

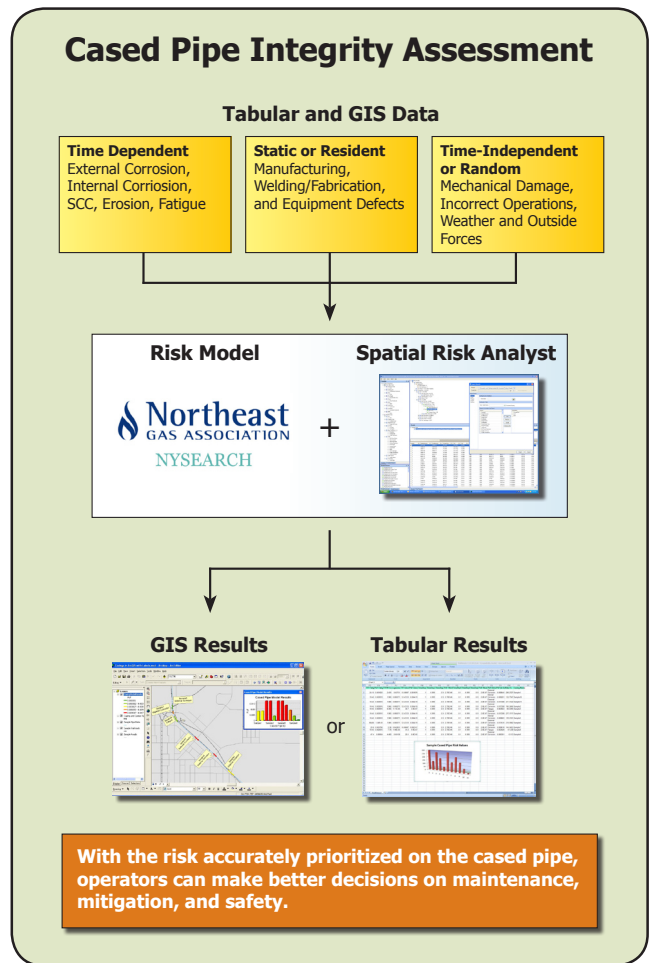
NYSEARCH Cased Pipe Integrity Assurance Model

New Century Software, through a cooperative agreement with the Northeast Gas Association, has been selected as the exclusive software vendor to distribute the NYSEARCH Cased Pipe Integrity Assurance Model to the gas distribution and oil and gas pipeline industries. The model, developed jointly by NYSEARCH, DNV, WKM Consultancy, and 16 gas companies from across the United States, uses information stored in a variety of formats to provide an assessment of risk for cased pipe. The model provides operators with the ability to prioritize pipeline integrity management actions and improve safety by better characterizing actual level of risk, to create cost savings through the prevention of unnecessary excavations and inspections, and help operators to comply with federal regulations.

DOT Integrity Management regulations for gas transmission pipelines requires all line pipe in a high-consequence area to be assessed for corrosion through one of the available methods. These methods include internal inspection, pressure testing, direct assessment, and "other technology." The assessment of covered segments, including pipe in casings, must be complete by December 17, 2012. In order to focus time, funds, and energy on "at-risk" segments, the operator can use a threat and risk assessment tool to prioritize the segments for direct assessment.

Gas pipeline operators have the ability to purchase the NYSEARCH Cased Pipe Integrity Assurance Model integrated into New Century Software's Spatial Risk Analyst application. The model examines threats in the categories of (1) time-dependent, (2) static or resident, and (3) time independent or random. It uses industry-leading risk principles to evaluate the threats and categorize the threat level for cased pipe in the operator's system. Using the assessment results, remediation efforts can be focused on the cased pipes that are most at risk, while pipe found to be susceptible but not at risk can be addressed using specific efforts to identify the contributing factor or factors.

The NYSEARCH Cased Pipe Integrity Assurance Model is available in Spatial Risk Analyst as a ready-to-use package. Setup for the model involves identifying data sources for



the client and configuring the data connections to read the appropriate information. Once the data sources are configured, the model can be run and results returned as a file, database table, or GIS feature. The model provides calculated results for each factor as well as providing interpretative information for each cased pipe to help guide selection of appropriate repair or mitigation measures.