



Weekly Update October 7, 2010

Calling all Utility Managers: Register NOW for the Gas Utility Management Conference

Join us on November 2-3 for the Gas Utility Management Conference. The APGA Gas Utility Management Conference is held annually as an add-on to the 2010 Fall Board and Committee meetings. This dynamic conference provides public gas system managers with important information on issues to help them better manage the day-to-day operations of their system. Issues covered include rate making, marketing, operations challenges, and legislative and regulatory initiatives.

REGISTER AND VIEW THE AGENDA HERE: www.apga.org/gumc

LOCATION:

Renaissance Ross Bridge Resort
4000 Grand Avenue
Birmingham, AL 35226
www.rossbridgeresort.com

ROOM RATE: \$179.00 per night

RESERVATIONS: To make reservations please contact Sheila Deringis directly to ensure that there is space available in our room block and to receive the \$179.00 per night rate. She can be reached at sderingis@apga.org or 202-352-1193.

APGA delivers statement in support of full-fuel cycle (FFC) analysis

October 7, 2010, APGA delivered a statement in support of the DOE proposed policy proposing to incorporate a full-fuel cycle (FFC) analysis into the methods it uses to estimate the likely impacts of energy conservation standards on energy use and emissions. Using FFC efficiency metrics to evaluate the effects of standards and product purchases provides more complete data on the impact these decisions have on our energy resources and on total greenhouse gas emissions. Such analyses also provide a better basis for comparing the energy use and overall emissions associated with products that use different fuels, such as electric and natural gas water heaters. APGA also spoke in support of the proposed collaboration between DOE and the Federal Trade Commission (FTC) to make FFC energy and emissions data available to the public to enable consumers to make cross-class comparisons. You can view the APGA statement [here](#).

In a separate multi-organization letter to DOE on September 30, the natural gas industry spoke with one voice supporting DOE's use of the National Energy Modeling System (NEMS) and its proposed use of the Greenhouse Gases, Regulations Emissions, and Energy Use in Transportation (GREET) model to perform the national impact analyses and environmental

assessments included in the FFC conservation standards. APGA believes the conversion factors produced by the models based on current data are sufficient for DOE's purposes in this docket. You can view the letter [here](#).

For more information please contact Bob Beauregard at 202.464.2742 or bbeauregard@apga.org

Richmond DPD meets with HUD

September 22, 2010, APGA, in collaboration with Richmond Department of Public Utilities, met with key energy decision-makers at HUD. Several action items resulted from that meeting.

- Richmond will do a comparative analysis to demonstrate the long-term advantages of natural gas appliances v. electric appliances and share that analysis with HUD.
- APGA will survey its members to determine their ability and willingness to fund infrastructure (service lines and meters) in new HUD subsidized construction in exchange for building owners installing natural gas appliances and share survey results with HUD
- HUD will share their database of Hope 6 and Section 202 new construction over the last several years and, if available, the database for refurbished HUD subsidized buildings for the last several years, each broken down by state. With these databases, APGA members could determine the extent of realized or lost opportunities in HUD subsidized buildings. This exercise will define the breadth of the problem, i.e., public gas systems not being given the opportunity to compete for load in HUD subsidized housing.
- APGA is prepared to push for objective, written HUD guidelines for spending federal dollars on energy appliances and equipment that are consistent with federal energy and environmental policy.

APGA will continually urge HUD to recognize the comparative efficiencies and carbon footprints of natural gas and electric residential appliances when funding housing and residential appliances. Our September 22 meeting with HUD reinforced the gas industry's support for direct use of natural gas and full-fuel-cycle energy analysis as the only equitable, pro-environment, pro-consumer path for comparing the efficiency and carbon emissions of multi-fuel appliance options as well as emerging technologies.

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

CFTC Approves Three New Rules Under Dodd-Frank Act

At an October 1 open meeting, the Commodity Futures Trading Commission (CFTC) approved three new rules under the Dodd-Frank Act Wall Street Reform and Consumer

Protection Act which was signed into law on July 21. The Act contained 193 rulemakings that must be undertaken by the CFTC and other federal agencies. Two of the rules approved at the Open Meeting were proposed rules and the third was an interim final rule. The proposed rules approved by the CFTC addressed financial resource requirements for Derivatives Clearing Organizations and specified requirements for derivatives clearing organizations, designated contract markets and swap execution facilities on governance arrangements and mitigation of conflicts of interest. The interim final rule addresses reporting requirements for existing swap deals that were in effect prior to the enactment of the Dodd-Frank Act. Specifically, the rule requires market participants to retain records for transactions that they expect to fall within the definition of a “swap”. The definition of a “swap” under the Dodd-Frank Act will be finalized in a rulemaking. Under the rule, swaps that were already entered into prior to enactment will ultimately have to be reported to a registered swaps data repository or the CFTC within 60 days of the registration of the appropriate swap data repository. The rule also requires counterparties to keep certain data on file pertaining to the swap.

APGA has met with the CFTC staff as well as the individual Commissioners to discuss this rulemaking process. There are number of potential rules under the Act that will have an impact upon APGA members. Specifically, rulemakings related to margin requirements on non-cleared transactions and standards of conduct placed on swap dealers when they enter into transactions with public gas systems will be of significant interest. The APGA Regulatory Subcommittee and Gas Supply Committee will coordinate APGA responses to the various CFTC rulemakings.

A copy of the reporting rule, an overview of the rule and a Q&A on the rule are available on the APGA website at www.apga.org. The next open meeting of the CFTC is schedule for October 19 and the Commission may meet weekly after that to act on rulemakings and other issues under the Dodd-Frank Act. 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.

Weekly Storage Report: Storage increases to 3,499 Bcf

Here is the weekly EIA Summary Report issued on Thursday, October 7, 2010, that reports last week’s storage report highlights for Friday, October 1, 2010. A 85 Bcf increase has been reported.

Summary

Working gas in storage was 3,499 Bcf as of Friday, October 1, 2010, according to EIA estimates. This represents a net increase of 85 Bcf from the previous week. Stocks were 149 Bcf less than last year at this time and 220 Bcf above the 5-year average of 3,279 Bcf. In the East Region, stocks were 36 Bcf above the 5-year average following net injections of 53 Bcf. Stocks in the Producing Region were 131 Bcf above the 5-year average of 951 Bcf after a net injection of 32 Bcf. Stocks in the West Region were 52 Bcf above the 5-year average after no net change. At 3,499 Bcf, total working gas is within the 5-year historical range.