



United Kingdom Onshore Pipeline Operators' Association

**Notes of the Management Council Meeting held at Capesthorpe Hall,
Siddington on 24th May 2006.**

1. Attendance and Apologies

Present: Neil Jackson – National Grid - Chairman
Roger Ellis - Shell
Mark Harrison – Huntsman
Jim Martin– BP
Phill Jones – Secretary.

There were no apologies.

2. Notes of Meeting held on 18th January 2006 (UKOPA/MC/06/0008).

The notes of the meeting held on 18th January 2006 were accepted as a fair record of discussions and were signed by the Chairman.

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

3.1 Proposed Pipeline Seminar in the North East (3.1)

Mark Harrison to follow up the contact with Conoco and Philips regarding Membership of the Association

Mark Harrison reported that he had heard no more from Conoco and Philips and that he would make further contact to check the situation. It was suggested and supported that it may be useful to provide the contacts with a copy of the UKOPA proposed future strategy document.

Action: Mark Harrison.

3.2.1 Posting of Management Council Papers on the Website. (3.2)

(i) Phill Jones to progress development of the Management Council section of the website.

Phill Jones reported that he had been advised that the modification to the website to include selected Management Council documents had been completed on the morning of the 24th May and had not yet been able to check the work. The check will be carried out later in the week and Council Members are to be advised of the procedure for viewing proposals for approval prior to going live.

Action: Phill Jones

(ii) Mark Harrison to seek agreement on key search words relating to the proposed section on the infringement data database at the next meeting of the Infringement Working Group.

Mark Harrison confirmed that he had supplied the key search words but as he had been restricted to three words and suggested that in order to make the site as effective as possible consideration should be given to setting up links with other organisations such as the CITB .

Proposals for the changes for the site to include a section on excavation and safety had been received and were being reviewed.

Action: Mark Harrison.

3.3 Integrity Assessment of Construction Dents in Pipelines subject to Fatigue Loading – Proposal by Newcastle University. (5)

Neil Jackson was actioned to arrange a meeting of the Risk Assessment Working Group at the University during which a session would be held with University representatives to gain a better understanding about the areas of work that the University is or is intending to become involved with and whether the issue of dents is one which deserves some priority.

Neil Jackson reported that the meeting of the RAWG had been held at the University as actioned and that the Group had received a presentation from Dr Phil Hopkins on the areas of work that the University is involved with including the development of “e learning” packages. The conclusion of the Group was that the work was aligned with the objectives of the Association and that closer cooperation would provide benefits to both parties. In this connection he noted that an expenditure approval application involving the University was to be considered under item 4.5 of the agenda.

Action closed.

3.4 Meeting with Representatives of the Chinese National Oil Company (CNOC). (7)

Phil Brown to ask the consultant for details of the contact in the DTI and then contact the DTI for advice on the matter.

Neil advised Members that National Grid had met with representatives of CNOC at which various pipeline related issues had been discussed, including legislation and regulations, and that no contact had been received since that meeting.

Action closed.

3.5 University of Newcastle – MSc Course Prize Certificates. (9.2)

Phill Jones was actioned to organise delivery of the signed certificates to the two successful candidates.

Action completed and closed.

3.6 **PARLOC Database (9.3)**

Lindsay Boswell to advise the PLUG representative (Graham Reid) to contact Roger Ellis in the first instance relating to UKOPA's experience in developing its database.

Roger Ellis reported that he had received no contact on this issue to date and it was agreed that the item should be closed.

Action closed.

3.7 **EGIG Database (9.5)**

Roger Ellis to advise Robert Owen that the Management Council had agreed that he would also represent UKOPA.

Roger Ellis confirmed that this action had been completed and that Robert Owen will represent UKOPA at EGIG. He also advised that Robert had informed him that he would need the agreement of the Independent Gas Networks for the release of their data and that the Networks will need to sign a confidentiality agreement with EGIG in order to gain access to its database. This will be reported at the main meeting.

Action: Roger Ellis.

3.8 **UKOPA – Ten Years Old (9.6)**

Neil Jackson to include on agenda of the separate meeting of the Management Council.

Neil Jackson reported that due to time constraints and limited attendance this matter had not been debated at the separate meeting held on the 4th April, and was to be covered under item 9 of the agenda.

Action closed.

All other items covered by the agenda.

4. **Financial Issues.**

4.1 **Finance Report to the 30th April 2006 – ref UKOPA/MC/06/0011.**

4.1.1 **Actions Arising.**

There were no actions arising.

4.1.2 **Bank Balance and Outstanding Commitments.**

Phill Jones referred to the Finance Report which had been circulated in advance of the meeting, and reported that the Association's combined bank balance on 30th April 2006 was £108,958. He noted however that this balance does not take account of outstanding payments due to R. McConnell and PIE. When these have been accounted for the balance was £80,156.

4.1.3 Membership Fees 2006

Phill Jones also reported that to date 12 Members had paid their fees for 2006 and that outstanding fees were being expedited. In this connection he also reported that he had been informed that Sembcorp Utilities were in the process of reviewing their position and may not be rejoining the Association. This would have an impact on the expenditure forecast which is detailed in section 4.4 below.

4.2 Approval of Invoices.

4.2.1 Actions Arising.

The Secretary to make payment relating to invoices from Advantica relating to Management of the Fault Database for the period 01/06/05 – 31/12/05 in the sum of £15000, and from National Grid relating to UKOPA's contribution to the National Grid Excavation Seminar in the sum of £1000 -1500 when received.

Action completed and closed.

4.2.2 Approval of Invoices.

The following invoices had been approved by email and were signed by the Chairman:

- Advantica relating to Management of the Fault Database for the period 01/06/05 – 31/12/05 in the sum of £15000.
- National Grid – Contribution to the Excavation Seminar in the sum of £1324.25.
- Visual for Management of the website January to March 2006 in the sum of £509.64.
- Essen Group for the advert in UK Construction in the sum of £785.
- Advantica relating to Management of the Fault Database – first payment for 2006 in the sum of £12,500.
- Visual for Management of the website April to June 2006 and for server hosting for 2006 in the sum of £803.39.
- Robinsons Accountants for preparation and check of the Association's 2005 accounts in the sum of £800.

The following listed invoices had been circulated prior to the meeting and were approved for payment and signed by the Chairman:

- PIE Secretariat Service – Phill Jones – for the period 01/01/06 to 30/04/06 in the sum of £7,820.
- PIE Technical Support – Jane Haswell – for the period 01/01/06 to 30/04/06 in the sum of £14,543.
- Rod McConnell - Technical support – for the period 01/01/06 -30/04/06 in the sum of £4,898.80.

4.3 VAT Returns.

4.3.1 Actions Arising.

There were no actions arising.

4.3.2 VAT Return for January to March 2006 – ref UKOPA/MC/06/0012.

Phill Jones reported that the VAT return for the July to September period had been submitted on time and that a payment of £4484.67 had been made.

4.4 Expenditure Forecast 2006/2007 – UKOPA/MC/06/013.**4.4.1 Actions Arising.**

The Secretary was actioned to include an item on the agenda of the next meeting relating to Membership Fees.

Action completed and closed.

4.4.2 Updated Expenditure Forecast 2006/2007 – UKOPA/MC/06/0013.

Phill Jones referred to the 2006/2007 forecast which had been circulated in advance of the meeting, and noted that the forecasts of cash availability at the end of 2006 and 2007 based on current known commitments and current expected level of membership fees are £48,177 and £75,797 respectively. In discussion it was noted that these sums would fall to £43,177 and £65,797 if Sembcorp does not rejoin. It was also noted however that there was still the possibility that Conoco Philips may join and that Centrica had also expressed an interest. Phil Jones was actioned to follow up the contact from Centrica which had been made through Penspen.

Action: Phill Jones.

4.5 Expenditure Approvals.**4.5.1 Actions Arising.**

The additional expenditure (relating to Rod McConnell) was approved in principle by Members, and the Secretary was actioned to prepare a revised expenditure approval application to cover the forecasted increase. (4.4.2ii)

Action completed and expenditure application reference UKOPA/06/0009 to be considered under agenda item 4.5.2.

Action closed.

4.5.2 Expenditure Applications.**(i) Rod McConnell – Application ref UKOPA/MC/06/0009.**

The proposed expenditure had been agreed by Council Members at the previous meeting and the application was now signed by Neil Jackson as proposer and by Roger Ellis as approved on behalf of the Council.

(ii) Integrity Assessment of Construction Dents – Application UKOPA/MC/06/0015.

The proposed expenditure had been circulated in advance of the meeting and was now approved by Members, and the application was signed by Neil Jackson as proposer and by Roger Ellis as approved on behalf of the Council. Phill Jones to issue an order to the University.

Action: Phill Jones

4.6 Accounts for year ending December 31st 2005.

The Chairman opened discussion on this agenda item by confirming that the accounts had been prepared and checked by the Accountants as agreed at the last meeting, and that a copy of the accounts had been circulated to Members by Phill Jones under cover of an email dated 28th March. The following were also attached to the email:

- Covering letter from the accountants.
- Letter of Engagement.
- Fee Breakdown.
- Letter explaining the higher than quoted fee for preparation of the accounts.

(i) Covering Letter

Phill Jones reported that the error relating to VAT return in the sum of £12.25 which had been identified by the Accountants had been corrected in the January/April VAT return as recommended.

(ii) Letter of Engagement

As detailed in the email of the 28th March, Phill Jones explained that the letter of engagement is a requirement of the Institute of Chartered Surveyors and recommended that it be signed as requested and returned with the accounts for signature by the Accountants. He also advised that he had contacted the Accountants to seek confirmation regarding the adequacy of the Associations's records for the purpose of preparing the accounts and had been advised that they were entirely satisfactory.

Members supported the recommendation and the letter was signed by the Chairman on behalf of the Association. Phill Jones to return one copy of the letter to the Accountants.

Action: Phill Jones.

(iii) 2005 Accounts (UKOPA/MC/06/0014)

Members approved the accounts, and four copies were signed by the Chairman as the representative of National Grid and the Secretary who was actioned to return the signed copies to the accountants for their signature, and to submit one copy to Companies House.

Action: Phill Jones.

4.7 Membership Categories and Membership Fees for 2007

(i) Membership Categories

Neil Jackson referred to email correspondence on this subject relating to whether the category of Affiliate Member should be continued. He identified the following options for consideration:

- Leave as is – disadvantage is that it is very similar to the benefits enjoyed by Associate Members
- Remove the category altogether.
- Change the benefits.

In discussion it was agreed by Members that the Affiliate Member category should be discontinued and that this would be recommended by the Chairman to Members at the full meeting to be held later in the day.

Action: Neil Jackson.

Subject to the decision at the main meeting Phill Jones was also actioned to amend any relevant information which would be affected by the removal of the category e.g. the Association's Terms of Reference and the details advertised on the website.

Action: Phill Jones.

(ii) Membership Fees for 2007

Neil Jackson advised that it had been previously agreed to include this item on the agenda of the May/June meeting to agree Membership Fees for the following year in order to give adequate notice to Members prior to preparation of budgets.

In discussion, and taking account of the expenditure forecast for 2006/2007, it was agreed to recommend to Members that membership fees should remain the same for 2007 i.e. £12000 for a full Member and £5000 for an Associate Member.

Action: Neil Jackson.

It was also agreed that it would be timely and appropriate to take a longer term view of potential budget requirements based on proposals included the UKOPA strategy document which was to be discussed under item 5 of the agenda and, in this respect, it was agreed that the Chairman would organise a separate meeting of the Council in early September.

Action: Neil Jackson.

5. UKOPA Strategy for the Future – ref UKOPA/06/0028

Neil Jackson referred to the strategy meeting which had been held at Loughborough on the 4th April and to the draft UKOPA Strategy for the Future document which had been prepared as a result of discussions at that meeting. The draft had been circulated to Council Members for

comment and an amended version had been circulated to all Members reference UKOPA/06/0028 for discussion at the main meeting.

It was agreed that Neil would summarise proposals at the main meeting, encourage open discussion and invite comments from Members within four weeks. In particular Members' views are to be invited relating to proposals to change from three meetings per year to two meetings plus a technical seminar.

Action: Neil Jackson.

6. Agenda of Main Meeting and Future Meetings including Presentations.

6.1 Actions Arising. (6.2)

(i) Neil Jackson to arrange a presentation from Andy Rushton of the HSE on the application of ALARP to major accident hazard pipelines, and Phill Jones to arrange for Jane Haswell to make a presentation on Pipeline Failures.

Actions completed and closed.

(ii) Phil Brown accepted an action to talk to Steve Wing of the HSE regarding the proposal to set up an HSE/UKOPA Management Council Liaison Forum. (6.2)

Neil Jackson reported that this action had been overtaken by events and will be covered as part of the strategy review.

Action closed.

6.2 Discussion on Format of Main Meeting.

The Chairman noted that the main meeting has been structured around the theme of Risk Assessment and includes a number of risk related presentations Most of the presentations are scheduled to be held on the first day but the presentation by Rod McConnell and Jane Haswell on "The Practical Application of the Code Supplements based on hypothetical development cases" was scheduled for the second day when the HSE will be represented at the meeting.

He also noted that a slot had been included for Summary and discussion of the Risk Assessment presentations, when Members would be invited to provide feedback on the content and relevance and that he would facilitate this session.

6.3 Format of Future Meetings and Future Presentations.

The Chairman noted that there is a need to agree the format of the September and possibly the January meetings and summarised the feed back on Members aspirations as recorded in the notes of previous meetings as follows:

- 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 focussed reporting by the Working Groups.*
- v) *Less administrative/financial discussions – these should be covered by the Management Council.*

With regard to meetings beyond January 2006, it was suggested that an operational issue could be identified at an early date and that consideration should be given if possible to aligning presentations with the operational issue.

In discussion a number of operational themes were suggested as follows:

- i) Hot tap and stopple – Jim Martin advised that he would be prepared to start a session on this subject with a presentation relating to a BP operation.
- ii) Operational Procedures.
- iii) Incidents.
- iv) GIS systems.

Three other presentations had previously been suggested as possible contenders for future meetings:

- a) Web Based Aerial Imagery of Pipeline Routes – Sponsor Roger Ellis.
- b) Insurance Assessment of Damaged Sites (Alan Robertson) – Sponsor Neil Jackson.
- c) Environmental Issues Mark Calvert - Managing Director of Adler and Allan - Environmental Recovery Company –Sponsor Robert White.

It was agreed that these items would be raised with Members at the main meeting.

Action: Neil Jackson.

7. Articles of Association

Phill Jones reported that for a number of reasons the Articles of Association were never fully approved. It was his understanding that legal representatives of the Council Members had reviewed the articles relating to the Companies themselves being the actual registered Directors and the implications of any liabilities and, that as far as he was aware, none had any problem with the Articles. This process had taken some time and the Articles were never formally approved.

In discussion it was agreed that Phill Jones should review the Articles to ensure that nothing had been agreed during the interim which affected the content of the Articles and that he should report back to the meeting which is to be convened in early September.

Action: Phill Jones.

8. UKOPA Chairman from September 2006

Neil Jackson reminded Members that Lindsay Boswell as the representative of BP was due to take over as Chairman from September 2006 and that it had been agreed that it would not be reasonable to expect his successor to take over at short notice with no background of what the Association is about etc. As a result Mark Harrison and Roger Ellis had been asked if they would consider taking over for a period.

Mark reported that he had communicated the request to Huntsman management and that he had received their approval to take over as Chairman from September 2006 to September 2007. He also noted that due to business commitments he would have to withdraw totally from UKOPA in September 2007 and as such would not be available as to assume the Deputy Chairman for the following year.

Neil Jackson thanked Huntsman and Mark for their support and agreed to report developments to Members at the full meeting.

Action: Neil Jackson.

9. UKOPA – Ten Years Old in 2007

Neil Jackson introduced this item by reminding Members that this subject was raised by Mark Harrison at the last meeting and asked if anyone had any suggestions on how the occasion should be celebrated.

In response Roger Ellis suggested that there were two issues to consider namely (i) how should the occasion be celebrated and (ii) how should the occasion be marketed.

Some discussion took place regarding the matter and it was agreed in principle that any celebration should be linked with the January 2007 meeting and that it might be a special dinner to which previous Chairmen of the Association could be invited. In terms of marketing the event, consideration could be given to preparing articles for publishing in the IGEM and Pipes and Pipelines International magazines which could focus on achievements and current initiatives.

It was agreed to raise the matter at the main meeting.

Action: Neil Jackson.

10. Any Other Business.

10.1 Excavation Safety DVD.

Mark Harrison noted that most Members have information for issue to contractors and the public relating to excavation safety and that many now have this in DVD format. The Infringement Working Group is recommending that a DVD should be prepared for UKOPA, the core of which could be used by Members with their own introduction etc. He further advised that Danielle Willetts of National Grid had already prepared a draft script based on information received from National Grid, Shell, Huntsman and BP, and requested support to produce a working version of the DVD as recommended by the Group.

The matter was agreed in principle and Mark was actioned to raise at the main meeting.

Action: Mark Harrison.

10.2 Association of Petrochemical Producers in Europe (APPE).

Roger Ellis reported that he had recently attended a meeting of the Association of Petrochemical Producers in Europe and that he had been encouraged to note that the Association is keen to develop links with other organisations with similar interests. He noted that such links could be useful in lobbying European legislation and recommended that links should be promoted for this purpose.

The recommendation was supported and Roger Ellis was actioned to advise APPE of UKOPA's willingness to co-operate in areas of mutual interest.

Action: Roger Ellis.

11. Dates of Future Meetings.

- (i) 20th/21st September 2006 – details to be confirmed – Newcastle University.

Action: Phill Jones to arrange.

- (ii) Neil Jackson to agree meeting dates for 2007 at the main meeting and request volunteers to host the meeting.

Action: Neil Jackson.

Signed: (Neil Jackson) – Chairman.

Date: