



May 8, 2013

Honorable Ed Whitfield, Chairman
Subcommittee on Energy and Power
Committee on Energy and Commerce
2368 Rayburn House Office Building
Washington, DC 20515

Honorable Bobby Rush, Ranking Member
Subcommittee on Energy and Power
Committee on Energy and Commerce
2268 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Whitfield and Ranking Member Rush:

The Natural Gas Council believes that the overall goal of gas-electric coordination efforts should be to preserve and, where appropriate, enhance reliability for all customers, both natural gas and electric. Natural gas resources in North America are abundant and provide an opportunity for the natural gas industry to provide solutions for many of our country's energy needs, including the direct use of natural gas in homes and businesses, as a feedstock in manufacturing, and as a fuel for electric generation.

The key to realizing the full value of natural gas is the continued development of a robust natural gas infrastructure along the entire value chain so that natural gas can be delivered wherever and whenever it is needed to those who value it the most. Accordingly, the increased use of natural gas for electric generation should be accompanied by appropriate investments in the natural gas infrastructure needed to meet the needs of all customers on the natural gas system, and the costs of such investments must be borne by those who caused the costs to be incurred. In that regard, electric market rules should provide adequate incentives, *e.g.*, through appropriate cost-recovery mechanisms, for electric generators to ensure the adequacy and reliability of their fuel supplies. For natural gas-fired generators this may mean firm gas supply contracts, portfolio management, firm transportation capacity on interconnected pipeline(s),

storage or other services to balance load variations, dual-fuel capability with on-site alternate fuel storage, or some combination of the above. The adequacy of a generator's fuel supply should be a factor in considering whether the generator is "reliable" for electric reliability purposes.

Sincerely,



Skip Horvath
President
Natural Gas Supply Association



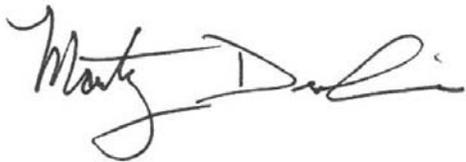
Hon. Dave McCurdy
President & CEO
American Gas Association



Barry Russell
President & CEO
Independent Petroleum Association of
America



Don Santa
President
Interstate Natural Gas Association of America



Marty Durbin
CEO
America's Natural Gas Alliance