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Regulator

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Final Audit Report

Westcoast Energy Inc.

Damage Prevention

CV2324-229

File 3425897

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Executive Summary

The Canada Energy Regulator (**CER**) expects pipelines and associated facilities within the Government of Canada's jurisdiction to be constructed, operated, and abandoned in a safe and secure manner that protects people, property, and the environment. To this end, the CER conducts a variety of compliance oversight activities, such as audits.

Section 103 of the *Canadian Energy Regulator Act* (S.C. 2019, c.28, s.10) (**CER Act**) authorizes inspection officers to conduct audits of regulated companies. The purpose of these audits is to assess compliance with the CER Act and its associated Regulations. The purpose of operational audits is to ensure that regulated companies have established and implemented both a management system and its associated programs, as specified in the *Canadian Energy Regulator Onshore Pipeline Regulations* (SOR/99-294) (**OPR**).

The CER conducted a Damage Prevention operational audit of Westcoast Energy Inc. (**Westcoast or the company**) between 8 August 2023 and 7 December 2023.

In 2022/23 the CER audited the Maritimes & Northeast Pipeline Management Ltd. Damage Prevention Program and management system. Upon receiving the audit notification letter, Westcoast communicated that the same management system that was audited the previous year also governs the Westcoast Damage Prevention Program. As a result, the CER elected to conduct a gap assessment of the management system to confirm they were the same and narrowed the scope of the Westcoast audit to focus on implementation only for audit protocols (**AP**) AP-01 to AP-10. AP-11 was a new audit protocol, added in 2023/24 and therefore was not assessed the previous year. The requirements for AP-11 were assessed for both the establishment and implementation. The modified objectives of this audit assessed whether the auditee's Damage Prevention Program is:

- governed by the same management system and program as audited in 2022/23;
- implemented as designed and in alignment with its circumstances for AP-01 to AP-10; and,
- established and implemented for AP-11.

Of eleven audit protocols, eight were deemed no issues identified and three were deemed non-compliant.

The audit findings indicate, within the scope of the audit, that no issues were noted with several audit protocols derived from the OPR. The Damage Prevention Program, hazard identification and analysis process, and management of change process are all deemed satisfactory with no identified issues.

The CER also determined that three protocols were non-compliant because the company failed to provide sufficient evidence that its processes had been adequately implemented within its Damage Prevention Program. Specifically, the CER auditors noted issues of non-compliance with aspects of Westcoast's communication of controls (AP-03), its internal reporting of hazards, particularly with unauthorized activity (**UA**) reports (AP-09), and its data management system (AP-11) and therefore will require a corrective action plan in order to meet the expected outcomes. More detail related to these issues is included in the report.

Within thirty calendar days of receiving the Final Audit Report, the company shall file with the CER a Corrective and Preventive Action (**CAPA**) Plan that outlines how the non-compliant findings will be resolved. The CER will monitor and assess the implementation of this CAPA Plan to confirm that it is completed in a timely manner.

Note that all findings are specific to the information assessed at the time of the audit as related to the audit scope.

While non-compliant findings exist, the CER is of the view that the company can still construct, operate, and abandon pipelines in a manner that will preserve the safety of persons, the environment, and property.

The Final Audit Report will be made public on the CER website.

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1.0 Background

1.1 Introduction

The CER expects pipelines and associated facilities within the Government of Canada's jurisdiction to be constructed, operated, and abandoned in a safe and secure manner that protects people, property, and the environment.

Section 103 of the CER Act authorizes inspection officers to conduct audits of regulated companies. The purpose of these audits is to assess compliance with the CER Act and its associated Regulations.

The purpose of operational audits is to ensure that regulated companies have established and implemented both a management system and its associated programs, as specified in the OPR. This audit was modified and only assessed the implementation of the Westcoast Damage Prevention Program; the established component was assessed in 2022/23 when the CER audited the Maritimes & Northeast Pipeline Management Ltd. Damage Prevention Program and management system.

For this audit, the CER reviewed Westcoast's implementation of the Damage Prevention Program to gauge how well it has adjusted to its operational conditions. The CER chose to perform a gap assessment of the management system to ensure its consistency. Consequently, the audit's scope for Westcoast is specifically tailored to concentrate on the implementation aspect within the audit protocols AP-01 to AP-10. AP-11 was added as a new audit protocol item.

1.2 Description of Audit Topic

This audit focuses on the auditee's Damage Prevention Program, for several reasons:

- Damage Prevention regulations came into force in 2016 as a tool to support the safe execution of activities occurring near a pipeline;
- Damaged pipelines pose a significant hazard to the safety of people, property, and the environment; and
- Several incidents of third-party damage to pipelines have occurred across CER-regulated companies over the last few years which have resulted in situations of high potential severity.

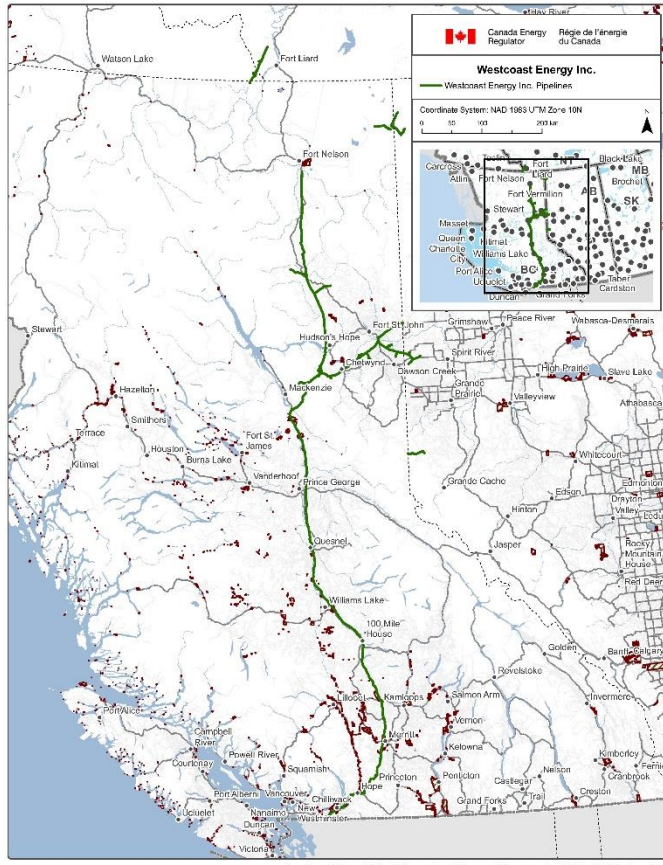
Section 47.2 of the OPR requires companies to develop, implement, and maintain a Damage Prevention Program that anticipates, prevents, manages, and mitigates damage to its pipeline. Thus, this audit stream assesses activities relating to:

- depth of cover;
- identifying pipeline locations;
- company liaison / education activities aimed at potential groups that conduct activities near pipelines including contractors, municipalities, and landowners;
- monitoring and surveillance; and
- response to notifications.

The CER evaluated a concordance table of the management system and program documents that were audited in 2022/23. It was determined that the Westcoast Damage Prevention Program was the same program that was audited by the CER the previous year. The CER conducted interviews and document reviews of all records and activities to ensure the program was implemented.

The Westcoast Transmission System is also known as Enbridge's BC Pipeline. It transports natural gas produced in the Western Canadian Sedimentary Basin to markets in British Columbia and, through interconnecting pipelines, other Canadian provinces, and the United States (**U.S.**) Pacific Northwest. The Westcoast Transmission System extends from points in Alberta, and British Columbia, to the Canada-U.S. border near Huntington, British Columbia.

The map below depicts the company's CER-regulated assets.



2.0 Objectives and Scope

The modified objectives of this audit assessed whether the auditee's Damage Prevention Program is:

- governed by the same management system and program as audited in 2022/23;
- implemented by Westcoast for AP-01 to AP-10; and,
- established and implemented for AP-11.

The table below outlines the scope selected for this audit.

Table 1. Audit Scope

Audit Scope	Details
Audit Topic	Damage Prevention
Lifecycle Phases	<input checked="" type="checkbox"/> Construction <input checked="" type="checkbox"/> Operations <input checked="" type="checkbox"/> Abandonment
Section 55 Programs	<input type="checkbox"/> Emergency Management <input type="checkbox"/> Integrity Management <input type="checkbox"/> Safety Management <input type="checkbox"/> Security Management <input type="checkbox"/> Environmental Protection <input checked="" type="checkbox"/> Damage Prevention
Time Frame	Not Applicable

3.0 Methodology

The auditors assessed compliance through:

- document reviews;
- record sampling; and
- interviews.

The list of documents reviewed, records sampled, and the list of interviewees are retained on file with the CER.

An audit notification letter was sent to the company on 8 August 2023 advising the company of the CER's plans to conduct an operational audit. Following to the Westcoast's correspondence, an amended audit notification letter was provided on 15 August 2023 for the adjusted scope as described in the executive summary section of this report. The lead auditor provided the audit protocol and initial information request to the company on 16 August 2023 and scheduled a meeting on 16 August 2023 with company staff to discuss the plans and schedule for the audit. Document review began on 15 September 2023 and interviews were conducted between 10 October 2023 and 20 October 2023.

In accordance with the established CER audit process, the lead auditor shared a pre-closeout summary of the audit results on 31 October 2023. At that time, the company was given five business days to provide any additional documents or records to help resolve the identified gaps in information or compliance. After the pre-closeout meeting, the company provided additional information to assist the lead auditor in making their final assessment of compliance. The lead auditor conducted a final close out meeting with the company on 7 December 2023.

4.0 Summary of Findings

The lead auditor has assigned a finding to each audit protocol. A finding can be either:

- No Issues Identified – No non-compliances were identified during the audit, based on the information provided by the company, and reviewed by the auditor within the context of the audit scope; or
- Non-compliant – The company has not demonstrated that it has met the legal requirements. A CAPA Plan shall be developed and implemented to resolve the deficiency.

All findings are specific to the information assessed at the time of the audit, as related to the audit scope.

The table below summarizes the findings. See [Appendix 1: Audit Assessment](#) for more information.

Table 2. Summary of Findings

Audit Protocol (AP) Number	Regulation	Regulatory Reference	Topic	Finding Status	Finding Summary
AP-01	OPR	47.2	Damage Prevention Program	No Issues Identified	Westcoast demonstrated that its Damage Prevention Program is integrated within the company's management system. The CER auditors also found that Westcoast fulfilled the implementation requirements of section 16 of the <i>Canadian Energy Regulator Pipeline Damage Prevention Regulations – Obligations of Pipeline Companies (DPR-O)</i> regulations.
AP-02	OPR	6.5(1)(c)	Implement a process for identifying and analyzing hazards	No Issues Identified	Westcoast has implemented the required hazard identification and risk analysis process, met the expected outcomes, and the process has been in use for a period of at least three months.

Audit Protocol (AP) Number	Regulation	Regulatory Reference	Topic	Finding Status	Finding Summary
AP-03	OPR	6.5(1)(f)	Implement a process for developing and implementing controls	Non-compliant	Westcoast did not demonstrate that it includes the communication of controls to those exposed to the risks associated with working in proximity to its facilities. Specifically, Westcoast did not include third parties and their contractors among those that would require the communication of controls.
AP-04	OPR	6.5(1)(i)	Implement a process for identifying and managing change	No Issues Identified	Westcoast has implemented the required management of change process, met the expected outcomes, and the process has been in use for a period of at least three months.
AP-05	DPR-O	16(b)	Damage Prevention Program – Minimum Content – Monitoring – Change in Land Use	No Issues Identified	Westcoast has a Damage Prevention Program that includes ongoing monitoring of changes in land use. The company has designated responsible roles, maintained records of program usage, and demonstrated a response mechanism to address land use changes.
AP-06	DPR-O	16(c)	Damage Prevention Program – Minimum Content – Monitoring – Change in Land Owner	No Issues Identified	Westcoast has a Damage Prevention Program that includes ongoing monitoring of changes in landowner information. The company has designated responsible roles, maintained records of program usage, and actively communicated with landowners.

Audit Protocol (AP) Number	Regulation	Regulatory Reference	Topic	Finding Status	Finding Summary
AP-07	DPR-O	16(f)	Damage Prevention Program – Minimum Content – Managing Requests for Consent	No Issues Identified	Westcoast has employed a process for managing consent requests, aligning with regulatory standards outlined in paragraph 16(f) of the DPR-O. The company maintains interaction records with requestors, particularly for granting consent when applicable. This approach complies with the regulatory requirement for handling consent requests concerning activities near their pipelines.
AP-08	OPR	6.5(1)(m)	Implement a process for internal and external communication of information	No Issues Identified	Westcoast has demonstrated through the records and interviews that their internal and external communication processes have been implemented in accordance with regulatory requirements. This included records of integration of the communication processes within the Damage Prevention Program.
AP-09	OPR	6.5(1)(r)	Implement a process for internal reporting of hazards and for taking corrective actions	Non-compliant	Westcoast did not demonstrate that it has implemented a process for its Damage Prevention Program that meets the expected outcomes. Specifically, the CER notes deficiencies related to the internal reporting of near-misses and for taking corrective and preventive actions, in regards to unauthorized activities.

Audit Protocol (AP) Number	Regulation	Regulatory Reference	Topic	Finding Status	Finding Summary
AP-10	OPR	6.5(1)(u)	Implement a process for inspecting and monitoring company activities for effectiveness	No Issues Identified	Westcoast has implemented a process for inspecting and monitoring the company's activities and facilities to evaluate the adequacy and effectiveness of the Damage Prevention Program.
AP-11	OPR	6.5(1)(s)	Establish and maintain a data management system for monitoring and analyzing the trends in hazards, incidents and near-misses	Non-compliant	Westcoast has not established an adequate data management system for analyzing trends in hazards and near-misses related to unauthorized activities. While Westcoast demonstrated that it enters UA data into its system, the information being monitored and analyzed was not the same as the information entered in its data management system.

5.0 Discussion

The Westcoast audit focuses on the company's Damage Prevention Program, for several reasons:

- Damage Prevention regulations came into force in 2016, as a tool to support the safe execution of activities occurring near a pipeline;
- Damaged pipelines pose a significant hazard to the safety of people, property, and the environment; and
- Several incidents of third-party damage to pipelines have occurred across CER-regulated companies over the last few years which have resulted in situations of high potential severity.

Specifically, this audit focused on the implementation of the company's Damage Prevention Program. The auditors were provided with records or activities related to the Damage Prevention Program, presentations on the programs and they conducted interviews to determine the level of implementation of the Damage Prevention Program.

6.0 Conclusion

Of eleven audit protocols, eight were deemed no issues identified. Three were deemed non-compliant, resulting in an audit score of 73%.

The audit findings indicate that, within the scope of the audit, no issues were noted with several audit protocols derived from the OPR and DPR-O. Regarding the OPR protocols, the Damage Prevention Program, hazard identification and analysis process, communication process, management of

change process as well as the process for inspecting and monitoring the company's activities for effectiveness were all deemed satisfactory with no identified issues. Monitoring land use and land ownership as well as managing consent requirements of the DPR-O are also deemed satisfactory with no identified issues.

The CER also determined that three audit protocols were non-compliant. Specifically, the CER auditors noted issues of non-compliance with aspects of Westcoast's communication of controls (AP-03), its internal reporting of hazards, particularly with unauthorized activity reports (AP-09), and its data management system (AP-11) and therefore will require a CAPA plan to meet the expected outcomes. More detail related to these issues is included in the report.

Appendix 1: Audit Assessment

AP-01 Damage Prevention Program

Finding status	No issues identified
Regulation	OPR
Regulatory reference	47.2
Regulatory requirement	A company shall develop, implement, and maintain a Damage Prevention Program that anticipates, prevents, manages, and mitigates damage to its pipeline and meets the requirements set out in section 16 of the <i>Canadian Energy Regulator Pipeline Damage Prevention Regulations — Obligations of Pipeline Companies</i> .
Expected outcome	<ul style="list-style-type: none"> • A compliant Damage Prevention Program exists; • Content in the Damage Prevention Program anticipates, prevents, manages, and mitigates potential damage to the company’s pipelines; • The Damage Prevention Program has been implemented; and • The Damage Prevention Program is maintained.
Relevant information provided by the company	<p>The list of documents and records that the CER reviewed related to this assessment are kept on file with the CER.</p> <p>The following interview was conducted related to this item:</p> <ul style="list-style-type: none"> • AP-01 interview was held on 10 October 2023. • For a complete list of Westcoast staff that were present during the virtual interview, the CER holds a detailed list in its file directory associated with this audit.
Finding summary	Westcoast demonstrated that its Damage Prevention Program is integrated within the company’s management system. The CER auditors also found that Westcoast fulfilled the implementation requirements of section 16 of the <i>Canadian Energy Regulator Pipeline Damage Prevention Regulations – Obligations of Pipeline Companies (DPR-O)</i> regulations.

Detailed Assessment

The CER was informed that Westcoast’s Damage Prevention Program was the same Program that was audited by the CER in 2022/23 as part of the Maritimes & Northeast Pipeline Management Ltd. audit (CV2223-230). As a result, the CER did not assess the program itself but rather focused on the implementation aspect of it.

Westcoast provided implementation records from the three (3) elements of its Damage Prevention Program that were the subject of the audit: Monitoring – Change in Land Use (AP-05), Monitoring – Change in Land Owner (AP-06) and Managing Requests for Consent (AP-07), all of which are further described under the sequential sections of this report.

Westcoast also provided commitment statements that obligate the company to follow the Gas Transmission and Midstream (**GTM**) management system as well as evidence of its management review activities that were performed including calendar invites and meeting agendas. Additionally, Westcoast provided evidence of the implementation of the Damage Prevention Program update

completed in Q1 of 2022 including emails committing to engagement with stakeholders, to identify and implement continuous improvement opportunities.

Westcoast has demonstrated that it implemented the Damage Prevention Program required by section 47.2 of the OPR. The Damage Prevention Program is subject to management review and applicable processes reviewed within the scope of this audit, such as stakeholder engagement and assurance activities, are applied to this program. The CER auditors also found that Westcoast fulfilled the implementation requirements of section 16 of the DPR-O regulations.

AP-02 Implement a process for identifying and analyzing hazards

Finding status	No issues identified
Regulation	OPR
Regulatory reference	6.5(1)(c)
Regulatory requirement	A company shall, as part of its management system and the programs referred to in section 55, establish and implement a process for identifying and analyzing all hazards and potential hazards.
Expected outcome	<ul style="list-style-type: none"> • The company has a compliant process that is 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 the Damage Prevention Program; • The identification of hazards and potential hazards must include the full lifecycle 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; and • The identified hazards and potential hazards have been analyzed for the type and severity of their consequences.
Relevant information provided by the company	<p>The list of documents and records that the CER reviewed related to this assessment are kept on file with the CER.</p> <p>The following interview was conducted related to this item:</p> <ul style="list-style-type: none"> • AP-02 interview was held on 10 October 2023. • For a complete list of Westcoast staff that were present during the virtual interview, the CER holds a detailed list in its file directory associated with this audit.
Finding summary	Westcoast has implemented the required hazard identification and risk analysis process, met the expected outcomes, and the process has been in use for a period of at least three months.

Detailed Assessment

To demonstrate that the process required by paragraph 6.5(1)(c) of the OPR has been implemented, Westcoast provided the CER auditors with various records and relevant documents as described below.

There are several different methods that are used to identify and analyze hazards. The use of a particular method is determined by in-house risk subject matter experts and is dependent on the situation. For the more complex hazard identification and analyses that are required, an external consulting firm with competency in conducting these activities is contracted to do the work. Personnel interviewed confirmed that there are various triggers for conducting a hazard identification and analysis, including an issue of concern being observed in the field.

There are on cycle and off cycle reviews of the hazard inventory. On cycle reviews are conducted by program owners and their team along with personnel from operations. An off-cycle review is typically triggered by a significant incident. There are other triggers for conducting a review of the hazard inventory, one of which is the acquisition of new assets. Interviewees confirmed that the most recent hazard inventory is always available on the internal site and there are various links to access it.

Out of the hazard inventory review, a hazard inventory report is prepared that contains findings and recommendations. The report is discussed with and distributed to the program leads. Action items are tracked and followed up on through to close-out. Changes to the hazard inventory are communicated through training sessions to those directly affected by the change.

Quarterly risk management governance meetings and working sessions are held at various levels in the company. Outputs and learnings from these meetings are communicated between the various levels, contributing to strategic decision-making at the senior leadership meeting. Damage Prevention personnel participate in the review and discussion of the individual risks in the risk register.

The Risk Management team is responsible for updating the hazard inventory, with risk specialists being dedicated to Damage Prevention.

Records were provided that showed:

- process hazard analysis using the hazard and operability method;
- pre-startup safety review;
- field level hazard assessment;
- damage prevention governance session presentation; and
- awareness training on process related to operational risk management and hazard identification and inventory.

Westcoast has established and implemented the required hazard identification and risk analysis process, met the expected outcomes, and demonstrated that the process has been in use for a period of at least three months.

AP-03 Implement a process for developing and implementing controls

Finding status	Non-compliant
Regulation	OPR
Regulatory reference	6.5(1)(f)
Regulatory requirement	A company shall, as part of its management system and the programs referred to in section 55, establish and implement a process for developing and implementing controls to prevent, manage and mitigate the identified hazards, potential hazards and risks and for communicating those controls to anyone who is exposed to the risks.
Expected outcome	<ul style="list-style-type: none"> • The company has a compliant process for developing and implementing controls; • The method(s) for developing controls are appropriate for the nature, scope, scale, and complexity of the company's operations and activities and the Damage Prevention Program; • Controls are developed and implemented; • Controls are adequate to prevent, manage and mitigate the identified hazards and risks; • Controls are monitored on a periodic basis and as needed and re-evaluated for changing circumstances; and • Controls are communicated to those exposed to the risks.
Relevant information provided by the company	<p>The list of documents and records that the CER reviewed related to this assessment are kept on file with the CER.</p> <p>The following interview was conducted related to this item:</p> <ul style="list-style-type: none"> • AP-03 interview was held on 10 October 2023. • For a complete list of Westcoast staff that were present during the virtual interview, the CER holds a detailed list in its file directory associated with this audit.
Finding summary	Westcoast did not demonstrate that it includes the communication of controls to all those exposed to the risks associated with working in proximity to its facilities. Specifically, Westcoast did not include third parties and their contractors among those that would require the communication of controls.

Detailed Assessment

To demonstrate that the process required by paragraph 6.5(1)(f) of the OPR has been implemented within the Damage Prevention Program for ground disturbance work, Westcoast provided various records and documents from its safety program showing what process it follows for ground disturbance work around its own facilities.

Records provided and interviews with Westcoast staff indicated that, for first- and second-party ground disturbance work near its facilities, Westcoast follows the hazard identification and inventory process to identify and review hazards and the associated controls. When Westcoast and its contractors are conducting work including ground disturbance around its facilities, project-related hazards are communicated to the workforce through project specific safety plans (**PSSPs**), job hazard analysis, and process hazard analysis. PSSPs are completed that address the identified hazards and include the required controls. These documents form the basis for pre-job engagement with any second-party contractors performing work.

The process related to the maintenance of the hazard inventory for its safety program is assessed for adequacy once a year when a sample of the controls is selected for review. Results are discussed during the quarterly reviews and followed up on as required and monitored for effectiveness. Assurance activities including audits and reviews of Damage Prevention controls are conducted on a quarterly basis to ensure commitments were followed through on and any corrective actions are taken. Preventive and mitigative controls are reviewed for effectiveness with gaps and recommendations recorded and communicated. The control owner develops a set of performance standards used to assess the effectiveness of the controls.

Westcoast follows the Barrier-based Systematic Cause Analysis Technique (**BSCAT**) for safety incidents to determine whether a control is failed, missing, or ineffective, and the information is included in the bow-tie diagram for the incident. The BSCAT results are captured in the hazard inventory to inform the evaluation of controls during the annual review. High value learning events are communicated company wide.

Third-party projects

Westcoast communicates some controls to third parties through its written consent agreements. Along with the agreements, Westcoast is also required to provide an explanation of the locate markings and conduct inspections, for certain projects, to verify that work is done in accordance with the conditions of the written consent. As the OPR also applies to Westcoast during third-party projects, the company is required to ensure that it complies with OPR obligations, including the identification of all “those” exposed to the risks. Due to the variety, this could include third parties and their contractors depending on the nature of the project.

Upon review of the documents provided, CER auditors noted that the communication to third parties is limited to consent agreements, which emphasize each party’s legal obligations. These agreements are not designed to communicate safety controls to the workers conducting ground disturbances who are exposed to the risks of Westcoast facilities on the worksite. Third parties and their contractors would be exposed to the properties of the product carried and require the safety and emergency measures that they should follow if there are signs of a leak, or if the pipe is contacted or punctured during the project. The actions taken by these workers at the time of a leak or rupture could significantly impact the outcome of an incident.

Although Westcoast provided evidence of various methods that it uses to communicate its controls within its organization, CER auditors noted that Westcoast did not include third parties and their contractors during authorized ground disturbance activities among people considered “exposed to risks.” The CER auditors are of the view that, due to the presence of its pipelines on the third-party worksite, the variety of work conducted, and the type of equipment that could be used, Westcoast should be communicating its controls during third-party projects. Therefore, CER auditors have determined that Westcoast is required to provide hazard awareness and basic emergency response information for natural gas products to third parties and contractors who are working in proximity to its pipelines.

The CER auditors note that a corrective action for this process may impact other aspects of the company's Damage Prevention Program including the process reviewed in AP-08 of this report.

Records were provided that showed:

- An extract of the hazard inventory that shows controls for Damage Prevention hazards;
- An extract of the GTM legal register that shows controls owned by the Damage Prevention Program;
- Management of Change involving the replacement of river crossing pipe due to pipe exposure resulting from flooding;
- Assurance inspection of aerial patrol frequency;
- Assurance inspection of training for one-call locators;
- Assurance inspection of written communication to landowners; and
- A Safety Alert that resulted from investigation into a line strike during an integrity dig.

In summary, Westcoast did not demonstrate that this process is fully implemented as it does not account for third parties and their contractors who would be conducting ground disturbance near its facilities for communicating those controls to anyone who is exposed to the risks.

In addition, the CER auditors note that corrective actions developed in response to this non-compliance may impact related processes such as identification of hazards and potential hazards and the Ground Disturbance component of the Westcoast Damage Prevention Program.

AP-04 Implement a process for identifying and managing change

Finding status	No issues identified
Regulation	OPR
Regulatory reference	6.5(1)(i)
Regulatory requirement	A company shall, as part of its management system and the programs referred to in section 55, 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	<ul style="list-style-type: none"> • The company has a compliant process for identifying and managing change; • Methods are defined to identify and manage change; and • Impacts to the company's management system and the Damage Prevention Program are identified and assessed.
Relevant information provided by the company	<p>The list of documents and records that the CER reviewed related to this assessment are kept on file with the CER.</p> <p>The following interview was conducted related to this item:</p> <ul style="list-style-type: none"> • AP-04 interview was held on 11 October 2023. • For a complete list of Westcoast staff that were present during the virtual interview, the CER holds a detailed list in its file directory associated with this audit.
Finding summary	Westcoast has implemented the required management of change process, met the expected outcomes, and the process has been in use for a period of at least three months.

Detailed Assessment

To demonstrate that the process required by paragraph 6.5(1)(i) of the OPR has been implemented, Westcoast provided the CER auditors with various records and relevant documents as described below.

Management of Change (**MOC**) is one of the eleven elements of the GTM Business Unit's management system.

Within Damage Prevention, an MOC can be submitted by anyone in the workforce and be driven by various mechanisms such as the direct identification of a change being needed, the CAPA process, or through a review cycle.

There are four types of MOCs: Asset, Document, Organizational, and Regulatory. Based on the scope and nature of a particular MOC, a determination is made on whether the change is standard or complex which, in turn, determines the number of reviewers. Consideration is given to whether other groups will be impacted by the change and, if so, their input is solicited.

A Damage Prevention Working Group is in place that meets quarterly with MOCs being one of the items discussed at these meetings.

Through interviews, it was confirmed that the Damage Prevention team participates in MOCs initiated by other teams, for example, the release of the latest version of the Canadian Standards Association Z662 Oil and Gas Pipeline Systems (**CSA Z662**) was a regulatory change in which Damage Prevention was involved.

Each of the four MOC processes are managed by different teams in Westcoast and have different tools and apps for tracking, managing, and reporting to management.

Records were provided that showed communication of:

- Changes to the Damage Prevention Program;
- Changes to the one-call ticket management process, including what is not changing in the process;
- Required training for Asset MOCs;
- Training provided to reviewers of Regulatory MOCs; and
- Confirmation that each MOC process document was reviewed at the required frequency.

Westcoast has established and implemented the required management of change process, met the expected outcomes, and demonstrated that the process has been in use for a period of at least three months.

AP-05 Damage Prevention Program – Minimum Content – Monitoring – Change in Land Use

Finding status	No issues identified
Regulation	DPR-O
Regulatory reference	16(b)
Regulatory requirement	The Damage Prevention Program that a pipeline company is required to develop, implement and maintain under section 47.2 of the <i>Canadian Energy Regulator Onshore Pipeline Regulations</i> must include ongoing monitoring of any changes in the use of the land on which a pipeline is located and the land that is adjacent to that land.
Expected outcome	<ul style="list-style-type: none"> • The Damage Prevention Program is developed, implemented, and maintained; • The Damage Prevention Program references ongoing monitoring of changes to land use, both adjacent and on land within which the pipeline is located; and • The company can provide evidence to demonstrate that ongoing monitoring of land use is occurring.
Relevant information provided by the company	<p>The list of documents and records that the CER reviewed related to this assessment are kept on file with the CER.</p> <p>The following interview was conducted related to this item:</p> <ul style="list-style-type: none"> • AP-05 interview was held on 11 October 2023. • For a complete list of Westcoast staff that were present during the virtual interview, the CER holds a detailed list in its file directory associated with this audit.
Finding summary	Westcoast has a Damage Prevention Program that includes ongoing monitoring of changes in land use. The company has designated responsible roles, maintained records of program usage, and demonstrated a response mechanism to address land use changes.

Detailed Assessment

Westcoast's approach to monitoring land use changes includes the following proactive and reactive methods:

- **Proactive Monitoring:** Westcoast employs Geographic Information Systems (**GIS**) to collect aerial imagery and mapping data, as outlined in the land use and land ownership monitoring document. This approach is used to assess land use changes related to pipeline assets.
- **Reactive Monitoring:** When unauthorized land use changes occur, Westcoast takes reactive measures.

The Damage Prevention team, in collaboration with Regional Operations, identifies and reports such changes following the procedure for reporting unauthorized activities. Investigations are conducted, and mitigation measures are implemented, as necessary.

Westcoast designates key positions responsible for ongoing land use monitoring. These positions include Damage Prevention Specialists, Compliance Analysis Supervisors, Land Advisors, Public Awareness Advisors/Specialists, and Crossing Analysts.

To demonstrate their monitoring of land use changes, Westcoast provided records such as the pipeline right-of-way patrol checklists from aerial patrols conducted in January 2023 and June 2023, the class location changes summary table spanning from 2021 to 2022, and a public awareness brochure distributed in 2023 to development offices near the company's assets. These records demonstrate the active utilization of the Damage Prevention Program in land use monitoring.

Westcoast also supplied records illustrating the company's response to identified land use changes. These records related to land use changes identified during aerial patrols in January 2023 and June 2023. The responses underline the company's reaction to assessing and addressing land use changes.

Westcoast has established a Damage Prevention Program that includes ongoing monitoring of changes in land use. The company has designated responsible roles, maintained records of program usage, and demonstrated a clear response mechanism to address land use changes. Westcoast is following the regulatory requirement outlined in paragraph 16(b) of the DPR-O regarding the monitoring of land use changes.

AP-06 Damage Prevention Program – Minimum Content – Monitoring – Change in Landowner

Finding status	No issues identified
Regulation	DPR-O
Regulatory reference	16(c)
Regulatory requirement	The Damage Prevention Program that a pipeline company is required to develop, implement and maintain under section 47.2 of the <i>Canadian Energy Regulator Onshore Pipeline Regulations</i> must include ongoing monitoring of any change in the landowner of the land on which a pipeline is located.
Expected outcome	<ul style="list-style-type: none"> • The Damage Prevention Program is developed, implemented, and maintained; • The Damage Prevention Program references ongoing monitoring of changes of landowners, for both adjacent land and on land within which the pipeline is located; and • The company can provide evidence to demonstrate ongoing monitoring of landowners is occurring.
Relevant information provided by the company	<p>The list of documents and records that the CER reviewed related to this assessment are kept on file with the CER.</p> <p>The following interview was conducted related to this item:</p> <ul style="list-style-type: none"> • AP-05 interview was held on 11 October 2023. • For a complete list of Westcoast staff that were present during the virtual interview, the CER holds a detailed list in its file directory associated with this audit.
Finding summary	Westcoast has a Damage Prevention Program that includes ongoing monitoring of changes in landowner information. The company has designated responsible roles, maintained records of program usage, and actively communicated with landowners. The process has been in use for a period of at least three months.

Detailed Assessment

Westcoast's response details the collaboration between the GTM Damage Prevention team and the Company's Safety and Reliability Lands and Right of Way group (**S&R Lands** and **RoW**) in monitoring landowner changes. S&R Lands and RoW is responsible for maintaining the Company's landowner database, which undergoes updates through various methods, including landowner communications, investigation of undelivered mail, and land title searches.

Westcoast designates key positions responsible for the continuous monitoring of landowner changes. These positions comprise the Damage Prevention Supervisor, Lands & RoW Supervisor, and Land Advisor. Each of these roles plays a crucial part in overseeing land contract administration, ensuring data accuracy, and supporting the ongoing monitoring process.

Westcoast supplied records that demonstrate the utilization of the Damage Prevention Program in monitoring changes to landowner information. These records encompass a report from a local

contractor provided to S&R Lands and RoW, which lists potential landownership changes for the period from May to August 2023. Additionally, there are confirmed landownership changes during the same period.

Westcoast also offers an awareness information brochure titled "Natural Gas Pipeline Safety and Emergency Information for our neighbors," distributed to newly identified landowners. This brochure serves as evidence of the company's commitment to maintaining communication with landowners and sharing safety and emergency information.

Westcoast has established a Damage Prevention Program that includes ongoing monitoring of changes in landowner information. The company has designated responsible roles, maintained records of program usage, and actively communicated with landowners. Westcoast is following the regulatory requirement outlined in paragraph 16(c) of the DPR-O regarding the monitoring of landowner changes.

AP-07 Damage Prevention Program – Minimum Content – Managing Requests for Consent

Finding status	No issues identified
Regulation	DPR-O
Regulatory reference	16(f)
Regulatory requirement	The Damage Prevention Program that a pipeline company is required to develop, implement and maintain under section 47.2 of the <i>Canadian Energy Regulator Onshore Pipeline Regulations</i> must include a process for managing requests for the consent to construct a facility across, on, along or under a pipeline, to engage in an activity that causes a ground disturbance within the prescribed area or to operate a vehicle or mobile equipment across the pipeline.
Expected outcome	<ul style="list-style-type: none"> • The company has a compliant process; • The process addresses requests for consent to: <ul style="list-style-type: none"> ○ construct a facility across, on, along, or under a pipeline; ○ engage in an activity that causes ground disturbance within the prescribed area; and ○ operate a vehicle or mobile equipment across the pipeline; • The process describes how consent is determined; • The process describes how the issuance or denial of consent is communicated to the requestor; and • The company can demonstrate the process has been used.
Relevant information provided by the company	<p>The list of documents and records that the CER reviewed related to this assessment are kept on file with the CER.</p> <p>The following interview was conducted related to this item:</p> <ul style="list-style-type: none"> • AP-07 interview was held on 12 October 2023. • For a complete list of Westcoast staff that were present during the virtual interview, the CER holds a detailed list in its file directory associated with this audit.
Finding summary	Westcoast has employed a process for managing consent requests, aligning with regulatory standards outlined in paragraph 16(f) of the DPR-O. The company maintains interaction records with requestors, particularly for granting consent when applicable. This approach complies with the regulatory requirement for handling consent requests concerning activities near their pipelines. The process has been in use for a period of at least three months.

Detailed Assessment

The regulatory requirement mandates that Westcoast's Damage Prevention Program must encompass a process for handling requests for consent related to facility construction, ground disturbance activities within a specified area, or vehicle operation across the pipeline.

Westcoast's response includes evidence of their active utilization of the process for managing crossings and encroachments for managing consent requests. Westcoast provided records of application samples, engineering assessments, crossing agreements, and a record of the process for various crossing requests. These records confirm the presence of an established process for managing consent requests.

Westcoast also provided records demonstrating communication with requestors upon granting consent for specific requests. They underscore the company's practice of communicating with requestors, acknowledging consent grants, and sharing relevant information. Westcoast notes that they have not denied recent consent requests, resulting in a lack of sample records for denied consent. This suggests the company's focus on cooperative consent rather than denials.

Westcoast has established and implemented a process for managing consent requests, aligning with the regulatory standards outlined in paragraph 16(f) of the DPR-O. The company maintains interaction records with requestors, particularly for granting consent when applicable. This approach complies with the regulatory requirement for handling consent requests concerning activities near their pipelines.

AP-08 Implement a process for internal and external communication of information

Finding status	No issues identified
Regulation	OPR
Regulatory reference	6.5(1)(m)
Regulatory requirement	A company shall, as part of its management system and the programs referred to in section 55, establish and implement a process for the internal and external communication of information relating to safety, security and protection of the environment.
Expected outcome	<ul style="list-style-type: none"> • 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; and • Internal and external communication is occurring, and it is adequate for the management system and the Damage Prevention Program implementation.
Relevant information provided by the company	<p>The list of documents and records that the CER reviewed related to this assessment are kept on file with the CER.</p> <p>The following interview was conducted related to this item:</p> <ul style="list-style-type: none"> • AP-08 interview was held on 12 October 2023. • For a complete list of Westcoast staff that were present during the virtual interview, the CER holds a detailed list in its file directory associated with this audit.
Finding summary	Westcoast has demonstrated through the records and interviews that their internal and external communication processes have been implemented in accordance with regulatory requirements. This included records of integration of the communication processes within the Damage Prevention Program. The process has been in use for a period of at least three months.

Detailed Assessment

Westcoast's Damage Prevention Program follows the stakeholder engagement element of the management system that establishes, implements, and maintains processes and associated plans for communication and engagement with internal and external stakeholders relating to safety, security, and protection of the environment. This element contains both internal and external communications processes that Damage Prevention is committed to follow.

The following records were provided to demonstrate how internal communication is performed:

- Damage Prevention communication plan;
- Damage Prevention communications regarding ground disturbance, including an internal newsletter; and
- Operations Services newsletter.

Monthly meetings are held between the Public Awareness and Damage Prevention teams to discuss trends. If the need for additional communication is identified, supplemental information is sent to external stakeholders.

Westcoast utilizes mailouts and social media campaigns as a method to communicate with external stakeholders. The records provided included various brochures that were targeted based on time of year and the company's observations regarding occurring hazards (e.g., "Safety responding to wildfires near pipelines" or "Flood recovery and safety near pipelines") and are mailed out on an annual basis.

The Public Awareness communication material is targeted to the stakeholder, for example, municipalities. The brochure on excavation activities is targeted to the audience as well, for example, there is an excavator-specific version of the brochure. A copy of the excavator guide is provided to everyone who places a one-call, regardless of whether their work is determined to be in conflict. It was confirmed during interviews that Westcoast recently amended their safety brochure based on feedback received. Feedback received to date is that the revised version is easier to understand. External surveys are conducted, and focus group sessions are held every three years with a different stakeholder, e.g., the affected public, public officials, excavators, etc.

Social media campaign records that were provided focused on education and the importance of safe digging and it also included resources to educate others and prevent unsafe excavation. Westcoast also shared results of their campaigns summarizing results related to the social media plan.

Face-to-face visits with landowners do occur but are not conducted on a regular basis but rather when situations warrant this type of engagement (e.g., a new landowner is identified).

Additionally, Westcoast provided an example of external communication regarding specific locations where agricultural activity could impact the pipeline's safety or security. This example listed regulatory requirements accompanied by a sketch of locations in question and mitigative actions that may be placed.

Other examples included internal communication between the crossings group and engineering related to assessment, follow up actions involving a crossing analyst sending the third party the fully executed agreement, and a field representative providing the locate report and inspection report form back to operations and the crossing analyst.

Records provided were dated at least three months from the audit providing evidence that both the internal and external communications processes have been used as intended for a minimum of three months.

AP-09 Implement a process for internal reporting of hazards and for taking corrective actions

Finding status	Non-compliant
Regulation	OPR
Regulatory reference	6.5(1)(r)
Regulatory requirement	A company shall, as part of its management system and the programs referred to in section 55, 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	<ul style="list-style-type: none"> • 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 methodologies 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; and • The company can demonstrate through records that all corrective and preventative actions can be tracked to closure.
Relevant information provided by the company	<p>The list of documents and records that the CER reviewed related to this assessment are kept on file with the CER.</p> <p>The following interview was conducted related to this item:</p> <ul style="list-style-type: none"> • AP-09 interview was held on 16 October 2023. • For a complete list of Westcoast staff that were present during the virtual interview, the CER holds a detailed list in its file directory associated with this audit.
Finding summary	Westcoast did not demonstrate that it has implemented a process for its Damage Prevention Program that meets the expected outcomes. Specifically, the CER notes deficiencies related to the internal reporting of near-misses and for taking corrective and preventive actions, in regards to unauthorized activities.

Detailed Assessment

Westcoast provided an overview, detailing its internal reporting processes for hazards, potential hazards, incidents, and near-misses for safety and damage prevention. Interviews and documents show that Westcoast uses various methods for identifying and controlling hazards on its worksites, such as safe work permitting, job hazard analysis, and field level hazard assessments. It also

conducts incident investigations, and safety submissions and documents the results within its data management system.

Westcoast also provided records related to Damage Prevention and third-party work, including a safe work permit package, job hazard analyses for specific tasks, and event notification emails. For reporting near-misses, Westcoast provided records related to UAs and an extract of its damage prevention spreadsheet, an event classification table, and a summary of safety submissions from January 2023. Westcoast uses this spreadsheet to document, track and classify incidents and near-misses.

Following an examination of the documents and records provided by Westcoast, CER auditors noted that no UAs were categorized as severe enough to warrant an investigation. Further review indicated that all UAs were categorized as "low consequence" and "low risk" and therefore did not meet the threshold for further investigation within the incident review process. Westcoast did not provide a documented explanation for the categorization of UAs and appeared to be following the same process for UAs as for incidents where outcomes are considered when determining severity.

Westcoast representatives described three specific corrective and preventive actions that are taken in response to all UAs: reporting to the CER, issuing a letter to the violator with public awareness material, and conducting a surface load assessment. However, as none of the UAs resulted in actual damage or harm, there was no further investigation into causes or contributing factors. Also, the random classification of unauthorized activities results in all UAs being classified similarly regardless of specific circumstances. The auditors highlighted the need for a more nuanced approach to categorizing incidents, especially for high-potential, high-consequence near-misses. Westcoast investigating events solely based on their severity excludes near-misses from further examination. Without examining UAs further to identify the potential errors of process or execution that may have contributed to the UA, Westcoast is missing an opportunity to identify areas for continual improvement.

The auditors also point out issues with Westcoast's document for classifying event severity, emphasizing that the classification of unauthorized activities based on actual outcomes rather than investigations undermines the learning process and hampers the anticipation and prevention of potential damage. Westcoast's investigation process is based on the severity of the actual outcome and not the potential consequence, and so it does not provide any learnings for the Damage Prevention Program and its processes.

The company adheres to the "Health and Safety Assurance" section of the process used for hazard assessment and control, emphasizing the reporting, investigation, and learning from incidents to prevent recurrence. While Westcoast demonstrated the use of its process to categorize UAs, the CER identified deficiencies in its implementation. First, the categorization of UAs as "low consequence" and attributing the events to third-party actions was noted as problematic as it hindered the company from examining its role in the events and taking meaningful corrective actions. UAs are all categorized as "Low" regardless of circumstances, leading to limited investigation, poor trending, and lack of continual improvement. The auditors also noted discrepancies in the procedure for reporting unauthorized activities, suggesting improvements are needed in clarity and definitions.

Based on interviews and document reviews, the CER auditors concluded that Westcoast has not implemented an adequate process for performing near-miss investigations of UAs. The company is required to implement a CAPA Plan that includes changes to AP-09 requirements and other adjustments within the management system.

AP-10 Implement a process for inspecting and monitoring company activities for effectiveness

Finding status	No issues identified
Regulation	OPR
Regulatory reference	6.5(1)(u)
Regulatory requirement	A company shall, as part of its management system and the programs referred to in section 55, 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	<ul style="list-style-type: none"> • 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 Damage Prevention Program; • 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; and • The company retains records of inspections, monitoring activities, and corrective and preventive actions implemented by the company.
Relevant information provided by the company	<p>The list of documents and records that the CER reviewed related to this assessment are kept on file with the CER.</p> <p>The following interview was conducted related to this item:</p> <ul style="list-style-type: none"> • AP-10 interview was held on 13 October 2023. • For a complete list of Westcoast staff that were present during the virtual interview, the CER holds a detailed list in its file directory associated with this audit.
Finding summary	Westcoast has implemented a process for inspecting and monitoring the company's activities and facilities to evaluate the adequacy and effectiveness of the Damage Prevention Program.

Detailed Assessment

Westcoast's Damage Prevention Program follows the assurance element processes of the management system, including the process for conducting audits, assessments, and inspections. In addition to the program audits that the company conducts, a program owner is required to conduct self-assessments and assurance inspections and to examine its own processes and the implementation of those processes to determine if they are being implemented as designed and in accordance with the requirements.

Self-assessments are a review of the design of a process or a part of a process to determine if the design meets the requirements. Assurance inspections are spot checks regarding how the process is being implemented and whether it is being implemented as designed and as expected.

Westcoast provided the following plans as evidence of implementation:

- 2021 damage prevention program assurance plan with evidence of completion;
- 2022 damage prevention program assurance plan with evidence of completion; and
- 2023 damage prevention program assurance plan; the 2023 Assurance Activities are not due until the end of Q3 and Q4 and have not yet been completed.

As part of the Damage Prevention Program assurance activities, measurable data is being collected to monitor the effectiveness of the Program and the progress towards its annual goals, objectives, and targets.

The company made records available regarding how they inspect and monitor their activities and facilities. Records demonstrate that corrective and preventive actions are taken when deficiencies are identified. Corrective actions were identified in response to a CER inspection (CV2021-283).

Records indicate that the inspection and monitoring process has been used as intended for a minimum of three months. The process for conducting audits, assessments and inspections has been in place since 23 December 2020. This summary outlines Westcoast's compliance with regulatory requirements and their responses to specific information requests related to the compliance verification activity conducted by the CER.

Findings from any assurance activity are entered into the CAPA tracker or third-party software. The status of CAPAs is reported on both a monthly and quarterly basis. For ongoing damage prevention, a variety of metrics are tracked, including the number of one-call tickets placed, due, and past due.

In the Q4 session of a given year, the assurance plan of the processes and program for the following year is discussed and approved. The Accountable Officer has the final approval of the assurance plan. The internal audit team is independent from other groups within Westcoast. The findings, recommendations, and opportunities for improvement resulting from internal audits are discussed, agreed upon, and actions are developed to close the gaps.

Westcoast has, as part of its management system and the programs referred to in section 55, established and implemented 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.

AP-11 Establish and maintain a data management system for monitoring and analyzing the trends in hazards, incidents, and near-misses

Finding status	Non-Compliant
Regulation	OPR
Regulatory reference	6.5(1)(s)
Regulatory requirement	A company shall, as part of its management system and the programs referred to in section 55, establish and maintain a data management system for monitoring and analyzing the trends in hazards, incidents and near-misses.
Expected outcome	<ul style="list-style-type: none"> • The company has established and maintains a data management system; • The company's data management system can demonstrate all information is traceable and trackable to its hazards, incidents and near misses; and • The company is analyzing and trending data collected from hazards, incidents, and near-misses.
Relevant information provided by the company	<p>The list of documents and records that the CER reviewed related to this assessment are kept on file with the CER.</p> <p>The following interview was conducted related to this item:</p> <ul style="list-style-type: none"> • AP-11 interview was held on 16 October 2023. • For a complete list of Westcoast Staff that were present during the virtual interview, the CER holds a detailed list in its file directory associated with this audit.
Finding summary	Westcoast has not established an adequate data management system for analyzing trends in hazards and near-misses related to unauthorized activities. While Westcoast demonstrated that it enters UA data into its system, the information being monitored and analyzed was not the same as the information entered in its data management system.

Detailed Assessment

Paragraph 6.5(1)(s) of the OPR requires companies to establish and maintain a data management system for monitoring and analyzing trends. During the audit, Westcoast presented evidence of its data management system's existence, described as an enterprise-wide platform supporting safety management, incident tracking, environmental performance, compliance, and regulatory risk management.

To ensure compliance, the company's data management system must be designed and implemented to meet the goals of the management system and improve various programs, including the Damage Prevention Program. However, the existence of a data management system does not alone demonstrate compliance.

Supporting documentation and records related to the data management system are stored on an internal website dedicated to this purpose. This website provides self-serve training, reference materials, training information, contacts, and support details. An example of training/reference material for managing a damage prevention event is available.

Concerning the application to section 55 programs of the OPR, an overview presentation illustrates the integration of the data management system into all section 55 programs of the OPR, indicating its broad relevance and application within the organization. Records indicate that the data management system has been used as intended for at least three months, with evidence presented in the form of a record of an unauthorized activity event created in the system on 28 April 2023.

Westcoast provided records and documents detailing how the data management system monitors and analyzes trends, including the creation of a visual depiction of data related to damage prevention and the presentation of unauthorized activity data to Regional Directors in Q1 2023.

However, CER auditors noted issues with the company's implementation of the data management system for the Damage Prevention Program. Specifically, the records provided showed that, when assigning the UAs a "reasons for violation", Westcoast's spreadsheet indicated three possible reasons: "negligence", "defiance of regulations" and "lack of knowledge of the regulations". There were no criteria provided to explain how these reasons were determined or assigned. This appears random and does not allow for Westcoast to trend any of these categories in any meaningful way.

The CER auditors are of the view that each of these reasons are deficiencies and errors made by third parties. These assumptions interfere with Westcoast's ability to perform a comprehensive analysis because it predicates each review with the assumption that every UA is caused by third-party errors with this thought process underpinning the UA tracking. Events where Westcoast may have been at fault have not been contemplated and therefore the analysis is not comprehensive.

The non-compliance issues identified include a disconnection between the documented analysis of an event and the document used to manage UAs, inadequate methodology for monitoring and analyzing trends related to unauthorized activities, a lack of evidence that the company considers its own activities in the document used to manage UA data, and a need for clarification on the linkage between the data management system and the Damage Prevention Program.

Based on the information and records provided, Westcoast has not established and actively maintained a data management system in compliance with regulatory standards outlined in paragraph 6.5(1)(s) of the OPR for monitoring and analyzing trends in hazards, incidents, and near-misses.

Appendix 2: Terms and Abbreviations

For a set of general definitions applicable to all operational audits, please see Appendix I of the CER Management System Requirements and CER Management System Audit Guide found on www.cer-rec.gc.ca.

Term or Abbreviation	Definition
CER	Canada Energy Regulator
CER Act	<i>Canadian Energy Regulator Act</i> (S.C. 2019, c.28, s.10)
DPR-O	<i>Canadian Energy Regulator Pipeline Damage Prevention Regulations – Obligations of Pipeline Companies</i>
OPR	<i>Canadian Energy Regulator Onshore Pipeline Regulations</i> (SOR/99-294)
The company	Westcoast Energy Inc.