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# What's Up At APGA

*John Erickson*  
*American Public Gas Association*



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# What Is APGA?

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- The National Trade Association for Publicly-Owned Gas Utilities
- Over 700 member utilities in 36 states
- Created in 1961
- New mission in 2004
- Moved to Washington, DC
- Expanded to 10 staff

# Current Issues

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- Natural Gas Act, Section 5
- Pipeline Safety User Fees
- DOE Furnace Efficiency Direct Final Rule
- LNG Exports
- Greenhouse Gas Emissions
- Benchmarking
- APGA SOAR Recognition
- Security and Integrity Foundation
- Leak City, 2013

# Section 5

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- Section 5 of the Natural Gas Act allows challenges to pipeline rates at FERC
- Even if FERC finds rates too high it cannot order over-collected funds to be returned
- For electric transmission rates, FERC can require refunds
- APGA seeks the same treatment for gas as electric

# Pipeline Safety User Fees

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- Since 1986, PHMSA budget paid via fees on transmission mileage and LNG
- \$23.99 per mile in 1986
- \$231 per mile in 2012, a **500%** real increase
- Pipelines want fee on distribution mileage or a FERC “tracker” that adjusts their rates
- APGA opposes – increases should be passed on to customers in pipeline rates
- Pipelines are reluctant because rate case would consider **all** costs, not just the fee



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# Furnace Efficiency Rule

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- Issued by DOE without public comment
- In 30 northern states, new and replaced furnaces must be >90% efficient
- Condensing furnaces require special venting
- Additional cost will cause switch to electric heating, increasing overall energy use
- APGA sued DOE over misuse of direct final rule process
- Settlement is pending

# LNG Exports

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- Several applications to export US-produced natural gas are pending at FERC
- APGA believes it is better policy to use domestic gas to reduce oil imports:
  - More NGVs
  - Direct use of gas for space and water heating
  - Domestic manufacturing advantage
- LNG is much more costly to transport than oil
- Studies show exporting gas will raise prices

# Greenhouse Gas Rules

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- EPA requires reporting of gas supply and deliveries plus estimated methane leaks
- APGA created two spreadsheets to assist members to perform calculations
- APGA sued EPA to exempt small systems
- Initial EPA reduction rules will focus on powerplants and cars
- Short term benefit for marketing gas to powerplants and NGVs
- Long term damage when we become the target



# Benchmarking

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- APGA merged EIA Form 176, OPS Annual Report and APGA survey data
- Used data to calculate ~ 100 benchmarks
  - Sales (MCF & \$)/customer (or employee or miles of main)
  - Leaks, by cause, per service or mile of main
  - % of pipe installed by decade, etc.
- Users can compare with national averages or user defined peer group (state, size, utility type, etc.) – Available online later this year



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# APGA SOAR

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- **S**ystem **O**perational **A**chievement  
**R**ecognition
- Recognizes systems that have achieved excellence in gas operations
- Four main areas
  - Employee Safety
  - System Integrity
  - System Improvement
  - Workforce Development

# APGA SOAR

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- Systems will apply online, with selected follow-up for some documentation
- Applications reviewed by APGA Task Group
- Systems achieving > 80% score will receive recognition at one of three levels
  - Emerald – 80-90% score
  - Sapphire – 90-97% score
  - Diamond -- > 97% score
- Other benefit: webcasts and document library

# Security and Integrity Foundation

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- SIF is a separate non-profit corporation
- Funded by sales of products and PHMSA cooperative agreement
- Main programs:
  - OQ evaluations and training (incl. Leak City)
  - O&M procedures
  - SHRIMP
  - Drug and Alcohol Plan creation tool
  - O&M manual creation tool (under development)

# Enhancements to SHRIMP

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- Over 1,300 SHRIMP users – Large and small
- Improve the Risk Ranking model
- Create means to track and analyze performance measures within SHRIMP
- Allow automatic submission of annual reports from within SHRIMP
- Continue feedback from users

# Data Mining: Example

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- Mann-Kendall test reports if there is an upward trend in leaks/mile or /service
- Upward trend results in higher risk score
- But what if its not increasing, but is unacceptably high
- Unfortunately, no such data available
- **0.092** corrosion leak repairs/mile of metallic main (Source: 2010 Distribution Annual Reports)

# Current User Data Example

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External corrosion leaks per mile of main	<b>0.092</b>			
	<i>Bare, No CP</i>	<i>Bare CP</i>	<i>Coated, No CP</i>	<i>Coated CP</i>
Average	0.5945	0.0546	0.2790	0.0131
Mean	1.8296	0.1802	1.2604	0.0346
Standard Error	0.9872	0.0824	0.9101	0.0054
Median	0.3015	0.0000	0.0505	0.0040
Mode	0.0000	0.0000	0.0000	0.0000
Standard Deviation	8.4922	0.8243	4.8156	0.1079

# Operations Conference

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- Monday March 18 – Public Awareness
- Tuesday March 19 – Emergency Planning and Recovery
- Wednesday March 20 – DIMP/SHRIMP
- Not too late to register at [www.apga.org](http://www.apga.org)



# Leak City Conference

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- Mark your calendars for September 9-12
- The SIF will once again offer OQ qualification testing in certain classes
- The sun will shine
- The humidity will be low
- BBQ and fried chicken will be eaten

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# Thank You!



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