



OATT Standards of Conduct NONCONFORMANCE REPORT

NUMBER: NCR-2017-1
OATT-SoC-004

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Description of Nonconformance: Non-conformance Report NCR-2017-01

OATT Standards of Conduct Non-Conformance Reporting: OATT-SoC-003

Internal activities have not been conducted as required Section 9.0: Auditing of the OATT Standards of Conduct Implementation & Maintenance Procedure OATT-SoC-001:

- *Creation of audit checklists to be approved by the Chief Compliance Officer and used to determine the understanding of responsibilities and adherence to the SoC*
- *Annual internal audit summaries*

While this type of event is not listed as a non-conformance event in Section 3 of the *OATT Standards of Conduct Non-Conformance Reporting* document, the list is not intended to be all-inclusive. As such, the failure to create audit checklists and perform annual audits has been recorded as a non-conformance event.

Originated By Dave Kelly Date May 30, 2017 Forward to Manager/Supervisor

Corrective Action Taken to Prevent Recurrence

Manager /
Supervisor Dave Stanford
Sr. Manager, Control
Centre operations

Date Oct. Jun. 1, 2017

Complete below and forward to the Control Centre Administrative Assistant

Cause

1. Section 9.3 of the OATT Standards of Conduct Implementation & Maintenance Procedure states:

9.3 Audit Checklists (ref. 3.7) shall be prepared by the auditor and approved by the Chief Compliance Officer prior to conducting the audit and are created using only documented and approved procedures.

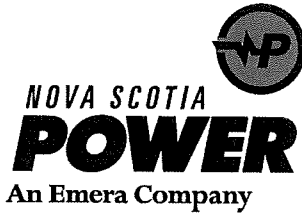
There are no documented or approved procedures for creating the audit checklists on record, as required by SoC document OATT-SoC-001.

2. There have been three OATT managers since the initiation of the Standards of Conduct in 2005. The first was in place from 2005 to 2012, the second from 2012 to 2014, and the third from 2014 to the present date. In addition to their regular duties involving Open Access to the Transmission

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AUTHORIZATION: Alison Gillan
OATT SoC Chief Compliance Officer

DATE: June 10, 2005



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System and oversight of distribution planning/generation interconnections, each has acted as Chief Compliance Officer and has conducted SoC training; maintained the OASIS site; and maintained the SoC direct applicability lists in accordance with OATT-SoC-001. None have managed to complete annual audits. The auditing and training procedures as outlined in OATT-SoC-001 are overly complex and time intensive to successfully integrate into the work expectations of the OATT Manager position.

Immediate Corrective Action

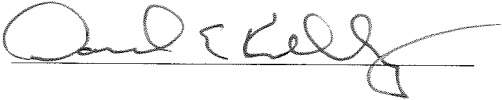
1. Create a new procedure for documenting the preparation of Audit Checklists and have it approved by the Chief Compliance Officer by June 30, 2017.
2. Create a new audit checklist based on the procedure and have it approved by the Chief Compliance Officer by June 30, 2017.
3. Appoint and train auditors by July 31, 2017.
4. Schedule audits for 20% (minimum) of employees on the Direct Applicability List to take place by September 30, 2017.
5. Auditors to complete audit summaries and any required non-conformance reports and forward them to the Chief compliance Officer by October 31, 2017.

Long-Term Corrective Action

1. By the end of 2017, review and revise the OATT Standards of Conduct supporting documents OATT-SoC-001 through 008 to bring them up to date and to simplify the training and auditing processes and reporting requirements.

Follow Up of Corrective Action

1. Confirmation notification from OATT Manger to Sr. Manager, Control Centre Operations as each corrective action is complete.

Followed up by:  Date: October 30, 2017

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OATT SoC Chief Compliance Officer**

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