

94TH CONGRESS  
1ST SESSION

# H. R. 9409

## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 5, 1975

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.

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. (a) The Congress hereby determines that—

4 (1) shortages of natural gas have developed be-  
5 cause domestic supplies are not sufficient to meet present  
6 and anticipated national needs;

7 (2) shortages have created or will create severe  
8 economic dislocations and hardships, including loss of  
9 jobs, closing of factories and businesses, reduction of agri-  
10 cultural production, and curtailment of vital public serv-  
11 ices;



(3) shortages have jeopardized the normal flow of commerce and constitute a supply crisis which is a threat to the public health, safety, and welfare and can be averted or minimized most efficiently and effectively through prompt action by the Federal Government; and

(4) shortages have created an unreasonable burden on certain areas of the country and on certain sectors of the economy, and legislation is needed to provide an equitable solution for these shortages.

(b) The purpose of this Act is to authorize the Federal Power Commission: to deal with existing and imminent shortages and dislocations of natural gas in the national distribution system which jeopardize the public health, safety, and welfare; and to provide protection of natural gas service to customers who use natural gas for high priority end uses during periods of curtailed deliveries by natural gas companies. The authority granted under this Act shall be exercised for the purpose of minimizing the adverse impacts of shortages or dislocations on the American people and the domestic economy.

SEC. 2. That section 1 of the Natural Gas Act, as amended (15 U.S.C. 717), is amended by adding at the end thereof the following new subsection:

“(d) The provisions of this Act shall not apply to the

use of the facilities of a natural gas distribution company for the transportation of natural gas produced by an independent producer from lands other than Federal domain areas and sold by such a producer directly to a high priority consumer of natural gas, provided that the rates applicable to the use of such facilities for the transportation of natural gas described in this subsection are subject to regulation by a State commission. The transportation of natural gas exempted from the provisions of this Act by this subsection are hereby declared to be matters primarily of local concern and subject to regulation by the several States. Such State commission shall follow the procedural steps of subsection (c) of this section in certifying to the Commission that it has regulatory jurisdiction over such rates.”

SEC. 3. That section 2 of the Natural Gas Act (15 U.S.C. 717a) is amended by inserting immediately after subsection (9) thereof, the following new subsections:

“(10) ‘independent producer’ means a person as determined by the Commission (i) who is not affiliated with a person engaged in the transportation of natural gas in interstate commerce, and (ii) who is not a producing division of such a person engaged in the transportation of natural gas interstate commerce.

“(11) ‘natural gas distribution company’ means a person involved in the distribution or transportation of



1 natural gas for ultimate public consumption for domestic,  
2 commercial, industrial or any other use but does not  
3 include a natural gas company as defined in subsection  
4 (6) of this section.”

5 SEC. 4. That subsection (c) of section 7 of the Natural  
6 Gas Act, as amended (15 U.S.C. 717f(c)), is amended by  
7 designating the first two paragraphs of that subsection as  
8 paragraphs “(1)” and “(2)” respectively and inserting  
9 therein the following new paragraph:

10 “(3) Pursuant to the substantive and procedural provi-  
11 sions of this section the Commission may in its discretion  
12 issue a certificate of public convenience and necessity upon  
13 filing of an application by a natural gas company to trans-  
14 port natural gas produced by independent producers from  
15 lands other than Federal domain areas and sold by such pro-  
16 ducers directly to existing ‘high priority consumers of natural  
17 gas’ whose current supply of natural gas is curtailed due to  
18 natural gas company curtailment plans approved by the  
19 Commission. The Commission shall by rules and regulations  
20 define ‘high priority consumers of natural gas’: *Provided,*  
21 *however,* That the provisions of this paragraph do not apply  
22 to natural gas which is the subject of an advance payment  
23 agreement.”