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GPA Approves New Mission Statement; New By-Laws and Dues Structure to Come

During their June meeting, the GPA Board of Directors adopted the following mission statement:

We are the primary advocates for a sustainable Midstream Industry focused on enhancing the viability of natural gas and natural gas liquids. We provide local, regional and global forums to develop standards, conduct industry research, educate our workforce and improve operational safety. As advocates, we work with legislators and regulators to promote a safe and viable Midstream Industry.

The new mission was developed by a task force working to revising GPA's mission, by-laws and dues structure. The group also provided the Board with an update on their other activities:

By-laws: Have begun to modernize and will continue altering to fit with other decisions made (such as dues structure and Board makeup). Bob Reis, (GPA General Council), is reviewing for accuracy and general updating, and the group will consider additional changes as needed from the mission statement and dues structure final products.

Dues structure: For the last several years it has been argued that GPA's current production of NGLs dues basis does not encompass the overall midstream activities that the association actually undertakes so the task is to develop an equitable and easily administered way to base GPA dues. The group is focusing on two major changes:

- Combine research funding into the GPA budget process. Currently, research is funded separately primarily by production based companies. Their annual amount varies depending on the projects approved and how many companies support projects. There is limited voluntary funding from international, associate and supplier companies, all of which benefit from the program. Research is a part of GPA's mission, so all members should share in the funding.
- Change dues basis from NGL production to midstream workhours. The workgroup is developing a structure that would minimize funding changes to companies while generally maintaining GPA's budget at revenue neutral.

Additionally, staff will work with the Safety Subcommittee to develop definitions to ensure cohesion with the current safety statistics solicitation.

The proposal is an exciting opportunity to strengthen GPA, but it also creates many issues that must be addressed including several potential unintended consequences that may develop. The group plans to present a proposal to the Board in October 2009 and with subsequent approval, begin the cycle to fund GPA with this new structure in January 2011.

LEGISLATIVE & REGULATORY AFFAIRS NEWS

For additional information on topics below or to get involved in GPA's legislative and regulatory activities, please contact Johnny Dreyer, GPA Director, Industry Affairs: jdreyer@GPAglobal.org.

The American Clean Energy and Security Act of 2009 (Cap and Trade)

GPA's advocacy efforts resulted in some positive changes in the House legislation. The definition of NGLs was simplified, and the point of regulation was clarified/simplified so that the owner of the NGLs at the point in which NGLs are separated into merchantable products will be required to hold the allowance (basically, whoever owns the NGL after fractionation, but before sale, is responsible for holding allowance).

The Senate is set to take up their version of the legislation. Senate Environment and Public Works Chair Barbara Boxer (D-Calif.) has indicated that she intends to introduce a climate change bill on Sept. 8, the day after Congress returns from its August recess. Harry Reid (D-Nev.), the Senate's majority leader, has set a Sept. 28 deadline for the committees to complete any legislation. Six different Senate committees are writing pieces of the climate and energy bill, ultimately leaving it to Democratic leadership to resolve differences.

GPA continues to work the issue through a workgroup comprised of LARAC members and their Washington representatives. While maintaining contact with the House Energy & Commerce staff, the workgroup has turned their efforts to the Senate activity. Even though the bill may not be introduced in the Senate until September, much of the groundwork is in progress.

GPA Needs Committee Members to Address FERC NOPRs

On July 16, FERC (Federal Energy Regulatory Commission) approved two Notices of Proposed Rulemaking (NOPRs) that impact the midstream community. Both items were on the consent agenda, both NOPRs were approved unanimously, and both were voted on without comment. LARAC leadership has determined that GPA should provide comments to these NOPRs (below is a summary of each). It is imperative that we have adequate resources to complete the effort. We are forming a workgroup of LARAC and Federal Issues Subcommittee members. Contact Johnny Dreyer (jdreyer@GPAglobal.org) to verify your participation.

Revised Contract Posting Proposal in RM09-2 (Gas Consent Agenda Item No. 1)

Comments are due 90 days after publication in the Federal Register. This suggests that comments will be due sometime in mid-October.

The Commission issued a proposal to require changes to the reporting requirements for intrastate pipelines that provide interstate services under section 311 of the Natural Gas Policy Act and for Hinshaw pipelines providing interstate services pursuant to section 284.224 of the Commission's regulations.

Specifically, the Commission proposed to:

- (1) require that transactional reports of transportation transactions be filed on a quarterly basis,
- (2) require that the reports include certain additional information (the rate charged, the quantity of gas involved, contract duration, receipt and delivery points, and any affiliate relationship) and also cover storage transactions as well as transportation transactions,
- (3) establish a procedure for the reports to be filed in a uniform electronic format and posted on the Commission's website, and
- (4) hold that those reports must be public and may not be filed with information redacted as privileged.

Revised Capacity Posting NOPR - RM08-2 (Gas Consent Agenda Item No. 2)

Comments are due 30 days after publication in the Federal Register. This means comments will likely be due by Sept. 1, which corresponds with the end of the Commission's August break. It also appears that the effective date

will still be 150 days after the final order in the proceeding. If that is the final outcome, this requirement will become effective no earlier than the second quarter of 2010.

The Commission's proposal contains much of the previously requested information and requires that this information be posted on a public website. As before, this standard still applies to "major non-interstate pipelines." The revised proposed regulations attached to the NOPR also clarify that points must be posted on the website within 45 days of becoming eligible for posting. This, in turn, suggests that point eligibility is based on a rolling three-year period as opposed to a calendar year.

In addition, the Commission also seeks additional comments regarding (1) proposals to post virtual or pooling points, (2) proxy design capacity where capacity is unknown and (3) exemption for de minimus gas flows even if such flows have a capacity above the proposed threshold.

GPA's Technical Section B – Analysis and Test Methods to Hold August Meeting

GPA's Technical Section B plans to meet Aug. 6-7 to address several work items, which includes completing work related to a gas chromatography precision statement and completing the revision of GPA 2261, in addition to ongoing work on GPA 2286, 2186, 2177, 2103 and 2198 (please see list below for titles of these standards). Section B routinely meets at least one day before the GPA School of Gas Chromatography to make progress on ongoing work items. As always, other technical sections are encouraged to do the same.

GPA 2261 - Method of Analysis for Natural Gas and Similar Gaseous Mixtures by Gas Chromatography
GPA 2286 – Tentative Method of Extended Analysis for Natural Gas and Similar Gaseous Mixtures by Gas Chromatography
GPA 2186 – Tentative Method for the Extended Analysis of Hydrocarbon Liquid Mixtures Containing Nitrogen and Carbon Dioxide by Temperature Programmed Gas Chromatography
GPA 2177 - Analysis of Natural Gas Liquid Mixtures Containing Nitrogen and Carbon Dioxide by Gas Chromatography, Standard Review
GPA 2198 – Selection, Preparation, Validation, Care and Storage of Natural Gas and Natural Gas Liquids Reference Standard Blends

GPA's Chapter Leaders Hold Another Successful Meeting

Leaders from all five of GPA's domestic chapters met in Albuquerque, N.M., in mid-July. This annual meeting has become a great tool for the chapters to share ideas, as well as successes and struggles. This year's meeting, led by the new Chapter Leadership Chair, Gary Sump of Mustang Gas Products, focused on:

- young professionals' involvement at the chapter level
- fundraising (tied to education and scholarships)
- involving chapters in supporting technical training through funds raised

To learn more about chapter activities in your area, please visit the GPA website and look for the "Chapters" link at the top of the page.

School of Gas Chromatography 2009

We're pleased to report that we have received a number of registrations for the GPA School of Gas Chromatography in the past few weeks, and the school is now full. A big "thank you" to all registrants and associated companies for your participation and support! Student packets will be mailed to all registrants next week.

Often times, an unexpected meeting, deadline or other issue leads to cancellation, so GPA is compiling a waiting list from registrations received once the school reached its capacity. If a cancellation occurs, we will fill the vacant spot from the list in the order in which registrations were received. If your name is on the waiting list and you do not get in this year, you will automatically be notified about the 2010 school dates and registration times once that information is available.

Questions about this year's school? Contact Kenny Wheat, kwheat@GPAglobal.org, or Judy London, jlondon@GPAglobal.org.



GPSA to Enhance Its Member Directory Listings

Our GPSA members provide invaluable services and supplies that help keep our industry going strong. Many of those are listed in the online GPSA Membership Directory, but unfortunately, there are too many categories in the directory, and those lists need to be pared down. GPSA is asking for a few volunteers to lead this effort, which, in the end will lead to a better online GPSA directory. If you are interested in helping with this project, please contact Johnny Dreyer, jdreyer@GPAglobal.org.

GPSA Editorial Review Board Mourns the Loss of One of Its Long-Time Members

Gustavo Soto Soto, an engineer for Petroleos de Venezuela SA in Caracas, Venezuela, passed unexpectedly on July 18. Gustavo was a member of the GPSA Data Book Editorial Review Board for 16 years and made many contributions to the GPSA Data Book, most notably his work on Section 12 of the twelfth edition, Pumps and Hydraulic Turbines. He will be missed by the GPA and GPSA families.

Dates to Remember

Sept. 1 - GPA's new Environmental Excellence Award application deadline. See details: www.GPAglobal.org/award_env_excellence.php.

Sept. 1 - Call For Papers deadline.

GPA/GPSA Calendar

For event location and additional details about meetings listed below, visit: www.GPAglobal.org/calendar.php

August

6-7 - GPA Technical Section B - Analysis & Test Methods Work Group Meeting

6 - Rocky Mountain GPA Western Slope Meeting

10-14 - GPA School of Gas Chromatography

TBD - MidContinent GPA Fall Membership Activity

September

9 - Rocky Mountain GPA Annual Meeting

October

13 - Houston GPA Annual Meeting and Scholarship Golf Tournament

November

5 - North Texas GPA Annual Meeting

March 2010

21-24 - 89th Annual GPA Convention

Gas Processors Association

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