

# *Monitoring Gas Distribution Operations Technology Developments*



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## **Why a Technology Monitoring Service for Gas Utilities?**

- ***Every gas utility manager is affected by new technology and business practices. Every gas utility manager needs to understand which new developments will impact gas utility operations and what it will take to realize the benefits of innovation.***
  - ***Yet, gas utility professionals are working harder and stretched thinner than ever before; and the time and experience needed to keep abreast of new developments in distribution operations products and services, to sift through and analyze a vast array of information about the competitive playing field, and to develop an informed perspective on the best technology strategies has never been more valuable to a gas utility.***
  - ***We can help gas utilities get the needed market coverage and depth of analysis. We bring a breadth of experience in monitoring innovation, sifting through the hype, and knowing what it takes to put innovation to work in a gas utility.***
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## Who We Are: The Research Team



**Marlon McClinton** is President & CEO of Utilivate Technologies. Utilivate specializes in providing actionable strategic management, marketing and energy management solutions to industry and government. 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.

Marlon has authored over fifty management papers and formerly served on the AGA Managing Committee and Editorial Board of *Pipeline & Gas Industry Magazine*. In addition to his entrepreneurial duties, Marlon serves as Adjunct Professor in Business Management and Marketing at Northeastern Illinois University.

Marlon earned undergraduate and graduate degrees in engineering and an MBA from Northwestern University's Kellogg Graduate School of Management.



**Nicholas Biederman** is principal consultant for npb associates, Chicago. He is a graduate of the Illinois Institute of Technology (BS Mechanical Engineering, Gas Technology Option, 1968). Mr. Biederman's work has included 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. Mr. Biederman worked for the Brooklyn Union Gas Company (New York) from 1962 to 1966 in various summer capacities while at IIT as part of his scholarship obligations.

He worked at the Institute of Gas Technology from 1967 to 1978 where he was Associate Director, Energy Systems Analysis when he left. For 26 years Mr. Biederman has been an independent consultant whose clients have included GRI, GTI, and private companies, utilities, research organizations and government agencies worldwide.



**James Fay** is President of North Star Energy Group. Mr. Fay has more than 20 years of experience in the energy industry. He was a founding Principal with Primen, a for-profit joint venture (between the Gas Research Institute and the Electric Power Research Institute), where he managed several technology market research and strategic consulting studies for both individual energy companies and collaboratives. Prior to Primen, he was with the Gas Research Institute in Chicago for 15 years, where he led projects designed to maximize the market impact of research and find more effective commercialization pathways for new energy technologies.

He also worked in the early 80's in planning and marketing support functions for Illinois Power Company. He has a degree in mechanical engineering from the University of Illinois and a degree in geology from the University of Wisconsin. He has authored more than 50 industry reports and invited papers, and has conducted more than 20 workshops on technology markets and value creation in deregulated energy markets.

## The Scope of Innovation

*Innovation is anything new to gas utility operations, including the entire context of human and business issues. The scope includes researching the actions and reactions of stakeholders that influence all aspects of gas operations – other gas utility departments, product manufacturers and distributors, service providers, regulators, and shareholders. The context also views innovation as part of a constantly evolving picture which requires us to anticipate what's next.*

### The Business Process

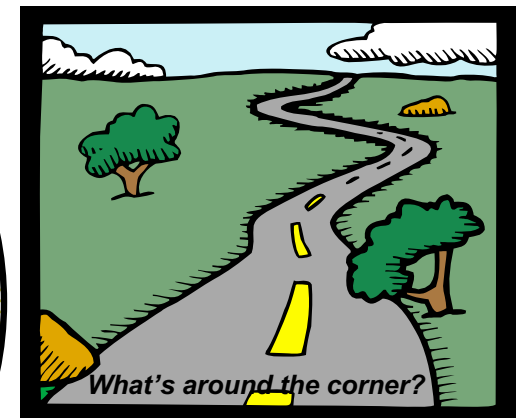
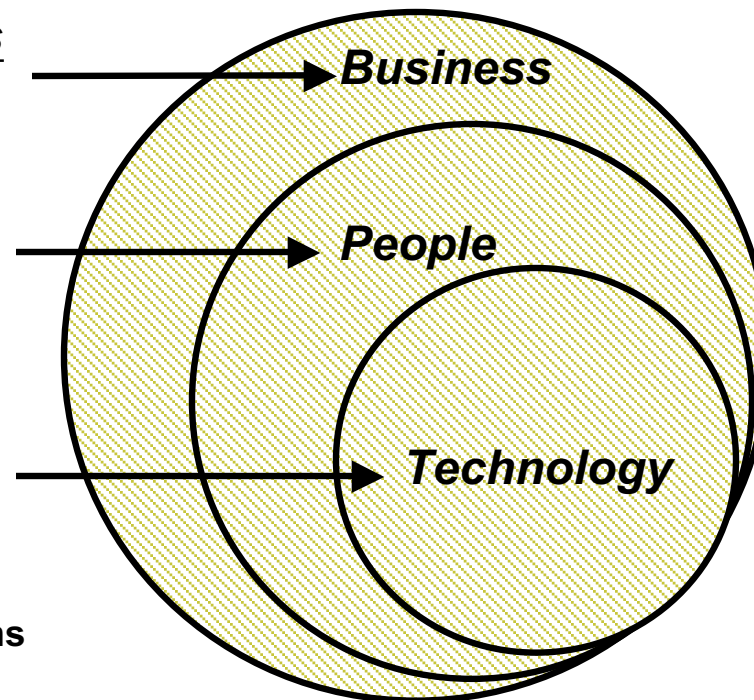
- Economics
- Best Practices
- Risk

### The User Interface

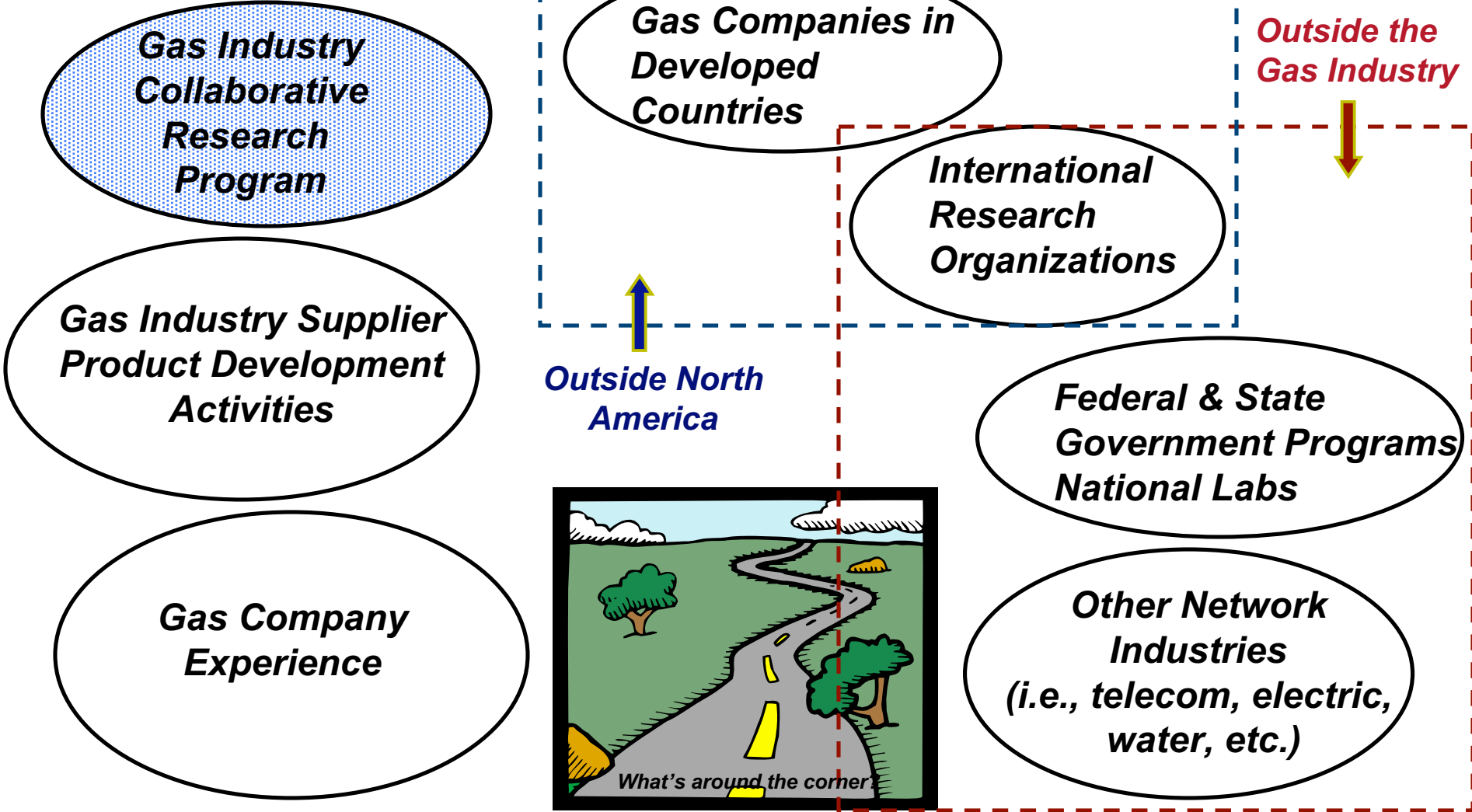
- Knowledge & Training
- Automation

### Product or Service

- Performance
- Technical Risk
- Product Safety
- Customer Relations



# Innovation in the Gas Distribution Industry Can Come from Many Sources



## How Will We Develop the Content for the Subscription Service?

*We will pursue a mix of primary and secondary sources. We will leverage our networks of industry contacts and our access to unique data sources.*

### **Independent Quantitative and Qualitative Analysis**

- Using Gas Distribution Component Cost Data Base & Other Sources

### **Subscriber Networking & Gas Company Visits**

- Alliance Calls & Meetings
- On-Site Gas Company Interviews
- State & Regional Meetings

### **Review of Industry Literature and Publications**

- On-line Market Intelligence Research
- Competitive Academic Journals
- Conference Proceedings
- Trade Journals

### **Attendance at Industry Conferences & Trade Shows**

- On-Site Interviews
- Presentations
- Booth Q&A

### **Telephone Interviews with Innovation Stakeholders**

- Manufacturers
- Service Providers
- Other Network Industries
- Researchers

## **Primary Topical Categories for Monitoring Gas Distribution Innovation**

- 1. Damage Prevention**
- 2. Repair, Renovation, and Restoration**
- 3. Leak Detection**
- 4. Pipe Condition Assessment**
- 5. Metering**
- 6. Construction, Excavation, and Restoration**
- 7. Pipe Materials**
- 8. Crew Work Processes**
- 9. Pipe Location**
- 10. Automation and Control**
- 11. Security**

## **Key Elements of Potential Research Topics**

- ***Applications of the innovative product or service***
- ***New equipment needed***
- ***Business Case for Innovation:***
  - ***Expected costs for the equipment used***
  - ***Expected cost savings for the applications served***
- ***Key barriers to adoption***
- ***Business risks***
- ***Integration with existing systems***
- ***Skills required and training time needed for implementation***
- ***Innovation provider capabilities and track record***
- ***Success stories – company demonstrations and experience***
- ***Implementation benefits in manpower and materials***

## Content – The Basic Service

*Objective: Monitor innovation in gas distribution operations, research key issues, and provide insights on likely developments and potential impacts*

### Gas Distribution Innovation Insights

- 6-8 Page Issue Briefing on a Selected Issue in Gas Distribution Innovation
- Includes Original Research with Professional Layout & Graphics
- Two Issues per Quarter (8/Yr) and a Quarterly Webcast/Conference Call

### Annual Review of Innovation

- One Full Day Summit Conference
- Includes 2 Good Outside & 1 Industry Speakers
- Team Presentation of Annual Review
- Special Innovation Outlook

### Technology Market Watch

- Monthly 3-4 Page E-Mail Summary
  - Occasional “Special Issues”
- Multiple Innovation-related Topics

– Based on recent developments (new product announcements, field test results, vendor business news, etc.)

– Added Supplementary Insights



## Subscription Participation Price

- The ***Basic Subscription Service:***
  - \$8,250 (2006 Price)
- The ***Premium Subscription Service:***
  - \$13,250 (2006 Price)
- **Are you an AGA Member?**
  - AGA Members Receive a 10% Discount!
- The Premium Subscription includes:
  - ***Results presentation to company staff and management at a site of company's choosing***
  - ***A customized annual results report highlighting company-specific issues in innovation***
  - ***Seat on Advisory Board which sets direction and priorities for research***

## Current Subscribers - Representing About 22 Million Gas Customers and 18 Gas Distribution Companies on Three Continents

- American Gas Association
- Baltimore Gas & Electric Co.
- BG Energy Holdings Ltd.
  - *MetroGAS*
  - *Comgas*
  - *Gujarate Gas Co. Ltd.*
  - *Mahanagar Gas Ltd.*
- Consolidated Edison Inc.
  - *Consolidated Edison Co. of NY*
  - *Orange and Rockland Utilities*
- Consumers Energy Co.
- Enbridge Gas Distribution Inc.
- National Grid (formerly Niagara Mohawk)
- Pacific Gas & Electric Co.
- Peoples Energy Corp.
  - *Peoples Gas*
  - *North Shore Gas*
- NYSEG
- NICOR Gas
- Rochester Gas & Electric Co.
- TECO Peoples Gas
- UGI Corporation

For More Information

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