



A Natural Gas Safety Regulatory Framework for Ireland
Proposed Vision
Consultation Paper
CER/07/104
A Response by Bord Gáis Energy Supply

Bord Gais Energy Supply (BGES) welcomes the opportunity to comment on the Commission's very well laid out and clearly defined document on the Proposed Vision for A Natural Gas Safety Regulatory Framework for Ireland.

Summary Response

BGES acknowledges the legal responsibilities of the Commission, as set out in the relevant sections of the Energy (Miscellaneous Provisions) Act 2006 and the other relevant "Commission Specific" legislation, in regulating the activities of natural gas undertakings and natural gas installers with respect to safety.

BGES supports the Commission's requirement to discharge this responsibility through the establishment and implementation of a natural gas safety regulatory framework. We broadly agree with the Commission's approach to developing the framework as set out in the document CER/07/104 .We urge the Commission however to continues with the communications initiatives that it recently commenced .It is critical ,in our view ,to increase and maximise the level of participation / communication with the industry & indeed customer & customer representative groups on a such a critical and complex issue .In the detail of this document BGES makes some recommendations as to possible working groups that would support these communications & participation .

We firmly believe, that as a natural gas supplier with a long history of gas safety experience and as a supplier with a very significant customer base, we have an important role to play in the overall development, implementation, and promotion of

specific aspects of the Safety Framework. BGES would welcome further discussions with the Commission to deal with specific aspects of our gas safety responsibilities as a Supplier/Shipper

BGES is ever conscious of its obligation in gas safety .We are fully compliant with our current obligations under our Supply Licence (Licence conditions 3, 6 and 20). However, we will apply and observe all applicable practices and standards contained in the final Gas Safety Framework. .

We note that the Commission will consult separately on its approach for the regulation of gas installers with respect to safety and we will be pleased to engage in this consultation.

BGES response to the Specific Aspects raised by the Commissions

a) *A non-prescriptive approach to regulating gas safety based on licence conditions.*

- BGES supports the Commission's proposed guiding principles upon which the framework will be developed, and are in agreement with keeping regulatory control at the level proposed which we agree is appropriate to establishing effective and comprehensive control of risks and maintaining the confidence of the public. We are pleased to note that the effectiveness of this approach will be open to continuous monitoring and improvement based on key performance indicator outcomes. We also agree with the Commission that if this approach is not working to deliver the desired outcomes that the approach be based on regulation. However we would urge the Commission not to delay in establishing compliance after implementation and to establish compliance at an early date
- While the relevant conditions in our Natural Gas Supply/Shipping Licence are fairly explicit and extensive in setting out suppliers' obligations with regard to safety, we accept that modification will be required to the licence to underpin the proposed non-prescriptive approach. BGES would welcome any request from the Commission to assist in the delivery of this approach from the Commission.
- We fully support the Commission in establishing for all natural gas undertakings clarity with regard to their safety duties and in carrying out their activities in a manner which manages their safety risks to an appropriate and adequate level

b) The adoption of a risk and outcomes based Safety Case Regime

- BGES already employs a number of the elements proposed & outlined in the safety case regime .BGES will take the opportunity under this process to review , document and update as appropriate the current procedures policies and processes to meet the full requirements .We await the Commission’s publication of the Guidelines

c) The role of the Gas Safety Promotion and Public Awareness Group

- We agree with the Commission that a co ordinated approach is required in the promotion of Gas Safety & public awareness for the reasons outlined .We note the Commissions comments on funding .Funding is a matter we feel we must discuss further with the Commission particularly in the context of meeting the Commissions requirements of “ adequacy “ and managing the risk to a level “ as low as reasonably practicable “ This should be done in the context of the level of promotion carried out by BGN who ,we understand ,has significant funding for safety awareness campaigns .

d) The proposed structure of the Gas Safety Reporting Regime

- Monitoring and reporting is a key part of risk management .BGES recommends that one of the working groups suggested by us in an earlier communication 30th July should be on setting key performance indicators .This will establish ownership of the KPI’s by the industry which can be critical to success.

e) The proposed Incident Reporting and Investigation Regime

- We accept the proposals on incident reporting .We would however request clarity on role for Supplier/Shippers in general and also clarity on which gas undertaking will be responsible for reporting .While the code of operations covers some aspects of reporting incidents, more detail will be required in establishing comprehensive procedures.

f) The proposed Audits and Inspections Regime

- BGES will not be in a position to comment until detailed proposals are available .Notwithstanding this BGES accepts in principle that an audit and inspection regime will be required .Again depending on the detail; the aspect of funding is something BGES will wish to discuss with the Commission.

g) The structure of the proposed Governance Arrangements

- BGES welcomes a structured approach to the Governance arrangements .We note however that the Commission does not propose any Shipper /Supplier involvement in the Gas Safety advisory body .We again reiterate our recommendation to the Commission on industry participation in this critical activity given the expertise in this area over a long period of time .
- h) *The proposed Implementation Programme*
 - BGES notes the programme outlined .We believe that this is an ambitious but achievable programme.
- i) *The overall comprehensiveness of the Commission’s proposals and any areas not addressed or described in the proposal*
 - No comment made

Some specific comments by BGES on individual items

Refer section 3.2: BGES would urge the Commission to bring LPG under the regulatory safety framework as soon as possible and practicable

Refer section 4.3: Shippers/Supplier have a relationship with the Transporter under licence condition 3 “Security & Emergency arrangements” particularly relating to compliance with NEM directions. BG Network now going forward will also have a formal relationship with customers in each market.

Refer section 5.5: Notwithstanding the role of gas undertakings with regard to the management of risk in gas safety and gas safety promotion, it is important to remember that customers are responsible for their installations down stream of the meter.

*Refer section 6.1 :*The strategic objective requires that “... *adequate measures are taken to protect life ...*” In addition the approach calls for the management of safety risks to a level “ *as low as reasonably practicable* “ Clearly these terms will required to be defined for the current context .

Refer section 7: We welcome any initiative taken by the Commission to increase and maximise the level of participation & communication with the industry on such a critical /complex issue. We would argue that it would be difficult for any one forum to deal with all the detailed issues and that setting up smaller working groups will provide sensible and appropriate facilities to deal with specific aspects of

development. We do however recommend that the Gas Safety committee act as a steering group to the working groups and that the working groups report back to the steering group in agreed timeframes. Could we for example suggest some initial possible subjects for the working groups.

- Transition dealing with the change from current regime to new
- New safety code of operations within Shipper/Supplier dealing with Safety cases , Risk management , systems , reporting , audits , incident reporting etc
- Funding
- Training dealing with codes of practice , standards & technical requirements
- Key performance indicators
- Non compliance & follow up procedures
- Interface with National Emergency Manager
- Role of Supplier/Shippers.