



# AMERICAN PUBLIC GAS ASSOCIATION

March 25, 2009

Honorable Maria Cantwell  
U.S. Senate  
511 Senate Dirksen Building  
Washington, D.C. 20510

Dear Senator Cantwell:

On behalf of the American Public Gas Association (APGA), I want express our strong support for S. 672 – The Natural Gas and Electricity Review and Enforcement Act which you recently introduced. I commend you for your efforts on behalf of natural gas consumers.

APGA is the national association for publicly-owned natural gas distribution systems. Of the some 1,200 local distribution systems in the United States, approximately 1,000 are public gas systems located in 36 states; over 700 of these systems are APGA members. 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.

Your legislation will bring parity to the manner in which electric customers versus gas customers are treated when it comes to the ability of the Federal Energy Regulatory Commission (FERC) to review and timely set just and reasonable rates. Correcting this inequity in Section 5 of the Natural Gas Act to allow the FERC to set a refund-effective date commensurate with the date on which a consumer complaint is filed and will allow FERC to treat regulated pipelines just as it currently treats regulated electricity transmission providers. This is a critical consumer protection tool that the current and past FERC Chairmen and sitting Commissioners have themselves recognized that FERC is lacking.

Your legislation will also provide the FERC with cease and desist authority. Currently, if FERC wants an entity to refrain from certain offensive activities, such as market manipulation, it must go to court to obtain an order, which can be a time-consuming exercise. By contrast, Congress has provided other federal agencies, such as the Commodity Futures Trading Commission and the Securities Exchange Commission, with cease and desist authority, which gives the agency the authority to order a bad actor to cease its offensive behavior immediately. This authority would significantly enhance the FERC's ability to protect consumers by providing it with the ability to stop market manipulation and other market abuses in a timely fashion.

I thank you for your efforts on behalf of natural gas consumers and look forward to working with you and others towards passage of these critical consumer protection provisions.

Sincerely,

  
Ben Kalisch  
President & CEO