

Key NATF Practices for Facility Ratings

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Overview

This document provides a publicly available summary of the NATF member-confidential practices for facility ratings and how these practices address the issues and align with the controls identified by the ERO Enterprise in the November 1, 2019, ERO Facility Ratings Problem Statement.

Key NATF Practices

NATF members have developed the member-confidential “NATF Facility Ratings Practice Document” to provide sound guidance on establishing strong facility ratings processes that result in consistent and accurate facilities ratings aligned across all functions and users of the facility ratings. NATF developed this guidance through the sharing of NATF members’ practices that ensure facility ratings are developed using the entity’s facility ratings methodology and that internal controls, including change and data management controls, are in place to verify processes are implemented as intended. Further, the “NATF Facility Ratings Practice Document” provides a broad perspective to approaches for developing and maintaining accurate facility ratings, allowing for scalability for different sizes of organizations and flexibility in process design.

The “NATF Facility Ratings Practice Document” identifies seven fundamental elements that entities can implement to have a strong facility ratings process. These fundamental elements are described below:

- **Identify a facility ratings sponsor and owner**
 - Designate a senior or appropriate level management sponsor and owner for the facility ratings process with a clear definition of the sponsor/owner’s role and responsibilities. The designated sponsor and owner should be someone who has a good understanding of the processes and controls related to facility ratings and can communicate and work with the various groups within the transmission entity that touch and impact facility ratings.

- **Establish clarity on the foundational components of the facility ratings process or program**
 - Employees’ understanding of the organization’s uses of terms, policies, procedures, and facility ratings methodology assists in implementing cohesive communication and practices, which result in accurate and consistent facility ratings.

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- **Manage data to ensure accuracy**
 - Entity has processes and controls to help ensure facility ratings data integrity and communication of the data to end users of the data. Entities have established the appropriate architecture and tools for their specific organization’s situation (can be automated, manual, or a combination of the two).
- **Establish an accurate baseline to determine accuracy of facility ratings**
 - Entity has an accurate baseline of all legacy facilities and associated equipment.
- **Establish comprehensive work practices for planned construction, acquired facilities, and unplanned or restoration work**
 - Entity implements documented practices for the facilities baseline review, acquired facilities, planned construction/maintenance, and unplanned maintenance/restoration work that implements controls, change management, and data management activities.
- **Validate through periodic reviews**
 - Entities conduct periodic spot checks and reviews to validate facility ratings.
- **Implement human performance measures**
 - Overall employee awareness and targeted training is provided to specific functional areas, as appropriate, and is supported by the senior management. Entity implements a systematic training program to ensure that roles and responsibilities for management, employee, and contactors are clearly defined and appropriate training is provided as needed.

Implementation of the fundamental elements will vary by entity; therefore, the practices identified in this document allow for scalability for different sizes of organizations and flexibility in process design.

Mapping of ERO Concerns to NATF Practices

The “NATF Facility Ratings Practice Document” is focused on best practices and, while not developed as a compliance document, the practices address the FAC-008 facility ratings issues raised by the ERO Enterprise in the November 1, 2019, ERO Facility Ratings Problem Statement. The table below illustrates which of the NATF practices fundamental elements maps to each of the issues or controls identified in the ERO’s problem statement. This correlation is highly matrixed as practices that address the ERO issues are woven throughout most, if not all, of the fundamental elements. In many cases, all seven of the NATF fundamental elements could be mapped to an ERO issue, therefore the table provides only a list of the fundamental elements with the strongest correlation to each issue.

ERO Problem Statement Identified Issues and Controls	NATF Practices Fundamental Elements
<ul style="list-style-type: none"> • Lack of processes and controls to ensure changes in the field (emergency or otherwise) are being properly 	<ul style="list-style-type: none"> • Identify a facility ratings sponsor and owner • Manage data to ensure accuracy

ERO Problem Statement Identified Issues and Controls	NATF Practices Fundamental Elements
<p>documented and communicated in order to update the Facility Rating</p>	<ul style="list-style-type: none"> Establish comprehensive work practices for planned construction, acquired facilities, and unplanned or restoration work
<ul style="list-style-type: none"> Lack of communication between parties responsible for determining Facility Ratings (i.e., substation and transmission) 	<ul style="list-style-type: none"> Identify a facility ratings sponsor and owner Establish clarity on the foundational components of the facility ratings process or program Manage data to ensure accuracy Establish comprehensive work practices for planned construction, acquired facilities, and unplanned or restoration work
<ul style="list-style-type: none"> Insufficient processes and controls to ensure Facility Ratings are accurate when facilities are commissioned or when Facility Ratings are otherwise initially determined 	<ul style="list-style-type: none"> Establish clarity on the foundational components of the facility ratings process or program Manage data to ensure accuracy Establish comprehensive work practices for planned construction, acquired facilities, and unplanned or restoration work
<ul style="list-style-type: none"> Insufficient processes and controls to ensure planned facility changes that resulted in updated Facility Ratings are either implemented as planned or, if not, that the Facility Ratings updated as a result of the planned changes are revised to reflect current conditions 	<ul style="list-style-type: none"> Manage data to ensure accuracy Establish comprehensive work practices for planned construction, acquired facilities, and unplanned or restoration work
<ul style="list-style-type: none"> Internal Controls related to Inventory & Change Management - Controls to track the Facility Rating, the equipment that comprises each Facility, and the Equipment Ratings, as well as controls to ensure newly commissioned facilities, changes made in the field to facilities, and changes to project plans are properly tracked and recorded in the Facility Rating database 	<ul style="list-style-type: none"> Establish clarity on the foundational components of the facility ratings process or program Manage data to ensure accuracy Establish comprehensive work practices for planned construction, acquired facilities, and unplanned or restoration work
<ul style="list-style-type: none"> Internal Controls related to Access Controls - Technical or procedural controls to limit and track who can and should change and edit prints, databases, etc. 	<ul style="list-style-type: none"> Manage data to ensure accuracy Establish comprehensive work practices for planned construction, acquired facilities, and unplanned or restoration work
<ul style="list-style-type: none"> Internal Controls related to Data Verification - Third party or peer reviews to ensure information is entered correctly in the entity's Facility Rating database 	<ul style="list-style-type: none"> Manage data to ensure accuracy
<ul style="list-style-type: none"> Internal Controls related to Contractor Management - Training to ensure contractors understand all relevant processes and sufficient oversight to identify and track changes to facilities made by contractors 	<ul style="list-style-type: none"> Implement human performance measures
<ul style="list-style-type: none"> Internal Controls related to Reconciliation - Process step to reconcile field prints with information in the 	<ul style="list-style-type: none"> Manage data to ensure accuracy

ERO Problem Statement Identified Issues and Controls	NATF Practices Fundamental Elements
<p>entity's databases and EMS and Planning Assessments</p>	<ul style="list-style-type: none"> • Establish an accurate baseline to determine accuracy of facility ratings • Establish comprehensive work practices for planned construction, acquired facilities, and unplanned or restoration work • Validate through periodic reviews
<ul style="list-style-type: none"> • Internal Controls related to Periodic Facility Reviews - Periodic comprehensive reviews, including facility walk downs, on a subset of facilities to ensure the documented Facility Rating matches the as-builds. This assessment should be risk based starting with the most critical and most impactful facilities. 	<ul style="list-style-type: none"> • Establish an accurate baseline to determine accuracy of facility ratings • Validate through periodic reviews