

Newsletter Oct 1st, 2019

Colleagues and customers:

Five years ago, MMT co-founders identified oil and gas transmission pipeline integrity as the first commercial market for their first invention. This remains our singular team focus to this day, because:

- pipeline assets are critical to the industry
- lack of capital prevents large scale replacement
- failure rates not diminishing despite efforts
- new regulations will induce new better practices

With the first part of the “Mega Rules” for gas transmission pipeline integrity issued today Oct 1st, 2019, this newsletter is intended to provide an update on the progress of MMT delivering valuable inspection instruments, procedure, training/certification, and data services to support the verification of existing pipeline material properties.

The best guidance we have received over the years is to engage early and often with customers *as integral to the development process* to maximize the value of our efforts. This applies today as processes and procedures are being adjusted to comply with new regulations. Proactive customer engagement and collaboration have become part of our culture and supports our mission to deliver new material property data into risk assessment and repair criteria, both enhancing safety and reducing the cost of pipeline integrity programs.

- **GROWING USE OF HSD TESTING** — For 4 years now, annual field use of HSD has more than doubled. The cumulative data helps establish expectations and planning for future projects to validate pipe grades. Recurring customers claim benefits from performing their own field pilot programs as a step-by-step approach to gain experience and develop processes.
- **POSITIVELY VERIFY PIPE GRADE** — For most field projects, the distribution of results is well above the required minimum strength for the pipe even after including the effect of tool accuracy and sample size, both required by regulation. MMT invested internal efforts to engage with customers on how to process NDE data for grade verification. A 3-Page summary is available upon request, and we continue to invite collaboration to establish these critical methods and processes.
- **MMT OPEN HOUSES** — Over the past 3 months, more than 25 pipeline integrity customers have visited our facilities in Waltham, MA. Attendee feedback has been highly positive. We plan to host one more event this year and another early next year. Informal technology demos,

case studies, and an opportunity to engage with peers and our exceptional team works well for everyone.



- **TEAM** — FOR 2019, MMT's full-time staff has grown more than 50% to a current headcount of 16. New additions include Donna Newell as operations manager to respond and fulfill customer requests; and Buddy Powers as director for business development.
- **INVESTING IN THE FUTURE** — MMT's R&D team is executing currently on 5 sponsored development projects. This is part of our continuous improvement in the data analytics associated with the use of our standardized instruments and procedures as well as keep expanding our instrumentation offering with complementary products. With new Houston-based investor equity financing secured in March 2019, MMT is strategically investing in most areas of our business including in a reliable and powerful data platform with live dashboards to enhance the value of the products and services to our customers.
- **INSPECTION SERVICE PROVIDERS** — A total of 10 field inspectors from pipeline NDE companies recently visited our Waltham, MA office for 2-day training to become certified HSD Level 1 technicians. This will allow MMT to reduce the number of MMT personnel on-site to 1 technician, allowing a greater range of service delivery at a lower cost. A pilot program where third-party vendors conduct all the fieldwork is underway. Ultimately, MMT's commitment is to provide instrumentation, procedures, training, certification, and data QA/QC to ensure accuracy and reliability of the data generated.

With the new regulation, we expect operation at full capacity and invite early engagement and communication about plans for fieldwork in 2020. Onboarding and step-by-step deployment require time and resources to be done right and to meet both safety and cost-efficiency goals. We are delighted for all of you that have been working with us towards achieving these goals and inviting more to join!

Simon Bellemare, CE

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MMT technology gurus:

One element of customer feedback from our open houses is value in interacting with our senior technology management team. For those who have not met Brendon and Steve, here is some information.

Steven D. Palkovic, CTO S.Palkovic@ByMMT.com



Steve holds M.S. and Ph.D. degrees from MIT on frictional sliding and computational materials science. Steve has been an essential resource for operators onboarding the HSD process and statistical approaches to meet regulations on materials verification and seam characterization efforts. Steve is now working with operators in a JIP to correlate in-field NDT data to toughness in low frequency ERW seams. In addition, he is developing statistical strategies for operators to use under various scenarios to meet IVP regulations.

Brendon M. Willey, VP B.Willey@ByMMT.com



Brendon is MMT's hardware expert and manager for both the HSD and the NDTT platforms. He has driven the process improvement for the HSD equipment which has made great strides since the PRCI study in 2017. This has allowed MMT to focus on a training process of NDE contractors with pre and post collaboration steps and software automations.

Please reach out to us for any inquiry or to discussion potential projects.

New inquiries: Sales@ByMMT.com Main: 617-502-5636

Website: www.ByMMT.com

Frequently Asked Questions:

- *What is the current number of HSD instruments:*
There are currently 12 field-ready HSD units
- *Do you plan to sell HSD units?*
Leasing is the current service model, which provides current and up-to-date instruments along with all the supplies, procedures, training, certification and data QA/QC.
- *What is the best path to engage HSD services?*
(1) Reach out to MMT directly if you are existing client or specifically need only the material verification
(2) Through one of the four NDE vendors that can provide an ASNT Level II technician along with an MMT HSD Level II technician and get all NDE work completed.
- *Is HSD PHMSA DOT approved?*
(1) While, PHMSA does not explicitly approve technologies historically, they have not objected to NDE for yield strength using an available commercial technology or "equivalent"
(2) New gas regulation requires a third-party validation of methods used which the PRCI NDE 4-8 project with public report issued in July 2018 provided.
- *What is the required booking time?*
Based on expected 2020 workload, approximate plans should be provided to MMT by February, with more detailed scheduling 3 weeks ahead of the intended work. Last minute changes and add-ons are typical, and accommodated as best we can.

Key Team Additions:

Donna Newell,
Operators Manager,
D.Newell@ByMMT.com

Donna joined MMT with impressive experience in service management and customer support. Donna Newell drives this culture with hard work and accessibility for daily customer demands.

She always has a smile on her face even when she's talking on the phone. Donna is an essential part of maintaining our technician's schedule and keeping the clients informed on the day-to-day business at MMT. Do not hesitate to call her if you have a question or need to schedule an assessment.



Buddy Powers,
Director of Business
Development
B.Powers@ByMMT.com

Buddy joined MMT on June 1st with deep experience in pipeline integrity to work closely with your inquiry team on your goal.

Photo is MMT team and guests at Game 5 of the Stanley Cup - the evening was lots of fun and left a good impression with our recent business development hire.

