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APGA Submits Testimony on LNG Exports and Section 5 Reform to Senate Energy Committee

Washington, D.C. (February 12, 2013) – Today, the American Public Gas Association (APGA) submitted testimony to the Senate Committee on Energy and Natural Resources in advance of the hearing, “Opportunities and Challenges for Natural Gas.” The following statement summarizing the position APGA conveyed in the testimony can be attributed to APGA’s President & CEO, Bert Kalisch.

“We are pleased that the Senate Committee on Energy and Natural Resources is focusing on natural gas in the first hearing of the 113th Congress. Natural gas has a critical role to play in America’s energy future whether it is in the direct use in homes and businesses, in vehicles, or in electric generation. The versatility and affordability of natural gas make it the fuel of choice in a wide variety of applications.

“As Congress focuses on natural gas, APGA believes that two of the issues that should be addressed are: the export of domestically-produced natural gas in the form of liquefied natural gas (LNG) and the need for reform of Section 5 of the Natural Gas Act (NGA).

“The large-scale export of LNG represents the greatest threat to the continued ascendance of natural gas in the United States. The price increases that will result from export will squeeze family budgets in every corner of our country, while also stifling a manufacturing renaissance and making natural gas vehicles uneconomical thereby squandering our country’s best chance to reduce its dependence on foreign oil.

“The NGA mandates that customers of interstate pipelines be charged rates for transportation service that are “just and reasonable.” Sadly, this requirement is not being met as homeowners and businesses are overcharged by transmission pipelines by as much as \$840 million every year according to a study by the Natural Gas Supply Association. Those are funds that should be staying in the pockets of consumers and businesses and not padding transmission companies’ profit margins.

“We urge the Senate Committee on Energy and Natural Resources to oppose the large-scale export of LNG and to hold a hearing on reforming the NGA as a first step towards providing consumers with badly needed relief.”

A copy of APGA's testimony can be found at: www.apga.org/testimony

APGA is the national association of municipally and publicly-owned local distribution systems. There are about 1000 public gas systems serving more than five million customers. These public gas utilities are not-for-profit retail distribution entities that are 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.