Damage Prevention Program
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Agenda

- Introduction – Equitable Gas
- Performance Improvement
- Success Factors
  - Company Commitment
  - Ticket Handling Processes
  - Effective Procedures
  - Operator Qualification/QA Program
  - Investigating/Reporting
  - Root Cause/Statistics
  - Outreach
- Question & Answer
Equitable Resources, Inc. (NYSE:EQT, Enterprise value: ~$7 Billion as of Oct ‘08) is a fully integrated energy company focusing on Appalachian natural gas operations. The company is organized into three major operating units:

- **Equitable Production** develops, produces and sells natural gas and related products in the Appalachian region of the United States. Equitable is the largest operator in the Appalachian Basin, controlling 3.3 million acres of gas-rich land, and proven reserves of more than 2.5 trillion cubic feet of natural gas.

- **Equitable Midstream** provides natural gas gathering services, storage capacity, processing of natural gas liquids, transmission pipeline services and various risk management activities. Midstream deals in both regulated and non-regulated operations.

- **Equitable Gas** distributes natural gas to homes, businesses and industrial organizations in southwestern Pennsylvania and north central West Virginia. Its activities are regulated by the Public Utility Commissions in both states.
  - Operate 4,100 miles of pipeline
  - Deliver 50 Bcf per year.
  - Pressures normally range from ½ psig to 60 psig
  - Pipe Sizes range from 1” to 36”
Performance Improvement

2007 to 2008

- Ticket Volume Increased 16%
- Hits Per 1000 Tickets Received Decreased by 23%
- Hits Per 1000 Tickets Marked Decreased by 21%
Success Factors

- Company Commitment
- Ticket Handling Processes
- Effective Procedures
- Operator Qualification/QA Program
- Investigating/Reporting
- Root Cause/Statistics
- Outreach
Company Commitment

Increased Damage Prevention resources 43% from 2006 to 2008

- Weekly Reports – Reviewed from CEO to field personnel.
- Active Involvement - Western PA Damage Prevention Com., AGA, PA 1-Call, CGA
- Monitor Damages/Investigations/Reporting *Make Adjustments*
- Outside Education/Training

Operations Supervisors: 100% Dedicated to Damage Prevention

- Field Investigate 100% of Damages.
- Complete Root Cause Analysis
- Contractor Quality Assurance in the field / Site Inspections
- Reporting – gathering accurate data from damages

Locators

- Dedicated 100% to locating (full attention to locating vs. multi –task position)
- Field Investigate 100% of Damages
- In house Quality Assurance in the field
EGC Ticket Handling Processes

1. **Excavator Calls Excavation Notification into PA One Call**
   - Member Mapping (Phoenix) uses EGC's uploaded maps to screen the ticket.
   - Ticket conflicts with buffer: No Ticket Sent.
   - No ticket sent:
     - Excavator receives all Karl responses from notified utilities.
     - KARL Response is received and sent to excavator.
     - Ticket completion data is stored and Karl response is sent to EGC Corrosion Dept.
     - Yes: Ticket is in vicinity of Transmission Line.
     - No: Ticket is not in vicinity.

2. **Translore**
   - Ticket is in vicinity of Transmission Line:
     - Ticket is converted to work order.
     - Ticket completion data is stored and Karl response is sent to EGC Corrosion Dept.
     - Yes: Karl response is received and sent to excavator.
     - No Action:
       - Translore is a 3rd party ticket management company that processes tickets and stores completion data.
       - EGC updates Phoenix Mapping to capture line extensions and abandonments.

3. **Locate Contractor**
   - Locator completes ticket according to EGC locating and marking procedures and enters Karl Response on the Work Order along with comments regarding the ticket.
   - Yes: EGC Damage Prevention Group monitors Translore to verify ticket completion and correct documentation.
   - No: Ticket not sent.

4. **Equitable**
   - Copy of Ticket to EGC Corrosion Dept. To Monitor.
   - EGC Damage Prevention Group monitors Translore to verify ticket completion and correct documentation.
   - EGC holds its own Translore License to provide complete visibility into the ticket management process.

Comments:
EGC updates Phoenix Mapping to capture line extensions and abandonments.
Translore is a 3rd party ticket management company that processes tickets and stores completion data.
The Locate contractor dispatches and manages the workload for all locators.
EGC holds its own Translore License to provide complete visibility into the ticket management process.
Root Cause Statistics (Internal)

- 66%: Locator Error
- 22%: Other
- 12%: Indirect Locate - Unable to Verify - S/L M/L Records in Error
- 12%: Failed to Maintain Marks
- 12%: Failed to Expose Prior to Crossing
- 12%: Failed to Protect Exposed Facilities
- 12%: Working Without Valid PA One Call
- 12%: Failed to Use Prudent Excavation
Effective Procedures

Locating and Monitoring Facilities

- Facility information
- Utilize Equipment and Materials
- Facility Locating
- Completing Locate Follow Ups
- Responding to Tickets
  - Emergency
  - Complex Projects
  - Demolition Tickets
- Monitoring/Observing
Operator Qualification and Quality Assurance

- Equitable Locator Requirements
- Contractor Quality Assurance
- Final Inspection QA/Job Site Visit
Investigating/Reporting

- Gather Factual Data Quickly
  - Notification & Response
- Complete 100% of Investigations
  - Investigate Jointly
- Documentation
  - Hit Kit
- Root Cause Analysis
  - Field Adjustments/Mapping Corrections
Root Cause Statistics (External)

- FAILED TO USE PRUDENT EXCAVATION: 34%
- WORKING WITHOUT VALID PA ONE CALL: 8%
- FAILED TO PROTECT EXPOSED FACILITIES: 4%
- FAILED TO EXPOSE PRIOR TO CROSSING: 14%
- FAILED TO MAINTAIN MARKS: 2%
- INDIRECT LOCATE - UNABLE TO VERIFY - S/L M/L RECORDS IN ERROR: 4%
- LOCATOR ERROR: 2%
- OTHER: 38%
Outreach

- Identify Top 10 offenders “Bad Actors”
  - Water Company
  - Communications
  - Paving
  - Sewer Contractor
  - DOT
- Excavator Training and Educational Meetings
- Public Awareness
Ralph Graeser needs to place a PA One Call Before he Tees Off