



Donald F. Santa, Jr.
President

May 2, 2007

The Honorable Jeff Bingaman
Chairman
Energy and Natural Resources Committee
U.S. Senate
Washington, DC 20510

Dear Mr. Chairman:

On behalf of the members of the Interstate Natural Gas Association of America (INGAA), I am writing to express our support for section 273(b) of S. 1115, the Energy Efficiency Promotion Act, that will be marked up by your Committee tomorrow.

This provision would encourage States to consider “de-coupling” natural gas utility revenues from the volume of natural gas sold to or transported on behalf of a utility’s customers. By encouraging this de-coupling, section 273(b) would position gas utilities to advocate conservation and energy efficiency without putting their financial health at risk. Advancing conservation and efficiency benefits the environment and makes energy bills more affordable for residential and commercial customers. The provision is not a mandate on the States, and therefore allows States to address this issue on a case-by-case basis. Nonetheless, a Congressional expression of support for de-linking natural gas utility allowed returns from the volume of natural gas sold will be an important step in aligning the incentives created by utility ratemaking with incentives for utilities to promote new conservation and efficiency initiatives.

Let me also take this opportunity again to encourage the Committee strongly to examine new natural gas supply options as you review both energy policy legislation and climate change mitigation efforts. Natural gas can be a critical “bridge fuel” in creating a lower carbon economy. Still, optimizing the role that natural gas can play as an energy bridge depends on policies that facilitate the discovery, production and delivery of new supplies of clean burning natural gas.

We appreciate the opportunity to express our views.

Respectfully,

A handwritten signature in black ink, appearing to read "D. Santa, Jr.", written over a white background.

Donald F. Santa, Jr.
President

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