

93^d CONGRESS
1st SESSION

H. R. 7507

IN THE HOUSE OF REPRESENTATIVES

MAY 3, 1973

Mr. STAGGERS (for himself and Mr. DEVINE) (by request) introduced the following bill; which was referred to the Committee on Interstate and Foreign Commerce

A BILL

To amend the Natural Gas Act to extend its application to the direct sale of natural gas in interstate commerce, and to provide that provisions of the Act shall not apply to certain sales in interstate commerce.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SECTION 1. That section 1 (b) of the Natural Gas Act
4 is amended to read as follows:

5 “(b) The provisions of this Act shall apply to the
6 transportation of natural gas in interstate commerce, to the
7 sale in interstate commerce of natural gas for domestic, com-
8 mercial, industrial, or any other use, and to natural gas com-
9 panies engaged in such transportation or sale, but shall not

1 apply to any other transportation or sale of natural gas or
 2 to the local distribution of natural gas or to the facilities
 3 used for such distribution or to the production or gathering
 4 of natural gas or to the sale of natural gas dedicated for the
 5 first time to interstate commerce or rededicated upon expira-
 6 tion of an existing contract on or after April 15, 1973, or
 7 produced from wells commenced on or after April 15, 1973,
 8 for domestic, commercial, industrial or any other use, by any
 9 person, provided that person is not engaged in the transpor-
 10 tation of natural gas in interstate commerce."

11 SEC. 2. Section 2 (6) of the Natural Gas Act is amended
 12 striking the last two words and by inserting before the period
 13 at the end thereof a comma and the following: "subject to
 14 the exception in Section 1 (b) above."

15 SEC. 3. Section 2 of the Natural Gas Act is amended
 16 by adding at the end thereof the following new subsection:

17 "(10) 'Affiliate' of another person means any per-
 18 son directly or indirectly controlling, controlled by, or
 19 under common control with such other person."

20 SEC. 4. Section 3 of the Natural Gas Act is amended
 21 by striking from the first sentence "or import any natural
 22 gas from a foreign country" and by striking from the second
 23 sentence "or importation".

24 SEC. 5. Section 4 (e) of the Natural Gas Act is amended
 25 by inserting at the end thereof the following:

1 "(b) *Provided, however,* That the Commission shall have
 2 no power to deny, in whole or in part, that portion of
 3 the rates and charges made, demanded, or received by any
 4 natural gas company for or in connection with the purchase
 5 of natural gas exempt from the Act pursuant to section 1 (b)
 6 except to the extent that the rates or charges made, de-
 7 manded or received for natural gas by an affiliate of the
 8 purchasing natural gas company exceed those made, de-
 9 manded or received by persons not affiliated with the
 10 purchasing natural gas company: *Provided further,* That the
 11 Commission shall have no power to deny, in whole or in
 12 part, that portion of the rates or charges made, demanded
 13 or received by any natural gas company for natural gas pro-
 14 duced from the properties of that company from wells com-
 15 menced on or after April 15, 1973, except to the extent
 16 that the rates or charges made, demanded or received ex-
 17 ceed those made, demanded or received for natural gas by
 18 persons not affiliated with the purchasing natural gas
 19 company."

20 SEC. 6. Section 5 (a) of the Natural Gas Act is amended
 21 by inserting at the end thereof the following:

22 *"Provided, however,* That the Commission shall have no
 23 power to deny, in whole or in part, that portion of the rates
 24 and charges made, demanded, or received by any natural
 25 gas company for or in connection with the purchase of nat-

1 ural gas exempt from the Act pursuant to section 1 (b), ex-
 2 cept to the extent that the rates or charges made, demanded
 3 or received for natural gas by an affiliate of the purchasing
 4 natural gas company exceed those made, demanded or re-
 5 ceived by persons not affiliated with the purchasing natural
 6 gas company: *And provided further*, That the Commission
 7 shall have no power to deny, in whole or in part, that portion
 8 of the rates or charges made, demanded or received by any
 9 natural gas company for natural gas produced from the prop-
 10 erties of that company from wells commenced on or after
 11 April 15, 1973, except to the extent that the rates or charges
 12 made, demanded or received exceed those made, demanded
 13 or received for natural gas by persons not affiliated with the
 14 purchasing natural gas company: *And provided further*,
 15 That the Commission shall have no power to order a decrease
 16 in the rate or charge made, demanded or received for the
 17 sale of natural gas by any person not engaged in the trans-
 18 portation of natural gas in interstate commerce or by any
 19 affiliate of such person, if such rate or charge shall have been
 20 previously determined to be just and reasonable, such deter-
 21 mination being final and no longer subject to judicial
 22 review."

23 SEC. 7. Section 24 of the Natural Gas Act is renumbered
 24 section 25 and a new section 24 is added as follows:

25 "In order to protect the interests of consumers, the
 26 Secretary of the Interior is authorized for three years from

1 the date of enactment of this legislation to monitor the well-
 2 head prices of natural gas sales exempted in section 1 (b)
 3 hereof, and if necessary to establish ceilings as to the future
 4 rates of and charges for such sales. In determining whether to
 5 establish such ceilings and in setting the level of such ceilings,
 6 the Secretary shall take the following factors into account:

7 " (a) The current and projected price of other fuels
 8 at the point of utilization, adjusted to reflect a compar-
 9 able heating value;

10 " (b) The premium nature of natural gas and its
 11 environmental superiority over many other fuels;

12 " (c) Current and projected prices for the importa-
 13 tion of liquefied natural gas and the manufacture of
 14 synthetic gaseous fuels, and

15 " (d) The adequacy of these prices to provide
 16 necessary incentive for exploration and production of
 17 domestic reserves of natural gas and the efficient end-use
 18 of such supplies.

19 The Secretary may raise or remove any ceiling imposed
 20 under the provisions of this section if he determines the
 21 bases for the imposition of ceilings have changed or no
 22 longer exist. Any ceiling imposed under the provisions of
 23 this section will terminate three years from the date of
 24 enactment of this Act."

25 SEC. 8. This Act may be cited as the "Natural Gas
 26 Supply Act of 1973".