



## Weekly Update April 1, 2010

### **Commissioner Spitzer to Speak at APGA Annual Conference**

Federal Energy Regulatory Commission (FERC) Commissioner Marc Spitzer will be a speaker at APGA's 49th Annual Conference which is scheduled for July 25-28 in San Diego, CA. Commissioner Spitzer is scheduled to speak the morning of July 27. Commissioner Spitzer was nominated by President George W. Bush to the Federal Energy Regulatory Committee (FERC) and confirmed by the U.S. Senate for a term expiring June 30, 2011. APGA supported his confirmation. Prior to being confirmed, Commissioner Spitzer served as Chairman of the Arizona Corporation Commission.

Commissioner Spitzer has communicated his belief that FERC's primary mission is to ensure that America's ratepayers have safe, economic, and reliable supplies of electricity and natural gas; and transparent, robust and competitive wholesale energy markets. Topics that the Commissioner may discuss at the Annual Conference include market oversight, natural gas markets and infrastructure. Recently, APGA has been involved in the Section 5 proceedings, initiated by the Commission against three pipelines to determine whether those pipelines are charging unjust and unreasonable rates.

Information regarding the APGA Annual Conference is available on the APGA website at [www.apga.org](http://www.apga.org). A conference packet including registration materials will be sent shortly to all APGA members. 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](mailto:dschryver@apga.org).

### **Administration Proposes New Five Year Lease Plan**

On March 31, President Obama and Interior Secretary Salazar outlined a new five-year OCS Lease Plan that would run from 2012-2017. Under this new proposal, the Department of the Interior would allow natural gas production 50 miles off the coast of Virginia and open up additional areas of the outer continental shelf (OCS) in the south and mid-Atlantic regions to exploration. Additional areas in the Gulf of Mexico could also be made available for exploration. The five-year plan determines where and when companies can lease OCS lands for energy production. Areas in the plan are considered for leasing but do not have to be leased.

In response to today's announcement, APGA's President & CEO, Bert Kalisch, stated that "We commend the President's announcement and believe that a sensible yet effective energy policy

that safely utilizes U.S. resources will help U.S. industries, strengthen national security and supply, and spur economic growth. If we are to keep an abundant domestic supply of natural gas available at a long-term affordable level, our energy policy must not take those available in the OCS, off the table.” Natural gas is the lowest CO<sub>2</sub> emission source per BTU delivered of any fossil fuel and APGA has long maintained that national policy should facilitate the direct-use of natural gas. For example, using gas-fired water heaters for homes instead of electric resistance water heaters ultimately reduces greenhouse gas emissions by one-half to two-thirds. Simply put, increasing the direct-use of natural gas is the surest, quickest and most cost-effective avenue to achieve significant reductions in greenhouse gases.

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](mailto:dschryver@apga.org).

### **Monthly Operations Roundtable Call Addresses Valve Policies**

In response to feedback to the APGA strategic planning survey, the APGA Operations and Safety Committee has been conducting monthly half-hour roundtable conference calls on topics related to public gas operations. The calls are open to all members and are conducted at 2 pm Eastern time on the third Wednesday of each month. As an added benefit the calls are webcast so that participants with internet access can log-in and view the slides and other visuals used during the formal presentations that open each roundtable. The floor is then opened for questions and comments by all the participants on the call.

The topic in March was *valves* and much of the discussion focused on utility policies for determining which valves would be required to isolate an area in a distribution system during an emergency and thus require annual inspection and testing according to pipeline safety regulations. The most common approach mentioned during the call related to how quickly the utility could relight customers after an outage. The factors considered included the number of people the utility could mobilize to relight customers and the number of customers one person could relight in one 8-hour shift. This was used to determine the maximum number of customers within each isolation area. Operators varied on the acceptable time to relight all customers after an outage, ranging from eight hours to two days.

**The topic for the next roundtable on April 21 at 2pm EST will be *cathodic protection*. For more information please contact John Erickson, APGA Vice President, Operations 202-464-2742, ext 1002 or [jerickson@apga.org](mailto:jerickson@apga.org).**

**Bert Kalisch, President & CEO, American Public Gas Association, set to give the Keynote on Wednesday, April 14 at the LDC Gas Forum Southeast**

7:30 - 8:30 a.m. APGA Member Breakfast

9:30 - 10:30 a.m. Keynote - Regulatory Update: The LDC Perspective

With a comprehensive climate change legislation looking less likely, what might a less ambitious energy bill include? While the Regulatory Roller Coaster in 2009 was full of turns, what can we expect in 2010 while moving towards the mid-term election? Will the trading limits and other proposed legislation surrounding the community markets come to pass? How will trading, efficiency standards, financial & climate reforms affect the natural gas markets?

### **Gas Buyers Forum April 14, 11:00 a.m. – 12:00 p.m.**

Our gas buyer panelists will give you solid and valuable insight into what is currently working, what they have learned from the recent high volatility and what they will do differently next time.

- How is the price of gas affecting usage?
- Long term contracts - today vs. yesterday
- Regulatory concerns
- How will LNG, shale or pipeline capacity affect buying patterns
- How is storage being utilized and will this change with today's pricing?

#### **Moderator:**

Mr. Scott Harwell, Director, Marketing, Tenaska Marketing Ventures

#### **Panelists:**

- Mr. Bill Cummings, Energy Supply Leader, Kimberly-Clark Corporation
- Mr. Daniel P. Lopez, Group Manager, PepsiCo Energy & Utilities Group
- Mr. Carl Haga, Director, Gas Services, Southern Company
- Mr. Garth Renfrow, Director, Gas Supply, Texas Gas Service

For questions about the LDC Gas Forum Southeast contact Christy Coleman at 713-343-1873.

### **Call 811 Before You Dig**

Spring is here and garden and outdoor projects are underway. Because of this, during the month of April the Common Ground Alliance is sponsoring *National Safe Digging Month* to remind people about the importance of calling 811 before they dig. With the help of their campaign materials, we urge you to inform your customers about the importance of the program "Call Before You Dig." "Call Before You Dig" is a federal program that helps protect Americans from unintentionally hitting underground utility lines while working on digging projects. To avoid the risk of hitting underground utility lines, every digging project no matter the size should be matched with a call to 811. One call gets someone to come by your home or place of business to mark the utility lines for FREE.

To help educate your customers about the importance of calling **811** use the Common Ground Alliance campaign materials for **free** all available for download at <http://www.call811.com>.

### **APGA to Meet With DOE**

On April 13, APGA will meet with the Department of Energy (DOE) Office of Energy Efficiency and Renewable Energy's (EERE) leadership and representatives of four EERE program areas (Industrial Technologies, Fuel Cell Technologies, Building Technologies and Vehicle Technologies). **The purpose of the meeting to:**

1. Discuss APGA's 2010-2011 regulatory and legislative priorities and how they meld with EERE missions.
2. Discuss DOE's evolving policy on comparative full fuel-cycle analysis when more than one fuel can be used for the same application.

3. Discuss DOE's evolving policy on increased direct use of natural gas as a cost-effective means to reduce greenhouse gas emissions and maximize consumer savings.

4. Discuss integration of natural gas into the Smart Energy Grid.

APGA believes the time has come for DOE to use full fuel-cycle analysis for fuel consumption estimates when more than one fuel can be used for the same application. If DOE is serious about achieving the goals of energy efficiency and associated carbon emission reductions, full fuel-cycle analysis is the only path forward.

It is also the time for DOE to recognize the benefits of the direct use of natural gas in America's homes, businesses and industries. It is not only the best use of this clean fossil fuel, it also is the best path forward to energy savings, CO2 emission reductions, consumer savings, and avoided power generation capacity.

Attending for APGA will be Rodney Dill, Memphis Gas Authority of Georgia; John Leary, Borough of Chambersburg, PA; Gary Gibson, City Utilities of Springfield, MO; Randy Nipp, Jackson Energy Authority and Bob Beauregard, APGA.

The outcome of the April DOE meeting will be reported in a future *Weekly Update* and *Public Gas News*.

For further information contact Bob Beauregard at 202-464-2742 or [bbeauregard@apga.org](mailto:bbeauregard@apga.org).

### **Weekly Storage Report**

Here is the weekly EIA Summary Report issued on Thursday, April 2, 2010, that reports last week's storage report highlights for Friday, March 26, 2010. A 12 Bcf increase has been reported.

#### **Summary**

Working gas in storage was 1,638 Bcf as of Friday, March 26, 2010, according to EIA estimates. This represents a net increase of 12 Bcf from the previous week. Stocks were 16 Bcf less than last year at this time and 160 Bcf above the 5-year average of 1,478 Bcf. In the East Region, stocks were 89 Bcf above the 5-year average following net withdrawals of 7 Bcf. Stocks in the Producing Region were 8 Bcf above the 5-year average of 588 Bcf after a net injection of 15 Bcf. Stocks in the West Region were 63 Bcf above the 5-year average after a net addition of 4 Bcf. At 1,638 Bcf, total working gas is within the 5-year historical range.