



## June 9, 2011 Weekly Update

### **APGA Sends Letter of Support for the NAT Gas Act to Representative Sullivan**

On Tuesday, June 7, APGA sent a letter of support for the New Alternative to Give Americans Solutions Act (NAT Gas Act) to the bill's lead sponsor, Representative John Sullivan (R-OK). The letter was sent to further demonstrate APGA's strong support of the legislation and help blunt some of the recent criticism of it.

Over the last few months, a number of conservative organizations have criticized the legislation on multiple fronts. Perhaps their most prominent arguments against the bill are that it is little more than "corporate welfare" and ultimately is nothing more than government "picking winners and losers" and in so doing, is interfering in the operation of free markets.

In spite of the fallacious reasoning and outlandish and inaccurate claims made by these critics, their efforts to stymie progress of the bill and intimidate Members of the House of Representatives have been successful. In the short time since these critiques were made, four members of Congress have dropped their co-sponsorship of the NAT Gas Act, leaving a total of 190 House Members supporting the bill.

To aid in combating the barrage of negative press the bill has received and demonstrate the broad support it enjoys, APGA sent a letter of support for the legislation to the bill's primary sponsor Rep. Sullivan. APGA's letter expresses strong support and discusses how the NAT Gas Act can help reduce our dangerous dependence on foreign oil, create much needed American jobs, and reduce emissions which harm our environment. A copy of the letter can be viewed at [www.apga.org/correspondence](http://www.apga.org/correspondence).

APGA also encourages its members to send letters of support to Rep. Sullivan to demonstrate local support for the bill. For further information and assistance with such letters, or if you have any questions, please contact Scott Morrison by phone at 202-464-2742 or by email at [smorrison@apga.org](mailto:smorrison@apga.org).

### **APGA Provides Cost Data to Congressional Budget Office on Pipeline Safety Reauthorization**

Earlier this month APGA provided to the Congressional Budget Office (CBO) information on the potential costs of various provisions in the Lautenberg-Rockefeller Pipeline Safety Reauthorization legislation. This bill introduced in the Senate is expected to be the vehicle for pipeline safety reauthorization in the Senate. The CBO is tasked with providing non-partisan estimates on the costs of proposed legislation.

APGA told CBO that the potential cost to install excess flow valves on multifamily and commercial services could be more than just the cost of the valve and installation. CBO should also expect that changes in load, particularly in commercial services, could require undersized

EFVs to be replaced, which could cost several thousand dollars if the EFV were under pavement. In addition, closures of EFVs that have become undersized due to changes in the gas load of commercial and multifamily customers could result in significant costs for business loss and relighting many customers.

APGA also told CBO that while only 52 APGA members operate pipe classified as transmission, the transmission provisions would be exceedingly costly for those public gas systems, particularly the provision extending integrity management requirements to pipelines outside of high consequence areas. Many APGA members with transmission do not have Transmission Integrity Management Plans (TIMP) because they do not have pipe in high consequence areas, therefore these systems would have to incur all the costs of creating a TIMP plan. Inspecting short lengths of pipe via smart pig or hydrotest would also entail higher per mile expenses than interstate pipelines that can inspect long lengths at one time.

APGA also questioned the value of PHMSA making operator's emergency plans available for the public on PHMSA's website. Most public gas emergency plans contain home and cell phone numbers for personnel who would be called out in an emergency and such information would have to be redacted. The remaining information would provide little, if any, value to the public.

For further information contact John Erickson of APGA's staff at 202-464-2742, ext 1002 or [jerickson@apga.org](mailto:jerickson@apga.org).

#### **APGA Briefs Western Region State Pipeline Safety Regulators on SHRIMP**

On June 9, APGA's John Erickson spoke at the Western Regional Meeting of the National Association of Pipeline Safety Representatives (NAPSR) in Flagstaff, AZ. John focused on the status of the Simple, Handy, Risk-based Integrity Management Plan (SHRIMP) online integrity management plan creation tool. A team of NAPSR and Pipeline and Hazardous Materials Safety Administration (PHMSA) had conducted practice audits of two systems that had developed Distribution Integrity Management Programs (DIMP) programs using SHRIMP and John updated them on modifications that had been made to SHRIMP based on feedback from those audits. Major modifications had been made to the format of the written DIMP plan created by SHRIMP to better describe the process SHRIMP used to create a DIMP plan. An example, is the creation of a separate implementation plan to summarize the action items contained in the written DIMP plan. The user's guide has also been updated to better explain the risk ranking model and demonstrate that all items mentioned in the rule are addressed in the SHRIMP plan.

He also mentioned that the SIF was preparing model control room management plan language that operators could use to address the new control room management rule requirements. He hoped this would be available in draft by the end of June. John also thanked NAPSR for its support for SHRIMP and the APGA Security and Integrity Foundation (SIF). NAPSR volunteers have participated in all the SIF advisory groups and are part of the SIF Board of Directors. For further information contact John Erickson of APGA's staff at 202-464-2742, ext 1002 or [jerickson@apga.org](mailto:jerickson@apga.org).

#### **Countdown to the APGA Annual Conference**

APGA's 50<sup>th</sup> Anniversary Annual Conference will be here soon! Plan to join us at The Peabody Hotel in Memphis, Tennessee on July 24-27! Please make your hotel reservations and register for the conference before July 6. All conference information can be found at [www.apga.org/memphis](http://www.apga.org/memphis) for both online and hard copy registration options, as well as sponsorship opportunities and a list of optional tours and side trips.

Program highlights:

- Monday's General Session includes—
  - An update on natural gas supply by Steve Kirchhoff, vice president – Americas ExxonMobil Gas & Power Marketing. Steve is the current chair of the Natural Gas Supply Association; and
  - The Obama Administration's view on our nation's pipeline safety by Cynthia Quarterman, administrator for the U.S. Department of Transportation's Pipeline and Hazardous Material Safety Administration.
  - On Monday evening, we will host a 50<sup>th</sup> Anniversary Celebration from 4:00 to 6:00 PM with cocktails and light hors d'oeuvres. Presentations and recognitions begin at 5:00 pm. Festivities conclude by 6:00 PM to allow individuals and groups to go out to dinner. Join us again later that evening to continue networking, catch up with friends and family, and enjoy a slide show of APGA members both past and present.
- On Tuesday the following activities and General Session includes:
  - The APGA Research Foundation hosts a breakfast meeting with guest speakers from Gas Technology Institute.
  - A panel discussion on natural gas vehicles.
  - The Chairman's Dinner on Tuesday evening provides well-deserved recognition to APGA award winners, and we end the evening with entertainment by Memphis blues guitarist Will Tucker.

Many sponsorship opportunities are still available so please help us make this 50<sup>th</sup> Annual Conference an event to remember! Since door prizes will be kept to a minimum again this year, we strongly urge you to consider a sponsorship this year instead.

We look forward to seeing you in Memphis for APGA's 50<sup>th</sup> Anniversary Celebration!!!

If you have any questions or need additional information, please contact Sheila Deringis at [sderingis@apga.org](mailto:sderingis@apga.org) or (202) 352-1193.

### **APGA Sends Out Membership Satisfaction Survey**

Recently, APGA sent out its annual membership satisfaction survey. The survey was developed by the APGA Membership Committee to assess member views of APGA's performance, value, and the quality of services provided. The survey also seeks input on additional services that APGA may offer that will provide value to its members. The survey is broken into five segments:

background; membership value; advocacy; communications; education and is available to take at [www.surveymk.com/s/Membership11](http://www.surveymk.com/s/Membership11).

APGA staff and the APGA Board of Directors will use the results of this survey to identify the value of the services APGA provides, as well as areas where improvement is needed. APGA has always been, and continues to be, a member-driven organization. As such, this survey plays a critical role in our strategic planning and helps ensure that APGA meets the future needs of its members.

We strongly encourage you to take the time to complete the survey so that we may continue to improve the value of your APGA membership. It should take no more than 10-15 minutes to complete. Your input will help make APGA better and increase the overall value of membership. If you have any questions on the survey or need additional information, please contact Dave Schryver of APGA's staff by email at [dschryver@apga.org](mailto:dschryver@apga.org) or by phone at 202-464-2742.

### **DIMP Webinar Provides Insight on Industry Experience and Regulators' Expectations**

On June 8, the Pipeline and Hazardous Materials Safety Administration (PHMSA) conducted a two-hour webinar on the Distribution Integrity Management Programs (DIMP) rule. This was the second of two webinars to help operators understand how to create DIMP plans that each operator must have in place by August 2, 2011. The first webinar took place on May 10.

APGA and public gas systems were represented on the June 8 webinar by Lyndon Boltz of Mesa, AZ. Mesa used the APGA Security and Integrity Foundation's (SIF) SHRIMP program as the basis for its DIMP plan and was one of six utilities that participated in the DIMP pilot audits conducted by a team of federal and state regulators in February, 2011. Lyndon described how Mesa developed its DIMP program and the results of the pilot audit and has benefited from the pilot audit. He stressed that DIMP plan development is a very data-driven process. Design, construction, operation and maintenance data had to be collected from a variety of sources. The quality and completeness of the data has a great deal to do with the quality of the resulting plan. He described how Mesa used its Geographic Information System to determine if there were concentrated areas where any threats may exist. He felt that the ability to graphically look at the data was very valuable in the DIMP plan development process.

Also speaking during the webinar were Dan Cote of Nisource, Darin Burk of the Illinois Commerce Commission and DeWitt Burdeaux of PHMSA. They discussed the requirements for reporting mechanical fitting failures, reporting DIMP performance measures and DIMP implementation issues. Nearly an hour of question and answers followed the formal presentations.

The first webinar can be viewed now and the June 8 webinar will be available for viewing soon at PHMSA's DIMP website, <http://primis.phmsa.dot.gov/dimp/index.htm>. Information on the SHRIMP program can be found at [www.apgasif.org](http://www.apgasif.org). For further information contact John Erickson of APGA's staff at 202-464-2742, ext 1002 or [jerickson@apga.org](mailto:jerickson@apga.org).

## **Enercom to Make Presentation to APGA Members**

On Wednesday, June 15, 2011, at 1:00 PM CT (2:00 PM ET), Enercom, a provider of on-line energy applications designed to help energy customers understand and control their home energy usage and costs, will host a web conference for APGA members. On this webcast, Enercom will present a customized program, created especially for APGA members. This program allows member companies to offer Enercom's Energy Depot interactive, web-based energy audit tools and calculators on their company web sites at significantly discounted pricing. This is a unique, members-only opportunity for APGA members as a benefit of their membership in the Association. To learn more about Enercom, please read [this informational brochure](#) and [customer testimonial](#).

### **HOW TO PARTICIPATE IN THIS WEB CONFERENCE:**

1. Click the URL to register with Webex for the web conference:
2. <https://enercomevents.webex.com/enercomevents/onstage/g.php?t=a&d=660005868>
3. Once you have registered, you will receive an email registration confirmation with the link to attend the web conference.
4. If you would like to test your system for functionality with WebEx before the session, please visit <http://www.webex.com/lp/jointest/>. Optional - your computer will automatically download the software when you log into the conference as scheduled.

### **TECHNICAL REQUIREMENTS:**

- We highly recommend a direct, high-speed connection to the internet (i.e. with an Ethernet cable or superior connection). A wireless connection, regardless of the speed, can distort the audio and graphics.
- The audio for this event will be delivered through your computer speakers.

For questions prior to the web conference, please call Larry Farthing 972-564-3101 or email [farthing@enercomusa.com](mailto:farthing@enercomusa.com)

Questions during the web conference should be directed to WEBEX: Email: [support@webex.com](mailto:support@webex.com). Phone: 1-866-229-3239 (US and Canada Toll-Free).

## **APGA Speaking Engagements**

### **June**

June 7-10

NAPSR Western Regional Meeting, Flagstaff, AZ

John Erickson

June 9, 3pm EST

Florida Gas Utilities Annual Meeting, St. Augustine, FL

Scott Morrison

June 21

At Atmos Energy's Natural Gas Workshop, Franklin, TN

Scott Morrison

June 29-July 1

NAPSR Eastern regional meeting, Cumberland, MD

John Erickson

June 15

Texas Gas Association, Houston, TX

Bert Kalisch

### **July**

July 19

Ohio Gas Association Market Conditions Conference - Columbus, OH

Dave Schryver

July 28-29

Louisiana Pipeline Safety Seminar, New Orleans, LA

John Erickson

### **August**

August 30- Sept 2

NAPSR National meeting, Savannah, GA

John Erickson

Bert Kalisch

### **Weekly Storage Report: Storage increases to 2,187 Bcf.**

Here is the weekly EIA Summary Report issued on Thursday, June 9, 2011, that reports last week's storage report highlights for Friday, June 3, 2011. A 80 Bcf increase has been reported.

#### Summary

Working gas in storage was 2,187 Bcf as of Friday, June 3, 2011, according to EIA estimates. This represents a net increase of 80 Bcf from the previous week. Stocks were 255 Bcf less than last year at this time and 58 Bcf below the 5-year average of 2,245 Bcf. In the East Region, stocks were 124 Bcf below the 5-year average following net injections of 49 Bcf. Stocks in the Producing Region were 121 Bcf above the 5-year average of 817 Bcf after a net injection of 18 Bcf. Stocks in the West Region were 54 Bcf below the 5-year average after a net addition of 13 Bcf. At 2,187 Bcf, total working gas is within the 5-year historical range.