



Compliance Audits

Gearing up for the FERC process to relicense a hydro project, the licensee is unquestionably advantaged by taking a number of strategic steps well in advance of the kickoff of the formal licensing process. One important task is identifying any areas of potential concern or controversy and, to the extent possible, addressing these concerns before they become significant issues in the licensing. Especially in situations where there may be competition for the new license, the licensee's record of compliance with the existing license is one area that merits close examination.

With this need in mind, among the suite of services Long View offers is conducting a thorough compliance audit as part of the overall strategic planning for the licensing. The compliance audit can provide solid documentation of the licensee's stellar compliance record, in support of receiving the new license. The audit can also help the licensee anticipate and minimize areas of potential vulnerability surrounding license compliance.

An adequate compliance audit must be detailed and complete, so we begin by assisting the licensee in identifying any and all records in their offices, dating from the time of original license issuance, that may bear on license compliance. We then conduct a systematic review of all the identified information sources — license/amendments, legal and regulatory filings, engineering information, safety data, environmental reports, memos and other documents/correspondence,

etc., as appropriate — and create an inventory of each pertinent document. To supplement these internal compliance-related records and ensure all relevant information is taken into account, we also review available project files at regional and national FERC headquarters, adding any documentation not already identified in the licensee's office to the compliance record inventory.

To distill the significance of the information that has been collected, we prepare a detailed summary of the licensee's record of compliance activities related to each requirement of the existing license, listing and attaching copies of all supporting documentation. If any potential compliance problems are identified, we advise the licensee on measures that could be taken to improve its compliance performance before heading into relicensing. (Being well aware of the potential sensitivity of compliance-related information, we are careful to follow a protocol for routing all documentation and analysis related to the compliance audit through licensee counsel to protect confidentiality.)

Expertise we bring to bear in conducting effective compliance audits includes: our expert understanding of FERC compliance requirements; close familiarity with the types and sources of information relevant to license compliance; proven diligence and skill in pursuing, reviewing, analyzing and documenting information; and experience in successfully guiding licensees through competitive licensing proceedings.

Specific Services

- Identification and review of internal files/records relevant to license compliance
- Review of project information on file at FERC offices
- Development of comprehensive inventory of compliance-related documentation
- Detailed analysis of compliance record
- Advising on strategic steps to use/improve compliance record for relicensing

