

Weekly Update December 8 2011

APGA Meets with FERC Commissioners

On December 7, 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: Jeff Tuttle, chairman of the APGA board of directors and vice president of the gas business unit for CPS Energy, TX; Mark Bussman, APGA past chairman and CEO of the Cullman-Jefferson Counties Gas District, AL; Greg Henderson, APGA's treasurer and regulatory subcommittee chairman and president and CEO of the Southeast Alabama Gas District, AL; Rodney Dill, regulatory subcommittee vice chair and manager of member services with the Municipal Gas Authority of Georgia, Bud Miller, APGA's general counsel; Dave Schryver, APGA's executive vice president; and Bert Kalisch, APGA's president & CEO

During the meetings, APGA members communicated their views on a number of FERC regulatory proceedings of interest to public gas systems. Issues that were raised during the meetings included: pipeline overcharges and reform of Section 5 of the Natural Gas Act; the Commission's policy to require pipelines to make reservation charge credits during outages; bidding by affiliates in open season for pipeline capacity; and natural gas pipeline reporting requirements.

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.

APGA Discusses Distribution Integrity Management Inspections and SHRIMP in Alabama

On December 7, APGA's John Erickson spoke at the Alabama Public Service Commission's Pipeline Safety Seminar in Montgomery, AL focusing on the new DIMP inspection forms and showing how each of the 51 items on the inspection are addressed in DIMP plans developed using the APGA Security and Integrity Foundation's (SIF) SHRIMP program. To date, nearly 1,500 systems are using SHRIMP. John talked about some surprises in the new inspection forms, particularly the emphasis on having written descriptions of the processes followed to develop the DIMP plans rather than focusing on whether the plans were addressing the proper threats to distribution system integrity. He talked about modifications that had been made to

the SHRIMP program to ensure that every item on the inspection checklist was covered in the plans created using SHRIMP. The inspection forms and a cross reference of each inspection item and where it is addressed in SHRIMP plans are available for download at www.apgasif.org.

He also described enhancements to the SHRIMP program that are under development. The DIMP rule requires operators to re-evaluate their plans at least once every five years, more often if changes to the system that change the relative risk of any segment of the system occur. SHRIMP will soon roll out a feature that walks SHRIMP users through the process of updating their DIMP plans and creates a log of changes from the old plan to the new plan.

The SIF is also studying how it can use the data entered by SHRIMP users to improve the SHRIMP risk-ranking model. We expect these enhancements to be completed by year end. In other news, John announced that the SIF has received an extension through 2012 for funding from the Pipeline and Hazardous Materials Safety Administration (PHMSA) through the cooperative agreement between PHMSA and the SIF. Some of the new projects include working on a "SHRIMP-like" Operations and Maintenance Manual creation program and updating the PHMSA Small Operator's Guide.

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

DOT Final Rule Restricting use of Hand Held Cell Phones for Commercial Drivers

In the December 2 Federal Register, the Department of Transportation (DOT) published a final rule specifically prohibiting drivers of commercial vehicles from using hand-held cell phones while operating their vehicles. The joint rule from the Federal Motor Carrier Safety Administration (FMCSA) and the Pipeline and Hazardous Materials Safety Administration (PHMSA) is the latest action by the U.S. Department of Transportation to end distracted driving.

Drivers who violate the restriction will face stiff fines and disqualification from operating a commercial motor vehicle for multiple offenses. The rule has an exemption for emergency situations where a driver is communicating with law enforcement officials or other emergency services. Approximately four million commercial drivers would be affected by this final rule. Many public gas system employees have commercial driver licenses and will be affected.

The final hand-held cell phone ban rule becomes effective on January 3, 2012. The complete text of the final rule can be downloaded at www.apga.org. For further information contact John Erickson of APGA at 202-464-2742, ext 1002 or jerickson@apga.org.

Pennsylvania Lawmakers Announce Bill to Help Emergency Natural Gas Responders

Pennsylvania State Senator Mike Stack has joined with fellow lawmakers, Philadelphia Gas Works (PGW) and the family of PGW worker, Mark Keeley, who died in a natural gas explosion in January 2011, to announce legislation that would amend the Emergency and Law Enforcement Personnel Death Benefits Acts to extend one-time death benefits to workers that respond to natural gas leaks or threat of a natural gas leak.

As it stands right now, in the case of an emergency responders' death in the line of duty, the law provides a one-time payment of death benefits to the surviving spouse, children or parents of public employees. These employees include fireman, police officers and other qualified emergency responders. If this bill is passed, the family of dedicated employees, such as Mark Keeley, would now be eligible to receive the one-time death benefit afforded to the surviving family members of emergency responders. See Senator Stack's legislation ([Senate bill 1197 available here](#)).

The American Public Gas Association applauds this effort to include natural gas workers in this benefit as we believe that they work every day to keep communities all across the U.S. safe and supplied with clean, affordable natural gas. We thank Senator Stack, his fellow Senate colleagues and the dedicated PGW employees and their families for leading this effort to support natural gas workers.

If you would like to show your support for the bill, they have a fan page on Facebook. Please show your support by "Liking" the page and <http://www.facebook.com/KeeleyBill1197> and also to view the latest updates on the passage of this important bill.

Natural Gas Storage Report

EIA Reports a Storage Decline of 20 Bcf to Put Working Gas Storage at 3,831 Bcf

Here is the weekly EIA Summary Report issued on Thursday, December 8, 2011, that reports last week's storage report highlights for Friday, December 2, 2011. A 20 Bcf decrease has been reported.

Summary:

Working gas in storage was 3,831 Bcf as of Friday, December 2, 2011, according to EIA estimates. This represents a net decline of 20 Bcf from the previous week. Stocks were 102 Bcf higher than last year at this time and 307 Bcf above the 5-year average of 3,524 Bcf. In the East Region, stocks were 96 Bcf above the 5-year average following net withdrawals of 16 Bcf. Stocks in the Producing Region were 169 Bcf above the 5-year average of 1,087 Bcf after a net withdrawal of 5 Bcf. Stocks in the West Region were 43 Bcf above the 5-year average after a net addition of 1 Bcf. At 3,831 Bcf, total working gas is above the 5-year historical range.

