

# **Auditor Debrief**

**November 16, 2015**

# Disclaimer

- The information in this presentation was prepared as discussion points for the auditor meeting. In some cases more information may be required to understand the issue fully as discussed during the meeting. For more information please contact [martin.post@electricalsafety.on.ca](mailto:martin.post@electricalsafety.on.ca) or [jason.hrycyshyn@electricalsafety.on.ca](mailto:jason.hrycyshyn@electricalsafety.on.ca)

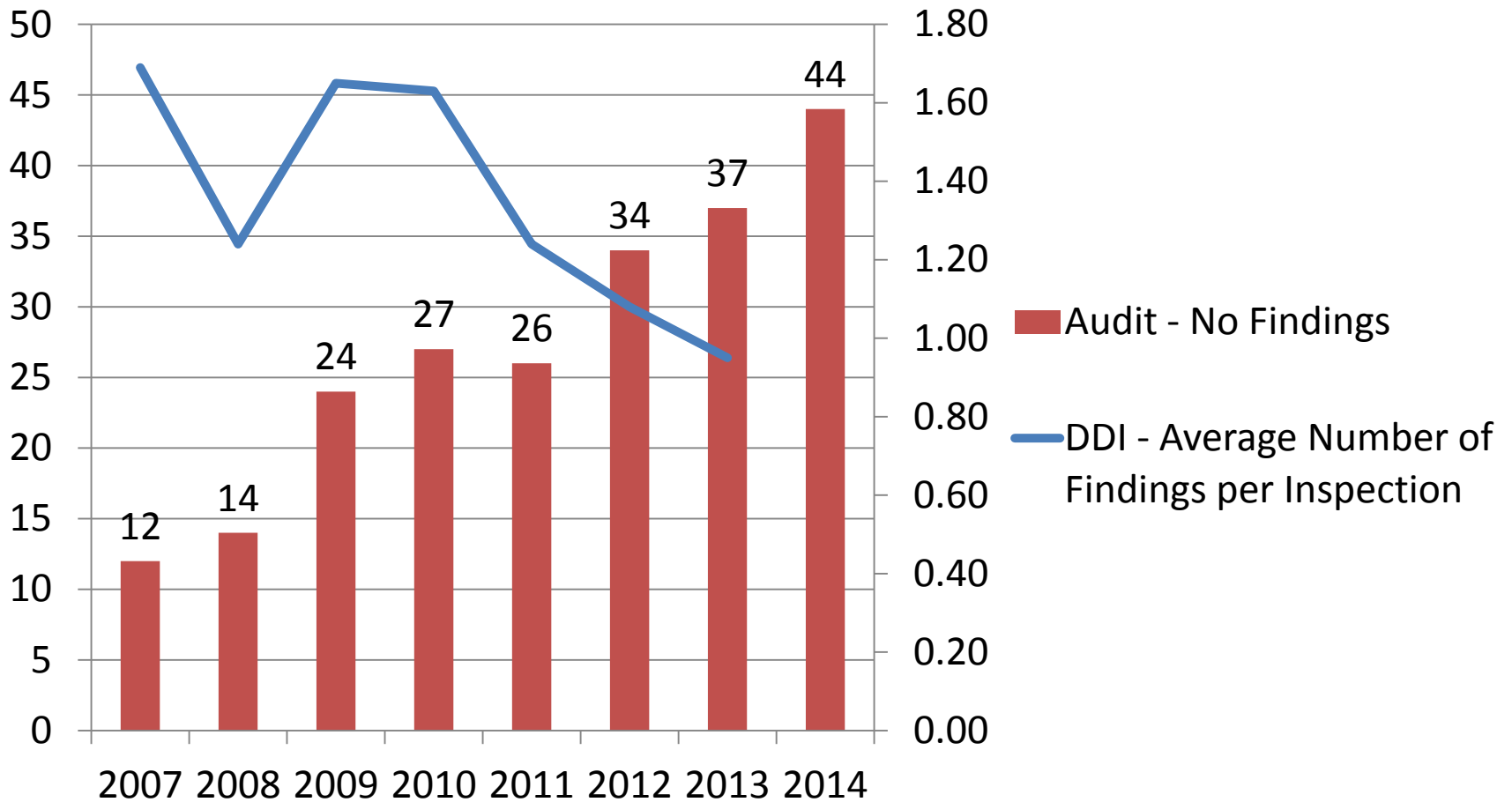
# AGENDA

1. Review of 2014 Audit results
2. Common Audit Findings
3. 2015 Questions & Issues / Auditor Feedback
4. Focus of 2015 Audits
5. Other Information
  - a) Bulletins
  - b) Other Issues
6. SatiStar Update

# Summary of Audit Findings for 2014

- 44 LDCs - Full Compliance ('13-37)
- 26 LDCs - Needs Improvement only
- 16 LDCs with only one Needs Improvement ('11-27,'12-21,'13-23) and 3 LDCs with more than two Needs Improvements ('11-11,'12-6,'13-3)
- 2 LDCs had 1 Non-compliance
- 3 LDC had more than 1 Non-compliance

# Summary of Audit Findings Life to Date



# Common audit findings

## Section 6 – Equipment Approvals

- Process for approving equipment returned from field or refurbished
  - No process documented or documented process not followed for approving equipment for re-use from field or refurbished/repaired.
  - Some equipment is returned to inventory without approval/ approval records not documented
  - The documented procedures/policies should be updated to reflect current practice
  - DB-05-14 – “Major Equipment Refurbishment” was issued for direction

# Common audit findings

## Section 7 – Design

- Plans signed by persons not P.Eng.  
Must be registered with the PEO.
- Designs without certificates of approval
- Plan changes not approved /approval not recorded
- Designs not reviewed / approved for re-closer protection settings or no Certificate of Approval

# Common audit findings

## Section 8 – Construction Inspection and sign-off

- Maintenance schedules (section 4)
  - Documentation incomplete;
  - Lack of verification that entire system is reviewed on 3 or 6 year cycles.
  - No schedule for some equipment/ records unavailable
- Incomplete/missing Records of Inspection and/or Certificate
- Not all work being signed off – small repairs & trouble calls
- Work energized in stages
  - Need Record of Inspection & Certificate at each stage of energization
- Missing Third Party attachment ROI/Certificates



# Auditor Statement

Q. ESA should consult the auditor when an LDC wishes to dispute an auditor's report. I believe a review with the auditor is essential to ensure that ESA is fully aware of all information available to the auditor.

# Auditor Statement...Response

ESA agrees that when an LDC is disputing an audit finding that a discussion with the auditor will be beneficial.

ESA will review its current process for the audit report analysis to gather all relevant information prior to finalizing the annual Regulation 22/04 LDC Compliance Assessment

# Auditor Question

Q. It was found in some instances that operations personnel had failed to follow the LDC's standards and engineering plans. The plans were not revised to incorporate the changes. Should the audit report show this as a noncompliance or opportunity for improvement?

A. Failure to follow the approved Standards or Plans can be either a N/C or N/I. It is a judgment call by the Auditor as to the recurrence and severity of the audit finding.

# Auditor Question

Q. Should failure to comply with the OEB's preventive distribution system maintenance standards be considered a noncompliance, opportunity for improvement or simply an observation?

A. Failure to follow the approved maintenance standards/systems can be either a N/C or N/I. This should not be considered to be an Observation. It is a judgment call by the Auditor as to the recurrence and severity of the audit finding.

# Auditor Question

Q. Some LDC's consider that if they have a signed maintenance agreement with an equipment refurbisher, they can routinely consider refurbished equipment as new. Is this a correct interpretation? If so, are there any conditions?

A. DB-05-14 addresses this issue.

# Auditor Question

Q. One third party attacher occasionally provides certificates of approval for their attachments with no consideration of the supporting structures. Any comments?

A. ESA has always maintained that there should be “no gaps” in the planning. The consideration of the supporting structures may be addressed by the LDC providing that element of the plan by doing the engineering (performing calculations or using “Materially Insignificant” (see DB-07-15).

# Auditor Question

Q. When construction drawings display no title blocks or drawing numbers and fail to identify the reviewer and approvers of the drawings, how should this be addressed in the audit report?

A. Section 7(6) requires that the certificate of approval be kept by the distributor and made available to the Authority upon request. Therefore the approver's certificate of approval for the drawings should be available. A N/C or N/I may be recorded where it is not.

# Auditor Question

- Q. When an LDC's certificates of inspection show a "no undue hazards" wording rather than confirmation that plans were followed and approved equipment installed, how should this be shown in the audit report?
- A. The statement of "no undue hazards" is meant for emergency and like-for-like replacement. If it is used for "planned work" this should be recorded as a N/I at first and can be escalated to a N/C if the problem is recurring or pervasive.



# Auditor Question

- Q. Is it acceptable for lineman who complete overhead construction to sign the Record of Inspection and Certificate that includes underground installations that are part of the same project?
- A. The approved CVP should identify which positions are deemed competent/qualified to complete the ROI and Certificate for the various types of construction/installations (Overhead/underground/meters, etc.).

# Focus of 2015 Audits

Same as last year:

- Auditors are requested to focus on the LDC's maintenance results (compliance with the Ontario Energy Board's Distribution System Code – Appendix C).
- In particular chambers (also known as vaults), and similar underground infrastructure is highlighted.

# Bulletins published

- DB-01-15 In-Field Equipment Refurbishment
  - How to deal with cable injection programs and similar
- DB-02-15 Marking of Guys
  - Substantial and Conspicuous marking. Colours which blend into the background are not considered to satisfy the requirement.
- DB-03-15 Sensus iConATM Generation 3.2 Remote Disconnect Meters
  - Technical Briefing Notification

# Bulletins published

- DB-07-15 “Materially Insignificant” Alterations
  - Definition introduced. Examples: flower pots and flags.
- DB-08-15 Reporting Meter Failures (750V or less)
  - Request for voluntary reporting of meter failures.
- DB-09-15 Approved Auditors (UPDATED)
  - Welcome Auditor Dal Cheema

# Other Issues

ESA will be looking for Working Group volunteers in order to create Best Practices around the following items.

1. Section 12 – Serious Electrical Incident Reporting
2. OEB – Distributor Scorecards

# LDC Mergers

## Mergers and Acquisitions

- Norfolk Power acquisition by Hydro One – finalized
- Haldimand Country Hydro Inc acquisition by Hydro One – license still exists.
- Woodstock Hydro acquisition by Hydro One – license still exists.
- Brant County Power Inc acquisition by Cambridge & North Dumfries Hydro Inc - license still exists.

# SatiStar

- ESA engaged SatiStar to conduct an independent review of the audit process used to assess compliance with the requirements of O.Reg 22/04, and to provide recommendations for improving them.
- Implementation of any recommendations are still pending.

- Any Questions?