



FLORIDA MUNICIPAL NATURAL GAS ASSOCIATION (FMNGA)

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Alabama Member Systems(3)

Clarke-Mobile Gas District
Geneva County Gas District
Southeast AL Gas District

June 19, 2008

The Honorable Ander Crenshaw, Congressman
United States House of Representatives
Faxed to (202) 225-2504
Attention: Ms. Erica Striebel, Legislative Director

Subject: Natural Gas Supply Amendment to be Offered by Congressman Peterson

Dear Congressman Crenshaw:

On behalf of the Florida Municipal Natural Gas Association (FMNGA), we express our strong support for a natural gas supply amendment Congressman Peterson intends to offer this week during the full Committee mark-up of the FY'2009 Interior, Environment and Related Agencies Appropriations Bill.

FMNGA is a non-profit association of 33 publicly-owned natural gas distribution systems in Florida and South Alabama, which collectively serve some 270,000 customers with nearly 700 employees. Publicly-owned gas systems are not-for-profit, retail distribution entities owned by, and accountable to, the citizens they serve. They include municipal gas distribution systems, public utility districts, county districts, and other public agencies that have natural gas distribution facilities. Overall, the 31 publicly-owned gas systems in Florida serve about 30% of the State's natural gas customers with nearly 8,000 miles of gas main.

Last week, the spot price of natural gas passed \$12.00. If the price can go that high in June, one can only imagine the potential price that consumers will pay in the winter heating months. Why America has some of the highest natural gas prices when we have abundant natural gas reserves is simply—outrageous.

Congressman Peterson's amendment would revise the moratoria currently in place for exploration in the outer continental shelf (OCS) to allow natural gas and oil exploration from 50 miles out from the coast. This would significantly increase our domestic natural gas supply and increasing supply is a fundamental component of the solution to long-term affordable natural gas prices.

Our current federal energy policy is dysfunctional at best. We have policies that favor gas use because of its clean burning properties, but yet also restrict the exploration and production of natural gas. These two conflicting federal policies have contributed substantially to the price increases our consumers have suffered and simply cannot coexist in a coherent energy plan. As our country moves into an era of even greater reliance on natural gas, sound energy policy requires that we secure an accompanying increase in supply. This amendment is a thoughtful and reasonable step towards meeting a growing demand for natural gas.

This amendment must be considered a critical step as Congress begins to address climate change by looking to reduce greenhouse gas emissions. This will have a significant increase on natural gas demand as it will become the fuel of choice for electricity generators to meet required greenhouse gas reductions. For the sake of the American consumer, business, and economy it is imperative that for every additional unit of natural gas demand created by climate change policy, Congress accommodate a corresponding unit of supply. Absent this supply-demand parity, there is only one direction for price.

We strongly urge you to support this amendment, which we believe will begin to provide consumers with much needed relief from energy prices that they desperately deserve. If you have any questions on this, please feel free to call Dave Schryver, Executive Vice President of the American Public Gas Association (APGA), at (202) 464-0835 or me.

Sincerely,



Jack Rogers
FMNGA Vice President
& Gas Director, City of Leesburg, FL

JR/bl

Copies to: Mr. Dave Schryver, APGA Executive VP
FMNGA Officers & Members