



Weekly Update December 9, 2010

Random Drug Testing Rate Unchanged For 2011

On December 7, the Pipeline and Hazardous Materials Safety Administration (PHMSA) announced that the random drug testing rate for natural gas utility workers will remain at 25 percent for calendar year 2011. Under pipeline safety rules, operators of gas, hazardous liquid, and carbon dioxide pipelines and operators of liquefied natural gas facilities must select and test a percentage of covered employees for random drug testing. The PHMSA Administrator's decision on whether to change the minimum annual random drug testing rate is based on the reported random drug test positive rate for the pipeline industry. The data considered by the Administrator comes from operators' annual submissions of Management Information System (MIS) reports required by 49 CFR 199.119(a). If the reported random drug test positive rate is less than one percent, the Administrator may continue the minimum random drug testing rate at 25 percent. In 2009, the random drug test positive rate was less than one percent. Therefore, the minimum random drug testing rate will remain at 25 percent for calendar year 2011.

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 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: Mark Bussman, chairman of the APGA Board of Directors and CEO of the Cullman-Jefferson Counties Gas District, AL; Ben Andrews, APGA's treasurer and general manager of the Oak Ridge Utility District, TN; Jeff Tuttle, APGA's vice-chair and vice president of the Gas Business Unit for CPS Energy, TX; Rich Worsinger, chair of the APGA Regulatory Subcommittee and director of utilities for the City of Rocky Mount, NC; Greg Henderson, president of the Southeast Alabama Gas District; 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 Section 5 of the Natural Gas Act (NGA), pipeline reporting requirements, FERC/CFTC jurisdiction and Smart Grid. The participants also thanked the Commissioners for its recent actions to initiate Natural Gas Act Section 5 proceedings against two 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.

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.

Join Us December 15 for the Operations and Safety Roundtable on AC Current on Pipelines

Steel gas lines can pick up significant electrical charges due to the proximity of high voltage electrical lines, stray currents in the soil and other causes. The resulting voltage can contribute to accelerated pipeline corrosion and/or pose a safety risk to workers working on these pipelines. On Wednesday, December 15 at 2 pm EST, Buddy Hutson, manager of Pipeline Services for Southern Cathodic Protection and Bill DeFoor of the Municipal Gas authority of Georgia will discuss the causes and solutions to AC current on gas pipelines in a 45 minute, roundtable conference call sponsored by the APGA Operations and Safety Committee.

All APGA members are invited to participate in the roundtable conference calls. In addition to listening to the speakers and participating in the open discussion after the formal presentations are over, call participants may view the slides and other visual aids used by the presenters over the internet via Go To Meeting. [Register for the roundtable here.](#) If you have experienced problems with AC current and would be willing to share it during the call, or for further information please contact John Erickson, APGA vice president, Operations 202-464-2742, ext 1002 or jerickson@apga.org.

APGA Discusses Integrity Management at Alabama Pipeline Safety Seminar

On December 8, APGA Vice President, Operations John Erickson discussed the new Distribution Integrity Management Programs (DIMP) rule and the Simple, Handy, Risk-based Integrity Management Plan (SHRIMP) that was developed by the APGA Security and Integrity Foundation

(SIF) to help operators write DIMP Plans. The annual seminar, sponsored by the Alabama Public Service Commission and the Alabama Natural Gas Association, attracted over 250 to Montgomery, AL.

John briefly described the seven elements of the DIMP rule, then showed how SHRIMP would use a question and answer process to gather the information necessary to assess threats to distribution system integrity and recommend additional actions to address those threats. The end result of the process would be a written DIMP plan meeting all the requirements of the regulation.

Over 450 systems serving over 15 million customers have signed up for SHRIMP, which is funded by a cooperative agreement between the SIF and the Pipeline and Hazardous Materials Safety Administration (PHMSA). Operators have until August 2, 2011 to create their DIMP Plans. For more information on SHRIMP please go to www.apgasif.org or contact John Erickson, APGA vice president, Operations at 202-464-2742, ext 1002 or jerickson@apga.org.

Weekly Storage Report: Storage increases to Bcf 3,725

Here is the weekly EIA Summary Report issued on Thursday, December 9, 2010, that reports last week's storage report highlights for Friday, December 3, 2010. A 89 Bcf decline has been reported.

Summary

Working gas in storage was 3,725 Bcf as of Friday, December 3, 2010, according to EIA estimates. This represents a net decline of 89 Bcf from the previous week. Stocks were 57 Bcf less than last year at this time and 332 Bcf above the 5-year average of 3,393 Bcf. In the East Region, stocks were 81 Bcf above the 5-year average following net withdrawals of 51 Bcf. Stocks in the Producing Region were 236 Bcf above the 5-year average of 1,010 Bcf after a net withdrawal of 17 Bcf. Stocks in the West Region were 15 Bcf above the 5-year average after a net drawdown of 21 Bcf. At 3,725 Bcf, total working gas is within the 5-year historical range.