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Compliance Audit Report Public Version

City of Leesburg
NERC ID# NCR11010

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

**Date of Audit: February 28, 2013
Date of Report: April 18, 2013**

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Executive Summary

A compliance audit of City of Leesburg (LEES), NERC ID # - NCR11010 was conducted on February 28, 2013. At the time of the audit, LEES was registered for the Distribution Provider (DP) function.

The audit team evaluated LEES for compliance with four (4) requirements in the 2013 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 February 1, 2010 to February 28, 2013. LEES submitted information and documentation for the audit team's evaluation of compliance with requirements. The audit team reviewed and evaluated all information provided by LEES to assess compliance with standards applicable to LEES at this time.

Based on the information and documentation provided by LEES, the audit team found LEES to have no findings of non-compliance with one (1) applicable requirement. The audit team determined that three (3) requirements were not applicable to LEES. The audit team identified zero (0) 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, and Applicable Regional Reliability Standards, within the scope of the compliance audit. There were not ongoing or recently completed mitigation plans and therefore none were reviewed by the audit team.

The Florida Reliability Coordinating Council, Inc. (FRCC) audit team lead certifies that the audit team adhered to all applicable requirements of the NERC Rules of Procedure (ROP) and CMEP.*

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.

* 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.

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.[†] The audit objectives are to:

- Review compliance with the requirements of reliability standards that are applicable to LEES, based on the functions that LEES is registered to perform;
- Validate compliance with applicable reliability standards from the NERC 2013 Implementation Plan list of actively monitored standards, and additional NERC Reliability Standards selected by FRCC;
- Observe and document LEE's compliance program and culture;

Scope

The scope of the compliance audit included the Tier 1 and one (1) Tier 2 NERC Reliability Standards from the FRCC 2013 Implementation Plan.

At the time of the audit, LEES was registered for the function of DP. The audit team evaluated LEES for compliance during the period of February 1, 2010 to February 28, 2013.

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. LEES was informed of FRCC's obligations and responsibilities under the agreement and procedures. The work history for each audit team member was provided to LEES. LEES 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. LEES 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 LEES.

Methodology

The audit team reviewed the information, data, and evidence submitted by LEES and assessed compliance with requirements of the applicable reliability standards. Submittal of information and data were sent to FRCC seventy-nine (79) 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.

[†] North American Electric Reliability Corporation CMEP, paragraph 3.1, Compliance Audits

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 LEES. 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 Leesburg is a municipality consisting of a 12 kV distribution system with no transmission lines and five (5) 69 kV substations interconnecting to its host Transmission Operator. LEES system peak load is 118 MW. There is no generation connected to LEES system.

Audit Participants

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

Audit Team Participants

Role	Title	Entity
Audit Team Lead	Compliance Engineer	FRCC
Team Member	Senior Compliance Engineer	FRCC

LEES Audit Participants

Title	Entity
Compliance Staff	LEES
Electric Utility Director	LEES
Deputy Director of Electric	LEES
Interim City Manager	LEES
AGM Regulatory Compliance	FMPA

Audit Results

The audit team evaluated LEES for compliance with four (4) requirements in the 2013 NERC Compliance Monitoring and Enforcement Program (CMEP). The audit reviewed NERC Reliability Standards for the period of February 1, 2010 to February 28, 2013. LEES submitted information and documentation for the audit team's evaluation of compliance with requirements. The audit team reviewed and evaluated all information provided by LEES to assess compliance with standards applicable to LEES at this time.

Based on the information and documentation provided by LEES, the audit team found LEES to have no findings of non-compliance with one (1) applicable requirement. The audit team determined that three (3) requirements were not applicable to LEES. The audit team identified zero (0) Possible Violation(s). An audit report will be prepared to document these findings and approved by the Manager of Compliance Audits.

Findings

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

Reliability Standard	Req.	Finding
FAC-002-1	R1	No Finding
NUC-001-2	R4	Not Applicable
PRC-005-1b	R2	Not Applicable
PRC-023-2	R1	Not Applicable

Compliance Culture

LEES compliance culture was reviewed by the audit team.

The audit team determined the following four factors that characterize a vigorous and effective compliance programs and addressed these factors in the compliance culture overview. LEES did have:

- 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;
- a remediation process for acts of misconduct.

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Additional information pertaining to the compliance culture of LEES was documented in the FRCC Compliance Program Assessment Worksheet (CPAW) conducted with an interview by the audit team.