

Introduction

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I don't know you guys very well, but you should know that I haven't been this well-dressed in 30 years. It's a big effort. I bought this suit in Milan when I last visited the hotel, and, yes, it's brand new. Barely fit. And the belt? I didn't even know I owned it. I found it in the drawer yesterday. My wife told me.

I promised. It's yours. But you have never worn it enough to tell you that. We're just very excited to be here with you and. And my talk to you today is going to be an effort to keep things incredibly simple, to put things in the most helpful perspective, Try and give you a sense of what your senior management is thinking about how you can help them.

What I have learned spending time with them. I spend a lot of time with your CEOs. I've spent a lot of time with the CEO at Italgas. It's really striking that a small company like us get a chance to really try and understand what is important to you. All gas operators, all of your companies are so much bigger than we are and you're doing us an immense honor and favor to adopt us, to have taught us the business, to have shown us what is important to you.

We'd like to reciprocate today and tomorrow, and I'd like to make every effort to reciprocate now in this presentation, make it as useful to you as possible by keeping it as abstract, as clear, or as simple as I can make it with a view on giving you the perspective of truly why we think this is so important for natural gas and for the gas industry at large.

Maybe the most important contribution we make and we're going to make together is to truly give each one of your companies a path to net zero. There isn't one today. Everybody has it on the front page of their website. Everybody talks to Wall Street about net zero. But today there is no path that operators truly can rely on to execute.

Together we have it. Together we're going to work on it the coming two days, the next several years. Let me give you the perspective that we understand and why it is so important to your companies and the context. I want to give you is, you know, it's all about decarbonization. It's all about people getting a better understanding of why natural gas is going to be here, is here today and is going to be here tomorrow and is a very, very important and central part of the energy mix going forward.

And a big part of this is the transformation that you're undertaking as you're transitioning digitization is a key enabler. And as part of digitization, we have a very important role to play together. But you're adopting cloud solutions, you're leveraging enterprise asset management, you're implementing integrity management, and you're digitizing the leak survey process. It's a lot of work all at once that you're undertaking.

So let's put it in perspective and let's understand what impact it's going to have on the C-suite and how you're repositioning your companies to be there in the future. The long-term future of an energy transition that is decarbonized. There is a lot of attention being paid to ESG in the executive suite at your companies. The very best companies understand that.

And leaning in an aggressive posture on ESG is central to their shareholders. Their stock valuation being a premium gas operator is really important. I think that to me, as I try to be a student of this, the work that CenterPoint is doing and the leadership that CenterPoint is giving around ESG, around emissions abatement, the very clear roadmap, they have to be net zero by 2035, the dedicated website

they have developed that is accessible to all, to track the progress that is best of breed, that is leadership at its best.

And we are so fortunate to learn from CenterPoint, to learn from each one of you. One Gas is doing great work. All of you are doing great work. But ESG is very important. And the work that you're doing, the work that we're going to emphasize together the next two days is central to your company's ESG postures. It bears mentioning that the regulatory environment is changing very rapidly.

Measure Everything

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There are many, many regulatory changes proposed, not much around emissions yet, but they're coming. And one of the key focuses for us is to get you one step ahead of the share. If one step ahead of regulation on emissions, you will be and we will all be the better off for it. There is very aggressive regulation being reviewed in the European community that would require operators to drive their entire infrastructure quarterly.

How do you go from once every five years to quarterly? What are the politicians thinking? I think it comes at a very desirable premium to be just one step ahead, to be leading, to be educating them so that you can drive the conversation. And we'd like to help you there. So our biggest ambition and together we feel we can make net zero real net-zero being we becoming real is all about in the US and worldwide.

Moving in the U.S. from EPA estimates worldwide, from estimates, estimates by nature, by definition are wrong all day long, and the EPA estimates are completely wrong. They are 30 years old. They have served their time. The EPA knows it. They are changing move from estimate to measurement. That is truly empowering. Measurements, measurements, measurements measure everything. It will set us free.

It will unlock a toolbox unlike any other. It will enable net zero. It will make net zero real. That toolbox is everything about super emitters surveys. We're going to talk about them. They're terribly important and helpful. PG&E has pioneered this work and it's being adopted industry-wide risk-based compliance. It surveys risk not just compliance survey pick the leaks that you want to fix to improve the safety of the infrastructure.

Also identify the leaks that are super emitters. These are the two key attributes that the data enables that you want to bring out and then augment the pipeline replacement with methane data. It's very valuable. It doesn't cost anything, but it has a high impact on the improvement moving OpEx to CapEx not having to fix leaks that are in pipelines that you're going to replace and replace pipelines that are leaky, not just pipelines that should be leaky.

Get the data. Get the data. So let me give you an example, a real example that we run into constantly in North America. A typical DSO is going to have steel-protected steel and plastic. They may have some cast iron left on the East Coast. They may have some unprotected steel. I just keep I just thought to keep it simple and exemplify why it is so important to move from estimates to measurements.

So imagine that this infrastructure is 32,000 miles, has a mix of about two thirds plastic, one third steel. The EPA emissions factor tell you that steel is at .35 and plastic is at 1.13. That alone makes no sense. The EPA is telling you that plastic leaks three times as much as steel. You know, it's not the

case. And there is a reason for this.

This was based on very few data points 30 years ago and plastic had one super emitter in them. It had six, just six. If they had removed the super emitter, they'd be down to five and they'd be below steel. They'd be much closer to the reality. But they spent several days with statisticians deciding that they could not ignore the sixth data point.

They included it. The rest ended up being history. It doesn't matter because in the end their estimate for steel is wrong there. They're estimate for plastic is woefully wrong. So as we compare them, we see that the measurements and we measured this entire infrastructure is at 54 because steel was estimated to low and at 35 because plastic was woefully overestimated and protected.

Steel is the only estimate that ends up being too low. Typically compared to measurement. Everything else is way off and way overstated. So that net net in a typical infrastructure and we haven't found any infrastructure yet that is an exception to this net net. The interesting thing is that as you move away from estimates that are used ubiquitously, that are used for all of your ESG reports, when you report improvements as you replace old pipes with plastic, this is how today you talk about net zero based on these estimates, just by moving, you're finding yourself in a much, much better posture.

Now, it doesn't matter even if you were higher and in Latin America, we're finding ourselves with leakage measurements that are often times higher than the estimates, unless you move to measurements, you do not have access to the critical toolbox that will get you to net zero. Nobody knows today what an absolute fugitive emissions number is or is not what is good or isn't good.

The important thing is to get started and to have a set of tools that will allow you to dramatically reduce emissions. That's what we enable and that's what it is all about. It turns out that in North America, moving from estimates to measurements is a free lunch. You're typically significantly over estimating your infrastructure. And the intuition is simple.

In addition to the mistakes and the limitations that were made 30 years ago in evolving estimate, 30 years you have been working, you have been improving your infrastructure for 30 years and that is not reflected in the estimates. So the intuition as to why measurements would be significant, lower and lower than estimates. Typically North America is not far fetched.

It's simple to have. You have been working for 30 years, you have been investing. The infrastructure is safer, it leaks less, but there's still a long way to go to net zero. So let's see what we can do about it. There is no more important slide than this one. You probably have seen it from us a number of times.

If you have bear with me. If you haven't, please pay particular attention. On the x axis, we are showing all of the leaks in an infrastructure ranked by size. It's a histogram. So left side, the lowest 20%, right side, the highest 20%. And then on the Y axis is all the leaks ranked by size in standard cubic feet per hour.

Notice that it's a log scale. Notice that it spans five orders of magnitude and notice all the more that even though all of your infrastructures are different, even though they're all different, all unique to you, they follow this distribution every time. Now the curve is going to move up and down, depending on how clean your infrastructure is. Some of you are blessed with a lot of plastic, so you're going to be lower, some of you on the East Coast, it's going to be higher.

Latin America has some older infrastructure. It's going to be even a little bit higher. But they always look the same. It's amazing. We have collected 4 million data points by now. The curves are the same. Very importantly, what we brought to the party ten years ago by innovating on the sensor is that we could measure the smallest of the small leaks.

So who can do the least can do the most. We start with the smallest leaks and we go all the way up. It's very important because if we are going to get an accurate and trusted measurement of your infrastructure, we have to get to all the leaks. That's what we do.

And Shawn McMullen here, Francois, last year when he was at BGN, he authored the seminal paper on Measurement on Super Emitters.

It gets somewhat technical, but I urge you to read as much of it as you can, and I urge you to call on them and call on all of us to be of resource as you pursue a mission measurement, the total measurement, and as you pursue emissions abatement and reduction. For a matter of perspective, it's important to note that people are offering alternate solutions.

Maybe some of them are complementary solutions to what we do, but note that aerial starts at well above ten standard cubic feet for our area, whether by helicopter or by aircraft, is limited to somewhere above what we typically call the super emitter threshold of ten standard cubic feet per hour. And satellite starts even higher, much higher. So satellite has a place in gas, but not in gas distribution, really.

It has a very limited place in gas distribution. It has a place in gas. It has a place on the Permian Basin where you might have huge leaks and you might be able to identify them by means of satellite and satellite will improve, aerial will improve, but it will not get to where it needs to be, where you have a trusted, accurate measurement of all your emissions to base your basement on.

So let's spend a little bit of time on this. It is so important, this curve again. And then across horizontally, the super emitter threshold typical, you're going to end up defining what a super emitter is. And as you improve your posture on fugitive emissions, you're going to be reducing the threshold. But PG&E has pioneered and it has served them very well, that a ten standard cubic feet per hour threshold for super emitters may be a good place to start.

We'll work with you on this, but let's assume it is. If we are ten standard cubic feet per hour, then we're talking about this tiny sliver of leaks. It's about 2% of all leaks. You can see this on the X-axis. It's anywhere above standard, ten standard cubic feet per hour. I count five leaks on this particular distribution. And yet super, super emitters are very few leaks and are 25% of emissions.

I'm going to show you shortly that this 2% is a good rule of thumb. PG&E estimates that they have 10,000 leaks in a 43,000 mile network of means. They have been running super emitters since 2018 and they started a little bit above 202% and they're now below 200 in a typical year for super emitters at the ten standard cubic feet per hour threshold.

They have made such good progress, as you will see in a moment, that they're about to bring the threshold down. If you bring the threshold down and you cover 5% of all leaks, you're now at 5% up from the x axis, somewhere around five, depending on the infrastructure, let's say about five standard cubic feet per hour, and you are in excess of 50% of emissions.

This is, if you will, the power of super emitters. This distribution is so skewed every time that as long as you know how to find the 5% largest leaks, you will have this ten x disproportionate impact on your emissions. It's all about finding the needles in the haystack. We have known this for a long time, but we never had the means to do it.

Cost effectively. That's what we brought to the party. You drive your infrastructure, you drive it rapidly in super emitter mode. You only surface a few tens of leaks. If you're any size 200. That is utterly manageable at this size of utility. So it's no additional it's a very small incremental burden on leak repair. And you have this kind of an impact on your emissions.

If you go further and I'm exemplifying here the path, the multi-year ten year path to real net zero abatement. We started with super emitters at ten standard cubic feet. We then went to 5% of all leaks, over 50%. And if you bring the threshold down further to one standard cubic feet per hour, you're now at the 20% level.

Typically you have gathered 20% of your leaks. They represent 85% of your total emissions. You're almost done, almost done in the sense that there is a diminishing return to getting to the next set of leaks. Once you get to 85, 90% abatement, you're going to want to offset. This is why it's called net zero. It's not zero. You reduce by 90%, you offset the last 10%.

That's the exercise. Does this make sense? It's so important. Are you still with me? Was it clear? Isn't it amazing? It's quite amazing. It's so difficult to do to take advantage of such a skewed distribution. But now that we have the tools to do it, we benefit from it. We find the needles in the haystack. We have a real path to net zero.

It's groundbreaking. It's a revolution. Your CEO wants to know, your CFO wants to know, and they want to go to Wall Street. In turn, they want to go tell the regulator because gas is capable of decarbonizing. Of course, they're going to go to biofuels. Of course they're going to inject hydrogen, but natural gas. Now is and can be clean.

Natural gas has a long term future, plain and simple. It's such a big deal. So one case study, one way to do it is the way Pagani pioneered it. This is the example starting in 2018, at ten standard cubic feet per hour, PG&E only started driving their entire network. They do one third in compliance survey and the two thirds, they don't do that here.

They do in super emitter mode. So they drive every year. They got the regulator to support it. Very tough regulator. In California, the regulator cannot get enough. They have supported PG&E and the whole way PG&E was at five year, then went to four at five years when we started working with them, sort of compliance, serving their infrastructure through once every five years.

Then they got support to go down to once every four years because they had new better tools then down to once every third year. Then they now drive their infrastructure yearly in mixed mode compliance for irid that is required by law and two-thirds super meter survey. And here are the results. Super emitters went down from 220 to a few leaks billion years, 43,000 miles of mean, 70 plus thousand miles of means and services to 2192 124 PG&E and now is lowering their threshold for a super emitter, probably down to three standard cubic feet per hour and their abatement 27%. How are you going to get to 27%? How else are you going to get to 27% pipeline replacement at best, where you will spend the most money impacts 1% of your infrastructure, 1%. PG&E is impacting 100% of the infrastructure. There's no looking back. So

PG&E is doing what I was just showing you, bringing the threshold down. Let me give you another examples.

There are many ways to skin this cat because people now you have very, very powerful tools and you have differing infrastructures and differing regulatory environment. This is easy to guess. Italgas first did a pilot with us in 2018. It covered it on gas as a network. Excuse me, it our gas network is slightly bigger. It's huge.

It's 80,000 kilometers of main and it's old. It's quite leaky. It's a mess. Anyway, 15% in 2018 ramped up to 26 in 2019 and they were at 100% By 2020, they were fully at scale. They went all in so much so that in 2023 this year they're going to drive it twice, one time in compliance survey mode, the second time in super emitter mode.

Six months later, they can't get enough. Now they have a very interesting and unique regulatory environment where they were able to fund a lot of this effort because the regulator calculates the ratio of leaks found by Italian gas, found by the Italian operator to the leaks, called in the protocols. And if that ratio is too low, if there are too many order calls, they get penalized, heavily penalized.

And before they started working with us in 2016, 2017, they were paying tens of millions of dollars of penalties. But it's not just penalties. This is set for six years at a time and they get rewarded if they revert this ratio in a matter of two years. They went from signing checks to receiving huge checks. The checks are so big that the CEO won't tell me how big the check is.

I don't know why he won't tell me. I mean, I wish I could raise the price on him, but I'm not going to. He won't tell me. But he's very excited and he's telling everybody. And so now we have the good fortune of working with most everybody in Italy. This is a very helpful, fire funded regulatory environment. And since 2020, when he started getting checks from the regulator, they have switched their entire focus on emissions reduction.

He was our keynote speaker last year. I was with him last week. We traveled to Madrid. He is really the leading person in Europe in toward interacting with the regulator at the European level, interacting with the regulator in Italy. But he's also the chair of the Consortium of Companies in Europe. And so we were in Spain briefing media Naturgy, the largest operator in Spain, and he has taken me to the French people at JDF and we're just going around in telling people, You can do this, it's time.

Let's just stay one step ahead of the sheriff. It's a very powerful story. It's all the more powerful that they said before they even knew was a base year of 2015. And this enormous goal of reducing their emissions by 83% by 2025 where they got 83%, I have no idea. He doesn't know. He wasn't in the job in 2015.

He inherited the goal. But the interesting and I have no idea how they thought they would do it, and a lot of your senior management has no idea how they're going to get to net zero by whenever they set it. 2035, conservatively, 2050. It doesn't matter now. We know how to do it. Anyway, here's what they're reporting. They were at 77% reduction by 2020.

What they don't show is that before they started working with us, they were nowhere, nowhere. They got to a reduction of 77. They're at 81. In 2022. They're going to do a lot better than this. 83. They're going to get awfully close to 90% in another three years. They're done. They're at net zero. They'll be the first company they're it's extraordinary.

Now, they have deployed us so aggressively. They even have a boat in Venice. They made us put the whole technology on a boat because the gas lines run under the bridges in Venice. Next time you go to Venice, take a look under the bridge, you can see it. And once they started getting the boat, they found leaks.

Tons of leaks in Venice. It hasn't been maintained for 185 years, as long as the tear gas existed. They have 30 cars. They just acquired the entire infrastructure in Greece. They're on an expansion binge because they got the tools and they went to the Greek authorities and they told them, Your network is awful. How do we know We drove Bitcoin around the network before coming to talk to you, but you give us the network, you let us buy the network, we'll fix it for you.

They got the entire network and now they're going the rest of Europe trying to buy other networks. It's an amazing case study. It's so enabling. The other really interesting thing about super emitters, this is the PG&E data from 2020 is the majority of the super emitters, the majority, most of them almost a majority, 48%. In that particular year where hazardous leaks typically you have one in ten, one in 15 hazardous leaks.

So with one stone, you hit two birds. Please don't hit birds. They're beautiful. But you know the expression. And so by fixing super emitters, you're dramatically improving the safety of your infrastructure. You're also dramatically reducing order calls. Oracles have to be high emissions so that people smell the gas. So it goes one, two, three, three birds, four things.

So this is all about emissions. It's so powerful, it's so important. I just hope that it's very, very clear that you got the tools you can, as the organization learns and becomes more efficient and sees itself succeed, you can lower the super emitter threshold to get asymptotically close to 90% reductions over a period of ten year. That's really ought to be your goal.

You ought to be at net zero 15 years before 2050, the Paris Accords. You ought to have the ambition and the execution that CenterPoint has it. Our gas has and has best of breed. You're going to be recognized and rewarded for it. So you can do it by reducing the threshold. You can also reduce it or do it by driving the infrastructure more.

You can do it hybrid. The way Pjanic does it. You can do it full on the way to gas does it. You can pick urban areas where you're going to be doing a lot more than rural areas. But the one thing about super emitters is they don't prefer cities or rural. They happen everywhere in our experience. So the thing about finding these needles is you've got to go through the entire haystack.

Now, let me talk to you about the toolbox on pipeline replacement. It's very intuitive, It's very simple, but it's just as powerful when it comes to pipeline replacement in the US in particular, things that has required the models. And you have very sophisticated models. The only issue with them is that they're starved for good data, they're starved for current data and you have a way to they're very good models, but they don't have enough data.

And so it's not garbage, but garbage in, garbage out. Limited data sets, limited insights for your pipeline replacement programs. And you know intuitively that there are pipes you're replacing that are not leaking. They should be they will leak, but they're not leaking today. So if they're not leaking today, why don't we get the data? Why don't we overlay on top of your demand Is current real time methane data.

And when we do this, the results are very simple and very striking. Let's say your dimpled tells you these are the pipes that you ought to be replacing. Next year. You drive it and we find that one third of them. Absolutely. They leak like sieves. Right on. But another third of them leak. But they don't leak nearly as much as some others.

And the last third should leak. And they don't leak. They will, but they don't leak today. So the key tuition here is overlay this method data and use the tools. Use the data to be much more targeted and to shift OpEx to CapEx. Don't go fix leaks on pipes that are leaky and that are going to be replaced in a year or two.

Replace the pipes, reorder what would be in year three to year one, year one that don't leak, push them out. Look at them next year and make a decision Now that a lot of other reasons why you do pipeline replacement adjacency of pipes once that road is open is one big factor and one big example. But you can factor this in and you can dramatically improve it.

CenterPoint has pioneered this work and they're great people to talk to about this, just as any are great people to talk to about emissions. So typically one third of just right, one third can be optimized and improved by 50%. One third don't leak. They can be improved by 100% by taking other pipes to replace. It's a2x impact for free.

It's a2x impact on emissions because your pipeline replacement programs were never developed for emissions abatement. And it's an amazing irony that today, before you move to measurements, your senior management is using pipeline replacement as its only means of showing emissions abatement. What astonishing irony. So it was never intended as such. At most it impacts 1% of the infrastructure and that's all the CFO has to tell Wall Street This is tragic.

Seriously, it's okay. You're going to help them. We're here to backfill. We're here to make their net zero representations, their net zero commitments real sooner even than they know. Similarly, for leak detection and repair, the tools now allow us to optimize and measure optimized means. Let's fix the leaks that have a safety impact and let's measure so that you get credit for having fixed this leaks credit from an emissions standpoint.

So our analytics give us the probability of the leak being underground. We look at the proximity to a hospital or a school, the likelihood that it's going to be a grade one and we risk rank them so that you can be efficient in your compliance survey. Of course, your regulatory environment and the evolution of the regulatory environment as you educate the regulator about the merits of this approach will cause you to adopt it differently.

But It's not a one size fits all, just like for emissions, just like for pipeline replacement. In the two examples that I gave you, you can download it in an analog way. You can do 20%, you can improve. California is very stringent about this. So the utilities in California haven't been able to push risk-based survey as far as they know they can.

But the regulator is coming along. You will have a similar journey and some of you have much more empathetic, much more supportive regulatory environment. I know it doesn't feel this way, but you do come to California. You believe us. And then from an efficiency standpoint and from the value of these tools, it is simply critically important that it all be integrated with your ERP and IAMS.

The cost, the efficiency depends on it. We are the only company that has been deployed at scale for ten years in many utilities. It's an immense amount of work. It's a large engineering organization behind the simplicity that I have a chance to present behind the quality of execution. And just as you have told us, the business, we have tried to contribute the best of Silicon Valley, the best software engineers to integrate with SFP, to integrate with Maximo, to really keep our ear to the ground and be doing the right thing by you.

We're not done, but we're gaining on it very rapidly. So leak detection and repair optimized priority ranking yields two times the safety, at least at the same cost super emitters have the same priority as hazardous leaks. You really want to convince your teams that because the sooner you fix the super emitters, the sooner and the better. You abate emissions and then measure get credit for all the leaks that you're fixing.

It's so important. So, one recommendation is to drive yearly to get there as soon as you can. You're in a different circumstance in different geographies in the world. But the first goal is to drive yearly before you're going to start trying to drive even some of your infrastructure more than yearly, maybe two-thirds in super emitter mode. That is so impactful and it doesn't burden your repair teams.

It only incrementally increases their work. Very few repairs, only the super emitters and one third in compliance survey mode. This is the best practice we are seeing in North America today. Repair some very meters with the very same priority as hazardous leaks and target hazardous leaks. Leave the others alone. We showed you that the majority of leaks don't contribute to emissions

Do not improve safety posture, then implement an augmented pipeline replacement folded in. Since you're replacing pipes, you might as well replace the right ones. It is. It'll help your OpEx, it will help your emission posture. So put another way, the first go drive yearly, if you add one third compliance, do two thirds supermajor survey and measure absolutely everything.

It's the only way to know where you're at. It's the only way to be trusted. It's the only way to get credit for your emissions reductions. Get there as soon as you can move away from estimates. Do part of your infrastructure, get to level four first, but know that not until you get to level five will you have the full power of the tools at your disposal.

And not until you get to level five will you really be on your way to net zero. It's a ten year effort, but it's so powerful. It's so impactful. So think of it this way. What we have been talking about is having a new set of tools. It's akin to having a new language. And how well these tools are deployed is what is so important.

We have spent ten years being taught by you. What is important, why, how to effect them. We got started by finding thousands of leaks. Finding thousands of leaks is useless to you. It's not until we developed, we rethought the product, we paid attention. We spent time with you. BGN, You should get so much credit for this because they're near us and they funded us relentlessly until we would learn your business center point the same nice source.

Now is teaching us best practices. ITAR Gas has been amazing. One Gas is pioneering, You're all innovating and you're all doing a huge cop making a huge contribution to your industry. But back to the point about a new language. Think of it this way MLV is just the vocabulary. The real thing in this analogy is supposedly, if we put a thousand people typing at typewriters, they ought to be able to write the way Hemingway wrote, but most likely they won't.

So how will the tools are developed by us? How? Well, the tools are deployed by you, how we work symbiotically together. That is our new language. Imelda is just the beginning. Imelda is just the vocabulary. The vocabulary alone doesn't get you anywhere. You need to learn the language. Trust me. I know this ain't my mother tongue. This is why I speak so slowly.

Now, the other issue is this. There are a number of people here that have their head in the sand. I didn't say it was going to be easy. I said that what we're doing together is really important, incredibly impactful, and is going to change the understanding people have of natural gas. Plain and simple. Your CEO wants to know, your CFO wants to know all of your constituencies, want to know.

But along the way, the regulator today most likely has their head in the sand. They're thinking about what was how things have been, and without their collaboration, you cannot unleash the full power of these tools. You have to go through an education process. We want to support you to educate. We have found regulators to be listening. We have found over several years regulators to become passionate about what you all are doing.

But it's a effort and it's a multi-year effort. You're going to run into coworkers that tell you that this shit doesn't work. Fewer and fewer people say this, but at the beginning, most everybody said this change is painful, Change is hard. They'll still be some people in the organization that they don't they don't mean that badly, but they're in the way.

Close

00:48:51:09 - 00:55:02:01

So I was wondering who the third was and then senior management might not get it. So it's an education process, but you can be very peaceful and very calm. You're right. You're so right. It's not even funny. So we don't have to raise our voices. We don't have to get upset. We just want to share with you our enthusiasm and our sense of purpose.

You're the pioneers. It is through you that we're able to make such an impact. But the impact is staggering, they tell guests. CEO has become a rock star in Europe. Rumor is that he's going to be given an enormous job in the next couple of weeks. I hope he doesn't because he would go to the electric side to try and change it the way he has changed gas.

We need his leadership. And yes, we need your leadership. And yes, we're doing God's work here. We're doing amazing stuff. And you are the vectors in your organization. You're the key. You have the courage, you have the insight. Let's go help them. Let's get their heads out of the sand. Reducing emissions is just a godsend. It's important for our kids.

It addresses the most important issue of our time. It makes the infrastructure safer and it reduces all the costs. Other than that, what do you want to do with your professional life? Emissions also today are not in the purview of the regulator. So getting started now, educating them is going to allow us to set the debate on our own terms, allow you to set the debate on your own terms, and you know what happens with people that have their head in the sand.

If you treat them with respect, if you treat them with empathy, and if you're right and you are right, they never forget, they'll trust you and you're going to bring them data. They never had the quality of interaction between our operators and their regulator has improved dramatically. We just got the data

they got there. You will have the results.

What else does the regulator want? They don't want that much more. They want a safe infrastructure. You can never be sure that the infrastructure is going to be perfectly safe, but you can absolutely make the infrastructure much safer than it was yesterday. That's what our partners do day in, day out. It's pretty good, pretty good way to make a living.

Trust the data. It's for the first time together. We are a community. We never talk to the regulator. You do. We will know what we know. If you hadn't restored it to us. We try to do our thing. We try to build the best product. We try to listen to you. We try to be response live together. We're making the natural gas distribution world immensely better.

Together. We're going to make your C-suite heroes to Wall Street. Make your company's leading natural gas companies. Not bad. Everybody that has worked with us in the past ten years is getting promoted and promoted and promoted some more. We were able to attract an outstanding There's so many outstanding people at Journey. The company has an incomprehensible reputation to me.

We had attracted one of the really good people that really understood us to come work with us. And then one good day, the office of the Governor of California called and asked that he go back to Jenny because of the issues that had developed on the electric side in the fires. I said, no. They said, Well, we didn't ask you for your we didn't ask you for your opinion.

He's doing it. We're doing it because it was a joint appointment, the state of California, in order to get PG&E any out of bankruptcy required that they agree on who was going to be the chief safety and chief compliance officer. He got promoted last week to be chief operating officer. The guy is in his early forties. This is what's going to happen to you.

You're right. You have the courage to do it. You're going to educate people and we're going to try to support you, not try. We're going to support you all the way 24 hours a day, seven days a week. It's a wonderful thing to be doing. It gives a purpose to our lives. You give purpose to our lives. So to PG&E, CenterPoint, to One Gas to Black Hill Energy, to NiSource, to South Jersey Gas to Southern Company, Summit, to Xcel, to Cadent in the UK, to Jemena in Australia.

To com gas in Brazil to Netaji in Mexico to Gedo in Columbia to Anthony. Make McCain our consultant to in Kosovo to guy and to Haywood. To all of you the pioneers, we thank you. We thank you for being members of this community and the work we are doing is amazing, important and gains in importance on the key issue of our time.

You are the change agents and to tell you the truth, we love you and we're so grateful. Thank you very much.