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January 30<sup>th</sup>, 2014

Ms. Claudine Bradley  
National Energy Board  
444-7<sup>th</sup> Ave S.W.  
Calgary AB T2P 0X8

Dear Ms. Bradley:

**Re: Draft Safety Culture Framework**

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On behalf of TransCanada PipeLines Limited (TransCanada), I would like to respectfully submit comments regarding the paper, Advancing Safety in the Oil and Gas Industry – Draft Safety Culture Framework, released by the National Energy Board (NEB) for public comment on October 31, 2013.

TransCanada's executive leadership team, management and employees are committed to being an industry leader in safety. We believe excellence in safety practices is vital to the safety and protection of our personnel, the public and the environment. Being a safe and responsible operator is essential to all aspects of our business. Our management systems, programs and internal safety culture guide our efforts to continuously improve our safety and environmental performance.

For these reasons, the draft Framework is of much interest to TransCanada.

As an active member of the Canadian Energy Pipeline Association (CEPA), TransCanada supports the comments that CEPA will be separately submitting to the NEB regarding the draft Framework. TransCanada and other CEPA members continue to advance initiatives that are focused on the common goals of ensuring that Canadian pipelines are safe and achieving an industry record of zero incidents.

The NEB's draft Framework has provided industry with a well-researched and articulated position on what constitutes a positive safety culture and provides clarity with respect to the NEB's commitment to the role that safety culture plays in influencing an operator's safety performance. In Appendix 1 TransCanada provides specific content feedback on the document that reflects additional perspectives on the subject of safety culture that we request the NEB's consideration of.

We share CEPA's view that developing a common understanding between operators and the NEB on desirable cultural attributes will advance the evolution of safety cultures within the pipeline industry and that the Framework, as presented, is a good representation of the state of the art of safety culture at this point in time.

We are also interested, as CEPA is, in a dialogue between industry and the NEB on its stated intent of the document "to express the NEB's expectations of its regulated companies to build and sustain a positive safety culture." How implementation of the Framework's guidance may be carried out and the extent to what consideration should be given to existing programs or approaches that operators have already based the development of their safety cultures on, are matters that we would encourage a comprehensive process for engaging stakeholders in discussion on.

TransCanada would note that many of the culture attributes described in the Framework are already expected elements of the safety management system requirements that form part of the Onshore Pipeline Regulations and for which there is already well established audit protocols, (for example management of change and corrective and preventative actions).

We also agree with CEPA that care is needed to ensure that Framework adoption does not stifle innovation or the pursuit of continuous improvement by being overly prescriptive, particularly given the evolving nature of the science. Implementation strategies should recognize the challenges that lack of sufficient flexibility or inconsistent interpretation of requirements across jurisdictions, may have on companies that operate in multiple jurisdictions.

TransCanada appreciates the Board's continued efforts to improve the safety performance of our industry through this initiative and the engagement of its stakeholders. We look forward to the opportunity to further contribute to these efforts in the future.

Thank you for this opportunity to comment on this initial Draft Safety Culture Framework.

Yours very truly,  
**TransCanada PipeLines Limited**

A handwritten signature in black ink, appearing to read "Vern Meier", is written over a horizontal line.

Vern Meier  
Vice President, Pipeline Safety & Compliance



**TransCanada's Feedback Regarding the NEB's Draft Safety Culture Definition  
and Framework Document (January 2014)**

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Page 2	<p>In reference to the second last sentence: "Culture influences what people see, hear, feel, and say." Some might suggest that it's actually the reverse. TransCanada suggests that what people see, hear, feel, and say <i>is</i> a company's culture. This culture then influences what people do. However it is important to note that it is not meant to imply that it is as simple as decreeing a culture. It is difficult, takes time and comes from within.</p>
Page 3	<p>First statement and corresponding bullets "leaders demonstrate that safety is their overriding value and priority". One of the attributes of the culture we desire will be when all employees demonstrate that safety is their overriding value and priority, not just leaders.</p> <p>This first statement and corresponding bullets were also compared against the suggested CCPS attributes and the point that is missing from the NEB's list is deference to expertise. It is mentioned later on, but it's a fundamental point of a strong safety culture.</p> <p>"A strong safety culture is one in which... the most junior employee would not hesitate to take action in response to a safety concern..." This should read all employees, not just the most junior employee. A more senior employee preparing for retirement should be just as vigilant when it comes to safety. Safety culture is part of an ethical workplace and both should work in parallel.</p>
Page 4	<p>First half of the page on James Reason's model. It is important to understand Reason's model to understand risk control and more discussion on what the model means is required the first time it is introduced. For example, the slices of cheese (barriers or, more properly, risk control systems) should be explained; the holes or gaps in the risk control systems should be explained etc.</p>
Page 7	<p>"Safety culture means....." TransCanada agrees with what's stated as to what it means, but it's important to convey what determines the culture. TransCanada likes the model that it is a combination of what the organization has in place, what the employees do, and what they feel.</p> <p>In reference to the proposed definition of safety culture meaning "<i>the attitudes, values, norms and beliefs, which a particular group of people shares with respect to risk and safety</i>": TransCanada comments that the definition lacks the key concept of expressing the attitudes, values, norms and beliefs. The visibility of such attitudes, values, norms and beliefs are in the routine practices that the "particular group of people" do. Therefore, TransCanada would like to suggest that the definition be modified to: <i>Safety culture means "the attitudes, values, norms, and beliefs, and practices, which a particular group of people shares with respect to risk and safety"</i>.</p> <p>In reference to the Dimensions: The NEB, C-NLOPB, and C-NSOPB propose eight cultural dimensions aligned as four negative dimensions and four positive</p>



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	<p>dimensions. TransCanada comments that, while it appears the proposal in the draft is intended to show the juxtaposition of the positive cultural defenses against the potential holes created by the negative cultural threats, the goals of the framework should be to promote positive continual improvement through a cycle of plan-do-check-activities implemented and lived by the organization through its leaders and by all employees within the organization. To that end, TransCanada believes it would be more effective to describe the framework itself as the four positive dimensions, with their attributes and descriptors, and show how creation and implementation of practices to promote the positive dimension attributes and descriptors defend against the threats which are described, however, as “negative dimensions”. The framework as a regulatory initiative will not require operating companies to do anything that “builds” or “promotes” the negative dimensions, rather, the intent of regulatory enactment of requirements around developing a safety culture framework is that companies build processes and actions around the positive dimensions.</p> <p>In reference to the Dimensions Table: While a model of negative dimensions and positive dimensions can be accepted, TransCanada struggle’s with the concept of a specific positive dimension being a defense against a specific negative dimension. In particular, Empowerment and Accountability being a defense against Normalization of Deviance. TransCanada believes an empowered and accountable person or organization can still succumb to normalization of deviance.</p>
Page 8	<p>First sentence: “The draft framework can be best articulated by considering the work of the dimensions in the context of James Reason’s “Swiss Cheese” model”. It should be clear that the holes or gaps in the cheese slices (the risk control systems) are always there. There is no such thing as a perfect risk control system and that’s why there are multiple layers of control. Furthermore, cultural defenses do not reduce the risk to zero and we always need to be mindful of that. While it is not believed that these thoughts are in conflict with what’s proposed, they should be clearer.</p>
Page 9	<p>Production Pressure, first sentence. Where it reads “...leadership overly values production...”. The wording of the sentence is not clear and could be improved.</p> <p>Production Pressure Descriptors section. Bullet #1, the end of the sentence should read “.. resources are assigned <i>to</i> activities”</p> <p>Complacency threat, first sentence. The use of the term “...the organization has forgotten to be afraid...”. The word “afraid” jumps out in contrast to the softer use of “wariness” on page 4/5. There is disagreement with the second sentence regarding the organization viewing itself as safer. Perhaps this would be better worded as “The organization <i>falsely</i> views itself as being uniquely better...”</p>
Page 10	<p>Normalization of deviance threat. The second sentence refers to the organization’s implementation of its management system (singular) across the operation. This should read “system(s)”.</p> <p>In reference to the descriptors on the top half of the page: TransCanada would</p>

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	<p>add two more descriptors: “The organization believes it is safe because it complies with all regulations and standards” and “Employees believe they are safe because they follow all procedures”.</p> <p>In reference to the last descriptor (4.): “There is a backlog of scheduled maintenance activities.”. There is nothing wrong with a properly managed backlog; this should be reworded “There is a backlog of scheduled maintenance activities that is either excessive, critical or hasn’t been prioritized.”.</p>
Page 11	<p>Descriptor 8. “Maintenance of backlogs exist.” Again, there is nothing wrong with a properly managed backlog and this should be reworded “There is a backlog of maintenance activities that is either excessive, critical or hasn’t been prioritized.”.</p>
Page 12	<p>Second paragraph on Committed Safety Leadership Attributes: Consideration should be given to adding one more attribute “Leader visibility”. I think leaders could exhibit the proposed attributes and yet not be very visible.</p> <p>Descriptor 2: “The management system specifies direct reporting lines between key safety personnel and the AO.” It’s not clear what “direct reporting lines” or “key safety personnel” mean. If it were to mean, for example, an integrity specialist reporting directly to the Accountable Officer, that’s not realistic. Consideration should be given to rewording this attribute to something like “Accountabilities and organizational structure must be clear as part of the management system”.</p> <p>Descriptor 5: “Safety positions are accorded equal status, authority, and salary to other operational assignments”. Consideration should be given to rewording this to something like “Safety specialist positions should be evaluated considering the impact, influence and responsibility they have on the organization.”</p>
Page 13	<p>Bullet #8, “hazards and risks are explicitly captured...”.</p> <p>Bullet #14, use of term “high reporting levels” is ambiguous.</p> <p>Occurrences of the term “High Hazard Industries” on several pages: “high hazard industries such as oil and gas” is unclear.</p>
Page 14	<p>A suggested additional descriptor to the “Empowerment and Accountability” defense is that Employees should identify if they are not aware of the potential safety hazards or procedures for a particular task.</p> <p>In reference to the second sentence under Cultural Defense #3: It is suggested that this be reworded as follows: “Employees feel that they can stop any activity when they notice a potential hazard in order to <i>mitigate or eliminate</i> and report it even when....”</p> <p>In reference to Descriptor 4: It is suggested that this be reworded as follows: “Contractor safety performance is a significant criteria in procurement activities”.</p>



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General Comments	<p>Overall, the document describes a strong safety culture with 7 bullets and proposes the framework with 8 dimensions (4 positive and 4 negative), 30 attributes corresponding to those dimensions and 92 descriptors corresponding to the attributes. While this gets the message across as to desired and expected cultures, any efforts to simplify this would be worthwhile.</p> <p>As expressed in the Background of the draft framework, the purpose of this document should be to promote learning and shared understanding and to share the National Energy Board's expectations of companies to build and sustain a positive safety culture. Since we believe "culture" is a combination of an organization's policies, procedures and systems as well as the behavior of employees, including leaders, and psychological elements of employees, including leaders, we believe this draft framework needs to be established as a guidance document. Any attempt to establish regulations regarding safety culture must be on a high level performance-based premise, in that, as stated previously, a culture cannot be decreed.</p>