

UKOPA

United Kingdom Onshore Pipeline Operators' Association

Notes of the Management Council Meeting held at the Grange Manor Hotel, Glensburgh, Grangemouth on 24th September 2003 commencing 10:00am.

1. Attendance and Apologies.

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

2. Notes of Meeting held on 11th June 2003 (UKOPA/MC/03/001018).

The notes of the previous meeting were accepted as a fair record of the discussions, and were signed by the Chairman.

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

3.1 Phill Jones to seek costs for converting the TIF files to PDF format and for producing a cd copy of the TIF files to Members(3.2).

Phill Jones reported that he had received verbal quotation of £2000 for converting the TIF to PDF format, and that SAPA had confirmed the cost of providing a CD for each Member at £55 per disk as per their original quotation.

Following discussion, and having noted that historically there have been few Enquiries relating to 1997 to 2000 correspondence, it was agreed that Mark Harrison will arrange to provide a CD copy for Management Council Members, and that Associate Members would be asked to request copy of any required correspondence from the Secretary. It was noted that a copy of the correspondence index lists for each of the years in question are posted on the website.

Action: Mark Harrison.

Phill Jones was also requested to investigate the cost of placing copies of 2001 and 2002 correspondence on the website.

Action: Phill Jones.

3.2 Phill Jones to review the EEMUA note on Directors and Policy and Procedures Manual and prepare draft UKOPA version if considered appropriate.(3.4).

Phill Jones reported that he had reviewed the EEMUA Management Manual, and that his initial impression was that it was designed for a larger more complex organisation than UKOPA, and that production of a similar document might introduce an unwarranted level of bureaucracy and associated cost.

In discussion it was agreed that a production of a simplified version, based on the EEMUA document, may still be appropriate, and Phill Jones was actioned to review and produce a framework for consideration by the Council.

Action: Phill Jones.

3.3 Phill Jones to provide Members with instructions for converting presentation logos to standard templates.(3.6).

Phill Jones reported that he had encountered problems with this action, but these had now been resolved and that instructions would be circulated in the near future.

Action: Phill Jones.

3.4 Phill Jones to amend procedure relating to invoice approval –reference UKOPA/MC/03/0017 (3.10).

Phill Jones reported that this action had been completed and that an amended version – reference UKOPA/MC/03/0023 – had been circulated to Members prior to the meeting.

The amended procedure was approved.

Action closed.

3.5 UKOPA Accounts for 2002 (7).

- (i) Phill Jones reported that these had been signed by Ted Findlay, as actioned at the last meeting, and that they had now also been signed by the accountants and a copy sent to Companies House.
- (ii) Phill also reported that, as actioned at the last meeting, he had requested and had been quoted a price of £250 by the accountants for progressing tax owed by the Association for each year since its formation. The quote had been approved and Robinsons had completed the returns and tax had now been paid as follows:

2000-£0, 2001£31.12 and 2002 £45.50.

Actions closed.

All other items covered by the agenda.

4. Financial Issues.

Phill Jones referred to the Finance Report – reference UKOPA/MC/03/0020 which had been circulated in advance of the meeting and reported on items 4.1 to 4.3 inclusive of the agenda as follows :

4.1 Finance Report to April 30th 2002.

The Association's bank balance on 7th September was £126,925.59.

He noted however that this balance does not however take account of:

- (i) Payment to PIE Ltd for secretariat services from 8th June to date -£6,649,
- (ii) Payment to PIE support provided by Jane Haswell to UKOPA Work Groups and the Working Group on Pipelines in the same period - £2,854.
- (iii) Payment due to ABB in respect of support provided by Rod McConnell-£6,270
- (iv) Payment due for website maintenance - £433.74.
- (v) Payment to Robinsons for preparation of the tax returns - £ 250.

If these items are taken into account, then actual monies available are estimated at £ 110,468.85.

He also reported an error in the finance report submitted to the previous meeting – reference UKOPA/MC/03/0012. The report listed payment of Visual Sales and Service invoice number 72 as being paid. This was incorrect as the amount invoiced had been for the total amount quoted for the two year contract, and it had therefore been rejected. Payments are now being made on a quarterly basis in arrears and, to date two quarterly invoices – numbers 73 and 99 as listed in the current finance report had been received and paid.

4.2 Approval of Invoices.

The following invoices had been approved and paid, and are to be sent to the Chairman for signing:

- (i) Visual Sales and Services invoices numbers 73 and 99.

In addition, the following invoices are to be circulated to the Council for approval:

- (ii) PIE Ltd – Provision of Secretariat Service - 9/06/03 to 21/09/ 03.
- (iii) PIE Ltd – J.Haswell support to Working Groups and the WGP – 9/06/03 to 21/09/03.

4.3 VAT Return for the Quarter April to June 2003.

A copy of the VAT calculation had been circulated to Council Members as UKOPA/MC/03/0021 and VAT had been reclaimed in the sum of £4,058.39. This amount had been received from HMS Customs and Excise and banked.

4.4 Expenditure Forecast 2003/2004 – UKOPA/MC/03/0014.

Phill Jones reported that he had updated the expenditure forecast for the period 2003/2004 to reflect actual expenditure in the first two quarters of the year, and to take account of actions raised at the previous meeting, including the listing of potential future spends separately on the forecast.

A copy of the forecast had been circulated prior to the meeting as UKOPA/MC/03/0022. It is based on monies available on 7th January, and now predicts a surplus of £81,990 at the end of 2004 based on the same number of Members and membership fees during 2004. The increase from the previous meeting is due to the removal of the item on FDB Development to the section on future spend and a reduction in actual spend against predicted for the first half of the year.

Members requested that the format of the forecast be amended to clearly show planned and actual expenditure in the forecast.

Action: Phill Jones.

The Chairman referred to the proposal and cost estimate circulated by Rod McConnell relating to work proposed by the Risk Assessment Work Group, circulated later as UKOPA/03/0079, which amounts to a total of £100,000 including a contingency of £7,000. Approval of this level of expenditure would result in a shortfall in funds at the end of 2004 based on current fees and known expenditure.

Lengthy discussion took place regarding the proposal and how to fund the shortfall, and the following actions were agreed subject to discussions at the main meeting as appropriate:

- (i) The workscope needs to be agreed by all Members at the main meeting.
- (ii) There is a need for the RAWG confirm the phasing of the proposed expenditure.
- (iii) There will be a need to increase Membership fees for 2004, and that and increase of £1000/annum for Full Members and £500/annum for Associate Members would be proposed at the full meeting to be held later in the day.
- (iv) The planned expenditure of £40,000 for the third party predictive model needs to be explained at the full meeting.
- (v) Phill Jones to amend the forecast to amend payment to PIE for secretariat support to reflect that three payments – not 4 - are made in one year, any known expenditure vs predicted and to show effect of proposed increases to

membership fees.

Action – Roger Ellis to raise at the main meeting.

4.5 Expenditure Approvals

There were no expenditure approvals to consider.

5. Memorandum and Articles of Association.

5.1 Actions Arising.

Mark Harrison to forward a copy of the Huntsman legal representative's response to specific questions to Council Members and Council Members to use the response in discussions with their own Company Legal Advisers.(5).

See 5.2 below.

5.2 Update.

Mark Harrison had circulated a copy of the Huntsman legal representative's response to specific questions to Council Members, and Roger Ellis reported that Shell's legal representative had reviewed and had agreed with the findings. Lindsay Boswell reported that he was awaiting a response from the bp legal representative on the issue.

The main conclusion is that Member Companies can be registered as the Full Members and that they can nominate an individual as their representative. In this connection it was agreed, subject to similar outcomes for bp and National Grid Transco, that all Members are to write to Phill Jones before the end of the year to confirm that they are their nominated Company Representative.

Action: Members.

6. Authorised Signatories – Update.

6.1 Action Arising.

Phill Jones to forward to Linsay Boswell a copy of the letter for presenting At a local branch of the of Lloyds TSB and an application form.

Phill Jones reported that he had forwarded the information to Lindsay as actioned. Lindsay noted however that the letter did not include his name and Phill Jones was actioned to send an amended letter to Lindsay.

Action: Phill Jones.

Phill Jones then went on to refer to the letter dated 15th August from the bank, a scanned copy of which he had circulated on 29th August as UKOPA/MC/03/0025, and presented the forms referred to in the letter for signing by Members. The forms were signed by Roger Ellis, Mark Harrison and Phill Brown, and are to be progressed. Lindsay's application will be progressed separately.

Action: Phill Jones.

7. UKOPA Prize 2003 – M Sc Pipeline Engineering Course, Newcastle University.

The Chairman reminded Members that the Association had agreed at the meeting held in Tebay in May 2002 that it would award an annual prize of £100 to the top student of the M Sc Pipeline Engineering Course at Newcastle University. The top student for 2003 is Victoria Jackson and arrangements are to be made for the prize to be awarded on a suitable date which is to be confirmed.

Action: Roger Ellis.

The Secretary to arrange for a note to be included on the website when details are finalised.

Action: Phill Jones.

8. Any Other Business.

8.1 Fault Database.

8.1.1 Database CD.

It was agreed that Phill Jones would hold a copy of the CD which had been received.

8.1.2 Licencing/Contractual Issues.

Roger Ellis reported that he had been tasked to sort contract/licence issues with Advantica to ensure UKOPA ownership and that the contract was now between Advantica and UKOPA (rather than the FDMG).

Before leaving Advantica, Bob Greenwood had drafted the licence with all property rights being invested in UKOPA. Roger had asked for a copy from Clive Ward who had taken over from Bob Greenwood, but the version received was not what had been asked for.

It was agreed that Phil Brown will to set up a meeting with Advantica with the purpose of resolving the issue, and Roger Ellis and Mark Harrison are to attend.

Action: Phil Brown, Roger Ellis and Mark Harrison.

8.2 Infringement Database.

Mark Harrison reported that with the agreement of the Full Members he would propose to the main meeting that a formal report on the infringement database be produced on an annual basis. At the same time he would emphasise the need to receive information from those Members who have not submitted details to date.

The proposal was agreed by the Members.

Action: Mark Harrison.

8.3 Links with UKOOA.

Lindsay Boswell noted that there are topics and issues of interest which are being progressed/considered by UKOPA which may be of similar interest to UKOOA, and that it may of benefit to make contact to explore the possibilities with specific interest to sharing of information.

The proposal was supported by Members and Lindsay was actioned to progress.

Action: Lindsay Boswell.

8.4 Website

Roger Ellis proposed that individual Member email addresses should be removed from the website, leaving only the Secretary's address for enquiries. This was supported by Members, and it was agreed the proposal would be recommended to all Members at the full meeting to be held later in the day.

Action: Roger Ellis.

8.5 Future Presentations.

In addition to the presentation agreed at the previous meeting:

January 2004 - Pipeline Risk Based Assessment Management System –
Shell Global Solutions,

Sembcorp GIS System – Sembcorp Utilities.

the following additional topics were suggested as possibilities for future presentations:

- (i) PII – Presentation offered – full details to be confirmed.
- (ii) E PIMS.
- (iii) Pigging – Huntsman Petrochemicals Experiences 2003.

The offered presentations from Paul Docherty on Management of Above

Ground Pipelines and from Paulo Parfumi are still held in abeyance pending further information.

To be reviewed at the next meeting.

Action: Secretary.

9. Dates of Future Meetings.

14th/15th January 2004 – to be hosted by OPA/BPA – details to be confirmed.

16th/17th June 2004 – to be hosted by Shell at Lensbury, London.

Also - Confirmed at Main Meeting:

15th/16th September 2004 – to be hosted by BG Group – details to be confirmed

January 2005 – to be hosted by National Grid Transco – details to be confirmed.

June 2005 – to be hosted by Huntsman Petrochemicals Ltd – details to be confirmed.

Circulation – Management Council Members

Signed: (Roger Ellis) – Chairman.

Date: