



Benchmarking

An evaluation of best practices
in pipeline integrity management



EXAMPLE BENCHMARKING SUMMARY REPORT FOR "COMPANY A"

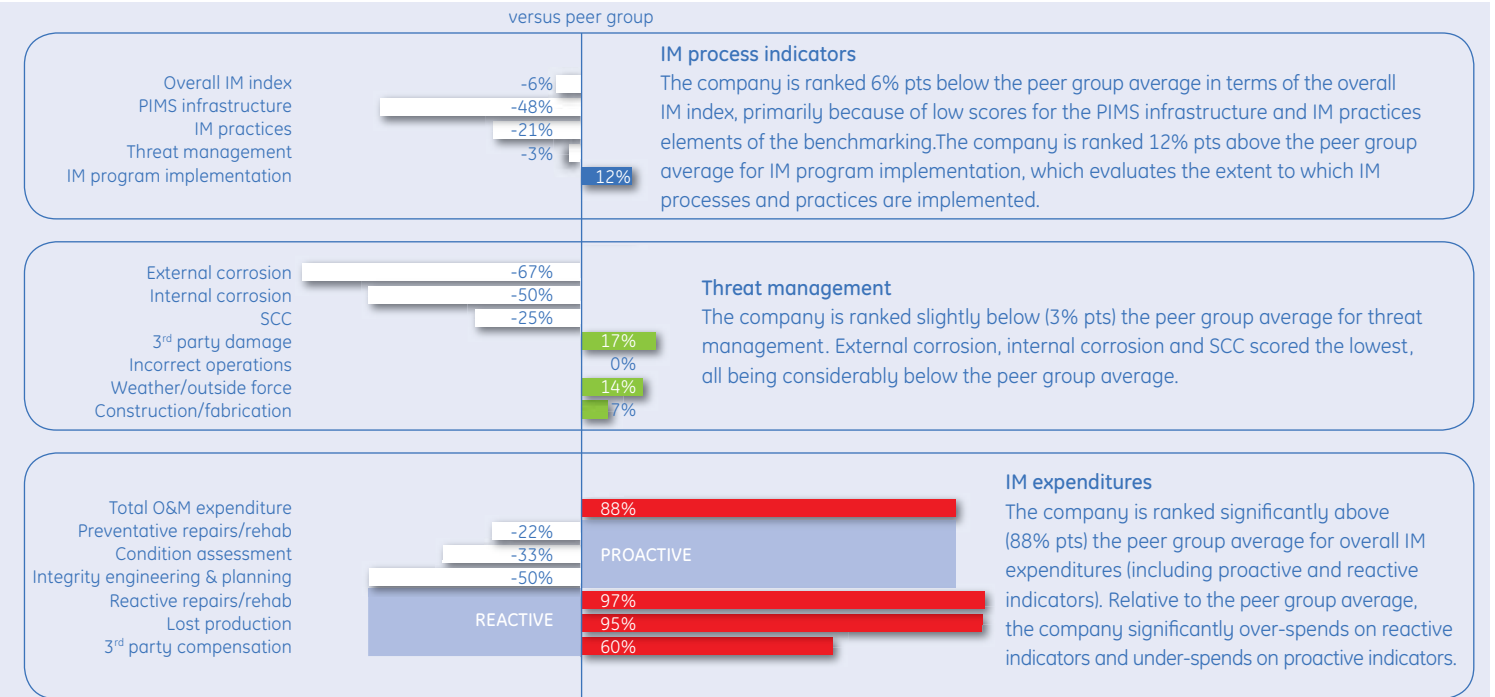
POSITION AT A GLANCE

This study ranks more than 40 key elements of the company's Integrity Management (IM) processes, practices and results. The table below displays the company's ranking against three benchmark groups: the peer group of onshore gas operators, the regional group of North American operators and the overall study group.

Year	Versus peer group		Versus regional group		Versus overall study group	
	Ranking percentile	Benchmark position	Ranking percentile	Benchmark position	Ranking percentile	Benchmark position
2010	57%	9 of 20	60%	20 of 50	50%	137 of 273
2009	32%	10 of 14	40%	18 of 30	35%	98 of 150
2008	15%	8 of 9	25%	11 of 15	20%	48 of 60

Benchmark position in 2010:
137 of 273

The company's position in 2010 has improved in most areas compared with 2009. It is ranked 9th out of 20 within the peer group, 20th out of 50 within the regional group and 137th out of 273 (in the 2nd quartile) within the overall study group.



Note: Detailed results are provided in the full benchmarking report for all 40+ indicators measured and ranked against the peer group, regional group and overall study group.

Introduction

The pipeline IM benchmarking study is designed to meet the needs of global pipeline operators with a desire to understand, at any point in time:

- Current industry IM practices and what constitutes current best practice
- Opportunities for improvement in their own integrity programs to maintain safety and operational performance while optimizing expenditures

The purpose of this benchmarking study is to assess the effectiveness of the company's IM processes relative to its peer group, its regional operators group and to the overall study group.

Benchmarking

Specific comparisons have been performed on:

- IM infrastructure, processes and practices
- IM program results
- Key technical and cost performance indicators

This summary provides the highlights of the study results and should be read in combination with the full benchmarking report which provides detailed results for all 40+ indicators measured and ranked against the other benchmarking participants.

This study is the third annual study of the five year benchmarking program.

Gap analysis & improvement opportunities

Gaps in the company's IM processes have resulted in a low relative position in 2010 as compared with other study group participants for a number of key performance indicators.

The company can potentially improve its IM index score from 6.8 (out of 10) to 8.5 with a resultant improvement from 50th to 77th percentile in overall study group ranking, by implementing a number of major improvements.

The top five improvement opportunities for the company are:

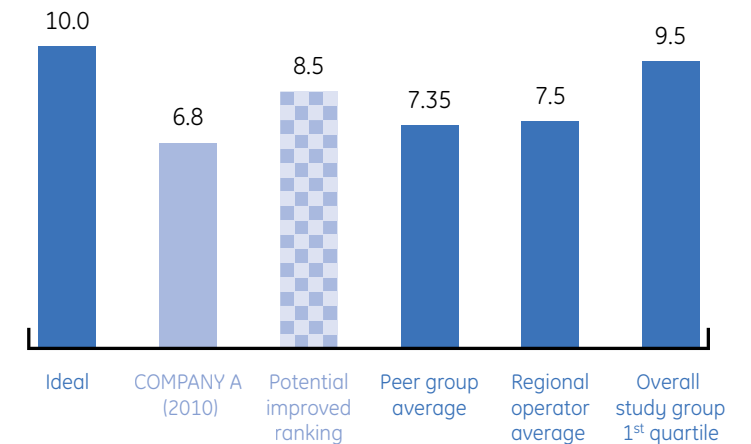
1. Implement a documented Pipeline Integrity Management System, for example, a PIMS manual/framework and procedures.
2. Implement a data management system based on an industry standard data model.
3. Establish the necessary tools and competencies to conduct risk based maintenance and integrity planning.
4. Develop a documented Integrity Management Plan and update at least annually.
5. Implement improved practices and procedures for internal and external corrosion prevention and condition assessment.

Key attributes (compared to peer group of 20 onshore gas operators)

Number in the peer group: 20	Lowest	Red markers indicate the company's position within the range	Highest
Total system length, km	250		5,000
Number of pipelines	5		75
Average pipeline age, yrs	12		25
Oldest pipeline age, yrs	20		56
Portion of system unpiggable, %	10%		75%
Volume of product transported, m³/yr	250,000		1,000,000
Employees	40		500
Employees in pipeline integrity team	0		10
Planned expenditure, \$/km-yr	1,000		4,000
Unplanned expenditure, \$/km-yr	0		1,000

All data and charts in this document are for illustrative purposes only and do not necessarily reflect actual benchmarking results.

Potential improved ranking compared to peer group average, regional operators group average and overall study group 1st quartile average. Checked bar indicates the potential improvement in the company's ranking while pale blue bar shows its 2010 ranking.



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imagination at work