



**Industrial Energy Consumers of America**  
*The Voice of Industrial Energy Consumer*

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June 1, 2007

The Honorable Nick J. Rahall II  
Chairman  
Committee on Natural Resources  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Rahall:

In behalf of the Industrial Energy Consumers of America (IECA), we are deeply troubled by the provisions of Title I and II of H.R. 2337, the Energy Policy Reform and Revitalization Act of 2007. At a time when domestic natural gas production is down 4% since 2000 and prices of natural gas and electricity are rising rapidly, consumers need Congressional action that increases natural gas production – not decreases it. For these reasons we oppose Title I and II.

Alarming natural gas and electricity facts:

- Prices on NYMEX have increased 156% since May 2000 and the January 2008 price is up another 35% from today's level. Gasoline prices are up only 115%.
- The FERC May 17, 2007 Summer Energy Market Assessment says that high natural gas prices will increase the price of electricity across the entire U.S. from 20% to more than 30%.
- The U.S. natural gas well production decline rate is 32%.
- Consumers paid a staggering \$75.7 billion more for natural gas and \$65 billion more for electricity in 2006 than in 2000.
- Even though natural gas is used to produce only 20% of U.S. electricity, it accounts for 55% of the industry's entire fuel expense (\$50 billion out of \$91 billion) according to the Electric Power Research Institute.

Your leadership is essential to the welfare of this country's supply and price of natural gas and electricity. We are counting on you for your help on this important matter.

Sincerely,

Paul N. Cicio  
President

cc: Committee on Natural Resources