

## NERC Compliance Process Bulletin #2009-005 Current In-Force Document Data Retention Requirements for Registered Entities

### Version 1.0

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#### Background

Registered Entities are expected to have sufficient documentation and evidence available to demonstrate compliance with the approved NERC Reliability Standards. The audit period is typically every three or six years. Investigations resulting from complaints or events will require that historical documents be provided.

Certain NERC Reliability Standards contain provisions relating to document retention. In some cases, the document retention period is less than the three or six-year period. Such provisions were established where an undue burden existed due to the volume of the data or information required. However, there are others that do not relate to the volume of data or information required. For example, certain NERC Reliability Standards require retention only of the current, in-force version of a policy, plan procedure, or other singular document.

#### Approved Program Requirements

The NERC Rules of Procedure and Compliance Monitoring and Enforcement Program (CMEP) include the following provisions related to data and information submission to NERC in relation to compliance monitoring activities.

#### NERC Rules of Procedure

**Data Access** — All bulk power system owners, operators, and users shall provide to NERC and the applicable Regional Entity such information as is necessary to monitor compliance with the Reliability Standards. NERC and the applicable Regional Entity will define the data retention and reporting requirements in the Reliability Standards and compliance reporting procedures. See NERC Rules of Procedure Section 401.3.

**Information Submittal** — All bulk power system owners, operators, and users within the Regional Entity responsible for complying with Reliability Standards shall submit timely and accurate information when requested by the Regional Entity or NERC, in accordance with established procedures of NERC and the Regional Entity. NERC and the Regional Entities shall preserve any mark of confidentiality on information submitted pursuant to Section 1502.1. See NERC Rules of Procedure at Section 403.10.

Each Regional Entity has the authority to collect the necessary information to determine compliance and shall develop processes for gathering data from the bulk power system owners, operators, and users they monitor. See NERC Rules of Procedure Section 403.10.1.

## **Appendix 4C CMEP**

*A Compliance Audit will include all Reliability Standards applicable to the registered entity monitored in the NERC Implementation Plans in the current and three previous years, and may include other Reliability Standards applicable to the registered entity. If a Reliability Standard does not require retention of data for the full period of the Compliance Audit, the Compliance Audit will be applicable to the data retention period specified in the Reliability Standard. See NERC Rules of Procedure at CMEP Section 3.1.4.*

## **Issue Statement**

The NERC Rules of Procedure require that the Registered Entity provide information as is necessary to monitor compliance with the NERC Reliability Standards. Provisions that do not require retention of information for the full audit period should recognize an undue burden to retain certain data or documentation. For example, retaining three second data from an Energy Management System (EMS) or a Supervisory Control And Data Acquisition (SCADA) system for every three or six years would pose an undue burden due to the volume of records to be retained. In such cases, the audit team will look to the standard for guidance regarding a reasonable data retention period.

However, certain standards include language that preserves only the current, in-force version of a policy, plan procedure, or other singular document. For example, CIP-001-1 includes the following regarding data retention:

### ***Data Retention***

*Each Reliability Coordinator, Transmission Operator, Generator Operator, Distribution Provider, and Load Serving Entity shall have current, in-force documents available as evidence of compliance as specified in each of the Measures.*

*If an entity is found to be noncompliant, the entity shall keep information related to the noncompliance until found compliant or for two years plus the current year, whichever is longer.*

*Evidence used as part of a triggered investigation shall be retained by the entity being investigated for one year from the date that the investigation is closed, as determined by the Compliance Monitor. The Compliance Monitor shall keep the last periodic audit report and all requested and submitted subsequent compliance records.*

Providing historical documents is necessary for a reasonable period. It is good management practice for a Registered Entity to retain all versions of a policy, plan procedure, or other singular document for an entire audit period. Because companies are typically subject to longer retention periods, including as a result of their own internal document retention policies, there is no undue burden to

retain such documents. Registered Entities should ensure that all processes and procedures have the revision history, identifying the nature and location of changes from one version to the next. NERC or a Regional Entity may request revision history and a log of the dates any prior current, in-force versions of a policy, plan procedure, or other singular document were destroyed, as well as a copy of the company data retention policy.

Some Regional Entity self-certification forms have required Registered Entities to retain documentation evidencing compliance with the NERC Reliability Standards and requirements as set forth in the self-certification form executed by the Registered Entities. Such Regional Entities may, at the time of an audit, request that the Registered Entity produce the evidence because the Registered Entity was on notice to retain the current in-force version of a policy, plan procedure, or other singular document at the time of the self-certification. NERC will be working with all Regional Entities to ensure that their self-certification form similarly include a requirement for the Registered Entities to retain evidence to support their self-certification, including any follow-up investigation at least until the next regularly scheduled audit or until the NERC or the Regional Entity advises otherwise.

In the event the current, in-force version of a policy, plan procedure, or other singular document is noncompliant with the applicable reliability standard requirements and the Registered Entity cannot or will not provide prior versions of the current, in-force version of a policy, plan procedure, or other singular document, NERC or the Regional Entity may conclude the Registered Entity was in violation since the time the reliability standard requirement became effective for the particular Registered Entity. At the time that a Registered Entity is scheduled for a Compliance audit, NERC or a Regional Entity may also request in a document hold request that the Registered Entity keep all current, in-force versions of a policy, plan procedure, or other singular document for review during the audit and to retain such information until NERC or the Regional Entity advises otherwise.

If NERC or a Regional Entity receives a complaint or conducts an investigation as a result of an event on the system, NERC will expect the Registered Entity to provide the current, in-force version of a policy, plan procedure, or other singular document with respect to the time frame identified in the complaint or as a result of an event.

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**REVISION HISTORY**

<b>Version</b>	<b>Date</b>	<b>Reviewers</b>	<b>Revision Description</b>
1	June 29, 2009	NERC and Regional Entity Staff	Version 1.0

Retired