



United Kingdom Onshore Pipeline Operators' Association

Notes of the Meeting held at the Grange Manor Hotel Grangemouth on 10th October 2007

1. Attendance and Apologies

Present: Roger Ellis – Shell - Chairman
Neil Jackson – National Grid
David Dickson – BP
Peter Davis – BPA for item 5.4
Phill Jones – Secretary.

Apologies: Mark Harrison – SABIC UK Petrochemicals

2. Notes of Meeting held on 7th February 2007 (UKOPA/MC/007/0014).

The notes of the meeting held on 7th February 2006 were accepted as a fair record of the discussions.

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)

(i) Mark Harrison to send Conoco and Philips contacts a copy of the UKOPA strategy document and continue to lobby.

Ongoing.

Action: Mark Harrison

3.2 EGIG Database (3.3)

Roger Ellis reported that the EGIG/UKOPA confidentiality agreement had been signed and that he was now progressing separate UKOPA confidentiality agreements with FDMG members.

Roger Ellis reported that the EGIG/UKOPA confidentiality agreement had been signed, and that there was one outstanding agreement relating to an FDMG members. The latter is expected to be signed in the near future. Signed originals are returned to member companies and when complete Roger will send the UKOPA copies to the secretary for archiving.

Action: Roger Ellis.

3.3 Association of Petrochemical Producers in Europe (APPE) (3.4)

Roger Ellis to make further contact with APPE regarding UKOPA's willingness to co-operate in areas of mutual interest and to report back.

Roger Ellis advised that he had sent an email to Jacques Autin in which he had listed the secretary's details. No response had been received and Roger suggested that he should be sent a copy of the summary notes of the meeting for information. This was agreed.

Action: Roger Ellis/Phill Jones

3.4 UKOPA – Ten Years Old in 2007 (3.6)

(i) Jane Haswell and Rod McConnell should also be asked to provide a list of nominations from the Emergency Planning Work Group and the Working Group on pipelines.

Action completed and closed.

(ii) Neil Jackson to arrange for National Grid's Communication Department to prepare an article using the Work in Progress Report being prepared by Jane Haswell and the updated Strategy Document when available.

Action completed and closed.

(iii) It was agreed that the article will be published in IGEM, Pipes and Pipelines International and the magazines of the Institutes of the Mechanical and Civil Engineers. Other possibilities will be considered when the article has been completed.

This action had not been closed out although it was noted that an article had been published in the International Energy Pipeline Directory 2007. In discussion it was agreed that:

- (i) Neil Jackson would arrange for Danielle Willett to send a copy of the approved final article to Phill Jones.

Action: Neil Jackson

- (ii) Phill Jones to contact John Tiratsoo with a view to having the article published in Pipes and Pipelines International.

Action: Phill Jones

- (iii) Neil Jackson to make contact with IGEM and the Institute of Mechanical Engineers.

Action: Neil Jackson

- (iv) Roger Ellis to make contact with the Institute of Civil Engineers.

Action: Roger Ellis

3.5 UKOPA Website (4.5.2(ii))

Phill Jones was actioned to investigate the cost of a search facility for the Members Section based on author or title or word in the title etc

Phill Jones reported that a quote had been received from Visual for developing and implementing a search facility for the use of Members in the sum of £1,895. This was discussed and it was agreed that the quote should be accepted. Phill Jones to issue a purchase order and to raise an expenditure approval including contingency of 2 days of effort for dealing with unforeseen issues. This would bring the total to £2,295.

Action: Phill Jones

3.6 Articles of the Association (8)

Phill Jones to post a copy of the updated format on Management Council's secure section of the website.

Action completed and closed.

3.7 Pigging Seminar – Pipeline Pigging Services Association (PPSA) (10.1)

Phill Jones to arrange for John Healy in his capacity as a Director of the Pipeline Pigging Services Association (PPSA) to attend the September meeting to explain his proposal to organise a pigging seminar for Members.

Action completed and closed.

All other items covered by the agenda.

4. Financial Issues.

Roger to ask Phill Jones to report:

4.1 Finance Report to the 10th September 2006 – ref UKOPA/MC/07/0024.

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 31st August 2007 was £107,850.32. The balance does not however include for payment of a number of invoices, and after taking these into account the actual monies available at August 31st 2007 was £94,490.26.

4.1.3 Membership Fees

Phill Jones reported that payment of membership fees for 2007 had not been received from one Member. He confirmed that he had been in contact and had been informed that payment was being progressed.

4.2 Approval of Invoices.

4.2.1 Actions Arising.

Phill Jones reported that he had issued payment for approved invoices from Advantica for management and of the fault database for the second half of 2006 in the sum of £12500 as actioned at the last meeting.

Action closed

4.2.2 Approval of Invoices.

The following listed invoices had been approved for payment by email prior to the meeting and were now and signed by the Chairman on behalf of the Council:

- a) Visual for Management of the website January to March 2007.
- b) Advantica – Fault Database Management – 2nd Payment for 2006.
- c) G W Robinsons – Preparation of the 2006 Accounts.
- d) Newcastle University – Dent Assessment Report.
- e) Visual for Management of the website April to June 2007.
- f) PIE Technical Support – Jane Haswell – January to March 2007 inclusive.
- g) PIE Secretariat Service – Phill Jones – January to March 2007 inclusive.
- h) Rod McConnell - Technical support - January to March 2007 inclusive
- i) Advantica – Fault Database Management – 1st Payment for 2007.
- j) Visual for Management of the website July to September 2007.
- k) PIE Technical Support – Jane Haswell – May to August 2007 inclusive.
- l) PIE Secretariat Service – Phill Jones – May to August 2007 inclusive.
- m) Rod McConnell - Technical support for period May to August 2007 inclusive.

In addition approval was given at the meeting to make payment for a further two invoices as follows

- (i) Visual for Management of the website October to December 2007.
- (ii) ATPR for design work associated with the UKOPA safety card in the sum of £524.29. This is part of expenditure to be approved under UKOPA/MC/07/0021 – see 4.5.2(ii) below.

Action: Phill Jones

4.3 VAT Returns.

4.3.1 Actions Arising.

There were no actions arising.

4.3.2 VAT Return for January to March 2007 – ref UKOPA/MC/07/0025.

Phill Jones reported that the VAT return for the July to September period had been submitted on time and that a payment of £8,395.09 had been made.

4.3.3 VAT Return for April to June 2007 – ref UKOPA/MC/07/0026.

Phill Jones reported that the VAT return for the October to December period had been submitted on time and that a reclaim of £3995.47 had been submitted. Payment was received and had been banked.

4.4 Expenditure Forecast 2007/2008**4.4.1 Actions Arising.**

- (i) Roger Ellis to request Advantica to quote for managing the database for a further term on the basis of a 10 year period with appropriate termination/cancellation clauses.

Roger Ellis reported that the contract had been agreed and awarded for a 5 year period.

Action completed and closed.

- (ii) Phill Jones was actioned to prepare and circulate a 2007/2008 forecast during the next few weeks, and as part of this he should write to Chairmen of Working Groups asking them to identify any work/costs that they may be involved with over the next 2 to 5 years. The forecast to include an item for expenses paid to ex Members for attendance at the anniversary dinner.

Action completed and closed.

4.4.2 Updated Expenditure Forecast 2007/2008 – UKOPA/MC/07/0027.

Phill Jones referred to the latest issue of the 2007/2008 forecast which had been circulated in advance of the meeting. He noted that the forecasts of cash availability at the end of 2007 and 2008 based on current known commitments and current expected level of membership fees are listed as £40.12 k and £95.81k respectively:

(i) 2007 Outturn

He noted that the current forecast is higher than in the previously issued and advised that this was in due in the main to:

- (i) A reduction in forecasts of expenditure by Jane Haswell and Rod McConnell,
- (ii) A reduction in costs in the new contract for Advantica management of the fault database,
- (iii) Slippage of the proposed contract with Newcastle University relating to the mechanical damage model, and
- (iv) Inclusion of expenditure for the safety cards and for payment to Harry Hopkins and Andrew Cosham for assistance with the code supplements – these have not yet been approved.

He also noted that £4k of the shortfall predicted by Rod McConnell had been added to his 2008 forecast.

(ii) 2008 Outturn

The 2008 outturn had been affected by the change to the 2007 outturn, but has also been affected by the proposal to increase membership fees from £12k to £15k for full members and from £5k to £8k for associate members – reference UKOPA/07/0038 and 0040. This will result in additional income of £48k for the year.

Phill Jones also drew attention to an outstanding action which had been raised at the meeting of the Council held in Tebay on 20th April - “*future expenditure forecasts to include a sum of money for recruiting support deliver the strategy – to be discussed at the next meeting*” – and asked for guidance from members on what sum he should include in the forecast. It was agreed that the requirement should be kept in mind and that monies would only be included in the forecast after approval by the Management Council.

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

There were no actions arising.

4.5.2 Expenditure Applications.

The following applications were considered by the Council:

- (i) Advantica - Provision of a comprehensive service for the management of UKOPA member fault data for a period of 4½ years commencing 1st January 2007 and terminating on 30th June 2011 – UKOPA/MC/07/0019.

This application had been approved by email and was now signed by Roger Ellis as the initiator and by Neil Jackson as approver on behalf of the Management Council.

- (ii) Supply of safety cards on behalf of all UKOPA members – UKOPA/MC/07/0021.

This application was approved to cover the cost of the art work which had been carried out and invoiced for, and for an initial run of 500 cards only on the basis that companies are likely to want to include their own logos on the cards and will therefore need to order their own. The 500 are for distribution to Members as examples. Mark Harrison to adviser IWG and UKOPA members and arrange for distribution on the issue.

Action: Mark Harrison

- (iii) Emergency Response DVD – UKOPA/MC/07/0028

It was agreed that this application should be put on hold and that Donal Cullen be asked to describe the content of the DVD to members and to show it at a future meeting so that all Members can sign on to the agreement to produce a UKOPA version. Roger Ellis to contact Donal and advise

Action: Roger Ellis

(iv) IWG – Excavation Safety DVD – Revised Application UKOPA/MC/07/0029

This application had been approved by email and was now signed by Phill Jones on behalf of the initiator and by Roger Ellis as approver on behalf of the Management Council.

4.6 Association Accounts for 2006

4.6.1 Action Arising

Phill Jones to arrange for the accounts for 2006 to be prepared by Robinsons in the sum of £500-£520.

Action completed and closed.

4.6.2 Update

Roger Ellis confirmed for the record that the 2006 accounts had been:

- (i) Prepared by the accountants and circulated to Management Council Members.
- (ii) Received and approved and signed by a member of the Council,
- (iii) Signed by the accountant and a copy submitted to Companies House.

He also advised tax has been paid on interest earned during the year.

4.7 Membership Fees 2008

Roger Ellis confirmed that members have been advised of the increased fees for 2008, and that he would advise Members at the full meeting that invoices for 2008 fees will be issued in January 2008 and request prompt payment.

Action: Roger Ellis

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

5.1 Actions Arising

- (i) Phill Jones to action the comments received and to circulate an amended version of the strategy to all Members for final comment.

Action completed and closed.

- (ii) Mark Harrison to organise meeting with the HSE following the further review by Members.

Action completed and closed.

- (iii) Mark Harrison to organise special meeting of the Management Council after the meeting with the HSE to review the proposed timetable and resource requirements and costs.

Covered under 5.2.

- (iv) The strategy document to be split into two viz UKOPA Strategy 2007 – 2012 including Stakeholder Analysis and UKOPA Strategy 2007 -2012 Areas of Activity, Task and Programme

Action completed and closed.

- (v) A separate Management Council Meeting to be held in week commencing 16th or 23rd April at Tebay to progress issues relating to the Strategy and the Technical Seminar.

Action completed and closed

5.2 Management Council Meeting with HSE on 20th September

Neil Jackson reported that the meeting had been attended by Steve Wing, Steve Chatfield and Nigel Riley on behalf of the HSE and by Mark Harrison, Neil himself and Phill Jones on behalf of UKOPA. The meeting had gone extremely well and the feedback from the HSE relating to UKOPA and its activities were very positive.

The meeting started a presentation by Mark Harrison on UKOPA's strategy 2007 – 2012 and in discussion the HSE stated that the strategy aligned fairly closely with their own strategy and that they were supportive of the initiative. A number of issues were discussed and actions agreed and these are recorded in notes of the meeting which will be circulated to all Members following acceptance by the HSE. He also noted that it had been agreed that the meeting will be held annually.

Action: Phill Jones (to circulate the notes following agreement).

5.3 Update – Allocation of Responsibilities and Reporting Arrangements

Roger Ellis stated that the tasks associated with delivery of the strategy had in general been allocated to working group chairmen and it was evident that many tasks were being actively progressed. He then reviewed all tasks listed on UKOPA/07/0031 comment on status and progress. In later discussion it was agreed that Phill Jones would update (i) UKOPA/07/0031 to remove his name wherever it occurs under the responsibility column and replace it with the word "Secretary", and (ii) Prepare a progress report by the end of the year using UKOPA/07/0031 as the format for the report but with an additional column titled "Progress Report".

Action: Phill Jones.

5.4 Feedback from the Process Safety Leadership Group (PSLG).

Peter Davis joined the meeting for this agenda item and advised that he had attended the first meeting of the PSLG held on the 21st September 2007. He agreed to circulate the draft minutes of the meeting to Management Council members and confirmed that the focus of the Group and the meeting was process safety and how industry organisations were contributing to process safety leadership.

Action: Peter Davis

He drew attention to Kevin Allar's paper on process safety and general lessons from recent major incidents which had been referred to at the meeting and which he agreed to circulate for information.

Action: Peter Davis

He also advised that questions had been asked:

- (i) Relating to attending organisations' commitment to process safety, what they are doing in this respect and how they are taking industry with them? The point was made that organisations such as UKOPA need to be seen to be providing some form of leadership.
- (ii) What had been done as a result of the COMAH audits (and subsequent recommendations) which had been carried out immediately post Buncefield?
- (iii) Does UKOPA set or recommend bench mark process indicators or do they have different approach to help raise standards of process safety?

He referred to a draft list of principles on leadership in process safety which had been developed by UKPIA in order to demonstrate its commitment to process safety, and advised that he had rewritten this as a UKOPA statement and suggested that it be issued to the Management Council for review/amendment/agreement prior to circulation to Members for acceptance as a UKOPA position statement on the issue. This was agreed.

Action: Peter Davis

Roger Ellis concluded the item by stating that it had already been agreed that the organisation should publish a progress report on its strategy at the end of the year and this should emphasize where possible what the association has done to take this forward. He commented that this may refer to a 2008 deliverable plan which may need to take on board additional items in order to address the aspirations of outside organisations such as the PSLG. This would need agreement within the Management Council in the first instance and subsequent approval of all members.

Action: Roger Ellis

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

6.1 Format/Theme of Main Meeting.

The Chairman noted that the theme for the full meeting is process safety management and human error reporting assessment and that a number of presentations have been organised for the meeting:

- (i) Pipeline Support Services provided by National Grid's Pipeline Maintenance Centre, Ambergate – Cliff Chenery, National Grid.

(ii) Proposal by PPSA to Organise a Seminar On behalf of UKOPA relating to recent developments in Pipeline Pigging Solutions – Solutions to Operational Problems – John Healy PPSA.

(iii) Safety and Permit to Work Operation - A SABIC Pipelines Perspective – Lynton Haw.

(iv) National Grid – Pipeline Permit to Work Arrangements. (This will be short one and is intended to lead into the questionnaires providing we have sufficient returns).

(v) Human Error Assessment Reporting – Rod McConnell.

(vi) Procedural Compliance and Behavioral Based Safety – Nick Dickerty – HSE.

(vii) Emergency Response Management Course Framework (PERO-P) and Model Questionnaire for UKOPA – Chris Herrington, Fire Services College.

6.2 Format of Future Meetings and Future Presentations.

The Chairman reported that there was no change to what was reported at the last meeting in that there is a shortage of offers and suggestions for presentations. The only offer of a presentation at the moment is the one by Jim Martin relating to a BP hot tap and stopple operation.

In discussion it was agreed that the theme for the next meeting would remain with process safety and focus on operating procedures/operating approach rather than control of operations. In this connection it was agreed that:

- (i) The HSE should be asked whether they would be able to nominate someone to speak on process safety indicators.

Action: Roger Ellis

- (ii) David Dickson would ask Harry Robertson if he would talk process safety from a system integrity standpoint.

Action David Dickson

- (iii) Neil Jackson to investigate whether National Grid would be prepared to get someone to talk on the subject.

Action: Neil Jackson

Finally it was agreed that Roger Ellis would invite feedback/suggestions from Members at the full meeting.

Action: Roger Ellis

7. 2008 Technical Seminar

Roger Ellis referred to the teleconference held on 30th August and the actions that had been agreed in connection with the 2008 technical seminar (in italics) with appropriate update as follows:

- a) *Agreed that the theme of the Seminar will be Risk Assessments and Land Use Planning.* No change – Chairman to advise members at the full meeting.

Action: Roger Ellis

- b) *Neil Jackson to investigate the availability of Eakring for hosting the seminar and to report back at the October meeting.* There was no update available at the meeting, but Neil Jackson has since confirmed that the venue has been reserved for the 11th June 2008.

- c) *Agreed that real and live examples should be used if possible – Neil Jackson and David Dickson confirmed they would be able to supply such examples but all Members are required to investigate and confirm.* No change to report.

- d) *Agreed that the Risk Assessment Working Group be actioned to prepare a draft agenda for consideration/agreement* – No change, action still on Neil Jackson.

Action: Neil Jackson.

8. UKOPA Terms of Reference

The Chairman noted that there is a long standing action to review the terms of reference periodically and that this had not been done for some time. He advised that the last approved terms of reference are listed in document UKOPA/03/0029 and suggested that:

- (i) The document should be circulated to all members with request for comments by the end of November with a view to having the document reissued before the February 2008 meeting.
- (ii) Consideration be given to including something on the Association's strategy such as the organisation of annual seminars.

The suggestions were supported in principle.

Action: Roger Ellis and Phill Jones

9. Use of the UKOPA Predictive Model by PIE

The Chairman advised approval had been given by email for PIE (Jane Haswell) to use the UKOPA predictive model for predicting failure frequencies for the Corrib pipeline, and that it had been include on the agenda of this meeting in order that the approval could be formally ratified and recorded. This was supported.

In terms of future use it was agreed that the Association should encourage the use of the model as good/best practice and that in terms of payment proposed clients should be asked to pay a donation to UKOPA. The size of the donation is to be confirmed but expected to be in

the range of £500 - £1000, and the donation would be expected from the person or company using the software and would probably recharge the end user who commissioned the work.

10. Any Other Business.

10.1 Potential Additional Full Members

Roger Ellis advised that he had been in discussion with Esso about becoming a full member and member of the Management Council, and that he was now very hopeful that Esso will apply to become a full member in 2008. He agreed to keep members advised of progress, and also the Secretary who would need to issue an invoice for 2008 membership fees in the correct amount in January.

Action: Roger Ellis

Some discussion took place regarding other potential full members and it was agreed that possibilities in this respect were Ineos, Wales and the West, Northern Gas Networks and Scotia Gas Networks. These possibilities will be followed up in 2008 with a view to the companies taking up full Membership at some time in the future.

Action: Roger Ellis

10.2 IWG Chairman

It was noted that Danielle Willett of National Grid had been suggested as a possible replacement for Mark Harrison when he steps down, and Roger Ellis asked Neil Jackson whether this would be acceptable to National Grid. Neil confirmed that it would be and that the move would be seen as a positive development opportunity.

At the suggestion of the Chairman it was agreed that it was not essential for Working group Chairmen to be Members of the Management Council, but they would be expected to attend full meetings to report on issues relating to the Working Group in question.

10.3 BSI Proposal to develop a standard for Pipeline Safety and integrity Management

Phil Jones referred to an email he had recently received from Dave Willis in which he had advised that BSI are considering the development of standard to cover pipeline safety management and pipeline integrity management and that this could also possibly include a section on extended life of pipelines. Dave had also noted that as BSI have successfully worked closely with UKOPA on the Land Use Planning supplement we were wondering if a similar cooperation could be arranged for pipeline safety and integrity management.

In discussion it was agreed that the proposal is supported in principle but it was also agreed that before committing to it that Jane Haswell and Phill Jones should make contact with Dave Willis to see how the proposed arrangement would be implemented and the extent of UKOPA's involvement.

Action: Phill Jones.

10.4 Repayment of £100 to PIE

Phill Jones reminded Members that in preparing the 2006 accounts the accountants had noted that there was an underpayment of £100 to PIE against invoice number PIE.UK/06/085. PIE had suggested that the money be written off but the accountants had recommended against this, and Phill Jones now requested permission for payment of £100 to be made to PIE. The request was approved.

Action: Phill Jones

11. Dates of Future Meetings.

27th/28th February 2008 - Shell to host at Lensbury.

8th/9th October 2008 – date and sponsor to be confirmed.

Signed: R. Ellis, Chairman

Date: