR-001-1	R9.	No Finding
VAR-002-1.1b	R1.	No Finding
VAR-002-1.1b	R2.	No Finding
VAR-002-1.1b	R3.	No Finding
VAR-002-WECC-1	R1	No Finding
VAR-002-WECC-1	R2	No Finding
VAR-501-WECC-1	R1.	No Finding
VAR-501-WECC-1	R2.	No Finding
VAR-STD-002a-1	WR1.	No Finding
VAR-STD-002b-1	WR1.	No Finding

## Compliance Culture

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

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

## Areas of Concern & Recommendations

The audit team did not identify any areas of concern or recommendations for CKPD.

## Exit Briefing

To conclude the audit, the Audit Team leader gave a PowerPoint presentation for CKPD'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 CKPD on November 07, 2011 for review and comment. However, CKPD provided no comments.

## Management Approval

This report was reviewed and approved by John McGhee, WECC Director of Compliance Audits and Investigations on November 18<sup>th</sup>, 2011.