



Weekly Update October 15, 2009

Sign Up For SHRIMP Webinar!

The Distribution Integrity Management Programs (DIMP) rule will be issued any day now and will require utilities to develop a written DIMP plan meeting specific requirements and customized for the unique construction and maintenance history of each utility. The APGA Security and Integrity Foundation (SIF) have developed the SHRIMP on-line DIMP plan development tool to make writing a plan easy and inexpensive. APGA's John Erickson will demonstrate how SHRIMP can be used to write your DIMP plan and answer questions about the rule and SHRIMP on October 20 at 2:30 p.m. To sign up for this informational webinar please go to: <https://www2.gotomeeting.com/register/124465530>.

APGA Supports Change in CFTC Threshold to Prove Market Manipulation

On October 8, APGA sent a letter to Senator Cantwell (D-WA) that expressed support for legislation she introduced entitled the *Derivatives Market Manipulation Prevention Act of 2009 (S. 1682)*. Senator Cantwell's legislation would revise the legal standard the Commodity Futures Trading Commission (CFTC) must meet to prove market manipulation. Specifically, the legislation would change the standard from requiring the CFTC to prove specific intent to a recklessness standard. The recklessness standard is the standard that the Securities Exchange Commission, Federal Trade Commission and Federal Energy Regulatory Commission have utilized. Under the current standard, the CFTC must prove: an individual intended to manipulate prices; an individual had the market power to move the price of a commodity; and that they caused an artificial price to occur. CFTC Chairman Gensler has noted that the CFTC has only once in its 35-year history successfully won a manipulation case in court.

Public gas systems depend upon both the physical commodity markets as well as the markets in OTC derivatives to meet the natural gas needs of their consumers. For this reason, APGA has pushed for enhanced market transparency, position limits and strong market oversight. In its letter, APGA states that "It is sound policy for the CFTC standard to be consistent with the standard used by other federal agencies." The letter further states that the legislation "will help establish a clear line of enforcement and make clear that market manipulation resulting from reckless conduct will be illegal."

A copy of APGA's letter to Senator Cantwell is available on the APGA website at www.apga.org. To date, no further action on this legislation has been scheduled. If you have any question on this article, please contact Dave Schryver of APGA's staff by phone at 202-464-2742 or by email at dschryver@apga.org.

Register Today for the Gas Utility Management Conference Scheduled for November 3 & 4

Join us in beautiful Charleston, South Carolina for the annual APGA Gas Utility Management Conference (GUMC). The conference is an add-on to the APGA fall Board Meeting and will be held on November 3 & 4 at the Francis Marion Hotel in Charleston, South Carolina. This conference provides public gas system managers with information on a broad variety of issues that impact public gas systems. Issues covered

will include: rate making, marketing, operations challenges, and legislative and regulatory initiatives. The information provided at this conference will help public gas system managers better manage the day-to-day operations of their system. The schedule is as follows:

Tuesday, November 3:

- Jeff Oliver of Rinnai America will share success stories of partnering with gas utilities to increase load in multi-family housing. Jeff will also discuss the best practices for building an alliance with your local housing authority.
- Three public gas systems honored at the APGA Annual Conference will share their award-winning marketing/education programs with GUMC attendees.
- Fellon-McCord will provide an overview of rate designs and discuss new trends that are occurring.
- An update on some of the key legislative issues, such as an energy bill, climate change and over-the-counter derivatives regulation that will likely have an impact on public gas systems.
- Jane Goolsby, State Director for U.S. Senator Lindsay Graham, will speak on the role of congressional state offices and tips on building an effective working relationship with state and Washington DC offices.

Day one will conclude with a networking reception.

The conference will resume on Wednesday, November 4 with a focus on the Distribution Integrity Management Programs (DIMP) rule and the impact it will have on the operations of public gas systems. John Erickson, APGA's Vice President for Operations, will provide an overview of the rule and there will also be a presentation from a gas system on the steps that are being taken to prepare for the DIMP rule. There will also be a presentation on the model plan that APGA working with and through the APGA Security and Integrity Foundation (SIF) has developed to assist systems with developing their own integrity management plan. The plan, known as SHRIMP which stands for Simple Handy Risk-based Integrity Management Plan, will work like TurboTax – asking questions about the gas piping and its maintenance history and create a written plan for a system that meets all of the requirements of the rule.

Information on the Gas Utility Management Conference, including how to register, is available on the homepage of the APGA website at www.apga.org. If you have any questions on this article or the GUMC, please call APGA staff at 202-464-2742.

Weekly Storage Report

Here is the weekly EIA Summary Report issued on Thursday, October 15, 2009 that reports last week's storage report highlights for Friday, October 9, 2009. A 58 Bcf **increase** has been reported.

Summary

Working gas in storage was 3,716 Bcf as of Friday, October 9, 2009, according to EIA estimates. This represents a net increase of 58 Bcf from the previous week. Stocks were 450 Bcf higher than last year at this time and 474 Bcf above the 5-year average of 3,242 Bcf. In the East Region, stocks were 138 Bcf above the 5-year average following net injections of 38 Bcf. Stocks in the Producing Region were 266 Bcf above the 5-year average of 916 Bcf after a net injection of 13 Bcf. Stocks in the West Region were 69 Bcf above the 5-year average after a net addition of 7 Bcf. At 3,716 Bcf, total working gas is above the 5-year historical range.