



## NEWS

Contact: Melissa Marion, [mmarion@ngsa.org](mailto:mmarion@ngsa.org)

Phone: (202) 326-9300

For Immediate Release: Jan. 24, 2005

[www.NGSA.org](http://www.NGSA.org) and [www.NaturalGas.org](http://www.NaturalGas.org)

### **Natural Gas Market Data Sufficient; Release Protocols Being Addressed, Horvath Tells Senate**

(Washington)... Sufficient natural gas data is available to ensure well-functioning wholesale markets, but ongoing enhancements may be possible with regard to release protocols for weekly storage information, Natural Gas Supply Association (NGSA) President and CEO Skip Horvath said today on behalf of the Natural Gas Council (NGC), the Domestic Petroleum Council (DPC) and the U.S. Oil & Gas Association (USOGA).

"Reliable data and price transparency are integral components of well-functioning markets, and the U.S. natural gas market is the most liquid and transparent natural gas market in the world," said Horvath, speaking before the Senate Energy and Natural Resources Committee's Bipartisan Natural Gas Conference. "Storage reporting and market information are indeed adequate to ensure value for all natural gas customers."

First, with respect to storage reporting, the U.S. Energy Information Administration's (EIA) approach and mechanism for releasing its survey information has worked reasonably well so far, Horvath said. However, a reporting error from late last year is causing market participants to once again review the EIA protocols.

"EIA has initiated a public process to review and upgrade its procedures, and we believe this is an adequate and appropriate response. We know from experience that the EIA is a responsible and responsive agency, and we certainly do not believe that legislative action by the Congress is required at this time," Horvath told the committee.

As for the price reporting issues the industry faced only a year ago, Horvath said concerns of market manipulation have been abated, largely due to continuing oversight by the Federal Energy Regulatory Commission (FERC). As FERC's recent

-more-

price reporting survey demonstrates, he said, there is significant and growing market confidence in the ongoing process of published indices.

“The most compelling evidence from the survey is that more than 90 percent of the respondents use the indices in physical transactions, and two-thirds of the respondents rated their confidence level at a 7 on a scale of 1-10,” Horvath said.

“We continue to welcome and encourage the federal government’s effective use of its oversight and direction to focus industry action on the issue of publicly reporting transactions and, most importantly in the public interest, overseeing the behavior of participants in the wholesale natural gas markets.”

NGSA-03-05

*NGSA represents integrated and independent companies that produce and market natural gas 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.*

**(Editor’s Note: For a complete copy of the NGC’s previous written submission to the Senate Energy and Natural Resources Committee, contact Melissa Marion at [mmarion@ngsa.org](mailto:mmarion@ngsa.org).)**