



United Kingdom Onshore Pipeline Operators' Association

**Notes of the Management Council Meeting held at Guisborough Hall,
Teesside on 18th May 2005.**

1. Attendance and Apologies.

Present: Phil Brown – National Grid Transco - Chairman
Roger Ellis - Shell UK Ltd
Mark Harrison – Huntsman Petrochemicals (UK) Ltd
Lindsay Boswell – bp FPSI
Phill Jones – Secretary.

There were no apologies.

2. Notes of Meeting held on 19th January 2005 (UKOPA/MC/05/0010).

The notes of the meeting held on 19th January 2005 were accepted as a fair record of the discussions and were signed off by the Chairman.

3. Actions Arising not covered on the agenda (note of previous meeting in brackets).

3.1 PLUG

Lindsay Boswell had recently received a copy of the notes of the meeting and confirmed that he would seek permission to circulate to UKOPA Members. (3.1)

Lindsay Boswell reported that permission had been received and the notes had been posted on the website. He added that notes of a further meeting will be circulated shortly and that he will raise issues at the next meeting.

Action completed and closed.

3.2 Policy and Procedures Manual

Phil Brown to address additional comments and reissue the Manual as Version 1 (6.2)

Action completed and closed.

It was agreed that the relevancy of the Manual should be reviewed periodically and that an item would be included on the agenda of the first meeting of each year for this purpose.

Action: Phill Jones.

3.3 Replacement of Ken Thomas on Working Groups

Mark Harrison agreed to consider how Huntsman can best support UKOPA in line with reducing manpower. (8)

Mark Harrison reported that Linton Haw has been nominated to replace Ken Thomas and will attend full meetings and represent Huntsman on the EPWG. In addition, Steve Millington will represent Huntsman on the RAWG and the FDMG.

Action closed.

3.4 Proposed Pipeline Seminar in the North East

Mark Harrison will act as the local UKOPA Management Council representative and attend to give a brief overview of the Association and its activities. (10)

Mark Harrison reported that a date of 20th September has been set for the seminar. The agenda has not yet been agreed, but will be circulated as soon as available. As agreed, Mark will attend to give the overview of UKOPA and will base his presentation on previous material used for similar situations.

Action: Mark Harrison.

3.5 Request from DNV

Phill Jones to request DNV to provide a written brief of the proposed presentation prior to acceptance of the offer of a presentation on the E-PIMS Project. (12.1)

Phill Jones reported that this had been taken over by events in relation to the May meeting, but advised that a written brief was still awaited and that the presentation may still be a candidate for the September meeting.

It was suggested that if the brief is received then a Member should meet with DNV to discuss and determine what they want to achieve from the presentation, and that a decision on whether to accept the offer should be deferred until such meeting has been held. The suggestion was supported and, as the DNV team is based in Aberdeen, Lindsay Boswell agreed to represent the Association, if necessary.

Action: Phill Jones (circulate brief if received), **Lindsay Boswell** (to attend meeting).

3.6 Rod McConnell – Request to use a UKOPA Business Card

Phill Jones to advise Rod that the request had been approved subject to the inclusion of the words “Independent Safety and Risk Consultant” and to be used only when working on behalf of UKOPA. (12.2)

Action completed and closed.

All other items covered by the agenda.

4. Financial Issues.

4.1 Finance Report to the 30th April 2005 – ref UKOPA/MC/05/0012

4.1.1 Actions Arising.

There were no actions arising.

4.1.2 2005 Membership Fees.

Phill Jones reported that membership fees for 2005 had been received from 11 of the 12 members, and the outstanding payment is being progressed.

4.1.3 Bank Balance and Outstanding Commitments.

Phill Jones referred to the Finance Report – reference UKOPA/MC/05/0012 and reported that the Association's combined bank balance on 6th May 2005 was £115,459.91. He noted however that this balance does not however take account of:

- (i) Payment to PIE for secretariat service and technical support provided by Phill Jones and Jane Haswell respectively, from and including 1st January to date.
- (ii) Payment made to R. McConnell support from 1st April to date.
- (iii) VAT Reclaim of £1,650 for January to March 2005 -£1,196 – see 4.1.3 below.

If these items are taken into account, then actual monies available are estimated at around £98 – 99k.

4.1.4 VAT Returns

January to September 2005 – ref UKOPA/MC/05/0013.

A copy of the VAT calculations had been circulated to Council Members in advance of the meeting, and Phill Jones confirmed that the VAT due for the period had been (£1,196.08), that it had been reclaimed, received and banked.

4.2 Approval of Invoices.

The following invoices had been approved by Members at the previous meeting or by email and had been signed by the Chairman in advance of the meeting:

- i) Visual –Website Maintenance from January to March 2005 inclusive - £433.74.
- ii) Rod McConnell 7th to 9th December 2004 - £1,046.95
- iii) Advantica – Mechanical Damage Report - £37,980.
- iv) Visual –Website Maintenance from April to June 2005 inclusive, plus server hosting for 2005 - £683.74.
- v) Rod McConnell – 19th January to 11th March 2005 - £4,781.
- vi) Robinsons –check of 2004 accounts - £400.

4.3 Expenditure Forecast 2004/2006 – UKOPA/MC/05/0004.

4.3.1 Actions Arising (4.4.2).

It was agreed that future forecasts should include an additional column to record the funds remaining within the authorised expenditure level.

Covered in update.

4.3.2 Update.

Phil Jones referred to the forecast which had been circulated before the meeting, reference UKOPA/MC/05/0013, and advised that the latest version had been amended as actioned to include the additional column to record the funds remaining within the authorised expenditure level.

He also advised that the latest forecast predicts a surplus of £41,235 for 2005 and £52,985 which are £595 and £1,645 less than predicted in the previous forecast. He went on to explain that this was due to an adjustment of (£90) to the money in the bank at the beginning of the year, an increase in the predicted costs of Visual as approved at the last meeting and an increase in the predicted cost of a full audit of the 2005 accounts.

The revised format was discussed, and the following actions were agreed:

- (i) Phill Jones to review and confirm forecasted expenditure to year end for secretarial support, and to submit a revised expenditure approval application to the September meeting if the forecast is higher than the current approved amount for 2005.
- (ii) Phill Jones to prepare for the September meeting a proposal and an expenditure approval application for provision of the secretarial service for 2006.
- (iii) Phill Jones to prepare for the September meeting a proposal and an expenditure approval application for provision of technical support by Jane Haswell for 2006.
- (iv) Phill Jones to arrange for service providers to cover invoices for the periods to end April, end August and end December, in order to facilitate better monitoring of forecasted versus actual expenditure (although more frequent invoices can be submitted if the service provider wishes to do so).
- (v) Phill Jones to amend the forecast format in line with the invoicing dates.
- (vi) Phill Jones to request updated expenditure forecasts from Jane Haswell and Rod McConnell for 2005.

Action: Phill Jones.

It was also noted that there is a need to check whether there are any other costs that the Association needs to allow for in the forecast and, in this connection, Phill Jones was asked to raise the matter with Jane Haswell and Rod McConnell relating to work being done relating to Land Use Planning and associated activities.

Action: Phill Jones.

4.4 Expenditure Approvals

There were no new expenditure approval applications to consider.

4.5 2004 Annual Accounts (UKOPA/MC/05/0015)

The checked accounts were accepted and signed by the Chairman as the nominated representative of Transco plc. Phill Jones to sign as Secretary, forward to the accountants for signature, and then to submit a copy to Companies House.

Action: Phill Jones.

4.6 Membership Fees for 2006.

It was noted that it had previously been agreed that Membership Fees for the following year would be confirmed at the mid year meeting of the previous year in order that Members could make the necessary provision within their budgets.

Based on the current forecast for the end of 2006, which is based on the same level of fees as 2005, and that there have been no significant additional items of expenditure identified to date, it was suggested that the fees for 2006 should remain the same as for 2005. This suggestion was debated and, although it was noted that there was potential for additional Members in 2006 arising out of the Transco sold off networks and the restructuring of BP (Innovene), it was concluded that this could not be guaranteed at this stage.

The proposal to fix the fees at the 2005 levels - £12000 for Full Members, £5000 for Associate Members and £2000 for Affiliate Members was therefore supported, with the proviso that the levels will be reviewed in 2006, taking account of any additional Members and identified workload and associated expenditure. It was agreed that this would be confirmed at the full meeting.

Action: Phill Brown.

5. Memorandum and Articles of Association - Update.

5.1 Action Arising.

Lindsay reported that the bp reorganisation was still ongoing and that he would arrange for a letter to be submitted in due course confirming that bp exploration should be registered as a Director. (5.1)

Lindsay reported that the reorganisation was complete in the sense that he now works for BP Exploration and Operating Company, and that a new company called Innovene had been formed. The latter will operate more pipelines than the Exploration and Operating Company and will be floated later in the year. He also noted that Ed Reader would be representing Innovene at the full meeting under the umbrella of BP.

With regard to the registration of BP as a Director, he confirmed that the letter had been sent to Phill Jones and that he had received the Director's the registration form for signature. The matter is being progressed and it is anticipated that it will be sorted in the near future.

Action: Lindsay Boswell.

6. Format of Main Meeting and Future Presentations, including Feedback from Members

6.1 Actions Arising.

It was agreed that the Advantica Grouted Tee Technology and Jane Haswell's paper on Pipeline Failures should be scheduled for the May meeting, and that the Pipeline Hydraulic Modeling Package scheduled for the September meeting. (6)

The Chairman noted that this action had been completed, although it had been decided to defer Jane's paper to a future meeting in order to accommodate the presentations by Peter Rycroft on the HSE's Approach to Inspections and by Mike Wastling of Advantica on Vibration Related Failures, and also the revised format of the meeting which has arisen as a result of discussions under AOB at the full meeting of the Association in January.

Action closed.

6.2 Format of Future Meetings and Future Presentations.

Phil Brown opened this item by referring to the email he had sent to Members and the feedback which had been collated into a single document and circulated to Members, reference UKOPA/05/0053, and noted that it is apparent from the feedback that Members are suggesting a more balanced meeting with:

- i) Greater participation by Members.
- ii) A higher emphasis in operational/day to day matters.
- iii) Careful selection of presentations which are relevant to Operator activities.
- iv) More focused reporting by the Working Groups.
- v) Less administrative/financial discussions – these should be covered by the Management Council.

Following the initial feedback Phil had issued a further email to Members asking for suggested topics for future meetings and the feedback from this one had been collated and circulated to Members; reference UKOPA/05/0061. This document shows an interest in a range of relevant matters with high interest relating to intelligent pigging, condition monitoring of un-piggable pipelines and management of third party infringements.

The format of future meetings was discussed, taking account of the feedback, and it was agreed that at the main meeting the Chairman would:

- (i) Report on the Feedback by:
 - a) Referring to the two documents (0053 and 0061) and thank Members for their feedback and discussions.
 - b) Noting that a more balanced meeting made up of strategic issues with focused reporting, relevant presentations and more emphasis on day to day operational and safety matters with greater Member participation was being requested.

(ii) Recommend that the following presentations are received at the meeting if they can be organised:

- Pipeline hydraulic modeling package by Atmos International – R. Ellis to arrange.
- Use of ISDN Private Wire Circuits for the Transmission of Data. (title to be confirmed) – D. Cullen to arrange.
- Feedback from HSE Inspections of Contractors – Mark Harrison to arrange.

(iii) In terms of operational activities and Members' participation it was agreed that Members who had recommended intelligent pigging would be asked to liaise with each other with the objective of proposing a framework for a presentation on pigging at the January 2006 meeting. The proposal to include details on proposed presenters which can be external presenters or Members or a combination of both.

Action: Phil Brown.

7. UKOPA Fact Sheet

This item had been raised by Phill Jones in order to seek guidance on how to progress the action to progress the current draft fact sheet, reference UKOPA/05/0015, in light of received comments on the issue and in particular regarding final presentation.

Phil Brown offered to move the matter forward using Transco's PR Department and to produce a further proposal based on discussions etc to date for the next meeting.

Action: Phil Brown

8. Potential New Members – Independent Gas Networks.

Phil Brown referred to correspondence on this issue, and confirmed for the record that he had invited representatives of the wholly owned subsidiaries of Transco, which are to be sold on the 1st June, to attend the remaining 2006 UKOPA meetings under the umbrella of Transco's membership. Unfortunately, due to the short notice, only one can attend the May meeting, but all have expressed an interest in becoming Members in 2006. It is likely that they will initially join as Associate Members and possibly move to full Membership sometime later.

Lindsay Boswell referred to earlier discussions under agenda item 5 and noted that it is likely that Innovene will also become a Member, probably in 2007.

9. Any Other Business.

9.1 Posting of Management Council Papers on the Website.

Phill Jones requested Council approval to investigate the possibility of posting all MC documents, including any relevant documents which had not received general circulation such as the signed copy of the contractual agreement with Advantica, on a separate secure section of the website for access by MC Members only. The request was approved.

Action: Phill Jones.

10. Dates of Future Meetings.

10.1 21st/22nd September 2005 – to be hosted by Sembutilities in the Teeside area.

10.2 It was agreed that dates for 2006 meetings would be set at the full meeting, with a request for volunteers to host the meetings.