



November 23 2011 Weekly Update

FERC Initiates Three New Section 5 Investigations

At the November 17, Open Meeting of the Federal Energy Regulatory Commission (FERC), the Commission initiated complaint proceedings against Bear Creek Storage Company, MIGC, and ANR Storage Company to determine whether the rates they are charging are just and reasonable. Based on a review of the Form 2 data of the respective companies for the years 2009 and 2010, the Commission determined that they had earned returns of 22.4% and 29.16% (Bear Creek), 47.74% and 57.14% (MIGC), and 130.38% and 153.71% (ANR). The Commission also noted that none of these companies had been before the Commission for rate review in many years – ranging from 16 to 22 years. The Commission ordered the companies to produce cost and revenue studies for a past 12 month period within 75 days and set the matter down for fast-track litigation. This is the third straight November in which the Commission has initiated Section 5 Natural Gas Act (NGA) complaints against NGA jurisdictional companies on the ground they may be over-recovering their legitimate costs of service. The other cases have all ended in settlements.

In response to the initiation of the complaints, APGA issued a press release commending FERC for its continuing commitment to use NGA Section 5 to address, as best it can under the current regulatory scheme, the problem of pipeline and storage company over-earners. The release also communicated that absent the passage of legislation to provide FERC with the authority to order refunds, “the unfortunate fact is that the millions of dollars in over-collections by these companies will continue to flow out of communities during the investigation and there will be no relief for consumers at the end of the day for all prior overcharges.” APGA has long-maintained that the current regulatory process, which is intended to ensure just and reasonable rates for consumers under the Natural Gas Act, is broken since due to the absence of refund relief under NGA Section 5, pipelines are able to largely frustrate the ability of the Commission to get just and reasonable rates into place in a timely fashion. APGA continues to urge Congress to pass legislation that would correct this serious flaw in Section 5 of the Natural Gas Act.

A copy of APGA’s press release is 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 Schedules Important Conference Call on EPA Greenhouse Gas Reporting

This week APGA members have received notices from the Environmental Protection Agency (EPA) about possible errors in their greenhouse gas reporting submissions to EPA's online reporting system. Utilities that delivered over 460 million cubic feet of gas in 2010 were required to report receipt and delivery information in August. Some of the "errors" involve issues with best available monitoring methods or discrepancies between what the utility reported to EPA and to the Energy Information Agency on EIA Form 176.

In response to this, the APGA Operations and Safety Committee has scheduled a conference call **for 3 pm EST Wednesday, November 30** to discuss these notices. Any APGA member is welcome to join in, particularly if you received a notice from EPA. **The dial in # is 1-800-582-3014 and the pass code is 098007187#.** For further information contact John Erickson of APGA at 202-464-2742, ext 1002 or jerickson@apga.org.

APGA Updates NGV Webpage

Over the past several weeks, APGA has provided several updates to the Natural Gas Vehicle (NGV) Task Group webpage (www.apga.org/ngv) to the "Links" and "NGV Legislation" sections to continue to improve the site to better respond to member needs.

The Links section of the webpage now includes two critical updates: a link to a Vehicle Cost Calculator and a link to a Compressed Natural Gas (CNG) Station Locator application for smart phones. The Vehicle Cost Calculator is provided by the Department of Energy's Alternative Fuels and Advanced Vehicles Data Center and it utilizes information about the user's driving habits to calculate total cost of ownership and emissions for many vehicles, including NGVs.

The section also now includes a link to the CNGnow website which includes a downloadable application for smart phones which functions as a CNG station locator. The application is available for iPhone and Android devices and also includes CNG pricing information and links to CNG news articles.

Moreover, the NGV Legislation section has also been updated to include information on the Senate version of the New Alternative to Give Americans Solutions Act (NAT GAS Act), S. 1863. The section includes background information on the bill, a copy of S.1863 and a full summary.

As always, if members have any suggestions for new content for the site or for any alterations, please contact Scott Morrison by phone at 202-464-2742 or by email at smorrison@apga.org.

Southern California Gas Company Announces Plan for 1000 NGVs

NGV Global News reported on Monday, November 21st that Southern California Gas Company (SoCalGas) has announced a plan to add 1000 Natural Gas Vehicles (NGVs) to their fleet. SoCalGas has approximately 300 compressed natural gas (CNG) fueling stations which serve about 17,000 natural gas-powered vehicles. Moreover, the company already has 1000 NGVs in

its fleet, of which 50 are custom-built Chevrolet Silverado pickup trucks. The Silverado trucks were constructed as part of a partnership with Landi Renzo USA, Royal Truck Bodies and Wondries Fleet Group.

SoCalGas will purchase the additional 1000 NGVs from Original Equipment Manufacturers (OEMs), as well as have some vehicles custom-built as part of a partnership with other Southern California companies. The goal of the program is to allow company technicians to drive the new NGV trucks during their workdays while simultaneously promoting natural gas as the fuel choice in local communities.

Hal Snyder, vice president of customer solutions for SoCalGas was quoted saying, "Natural gas vehicles are a real transportation solution today...Natural gas is the ideal fuel for transportation because it's abundant, affordable, clean and produced domestically, and can serve all segments of the transportation industry. As we work to reduce greenhouse gas emissions from our fleet, we encourage the automakers and after-market companies to produce natural gas vehicles, an effort that will result in significant air quality and cost benefits to customers and the region."

If APGA members have any questions, please contact Scott Morrison by phone at 202-464-2742 or by email at smorrison@apga.org.

PHMSA Asks For Information on EFVs for Multi-Family, Commercial and Industrial Applications

Later this week the Pipeline and Hazardous Materials Safety Administration (PHMSA) will publish an advance notice of proposed rulemaking asking for information about requiring excess flow valves to be installed on all new and replaced services. [APGA has obtained an advance copy of this notice which can be downloaded from www.apga.org](#). Current rules require EFVs only on new or replaced services to single residences. The National Transportation Safety Board (NTSB) has made a safety recommendation to PHMSA that excess flow valves be installed in all new and renewed gas service lines, regardless of a customer's classification, when the operating conditions are compatible with readily available valves. In response to that recommendation, PHMSA is seeking public comment on several issues relating to the expanded use of excess flow valves (EFVs) in gas distribution systems. PHMSA is also interested in seeking comment from gas distribution system operators on their experiences using EFVs, particularly from a cost-benefit perspective. Comments on this ANPRM are due by February 18, 2012.

The APGA Operations and Safety Committee is reviewing the questions asked by PHMSA in this notice and will prepare a response on behalf of APGA. If your system has any experience installing EFVs on branched service lines, services to multi-family residential, commercial or industrial customers, we need your input. For further information contact John Erickson of APGA at 202-464-2742, ext 1002 or jerickson@apga.org.

Be a Part of the Conversation: Connect with us on Social Media

APGA uses multiple social media platforms that include Facebook, LinkedIn, three Twitter

accounts and a Vimeo page. Social media doesn't work without participation so please join us! It's more than a bulletin board ...it's about sharing and starting conversations. See you all online!

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*post on our wall/like our posts

Vimeo (watch videos of APGA webinars) www.vimeo.com/apga

LinkedIn APGA group

www.linkedin.com/groupInvitation?groupID=1786944&sharedKey=72933B42BC03

EIA Reports Storage Build of 9 Bcf to Put Working Gas Storage at 3,852 Bcf

Here is the weekly EIA Summary Report issued on Thursday, November 23, 2011, that reports last week's storage report highlights for Friday, November 18, 2011. A 9 Bcf increase has been reported.

Summary:

Working gas in storage was 3,852 Bcf as of Friday, November 18, 2011, according to EIA estimates. This represents a net increase of 9 Bcf from the previous week. Stocks were 23 Bcf higher than last year at this time and 233 Bcf above the 5-year average of 3,619 Bcf. In the East Region, stocks were 65 Bcf above the 5-year average following no net change in storage levels. Stocks in the Producing Region were 146 Bcf above the 5-year average of 1,101 Bcf after a net injection of 5 Bcf. Stocks in the West Region were 22 Bcf above the 5-year average after a net addition of 4 Bcf. At 3,852 Bcf, total working gas is above the 5-year historical range.