



NBCR ID:	005		
Registered Entity Name:	Saint John Energy		
Registered Entity Acronym:	SJE		
Compliance Monitoring Process:	Compliance Audit		
Distribution:	Public Version. Confidential Information Has Been Removed, Including Privileged and Critical Energy Infrastructure Information.		
Regional Entity:	Northeast Power Coordinating Council, Inc. (NPCC)		
Date of Opening Presentation:	April 25, 2023	Date of Closing Presentation:	August 16, 2023
Audit Period Start Date:	November 23, 2017	Audit Period End Date:	April 11, 2023
Date of Report:	9/19/2023	IP Year:	2023
O&P Potential Noncompliance:	None (zero)		
Jurisdiction:	New Brunswick, Canada		

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I. Executive Summary

Northeast Power Coordinating Council, Inc. (NPCC) is a recognized compliance body in New Brunswick and assists the New Brunswick Energy and Utility Board (NBEUB) with compliance monitoring functions in the Province.

NPCC conducted a 2023 Operations and Planning (O&P) Compliance Audit of Saint John Energy (SJE), NBCR ID 005 from July 10, 2023 to August 16, 2023.

At the time of the Compliance Audit, SJE was registered for the Distribution Provider function.

The Compliance Audit team (team) evaluated SJE for compliance with two (2) NERC Reliability Standard Requirements ("Requirements") for the 2023 Electric Reliability Organization (ERO) Enterprise Compliance Monitoring and Enforcement Program (CMEP). The team assessed compliance with the Requirements for the period of November 23, 2017 to April 11, 2023.

SJE submitted evidence for the team's evaluation of compliance with Requirements. The team reviewed and evaluated all evidence provided to assess compliance with selected Requirements applicable to SJE at this time.

Based on the evidence provided, no findings were noted for the applicable Requirements in scope for this engagement.

The team notified SJE of zero (0) recommendations.

There were no open Mitigation Plans reviewed by the team.

The Compliance Audit Team Lead certifies that the team adhered to all applicable requirements of the NERC Rules of Procedure (ROP) and New Brunswick Compliance Monitoring and Enforcement Program (NB CMEP).¹

¹ This statement replaces the Regional Entity Self-Certification process.

II. Compliance Audit Process

The Compliance Audit process steps are detailed in the Reliability Standards Regulation which is based on the NERC ROP and NB CMEP and generally conforms to the United States Government Auditing Standards and other generally accepted audit practices.

Objectives

All registered entities are subject to compliance assessments with all Reliability Standards applicable to the functions for which the registered entity is registered² in the Region(s) performing the assessment. The Compliance Audit objectives are designed to:

- Provide reasonable assurance of compliance to the identified applicable Reliability Standards;
- Review compliance with applicable NBEUB approved NERC Reliability Standards identified in the 2023 Annual Implementation Plan list of actively monitored standards and additional NBEUB approved NERC Reliability Standards selected by NPCC and the NBEUB;
- Review SJE's internal compliance program and controls.

Scope

The scope of this Compliance Audit considered the NBEUB approved NERC Reliability Standards from the 2023 NB Annual Implementation Plan and Inherent Risk Assessment (IRA) of SJE completed by NPCC.

The Reliability Standards and Requirements in-scope for this Compliance Audit are illustrated in Table 2: Compliance Audit Scope.

Table 2: Compliance Audit Scope		
Registered Function	Standards	Requirement(s)
DP	COM-002-4	R3
DP	PRC-005-6	R3

The team did not expand the scope of the Compliance Audit beyond what was stated in the notification package.

Internal Compliance Program

Within the scope of the Compliance Audit, SJE's compliance program was reviewed.

Controls

The team reviewed SJE's related internal controls associated with Requirements in scope.

Confidentiality and Conflict of Interest

Confidentiality and conflict of interest of the team are governed under the Regional Delegation Agreements with NERC, and Section 1500 of the NERC ROP.³ SJE was informed of Northeast Power Coordinating Council, Inc. (NPCC)'s obligations and responsibilities under the agreement and procedures. The work history for each team member was provided to SJE, which was given an opportunity to object to a team member's participation on the

² [NB CMEP Part 2.1.](#)

³ [See NERC ROP](#)

basis of a possible conflict of interest or the existence of other circumstances that could interfere with a team member's impartial performance of duties. SJE had not submitted any objections by the stated objection due date based on the ROP and accepted the team member participants without objection. There were no denials or access limitations placed upon this team by SJE.

Methodology

The ERO Compliance Monitoring and Enforcement Manual (Manual)⁴ documents the ERO Enterprise's current approaches used to assess a registered entity's compliance with the NERC Reliability Standards. The ERO Enterprise uses, "to the extent possible, the Generally Accepted Auditing Standards (GAAS), the Generally Accepted Government Auditing Standards (GAGAS), and standards sanctioned by the Institute of Internal Auditors, as guidance for performing activities under the Compliance Monitoring and Enforcement Program (CMEP)."⁵ While the ERO Enterprise does not necessarily perform compliance monitoring activities that must be in accordance with these standards recognized in the United States, the ERO Enterprise uses these standards as framework to conduct compliance monitoring activities under the NB CMEP, and recognizes that these standards provide information used in oversight, accountability, transparency, and improvements in ERO Enterprise operations.

The Northeast Power Coordinating Council, Inc. (NPCC) provided SJE with a Compliance Audit notification package to commence the Compliance Audit. SJE provided evidence at the time requested, or as agreed upon, by Northeast Power Coordinating Council, Inc. (NPCC). The team reviewed the evidence submitted by SJE and assessed compliance with the applicable Requirements. Additional evidence could be submitted until the agreed-upon deadline prior to the exit briefing. After that date, only data or information that was relevant to the content of the report or its finding could be submitted with the agreement of the team lead.

The team reviewed documentation provided by SJE and requested additional evidence and sought clarification from subject matter experts during the Compliance Audit. The evidence submitted in the form of policies, procedures, emails, logs, studies, data sheets, etc. were validated, substantiated, and cross-checked for accuracy as appropriate. Where sampling is applicable to a Requirement, the sample set was determined by a statistical methodology, along with professional judgment as mentioned in the Manual.

The findings were based on the facts and documentation reviewed, the team's knowledge of the Bulk Electric System (BES), the NBEUB approved NERC Reliability Standards, and professional judgment. All findings were developed based upon the consensus of the team.

Company Profile

This section has been redacted for the public distribution of this report.

⁴ <http://www.nerc.com/pa/comp/Pages/ERO-Enterprise-Compliance-Auditor-Manual.aspx>

⁵ [NERC ROP, Section 1207 and 126 FERC 61,038, Paragraph 3](#)

III. Compliance Audit Findings

Based on the results of this Compliance Audit, no findings were noted for the applicable Requirements in-scope for this engagement.

The following requirements were found to be not applicable:

1. **PRC-005-6, R3**

IV. Recommendations

Recommendations

There were no recommendations made by the team during the engagement.

V. Compliance Culture

SJE's compliance culture was not formally reviewed by the team as part of the compliance audit. Assessment of SJE's internal compliance program will be reviewed by NPCC on an as needed basis.

Appendix 1

Compliance Audit Participants

Appendix Table 1: Compliance Audit Team and Appendix Table 2: SJE Participants list all personnel from the team and SJE who were directly involved during the meetings and interviews.

Appendix Table 1: Compliance Audit Team		
Role	Title	Entity
Director, Compliance	Director, Compliance	NPCC
Compliance Audit Team Lead	Senior Compliance Engineer	NPCC
Team Member	Auditor	NPCC
Team Member	Auditor	NPCC
Team Member	Auditor	NPCC
Observer	Director Reliability Standards, Compliance and Enforcement	NBEUB
Observer	Compliance Officer	NBEUB

Appendix Table 1: SJE Participants	
Title	Entity
Manager, Asset Management	SJE
Asset Management	SJE
President & CEO	SJE
	SJE
	SJE
	AESI, Inc.
	AESI, Inc.