

Resolution Encouraging Continued Support for Research and Development

WHEREAS, Over the past 20 years, Gas Research Institute's (GRI) research program has demonstrated value to all gas consumers and the industry and the Federal Energy Regulatory Commission (FERC) has consistently found that GRI's R&D program delivers timely benefits to the gas consumers; and

WHEREAS, GRI has traditionally been funded through FERC-approved surcharges collected by interstate natural gas pipelines on gas volumes flowing through their systems; and

WHEREAS, Since the stability of the long-term funding for GRI was first jeopardized in 1992, NARUC has passed six resolutions that address the benefits of GRI's R&D and GRI's funding, the central elements of which were:

- Strong continuing support for full funding of GRI and its cooperative research program,
- Recognition that GRI's research program delivers timely benefits to the gas industry and its customers,
- Support for a long-term stable funding base for GRI's RD&D program, and;

WHEREAS, The Committee on Gas of the National Association of Regulatory Utility Commissioners (NARUC) has been actively involved in seeking an equitable solution for funding the research and development program of the Gas Research Institute (GRI) since the issue was raised in 1992; and

WHEREAS, As the gas industry transitioned toward becoming a more competitive industry, funding for GRI from 1994 through 1997 was via an interim mechanism established in a FERC-approved Settlement and Agreement (S&A); and

WHEREAS, Pursuant to April 29, 1998, FERC-approved S&A, funding for GRI's R&D program through FERC-approved surcharges collected by interstate pipelines will rapidly decline from 1998 through 2000 and will terminate in the year 2004; and

WHEREAS, National Association of Regulatory Utility Commissioners (NARUC) continues to support cooperative R&D with broadly dispersed benefits and recognizes that a well-managed research program with broadly dispersed benefits, such as GRI's, enables the gas industry to serve all customers with the highest degree of reliability, maximum economic efficiency and minimum impact on the environment and should continue; and

WHEREAS, There is an opportunity to continue to fund broadly dispersed R&D which benefits the public interest without raising costs to the customer; and

WHEREAS, Consistent with the 1998 FERC S&A, funding of R&D should not be mandatory; now therefore be it

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners, convened at its 1999 Winter Meeting in Washington, D.C., continues to believe that cooperative R&D with broadly dispersed customer benefits is an efficient way of leveraging R&D funds to provide research that is in both the public interest and the gas consumer interest; and be it further

RESOLVED, That the NARUC encourages all its members to continue to support a viable research and development program that benefits the natural gas industry and its customers to provide greater reliability, safety and environmental improvement.

Sponsored by the Committee on Gas
Adopted February 24, 1999