



AMERICAN PUBLIC GAS ASSOCIATION

February 12, 2014

The Honorable Mary Landrieu
Chairman
Senate Energy Committee
304 Dirksen Senate Building
Washington, DC 20510

Dear Chairman Landrieu,

On behalf of the American Public Gas Association (APGA), I am writing to congratulate you on your successful election to the Chairmanship of the Senate Committee on Energy and Natural Resources.

APGA is the national trade association representing over 700 municipally and publicly-owned local natural gas distribution systems, which work to meet the daily energy needs of over 5 million customers in 37 states. Publicly-owned natural gas systems are not-for-profit retail distribution entities that are owned by, and accountable to, the citizens they serve. They include municipal gas distribution systems, public utility districts, county districts, and other public agencies that have natural gas distribution facilities.

APGA strives to ensure that natural gas customers are provided with the highest quality of service at reasonable rates, and that our member companies continue to operate according to the highest standards of safety. I take pride in knowing that our organization provides critical support for our members' not-for-profit businesses and the customers they serve.

As you begin your tenure as Chairman, I would like to respectfully request that the committee consider three critical policy areas: natural gas vehicles (NGVs), full-fuel-cycle analysis, and the export of domestically produced natural gas in the form of liquefied natural gas (LNG).

NGVs are a burgeoning domestic industry with enormous potential to assist the U.S. in achieving its energy, environmental and national security goals. Transitioning our domestic transportation fleet to natural gas will obviate the need for imported oil, thereby enhancing our energy and national security, while also improving our balance of trade and reducing emissions of nitrogen oxide, carbon monoxide, non-methane organic gas, and carbon dioxide.

Moreover, compressed natural gas (CNG) and LNG—when used as transportation fuels—provide significant cost savings to consumers and businesses of at least \$1/gallon equivalent or

more. Given these significant benefits, I urge you to pursue legislation that promotes the development and deployment of a vibrant NGV market.

As we begin to fully understand the many burgeoning energy markets, the federal government needs a consistent way to analyze the total impact of an energy source. We believe the best tool to compare energy consumption is to allow federal agencies to use full-fuel-cycle analysis when developing proposed rules. Full-fuel-cycle measures energy consumption from the point of extraction to the point of use. A full-fuel-cycle analysis—also known as a source analysis—examines all impacts associated with energy use, including those from extraction/production, conversion/generation, transmission, distribution, and ultimate energy consumption. The current practice of using site—or point-of-use measurement for comparing the energy intensity of optional fuels fails to account for the impacts incurred during energy extraction, delivery, and the point of final consumption.

Finally, we respectfully request that the committee carefully evaluate the issue of LNG exports and consider the needs of domestic natural gas consumers. APGA opposes the export of LNG due the inevitable price increases for domestic consumers, the potential squandering of a manufacturing renaissance, and the fact that exports of our natural gas resources will make NGVs less economical, harming our energy and national security goals.

I understand that you support the export of LNG. Though we disagree on this issue, I believe that under your leadership, the committee can exercise a critical oversight role with respect to the Department of Energy (DOE), which has primary jurisdiction over exports. In short, we believe that at a minimum, the committee should ensure DOE is executing its responsibilities to protect the public interest including the need for domestic consumers to have long-term access to affordable natural gas.

Thank you for your consideration of our views. I look forward to working with you to solve the serious energy and economic challenges that face our country.

Sincerely,



Bert Kalisch
President & CEO