

Resolution Adopting Final Report of the NARUC / IOGCC Pipeline Siting Work Group

WHEREAS, Natural gas is a North American commodity, and the availability of abundant supplies of natural gas is a critical part of the energy security of the United States; and

WHEREAS, The United States Congress, through enactment of the Natural Gas Policy Act of 1978, implemented phased-in decontrol of natural gas prices at the wellhead; and through the Natural Gas Wellhead Decontrol Act of 1989, eliminated wellhead price controls for sales of natural gas; and

WHEREAS, A substantial increase in demand for natural gas has occurred, especially in the electric generation and industrial sectors of the economy; and

WHEREAS, New domestic natural gas production should improve supply reliability and its use would provide sound environmental benefits; and

WHEREAS, Government policies that foster development of new domestic supplies of natural gas could positively benefit consumers; and

WHEREAS, The U.S. Department of Energy's Energy Information Administration, in its May 2001 report entitled "U.S. Natural Gas Markets: Recent Trends and Prospects for the Future," identifies the significant challenges the natural gas industry must face in order to meet increasing demand at reasonable prices, as including:

- Moderating the recurrence and severity of "boom and bust" economic cycles,
- Attracting qualified personnel and natural gas drilling rig investments,
- Overcoming low production growth despite a large increase in well completions, and,
- Avoiding natural gas transmission and delivery system bottlenecks; and

WHEREAS, Substantial volumes of natural gas may lie beneath lands that may not be available for exploration and production because of economic reasons or land-use policies and restrictions; and

WHEREAS, Technological advances have diminished the environmental impacts and improved the economics of natural gas exploration and production activities; now therefore be it

RESOLVED, That the National Association of Regulatory Utility Commissioners (NARUC) convened in its November 2001 113th Annual Convention in Philadelphia, Pennsylvania, encourages State PUCs to support environmentally sound natural gas exploration and production activities and to communicate that support to their State legislators, executive branch officials, and U.S. Congressional delegation; and be it further

RESOLVED, That NARUC supports federal legislation that institutes a sound national energy policy that recognizes and encourages environmentally sound development and production of new domestic natural gas supplies where appropriate.

Sponsored by the Committee on Gas

Recommended by the NARUC Board of Directors November 13, 2001

Adopted in Convention November 14, 2001