Municipal Gas Systems of Oklahoma

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March 2013 Newsletter

President's State of the Union Address

During President Barak Obama's State of the Union address in January, he touched on a lot of different topics. According to Scott Morrison, American Public Gas Association, there were four issues that municipal gas systems should be aware of in the coming months.

- 1. Climate Change: President Obama devoted significant time to the issue of climate change. He strongly urged Congress to pass a market-based solution to climate change, but vowed that if Congress failed to act, he would use executive actions to protect future generations.
- 2. Speeding the permitting process for oil and gas development.
- 3. He also stated his desire to work with Congress to encourage research and technology to help natural gas burn even cleaner and to protect air and water resources.
- 4. Establishing an Energy Security Trust: The President proposed using some of the revenues from oil and gas development on public lands to fund an Energy Security Trust which invest in research and development of technologies to get our transportation system off of oil for good. Many are interpreting this as inclusive of NGVs, but that is unknown.

According to Morrison, It is unclear how many of these items will actually be enacted given the focus on debt and deficit and the high profile issues such as immigration reform and gun control that will require significant political capital to be enacted.

Following President Obama's address, Senator Marco Rubio (R-FL) gave the Republican response to the State of the Union. Senator Rubio's remarks included the Republican perspective that energy talks should include:

- 1. Open federal lands for additional coal, oil, and gas development
- 2. Reform energy regulations to ensure they are reasonable and common sense to make us energy independent and to bring manufacturing jobs back to the U.S.

2012 GOAL Program Shows High Level of Gas Safety Awareness

The results for the 2012 public awareness effectiveness surveys were recently sent to APGA Gas Overall Awareness Level (GOAL) participants. While the full details are confidential, some of the highlights are:

- 80 percent of all respondents think they would recognize a natural gas leak by being able to smell it.
- 90 percent of all respondents have heard that they or an excavator company should call a central number prior to digging, to avoid accidentally hitting a natural gas pipeline.
- 97 percent of all respondents believe that they have adequate information about natural gas safety, such as how to recognize a leak or what they should do if they smell gas in the home.

These results are based on nearly half a million individual surveys of customers and non-customers in the service areas of the approximately 175 systems using GOAL to assess the effectiveness of their natural gas public awareness efforts. Under pipeline safety regulations enacted in 2006, all utilities are required to develop and follow a written public awareness plan and periodically assess the effectiveness of public awareness efforts through programs like GOAL. These results indicate a high level of awareness of natural gas safety among both customers and non-customers.

The importance of these effectiveness assessments was recently brought to the forefront during public hearings on the 2010 pipeline rupture in San Bruno, Calif. During a recent hearing before the National Transportation Safety Board (NTSB), the San Bruno Fire Chief stated that prior to the accident, he was unaware that the gas transmission line was there, that the National Pipeline Mapping System existed, or that training programs on pipeline emergencies was available. In addition, NTSB staff challenged the validity of the mail-in surveys used by the utility for effectiveness assessments.

APGA has taken great care to ensure that the GOAL program can stand up to such scrutiny. Our telephone polling method ensures that a random sample of both customers and non-customers is taken. The sample size is based on sound statistical principles designed to provide a 95 percent confidence level in the survey results, which is the highest confidence level used in any public opinion surveys.

Systems can join the GOAL program at any time. Information on GOAL, including enrollment forms, is available at www.apga.org/GOAL. For further information, please contact John Erickson of APGA staff by phone at 202-464-2742, ext. 1002 or by email at jerickson@apga.org.

MGSO Member Profile Please complete and return by April 5, 2013.

Name of the Utility		
Mailing Address		
City/State/Zip+4		
Principle Phone Number		
Web Site		
Person completing the Profile		<u> </u>
Phone Number		_
Email Address		_
Mayor		
Council Member/Trustee		_
Council Member/Trustee		
Council Member/Trustee		_
Gas System Manager/ Superintendent		
Number of Employees		
Year System was established		
Gas Supplier		
Transmission Company		
Miles of	Number of Meters	
Distribution Lines	Commercial	
Transmission Lines	Residential	

Please complete and return by April 5, 2013.

Email to:tom@meso.org OR Fax to (405) 524-5095

OGA Leadership Conference Set

The Oklahoma Gas Association's first-ever Leadership Conference is set for Tuesday, May 7, 2013. The conference will be held at the Embassy Suites Hotel in Norman. Cost of the conference has not been determined as yet.

The panel of speakers and topics should be of interest to any gas system that is working to establish a long-term plan for success and continuing operations. Speakers include,

Mike Stice, Access Midstream Partners

Keith Marple, CenterPoint Oklahoma

Caron Lawhorn, ONG/ONEOK

Enogex – discussing their very successful safety culture which resulted in zero incidents for the past year.

Tom Rider, OGA executive director

More information about the leadership conference will be forthcoming.

2013 MGSO Member Profile

The 2013 MGSO Member Profile is included with this newsletter. The Profile is used to update the OGA Membership directory, which includes all MGSO members, and as a contact resource. Please complete the enclosed Profile by April 5th and either email it to tom@meso.org or fax it to (405) 524-5095.

President Obama Nominates Moniz for Secretary of Energy

On March 4, President Obama officially nominated Massachusetts Institute of Technology (MIT) Professor Ernest Moniz to be the next Secretary of Energy due to the stepping down of current secretary, Dr. Steven Chu. Moniz is a physicist and currently leads MIT's Energy Initiative, which has issued reports on almost all aspects of energy policy. Moniz has prior experience at the Department of Energy (DOE) as Undersecretary of Energy for President Clinton; and has also served under President Clinton as the Associate Director for the White House's Office of Science and Technology.

Moniz's public statements and record indicate that he is truly a proponent of an "all of the above" energy strategy. He has a background in nuclear energy and has stated his position that the federal government should provide loans for the construction of nuclear reactors. He is also in favor of energy efficiency, general government funding of energy research and development, renewable energy, government action to address climate change, carbon capture and sequestration for coal viability, and shale gas produced via hydraulic fracturing.

With respect to shale gas, in an introduction to a 2010 MIT report, he wrote that natural gas is "a bridge to a low-carbon future." He also added that, in the long term, natural gas would likely be phased out in favor of zero-carbon options. "For the next several decades, however, natural gas will play a crucial role in enabling very substantial reductions in carbon emissions."

Moniz's nomination seems to be well received by most off-the-Hill groups and has not yet generated a response from Capitol Hill. However, his support for hydraulic fracturing has drawn the ire of environmental groups such as Food and Water Watch, which adamantly opposes hydraulic fracturing. They object to his leadership of the MIT Energy Initiative as it is funded in part by BP, Shell, and Saudi Aramco and therefore its conclusions on energy policy in general and on fracking in particular might be questionable. It is unknown if other more moderate environmental groups will oppose Moniz's nomination and if there will be sufficient opposition to derail his nomination.

It appears that Moniz's support for both shale gas and an all of the above strategy are positive signs for APGA, but it is important to recognize that he has said that by 2050, the U.S. should transition away from shale gas due to climate concerns. APGA will carefully monitor Moniz's nomination hearing in the Senate Committee on Energy and Natural Resources and his consideration on the Senate floor. *Content provided by American Public Gas Association*.

SGA to host Accelerated Replacement Programs (ARP)

Beginning March 28, this series of web conferences is designed to promote discussion, learning and knowledge exchange around the challenges and opportunities associated with Accelerated Replacement Programs. Operators considering or who have already started their programs will benefit from participating. Each session will include presentations from subject matter experts and the opportunity for Q&A. For more information, go to www.southerngas.org.

Upcoming Events

OGA Leadership Conference Embassy Suites Hotel, Norman May 7, 2013

Pipeline Safety's Regulatory Update Hyatt Regency Hotel, Tulsa

May 14-17, 2013

OGA Scholarship Classic

June 13, 2013

Cimarron National Golf Club, Guthrie

August 26-28, 2013

OGA Annual Conference Embassy Suites Hotel, Norman