



## Weekly Update January 7, 2010

### **Deadline for Pipeline Safety Grants Extended To January 18**

The Technical Assistance Grants (TAG) program, first authorized in the Pipeline Safety Improvement Act of 2002, offers new opportunities to strengthen the depth and quality of public participation in pipeline safety matters. Section 9 of the Act, titled: “Pipeline Safety Information Grants to Communities” authorized the Secretary of Transportation to make grants to local communities and organizations for technical assistance relating to pipeline safety issues. The TAG program was then amended by Section 5 of the Pipeline Inspection, Protection, Enforcement, and Safety Act of 2006. However, FY 2009 was the first year in which PHMSA has received appropriations to fund the grant program. These grants will allow communities and groups of individuals to obtain funding for technical assistance in the form of engineering or other scientific analysis of pipeline safety issues and help promote public participation in official proceedings. For purposes of grants eligibility, local communities are defined as cities, towns, villages, counties, parishes, townships, and similar governmental subdivisions, or consortiums of such subdivisions. A nongovernmental group of individuals is eligible for a grant under the TAG program if its members are affected or potentially affected by pipeline safety issues.

Several APGA members applied for and received grants in 2009. APGA is collecting information about these successful programs to assist other systems that may want to apply for similar programs.

There is a total of \$1,000,000 available for these grants with a \$50,000 ceiling per grant.

The application and grant information are available at

<http://www.grants.gov/search/search.do;jsessionid=Nz1zLyxbTsm9JGN0l223vv91x6qnlmh1gFlnSC2ThGrN3NXC4pch!-1179711943?oppld=50220&mode=VIEW>

For further information please contact John Erickson, APGA Vice President, Operations at 202-464-2742, ext 1002 or [jerickson@apga.org](mailto:jerickson@apga.org).

### **Senate Approves Nomination of John Norris as FERC Commissioner**

On December 24, the Senate unanimously approved the President’s nomination of John Norris to serve as a Commissioner at the Federal Energy Regulatory Commission (FERC). In June, the President nominated Mr. Norris for the seat on the Federal Energy Regulatory Commission formerly held by Chairman Joseph Kelliher. Prior to being appointed to FERC, Mr. Norris served

as Chief of Staff for U.S. Agriculture Secretary Tom Vilsack. Prior to joining the Department of Agriculture, Mr. Norris served as Chairman of the Iowa Utilities Board (IUB) from 2005 to 2009. In addition, he served as a board member, secretary and president of the Organization of Midwest Independent Transmission System Operator States and in 1999 and 2000 he was chairman of the Iowa Electric Restructuring Task Force while serving as chief of staff for then-Iowa Governor Vilsack.

On June 24, APGA sent a letter to the Chairman, Senator Bingaman, and Ranking Republican, Senator Murkowski, in support of Mr. Norris's nomination to FERC. In its letter, APGA stated that Mr. Norris's "experience in the energy industry, and in particular as Chairman of the Iowa Utilities Board (IUB), makes him well suited to serve as a Commissioner." The letter further states that "his experience in the energy industry provides him with the necessary understanding of the energy industry and we are confident that Mr. Norris will use this understanding to act in the best interests of American consumers."

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](mailto:dschryver@apga.org).

#### **APGA files court petition regarding EPA monitoring rule**

On December 29, APGA filed a petition for review with the D.C. Circuit Court of Appeals versus the U.S. Environmental Protection Agency (EPA) concerning their recently finalized Greenhouse Gas Reporting and Monitoring rule.

The petition expresses the same concerns that APGA submitted in a petition directly to the EPA in mid-December, asking for an exemption from the yearly reporting requirements for public gas systems that emit below the equivalent of 25,000 metric tons of carbon dioxide (approx. 460,000 MCF). APGA contends that the rule is overly burdensome and will have adverse impacts on smaller public gas systems in terms of costs and resources necessary for compliance. APGA would like the EPA to exempt from the yearly reporting requirements public gas systems that emit below the equivalent of 25,000 metric tons of carbon dioxide.

The rule requires all LDCs to develop a greenhouse gas monitoring plan and comply each year by tracking and reporting emissions to the EPA. Utilities are to begin tracking emissions beginning January 1, 2010 and the first compliance reports are due in March 2011.

Approximately 812 public LDCs emit below 25,000 tons. According to the EPA's own analysis these systems represent less than one percent of U.S. emissions. APGA argues in the petition that these LDCs in total have 4,531 employees, or an average of less than six employees per LDC. The municipal LDC operations that would have been exempted by the general threshold requirements are the proverbial "mom and pop" operations with very small staffs already stretched thin. It is entirely reasonable to presume that any additional regulatory requirement would be unnecessarily burdensome.

A copy of the petitions filed with both the DC Circuit Court of Appeals the EPA can be viewed at [www.apga.org](http://www.apga.org).

If you have questions on this article contact Nate Hill at 202-464-2742 or [nhill@apga.org](mailto:nhill@apga.org).

### **Department of Interior Issues New Rules on Oil and Gas Leases**

On January 6, the Department of Interior issued new rules related to oil and gas lease sales on public lands. Among other things, the rules will require a more detailed environmental review prior to leasing oil and natural gas on public lands. Specifically, the new rules would require the Bureau of Land Management to develop a Master Leasing and Development Plan prior to areas being opened up to leasing. As stated by the Interior Department, the intent of the plan is to “fully consider other important natural resource values prior to making an irreversible commitment to develop an area.”

Upon initial review, it appears that the rules may lead to greater delays in the opening up of public lands for leasing. Last year, APGA communicated to the Department of Interior in comments related to the 5-Year Lease Plan that “A critical component of the solution to long-term affordable natural gas is increasing domestic supply through our abundant and untapped natural gas resources.” APGA is greatly concerned that these new rules will impair natural gas production.

A copy of the Department’s new leasing rules is available on the Department of Interior website at <http://www.doi.gov/>. It is anticipated that the new rules will be in place shortly. 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](mailto:dschryver@apga.org).

### **Weekly Storage Report**

Here is the weekly EIA Summary Report issued on Thursday, January 7, 2010, that reports last week’s storage report highlights for Friday, January 1, 2010. A 153 Bcf **decline** has been reported.

#### **Summary**

Working gas in storage was 3,123 Bcf as of Friday, January 1, 2010, according to EIA estimates. This represents a net decline of 153 Bcf from the previous week. Stocks were 286 Bcf higher than last year at this time and 316 Bcf above the 5-year average of 2,807 Bcf. In the East Region, stocks were 112 Bcf above the 5-year average following net withdrawals of 93 Bcf. Stocks in the Producing Region were 147 Bcf above the 5-year average of 856 Bcf after a net

withdrawal of 41 Bcf. Stocks in the West Region were 56 Bcf above the 5-year average after a net drawdown of 19 Bcf. At 3,123 Bcf, total working gas is above the 5-year historical range.