

From: Peter Davis [mailto:peterdavis@bpa.co.uk]
Sent: 09 December 2011 13:37
To: 'Neil.W.Jackson'; Phill Jones (phill.jones@pieuk.co.uk)
Subject: FW: Economic Impact of Land Use Planning Advice - Multi Product Pipelines

Latest from HSE on Gasoline

Peter

From: Anna.Barnes@hse.gsi.gov.uk [mailto:Anna.Barnes@hse.gsi.gov.uk]
Sent: 28 November 2011 09:10
To: Peter Davis
Subject: Economic Impact of Land Use Planning Advice - Multi Product Pipelines

Dear Peter,

Thank you very much for the comments you sent to me on the research work on the cost of land use planning around gasoline pipelines. Please see the following comments on the points you raise below. I am very happy to discuss any of these points further if that would help,

Thanks again for your help with this,

Best wishes

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From: Peter Davis [mailto:peterdavis@bpa.co.uk]
Sent: 15 November 2011 17:16
To: Anna Barnes
Subject: TRIM: Economic Impact of Land Use Planning Advice - Multi Product Pipelines

Anna

Congratulations of a comprehensive report, it is very difficult to make any real comments due to the nature of the analysis without an intimate knowledge of the locations and the planning issues, therefore my comments are of a more general nature.

1. Firstly I am surprised on the total length of Multiproduct pipelines in England and Wales (2150km) the main difference to what I would have considered is the extent of the GPSS Pipeline operated by OPA. Looking at the map on Table 1 the only section considered as multiproduct is the Killingholme to Bramhall leg (Humber to Manchester). I cannot talk for OPA but I understood more of their system is designed to operate as multiproduct but currently does not. Following the version of the work sent to you on 24th October, contacts in HSE noticed that the sample of pipelines had not covered the GPSS system in entirety. HSL have since updated the analysis so that all percentage losses are estimated based on the total length of pipeline that ever carries gasoline of 4,400km rather than the 2,150km in the initial analysis. Whilst it has not been possible to extend the sample considered to include more zones from the GPSS due to resource constraints, it is not thought that this will have a significant impact on the main findings, as it is thought that the sample zones selected are

representative of the areas through which the GPSS runs and so general conclusions should remain the same. The % impact per the 100km pipeline has been updated to take account of the revised percentages resulting from the total longer length of pipeline.

2. On page 2 you refer to “LUP Zones for generic Buried Gasoline Pipelines” by Peter Harper – I am not sure I have seen this (I may have) but as a critical document should it be an annex to this report. Peter Harper recalls that you had sight of this report when it was first drafted.
3. Table 1 – there is a pipeline that runs north to south from the bottom left corner of the triangle near feature 36 (this location is near Hemel Hempstead) through feature 40 to Gatwick Airport – this pipeline is dedicated to Jet A-1 (Aviation fuel) and thus not multiproduct. (I can give more details if required) See answer 4 below.
4. Feature 40 is therefore not relevant as is located on an Aviation pipeline. In the forwards look work, no development was found to be proposed for the future in section 40 (being a rural area). Equally, no development was found to have been proposed in the past. So while the aviation pipeline should be removed from the work, and we are grateful for having this pointed out to us, it is not thought to be contributing significantly to the overall estimate of impact.
5. In your conclusions under Backward Look – I am surprised how few applications there have been – is this a feature of the time it takes to develop major schemes and what is done to keep them away from pipelines? Not clear on why this is, but initial thoughts are it could be due to the fact that most of the urban areas are already developed, and so a lot of the development proposals would be for infill, which do not always need planning permission. In rural areas, planning restrictions other than HSE's advice are probably in place and so development is much less frequent.
6. I am slightly confused as to what the conclusions are telling me (maybe the planning speak rather than the pipeline operators speak). I note your comment on that the conclusions do not place a financial value on the development that could be lost. O agree that the issue around compensation is dependent on there being some valuation of the possible development loss which would need to take into account the lost opportunity (vs. alternatives available), any compensation due as a result of the lost opportunity to the developer and any work undertaken by the operator (diversion/protection) to allow the development to happen. Happy to discuss further. I think that the diagram of the 100km length of pipeline is very useful for understanding the conclusions. I interpret this as follows:
 - **2.6%** of all pipelines - a **high impact** on development expected (85 – 100% development value lost) – this will be in urban areas
 - **1.0%** of all pipelines– a **low impact** on development (<30% development value lost) – this will be in urban areas
 - **10.4%** of all pipelines – probable low likelihood of development being proposed but if it is, will possibly have a high impact – this will be in urban fringe areas
 - **86%** of all pipelines – **no impact** expected

HSL spent 3 months looking at just less than 7km of pipeline, which is only 0.1% of the total length of gasoline pipeline in the UK. There is not the resource available to extend the sample size by a factor of at least 10 in order to produce a statistically significant sample size. Due to this, it is not possible to quantify the total value of development lost in monetary terms (and therefore any diversion or compensation costs) that could result.

Hope these are useful and happy to discuss further. I will read the conclusions again to see if I can fully understand!

Best Regards

Peter

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