



# AMERICAN PUBLIC GAS ASSOCIATION

November 21, 2013

The Honorable Edward J. Markey  
U.S. Senator  
218 Russell Senate Office Building  
Washington, DC 20510

Dear Senator Markey:

On behalf of the American Public Gas Association (APGA), I would like to express our support for your recently introduced legislation that would establish a State Revolving Loan Fund for repair and replacement of local distribution company (LDC) pipelines.

APGA is the national association for publicly-owned natural gas distribution systems. There are currently approximately 1,000 public gas systems located in 37 states. Publicly-owned gas systems are not-for-profit, retail distribution entities 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 members' mission is to ensure the safe, reliable, and affordable delivery of natural gas to their customers. Safety has been and always will be our members' highest priority. APGA's members diligently repair and replace leaking pipelines or those pipelines where inspection indicates the pipe is approaching the end of its useful life and strictly adhere to state and federal pipeline safety regulations.

As you are aware, repair and replacement of LDC distribution lines is a highly capital-intensive undertaking. Financing these projects is particularly challenging for not-for-profit LDCs as in many cases the options are limited compared to our investor-owned counterparts. Municipal LDCs can raise capital by utilizing tax-exempt municipal bonds, requesting that local officials raise rates for customers, or requesting that locally-elected officials raise taxes or cut other services to pay for upgrades. All of these options are made even more challenging due to the fiscal difficulties faced by all levels of government and the slow economic recovery.

That is why your legislation to establish a State Revolving Loan Fund for pipeline repair and replacement is so important; it provides a low-cost, sustainable mechanism to finance pipeline repair and replacement. This bill will allow municipal LDCs and other market participants to be

eligible for affordable loans and loan guarantees to improve distribution system integrity and efficiency.

APGA believes strongly that diligent maintenance and replacement of LDC pipelines are an essential part of our members' businesses and we appreciate your attention to the critical financing challenge faced by municipal LDCs. Your legislation will help LDCs around the country to continue to deliver clean, affordable, and reliable natural gas to millions of homes and businesses.

On behalf of APGA, thank you for leadership on this critical issue. We look forward to working further with you on this and other natural gas consumer issues.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bert Kalisch". The signature is fluid and cursive, with the first name "Bert" and last name "Kalisch" clearly distinguishable.

Bert Kalisch  
President & CEO