

Safety and Loss Management System (SLMS) Self-Assessment and Declaration Form

This form is intended to assist the AER in evaluating whether licensees have implemented pipeline safety and loss management systems (SLMSs) and to assist licensees to improve pipeline management and reduce pipeline incidents.

Please provide frank explanations to each question. If gaps are identified, the licensee is expected to provide details on how they are going to be addressed, with clear timelines.

Please submit a completed form to the AER, signed by a senior officer who has authority over the company's operational area, including human and financial resources for operations.

The AER may conduct a more detailed review of a licensee's SLMS after reviewing the information submitted by the licensee.

Pipeline licensees in Alberta are required to have an SLMS for their pipelines under section 9 of the *Pipeline Rules* and clause 3 of *CSA Z662: Oil and Gas Pipeline Systems*; as such, the AER has the authority to conduct a more detailed review of a licensee's SLMS. Licensees selected for further review will be contacted.

For guidance on completing this form, refer to clause 3, annex A, and annex N of *CSA Z662*.

The self-assessment responses are to be selected from the responses described below.

1. **Yes, meets.** The licensee can effectively demonstrate that it meets the stated requirement. The licensee continuously improves existing processes and identifies new processes.
2. **Yes, for the most part meets.** A nominal amount of additional work is required to achieve a fully working system.
3. **No, gaps recognized.** The program is in the initial planning stage, with some steps taken to start developing processes.
4. **No, does not meet.** There are no processes or current plans to develop processes that satisfy the stated outcome.

Administrative Data	
Business associate (BA) code:	Business name:
Business address:	
Contact name (person completing the self-assessment):	
Contact phone:	
Contact email:	

General Information
List all other BA codes associated with this safety and loss management system (SLMS):
Have any of your SLMSs undergone an audit or assessment under another jurisdiction within the last two years (e.g., National Energy Board, British Columbia Oil and Gas Commission)? <input type="checkbox"/> Yes <input type="checkbox"/> No
If the company has undergone such an audit or assessment, the AER is unlikely to choose the licensee for a follow-up on the self-assessment, unless there are indications of an ineffective SLMS.
If yes, list the other jurisdictions:

SLMS Self-Assessment
<p>1) Can you demonstrate that you have assessed the needs for resources (human, technical, and financial) and applied the resources to support full life-cycle pipeline-related activities?</p> <p>For a “Yes, meets” response, provide a short narrative with examples demonstrating how the items are effectively met.</p> <p>For any response other than “Yes, meets” in the SLMS self-assessment, include details on the licensee’s commitment to addressing identified gaps, complete with timeframes. The licensee’s progress in meeting these commitments may be monitored and reviewed by the AER.</p>
<p>Under CSA Z662, clause 3, “Safety and loss management systems,” each licensee must have “an organizational structure with well-defined responsibilities and authorities that support the effective implementation of the safety and loss management system.” In addition, the licensee must have a process for the management of the resources (human, technological, and financial) required to support the safe operation of pipelines.</p> <p>As indicated in clause 3, examples of meeting the requirement may include highlights of the organizational structure and authorities to support the SLMS, as well as the establishment of competency requirements, training programs, and standards for resourcing third-party expertise. In addition to demonstrating that the programs have been developed, the AER expects the licensee to show that the programs have been implemented. The licensee must be able to demonstrate that pipelines are being managed through their full life cycle, regardless of ownership changes (e.g., discontinuation and abandonment may be outstanding activities requiring additional resources that came with pipeline acquisitions).</p>
<p>Explain your response (attach additional sheets as necessary):</p>

2) Can you demonstrate that foreseeable pipeline threats are identified, related engineering assessments are documented by competent and responsible individuals, and that risk mitigation has been applied?

For a “Yes, meets” response, provide a short narrative with examples demonstrating how the items are effectively met.

For any response other than “Yes, meets” in the SLMS self-assessment, include details on the licensee’s commitment to addressing identified gaps, complete with timeframes. The licensee’s progress in meeting these commitments may be monitored and reviewed by the AER.

In order to answer affirmatively, risk management for the licensee’s organization needs to be clearly defined, related engineering assessments must be signed by competent persons, and programs must be in place to mitigate risks to acceptable levels. Examples of how risk management has been implemented must be provided.

The pipeline risk management typically includes the following:

- Risk acceptance criteria
- Risk assessment/hazard identification
- Risk mitigation controls
- Control monitoring to ensure effectiveness
- Regular reviews of the risk management cycle
- Documentation of hazard assessment activities

All engineering assessments must be documented and retained for the life of the pipeline. They must include the following:

- Clearly defined purpose and scope of each engineering assessment
- Conducted analysis
- Supporting documentation
- Conclusions and recommendations

Explain your response (attach additional sheets as necessary):

3) Can you demonstrate that performance is measured for pipeline-related activities?

For a “Yes, meets” response, provide a short narrative with examples demonstrating how the items are effectively met.

For any response other than “Yes, meets” in the SLMS self-assessment, include details on the licensee’s commitment to addressing identified gaps, complete with timeframes. The licensee’s progress in meeting these commitments may be monitored and reviewed by the AER.

The licensee needs to be able to demonstrate performance measurements for the following activities, at a minimum:

- Pipeline integrity management
- Operation and maintenance activities

Your response should indicate if key performance indicators (KPIs) are used as a measure of performance, and if not, why not. Where KPIs are used, indicate the top KPIs used and how they are used.

Measured execution of programs needs to demonstrate a high percentage of completed activities versus planned activities. Licensees must determine what activities are necessary and effective for safe operation.

Explain your response (attach additional sheets as necessary):

4) Can you demonstrate that root cause analyses related to pipeline incidents, including near misses, are conducted and that new knowledge is incorporated into related processes?

For a “Yes, meets” response, provide a short narrative with examples demonstrating how the items are effectively met.

For any response other than “Yes, meets” in the SLMS self-assessment, include details on the licensee’s commitment to addressing identified gaps, complete with timeframes. The licensee’s progress in meeting these commitments may be monitored and reviewed by the AER.

The following would indicate proper use of root cause analyses:

- Effort to incorporate new knowledge and eliminate or reduce threats, incidents, and near misses (continuous improvement)
- Support of pipeline-related management decisions by performance data
- Communication of the performance analysis results to the rest of the organization

Explain your response (attach additional sheets as necessary):

Pipeline Safety and Loss Management Systems Declaration

This declaration accurately reflects the licensee's current situation.

I, _____, _____, on behalf of _____ (the "Licensee"), declare the following:

- 1) I am a senior officer of the licensee with responsibility that includes all of the licensee's Alberta pipelines and with the authority to direct resources.
- 2) I directly or through those I supervise have a competent understanding of the *Pipeline Act*, the *Pipeline Rules*, related directives, and *CSA Z662: Oil and Gas Pipeline Systems* safety and loss management system requirements.
- 3) I take responsibility for ensuring compliance with the requirements contained in the documents referenced in item 2 above, and I recognize the authority of the Alberta Energy Regulator to make such requirements and ensure compliance with them.
- 4) I certify that I understand the questions and statements in the self-assessment form and that the answers I have provided are correct and complete.
- 5) I commit that appropriate resourcing will be provided to execute and measure progress on any commitments noted in response to the self-assessment or to subsequent communications with the AER on matters noted in the SLMS self-assessment form.

Signature:

Print Name:

Date: