

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

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REGULATORY
COMMISSION

Natural Gas Price Formation

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Docket No. AD03-7-000

COMMENTS FOLLOWING STAFF TECHNICAL CONFERENCE OF

**NATURAL GAS SUPPLY ASSOCIATION
and
INDEPENDENT PETROLEUM ASSOCIATION OF AMERICA**

**PROCESS GAS CONSUMERS GROUP,
AMERICAN IRON AND STEEL INSTITUTE,
GEORGIA INDUSTRIAL GROUP,
INDUSTRIAL GAS USERS OF FLORIDA,
FLORIDA INDUSTRIAL GAS USERS
and
NEW JERSEY LARGE ENERGY USERS COALITION**

Pursuant to the procedures established at the Federal Energy Regulatory Commission ("Commission" or "FERC") Staff Technical Conference held on April 24, 2003, ("Conference") in the above-captioned proceeding, the Natural Gas Supply Association ("NGSA"), the Independent Petroleum Association of America ("IPAA") (collectively, the "Producers"), and the Process Gas Consumers Group ("PGC"), American Iron and Steel Institute ("AISI"), Georgia Industrial Group ("GIG"), Industrial Gas Users of Florida ("IGF"), Florida Industrial Gas Users ("FIGU"), and the New Jersey Large Energy Users Coalition ("NJLEUC") (collectively the "Industrials") hereby submit comments on the issues raised at the Conference.

I.

Introduction And Executive Summary

Situated as we are, at either end of the natural gas supply chain, the producers and the industrial end users represent two major sectors of the natural gas industry. We join together in these comments to address the Commission's concerns over the robustness of the natural gas price reporting system and to support the Commission's leadership in ensuring market transparency. As more fully set forth below, the Producers and the Industrials take this opportunity to:

- Acknowledge the importance that gas price indices play in the proper functioning of the gas market.
- Condemn any efforts to manipulate the price indices.
- Encourage efforts to punish those found guilty of manipulation of the price indices.
- Recognize that inappropriate actions by a few reporting parties have undermined confidence in the gas price reporting system.
- Recognize that appropriate steps are necessary to bolster confidence in the price indices.
- Support a stakeholder-led solution.
- Support FERC's efforts to prod industry to arrive at a balanced, workable framework for natural gas price reporting with all due speed.
- Request that FERC host a one-day technical conference/workshop to educate the gas industry about third party data collection entities used to collect price data for other commodities.
- Urge FERC to continue to exercise its oversight authority to ensure natural gas market transparency.

II.

The Natural Gas Prices Indices: The Historical Context, The Current Landscape And A Call For Objective Assessment

In the past 20 years, Congress and the Commission have led the natural gas industry into a new era, governed by a fundamentally different regulatory framework. This evolution has seen the gas industry move from one of strict command and control regulations to a more free-market environment, with regulations still in place to protect consumers from the exercise of market power where natural monopolies exist. The repeal of wellhead price controls, the resulting commoditization of natural gas, the reforms that opened up the interstate grid and the increased number of industry participants, taken together, have resulted in a sea change in the natural gas landscape since the days of area rate cases and the *Phillips*¹ decision.

In any industry, transitions of this magnitude rarely occur without bumps along the way, and to our collective credit, industry and the Commission have worked together to find solutions. The recent concern in the natural gas markets due to actions of a few traders in trying to manipulate price indices is one such bump in the “development of North American natural gas markets and the technologies behind the business of trading.”² The bump needs attention, but we have yet to be convinced that recent events should trigger either wholesale rejection of the current reporting mechanisms or imposition of a federally managed data collection and index reporting system.

Make no mistake – we understand that there have been problems and we understand that these problems need to be addressed. But in addressing these problems, Producers and Industrials urge that our discussions continue to be grounded in and proportionate

¹ *Phillips Petroleum Co. v. Wisconsin*, 347 U.S. 672 (1954).

² “Natural Gas Week’s Price Methodology”

to the reality of the events that have led us here. We believe we can work together to devise a balanced solution that does not roll back the benefits of 20 years of successful deregulatory steps, while still putting in place workable protections that ensure the accurate reporting of price data.

This is the reality of the events: A few traders attempted to manipulate the price indices through false reporting of gas price sales information to private index publishers. Of those, two have been convicted and two more have been indicted for wire fraud and assorted other federal charges (not involving violations of the Natural Gas Act), stemming from false reporting.³ The federal regulatory structure combined with our judicial system is working, as it should, to ferret out those who may have intentionally misreported to the price index publishers and to bring those found guilty of such acts into the criminal justice system.

Moreover, these events have focused attention on the gas price reporting process. Although a final solution is not yet in place, there is a tremendous amount of time and effort being expended in finding such a solution. Although we may not agree with all of the comments offered at the Conference or with all of the solutions being proposed, we note that, in the wake of recent developments, the index publishers as well as the entire gas industry are taking a fresh look at all of the gas price collection and reporting mechanisms.

³ See "Former Enron Power Trader Pleads Guilty to Wire Fraud," *Gas Daily*, Feb. 5, 2003, at 5; "U.S. Attorney Subpoenas California ISO For Data On Trading Activities," *Global Power Report*, Feb. 27, 2003, at 10; Michelle Davis, "Debate Starts On Natural Gas Pricing Reform," *The Houston Chronicle*, Apr. 22, 2003. It is also worth noting that the false reporting to the index publishers was not, as was the case of the false reporting on electricity pricing, for the purpose of defrauding consumers.

For example, the Committee of Chief Risk Officers has devoted substantial time and effort in devising a framework to address the recent concerns.⁴ Third parties, such as the University of Houston, have offered to act as either the data collection clearinghouse, the compiler of the price indices and/or to perform audits of those who provide gas-pricing information. Other third parties that are already participants in the market, such as NYMEX and ICE, have devoted time and effort to analyze ways in which they might provide additional services, such as price collection and index reporting. The current publishers of the gas price indices, such as Platts (*Gas Daily*), Energy Intelligence Group, Inc. (*Natural Gas Week*) and Intelligence Press, Inc. (*Natural Gas Intelligence* (“NGI”)), have devoted substantial time and effort in trying to improve the standards under which parties report to the trade publications and have issued revised protocols for reporting parties.

A number of major industry trade associations, such as those represented in these comments and others who participated in the Conference, have also devoted substantial resources and efforts to understand the solutions being proposed; in seeking ways to encourage an industry-led process; and in understanding new concepts, such as a Self-Regulating Organization (“SRO”) or other third party data collection entity. These efforts are continuing, even as these comments are being filed.

Given the usual diversity of opinion on any important issue in our industry, the fact that there is alignment on several key points surrounding the discussion of gas price indices is nothing short of stunning:

⁴ See Committee of Chief Risk Officers, “Best Practices for Energy Price Indices” (Feb. 27, 2003).

- There is universal agreement that it is necessary to bolster confidence in the gas price indices in order to encourage and promote market transparency and liquidity.
- There is almost universal agreement that an industry-led solution is appropriate.
- There is almost universal agreement, echoed in comments by Commissioners and Staff, that the ultimate answer does not lie in a government takeover of the process.
- There is also universal agreement that FERC has a significant role in this debate and in overseeing a solution.

However, in the midst of these ongoing discussions, Producers and Industrials urge the Commission and the industry not to lose sight of the fact that the price indices have worked well in the past and can, with appropriate attention, work well again. As Mr. Stice noted at the Conference, it is time to tone down the rhetoric. Progress has been made. More progress is necessary. As the publisher of one of the price indices has stated, the collection and publications of the price indices “is not an easy job,” however, they have “grown up in the gas market” and have “learned its quirks and nuances” along the way. *Platts* has been publishing price data for more than 15 years, *Natural Gas Week* for more than 17 years and *NGI* for nearly 20 years. These companies have been significant participants in the sea changes of the last two decades and we should allow them to continue applying their experience and knowledge to improve their processes, while we explore other alternatives in case additional measures are deemed necessary.

III.

Framework For The Future: Governing Principles

The FERC Staff has articulated four minimum standards for price index formation to represent an accurate reflection of the market:

- Confidence in the accuracy of price reporting;
- Adequacy of coverage;

- **Information about market liquidity; and**
- **Verifiability.**

The Producers and Industrials agree with these standards and further believe that, regardless of the shape of the solution, the ultimate goal of this process is to ensure that these standards are reflected in whatever mechanism is used to collect and report natural gas pricing information. In addition, as we have previously stated, we also believe that any revised data collection process should also be constructed on the following principles:

The companies submitting data to the indices should:

- a) **Include all reportable cash transactions, described as those that allow the index developer to correctly represent the natural gas cash market concerning volume, price, location, transaction date, term, and buy/sell indicator;**
- b) **Report each transaction separately (not aggregated);**
- c) **Report through an employee — independent of those in the company who would have a direct, personal interest in the price reported — who will collect, review, and transmit the price information to the index developer;**
- d) **Perform periodic internal or external audits or otherwise provide sufficient assurance on their control process; and**
- e) **Have and strictly adhere to a corporate code of conduct or code of ethics that requires and promotes the spirit and intent of accurate, honest and comprehensive reporting of reportable transactions by their employees.**

In addition, we also recommend that in order to avoid the potential or the perception of index manipulation, and to improve index accuracy, completeness, and transparency, index developers should:

- a) **Expand data collection for all price points to be as comprehensive as possible, and to publish in a timely manner;**
- b) **Publish all volume data or alternative measures of liquidity for all reported price points;**

- c) Clarify and disclose to index users a description of the methodology used to develop the various indices; and
- d) Perform periodic internal or external audits or otherwise provide sufficient assurance on their control process.

As with any set of principles, the challenge comes in turning the principles into specific proposals. In this vein, we discuss below three issues that have emerged in the discussions to date that we believe warrant additional comment.

IV.

Framework For The Future: Counterparty Information

Producers and Industrials continue to object to any proposal that mandates the reporting of counterparty information, and consider this an alternative of true last resort. As a fundamental threshold matter, contracts for the sale and purchase of natural gas are freely negotiated, private arrangements that contain commercially sensitive information. As such, the presumption should be that these contracts remain private between the parties who negotiated them, absent a demonstration that the disclosure of this information is absolutely critical for the proper functioning of the gas price indices. In fact, many contracts contain confidentiality provisions that prohibit parties from divulging the terms of natural gas sales contracts.⁵

At the Conference, the question was framed as “why do we object to the reporting of counterparty information?” Given both the Commission’s and the courts’ long-standing view of the sanctity of contracts, we argue that the question must first and foremost be framed as “Is it necessary for non-jurisdictional parties to divulge the details of their private contracts?” To date,

⁵ Obviously, to the extent that a reporting party is contractually free to report the details of its contract, any party that voluntarily chooses to report counterparty information to the index publisher should be able to do so. However, absent an agreement between the contracting parties allowing disclosure of the contract terms, these terms should remain private.

the answer is “no.” We do not believe that a threshold showing has been made that this information is necessary.

a. Counterparty Information Is Competitively Sensitive

Competitive concerns are paramount. There are many competitors in the membership of the associations sponsoring these comments – the producers compete with each other; the steel companies compete with each other, the chemical companies compete with each other, the clay and stone manufacturers compete with each other, and so on. Although these companies share common natural gas policy goals, they are fierce competitors within their respective sectors, and are uniformly concerned about the details of their gas sales and/or purchase arrangements being divulged to third parties. In sum, Producers and Industrials are concerned that the disclosure of contract terms could lead to anti-competitive behavior among industry participants.

For producers, the concern is that the arms length transaction negotiated between seller and buyer could be compromised.

For end users, the concern is also about competition. For example, two of the PGC companies produce home care products (diapers, tissues, and so forth). These two companies are so sensitive to gas contracting information that one company does not even want the other one to know how much gas it uses in its manufacturing processes, much less any additional information regarding the pricing terms of the contracts. This extreme sensitivity might, at first blush, appear to be wholly irrational or even paranoid. However, these concerns over disclosing internal cost data are firmly rooted in the reality of a highly competitive industrial environment where a company’s success or failure can turn on relatively small margins across the manufacturing inputs costs, including the cost of natural gas. Industrials fight every

day to maintain and improve their competitive position, as well as their profit margin, and view anything that might undermine these efforts with profound skepticism and outright distrust.

We are not alone in these views. In fact, in addition to recognizing the sanctity of private contracts, the Commission has previously sanctioned such concerns over the release of gas sales information and has explicitly stated that “gas sales price information can be competitively sensitive,” in contrast to transportation rates and terms and conditions which “stand on a different footing,” and “must be publicly available.”⁶

We fully understand that those who advocate the mandatory reporting of counterparty information generally intend that this information will be kept confidential by the entity collecting the information. Nonetheless, given the degree of commercial sensitivity of the information, we are extremely concerned whether that confidentiality, either can or will be maintained, and is an unfair and likely costly burden for publishers of price indices. In response to the parties who call for disclosure of this information, on a confidential basis, we invite further discussion as to how the proponents of this view intend to protect this extremely sensitive data from disclosure.

In addition to our fundamental concerns discussed *infra* regarding whether a government agency is or could be sufficiently nimble to collect and analyze gas price data on a daily basis, we also have concerns with this information being contained in a government database. For example, in the recent California proceedings, AEPCO non-public filings with the

⁶ *Natural Gas Pipeline Co.*, 69 F.E.R.C. ¶ 61,029, at 61,119-20 (1994); *ANR Pipeline*, 65 F.E.R.C. ¶ 61,280, at 62,305 (1993). Additionally, the Commission has noted that while confidentiality “may be appropriate for sales data, particularly non-jurisdictional sales data, [it] cannot control for transportation where the pipeline is recognized to have a monopoly.” *Natural Gas Pipeline*, at 61,120.

Commission were inadvertently posted on FERRIS.⁷ Although inadvertent, the fact remains that this confidential information was posted on a public website.

In addition, information reported to FERC would be subject to a Freedom of Information Act ("FOIA") request. When a request is submitted for a document that has been previously deemed confidential, the regulations require the agency making the determination as to whether it will be released to provide notice to the original submitter of the information, and give the original submitter at least five days in which to comment in writing on the request for the disclosure. This is undoubtedly a burdensome process for the submitter of the confidential information, particularly for smaller producers and smaller industrials, and we are very concerned that this will saddle submitting parties with the potential burden of repeated fights to maintain the confidentiality of this data.

Even if this information is obtained and maintained by an independent third party under a promise of confidential treatment, and notwithstanding the legal precedent that we believe argues for confidential treatment, we remain concerned as to how individual courts would evaluate issues of competitive harms in the event that suits for disclosure of counter-party information arise.

Moreover, as to inadvertent disclosure, strong confidentiality agreements with significant damages for breach would be needed. It is unlikely that reporting agencies would be willing to sign an agreement with the level of penalties for violations or breaches that would be necessary to provide adequate confidence to those providing counterparty information.

⁷ *Fact-Finding Investigation into Possible Manipulation of Electric and Natural Gas Prices*, Order of July 5, 2002.

b. The Details Of Natural Gas Contracts Remain Commercially Sensitive For Relatively Long Periods Of Time

In addition to the competitively sensitive nature of the information is the fact that the sensitive details of gas purchase and sales contracts have a long shelf life. This information will not quickly become stale and will have continuing competitive qualities for many months. This, for example, is a very different situation from the data that comprises the weekly storage report.

The information that goes into the compilation of the gas storage report is extremely sensitive until the moment when the gas injection/withdrawal number is released for a given week. At that instant, the information that went into the calculation of the number becomes stale and the only number of real importance is the reported total injection/withdrawal number.

Not so with the information that comprises the price index for each of the 70 or so pricing points. A contract that is entered into today for the sale and purchase of natural gas is competitively sensitive today and continues to be competitively sensitive for the life of the contract, and perhaps beyond. It will certainly not be stale tomorrow after the index price is published, and in fact, may never grow stale.

c. The Reporting of Counterparty Information Is Not Necessary

The only concrete reason provided at the Conference for the reporting of counterparty information was to prevent parties from conducting wash trades for the purpose of manipulating the market. Producers and Industrials agree that such wash trades are inappropriate and should be prohibited. We agree that companies should be penalized if they engage in this practice. We also note that many of the companies that were apparently engaging in wash trade transactions are no longer in the marketing/gas trading business. Those that are still involved

have been instructed to prove to the Commission that they have their own houses in order and will not be engaging in such activities in the future. Given these facts, along with the unfavorable attention that has fallen on those who have admitted to engaging in such practices, we question whether a company would take such a risk in the future.

Against this backdrop and the continued scrutiny of this practice, Producers and Industrials believe that sufficient steps have already been taken to prevent wash trades and do not believe that the reporting of counterparty information is necessary as a further deterrent, particularly in light of the competitively sensitive nature of the information. In addition, the use of buy/sell indicators could also serve as a further check on wash trade transactions, thus providing additional protection for the price reporting mechanisms, without going so far as to require the reporting of counterparty information.

Also, as discussed above, the price survey publishers have already taken steps to improve their data collection process, the number of reporting parties is on the rise⁸ and discussions regarding further improvements are ongoing. Moreover, although the industry may not yet be able to determine if these efforts are sufficient, Producers and Industrials do believe that the efforts by the trade publications to improve their reporting protocols and the increase in the number of reporting parties all improve the quality of the indices.

⁸ For instance, Platts has stated that over the last three months it has experienced “a sharp rebound in the amount of trading activity reported to Platts, and a fundamental improvement in the quality and reliability of reported data.” *Natural Gas Price Formation*, Docket No. AD03-7-000, “Comments of Platts on Price Reporting and Index Formation,” at 1 (filed April 23, 2003). Platts stated that for the April 2003 monthly survey, the number of reported transactions was up 94% since November 2002, when reported transactions were at their lowest, and volumes were up 64%. *Id.* at 2. Platts also reported an increase in the transactions and volumes for its daily survey. *Id.*

In the meantime, and also as noted above, the industry is exploring other alternatives, from enlarging the scope of responsibilities of ICE or NYMEX to investigating the viability of an SRO or other third party organization. Although it remains to be seen whether these additional steps are necessary, the industry needs to improve its understanding of the manner in which these third party entities operate. For example, we understand that there are third party entities that collect pricing data on other commodities that do not require the reporting of counterparty information.

Before leaping on the reporting bandwagon, we urge the industry to examine the changes already proposed in the existing publications. The stakeholders are actively exploring all of the options. We are evaluating the improvements in the reporting protocols of the existing index publishers. We are learning more about SROs and other third party data collection options. In sum, we are working hard toward reaching an industry solution. While we fully understand the need to proceed quickly to bolster confidence in the price indices, Producers and Industrials are also mindful that a hasty decision could lead to a solution that is out of proportion to the problem.

In this vein, even if the stakeholders ultimately determine that access to counterparty information is the only solution to ensure the continued viability of the gas price indices, the Producers and the Industrials suggest that the industry explore other more limited options rather than broad wholesale reporting requirements. As an alternative, we urge the industry to consider granting an index developer the right to conduct spot checks and request counterparty information when reported data is suspicious or questionable.

However, absent such suspicious data, the Producers and the Industrials urge the Commission and the industry to explore fully the need for mandatory reporting of counterparty

information, to seek a solution that appropriately balances the needs and concerns of all parties and to refrain from leaping to the conclusion that the mandatory reporting of counterparty information is the only way to address the current concerns with the reporting mechanisms.

V.

Framework for the Future: Independent Third Parties As Data Collection Entities

Although we still believe that an industry-led solution within the existing framework of privately run data collection and price reporting entities is possible, we recognize that it may be necessary to take additional steps to bolster the confidence in the gas markets. If further steps are necessary, we believe that a voluntary reporting to an independent third party organization may provide a viable alternative. At the Conference, the Producers and the Industrials appreciated hearing about one type of third party entity, the SRO, and gained valuable insights from those discussions. Based on additional information we have gathered since that conference we are somewhat concerned that an SRO, as constituted in other industries, may be too complex for the needs of the natural gas industry.

Nonetheless, regardless of the label attached to the entity, we are intrigued by the discussions we have heard to date about this concept. There are, however, a number of questions regarding the operation of third party entities in other industries that warrant further explanation and assessment. In order for the Commission and the industry to evaluate more completely whether an SRO or some other less complex form of third party entity would be appropriate for the natural gas industry, we request that FERC sponsor a one day workshop on the topic. We suggest that the Office of Market Oversight and Investigations ("OMOI") invite representatives from either academia or the third party price collection entities from other industries to conduct informational training sessions in which each participant comes prepared to give an overview of

how its third party organization operates. Ideally, those who present information at this workshop would be invited to share their wisdom, not to sell their products.

In particular, we would appreciate additional information on third party data collection entities, including answers to the following questions: who participates; whether participation is voluntary or mandatory; how the entity is funded (both for initial start up costs as well as ongoing expenses); whether counterparty information is required, and if not, how the data collection process is verified without it; whether the government or some other entity has oversight authority over the data collection entity and if so, both the derivation of this oversight authority and an explanation of how it is exercised; whether the third party entity was developed through industry consensus or mandated by statute; whether the third party entity has audit capability and if so, the details of the triggers for an audit and if not, whether there is any audit capability lodged with another entity; and the role of the federal government in the day-to-day operations of the third party entity.

In order to maximize the usefulness of such a workshop as a learning exercise for the industry as well as the Commission, we further request that a significant portion of the workshop be devoted to informal questions and answers.

VI.

Framework for the Future: The Commission's Role

We continue to believe that the gas price data collection and index reporting functions should not be taken over by the federal government. As a threshold matter, we do not believe such a drastic step is necessary. Frankly, this is not the proper role of the government. Moreover, we are concerned that a federal agency may not be sufficiently nimble to collect and analyze this amount of data on a daily basis. We have watched EIA struggle with the data collection and reporting of the weekly storage report – a report that is released once each week

and results in the reporting of one net injection/withdrawal number. Given the fact that the gas price collection and index reporting function involves the collection of data on a daily basis from hundreds of sources and, in order to be useful, must result in the daily publication of pricing information for some 70 pricing points, we are skeptical as to whether any federal agency is adequately staffed or technologically prepared to take on this responsibility. If an agency were to take it over, and was inadequately prepared, the consequences to the natural gas industry could be far-reaching and very damaging.

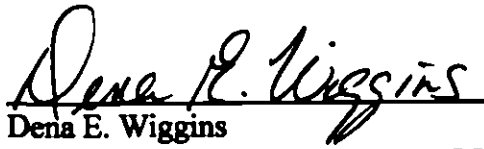
Based on public comments to date, and given the existing workload, we also see no evidence that either the Commission or another agency is clamoring for this additional responsibility.

This is not to say that the Commission has no role in this process. Quite to the contrary, FERC has already played an enormously important role and will continue to do so. It was in a Commission proceeding that it first came to light that wash trades and other such transactions were being reported. In addition, FERC actively solicited information regarding the reporting practices. Further, the Commission hosted the Conference to receive testimony and input from interested parties. Most recently, the Commission issued an order requiring 11 companies who have previously either admitted to false reporting or have responded to Commission staff inquiries regarding their reporting practices, to either demonstrate that they no longer sell gas or that they have corrected their internal process for reporting data to the indices.⁹

⁹ *American Electric Power Co.*, 103 FERC ¶61,089 (2003).

We welcome and encourage the Commission's continued use of its powers and its good offices to prod the industry into action and to continue to oversee the natural gas markets. We stand ready to work with others in the industry and with the Commission to address these issues and look forward to arriving at an industry-led solution that bolsters the confidence in the gas price indices.

Respectfully submitted,



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And

*Process Gas Consumers Group,
American Iron and Steel Institute,
Georgia Industrial Group,
Industrial Gas Users of Florida,
Florida Industrial Gas Users and
New Jersey Large Energy Users Coalition*

May 15, 2003

APPENDIX

Identification of Parties Sponsoring Comments

Producers

The NGSA represents integrated and independent companies that produce and market natural gas in the United States. Established in 1965, NGSA encourages expanded use of natural gas and supports regulatory and legislative actions that foster competitive markets.

IPAA is the national trade association that represents thousands of independent crude oil and natural gas explorers and producers located throughout the United States. IPAA's members produce approximately two-thirds of the gas used in the United States, and drill between 75 and 85 percent of the domestic wells. IPAA is based in Washington, D.C. and operates in close cooperation with national, state and regional associations, which represent diverse segments of the domestic oil and gas industry. IPAA is dedicated to ensuring a strong, viable domestic oil and gas industry, recognizing that an adequate and secure supply of energy is essential to the national economy.

In total, the membership of NGSA and IPAA represents 90% of the natural gas production in the United States.

Industrial End Users

PGC is an association of industrial gas consumers, organized to promote the development and adoption of coordinated, rational, and consistent federal and state policies with respect to gas service to industrial gas users. PGC members own and operate hundreds of plants in virtually every state in the nation. As industrial end users, PGC members purchase and consume natural gas as one of the requisite inputs in the processing and manufacturing of

automobiles, aluminum, steel, metal products, fertilizer, alcohol, wallboard, insulation and other building products, paper products, plastics, glass, fibreoptics, food and grain products, and a host of other, readily recognizable commodities.

AISI is the principal trade association of the domestic steel industry. Its domestic members account for approximately two-thirds of the raw steel production in the United States. Members of AISI consume natural gas in both process and non-process applications.

GIG is an association of industrial users of natural gas located in the states of Georgia and Alabama. Many of the GIG members are involved in the stone, clay and glass industries and are heavily dependent on natural gas for their manufacturing processes. GIG actively participates in a variety of state and federal proceedings affecting the price of natural gas and electricity in the states of Georgia and Alabama.

IGF is a voluntary association of industrial consumers of natural gas within the State of Florida. It was formed for the express purpose of participating in regulatory proceedings and protecting the interests of its members in such proceedings.

FIGU is an *ad hoc* group of industrial consumers of natural gas with facilities located in the State of Florida. It was formed for the purpose of participating in both state and federal regulatory proceedings on behalf of its members.

NJLEUC is a statewide coalition of nineteen companies with substantial manufacturing facilities located in the State of New Jersey. NJLEUC was formed to provide the views of the New Jersey's industrial end user community in state and federal energy regulatory and policymaking proceedings.