

JAN 17 2001

Laid Over Under Rule 25

HOUSE RESOLUTION NO. 6

BY RICHARDSON and SCHRADER

1 A House Resolution requesting the United States  
2 Congress to enact legislation requiring the Federal  
3 Energy Regulatory Commission to regulate the price of  
4 the production and transmission of natural gas.

5 WHEREAS, the Federal Energy Regulatory Commission  
6 issued Order 380 in 1984, beginning the deregulation  
7 of pipeline price and access, and completed this  
8 process by issuing Order 636 in 1992; and

9 WHEREAS, the United States Congress passed the  
10 Natural Gas Policy Act of 1978 which phased out the  
11 regulation of natural gas wellhead prices, with total  
12 deregulation being completed by January 1, 1993; and

13 WHEREAS, fifty-three percent of the 101.5 million  
14 households in the United States currently use natural  
15 gas for home heating; and

16 WHEREAS, eighty-three percent of the 21.6 million  
17 households in the United States located in the Midwest  
18 use natural gas for home heating, the highest  
19 concentration in the nation; and

20 WHEREAS, natural gas is used in the production of  
21 nitrogen fertilizers which Iowa and American farmers  
22 rely on to maintain crop yields and low household food  
23 costs; and

24 WHEREAS, the average wellhead price for natural gas  
25 has increased \$1.69 per thousand cubic feet (Mcf) in  
26 September 1998 to almost \$4.00 per Mcf by September  
27 2000; and

28 WHEREAS, Midwest homeowners will pay almost \$2.00

HR 6

1 per Mcf more for natural gas this winter as compared  
2 to last winter; and

3 WHEREAS, total United States residential natural  
4 gas expenditures are expected to reach \$8 billion for  
5 the current month of January 2001; and

6 WHEREAS, nitrogen fertilizer producers are shutting  
7 down production facilities and selling natural gas  
8 stocks in order to take advantage of current high  
9 market prices which will lead to nitrogen fertilizer  
10 shortages and lower crop yields; and

11 WHEREAS, demand for natural gas will continue to  
12 accelerate due to the preference for natural gas  
13 heating in new home construction and for natural gas-  
14 fired electric generation by utility companies for new  
15 power plants coming on line and currently being  
16 planned; and

17 WHEREAS, this continuing increase in demand for  
18 natural gas will cause prices to continue at much  
19 higher levels than experienced in recent years; NOW  
20 THEREFORE,

21 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES,  
22 That the Iowa House of Representatives urges the  
23 United States Congress to enact legislation to restore  
24 regulation of the production and transmission of  
25 natural gas through the Federal Energy Regulatory  
26 Commission; and

27 BE IT FURTHER RESOLVED, That copies of this  
28 Resolution be sent to the President of the United  
29 States, the Speaker of the United States House of  
30 Representatives, and each member of the Iowa

- 1 congressional delegation.
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