

NATIONAL ASSOCIATION OF STATE UTILITY CONSUMER ADVOCATES

Resolution 2016-01

Opposing the Use of Lost and Unaccounted for Gas to Measure Emissions

WHEREAS, the National Association of State Utility Consumer Advocates (NASUCA) is an association of 44 consumer advocates in 40 states and the District of Columbia, who are designated by the laws of their respective jurisdictions to represent the interests of utility consumers before state and federal regulators and in the courts;

WHEREAS, lost and unaccounted for (LUAF) gas as typically calculated by utilities is not an indicator or a reliable proxy to measure emissions from a natural gas delivery system because multiple associated factors do not provide the desired level of data accuracy and quality required and do not identify exact reasons for losses and unaccounted volumes;

WHEREAS, LUAF is an accounting mechanism used to reconcile the difference between the volume of measured gas coming into a utility distribution system and the measured gas going out of the same system, taking into account the line pack (the change in volume of gas contained by the system through pressure changes) and any consumption by the utility;

WHEREAS, the factors that contribute to LUAF include inaccurate or unresponsive customer meters or automated meter reading devices, theft of gas, pipeline replacement, gas vented from on-system liquefied natural gas (“LNG”) facilities, third party damages of company pipes, the impact of pressure or temperature reduction/compensation techniques used to ensure that gas is safely delivered to customers and utility use of unmetered gas and the constraints of utility accounting;

WHEREAS, LUAF, as currently defined by regulators, and reported by the local distribution companies, is neither an accurate representation of the amount of natural gas lost from the system nor an appropriate surrogate for methane emissions and therefore is inappropriate to use in determining matters of public policy and the safety or efficiency of natural gas delivery systems;

WHEREAS, the United States Environmental Protection Agency (EPA) also rejects the idea that LUAF could provide an indication or could be used to formulate policy on fugitive methane emissions in its Mandatory GHG Reporting Rule: “EPA disagrees on the use of LUAF as a surrogate for greenhouse gas emissions data collection ... there are other multiple factors associated with LUAF, such as inaccuracies of gas measurement, and thus would not provide the desired level of data accuracy and quality to achieve the objectives of [the reporting] rule. Most importantly, because LUAF would not identify the exact sources of the emissions, there would be further inadequacies for informing future policy. Finally, no current studies exist that accurately define the percentage of LUAF that is emissions from a system.”¹

NOW THEREFORE NASUCA RESOLVES

¹ U.S. EPA, *Mandatory Greenhouse Gas Reporting Rule Subpart W – Petroleum and Natural Gas: EPA’s Response to Public Comments (Nov. 2010)*, page 323, Comment Response No. EPA-HQ-OAR-2009-0923-1059-12, at http://www.epa.gov/ghgreporting/documents/pdf/2010/Subpart-W_RTC_part1.pdf

Without specifically taking a position on the merits of regulating distribution system emissions, NASUCA hereby resolves that Lost and Unaccounted for Gas should not be used to measure emissions from a natural gas delivery system because multiple associated factors do not provide the desired level of data accuracy and quality required and do not identify exact reasons for losses and unaccounted volumes.

BE IT FURTHER RESOLVED that NASUCA authorizes its Executive Committee to take appropriate actions consistent with the terms of this resolution. The Executive Committee shall advise the membership of any proposed action prior to taking such action, if possible. In any event, the Executive Committee shall notify the membership of any action taken pursuant to this resolution.

Approved by NASUCA:

Place: New Orleans, LA
Date: June 3, 2016

Submitted by:
NASUCA Gas Committee