



Fuels Safety Program	Ref. No.: FS-242-18
ADVISORY	Date: December 21, 2018

Subject: Safety Assurance Responsibilities of Fuel Oil Distributors

The Office of the Auditor General of Ontario released its annual report on December 5, 2018 and in the course of doing their research found instances where fuel oil was being supplied to tanks that were found to be unsafe and/or leaking. This advisory is being issued as a reminder to fuel oil distributors of their obligations under Ontario Regulation 213/01 (the "Fuel Oil Regulation").

Section 3.13 in Chapter 3 of the report addresses the Technical Standards and Safety Authority and the Ministry of Government and Consumer Services. Recommendation no. 10 quoted below points to risks posed by fuel oil contamination from fuel oil tanks.

RECOMMENDATION 10

To reduce the risk of fuel oil contamination from fuel oil tanks and hazardous carbon monoxide releases from fuel-burning equipment, we recommend that the TSSA as soon as possible:

- require fuel oil distributors to submit inspection reports of oil tanks they service to the TSSA as part of their annual licensing conditions; and
- together with the Ministry of Government and Consumer Services (Ministry), develop an action plan outlining the specific steps the Ministry and the TSSA plan to take with oil distributors and tank owners to improve the safety of oil tanks.

In response to the above recommendation, TSSA will review its existing oversight processes for fuel oil tanks, and based on the outcome of this review, will determine appropriate annual licensing condition requirements for fuel oil distributors.

As a part of an initial response and to emphasize existing regulatory requirements TSSA reiterates to fuel oil distributors their responsibilities under the Fuel Oil Regulation and associated code adoption document.

The following requirements apply to all fuel oil distributors:

1. Fuel Oil Distributor Inspections (s. 7)

Fuel oil distributors are required to inspect all installations to which they supply fuel oil or diesel. This applies to both permanent, portable and mobile installations and includes residential, institutional, commercial, industrial buildings and construction sites. This is a safety inspection of all piping, tanks, components, appliances, stationary engines, venting, exhaust and parts of the installation that affect their safe operation.

The inspections are required to be conducted by a person holding the appropriate technician certificate for the equipment being inspected and it is up to the distributor to inspect the installation utilizing their own employee, a contractor or an inspection performed by the previous distributor or their contractor. Regardless of who conducts the inspection, it remains the distributor's inspection.

2. Unacceptable Conditions (s. 23-24)

Where a distributor discovers or is notified that an installation is in an unacceptable condition (as that term is defined in the regulation), the distributor shall determine if the condition is an immediate hazard. Fuel distributors that deem an installation to be an immediate hazard shall take the following steps:

- a. immediately cease supplying fuel oil to the facility, appliance or tank system;
- b. immediately take such steps as are reasonable in the circumstances to shut off the supply of fuel oil to the facility, appliance or tank system;
- c. promptly give written notice of the condition to its operator stating that it is not to be used until the condition is corrected and a distributor;
- d. affix the notice under clause (c) to the facility, appliance or tank system; and
- e. forward a copy of the notice to TSSA.

If the installation is not an immediate hazard, the fuel distributor shall take the following steps:

- a. give to the operator a description of the condition;
- b. promptly provide a notice to the operator indicating that the distributor will cease supplying fuel oil to the appliance or tank system if the condition is not corrected within the period of time specified in the notice, but not more than 90 days from the date of discovery;
- c. affix the notice under clause (b) to the appliance or tank system; and
- d. forward a copy of the notice to TSSA.

3. Fuel Oil Distributor Licenses (s. 6)

Anyone who distributes fuel oil (including diesel) through a central oil distribution system or facility must obtain a fuel oil distributor licence. Distributing is defined as supplying fuel oil to an end user. Tank truck drivers and delivery personnel are not considered distributors if they do not directly contract with the end user to deliver fuel. The company that contracts with the end user for the fuel is considered the distributor regardless of whether they own or don't own the tank truck or bulk plant. "Brokers" and other agents would be considered distributors if they contract with the end user. Branch offices do not have to hold separate distributor licenses if a corporate office holds the contracts for the fuel delivery to the end user.

Distribution: Posted on TSSA website and sent to Canadian Oil Heat Association, TSSA Liquid Fuels Advisory Council, TSSA Fuel Oil Risk Reduction Group, Fuel Oil Distributor Licence Holders, MGCS, MOECP