

Pipeline Safety Trust

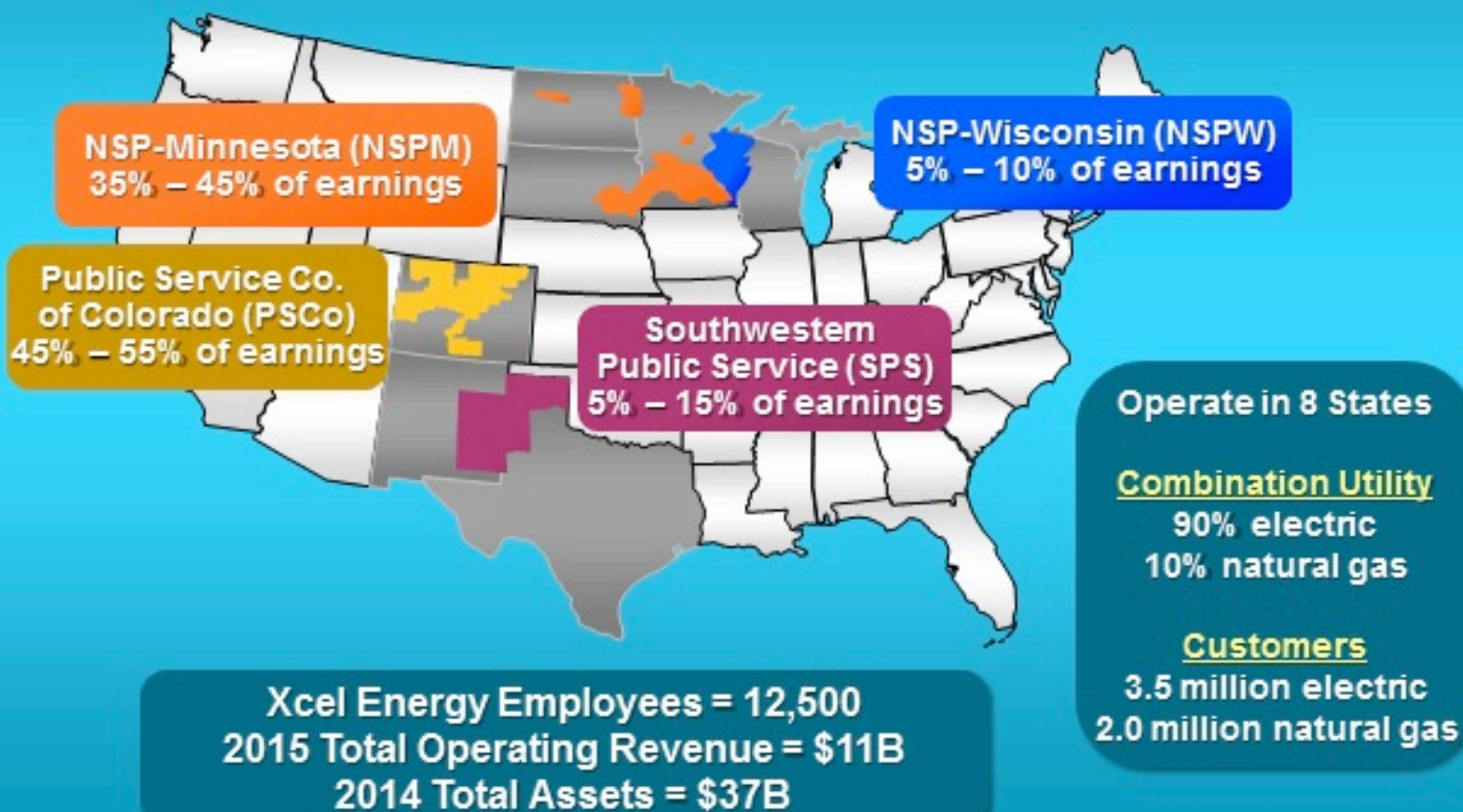
Utility Perspective - What does the gas industry want?

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October 21, 2016

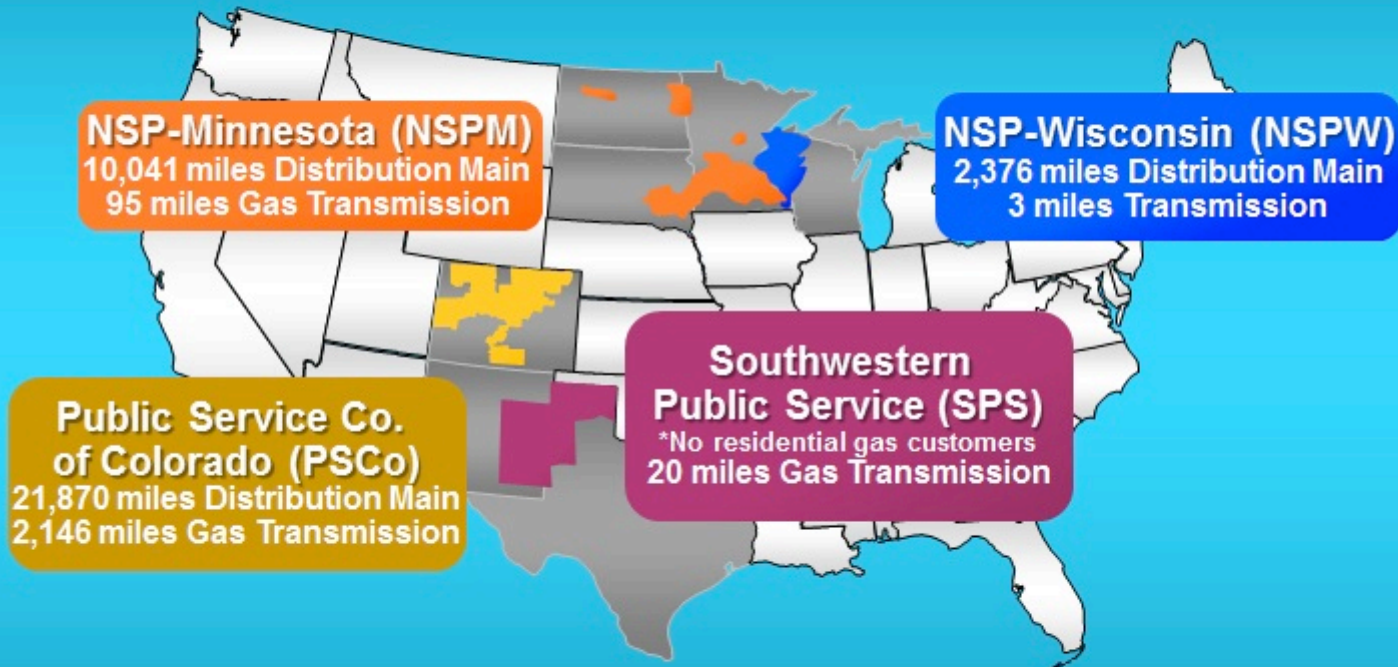


Xcel Energy Overview

Fully Regulated, Diverse Utility



Miles of Pipe, 2015 DOT Report



Xcel Energy Distribution Main = 34,287
Xcel Energy Gas Transmission Main = 2,264

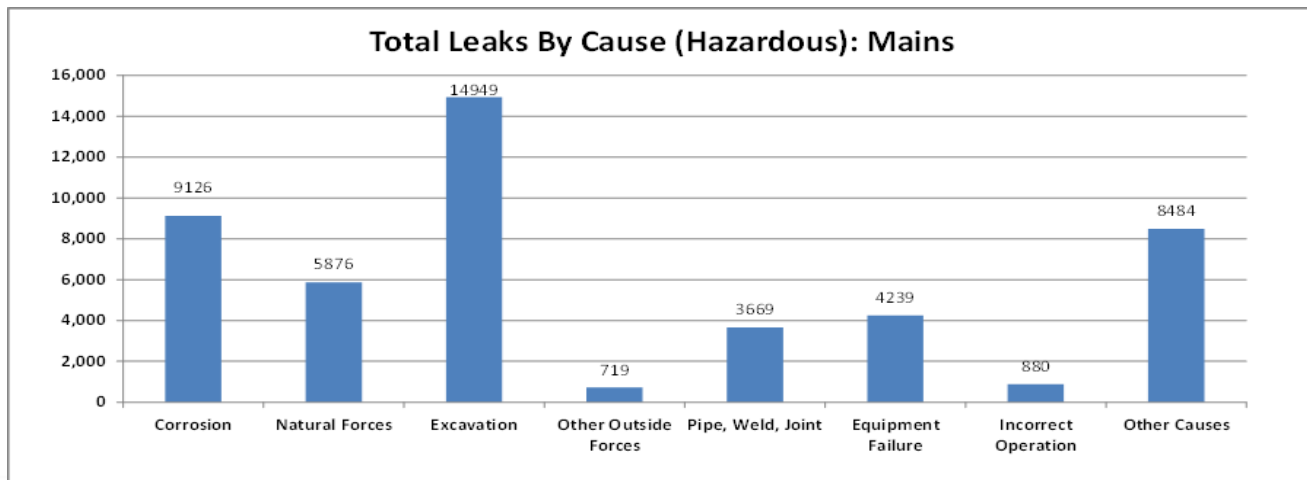
Who Makes the Rules?

- DOT determine overall pipeline rules
- States adopt federal rules
 - Some states adopt more stringent rules
- State Utility Commissions determine reasonable customer rates
- Pace of work
- ***No one wants a public event***



Pipeline Safety

- 3rd party damage remains largest threat to distribution systems
 - Excavators who practice best practices
- Pipeline Safety Regulations
 - Performance based
 - Rules that benefit public safety
- Fair & consistent enforcement
- Transparent environment
 - Discuss issues and corrective measures
 - Self-reporting not punitive



Regulatory

- Opportunity to earn allowed rate of return
- Incentives for proactive behavior, meeting leading indicators
- Reduced regulatory lag
 - Incorporate costs for maintaining a safe system
 - Code is the minimum, not the only thing that is recoverable
- Increased flexibility of capitalization policies
 - FERC and State



- Cost effective methane detectors – residential and commercial
 - Smart grid?
- Cost effective methane detectors for urban areas
 - Auto dispatch?
- Technology to maximize benefit/minimize costs of tracking & traceability
- Improved in-line inspection tools
 - Cracks parallel to line of flow
 - Material characterization
 - Strength testing
 - Tight fittings, reduced and fast flow, etc

