



February 2, 2012 Weekly Update

APGA Members Attend Annual Gas Supply Conference

On January 31 and February 1, APGA held its annual Gas Supply Conference in Ponte Vedra, FL. The conference was well-attended with approximately 70 attendees. It began with a welcome from Joe Holmes, lead energy trader for Colorado Springs Utilities and chair of the APGA Gas Supply Committee. Participants then heard an outlook on gas supply from Fred Hagemeyer, managing director for Black & Veatch Management Consulting. The next speaker was Paul Architzel, APGA counsel on CFTC issues and partner at WilmerHale. He provided an update on the implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the impact it will have on public gas systems. Jim Tramuto, vice president of governmental & regulatory strategies for Southwestern Energy, then provided an overview of shale production and discussed the impact the various state regulations are having on production. Participants then heard from Suzanne Minter of Bentek Energy regarding shale gas plays and the role of natural gas liquids. The day concluded with a networking reception.

Wednesday began with a presentation from Dr. Jim Duncan, director of market analysis for ConocoPhillips Gas & Power on the dynamics of the energy market. Participants then heard from Pat Johnson, vice president of strategy and market analysis for the El Paso Pipeline Group, regarding pipeline capacity and the need to meet future demand. The day concluded with a panel discussion on the outlook for natural gas prepaids. The panel included Jim Choukas-Bradley, a principal in the firm of Miller, Balis & O'Neil, P.C., John Norman, managing director for energy and corporate municipal structured energy project and project finance for Wells Fargo Securities, and Lance Etcheverry, managing director of public finance for J.P. Morgan Securities.

The APGA Gas Supply Conference is held annually in conjunction with the APGA Winter Board and Committee meetings. The conference provides public gas systems with a forum to learn about natural gas supply while addressing current market changes and challenges. The conference focuses on available purchase alternatives for public gas systems and provides an overview of what the gas supply markets have in store for next year. Presentations from this year's conference are available on the members only portion of the APGA website at www.apga.org. The 2013 Gas Supply Conference is scheduled for January 29-30th in San Antonio, TX. If you have any questions on this article or the Gas Supply Conference, please contact Dave Schryver of APGA's staff by email at dschryver@apga.org or by phone at 202-464-2742.

NGV Task Group Holds Another Productive Meeting in Ponte Vedra

On Tuesday, January 31 the APGA Natural Gas Vehicle (NGV) Task Group met during the 2012 Gas Supply Conference in Ponte Vedra Beach, FL., to discuss a wide variety of topics at the state and federal levels.

APGA members from Alabama, Florida, Georgia, and Tennessee among others provided updates on ongoing NGV projects. In spite of federal gridlock and tight state budgets, APGA members across the country have numerous ongoing projects to construct fast and time-fill Compressed Natural Gas (CNG) stations, as well as purchase or convert existing vehicles to run on natural gas. One common theme among the majority of projects was the partnership municipal gas systems have established with cities' public works systems and waste disposal units. Strong partnerships between these city agencies have led to collaboration and cost sharing of station construction and vehicle purchases.

Moreover, several systems including the City of Hamilton, Ohio are in the process of opening time-fill stations that can be used by the public. The development of time-fill stations accessible to the public is a key factor in moving the broader public towards use of NGVs. Once time-fill stations open and the fuel price difference between Compressed Natural Gas (CNG) and conventional gasoline becomes known, members of the public are more likely to invest in an NGV to take advantage of the significant cost savings.

The Task Group also received an update on the status of federal incentives for NGVs because both the Alternative Fuel Infrastructure Credit and Excise Tax Credit for sales of CNG for use in motor vehicles expired at the end of 2011. Unfortunately, the Congress will have great difficulty extending these tax incentives in the midst of a broader debate on debt and deficits, the Presidential election, and Congressional upcoming elections.

However, in contrast, the Task Group did hear encouraging news from the state level. State legislatures around the country are considering incentives for NGVs or are studying the feasibility of converting state fleets to natural gas. These developments are especially encouraging in light of the utter gridlock that has enveloped the federal government.

The NGV Task Group will hold its next conference call at the end of February or the beginning of March and further details will be sent to the Task Group as soon as they become available. If APGA members have any questions, please contact Scott Morrison at 202-464-2742.

Marketing & Sales Committee Meets in Ponte Vedra Beach, FL

Last week the APGA Marketing and Sales Committee met in Ponte Vedra Beach, FL. The meeting was held in conjunction with the APGA quarterly Board meeting. During the meeting, members of the Marketing & Sales Committee discussed a wide ranging agenda that included ways to engage our members and leverage their customer bases with social media, the review of a social media best practices paper, an update on the progress of the Marketing & Sales Trends and Training Conference that included status of the agenda, confirmed speakers and a brief summary of recent developments at the Counsel for Responsible Energy (CRE).

The committee was also made aware of the development of a marketing webpage on the APGA website that is set to launch later this month. Together the group brainstormed collateral materials that they would like to offer and submit from their own marketing campaigns for other members to download straight from the marketing webpage. If you have a creative marketing piece that you would like to share with members please feel free to submit it. You

do not have to be on the committee and we welcome anything from, sample press releases, brochures, videos, op-eds, letters to council members, templates, bill stuffers, post cards, etc. If you have any questions about last week's Marketing & Sales Committee meeting or would like to learn more about submitting a creative marketing piece to the our new webpage please email Kristin Gomez at kgomez@apga.org.

Please Take the APGA Social Media Survey

The Marketing & Sales Committee recently developed a social media survey that was sent to APGA members late last month. The intent of the survey was to assess and analyze the aptitude of our members when it comes to social media and technology. As Twitter, Facebook and other social media outlets influence the ways we shop, learn and connect to each other, it's important that we understand exactly how much our members know about social media, how they are leveraging it at the local level and in which ways they would like to learn more about it.

This survey is a starting point for the Marketing & Sales Committee as we develop additional educational materials and events that will continue to improve and enhance the marketing and communications needs and opportunities of our member systems.

To take the survey please go to <http://www.surveymk.com/s/APGAsocial>. We appreciate your feedback! For more information on this article please contact Kristin Gomez of APGA at kgomez@apga.org.

APGA President & CEO Bert Kalisch to Speak at the Southeast LDC Gas Forum

This April, Bert Kalisch, president & CEO of APGA, will give a keynote speech at the Southeast LDC Gas Forum in Atlanta, Georgia. The LDC Gas Forums are comprised of five regional conferences held annually in Atlanta, Boston, Chicago, Los Angeles and Canada (in conjunction with the Industrial Gas Users Association (IGUA)). The conferences are highly regarded by the natural gas industry for their excellent content and as the premier networking event that brings together buyers and sellers in the natural gas marketplace.

Each conference has over 500 attendees who meet to discuss vital regional and national issues that affect all aspects of natural gas marketplace. Timely panel discussions featuring key industry leaders focus on the important questions facing buyers and sellers in the competitive energy markets, including financial/credit turmoil, regulatory environment, sources of supply, utilization of storage, infrastructure project updates, LNG markets, risk management, hedging strategies and demand forecasts.

YOU should be at the LDC Gas Forums if:

- **You are with a utility. These are your peers!**
- **You are an end user. These are your suppliers or potential new suppliers!**

- **You are a vendor. This is where all your customers come to make deals!**
- **You want to network with the industry!**

Qualified Gas Buyers attend for free! If you are interested in learning more or to register for the Southeast LDC Gas Forum, please go to <http://www.ldcforums.com/se/>.

EIA Reports Storage Decline of 132 Bcf to Put Working Gas Storage at 2,966 Bcf

Here is the weekly EIA Summary Report issued on Thursday, February 2, 2012, that reports last week's storage report highlights for Friday, January 27, 2011. A 132 Bcf decrease has been reported.

Summary:

Working gas in storage was 2,966 Bcf as of Friday, January 27, 2012, according to EIA estimates. This represents a net decline of 132 Bcf from the previous week. Stocks were 586 Bcf higher than last year at this time and 601 Bcf above the 5-year average of 2,365 Bcf. In the East Region, stocks were 218 Bcf above the 5-year average following net withdrawals of 100 Bcf. Stocks in the Producing Region were 310 Bcf above the 5-year average of 789 Bcf after a net withdrawal of 22 Bcf. Stocks in the West Region were 73 Bcf above the 5-year average after a net drawdown of 10 Bcf. At 2,966 Bcf, total working gas is above the 5-year historical range.