



Weekly Update – June 10, 2010

Financial Reform Conference Committee Begins Today

The first meeting of the House-Senate Conference Committee formed to resolve differences between their respective versions of financial reform legislation is scheduled to begin at 2:15 pm EST this afternoon. It is anticipated that additional meetings of the Conference Committee will take place next week. House Financial Services Committee Chairman Barney Frank will serve as chair of the Conference Committee. A list of the Conference Committee members is below:

House: Frank (D-MA); Kanjorski (D-PA); Waters (D-CA); Maloney (D-NY); Gutierrez (D-IL); Watt (D-NC); Meeks (D-NY); Moore (D-KS); Kilroy (D-OH); Peters (D-MI); Bachus (R-AL); Royce (R-CA); Biggert (R-IL); Capito (R-WV); Hensarling (R-TX); and Garrett (R-NJ). The House also named additional conferees to individual sections of the bill. Additional conferees to Title VII of the bill, which focuses on the over-the-counter derivatives market, include Representatives Peterson (D-MN), Boswell (D-IA) and Lucas (R-OK).

Senate: Dodd (D-CT); Johnson (D-SD); Reed (D-RI); Schumer (D-NY); Lincoln (D-AR); Leahy (D-VT); Harkin (D-IA); Shelby (R-AL); Crapo (R-ID); Corker (R-TN); Gregg (R-NH); and Chambliss (R-GA).

APGA's focus in conference committee continues to be to resolve issues related to language included in the Senate-passed bill that would place a fiduciary duty on a swap dealer when their counter-party is a state or local government. The Senate provision would significantly impact, and perhaps eliminate, the ability of public gas systems to hedge on behalf of their customers. Senators Harkin and Casey have drafted an amendment to replace this provision and APGA has provided input into the draft amendment. APGA is also working to ensure that there continues to be an exemption for end-users, such as public gas systems, from mandatory clearing of over-the-counter transactions.

Chairman Frank has indicated his intention to complete action on the legislation prior to the upcoming July 4 recess. The hearings may be covered by C-Span and may also be viewed through the House Financial Services Committee website [here](#). 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.

APGA Supports EPA's Approach to Reporting Fugitive Methane Emissions

Today, APGA filed comments with the Environmental Protection Agency (EPA) supporting EPA's proposal to allow utilities to estimate fugitive emissions of methane from leaks and other sources on the distribution system rather than physically measure the quantity of emissions. Since most of the system is underground, physically measuring leak rates would be difficult and expensive. EPA has proposed that utilities estimate emissions using leakage factors for mains, services and meter and regulator stations.

APGA also supported EPA's proposal to only require reporting from utilities with cumulative greenhouse gas emissions of over 25,000 metric tons CO₂ equivalent per year. One ton of methane is equivalent to 21 tons CO₂. APGA's calculations show that this would exempt over 99 percent of public gas systems from having to report methane emissions, however systems with fossil fuel-fired electric generation would have to report if their combined emissions exceeded 25,000 metric tons CO₂ equivalent.

APGA suggested several changes to the rule. Most importantly, the proposed rule would require utilities to conduct annual leakage surveys as above ground meter and regulator (M&R) stations using an optical gas imaging device. APGA urged EPA to allow utilities to use the leak detection equipment they currently use for leakage surveys required by pipeline safety regulations, e.g. flame ionization or combustible gas indicators. We also urged EPA to allow utilities that did not want to do annual leakage surveys at above ground M&R stations to use an assumed leakage factor just as EPA proposed to allow for below ground M&R stations, mains and services. Finally, we suggested that if the utility has leak surveyed below ground M&R stations, mains and services during the year and found no leaks that these components should not be included in the count used to estimate methane leakage.

For more information please contact John Erickson, APGA Vice President, Operations 202-464-2742, ext 1002 or jerickson@apga.org.

APGA Meets with Director of DOE's Vehicle Technologies Program

On June 3, APGA Vice President, Bob Beauregard met with Patrick Davis, director for DOE Vehicle Technologies Program (VTP). The meeting served to initiate collaboration between APGA and VTP for the purpose of promoting the direct use of natural gas as a transportation fuel. Bob walked through a power point demonstration on the exciting business undertaking of Hybrid Kinetic Motors (HK Motors) to produce tri-fuel (natural gas, electric battery, back-up gasoline) passenger vehicles in the U.S. and China. Mr. Davis was very interested in HK's plans and wants to know more about the vehicle's battery and cost/kw and offered VTP labs to test the batteries' capabilities. Bob shared the April 14 press release announcing the strategic collaboration between APGA, NGVAmerica and HK Motors to promote the mass production and sales of natural gas-powered hybrid passenger vehicles. See that release at www.apga.org.

Mr. Davis was pleased that APGA has also been working with VTP's Clean Cities. Clean Cities serves as VTP's deployment arm by advancing the nation's economic, environmental and energy security by supporting local decisions to adopt practices that contribute to the reduction of petroleum consumption. Clean Cities has a network of approximately 90 volunteer coalitions, which develop public/private partnerships to promote alternative fuels and advanced vehicles, fuel blends, fuel economy, hybrid vehicles, and idle reduction. On June 1, APGA hosted Clean Cities' leadership to a working lunch in APGA's offices.

For additional information, contact Bob Beauregard at 202-464-2742 or bbeauregard@apga.org.

REMINDER: Deadline for Submissions to the 2010 M&S Award Competition is June 28

APGA encourages members to submit their marketing or sales program, project, or customer service campaign for consideration of this award. Gas marketing projects and programs will be judged on their measurable results in addition to the following criteria:

Criteria for Entry

- The gas marketing or sales program, project, promotion, or service must be active in 2009/2010 and have measurable results to demonstrate value.
- Appliances (if applicable) must have been installed in 2009.
- Entries must be received by Monday, June 28, 2010, to be eligible.

The winning public gas system will be presented the award at the APGA Annual Conference in San Diego, CA in July. The winning public gas system will also be invited to send a representative to make a presentation on their award winning program at the March 2011 Marketing & Sales Trends and Training Conference.

Please view the entry form at www.apga.org/2010MSAwardForm. Complete and return the form no later than June 28, 2010. Supporting collateral and documentation must be sent in electronic format to bbeauregard@apga.org.

*To date, award submissions have been received from CPS Energy and Southeast Alabama Gas District.

APGA to Address IUB Conference in Des Moines

The Iowa Utilities Board's (IUB) Safety and Engineering Section, in partnership with the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) Training and Qualifications group, will hold its biennial Pipeline Safety Educational Conference on Tuesday, June 22 thru Thursday, June 24 in West Des Moines, IA. APGA president and CEO Bert Kalisch will address the conference on integrity management, pipeline safety reauthorization, and other issues that could impact the operation of a gas utility.

The conference provides an opportunity for pipeline operators, gas industry personnel, managers, supervisors, trainers, engineers, emergency services, excavators, locators, and technicians throughout the state to receive updates on the latest rules and regulations, learn about hot topics in the industry that will prepare you for the upcoming challenges in pipeline and excavation safety, and network with industry colleagues and product vendors. The conference will offer general sessions in addition to breakout sessions on Regulations, O&M, Damage Prevention, Lessons Learned, and New Technology.

The conference will be held at the newly built West Des Moines – Jordan Creek Holiday Inn Hotel & Suites. Rooms have been reserved at the special conference rate of \$86 per night. To receive the conference rate please call 866-397-5044. For more information on the conference, contact Cynthia Munyon at the IUB at 515-281-5740.

June 10 is National Pipeline Safety Day

Congress has designated June 10, 2010 as National Pipeline Safety Day. House Resolution 484 reads in part:

Whereas June 10, 2009, is the 10th anniversary of the Bellingham, Washington, pipeline tragedy that was the impetus for many of the above mentioned safety improvements and would be an appropriate day to designate as “National Pipeline Safety Day”: Now, therefore, be it Resolved, That the House of Representatives—

- (1) supports the designation of National Pipeline Safety Day;
- (2) encourages State and local governments to observe the day with appropriate activities that promote pipeline safety;
- (3) encourages all pipeline safety stakeholders to use this day to create greater public awareness of all the advancements that can lead to even greater pipeline safety; and
- (4) encourages individuals across the Nation to become more aware of the pipelines that run through our communities and do what they can to encourage safe practices and damage prevention.

[See House Resolution 484 here.](#)

Weekly Storage Report

Here is the weekly EIA Summary Report issued on Thursday, June 10, 2010, that reports last week’s storage report highlights for Friday, June 4, 2010. A 99 Bcf increase has been reported.

Summary

Working gas in storage was 2,456 Bcf as of Friday, June 4, 2010, according to EIA estimates. This represents a net increase of 99 Bcf from the previous week. Stocks were 28 Bcf higher than last year at this time and 310 Bcf above the 5-year average of 2,146 Bcf. In the East Region, stocks were 98 Bcf above the 5-year average following net injections of 53 Bcf. Stocks in the Producing Region were 121 Bcf above the 5-year average of 775 Bcf after a net injection of 28 Bcf. Stocks in the West Region were 91 Bcf above the 5-year average after a net addition of 18 Bcf. At 2,456 Bcf, total working gas is above the 5-year historical range.