

# IPART response to submissions on draft Reporting Manual– safety management system performance measurement

7 August 2018

This paper provides a summary of stakeholder submissions to IPART's draft *Electricity networks reporting manual – Safety management system performance measurement* (Reporting Manual),<sup>1</sup> and IPART's response to submissions.

## Background to our review of reporting requirements

The *Electricity Supply (Safety and Network Management) Regulation 2014* (ESSNM) requires electricity network operators (network operators) to measure their performance against their safety management systems and publish the results of those measurements annually.<sup>2</sup>

IPART is reviewing the reporting requirements for electricity network safety management systems performance measures and bushfire risk management, currently contained in two reporting manuals. The review has sought to maximise the usefulness of the information that network operators collect and report to IPART and the public, and to minimise regulatory costs. To achieve this, we have undertaken extensive consultation through the publication of our draft Reporting Manual, Issues Paper, Fact Sheet and held workshops and informal discussion with stakeholders in preparing the revised Reporting Manual.<sup>3</sup>

The revised Reporting Manual has considered stakeholder submissions to the draft Reporting Manual. Following the submissions, we have made changes to further reduce the duplication of reporting and provided additional guidance on reporting requirements. Specifically, this has included:

- ▼ Removing Table A.9 – Safety impacts associated with protection of the environment. We note that safety incidents (injuries and property damage) that are required to be reported under the revised Reporting Manual will include any incidents arising from the protection of the environment. Separate reporting of environmental incidents is not warranted.
- ▼ Removing Table A.14 – Authorised persons training and competency. IPART notes that the reporting framework does not take into account individual network operator training and competency frameworks. We consider that enquiries or audits of network operator safety management systems are best positioned to assess training and competency rather than through routine performance reporting. Further consideration of network operators' responsibilities for training and competency of ASPs working on their network is also required.

The following table summarises the formal submissions received to the draft Reporting Manual, and IPART's response, including changes made to the revised Reporting Manual. The individual submissions from network operators are available on the IPART website.

<sup>1</sup> Available on the IPART website, by following this link:

<https://www.ipart.nsw.gov.au/files/sharedassets/website/shared-files/energy-network-regulation-administrative-energy-licensing-website-documents/draft-electricity-networks-reporting-manual-19-june-2018.pdf>

<sup>2</sup> Electricity Supply (Safety and Network Management) Regulation 2014, cl 10.

<sup>3</sup> Copies of all documents associated with this review are available on the IPART website:

<https://www.ipart.nsw.gov.au/Home/Industries/Energy/Reviews/Electricity/Review-of-Safety-Management-system-reporting-requirements?qDh=0>

## Submissions received and our response

Reporting item	Summary of network operator submission	IPART response
A.1 – Major Incidents	<p>The submission sought to reduce duplication of reporting requirements, as reporting Major Incidents and Incidents is a pre-existing requirement under IPART's incident reporting and NSW Environment Protection Authority requirements.</p> <p>Ausgrid submission noted that only high level information will be reported to maintain and protect privileged information and public interest considerations.</p> <p>In addition, there is no requirement in the Incident Reporting Manual to report damage to network property where it does not relate to a reportable safety and reliability incident. There should not be a need to report non-electrical property damage which has not resulted in a safety or reliability incident.</p>	<p>There is no duplication, as the information provided to IPART for incident reporting may include confidential information from the network operator and is not normally made available to the public and customers. Stakeholders receive information on the network operator's safety management system from the performance report. IPART accepts that high level information only may be reported.</p> <p>The reporting requirement has been retained.</p> <p>The reporting requirements have been amended to only require reporting of damage to <i>electricity works</i>, as defined in the <i>Electricity Supply Act 1995</i>.</p>
A.2 – Incidents	<p>The threshold of incidents with a value of &gt; \$100,000 is a low value which will result in insignificant events being reported.</p>	<p>IPART has amended the network property reporting threshold to be for events involving damage exceeding \$500,000 to <i>electricity works</i> (as defined in the <i>Electricity Supply Act 1995</i>).</p>
A.3 – Network assets failure	<p>Concerns were raised around data collection for asset types, and whether the collection of data for certain asset types would achieve the objectives of the safety management system (SMS) as prescribed by the ESSNM. The accuracy of reporting may also be influenced by data spanning multiple databases containing contrary definitions.</p> <p>Some of the definitions of asset types were seen as unclear, meaning the information provided may not be directly comparable across Distribution Network Service Providers and subject to misinterpretation.</p>	<p>Failures of the asset types listed may be important drivers for safety outcomes and this reporting requirement has been retained. The accuracy of reporting is expected to improve over time as network operators improve their reporting systems.</p> <p>IPART has provided improved definitions of asset types. The primary purpose of the asset failure reporting is to enable performance reporting for a specific network operator, including long term trending.</p>

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	It was also suggested that 'Switchgear – distribution (underground)' be amended for clarity.	IPART has updated the term 'Switchgear – distribution (Ground based)'.
A.4 – Vegetation contact with conductors	The submissions sought clarification that as the Reporting Manual only comes into effect for the 2018/19 year, the historic columns will be populated over time.	IPART has included information to clarify this.
A.5 – Unintentional contact, unauthorised access and electric shocks	Whether 'Unauthorised network access (intentional)' footnote duplicates request for information under heading 'Safe Approach Distance (SAD)'.	The information requested is not duplicated. 'Unauthorised network access' refers to reporting based on type of incident site (for example, unauthorised entry into a substation), whilst 'Safe Approach Distance' refers to reporting the type of individuals involved (for example, public workers erecting scaffolding too close to an overhead line).
	The definition of 'Originating from network asset', as there may be benefits in separating electric shocks and arc flashes which occur on the network with those occurring on non-network assets.	The definition of 'Originating from network asset' has been amended to indicate that events caused by network assets, network asset defects or network work activities, including shocks received inside customer installations, are to be reported. Customer installation events not associated with network assets are not to be reported.
	Whether the definition of animal is consistent with the definition in the Incident Reporting Manual.	The definition of animal has been amended to 'livestock or domestic pet' to be consistent with the definition in the Incident Reporting Manual.
	The definition of 'Network worker', should not include Accredited Service Providers (ASPs) employees as they are not considered to be network operator workers under the Work, Health and Safety legislation.	The definition of 'Network worker' has been replaced by individual reporting for the different classes of persons authorised by the network operator to work on or near its network. ASP employees are considered under a separate category.
	Note duplication of footnotes (d) and (h).	The duplication of footnotes (d) and (h) has been addressed.
A.6 – Reliability and Quality of Supply	Essential Energy commented that the definition of NECF Type 1 – Life Support Breach needs to be updated to Immediate Reports – Life Support in line with AER Guidelines. Endeavour Energy noted the duplication of neutral integrity issues with customer shocks, and the reporting of Type 1 NECF breaches which are reported to the AER.	The reporting of NECF breaches has been removed as the AER publishes information on these alleged breaches to stakeholders on its website.  IPART notes that neutral integrity events may cause equipment damage and not always lead to customer shocks. Separate reporting of these items has been retained.

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	TransGrid sought confirmation on whether this performance measure was applicable to TransGrid.	A footnote has been added to indicate that this reporting is required only by distribution network operators.
A.8 – Property Damage	<p>Essential Energy submitted that ‘Fire damage’, ‘Physical impact damage’ and ‘Electrical damage’ as performance measures should not be separated. Essential Energy also considered that ‘Electrical damage’ would be very difficult to capture, in addition to determining the cause of damage.</p> <p>For some of the ‘damage types’, Essential Energy is either not informed or aware of damage to third party property, or not advised of damage until after the fact.</p> <p>Clarification was also sought on the requirement to separate Agricultural property damage from Third party property damage, and defining the term ‘Agricultural’. Some network operators’ systems do not currently differentiate between the two categories.</p>	<p>IPART has included a single category for property damage type. Difficulties around reporting on electrical damage are noted. Event damage counts should include any event where there is a reasonable likelihood that damage was caused by the <i>electricity works</i>.</p> <p>IPART has removed ‘Agricultural property’ as a property type.</p>
A.9 – Safety impacts associated with protection of the environmental	<p>Amend wording from ‘environmental’ to ‘environment’ in the title of the table, and spell out EPA (NSW Environment Protection Authority) and EMF (electric and magnetic fields).</p> <p>TransGrid questioned the requirement for reporting environmental damage, as TransGrid currently have reporting requirements under various environmental legislation and regulatory authorities. It was perceived that environmental reporting would be adding to the regulatory burden.</p>	This reporting requirement has been removed. IPART notes that safety incidents (injuries and property damage) that are required to be reported under the revised Reporting Manual would include any incidents arising from the protection of the environment. Separate reporting of environmental incidents is not warranted.
A.10 – Amendments and improvements to Formal Safety Assessments or Associated Risk Treatments	TransGrid proposed an amendment to footnote ‘a’ to better align with the Australian Standard AS 5577 requirement to reduce safety risks to as low as reasonably practical (ALARP) where it is not reasonably practical to eliminate safety risks so far as is reasonably practicable. Changes to FSAs may also be required where a hazard is no longer being managed to ALARP.	IPART considers that the wording ‘eliminate or reduce risk so far as is reasonably practical’ better meets the ESSNM objective of operating a safe network.
A.11 – Design, construction and commissioning	Ausgrid sought clarification as to the unit of measure for reporting required.	IPART clarified the unit of measure to be the number of designs.

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	TransGrid submitted that the measures 'contestable designs certified' and 'contestable installations reviewed' are not applicable to a Transmission Network Service Provider. Confirmation is sought through the inclusion of a footnote.	A footnote is now included to indicate network operators are to advise where no contestable designs have been performed.
A.13 – Inspections (vegetation) Aerial/Ground based	TransGrid submitted that consistency of definitions and reporting between 'bushfire risk category' (Table A.13 and C.2), and 'within bushfire prone areas' and 'outside bushfire prone areas' (refer Table C.3) should be considered.	The tables provide flexibility for TransGrid to delineate areas of bushfire risk and consequence (with differing risk treatments) which may not be identical to the bush fire prone and risk mitigation directions a network operator (including TransGrid) may issue under the provisions of Division 2A of the <i>Electricity Supply Act 1995</i> .
A.14 – Authorised Persons Training and competency	Network operators submitted that Table 14 does not clearly set out the requirements and tasks in considering whether people are competent, and the tasks identified do not achieve the objectives of the ENSMS. Further, network operators have in place robust authorisation requirements that are confirmed as part of their authorisation processes. Ausgrid submitted that only staff and contractors, not ASPs, will be included under the reporting requirements.	Management of the training and competency of authorised persons is complex and annual performance reporting using simplified metrics is not appropriate. Further consideration of network operator responsibility for the training and competency of ASP workers is also required.  IPART has removed this item from the revised Reporting Manual.
A. 15 – Public electrical safety plans and activities	Endeavour Energy submitted that as there is no longer a requirement to develop a Public Electrical Safety Awareness Plan, the ENSMS objective of maintaining public safety is managed through the implementation and annual review of the Public Safety Formal Safety Assessment (FSA). This will contain risk treatment action items according to the assessed public safety risks as reviewed.	Noted. IPART considers there is a distinction between public electrical safety plans and activities compared to the former regulatory requirement to publish a Public Electrical Safety Awareness Plan. No amendment is required to this reporting requirement.
B.1 – Private Lines and Poles (HV and LV)	Endeavour Energy sought confirmation on whether 'Private lines' referred to aerial consumer mains per ESSNM Regulation, as Endeavour Energy has no regulatory responsibility for any other lines. In addition, Endeavour Energy is unable to provide data on the number of aerial consumer mains checked each year as part of the bushfire preparedness program as this is managed as part of the overall network.	IPART has amended this to read 'aerial consumers mains on bush fire prone private land'.  Performance measure have been amended to provide for network operators to report in terms of number of LV installations or the number or percentage of areas targeted and checked.

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	Clarification of the reporting requirement in the final row of the table is also sought. It appears that the number of HV customers requiring inspection is a duplicate of the number of HV customers advised to undertake pre-season bushfire checks. Confirmation of this has been requested.	IPART has amended to clarify. The number of high voltage customers who did not provide a statement of compliance or had identified defects requiring mitigation, where the network operator is ensuring appropriate risk mitigations have been completed (e.g. inspection by the network operator).
	Essential Energy submitted that they will be unable to provide data for the performance measure of 'HV customers (metering point count) requiring inspection prior to start of the reporting year', as no inspections have previously been undertaken.	Noted data for performance measures will be populated over time.
B.44 – Asset tasks	Amend 'B.44 Asset tasks' to 'B.4 Asset tasks'.	Amended.
C.2 – Vegetation tasks	TransGrid sought definitions for 'A1', 'A2', 'A3', 'A4' and 'Hazard trees'.	<p>Definitions for these categories are:</p> <ul style="list-style-type: none"> <li>▼ A1 – vegetation has encroached as far as 75-100% into the minimum vegetation safety clearance.</li> <li>▼ A2 – vegetation has encroached as far as 50-75% into the minimum vegetation safety clearance</li> <li>▼ A3 – vegetation has encroached as far as 25-50% into the minimum vegetation safety clearance</li> <li>▼ A4 – vegetation has encroached as far as 0-25% into the minimum vegetation safety clearance, and</li> <li>▼ Hazard trees are fall-in vegetation hazards as defined in <i>ISSC3 Guide for the Management of Vegetation in the Vicinity of Electricity Assets</i>.</li> </ul>