



AMERICAN PUBLIC GAS ASSOCIATION

August 16, 2022

Ms. Vanessa Countryman
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

*Submitted via Commission's internet comment form
(<https://www.sec.gov/rules/submitcomments.htm>)*

Re: Comments in Response to the Proposed Rule Regarding “Enhanced Disclosures by Certain Investment Advisers and Investment Companies About Environmental, Social, and Governance Investment Practices” [File Number S7-17-22]

Dear Ms. Countryman:

The American Public Gas Association (“APGA”) appreciates the opportunity to submit comments in response to the Securities and Exchange Commission’s (“SEC” or “Commission”) Proposed Rule regarding “Enhanced Disclosures by Certain Investment Advisers and Investment Companies About Environmental, Social, and Governance Investment Practices” (“Proposed Rule”). The Proposed Rule outlines new requirements for registered investment advisers, certain advisers that are exempt from registration, registered investment companies, and business development companies, to provide additional information regarding their environmental, social, and governance (“ESG”) investment practices. These proposed requirements have the potential to impact many entities beyond those listed in the notice, including APGA members. Accordingly, we offer the below comments for the Commission’s consideration.

APGA is the trade association representing more than 730 communities across the U.S. that own and operate their retail natural gas distribution entities. These include not-for-profit gas distribution systems owned by municipalities and other local government entities, all accountable to the citizens they serve. Public gas systems focus on providing safe, reliable, and affordable energy to their customers and support their communities by delivering fuel to be used for cooking, clothes drying, and space and water heating, as well as for various commercial and industrial applications.¹

Community support and quality service are the mandates for APGA members. A not-for-profit public gas system gives local control over how energy is provided to homes and businesses. Instead of being made in a distant city, decisions are made at the community-level by people who appreciate local issues and are focused on sustainability, safety, reliability, and affordability. Public gas systems are regulated by their consumer-owners through locally elected governing boards or appointed officials, which are accountable to the citizen ratepayers they serve and removable by them. Also, APGA member’s environmental stewardship efforts should not be discounted. Many are making significant investments to use more renewable natural gas (RNG) and focus on emissions reductions, such as through enhanced leak detection.

As the SEC works to finalize amendments to certain forms and associated rules to facilitate enhanced

¹ For more information, visit www.apga.org.

disclosure of ESG issues to clients and shareholders, it must recognize that APGA members are working hard on environmental and sustainability activities, as well as emphasizing good governance practices. While the SEC's Proposed Rule does not directly impose new requirements on public gas utilities, we are concerned that our members might be perceived as not caring about ESG. As a part of the natural gas value chain, which does contain SEC-regulated entities, communities with public gas systems could experience impacts from the Proposed Rule, including possible higher costs passed on by upstream entities who bear the direct burden of changes, such as enhanced reporting requirements. Accordingly, this new financial impact will be borne by APGA members and ultimately the communities they serve, which are not even regulated by the Commission.

APGA has no issue with the SEC's goal to create a consistent, comparable, and decision-useful regulatory framework for ESG advisory services and investment companies that will help to inform and protect investors while facilitating further innovation. However, we ask that such a framework encompass appropriate recognition of the important efforts of public gas utilities, in partnership with all in the natural gas value chain, to provide sustainable energy in an environmentally friendly way while practicing good governance.

Thank you for the review and consideration of these comments. If you have any questions regarding this submission, please do not hesitate to contact me.

Respectfully submitted,



Dave Schryver
President & CEO
American Public Gas Association