



# Technical Standards and Safety Authority Minutes of Propane Advisory Council Meeting on December 10, 2012

Meeting Minutes of the Propane Advisory Council meeting of the Technical Standards and Safety Authority (TSSA) held in Boardroom 1433/34, 14<sup>th</sup> Floor, Centre Tower, 3300 Bloor Street West, Toronto, Ontario at 1:00 p.m. on the 10<sup>th</sup> of December 2012.

**Present:** David Karn (Chair), Dowler-Karn Limited, J. L. Adams, EDPRO, Andre Alie, PNE Corporation, Jim Facette, Canadian Propane Association, John Lastoria, Canadian Tire Petroleum Network Development, Elizabeth Nielsen, Consumers Advisory Council, G. R. Steven Sparling, Sparling's Propane Co. Ltd

**In attendance:** Suba Ariyaretnam, Manager General Accounting and Financial Reporting (item 7), Michael Beard, Vice President, Operations (all items), Zenon Fraczkowski, Engineering Manager (all items), Maileen Gan, Stakeholder Relations (all items), Judy Harrison, Project Coordinator (only for item 16), Maram Khalif, Council Coordinator (all items), Wilson Lee, Director Stakeholder Relations (item 7), David Lisle, Director Research and Education (item 7), Srikanth Mangalam, Director Public Safety Risk (item 10), John Marshall, Director, Fuels Safety Program (all items), David Scriven, Interim President and CEO (all items except item 12)), Richard Smart, Chief Financial & Information Officer (only for item 7).

**Guests:** Colleen Sonnenberg, Manager Technical Safety Unit, Ministry of Consumer Services (MCS) (items 7 to 19), Kerri Tam, Senior Policy & Program Analyst, MCS (items 7 to 19)

**Regrets:** Larry Boyd, Ontario Recreation Vehicle Dealers Association, Doug Fines, HURONIA/MED-E-OX Ltd., Laverne Coulter, Coulter Heating & Air Conditioning, Ezio Sbrizzi, Coleman Canada, Ron Shoemaker, Superior Propane, G.R., Scott Sprack, PSL Facility Energy Management Services.

## 1. Constitution of Meeting

D. Karn, Chair, welcomed the council members and called the meeting to order. Chair noted the council had in camera meeting prior to the meeting.

## 2. Approval of Agenda

Council members made changes to the agenda of December 10, 2012 meeting by removing item 15 and replacing it with a discussion regarding TSSA gathering information on storing propane cylinders off sites in other locations.

## 3. Approval of the Minutes

Council members approved the minutes of the November 23, 2011 Propane Advisory Council meeting as drafted, as being a true and correct record of that meeting.

It was noted that the March 21, 2012 meeting had no quorum and meeting notes did not require an approval from council.

A brief discussion ensued around the status of risk based reporting on compliance in relation to propane. It was noted that MCS personnel were not at the meeting at this time and therefore, the issue will be discussed thoroughly later in the meeting.



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### 4. Review Action Items From Last Meeting

J. Marshall reviewed the outstanding action items from previous meetings with council, noting that all were completed with the exception of the three outstanding items.

In regards to the item regarding looking into incidents involving insurance investigations and presenting them to council, J. Marshall reported to council that he may not be aware of an insurance investigation around an incident at the time it was being present to council. However, he noted that most of the incidents may involve some type of investigations at the time of reporting to council and he will be advising the status, as appropriate. He also noted that incident reporting will be a standing item on the agenda.

Following up on "licenses cancelled numbers" indicated on the RSMP, J. Marshall noted this will be updated under item 11 of the agenda.

D. Karn noted that he followed up on L. Coulter's possible replacement and had no response as of yet. He continues to pursue this issue and will provide an update at the next meeting.

### 5. Council Chair's Report

As part of the advanced materials for this meeting, the council received the Chair's annual report to the President and CEO highlighting major achievement and key opportunities for the council 2011/2012, which was treated as read.

### 6. TSSA President & CEO'S Report

As part of the advanced materials for this meeting, the council received a report from the Interim President and CEO concerning TSSA's key activities over the last quarter, which was treated as read.

D. Scriven informed council of an incident involving fatality in an elevator which occurred in Thunder Bay in October 2012.

In response to a member's request, D. Scriven provided background information regarding the TSSA's Board of Directors and their relationship with the advisory councils. He highlighted that Advisory Council Chairs' annual reports to the President and CEO are presented to Governance Safety and Human Resources Committee and the TSSA's Board of Directors. He also noted that an informal breakfast meeting is scheduled prior to the General Annual Meeting (AGM) in September to allow the Chairs and Board of Directors to meet and discuss any matter.

A council member suggested that the informal breakfast meeting at the AGM include an in-camera session.

**ACTION:** The proposal for an *in camera* session at the breakfast meeting will be discussed at the Committee of Council Chairs' meeting.

### 7. Fee Review Framework and Process Update

As part of the advanced materials for this meeting, members received the fee bulletin, fee schedules and frequent asked questions (FAQ), which were treated as read.

With the aid of a PowerPoint presentation, R. Smart presented the Propane Advisory Council's fee schedules and next steps.



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R. Smart explained that TSSA committed to industry a six months notice period (consistent with past practice), effective November 1, 2012 prior to any fee changes becoming effective on May 1, 2013. All communications to stakeholders and industry were completed on-time and reminders were in place as at November 1.

R. Smart provided further background information around the process of the fee review and framework emphasizing that TSSA's Board of Directors approved the fee review and general framework and MCS reviewed that the principles of the Memorandum of Understanding were achieved.

Some council members expressed that the position of the propane industry should be stipulated in the fee review documents sent to MCS for review. R. Smart shared with council that the council and CPA's concerns were identified in the material shared with MC as part of their business case review.

Further discussions ensued around the details of the fee changes specifically around travel time and the difference between the L1 and L2 facility inspection using Risk Safety Management Plan (RSMP). There were some concerns regarding the engineering review for L2 RSMP renewal fee when there were no changes to the previous year's submission. TSSA will review this issue and provide Council with further clarification.

A high-level discussion ensued around the impact that the fee increase may have on end-users and considering future means to involve them in the fee review process moving forward or the possibility of having a consultant for the fee review. Some council members were concerned that a large population in the rural area may be impacted by the fee changes and that their engagement should be sought after in the next fee review and framework cycle. R. Smart noted that the next fee review and framework will consider and utilize some of the learning and feedback received in this cycle.

Council discussed specific differences in the fee schedules within the sub-sectors of the Fuels Program and noted the industry's position on this matter in relation to propane. In its review of Fuels with stakeholders, TSSA distinguished between Liquid Fuels, Natural Gas and Propane. While there were some minor differences in presentation, the general fee review process was consistent across all sectors. It was also noted by MCS that the usage of RSMP in other fuels programs and by other agencies was viewed as a possible best practice worthy of further examination.

In relation to MCS's review of the fee changes and the status of the review of the RSMP, C. Sonnenberg assured the council that the MCS was looking at the data submitted for both RSMP L1 and L2 and were reviewing the impacts, both positive and negative, if any, that have resulted. They were also analysing the safety components of RSMP that were working, before any changes or further review of regulation takes place. She reiterated that further data was required before moving forward or making any significant changes to RSMP requirements or introducing Risk Informed Decision Making (RIDM) to propane.

Further discussion around RSMP took place with a reminder that the RSMP was the recommendation made by an independent panel, supported by MCS, in response to a particular issue and that in all possibility it will remain as a permanent business practice. In further discussion, council acknowledged that the use of RSMP to streamline their business practices with many other agencies at the same time was also becoming a common practice.

The practice of Declaration of Compliance was also discussed in reference to the benefit to industry in resolving low-risk non-compliance safety issues and reducing costs.

Further discussions ensued around TSSA revenue as a result of the fee changes and whether this information could be shared with council. It was stated that TSSA is a not for profit organization and, that its reserves were reviewed and approved by its Board of Directors on a regular basis. TSSA did agree to provide council with a financial update of the fee review at a future council meeting.



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Some members of council would like TSSA to note that from their perspective, as the Propane Advisory Council, the fee review and process did not address, to member's satisfaction, all concerns raised in earlier correspondence. Additionally, some members of the advisory council would like to add that they did not support the fee review and process at this junction. Recognizing TSSA's invitations to industry, and various reviews including the use of a fee sub-committee, and that the fee review process started 18 months prior to the effective date of May 1, 2013; some members felt that industry could have been further utilized in reviewing the alternatives, impacts and communications.

**ACTION:** TSSA will look into the renewal fee for L2 RSMP where there are no changes to the previous year's submission and will provide clarification.

**ACTION:** TSSA will share the financial impact of the Propane fee review with member's at a future council meeting.

### **8. Issues & Incidents Update**

J. Marshall reported that five incidents occurred since the last council meeting as a result of explosions. J. Marshall provided details of the incidents and noted that some were still under investigation. One of the incidents was considered as an industry related issue and involved a propane line in a concrete. Further information will be provided as it becomes available.

### **9. Inspector Training as offered by Canadian Propane Association (CPA)**

J. Facette reported to council that CPA has agreed to provide some additional training to TSSA inspection staff. He reported to council that most businesses will be willing to host this training at their sites to augment technical training with some on-site awareness. Discussions ensued to ensure that safety compliance was an integral part of the training. Further discussion ensued around ways to deal with the issue of inconsistency and it was determined that TSSA had protocols in place which worked well in other programs such as Elevating Devices Program.

**ACTION:** J. Marshall will discuss the training offered by CPA with his staff and will look into how to proceed and scheduling.

### **10. Safety Compliance Report**

With the aid of a PowerPoint presentation, S. Mangalam presented the safety compliance report as it applies to the propane industry.

He highlighted the Periodic Inspections Outcomes from 2004/2005 to 2011/2012, & Occurrences inspection Results from 2007/2008 to 2011/2012.

He informed council that the information presented was derived from the annual Public Safety Performance Report distributed in September 2012.

Council expressed interest in having the safety compliance presentation sent to them along with the minutes.

With regards to Canadian Standard Association Public Risk Standard, S. Mangalam reported that TSSA has made significant progress towards the development of an international public risk standard that could be used by agencies with a primary mandate of protecting the public interest. TSSA's expects to influence the standard to adopt best practices including those developed and utilized by TSSA. TSSA submitted a proposal



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for the creation of this standard which was accepted by other provinces at the National Public Safety Advisory Committee (NPSAC).

Subsequently, TSSA carried this proposal forward on behalf of the NPSAC to the Canadian Standards Association (CSA) for consideration. CSA organized a stakeholder consultation workshop in October 2012 to identify if there is a broader interest for this type of a standard. TSSA was one of three presenters at this workshop. The workshop, primarily consisting of federal and provincial regulators, overwhelmingly supported the idea of creating a standard or guidance document of best practice as proposed by TSSA. Next steps will involve the formation of a task group that will identify the scope and nature of this public risk standard and TSSA intends to play a significant role in this regard.

ACTION: Safety compliance report presentation will be sent with the minutes.

### 11. Risk & Safety Management Plan (RSMP) Update

Industry Update: There was no industry update.

TSSA Update: With the aid of a PowerPoint presentation, J. Marshall presented the current top five categories for non-compliance and the status of total number of active licenses in 2012 and highlighted the number of sites shut down and not reopened as of December 2012.

The benefits of utilizing the Declaration of Compliance were reiterated; however, the low uptake by the propane industry was a concern of the Statutory Director. Council requested to have the inspectors promote the use of Declaration of Compliance more vigorously. J. Marshall noted that industry through the Advisory Council was invited to propose for consideration any new or specific inspection approaches, as considered valuable, as part of the work of the Risk Reduction Group.

ACTION: PowerPoint Presentation on RSMP update will be sent to council.

### 12. Ministry of Consumers Services (MCS)

C. Sonnenberg informed council that while MCS is responsible for the TSSA Act and regulations, it does not seek to get involved in the operations as TSSA was delegated to administer and enforce the TSS Act.

She noted that MCS has reviewed and appreciates CPA and the Council's thoughtful feedback on the regulation and TSSA's oversight of the industry. MCS has also received feedback directly from other stakeholders throughout the first year of RSMP implementation. All of this information was thoroughly reviewed by the MCS, TSSA and OFM and was taken into consideration in the development of the proposed plan for the future.

C. Sonnenberg also reported to council that MCS continues to track implementation of RSMPs, and is committed to considering data collected from small propane facilities to determine if any additional safety requirements were needed for these facilities and, the sector's interest in moving to risk based inspections has been included in the proposed review. However, she noted that while MCS has conducted briefings on the proposed plan to move forward, there is not yet a formal approval to the identified approach. It was also noted that TSSA has been consistent in their messaging that a minimum of 3 years of data was still required in order to move towards its approach to risk based inspections, so the data required to support the approach continues to be collected.



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### 13. Risk Informed Decision Making (RIDM)

Timeline and steps being taken to implement full RIDM in the propane industry and Priority safety issue: preparing for risk based regulation review 2013 – Task Force for propane update: J. Marshall informed council that the Task Force for Propane met twice since its inception to prepare for the review of the regulations. He reported that data and supporting documents were forwarded to the MCS and were awaiting a response as was indicated by the MCS update.

C. Sonnenberg concurred that was the status and added that in order for the Minister's Office to take an action, they require more substantial evidence to change any regulations.

It was noted that RIDM was being utilized in other programs at TSSA.

### 14. Canadian Propane Association (CPA) Update

J. Facette provided the highlights of CPA around Canada. He noted that CPA was working with various provincial governments to support and promote energy strategy involving propane.

He highlighted that CPA's Board of Directors were supporting efforts to harmonize regulations. He also noted that the prospects of future investment for shale gas are positive due to a significant reserve in Canada.

### 15. Storing Propane Cylinders offsite

J. Marshall introduced this item. He informed council that there were concerns of propane cylinders being stored offsite and enquired if the industry was aware of this practice and if so how prevalent it was. A High-level discussion ensued around this issue and council acknowledged that the industry would like to see all tanks stored properly at the operator's site(s).

### 16. Input Industry Trends & Issues

As part of the advanced materials for this meeting, the council received a briefing note requesting input regarding propane industry trends and issues, which was treated as read.

M. Beard introduced this item as part of collecting emerging trends and issues from industry and noted this would be used in all future agenda items and will assist with TSSA's strategic planning.

J. Harrison informed council the status of trends and issues collected at the last meeting and their status. She noted that she will make changes to some of the issues as recommended and will provide an update at the next council meeting.

### 17. Questions on Information Items and Other Business

Skills shortage update – HRAI Career Promotions Committee Update: J. Marshall reported to council that HRAI Career Promotion met regularly to focus on the skills shortage initiative and attracting youth to the trades in elementary and high schools. He also informed that they will conduct "train the trainer" sessions in which they train ambassadors that attend schools and present promotions for Co-op studies and trades.



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Examination Fee Update: J. Marshall informed council that there were some concerns with examination integrity and as a result TSSA has pulled all examinations back from the training providers and were now administered by TSSA.

Ontario College of Trades Update: The Ontario College of Trades (OCOT) has recently been formed by Government of Ontario. This new body has a mandate that may adversely impact on the G2 certification administered by TSSA. In particular the OCOT has the potential to treat the G2 program as a mandatory apprenticeship program that could be seen to duplicate TSSA's program and double the cost without any tangible benefits. Discussions ensued around the benefits of having the apprenticeship and the college of trades' mandate for the skilled trades. It was noted that this matter was being dealt with at the Training and Certification Advisory Board (TCAB) and the results will be shared with council at the next meeting.

### 18. Membership - Nominations

D. Karn noted that he tried to contact L. Coulter or his possible replacement and had no response. He will update council on any new information at the next meeting.

### 19. Adjournment

The meeting was terminated at 4:05 p.m.

**Next meeting is scheduled for: April 10, 2013 starting at 9:30 a.m. to 11:30 a.m. for in camera session followed by council meeting at 12:00 p.m. to 3:00 p.m.**