



Weekly Update December 22, 2011

***Please note this is the last APGA Weekly Update for 2011. We will return on January 5, 2012. Merry Christmas and Happy New Year!**

APGA Files Suit Against DOE

On December 23, APGA filed a petition for review in U.S. Court of Appeals for the D.C. Circuit of the Department of Energy's (DOE) direct final rule entitled "*Energy Conservation Standards for Residential Furnaces and Residential Central Air Conditioners and Heat Pumps.*" The direct final rule, among other things, increases the federal minimum efficiency for natural gas furnaces from 78% nationwide to 80% annual fuel utilization efficiency (AFUE) in southern U. S. states and 90% AFUE in thirty northern states. The end result of the proposed rule could amount to a virtual ban on negative pressure vented furnace systems in northern states.

This rule was promulgated under a direct final rule process, and under this process, unless DOE received adverse comments by October 17, 2011, which it believed provided a reasonable basis for withdrawing the direct final rule, the rule would go into effect. Despite substantive comments challenging the bases for the rule submitted by APGA and others, DOE ruled that it did not receive adverse comments warranting withdrawal of the direct final rule. Thus, the rule went into effect October 25, 2011, with new regional efficiency standards for furnace installations effective on May 1, 2013, for non-weatherized gas furnaces, and on January 1, 2015, for weatherized gas furnaces and heat pumps.

APGA's comments submitted in response to the direct final rule communicated that this rule will ultimately undermine efficiency goals while significantly increasing consumer costs. The comments also communicated that the direct-use of natural gas is in the best interests of the country as it improves overall energy efficiency and reduces greenhouse gas emissions. However, the direct final rule would deter consumers from purchasing natural gas furnaces given that the furnaces that would meet these new efficiency standards are condensing furnaces, and therefore as a practical matter they have to be exhausted from the side of the house in most instances. APGA also argued that the additional venting costs that consumers will face as a result of this rule will deter consumers from purchasing replacement natural gas furnaces and will result in fuel switching to less efficient electric heaters/furnaces in the retrofit market as the front cost to install condensing furnaces will be much higher. APGA worked with

the Gas Technology Institute (GTI) on a technical analysis of the direct final rule, and that analysis identified numerous flaws in the data DOE used as the basis for the rule. APGA's comments also included legal arguments asserting that it was an abuse of "DOE's discretion to use the direct final rule procedure in the context of this proceeding given, among other things, the applicable statutory language, the history of the energy conservation issue before DOE, and the DOE's own prior rules and pleadings regarding the use of notice and comment rulemaking to establish final rules in a proceeding like this one." Concerns were also raised regarding the lack of access to data and transparency.

A copy of the petition filed by APGA is available on the APGA website at www.apga.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.

Hurry! Cutoff for Hotel Rooms in Ponte Vedra, FL is Soon!

Join us in Ponte Vedra Beach, FL at the Winter Board and Committee Meetings and 2012 Gas Supply Conference. The Gas Supply Conference, held annually as an add-on to the winter board and committee meetings, is a great opportunity to network with other public utilities and learn more about natural gas supply, available purchase alternatives for public gas systems and current market changes and challenges that could directly affect your communities.

When: January 29 - February 1, 2012

Where: Ponte Vedra Inn & Club

200 Ponte Vedra Blvd, Ponte Vedra Beach, FL 32082

Please call (800) 234-7842 to make reservations for the meeting. Be sure to mention "American Public Gas Association" when making reservations to obtain the group rate.

Room Rate: \$209.00 (plus resort fee and tax)

Hotel Room Rate Cut-off Date: **December 27, 2011** (*Reservations made after this date will be accepted on a space and rate available basis, so please make your reservations early!*)

Register: Online registration [here](#). To download a PDF of the registration to mail or fax to APGA, click [here](#).

Winter Board and Committee Meetings [Meeting Notice & Agenda](#)

Winter Board and Committee Meetings [Schedule](#)

2012 Gas Supply Conference [Agenda & Registration](#)

Integrity Management and New Technology Featured at March Operations conference

Distribution Integrity Management Programs (DIMP) and new technology for gas distribution operations will be among the topics covered at the 3rd Annual Security and Integrity Foundation (SIF) Operations Conference March 28-30 in Pensacola, FL. Additional topics will include public awareness, risk-based prioritization of excavation inspections, utility coordination software, lessons learned from the San Bruno pipeline accident and more. Cutting edge equipment and services for gas operations and engineering will be on display in a vendors' exhibit during the conference.

The opening half-day session will begin at 1 pm on March 28 and devoted to DIMP. A panel of state pipeline safety regulators will discuss the results of the initial inspections of utilities' DIMP programs, with particular emphasis on written plans developed using the SIF's SHRIMP™ program. A panel discussion of operators' experience with using SHRIMP to develop DIMP plans will immediately follow the regulators panel. APGA's John Erickson will follow with a presentation on planned enhancements to the SHRIMP™ program and the first day will close with a round table discussion on DIMP and SHRIMP.

Day two will focus on new technology for gas distribution. Alicia Farang of the Gas Technology Institute will demonstrate a new high accuracy GPS integration with a tablet device used to document new as-built pipeline installations, a project co-funded by the APGA Research Foundation. She will also discuss the GPS-enabled leak surveying application that was piloted with an APGA company earlier this year and describe other operations-related technology that will soon be available. Other presentations will include an online solution to avoid conflicts between various underground utility construction projects, street paving and other activities, a risk-based program to identify high risk excavation activities. Participating exhibitors will also describe new technology available in the products and services they provide.

The final half day will focus on other operational issues such as public awareness, control room management and a review of the products and services available now or in development by the SIF. The conference will wrap up with an in-depth discussion of the aftermath of the San Bruno pipeline accident and the actions that California utilities have taken as a result of this tragic accident.

The complete agenda and registration information will be posted on www.apga.org soon after the New Year. Mark your calendars now and plan to attend this important public gas event. For further information contact John Erickson of APGA at 202-464-2742, ext 1002 or jerickson@apga.org.

Be a Part of the Conversation: Connect with us on Social Media

APGA uses multiple social media platforms that include Facebook, LinkedIn, three Twitter accounts and a Vimeo page. Social media doesn't work without participation so please join us! It's more than a bulletin board ...it's about sharing and starting conversations. See you all online!

Twitter - <http://twitter.com/APGA> // @APGA

**if you follow us, please tweet us so we can reply!*

Research Foundation Twitter www.twitter.com/apgarf
Security Integrity Foundation www.twitter.com/apgasif

Facebook - www.facebook.com/pages/American-Public-Gas-Association/106622913812

**post on our wall/like our posts*

Vimeo (watch videos of APGA webinars) www.vimeo.com/apga

LinkedIn APGA group

www.linkedin.com/groupInvitation?groupID=1786944&sharedKey=72933B42BC03

EIA Reports Storage Decline of 100 Bcf to Put Working Gas Storage at 3,629 Bcf

Here is the weekly EIA Summary Report issued on Thursday, December 22, 2011, that reports last week's storage report highlights for Friday, December 16, 2011. A 100 Bcf decrease has been reported.

Summary:

Working gas in storage was 3,629 Bcf as of Friday, December 16, 2011, according to EIA estimates. This represents a net decline of 100 Bcf from the previous week. Stocks were 235 Bcf higher than last year at this time and 387 Bcf above the 5-year average of 3,242 Bcf. In the East Region, stocks were 157 Bcf above the 5-year average following net withdrawals of 63 Bcf. Stocks in the Producing Region were 202 Bcf above the 5-year average of 1,012 Bcf after a net withdrawal of 14 Bcf. Stocks in the West Region were 28 Bcf above the 5-year average after a net drawdown of 23 Bcf. At 3,629 Bcf, total working gas is above the 5-year historical range.