



Commission for Energy Regulation

An Coimisiún um Rialáil Fuinnimh

Gas Safety Regulatory Framework for Ireland

Gas Safety Case Guidelines

for

Natural Gas & LPG Licensed Undertakings

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1. Introduction

1.1 The Commission for Energy Regulation

The Commission for Energy Regulation (CER) is Ireland's independent energy and water regulator. The CER was established in 1999 and now has a wide range of economic, customer protection and safety responsibilities in energy. The CER is also the regulator of Ireland's public water and wastewater system.

The CER's primary economic responsibilities in energy cover electricity generation, electricity and gas networks, and electricity and gas supply activities. As part of its role, the CER jointly regulates the all-island wholesale Single Electricity Market (SEM) with the Utility Regulator in Belfast. The SEM is governed by a decision-making body known as the SEM Committee, consisting of the CER, the Utility Regulator and an independent member. The overall aim of the CER's economic role is to protect the interests of energy customers. The CER has an important related function in customer protection by resolving complaints that customers have with energy companies.

In 2014 the CER was appointed as Ireland's economic regulator of the Irish public water and wastewater sector.

The CER's core focus in safety is to protect lives and property across a range of areas in the energy sector. This includes safety regulation of electrical contractors, gas installers and gas pipelines. In addition, the CER is the safety regulator of upstream petroleum safety extraction and exploration activities, including onshore and off-shore gas and oil.

1.2 Background Information

The *Electricity Regulation Act 1999*, as amended, gives the Commission for Energy Regulation responsibility for the safety regulation of natural gas undertakings. In order to carry out this regulation, the CER established a Natural Gas Safety Regulatory Framework (the Framework) in 2007. In 2012, the *Energy Miscellaneous Provisions Act 2012* amended the *Electricity Regulation Act 1999* further to grant the CER the power to license certain specified LPG undertakings and increased its enforcement powers in respect of both Natural Gas and LPG undertakings. Since the establishment of the Framework in 2007 (and following its expansion to include elements of the LPG industry and additional enforcement powers) a number of consultations have been carried out on the key Framework documents including Safety Case Guidelines for both Natural Gas undertakings and licensed LPG undertakings.

On 6 October 2015, the CER published a consultation paper on updated safety case guidelines for both natural gas and certain specified LPG undertakings. The revised Safety Case Guidelines (CER/15/211), which were consulted upon, were prepared to assist gas undertakings in the development of their respective gas safety cases for submission to the CER.

The CER is now publishing a decision on the revised guidelines following that public consultation and following consideration of comments received. The CER welcomed the feedback received from industry. This document contains the CER responses to these comments.

1.3 Purpose of this Paper

The purpose of this paper is to set out the CER response to comments received on the published Safety Case Guidelines Consultation Paper (CER/15/211) for comment on 6 October 2015. The Decision Paper, which is published alongside this response paper will be Version 2 of the CER Safety Case Guidelines.

1.4 Respondents

Three parties responded to the Consultation Paper. The submissions were received from:

- Bord Gáis Energy;
- Gas Networks Ireland (GNI); and
- Vermilion Energy Ireland Limited.

These responses are available on the CER website.

As part of the process, the CER also met with Gas Networks Ireland to seek clarification on some aspects of their response.

The remainder of this document sets out the CER responses to comments received to the CER Gas Safety Case Guidelines Consultation Paper.

2. CER response to the comments on the Gas Safety Case Guidelines Consultation Paper

2.1 A.2.3 Safety Management System

Comments received

One respondent raised concerns that if they were to link certain documents which constitute the Safety Management System, such as occupational health and safety documents, to their safety case, these could be audited by the CER which they believed to be inappropriate. They were of the opinion that the Safety Case should remain focused on gas safety and that objectives should be pursued by examining how the mitigation measures outlined in the safety case are undertaken/implemented.

CER response

The CER will only audit undertakings insofar as it is relevant to the gas safety requirements of the Safety Case as accepted under the Gas Safety Regulatory Framework. Occupational health and safety is regulated by the Health and Safety Authority (HSA) under the *Safety, Health and Welfare Act 2005*. An undertaking's Safety Management System may be used to effectively manage risks associated with both occupational health and safety and public safety as they relate to gas.

2.2 A.4 Safety Case Submission Process

Comment received

- (i) One respondent noted that unlike in the previous Safety Case Guidelines, there is no indication as to an envisaged timeframe for each stage of the process. They are of the view that it would be beneficial to all Market Participants if the CER were to outline this.
- (ii) The respondent further noted that the CER expects that the detailed assessment period will be particularly intensive for both the undertaking and the CER assessment team. They were of the view that it would assist with business planning if the CER could clarify what they believe to be 'appropriate resources'.

CER response

- (i) It is not possible to set out timelines in respect of each stage of the process for assessing a safety case as it will depend on the safety case submitted and/or the proposed material change;

- (ii) It is not possible to definitively state which resources will be required during the course of the safety case assessment. The CER will endeavour to notify the undertaking of the required resources as early as possible in the assessment process.

2.3 A.5 Safety Case Assessment

Comment received

One respondent welcomed various aspects of the Safety Case Assessment, however, they stated that in the interests of certainty they were of the view that it would be useful for the CER to outline how often they intend to audit and inspect an undertaking's safety case.

CER response

The CER cannot say definitively how often it will need to audit and inspect safety cases as it will depend on the complexity of the safety case. Further audits of the safety case may also be carried out, for example, as result of a reported natural gas/LPG incidents. It should also be pointed out that the Safety Case Guidelines apply to different types of natural gas or LPG undertakings whose safety cases may vary in complexity.

2.4 A.6.1 Material Change

Comment received

One party noted that the list of changes which the CER regard as material changes was extremely broad, overly prescriptive and did not always follow a risk based approach. They asked that the section be reviewed and revised to be less prescriptive and to allow for a more risk based approach with the focus on significant changes.

CER response

The text in this section has been amended as follows:

“Illustrative examples of what the CER may consider to be material changes include:

- *Changes in ownership and/or operating responsibility;*
- *Changes in management structure and key safety responsibilities, particularly with respect to the safety case duty holder;*

- *Significant changes to the capacity, configuration and/or operation of the undertaking's gas infrastructure assets;*
- *Significant changes in risk levels that are identified via the ongoing assessment of safety risks;*
- *Outsourcing of key safety-related functions; or*
- *Changes to major emergency plans and/or the Natural Gas Emergency Plan.*

However, it is the responsibility of the undertaking to make its own assessment on the materiality of changes and to advise the CER accordingly”.

2.5 A.6.2.2 Safety Case Modification Process – Non-Material Changes

Comments received

- (i) One respondent sought clarification on what constitutes a minor or non-material change.
- (ii) They also sought clarification on how many changes can exist before a submission must be made.

CER response

- (i) It is a matter for the natural gas or LPG undertaking itself, through adequate management of change procedures, to determine whether or not a change constitutes a material change.
- (ii) It is a matter for the natural gas or LPG undertaking itself to determine, based on the changes made to the safety case, whether or not it must be submitted to the CER.

2.6 D.1 Introduction

Comment received

One respondent suggested that the format for Section D.1 Introduction be made consistent with Section E.1 Introduction.

CER response

The CER has amended this section so that the format of Sections D1 and E1 is now consistent. The amendment made was minor in nature, constituting a change in numbering only.

2.7D.4.4 New Connections

Comment received

In relation to section D.4.4, one respondent stated that they were of the view that new connections to downstream distribution assets should not be included in the Transmission Safety Case.

CER response

The text has been amended as follows:

The Safety Management System should provide a description of the processes in place for ensuring that new connections to the transmission system are installed in accordance with relevant Irish and International Standards before natural gas is supplied to them.

2.8D.4.12 Gas Safety Promotion and Public Awareness

Comments received

In relation to section D.4.12, one respondent suggested that the phrase “*Meetings with landowners and local authorities*” be changed to “*Liaison with landowners and local authorities*” to reflect the variety of methods currently in use.

CER response

The text has been amended to reflect the above comment.

2.9F.3 ALARP Principles and Shippers/Suppliers

Comment received

One respondent stated that it should be specified in part F.3 which specific principles / sections of the ALARP document are relevant for shipper and supply undertakings.

CER response

The text in section F.3 has been amended to the following:

“This document is primarily aimed at natural gas and LPG undertakings that own and operate gas infrastructure assets, however the process of risk identification, evaluation and mitigation should be applied to the activities that are undertaken by Shipper and Supplier undertakings, notably the activities that

have the potential to impact on gas safety – e.g. the procurement, shipping and retailing of gas to residential users and the response of the Shipper and Supplier to the instructions of the Network Emergency Manager during crisis events”.

The footnote on page iv of the ALARP Guidance Document, published alongside the updated Safety Case Guidelines (CER/16/106), has been removed.

2.10 F.4.9 Five Year Review

Comments received

It was noted that the document stated that the frequency of audits by third parties was to be changed to five years rather than the triennial. However, it was pointed out that, in section F.4.9 (page 96) the 5 year audit is mentioned, but the text refers to a review on a “triennial basis.”

CER response

This is a typographical error and has been amended so that the document consistently refers to a five year review.

2.11 F.5 Emergency Procedure

Comments received

- (i) One respondent noted that ‘Step 3: Firm Load appears to have been merged into ‘Step 2: Declaration and Load Shedding’ of the current guidelines. It was asked that the CER outline the difference between ‘Load Shedding’ and ‘Firm Load Shedding’ and further if this affected the risk mitigation measures associated with responding to the instructions of the NGEM in relation to customer load shedding.
- (ii) The respondent also states that they were of the view that the emergency procedures should also contain detail on how the undertaking responds to individual incidents and emergencies at a local level, if required. It should further outline what processes and procedures are in place for responding to incidents that are reported to it, and how these are to be implemented. The respondent was of the view that the CER should also detail more clearly what is reasonably expected of suppliers in relation to the above.

CER response

- (i) The Safety Case Guidelines have been prepared in line with Gas Networks Ireland National Gas Emergency Plan, which has changed from a five step process to a four step process which is in line with the UK's Gas Emergency Plan. GNI, as the National Gas Emergency Manager appointed by the CER, are required to publish the National Gas Emergency Plan on their website.
- (ii) Should a national emergency occur, the directions of the National Gas Emergency Manager must be followed by shipper/suppliers.

Should a local incident occur, an appropriate response at local level is required proportionate to their customer base.

2.12 Appendix 2 – Suggested Key Performance Indicators

Comments received

- (i) One respondent noted that SPI 1.3 and 1.12 are no longer relevant due to the completion of the cast iron renewal project.
- (ii) The respondent also stated that section 5 should be updated to reflect the roles and responsibilities of the Gas Safety Supervisory Body. They stated that transmission and distribution undertakings are not required to issue completion certificates or perform inspections and that this information comes from the Gas Safety Supervisory Body.

CER response

- (i) As KPI 1.3 and 1.12 are not KPIs which are currently reportable to the CER, these have been removed.
- (ii) The CER has appointed a Gas Safety Supervisory Body (GSSB) for the regulation of activities downstream of the meter. Therefore, the following KPIs have been removed from Appendix 2 of the Safety Case Guidelines as they are now captured under the GSSB scheme following implementation of the Gas Safety Supervisory Scheme. The KPIs which have been removed are as follows:
 - No. of residential completion certificates issued
 - No. of residential installations inspected
 - Average number of defects per residential installation inspected
 - No. of non-residential completion certificates issued