Pipeline Modernization

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Company Statistics

Fortune 500 Company
8th largest natural gas distribution utility in U.S.
$30 billion market cap
2.9 million natural gas customers
49,000 miles of gas distribution
$19.8 billion of asset base
Vintage System vs. Modern Materials
1859 – 1940 Cast and Ductile Iron Gas Main

1859 Pipe Retired June 2019

Navy Pier
New law allowed gas utilities to more quickly recover costs

National accelerated recovery programs

The Warning Signs

-Leaks, cracks, and breaks are the canary in the coal mine – the rate is growing

- More than a dozen dead, 70 injured, and billions in damages from failing at-risk material

- Peoples Gas’ wake-up call came in 1992 – 4 dead / substantial property damage
For those that say, “*go slow, cut back, do less*...”

- What technical analysis brings you comfort that the risks aren’t real?

- With record low commodity prices and customer bills nowhere near their peak of the last decade, why isn’t now the time to keep moving?

- With a strong economy and modernization providing unprecedented investment in building a diverse workforce and business ownership, how could the timing be any better?
Stakeholder Support & Collaboration is Critical

- Illinois legislators and regulators recognized the risks

- Investments are substantial and financial predictability is key

- Tour construction sites, attend apprentice graduations, be curious about the tremendous work taking place

- Proactively endorse partnerships and commercial mentorship programs

- Metrics can be helpful & misleading – good processes deliver the best results