

SAFETY PERMIT
Reference Number: SP 17

under Section 13P of the Electricity Regulation Act 1999, as amended

granted to

PSE Kinsale Energy Limited

on

2nd July 2020

in respect of the carrying on of certain designated petroleum activities related to decommissioning

under or in connection with

**the Petroleum Lease granted pursuant to section 13 of the Petroleum and Other Minerals
Development Act 1960, as amended, dated 7th May 1970;**

in accordance with

Decommissioning Safety Case (DC-17-SR-HES-00365-H2) (4th September 2019)

PART I: Safety Permit

The Commission for Regulation of Utilities (the “**Commission**”) in the exercise of the powers conferred by Section 13P of the Electricity Regulation Act, 1999, as amended, (the “**Act**”):

HAVING CONSIDERED:

- Decommissioning Safety Case (DC-17-SR-HES-00365-H2, 4th September 2019)

submitted by PSE Kinsale Energy Limited on 9th September 2019 as supplemented by the Additional Information furnished by PSE Kinsale Energy Limited in connection with the following petroleum authorisation(s) held by PSE Kinsale Energy Limited, a “**Grantee**”:

1. Petroleum Lease granted pursuant to section 13 of the Petroleum and Other Minerals Development Act 1960, as amended, dated 7th May 1970;

(the “**Safety Case**”).

BEING SATISFIED THAT—

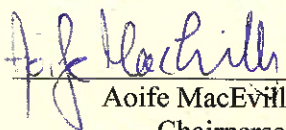
1. the information contained in the Safety Case complies with the requirements of section 13M(5) of the Act;
2. the Operator is capable of implementing the safety and environmental management system described in their Safety Case; and
3. the Grantee is, subject to the conditions (the “**General Conditions**”) set out in Part II, and the special conditions (the “**Special Conditions**”) set out in Part III of this safety permit (together the “**Conditions**”), and is capable of complying with its duties and obligations under section 13K and 13KA of the Act;

HEREBY ACCEPTS the Decommissioning Safety Case DC-17-SR-HES-00365-H2 4th September 2019 (the “**Accepted Safety Case**”) subject to the Conditions; and

HEREBY GRANTS to the Grantee a safety permit in respect of the Decommissioning Activities, subject to the Conditions.

This safety permit shall come into force on the date that the Grantee confirms in writing to the Commission that Production Activities have ceased (the “**Commencement Date**”) and, subject to the Conditions, shall continue in full force and effect until it is revoked by the Commission or replaced by a new safety permit.

Sealed with the common seal of the Commission for Regulation of Utilities on 2nd July 2020


Aoife MacEvilly
Chairperson

Commission for Regulation of Utilities

PART II: General Conditions

1. Definitions and Interpretation

1.1 Unless the context otherwise requires or unless otherwise defined in this safety permit, words or phrases defined in the Act shall have the meanings given to them in the Act.

1.2 Unless the context otherwise requires, in this safety permit:

“**Accepted Safety Case(s)**” has the meaning given in Part I of this safety permit;

“**Act**” means the Electricity Regulation Act 1999, as amended;

“**Decommissioning**”, in relation to Petroleum Infrastructure, means taking the facility, structure or installation, or any part of such facility, structure or installation, permanently out of use with a view to its abandonment in situ or removal;

“**Letter of Acceptance**” means the letter issued to the Operator providing notification of acceptance of the submitted safety case referenced in Part I of this safety permit, and setting out the Requirements of the Letter of Acceptance placed on the Operator;

“**Levy Order**” means an order made under paragraph 16 of Schedule 1 to the Act;

“**Operator**” means the entity appointed under section 13KA(1) to conduct designated petroleum activities including managing and controlling the functions of petroleum infrastructure (except non-production installations) in carrying out petroleum activities as defined in Section 13A of the Act;

“**Production Activities**” means those designated petroleum activities in respect of which the Accepted Safety Case has been prepared which fall within the class of designated petroleum activity described in Regulation 4(2) of the Petroleum Safety (Designation of Certain Classes of Petroleum Activity) Regulations 2013;

“**Petroleum Authorisations**” means those authorisations listed in Part I of this safety permit;

“**Petroleum Infrastructure**” means all or any part of the facilities, structures and installations described in the Accepted Safety Case(s);

“**Petroleum Undertaking**” means a person to whom a petroleum authorisation has been given or granted as defined in Section 13A of the Act;

“**Requirements of the Letter of Acceptance**” means the requirements placed on the Operator, listed in Annex A of their Letter of Acceptance;

“**Relevant Authority**” means an authority listed under section 13H (4) of the Act.

1.3 In this safety permit

(a) “**Grantee**” refers to the person or each person to whom this safety permit is granted and any reference to “**the Grantee**” refers to each Grantee severally.

(b) a reference to:

(i) a Part, Condition or paragraph, unless otherwise specified, is a reference to a Part, Condition or paragraph of this safety permit;

- (ii) the singular includes the plural and vice versa and references to one gender include all genders;
 - (iii) any other document referred to in this safety permit is a reference to that document as amended, varied, novated or supplemented at any time.
- (c) a reference to a statute or statutory provision shall be construed as a reference to the laws of Ireland unless otherwise specified and includes:
 - (i) any subordinate legislation made under it including all regulations, by-laws, orders and codes made thereunder;
 - (ii) any repealed statute or statutory provision which it re-enacts (with or without modification); and
 - (iii) any statute or statutory provision which modifies, consolidates, re-enacts or supersedes it.
- (d) any phrase introduced by the terms “including, “include” and “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- (e) The headings are inserted for convenience only. They are to be ignored in the interpretation of this safety permit.

2. Compliance with the Conditions

- 2.1 The Grantee shall comply with the Conditions until the Grantee discharges all obligations under or in connection with the Petroleum Authorisations and the Grantee ceases to carry out any activities under or in connection with the Petroleum Authorisations.
- 2.2 The Grantee shall procure that the Operator comply with the Conditions. Any breach of a Condition or Conditions as a result of an act or omission of the Operator, shall be deemed to be a breach of such Condition or Conditions by the Grantee.
- 2.3 Notwithstanding anything else in this safety permit, the Conditions shall cease to be binding on the Grantee when the Grantee has discharged all obligations under or in connection with the Petroleum Authorisations and the Grantee has ceased to carry out any activities under or in connection with the Petroleum Authorisations.

3. The Safety Case

The Grantee shall procure that the Operator shall at all times act in accordance with their Accepted Safety Case, and where relevant the combined operations notification accepted by the Commission under section 130A(11) of the Act.

4. Letter of Acceptance

- 4.1 The Grantee shall procure that the Operator shall comply with the Requirements placed on the Operator in the Letter of Acceptance:

PSE Kinsale Energy Limited Letter of Acceptance (D/20/4377), 2nd July 2020.

5. **Safety Performance Requirements**

The Grantee shall comply, and shall procure that the Operator shall, comply with such safety performance requirements as may be specified by the Commission from time to time.

6. **Transfer of Petroleum Authorisation**

6.1 In the event that all or any of the Petroleum Authorisations, or the benefits thereof, are proposed to be assigned, novated or otherwise transferred, in whole or in part, such that:

- (a) all or any of the Grantee(s) will cease to carry on all or any of the Decommissioning Activities; and/or
- (b) a new petroleum undertaking which is not the holder of a safety permit in respect of the Decommissioning Activities wishes to carry on those Decommissioning Activities,

and provided that no material alteration is proposed to be made to the Accepted Safety Case(s), the Grantee(s) shall apply to the Commission to have this safety permit replaced with a new safety permit in the names of the new petroleum undertaking(s).

6.2 Nothing in this Condition 6 shall prejudice the obligations of any Grantee or its procured Operator or any other Petroleum Undertaking in respect of any material alteration to an Accepted Safety Case.

7. **Notices**

7.1 The relevant notice details for the Grantee shall be as specified in the Special Conditions, provided that the Grantee may notify the Commission of any changes to the notice details specified on not less than two (2) clear weeks' prior written notice.

7.2 The Grantee (the "**Appointor**") may authorise another Grantee to act as agent for service of notices under this safety permit. In such case the Appointor agrees that that any notice and / or request for information under this safety permit shall be effectively served on it in connection with this safety permit if such notice or request is properly served on its agent.

7.3 A copy of any notice served on an agent shall be sent by post to the Appointor. Failure or delay in serving such a copy shall not prejudice the effectiveness of the notice.

8. **Revocation**

8.1 The Commission may at any time revoke this safety permit by not less than 21 days' notice in writing to the Grantee:

- (a) if the Grantee or its procured Operator fails to comply with the Conditions of this safety permit;
- (b) if the Grantee or its procured Operator fails to comply with an Improvement Notice issued under section 13Z of the Act;
- (c) where, in the opinion of the Commission, the Grantee is not complying with its duties under section 13K of the Act; or
- (d) in accordance with section 13T(2)(e)(iv) of the Act.

9. **Petroleum Safety Levy**

The Grantee shall pay to the Commission any amounts specified in, or determined under a Levy Order, in accordance with the provisions of such Levy Order.

10. **General**

For the avoidance of doubt, the Conditions in this safety permit are not exhaustive of the obligations of the Grantee and are additional to and without prejudice to any other obligations under any applicable law or regulatory instrument.

PART III: Special Conditions

1. Definitions and Interpretation

1.1 Unless the context otherwise requires, in this safety permit,

‘Additional Information’ means:

Additional Information in connection with the PSE Kinsale Energy Decommissioning Safety Case (DC-17-SR-HES-00365-G-H2, 04/09/19):

(a) Responses to Additional Information Request Letter number 1, dated 23rd October 2019 and subsequent follow up clarifications requests dated 9th December 2019 and 14th January 2020, as follows:

- (i) 19th November 2019, CER/SP08/00181
- (ii) 20th December 2019, CER/SP08/00185
- (iii) 10th February 2020, CER/SP08/00194

(b) Response to Additional Information Request Letter number 2, dated 12th November 2019 and subsequent follow up clarifications request dated 14th January 2020 and 19th February 2020, as follows:

- (i) 11th December 2019, CER/SP08/00183
- (ii) 10th February 2020, CER/SP08/00195
- (iii) 26th February 2020, CER/SP08/00198
- (iv) 30th March 2020, CER/SP08/00201

(c) Response to Additional Information Request Letter number 3, dated 27th November 2019, as follows:

- (i) 13th December 2019, CER/SP08/00184

(d) Response to Additional Information Request Letter number 4, dated 12th December 2019 and subsequent follow up clarifications request dated 19th February 2020, as follows:

- (i) 17th January 2020, CER/SP08/00187
- (ii) 26th February 2020, CER/SP08/00198
- (iii) 23rd March 2020, CRU/SP08/00200
- (iv) 30th March 2020, CER/SP08/00201

“Hydrocarbon Free” means the point, in respect of petroleum infrastructure other than a well, after which activities no longer fall within the class of designated petroleum activity described in Regulation 4(3) of the Petroleum Safety (Designation of Certain Classes of Petroleum Activity) Regulations 2013.

“**Subsea Wells**” means wells 48/20-2, 48/25-3, 48/25-4, 48/25-5 and 48/25-6

2. **Safety Permit**

This safety permit shall no longer apply to the Petroleum Infrastructure of the Grantee, with the exception of the Subsea Wells, once the Grantee has notified the Commission that all other Petroleum infrastructure is Hydrocarbon Free, in accordance with Regulation 4(3)(B) and the wells have been abandoned in accordance with 4(3)(A) of the Petroleum Safety (Designation of Certain Classes of Petroleum Activity) Regulations 2013 and this has been confirmed by the Commission.

This safety permit shall no longer apply to Subsea Wells once the Grantee has provided confirmation to the satisfaction of the Commission that they are abandoned in accordance with Regulation 4(3)(A) of the Petroleum Safety (Designation of Certain Classes of Petroleum Activity) Regulations 2013.

3. **Monitoring of Subsea Wells**

If the Subsea Wells have not been confirmed to the Commission as abandoned within three years of the date on which Production Activities have ceased, the Grantee shall implement a programme of monitoring, to be agreed in advance with the Commission, to confirm integrity of the Subsea Wells.

4. **Independent Competent Body (ICB) Design and Construction Verification**

Prior to Safety and Environmental Critical Elements (SECEs) which are new or modified for decommissioning on the Alpha and Bravo platforms coming into use or are required to be available for use, the operator to confirm to the Commission that design and construction verification of them by the ICB has been completed.

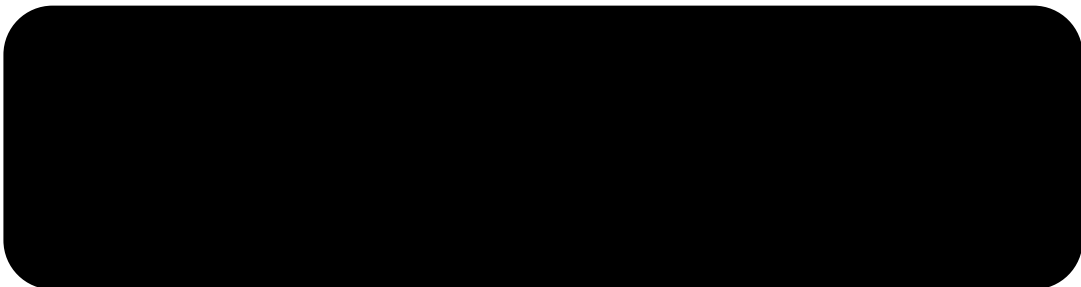
5. **Replacement of Production Safety Permit SP 08B**

With effect from the Commencement Date, this safety permit replaces Safety Permit SP 08B dated 13th May 2019 which was granted in accordance with Production Safety Case (KG-17-SR-PRD-00349-G-H3). Safety Permit SP 08B dated 13th May 2019 is no longer in force as and from the Commencement Date.

Notices

The notice details for each Grantee are as follows:

PETROLEUM UNDERTAKING





Reference Number: D/20/4377

2nd July 2020



Re: Letter of Acceptance: PSE Kinsale Energy Limited Decommissioning Safety Case – SP 17

Dear 

The Commission for Regulation of Utilities (*“the Commission”*) wish to inform you that the PSE Kinsale Energy Limited, Decommissioning Safety Case (DC-17-SR-HES-00365-H2) dated 4th September 2019) submitted on 5th September 2019, including the additional information as set out in Annex B of this letter, has been accepted by the Commission subject to the Conditions set out in associated safety permit SP 17. The Requirements of this Letter of Acceptance, as defined in Annex A, must be read in conjunction with the conditions of SP 17. Note that all capitalised terms defined within SP 17 shall have the same meaning within the Requirements.

To ensure compliance with SP 17, PSE Kinsale Energy Limited should be aware of the Conditions placed on the Grantee within the safety permit. In particular I would like to draw your attention to the following Conditions of SP 17:

2. Compliance with the Conditions

2.2 The Grantee shall procure that the Operator comply with the Conditions. Any breach of a Condition as a result of an act or omission of the Operator, shall be deemed to be a breach of such a Condition by the Grantee.

3. The Safety Case

The Grantee shall procure that the Operator shall at all times act in accordance with their respective accepted safety case(s), and where relevant the combined operations notification accepted by the Commission under section 130A(11) of the Act.

4. Letter of Acceptance

4.1 The Grantee shall procure that the Operator shall comply with the Requirements placed on the Operator in the Letter of Acceptance:

PSE Kinsale Energy Limited Letter of Acceptance, D/20/4377, 2nd July 2020.



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Should you have any clarifications on the above, you may contact the Petroleum Safety Team.

Sincerely,

Signed:

A handwritten signature in blue ink, appearing to read 'Aoife MacEvilly', is written over a solid black horizontal line.

**Aoife MacEvilly,
Chairperson
For and on behalf of the
Commission for Regulation of Utilities**



ANNEX A

'Requirements' means:

1. Audits and Reporting

- 1.1 The Operator shall furnish to the Commission, in such manner and at such times as the Commission may require, such information and such reports as the Commission may consider necessary or appropriate to enable the Commission to monitor compliance with the Conditions of SP 17 and compliance with the Act or as it may require for the purpose of performing its functions under the Act.
- 1.2 Without prejudice to the generality of paragraph 2.1 the Operator:
- shall comply with any reporting and / or audit requirements specified by the Commission under any compliance assurance system published by it from time to time; and
 - shall submit a report on its safety performance in a form satisfactory to the Commission.
- 1.3 The Operator shall furnish to the Commission, within seven days of receipt, a copy of any report, notice, direction or censure issued by a Relevant Authority detailing any non-compliance with a regulatory requirement.

2. Review and Revision of the Accepted Safety Cases

- 2.1 The Operator shall procure that an independent review of the accepted safety case be carried out in accordance with the reasonable requirements of the Commission when directed to do so by the Commission.
- 2.2 Where, as a consequence of such review, or otherwise, it is necessary to make a material alteration to an accepted safety case, the Operator shall submit a revised safety case to the Commission for its review as soon as is reasonably practicable after completion of the review pursuant to 3.1.
- 2.3 The Operator shall not be permitted to make a material alteration to an accepted safety case until such material alteration is accepted by the Commission.
- 2.4 Any failure by the Operator to submit a satisfactory required material alteration to a safety case to the Commission in accordance with Requirement 3.2 shall be considered a breach of Requirement 3.
- 2.5 In this Requirement 2, a 'satisfactory required material alteration' is a material alteration which is (1) sufficient to address any risk to safety identified by a review carried on pursuant to paragraph 3.1; and (2) capable of being accepted by the Commission having regard to the requirements of the Act.
- 2.6 The Operator must update the safety case prior to carrying out decommissioning activities to take account of the Commission's additional information requests and Operator's response, in the following area:



- Update to escape routes from the accommodation on Bravo platform (Additional information request 12).

3. Safety Case Fees

The Operator shall pay to the Commission any outstanding safety case assessment fee, where the costs incurred by the Commission in the assessment of the Decommissioning Safety Case and matters directly pertaining to the safety case including the costs and expenses incurred in determining the Conditions relating to issue of this safety permit, exceeded the initial safety case fee paid.

'Information' includes any books, documents, records, accounts, estimates, returns or reports (whether or not prepared specifically at the request of the Commission) of any description and in any format specified by the Commission.

See SP 17 for additional definitions.

ANNEX B

'Additional Information' means:

Additional Information in connection with the PSE Kinsale Energy Decommissioning Safety Case (DC-17-SR-HES-00365-G-H2, 04/09/19):

(a) Responses to Additional Information Request Letter number 1, dated 23rd October 2019 and subsequent follow up clarifications requests dated 9th December 2019 and 14th January 2020, as follows:

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