

## **Pertinent Definitions**

From ASME B31.8S-2004: Managing System Integrity of Gas Pipelines

**Risk:** A measure of potential loss in terms of both the incident probability (likelihood) of occurrence and the magnitude of the consequences.

**Risk Assessment:** A systematic process in which potential hazards from facility operation are identified, and the likelihood and consequences of potential adverse events are estimated. Risk assessments can have varying scopes, and be performed at varying level of detail depending on the operator's objectives.

**Risk Management:** An overall program consisting of identifying potential threats to an area or equipment; assessing the risk associated with those threats in terms of incident likelihood and consequences; mitigating risk by reducing the likelihood, the consequences, or both; and measuring the risk reduction results achieved.