Backgrounder

Explaining Performance

So, who are the poor performers? This sounds like an easy question, but it's not.

The common standard for reporting on pipeline performance is as a ratio of incide
of pipeline. This provides an understanding of overall performance and is an important indicator, but it
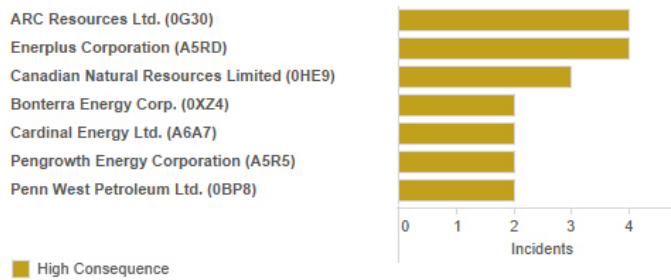doesn't tell us the full story.
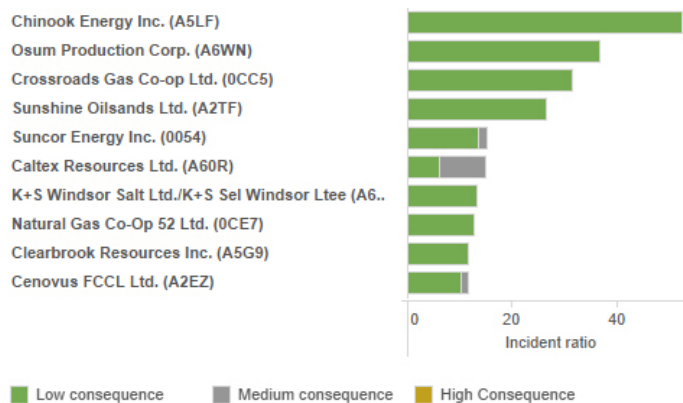
The fact is, many factors go into determining the performance of a pipeline operator, and the results will
be different depending on the metric used.

For example, by counting the total number of incidents it is easy to identify those operators with high
incident counts. However, this doesn't take into account the total length of pipeline, the consequence of
those incidents, or the volume of product released.
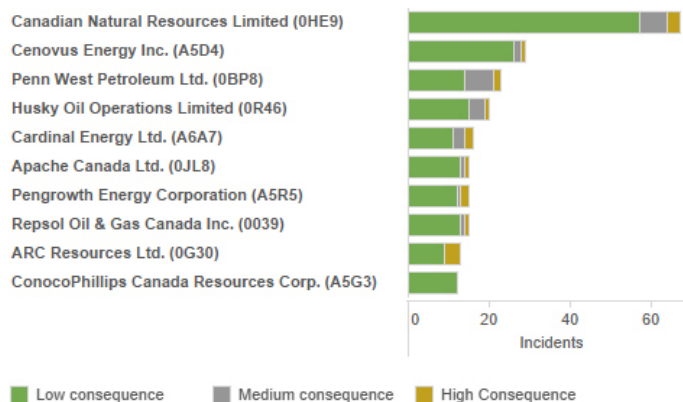
You could also look at the number of high-consequence incidents since they have the greatest impact. But when you look at that information, the ranking of operators is different. This alone doesn't tell us the impact of those incidents or help us understand frequency.

Another way to sort the performance results is by the total volume of product released, which provides a different ranking. Again, this doesn't tell us the whole story.
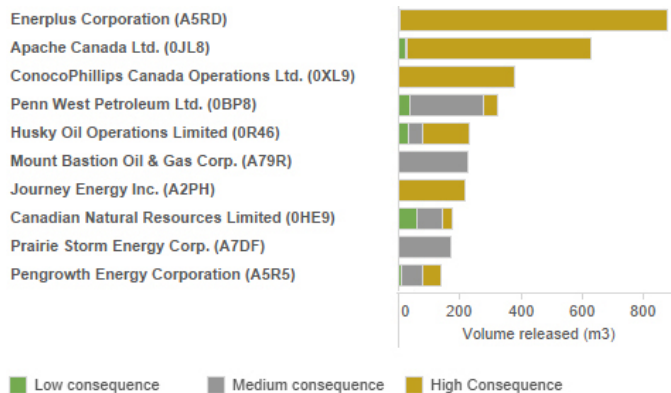
These are just a few ways performance could be ranked—there is no single solution or simple answer. That's why it's so important to look at more than one metric.

When it comes to improving performance, the AER considers everything. We look at all the data we have in order to understand which operators are performing well and which need improvement. We look at an operator's compliance history, its incident ratio, the total number of incidents it has, and the consequence rating of those incidents. We also look at the location of its pipelines and the types of product it carries in its pipelines. Based on all these factors, we prioritize which operators we need to focus on to prevent pipeline incidents.

As our industry performance program evolves, we expect to add additional measures to indicate how each operator is performing.