

Reciprocal News

Helping to Manage Your Risk

The MEARIE Group's Reciprocal Newsletter

A publication designed for the benefit of Ontario's Electricity Industry.

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Copper Theft - How Well Grounded is Your LDC?

All across Canada a crime wave continues to spread. There is nothing new about stealing metal and selling it as scrap. The rapid increase in copper prices on the world market and demand for copper is motivating individuals to steal copper at an alarming rate. Earlier this year the price reached a high of over \$4.00 per pound and continues to be around \$3.80 per pound. Individuals continually target the highest quality of copper and find sources in power substations, on utility poles and in electrical boxes. The effect of copper theft on an LDC can be both costly and dangerous due to material loss, potential transformer damage and customer power loss, not to mention liability.

Over the past couple of years, theft of copper has resulted in claims under both the MEARIE Property Program and the MEARIE Liability Program for MEARIE members. The following is a brief summary of some copper theft experiences:

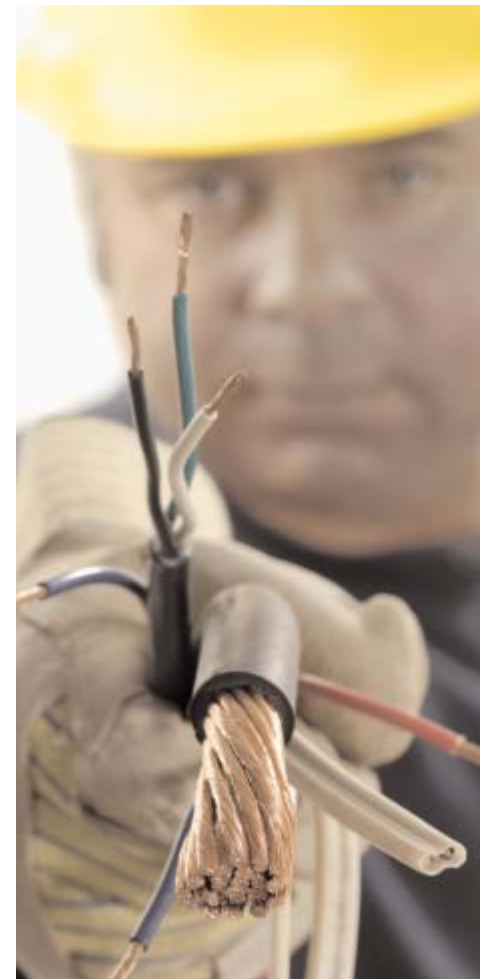
Case #1: \$68,000 copper wire stolen. Two rolls of copper wire were stolen from LDC service yard.

Case #2: \$75,204 copper wire stolen. Five locations, underground cable stolen from submersible vaults at job sites in residential areas.

Case #3: Liability claim, individual electrocuted, severely injured, inside transformer substation attempting to steal copper grounding cable.

Case #4: Liability claim, individual electrocuted, killed, inside transformer station attempting to steal copper wire.

Continued



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Case #5: Liability claim, individual stealing copper drain spouts from church electrocuted when drain spout came in contact with electric wires.

On March 5, 2008 the Ministry of Community Safety and Correctional Services, Public Safety Division, sent a memorandum to all Ontario Chiefs of Police of related to Public Safety Risks as a result of the theft of Electric Utility Copper. The memo states the ESA is requesting law enforcement agencies help reduce the theft of copper by raising the profile of this extremely hazardous crime. Have you spoken with your local law enforcement agency yet?

From a risk management practice here are some suggestions that you may want to consider in reducing the potential for theft and injury to both employees and the general public.

- Increased site security can include security guards or security service, installing security cameras along perimeter fencing and clearing foliage and weeds from fences. Additional measures include increased lighting or motion sensor lighting to make the area more visible. Display signs warning of dangers and surveillance activities.
- Regularly and randomly perform visual inspections of your substation

and facilities. Ensure fencing is secure, warning signs in place and that there are no signs of intrusion. Document each inspection including the date, time and findings.

- Store all copper wire inside your service building rather than in the service yard. Do not leave copper wire unattended at a job site.
- Ensure your crews and contractors know all scrap materials are still your property and instruct the crews to bring the materials to a central secured location.
- Use copper weld instead of solid copper to replace stolen wire and for use in new projects. Copper



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weld has the same conductive properties but a lower scrap market value. [Rule 36-300(2) of the Ontario Electrical Safety Code permits materials other than copper for grounding and bonding purposes]

- Colour code or provide identification [Hydro One has used DataDot Technology Canada] on wire so it can be traced making it more difficult to sell.
- Switch to tinned ground bars as they do not look like copper and to the untrained eye appear to be less valuable. Additionally the recycler will need to process the tinned bars differently from regular copper which reduces the scrap value.
- Raise awareness in your community with law enforcement agencies and the public including warnings about the dangers of entering or touching equipment inside a substation, to stay away from power lines and anything touching a power line.
- Encourage the public if they notice anything unusual with your facilities, such as open substation gates, open equipment or low hanging wires, to contact you immediately. If they see anyone around an electric substation or LDC facilities other than utility personnel or contractors, they should immediately call the police or Crime Stoppers.
- Report all incidents to your local police.

Although nothing will prevent a determined individual from removing even the most secure product, making copper harder to remove will decrease the likelihood it will be stolen and increase the chances thieves may be caught in the act. Warning signs, on site surveillance, documentation of surveillance may also help in the defence of a liability claim. If you would like to further discuss related copper theft actions please contact The MEARIE Group, Gary Durie, Risk Analyst at (905) 265-5355 or gdurie@mearie.ca.

The MEARIE Group's Reciprocal News is an electronic publication intended for subscribers of The MEARIE Group's Property and Casualty Insurance programs. It is published on a periodic basis and is intended for information purposes only. For further information, visit www.mearie.ca or contact Gary Durie, Risk Analyst, Underwriting and Risk Services at gdurie@mearie.ca.

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