

21 December 2012

The Commission for Energy Regulation,
The Exchange,
Belgard Square North,
Tallaght,
Dublin 24.

File: Gov't/CER

Attn: Ms. Alice Hanly

Re: Consultation Paper CER/12/182 – Safety Case Guidelines

Dear Ms. Hanly,

We have reviewed the above Consultation Paper and wish to express a number of points of concern as outlined below. We also have detailed comments in relation to the paper as attached – please note that these comments are submitted on behalf of PSE Kinsale Energy Limited and PSE Seven Heads Limited.

In relation to 'material changes' (ref 2.5 and 2.5.1) we are concerned that the guidance could be interpreted to require resubmission of safety cases for relatively insignificant changes (e.g. increasing the '*number of stated personnel*' by one or moving the boundary fence of an onshore facility by a metre or two), although most of the examples given are considered to be reasonable. The UK HSE generally expects material change resubmissions of offshore safety cases for changes that have a significant effect. They apply a similar definition in relation to onshore COMAH Reports and we believe this would be appropriate for the CER regime both on and offshore.

In relation to ALARP Demonstration, as already stated in relation to CER 12/181, we believe that clarification is required that risk tolerability criteria can only be examined in relation to the overall risks arising from all of the hazards that persons involved in the activity are exposed to.

We believe it should be made clear that the required quantitative risk assessment approach is to determine the overall risk levels, taking account of all applicable hazards. If the calculated risk is above the 'broadly tolerable risk' level then risk reduction measures for the various (dominant) hazard contributors to the risk should be examined individually to determine whether the overall risks are ALARP.

We also believe that clarification is required in relation to the requirements for ALARP Demonstration for a well or wells, as covered in 5.4 and 6.4, for the same reasons as given above. We believe that such a demonstration should be largely based on design to appropriate standards, good practice and engineering judgement. Further clarification on the requirements for Well Notifications vs. Well Safety Cases would be

helpful, as the draft guidelines in the document appear somewhat cumbersome – a flow chart would be helpful.

In general, we support the approach being taken by CER, but we question the practicality of deviating significantly from established North Sea (particularly UK) practice in certain areas. The petroleum industry in NW Europe makes use mainly of current UK/Norwegian engineering design and construction practice, which supports a safe and economic industry whose risk levels are demonstrably safe and within an acceptable level of worker and public tolerance. We do not accept that it is appropriate to impose more rigorous standards on the industry in Ireland, given that all engineering designs are going to continue to come from established engineering houses outside Ireland for the foreseeable future. Indeed the imposition of different design standards for Irish undertakings will impose a further cost burden on the industry, with no appreciable increases in safety levels.

As advised separately, we look forward to meeting with CER on Jan 17th 2013 to discuss the above points in more detail.

Yours sincerely,



M.V. Murray
Head of Development Projects

c.c. F.G. Murphy, Chief Executive Officer

Att: Comments to Consultation Paper CER/12/182

Consultation Paper CER 12/182 - Safety Case Guidelines

Kinsale Energy Comments 21/12/12

Section Reference	Comment
General	There doesn't seem to be any explicit indication in the document of how it relates to the Irish 2006 COMAH Regulations (SI 74), if at all. As these regulations are designed to control major hazards onshore if there is no potential overlap due to the definitions involved it would be worth stating. Section 4.4.8 refers to other statutory authorities but the HSA is not mentioned.
2.1	We believe that it would be preferable that the CER makes it clear that one of the two options described as ' <i>practical mechanisms....in submitting safety cases</i> ' must be followed so that only one copy of each safety case (given the number of different safety cases required for a typical operation) is prepared. Option (a) works very well in the UK regime.
2.5	There is a danger that this section could require resubmission of safety cases for relatively insignificant changes (e.g. increasing the ' <i>number of stated personnel</i> ' by one or moving the boundary fence of an onshore facility by a metre or two), although most of the examples given are assessed to be appropriate. The UK HSE generally expect material change resubmissions of offshore safety cases for changes that have a significant effect, although they have required operators themselves to define what would constitute 'material' changes. The UK HSE has generally only required resubmission of COMAH reports if there are potentially "significant repercussions" (see www.hse.gov.uk/comah/report-review.pdf). The proposed CER wording should refer to a change having a 'significant effect', and include examples that give a clearer idea. In the event of a material change, the requirement for a Design Safety Case in advance of a revised Production Safety Case is exceedingly onerous by comparison with the UK North Sea as an example of a well-established safety case regime.
2.5.1	The described temporary material changes applicable to well operations, which will require submission of the Well SC to the CER for approval, seem to be a very onerous requirement – unless the approval process for such a resubmission is similar to that for a Well Notification.
4.1	This seems to state that there will be a requirement for multiple Well Safety Cases and in the case of Kinsale Head, an offshore Production Safety Case and an onshore Production Safety Case. The section is probably in need of dividing into sub-sections to improve its clarity. In particular the requirements for Well Safety Cases need clarification – the content in relation to, for example, use of a BOP and the requirement to resubmit the Well SC is particularly confusing. More clarity in the last sub-section, about shared infrastructure and its implications would be useful, especially in relation to 'adopting' a safety case. Certainly there is a lot of potential for confusion with so many safety cases in operation.
4.3.3	In relation to oil and gas operations, the specified required information will not be generally available for the main hazardous fluids.

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Section Reference	Comment
4.4.1	The first sub bullet is a little confusing, referring to hazards that have the 'potential to cause a Major Accident Hazard'. It would probably be better to refer to the 'potential to cause a Major Accident'. There seems to be some confusion throughout the document in the use of the term hazard. It might be simpler to define 'hazard' as anything that could potentially lead to a 'major accident'.
4.4.1	In the third major bullet (and in Section 4.4.5.1), it should be noted that risk tolerability criteria generally relate to the overall total risk, and so it is generally not appropriate to use such criteria when considering whether the risks associated with a single hazard are tolerable/ALARP, which seems to be what is suggested here. Some clarification is required.
4.4.5.1	See above. The normal quantitative risk assessment approach is to determine the overall risk levels, taking account of all hazards, and if it is above the broadly acceptable level then the various (dominant) contributors to the risk should be examined individually to determine whether the overall risks are ALARP.
4.4.5.2	The 'Example' given is relatively prescriptive about the QRA approach, citing 'for an offshore platform,.....use of around four release sizes'. We are assuming that such examples are not a prescriptive part of the guidance and request that this should be clearly stated.
4.4.6	This section gives the impression that the safety case must demonstrate how human factors is integrated into the risk assessment process and outlines key principles to be addressed. Some clarification on what level of information is being looked for would be helpful. It would generally be expected that the SMS content in the case would be the place where this is addressed.
4.4.7	The second sentence statement about SCEs and ALARP (effectively stating - even if risks from failure of each chosen SCE are ALARP overall risk may not be ALARP) appears to go beyond established practice.
4.4.7.1 & 4.4.7.2	Again these suggest that the risk from each hazard must be demonstrated to be reduced to a level that is ALARP, something that is not required to be demonstrated in UK North Sea Safety Cases.
4.4.8	'General duty' legal compliance might be expected to be addressed within the Safety Management System content of a safety case.
4.5.3	The level of prescription in relation to reliability targets may be difficult for operators to comply with and goes further than is required in the UK North Sea regime for instance.
5.1	The principle is very similar to that applied in the UK North Sea, but the requirements for Well Notifications are very onerous if the rationale for how multiple wells can be covered by the same well notification is taken literally. The last sentence of the first paragraph would be clearer if it was stated that it applied when a Well SC was not yet in place, although it is puzzling that the first required submission isn't the new Well SC, with the Well Notification to follow once the SC is approved. In a similar vein, at the bottom of page 40, the sentence 'Where a Well Notification is required it must be submitted before a Well Safety Case

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Section Reference	Comment
	<i>can be approved.</i> is puzzling – as Well Notifications will still be required when a Well SC is in place and approved,
5.3	With a Well SC already in place, it should be stated that a Well Notification could cross-refer to this descriptive content in the related Well SC to avoid repetition of the required details.
5.3.3	It would be helpful if it was stated that the <i>'workers associated with the well'</i> will be covered in the related Production or Non-Production Safety Case, which is also where their risks are addressed.
5.4	For the reasons given above in 4.4.1, the requirement for an ALARP demonstration that specifically requires comparison of quantified risks with tolerability limits is very onerous. It would be anticipated that a Well work ALARP demonstration would be based on good practice and engineering judgement.
6.1	Requirements for Well Safety Cases are very onerous if the rationale for how multiple wells can be covered by the same Well SC is taken literally. Wells can only be covered by a single Well SC if practically every detail of the wells is the same and certainly each different reservoir would imply a need for a different Well SC. The implication is that the Kinsale Head undertakings would require at least five Well Safety Cases. As in 5.1, improving the clarity of description of the requirements would be helpful. The first paragraph is especially confusing and would seem to be more applicable to Section 5.1 as it is about well work. Either here or in 5.1, clear statements of the approved document requirements needing to be in place for well work to be carried out either on a production installation or using a non-production installation would be a big help. In the third paragraph, the last sentence appears to suggest that a Well Safety Case is likely to need a temporary addendum dependent on the BOP equipment involved in the proposed well work – trying to minimise the number of document updates required for a new piece of work would be helpful. Covering this in the Well Notification might be the answer?
6.3.1	See comment in 5.3.1 above with reference to <i>'workers associated with the well'</i> .
6.3.5.1	The described requirements do not mention the requirement for Well Notifications to carry out any well work.
6.3.5.2	See earlier comment in relation to 2.5.1. The implication is a requirement for several different submissions and stages of approval that would seem to be un-necessarily cumbersome. Perhaps a clarification of exactly what the requirements are would help, ie. the submissions and in which order.
6.4	Much as commented on above in 5.4, an ALARP Demonstration for a well or wells, the requirement for an ALARP demonstration that specifically requires comparison of quantified risks with tolerability limits is very onerous. It would be anticipated that a Well SC ALARP demonstration would be based on good practice and engineering judgement.

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Section Reference	Comment
6.6	It would be hoped that this can make it clear that a Well SC would not need to describe the SMS that applies to the wells where they are connected to a Production installation but would only need to refer to the SMS that is described in the related Production Safety Case.
6.7	The requirements as described will result in a lot of duplication if they are to be included in each Well SC. The actual requirements will also need to be covered in both related Production and Non-Production safety cases.
8.1	The concept of a 'material change' to a Design Safety Case is difficult to comprehend given the relatively high-level nature of content that would be expected in such a document. Some of the listed content requirements are also fairly onerous, although some at least are described as 'Examples'.
10	It is noted that there will be a future consultation on 'public versions' of Safety Cases – CER should note that this will bring about more documents for undertakings to control and manage.