

## Gas Leakage Reduction Goes Global



Maxim Alexandrovich with GasEnergy Technolog Ltd. measures a leaking valve at a regulator station in Kursk, Russia.

In early 2006, Heath's Professional Services Division, in cooperation with AddGlobe, LLC and the Russian Carbon Fund assisted as a key player in launching the first methane emissions reduction project in Kursk, Russia.

The Russian Carbon Fund has concluded a cooperative agreement with Norwegian oil and gas major Statoil as purchaser of emission reductions from methane leakage reductions in the Kursk regional gas distribution network.

Work has now been launched in cooperation with Rosgazifikatsiya and its subsidiary, regional gas company Kurskgas, to detect and repair leaking parts in the Kursk natural gas network. The project introduces the use of advanced leak detection and measuring

equipment as well as long-lasting sealing materials to the regional gas companies in Russia. One of the spotlight products now making entry into Russia is the Hi Flow Sampler used to measure gas leaks from the gas distribution system. AddGlobe, LLC is the exclusive channel distributor in Russia facilitating this technology transfer.

*"This project has been exciting for me because it allows us to employ all of Heath's core assets through a combination of technical survey, technology transfer and training. Being at the forefront of this project side-by-side with the Russian Carbon Fund and AddGlobe, LLC has been a privilege and we are committed to ensuring the long term success of these technologies with our new Russian partners in the natural gas business." – Milton Heath, III*

This is the first project on gas leak reductions in Russia that utilizes carbon financing under the Kyoto Protocol. The investments being committed to improve gas pipeline integrity would not have been feasible without the prospects of carbon financing.

The project offers important benefits in terms of reducing greenhouse gas emissions and increasing resource efficiency in Russia by preserving gas otherwise lost. Gas leakage reduction projects also have strong local and social impact by contributing to lower gas bills for final consumers. Currently, gas consumption for small and typical low income consumers in Russia often are not metered and gas bills for these consumers are based on aggregate gas volumes put into the network, which includes any gas being lost on its way to the final consumer.

The project in Kursk is the first project in a series to be developed across Russia in cooperation with Rosgazifikatsiya, Centergasservices, ECON Carbon and Statoil.

## Key Leadership Changes to Services Business Unit

Heath welcomes Gary Lape to the Services Business Unit of Heath Consultants. Gary was brought on board with Heath in March of 2006 as the General Manager of the Service Business Unit. *“Heath operates in a market segment, which is undergoing many changes. In order for Heath to enjoy continued success in our Services Business sector, we have to employ new and innovative business models. Gary Lape’s experience in both the utility market and the service sector to the utility market make him uniquely qualified to lead the Services Business Unit into the future,”* states Graham Midgley, President & CEO. Gary currently has six direct reports on his staff, five division managers and one training and safety manager and is ultimately responsible for over 560 field personnel.

When asked what he enjoys most about his position at Heath Gary responded, *“What I like most about my job is the diversity of responsibilities, bidding projects, monitoring and managing performance, coaching and teaching employees on how to improve performance. I especially enjoy working at Heath because the people are all so dedicated to providing good service to our customers.”*

Gary was born in Staten Island, NY. His father was in the Coast Guard for 28 years so Gary has lived all over the U.S. including New Jersey, New York, North Carolina, Virginia and has even lived in Puerto Rico where he

graduated from high school. Gary has a BS in Civil Engineering from Virginia Military Institute and a Masters in Business Administration from Averett College in Danville, VA. Gary has been married to his wife, Lee Ann for 21 years. They have two children, a daughter, Allison, currently attending the University of Wyoming and a son, Zach, currently attending middle school. In his off time Gary enjoys fishing, both salt water and fresh water, swimming, cooking, yard work, football and assists coaching for his son’s baseball team.



Gary Lape, seated, and Earnest Sebeck review division reports at the Corporate Office.

## Reaching A Career Milestone

Earnest Sebeck marks a major milestone in his career at Heath Consultants with his promotion to Director of Services for the Central Services Division. Earnest’s career with Heath began in July, 2001 at the start of a Pilot Power Pole Audit project with Allegheny Power. Once that project was completed he began training in the various natural gas services that Heath provides. *“Fortunately I was trained by some of the best. Mr. Jack Stillwagon and Mr. Donald Keller; I can’t thank you enough for the training and development you’ve provided.”*

*“Earnie’s desire to excel, his previous experience with Heath and his understanding of both the business and our employees make him an excellent choice to lead the Central Services Division. He will be a great addition to our management*

*team and I look forward to working with him as he develops and grows his division,”* said Gary Lape, General Manager, Services Business Unit. Earnest approaches his job with great enthusiasm and had this to say about his career and fellow co-workers, *“I enjoy meeting and interacting with people as well as the diverse business environment that employment with Heath offers. Some people are real characters and many Heath employees have great character.”*

Born and raised in Pennsylvania Earnest made the big move to Texas where in his off time he continues his

love of extreme sports. Rarely would you find Earnest watching TV, he would rather be outside participating in sports such as motorcross, snowboarding, wake boarding and scuba diving. He thrives on competition. Earnest is an honors graduate with a Bachelors’ in Political Science from the University of Pittsburgh.

## Heath Has a Strong Presence at the World Gas Conference

Heath Consultants Incorporated attended and exhibited at the World Gas Conference in Amsterdam, The Netherlands, June 5–9, 2006. In attendance for Heath was Mr. Milton Heath, Jr. – Chairman of the Board, Mr. Paul D. Wehnert – Vice-President, Sales & Marketing and Mr. Tim Brown – Director of International Sales. Heath had a poster presentation on the Remote Methane Leak Detector (RMLD™) coauthored with Mr. George Ragula – Manager of Technology for Public Service Electric & Gas (PSE&G) in Newark, NJ.

Various Heath representatives from around the world were also in attendance including Mr. Wayne Hennigar and Ms. Rebecca Hennigar of Hetek Solutions, Inc. London, Ontario, Canada, Mr. Erol Polat of NOVEL, Turkey and Mr. Onofrio (Rudy) Lagana of Gastech Instruments, Italy.

Heath's exhibit included the Remote Methane Leak Detector (RMLD™), Optical Methane Detector (OMD™) and the NEW DP-IR infrared leak detector. Traffic at the Heath booth was extremely busy. Many international companies were eager to voice their interest in Heath's newest leak detection technologies.



Left to right, Paul Wehnert, Heath, Erol Polat, NOVEL, Timothy Brown, Heath, Milton Heath, Jr., Heath proudly display Heath's latest technology in Amsterdam.

## Professional Services Division Makes An International Impact

In conjunction with our Russian partner AddGlobe, LLC an emerging market for emission reduction was identified in Central Russia.

A technology transfer and training course was developed specifically for several gas companies and the Heath team traveled to Saratov,

Russia to implement the program. This was a "Ground Breaking" opportunity for both Heath and Russia. Heath had performed Measurement Surveys for Russia as well as other countries but this Hi Flow Technology Transfer was the first of its kind.

Hi Flow training is quite detailed and somewhat labor-intensive and coupled with the language barrier it becomes much more of an adventure. In all, there were approximately five different gas companies involved from all over the country, including Siberia. The facility used for the training belonged to Gipronigaz, a Public Limited Company of Rosgazificatsiya.

Classroom sessions were conducted, with

the aid of an interpreter, using PowerPoint presentations, video projection of the Hi Flow Sampler and intensive hands-on training.

In an effort to be a global leader in GHG credits, Russia has made a commitment through technology transfer and hiring Heath to train their gas company engineers in the proper use of Hi Flow Samplers for measuring natural gas leaks. In the future auditing is to take the place verifying measurements after leak repairs compared with initial measurements.

This is the beginning of a global movement accurately using Hi Flow technology to measure and confirm methane reductions. Heath has returned to Russia several times during the past year to further the goal of a technology transfer and will continue to support this important initiative.

Heath's Professional Services Division continues to expand through a combination of consulting work, baseline emission testing, technology transfer and training.



Jared O'Neil and Milton W. Heath, III conduct field exercises using the Hi Flow Sampler during training session to Russian Engineers at Niigaz in Saratov, Russia.

RMLD Poster Presentation Draws International Attention at World Gas Conference - June 5-9, 2006

# RMLD

Remote Methane Leak Detector

- THE NEXT GENERATION IN LEAK DETECTION

Presented by  
George Ragula  
PSE&G  
Paul Wehnert  
Heath Consultants



The RMLD transmitter is able to illuminate a remote surface up to 100 feet away with its laser beam and measure the amount of target gas along the line of sight illuminated by the laser beam.

The RMLD display provides concentration readings, configurations of instrument and self test for RMLD.



## Barriers to Current Technology



Locks

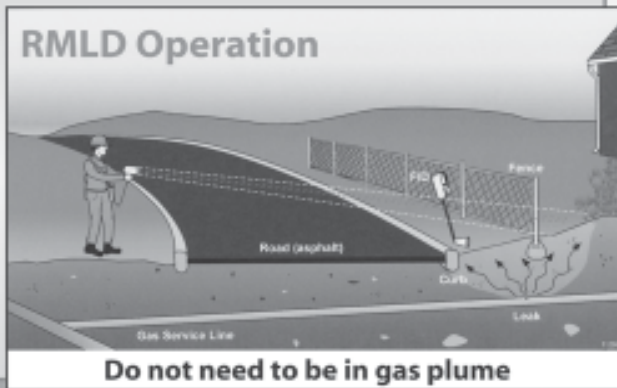


Fences



Dogs

## RMLD Operation



Do not need to be in gas plume

## Technical Approach



- Laser light beam is projected onto a surface
- A fraction of the beam is reflected and returned to the transceiver
- Methane in the laser path creates a distinct signal in the returned light
- Returned light is collected and focused onto a detector and converted to an electronic signal
- Methane readings are displayed in ppm-m



## Heath Says Goodbye to a Legend - John Merritt

On September 6, 2006 Heath Consultants Incorporated said goodbye to a company legend, John Merritt.

John was born at Chelsea Naval Hospital to CPO John Sydney Merritt and Ruth Flagg Merritt in Chelsea, MA. As a boy he learned to fly fish from his dad who was a renowned artist and fly-tier on the East Coast, creating a love of the outdoors that continued throughout his adult life. After he graduated from Winchester High School in 1954 he went on to receive a degree in forestry from Paul Smith's College of the Adirondacks in New York - gaining knowledge he was able to use to further his outdoor adventures and lovingly confuse people who did not know a fir tree from a cedar tree. From college John went active in the U.S. Army, having enlisted while he was still in high school. After he left active duty he started working for Heath in a career that spanned over 44 years. Anyone who knew John knew that he was happiest when he was busy. John's reputation in the industry grew rapidly and he became a familiar name, with clients often requesting him on their projects.

---

***In the annuals of Heath, John will be remembered as a truly unique person. He never failed to give his all on whatever project he was tackling from a water project in some distant country, to a fishing expedition in Oregon. He will be sorely missed.***

-Graham Midgley  
President & CEO

---



John Merritt enjoys the local culture while surveying in Jordan.

John's work with Heath took him all over the world with his final assignment being in Amman, Jordan. He was doing water leak survey training for a client who kept expanding the job because of the excellent work he was doing. Angelo Gurrieri of Hazen and Sawyer, NY writes, "John was always in a good mood, always optimistic, and left such a positive impression on everybody he met. All of us, who have met him in Amman, just love him".

Ian Seed of Louis Berger Group, Washington, D.C. writes, "John brought a little sunshine into the lives of a lot of ordinary people in Amman. In a region where perceptions of the U.S. government are often negative, he showed a very different face of America. If the war on terror is a battle for the hearts and minds of people, then the State Department needs some John Merritts."

John Morris, a retired Heath employee writes, "I had known John for almost all of his time with Heath. He was a most interesting personality, sportsman, and

conver-sationalist as well as a very professional Heath Service Consultant. He really felt a sense of connection with the outdoors and seemed happiest immersed in nature. He will be missed by all who came into contact with him." We received this note from a close friend and business associate of Heath that worked with John on Military Base Projects, "Whenever I go on trips to Marine Corps installations, I always think about him. No one at Heath can replace him." People from all over the world have been affected by his passing, a fact which in itself is truly remarkable.

John will be missed by all his friends at Heath. We received many kind thoughts and memories from our Heath employees remembering the great times they shared with John. We will never find another person or employee like him. Our hearts go out to his family and friends.

# Heath Joins Non Revenue Water Project Team in the Bahamas

In December, 2005, Timothy G. Brown, Director of International Services and James F. Dawson, Technical Specialist, began work on a Non Revenue Water (NRW) project in Nassau, Bahamas.

Consolidated Water Corporation entered into a contract with the Bahamas Water & Sewer Authority (WSA) to construct a large reverse-osmosis (RO) water treatment plant. One of the components of the contract is to implement a NRW project in the distribution network, which consists of approximately 600 miles of water mains.

The primary purpose of the NRW project is to identify and reduce water loss within the distribution network due to the higher cost of treatment associated with the operation of an RO water treatment plant. The concept is to ensure that the distribution network is operating efficiently.

Consolidated Water established Waterfields Company Limited, as a Bahamian subsidiary, and appointed Mr. Mike Keating, as their NRW Project Manager. Mike Keating then formed the NRW Project Team which consists of three companies with specialized expertise: Fanner & Associates from the UK, Thornton International, from Brazil and Heath Consultants Incorporated from the USA.

Heath's primary responsibility is to conduct continuous leak detection and pinpointing surveys of the distribution network. Once the leaks are detected and repaired, a re-survey is conducted to identify and pinpoint additional leaks.

Jim Dawson is the Team Leader for this project and has had a second leak detection team working with him for the duration of this project. Heath's involvement on this NRW project is currently scheduled to run through December, 2006.



*THE CONSULTANT is published in Houston, TX by Heath Consultants Incorporated to provide employees and our clients with news of company activities. Employees and customers are encouraged to submit material. Direct correspondences to The Editor, Heath Consultants Incorporated, 9030 Monroe Road, Houston, TX 77061 or call 713-844-1300.*

*Web Site [www.heathus.com](http://www.heathus.com)*

*Vivian Marinelli  
Editor  
Ruby Williamson*



Heath Consultants Incorporated  
9030 Monroe Road  
Houston, TX 77061

PRSRT STD  
U.S. POSTAGE  
PAID  
HOUSTON TX  
PERMIT NO. 324