

Compliance Operations

Draft Reliability Standard Compliance Guidance for MOD-001-2

June 14, 2013

Introduction

The NERC Compliance department (Compliance) worked with the MOD A informal ad hoc group in a review of pro forma standard MOD-001-2. The purpose of the review is to discuss the requirements of the pro forma standard to obtain an understanding of its intended purpose and necessary evidence to support compliance. The purpose of this document is to address specific questions posed by the MOD A group and Compliance in order to aid the drafting of the requirements and provide a level of understanding regarding evidentiary support necessary to demonstrate compliance.

While all testing requires levels of auditor judgment, participating in these reviews allows Compliance to develop training and approaches to support a high level of consistency in audits conducted by the Regional Entities. However, this document makes no assessment as to the enforceability of the standard. The following questions will both assist the MOD A group in further refining the standard and be used to aid in auditor training.

MOD A MOD-001-2 Questions

Question 1

In the Requirements are the attributes to 'keep current' and 'implement' sufficiently defined?

Compliance Response to Question 1

The terms 'keep current' and 'implement' provide for a broad level of auditor judgment. Compliance recommends that the MOD A informal ad hoc group either consider making the requirement time-bound (such as every 12-months) or requiring the the registered entity to document in their processes or procedures the frequency of review (with a not to exceed). Further, the pro forma standard should describe what constitutes implementation.

Conclusion

In general, Compliance finds the pro forma standard provides a reasonable level of guidance for Compliance Auditors to conduct audits in a consistent manner. The standard establishes timelines, data requirements, and ownership of specific actions. Further, the standard provides reasonable guidance to develop training for Compliance Auditors to execute their reviews. However, Compliance does recommend the MOD A group address the items noted in the response to the question.

Following final approval of the Reliability Standard, Compliance will develop the final Reliability Standards Auditor Worksheet (RSAW) and associated training.