



Weekly Update June 24, 2010

APGA Annual Conference: SAN DIEGO 2010

If you haven't heard, the home of this year's Annual Conference is sunny San Diego on July 25-28 at the Sheraton San Diego Hotel & Marina. The location with an overlook of a gorgeous marina and near fabulous restaurants, historic districts, shopping and family entertainment is an ideal spot to learn and play.

The three-day conference is geared specifically for public gas managers, board members, city council members, associates, operations personnel and other industry figures. The agenda is packed with the latest trends and interesting speakers including FERC Commissioner Marc Spitzer. There will also be numerous networking opportunities with our exhibitors that bring the newest technologies and products to help you do your job and serve your customers better.

To register for this conference please go to www.apga.org.

To make your room reservations, please call the hotel at: 619-291-2900.

To become an exhibitor, sponsor or to advertise at this conference please contact Sheila Deringis at 202-352-1193 or at sderingis@apga.org.

Tours:

Want to see the famous San Diego Zoo, get splashed at Sea World, or take a gorgeous wine tour or harbor cruise? To register or if you have any questions, please email apga@tmmdmc.com. *All tour registration forms must be received by July 2, 2010. Tour requests will not be accepted by phone.*

APGA Support Senate Approval of FERC Commissioners

On June 22, the Senate approved by unanimous consent the President's nomination of Cheryl A. LaFleur to fill the Federal Energy Regulatory Commission (FERC) seat vacated by former Commissioner Kelly and for Commissioner Phil Moeller to serve a second term. Cheryl LaFleur retired in 2007 as executive vice president and acting CEO of the National Grid USA, an investor-owned company that provides electricity to over three million customers in the Northeast. She also held positions within National Grid USA and its predecessor, New England Electric System, including chief operating officer, president of the New England distribution companies, general counsel, senior vice president of Retail Marketing, and vice president of Demand-Side Management. Commissioner Moeller was nominated to FERC by President Bush and sworn into office in July, 2006. His first term was scheduled to expire on June 30, 2010. Commissioner Moeller spoke at APGA's 2008 Annual Conference.

APGA had previously sent letters in support of both of these nominations. In its letters, APGA stated that "Since his appointment to the Commission in 2006, Commissioner Moeller has consistently and successfully demonstrated the ability to recognize a proper balance between competition and regulation." The letter further stated that Commissioner Moeller "has proven to be a champion of energy consumers, the intended beneficiaries

of the Natural Gas Act and the Federal Power Act.” Regarding Ms. LaFleur’s nomination, APGA communicated that the “over twenty years experience Ms. LaFleur has as a leader in the electric and gas industry makes her well-suited to serve on the Commission. APGA is optimistic that she will utilize her unique energy background to act in the best interests of consumers.”

Copies of APGA’s letters of support are available on the APGA website at www.apga.org. 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 Submits Testimony to Senate Pipeline Safety Hearing

APGA submitted testimony to a Senate pipeline safety hearing held on June 24 in the Senate Commerce, Science and Transportation Subcommittee on Surface Transportation and Merchant Marine infrastructure, Safety, and Security. The testimony was similar to testimony APGA submitted to the House for a pipeline safety hearing held in May.

In its testimony, APGA expresses support for a clean reauthorization of the Act. The testimony further states that if Congress does consider changes to the Act, the Committee give careful consideration before imposing any additional regulatory burdens upon gas distribution systems. The testimony also expresses concern with potential efforts to expand 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. 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.

Take Our Survey! APGA Needs Your Help

Federal dollars are being used to replace natural gas appliances with electric appliances in public and private HUD supported housing service areas. In order to stop this mass switch out, APGA needs to arm itself with as many examples of such federally supported appliance switch-outs as possible.

Please answer the few questions in this survey <http://www.surveymk.com/s/HUDFinancedHousing>.

APGA will use the answers you provide to raise the issue to regulators and legislators, many of which are voicing support for climate change legislation to reduce GHG emissions and carbon footprints. Please help us show them that natural gas is part of the solution to greater efficiency and a greener environment.

APGA to Brief Members in the Southeast

President and CEO, Bert Kalisch, after providing an APGA activities update to members earlier this spring in Kansas, Illinois and Iowa. This summer he will provide 10 briefings to APGA members across the southeast in August.

1. Thursday, August 12 – San Antonio, TX
2. Friday, August 13 – Amarillo, TX
3. Tuesday, August 17 – Oak Ridge, TN
4. Wednesday, August 18 – Kentucky
5. Thursday, August 19 – Jackson, TN
6. Monday, August 23 – Birmingham, AL
7. Tuesday, August 24 – Tupelo, MS
8. Wednesday, August 25 – Hattiesburg, MS
9. Thursday, August 26 – Destin, FL
10. Tuesday, August 31 – Carolina Municipal Association

The briefings each begin at 10 AM, and will follow the same agenda:

10:00 AM – Briefing on APGA’s Advocacy and Operational Activities

11:30 AM – Break for Lunch (provided)

12:00 Noon – Roundtable Discussions

1:00 PM – Wrap-up

1:15 PM – Adjourn

Please go to the APGA website to find out more information about the briefings, the location closest to your utility, and register to attend. There is no cost to APGA members.

If you have any questions, please call Bert at 202-464-2742.

APGA Meets With Western State Pipeline Safety Program Managers

On June 17, John Erickson, APGA’s vice president of operations met with state pipeline safety program managers from the Western Region of the National Association of Pipeline Safety Representatives (NAPSR) in Stateline, NV to discuss issues important to public gas systems. NAPSR is the association for state pipeline safety program managers. John stated that APGA was pleased with the outcome of the Distribution Integrity Management Programs (DIMP) rule because the final rule removed most of the additional items that both APGA and NAPSR have objected to in written comments on the proposed rule. He demonstrated the SHRIMP on-line DIMP plan development tool that is nearing completion by the APGA Security and Integrity Foundation (SIF).

John told the state managers that APGA was NOT pleased with the final control room management rule because its overly broad definition of who is a “controller” failed to differentiate between true controllers and utility employees that merely monitor telemetry from the field. He encouraged the state agencies to use discretion in enforcing the rule to consider whether an individual monitoring telemetry is doing so for operational purposes rather than safety. For example, he noted that the rule would require fatigue management training for controllers and supervisors even if the system they are monitoring is left unmanned on nights and weekends. Telemetry that can go unmonitored for extended periods is obviously not critical to the safety of the distribution system, John noted.

This was the second of four regional NAPSRS meetings. Since pipeline safety regulations are enforced by these state agencies for most APGA members, APGA strives to maintain regular communication with NAPSRS on issues important to APGA and NAPSRS. For more information please contact John Erickson, APGA Vice President, Operations 202-464-2742, ext 1002 or jerickson@apga.org.

Important APGA Survey and Roundtable on Public Awareness

On June 30, PHMSA is co-sponsoring a one-day public awareness workshop with the National Association of Pipeline Safety Representatives (NAPSRS) at the Hotel Intercontinental in Houston, TX from 8:00 am to 5:00 pm (CT). The workshop will be an opportunity, following the initial four-year implementation cycle to:

- Review the implementation process,
- Identify what implementation strategies have worked well,
- Discuss challenges faced by the pipeline industry,
- Discuss Federal and state regulatory oversight,
- Learn about public interest and need for information about pipelines in their communities,
- and identify critical elements of a successful operator public awareness program.

Pipeline trade associations, the Pipeline Safety Trust, the National Transportation Safety Board, and pipeline operators will share lessons learned from implementing their public awareness programs based on Federal regulations. PHMSA and state partners will discuss the scope of and timeline for conducting effectiveness evaluations. PHMSA and our state partners will use the results from this event, in addition to existing inspection activities, to further develop our programs for evaluating pipeline operator public awareness programs. In addition, the workshop will be webcast.

John Erickson has been invited to speak on behalf of public gas systems. He will emphasize the results of the APGA GOAL program that nearly 200 systems are using to measure the effectiveness of their gas safety education to customers and non-customers living near distribution lines. This is timely since utilities completed their first effectiveness assessment this month.

APGA also conducted an on-line survey of members to learn more about how members are complying with the public awareness regulation. Information gleaned from the June 22 roundtable and survey will provide good preparation for APGA to participate in PHMSA's workshop.

To view the preliminary agenda and register for the PHMSA/NAPSRS workshop or webcast, use this link: <http://primis.phmsa.dot.gov/meetings/MtgHome.mtg?mtg=65&nocache=9351>.

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

* If you are planning to watch the Public Awareness Workshop webcast next week the webcast access information has been added to the [meeting record](#) for the June 30 Public Awareness Workshop, and is provided below.

Please note that all Agenda times shown in the meeting record are Central Daylight Time.
Instructions

- a. Click the following link to view the webcast: <http://events.variview.net/clients/usdot/20100630>
- b. Viewers are instructed to turn off their pop-up blockers.
- c. The webcast will stream in Windows Media only, therefore, Internet Explorer 6 or better is recommended.

As a reminder, the meeting will be at the Intercontinental Hotel, 2222 W. Loop-South, Houston, TX, and will begin at 8:00 AM (CST).

If you have further questions, please contact Christie Murray, PHMSA, at 202-366-4996 (office); 202-493-2311 (fax); Email: Christie.murray@dot.gov

Weekly Storage Report

Here is the weekly EIA Summary Report issued on Thursday, June 24, 2010, that reports last week's storage report highlights for Friday, June 18, 2010. A 81 Bcf increase has been reported.

Summary

Working gas in storage was 2,624 Bcf as of Friday, June 18, 2010, according to EIA estimates. This represents a net increase of 81 Bcf from the previous week. Stocks were 14 Bcf less than last year at this time and 309 Bcf above the 5-year average of 2,315 Bcf. In the East Region, stocks were 87 Bcf above the 5-year average following net injections of 51 Bcf. Stocks in the Producing Region were 130 Bcf above the 5-year average of 805 Bcf after a net injection of 16 Bcf. Stocks in the West Region were 92 Bcf above the 5-year average after a net addition of 14 Bcf. At 2,624 Bcf, total working gas is within the 5-year historical range