PEOPLE I PROPERTY I REPUTATION

High Octane Safety

Safety of Customers and Associates
Security
Protecting our Environment

FMI™
THE VOICE OF FOOD RETAIL

Speakers:

John Slager, Kroger Company

20+ years in Risk Management, Safety, Retail

Jim Cosseboom, Ahold USA

Manager, Investigations – Asset Protection Department

Libby Christman, Ahold USA

Vice President, Risk Management

25 years in Insurance, Claims, Risk Management

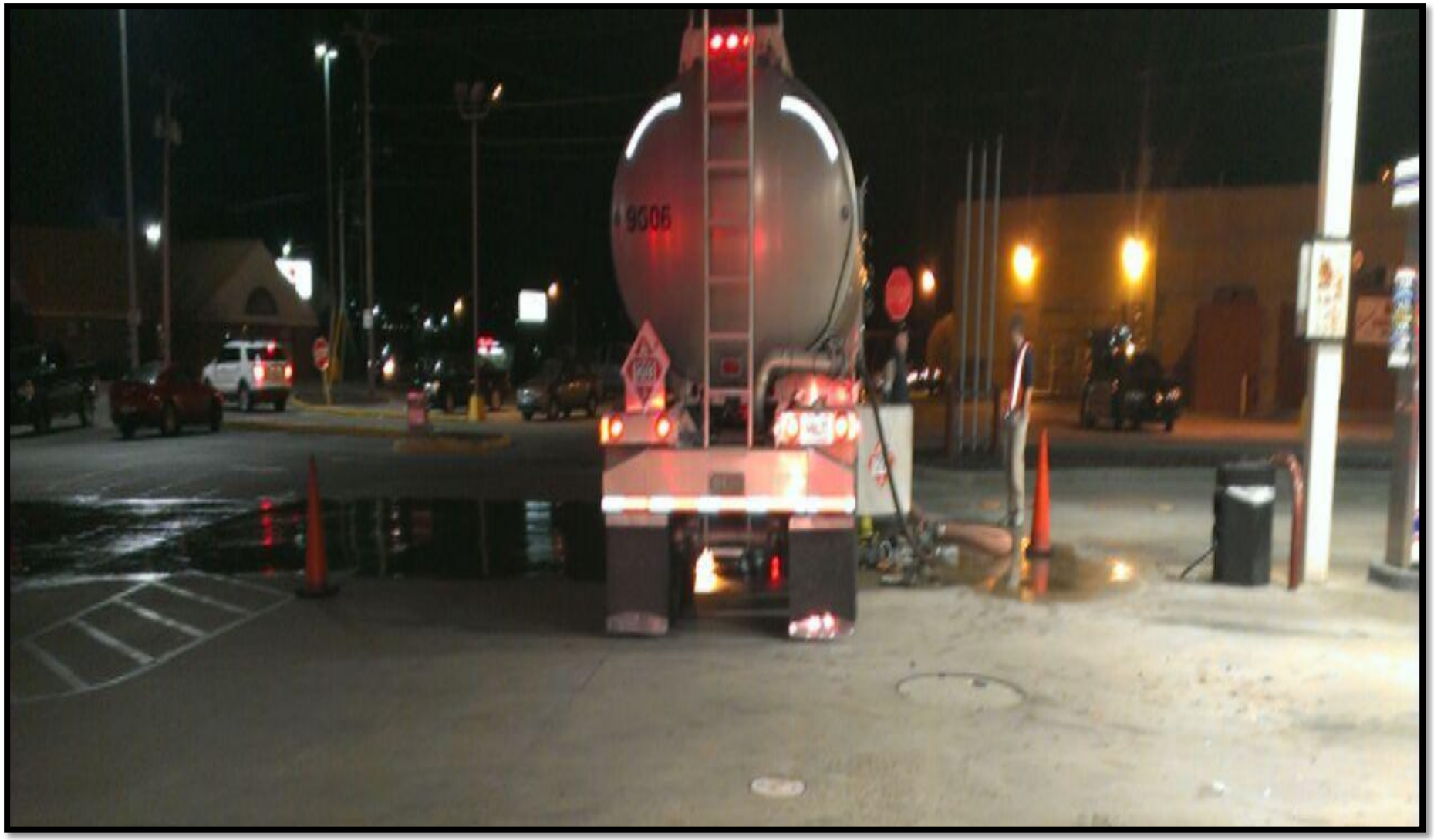
Safety **def:**

is

Leadership

Store 345 - Somerset Kentucky

Fuel Spill Incident - Date/Time: 12/3/2013 5:57p.m. E.S.T.

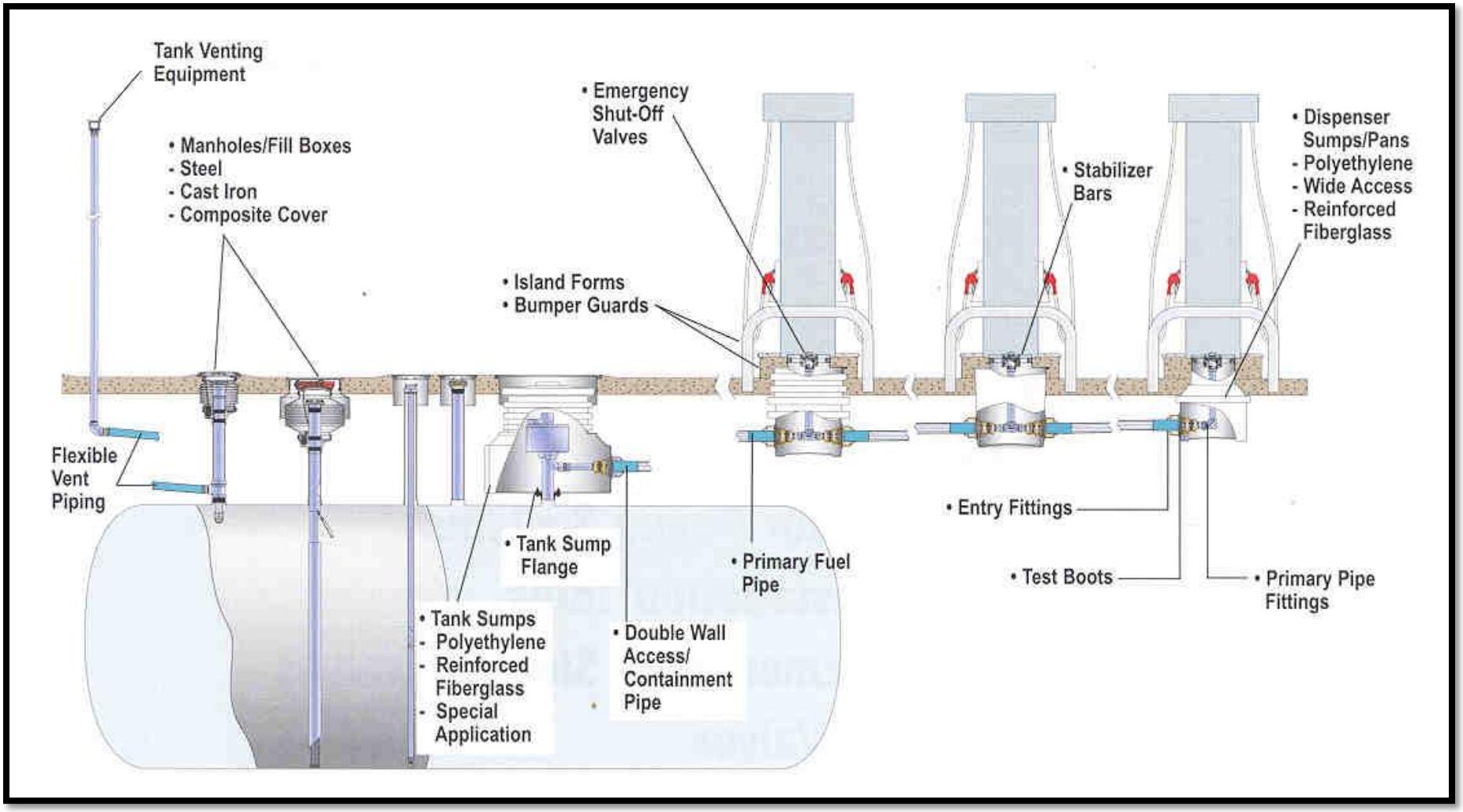


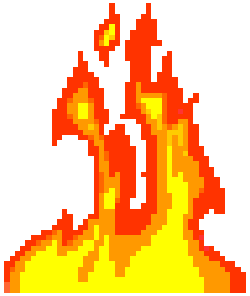
Storm Drain Involvement – 150 gallons

Safety and Controls

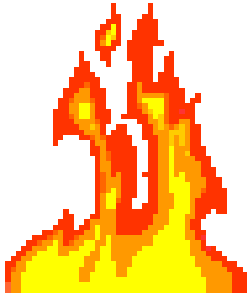
- Fire / Explosion
- Flash Point
- Electrical Hazards
- Emergency
- Inspections
- Safety Requirements

Dispenser System Layout





Flash Point



- ***The lowest temperature at which a liquid will give off sufficient vapor to ignite on application of an ignition source***

- ***Refers to both flammable liquids and combustible liquids***

SDS - Gasoline

5. FIRE FIGHTING MEASURES

FLAMMABLE PROPERTIES:

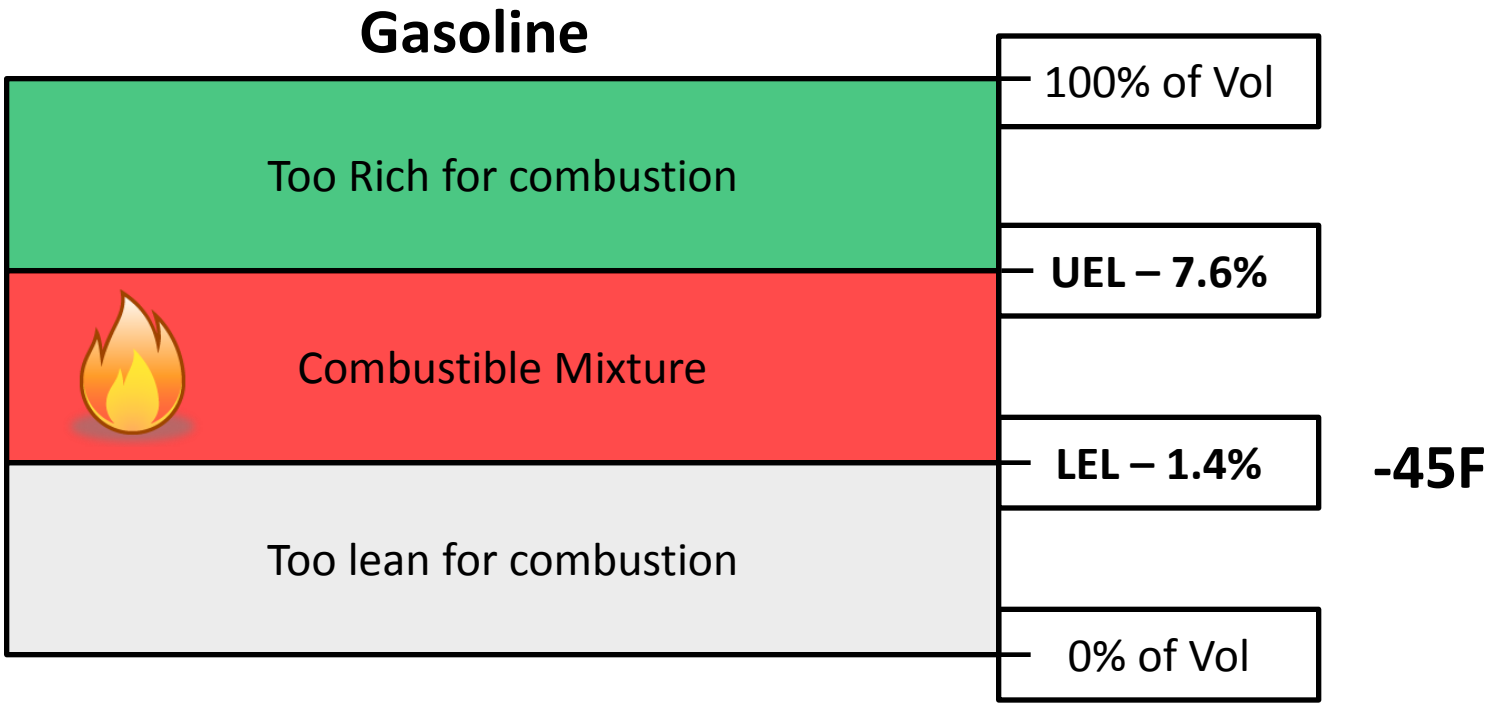
FLASH POINT:	-45 °F (-43°C)
AUTOIGNITION TEMPERATURE:	highly variable; > 530 °F (>280 °C)
OSHA/NFPA FLAMMABILITY CLASS:	1A (flammable liquid)
LOWER EXPLOSIVE LIMIT (%):	1.4%
UPPER EXPLOSIVE LIMIT (%):	7.6%

SDS – Diesel Fuel

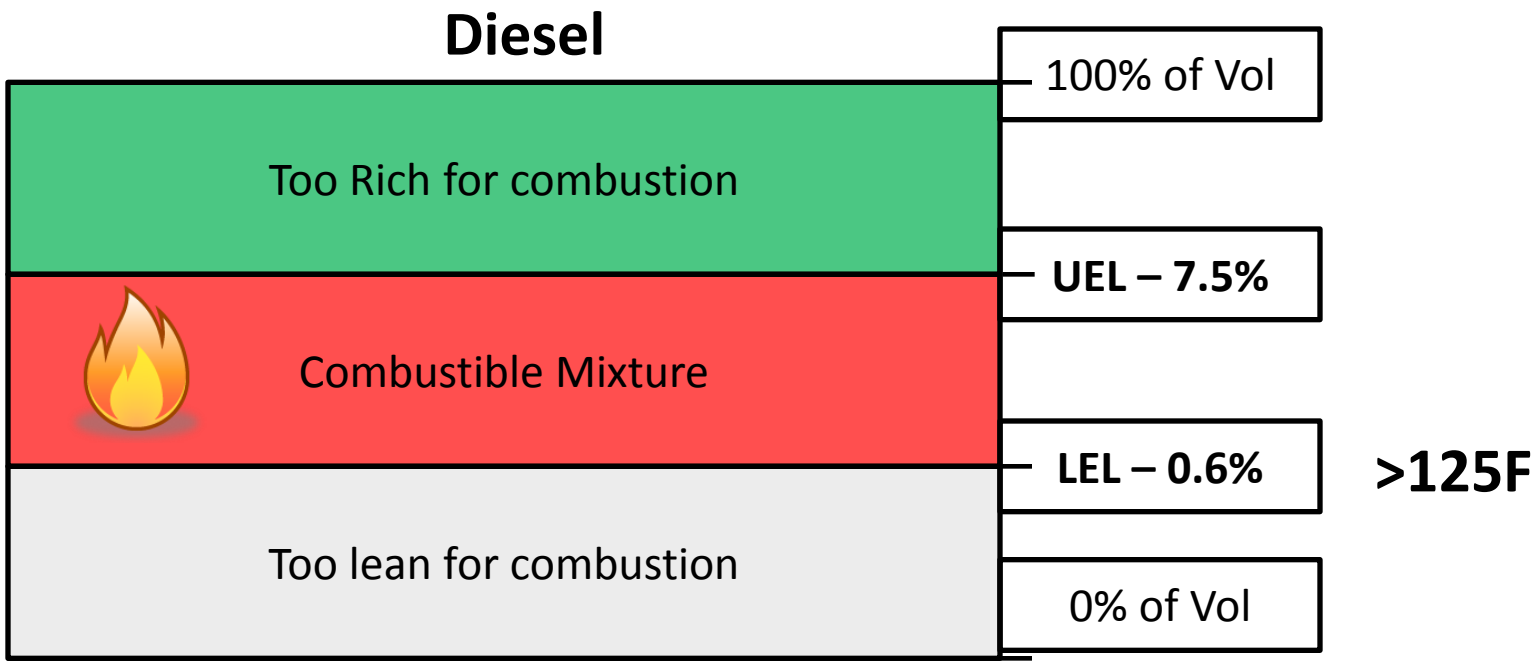
*** * * Section 9 - Physical & Chemical Properties * * ***

Appearance:	Clear, straw-yellow.	**Odor:**	Mild, petroleum distillate odor
Physical State:	Liquid	**pH:**	ND
Vapor Pressure:	0.009 psia @ 70 °F (21 °C)	**Vapor Density:**	>1.0
Boiling Point:	320 to 690 °F (160 to 366 °C)	**Melting Point:**	ND
Solubility (H2O):	Negligible	**Specific Gravity:**	0.83-0.876 @ 60°F (16°C)
Evaporation Rate:	Slow; varies with conditions	**VOC:**	ND
Percent Volatile:	100%	**Octanol/H2O Coeff.:**	ND
Flash Point:	>125 °F (>52 °C) minimum	**Flash Point Method:**	PMCC
Upper Flammability Limit (UFL):	7.5	**Lower Flammability Limit (LFL):**	0.6
Burning Rate:	ND	**Auto Ignition:**	494°F (257°C)

Explosion or Fire requires:
Fuel, Oxygen, Ignition



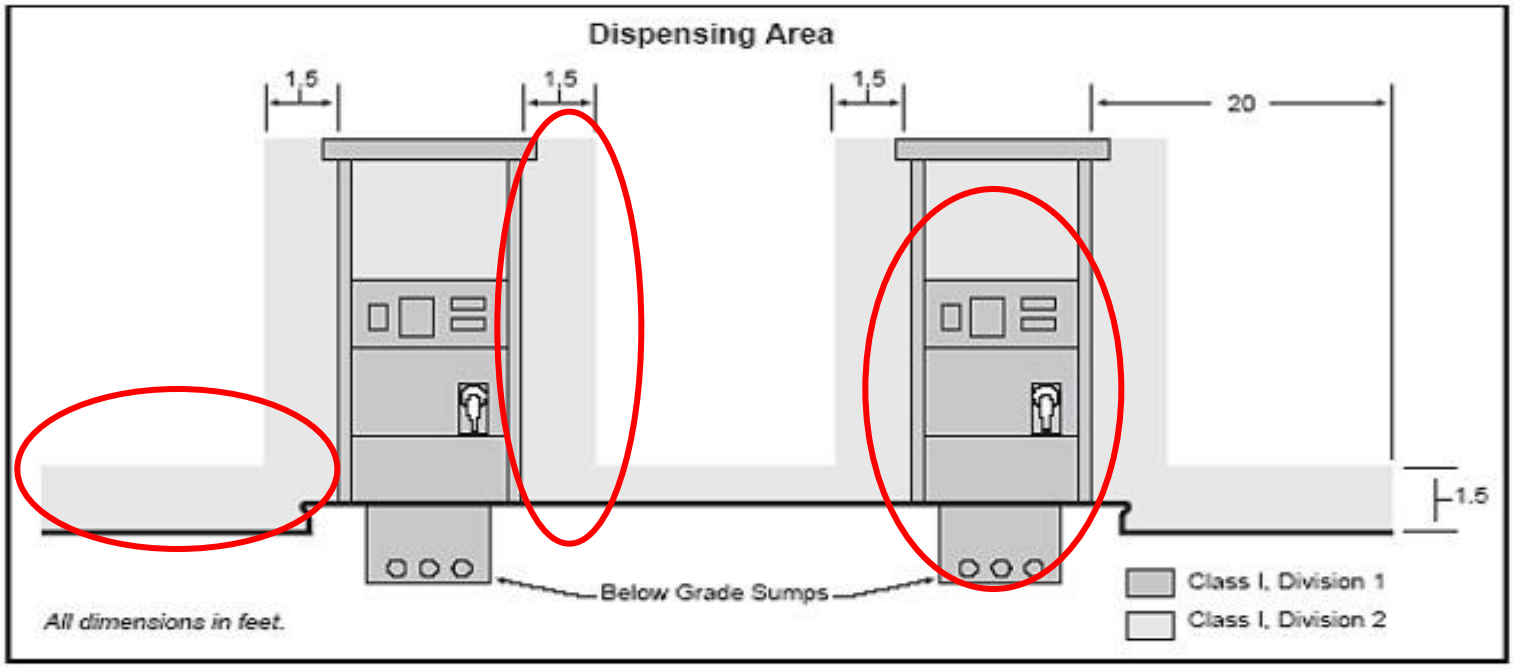
Explosion or Fire requires:
Fuel, Oxygen, Ignition



Fire / Explosion

Area

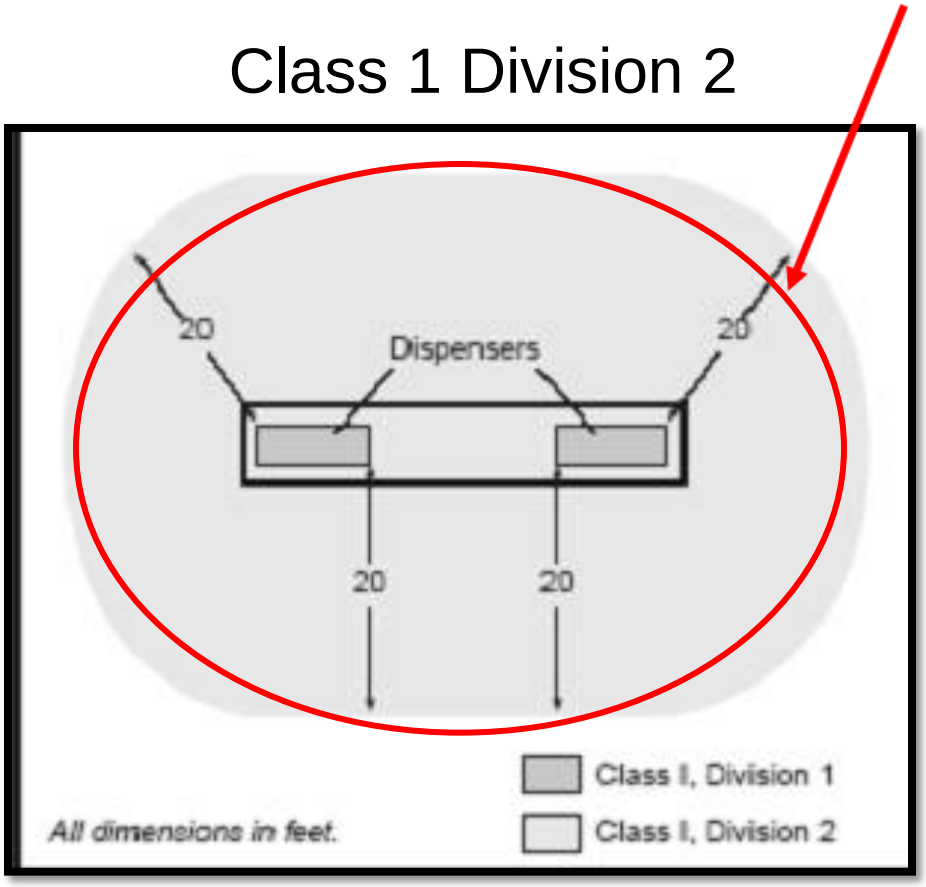
Class 1 Division 2 Class 1 Division 1



Fire / Explosion

Area

Class 1 Division 2



In the Event of a Spill or Fire

- **Switch off** the gas pumps immediately call 911
- Calmly inform the customers to **evacuate the area**
- **Switch off** the main electrical switches
- Follow the instructions of the **Fire department**
- **Do not sell** fuel until the Fire Department has given approval

Emergency Shut-Off

Switches will shut down power to all motor fuel island related equipment and lighting!

Electrical

- **Circuit breakers** should be marked in RED for easy identification.

- **Fuel Panels** should be properly labeled

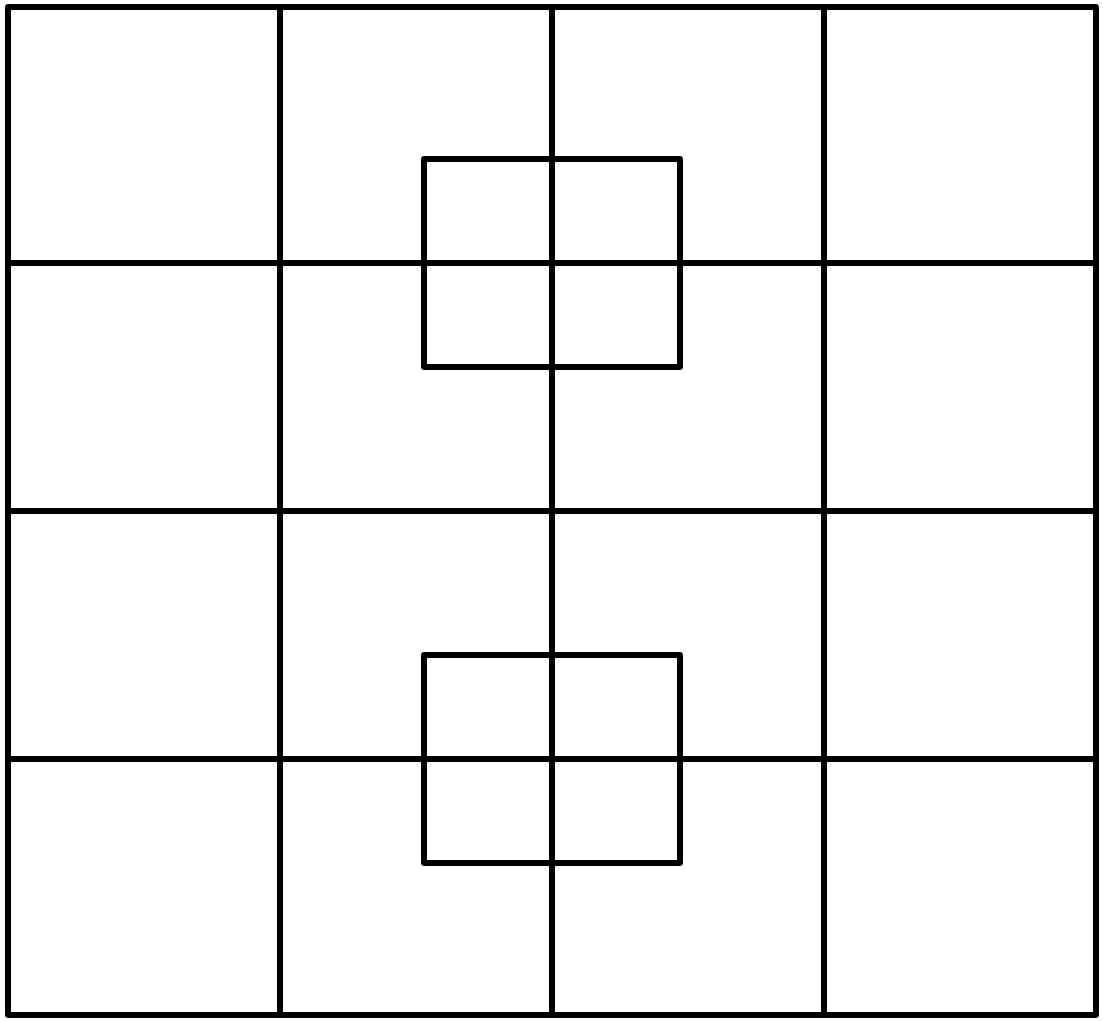
The Daily Inspection

Perception

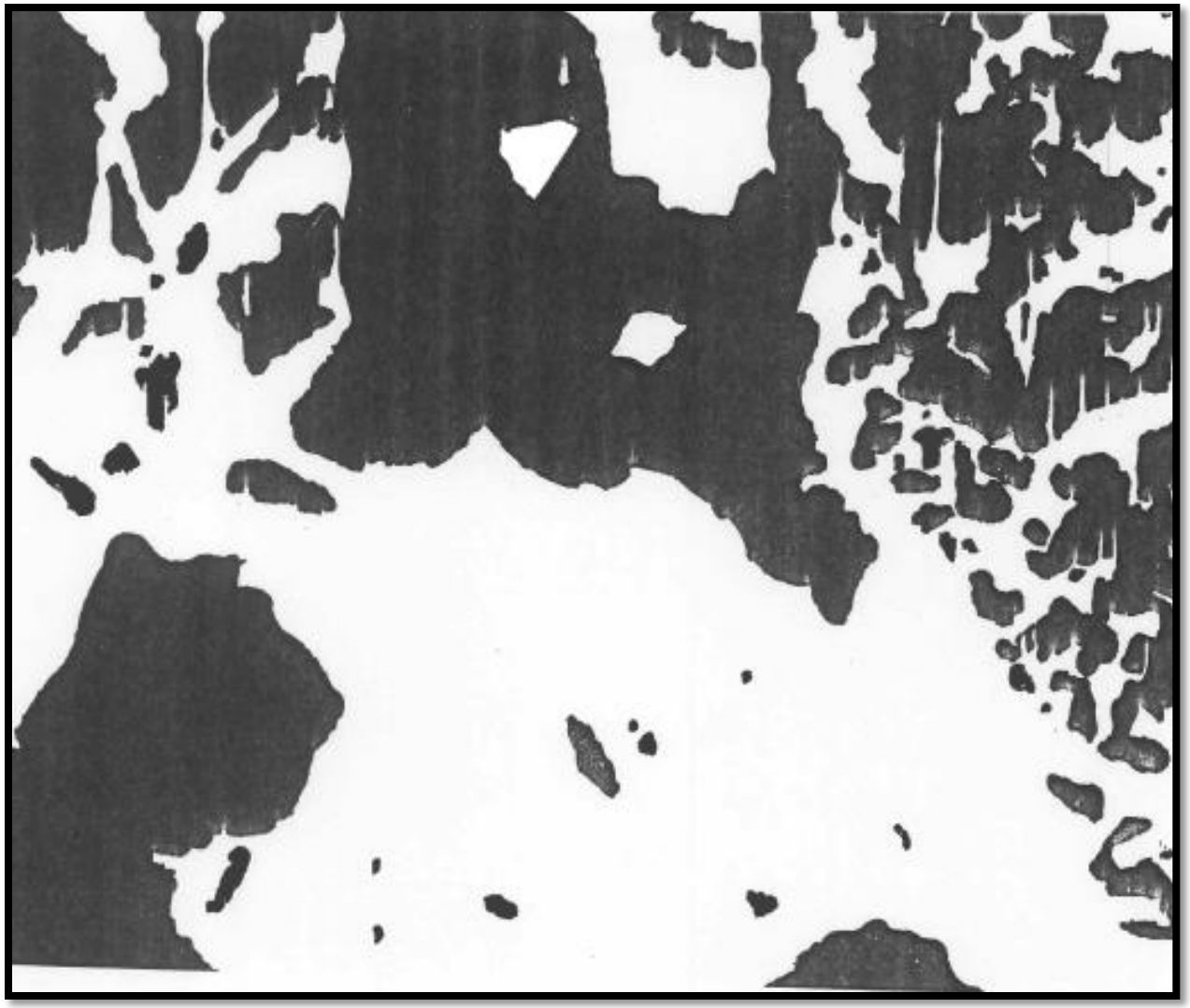
WHAT DO YOU SEE?

PLEASE READ

HOW MANY SQUARES?



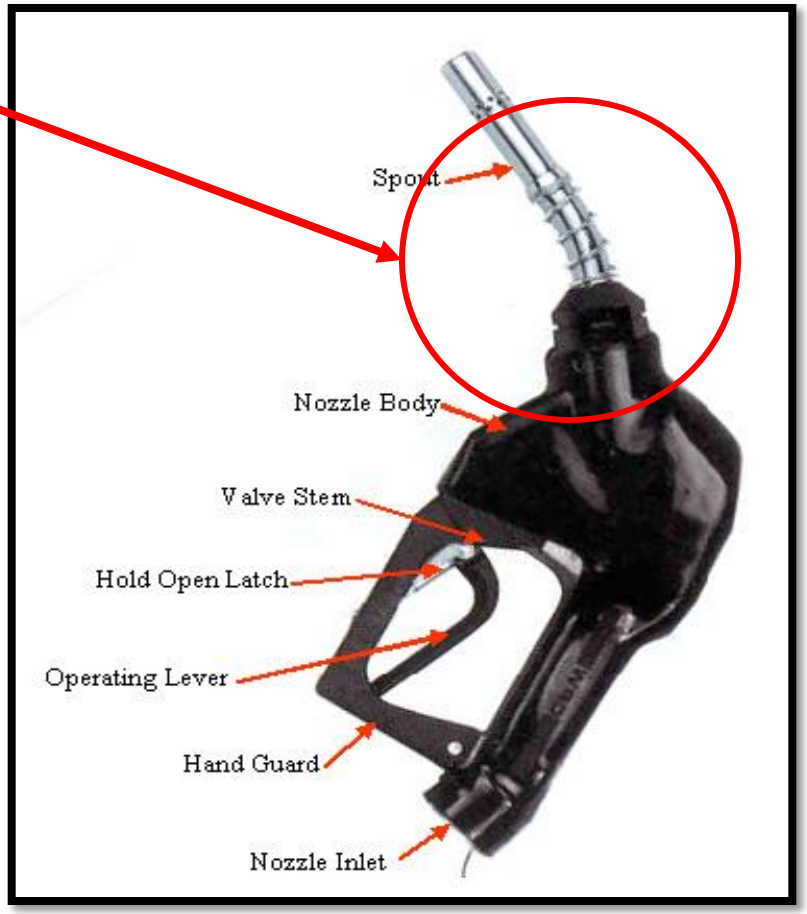
WHAT DO YOU SEE?



It’s about Perception

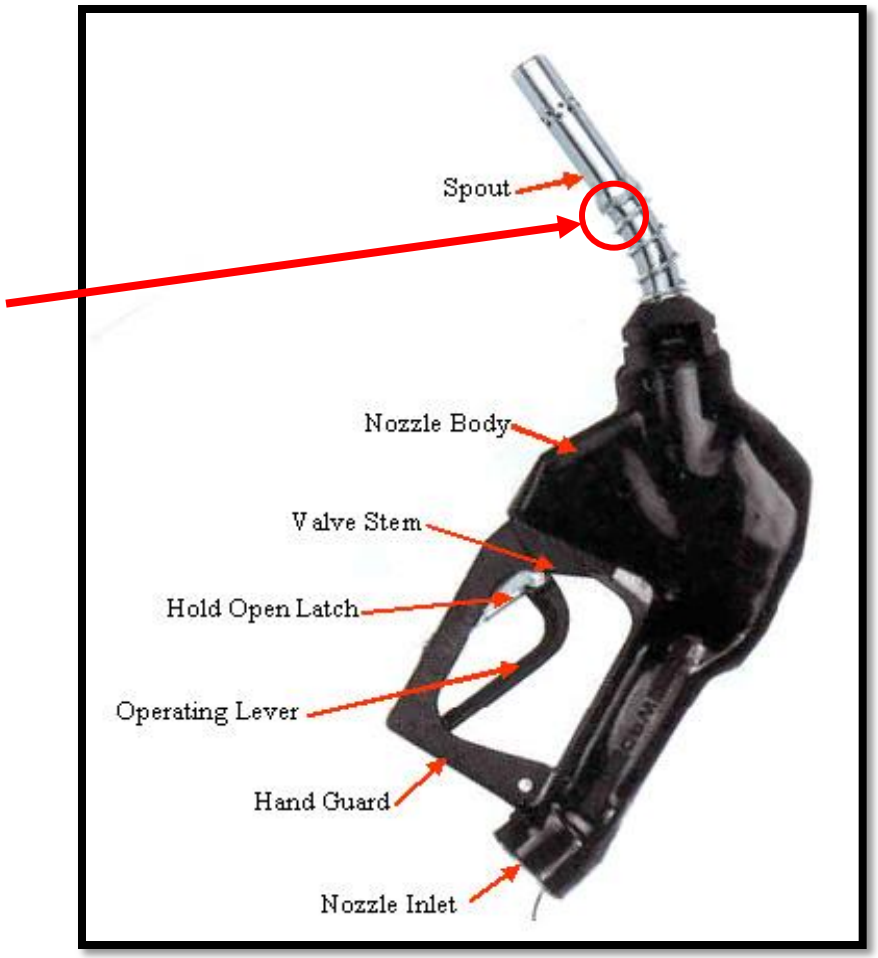
Nozzle and Spout

Tight with no cracks or excessive wear



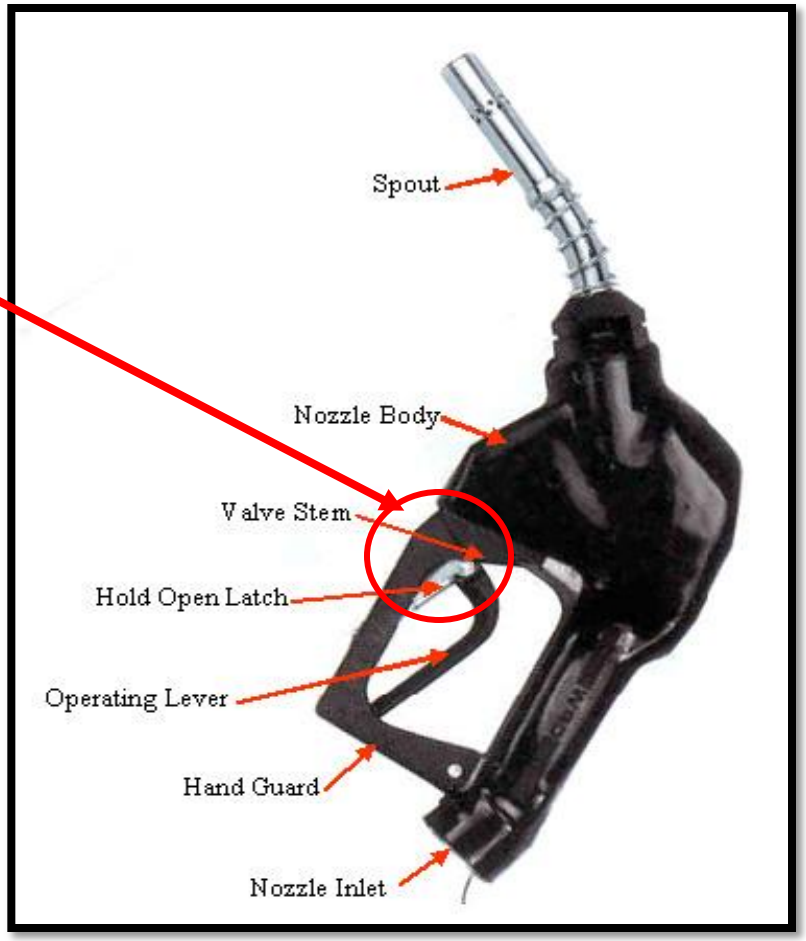
Automatic Shutoff Hole

Open and in good condition



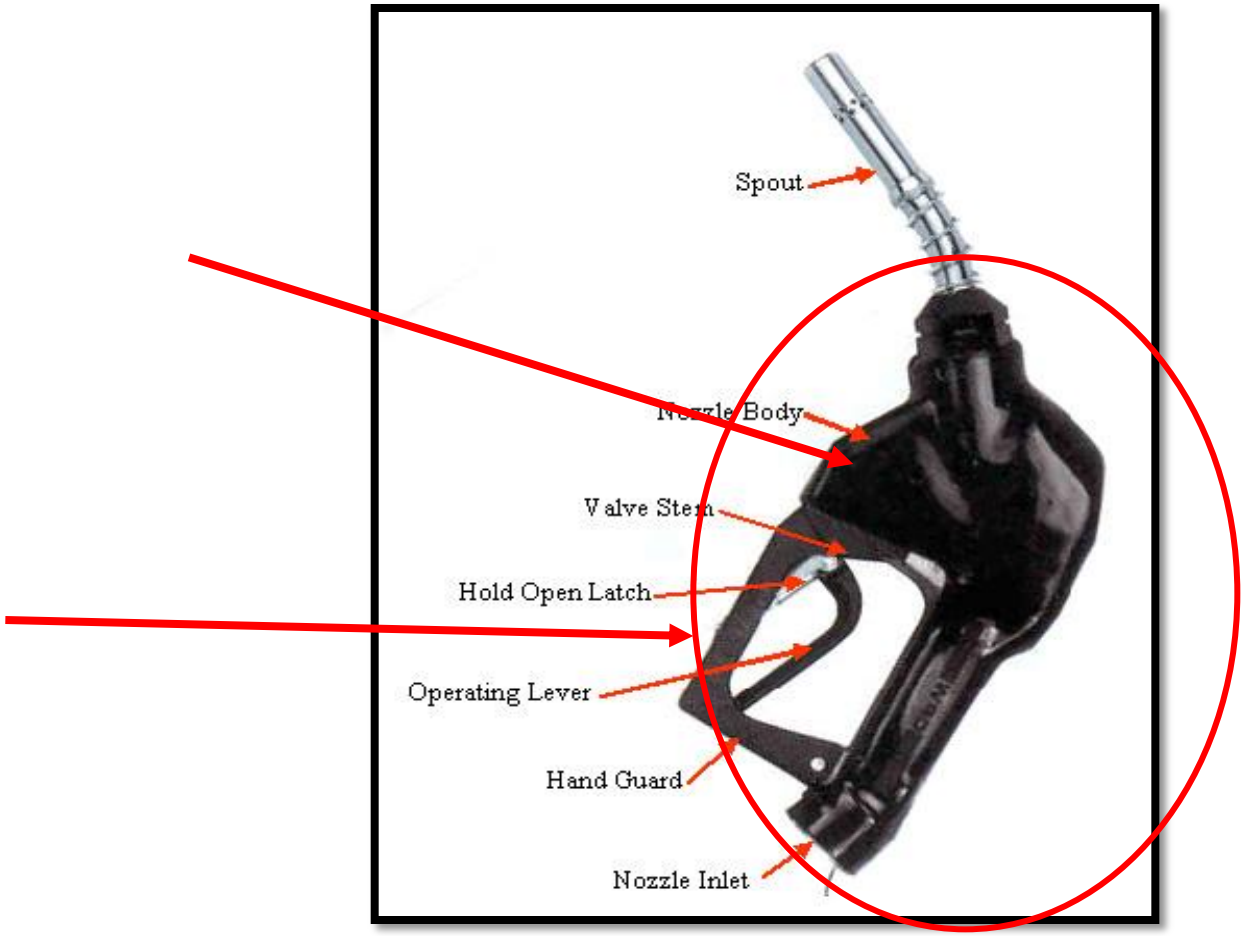
Nozzle Hold-Open Latch

Straight and moves freely,
Return Spring operates properly



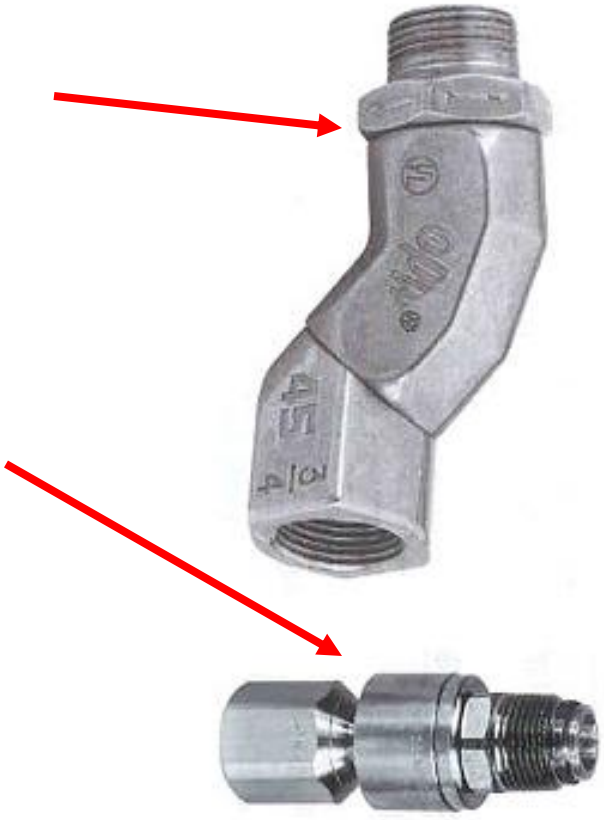
Nozzle Body and Scuff Guard

Clean with warnings easily read,
Valve Stem clean and dry



Swivel Fitting

Clean, Dry and moves freely



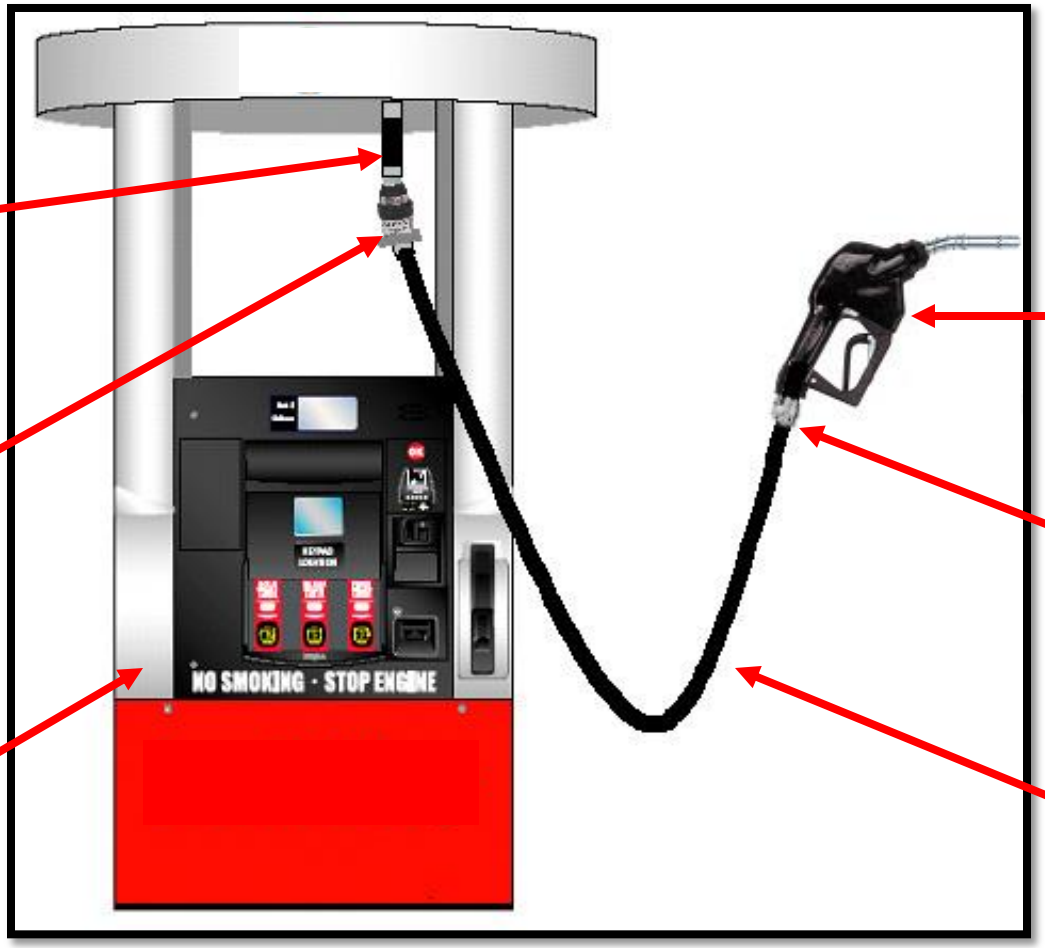
Typical Swivel Types

Nozzle / Hose Connection

Clean and Dry

Hanging Hardware

Components



Whip Hose

Breakaway

Dispenser

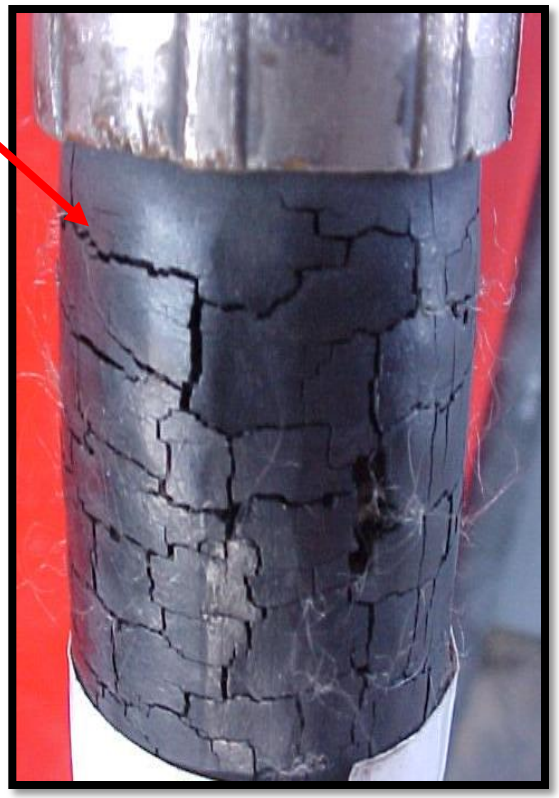
Nozzle

Swivel

Hose

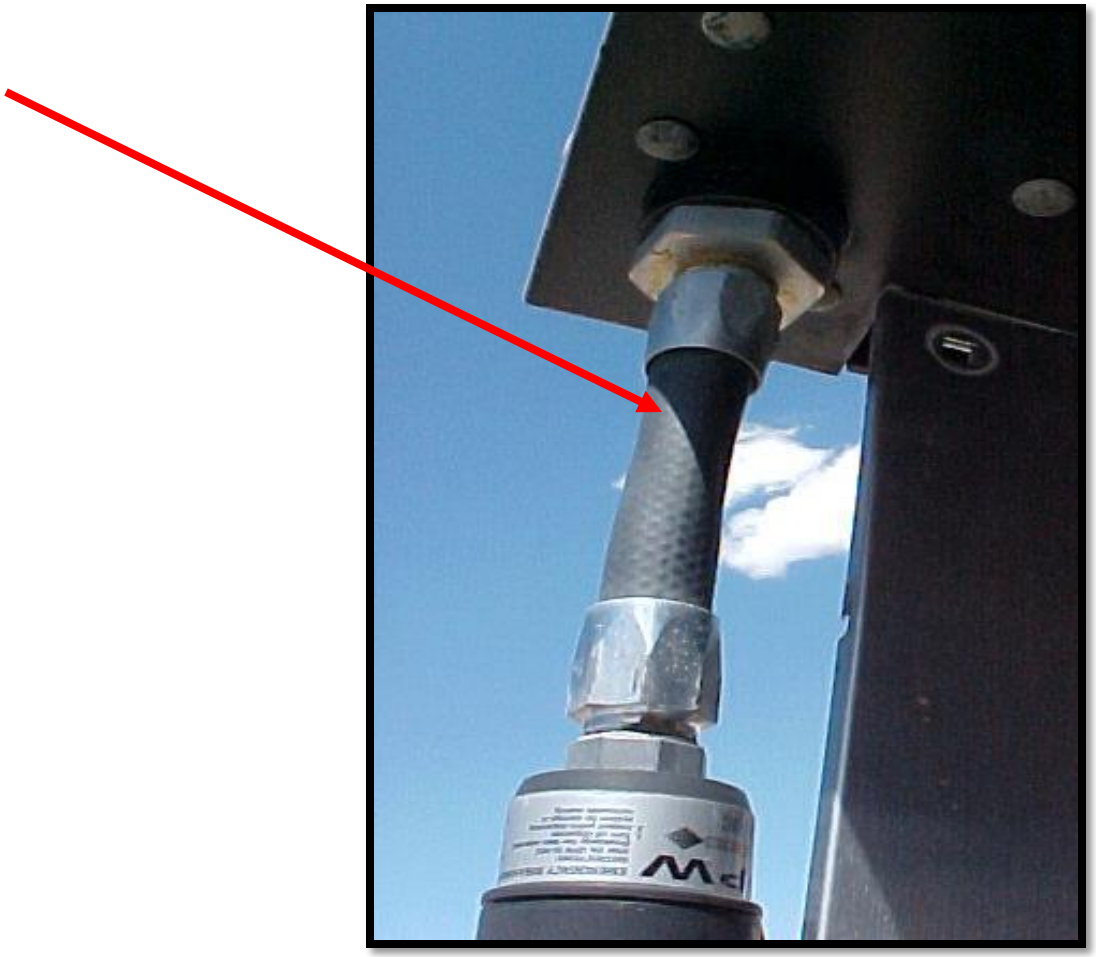
Hose

NO cuts, cracks, bulges, blisters, flat spots, kinks or worn spots



Dispenser / Hose

Connection is Clean and Dry



Breakaway Connection

Clean and Dry

Whip Hose

NO cuts, cracks or blisters

Island or Pavement

Shows no sign or recent spills or leaks

Excessive Staining

Fueling Defects

Remove from Service!

Remove any fueling position from service until it can be repaired

“Out Of Service” bag.

Pump Signage

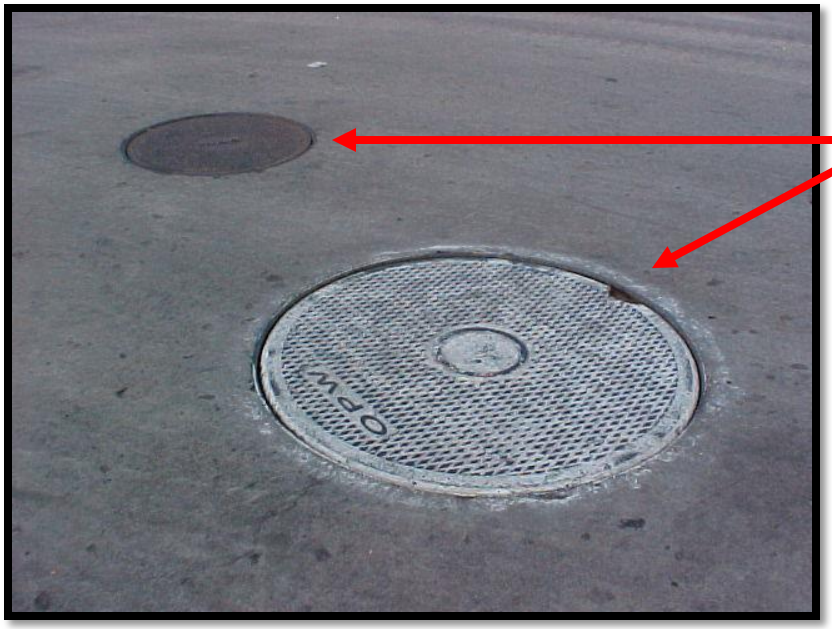
Correct and in Good condition

Missing Decals

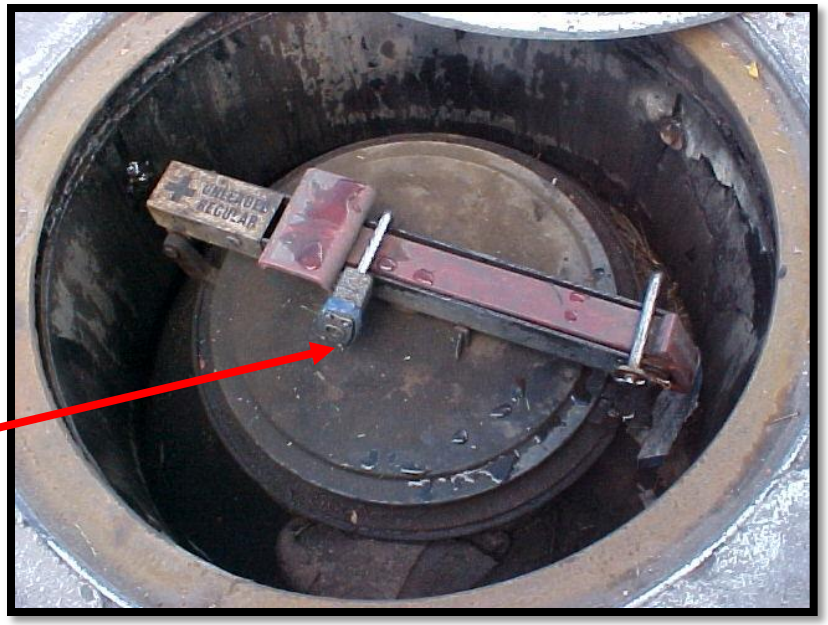
Torn, weathered or out-of date decals

Access Lids

in good shape and properly sealed



Access lids lying flat, not bent, securely seated and properly painted.



Locked!

The Silver Bullet

Housekeeping

Sort	**Only tools and materials necessary to do the job are on hand**
Straighten	**A place for everything and everything in it's place**
Shine	**Work areas are cleaned on a regular basis and controls are legible and in good condition**
Standardize	**Organization readily visible**
Sustain	**Maintain the above daily**

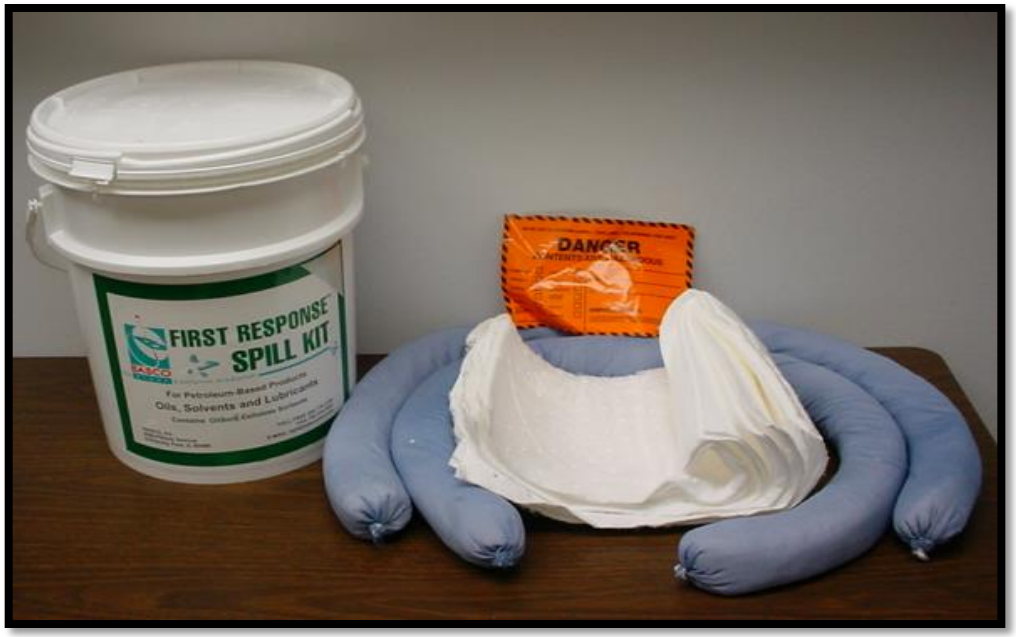
Pump and Island Cleaning

Spills and FM-186

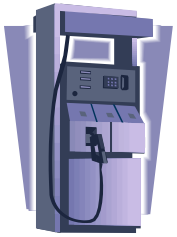
- Spray FM 186 on the spill
- Mix with a brush
- Wipe up
- Dispose of in the trash!
- Safer - No Drum
- Less Expensive
- Environmentally Correct

Traditional Spill Clean-Up Kits

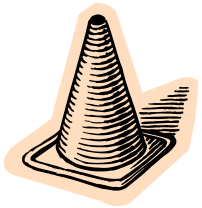
- Absorbent Pads, Socks, Booms
- Fuel-resistant gloves
- Fuel-resistant plastic bags
- Hazardous material stickers
- Traffic Cones
- Caution Tape
- A broom and shovel
- Waste Collection Bucket



General Safety Requirements



- Dispensing Fuel
- Dumpster
- Parking Lot
- Lockout / Tagout
- Associate / Customer



Customer Safety

Pedestrian Traffic

Fuel Station
General Safety Requirements

Parking Lot Inspections: Employees are required to keep the fueling area and parking lot clean and free of debris and fuel spills.
Please Note: If a fuel spill is more than 2 gallons you must call the fire department (911). **Associates will wear a Safety Vest any time they are in the parking lot and have the safety cone in the immediate area when working.**

a) Immediately sweep up broken glass around the pumps and parking lot.
b) Attend to spills as soon as possible to prevent slip and fall injuries.
c) Put on goggles and use FM186-2 Fuel spill clean-up kit for fuel and oil spills.
d) Cell phones and music playing devices are expressly prohibited while working in the parking lot.
e) During bad weather, monitor the walkway areas. Apply ice melt and/or shovel snow as needed.
f) Report damaged/defective conditions such as potholes/broken concrete in the parking lot to avoid customer/associate injuries.

Dumpster Safety:

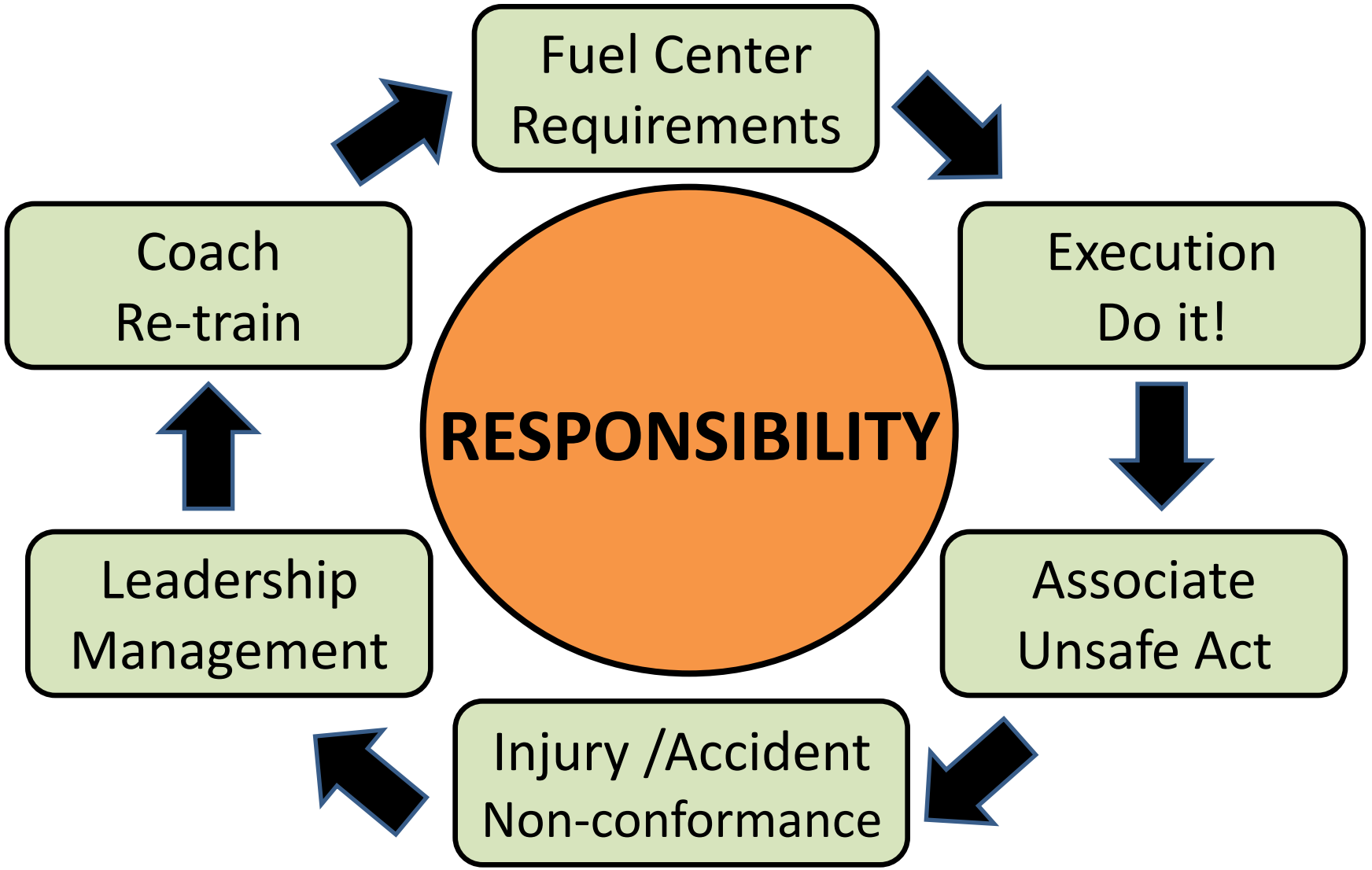
a) Properly secure trash bags before placing in the dumpster.
b) Keep hands away from the inside of the bag to avoid being cut by a foreign object.
c) Stand on approved step stool to throw the bag into the dumpster if the height of the dumpster is such that the bag cannot be thrown in without causing injury.

Dispensing Fuel Safety: It is the responsibility of ALL fuel employees to observe that customers are safely and properly dispensing fuel. If a customer fails to follow safety procedures an accident can occur.
not sell fuel when a customer:

a) Is smoking while dispensing fuel or when any other customer is smoking in the area where fuel is being dispensed. There is to be no smoking within 25 feet of the fuel dispensers.
b) Does not shut off the vehicle engine prior to fueling.
c) Is dispensing fuel into an unapproved container such as an empty milk jug, glass jars, plastic jugs, etc.
d) Is letting young children operate the pumps.

Hazardous Materials: The Fuel Center uses materials that have been designated as hazardous. These materials require special handling. **Precautions to take when handling hazardous materials:**

a) Read the labels to familiarize yourself with the product and any precautions you should take.
b) Use caution when opening cases so containers are not damaged.
c) If you smell a strong odor that you suspect to be a hazardous material, vent the area immediately.
d) Wear gloves when handling products that contain hazardous materials.
e) If you spill hazardous materials on your skin, wash the area immediately.
f) Never mix products containing hazardous materials, and always make sure caps are firmly sealed when handling.
g) Wash your hands after handling products containing hazardous materials. Do this before eating, smoking, drinking or serving customers.


Fuel Center
Requirements
Execution
Do it!
Associate
Unsafe Act
Injury /Accident
Non-conformance
Leadership
Management
Coach
Re-train
RESPONSIBILITY

Acknowledgement

I _____ acknowledge that I have been trained in and understand the **Fuel Station Safety Requirement.** I further agree that I will follow these policies in my work and that I share in the responsibility for my safety and the safety of all associates and customers. I understand that if I fail to follow the safety requirements I will be subject to disciplinary action up to and including termination.

Date:_____ Signed: _____

Answer These Questions

What are the really important things in your life?

If you suffered a serious injury at work, what would be the impact on the answers to the first question?

As a leader responsible for the safety of others, is there anyone in management or on your team whose answers to the first two questions would be any different than yours?

Some Day!

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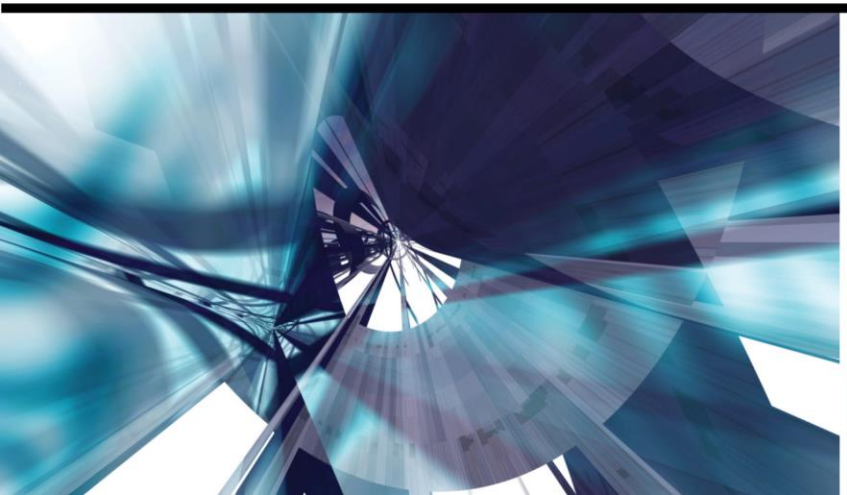
Fuel Station Security



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Robbery Prevention

- Transportation of cash between store and fuel station
- Associate awareness and safety
- Frequent Cash Drops
- Limit funds
- Two-key safe
- Hold-Up Buttons

Burglary Prevention

- Two-key safe
- Glazed windows
- Register drawer open at night
- Display of products
- Alarm response

Drive-offs

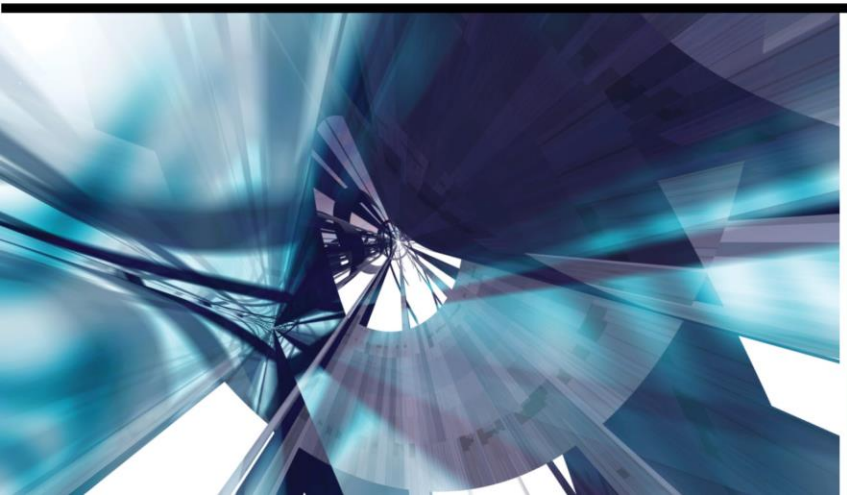
- Preventative measures
- Response

Internal Theft

- Cash Theft
- Sweethearting
- Product transfers

PEOPLE I PROPERTY I REPUTATION

Environmental & Compliance Risks and Claims



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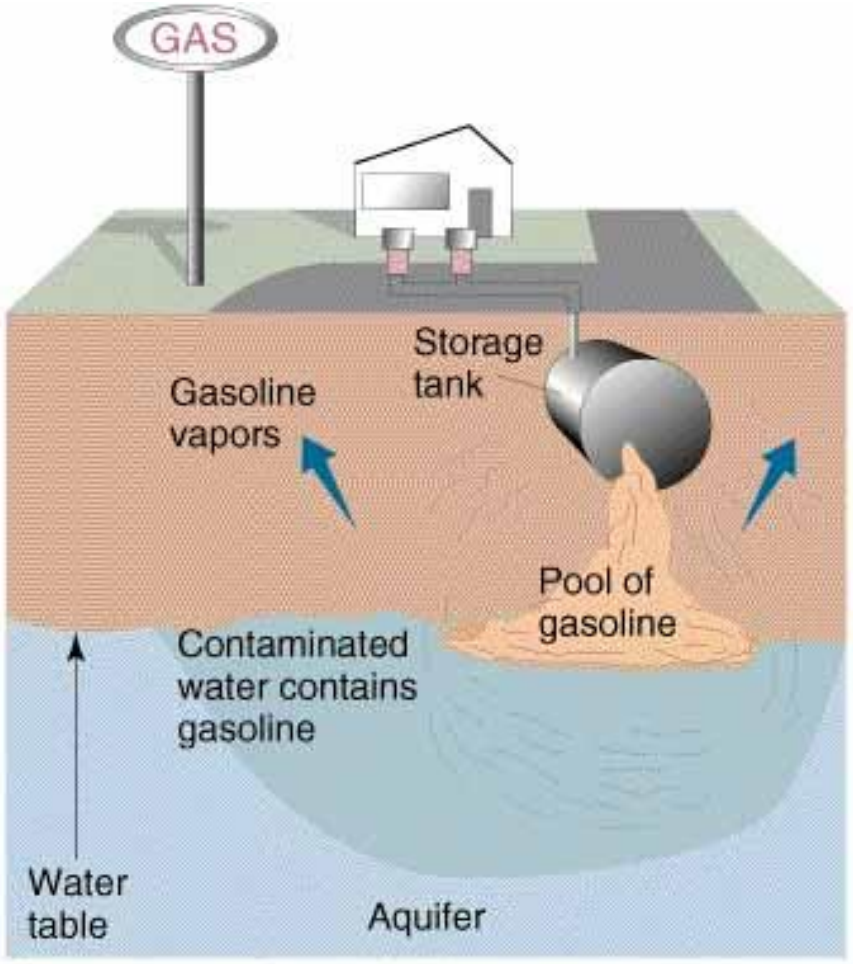
CASE

What's the environmental risk?



(a)

- **Event: underground pipe burst beneath an Exxon gas station, allowing more 26,000 gallons of gasoline to escape impacting private wells**

Result: Exxon Mobil Corp. has been ordered to pay more than **$1.5 billion** in damages to **160 families and businesses affected by a 2006 gasoline leak** in Maryland. Jurors awarded more than $1 billion in punitive damages, after earlier awarding $495 million in compensatory damages.

- **Event**: **Fuel pump hit by car – associates do not know how to shut off pumps**

Result: Thousands of gallons of fuel ran downhill in to town resulting in underground explosions caused **manhole covers to blow off, damaged streets, blew out windows and caused residents to be evacuated, fuel going in to Hudson River.** Cumberland Farms responsible for infrastructure repair, remediation costing millions

- **Event: Faulty Pump at Royal Farms results in thousands of gallons leaking in to soil / groundwater**

Result: $5M in damages and litigation over insurance policy coverage, payment of $2.7M to one family impacted by direct contamination, payment of $600K to state of MD in fines, submit to state audits

- **Event: Leaking gas from fuel station UST enters ground water**

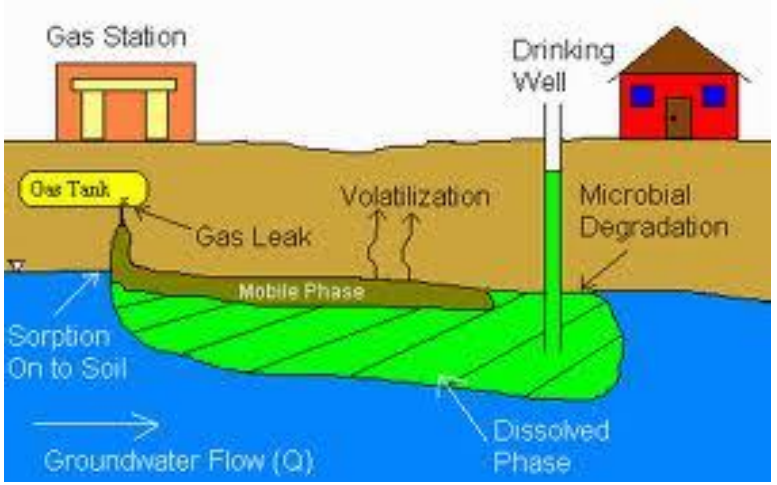
Result: Residents evacuated for days as fumes are detected

What's the Risk? Environmental & Pollution Liability

- The majority of **underground storage tanks** (UST) contain petroleum products such as gasoline, diesel, heating oil, kerosene, and jet fuel. Many other substances classified by law as hazardous are also stored in underground storage tanks.
- When those underground storage tanks leak, they contaminate the soil and groundwater. The contamination plume can sometimes be very large and contaminate groundwater and property that may be far away from the underground tank.
- Most **leaking underground storage tanks – LUST** contain gasoline. The hazards of gasoline are mainly attributable to the BTEX compounds — benzene, toluene, ethylbenzene, and xylenes. Exposure to these compounds can cause many serious health problems, including an increased risk of cancer, and can lead to liver, kidney, and central nervous system damage.

What's the Risk? Environmental & Pollution Liability

How Do Underground Storage Tanks Affect Groundwater?



- Leaking underground storage tank systems pose a significant threat to groundwater quality in the United States.
- Groundwater supplies drinking water to approximately **50 percent** of the nation's overall population and **99 percent** of the population in rural areas.

Fuel Environmental Management

- **Primary resources:**
  - Associates (store level & fuel department)
  - Service providers
  - Automatic tank gauge (ATG)
  - Equipment selection, installation and maintenance

- **Consistency and diligence**
  - Recognize what could go wrong
  - Prevent the “wrong” from happening through contingency planning

Fuel Regulatory Compliance

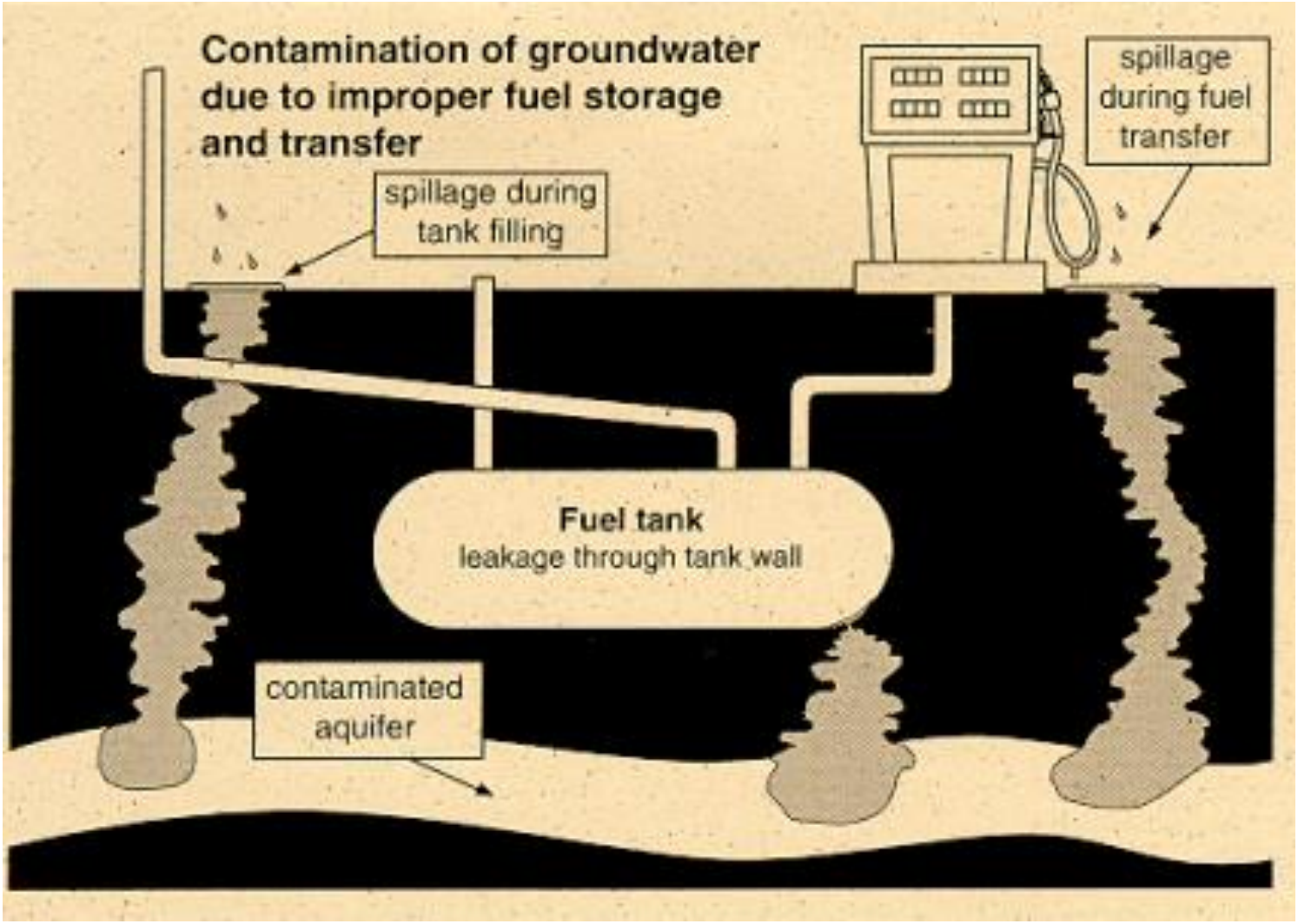
Understand and comply with Federal and State fuel station operation programs:

- Operational standards
- Equipment maintenance & testing
- Large emphasis on underground storage tanks (UST), lines, spill buckets, hazardous waste management and inventory reconciliation
- Associate Training
- Licensing, financial responsibility, standard forms and paperwork

Environmental Requirements

- Pollution Liability Insurance Policy
  - Specific scheduling of each Underground Storage Tank
  - Tank Specs – size, contents, installation, tank construction
  - Tank Tightness Tests
  - Monitoring Systems
  - Claims / Event reporting
  - Lag time for claims – Claims made
  - Remediation

Spill Risks


Contamination of groundwater due to improper fuel storage and transfer
spillage during tank filling
spillage during fuel transfer
Fuel tank
leakage through tank wall
contaminated aquifer

Underground Storage Tanks (UST) & Spill Protection

Double-Wall Fiberglass Tanks: The inner and outer walls and specifically designed ribs of CSI's double-wall fiberglass tanks act together to form a structural system that has earned the UL 1316 listing as a true double-wall tank.

Tank Release Detection - Automatic Tank Gauge (ATG) system: This is the certification that states the tank release detection capability of the tank monitoring system.

Piping: Double-wall

Overfill Protection: This component works in conjunction with the delivery tanker and will not allow the underground tank to be filled to more then 90% of the maximum capacity.

Spill Protection: This refers to a small spill that may occur when the delivery tanker driver unhooks his piping from the underground tank fill port. This is a sealed 5 gallon bucket that will catch any residual product.

Gas Dispenser Sump Fire Control: In the event of a fire beneath the gas dispenser, a heat activated fire extinguisher system will activate.

Shear Valve: A shear valve is installed at the base of the dispenser. In the event a gas dispenser is hit by a vehicle and the product lines are disturbed, the shear valve will trip and seal the line. This is a manual valve that will require to be physically reset if tripped.

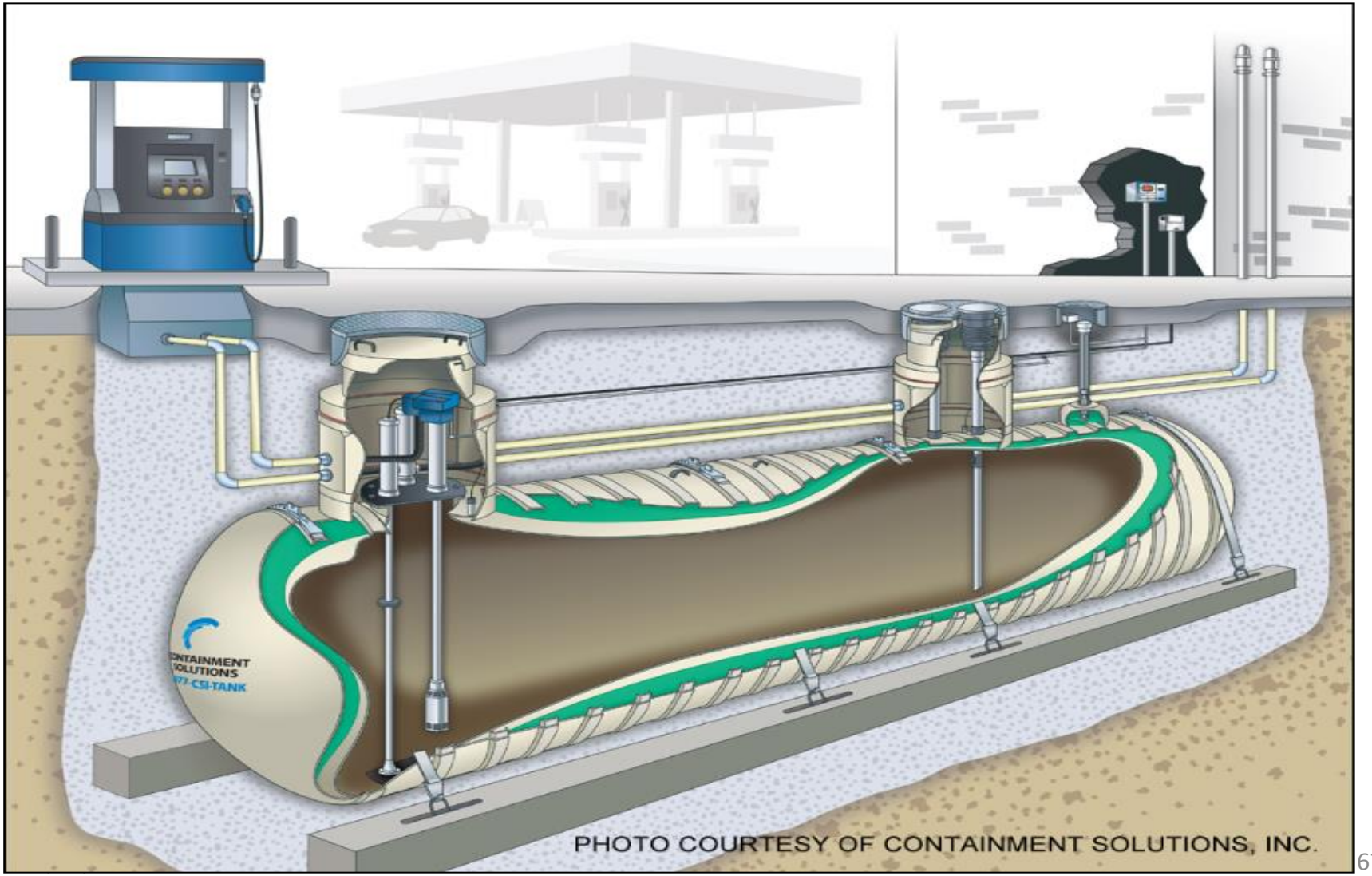
Break-away Valve: A break-away valve is installed at the top of the fuel dispensing hose. In the event that a driver forgets to put the nozzle back in the dispenser after fueling their vehicle and drives away with the nozzle still in the vehicle, this valve will allow for a quick decoupling and seal the fuel dispensing hose. This prevents damage to the gas dispenser and prevents spillage. In the event this occurs, the valve must be replaced.

Dispenser Vehicle Protection: Concrete filled steel bollards as well as mounting of the gas dispenser on a curb are required to limit vehicular impact to the gas dispensers.

On-site Spill Response Kit: An island-mounted spill response kit is provided at each installation. This is stocked with supplies to deal with small spills up to the 25-30 gallon range.

UST Piping System / ATG Relationship

24/7 Continuous Monitoring of all Sites…



ATG Reports

Regulatory Report

August 2013

6112-Carlisle

CVS Tanks

CVS Tank 1	Regular Tank (CVS)	Result	Date/Time
August 2013		Sensor Status OK	Thu 8/22/2013 8:30AM
CVS Tank 2	Super Tank (CVS)	Result	Date/Time
August 2013		Sensor Status OK	Thu 8/22/2013 8:30AM

CVS Lines

CVS Line 1	REG STP SUMP	Result	Date/Time
August 2013		Sensor Status OK	Sun 8/25/2013 21:08PM
CVS Line 2	SUP STP SUMP	Result	Date/Time
August 2013		Sensor Status OK	Sun 8/25/2013 21:08PM
CVS Line 3	DISP 1/2	Result	Date/Time
August 2013		Sensor Status OK	Sun 8/25/2013 21:08PM
CVS Line 4	DISP 3/4	Result	Date/Time
August 2013		Sensor Status OK	Sun 8/25/2013 21:08PM
CVS Line 5	DISP 5/6	Result	Date/Time
August 2013		Sensor Status OK	Sun 8/25/2013 21:08PM
CVS Line 6	DISP 7/8	Result	Date/Time
August 2013		Sensor Status OK	Sun 8/25/2013 21:08PM

Lines

Line 1	REGULAR	Result	Slope (Gph)	Start Date/Time	End Date/Time
August 2013		Passed Monthly 0.2		Tue 8/27/2013 3:05AM	Tue 8/27/2013 3:05AM
Line 2	SUPER	Result	Slope (Gph)	Start Date/Time	End Date/Time
August 2013		Passed Monthly 0.2		Tue 8/27/2013 1:01AM	Tue 8/27/2013 1:01AM

Sensors

Sensor 101	REGULAR INTERSTICIAL	Result	End Date/Time
August 2013		Sensor Status OK	Fri 8/23/2013 4:30PM
Sensor 102	SUPER INTERSTICIAL	Result	End Date/Time
August 2013		Sensor Status OK	Fri 8/23/2013 4:30PM
Sensor 103	REGULAR STP SUMP	Result	End Date/Time
August 2013		Sensor Status OK	Fri 8/23/2013 4:30PM
Sensor 104	SUPER STP SUMP	Result	End Date/Time
August 2013		Sensor Status OK	Fri 8/23/2013 4:30PM
Sensor 105	DISP #1/2 SUMP	Result	End Date/Time
August 2013		Sensor Status OK	Fri 8/23/2013 4:30PM
Sensor 106	DISP #3/4 SUMP	Result	End Date/Time
August 2013		Sensor Status OK	Fri 8/23/2013 4:30PM

Inventory Report

Last Available Records

	Gross Volume Gallons	Net Volume Gallons	Level Inches	Temperature Fahrenheit	Ullage Gallons	Last Updated
6112-Carlisle						
Tank 1 REGULAR	REGULAR (15,103 Max)					
Product	13,016.37	12,915.79	94.86	70.97	1,332.36	9/12/2013 1:01:11PM
Water	0.07		0.02			
Tank 2 SUPER	SUPER (15,103 Max)					
Product	8,263.53	8,221.95	63.85	68.08	6,085.27	9/12/2013 1:01:11PM
Water	0.00		0.00			

Daily Reconciliation Report

August 2013

6112-Carlisle — Gross Volume Units: Gallons

REGULAR

Tank 1 (15,103 Max) Product: REGULAR

Recon Date/Time	Opening Vol	Deliveries	Adjusted	Sales	Adjusted	Book Inv	Closing Vol	Water Lev	Variance
Thu 8/1/13 1:00:04AM	9,687.1	8,027.5	0.0	6,656.9	0.0	11,057.8	11,027.3	0.01	-30.5
Fri 8/2/13 1:00:05AM	11,027.3	7,688.0	0.0	7,860.0	0.0	10,855.3	10,837.0	0.01	-18.3
Sat 8/3/13 1:00:02AM	10,837.0	8,761.7	0.0	9,580.5	0.0	10,018.2	10,010.5	0.01	-7.7
Sun 8/4/13 1:00:01AM	10,010.5	8,714.5	0.0	6,946.6	0.0	11,778.4	11,762.5	0.01	-15.9
Mon 8/5/13 1:00:04AM	11,762.5	8,563.9	0.0	6,436.9	0.0	13,889.6	13,871.2	0.01	-18.4
Tue 8/6/13 1:00:04AM	13,871.2	0.0	0.0	6,837.6	0.0	7,033.6	7,005.1	0.01	-28.5
Wed 8/28/13 1:00:02AM	9,903.4	7,033.9	0.0	4,545.8	0.0	12,391.5	12,379.7	0.02	-11.8
Thu 8/29/13 1:00:04AM	12,379.7	6,754.1	0.0	5,030.7	0.0	14,103.0	14,089.4	0.01	-13.6
Fri 8/30/13 1:00:03AM	14,089.4	0.0	0.0	6,002.0	0.0	8,087.5	8,040.8	0.01	-46.7
Sat 8/31/13 1:00:03AM	8,040.8	6,518.7	0.0	8,919.5	0.0	5,640.0	5,612.1	0.01	-27.9
Totals		265,047.92		267,961.45					-1,161.50

Variance -1,161.50 Allowed +/- 2,009.7 Status OK Method Sales % Allowed 0.75

ATG Reports Cont.

Alarm History Report

September 2013

6112-Carlisle

Date/Time	Category	Device	Device Name	Alarm Description	Status	Acquired Date/Time
Wed 9/11/2013 9:02AM	Inventory	Tank 1	REGULAR	High product level	Inactive	Thu 9/12/2013 10:20AM
Tue 9/10/2013 11:05AM	Inventory	Tank 1	REGULAR	High product level	Inactive	Thu 9/12/2013 10:20AM
Mon 9/9/2013 12:58PM	System	None		Check Printer	Inactive	Thu 9/12/2013 10:20AM
Sat 9/7/2013 11:54PM	Inventory	Tank 1	REGULAR	High product level	Inactive	Thu 9/12/2013 10:20AM
Fri 9/6/2013 7:59PM	Inventory	Tank 1	REGULAR	High product level	Inactive	Thu 9/12/2013 10:20AM
Wed 9/4/2013 2:48PM	Inventory	Tank 1	REGULAR	High product level	Inactive	Thu 9/12/2013 10:20AM

Inventory Report

9/11/2013 07:55 AM - 9/12/2013 12:55 AM

	Gross Volume Gallons	Net Volume Gallons	Level Inches	Temperature Fahrenheit	Ullage Gallons	Last Updated
6112-Carlisle						
Tank 1 REGULAR	REGULAR (15,103 Max)					
Product	8,758.71	8,698.29	66.54	69.80	5,590.02	9/11/2013 8:01:11AM
Water	0.07		0.02			
Product	8,632.17	8,572.56	65.77	69.81	5,716.56	9/11/2013 8:30:36AM
Water	0.07		0.01			
Product	14,246.60	14,149.90	105.87	69.64	102.12	9/11/2013 9:01:30AM
Water	0.08		0.02			
Product	13,923.64	13,829.34	102.69	69.62	425.09	9/11/2013 10:01:12AM
Water	0.08		0.02			
Product	13,863.53	13,769.48	102.13	69.64	485.19	9/11/2013 10:20:16AM
Water	0.08		0.02			
Product	13,530.12	13,437.88	99.13	69.68	818.60	9/11/2013 11:01:31AM
Water	0.08		0.02			

Fuel Contamination Claims

- My car stopped running
- Mechanic says your gas has water in it
- Repair bill is $1,500

Now What?

High Octane Safety

Questions?