

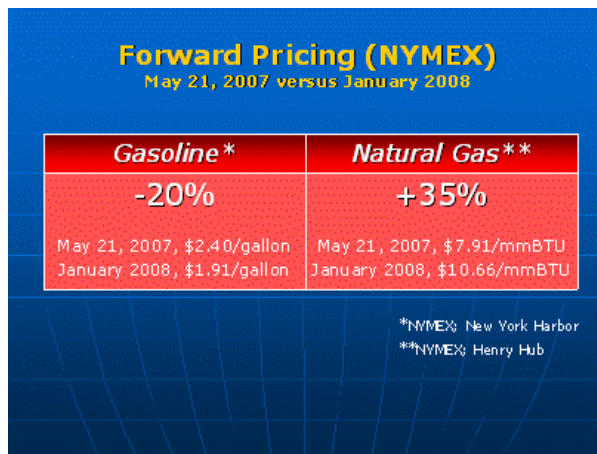
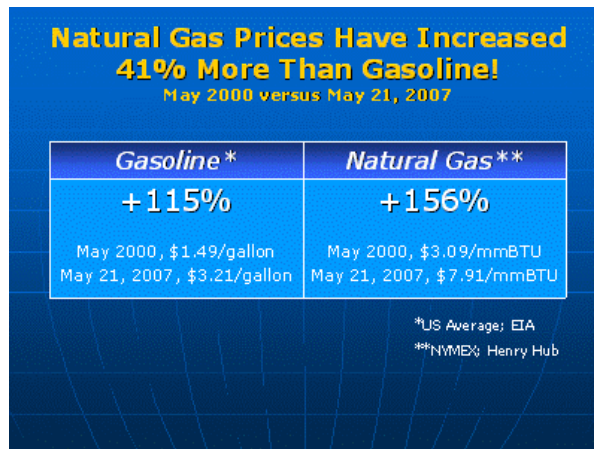


May 22, 2007

Natural Gas Prices Have Increased 41 % More Than Gasoline And Is Forecasted To Rise Another 35 % By January

“Natural gas prices increased an incredible 156 % since May, 2000 while gasoline prices rose 115 %,” said Paul N. Cicio, President of the Industrial Energy Consumers of America (IECA). “More importantly, the forward prices on the NYMEX indicate that natural gas prices will keep going up another 35 % by January, 2008 while gasoline prices will fall 20 %. Congress can legitimately blame the OPEC cartel countries and increased global demand for higher crude oil prices, but, it must blame itself for high natural gas and electricity prices.”

Home owners, farmers and manufacturers need help from Congress to stop the roll back of provisions in the Energy Policy Act of 2005. EPAAct is helping to increase domestic production of natural gas. **The Energy Policy Reform and Revitalization Act of 2007, introduced by Representative Rahall would decrease production of natural gas and increase the cost.**



“The big difference between high gasoline prices which are driven by world crude oil demand and natural gas,” said Paul N. Cicio, “is that high natural gas prices are completely unnecessary. The US has more than a 100 year supply of natural gas that is technically recoverable but off-limits, according to the Minerals Management Service.” Most of this natural gas is off-limits to production because of Presidential and Congressional moratoria. The President and Congress should not delay in removing the moratoria. Since natural gas is the least carbon intensive fossil fuel, increased supply is required to meet our climate challenges.

While IECA has complete sympathy for the impact of higher gasoline prices on consumers, natural gas prices have a much greater impact on the economy. Natural gas is used to heat and cool homes and even though it is used to produce only 20 percent of the electricity, it accounts for 55 percent of the electric industry’s entire fuel expense (\$50 billion out of \$91 billion) according to the Electric Power Research Institute. FERC’s 2007 Summer Energy Market Assessment released on May 17, 2007 confirms that the higher prices of natural gas will increase electricity prices from almost 20% to more than 30% this summer.

Farmers use natural gas to dry their crops and run irrigation systems and it is a primary raw material in the production of fertilizer, for which it is 80 percent of the costs. Manufacturers use natural gas as a fuel and feedstock. High natural gas and electricity prices are a significant cost factor in driving our manufacturers offshore.

IECA is a national cross industry trade association dedicated to a broad array of energy/environment related issues. Corporate board members are top energy procurement, environmental, and government affairs managers who are leaders in their industry, technical experts, strongly committed to energy efficiency and environmental progress. Membership companies are from diverse industries which include: paper, steel, chemicals, plastics, food processing, brick, industrial gases, aluminum, insulation, cement, brewing, construction products, glass, fertilizer, pharmaceutical and automotive products.