

File OpSurv-OpAud-E236-2018-2019-01  
18 December 2018

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Dear Mr. Kacer:

**Notification of the National Energy Board's (Board or NEB)  
Final Audit Report Emera Brunswick Pipeline Company Ltd (EBPC)**

The Board has completed its Final Audit Report for EBPC's Quality Assurance Program. EBPC was provided with the Draft Audit Report on 19 December 2018 and responded on 31 January, 2019 that it had no comments for consideration related to the content. As the Board had no comments to consider, no changes were made to the Draft Audit Report and its Appendices and it is now considered the Final Audit Report.

The findings of the audit are based upon an assessment of whether EBPC was compliant with the regulatory requirements contained within:

- *The National Energy Board Act;*
- *The National Energy Board Onshore Pipeline Regulations (OPR); and*
- *Canadian Standards Association (CSA) Z662 – 15 – Oil and Gas Pipeline Systems.*

EBPC was required to demonstrate the adequacy and effectiveness of the methods it has selected and employed within its management system and program to meet the regulatory requirements listed above. Throughout this audit, the Board evaluated quality assurance activities in the context of the protection programs and the management system.

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The Board has enclosed its Final Audit Report and it will be posted on the Board's website.

Upon receipt of the final Audit Report, EBPC will be required to file with the Board for approval, a Corrective and Preventive Action Plan (CAPA Plan) that describes the methods and timing for addressing the non-compliances identified through this audit. The CAPA Plan shall be filed within 30 days of the final Audit Report being issued by the Board.

The Board will make the CAPA Plan public and will continue to monitor and assess all of EBPC's corrective actions with respect to this audit until they are fully implemented. The Board will also continue to monitor the implementation and effectiveness of EBPC's management system and programs through targeted compliance verification activities as a part of its on-going regulatory mandate.

If you require any further information or clarification, please contact Marnie Sparling, Lead Auditor, at 403-629-6394.

Yours truly,

Sheri Young  
Secretary of the Board

c.c.

[REDACTED]

[REDACTED]

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Board



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**Emera Brunswick Pipeline Company (EBPC)**

**Final Audit Report  
Quality Assurance Program Audit**

**Compliance Verification Activity: CV1819 - 429  
File OF-Surv-OpAud-E236-2018-2019-01**

**Emera Brunswick Pipeline Company Ltd.  
1 Germain Street, Suite 1102  
Saint John, NB E2L4V1**

**18 December 2018**



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## Executive Summary

The National Energy Board (the Board) expects its regulated companies to have adequate, effective, established and implemented management systems and protection programs and a strong culture of safety, all of which are fundamental to keep people safe and protect the environment. One of the requirements of the *National Energy Board Onshore Pipeline Regulations* (OPR) is for companies to establish and implement a Quality Assurance Program (QA Program) for the management system and each program referred to in section 55 of the OPR, including a process for conducting audits and for taking corrective and preventive actions if deficiencies are identified. The Board requires each regulated company to establish and implement a QA Program as the documented framework for scheduled verification activities that include inspections and audits for monitoring compliance to legal requirements and assuring environmental and safety outcomes. These verification activities must also be linked to a process that tracks and manages any deficiencies noted within the management system and the protection programs to identify opportunities for continual improvement.

The objective of this audit was to verify whether EBPC has established and implemented a QA Program as part of its management system that meets the requirements of the OPR s. 6.5(1)(w). The Board is of the view that section 6.5(1)(w) sets out the company's obligation to build a QA Program that includes a documented 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.

During the audit, the NEB assessed the establishment and implementation of EBPC's QA Program based on an evaluation of selected applicable, management system processes and related OPR requirements. The scope also included a modified review of selected management system processes only as they relate to or integrate with the QA Program. This review was conducted using the protocol listed in Appendix I of this report in order to confirm that the company's management system is being applied to the QA program and being informed by learnings from the quality assurance activities. The audit was conducted. The Board's assessment is attached as Appendix I of this report.

Out of a possible 14 findings, the Board made 7 findings of Non-Compliance for which corrective and preventive action plans (CAPA Plans) are required. In general, the EBPC was found Non-Compliant for one of the following reasons:

1. EBPC has not developed a documented quality assurance (QA) 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.
  - This deficiency is further explained within items AP01, AP13 and AP14.

- 
2. EBPC's management processes did not fully account for and address each distinct aspect of the OPR requirements.
    - This deficiency is further explained described within AP02 and AP10.
  3. The Board identified several process deficiencies related to the design of the processes and related documentation reviewed as part of this audit. These deficiencies need to be addressed for each of the processes in scope for this audit during the CAPA Plan implementation.
    - This deficiency is further explained in within AP07 and AP08.

Although the Board found that EBPC has not established a documented QA Program, the company did demonstrate that it is conducting many of the activities that would be included in a QA program such as regular inspections and audits as part of its recently implement Operations Management System (OMS). In addition, EBPC has established and implemented key, required components of a QA Program including a list of legal requirements and a process for tracking identified deficiencies to resolution.

While no immediate enforcement actions are required to address the Board's findings, EBPC is required to develop and submit for approval a CAPA Plan to address this audit's Non-Compliant findings. The CAPA Plan must describe EBPC's proposed methods to resolve the immediate cause of the deficiencies (corrective actions) as well as the measures to prevent recurrence of the deficiencies (preventive actions). The CAPA Plan must also include timelines for completion of the proposed corrective and preventive actions. EBPC is required to submit its proposed CAPA Plan for approval within 30 days of this final Audit Report being issued by the Board.

The Board will assess the implementation of EBPC's CAPA Plan to confirm it is completed in a timely manner and on a system wide basis until it is fully implemented. The Board will also continue to monitor the continued implementation and effectiveness of EBPC's management system through targeted compliance verification activities as a part of its ongoing regulatory mandate. The Board will make its Final Audit Report and EBPC's approved CAPA Plan public on the Board's website.

## Table of Contents

|  |    |
|--|----|
| <b>Executive Summary</b> .....   | 2  |
| <b>1.1</b> Audit Objective .....   | 5  |
| <b>1.2</b> Audit Scope and Methodology .....                             | 5  |
| <b>2.0</b> <b>Company Overview</b> .....                                 | 6  |
| <b>3.0</b> <b>Quality Assurance Program Assessment</b> .....             | 7  |
| 3.1    Requirements and Expectations for Quality Assurance Programs..... | 7  |
| 3.2    Assessment of EBPC’s Quality Assurance Program .....              | 7  |
| 3.3    Audit Findings .....  | 8  |
| <b>4.0</b> <b>Conclusion</b> .....                                       | 8  |
| <b>Findings Summary Table 1</b> .....                                    | 9  |
| <b>Appendix I: Audit Assessment Tables</b> .....                         | 12 |
| AP01- Quality assurance program .....                                    | 12 |
| AP02- Goals, Targets & Objectives (GOTs) .....                           | 15 |
| AP03- Legal Requirements.....  | 17 |
| AP04- Legal List.....  | 19 |
| AP05 -Management of Change (MOC).....                                    | 21 |
| AP06- Internal & External Communication .....                            | 23 |
| AP07- Identifying required documents.....                                | 25 |
| AP08- Document Control .....   | 27 |
| AP09- Records Management .....   | 30 |
| AP10 -Inspecting & Monitoring .....                                      | 32 |
| AP11- Adequacy & Effectiveness of the Management System.....             | 35 |
| AP12- Annual Management Review .....                                     | 36 |
| AP13- General Audits & Inspections.....                                  | 38 |
| <b>Appendix II - Abbreviations</b> .....                                 | 44 |
| <b>Appendix III: Documents and Records Reviewed</b> .....                | 45 |
| <b>Appendix IV: Documents and Records Reviewed</b> .....                 | 45 |
| <b>Appendix V: Company Representatives Interviewed</b> .....             | 45 |



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## 1.0 Introduction

In accordance with *Section 49(3)* of the *National Energy Board Act* (NEB Act), the National Energy Board (NEB or the Board) conducted an audit of Emera Brunswick Pipeline Company (EBPC)'s Quality Assurance Program. The Board notified the company by letter on 4 May 2018. Document review began on 18 July 2018, and onsite interviews were conducted 18-19 July 2018, and 11-13 September 2018.

### 1.1 Audit Objective

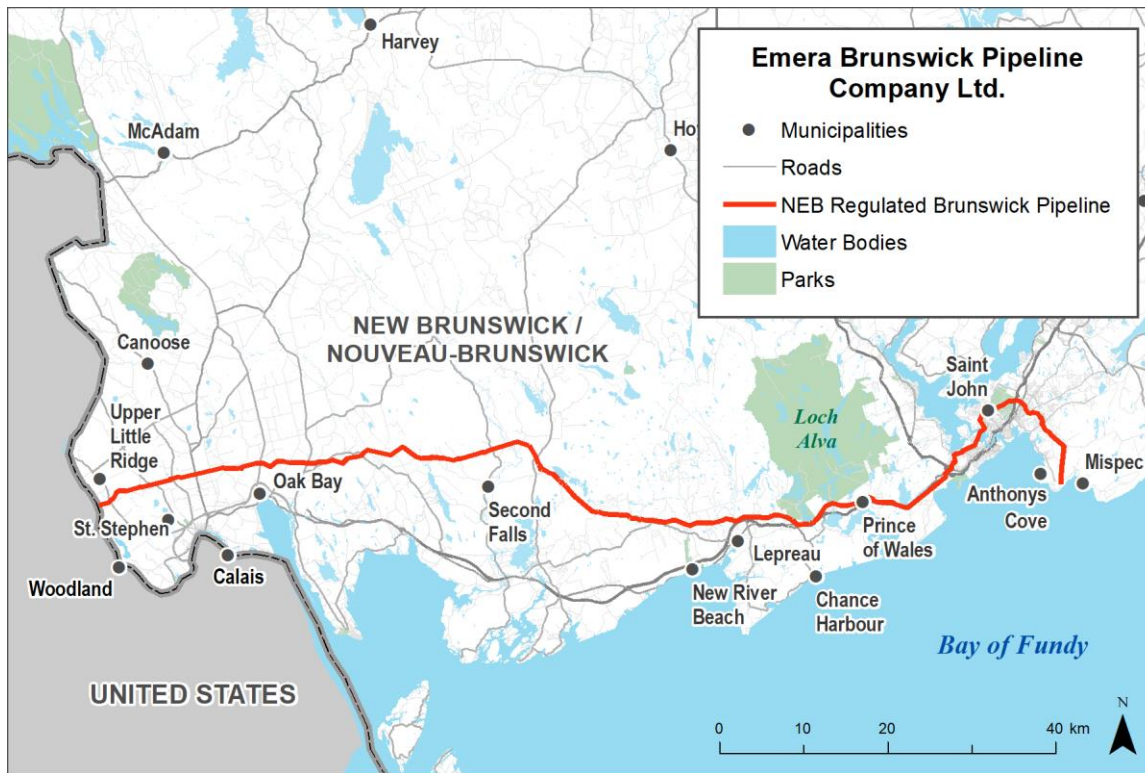
The objective of this audit was to verify that EBPC has established and implemented a Quality Assurance (QA) Program that is compliant with the National Energy Board *Onshore Pipeline Regulations* (OPR). Specifically, the Board focused its audit on the QA Program requirements found in section 6.5 (1)(w) and its linkages to the management system, the OPR's section 55 programs.

### 1.2 Audit Scope and Methodology

As this audit focused on the company's QA Program and related activities, the regulatory scope of the audit included relevant sections of the National Energy Board OPR. The scope also included aspects of EBPC's and its s.55 programs as applied across its facilities regulated by the NEB.

To evaluate EBPC's compliance with the requirements of the protocol for the QA Program audit, the Board evaluated a sample of EBPC's documents and records and conducted interviews with company personnel on issues relevant to the audit scope and criteria.

## 2.0 Company Overview



In service since 2009, EBPC is a wholly owned subsidiary of Emera Inc., an energy company based in the Maritime Provinces. EBPC is the certificate holder for the NEB-regulated Brunswick Pipeline which is a 145-kilometer, 30-inch diameter pipeline that currently delivers natural gas supplied exclusively by Repsol Energy Canada Ltd. from the Canaport™ Liquefied Natural Gas receiving and re-gasification terminal in Saint John, New Brunswick (NB), to the north eastern United States as well as to markets in Canada through a backhaul on the Maritimes & Northeast Pipeline system. The pipeline is buried for its entire length and extends through southwest NB to an interconnection with the Maritimes & Northeast Pipeline transmission system at the Canada-U.S. border near St. Stephen, NB.



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### 3.0 Quality Assurance Program Assessment

#### 3.1 Requirements and Expectations for Quality Assurance Programs

The Board expects its regulated companies to establish and implement management systems that meet the requirements of the OPR. In addition, companies must develop, implement and maintain various programs to execute the management system processes to drive activities that promote ongoing safety and environmental protection. According to the 7 October 2016 edition of the OPR Guidance Notes, a program is defined as a:

- *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.*

Among the OPR programs companies are required to establish is the QA Program. Specifically, the OPR s. 6.5(1)(w) requires companies to:

- *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.*

The Board expects that quality assurance activities are deliberately developed and executed within a documented framework that meets the definition of a program. In addition, there is an expectation that companies establish and implement a documented QA Program that directs, coordinates, plans and manages the verification activities in accordance with a pre-determined scheme for verifying compliance to legal requirements and assuring environmental and safety outcomes. These verification activities must also be linked to a process that tracks and manages any deficiencies noted as a result of quality assurance activities to identify opportunities for continual improvement.

#### 3.2 Assessment of EBPC's Quality Assurance Program

In total, the Board made 7 findings of Non-Compliance for which corrective and preventive action plans (CAPA Plans) are required. In general, EBPC was found Non-Compliant for one of the following reasons:

1. EBPC has not developed a documented QA Program that includes activities performed to verify the adequacy, effectiveness of its programs and compliance to its legal requirements as required by the OPR.
  - This deficiency is further explained within items AP01, AP13 and AP14.
2. EBPC's management system processes did not fully account for and address each distinct aspect of the OPR requirements.
  - This deficiency is further explained described within AP 02 and AP10.

3. The Board identified several process deficiencies related to the design of the processes and related documentation reviewed as part of this audit. These deficiencies need to be addressed for each of the processes in scope for this audit during the CAPA Plan implementation.
  - This deficiency is further described in within AP07 and AP08.

The Board is of the view that, despite its lack of a documented QA Program, EBPC demonstrated that it is conducting quality assurance activities including regular inspections and audits. In addition, the Board notes that EBPC had established and implemented other components of a QA Program including a legal list and a processes for tracking any noted deficiencies to resolution.

The complete assessment can be found in Appendix I of this report.

### 3.3 Audit Findings

There are two possible audit findings which can be assigned to each audit protocol item evaluated by the Board in this audit:

- 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;*
- 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 action plan must be developed and implemented.*

### 4.0 Conclusion

In conclusion, the Board found that although EBPC is conducting inspections and audits, it does not have a documented QA Program that meets the requirements of the OPR. However, through document and record review, and interviews with EBPC, the Board is of the view that, despite the deficiencies identified, EBPC is conducting the majority of the activities that are required to verify that its facilities are being operated in a manner that is safe and is protecting people and the environment. The Board also notes that EBPC has established and implemented several required components of a QA Program including a legal list and the tracking of deficiencies to resolution.

While no immediate enforcement actions are required to address the Non-Compliant findings, the Board requires EBPC to develop and submit a CAPA Plan for approval to address the findings within 30 days of the final Audit Report being issued. The CAPA Plan must describe its proposed methods and timeline for the resolution of the deficiencies identified. The CAPA must also include EBPC's consideration of the process design deficiencies outlined in sections AP07 and AP08 of Appendix I and how the CAPA will be applied to each management system process provided during this review.

The Board will assess the implementation of all EBPC's CAPAs to confirm they are completed in a timely manner and implemented on a system wide basis. The Board will also continue to monitor the overall implementation and effectiveness of EBPC's management system through targeted compliance verification activities as a part of its ongoing regulatory mandate.

The Board will make its final Audit Report and EBPC's approved CAPA Plan public on the Board's website.



### Findings Summary Table 1

*(Note: This summary table is provided in aid of companies' internal review of their assessed management system. Any Corrective and Preventative Action Plans that may be required must address the entirety of the Audit Reports and Regulatory Requirements)*

| AP#  | OPR Clause   | Requirement  | Status          | Summary of Assessment  |
|------|--------------|--|-----------------|--|
| AP01 | s. 6.5(1)(w) | <b>Establish and Implement a quality assurance program</b>   | Non-Compliant   | EBPC does not have a documented QA Program outlining its scheme for verifying the adequacy, effectiveness and compliance of its management system and protection programs.   |
| AP02 | s. 6.5(1)(a) | <b>Establish and implement a process for setting objectives and targets</b>                              | No issues noted | Based on the scope of this audit, the interviews conducted and the documentation reviewed, no issues were noted with the content of this process.<br><br>*Process design and documentation issues will be addressed as part of the CAPA Plan for AP07 and AP08. <sup>1</sup> |
| AP03 | s. 6.5(1)(g) | <b>Establish and implement a process for identifying and monitoring compliance to legal requirements</b> | Non-Compliant   | Although EBPC demonstrated that it has a process to identify legal requirements, it did not have a process to monitor compliance to legal requirements.<br><br>*Process design and documentation issues to be addressed as part of the CAPA Plan for AP07 and AP08.          |
| AP04 | s. 6.5(1)(h) | <b>Establish and maintain a list of legal requirements</b>   | No issues noted | Based on the scope of this audit, the interviews conducted and the documentation reviewed, no issues were noted with this requirement.   |
| AP05 | s. 6.5(1)(i) | <b>Establish and implement a process for the management of change</b>                                    | No issues noted | Based on the scope of this audit, the interviews conducted and the documentation reviewed, no issues were noted with the content of this process.<br><br>*Process design and documentation issues to be addressed as part of the CAPA Plan for AP07 and AP08.                |
| AP06 | s. 6.5(1)(m) | <b>Establish and implement a process for the internal and external communication of information</b>      | No issues noted | Based on the scope of this audit, the interviews conducted and the documentation reviewed, no issues were noted with the content of this process.<br><br>*Process design and documentation issues to be addressed as part of the CAPA Plan for AP07 and AP08.                |

<sup>1</sup> \* Process design issues were noted. The process design issues outlined in AP07 and AP08 shall be addressed for this process as part of the corrective and preventive action plan for AP07 and AP08.



|          |                 |  |                 |   |
|----------|-----------------|--|-----------------|---|
| AP07     | s.<br>6.5(1)(n) | <b>Establish and implement a process to identify the documents required to meet the obligations under s.6</b>                              | Non-Compliant   | <p>EBPC did not demonstrate that it has developed a process to identify documents as required.</p> <p>The corrective and preventive actions developed for this requirement must be applied to all processes within the scope of this audit. Specific corrective or preventive actions must be established for each deficient OPR process to establish company commitments and schedules for compliance assurance and verification.</p>  |
| AP08     | s.<br>6.5(1)(o) | <b>Establish and implement a process for preparing, reviewing, revising, and controlling those documents</b>                               | Non-Compliant   | <p>The Board identified several process design deficiencies that can be attributed to and corrected within the document design and control process.</p> <p>The corrective and preventive actions developed for this requirement must be applied to all processes within the scope of this audit. Specific corrective or preventive actions must be established for each deficient OPR process to establish company commitments and schedules for compliance assurance and verification.</p> |
| AP09     | s.<br>6.5(1)(p) | <b>Establish and implement a process for generating, retaining and maintaining records for the management system and all s.55 programs</b> | No issues noted | <p>Based on the scope of this audit, the interviews conducted and the documentation reviewed, no issues were noted with the content of this process.</p> <p>*Process design and documentation issues to be addressed as part of the CAPA Plan for AP07 and AP08.</p>  |
| AP<br>10 | s.<br>6.5(1)(u) | <b>Establish and implement a process for inspecting and monitoring the company's activities and facilities</b>                             | Non-Compliant   | <p>EBPC did not demonstrate that it has a process for conducting inspections to confirm compliance with the legal requirements within in each of the s.55 programs. In addition, EBPC's process did not include how it determines what it monitors over time (ROW health, noise etc).</p> <p>*Process design and documentation issues to be addressed as part of the CAPA Plan for AP07 and AP08.</p>   |
| AP<br>11 | s.<br>6.5(1)(v) | <b>Establish and implement a process to evaluate the adequacy and effectiveness of the company management system</b>                       | Non-Compliant   | <p>EBPC did not demonstrate that it has a process to evaluate the adequacy and effectiveness of the processes that form its management system in order to confirm that they are meeting its obligations under section 6.</p> <p>*Process design and documentation issues to be addressed as part of the CAPA Plan for AP07 and AP08.</p>  |



|                  |                         |   |                    |   |
|------------------|-------------------------|---|--------------------|---|
| <b>AP<br/>12</b> | <b>s.<br/>6.5(1)(x)</b> | <b>Establish and<br/>implement a process<br/>for conducting an<br/>annual management<br/>review of the<br/>management system<br/>and all s. 55<br/>programs</b> | No issues<br>noted | EBPC has implemented a management review process that incorporates reporting on the goals, objectives and targets from the s.55 programs<br><br>*Process design and documentation issues to be addressed as part of the CAPA Plan for AP07 and AP08.                                    |
| <b>AP<br/>13</b> | <b>s. 53(1)</b>         | <b>Audits and<br/>inspections</b>   | Non-<br>Compliant  | EBPC is conducting audits. However, it did not demonstrate that it is conducting inspections and audits to confirm compliance to all legal requirements in each of the s.55 programs.   |
| <b>AP<br/>14</b> | <b>s. 55(1)</b>         | <b>Program audits</b>   | Non-Compliant      | Although EBPC has conducted audits of its protection programs, these audits did not confirm compliance to all of the programs' legal requirements, nor did they address the ongoing ability of the programs to anticipate, prevent, manage and mitigate hazards as required by the OPR. |

## Appendix I: Audit Assessment Tables

The audit protocol (AP01-AP14) is comprised of specific legal requirements against which the company's Quality Assurance Program was assessed for compliance. During the audit, compliance to these legal requirements was examined to confirm that the requirements were met and that the relevant characteristics set out in sections 6.1, 6.5 (2) and (3) of the OPR were also addressed.

### AP01- Quality assurance program

|  |  |
|--|--|
| <p><b>OPR s. 6.5(1)</b> A company shall, as part of its management system and the programs referred to in section 55,</p> <p><b>OPR s. 6.5(1) (w)</b> 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;</p> |  |
|  | <b>Assessment</b>  |
| Accountabilities   | <p>EBPC indicated that the management system processes, including those reviewed for this audit are owned and managed by the Director, Legal and Regulatory Affairs. The Regulatory Compliance Group tracks the implementation. At the time of the audit, there was no documented QA Program per se, but the QA activities for the protection programs such as inspections were directed by the Environment Health and Safety and Integrity Program owners.</p> <p>The Board confirmed that inspections were being conducted by field staff, despite the lack of documented accountabilities and procedures to ensure that staff were aware of their responsibilities and conducting these activities consistently. At the direction of the regulatory compliance group, EBPC hires third party auditors to conduct the audits of its protection programs.</p> |

|   |  |
|---|--|
| <p>Quality Assurance Program Assessment</p> | <p>At the time of the audit, EBPC had not developed a documented QA Program to coordinate, plan and manage the verification activities (inspections, audits etc.) in accordance with a pre-determined scheme for verifying compliance to legal requirements and assuring environmental and safety outcomes.</p> <p>EBPC was able to demonstrate that it has established and implemented audits and inspections within its protection programs. Inspections are scheduled by the Program Managers following a review of the identified hazards. Pipeline technicians receive notifications to conduct inspections from the work order system. Issues identified through inspections are managed in accordance with the Action Management Process (OMS-PRO-15) and documented in the Action Register (OMS-REG-15) until they were addressed. The Inspection process is further described in AP10 of this report.</p> <p>Therefore, based on documents reviewed and interviews, the Board confirmed that, although it does not have a documented QA Program, EBPC is conducting inspections.</p> <p><u>Process for conducting Audits</u></p> <p>According to the OPR, the QA program “must include a process for conducting audits”. EBPC also provided its Audit Process (OMS-PRO-12) for the audit. According to the document, “the audit process forms part of EBPC’s quality assurance processes that ensure the adequacy and effectiveness and continually improving performance of the Company’s Management System, Processes and Programs. “ The process outlines the main accountabilities for EBPC Process and Program Owners as well as for the external audit resources and the general steps and responsibilities. According to the Audit Process (OMS-PRO-12), EBPC’s internal audits are the responsibility of the Management System Process Owner and conducted by external auditing bodies. As EBPC relies on external resources to conduct its internal audits, this process also outlines the steps involved in determining audit topics and schedules. As discussed in AP13 and AP14 of this report, the audit process does not include clearly documented procedures for the scrutiny and acceptance of proposed audit scope and protocols to confirm that the audits conducted will meet internal expectations and/or regulatory requirements. Although the audits are to be conducted by external resources, EBPC remains ultimately accountable for the implementation of an effective audit process and it is therefore crucial that the oversight of external resources must include careful review and approval of the proposed audit scope and protocols. In addition, the Audit Process contains the same design deficiencies outlined in AP07 and AP08 and is therefore included the scope for the CAPA Plan implementation related to those findings.</p> <p>Therefore, while EBPC conducts activities such as audits and inspections for its section 55 programs, it does not conduct those activities in accordance with a documented program that outlines a process to verify the compliance, adequacy and effectiveness of its programs.</p> |
| <p>Supporting Procedures</p>                | <p>EBPC did not provide supporting procedures or work instructions to adequately document the implementation of the inspections and audits or the processes that relate to quality assurance. Instead, each of the process documents provided for this audit included “steps and activities”. Each step has a corresponding references which can be a linked process or a form. Upon review, the Board determined that these steps, activities and references provide general direction without including specific instruction that would contribute to the repeatability of the process.</p> <p>The Board is of the view that these steps and activities are not comprehensive or explicit and therefore do not constitute procedures necessary to implement the process.</p>   |

|                           |  |
|---------------------------|--|
| Integration & Application | EBPC demonstrated that it is generally conducting QA activities within each of its section 55 programs. It also demonstrated that it has established a process for tracking the deficiencies until resolved. The process documentation also includes references to other processes such as Management of Change and Hazard Identification. |
|---------------------------|--|

**FINDING: Non-Compliant**

**Although EBPC is conducting a number of quality assurance (QA) activities including inspections and audits, it has not developed a standalone, documented Quality Assurance (QA) Program and therefore the Board has determined it does not meet the definition of a program or the requirements of OPR s.6.5 (1)(w). EBPC must to develop a corrective and preventive action plan (CAPA Plan) to address the deficiency.**

**Process for Conducting Audits**

**In addition, the Board identified common process documentation deficiencies with each process reviewed for this audit, including the Audit Process. Rather than repeat this review for each affected process, the deficiencies are described in detail in AP07 and AP08 of this report. The Board will confirm that the common process deficiencies have been addressed for the Audit Process during the Corrective and Preventive Action (CAPA) Plan review prior to considering AP07 and AP08 resolved.**



**AP02- Goals, Targets & Objectives (GOTs)**

|  |   |
|--|---|
| <p><b>OPR s. 6.5(1)</b> A company shall, as part of its management system and the programs referred to in section 55,<br/> <b>OPR s. 6.5(1) (a)</b> establish and implement a process for setting the objectives and specific targets that are required to achieve the goals established under subsection 6.3(1) and for ensuring their annual review;</p> |   |
|  | <b>Assessment</b>   |
| Accountabilities   | <p>Each process document EBPC provided for review included defined roles for various levels of the organization. For the Goals, Objective and Targets (GOTs) process, the Accountable Officer, the Management System Governance Committee, the Process Owner and the Program Manager each have steps, activities and responsibilities outlined in the document. Also, the process document includes a process diagram to illustrate the accountabilities and process flow.</p> <p>During interviews and document review, EBPC demonstrated that the Program Managers develop and track the GOTs for the protection programs, the Governance Committee approves the proposed program goals and the Accountable Officer signs off and communicates them to the organization. Interviews conducted by the NEB during the audit confirmed that the roles were understood and applied by staff.</p>  |
| Process  | <p>EBPC's Goals, Objective and Targets (GOTs) process document OMS-PRO-03 contains over-arching goals for the Operations Management System (OMS) and the programs. EBPC indicated that this practice ensures alignment between the corporate goals and the programs. These corporate goals include "zero fatalities, zero spills, zero leaks, zero injuries and zero ruptures". According to the process, each Program Manager uses FRM -03 to document program objectives and key aspects to contribute to the attainment of the overarching corporate goals. This form is used for quarterly and annual reporting in order to document and track the progress of the program objectives as they relate overarching goals.</p> <p>For the purposes of this audit, the NEB found that the existing GOT process had adequately accounted for the QA activities. EBPC was able to demonstrate that it is linking GOTs with its reporting on the performance and learning from inspections and audits conducted and deficiencies corrected.</p> <p>As EBPC demonstrated that it has incorporated QA activity results into this process, the Board did not identify any content issues with this process.</p> |
| Supporting Procedures  | <p>EBPC did not provide documented supporting procedures for this process. Instead, each of the process documents provided for this audit is broken down into "steps and activities" to provide high level guidance as to the sequence and general content. In the process document, each step is linked to a corresponding reference process or a form.</p> <p>EBPC describes the integration of the information generated from its QA activities to inform its GOTs. For example, one of the steps in the GOTs process is "Gather documentation and information for goal setting". The corresponding steps indicates that audits, inspections and issues raised are to be included in the information gathering for consideration in the reporting on and development of goals and objectives. Although there is some general guidance</p>  |

**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) (a)** establish and implement a process for setting the objectives and specific targets that are required to achieve the goals established under subsection 6.3(1) and for ensuring their annual review;

|                           | <b>Assessment</b>  |
|---------------------------|--|
|                           | <p>provided, the Board is of the view that these steps and activities did not provide adequate, clear and complete guidance to ensure that the various steps of the process can be consistently executed and repeatable.</p> <p>Therefore these steps do not constitute procedures necessary to implement the process or meet the OPR requirement to be comprehensive and explicit.</p>  |
| Integration & Application | <p>EBPC demonstrated that the GOT process is integrated and applied to each section 55 Program. Each Program Manager uses the OMS-FRM-03 form which includes the EBPC overarching corporate goals of “<i>zero fatalities, zero injuries, zero ruptures, zero leaks, and zero spills for the prevention of ruptures, gas releases, fatalities and injuries and for the response to incidents and emergency situations</i>”.</p> <p>This form is designed to capture each programs’ objectives, targets, rationale and status. Each of the program level forms is signed off by the Accountable Officer and reported on throughout the year. The Program Manager uses the form to indicate the objectives that it will measure that will contribute to the overall goal. For example, the Environmental Protection Program has identified “Maintain environmental health of the ROW” as an Objective that it will report on the related inspection results quarterly and annually.</p> |

**FINDING: No issues noted**  
 Based on the scope of the audit, documents reviewed and interviews conducted, the Board did not identify deficiencies with the content of this process as it relates the QA activities. The review indicated that within its existing process, EBPC has adequately accounted for the QA activities by linking the documented Goals, Objectives and Targets with its QA activities conducted and deficiencies corrected.

**However, the Board identified common design and documentation deficiencies with each process reviewed for this audit. The Board has decided to address these common documentation deficiencies in section AP07 and AP08 of this report as they are the processes that drive the process design for the management system. The Board will confirm that the common process deficiencies have been addressed for this process during the CAPA review prior to considering AP07 and AP08 resolved.**

**AP03- Legal Requirements**

|   |   |
|---|---|
| <p><b>OPR s. 6.5(1)</b> A company shall, as part of its management system and the programs referred to in section 55, <b>OPR s. 6.5(1) (g)</b> 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;</p> |   |
|   | <p><b>Assessment</b></p>  |
| Accountabilities  | <p>Each process document EBPC provided for review included defined roles for various levels of the organization. The Director, Legal and Regulatory Affairs is the Process Owner for each of the Management System processes including the Legal Requirements. The process document outlines the responsibilities for the identification of new or revised requirements and the maintenance of the Legal Register. The document indicates that the Management System Governance Committee reviews and updates the Register, whereas the Protection Program owners are responsible for reviewing the legal requirements for their respective protection programs to confirm its accuracy. Interviews conducted by the NEB during the audit confirmed that the roles were understood and applied by staff.</p>  |
| Process   | <p><u>Identifying Legal Requirements</u></p> <p>In its documented process for the management of Legal Requirements (OMS-PRO-02), EBPC describes that its process for identifying legal requirements consists of regularly checking relevant websites identify new or revised legal requirements. These sites include Federal, Provincial and Municipal government sites. EBPC also maintains an online subscription to a database for Standards and Code to provide access and updates to the relevant standards. According to the Legal Requirements process document, EBPC has linked this process to its hazard identification process and risk register and the MOC to ensure the integration of new legal requirements.</p> <p><u>Monitoring Compliance</u></p> <p>Within OPR section 6.5(1)(g), there is a requirement to identify the legal requirements that apply to the organizations activities and facilities. In addition, there is a requirement for the monitoring of compliance. Together, this requirement mandates that companies identify (know) the legal requirements that apply to them and that they also monitor (check and confirm) compliance to those requirements. EBPC does conduct inspections, audits, assessments and reviews, but it did not demonstrate that it has developed a process (or QA program) to demonstrate that these activities are done to monitor and verify compliance to its legal requirements.</p> <p>Therefore, although EBPC demonstrated that it is identifying legal requirements and maintaining a legal register, it did not demonstrate that it has a process to monitor compliance to its legal requirements. The Board is of the view that this process for checking compliance, once developed and implemented, will be foundational for and integrated with the QA Program.</p> |

**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;

|                           | <b>Assessment</b>   |
|---------------------------|---|
| Supporting Procedures     | <p>EBPC did not provide supporting procedures for this process. Instead, each of the process documents provided for this audit included “steps and activities”. Also, each step has corresponding references which link the step to a process or a form. For example, Step 3 in the process is “Review and Consolidate legal requirements”. The corresponding activities and steps are equally high level “review and consolidate identified new or amended legal requirements”.</p> <p>Upon review, the Board determined that these steps, activities and references provide only general direction and not the specific instruction that would contribute to the repeatability of the process. Therefore, the Board is of the view that these steps and activities are not comprehensive or explicit and therefore do not constitute procedures necessary to implement the process.</p>   |
| Integration & Application | <p>The Legal Requirements process is linked to other processes within the OMS including the MOC and integrated within the protection programs. Interviews and document review confirmed that the identification of new legal requirements triggers the MOC process and related process reviews. However, the audit determined that these links existed only as it related to the identification of new or revised requirements and the maintenance of the legal register. In order to be compliant with this requirement and systematic, this legal monitoring process should also drive compliance verification activities across the management system and protection programs.</p> <p>At the time of the audit, EBPC had not established the link between this process and its QA Program and activities. Once established, this link will allow EBPC to determine the appropriate QA activity to monitor and confirm compliance to its legal requirements within each of its section 55 programs.</p> |

**FINDING: Non-Compliant**  
**Although EBPC demonstrated that it is identifying its legal requirements, it did not demonstrate that it has a process in place to monitor ongoing compliance to its legal requirements. Furthermore, EBPC did not demonstrate that it has established the required links between its monitoring of its compliance to legal requirements related processes and the development and execution of its QA activities. EBPC’s legal list should form part of the framework to manage and direct its QA activities to ensure that it is monitoring its compliance with regulatory requirements. The Board is of the view that this process for checking compliance, once developed and implemented, will be foundational for the QA Program.**  
**In addition, the Board identified common process documentation deficiencies with each process reviewed for this audit. Rather than repeat this review for each affected process, the deficiencies are described in AP07 and AP08 of this report. The Board will confirm that the common process deficiencies have been addressed for this process during the CAPA review prior to considering AP07 and AP08 resolved.**

**AP04- Legal List**

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| <p><b>OPR s. 6.5(1)</b> A company shall, as part of its management system and the programs referred to in section 55,<br/> <b>OPR s. 6.5(1) (h)</b> establish and maintain a list of those legal requirements;</p> |   |
|  | <b>Assessment</b>   |
| Accountabilities   | <p>Each of the processes provided for review during this audit contains definitions and process diagrams which describe various roles within each process. These include:</p> <ul style="list-style-type: none"> <li>• Accountable Officer: provides direction;</li> <li>• Senior Leadership: provides oversight of the Management System;</li> <li>• Management System Governance Committee: Reviews process and program level information;</li> <li>• Process Owner: the person accountable for a Process and its implementation with the authority to make changes; and</li> <li>• Process Manager: the person who implements the process to realize its objectives.</li> </ul> <p>For the Legal Requirements Process, the Regulatory Compliance Group is accountable for the identification of legal requirements and the maintenance of the Legal Registry. The Program owners are responsible for verifying the updates are managed for the legal requirements that apply to their respective programs.</p> |
| Maintenance of the Legal Register  | <p>EBPC demonstrated that it has developed a Legal Requirements Register related to the Legal Requirements Process (OMS-PRO-02). The Legal Register is maintained at the Corporate management system level and there are documented links to the Legal Requirements and the MOC Processes.</p> <p>According to the OMS main document, this “register is a single, comprehensive list inclusive of relevant NEB Orders, conditions, referenced standards / codes and other applicable legal requirements”. At the time of the audit, the NEB confirmed that the list is kept at the clause level which is the appropriate level of detail. In addition, this level of detail allows the Legal Register to become the foundation of the Quality Assurance Program. With the development of the QA Program, EBPC will continue to operationalize this legal list to form the basis of the scheme to effectively monitor compliance.</p>  |
| Supporting Procedures  | <p>EBPC did not provide maintenance procedures for the Legal Register. Instead, each of the Legal Requirements process document includes “steps and activities” which describe the high level steps for maintaining the Legal Register. During interviews, EBPC confirmed that the Legal Register is maintained by the Regulatory Compliance Group using the Management of Change (MOC) form to manage and integrate new and amended legal requirements into the list.</p>  |

**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) (h)** establish and maintain a list of those legal requirements;

|   | <b>Assessment</b>   |
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| Integration & Application   | The audit found that EBPC has not integrated and applied the Legal Register to its protection programs by developing QA activities that are directly related to the list. The Board is of the view that this register will guide the development and implementation of the QA Program by allowing EBPC to align legal requirements with the appropriate compliance verification activity. |
| <b>FINDING:</b> Based on the scope of the audit, the documents reviewed and interviews conducted, the Board did not identify any deficiencies with this requirement. The Board notes that EBPC has a Legal Requirements Register that will allow for the development of a compliance verification scheme going forward. |   |

**AP05 -Management of Change (MOC)**

**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.

|                  | <b>Assessment</b>  |
|------------------|--|
| Accountabilities | <p>Each of the processes provided for review during this audit contains defined responsibilities and process diagrams which describe various roles within each process. These include:</p> <ul style="list-style-type: none"> <li>• Management System Governance Committee: Reviews and tracks the implementation of the MOC;</li> <li>• Process Owner: initiates the MOC form and identifies the required steps to implement the change to related to the MS; and</li> <li>• Program Manager: identifies potential changes and conducts impact assessments associated with the potential changes.</li> </ul> <p>Accountabilities for field level staff are not included in the MOC process.</p> |
| Process          | <p>The Board reviewed the MOC process (OMS-PRO-06) as it related to EBPC’s QA activities. This review showed that EBPC has defined the required actions for different types of changes and has linked the existing MOC process to the outcomes of its quality assurance activities. EBPC demonstrated that it tracks each change through its approvals and reviews to its conclusion in the MOC Register. As EBPC demonstrated that it has incorporated QA activities and the related results into this process, the Board did not identify any content issues with this process.</p>  |

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| Supporting Procedures   | <p>EBPC did not provide documented supporting procedures for its processes that provide guidance and ensure consistent execution. Instead, each of the process documents provided for this audit included “steps and activities”. Also each step has a corresponding references which can be a linked process or a form. Each of the processes provided for review is broken down into steps and activities to be conducted. In addition, it has not documented the inputs, outputs or decision points for its processes.</p> <p>Additional process and procedure issues are described in AP07 and AP08 of this report.</p> |
| Integration & Application   | <p>EBPC demonstrated that it has integrated its MOC with the outcomes of its inspections, audits and review of legal requirements for each of its section 55 programs.</p>  |
| <p><b>FINDING:</b> Based on the scope of the audit, the documents reviewed and interviews conducted, the Board did not identify any deficiencies with this requirement.</p> <p><b>However, the Board identified common process documentation deficiencies with each process reviewed for this audit. Rather than repeat this review for each affected process, the deficiencies are described in AP07 and AP08 of this report. The Board will confirm that the common process deficiencies have been addressed for this process during the CAPA review prior to considering AP07 and AP08 resolved.</b></p> |   |



**AP06- Internal & External Communication**

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| <p><b>OPR s. 6.5(1)</b> A company shall, as part of its management system and the programs referred to in section 55,<br/> <b>OPR s. 6.5(1)(m)</b> establish and implement a process for the internal and external communication of information relating to safety, security and protection of the environment.</p> |   |
|   | <p><b>Assessment</b></p>  |
| Accountabilities  | <p>Each of the processes provided for review during this audit contains definitions and process diagrams which describe various roles within each process. These include:</p> <ul style="list-style-type: none"> <li>• Management System Governance Committee: Reviews and approves stakeholder communication requirements analyses;</li> <li>• Process Owner: Compiles the results related to the Process effectiveness measures; and</li> <li>• Program Owner: Analyzes stakeholders and reviews communication implementation inputs.</li> </ul>  |
| Process   | <p>The Board reviewed EBPC’s Communication Process (OMS-PRO-08) which was developed to inform relevant internal and external stakeholders of the policies, goals, efforts and results of EBPC’s Programs relating to safety, security and protection of the environment. It includes the identification of stakeholders, methods of delivery and the tracking of communications in the Communication Requirements Register (OMS-REG-08). The Communication Register includes a categorization of stakeholders to indicate the content that needs to be communicated to them including information related to inspections and audits such as the location of the activity. In addition, the Communication Requirements Register further identifies the delivery format for the information, frequency, dates and the responsible employee.</p> <p>As there are demonstrated links between the Communications Process and the QA activities, the Board did not identify any content issues for this process related to the scope of this audit.</p> |

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| Supporting Procedures   | EBPC has not developed supporting procedures for its processes. Instead, each process provided for this audit included “steps and activities” which provide general guidance and direction. Also each step has corresponding reference documents like processes or forms. As discussed in AP08, it is unclear what the expected outputs are for each of the steps. |
| Integration & Application   | Interviews and document review confirmed that the Communications Process included each of the section 55 programs.   |
| <p><b>FINDING:</b> Based on the scope of the audit, the documents reviewed and interviews conducted, the Board did not identify any deficiencies with this requirement. EBPC demonstrated that it has implemented a process for communicating internally and externally that includes the communication of relevant information related to its QA activities.</p> <p><b>However, the Board identified common process documentation deficiencies with each process reviewed for this audit. Rather than repeat this review for each affected process, the deficiencies are described in AP07 and AP08 of this report. The Board will confirm that the common process deficiencies have been addressed for this process during the CAPA review prior to considering AP07 and AP08 resolved.</b></p> |  |

**AP07- Identifying required documents**

**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)(n)** establish and implement a process for identifying the documents required for the company to meet its obligations under section 6.

|                  | <b>Assessment</b>  |
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| Accountabilities | EBPC has incorporated the identification of documents as Step 1 in its Document Control Process (OMS-PRO-09). According to the process diagram, documents are identified by the Process Owner or the Program Owner.  |
| Process          | <p>EBPC did not provide a separate process for the identification of documents. Instead, it has included Step 1 “Identify Documents required” within its Document Control Process (OMS-PRO-09). As such, EBPC did not demonstrate that it has established and implemented a documented process for the identification of the documents (procedures, templates, etc.) it requires within each of its protection programs areas to ensure that the programs and the related QA activities are equally documented and consistently managed.</p> <p>The Board notes, however that the documentation provided for review appeared to be subject to a naming convention and a document hierarchy. EBPC did not provide a written explanation of this hierarchy therefore the Board could not confirm that EBPC was purposely developing documentation for its MS processes or that it had determined which documents should be developed and what they should accomplish pursuant to OPR section 6.5(1)(n). For example, although a Safe Driving Procedure (HSM-PDR-14) and a Personal Protective Equipment Procedure (HSM-PDR-11), were mentioned, it is unclear why those select issues were proceduralized. In addition, documents appeared to be named according to the function. For example, each process has been designated an “OMS-PRO” and within each process there was a reference to register an “OMS-REG” or a form “OMS-PRO-FRM” that was used to track actions or decisions taken.</p> <p>Due to the fact that the existing hierarchy appears to include the classification of documents by type and function, it will likely contribute to the establishment and implementation of the process required by OPR section 6.5(1)(n).</p> |

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|---------------------------|---|
| Supporting Procedures     | EBPC did not provide any documented procedures that described how it identifies the documents that were required to meet its obligations within its MS and protection programs.   |
| Integration & Application | EBPC includes references to related processes within its process documents. Although other OMS processes such as Legal Requirements, Hazard Identification are included as references for this step, it is unclear how and when they are related to this process or triggered by it. The document identification process, once developed, should be applied to each of the section 55 programs to ensure that the QA activities and assessments in each program are being adequately documented to demonstrate that EBPC is working to ensure the safety of people and the environment. |

**FINDING: Non-Compliant**

**EBPC did not provide a process for the identification of the documents required for the management system and programs to ensure the consistency of its processes and their execution as required by OPR s. 6.5(1)(n).**

**Based on a review of the documentation provided, EBPC appears to apply a document hierarchy and functional categories to its OMS documents to coincide with program and type of document. The naming convention of the documents provided as well as the related documents referred to within the process documentation such as the registers (REG), appeared to coincide with their function in an established hierarchy that was not provided. This naming convention includes pre-fixes that indicated what type of document it was, such as PRO for process and REG for register. The concordance for this hierarchy is not included within or linked to a Document Identification Process to ensure that all the required document types are created and implemented in accordance with the OMS document hierarchy. This hierarchy and the written process behind it, once provided or developed should contribute to the process for the identification of documents required by the OPR.**

**In addition, in order to address the documentation issues in each process reviewed by this audit, EBPC must apply the CAPA for this requirement to each process related to the QA Program reviewed in this report in order to ensure consistent implementation of these processes. This finding will not be considered closed until EBPC demonstrates that each process in scope for this audit has addressed these issues.**

**AP08- Document Control**

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| <p><b>OPR s. 6.5(1)</b> A company shall, as part of its management system and the programs referred to in section 55,<br/> <b>OPR s. 6.5(1)(o)</b> establish and implement a process for preparing, reviewing, revising and controlling those documents.</p> |  |
|  | <b>Assessment</b>  |
| Accountabilities   | <p>Each of the processes provided for review during this audit contains definitions and process diagrams to describe various roles within each process. These include:</p> <ul style="list-style-type: none"> <li>• Management System Governance Committee: Reviews process and program level information;</li> <li>• Process Owner: the person accountable for a Process and its implementation with the authority to make changes; and</li> <li>• Process Manager: the person who implements the process to realize its objectives.</li> </ul>   |
| Process  | <p>During the audit, the NEB noted that EBPC has established and implemented a number of documented processes within its Operations Management System (OMS) that are related to the execution of a QA program. The NEB noted several process design issues that were common to each process. The Board has listed the deficiencies below in order to affect change within the process that is most related to the process design.</p> <p>The process design deficiencies identified for all of the processes reviewed for this audit include:</p> <ul style="list-style-type: none"> <li>• Process documents are written at a very and high and general level and did not provide clear guidance and direction.</li> <li>• The processes are often written in non-imperative language. As a result, it is difficult to identify the mandatory requirements or determine what EBPC is committing to implement.</li> <li>• Although each process included “Activities” and “Steps”, these steps were too high level to be clear and explicit work instructions or procedures to promote consistent execution of the steps.</li> <li>• Process roles and responsibilities are limited to MS process and program owners. Roles within the process do not describe down to supervisory, frontline staff or linked to field level procedures.</li> <li>• The process maps did not include the information related to the inputs and outputs of each process to indicate how the processes were related or interdependent. In addition, decision points were not included to clarify steps of review, rejection or amendment.</li> <li>• Although there are process effectiveness measures included in each process, these measures generally related to number of planned activities versus number of activities completed. It is unclear where and how these measures were determined or how EBPC uses them to identify areas for continual improvement.</li> </ul> |

**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)(o)** establish and implement a process for preparing, reviewing, revising and controlling those documents.

|                           | <b>Assessment</b>  |
|---------------------------|--|
|                           | <ul style="list-style-type: none"> <li>• Although related processes were listed within the process document, it did not describe the nature of or reason for the relationship. General references within the process do not provide adequate, specific direction or links to procedures for conducting the activities to promote repeatability.</li> <li>• Rather than link its processes to its legal list, EBPC has included a list of codes, Standards and Regulations in each process which is high level and incomplete.</li> </ul> <p>The deficiencies as noted by the Board would, for the most part, be considered related to the level of documentation of the commitments, activities and MS and program integration activities presently being undertaken by company staff. These process design deficiencies reflect the need to document what is being done in order to facilitate consistent execution.</p>  |
| Supporting Procedures     | <p>EBPC did not provide supporting procedures for its OMS processes. Instead, each of the process documents provided for this audit included “steps and activities”. Also each step has a corresponding references which can be a linked process or a form. In general, the processes are documented at a very high level and do not generally have associated written procedures to direct the implementation or the activities as required by OPR 6.5 (3).</p> <p>Due to the fact that this process guides the development of all process documentation, the development of these procedures will promote consistency, repeatability and continual improvement across the OMS.</p> <p>EBPC did not provide written procedures for this process. Instead, each of its OMS management system processes is broken down into “Activities” and “Steps”. The Board noted that these steps were only high level description related to the annual review of existing documents and did not describe how EBPC decided which documentation (procedures, templates) was necessary within the management system to ensure that it was adequately documenting its activities. In addition, the steps were not documented in or connected to work instructions to promote consistency and repeatability.</p> <p>The Board noted this issue of inadequate documentation of procedures and work instructions is common to each of the processes that were reviewed for this audit</p> |
| Integration & Application | <p>Each of the processes reviewed for this audit included references to other related processes. The NEB notes that neither the process maps nor the references clearly indicated the extent of the relationship between the processes, the reason for the relationship or the expected outcome. For example, the Document Control Process contains references to the MOC process, the Audit Process and the Legal Requirements Process. These references appear to be appropriate and yet there are no work instructions or clear process maps to indicate when, why and to what end these processes are linked. EBPC has</p>   |

**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)(o)** establish and implement a process for preparing, reviewing, revising and controlling those documents.

**Assessment**

applied its current document control process to all of the processes included in the scope of this audit. Based on the documents reviewed, EBPC demonstrated that it has implemented these Document Control requirements and had developed tools to implement and track its processes. Once the design and content deficiencies noted above are addressed, EBPC should leverage the existing process steps and related register (OMS-REG-09) to track the revision of the process documentation in scope for this audit.

**FINDING: Non-Compliant**

**EBPC demonstrated that it has implemented a process to ensure that documents across its management system and section 55 Programs are identified, developed and maintained to a consistent standard. However, the Board has determined that these processes, as designed, do not meet the OPR s. 6.1 requirements for quality. Specifically, the Board has determined that these processes do not meet the OPR requirement to be explicit and comprehensive. Due to the high level, non-imperative language used to write these documents, it was sometimes unclear what was being required. Also, although each process included “Activities” and “Steps”, these steps were too high level to be clear and explicit work instructions or procedures to promote consistent execution.**

**In addition, due to the lack of documented roles for field staff (where required) and the lack of documented linkages between the processes and their outcomes, these processes fail to meet the requirement to be comprehensive. EBPC will address these deficiencies within each OMS process reviewed for this audit with its CAPA Plan.**

**AP09- Records Management**

**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 ) (p)** establish and implement a process for generating, retaining and maintaining records that document the implementation of the management system and the programs referred to in section 55 and for providing access to those who require them in the course of their duties;

|                       | <b>Assessment</b>   |
|-----------------------|---|
| Accountabilities      | <p>EBPC has established a process for managing the records including those records generated by its QA Activities according to the process outlined in OMS-PRO-13. The Records Management Process contains definitions and process diagrams which describe various roles within each process. These include:</p> <ul style="list-style-type: none"> <li>• Process Owner: generates records and compiles effectiveness measures;</li> <li>• Program Manager: generates and manage records.</li> </ul> <p>The Board notes that there is no role or accountabilities outlined for the frontline supervisors and field staff. This gap should be addressed during the Corrective and Preventive Action Plan implementation for AP07 and AP08.</p>   |
| Process               | <p>According to the process OMS-PRO-13 document, records generated by the quality assurance activities such as pipeline patrols and inspections are kept for the life of the pipeline plus two years. These records are accessible to staff and approved contractors on the corporate intranet so they can be available to all locations.</p> <p>Considering the scope of the audit, the Board confirmed that EBPC was generating and managing records from its inspections and audits and that these records were accessible to EBPC staff and contractors when required through the corporate intranet. At the time of the audit, EBPC demonstrated that is recording the activities and also tracking various actions such as MOC and process updates in activity registers. As EBPC demonstrated that it has incorporated QA activity results into this process, the Board did not identify any content issues with this process.</p> |
| Supporting Procedures | <p>EBPC has not developed supporting procedures for its processes to provide guidance and ensure consistent execution. Instead, each of the process documents provided for this audit included “steps and activities”. These steps provide general instructions and sequencing for the required actions. Due to the lack of associated documented procedures to direct the implementation of the activities, these steps are not considered to meet the obligation to be explicit, comprehensive or adequately documented as required by OPR s. 6.1 and 6.3.</p>  |



**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) (p)** establish and implement a process for generating, retaining and maintaining records that document the implementation of the management system and the programs referred to in section 55 and for providing access to those who require them in the course of their duties;

|                           | <b>Assessment</b>  |
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| Integration & Application | EBPC demonstrated that it is generating records from its inspections and audits for its management system and section 55 programs. These records are managed and available to staff on the EBPC SharePoint and the Compliance and Task- Tracking tool. |

**FINDING:** Based on the scope of the audit, the documents reviewed and interviews conducted, the Board did not identify any deficiencies with this requirement.

**However, the Board identified common process documentation deficiencies with each process reviewed for this audit. Rather than repeat this review for each affected process, the deficiencies are described in AP07 and AP08 of this report. The Board will confirm that the common process deficiencies have been addressed for this process during the CAPA review prior to considering AP07 and AP08 resolved.**

**AP10 -Inspecting & Monitoring**

**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.

|                  | <b>Assessment</b>  |
|------------------|--|
| Accountabilities | <p>The Board noted that each process provided for review included defined roles including the Management System Governance Committee, the Process Owner and the Program Manager. Also, the process diagrams included in each process illustrate the roles in each process. Interviews confirmed that the roles were understood and applied by staff.</p> <p><u>Role of Field Staff</u><br/>           Of note for this process, the Board found that EBPC does not include the documented defined roles for field level employees within the inspection process (OMS-PRO-10). Interviews of field staff confirmed that, although their roles were not documented and no procedures were developed, Field staff understood their role and were documenting the inspections they were assigned. The Board is of the view that the consistent implementation of this process is dependent on field staff understanding their roles. Also, the assessment of this process depends on the level of effectiveness and consistency demonstrated during the execution and follow-up. The Board notes that there is no role or accountabilities outlined for the frontline supervisors and field staff. This gap should be addressed during the Corrective and Preventive Action Plan implementation for AP07 and AP08.</p> |

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| <p>Process</p> | <p>EBPC's Inspection, Measurement and Monitoring (IMM) process is outlined in the OMS-PRO-10 document. Interviews and document review confirmed that the inspections are scheduled by the Integrity and Health, Safety, Security and Environment Program Owners and documented in the Compliance and Tracking Tool. The process steps within the Inspection Process provide general guidelines for which inspections should occur and why inspections should be scheduled.</p> <p>The NEB noted the following issues with the Inspection Process and its related outputs:</p> <ul style="list-style-type: none"> <li>• Upon review of a small sample of inspection reports, the NEB noted that, in some cases, such as Aerial Patrols, issues are being reported by exception. Therefore the inspections are identifying issues, but are not documenting that an assessment of the conditions on the ROW has occurred.</li> <li>• EBPC did not provide procedures that are used to determine which QA activities should be conducted and when.</li> <li>• EBPC was not able to demonstrate that it has established and implemented specific documents (procedure/work instruction/template) for undertaking proactive, planned focused environmental inspections. At the time of the audit, environmental inspections were conducted when potential environmental issues were identified during other inspections such as cathodic protection surveys. EBPC indicated that it had identified this issue and were in the process of mitigating the deficiency. EBPC provided a copy of a newly drafted Environmental Inspection Form (EPP-FRM-08) that will be used to augment its existing inspections.</li> <li>• Although its Inspection Process includes a reference to the Legal Requirements, EBPC could not demonstrate that it is conducting inspections to verify compliance to its legal requirements. For example, the Field Inspection template (HSM-FRM-28) consists of a checklist where staff confirm whether the "condition is ok", or "needs repair". There were no procedures or templates to link inspections to legal requirements.</li> <li>• Within the sample, several inspection forms were not filled out consistently and it was unclear how the informal comments made by the inspector were being included in the reports, recorded and tracked as follow-up actions.</li> </ul> <p><u>Monitoring Process</u></p> <p>In addition to inspecting, OPR section 6.5(1)(u) requires that companies have a process to monitor their activities and facilities to evaluate the performance of their programs over time. Together, this requirement mandates that companies inspect (check) and monitor (track). Typically, monitoring requirements for the protection programs can be the result of legal requirements or conditions imposed such as noise, migratory birds etc.. In this case, EBPC did not provide its process for selecting and managing the issues it is monitoring over time.</p> <p><u>Corrective Actions vs Preventive Actions</u></p> <p>EBPC demonstrated that it has established and implemented a separate Action Management Process (OMS-PRO-15) to record, track and manage deficiencies identified while conducting activities including inspections. EBPC also demonstrate that corrective and preventive actions are managed until resolved in the Action Register (OMS-REG-15) and reports on the status of these actions at the weekly staff meetings. These actions are also included in the Management Review and the Annual Report.</p> |
|----------------|--|

|                                      |  |
|--------------------------------------|--|
|                                      | <p>The Board noted that throughout this process document, EBPC does not differentiate between what it considers a “corrective action” versus a “preventive action” when, in reality, these actions can be different and developed and executed independently. For an action to be corrective, it must be designed to correct the deficiency or non-compliance. This remediation could be immediate depending on the severity of the issue. A preventive action is designed to prevent recurrence of the deficiency and typically includes a solution that is implemented at the management system process level. EBPC must address this gap in its CAPA Plan for this audit.</p> |
| <p>Supporting Procedures</p>         | <p>EBPC has not developed supporting procedures for its processes that provide guidance and ensure consistent execution. Instead, each of the process documents provided for this audit included “steps and activities”. Also each step has corresponding references which list a process or a form.</p>   |
| <p>Integration &amp; Application</p> | <p>EBPC demonstrated that the HSSE and Integrity Program owners were directing the inspections of the protection programs. However, the NEB noted that EBPC did not have a schedule or documented mandate to conduct environmental inspection and was only conducting environmental inspections when issues were noted during other activities such as cathodic protection surveys. At the time of the audit, EBPC had not implemented criteria for undertaking proactive, planned focused environmental inspections.</p>  |

**FINDING: Non-Compliant**

**Although EBPC is conducting inspections, the Board noted several issues with the process as demonstrated. EBPC must address the following deficiencies in its CAPA Plan:**

- **EBPC did not demonstrate that it has a process for conducting inspections to confirm compliance with the legal requirements within each the s.55 programs.**
- **EBPC had not implemented a proactive program for conducting environmental inspections.**
- **EBPC’s process did not include how it determines what issues it monitors over time (ROW health, noise, etc.), and how it captures and tracks these issues.**
- **EBPC does not differentiate between corrective and preventive actions.**
- **EBPC has not documented the roles for its field staff and frontline supervisors related to conducting inspections.**

**In addition, the Board identified common process documentation deficiencies with each process reviewed for this audit. Rather than repeat this review for each affected process, the deficiencies are described in AP07 and AP08 of this report. The Board will confirm that the common process deficiencies have been addressed for this process during the CAPA review prior to considering AP07 and AP08 resolved.**

**AP11- Adequacy & Effectiveness of the Management System**

**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)(v)** establish and implement a process for evaluating the adequacy and effectiveness of the company’s management system and for monitoring, measuring and documenting the company’s performance in meeting its obligations under section 6.

|                           | <b>Assessment</b>  |
|---------------------------|--|
| Process                   | <p>EBPC did not provide a process that it has developed and implemented specifically to meet the requirements of OPR s. 6.5(1)(v). In its documentation, EBPC refers to its Inspection, Measurement and Monitoring Process (OMS-PRO-10) as the process that “helps ensure the continual improvement of the OMS” through the performance of inspections and the resolution of deficiencies with the incorporation effectiveness measures in each of its management system processes. Section AP-10 of this report discusses EBPC’s documentation of its performance within its section 55 programs. Upon review, the NEB determined that these OMS process effectiveness measures generally reflected the number of times a process was used and not whether the use of the process was achieving the intended results. Also, there are no procedures that describe the development of these process effectiveness measures and so it is unclear how these measures were determined and how they relate to the evaluation of the adequacy and effectiveness of the processes that form EBPC’s management system specifically related to its performance in meeting its obligations under section 6.</p> <p>Considering the above, the Board has determined that EBPC does not have a process that includes an evaluation of its OMS processes to confirm that they are suitable, complete and designed to meet the obligations under section 6.</p> |
| Supporting Procedures     | N/A  |
| Integration & Application | Despite the lack of procedures and the process deficiencies outlined AP07 and AP08 of this report, EBPC demonstrated that the OMS processes reviewed as part of this audit were applied its section 55 programs.   |

**FINDING: Non-Compliant**

**EBPC has incorporated process effectiveness measures in each of its management system processes. However, EBPC did not demonstrate that it has a process to evaluate the adequacy and effectiveness of the processes that form its management system in order to confirm that it is meeting its obligations under section 6.**

**In addition, the Board identified common process documentation deficiencies with each process reviewed for this audit. Rather than repeat this review for each affected process, the deficiencies are described in AP07 and AP08 of this report. The Board will confirm that the common process deficiencies have been addressed for this process during the CAPA review prior to considering AP07 and AP08 resolved.**

**AP12- Annual Management Review**

|  |   |
|--|---|
| <p><b>OPR s. 6.5(1)</b> A company shall, as part of its management system and the programs referred to in section 55, <b>OPR s. 6.5(1)(x)</b> establish and implement a process for conducting an annual management review of the management system and each program referred to section 55 and for ensuring continual improvement in meeting the company's obligations under section 6.</p> |   |
|  | <b>Assessment</b>   |
| Accountabilities   | The Management Review Process is outlined in (OMS-PRO-14). The Process document contains definitions and process diagrams which describe various roles within each process. Section 4 of the Process indicates that the Director of Regulatory Affairs is accountable for the Management Review process and its implementation with the authority to make changes. The Program Owners prepare their data on their programs' performance to report on the GOTs.  |
| Process  | EBPC demonstrated that it is conducting quarterly management review meetings, and annual management reviews. EBPC also incorporates reporting on the goals, objectives and targets from the s.55 programs. Based on a review of the standing agenda templates, the results of the QA activities are discussed and reported at each of these meetings. In its current process documentation, continual improvement in meeting the company's obligations under section 6 is accounted for within the process steps. As EBPC demonstrated that it has incorporated QA activity results into this process, the Board did not identify any content issues with this process. |
| Supporting Procedures  | EBPC has not developed supporting procedures for its processes that provide guidance and ensure consistent execution. Instead, each of the process documents provided for this audit included "steps and activities". Also each step has a corresponding references which can be a linked process or a form. Each of the processes provided for review is broken down into steps and activities to be conducted. In addition, it has not documented the inputs, outputs or decision points for its processes.   |
| Integration & Application  | EBPC demonstrated that it reports on the GOTs of the section 55 programs during its management review meetings.   |
| <p><b>FINDING:</b> No issues identified</p> <p>Based on the scope of the audit, and the documents and interviews conducted, the Board did not identify any deficiencies with this requirement.</p>   |   |

**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)(x)** establish and implement a process for conducting an annual management review of the management system and each program referred to section 55 and for ensuring continual improvement in meeting the company's obligations under section 6.

**Assessment**

**However, the Board identified common process documentation deficiencies with each process reviewed for this audit. Rather than repeat this review for each affected process, the deficiencies are described in AP07 and AP08 of this report. The Board will confirm that the common process deficiencies have been addressed for this process during the CAPA review prior to considering AP07 and AP08 resolved.**

**AP13- General Audits & Inspections**

**OPR s. 53(1):** A company shall conduct inspections on a regular basis and audits, with a maximum interval of three years, to ensure that its pipeline is designed, constructed, operated, and abandoned in compliance with:

- a) Part III of the Act;
- b) Part V of the Act, as it related to the protection of property and the environment and the safety and security of the public and of the company’s employees; and
- c) these Regulations; and
- d) the terms and conditions of any certificate or order issued by the Board, as they relate to the protection of property and the environment and the safety of the public and of the company’s employees.

**(2)** The audit shall document

- (a) all non-compliance noted; and
- (b) any corrective action taken or planned to be taken.

|                        | <b>Assessment</b>   |
|------------------------|---|
| Accountabilities       | <p>Each of the processes provided for review during this audit including Audit (OMS-PRO-12) contains definitions and process diagrams to describe and illustrate the roles within each process. For the audit process, these include:</p> <ul style="list-style-type: none"> <li>• Accountable Officer: Approves the CAP;</li> <li>• Process Owner: Identifies the audit topics and obtains external audit resources, monitors CAP implementation;</li> <li>• Process Manager: Develops corrective action plans to address any deficiencies identified; and</li> <li>• External Auditor: Conducts the audits, prepares the reports.</li> </ul> <p>EBPC’s audit process is outlined in OMS-PRO-12. According to the process map, the approval of protocols and the scope of work for the audits is the accountability of the EBPC process owner.</p> |
| Audits and Inspections | <p>As discussed in AP01, AP03 and AP10 of this report, EBPC does conduct inspections, but these activities are not designed to confirm compliance to the OPR.</p> <p>Review of the third party audit reports indicated that the contractor did not address or assess section 53 compliance. In order to be compliant with Section 53, the audits and inspections combined must ensure compliance with “these Regulations” which means they must confirm compliance to the entire OPR.</p>   |



**OPR s. 53(1):** A company shall conduct inspections on a regular basis and audits, with a maximum interval of three years, to ensure that its pipeline is designed, constructed, operated, and abandoned in compliance with:

- a) Part III of the Act;
  - b) Part V of the Act, as it related to the protection of property and the environment and the safety and security of the public and of the company’s employees; and
  - c) these Regulations; and
  - d) the terms and conditions of any certificate or order issued by the Board, as they relate to the protection of property and the environment and the safety of the public and of the company’s employees.
- (2) The audit shall document
- (a) all non-compliance noted; and
  - (b) any corrective action taken or planned to be taken.

|  | <b>Assessment</b>  |
|--|--|
|  | <p>Instead, the audits provided for review appear on focus on the management system requirements as they relate to the Programs. The contractor indicated that it found that no compliant section 53 audit had been conducted by the company at the time of the audit. Records supplied by EBPC did not indicate that an audit of the section 53 had been completed.</p> <p>EBPC indicated that because of its lack of internal auditing expertise it contracted external auditors to conduct section 53 audits on its behalf. The Board noted that there may have been confusion as to the scope of the audits. The Board noted that :</p> <ul style="list-style-type: none"> <li>• Review of the project proposal did <b>not</b> indicate that the contractor had proposed to conduct a section 53 compliant audit</li> <li>• Review of the external audit protocols for the Emergency Management and Damage Prevention audits indicated that the “audit will be undertaken in accordance with the requirements of NEB OPR sections 53 and 55...” Further, in the same section the contractor indicated that “The company will be audited and evaluated against the requirements within: The NEB Onshore Pipeline Regulations; Sections ....53....”. These two statements may explain why EBPC was under the impression that a section 53 compliant audit would be completed by its contractor.</li> <li>• The audit records supplied by EBPC did not indicate that an audit of the section 53 had been completed that no direct concordance to the specific section 53 requirements was demonstrated to have been completed.</li> </ul> <p>The Board notes that companies often contract external audit resources to offset a lack of internal expertise. However, it is incumbent on the regulated companies to ensure contract auditors include controls and checks within the audit processes to confirm that the contractors will and have the ability, experience and tools to conduct compliant audits as required. Further, it is the regulated companies’ responsibility to ensure that the audit reports generated specifically document the assessments required and make the compliance evaluations required by the regulations.</p> |

**OPR s. 53(1):** A company shall conduct inspections on a regular basis and audits, with a maximum interval of three years, to ensure that its pipeline is designed, constructed, operated, and abandoned in compliance with:

- a) Part III of the Act;
  - b) Part V of the Act, as it related to the protection of property and the environment and the safety and security of the public and of the company's employees; and
  - c) these Regulations; and
  - d) the terms and conditions of any certificate or order issued by the Board, as they relate to the protection of property and the environment and the safety of the public and of the company's employees.
- (2) The audit shall document
- (a) all non-compliance noted; and
  - (b) any corrective action taken or planned to be taken.

|                               | <b>Assessment</b>  |
|-------------------------------|--|
|                               | <p>EBPC did demonstrate that it has developed a process for addressing all non-compliances noted and tracking any corrective action taken. In addition, it demonstrated that the results of its QA activities are reported and discussed as part of the program and management reviews.</p> <p><u>Corrective Actions</u></p> <p>EBPC demonstrated that it has established and implemented a separate Action Management Process (OMS-PRO-15) to record, track and manage deficiencies identified while conducting inspections. For audits, corrective and preventive actions are managed until resolved in the CAP Register (OMS-REG-12) and reports on the status of these actions at the weekly staff meetings. These actions are also included in the Management Review and the Annual Report.</p> |
| Supporting Procedures         | N/A  |
| Integration & Application     | N/A  |
| <b>FINDING: Non-Compliant</b> |  |

**OPR s. 53(1):** A company shall conduct inspections on a regular basis and audits, with a maximum interval of three years, to ensure that its pipeline is designed, constructed, operated, and abandoned in compliance with:

- a) Part III of the Act;
  - b) Part V of the Act, as it related to the protection of property and the environment and the safety and security of the public and of the company’s employees; and
  - c) these Regulations; and
  - d) the terms and conditions of any certificate or order issued by the Board, as they relate to the protection of property and the environment and the safety of the public and of the company’s employees.
- (2) The audit shall document
- (a) all non-compliance noted; and
  - (b) any corrective action taken or planned to be taken.

**Assessment**

**Although it has conducted audits, EBPC did not demonstrate that it had conducted an audit that meets the requirements of section 53 .Upon review, the Board noted that the protocols approved by EBPC and applied by its contractor did not include all of the OPR requirements and therefore the protocol was incomplete. Review of the audit reports indicated that contractor did not directly address, assess or comment on section 53 compliance. In addition, the contractor also found that a compliant section 53 audit had not been conducted by the company at the time of the audit.**

**In addition, EBPC did not demonstrate that it has a formal documented system to conduct inspections and audits in order to verify compliance to all of its legal requirements. As discussed in AP01 of this report, EBPC has not developed a documented QA Program that ensures that its pipeline is being operated in compliance with the regulations. The CAPA required for AP01 of this report should incorporate the section 53 and section 55 requirements.**

**OPR s. 55(1):** A company shall conduct audits, with a maximum interval of three years, of the following programs:

- a) the emergency management program referred to in section 32;
- b) the integrity management program referred to in section 40, including the pipeline control system referred to in section 37;
- c) the safety management program referred to in section 47;
- d) the security management program referred to in section 47.1;
- e) the environmental protection program referred to in section 48; and
- f) the damage prevention program referred to in section 47.2.

2) The documents prepared following the audit shall include

- (a) any deficiencies noted; and
- (b) any corrective action taken or planned to be taken.

|                  | <b>Assessment</b>   |
|------------------|---|
| Accountabilities | <p>Each of the processes provided for review during this audit including Audit (OMS-PRO-12) contains definitions and process diagrams which describe and illustrate the roles and responsibilities within each process. For the audit process these include:</p> <ul style="list-style-type: none"> <li>• Accountable Officer: Approves the CAP;</li> <li>• Process Owner: Identifies the audit topics and obtains external audit resources, monitors CAP implementation;</li> <li>• Process Manager: Develops corrective action plans to address any deficiencies identified; and</li> <li>• External Auditor: Conducts the audits, prepares the reports.</li> </ul>   |
| Program Audits   | <p>EBPC hired external resources to conduct audits of its section 55 programs in a frequency that is consistent with OPR requirements. Although two OPR Section 55 audits have been completed, review of the documentation and records provided indicated the protocols used for the audits were incomplete. Specifically, the NEB found that the audit protocols did not include the technical program requirements from the OPR and therefore these technical aspects of the programs were not assessed.</p> <p>For example, upon review of the Emergency Management and Damage Prevention audits, the Board noted that the reports did not indicate whether EBPC's programs were meeting the program requirements outlined in Sections 32 and 47.2 respectively. The Board's review of the audit protocols, indicated that some of the specific OPR requirements that should have been included in an EM program audit were not included in the audit criteria. Examples of missing program requirements included, sections 29 (1) (b.1) (contractor requirements), 31 (maintenance safety manuals), and 37 (pipeline control procedures), among others.</p> |

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|  | <p>In addition to being incomplete, the audits did not confirm that EBPC’s programs were able to “anticipate, prevent, manage and mitigate” the hazards and outcomes as per the OPR requirements. Instead, the EBPC program audits focused on the establishment and implementation of the management system processes outlined in OPR section.6.5. As a result, the audits did not include a determination of whether the programs were meeting all of the technical regulatory requirements of the OPR and that EBPC has implemented suitable controls.</p> |
| <p>Supporting Procedures</p>   | <p>N/A</p>   |
| <p>Integration &amp; Application</p>   | <p>The NEB confirmed that corrective action plans have been developed and implemented to address the deficient audit findings across the protection programs.</p>  |
| <p><b>FINDING: Non-Compliant</b></p> <p><b>Although it has conducted two program audits, the Board found that these audits did not incorporate the review of all of the program related legal requirements and therefore these audits did not assess program’s technical compliance or suitability. In addition, as discussed in AP01 of this report, EBPC has not developed a QA Program to ensure that its pipeline is being operated in compliance with the regulations. The CAPA required for AP01 of this report should incorporate the section 53 and section 55 requirements.</b></p> |  |

## Appendix II - Abbreviations

AO: Accountable officer

CAP: Corrective Action Plan

CAPA Plan: Corrective and Preventive Action Plan

CSA Z662-15: CSA Standard Z662 entitled *Oil and Gas Pipeline Systems*, 2015 version

GOTs: Goals, Objectives and Targets

HSSE: Health, Safety, Security & Environment

MOC: Management of change

MS: Management System

NEB: National Energy Board

OMS: Operations Management System

OPR: *National Energy Board Onshore Pipeline Regulations*

QA activities: Quality Assurance Activities

QA Program: Quality Assurance Program



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### **Appendix III: Documents and Records Reviewed**

List the documents that were reviewed. Include them in the draft copy that goes to the company as part of their review and comment cycle. AFTER this has been completed and any corrections made to the list, save it to the audit file and insert the following page instead:

### **Appendix IV: Documents and Records Reviewed**

Records of Documentation Reviewed during this audit are kept on file at the National Energy Board.

### **Appendix V: Company Representatives Interviewed**

Records of company representatives interviewed during this audit are kept on file at the National Energy Board.