

# UKOPA

United Kingdom Onshore Pipeline Operators' Association

## Notes of the Management Council Meeting held at BG's Offices at Reading on 15<sup>th</sup> September 2004

### 1. Attendance and Apologies

**Present:** Roger Ellis - Shell UK Ltd - Chairman  
 Phil Brown - Transco  
 Lindsay Boswell - bp FPSI  
 Phill Jones - Secretary

Apologies: Mark Harrison - Huntsman Petrochemicals (UK) Ltd

### 2. Notes of Meeting held on 16<sup>th</sup> June 2004 (UKOPA/MC/04/0029)

Phil Jones noted an error in section 4.8 page 6. He had recorded that the proposed fees for Full Members for 2005 were £11,000 instead of £12,000.

The Chairman agreed to sign the notes subject to this correction.

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

#### 3.1 Phill Jones to re-issue instructions for converting presentation logos to standard templates as a reference document (3.1)

Phill Jones reported that this action had been completed.

#### **Action closed**

#### 3.2 Links with UKOOA – Lindsay Boswell to make contact with John Lawson to explore the possibility of sharing information as originally agreed and to offer to share the notes of UKOPA meetings if acceptable to Council Members. This to be accompanied by an open invitation for a representative to attend UKOPA meetings (3.4)

Lindsay Boswell advised that he had spoken to John Lawson who is the Chairman of the Pipeline User Group. The Group is made up of representatives of the major offshore pipeline operators but it is not a part of UKOOA. John is keen to establish links with UKOPA including an exchange of notes of meetings and attendance at meetings, but he would need to clear this with other Members of the Pipeline User Group before committing himself.

In discussion it was agreed that reciprocal visits would be beneficial including a presentation on the aims and objectives of the respective organisations, and it was agreed that John should be invited to the January meeting. Details of a reciprocal visit from UKOPA to the Pipeline User Group would be agreed at the January meeting.

**Action: Lindsay Boswell**

With regard to the proposed change of notes/minutes, it was agreed that instead of issuing the full set of notes, an executive summary of key points would be prepared and agreed with the Management Council prior to issue. The executive summary will be issued to both the Pipeline User Group, PIG and posted on the web site.

**Action: Phill Jones**

3.3 Review of UKOPA Support Services and Contracts (3.5)

- i) Phil Jones to circulate a copy of the signed form of agreement

Phill Jones confirmed that this action had been completed – UKOPA/MC/04/0030.

**Action closed**

- ii) It was agreed that the Visual offer should be accepted and that a cd-rom should be obtained and updated every six months - say Jan and July

Phill Jones reported that this had been actioned and that a cd-rom was in his possession.

**Action closed**

**All other items were covered by the agenda.**

**4. Financial Issues**

4.1 Finance Report to the 31st August 2004 – ref UKOPA/MC/04/00032

4.1.1 Actions Arising

There were no actions arising.

4.1.2 Update

Phill Jones referred to the Finance Report – reference UKOPA/MC/04/0032 which had been circulated in advance of the meeting and reported as follows:

The Association's bank balance on 7<sup>th</sup> September 2004 was £118,323. He noted however that this balance does not take account of:

- i) Payment to PIE for secretariat service and other support provided by PIE, from and including 16/06/04, to date estimated to be in the order of £10,500.
- ii) Any payment due to Rod McConnell support – from July 04, estimated to be in the order of £3,000.

#### 4.2 Approval of Invoices

The following previously approved invoices were signed by the Chairman:

- i) Advantica invoice number – 90023358 - £10,000.
- ii) ABB – invoice number 70048770 - £7,090.
- iii) ABB – invoice number 70050304 - £1,720.
- iv) Visual invoice number 200 - £ 433.74.

#### 4.3 VAT Return – April to June 2004 – ref UKOPA/MC/04/0033

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 £3,146.20, and that it had been paid.

#### 4.4 Expenditure Forecast 2004/2006 – UKOPA/MC/04/0034

##### 4.4.1 Actions Arising (4.4.2)

Phill Jones to amend the forecast in line with discussions and agreements at the meeting.

**Action completed and amended forecast to be discussed under the update in section 4.4.2.**

##### 4.4.2 Update

The Chairman referred to the expenditure forecast which had been circulated in advance of the meeting and confirmed that it has been amended in line with the discussions at the last meeting of the Council, and should be easier for all to follow and understand.

The forecast now predicts a surplus of around £37k at the end of this year which is some £19k more than the previous forecast. He explained that this is because:

- i) The amount allowed for Rod McConnell for this year has been reduced by £8k.

- ii) The provision of £9k for gasoline studies which had not been approved has been removed.
- iii) The provision of £2k for further studies on pipeline failure frequencies which also had not been approved has been removed.

Additional income from increased fees ensures that the outturns for 2005 and 2006 remain at a similar level - £35k for 2005 and £38k for 2006.

He also noted that the forecast has been amended to provide half yearly predictions instead of quarterly. This had been actioned in order to simplify the accounts bearing in mind that the quarterly predictions had rarely been used for managing the accounts.

The revised format of the forecast was approved by all attendees.

Phill Jones drew Members' attention to an error in the forecast which he had noted when reconciling the forecast against the most recent bank statements. He advised that the cost of PIE services for the last quarter of 2003 had been accounted for twice; once in the calculation of monies available on 8<sup>th</sup> January and once again in the expenditure listed for the first half year. He explained that this had occurred because in previous years the cost of the PIE services for the last quarter of the year had been paid for in January and had not been accounted for as an accrual. The net result of this error is that the end of the year forecast will increase by around £10k.

In the discussion that followed it was agreed that that the forecast shall be amended to correct the error.

**Action: Phill Jones**

The Chairman noted once again the surplus funds predicted to be available at the end of 2004, 2005 and 2006 and referred to the recommendation which had been made at the last meeting regarding Membership Fees for 2005. He suggested that it would be prudent for the Association to have reserves available to meet unforeseen expenditure and that the funds should be at least equivalent to half the total sum of Membership fees. The suggestion was supported and it was agreed that the increase in Membership Fees proposed at the last meeting would be confirmed at the full meeting to be held later in the day.

**Action: Phil Brown**

#### 4.5 Expenditure Approvals

The Chairman reminded Members that the Council had approved in principle at the last meeting a sum of money to cover the cost of support by Rod McConnell to the end of the year. It had been approved in principle because Rod had not decided how he was intending to trade.

He then referred to an expenditure application he had prepared and which had been circulated before the meeting together with a copy of a draft contract which had been received from Rod McConnell – references UKOPA/MC/04/0036 and 0035 respectively. The application and contract for the services were approved by Members and the application was signed by R. Ellis as the proposer and approved by P. Brown on behalf of the Council. Phill Jones was also actioned to arrange for the contract to be signed by both parties at the main meeting to be held later in the day.

**Action: Phill Jones**

There were no other applications to consider, but it was noted that current approvals for technical services provided by Jane Haswell, and for management of the database by Visual will run out at the end of the year. In this connection Phill Jones was actioned to organise quotations for similar services in 2005 which should be submitted prior to the end of the year.

**Action: Phill Jones**

4.6 2003 Annual Accounts – ref UKOPA/MC/04/0019, 0020 and 0021

Action arising:- Phill Jones to submit a signed copy of the accounts to Companies House before 31<sup>st</sup> October 2004.

Phill Jones confirmed that this action had been completed.

**Action closed**

**5. Memorandum and Articles of Association - Update**

5.1 Actions Arising

Covered in the update in 5.2.

5.2 Update

Phill Jones reminded all that Huntsman had been registered as a Director earlier in the year, and advised that registration forms for Shell and Transco had recently been submitted to Companies House, together with a resignation form for Ted Findlay.

Lindsay Boswell informed Members that the signing of the bp registration form had been delayed as a result of the company reorganisation and that he would progress the matter as soon as the situation was clarified.

**Action: Lindsay Boswell**

## 6. Policy and Procedures Manual

### 6.1 Actions Arising

Phill Jones to forward a copy of the EEMUA document and other relevant documents to Phil Brown.

**Action completed and closed.**

### 6.2 Update

Phil Brown reported that the manual was being progressed based on the EEMUA document and that a preliminary first draft had been prepared. The draft is to be reviewed and will be circulated to Management Council Members for comment around the end of October, with the intention of circulating the agreed draft to all Members for comment prior to or at the January meeting.

**Action: Phil Brown**

## 7. Authorised Signatories – Update

Phill Jones confirmed that this long running saga was over, and that all four Management Council members are now authorised UKOPA signatories.

**Agenda item closed**

## 8. Future Presentations

The Chairman reminded Members that three presentations had been scheduled for the main meeting:

- i) Presentation by Dave Willis - Chairman, BSI (PD 8010) PSE/17/2 committee.
- ii) Presentation by Steve Chatfield on HSE's 5-year strategic plan.
- iii) Presentation by Chris Movely on AC corrosion - including HSE experience.

He advised that unfortunately Dave Willis had been forced to withdraw at short notice, but had agreed to make his presentation at the January meeting if still of interest to the Association. He noted that it had also been agreed that there should also have been a presentation on "Grouted Tee Technology" but it had not been possible to organise this because there was no record of the original sponsor. In discussion Phil Brown agreed to become the sponsor for this presentation.

It had also been agreed at the main meeting in June that the following would be left as contenders for future presentations:

- Pipeline hydraulic modeling package by Atmos International. – Roger Ellis.
- Review of the effectiveness of surveillance – Mark Harrison.
- Management of Above Ground Pipelines – Paul Docherty.\*\*
- Pigging – Huntsman Petrochemicals Experiences 2003 – Mark Harrison.

- Pipeline Training International Ltd – Direct Approach Mark Harrison.
  - Adrem Consulting pipeline communication systems Andrew Wilder - Donal Cullen.
- \*\* Paul Docherty was requested at the main meeting to provide a précis of content of the proposed presentation, but no information had been received prior to the meeting.

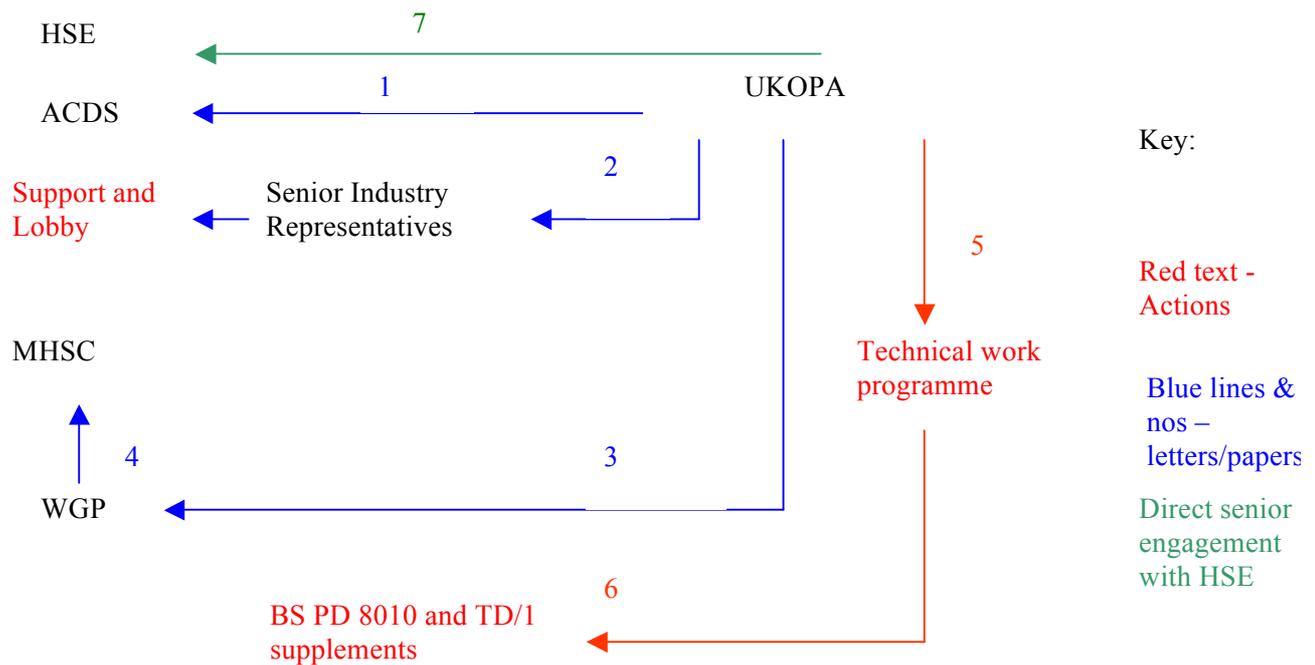
Following discussion it was agreed that the following presentations would be received at the January 2005 meeting:

- Presentation by Dave Willis - Chairman, BSI (PD 8010) PSE/17/2 committee - **Phill Jones to organise.**
- Pipeline Training International Ltd – **Mark Harrison to make contact.**
- Pigging – Huntsman Petrochemicals Experiences 2003 – **Mark Harrison.**

9. **HSE's Decision to Abandon Work on proposed amendments to PSR – UKOPA's Future Strategy**

Jane Haswell attended the meeting for this agenda item at the request of the Chairman, and presented a revised proposal for the UKOPA/HSE interface which was designed to take account of recent developments relating to HSE's Decision to Abandon Work on proposed amendments to PSR and withdrawal of technical experts from the Working Group on Pipelines

The presentation – UKOPA/MC/04/0040 covered facts (summary of current situation), issues (problems), UKOPA objectives and proposed strategy, UKOPA actions and UKOPA influencing strategy, and a copy of the proposed modified influencing strategy is shown below:



It was noted that the proposed influencing strategy now includes the preparation of a supplement to PD8010 Part 1 covering risk based routing and LUP zones for hazardous pipelines. Jane had spoken to Dave Willis, who has advised that if this is submitted in time (i.e. November) it is very likely to be supported by the relevant BSI PSE/17/2 Committee. Progress will depend on financing and resourcing the required technical work (i.e. the UKOPA RAWG technical work programme), which would need to be openly available for reference and use by BSI.

In discussion it was agreed that the revised strategy should be accepted and proposed to Members and, in arriving at this conclusion, it was noted that the HSE are likely to want to introduce something quickly when they find they have to and, unless there are agreed/published methodologies etc in place, they are likely to revert to what they have in place which to UKOPA would be unacceptable.

**Action: Phil Brown**

**10. DNV – Request for Data from the UKOPA Database**

Roger Ellis referred to the emails from DNV to Phill Jones as Secretary of the Association and which had been circulated to Members prior to the meeting (later circulated as UKOPA/MC/04/0038), and suggested to Members that a formal response should be issued directing DNV to the 2002 UKOPA Fault Database Report which is available on the website.

The suggestion was supported.

**Action: Phill Jones**

**11. Handover to New Chairman**

Roger Ellis noted that this was his last meeting as Chairman of the Association, thanked all Members for the support he had received whilst in office and wished Phil Brown success during his forthcoming period as Chairman.

On behalf of the Members Phil Brown thanked Roger for his commitment and leadership for the past two years during which time the reputation and standing of the Association had increased considerably.

**12. Any Other Business****12.1 Bank of America**

Phill Jones advised Members that he had received an email from the Bank of America (later circulated as UKOPA/MC/04/0039) requesting specific information relating to four named pipelines. In discussion it was agreed that the enquiry appeared to be entirely commercial and Phill Jones was asked to pass a copy of the letter to the Pipeline Operators (Total and Esso) for information.

**Action: Phill Jones**

**13. Dates of Future Meetings**

19<sup>th</sup>/20<sup>th</sup> January 2005 – to be hosted by National Grid Transco at the NGT Training Centre, Eakring, North Nottinghamshire.

18<sup>th</sup>/19<sup>th</sup> May 2005 – to be hosted by Huntsman Petrochemicals Ltd in the Teeside area – details to be confirmed.

**Circulation – Management Council Members**

**Signed:** (Roger Ellis) – Chairman.

**Date:**