



American Public Gas Association



energy



May 9, 2016

**Central Weights and Measures Association**

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**RE: NCWM Publication 16: Proposed DGE Standard for Natural Gas, Items (Items 232-8, 237-1, and 337-2)**

We, collectively, wish to express our continued support for adoption of a diesel gallon equivalent (DGE) standard for natural gas and urge the NCWM members and regional conferences to support the DGE proposal at this summer's Annual NCWM Meeting. This issue is currently designated as a voting item and is set out in Items 232-8, 237-1, and 337-2.<sup>1</sup>

The DGE proposal enjoys broad support and has come very close to passage in 2014 and 2015. As a result of the debate and ongoing discussions, a number of important changes have been made to the proposal to address various concerns that have been raised. Recent changes include: 1) amending the language to recognize the ability of retailers to sell in gallon equivalent units or mass if it is preferred; and, 2) requiring that dispensers using the gallon equivalent unit must be capable of showing mass on the pump or alternatively on a receipt. Our organizations are supportive of the aforementioned changes, but urge the conference to amend the second requirement so that it is only required on new dispensers, and is not applied retroactively as the cost and burden associated with modifying existing stations is not warranted.

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<sup>1</sup> As a note of clarification, the CVEF Justification Document included on the NCWM website contains background information and an explanation for the DGE proposal. However, two different Justification documents are on the Pub 16 website. The correct document or the version that supports the values listed in the current proposal is found with the S&T Report and is dated 11/25/13. The version listed under the L&R Report has a newer date but is actually an earlier version.

Last July, the U.S. Congress passed legislation that adjusts the federal motor fuels tax to ensure that LNG is taxed based on the DGE unit. This change in the law is effective January 1, 2016. We believe this action by the Congress demonstrates additional support for a transparent approach to these issues. Furthermore, ten states have already enacted legislation or adopted regulations recognizing the DGE as a unit of sale, and twenty-seven states now tax LNG based upon the DGE. Adopting this standard provides the best opportunity and likely the only opportunity for a truly national standard for dispensing natural gas. Moreover, the proposal to allow liquefied natural gas to be sold in gallon equivalent units is consistent with the approach that has been used effectively and without issue for twenty plus years for compressed natural gas.

We therefore urge the NCWM members and regional associations to support the passage of the DGE proposal this summer.

Sincerely,

American Gas Association  
American Petroleum Institute  
American Public Gas Association  
American Trucking Association  
National Association of Truck Stop Operators  
NGVAmerica  
Society of Independent Gasoline Marketers of America  
Truck Renting and Leasing Association

Cc:

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