

**FEDERAL ENERGY REGULATORY COMMISSION**  
**Office of Energy Projects**  
**Division of Dam Safety and Inspections - Atlanta Regional Office**  
**Gwinnett Commerce Center**  
**3700 Crestwood Parkway, Suite 950**  
**Duluth, Georgia 30096**  
**(678) 245-3000 Office - (678) 245-3010 Facsimile**

**September 14, 2023**

**In reply refer to:**

**P-02332 Gaston Shoals**

**P-02601 Bryson**

**P-02603 Franklin**

**P-02619 Mission**

**P-10896 Pinnacles**

VIA Electronic Mail

Mr. Chuck Ahlrichs  
President  
Northbrook Power Management, LLC  
[cahlrichs@nbenergy.com](mailto:cahlrichs@nbenergy.com)

**Subject: Owner's Dam Safety Program (ODSP) External Audit**

Dear Ms. Ahlrichs:

Your ODSP is an important factor in maintaining the safety of your dam(s) and preventing a dam failure. As an owner of high and significant hazard dams, FERC requires that you develop and maintain an ODSP and complete an internal review of your ODSP each year. Additionally, 18 CFR §12.65 requires that your ODSP undergo an external audit every 5 years. Our records indicate you have not completed an external ODSP audit since purchasing FERC-regulated dams in 2019. Therefore, an external audit of your ODSP is due by December 31, 2024.

Prior to conducting an audit of your ODSP, you must submit a statement of qualifications of your proposed auditor(s) or peer review team for our review and acceptance. File the statement using the Commission's eFiling system and select Hydro: Dam Safety and Atlanta Regional Office. You can access the Commission's eFiling system at <https://www.ferc.gov/ferc-online/overview>. The cover page of the filing must indicate that the material was eFiled. For assistance with eFiling, contact FERC Online Support at [FERCOnlineSupport@ferc.gov](mailto:FERCOnlineSupport@ferc.gov), (866) 208-3676 (toll free), or (202) 502-8659 (TTY).

Within 90 days of the date of this letter, submit a qualification statement for your selected external auditor or audit team along with a plan and schedule to submit your external audit report.

We appreciate your continued effort in maintaining this document. The ODSP is a living document that will require revision from time to time. As you make revisions, please re-submit the completely revised ODSP to the Commission using the eFiling guidance above. If you have any questions, contact Mr. Adam Sugrue of this office at (678) 245-3076 or by e-mail at [adam.sugrue@ferc.gov](mailto:adam.sugrue@ferc.gov).

Sincerely,

William J. Brown, P.E.  
Regional Engineer

Enclosure

## GUIDANCE FOR ODSP EXTERNAL AUDITS

To assure that an Owners Dam Safety Program is continuing to improve, independent audits should be conducted periodically by a qualified dam safety expert. Audits are intended for dam owners to continue to improve their dam safety program, help them understand how well their program is working, and to identify areas where their dam safety program may need improvement. The time period between program audits should reflect the risk exposure of the organization. For owners of one or more high hazard classification dams, their dam safety program should be externally audited on a schedule not to exceed five years. More frequent audits could be necessary if there has been a significant dam safety incident, or major changes in personnel and organizational structure have occurred. A statement of qualifications of the proposed auditor should be submitted to the Regional Engineer for review and acceptance prior to performing the audit. Upon completion of the audit, the Chief Dam Safety Engineer should review the audit report and prepare a summary report for presentation to the senior management of the organization. A copy of the summary document along with the full audit reports should be submitted to the FERC for review and comment, along with the licensee's plan and schedule to implement any recommendations.

Typically, an external audit includes the following type of items in a Scope of Work, but should be customized to the specific projects:

- Review reports, correspondence, and information with respect to the ODSP prior to performing the actual audit.
- Review operating and maintenance records for each facility to determine if proper procedures area being followed.
- Review personnel training records to ensure that dam safety training is being conducted in accordance with the latest training plan defined in the ODSP, and that all personnel have taken appropriate training.
- Conduct interviews, examinations, or utilize other methods to evaluate the effectiveness, completeness, and familiarity with dam safety training.
- Attend and participate in project site visits or inspections with field personnel at each project.
- Interview the Chief Dam Safety Engineer and all dam safety staff; including but not necessarily limited to: facility managers; staff engineers, and hydro plant technicians to determine their understanding of the DSP and the implementation of their respective responsibilities.

- Obtain independent views from staff personnel of the effectiveness and completeness of the ODSP.
- Evaluate the licensee's commitment and its priorities with respect to dam safety, including senior executives. This includes meeting directly with senior management to discuss the DSP.
- Provide opinion as to whether the licensee's dams are being adequately operated, inspected and maintained.
- Assess how proactive the licensee is in implementing their dam safety program. Determine if they take initiative to address dam safety issues on their own without waiting for FERC to require action.
- Provide conclusions, and if appropriate, recommendations for the Licensee to further improve management of their dam safety program.

The intention of the audit is to improve your ODSP and help you understand how well your program is working. For further guidance on completing an external audit, please visit:

<https://www.ferc.gov/sites/default/files/2020-04/guidance-odsp.pdf>

For further information on improving your program overall, please visit:

<https://www.ferc.gov/industries-data/hydropower/dam-safety-and-inspections/owners-dam-safety-program-odsp>

### **Frequently Asked Questions**

1. *Who should be hired to perform the ODSP audit? What experience and qualifications are needed by the auditor?*

For smaller licensees with only a couple of dams, a single individual could perform the audit. For larger licensees with numerous dams and complex organizations, ideally a two or more person audit or peer review team would be used.

The auditor(s) should be from an external organization that was not involved in drafting the ODSP document or responsible for routine ODSP activities such as internal dam safety inspections or drafting DSSMRs.

Qualifications for potential auditor(s) would include:

- Engineer(s) experienced in dam safety design, operation, and maintenance of the types of dams being evaluated.
- A current/former CDSE who has worked in a dam owning organization with a strong dam safety program.
- Someone with a regulatory dam safety background (e.g. current or former state or federal employee).
- Engineering Consultant with expertise in dam and hydro safety management.

2. *Do I need to submit the proposed auditor's resume to the FERC for approval?*

Yes. As indicated in our annual letter, prior to conducting an audit of your ODSP, you should submit a statement of qualifications of the proposed auditor to the Regional Engineer for review and acceptance prior to performing the audit. A copy of the final audit report should also be submitted to the FERC for review and comment.

3. *Can we just use our Part 12 Independent Consultant to conduct our audit?*

For smaller licensees with only a few dams and a simple organizational structure, it may be possible to use your Part 12 Independent Consultant, provided their experience includes understanding of organizational management and leadership principles. In our experience, this option is being over-utilized, possibly as a simplification of contracting or familiarity. It reflects on your ODSP to make the most appropriate choice of an auditor who can fully understand and evaluate a dam safety program, as well as provide an independent review of the entire dam safety program.

4. *Can we use the same auditor for every audit?*

In general, it is preferred that you use a different auditor for each 5-year external audit. However, there may be situations where there is a logical reason to do so, such as following a major organizational change. You should check with your Regional Office first if you wish to use the same auditor twice.

5. *Can the FERC provide us with some names of potential auditors?*

# Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

## Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

## Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

## Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

## API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

## LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

## FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

## E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.