



Via Email: GHGReporting@epa.gov

October 4, 2016

Mark de Figueiredo, J.D., Ph.D.
Climate Change Division
U.S. Environmental Protection Agency
Washington, DC 20460

Re: RY2016 Subpart W Sandbox Comments

Dear Mr. Figueiredo:

The American Gas Association (AGA) appreciates the opportunity to comment on EPA's draft revised "Sandbox" Subpart W reporting forms for Reporting Year 2016.

AGA, founded in 1918, represents more than 200 local energy companies that deliver clean natural gas throughout the United States. There are more than 72 million residential, commercial and industrial natural gas customers in the U.S., of which 95 percent — just under 69 million customers — receive their gas from AGA members. Today, natural gas meets more than one-fourth of the United States' energy needs.

AGA members have relatively limited questions and suggestions for the FY2016 Sandbox reporting forms.

1. Clarify "Facility" Boundaries and Related Reporting Requirements

First, for corporate families that include not only natural gas distribution operations but also transmission or other sectors of the value chain, it would be helpful to include instructions reminding reporters that the term "facility" is defined so that their natural gas distribution operations within a single state constitute one facility, while their intrastate transmission pipelines within the state constitute a separate "facility" for reporting purposes, and that similarly, if they operate an underground storage facility, they should report separately under Subpart W for that storage facility. This issue arises especially with regard to the requirement to report volumes of natural gas delivered to custody transfer stations. Member companies

have asked how to respond to the following set of questions where their company operates a combination of natural gas distribution, transmission, and gathering facilities.

Quantity of natural gas received at all custody transfer stations in the calendar year (thousand standard cubic feet)	Quantity of natural gas withdrawn from in-system storage in the calendar year (thousand standard cubic feet)	Quantity of natural gas added to in-system storage in the calendar year (thousand standard cubic feet)	Quantity of natural gas transferred to third parties such as LDCs or other transmission pipelines (thousand standard cubic feet)	Quantity of natural gas consumed by the transmission pipeline facility for operational purposes (thousand standard cubic feet)
[98.236(aa)(11)(i)]	[98.236(aa)(11)(i)]	[98.236(aa)(11)(i)]	[98.236(aa)(11)(iv)]	[98.236(aa)(11)(v)]

For example, for the first column, should such a company just include natural gas received at custody transfer stations bringing gas into a transmission pipeline? In the alternative, should they include all gas received at all custody transfer stations for the whole company (some of which flow directly to distribution mains, while others serve intrastate transmission pipelines which in turn serve either storage or distribution mains. For the second and third columns, if the storage is inside the LDC custody transfer station, how should the company answer these questions? In the fourth column, the quantity of gas transferred to third parties, should the integrated company report only transfers to unaffiliated interstate transmission companies or LDCs? In the fifth column, should the distribution “facility” report only the natural gas consumed by the distribution lines, and should the company report separately for the natural gas consumed by its intrastate transmission pipelines (a separate “facility”), and similarly by its natural gas compressor station facilities? Similar questions may arise in reporting blowdowns. As you can see, there are many facility “boundary” questions, and our members would appreciate clarifying instructions.

2. Align the Reporting Forms with Terms Used in Subpart W Regulations

AGA members noted that the calculation sheets in the FY2016 Sandbox are some confusing because they use terms that do not match the corresponding equations. While they believe the calculations are correct, the use of different terms causes unnecessary confusion.

Specifically, in the (q) leaks-3 tab there is a confusing use of terms in the spreadsheet that do not match the equations in the regulations. For example when entering the data for “Annual Volumetric Emissions from Previous reporting years” using Equation W-30, EPA is asking for “Tw,y avg” in cell C80, whereas Equation W-30 uses “Tp,z.” The term “Tw,y” is used in equation W-31. Also in cell C90 EPA uses the

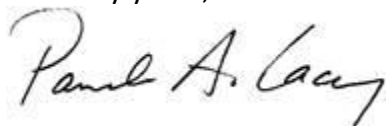
term “t” for year. In equation W-31 the term “y” is used for year. T is used for time. In addition, in cell C100, EPA uses the term “years t through z”. In Subpart W, Equation W-30, “z” refers to component and not years. The term “t” is also used in cells C136 and C147 to mean year and not time. I do not know how to best correct this since current year is not defined in the regulations. To avoid confusion, it would be better to align the terms in the reporting forms with those used in Subpart W.

3. In Future Rulemakings to Revise Subpart W, Eliminate Throughput & Stolen Gas

While we recognize that these reporting metrics are embedded in the current Subpart W regulations, we believe the reporting of natural gas volumes received, stored and delivered are unnecessarily duplicative of reporting under Subpart NN and do not provide any useful information for evaluating methane emissions from the system and can be misleading if the public does not understand, as EPA has long recognized, that such metrics are part of an accounting adjustment known as lost and unaccounted for (LAUF) gas which is not a reliable method for measuring natural gas emissions. In addition, the metric of “stolen gas” – also a subset of LAUF -- is burdensome to calculate (i.e. to estimate what portion of LAUF was actually stolen). We also believe the data may be inconsistent between reporters based on differing methods that companies track and report some of these totals (e.g. LAUF gas, stolen gas, and gas consumed by the LDC) based on methods approved by their particular state utility commission. Accordingly, since these metrics impose reporting burdens while providing no value for estimating methane emissions, we ask EPA to eliminate these reporting burdens at the next opportunity to revise Subpart W.

AGA appreciates the opportunity to comment. Please contact me if you have any questions.

Sincerely yours,



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