



## NEWS

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### **Natural Gas Producers Call on States to Let the Market Work**

(San Diego, California) – R. Skip Horvath, President of the Natural Gas Supply Association (NGSA) told the 112<sup>th</sup> Annual Meeting of the National Association of Regulatory Commissioners (NARUC) that “natural gas producers are doing everything we can to increase our production and bring more natural gas to market. We are confident that natural gas supply will meet the winter market demand, and that the pipelines and distributors will get the gas to customers.”

Horvath spoke at the NARUC Annual Meeting’s session on natural gas, titled “Are Rough Seas Ahead for Natural Gas Consumers.” The session focused on the numerous factors that impact the availability, reliability and price of natural gas today and in the future, including production, storage, imports and demand.

In his remarks, Horvath said, “We have a record number of rigs drilling new natural gas wells, and today we have more gas in storage than we needed during the cold winter of 1995-1996. Although supplies are tight, the market is working.”

“Natural gas production is highly competitive. There are over 8,000 producers all competing to bring natural gas to market, and the largest 10 companies only represent 33 percent of all production.”

“Natural gas prices are determined in a competitive, free marketplace that works to everyone’s advantage. History has shown that over the long term, customers benefit from a competitive natural gas market through low prices and reliable service. Since Order 380 was implemented in 1984, competition in the natural gas industry has resulted in direct savings to the consumer of \$600 billion.”

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“Due to the complexity of permitting and drilling new wells, patience is needed while the production sector responds to these price signals, a process which can take anywhere from 3 to 18 months. Government intervention in the form of price caps will only harm consumers by creating the very gas shortage we all seek to avoid.”

Horvath concluded, “Our natural gas system works because the government has allowed competition to flourish in the production of natural gas. Any intervention in the market mechanisms will, in the end, hurt consumers.”

*NGSA represents integrated and independent companies that produce and market the majority of the natural gas produced in the United States. NGSA is actively involved in pursuing regulatory and legislative issues that affect the association's members. Established in 1965, NGSA encourages expanded use of natural gas and supports regulatory and legislative actions that foster competitive markets.*