

**NARUC** Bulletin

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The National Association of Regulatory Utility Commissioners (NARUC) is a non-profit organization founded in 1889. Its members include the governmental agencies that regulate utilities in the fifty States, the District of Columbia, Puerto Rico and the Virgin Islands. Specifically, NARUC's member agencies regulate the activities of telecommunications, energy, and water utilities. NARUC's declared mission is to serve the public interest by improving the quality and effectiveness of public utility regulation.

**COMMISSIONER NEWS****Honorable Tapped to Lead Anybody Can Serve campaign**

NARUC President **Frederick Butler** appointed Commissioner **Collette Honorable** of Arkansas to serve as Chairwoman of the Anybody Can Serve, So Let's Conserve Campaign. Commissioner Honorable, Co-Vice Chair of the Committee on Gas, replaces Commissioner **Mignon Clyburn** of South Carolina, who was confirmed to the Federal Communications Commission (see story, page 6).

**Appointments**

Commissioners **Sandra Kennedy** of Arizona and **Rob Berntsen** of Iowa have been appointed to the Committee on Electricity.

Commissioners **Kevin Gunn** of Missouri and **Kenneth Hill** of Tennessee have been appointed to the Committee on Water.

Commissioner **Geoffrey Why** of Massachusetts has been appointed to the Committee on Telecommunications.

Commissioner **Zia Mian** of Jamaica has been appointed as an observer to the Committees on International Relations, Critical Infrastructure and Gas.

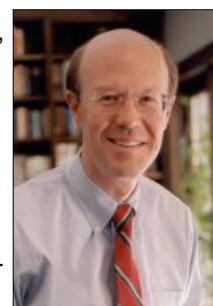
**RFP for December Climate Conference Extended**

Due to requests, the deadline for submitting papers for the Dec. 2-4, 2009, climate conference is being extended to Aug. 31. The Request for Proposals for the "Utility of the Future in a Carbon-Constrained World" conference has been modified to reflect this extension and clarify minor changes to submission requirements. Notification of accepted papers will be sent out by Sept. 15.

The modified RFP is available online at [www.naruc.org/climateconference](http://www.naruc.org/climateconference). For additional questions, please contact Bevan Flansburg at [bflansburg@naruc.org](mailto:bflansburg@naruc.org).

**LETTER TO THE EDITOR**

After 20 years as a State commissioner, I just proposed my first NARUC resolution ("Resolution Supporting State Regulation of Hydraulic Fracturing," passed by NARUC Board of Directors July 22, 2009). Another principal author is Dana Murphy, Oklahoma's newest commissioner, who has over 20 years of experience as a geologist and attorney. The resolution passed the Gas Committee during the Summer Committee Meetings after deliberation and discussion. Thereafter, it was thoroughly discussed by the Board of Directors prior to passage. Importantly, the amendments adopted by the Board support State regulators continuing to exercise their expertise in overseeing the use of hydraulic fracturing.



Commissioner Anthony

For several reasons NARUC can be proud of its resolution supporting State regulation of hydraulic fracturing, a completion technique used in the vast majority of modern oil and gas wells.

First, misinformation has created some controversy on the topic and this timely and authoritative statement by NARUC will help truthful scientific analysis prevail.

Second, with this resolution NARUC pressed itself to look beyond its traditional utility commission concern for fair rates and considered what makes domestic natural gas production abundant and affordable. We treated "energy reliability" broadly by ad-

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*STRICKLING, continued from page 1*

From there, Siefert said, States will receive a very strong set of applications that they should then rank and prioritize to the extent that they meet their needs. If projects cross State lines, NTIA will consult all the impacted States for their views.

In addition, Administrator Strickling said States will probably not have a chance to review each application filed. This is why NTIA will perform an initial screening of the applications to determine the most viable, he said, to save States' time and resources.

On the issue of broadband mapping, Administrator Strickling said he expects broadband-service providers to begin sharing data with State and federal governments so agencies can determine where broadband service exists, and where it does not. "This data is going to be collected, one way or another," he said. "I'd urge industry to sit with the States now because we're going to get it. This is too important for a national goal, so the data will get collected."

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*ANTHONY, continued from page 2*

dressing water issues and the ultimate deliverability of a fuel used for both electric generation and gas heating. In effect, NARUC said we care about State regulation of natural gas production because securing adequate supply is essential to the distribution of both electricity and natural-gas service. NARUC realizes shale gas is the fastest growing component of domestic natural gas production. Continued development of this unconventional source of natural gas is critical to NARUC's long-term goals of providing safe and reliable utility service at just and reasonable rates while reducing our reliance on imported energy.

Those new to this science may derive comfort from learning that hydraulic fracturing has been utilized in completing Oklahoma oil and gas wells for 60 years in tens of thousands of applications with no known case of drinking water contamination. This oil and gas well completion technique primarily uses 99 percent sand and water. The remaining fluid contains additives found in soaps, detergents, cosmetics, medications and chemicals that are commonly used by households.

Not to be confused with coal-bed methane, which is developed at shallower depths, shale gas formations typically occur thousands of feet below the surface, well below fresh water tables. Unlike most other States, Oklahoma's Corporation Commission regulates oil and gas drilling, production and environmental compliance in addition to having jurisdiction over public utilities. In Oklahoma, we regulate from the well bore to the burner tip! We feel State regulation can best deal with differences in geology, hydrology, climate, local water availability, and any land-use emergencies that may occur. Additionally, because our field offices have expertise and local knowledge, we can respond more quickly than any federal agency to issues that require immediate regulatory attention. Our State agency stands ready to explain our oil and gas and environmental rules and practices to regulators from other States.

Oklahoma and the other oil- and-gas producing States have a longer history and greater expertise than the U.S. Environmental Protection Agency in effectively regulating oil and gas operations, as the EPA normally deals more with waste disposal than energy exploration and production techniques.

In 2002, the EPA Administrator and the leadership of the Interstate Oil and Gas Compact Commission entered into a Memorandum of Understanding which created the MOU Task Force charged with promoting the protection of the environment in a cost-effective manner, minimizing duplication, increasing efficiencies, enabling the exchange of information and expertise, and increasing communication. I am a member of this Task Force, which currently includes 10 decision-making-level career officials from the EPA. Based on personal discussions, I believe these EPA senior officials, who are knowledgeable about oil and gas regulations, do not feel hydraulic fracturing has been a threat to fresh water supplies nor do they see a need to expand federal regulations in this area.

It is interesting to note that as NARUC moves forward studying carbon sequestration and geologic storage of carbon, we will find that hydraulic fracturing techniques will most likely be required to prepare geologic formations for carbon storage. Our diligence now with these matters will prove even more useful in the near future as we continue to apply the proven technology of hydraulic fracturing to reducing our carbon emissions.

**Bob Anthony, Chairman**  
**Oklahoma Corporation Commission**