



## Weekly Update July 22, 2010

### **APGA Testifies Before House on Pipeline Safety**

On July 21, APGA testified before the House Transportation and Infrastructure Subcommittee on Railroads, Pipelines and Hazardous Materials at a hearing focused on pipeline safety public awareness and education. Sam Davis, general manager & CEO of the Lake Apopka Natural Gas District, FL served as APGA's witness. Other witnesses at the hearing included: the Honorable Cynthia Quarterman, administrator for the Pipeline and Hazardous Materials Safety Administration; Bob Kipp, president of the Common Ground Alliance; Peter O'Rourke, director of Energy Programs for the National Association of State Fire Marshals; and Massoud Tahamtani, director of the Division of Utility and Railroad Safety for the Virginia State Corporation Commission on behalf of National Association of Pipeline Safety Representatives.

APGA's testimony, communicated that over the past several years the industry has had numerous additional requirements placed on it, e.g. Distribution Integrity Management Programs (DIMP), *excess* flow valves, control room management, operator qualification, public awareness, etc. For this reason, the testimony expressed support for a clean reauthorization of the Pipeline Safety Act. The testimony further stated that if Congress does begin to consider changes to the Act, the Committee should give careful consideration before imposing any additional regulatory burdens upon gas distribution systems. The testimony also expresses concern with potential efforts to expand excess flow valve (EFV) requirements to commercial and industrial businesses and multifamily residences, stating that "a commercial building, unlike a residential unit, may see huge changes in gas demand as tenants in the space move in and out." The testimony also expresses opposition to any changes in the current formula that would shift the user fees to the distribution systems. Shifting fees to the distribution system would mean that natural gas customers would pay both the user fees assessed to the distribution system and the fees passed on in transportation rates charged by their pipeline supplier. Lastly, the testimony urges the Committee to consider regulating low stress transmission lines (a line operating below 30 percent of the specified minimum yield stress) operated by distribution systems under the Distribution Integrity Management Program (DIMP) instead of the Transmission Integrity Management Program (TIMP).

A copy of APGA's testimony is available on the APGA website at [www.apga.org](http://www.apga.org). To date, neither the House nor Senate has introduced legislation reauthorizing the Pipeline Safety Act. The Pipeline Safety Improvement Act of 2006, which authorizes federal pipeline safety programs, is scheduled to expire in 2010. It remains unclear if Congress will be able to pass reauthorization legislation prior to adjournment. 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 Responds to DOE Request for Information on its National Energy Rating Program for Homes**

On July 9, APGA filed comments with the Department of Energy (DOE) on its National Energy Rating Program for Homes. APGA collaborated with GTI, Laclede Gas and the National Propane Gas Association in preparing comments but each organization filed separately. APGA stated that it was encouraged by the DOE's statement "that the Department plans to use source energy as the basic metric for the program." DOE's supportive words include "...a source energy metric would allow consumers to more equitably consider all fuel types. Furthermore, depending on the conversion factors used, as well as how renewable energy is counted, source energy can more effectively reflect the environmental consequences of energy generation, transmission, and use."

APGA gave further support to source energy stating, "Site-based metrics most often lead consumers to wrongly believe that electricity is more efficient and less environmentally degrading than the direct use of natural gas. That said, APGA recognizes the direct use of natural gas will not always come out ahead of electricity given more rigorous full fuel-cycle analysis. This is as it should be as it provides an environmental dimension to free-market competition based upon the empowerment of knowledgeable consumers."

As part of its comments, APGA provided DOE with the new Source Energy and Emissions Analysis Tool (SEEAT) developed by the Gas Technology Institute that allows calculation of the source energy and GHG emissions related to appliance site energy consumption by fuel type for each energy-consuming device and for the whole building. SEEAT includes a source energy and carbon emission calculation methodology that accounts for primary energy consumption and related emissions for the full-fuel-cycle of extraction, processing, transportation, conversion, distribution, and consumption of energy. This tool available to the public at [www.cmictools.com](http://www.cmictools.com), was developed with support from the APGA Research Foundation and others.

DOE is also now exploring the first steps toward using estimates of full-fuel cycle energy savings and greenhouse gas (GHG) emissions as the basis for evaluating appliance energy conservation standards and determining, with the Federal Trade Commission, the best way to provide consumers with more complete information about the energy efficiency of the appliances they buy.

APGA sees a light at the end of the tunnel. DOE is moving in the right direction, as is the Environment Protective Agency (EPA), in recognizing the scientific and equity arguments in favor of full-fuel cycle analysis. You can view the APGA comments at [www.apga.org](http://www.apga.org).

For further information, please contact Bob Beauregard at 202-464-2742 or [bbeauregard@apga.org](mailto:bbeauregard@apga.org).

### **APGA and AGA Send Joint Letter to DOE**

On July 22, fifteen APGA members and fifteen AGA members were signatories to a letter to the Honorable Cathy Zoi, Assistant Secretary for Energy Efficiency and Renewable Energy, U.S. Department of Energy (DOE). The letter can be viewed on APGA's website at [www.agpa.org](http://www.agpa.org). The purpose of the letter was to urge DOE not to adopt a proposed furnace standard that would create a northern regional standard of 90 percent Annual Fuel Utilization Efficiency (AFUE) for natural gas furnaces. The letter points out that the proposed standard would impose a costly replacement mandate on key consumer groups in the 30 affected northern states. In addition, those standards could potentially cause safety hazards for consumers who, because of the high incremental cost of converting to high AFUE furnaces, may not undertake needed furnace venting upgrades.

This letter follows APGA's April 13, 2010, comments on DOE's Rulemaking Analysis Plan for Energy Conservation Standards for Residential Furnaces where APGA initially objected to the 90 percent AFUE in the affected northern states. Those comments can be viewed on the APGA website as well.

For more information, please contact Bob Beauregard at 202-464-2742 or [bbeauregard@apga.org](mailto:bbeauregard@apga.org).

### **APGA Will Visit the Southeast to Brief Members During August Recess**

While Congress is in recess, APGA will provide a series of briefings to members in the Southeast. Similar to what was done earlier this year in the Midwest, Bert Kalisch will highlight APGA's advocacy activities in the 111<sup>th</sup> Congress and seek input as to how APGA can provide greater value for its members.

These APGA briefings are open to all APGA members and there is no registration fee. Each briefing begins at 10:00 am and a lunch will be served at approximately 11:30 am. During and after lunch, there is a roundtable to discuss the issues impacting public gas utilities. All briefings will conclude no later than 1:15 pm.

To see if Bert is coming to your town please check the locations below.

<b>August 12</b> Sushihana Japanese Restaurant San Antonio, TX	<b>August 24</b> Romie's Grocery Tupelo, MS
<b>August 13</b> Acapulco Mexican Restaurant	<b>August 25</b> Brownstone's

Amarillo, TX	Hattiesburg, MS
<b>August 17</b> Oak Ridge Utility District Oak Ridge, TN	<b>August 26</b> The Grand Hotel West Destin, FL
<b>August 18</b> THE CENTRE Leitchfield, KY	<b>August 23</b> The Westin Huntsville, AL
<b>August 19</b> The Old County Store Restaurant Jackson, TN	<b>August 31</b> York County Natural Gas Authority Rock Hill, SC

If you have a question about any of the above briefings, please call Bert at 202-464-2742 or email at [bkalisch@apga.org](mailto:bkalisch@apga.org).

### **Weekly Storage Report: Storage increases to 2,891 BCF**

Here is the weekly EIA Summary Report issued on Thursday, July 22, 2010, that reports last week's storage report highlights for Friday, July 16, 2010. A 51 Bcf increase has been reported.

#### **Summary**

Working gas in storage was 2,891 Bcf as of Friday, July 16, 2010, according to EIA estimates. This represents a net increase of 51 Bcf from the previous week. Stocks were 52 Bcf less than last year at this time and 261 Bcf above the 5-year average of 2,630 Bcf. In the East Region, stocks were 37 Bcf above the 5-year average following net injections of 41 Bcf. Stocks in the Producing Region were 133 Bcf above the 5-year average of 859 Bcf after a net injection of 6 Bcf. Stocks in the West Region were 91 Bcf above the 5-year average after a net addition of 4 Bcf. At 2,891 Bcf, total working gas is within the 5-year historical range.