



# GasOperations

INNOVATION ALLIANCE, LLC

[www.gasopsalliance.com](http://www.gasopsalliance.com)

## Gas Operations Innovation Monitor – A Subscription Service

For 8 years from 2005 through 2013 this subscription service has been monitoring worldwide developments in new products, innovative maintenance and repair techniques, and research progress; and providing insights on market readiness, impediments to adoption and successful implementation strategies. In 2014 this service will continue to assist gas utilities and others in sifting through the vast array of information, and in keeping abreast of new developments dealing with distribution operations products, services and techniques. Delivery of information is through a combination of regular reports, conference calls, podcasts and on-line meetings.

### 2013 Subscriber List

**American Gas Association**

**BG Group\* distribution assets**

- MetroGAS
- Comgas
- Gujarat Gas Co. Ltd.
- Mahanagar Gas Ltd.

**Central Hudson Gas & Electric Corp.**

**Consolidated Edison Inc.\***

- Consolidated Edison Co. of NY
- Orange and Rockland Utilities

**DTE Energy\* – DTE Gas**

**Kiwa Gas Technology**

**Medicine Hat Gas Utility**

**Questar Gas Co.**

\* Premium subscribers

# Monitoring Gas Operations Technology Developments – A Subscription Service

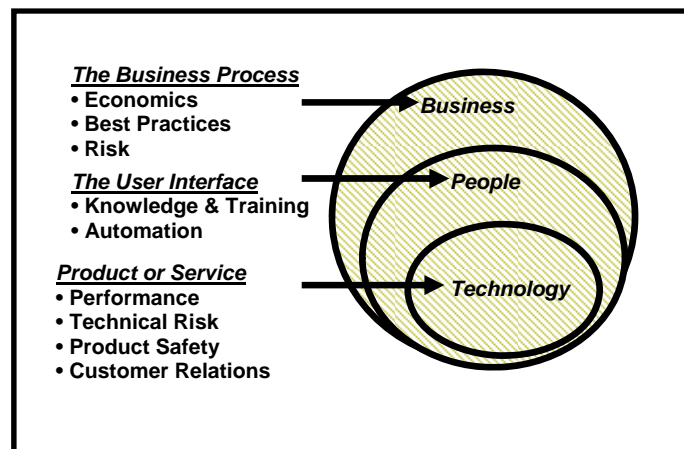
## Background & Objective

The natural gas distribution industry has been gradually, but profoundly changed by innovation in the last 50 years. Every gas utility manager has been affected by new technology and services, and new business practices. Over this time, new products and services have emerged from varied and sometimes unlikely sources. Realizing the benefits of innovation not only requires significant time and financial resources, but also accurate, insightful, independent and reliable information.

The objective of this subscription service is to provide gas utility and related personnel with information to help them maintain an increased awareness of new and innovative products and services that could be adopted in the near future.

## Scope & Coverage

Successfully applying innovation requires an understanding that extends beyond basic technology performance to include human and business issues. The scope of this surveillance service includes monitoring progress at other utilities, product manufacturers and service companies, national and international research laboratories, universities and other important organizations worldwide.



## Our Approach

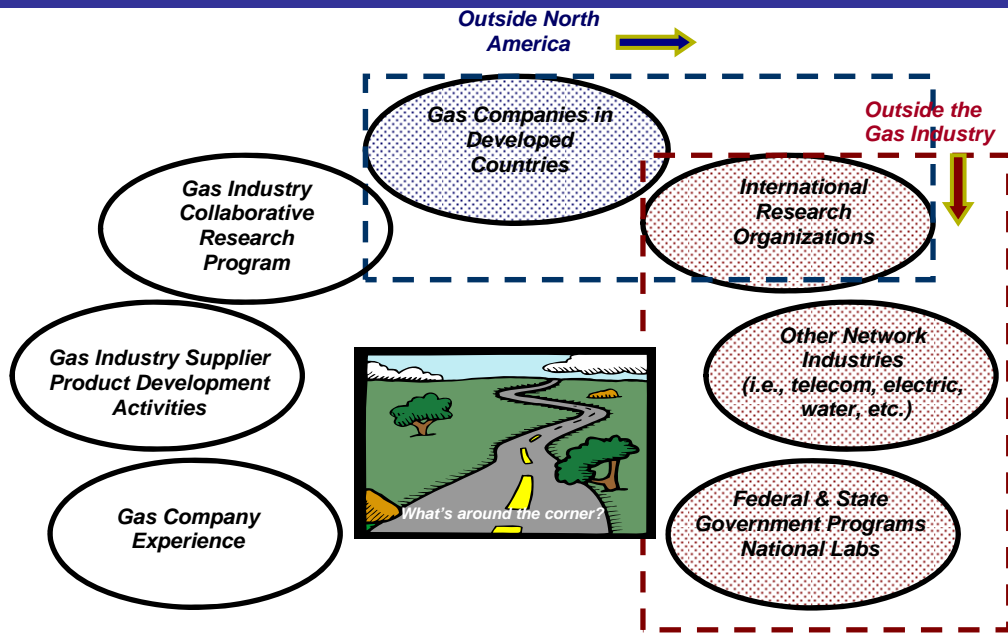
Innovations and research activities affecting gas operations worldwide are covered in the subscription service; including the entire context of technology, human and business issues (as illustrated by the figure above). The subscription service specifically tracks developments in the following 11 major categories:

1. *No-Dig/Key Hole Repair, Renovation, and Restoration Technologies*
2. *Damage Prevention Technologies*
3. *Distribution Pipeline Materials & System Innovations*
4. *Pipe Location & Mapping Technologies*
5. *Leak Surveying, Detection, and Pinpointing*
6. *Innovative Construction, Excavation, and Restoration Equipment & Methods*
7. *Distribution System Automation, Service, and Control Technologies*
8. *In-situ Pipeline Condition Assessment*
9. *Innovative Crew Work Processes, Equipment, and Methods*
10. *Security Readiness Technology*
11. *Innovative Metering Equipment & Methods*

What does a gas utility need to know about a new and innovative product or service? The following questions guide the team's research and analysis:

- What is the business case for a new product or service?
- What are the expected costs and cost savings?
- What are the implementation benefits in manpower and materials?
- What are the important barriers to implementation?
- What are the risks?
- What will it take to integrate with existing systems?
- What special skills are required and what training time needed for implementation?
- What are the innovation provider's capabilities and track record?
- What can be learned from successes and failures – demonstrations and experience from other gas utilities?

Our team applies many years of professional experience to the task of sifting through a vast pool of information to determine what's important and relevant; what's real and what's hype; what's actionable today; and what it will really take to make innovation pay off. Sources of information go beyond the traditional North American gas industry, to monitor development outside of the gas industry and include international developments (as illustrated by the figure shown on the next page).



## What Do Subscribers Receive?

### **Technology Market Watch**

Subscribers receive monthly briefings on several innovation-related topics keeping them informed on recent developments in technology research, new products and services, regulatory news and supplier developments along with analysis of how they impact gas utility operations. A sample *TMW* can be obtained on the GOIA website: [www.gasopsalliance.com](http://www.gasopsalliance.com).

### **Gas Operations Innovation Insights and other communications**

Subscribers receive up to twice quarterly in-depth analyses of a selected priority issue in gas distribution innovation.

New in 2013 an optional quarterly webcast/conference-call provides Premium Subscribers with additional information and a chance to interact with GOIA on topics of particular interest. This feature will be continued in 2014.

In 2014 we will try to provide additional insights on distribution operations activities through podcasts with vendors and service providers who introduce and apply new products and technologies.

### **Program Options**

- A. *On-site presentation.* Companies can arrange to have a group on-site presentation.
- B. *Supplemental services.* Individual custom analysis; support for technology field demonstrations; and assistance with technology implementation can also be arranged.
- C. *Quarterly webconference.* Companies can request a quarterly webconference to review with selected company staff and GOIA tools/products/apps reported on in the previous quarter.

## Subscription Fee remains the same

The **Basic Subscription Service** costs **\$8,250 per year**. To make the subscription more affordable to smaller gas operating companies, there is a sliding scale for companies with fewer than 100,000 customers (see subscription participation agreement at the end of this prospectus).

A **Premium Subscription Service** is available for **\$13,250 per year**. Premium level subscribers can influence research priorities through participation in the Advisory Board. In addition, Premium level subscribers are entitled to a customized report, quarterly webconferences, and an annual on-site presentation to company staff and management.

A **Manufacturer/Service-Provider Subscription Service** costs **\$2000 per year**. This offering provides an affordable opportunity for gas industry suppliers and service providers to monitor and participate in subscriber interaction and monitor new products, tools and technologies through the monthly *Technology Market Watch* and receive periodic *Innovation Insights* at a reduced fee.

American Gas Association members are granted a 10% discount on the Basic Subscription Service fee.

## Subscriber Benefits

Keeping track of new developments in technology and services requires time and experience. This subscription service can extend a gas company's market coverage and the depth of analysis by analyzing the competitive playing field to provide 1) an understanding of which new developments will impact gas utility operations; 2) what it will take to realize the benefits of innovation; with 3) an independent, concise and referencable publication of technological developments.

The project team brings a breadth of experience in monitoring innovation, sifting through the hype, and knowing what it takes to put innovation to work in a gas operating company. Gas companies will benefit by improving their knowledge of innovation as it continues to redefine the most effective practices in gas pipeline and distribution operations.

## Project Team

The two primary individuals behind the subscription service have many years of experience in technology development and business analysis of gas operations innovation. Each have their own successful consulting practice dealing with various aspects of the utility industry:

### **About Utilivate Technologies, Inc.**

Utilivate specializes in providing actionable strategic management, marketing and energy management solutions to industry and government. Utilivate celebrated its 10 year anniversary in 2011.

#### **Marlon McClinton, President**

Before forming Utilivate, Marlon served as Vice President of Gas Research Institute (now GTI). Marlon leverages over twenty years of experience in energy management, R&D performance, and product commercialization. Marlon's leadership led to the delivery of 15 products annually to the utility industry. These products, several of which have been recognized in national publications like Popular Science, have resulted in savings exceeding \$500 million annually.

### **About npb associates.**

Npb Associates provides technical and economic evaluations of new products and concepts in natural gas production, transportation/distribution and end-use; energy market evaluation and forecasting; strategic planning and analysis; and environmental impacts of fuel switching.

#### **Nicholas Biederman, Principal Consultant**

Mr. Biederman worked for the Brooklyn Union Gas Company from 1962 to 1966. He worked at the Institute of Gas Technology from 1967 to 1978 where he was Associate Director, Energy Systems Analysis when he left. For 34 years Mr. Biederman has been an independent consultant whose clients have included GRI, GTI, private companies, utilities, research organizations and government agencies worldwide. He is a member of the AGA DC&M and the IGU WOC4 committees.

**Gas Operations Innovation Monitor – A Subscription Service  
2013 Participation Agreement**

**1. Subscription Service Objective**

This subscription service will monitor worldwide developments in new products and research progress; and develop insights on market readiness, impediments to adoption, and successful implementation strategies. This service will assist gas utilities in sifting through a vast array of information and keep abreast of new developments in operations products and services. Information will be delivered through regular reports, electronic communications, and meetings.

**2. Deliverables**

*Basic Subscription Service:* Technology Market Watch, Gas Distribution Innovation Insights, Annual Review of Innovation, website subscriber-only access.

*Premium Subscription Service:* Basic Service plus: Advisory Board Membership, Customized Report, Company On-Site Presentation.

**3. Subscription Fees, Payment Schedule, and Initiation**

The Basic Subscription Service costs \$8,250 per year. A Premium Subscription Service costs \$13,250 per year. The Basic Subscription fee is adjusted for companies with less than 100,000 customers: less than 100,000 to 50,000 the fee is \$4125; from 49,999 to 25,000 the fee is \$2000; and less than 25,000 the fee is \$1000. Payment is due within 30 days of Subscription Service initiation. There may also be an organizational membership discount applying to these rates.

**4. Commitment Period**

Subscription fees cover a period of twelve months from the date of Subscription Service initiation.

**5. Management**

The Subscription Service will be managed by Marlon McClinton, Member, and Nicholas Biederman, Member, Gas Operations Innovation Alliance, LLC ("Alliance").

**6. Disclaimer**

The Alliance hereby agrees to undertake the research to produce deliverables listed in the Prospectus (and #2 above) on a "best-efforts basis", applying standard professional practice. The Alliance makes no warranty, either expressed or implied, regarding the products or services provided. Specifically, the Alliance makes no warranty or guarantee regarding the accuracy of any forecasts, estimates, or analysis, or that such work will be accepted by any legal or regulatory body. Subscribers agree that it will indemnify and hold harmless the Alliance, their members, directors, employees, officers, agents and controlling persons and any affiliate thereof from and against any and all losses, claims, damages, liabilities, and expenses.

**7. Confidentiality**

Subscribers, upon payment received by the Alliance as required by #3 above, shall be granted a non-exclusive right to the specific results of this Subscription Service. Participants agree to maintain confidentiality of all work resulting from the Subscription Service and agree to only share the results among current employees of the participating company.

Participant will not copy or otherwise recreate or redistribute the materials and results of the Subscription Service without prior written consent of the Alliance.

Please sign the agreement below and return to:

Marlon McClinton  
Gas Operations Innovation Alliance, LLC.  
203 North LaSalle Street, Suite 2100  
Chicago, Illinois 60601  
Fax: 773-667-1552  
e-mail: [nbiederman@gasopsalliance.com](mailto:nbiederman@gasopsalliance.com)

I, as "participant", hereby agree to the terms and conditions set forth herein.

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(Signature)	(Date)	

**Gas Operations Innovation Monitor – A Subscription Service  
Manufacturer/Service Provider 2013 Participation Agreement**

**1. Subscription Service Objective**

This subscription service will monitor worldwide developments in new products and research progress; and develop insights on market readiness, impediments to adoption, and successful implementation strategies. This service will assist gas utilities and manufactures/service providers to the natural gas industry in sifting through a vast array of information and keeping abreast of new developments in operations products and services. Information will be delivered through regular reports, electronic communications, and meetings.

**2. Deliverables**

*Basic Subscription Service:* **Technology Market Watch**, option to purchase selected Gas Distribution **Innovation Insights** at \$500 each, quarterly subscriber webconferences and Annual Review of Innovation as presented at the GOIA Annual Meeting. Upon agreement with the Manufacturer/Service Provider Subscriber GOIA will provide articles extracted from the monthly Gas Utility **Technology Market Watch** in areas of specific interest to the Subscriber based on the GOIA list of key RD&D criteria.

**3. Subscription Fees and Payment Schedule**

The Basic Subscription Service costs \$2000 per year. Payment is due within 30 days of Subscription Service initiation. Premium subscriptions as defined in the Prospectus are available only to natural gas T&D companies.

**4. Commitment Period**

Subscription fees cover a period of twelve months from January to December of the subscription year in which fee is paid.

**5. Management**

The Subscription Service will be managed by Marlon McClinton, Member, and Nicholas Biederman, Member, Gas Operations Innovation Alliance LLC (or “Alliance”).

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**7. Confidentiality**

Subscribers, upon payment received by the Alliance as required by #3 above, shall be granted a non-exclusive right to the specific results of this Subscription Service. Participants agree to maintain confidentiality of all work resulting from the Subscription Service and agree to only share the results among current employees of the participating company and its subsidiaries. Participant will not copy or otherwise recreate or redistribute the materials and results of the Subscription Service, except to participating company or subsidiary company employees, without prior written consent of the Alliance.

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Chicago, Illinois 60601  
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e-mail: [nbiederman@gasopsalliance.com](mailto:nbiederman@gasopsalliance.com)

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(Signature)	(Date)	

## Monitoring Gas Operations Technology Developments – A Subscription Service

Gas Operations Innovation Alliance, LLC  
203 North LaSalle Street, Suite 2100  
Chicago, Illinois 60601