Southern Gas Association
Operations & Engineering
July 2012

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INDUSTRY UPDATES

The Power of Partnerships
The SGA Executive Council recently sponsored a webinar featuring Jonathan Tisch talking about the Power of Partnerships. Jonathan is Co-Chairman of the Board and a member of the Office of the President of Loews Corporation, one of the largest diversified financial holding companies in the U.S., and is also Chairman of its subsidiary, Loews Hotels. His company is 66% owners of Boardwalk Pipelines and 100% owners of Diamond Offshore Drilling – so he knows our industry. Jonathan shared nuggets from his book, “The Power of We – Succeeding Through Partnerships” and built some links to the natural gas industry. Click here to see an outline of Jonathan’s presentation. To access the re-play of the webinar, click here.

PHMSA Public Workshop: Implementing Incorporation by Reference Requirements of Section 24 of the Pipeline Safety Act of 2011
On June 21, 2012, PHMSA published notice in the Federal Register [Docket ID PHMSA–2012–0142] that it will conduct a public workshop to discuss PHMSA's implementation challenges with Section 24 of the recently-passed Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 (Act). Per Section 24, within one year of enactment (January 2013), PHMSA will be required to cease the incorporation of voluntary consensus standards by reference into its regulations unless those standards have been made publicly and freely available on the Internet.

The public workshop will be Friday, July 13, 2012 from 8:00 a.m. to 3:00 p.m. EDT. It will provide interested persons with an opportunity to submit written and oral comments and participate in discussions concerning the legal, financial, policy, practical and other challenges with implementing Section 24 by January 2013. Participants may attend in-person or via webcast at no charge. All attendees must register and specify whether they plan to attend in-person or by webcast. Click here for more information.

SGA & INGAA Transmission Integrity Management Survey
SGA & INGAA are collaborating on this survey to study Integrity Management practices as they are presently performed by transmission line operators. The survey captures data around risk management models; risk ranking and identifying and prioritizing P&M measures; updating HCAs; interactive threats; API 1163 compliance; tool validation; in-line inspection; corrosion rate; immediate and scheduled defects. The final report is being developed based on the responses. Contact: Fraser Farmer.
Codes & Standards Interest Group
This group provides a forum for codes & standards professionals to share ideas and exchange information. Mark your calendars for this Codes & Standards Interest Group’s quarterly conference calls (1-866-613-5223; Access code = 750-3421):

- July 16 (1:30 to 2:30 CT)
- October 15 (1:30 to 2:30 CT)

Contact Reggie Johnson or Nadine Fred for more information.

TPAA Visits the Capitol
The Texas Pipeline Awareness Alliance Executive Committee met in Austin, Texas on June 14, 2012. The committee met at the Capitol to discuss the 2012 TPAA campaign which raises public awareness for pipeline safety and damage prevention. Following the committee meeting, members went to the Texas Railroad Commission to meet with Polly McDonald and provide the Commission with an overview of TPAA activities. Email Nicole Reilley for more information about the Texas Pipeline Awareness Alliance or to learn how your company can become a member.

Test Your Knowledge
SGA recently asked attendees at its Introduction to the Natural Gas Industry course to submit questions. Gary Hines, SGA, provided attendees with answers to their questions. Below is one of the questions that Gary received.

Q) If a customer has an interruptible contract and there is no capacity to supply them, what happens?

A) In short, they do not have gas service. Companies typically manage this by issuing what is called an Operational Flow Order (OFO) – a dirty word in the pipeline industry. OFO’s come with penalty payments (typically 5 to 20 times the price of the commodity) if they violate the rules of the OFO.

When I was in the industry, we lost a compressor at a station just outside of Kansas City during one of the coldest weeks in a 10-year history. We called an OFO and cut off any interruptible service. There was a high school that held interruptible service that had to cancel a swim meet one evening because they could not heat the water in their swimming pool. Their service had never been interrupted before so they were surprised to learn that they could not receive gas. It actually became a media hot potato.

Have a natural-gas-related question? Email Nicole Reilley. SGA will feature the questions and answers in upcoming communications. Look for more soon!

LNG-17
In 2013, LNG 17 will be the largest global gas event in the world, and it will be the largest gas industry event in the United States since 1988. Some 5,000 attendees are expected for LNG 17, and the 200,000 square foot record setting exhibition will attract thousands more. SGA is a member of the LNG 17 National Advisory Committee. For more information about LNG 17 contact Jay Copan, AGA.

SGA Blog
The SGA Blog is a great way to stay up-to-date on the latest industry information. Click here to visit the SGA blog.
### EVENT CALENDAR

**Accelerated Main Replacement Programs**
July 19, 2012  
Berkeley, MO - Laclede Gas Company  
More information

**Operating Conference & Exhibits**
July 23 - 25, 2012  
Fort Worth, TX - Omni Hotel  
More Information

Be sure to stop by the sold-out exhibit hall to see the latest products and services as well as the "811 Bike" and the "Chesapeake Chopper" - both are powered by natural gas. Click here to see an image of each bike.

2012 Breakouts

- Distribution Regulatory Compliance
- Transmission Integrity Management & Pipeline Construction, Operations & Maintenance
- Right of Way
- Safety Smart Practices
- Midstream
- Environmental Layman's Guide
- Underground Storage
- Chesapeake Barnett Shale Facility Tour
- Cross Bores

2012 Roundtables

- Distribution Construction, Operations and Maintenance
- Distribution Engineering
- Distribution Integrity Management
- Gas Control
- Legal
- LNG Operations
- Midstream
- Pipeline Construction, Operations & Maintenance
- Project Management
- Public Awareness and Damage Prevention
- Right of Way
- Supply Chain Management
- Transmission Integrity Management
- Transmission Measurement
- Underground Storage

Planning to attend the business mixer at the Rangers vs. Red Sox game? There are a limited number of tickets. Click here to reserve your ticket now. Questions: Member Services

**MAOP Validation Roundtable: Part of the AGA/SGA Transmission Best Practices Program**
July 25 - 26, 2012  
Fort Worth, TX - Omni Hotel  
More Information
Natural Gas Fall Workshop
September 10 - 13, 2012
Athens, AL - Leak City
More information

Fall Leadership Conference
September 17 - 19, 2012
Clearwater, FL - Hyatt Regency
More information

Introduction to In-Line Inspection: Safely Managing the Lifecycles of Pipelines
September 18 - 20, 2012
Tulsa, OK - T.D. Williamson
More information

NGV Operations Roundtable
September 20 - 21, 2012
Tulsa, OK
More information

Transmission Pipeline Design Workshop
November 6 - 9, 2012
Houston, TX - Williams Tower
More information

Register early! This workshop sells-out every year. Click here to download the registration form.

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**SURVEY OF THE MONTH**

Do you plan to attend the Operating Conference business mixer at the Rangers vs. Red Sox game?

- [Yes]
- [No]

SGA has a limited number of tickets to the Rangers vs. Red Sox game. Click here to complete the survey and reserve your ticket.
Hundreds of videos are available for SGA Network members at www.sganetwork.org. Simply log in, click on “Video Library” and enter the title you want to watch in the search bar. For assistance, contact Farlene Powell.

Safety Shorts Video Program
Each year, the Safety & Health Committee sponsors the Safety Shorts Video Program. This is an opportunity for SGA members to demonstrate one of their company's best safety practices. Participating companies will be recognized during the Safety & Health Roundtable that is a part of the 2012 Operating Conference & Exhibits. Click on a video to login to the SGA Network and begin viewing submissions from the 2012 SGA Safety Awards.

- Ergonomics - Williams
- Take Safety Home - Williams
- 360 Walk Around - Williams
- Vehicle Ergonomics - Dominion
- Snap Decisions, Short Cuts & Compliance - Dominion
- Abnormal Operating Conditions - Dominion
- Driving School: Ask Ken - Dominion
- Natural Gas Properties - CenterPoint
- Race to Zero Incidents - LG&E and KU
- Top 10 in Safety - PSNC
- Always Safe - Washington Gas
- Safe Driving 1 - SU (ETE)
- Safety Short 2 - SU (ETE)

SGA Network: Looking Ahead
SGA conducted fourteen SGA Network focus meetings over the first few months of this year. These meetings were very helpful in identifying areas for improvement for the Network. Areas include:

- Governance
  o Build a stronger committee governance structure
    ▪ Distance Learning Committee
    ▪ Network Programming Committee
    ▪ Professional Development Committee
    ▪ Technology Training Committee
    ▪ HR Section Managing Committee
- Communication
  o How we communicate, what we communicate and to who
  o Develop a newsletter
- Integration
  o Competencies
    ▪ Include Lominger model (more widely used by our members)
    ▪ Convert across all professional development offered by SGA (Leadership Development program; on-line programs; Network programs)
    ▪ Be consistent! (standardize)
  o Mapping content
    ▪ Across all professional development programs offered by SGA (Leadership Development program; on-line programs; Network programs)
    ▪ From our content to: 1) individual contributor; 2) supervisor; 3) manager; 4) high potential
  o Tip Sheets
    ▪ Help with application
- Integration with the SGA Committee Org Structure
  o Strengthen connection between SGA Committees and the Programming Committee
  o Better educate Committees about the Network as a resource

SGA is rapidly implementing these suggestions as staff and Network volunteers partner to deliver the rich content developed within SGA Committees, virtually through the Network. Look for more information in future newsletters.
GAS MACHINERY RESEARCH COUNCIL TRAINING

GMRC is a subsidiary of SGA. View all GMRC events.

Engine Analyzer and Reliability Workshop
July 17-19, 2012
Fort Worth, TX
More information

Gas Machinery Conference
September 30 - October 3, 2012
Austin, TX
More information