

THE DDI PROCESS – Clarifications and Changes

Distribution Company Awareness

This bulletin contains information regarding the expectations of Electrical Distributors and the overall process for a Due Diligence Inspection (DDI). The expectations for Non-Compliance Findings have been revised and will take effect starting April 1st 2022.

Non-Compliance Findings – Revised process

In addition to the previous requirements to provide an Action Plan and Timelines in response to Key Findings in the Draft Report, Non-Compliance(s) will require Evidence of completion in accordance to the Action Plan. Starting April 2022, if Evidence is not available to ESA at the time of issuing the final report, a Compliance Review will be initiated for ESA to receive the Evidence according to the submitted Timeline.

DDI Information

SCOPE OF A DDI

ESA Inspectors schedule visits with Electrical Distributors to review a sample of new construction, maintenance, repair, and/or replacement work of electrical equipment owned by the Electrical Distributor. Construction may consist of Underground, Overhead or Substation sites. Inspectors are provided comprehensive guides (developed by ESA) and Electrical Distributor Plans or Work Instructions.

KEY DUE DILIGENCE FINDINGS

Non-Compliance(s) or Need Improvement(s) are considered Key Due Diligence Findings, which ESA requires formal, written responses within 10 working days. In the event the Electrical Distributor does not communicate to ESA, follow-up and escalation by ESA with the Electrical Distributor will be conducted. Starting April 1st 2022, Non-Compliance(s) require Evidence to demonstrate completion of the Action Plan.

DDI DRAFT REPORTS

A DDI Draft Report is provided to the Electrical Distributor where Key Due Diligence Findings are concluded from the Inspector's DDI report. This report also lists observational findings from the DDI.

Key Due Diligence Findings are indicated to inform the Electrical Distributor that an Action Plan is required for each Key Due Diligence Finding. If there are no Key Due Diligence Findings, a DDI Final Report is issued to the Electrical Distributor.

RESPONDING TO DDI DRAFT REPORTS

When an Electrical Distributor receives a DDI Draft Report, the Electrical Distributor shall submit the following, where applicable:

- “Action Plan and Timelines” to address Needs Improvement finding(s);
- “Action Plan, Timelines and Evidence” to address Non-Compliance finding(s);
- “Extension Request” when the Electrical Distributor requires additional time to determine an appropriate “Response”, “Action Plan”, “Evidence” (See Note) and/or “Timelines” for the identified finding(s).
- In case the Electrical Distributor does not agree with the finding, a “Response” explaining why the finding is not valid from the Electrical Distributor perspective

Since the DDI is sampling construction in the Electrical Distributor’s service area, the Action Plan and Timelines need to demonstrate that the Electrical Distributor has implemented a comprehensive solution that addresses the Key Due Diligence Findings to prevent future reoccurrence on any other sites. For example, the Action Plan and Timelines may include changes to an existing Design Standard. Evidence of completing the Action Plan is required for Non-Compliance(s).

If Evidence of completing an Action Plan for Non-Compliance findings is not available to ESA at the time of issuing the Final Report, a Compliance Review will be initiated to receive the Evidence. Acceptance of the Evidence will be subject to ESA discretion, and may include items such as but not limited to photos, training records, revised engineering standards or related documentation.

ESA reserves the right to declare a submission as inadequate, and request an Electrical Distributor to submit additional Evidence that Key Due Diligence Findings were addressed properly.

FINAL REPORTS

The DDI Final Report is the closing document which is sent to the Electrical Distributor to indicate whether the Action Plan, if applicable, has been satisfied. Once all Key Due Diligence Findings have been addressed by the Electrical Distributor, the Electrical Distributor will receive a DDI Final Report from ESA within 20 working days. No further action from the Electrical Distributor is required once the Final Report is received, unless Evidence was not submitted for Non-Compliance(s). Any unresolved Non-Compliance(s) will initiate a Compliance Review to follow-up.