AGA's Commitment to Enhancing Safety and Other Initiatives to Improve Safety

Sue Fleck Vice President Engineering Standards, Policies & Codes National Grid February 2014

AGA American Gas Association

Delivering natural gas that fuels America's way of life

- The American Gas Association , founded in 1918, represents local natural gas companies that cleanly fuel the way of life of 177 million Americans nationwide
- Members deliver 92% of the natural gas in the US
- Today, natural gas meets almost onefourth of the United States' energy needs.

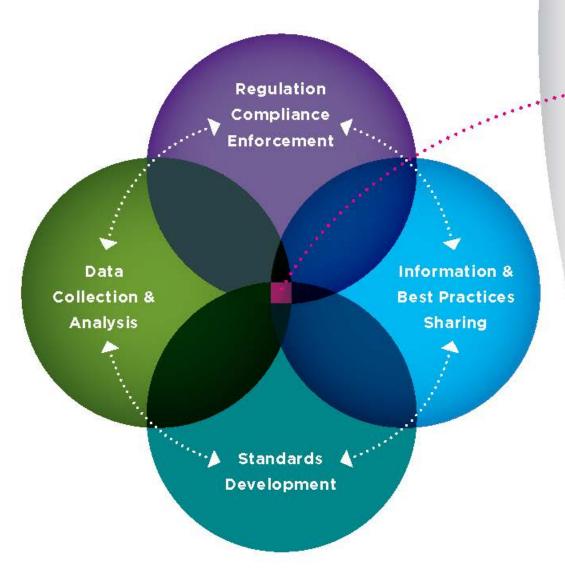




Natural Gas Transmission Systems: 303,303 Miles

- Nearly 60,000 transmission miles inspected in 2012 alone
 - Nearly 40,000 anomalies repaired inside and outside of HCAs
- 19,853 Miles High Consequence Areas (HCAs)
 - Nearly 7,600 miles received baseline and reassessments in 2012

Commitment to Safety

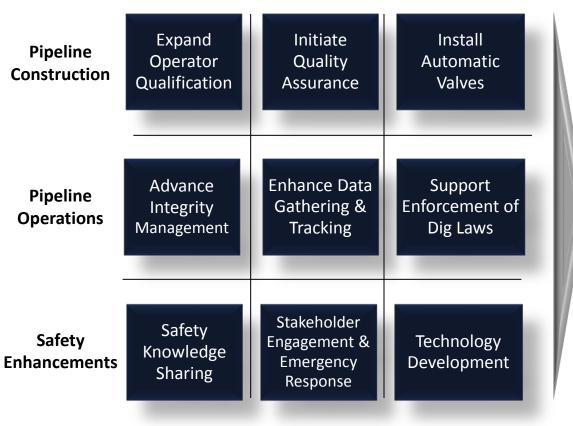


Safest

Energy Delivery System in America

The natural gas industry has a long-standing record of providing natural gas service safely and effectively to more than 177 million Americans and is dedicated to the continued enhancement of pipeline safety.

AGA's Commitment to Enhancing Safety



Safety Commitment Elements

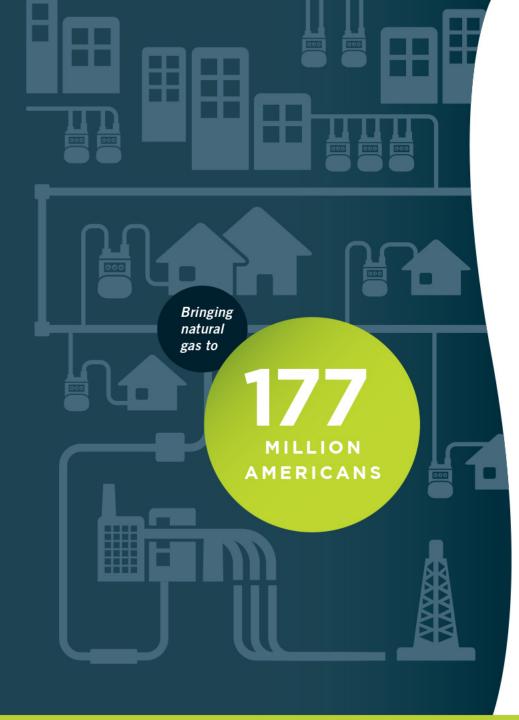
- In 2012, AGA's Board adopted this voluntary plan to enhance safety beyond legislation & regulations
- Highlights AGA's and its members' commitment to the continued enhancement of pipeline safety
- Commits to:
 - 1. Proactive collaboration to improve safety of the public
 - 2. Supporting reasonable regulations
 - Specific actions to help ensure the safe and reliable operation of the nation's 2.4 M miles of natural gas pipeline
- Recognizes significant role that state regulators play in supporting and funding these actions

Safety Culture

"AGA and its member companies are committed to promoting positive safety cultures among their employees throughout the natural gas distribution industry. All employees, as well as contractors and suppliers providing services to AGA members, are expected to place the highest priority on employee, customer, public and pipeline safety."



Excerpt from AGA Safety Culture Statement



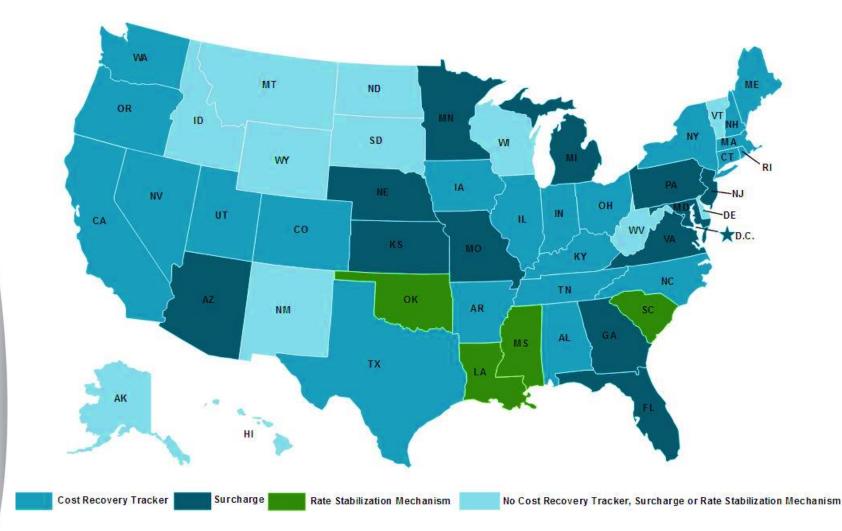
Infrastructure Investments

For Economic Renewal

Utilities spend more than *\$19 billion* annually on infrastructure investment and other efforts to enhance safety.

- Creating jobs
- Supporting local economic development
- *Contributing* to our nation's economic recovery.

States with Accelerated Infrastructure Cost Recovery



Cybersecurity



- Creating a Downstream Natural Gas Information Sharing & Analysis Center (DNG ISAC) to allow for the timely reporting, sharing and analysis of cyber and physical incident information
- Pilot to assist small utilities in assessing their cyber vulnerabilities and developing guidance tools to assist
- The Oil & Natural Gas Council, chaired by AGA and supported by the U.S. Departments of Energy and Homeland Security, promotes effective security strategies and activities, policy and communications across the oil and natural gas sector

Cybersecurity efforts must constantly adapt to changing and unpredictable threats.

Partnership between the private sector and the federal government is critical in helping address cybersecurity threats to our nation's critical infrastructure.

Raising the Safety Bar Through Peer-to-Peer Reviews

- AGA is piloting a peer-to-peer review program to further increase safety
- Pilot includes 10 AGA member companies that each receive a comprehensive review by SMEs from other companies
- Areas reviewed: Pipeline Risk Management, Safety Management Systems and Employee Procedures
- Amazing results already and immediate lessons learned by those receiving the review and those conducting the review
- Pilot will finish in April
- Will become a national program





supports continuous improvement to the safe delivery of natural gas through these means:

- Information sharing among emergency responders and the public information that effectively informs and enhances pipeline safety
 - Research and development
- Collaboration with key stakeholders
- Effective enforcement of "Call 811"
- Conducting forums for the industry that facilitate the sharing of leading practices

Other AGA Actions to Raise Bar on Safety

- Best Practices program to allow companies to benchmark themselves against other and identify leading practices for gas operations
- Board Level Safety Committee
- Safety Resource Center for safety procedures, lessons learned, training materials
- Executive Leadership Safety Summit
- Technical Publications
- Industry-initiated surveys
- Events to share lessons learned
- Emergency Planning, including a national mutual assistance program and annual mock drill

QUESTIONS?

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