



July 29, 2010

To Members of the United States Senate:

As representatives of the full spectrum of the natural gas industry - producers, suppliers, pipelines and local gas utilities - the members of the Natural Gas Council want to respond to a recent letter to you from a number of industrial and agricultural organizations that asked you to not encourage the use of natural gas to reduce emissions in the electricity and transportation sectors. We recognize and acknowledge that industrial and agricultural consumers of natural gas have long held concerns about legislation that could result in increased demand for natural gas from the electric and transportation sectors, but we believe that times have changed in a direction that greatly alleviates those concerns.

This is a new era. Technological breakthroughs have enabled an unprecedented increase in both the size and the character of the overall resource base in the United States through natural gas production from shale. As a result, supply grew an unprecedented 39 percent between 2006 and 2008 and is likely to grow even more in the next biennial assessment. That supply is located in abundance in more than 30 states spanning the continent, allowing faster and more efficient response to our customers and reducing vulnerability to supply disruptions. Additionally, increased and continued access to these supplies would promote price stability for this valuable fuel.

New infrastructure has more than kept pace with supply, adding an amazing 13,000 miles of new transmission pipeline in the past decade to bring natural gas to customers. Even storage capabilities have improved remarkably, adding more than 670 billion cubic feet of storage capacity since 2006, half of that high-deliverability salt cavern storage, which allows suppliers to respond more rapidly and efficiently to swings in customer demand. It should also be recognized that in addition to these technological advances, natural gas is the cleanest of the fossil fuels and has the ability to immediately address some of our most pressing carbon reduction challenges.

At the same time that technology has enabled these substantial changes in natural gas supply, it has enabled consumers of natural gas to achieve significant decreases in demand, as tighter houses and more efficient appliances have contributed to a 40 percent reduction in use of natural gas per household over the past 40 years.

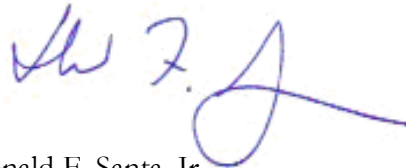
This combination of abundance of supply and efficient use marks a new age for the natural gas industry. The country's leading experts have recognized our ability to deliver on this supply, as evidenced most recently in a spate of studies such as, "*The Future of Natural Gas: An Interdisciplinary Study*," June 2010, Massachusetts Institute of Technology; "*Fueling North America's Energy Future: The Unconventional Natural Gas Revolution*," 2010, IHS Cambridge Energy Research Associates; and "*Abundant Shale Gas Resources: Some Implications for Energy Policy*," June 2010, Resources for the Future. Each of these studies notes that natural gas supply is well-positioned to meet growing demand and that it will be an essential part of reducing carbon emissions.

The members of the Natural Gas Council are confident that our industry can serve all of our customers well. We support policies that allow natural gas to serve as a solution for our energy and environmental challenges, as affirmed in the aforementioned studies; we oppose policies that seek to place natural gas at a disadvantage. With the right policies in place, we believe that the United States can produce the natural gas it needs to meet this growing demand, and we stand ready to work with our customers to make sure those policies are implemented.

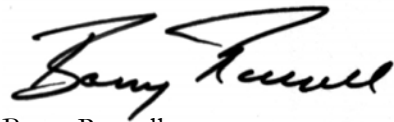
Respectfully,



R. Skip Horvath
President and CEO
Natural Gas Supply Association



Donald F. Santa, Jr.
President
Interstate Natural Gas Association of America



Barry Russell
President and CEO
Independent Petroleum Association of
America



David N. Parker
President and CEO
American Gas Association