



For Immediate Release

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Energy Industry/Customer Groups Issue Policy Recommendations to Mitigate Impact of Natural Gas Price Increases on Consumers

Short and Long-Term Proposals to Federal and State Policymakers Would Boost Supply, Conservation and Energy Efficiency and Low-Income Assistance

Washington, D.C., December 13, 2005 - Six industry and customer stakeholder groups today released consensus policy recommendations for federal and state policymakers to consider as they address both the short-term need to provide consumers with relief this winter as well as the need to address high natural gas prices for the long-term.

The document, which was shared yesterday with Members of Congress, the Bush Administration, and state lawmakers, governors and regulators, was issued by the American Gas Association (AGA), COMPETE, the Edison Electric Institute (EEI), the Electric Power Supply Association (EPSA), the Interstate Natural Gas Association of America (INGAA), and the Natural Gas Supply Association (NGSA).

"With natural gas prices at record levels, residential consumers are bracing for winter natural gas bills that, according to the Energy Information Administration, could be on average 38% higher than last winter," said former U.S. Senator Don Nickles, Chairman of COMPETE. "Our proposals offer policymakers a number of ideas that could greatly ease the impact of these high prices on consumers during this – and future - winters," Sen. Nickles said.

"Our recommendations include steps to help low-income Americans, such as increasing LIHEAP funding and creating a pilot Royalty-in-Kind program within the Department of Interior to provide additional funds for LIHEAP," said AGA President and CEO David Parker. "They also reflect the need to boost domestic natural gas supplies and to promote conservation and energy efficiency," said R. Skip Horvath, President of NGSA.

"Whether promoting the wise use of energy, urging policymakers to bolster the federal LIHEAP program or exploring options for expanding natural gas supplies, our blueprint outlines a broad agenda that fosters energy efficiency and encourages increased supply," said EEI President Tom Kuhn. "Such an approach can help ease the sting of high wintertime heating costs this winter while also laying the groundwork for long-term solutions," Kuhn said.

On the supply side, we offer short-term fixes, such as encouraging the Administration to issue waivers for expansion of the Rockies drilling window for this winter, as well as long-term efforts to spur the development of LNG infrastructure,” said INGAA President Donald F. Santa, Jr. “We also recommend ways to better manage risk in a market environment, such as the adoption by state policymakers and regulators of flexible policies regarding gas supply portfolio standards maintained by gas utilities,” AGA’s Parker said.

“Permeating all of our recommendations is the recognition that policymakers and other stakeholders should focus on market-driven solutions to the current high prices,” said John Shelk, EPSA’s President and CEO. “We can’t lose sight of the fact that robust competition in energy markets is part of the solution to the challenges presently confronting the market,” Shelk said.

The **American Gas Association** represents 195 local energy utility companies that deliver natural gas to more than 56 million homes, businesses and industries throughout the United States. AGA member companies account for roughly 83 percent of all natural gas delivered by the nation’s local natural gas distribution companies.

COMPETE is a coalition of electricity stakeholders representing all aspects of electricity generation, transmission, distribution, and consumption who support the continued evolution of competitive electricity markets for the benefit of consumers. COMPETE’s list of 118 members can be found at www.competecoalition.com.

The **Edison Electric Institute** (EEI) is the association of United States shareholder-owned electric companies, international affiliates, and industry associates worldwide. Its U.S. members serve 97 percent of the ultimate customers in the shareholder owned segment of the industry, and 71 percent of all electric utility ultimate customers in the nation. They generate almost 60 percent of the electricity produced by U.S. electric generators.

The **Electric Power Supply Association (EPSA)** is the national trade association representing competitive power suppliers, including generators and marketers. These suppliers, who account for nearly 40 percent of the installed generating capacity in the United States, provide reliable and competitively priced electricity from environmentally responsible facilities serving global power markets. EPSA seeks to bring the benefits of competition to all power customers.

The **Interstate Natural Gas Association of America** (INGAA) is a trade organization that advocates regulatory and legislative positions of importance to the natural gas pipeline industry in North America. INGAA represents virtually all of the interstate natural gas transmission pipeline companies operating in the U.S., as well as comparable companies in Canada and Mexico. Its members transport over 95 percent of the nation’s natural gas through a network of 180,000 miles of pipelines.

The **Natural Gas Supply Association (NGSA)** represents U.S.-based producers and marketers of natural gas on issues that affect the natural gas industry, including the residential and industrial consumers who rely on the fuel for a myriad of purposes. It is the voice of producers who find, sell, transport and deliver 27 percent of US natural gas supply.

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