



American Public Gas Association



Weekly Update – December 10, 2009

GRC Conference Call: Updates on Critical Issues Affecting Public Gas Systems

The APGA Government Relations Committee (GRC) invites all APGA members to participate in a GRC Audio Conference Call on **December 17th, 2009 at 11:00 a.m. ET**. The call will last no longer than one hour and will provide the most up-to-date information about legislative and regulatory issues that directly affect your public gas system. You'll also have a chance to address questions to APGA's General Counsel, Bud Miller, and the APGA professional staff. **Please mark your calendars and make plans to dial-in!**

Please take advantage of this valuable member benefit. **Register today** to participate by sending an email to David Naples at dnaples@apga.org or [fill out this form online](#).

Once APGA has received your registration, you will receive the dial-in information and final agenda by email. **Please note that while there is no registration fee to participate, you will be responsible for paying the long-distance charges associated with the call.**

Mark Your Calendars: Distribution Integrity Management Programs Rule Webinar on Dec. 16

The final Distribution Integrity Management Programs (DIMP) rule was published in the Federal Register on December 4, 2009. To help members understand the requirements of the rule, APGA will conduct a one-hour webinar beginning at 2 pm EST Wednesday, December 16. Webinar technology allows you to not only hear the presenters but also see via the internet the slides and other visual aids to which the speakers are referring. The main presenter will be APGA's John Erickson, who will describe what utilities must do to comply with the new rule. We will also invite the Pipeline and Hazardous Materials Safety Administration (PHMSA) and one or more state regulators to participate. Presentations will be followed by questions from the audience. There is no cost to participate in the webinar; however you must contact APGA to receive information necessary to log in. To register for the webinar please go to: <https://www2.gotomeeting.com/register/241947491>.

For further information please contact John Erickson, APGA Vice President, Operations 202-464-2742, ext 1002 or jerickson@apga.org.

APGA Meets with FERC Commissioners

On December 8 and 9, members of the APGA Board of Directors and the Regulatory Subcommittee met with members of the Federal Energy Regulatory Commission (FERC) in Washington, DC. The APGA representatives that participated in the meeting included: Tommy Miller, APGA Chairman and Director of the Gas Division for the City of Orangeburg, SC; Ben Andrews, APGA's Treasurer and General Manager

of the Oak Ridge Utility District, TN; Mike Comstock, Deputy Director for the City of Mesa, AZ Energy Resources Department; Jeff Tuttle, Vice President of the Gas Business Unit for CPS Energy, TX; Rich Worsinger, Director of Utilities for the City of Rocky Mount, NC; Bud Miller, APGA's General Counsel; Bert Kalisch, APGA's President & CEO; and Dave Schryver, APGA's Executive Vice President.

During the meetings, APGA members communicated their views on FERC regulatory proceedings related to Standards of Conduct and issues related to pipeline overcharges. The participants also thanked the Commissioners for its recent actions to initiate Natural Gas Act Section 5 proceedings against three pipelines to determine if those pipelines are charging unjust and unreasonable rates. APGA has pushed Congress to correct an imbalance between the manner in which electric customers are treated under the Federal Power Act and gas customers are treated under the NGA.

Specifically, APGA has pushed for the passage of legislation that stipulates when customers file a complaint with FERC under NGA Section 5 the pipeline will have to pay refunds from the date that the complaint was submitted if it is found to have been overcharging its consumers. Lastly, APGA communicated its ongoing support of legislative efforts to provide the Commission with cease and desist authority.

APGA leadership meets with the FERC Commissioners twice a year as a means to communicate information and positions on federal regulatory matters of concern to public gas systems. These meetings play a critical role in APGA's advocacy efforts as they have allowed APGA to develop and maintain a relationship with the Commissioners. If you have any questions regarding this article or on APGA's regulatory advocacy efforts, please contact Dave Schryver of APGA's staff by phone at 202-464-2742 or by email at dschryver@apga.org.

PHMSA Issues Operator Qualification Advisory Bulletin

On December 7, the Pipeline and Hazardous Materials Safety Administration (PHMSA) issued a pipeline safety Advisory Bulletin informing operators about the standardized notification process for operator qualification (OQ) plan transmittal from the operator to PHMSA. This Advisory Bulletin also informs operators about PHMSA's definition of "Observation of on-the-job performance" as applicable to determining employee qualification and "Significant" as applicable to OQ program modifications requiring notification. Finally, it makes other miscellaneous clarifications to assist operators in complying with OQ program requirements

Operators using observation of on-the-job as a means of evaluating employee qualification should be aware that PHMSA advises that:

- 1. Observation without interaction during on-the-job performance does not provide an adequate measurement of the knowledge and skills of the individual;**

2. There are no covered tasks where observation of on-the-job performance is adequate as the sole method of qualification and;

3. Observation of on-the-job performance does not measure the individual's ability to recognize and react to abnormal operation conditions (AOCs).

This advisory is consistent with how APGA Security and Integrity Foundation (SIF) have always used observation as an evaluation tool. SIF evaluations have included written or oral tests for knowledge and abnormal operating conditions in addition to hands on demonstrations of skills and abilities.

PHMSA also provided guidance on what it considers "significant" changes to written OQ plans and modifications that would trigger the requirement to send notifications of significant modification of an OQ Program to the OPS Information Resource Manager. Significant includes but is not limited to: increasing evaluation intervals, increasing span of control ratios, eliminating covered tasks, mergers and/or acquisition changes, evaluation method changes such as written vs. observation, and wholesale changes made to OQ plan.

A copy of the advisory can be found at www.apga.org. For further information please contact John Erickson, APGA Vice President, Operations 202-464-2742, ext 1002 or jerickson@apga.org.

Weekly Storage Report

Here is the weekly EIA Summary Report issued on Thursday, December 10, 2009, that reports last week's storage report highlights for Friday, December 4, 2009. A 64 Bcf **decline** has been reported.

Summary

Working gas in storage was 3,773 Bcf as of Friday, December 4, 2009, according to EIA estimates. This represents a net decline of 64 Bcf from the previous week. Stocks were 472 Bcf higher than last year at this time and 513 Bcf above the 5-year average of 3,260 Bcf. In the East Region, stocks were 191 Bcf above the 5-year average following net withdrawals of 31 Bcf. Stocks in the Producing Region were 241 Bcf above the 5-year average of 954 Bcf after a net withdrawal of 24 Bcf. Stocks in the West Region were 81 Bcf above the 5-year average after a net drawdown of 9 Bcf. At 3,773 Bcf, total working gas is above the 5-year historical range.