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Regulator

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File OF-Surv-OpAud-W102-2019-2020-01

31 July 2020

Mr. Bill Yardley  
Executive Vice President and President, Gas Transmission & Midstream  
Westcoast Energy Inc., carrying on business as Spectra Energy  
Transmission  
5400 Westheimer Court  
Houston, Texas 77056  
Email: [REDACTED]

Dear Mr. Yardley:

**Canada Energy Regulator (CER) Final Audit Report  
Westcoast Energy Inc, carrying on business as Spectra Energy Transmission  
(Westcoast) – Contractor Oversight**

Please find attached a copy of the final audit report for the audit of Westcoast's contractor oversight conducted during the period from 8 July 2019 to 13 January 2020. The audit was initially conducted by the National Energy Board (NEB or the Board) in accordance with section 49(3) of the *National Energy Board Act* (NEB Act).

The NEB commenced this audit on 8 July 2019. On 28 August 2019, the *Canadian Energy Regulator Act* (CER Act) replaced the *National Energy Board Act* (NEB Act). This audit was continued and finalized under section 103 of the CER Act. The wording of this audit report reflects the transition from the NEB to the Canada Energy Regulator (CER). All work done prior to 28 August is NEB-related work, and all work done after that date is done under the CER Act. More details regarding the transition and its effects are found on the CER [website](#).

The CER wishes to address Westcoast's comments on the draft audit report relating to the principles of statutory interpretation. The *Interpretation Act* requires the reader to interpret statutes in their entire context, in their grammatical and ordinary sense harmoniously with the scheme of the act, the object of the act and the intention of Parliament. When interpreting the Canadian Energy Regulator *Onshore Pipelines Regulations* (OPR) the entire regulation needs to be taken into context, not individual paragraphs or sub-sets of the regulation. The CER's interpretation of the OPR is to take the total effect of all the provisions within the regulation, not to isolate individual words in the provisions. If the reader does not consider the total effect of all the provisions, then the reader is not taking the liberal, remedial approach required by the *Interpretation Act*.

In several audit protocol questions (AP questions), Westcoast had requested clarification with respect to definitions for "operational activities", "coordination and control" and "imminent hazard". The Commission notes that words that are not specifically defined in the associated regulations or referenced standards should be interpreted in their entire context, as well as in their grammatical and ordinary sense, harmoniously with the scheme and object of the legislation. This method is consistent with normal practice in Canada.

If you require any further information or clarification, please contact Darryl Pederson, Lead Auditor, Systems Operations Business Unit at 403-461-9953 or at 1-800-899-1265 toll free.

Yours sincerely,

*Original signed by*

Darryl Pederson  
Lead Auditor  
Inspection Officer Number 2541

Attachment

c.c. [REDACTED]  
[REDACTED]



Canada Energy  
Regulator

Régie de l'énergie  
du Canada

Suite 210, 517 Tenth Avenue SW  
Calgary, Alberta  
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**Westcoast Energy Inc., carrying on  
business as Spectra Energy Transmission**

**Final Audit Report  
Audit of Contractor Oversight**

**Compliance Verification Activity: CV1920 - 420  
File: OF-Surv-OpAud-W102-2019-2020-01**

**Westcoast Energy Inc.  
Suite 200, 425 1 Street SW  
Calgary, AB T2P 3L8**

**Date: 31 July 2020**



## Executive Summary

In accordance with subsection 49(3) of the *National Energy Board Act* (NEB Act), the National Energy Board (NEB) began a compliance audit of Westcoast Energy Inc. doing business as Spectra Energy Transmission (Westcoast) contractor oversight (the audit) on 8 July 2019.

On 28 August 2019, through the coming into force of *Bill C-69*, the NEB Act was replaced by the *Canadian Energy Regulator Act* (CER Act), and the NEB was replaced by the Canada Energy Regulator (CER). NEB audit staff became CER audit staff (all referred to as audit staff), who continued the audit under the authority of subsection 103(3) of the CER Act, until its completion on 13 January 2020.

The objectives of the audit were to verify that Westcoast had developed and implemented adequate oversight of people, and contractors, working on their behalf in accordance with the requirements of the *Canadian Energy Regulator Onshore Pipeline Regulations* (SOR/99-294) (OPR). As part of this evaluation, the company's management system was evaluated for the integration of construction and pipeline maintenance work into its associated processes, programs, registries, and inventories which make up a functional management system.

The scope of the audit included personnel, processes, and activities used by the company when providing oversight of its contractors and people hired to conduct work on its behalf. The scope included multiple programs under section 55 of the OPR. The audit reviewed various aspects of these programs to verify adequate oversight has been provided during construction and operational maintenance.

The audit consisted of 20 regulatory audit protocols. The CER found no issues as related to demonstration of compliance with 3 of the regulatory requirements, and found Westcoast to be non-compliant with 17 of them, see Table 1: Summary of Findings. Westcoast did demonstrate they do have some processes and procedures for its management system, however the existing processes and other requirements do not meet the requirements set by the CER. Through its various activities, Westcoast demonstrated they were taking steps to provide oversight of contractors and those who work on behalf of the company. Based on interviews with Westcoast staff and a review of the information provided by the company, the CER is of the view the non-compliant findings do not result in imminent or immediate safety or environmental protection issues. Findings from the current audit are explained in detail in Appendix 1 of this report.

Audit staff want to note the work that Westcoast has already initiated on its management system and its various processes and procedures to take corrective actions related to many of the non-compliances identified in this audit report. At the initial Implementation Assessment meeting many of these corrective actions can be assessed to determine the level of compliance Westcoast has already achieved.

Westcoast is required to develop a Corrective and Preventive Action (CAPA) Plan to address the non-compliant findings and submit it to the CER within 30 days of receipt of the final audit report for approval. The CER will monitor the implementation of the CAPA Plan to confirm that it is completed in a timely manner.

The final audit report will be made public on the CER website.



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## 1.0 Introduction

In accordance with subsection 49(3) of the *National Energy Board Act* (NEB Act), the National Energy Board (NEB) began an audit of Westcoast Energy Inc. doing business as Spectra Energy Transmission (Westcoast) contractor oversight (the audit) on 8 July 2019.

On 28 August 2019, through the coming into force of *Bill C-69*, the NEB Act was replaced by the *Canadian Energy Regulator Act* (CER Act), and the NEB was replaced by the Canada Energy Regulator (CER). NEB audit staff became CER audit staff (all referred to as audit staff), who continued the audit under the authority of subsection 103(3) of the CER Act, until its completion on 13 January 2020.

On 1 April 2020, the *Canadian Energy Regulator Onshore Pipeline Regulations* (SOR/99-294) were renamed and updated. In addition to the name change, non-substantial amendments were made to the OPR, including section 6 where the management system regulations are located. Audit staff are of the opinion that none of the changes are substantive or change the outcomes of this audit.

Audit staff applied the audit protocol listed in Appendix 1 of this report. Abbreviations and terminology used in the report can be found in Appendix 3.

## 1.1 Audit Objectives

The objectives of the audit were:

- to verify that Westcoast had developed and implemented adequate oversight of people, and contractors, working on their behalf in accordance with the requirements of the *Canadian Energy Regulator Onshore Pipeline Regulations* (SOR/99-294) (OPR); and
- to evaluate the company's management system for the integration of construction and pipeline maintenance work into its associated processes, programs, registries, and inventories which make up a functional management system as required by section 6 of the OPR.

## 1.2 Audit Scope and Methodology

The scope of the audit included the personnel, processes, and activities applied by the company when providing oversight of its contractors and those people hired to conduct work on its behalf. The scope included multiple programs under section 55 of the OPR. The audit reviewed various aspects of these programs to verify they are providing adequate oversight during construction and operational maintenance.

To evaluate Westcoast's compliance, audit staff conducted interviews with company personnel and validated what was stated during these interviews by reviewing samples of Westcoast's documents and records.

An audit announcement letter was sent to Westcoast on 8 July 2019 advising Westcoast of the Board's plans to conduct the audit and detailing the audit's objectives and scope. The Lead Auditor provided the audit protocol and initial information request (IR) to Westcoast on 10 July 2019 and followed up on 25 July 2019 with an on-site meeting with Westcoast staff at Enbridge's offices in Calgary to discuss the plans and schedule for the audit.

Document review began on 16 August 2019 and interviews were conducted on 5 September 2019, 11 – 13 September 2019, 23 – 24 October 2019 and finished on 4 November 2019.



Audit staff shared a pre-closeout summary of the results of the audit with Westcoast on 15 November 2019, which identified preliminary audit findings. At that time, Westcoast was given seven business days to provide any additional documents or records to help resolve the identified gaps in information or compliance. Subsequent to the pre-closeout meeting, Westcoast provided additional information to assist audit staff in making their final assessment of compliance. Audit staff conducted a final closeout meeting with Westcoast on 13 January 2020.

## 2.0 Facility and Process Description

Westcoast became a wholly owned subsidiary of Enbridge following Enbridge's merger with Spectra Energy in February 2017, as part of Enbridge's Gas Transmission and Midstream (GTM) Business Unit. Enbridge operates liquid and natural gas pipeline systems across Canada and the United States. For the purposes of this audit, the CER focused on contractor oversight provided by Westcoast, which operates a gas pipeline system, during construction and operational maintenance work on its system within Canada. The Westcoast pipelines regulated by the CER are shown in Appendix 2.

Enbridge's management system approach is separated into two sets of requirements; the overarching Enterprise requirements, and the Business Unit implementation of the requirements. The Enterprise requirements provide overall corporate policy, direction, and sets the minimum management system expectations. Each Enbridge Business Unit, such as Westcoast, is then required to develop commitment statements, to align the Business Unit with the Enterprise requirements. This is then followed by an Integrated Management System (IMS) which demonstrates how the Business Unit will meet the minimum management system expectations set by the Enterprise requirements. Enbridge documentation indicates that each individual Business Unit is responsible for the establishment, implementation, maintenance, and continual improvement of their respective IMS.

As a result of the merger between Enbridge and Spectra Energy, some of Enbridge's management system documentation is now used by Westcoast. While the majority of this report will reference Westcoast, there will be occasion where Enbridge and Enbridge documentation will be referenced. Westcoast provided a Management of Change document which was developed during this management system change.

The Enbridge management system structure includes a Management System Framework (MSF) that all of Enbridge's Business Units are required to follow. According to Enbridge's documentation the MSF applies to the lifecycle of its assets including design, construction, operations, maintenance, and abandonment. The MSF sets the minimum requirements that each of Enbridge's Business Units need to meet through their individual IMS. There are 11 individual Elements to the MSF, the Contractor Management Process, which was the focus of this audit, resides under the Element called Operational Controls.

According to Westcoast documentation, the IMS replaced the previous legacy management system through a formal management of change process completed in 2018. However, Westcoast IMS milestones show that IMS documentation, implementation and process centralization will be continuing through 2020. Audit staff identified numerous documents that were potentially still in use that were associated with the legacy Westcoast management system.





### 3.0 Assessment of Compliance

#### 3.1 General

The OPR requires companies to provide contractor oversight for both construction and pipeline / facility maintenance work as part of the companies' management system. Carefully designed and well-implemented management systems are a reflection of companies' commitments to continual improvement in safety and environmental protection throughout the full life-cycle of facilities. Management systems also support strong cultures of safety and are fundamental to keeping people safe and protecting the environment. Following the requirements of OPR s. 6.1, the CER expects the level and extent of contractor oversight to reflect the level of complexity of the pipeline, the pipeline operation, and the type of construction or maintenance work involved.

For the purposes of this audit, the CER's expectations included, but were not limited to, Westcoast having established and implemented:

- a management system that is systematic, comprehensive, proactive and is applied across the entire lifecycle of its system; to ensure construction and maintenance activities are conducted safely, and in a manner that protects people and the environment;
- processes for identifying and analyzing hazards and potential hazards, evaluating and managing the risks, establishing the necessary controls, and communicating this information to all that need to be made aware of it, such as contractors, during construction and maintenance activities;
- an effective organizational structure, along with competency and training requirements, and training programs and processes to identify and communicate roles, responsibilities, and authorities, and to verify the competency of Westcoast's staff and those that complete work on its behalf;
- a process for the internal reporting, analysis, and investigation of hazards, potential hazards, incidents, and near-misses as a result of construction or maintenance activities, and for taking corrective and preventive measures, including measures to manage imminent threats; and
- quality assurance measures, such as audits and inspections, of construction and maintenance activities are being carried out to ensure that worker safety and environmental protection is being effectively carried out in a competent and safe manner.

It is a requirement of the OPR that each CER-regulated company has an effective management system and protection programs, and the CER's expectation that companies have a strong culture of safety, all of which are fundamental to keep people safe and protect the environment. Each company and its management systems is required to comply with all applicable requirements of the CER Act, its regulations, standards referenced in the regulations, such as the CSA Z662, and any company-specific Orders and Certificates.

Section 6.1 of the OPR requires a company regulated by the CER to establish and implement a management system that:

- is explicit, comprehensive and proactive;
- integrates the company's operational activities and technical systems with its management of human and financial resources to enable the company to meet its obligations under the OPR section 6;



- applies to all of the company's activities involving the design, construction, operation, or abandonment of a pipeline, and to the programs referred to in the OPR section 55;
- ensures coordination between the programs referred to in the OPR section 55; and
- corresponds to the size of the company, to the scope, nature, and complexity of its activities, and to the hazards and risks associated with those activities.

### 3.2 Assessment of Westcoast Regulated Facilities

The CER audit team's assessment of Westcoast's compliance with the regulatory requirements is summarized in Table 1 of this report and explained in detail in Appendix 1 attached to this report. The CER identified no issues noted with three (3) of the protocol items and found Westcoast to be non-compliant with seventeen (17) of the regulatory requirements evaluated as part of this audit. The non-compliances are spread throughout Westcoast's IMS and are related to both implementation and establishment issues within its management system. Westcoast did demonstrate it does have some processes and procedures for its management system, however the existing processes and other requirements do not meet the requirements set by the CER. Through its various activities, Westcoast demonstrated it was taking steps to provide oversight of contractors and those who work on behalf of the company. A more detailed evaluation of the issues identified, is available in Appendix 1.

### 3.3 List of Audit Findings

The CER could assign one of two possible types of findings to each audit protocol item evaluated:

1. No Issues Noted – *No non-compliances were identified during the audit based on the information provided and reviewed within the context of the scope of the audit; or*
2. Non-compliant – *An evaluated regulatory requirement does not meet legal requirements. The company has not demonstrated that it has developed and implemented programs, processes and procedures that meet the legal requirements. A corrective and preventative action plan must be developed and implemented.*

Below is a table that provides a generalized description of the CER's audit findings. They correspond to Appendix 1 Summary of Findings that provides more information regarding the review and substance of each finding.



**Table 1: Summary of Findings**

| Audit Protocol Item | Regulatory Reference | Protocol Topic                                       | Status        | Summary of Finding   |
|---------------------|----------------------|--|---------------|--|
| AP-01               | OPR s. 6.1           | Management System                                    | Non-Compliant | While Westcoast did demonstrate that it had almost completed a transition to the IMS, the demonstrated management system did not meet the regulatory requirement of the OPR. At the time of the audit, the combination of Spectra Energy and Enbridge documentation was not explicit or comprehensive nor did it appear to include all of the company's activities related to the lifecycle of a pipeline. |
| AP-02               | OPR s. 6.4           | Organizational Structure, Roles and Responsibilities | Non-Compliant | Westcoast was able to demonstrate that it had an organizational structure, roles and responsibilities are embedded in its management system, procedures and work instructions. However, CER noted several deficiencies with key roles and responsibilities of Westcoast personnel related to the management system and procedures that do not meet the regulatory requirements.                            |
| AP-03               | OPR s. 6.5(1)(c)     | Identifying and Analyzing all hazards                | Non-Compliant | Westcoast was able to demonstrate that it had a process for hazard identification, however it did not address the entirety of the regulatory requirements.   |
| AP-04               | OPR s. 6.5(1)(d)     | Hazard Inventory                                     | Non-Compliant | Westcoast was able to demonstrate that it had identified and documented hazards and potential hazards at various levels of the organization. However, Westcoast did not demonstrate an adequate hazard inventory as per the regulatory requirements.   |
| AP-05               | OPR s. 6.5(1)(e)     | Risk Assessment                                      | Non-Compliant | Westcoast was able to demonstrate that it had a process for risk evaluation at the IMS level. However it did not demonstrate integration and linkages to OPR s.55 program risk evaluation  |



| Audit Protocol Item | Regulatory Reference | Protocol Topic                                | Status          | Summary of Finding  |
|---------------------|----------------------|---|-----------------|---|
|                     |                      |   |                 | associated with the contractors work activities.  |
| AP-06               | OPR s. 6.5(1)(f)     | Controls                                      | Non-Compliant   | Westcoast was able to demonstrate that it had numerous activities related to establishing controls. However Westcoast did not demonstrated a process for controls as related to the scope of this audit and required by the OPR.  |
| AP-07               | OPR s. 6.5(1)(g)     | Legal Requirements                            | No Issues Noted | Westcoast demonstrated that it had established and implemented a process for identifying and monitoring legal requirements as related to the scope of this audit.   |
| AP-08               | OPR s. 6.5(1)(i)     | Management of Change                          | No Issues Noted | Westcoast demonstrated that it had developed and implemented a process for identifying and managing changes as related to the scope of this audit.  |
| AP-09               | OPR s. 6.5(1)(j)     | Competency Requirements and Training Programs | Non-Compliant   | Westcoast demonstrated that it had numerous requirements for contractor competency and training programs. However Westcoast did not demonstrated an adequate process as related to the scope of this audit.   |
| AP-10               | OPR s. 6.5(1)(k)     | Training and Competency Verification          | Non-Compliant   | Westcoast was able to demonstrate that it had requirements for contractor competency and training programs. However Westcoast did not demonstrated that it had a process for verifying training and competency as related to the scope of this audit.   |
| AP-11               | OPR s. 6.5(1)(l)     | Awareness of Responsibilities                 | Non-Compliant   | Westcoast demonstrated that it had numerous requirements for managing contractors and communicating requirements. However, Westcoast did not demonstrate a process for making employees and other persons working with or on behalf of the company aware of their responsibilities as related to the scope of this audit. |



| Audit Protocol Item | Regulatory Reference | Protocol Topic  | Status        | Summary of Finding   |
|---------------------|----------------------|---|---------------|--|
| AP-12               | OPR s. 6.5(1)(m)     | Communication   | Non-Compliant | Westcoast demonstrated that it has procedures related to communication. However Westcoast did not demonstrate that it had a consistent process for communication with contractors as related to the scope of this audit.                                       |
| AP-13               | OPR s. 6.5(1)(q)     | Coordination and Control of Operational Activities                          | Non-Compliant | Westcoast was able to demonstrate it had procedures related to coordinating and controlling activities. However Westcoast did not provide a process with contractors as related to the scope of this audit.  |
| AP-14               | OPR s. 6.5(1)(r)     | Internal Reporting of Hazards, Potential Hazards, Incidents and Near-misses | Non-Compliant | Westcoast demonstrated that it had procedures related to incident notification, reporting and investigation. However, Westcoast did not provide a process for the reporting of hazards and imminent hazards that applied to its contractors.                   |
| AP-15               | OPR s. 6.5(1)(t)     | Contingency Plans for Abnormal Events                                       | Non-Compliant | Westcoast demonstrated that it had procedures related to emergency management and requirements for contractors to have site specific emergency plans. However Westcoast did not provide a process for the development of contingency plans for abnormal events |
| AP-16               | OPR s. 6.5(1)(u)     | Inspection and Monitoring   | Non-Compliant | Westcoast was able to demonstrate that it had requirements for inspection and monitoring. However Westcoast did not provide a process as related to the scope of this audit.   |
| AP-17               | OPR s. 6.5(1)(w)     | Quality Assurance   | Non-Compliant | Westcoast demonstrated that it had initiated quality assurance activities including audits. However Westcoast did not demonstrate audits for the OPR s.55 programs as related to construction activities with contractors.                                     |



| Audit Protocol Item | Regulatory Reference                | Protocol Topic                                   | Status          | Summary of Finding   |
|---------------------|-------------------------------------|--|-----------------|--|
| AP-18               | OPR s. 18(1)(a),(b), (b.1),(d), (2) | Construction Safety – Contractor Management      | Non-Compliant   | Westcoast demonstrated that it has a Contractor Safety Manual. However Westcoast did not demonstrate clear communication of authorization of a person to halt a construction activity.   |
| AP-19               | OPR s. 19                           | Construction Safety – Construction Safety Manual | No Issues Noted | Based on the information made available and reviewed, within the scope of the audit, no identified issues relating to this protocol item were identified during the audit.   |
| AP-20               | OPR s. 20(1)(1.1)                   | Construction Manual                              | Non-Compliant   | At the time of the audit, Westcoast was operating with two versions of its health and safety manual and could not demonstrate how or where the two manuals link to one another. In addition, it was not clear how the two manuals are applied or implemented by its contractors. |

#### 4.0 Conclusion

At the time of the audit, the CER determined that Westcoast was conducting many oversight activities of its contractors and those working on its behalf. Audit staff identified that Westcoast was taking steps to protect the safety of its employees, those working on its behalf, and the protection of the environment. In addition, Westcoast had many of the discreet processes that make up a management system. However, the CER auditors notes that some aspects were not fully integrated in a way that ensured comprehensive contractor oversight and other processes did not meet CER requirements. While the Westcoast IMS does state it addresses the lifecycle of a pipeline, the linkages and integration with respect to contractor oversight were not present at the level of detail expected for a full life cycle management system.

The CER is of the view that contractor oversight is required as part of the management system when companies choose to have contractors conduct work on their behalf in order to ensure that federally requirements for safety, security and environmental protection are consistent and maintained throughout the pipeline lifecycle. In other words, whether or not Westcoast uses its own staff or contractors to conduct its construction and operational maintenance, all of the requirements in the OPR must be met. The CER holds the certificate holder accountable for compliance therefore Westcoast must ensure that its contractors observe and meet the same standards for safety, security and protection of the environment. Given these requirements and expectations, companies must demonstrate that contractor oversight is integrated into their management systems.

At the time of the audit, Westcoast was unable to demonstrate, within the scope of the audit, it had established and implemented:



- An effective management system that is comprehensive, proactive and is applied across the entire lifecycle of a pipeline. Westcoast continues to transition between its former management system and its new IMS. As a result some of its management system documentation does not meet the requirements to be comprehensive or explicit and the CER auditors found it difficult to identify which documents were considered “live” and which documents were part of the legacy system.
- Effective processes for identifying and analyzing hazards and potential hazards, evaluating and managing the risks, establishing the necessary controls. According to Westcoast documentation, contractors may use their own processes, procedures and work instructions to identify hazards, evaluate and manage risks, and to establish controls. However, there is no requirement within the Westcoast (GTM management system to formally evaluate whether the contractors documents are equivalent to the Westcoast standards or legal requirements.
- An effective organizational structure, to identify and communicate roles, responsibilities, and authorities, and to verify the competency of workers and those that complete work on its behalf. Westcoast's Safe Work Permit procedure did not include an adequate description of roles, responsibilities or steps for the permit issuer to identify and determine competency or training requirements for contractors who require the permits to perform the work. The permit issuer does not assess contractor competency against requirements and training programs are not assessed to determine what training is required.
- A process for the internal reporting, analysis, and investigation of hazards, potential hazards, incidents, and near-misses as a result of construction or maintenance activities, and for taking corrective and preventive measures, including measures to manage imminent threats. The CER auditors found the documentation provided did not adequately describe the roles, responsibilities and steps for managing imminent hazards. In addition, the documentation did not define incidents to include the management of imminent hazards.
- Quality assurance measures, such as audits and inspections, of construction and maintenance activities are being carried out to ensure that worker safety and environmental protection is being effectively carried out. However, Westcoast could not demonstrate audit records as related to contractor management and oversight as part of the Westcoast IMS.

In several instances the CER found Westcoast documentation was not in alignment with the information provided during interviews with Westcoast staff. Specifically, the roles and responsibilities being fulfilled by staff did not align with what was described in the documentation. CER audit staff identified this as an area of concern because it was inconsistent with the level of contractor oversight described in the documentation.

Based on interviews with Westcoast staff and a review of the information provided by the company, the CER is of the view that the non-compliant findings do not constitute immediate safety or environmental protection issues. Westcoast is required to develop a Corrective and Preventive Action Plan (CAPA Plan) to analyze, address, and manage these deficiencies and submit it to the CER within 30 days of receipt of the final audit report for approval.

The CER will monitor and assess the implementation of Westcoast's CAPA Plan to confirm that it is fully implemented on a timely basis and in a manner that protects the safety of employees, those working on behalf of the company, and the public, as well as the environment.

The CER will make its final audit report public on the CER website.









## Appendix 1.0 - Audit Assessment Tables

### AP-01: Management System

#### Regulatory Requirement:

**OPR s. 6.1** A company shall establish, implement and maintain a management system that

(a) is systematic, explicit, comprehensive and proactive; and

(c) applies to all the company's activities involving the design, construction, operation, or abandonment of a pipeline and to the programs referred to in section 55.

#### Expected Outcome:

The company is able to demonstrate that:

- The company's management system is purposely designed to include the construction / maintenance phase of a pipelines life cycle.
- The company integrates construction or maintenance activities of a pipelines life cycle through a systematically designed, established and implemented management system.

#### Summary of Information Made Available by Westcoast:

To demonstrate compliance with this requirement, Westcoast supplied audit staff with the following documents:

- Integrated Management System (IMS) Requirements [REDACTED]
- [REDACTED] Scope Management
- [REDACTED] Contractor Selection and Contracting,
- [REDACTED] Schedule and Kick – Off
- [REDACTED] Manage Contractors
- [REDACTED] Close-Out
- Construction Safety Manual 2015
- [REDACTED] Health & Safety Manual 2019
- [REDACTED] IMS Commitment Statement
- [REDACTED] IMS Email November [REDACTED]
- [REDACTED] IMS Email December [REDACTED]



### Assessment:

Following the purchase of Spectra Energy (Westcoast) assets, Enbridge Gas Transmission & Midstream (GTM) had been moving towards a single Integrated Management System (IMS). The focus of the IMS is to consolidate all processes in accordance with the requirements outlined within Enbridge's overarching Management System Framework (MSF) with a fit-for-purpose design for the asset footprint across the asset lifecycle. During interviews, Westcoast staff have acknowledged that merging legacy asset Management Systems into the Integrated Management System is almost complete. The IMS contains 11 elements and 24 sub-elements which are designed to be aligned with the Plan-Do-Check-Act management system cycle and is to be implemented across the asset lifecycle. The audit staff found the IMS is almost fully established and implemented and appears to be designed as a systematic and integrated management system.

The IMS consists of at least 8 management programs, including the programs referenced in the OPR section 55, plus other internal GTM management programs. Each management program must meet the requirements set forth in the 24 sub-elements. The Contractor Management Process, [REDACTED] within the Operational Controls Element is specifically noted in this report due to the topic of this focused audit (Contractor Oversight).

Westcoast demonstrated through communication from the Executive Vice President & President a 'drive to one management system'. Through a 2015 Spectra Construction Safety Manual and a [REDACTED] Spectra Energy Maintenance Safety Manual Westcoast demonstrated that it does have a legacy Operating Management System (OMS) which was almost fully replaced at the time of the audit. The audit staff identified in Westcoast supporting materials that Enbridge GTM is actively moving towards an IMS that includes the integration of the Environmental Protection Program, Management of Change, Projects Organization, Risk Management Process and Safety Management Program. The audit staff found these noted areas are utilizing existing Spectra Energy processes, procedures, requirements and the new IMS documentation does not reference or reflect this documentation. The audit staff have found that Westcoast did not demonstrate how the IMS can operate systematically and independently without integrating the existing Spectra Energy processes, procedures, programs as noted above.

For Westcoast, the change in management systems is not an iterative improvement on an existing management system, but a wholesale change from one company to another. For this reason, audit staff were concerned that during the changeover between systems, some processes or procedures would take longer to complete the changeover and there could be gaps between the two management systems that require some level of integration between them during the transition. This audit was initiated approximately two and a half years after the purchase of Spectra Energy by Enbridge. While audit staff did not expect immediate integration between the two companies, after two and a half years, audit staff are of the opinion that the majority of the processes, procedures, work instructions, etc. should have been proactively updated, implemented and established at this point in time. Audit staff were provided with a significant amount of documentation that was still associated with Spectra Energy, or SET West, which had yet to be updated or integrated with the new IMS.

The IMS does not explicitly indicate which management system documents (e.g., standards, programs, processes, procedures, manuals, etc.) are relevant to each sub-element and/or management program. Thus, it is not possible to identify the documents which are within the management system from reading the IMS requirements document alone.

Westcoast was not able to demonstrate which management system processes, procedures and program documents were "live" between the Spectra OMS documentation and the Westcoast IMS documentation.



**Finding:** Non-compliant.

Based on the information made available and reviewed by the audit staff, Westcoast has been found Non-Compliant relating to items described in this protocol item. While Westcoast did demonstrate that it had almost completed a transition to the IMS, the demonstrated management system did not meet the regulatory requirement of the OPR s. 6.1(a)(c). With the combination of Spectra Energy and Enbridge documentation, at the time of the audit, the management system was not explicit or comprehensive nor did it appear to fully include all of the company's activities related to the lifecycle of a pipeline. A CAPA Plan must be developed to analyze, address and manage these deficiencies.



## AP-02: Organizational Structure, Roles & Responsibilities

### Regulatory Requirement:

**OPR s. 6.4** The company must have a documented organizational structure that enables it to (a) meet the requirements of the management system and meet its obligations under section 6; (b) determine and communicate the roles, responsibilities and authority of the officers and employees at all levels of the company; and (c) demonstrate, based on an annual documented evaluation of need, that the human resources allocated to establishing, implementing and maintaining the management system are sufficient to meet the requirements of the management system and to meet the company's obligations under section 6.

**Expected Outcome:** The company is able to demonstrate that:

- it has a documented organizational structure;
- it has determined and communicated the roles, responsibilities and authorities; and
- it conducts an annual documented evaluation of need of the human resources.

### Summary of Information Made Available by Westcoast:

To demonstrate compliance with this requirement, Westcoast supplied audit staff with the following documents:

- [REDACTED] PRM Charter
- Safety Program [REDACTED] Document
- Construction Safety Manual
- [REDACTED] Maintenance Safety Manual
- [REDACTED] Health and Safety Manual
- [REDACTED] Program Charter
- [REDACTED] Process Roles, Accountabilities and Authorities
- Environmental Protection Program [REDACTED] Document
- [REDACTED] manual for Construction Projects
- [REDACTED] Health and Safety Requirements
- Work Management [REDACTED]
- Work Coordinator [REDACTED]
- Coordinate Work [REDACTED]
- Risk Management Process [REDACTED] – Workflow
- Risk Management Process [REDACTED]
- CA Capital [REDACTED] Forecast Process
- Capital Expansion Project Lifecycle [REDACTED]
- Small Project Lifecycle Key Processes [REDACTED]
- Field Safety Specialists' Roles [REDACTED]



- GTM EPP [REDACTED] Reports
- GTM [REDACTED] Management of Change Form

**Assessment:**

Westcoast demonstrated a nearly complete transition from the Westcoast OMS to an IMS. After reviewing the existing documentation provided, the roles and responsibilities have not been adequately determined and communicated. Audit staff found the Spectra 2015 Construction Safety Manual and the 2017 Spectra Maintenance Safety Manual are still active and it is not clear as to the specific application of the roles and responsibilities outlined in these documents. Westcoast was not able to demonstrate that roles, responsibilities etc. in processes, procedures and requirements have been transitioned to the IMS and its ancillary documents.

Audit staff found Westcoast has not communicated roles and responsibilities adequately as related to staff reviewing contractor safety procedures and requirements. Westcoast demonstrated document reviews are performed, however, the roles and responsibilities of personnel reviewing contractors documents are not adequately defined to ensure the necessary steps are performed to ensure adequate review and evaluation.

Audit staff identified the following related examples of deficiencies in defining roles and responsibilities as related to management system and processes:

- The Westcoast Contractor [REDACTED] Procedure outlines requirements for the Work Coordinator, however it was found to not be representative of what is occurring in the field related to safety procedures/practices; and
- The Westcoast Safe Permit Process and the Work Management [REDACTED] were demonstrated as important steps to ensure contractors are aware of their roles and responsibilities, however the documents do not integrate or link to one another.

Audit staff are aware that similar findings related to a lack of roles and responsibilities were made in other Audit Protocol sections. As this was a trend identified by the auditors, it was felt necessary to highlight this trend to ensure it was addressed, both here in AP-02, and in other locations within the audit report.

**Finding:** Non-compliant.

Based on the information made available and reviewed by the audit staff, Westcoast has been found Non-Compliant relating to items described in this protocol item. While Westcoast was able to demonstrate that it has an organizational structure, roles and responsibilities are embedded in its management system, procedures, and processes. There were several deficiencies related to key roles and responsibilities of Westcoast personnel related to the management system and procedures which do not meet the regulatory requirement of the OPR s. 6.4(b). A CAPA Plan must be developed to analyze, address and manage these deficiencies.



### AP-03: Identifying and Analyzing all Hazards

#### Regulatory Requirement:

OPR s. 6.5(1)(c) establish and implement a process for identifying and analyzing all hazards and potential hazards;.

#### Expected Outcomes:

- The company has a compliant process that is established and implemented.
- The methods for identification of hazards and potential hazards are appropriate for the nature, scope, scale, and complexity of the company's operations, activities and s.55 programs.
- The identification of hazards and potential hazards must include the full life cycle of the pipeline
- The company has comprehensively identified and analyzed all relevant hazards and potential hazards.
- The hazards and potential hazards have been identified for the company's scope of operations through the lifecycle of the pipelines.
- The identified hazards and potential hazards have been analyzed for the type and severity of their consequences

#### Summary of Information Made Available by Westcoast:

To demonstrate compliance with this requirement, Westcoast supplied audit staff with the following documents:

- GTM Health and Safety manual [REDACTED]
- CGTM Hazard Identification [REDACTED]
- Hazard Assessment and Control [REDACTED]
- Safety Program [REDACTED] Document
- [REDACTED] Scope Management
- [REDACTED] Schedule and Kick-off
- GTM [REDACTED] – Risk Management [REDACTED]
- Environmental Protection [REDACTED]
- Environmental Manual for [REDACTED] Projects
- [REDACTED] (HAZOP) Study Procedure
- Construction Safety manual
- Spectra Energy Transmission West Maintenance Safety Manual
- Hazard Inventory
- PE [REDACTED] Form
- Field Level Hazard Assessment [REDACTED]
- First Aid Requirements [REDACTED] Document
- Safe Work [REDACTED] Form
- Spot the [REDACTED] Hazard
- Contractors [REDACTED] Requirements
- [REDACTED] Contractor Health and safety Requirements



### Assessment:

Westcoast demonstrated numerous documents in the IMS, the Construction Safety Manual, Maintenance Safety Manual, Safety Program, Contractor Work Management [REDACTED] related to hazard identification. Audit staff found the IMS had several requirements and procedures for performing hazard identification at project level and immediately prior to the start of work with the permit issuance as well as requirements for field level hazard assessment (FLHA). Westcoast demonstrated they prepare the safe work permit as an administrative function to ensure processes are followed, locations and task are made safe, controlled, work activities are coordinated, safe condition requirements are communicated and when work must stop and/or be reauthorized. The GTM Health and Safety Manual indicates that Job Safety Analysis (JSA)'s must be performed during the following circumstances:

- during non-routine jobs that pose elevated hazards;
- large jobs that involve multi-work teams and/or multi contractors; and
- jobs that pose elevated hazards or risk relating to fire or electric shock.

Westcoast demonstrated the FLHA, as outlined in the GTM Health and Safety Manual, is to identify hazards and ensure control immediately prior to performing work. [REDACTED] Health and Safety Requirements outlines requirements for Contractors to perform FLHA for their work activities that are to be performed.

Audit staff found that Westcoast was not able to demonstrate an integrated process which aligns and integrates Westcoast roles, responsibilities and process steps with contractor roles and responsibilities and process steps. Westcoast is performing Safe Work Permitting which ensures work can proceed, operations are safe, and requires the contractor to identify hazards. Audit staff found the hazard identification activities are separate and independent and Westcoast has not demonstrated an integrated process with steps between the initial contractor engagement, project hazard assessment, safe work permit procedure and FLHA's conducted by contractors. Audit staff found those Westcoast personnel sampled as part of this audit did not clearly understand their role, responsibility, participation requirements, input into and review of the hazard assessments of contractors immediately prior to performing work. When comparing the documentation provided by Westcoast to the responses provided during the interviews, discrepancies were identified between the two.

Westcoast documentation and interviews consistently demonstrated that contractor's procedures may be used for field level hazard identification if they are more stringent. However, Westcoast was not able to demonstrate roles, responsibilities, steps and criteria to determine how this is to be applied. Additionally, Westcoast demonstrated in some instances Westcoast hazard identification procedures are followed and in others the contractors procedures can be followed for hazard identification and it is not clear as to the roles, responsibilities and steps on how this can occur. Audit staff found that Westcoast hazard identification requirements of contractors are not adequate to ensure contractors use an acceptable method of hazard identification which will be comprehensive and integrated with Westcoast hazard identification procedures.

Westcoast Safe Work Permit [REDACTED] requirements indicate the permit is only required for certain tasks, however consistently through interviews Westcoast personnel indicated they use the Safe Work Permit [REDACTED] for all contractor activities. The GTM Health and Safety Manual and the



Safe Work Permitting [REDACTED] identifies specific types of work in which Safe Work Permits (SWP) are issued. Audit staff have found that the hazard identification procedure does not reflect the actual use and application of the procedure requirement.

Westcoast demonstrated health, safety and environmental advisors are a support team to maintenance, operations and projects for health and safety related issues, information, clarification, etc. Audit staff did not identify a decision point as to when these advisors are to be included in the hazard identification process or when they are not required. Westcoast has not demonstrated clear roles and responsibilities and decision making to ensure an adequate process. As an example, during interviews for project U3020, Westcoast staff indicated no HSE specialist was involved in determining required HSE capabilities, certifications, and qualifications.

Westcoast demonstrated a hazard identification process, in the GTM Health & Safety Manual, however it was not clear how Westcoast and Contractor staff know they are to use the requirements for the other OPR s. 55 programs. As an example, audit staff did not observe environmental related hazards listed in the JSA's, SWP's, or FLHA's as indicated in the process.

Westcoast demonstrated a number of hazard identification methods including the Safe Work Permit procedure and the FLHA. However, audit staff have found that hazard identification related to the specific work activities is performed very late (immediately prior to the work) by the permit issuer and can represent a risk in missing or not recognizing hazards and the needed linkage to controls, required training and competency etc. The auditors found the FLHA is being created independently, immediately prior to work, and not adequately integrated with other safety activities and project hazard assessments. Westcoast has not demonstrated how the other hazard identification activities at the IMS, operations and project level integrate with the hazard identification performed immediately at the workplace by the permit issuer.

**Finding:** Non-compliant.

Based on the information made available and reviewed by the audit staff, Westcoast has been found Non-Compliant relating to items described in this protocol item. While Westcoast was able to demonstrate that it has an established and implemented process for hazard identification they do not fully meet the regulatory requirement of the OPR s. 6.5(1)(c). A CAPA Plan must be developed to analyze, address and manage these deficiencies.





## AP-04: Hazard Inventory

### Regulatory Requirement:

**OPR s. 6.5(1)** A company shall, as part of its management system and the programs referred to in section 55,

**OPR s. 6.5(1)(d)** establish and maintain an inventory of the identified hazards and potential hazards.

**Expected Outcomes:** The company is able to demonstrate that it has identified the hazards and potential hazards associated with the pipeline construction contractor oversight activities and has included them in the inventory. Specific areas for demonstration related to this protocol question include:

- the company has a compliant inventory that is established and maintained;
- the inventory includes hazards and potential hazards associated within the company scope of operations and activities through the lifecycle of the pipelines;
- hazards and potential hazards are identified for the control room;
- the inventory has been maintained, it is current, and is up-to-date including changes made to company operations and activities; and
- the inventory is being used as part of the risk evaluation and controls processes.

### Summary of Information Made Available by Westcoast:

To demonstrate compliance with this requirement, Westcoast supplied audit staff with the following documents:

- IMS Requirements [REDACTED]
- Hazard Inventory [REDACTED]
- [REDACTED] Hazard Inventory Process
- GTM Health and Safety Manual
- Safety Program Mapping [REDACTED]
- Construction Safety Manual
- Spectra Energy Transmission West Maintenance Safety Manual
- PE [REDACTED] Form
- Contractors Health and Safety [REDACTED]
- [REDACTED] Contractor Health and Safety Requirements
- [REDACTED] Hazard Inventory Process
- Workplace Hazard Inventory [REDACTED]
- [REDACTED] Inventory Training
- Environmental Protection Program Mapping [REDACTED]
- Project Environmental Hazard Assessment – [REDACTED]



**Assessment:**

Westcoast demonstrated a hazard inventory for Western Canada, a GTM hazard inventory process, PE [REDACTED] Form for hazard identification on projects, project environmental hazard assessment, Safe Work Permit, FLHA's performed by contractors and a number of other related documents. Audit staff found these individual hazard inventories demonstrate that hazards are being identified at various levels of the organization and at different times during the construction / maintenance process.

Audit staff found the individual methods for hazard identification are not integrated together to comprise an adequate inventory of hazards. Audit staff found Westcoast has an overall company level inventory of hazards, however, this inventory is not linked or utilized for other hazard identification and inventory methods per the identified documents noted above. Audit staff found the required project hazard inventory is not linked to the safe work permitting process nor is it linked to the FLHA performed by contractors.

Audit staff found the company level hazard inventory and requirements were not being communicated to contractors as part of the procurement and oversight of contractors and Westcoast has not demonstrated how the hazard inventory is to be integrated and linked into other management system processes to demonstrate an adequate inventory. Audit staff found the inventory is not being utilized to identify training and competency requirements and contractor monitoring and oversight activities as part of contractor activities.

Audit staff acknowledge that section 6.5(1)(d) does not, in itself, include the explicit legal obligation to communicate a hazard inventory to contractors. However, section 6.5(1)(f), AP -05, does require Westcoast to communicate the controls for hazards to anyone who is exposed to the risks. Contractors would be among those who could be exposed to the risks. The CER reminds Westcoast that the OPR requires a management system that is "explicit, comprehensive and proactive" and that each of the processes required are considered parts of that management system. It is therefore crucial that these requirements are linked systematically, as denoted by the requirement for a "system" not as fragmented individual requirements that function in isolation.

During interviews, audit staff were informed the completion of Westcoast Hazard Identification [REDACTED] form was a formal procedure to identify and inventory hazards, however, Westcoast was unable to demonstrate its consistent implementation across multiple projects reviewed by audit staff.

**Finding:** Non-compliant.

Based on the information made available and reviewed by the audit staff, Westcoast has been found Non-Compliant relating to items described in this protocol item. While Westcoast was able to demonstrate that it has identified and documented hazards and potential hazards at various levels of the organization, Westcoast has not demonstrated an adequate hazard inventory per the requirement of the OPR s. 6.5(1)(d). A CAPA Plan must be developed to analyze, address and manage these deficiencies.



## AP-05: Risk Assessment

### Regulatory Requirement:

**OPR s. 6.5(1)** A company shall, as part of its management system and the programs referred to in section 55,

**OPR s. 6.5(1)(e)** establish and implement a process for evaluating and managing the risks associated with the identified hazards, including the risks related to normal and abnormal conditions.

**Expected Outcome:** The company is able to demonstrate that they have evaluated and are managing the risks of the identified hazards associated with the pipeline construction contractor oversight activities, including the risks related to normal and abnormal conditions. Specific areas for demonstration related to this protocol question include:

- the company has a compliant process for evaluating and managing risks that is established and implemented;
- the method(s) for risk evaluation and managing the risks are based on referenced regulatory standards and are appropriate for the nature, scope, scale, and complexity of the company's operations, activities, and s.55 programs ;
- risk is evaluated for all hazards and potential hazards and includes normal and abnormal conditions;
- risk levels are monitored on a periodic basis as-needed, and re-evaluated for changing circumstances;
- risk is managed using defined method(s) appropriate to the s.55 programs; and
- risk acceptance criteria is determined for all hazards and potential hazards.

### Summary of Information Made Available by Westcoast:

To demonstrate compliance with this requirement, Westcoast supplied audit staff with the following documents:

- Safety Program Mapping [REDACTED]
- [REDACTED] Risk Management
- GTM IMS [REDACTED] Risk Management
- HAZOP [REDACTED]
- Construction Safety Manual 2015
- SET West Maintenance Safety Manual
- CGTM Workplace Hazard Inventory [REDACTED]
- Risk Management Process [REDACTED]
- Risk Management Process [REDACTED] Workflow
- Risk Matrix



**Assessment:**

Westcoast demonstrated risk management has been included in the IMS and drives the overall framework standard for risk management and supports the GTM IMS risk governance structure. The Hazard and Risk Management Process is implemented within the company's IMS and responsibilities are outlined in Enbridge's hazard and risk management process document. Each IMS program is accountable to ensure that all hazards and risks that could impact its program are documented within the individual program's risk register and supporting documents. Risk is analyzed by determining consequences and their likelihood of occurrence. To complete each risk analysis, each IMS program owner must gather information about each hazard's probability of occurrence and the variety of consequences that can occur.

Westcoast demonstrated a number of IMS level documents, such as the Safety Program, Construction Safety Manual and Maintenance Safety Manual related to evaluating risk and also demonstrated a number of procedures (permit, hazard identification etc.). These documents, however, do not include an adequate process for the evaluation and management of risks associated with construction activities performed by contractors. Audit staff found Westcoast did not adequately describe the roles, responsibilities and steps for how the IMS level hazard and risk assessment is integrated with program level procedures and requirements for risk evaluation.

Audit staff found Westcoast did not demonstrate a process for evaluating and managing safety, environmental, emergency and integrity risks associated with the hazards related to normal and abnormal operating conditions for maintenance/operations and projects.

Audit staff found the Westcoast Contractor Health and Safety Requirement's [REDACTED] does not specify a requirement to evaluate risk and only indicates that controls are to be applied. Westcoast has not demonstrated that the evaluation of risk is to be extended to contractors to ensure an integrated and systematic management system approach.

Westcoast has not demonstrated how the various IMS, Contractor Safety Manual, Safety Program inventories, requirements, procedures etc., are integrated together to demonstrate an established process for the evaluation of risk that includes roles, responsibilities and related to contractors work activities. Audit staff have found that contractors work activities are not adequately evaluated for risk to enable the establishment and implementation of adequate controls to eliminate or mitigate the risk.

**Finding:** Non-compliant.

Based on the information made available and reviewed by the audit staff, Westcoast has been found Non-Compliant relating to items described in this protocol item. While Westcoast was able to demonstrate that it has an established and implemented process for risk evaluation at the IMS level, Westcoast has not demonstrated integration and linkages to OPR s.55 program risk evaluation associated with the contractors work activities per the requirement of the OPR s. 6.5(1)(e). A CAPA Plan must be developed to analyze, address and manage these deficiencies.



## AP-06: Controls

### Regulatory Requirement:

**OPR s. 6.5(1)** A company shall, as part of its management system and the programs referred to in section 55,

**OPR s. 6.5(1)(f)** establish and implement a process for developing and implementing controls to prevent, manage and mitigate the identified hazards and the risks and for communicating those controls to anyone who is exposed to the risks.

**Expected Outcome:** The company is able to demonstrate that it has developed and implemented controls for the identified hazards associated with the pipeline construction contractor oversight activities and that it has communicated the risk controls to anyone exposed to the risks. Specific areas for demonstration related to this protocol question include:

- the company has a compliant process for developing and implementing risk controls;
- the method(s) for developing risk controls are appropriate for the nature, scope, scale, and complexity of the company's operations and activities and s.55 programs;
- risk controls are developed and implemented;
- risk controls are adequate to prevent, manage and mitigate the identified hazards and risks;
- risk controls are monitored on a periodic basis and as-needed and re-evaluated for changing circumstances; and
- risk controls are communicated to those exposed to the risks.

### Summary of Information Made Available by Westcoast:

To demonstrate compliance with this requirement, Westcoast supplied audit staff with the following documents:

- Safety Program Mapping [REDACTED]
- [REDACTED] Risk Management
- Hazard and Risk Management Process [REDACTED]
- Risk Management Process [REDACTED]
- IMS [REDACTED] Risk Management Process
- Environmental Protection Program Mapping [REDACTED]
- Environment Manual [REDACTED]
- HAZOP Procedure
- Construction Safety Manual
- SET West Maintenance Safety Manual
- GTM Health and Safety Manual
- Contractor Health and Safety Requirements
- [REDACTED] Health and Safety Requirements
- Risk Management Process [REDACTED] Forms



- [REDACTED] Hazard Identification Process
- [REDACTED] Hazard Inventory Process
- Field Level Hazard Assessment [REDACTED]
- [REDACTED] Health and Safety Manual

#### Assessment:

Westcoast demonstrated numerous documents which contain roles, responsibilities and requirements for controls including key IMS level documents such as contractor health and safety requirements, [REDACTED] health and safety manual, etc. Audit staff have found there are numerous roles, responsibilities and steps in the above noted documents, however these documents do not adequately link the steps to demonstrate how Westcoast is to evaluate the contractor's controls in their safety plans. Audit staff found Westcoast sets expectations through contract terms and conditions for contractor's safety requirements. Audit staff found Westcoast does not have adequate roles, responsibilities and steps for Westcoast to review the controls of contractors for adequacy.

Audit staff identified several deficiencies related to establishing controls including:

- Audit staff have found some controls are defined by Westcoast, such as lockout-tag-out and excavations, however, it is not clear how the contractors related controls are to be integrated with Westcoast controls;
- For maintenance/operations, the Westcoast process did not have adequate steps for how controls are being identified, communicated (with awareness and training) to anyone who's exposed to the risks;
- For maintenance/operations, Westcoast FLHA's do not adequately define the controls and in many instances reference other documents for Job Safety Analysis or Standard Operating Procedures (SOP's) that are not readily accessible to workers performing the actual work. To ensure the safety of the worker (staff or contractor) they should have all of the relevant safety information readily available to them, they should not have to review multiple additional documents that may or may not be easily retrievable while readying hands on work;
- It was not clear to audit staff if Westcoast is required to sign off on the contractors FLHA;
- Westcoast did not demonstrate adequate roles responsibilities or steps to identify and communicate controls to contractors as some FLHA's stated see Safe Work Permit, however the workers, prior to the start of work, sign off on the FLHA not the Safe Work Permit so there is no indication if the workers were actually made aware of what was identified as hazards; and
- The safe work permit issuer is identifying controls but there is no documented mechanism to ensure everything is communicated to all contractor employees and their sub-contractors.

Audit staff examined hazard records relating to several projects completed by Westcoast over the last two years. In one of these projects the associated FLHA stated "refer to JSA", and didn't list any hazards or controls but referenced an SOP (standard operating procedure). The JSA and



Hazards and controls were not summarized on the FLHA or the Safe Work Permit and there is no evidence to show that the hazards and controls presumably listed in the SOP's and JSA's were communicated to the workers, which includes the contractor and its employees.

**Finding:** Non-compliant.

Based on the information made available and reviewed by the audit staff, Westcoast has been found Non-Compliant relating to items described in this protocol item. While Westcoast was able to demonstrate that it has numerous activities related to establishing controls, Westcoast has not demonstrated a process for controls as per the requirement of the OPR s. 6.5(1)(f). A CAPA Plan must be developed to analyze, address and manage these deficiencies.



## AP-07: Legal

### Regulatory Requirement:

**OPR s. 6.5(1)** A company shall, as part of its management system and the programs referred to in section 55,

**OPR s. 6.5(1)(g)** establish and implement a process for identifying, and monitoring compliance with, all legal requirements that are applicable to the company in matters of safety, security and protection of the environment

**Expected Outcome:** The company is able to demonstrate that it has established and implemented a process for

- The company has a process for identifying and monitoring compliance with legal requirements.
- The method(s) for identifying and monitoring compliance with legal requirements are appropriate for the nature, scope, scale, and complexity of the company's operations and activities and s.55 programs.
- The identification of legal requirements includes an adequate method to identify all of the applicable regulation and standards, including Board orders and conditions, to the clause level.

### Summary of Information Made Available by Westcoast:

To demonstrate compliance with this requirement, Westcoast supplied audit staff with the following documents:

- [REDACTED] Management of Change Process
- [REDACTED] Master Compliance Register
- Contractor Health and Safety Requirements
- [REDACTED] Health and Safety Requirements
- [REDACTED] Health and Safety Manual
- [REDACTED] Master Service Agreements

### Assessment:

Westcoast demonstrated a number of processes related to managing change related to regulatory requirements and an overall master compliance register. Westcoast also demonstrated contractor requirements in several above noted documents and example contract terms and conditions which include specific requirements to adhere to applicable regulations.

**Finding:** No Issues Noted.

Based on the information made available and reviewed by the audit staff within the scope of the audit, no non compliances relating to this protocol item were identified during the audit.





## AP-08: Management of Change

### Regulatory Requirement:

**OPR s. 6.5(1)** A company shall, as part of its management system and the programs referred to in section 55,

**OPR s. 6.5(1)(i)** establish and implement a process for identifying and managing any change that could affect safety, security or the protection of the environment, including any new hazard or risk, any change in a design, specification, standard or procedure and any change in the company's organizational structure or the legal requirements applicable to the company;

**Expected Outcome:** The company is able to demonstrate that it has established and implemented a process for

- The company has a compliant process for identifying and managing change.
- Methods are defined to identify and manage change.
- Impacts to the company management system and s.55 programs are identified and assessed.

### Summary of Information Made Available by Westcoast:

To demonstrate compliance with this requirement, Westcoast supplied audit staff with the following documents:

- Management of Change [REDACTED] Procedure
- GTM IMS [REDACTED] Management of Change Process
- MOC [REDACTED] Procedure
- Management of Change for Procedures [REDACTED]
- Regulatory Management of Change [REDACTED]
- GTM IMS [REDACTED] Organizational Management of Change

### Assessment:

Westcoast demonstrated Management of Change (MOC) procedures within GTM which provides a systematic approach to ensure the potential impacts associated with changes to the assets, documents/procedures, organization and legal requirements are identified, reviewed and addressed.

For Asset MOC, Westcoast demonstrated a MOC for Asset Procedure which is intended to manage risk and document planned operational changes for facilities and pipelines. The MOC for Procedures is intended to identify and manage risk associated with the addition, modification or removal of critical documents. For Regulatory changes, the Regulatory MOC Process is used to identify new or revised legal requirements applicable to Westcoast.

Audit staff reviewed several terms and conditions as related to contractors and Westcoast demonstrated requirements for changes to terms and conditions including safety requirements.



**Finding:** No Issues Noted.

Based on the information made available and reviewed by the audit staff within the scope of the audit, no non compliances relating to this protocol item were identified during the audit.



## AP-09: Competency Requirements and Training Programs

### Regulatory Requirement:

**OPR s. 6.5(1)** A company shall, as part of its management system and the programs referred to in section 55,

**OPR s. 6.5(1)(j)** establish and implement a process for developing competency requirements and training programs that provide employees and other persons working with or on behalf of the company with the training that will enable them to perform their duties in a manner that is safe, ensures the security of the pipeline and protects the environment.

**Expected Outcome:** The company is able to demonstrate that it has established and implemented a process for

- The company has a compliant process for developing competency requirements and training programs.
- The company has defined what competency requirements are required.
- Training programs are traceable and trackable to the defined competency requirements and effective at achieving the desired competencies.
- Employees and those working on behalf of the company are competent to carry out their assigned work.
- Provide persons working with or on behalf of the company with adequate training applicable to s.55 programs and the management system.

### Summary of Information Made Available by Westcoast:

To demonstrate compliance with this requirement, Westcoast supplied audit staff with the following documents:

- IMS Process [REDACTED] Accountabilities and Authorities
- [REDACTED] Capacity Management
- Contractor Work Management [REDACTED] Schedule and Kick-off
- [REDACTED] Training Process
- Work Management [REDACTED]
- [REDACTED] Work Coordinator
- [REDACTED] Coordinate Work
- Overall Training
- Safe Work Permit [REDACTED]
- Contractor Health and Safety [REDACTED]
- Contractor Work Management [REDACTED] Schedule and Kick-off
- [REDACTED] Training & Competency Assurance Program - Assign, Implement, Establish Training Process

### Assessment:

Westcoast demonstrated a number of IMS level documents, Contractor Work Management [REDACTED] regarding training and capability related to contractors. The GTM [REDACTED] Capability Management defines the approach for ensuring ongoing competency of workforce personnel and includes a scope focused on Westcoast employees. The [REDACTED] Training & Competency [REDACTED] Program purpose is to assign formal training,



including specific responsibilities to Team leader/Manager/Supervisor as being accountable for competency of his/her workers and defines types of training. Audit staff sampled documents and found the following deficiencies:

- Westcoast Capability Process and the Assign, Implement and Establish Training Process does not define competency requirements nor does it define or link to requirements for contractors;
- Westcoast's Contractor Work Management [REDACTED] Scope Management document indicates the Work Planner is to prepare work type capabilities, E or HS capabilities, certifications and qualifications required by the contractor and does not include competencies or training programs required. Contractor Work Management [REDACTED] Schedule and Kick-off document indicates the Work Coordinator is to verify status of contractor documentation including certifications, licenses, trade tickets etc. However, this activity does not include nor defines competency requirements and training programs. Audit staff found the Contractor Work Management [REDACTED] do not include a process to indicate how the competencies and training programs are determined for contractors. Audit staff found that the procedures do include some references to 'preparing work type capabilities, certifications etc.' but does not adequately meet the requirement for a process for determining competency requirements and training programs;
- Westcoast has a Safe Work Permit [REDACTED] with the purpose to have an agreement between the Permit Issuer and the Permit Acceptor that confirms the task, the precautions, the equipment status, the area conditions, outlines any specific work limitations, requirements, exact location, and extent of preparation of equipment for permitted work. Audit staff found the Safe Work Permit [REDACTED] do not include roles, responsibilities or steps for the permit issuer to identify and determine competency requirements or identify and provide training programs to those specific contractor staff that are to perform work for that permitted activity;
- Audit staff found the Westcoast safe work permit issuer from operations reviews personnel that arrive on site that day and do not have an adequate procedure / work instruction to identify and ensure all required competencies for contractor personnel that will be performing permitted work are met. The Permit Issuer does not assess contractor competency against requirements and training programs are not assessed to determine what training programs are required;
- The documents provided by Westcoast demonstrated the requirements for competency and training, however these documents do not describe an adequate process that describes the roles, responsibilities and steps on how competencies are determined for contractors; and
- Westcoast demonstrated documents provide requirements for competency and training, however, the demonstrated documents do not describe an adequate process that describes the roles, responsibilities and steps on how training programs are determined and implemented for contractors.

The CER does not expect Westcoast to develop specific training and competency requirements for all activities that its contractors will be undertaking. However, Westcoast does need to determine, document and communicate, what its expectations are for training and competency requirements for the work that its contractors will undertake and clarify how it will confirm that its expectation are being met. If there are no expectations documented, Westcoast's staff will be unable to determine what training programs or competency levels its contractors will be



required to meet. There will be occasions where Westcoast will need to provide specific training to its contractors before they can work safety and without impacting the environment at its operational sites, however there was no indication that this was being done.

**Finding:** Non-compliant.

Based on the information made available and reviewed by audit staff, Westcoast has been found Non-Compliant relating to items described in this protocol item. While Westcoast was able to demonstrate that it has numerous requirements for contractor competency and training programs, Westcoast has not demonstrated a process for controls per the requirement of the OPR s. 6.5(1)(j). A CAPA Plan must be developed to analyze, address and manage these deficiencies.



## AP-10: Training and Competency Verification

### Regulatory Requirement:

**OPR s. 6.5(1)** A company shall, as part of its management system and the programs referred to in section 55,

**OPR s. 6.5(1)(k)** establish and implement a process for verifying that employees and other persons working with or on behalf of the company are trained and competent and for supervising them to ensure that they perform their duties in a manner that is safe, ensures the security of the pipeline and protects the environment.

**Expected Outcome:** The company can demonstrate that it has established and implemented a process for

- The company has a compliant process for verifying employees and other persons are trained and competent.
- Records are maintained demonstrating employees and other persons working on behalf of the company are trained and competent as applicable to s.55 programs.
- The company has a compliant process for supervising employees and other persons working on behalf of the company.
- Supervision of employees and other persons is adequate to ensure they perform their duties in a manner that is safe, ensures the security of the pipeline and protects the environment.

### Summary of Information Made Available by Westcoast:

To demonstrate compliance with this requirement, Westcoast supplied audit staff with the following documents:

- IMS Process [REDACTED] Accountabilities and Authorities
- [REDACTED] Competency Assurance Program - Assign, Implement, Establish Training Process
- [REDACTED] Training and Competency Assurance [REDACTED]
- [REDACTED] Capability Management
- [REDACTED] Competency Assurance Process
- [REDACTED] Training Process
- Contractor Work Management [REDACTED] Coordinate Work
- Contractor Work Management [REDACTED] Schedule and Kick-off
- Safe Work Permit [REDACTED]
- Contractor Health and Safety [REDACTED]

### Assessment:

Westcoast demonstrated a number of IMS level documents and Contractor Work Management [REDACTED] regarding training and capability related to contractors. Audit staff sampled the documents and found the following deficiencies:

- Audit staff found the Westcoast training, capability, competency assurance, training needs procedures etc., does not describe the roles, responsibilities and steps for how personnel involved in contractor work activities are to verify competency and training. The purpose of the



Westcoast Training & Competency Assurance Program is to assign formal training, including specific responsibilities and defines types of training. However, audit staff found the program does not define competency requirements nor does it define or link to requirements for contractors to enable verification of training requirements. Audit staff found many of the noted processes are general in nature describing an approach to verifying competency and training but does not adequately describe the steps as related to contractors;

- Audit staff found the Contractor Work management [REDACTED] Management document includes a role for E or HS Specialists to “*Determine E or HS capabilities, certifications and qualifications*” required but does not specify competencies and training programs required;
- Audit staff found the Contractor Work Management [REDACTED] Schedule and Kick-off document indicates the Work Coordinator is to verify status of contractor documentation including certifications, licenses, trade tickets etc., however this activity does not define how to verify competency requirements and training programs;
- Audit staff found, through interviews, that the permit issuers are aware of the need to check tickets, certifications etc., however, they do not verify contractor competencies against a pre-determined list, work instruction, or procedure. The auditors found the Contractor Work Management [REDACTED] Schedule and Kick-off document does not describe how the competencies are verified for contractors;
- Westcoast has a Safe Work Permit [REDACTED] which is to ensure Permit Issuers and Permit Acceptors are in agreement of the task, the precautions, the equipment status, the area conditions, outlines any specific work limitations, requirements, exact location and extent of preparation of equipment for permitted work. Audit staff found the Safe Work Permit [REDACTED] do not include roles, responsibilities or steps for the permit issuer to verify the identified competencies and training programs of contractors;
- Audit staff found the Westcoast Safe Work Permit Issuer from operations reviews personnel that arrive on site that day and does not have an adequate process to verify competencies for contractor personnel that will be performing permitted work. The Permit Issuer does not assess competency against identified requirements and workers that are performing work for the specific tasks are not verified against determined training programs; and
- Westcoast demonstrated the use of ISNetworld as a supplier verification for program documentation but did not demonstrate any other established process for verifying competency of individuals against the scope of work.

Westcoast has documented Contractor Work Management [REDACTED] that apply to Westcoast activities but do not apply to project execution. The procedures outline requirements, roles, responsibilities and steps for how to manage contractors including requirements for the Work Coordinator to ‘oversee’ all work executed by the contractors and sub-contractors. However, the roles, responsibilities and steps for Westcoast to supervise contractors are not defined. Additional roles are assigned to environmental, health and safety specialists for oversight, however the specific supervision role, responsibilities and steps for these specialists is not defined.

Westcoast needs to specify to contractors what its expectations for contractor training and competency program(s). Westcoast needs to have its own process, procedures or work instructions for staff to follow to ensure they are actively overseeing its contractors to verify that contractor staff are meeting these expectations.



The Contractor Work Management [REDACTED] Management document, indicates the Work Planner is to prepare work type capabilities, environmental or health & safety capabilities, certifications and qualifications required by the contractor. Contractor Work Management [REDACTED] Schedule and Kick-off document indicates that the Work Coordinator is to verify status of contractor documentation including certifications, licenses, trade tickets, etc. Interviews with Westcoast staff confirm that the company verifies completion of training requirements for contractors working onsite, however, this verification is usually done by the Safe Work Permit Issuer, not the Work Coordinator. This indicates the activities being implemented are inconsistent with the documented process.

The Contractor Work Management [REDACTED] do not assign roles for assessing contractor competence, and interviews with Westcoast staff indicate competency assessments do not occur prior to the contractors starting work. However, the Safe Work Permit [REDACTED] does require the Safe Work Permit issuer to check on the contractor a minimum of 3 times per the duration of the permit.

**Finding:** Non-compliant.

Based on the information made available and reviewed by the audit staff, Westcoast has been found Non-Compliant relating to items described in this protocol item. While Westcoast was able to demonstrate that it has requirements for contractor competency and training programs, Westcoast has not demonstrated a process for verifying training and competency per the requirement of the OPR s. 6.5(1)(k). A CAPA Plan must be developed to analyze, address and manage these deficiencies.





## AP-11: Awareness of Responsibilities

### Regulatory Requirement:

**OPR s. 6.5(1)** A company shall, as part of its management system and the programs referred to in section 55,

**OPR s. 6.5(1)(I)** establish and implement a process for making employees and other persons working with or on behalf of the company aware of their responsibilities in relation to the processes and procedures required by this section.

**Expected Outcome:** The company can demonstrate that it has established and implemented a process for

- The company has a compliant process for making employees and other persons aware of their responsibilities.
- Responsibilities are defined for employees and those other persons working on behalf of the company in relation to the processes and other requirements for OPR s. 6.5.(1) a-x.

### Summary of Information Made Available by Westcoast:

To demonstrate compliance with this requirement, Westcoast supplied audit staff with the following documents:

- [REDACTED] IMS Requirements
- Contractor Work Management [REDACTED] Scope Management
- Contractor Work Management [REDACTED] Contractor Selection and Contracting
- Contractor Work Management [REDACTED] Schedule and Kick-off
- Work Management [REDACTED]
- [REDACTED] Work Coordinator
- [REDACTED] Coordinate Work
- [REDACTED] Training Process
- [REDACTED] Capability management
- GTM Health and Safety Manual

### Assessment:

The GTM IMS Sub-element [REDACTED] (Contractor Management) states that contractor management programs shall have processes to make contractors aware of their responsibilities related to processes and procedures requirement by the management system and/or management programs.

Westcoast demonstrated management system level processes for internal and external communications to ensure all communication information related to safety, security and environmental protection with workforce personnel is built into processes and the approach is used for all programs related to OPR s.55. Westcoast also demonstrated Contractor Work Management [REDACTED] and several documents communicated to contractors through the contracting process including the Contractors Health and Safety Requirements. Audit staff found the Contractor Work Management [REDACTED] contains a description of the Scope of Work and requires specific contractor requirements, i.e., certifications/training, but it



does not have references to make contractors aware of their specific roles and responsibilities, nor does it assign responsibility to key Westcoast positions such as the Work Approver, Work Coordinator etc. to ensure contractors are made aware of their roles and responsibilities.

Westcoast demonstrated a contractual approach and contractor work management procedures that communicates some roles and responsibilities. However, audit staff found several deficiencies as related to making contractors aware of their responsibilities related to demonstrated procedures:

- Westcoast indicated that in some instances the contractors procedures may be followed and in others Westcoast procedures may be followed. This approach is not performed through an established process and does not ensure contractors are made aware of their responsibilities;
- Westcoast demonstrated there is communication of hazards through various means, however there are deficiencies and inconsistencies between the FLHA, job safety analysis and safe work permit. In some instances the contractors procedures are followed and in others the Westcoast procedures are followed;
- Westcoast has a documented Safe Work Permit [REDACTED] that is signed by the permit issuer and acceptor (contractor). There is no established procedure or requirements to ensure contractors employees onsite performing the work activities are aware of the information on responsibilities and controls; and
- Westcoast prepares the Safe Work Permit and the contractors prepare the FLHA. Audit staff found the Safe Work Permit has identified hazards and controls to ensure the processes, locations and tasks are made safe and the FLHA completed by the contractor is used to ensure hazards are identified and controlled. Audit staff found that they are not well integrated and do not necessarily link hazards and controls relevant to the workers and their tasks between the two to ensure awareness of responsibilities related to the specific controls is communicated and implemented. Audit staff have found that the two processes need to be integrated together to ensure adequate communication.

Audit staff found that Westcoast has established procedures for managing contractors through the Contractor Work Management [REDACTED], however, Westcoast was unable to demonstrate an adequate process for making contractors aware of all of their responsibilities.

**Finding:** Non-compliant.

Based on the information made available and reviewed by audit staff, Westcoast has been found Non-Compliant relating to items described in this protocol item. While Westcoast was able to demonstrate it has numerous requirements for managing contractors and communicating requirements, Westcoast has not demonstrated a process for making employees and other persons working with or on behalf of the company aware of their responsibilities per the requirement of the OPR s. 6.5(1)(l). A CAPA Plan must be developed to analyze, address and manage these deficiencies.



## AP-12: Communication – Internal and External

### Regulatory Requirement:

**OPR s. 6.5(1)** A company shall, as part of its management system and the programs referred to in section 55,

**OPR s. 6.5(1)(m)** establish and implement a process for the internal and external communication of information relating to safety, security and protection of the environment.

**Expected Outcome:** The company can demonstrate that it has established and implemented a process for

- The company has a compliant process that is established and implemented.
- The methods for both internal communication and external communication are defined.
- The company is communicating internally and externally related to safety, security and protection of the environment.
- Internal and external communication is occurring and it is adequate for the management system and s.55 program implementation.

### Summary of Information Made Available by Westcoast:

To demonstrate compliance with this requirement, Westcoast supplied audit staff with the following documents:

- [REDACTED] IMS Requirements
- Contractor Work Management [REDACTED] Scope Management
- Contractor Work Management [REDACTED] Contractor Selection and Contracting
- Contractor Work Management [REDACTED] Schedule and Kick-off
- Work Management [REDACTED]
- [REDACTED] Work Coordinator
- [REDACTED] Coordinate Work
- GTM Health and Safety Manual
- Environmental Protection Program [REDACTED]
- Environmental Manual for Construction Projects
- Lifesaving Rules [REDACTED]
- Lesson Learned [REDACTED]
- Examples of Communication – inspections, meetings, reports, lunch and learns etc.

### Assessment:

Westcoast demonstrated numerous management system level processes for internal and external communication to ensure all communication information related to safety, security and environmental protection with workforce personnel is built into processes and the approach is consistent across all programs included within OPR s.55. Westcoast demonstrated Contractor Work Management [REDACTED] and several documents communicated to contractors through the contracting process including the Contractors Health and Safety Requirements. Audit staff found the



Contractor Work Management [REDACTED] contain a procedure for “*Manage Contractors*” and includes a communication step related to new work or delays. Audit staff found the demonstrated procedure does not outline specific roles, responsibilities and steps for communication with contractors.

Westcoast demonstrated the IMS document [REDACTED] Stakeholder Engagement, outlines expectations for management programs to have processes for internal and external communication. Audit staff found the IMS document and the referenced programs, such as the Safety and Environmental Protection programs, do not have specific roles, responsibilities and steps for communication with contractors.

Audit staff found the demonstrated documents, such as the IMS, management programs, Contractor Work Management [REDACTED] safety procedures etc., do not adequately integrate together to define a communication process as related for contractors for maintenance/operations and projects. For example, the GTM Health and Safety Manual includes requirements for safety meetings including contractors performing pre-job meetings / tailgates, however the manual does not provide roles, responsibilities and steps for communication between Westcoast and the contractors nor does it link or integrate with Contractor Work Management [REDACTED] including when both parties are involved in construction work activities. Audit staff have found that the individual procedures within the Contractor Work Management [REDACTED] and management programs are not adequately integrated to comprise a process as required by the OPR.

This requirement of the OPR is designed to ensure the consistent communication of information relating to safety, security and protection of the environment is identified and communicated broadly to internal and external parties that require the information. While not specifically identified, contractors conduct work on behalf of the company and so require information related to safety, security and the protection of the environment to do their work.

**Finding:** Non-compliant.

Based on the information made available and reviewed by audit staff, Westcoast has been found Non-Compliant relating to items described in this protocol item. While Westcoast was able to demonstrate it has procedures related to communication, Westcoast has not demonstrated a process for communication with contractors per the requirement of the OPR s. 6.5(1)(m). A CAPA Plan must be developed to analyze, address and manage these deficiencies.



### AP-13: Co-ordination and Control of Operational Activities

#### Regulatory Requirement:

**OPR s. 6.5(1)** A company shall, as part of its management system and the programs referred to in section 55,

**OPR s. 6.5(1)(q)** establish and implement a process for coordinating and controlling the operational activities of employees and other people working with or on behalf of the company so that each person is aware of the activities of others and has the information that will enable them to perform their duties in a manner that is safe, ensures the security of the pipeline and protects the environment.

**Expected Outcome:** The company can demonstrate that it has established and implemented a process for

- The company has a compliant process that is established and implemented.
- The methods for coordinating and controlling operational activities are defined.
- Employees and other people working with or on behalf of the company are aware of the activities of others.
- Employees operational activities are planned, coordinated, controlled, and managed.
- People working for or on behalf of the company:
  - are pre-qualified for their assigned duties to ensure safety, the security of the pipeline and to protect the environment;
  - are assigned work plans that have been reviewed by the company and are assessed for the interoperation with the work to be performed by other people working on behalf of the company; and
  - have adequate oversight performed by company representatives for their assigned tasks to ensure safety, security of the pipeline and the protection of the environment.

#### Summary of Information Made Available by Westcoast:

To demonstrate compliance with this requirement, Westcoast supplied audit staff with the following documents:

- Contractor Work Management [REDACTED] Scope Management
- Contractor Work Management [REDACTED] Contractor Selection and Contracting
- Contractor Work Management [REDACTED] Schedule and Kick-off
- Contractor Work Management [REDACTED] Manage Contractors
- Work Management [REDACTED]
- [REDACTED] Work Coordinator
- [REDACTED] Coordinate Work
- GTM Health and Safety Manual
- Environmental Protection Program [REDACTED]
- Environmental Manual [REDACTED]
- Lifesaving Rules [REDACTED]
- Lesson Learned [REDACTED]
- Examples of Communication – inspections, meetings, reports, lunch and learns etc.



**Assessment:**

The GTM IMS Section [REDACTED] states that contractor management programs shall have processes to coordinate, control, and manage the activities of contractors.

The Contractor Work Management [REDACTED] include: Scope Management, Contractor Selection & Contracting, Schedule & Kick-off, Manage Contractors and Close-out. Westcoast maintains role descriptions of the key positions within the structure of managing contractors including Work Coordinator, Work Planner, EHS Specialists, and Work Approver. However, audit staff identified the following deficiencies:

- The Westcoast documents regarding the role of Work Coordinator do not adequately describe the roles, responsibility and steps for how contractors are coordinated and controlled and do not integrate with other roles such as the safe work permit issuer; and
- The steps associated with communication and supervision are not defined in the documentation provided by Westcoast.

**Finding:** Non-compliant.

Based on the information made available and reviewed by audit staff, Westcoast has been found Non-Compliant relating to items described in this protocol item. While Westcoast was able to demonstrate it has procedures related to coordinating and controlling, Westcoast has not demonstrated a process with contractors per the requirement of the OPR s. 6.5(1)(q). A CAPA Plan must be developed to analyze, address and manage these deficiencies.



## AP-14: Internal Reporting of Hazards, Potential Hazards, Incidents and Near-misses

### Regulatory Requirement:

**OPR s. 6.5(1)** A company shall, as part of its management system and the programs referred to in section 55,

**OPR s. 6.5(1)(r)** establish and implement a process for the internal reporting of hazards, potential hazards, incidents and near-misses and for taking corrective and preventive actions, including the steps to manage imminent hazards.

**Expected Outcome:** The company can demonstrate that it has established and implemented a process for

- The company has a compliant process that is established and implemented.
- The company has defined its methods for internal reporting of hazards, potential hazards, incidents and near-misses.
- Hazards and potential hazards are being reported as required by the company's process;
- Incidents and near-misses are being reported as required by the company's process;
- The company has defined how it will manage imminent hazards;
- The company is performing incident and near-miss investigations;
- The company's investigation methodology's are consistent and appropriate for the scope and scale of the actual and potential consequences of the incidents or near misses to be investigated;
- The company has defined the methods for taking corrective and preventive actions;
- The company can demonstrate through records that all corrective and preventative actions can be tracked to closure.

### Summary of Information Made Available by Westcoast:

To demonstrate compliance with this requirement, Westcoast supplied audit staff with the following documents:

- Construction Safety Manual
- SET West Maintenance Safety manual
- GTM Health and Safety Manual
- [REDACTED] Incident Classification Guideline
- Lifesaving Rules Guidance [REDACTED]
- Safety Project Mapping [REDACTED]
- [REDACTED] Process Governance
- Contractors Health and Safety [REDACTED]
- [REDACTED] Contractor Health and Safety Requirements
- [REDACTED] EnCompass
- Canada Gas Projects Incident Notification [REDACTED]

### Assessment:



Westcoast demonstrated a Construction Safety Manual, a GTM Health and Safety manual and a Contractor Health and Safety requirements document as key documents outlining the process for internal reporting of hazards, potential hazards, incident and near misses and for taking corrective and preventive actions. The GTM Health and Safety Manual contains roles, responsibilities and steps for notification and reporting of incidents and injuries including timelines and reporting format. The GTM Contractor Health and Safety Requirements outlines specific requirements for contractors to notify and report to Westcoast representatives any health, safety, security incidents and includes requirements for incident investigations. Audit staff found the referenced documents do not adequately describe the process for managing imminent hazards.

Westcoast referenced Contractor cards and Enbridge observations through the EnCompass program from which monthly reporting occurs. Audit staff found that a process with roles, responsibilities and steps was not demonstrated.

The CER reminds Westcoast that when it has contractors working on its behalf, a standard level of compliance is expected. This requirement of the OPR encompass all relevant parties. While it does not specifically identify contractors as requiring method(s) to manage imminent hazards, the interpretation of the whole of the OPR, not just this specific paragraph, would point to Westcoast having an effective process, procedures and work instructions that would include its contractors.

**Finding:** Non-compliant.

Based on the information made available and reviewed by audit staff, Westcoast has been found Non-Compliant relating to items described in this protocol item. While Westcoast was able to demonstrate it has procedures related to incident notification, reporting and investigation, Westcoast has not demonstrated a process for reporting of hazards and imminent hazards by contractors per the requirement of the OPR s. 6.5(1)(r). A CAPA Plan must be developed to analyze, address and manage these deficiencies.





## AP-15: Contingency Plans for Abnormal Events

### Regulatory Requirement:

**OPR s. 6.5(1)** A company shall, as part of its management system and the programs referred to in section 55,

**OPR s. 6.5(1)(t)** establish and implement a process for developing contingency plans for abnormal events that may occur during construction, operation, maintenance, abandonment or emergency situations.

**Expected Outcome:** The company has a compliant process that is established and implemented.

- The company has methods for developing contingency plans for abnormal events that include construction, operations, maintenance, abandonment, and emergency situations.
- The company's contingency plans are developed, maintained, and apply to all s. 55 programs.
- The company has the ability to implement contingency plans when required, for one or all s. 55 programs at the same time.

### Summary of Information Made Available by Westcoast:

To demonstrate compliance with this requirement, Westcoast supplied audit staff with the following documents:

- Our Commitment to Safety
- [REDACTED] Management System Framework
- [REDACTED] Emergency Management
- Emergency Management Manual
- Emergency Management Program [REDACTED]
- Contractor Work Management [REDACTED] Schedule and Kick-off
- GTM Health and Safety Manual
- Construction Safety Manual
- SET West Maintenance Safety Manual
- GTM Health and Safety Manual
- Contractors Health and Safety Requirements

### Assessment:

Westcoast demonstrated its [REDACTED] Management System Framework, [REDACTED] Emergency Management, Emergency Management Manual and Contractor Health and Safety requirements as key documents outlining the process for developing contingency plans for abnormal events during construction. Although the framework standard provides a structure for crisis and emergency management, it does not reference or link to the construction aspect of the pipeline lifecycle.

Westcoast indicated that abnormal operations are considered deviations from what is considered normal operation when operational design limits of the involved facilities have been exceeded and are not necessarily emergencies. Audit staff found Westcoast was not able to demonstrate how



abnormal events are managed, from a contractor oversight perspective, and the demonstrated documents do not represent a process with roles, responsibilities and steps.

In addition to the Health and Safety Plan, contractors are required to develop, implement and maintain a FLHA process. The contractor's workers are required to use the FLHA process on a daily basis to identify known and potential hazards which will need to be controlled for the duration of the work day. If an unsafe situation (in the context of Projects, an abnormal condition) arises, a contractor is required to take immediate action to ensure the health and safety of persons present at the construction site. Depending on the circumstances, Westcoast may take, or require the contractor to take, reasonable precautions, including halting construction, required to remedy such circumstance.

Westcoast indicated abnormal occurrences in the context of Projects relate to hazards, near-misses and incidents. Additionally, Westcoast indicated contractors are required to have a system in place to identify hazards, potential hazards, incidents and near misses, and for taking corrective and preventive actions, including steps to manage imminent hazards. Westcoast demonstrated a GTM Contractors Health and Safety requirements document which includes a requirement for site specific emergency response plans and provides details for specific content. Audit staff found the requirements do not specifically refer to contingency plans for abnormal events. Westcoast has not demonstrated an established process for developing contingency plans. Additionally, audit staff found the contractor health and safety requirements does not adequately ensure the link between contractor's contingency plans and Westcoast contingency plans for relevant abnormal events.

**Finding:** Non-compliant.

Based on the information made available and reviewed by audit staff, Westcoast has been found Non-Compliant relating to items described in this protocol item. While Westcoast was able to demonstrate it has procedures related to emergency management and requirements for contractors to have site specific emergency plans, Westcoast has not demonstrated a process for developing contingency plans for abnormal events per the requirement of the OPR s. 6.5(1)(t). A CAPA Plan must be developed to analyze, address and manage these deficiencies.



## AP-16: Inspection and Monitoring

### Regulatory Requirement:

**OPR s. 6.5(1)** A company shall, as part of its management system and the programs referred to in section 55,

**OPR s. 6.5(1)(u)** establish and implement a process for inspecting and monitoring the company's activities and facilities to evaluate the adequacy and effectiveness of the programs referred to in section 55 and for taking corrective and preventive actions if deficiencies are identified.

**Expected Outcome:** The company has a compliant process that is established and implemented.

- The company has a compliant process that is established and implemented.
- The company has developed methods for inspecting and monitoring their activities and facilities.
- The company has developed methods to evaluate the adequacy and effectiveness of the programs referred to in s. 55.
- The company has developed methods for taking corrective and preventive actions when deficiencies are identified.
- The company is completing inspections and monitoring activities as per the company's process.
- The company retains records of inspections, monitoring activities, and corrective and preventative actions implemented by the company.

### Summary of Information Made Available by Westcoast:

To demonstrate compliance with this requirement, Westcoast supplied audit staff with the following documents:

- [REDACTED] Governance Process
- Audit Assessment Inspection [REDACTED]
- CAPA Process
- GTM Health and Safety Manual
- CGTM Pipeline Integrity Management [REDACTED]
- Management Program [REDACTED]
- [REDACTED] Environment Protection Program [REDACTED]
- Project Construction Quality Management [REDACTED]
- Assurance Activity [REDACTED]
- Safety Process Mapping [REDACTED]
- Inspection and Test Plan [REDACTED]

### Assessment:

Westcoast demonstrated a number of documents related to the Contractor Work Management [REDACTED], Health & Safety Programs and Contractor Standards. Audit staff found that Westcoast Contractor Health and Safety Requirements document has requirements for contractors to complete weekly safety inspections of the worksites. Westcoast and contractor inspectors are to perform informal inspections on a daily basis with specific focus areas and formal inspections on a weekly basis. The GTM IMS [REDACTED] Audit, Assessment, and Inspection Process, discusses the need to conduct audits, inspections and implement CAPAs as necessary. Audit staff reviewed quarterly reports provided to the



leadership team that highlights information relevant to recent audits and inspections. An assurance activity [REDACTED] lists the assurance activities to occur and the type of assurance required (e.g., inspections and audits). Audit staff, however, found the Assurance Activity calendar did not include any actions related to construction and contractors.

Westcoast uses various types of inspectors, i.e., craft, safety, environment, etc., for certain projects. Audit staff identified that the inspections performed by inspectors are being performed through an exception based approach. Audit staff found the inspectors perform inspections and monitor contractor activities, however the activities which are reviewed are not adequately documented and do not provide positive assurance of what specific construction activities were inspected, monitored and were meeting requirements. The inspectors provide an end of day report but these reports do not adequately demonstrate inspection and monitoring activities. Additionally, during a review of projects from the past two years as part of this audit, one project had a construction manager who also acted as an inspector simultaneously, which poses a potential conflict of interest.

Westcoast demonstrated a Safe Work Permit [REDACTED] which includes verification activities to monitor contractor activities when a permit is required. This acts as an important safety step to ensure the assets, equipment, processes are safe to allow for construction activities. The verification activities are to include: physically inspecting the work site and equipment, ensuring a FLHA has been conducted and it adequately addresses the worksite hazards, and updating the Safe Work Permit when conditions change. Audit staff found the roles, responsibilities and steps were not defined to ensure adequate monitoring of contractor activities. The field verification requirements do not adequately address high risk work activities where increased oversight would be required, do not include criteria when review and input from EHS specialists is required and do not adequately describe the comprehensiveness of the monitoring required. Audit staff found that the lack of description and requirements for oversight monitoring of contractors does not comprise an adequate process of roles, responsibilities and steps.

The Contractor Health and Safety Requirements document includes a requirement for access to contractor inspections by Westcoast to verify compliance of inspection requirements. Audit staff found, that Westcoast does not have established, roles, responsibilities and steps to adequately monitor the inspections to be performed including frequency, sampling, evaluation and record retention.

During Westcoast's review of the draft audit report, it requested further guidance on the interactions between OPR sections 6.5(1)(u) and 6.5(1)(w), along with sections 53 and 55. This audit report reviewed OPR section 6.5(1)(u), AP-16, and section 6.5(1)(w), AP-17; the audit did not review sections 53 or 55.

A documented quality assurance program directs and coordinates the framework of activities including scheduled assessments, inspections and audits for its management system and the protection programs to verify their adequacy, effectiveness and compliance. The inspection process, the results thereof and what the company does with the results fit within the quality assurance program review as it can be considered the key component of the quality assurance program.

With respect to OPR section 53 and 55 audits, the audits are specifically drawn in by the regulations and by common quality assurance program practice.

With respect to the Inspection, s. 6.5(1)(u), and the quality assurance program, s.6.5(1)(w), OPR requirements and the section 53 and 55 audits and inspection requirements, it would seem logical that sections 53 and 55 establish requirements to undertake certain types of audits and



inspections, and subsequently corrective and preventive action, if required and appropriate, and the OPR section 6.5 requirements indicate you must proactively establish how to do them as part of the management system and technical programs.

**Finding:** Non-compliant.

Based on the information made available and reviewed by the audit staff, Westcoast has been found Non-Compliant relating to items described in this protocol item. While Westcoast was able to demonstrate that it has requirements for inspection and monitoring, Westcoast has not demonstrated a process per the requirement of the OPR s. 6.5(1)(u). A CAPA Plan must be developed to analyze, address and manage these deficiencies.



## AP-17: Quality Assurance Program

### Regulatory Requirement:

**OPR s. 6.5(1)** A company shall, as part of its management system and the programs referred to in section 55,

**OPR s. 6.5(1)(w)** establish and implement a quality assurance program for the management system and for each program referred to in section 55, including a process for conducting audits in accordance with section 53 and for taking corrective and preventive actions if deficiencies are identified.

**Expected Outcome:** The company has a compliant quality assurance program.

- The quality assurance program comprises an integrated set of processes and procedures including inspections, monitoring, and auditing activities.
- The company's quality assurance program tests the adequacy and effectiveness of its management system.
- The company's quality assurance program examines each program referred to in section 55.
- The company's quality assurance program will conduct compliance and program audits as well as inspections.
- The company's quality assurance program takes corrective and preventive actions if deficiencies are identified.
- The company regularly monitors and evaluates its quality assurance program to check that the program is achieving the intended results.
- The company retains records of the quality assurance program monitoring and evaluation.

### Summary of Information Made Available by Westcoast:

To demonstrate compliance with this requirement, Westcoast supplied audit staff with the following documents:

- GTM Assurance [REDACTED]
- Quality Assurance [REDACTED]
- Audit Assessment Inspection [REDACTED]
- CAPA Process
- Quality Assessment [REDACTED]
- Quality Management [REDACTED]
- Core Projects Quality Canada stage Gating [REDACTED]
- Inspection and Test Plan [REDACTED]
- Quality Assurance Kick-off [REDACTED]
- Contractor Interface [REDACTED]

### Assessment:

Westcoast demonstrated numerous documents related to the quality assurance program including a GTM assurance [REDACTED] quality assurance [REDACTED], and a quality assurance [REDACTED]. The quality assurance [REDACTED] outlines the purpose to identify quality assurance practices, procedures, manuals, plans, and guidelines for construction projects to utilize to meet regulatory requirements and Westcoast specifications. Audit staff found the quality assurance [REDACTED] does not refer to nor is integrated within the IMS and is not clear how the program inputs and outputs are linked to the



IMS elements and processes. Additionally, audit staff found the quality assurance manual was focused on technical aspects of quality, i.e., welding procedures, and the integration with other OPR s.55 programs such as safety, environment and emergency.

Westcoast has not demonstrated a quality assurance program including a process for conducting audits for safety, environment and emergency program for maintenance/operations and projects. Westcoast has not developed a documented quality assurance program that directs and coordinates the framework of activities including scheduled assessments, inspections and audits for its management system and within its protection programs to verify their adequacy, effectiveness and compliance.

Westcoast demonstrated an internal IMS requirement for all program owners to ensure audits, assessments, and inspections are completed. Westcoast provided two documents demonstrating the initiation of an audit to OPR s.55 programs in 2017: Environmental Protection, Damage Prevention, Emergency Management and Integrity Management. Audit staff found that Westcoast could not demonstrate audit records as related to contractor management and oversight as part of the IMS. As this was an internal requirement of the IMS, audit staff are of the view that Westcoast should be able to demonstrate that it is meeting its own internally stated requirements. During interviews Westcoast staff indicated that while all programs have been audited, IMS section ■■■, Contractor Management, has not been included in the scope of any of these audits even though contractor work was being conducted during this timeframe. No documented evidence was provided regarding audit results relating to GTM IMS sub-element ■■■.

Some of the documentation provided during the audit, in relation to quality assurance, specifically referenced liquid pipelines and major projects, these documents did not specifically apply to gas assets such as Westcoast.

**Finding:** Non-compliant.

Based on the information made available and reviewed by audit staff, Westcoast has been found Non-Compliant relating to items described in this protocol item. While Westcoast was able to demonstrate it has initiated audits, Westcoast has not demonstrated a quality assurance program and conducted audits for the OPR s.55 programs as related to construction activities with contractors per the requirement of the OPR s. 6.5(1)(w). A CAPA Plan must be developed to analyze, address and manage these deficiencies.



## AP-18: Construction Safety – Contractor Management

### Regulatory Requirement:

**OPR s. S.18(1)** If a company contracts for the provision of services in respect of the construction of a pipeline, the company shall

- (a) inform the contractor of all special conditions associated with the construction;
  - (b) inform the contractor of all special safety practices and procedures necessitated by the conditions or features specific to the construction;
  - (b.1) inform the contractor of the contractor's responsibilities referred to in paragraph 6.5(1)(l);
  - (d) authorize a person to halt a construction activity in circumstances where, in the person's judgement, the construction activity is not being conducted in accordance with the manual developed under section 20 or is creating a hazard to anyone at the construction site
- s.18(2) The person referred to in paragraph s.18(1)(d) must have sufficient expertise, knowledge and training to competently carry out the obligations set out in that paragraph.

**Expected Outcome:** Contractors have adequate information from the regulated company regarding special conditions associated with the construction activities.

- Subcontractors have adequate information from contractors regarding applicable special conditions.
- Contractors have adequate information on the regulated company special safety practices and procedures.
- Subcontractors have adequate information on the applicable special safety practices.
- Contractors and subcontractors have been made aware of their responsibilities by the regulated company.
- Regulated company will perform adequate oversight over the contractors and subcontractors to ensure activities are conducted in accordance to the construction safety manual s. 20.
- A competent person has responsibility to halt construction activity as required by the construction safety manual or if the construction activity is creating a hazard.

### Summary of Information Made Available by Westcoast:

To demonstrate compliance with this requirement, Westcoast supplied audit staff with the following documents:

- Construction Safety Manual
- SET West Maintenance Safety manual
- GTM Health and Safety Manual
- Contractors Health and Safety Requirements
- [REDACTED] Contractor Health and Safety Requirements
- Contractor Work Management [REDACTED] Selection and Contracting
- Contractor Work Management [REDACTED] Schedule and Kick-off
- Safety Project Mapping [REDACTED]





- IMS Process ██████████

**Assessment:**

Audit staff reviewed the Construction Safety manual 2015 and found it refers to Spectra Energy documents, procedures, responsibilities. Westcoast indicated some of these are still active and others have been transitioned to the new requirements under the GTM Health and Safety Manual.

Westcoast provided a sample contractors orientation package, references to worker orientation, a Master Service Agreement, Construction Safety Manual, SET West Maintenance Safety Manual, GTM Health and Safety manual, and Contractors Health and Safety Requirements document that outline numerous roles and responsibilities regarding safety activities. Audit staff found information related to stopping unsafe work such as:

- Spectra Energy Construction Manual 2015 section 6.8 enables the company to stop work if a contractor has not complied with its responsibilities described in the construction manual and creates a hazard;
- Spectra Energy Construction Manual 2015 section 31 enables the Safe Work Permit issuer to stop work if conditions or job scope changes; and
- GTM Health and Safety Manual 2019 section 1.1, 1.3, 2.4 enables employees and workers to stop work if unsafe conditions occur.

However, GTM Health and Safety Manual 2019 does not indicate that:

- stop work can occur if the construction activity is not being conducted in accordance to the manual; or
- the person authorized must have sufficient expertise, knowledge and training to carry out the obligation.

**Finding:** Non-compliant.

Based on the information made available and reviewed by the audit staff within the scope of the audit, no non compliances relating to s. 18(1)(a), (b), (b.1).

Based on the information made available and reviewed by audit staff, Westcoast has been found Non-Compliant relating to s. 18(1)(d), (2). Westcoast has not demonstrated a clear communication of authorization of a person to halt a construction activity. A CAPA Plan must be developed to analyze, address and manage these deficiencies.



## AP-19: Construction Safety –Hazard and Informed

### Regulatory Requirement:

**OPR s. S.19(a)(b)** 19 A company shall, during the construction of a pipeline, take all reasonable steps to ensure that

(a) the construction activities do not create a hazard to the public or the environment; and

(b) all persons at the construction site who are not involved in the construction of the pipeline are informed of the practices and procedures that are to be followed for their safety.

### Expected Outcome:

- Risks have been mitigated associated with the hazards of the construction activities.
- Adequate controls are in place to ensure the safety of visitors.
- Visitors to the site are aware of the hazards, practices and procedures to be followed.

### Summary of Information Made Available by Westcoast:

To demonstrate compliance with this requirement, Westcoast supplied audit staff with the following documents:

- Environmental Protection Plan
- Hazard and Operability Study [REDACTED]
- GTM Health and Safety Manual
- Environmental Clearance [REDACTED]
- Environmental Inspection [REDACTED]
- Final Reclamation [REDACTED]
- [REDACTED] Visitor Information Link

### Assessment:

Westcoast has demonstrated numerous documents as part of the IMS, Safety Program, Environment Program, Emergency Program and Integrity Program and work management procedures specifically focused on contractors such as the Contractor Work Management [REDACTED]. Westcoast has demonstrated activities within the management system, program and procedures to proactively identify requirements, communicate and monitor contractor work activities. Westcoast has demonstrated requirements for training/orientation and worksite meetings and has activities related to communication and awareness of contractors working on maintenance/operations and projects on behalf of Westcoast. During document review, the auditors reviewed a visitor orientation document that provided practices and procedures to be followed for visitor safety including journey management requirements, and site PPE requirements.



**Finding:** No Issues Noted.

Based on the information made available and reviewed by the audit staff within the scope of the audit, no non compliances relating to this protocol item were identified during the audit.



## AP-20: Construction Safety – Construction Safety Manual

### Regulatory Requirement:

**OPR s. S.20 (1)** A company shall develop a construction safety manual and shall submit it to the Board.

(1.1) If a company contracts for the provision of services in respect of the construction of a pipeline, the construction safety manual shall set out the contractor's responsibilities referred to in paragraph 6.5(1)(l).

(2) A company shall keep a copy of the construction safety manual or the relevant parts of it at each construction site of the pipeline, in a location where it is accessible to every person engaged in construction at the site.

### Expected Outcome:

- Construction safety manual contains the project construction activities organizational structure, defined roles, responsibilities, practices, procedures and references associated site specific safety plans.
- The construction safety manual is adequately accessible to the construction workforce

### Summary of Information Made Available by Westcoast:

To demonstrate compliance with this requirement, Westcoast supplied audit staff with the following documents:

- Construction Safety Manual
- SET West Maintenance Safety manual
- GTM Health and Safety Manual
- Contractors Health and Safety Requirements
- [REDACTED] Contractor Health and Safety Requirements
- Contractor Work Management [REDACTED] Selection and Contracting
- Contractor Work Management [REDACTED] Schedule and Kick-off
- Safety Project Mapping [REDACTED]
- [REDACTED] Process Governance

### Assessment:

Westcoast demonstrated a Construction Safety Manual titled 2015 Spectra Energy Construction Safety Manual. The new GTM Health and Safety Manual will supersede the 2015 Construction Safety Manual, however it was still under internal review at the time of the audit. Since the conclusion of the audit, Westcoast has notified the CER that it has replaced the safety manual with an updated version. The audit staff reviewed the Construction Safety manual, 2015 version, and found it refers to Spectra Energy documents, procedures, responsibilities. Westcoast indicated some of these contracts are still active and others have been transitioned to the new requirements under the GTM Health and Safety Manual. Westcoast indicated some contracts are using the 2015 version and new contracts are using the GTM Health and Safety Manual requirements. Westcoast was not able to demonstrate how the two manuals are integrated or linked and which procedures, processes, requirements need to be followed. It would appear that the construction manual filed with the CER is no longer the construction manual used onsite and accessible to



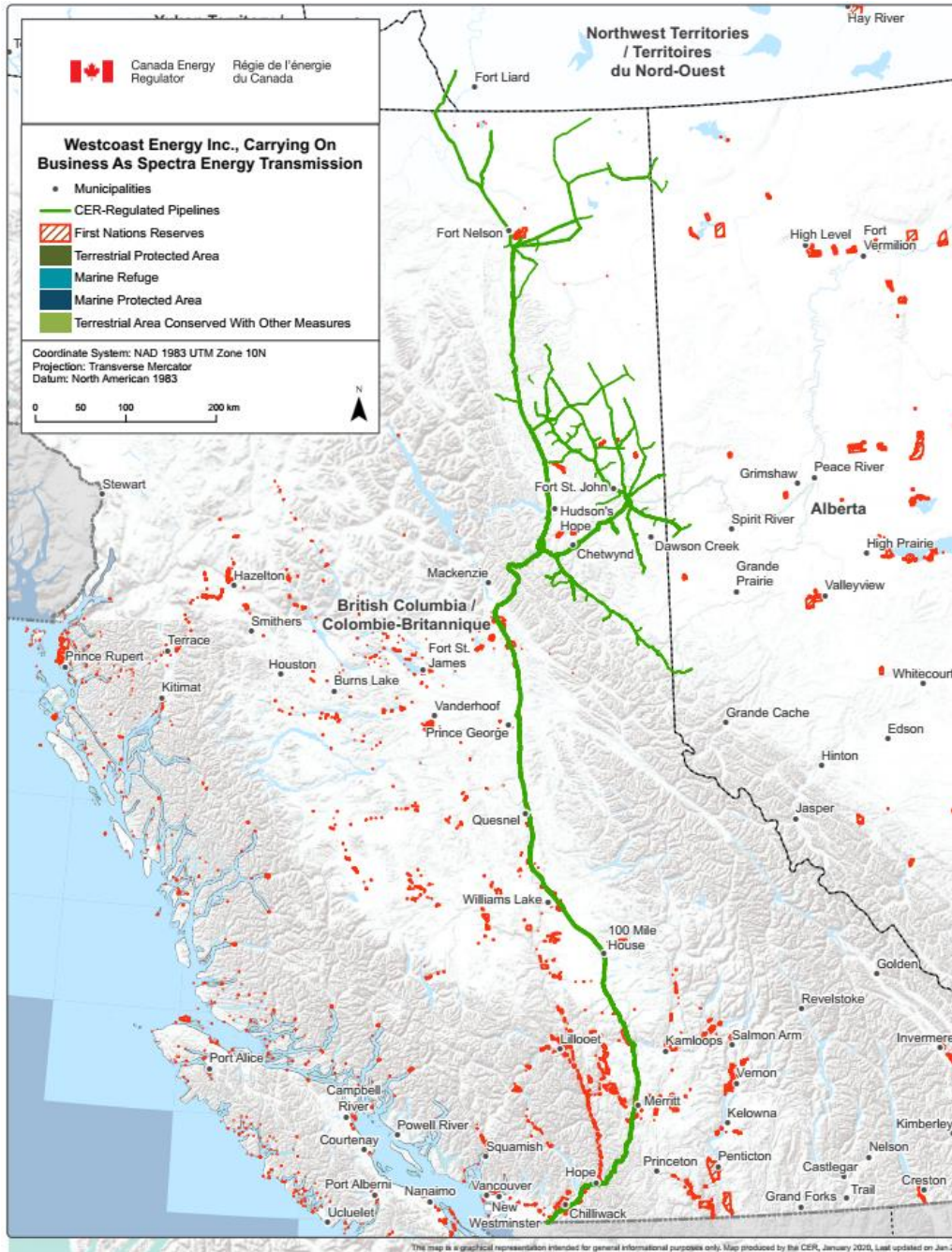
construction staff. Audit staff were concerned, at the time of the audit, that it appears there are two construction safety manuals potentially in use. Having two different manuals in use at the same time increases the potential for mistakes and unnecessarily increases risks for both Westcoast staff and contractors.

**Finding:** Non-compliant.

Based on the information made available and reviewed by the audit staff, Westcoast has been found Non-Compliant relating to items described in this protocol item. At the time of the audit, Westcoast was operating with two versions of its health and safety manual, and cannot demonstrate how or where the two manuals link or connect to one another. A CAPA Plan must be developed to analyze, address and manage these deficiencies.

## Appendix 2.0 - Maps and System Descriptions

Westcoast Energy Inc. is shown below:



## Appendix 3.1 - Abbreviations

The following abbreviations were used in this report:

AO: Accountable officer

AP: Audit Protocol

CAPA: Corrective and Preventative Actions

CER: Canada Energy Regulator

CER Act: *Canadian Energy Regulator Act*

CSA: Canadian Standards Association

EHS: Environment, Health and Safety

EVP: Executive Vice President

FLHA: Field Level Hazard Assessment

GTM: Gas Transmission & Midstream

IMS: Integrated Management System

IR: CER audit Information Request

MOC: Management of change

MS: Management System

MSF: Management System Framework

NEB: National Energy Board, replaced by CER on 28 August 2019

OMS: Operating Management System

OPR: *Canadian Energy Regulator Onshore Pipeline Regulations*

SOP: Standard Operating Procedure

SWP: Safe Work Permit



## Appendix 3.2 - Glossary of Terminology and Definitions

*(The Board has applied the following definitions and explanations in measuring the various requirements included in this audit. They follow or incorporate legislated definitions or guidance and practices established by the Board, where available, and this will continue under the CER.)*

**Adequate:** The management system, programs or processes complies with the scope, documentation requirements and, where applicable, the stated goals and outcomes of the CER Act, its associated regulations and referenced standards. Within the Board's regulatory requirements, this is demonstrated through documentation.

**Audit:** A systematic, documented verification process of objectively obtaining and evaluating evidence to determine whether specified activities, events, conditions management systems or information about these matters conform to audit criteria and legal requirements and communicating the results of the process to the company.

**Compliant:** The CER uses this term to indicate that, based on the information made available and reviewed, no non-compliances relating to the protocol item referenced were identified during the audit. A Corrective and Preventive Corrective Action (CAPA) plan is not required to be developed.

**Corrective Action Plan:** A plan that addresses the non-compliances identified in the audit report and explains the methods and actions that will be used to correct them.

**Developed:** A process or other requirement has been created in the format required and meets the described regulatory requirements.

**Effective:** A process or other requirement meets its stated goals, objectives, targets and regulated outcomes. Continual improvement is being demonstrated. Within the CER's regulatory requirements, this is primarily demonstrated by records of inspection, measurement, monitoring, investigation, quality assurance, audit and management review processes as outlined in the OPR

**Established:** A process or other requirement has been developed in the format required. It has been approved and endorsed for use by the appropriate management authority and communicated throughout the organization. All staff and persons working on behalf of the company or others that may require knowledge of the requirement are aware of the process requirements and its application. Staff has been trained on how to use the process or other requirement. The company has demonstrated that the process or other requirement has been implemented on a permanent basis. As a measure of "permanent basis", the CER requires the requirement to be implemented, meeting all of the prescribed requirements, for three months.

**Finding:** The evaluation or determination of the compliance of programs or elements in meeting the requirements of the *Canadian Energy Regulator Act* and its associated regulations.

**Implemented:** A process or other requirement has been approved and endorsed for use by the appropriate management authority. It has been communicated throughout the organization. All staff and persons working on behalf of the company or others that may require knowledge of the requirement are aware of the process requirements and its application. Staff has been trained on how to use the process or other requirement. Staff and others working on behalf of the company have demonstrated use of the process or other requirement. Records and interviews have provided evidence of full implementation of the requirement, as prescribed (i.e., the process or procedures are not partially utilized).

**Inventory:** A documented compilation of required items. It must be kept in a manner that allows it to be integrated into the management system and management system processes without further definition or analysis.

**List:** A documented compilation of required items. It must be kept in a manner that allows it to be integrated into the management system and management system processes without further definition or analysis.



**Maintained:** A process or other requirement has been kept current in the format required and continues to meet regulatory requirements. With documents, the company must demonstrate that it meets the document management requirements in OPR, section 6.5(1)(o). With records, the company must demonstrate that it meets the records management requirements in OPR, section 6.5(1)(p).

**Management System:** The system set out in OPR sections 6.1 to 6.6. It is a systematic approach designed to effectively manage and reduce risk, and promote continual improvement. The system includes the organizational structures, resources, accountabilities, policies, processes and procedures required for the organization to meet its obligations related to safety, security and environmental protection.

*(The Board has applied the following interpretation of the OPR for evaluating compliance of management systems applicable to its regulated facilities, and this will continue under the CER.)*

*As noted above, the CER management system requirements are set out in OPR sections 6.1 to 6.6. Therefore, in evaluating a company's management system, the CER considers more than the specific requirements of section 6.1. It considers how well the company has developed, incorporated and implemented the policies and goals on which it must base its management system as described in section 6.3; its organizational structure as described in section 6.4; and considers the establishment, implementation, development and/or maintenance of the processes, inventory and list described in section 6.5(1). As stated in sections 6.1(c) and (d), the company's management system and processes must apply and be applied to the programs described in section 55.*

**Manual:** A document that contains a set of instructions on methods which are employed to accomplish a result. These instructions will be detailed and comprehensive. The document will be organized for ease of use.

**Non-Compliant:** The audited company has not demonstrated that it has developed and implemented programs, processes and procedures that meet the legal requirements relating to the protocol item referenced. A Corrective and Preventive Corrective Action (CAPA) plan must be developed for approval and implemented.

**Plan:** A detailed, documented formulation for action to achieve an end.

**Practice:** A repeated or customary action that is well understood by the persons authorized to carry it out.

**Procedure:** A procedure indicates how a process will be implemented. It provides a documented series of steps followed in a regular and defined order thereby allowing individual activities to be completed in an effective and safe manner. A procedure also outlines the roles, responsibilities and authorities required for completing each step.

**Process:** A documented series of actions taking place in an established order, with identified roles and responsibilities, and directed towards a result. A process includes the roles, responsibilities and authorities for the actions. A process may contain a set of procedures, if required.

*(The CER has applied the following interpretation of the OPR for evaluating compliance of management system processes applicable to its regulated facilities.)*

*OPR section 6.5(1) describes the CER's required management system processes. In evaluating a company's management system processes, the CER considers whether each process or requirement: has been established, implemented, developed or maintained as described within each section; whether the process is documented; and whether the process is designed to address the requirements of the process, for example a process for identifying and analyzing all hazards and potential hazards. Processes must contain explicit required actions including roles, responsibilities and authorities for staff establishing, managing and implementing the processes. The CER considers this to constitute a common 5 w's and h approach (who, what, where, when, why and how). The CER recognizes that the OPR processes have multiple requirements; companies may therefore establish and implement multiple processes, as long as they are designed to meet the*

*legal requirements and integrate any processes linkages contemplated by the OPR section. Processes must incorporate or contain linkage to procedures, where required to meet the process requirements.*

*As the processes constitute part of the management system, the required processes must be developed in a manner that allows them to function as part of the system. The required management system is described in OPR section 6.1. The processes must be designed in a manner that contributes to the company following its policies and goals established and required by section 6.3.*

*Further, OPR section 6.5(1) indicates that each process must be part of the management system **and** the programs referred to in OPR section 55. Therefore, to be compliant, the process must also be designed in a manner which considers the specific technical requirements associated with each program and is applied to and meets the process requirements within each program. The CER recognizes that single process may not meet all of the programs; in these cases it is acceptable to establish governance processes as long as they meet the process requirements (as described above) and direct the program processes to be established and implemented in a consistent manner that allows for the management system to function as described in 6.1.*

**Program:** A documented set of processes and procedures designed to regularly accomplish a result. A program outlines how plans, processes and procedures are linked, and how each one contributes toward the result. Program planning and evaluation are conducted regularly to check that the program is achieving intended results.

*(The CER has applied the following interpretation of the OPR for evaluating compliance of programs required by the CER regulations.)*

*The program must include details on the activities to be completed including what, by whom, when, and how. The program must also include the resources required to complete the activities.*

## **Appendix 4.0 – List of Company Staff Interviewed and Documents Reviewed**

The lists of company staff interviewed and documents reviewed are maintained on file at the offices of the Canada Energy Regulator.