



Weekly Update September 8, 2011

CALL TO ACTION

The U.S. Department of Energy (DOE) issued a Direct Final Rule that will impact the replacement of residential natural gas furnaces. There are real problems with this government action and we need input from your utility by the end of September to prevent this rule from becoming effective October 25.

The final rule calls for increasing the minimum efficiency of a residential gas furnace from a 78% annual fuel utilization efficiency (AFUE) to a 90% AFUE in the 30 northern states* with more than 5,000 heating degree days. An 80% AFUE will be the new minimum standard for natural gas furnaces in the other 20 states.

While the final rule raises the cost for installing natural gas furnaces in new construction, this rule could be devastating for the replacement market since 90% AFUE furnaces have completely different venting requirements from the current models.

We understand cost estimates to provide the necessary venting adjustments alone range from \$1500 to \$2500. This is in addition to the cost of the new furnace. But, we need actual data from you, our APGA members, to provide DOE in our comments.

ACTION REQUESTED:

- 1. Please secure two or three contractor quotes/bids to replace a non-condensing furnace with a condensing furnace with at least a 90% AFUE rating.**
- 2. No leading questions should be asked of the contractor, but the quote needs to be broken out between the cost of the equipment (furnace "A-coil, etc. & labor) and the costs of venting (material & labor).**
- 3. Please send copies of the bids to APGA. If possible, scan the bids and send them as PDF files to Dave Schryver at dschryver@apga.org.**

In addition, we ask our members in the 30 northern states* to submit their own comments to DOE and this data will be useful for inclusion in your own individual comments.

*The northern region for furnaces contains the following States: Alaska, Colorado, Connecticut, Idaho, Illinois, Indiana, Iowa, Kansas, Maine, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New York, North Dakota, Ohio, Oregon,

Pennsylvania, Rhode Island, South Dakota, Utah, Vermont, Washington, West Virginia, Wisconsin, and Wyoming

If you have any questions, please contact Dave Schryver at 202-464-2742 or dschryver@apga.org.

APGA Calls for Full Funding of LIHEAP

Yesterday, APGA sent a letter to members of the House Appropriations Committee requesting that the full \$5.1 billion amount (from FY10) for the Low Income Home Energy Assistance Program (LIHEAP) be included in the FY12 Labor-Health and Human Services (HHS) Appropriations legislation.

LIHEAP funds are used to protect millions of low-income and other vulnerable populations, such as the elderly, and assist them in paying for critical utility services. The funds are allocated by the Department of Health and Human Services (HHS) and are administered by the states. The formula used to allocate funds under LIHEAP is based on two sets of regulations and is weighted towards state's relative cold-weather conditions and households living in poverty.

APGA's letter (copies of which can be viewed at www.apga.org/correspondence) was sent to the leaders of the Appropriations Committee and the Subcommittee of jurisdiction, the Labor-HHS Subcommittee, these include: Chairman of the Appropriations Committee, Hal Rogers (R-KY), Ranking Member, Norm Dicks (D-WA), Labor-HHS Subcommittee Chair, Denny Rehberg (R-MT) and Subcommittee Ranking Member, Rosa DeLauro (D-CT).

The letter applauds the Committee for its commitment to adhering to the terms of the debt ceiling agreement and acknowledges the difficult choices Congress must make due to the urgent need to cut spending to avoid automatic across-the-board cuts go into effect in November. However, it also argues that restoring the LIHEAP to \$5.1 billion can both protect those desperately in need, particularly in a time of high unemployment, while also demonstrating a commitment to fiscal discipline by holding the program's funding to the FY10 level.

The FY12 Labor-HHS Appropriations legislation is scheduled to be marked up on September 9th. The bill will then have to be voted on by the full Appropriations Committee before being considered on the House floor. If APGA members have any questions, please contact Scott Morrison by phone at 202-464-2742 or by email at smorrison@apga.org.

Join Us in Chicago for the APGA R&D Forum

WHAT: The 2011 R&D Forum. Sponsored by the APGA Research Foundation (RF) and the Gas Technology Institute (GTI)

WHERE: Chicago, IL at GTI Headquarters.

WHEN: October 25 & 26, 2011

COST: Registration is Free! Hotel (two-nights) and food provided at no cost. Just get to Chicago.

WHY ATTEND: Learn about new technologies that will help you to reduce operating costs while improving customer satisfaction and new technologies that will help you provide your residential and commercial customers environmentally-friendly end-use appliances. You will leave the Forum knowing that research and development is crucial to the long-term success of the natural gas industry.

AGENDA: The R&D Forum program begins at 5:00 pm CT on Tuesday, October 25, with a tour of GTI facilities followed by a networking dinner with GTI leadership and R&D project managers. The forum picks up on Wednesday, October 26, with morning and afternoon informative classroom presentations on supply, operations and end-use R&D projects, some of which are near commercialization. GTI will then host a reception and dinner on Wednesday evening.

HOW TO REGISTER: Please go to www.apgarf.org/2011Forum by October 5, 2011 to mail or fax your registration form. Please encourage one of you Board members to join you. There is no registration fee, food costs are covered for all attendees and two nights room plus tax will be covered for the first forty (40) registrants.

THE HOTEL: Radisson Hotel O'Hare. The hotel provides a complimentary 24-hour O'Hare airport shuttle. The hotel will shuttle between the hotel and GTI at specific times.

The RF Board and GTI looks forward to seeing you in Chicago! Again, space and hotel rooms are limited.

Please call Bob Beauregard at APGA 202-464-2742 or Mary Kos at GTI 847-768-0950 with your attendance confirmation or questions.

National Petroleum Council to Meet in DC

The National Petroleum Council (NPC) is scheduled to meet in Washington, DC on Thursday, September 15. This will be the 121st meeting of the NPC. The NPC is a federally chartered and privately funded advisory committee whose purpose is to advise, inform and make recommendations to the Secretary of Energy with respect to any matter relating to oil and natural gas, or to the oil and gas industries submitted to it or approved by the Secretary. Approximately 200 people serve on the NPC. Craig White, president & CEO of Philadelphia Gas Works, serves as a public gas system representative on the NPC.

The agenda for next week's meeting will include a presentation by Secretary of Energy Steven Chu. The NPC will also consider a proposed final report developed by the NPC Committee on Resource Development. The report was prepared at the request of Secretary Chu and is intended to provide a comprehensive assessment of North American natural gas and oil resources. The report will also address the contribution that natural gas can make in reducing greenhouse gas emissions while achieving environmental protection, economic growth and energy security goals. The meeting will also include a progress report from the NPC Committee on Future Transportation Fuels.

The NPC meeting can be viewed via webcast at www.npc.org. If you have any questions on this article, please contact Dave Schryver of APGA's staff by phone at 202-464-2742 or by email at dschryver@apga.org.

Get Involved! Join an APGA Committee!

At APGA the hard work of our committees and its volunteer members is key to our success as an Association. If you are interested in joining one of the following APGA committees please let us know. All are welcome! If you would like us to add your name to a roster please email the contact of that committee listed below.

Annual Conference

To plan and ensure the success of the APGA Annual Conference.

Contact: [Sheila Deringis](mailto:Sheila.Deringis@apga.org) at sderingis@apga.org

Awards

To recognize APGA member systems and individual volunteers for contributions to the natural and public gas industries and to this association.

Contact: [Sheila Deringis](mailto:Sheila.Deringis@apga.org) at sderingis@apga.org

Codes & Standards

To advocate for safe and competitive codes and standards for the natural gas utility industry; and, to provide members timely notice of opportunities to consider and effect revisions to said codes and standards that may impact the competitive position of natural gas and end-use appliances.

Contact: [Bob Beauregard](mailto:Bob.Beauregard@apga.org) or bbeauregard@apga.org

Editorial

To brainstorm ideas, themes, authors and stories for the issues of *THE SOURCE* magazine.

Contact: [Kristin Gomez](mailto:Kristin.Gomez@apga.org) or kgomez@apga.org

Gas Supply

To encourage the exchange of information about the natural gas market among public gas systems, suppliers, pipelines, joint purchasing groups, and other local distribution systems.

Contact: [Dave Schryver](mailto:Dave.Schryver@apga.org) or dschryver@apga.org

Government Relations

To direct and develop APGA legislative and regulatory activities while monitoring and managing efforts that further the interests of public gas systems before Congress and governmental agencies.

Contact: [Dave Schryver](#) or dschryver@apga.org

Legislative

To advocate the interests of public gas systems in Congress.

Contact: [Dave Schryver](#) or dschryver@apga.org

EIA Reports Storage Build of 64 Bcf to Put Working Gas Storage at 3,025 Bcf

Here is the weekly EIA Summary Report issued on Thursday, September 8, 2011, that reports last week's storage report highlights for Friday, September 2, 2011. A 64 Bcf increase has been reported.

Summary

Working gas in storage was 3,025 Bcf as of Friday, September 2, 2011, according to EIA estimates. This represents a net increase of 64 Bcf from the previous week. Stocks were 131 Bcf less than last year at this time and 60 Bcf below the 5-year average of 3,085 Bcf. In the East Region, stocks were 96 Bcf below the 5-year average following net injections of 58 Bcf. Stocks in the Producing Region were 34 Bcf above the 5-year average of 925 Bcf after a net injection of 2 Bcf. Stocks in the West Region were 3 Bcf above the 5-year average after a net addition of 4 Bcf. At 3,025 Bcf, total working gas is within the 5-year historical range.