

ORDINANCE NO. 1374

AN ORDINANCE OF THE MUNICIPALITY OF MONROEVILLE  
REQUESTING THE CONGRESS OF THE UNITED STATES  
TO CONSIDER ALTERNATIVE LEGISLATION IN CONNECTION  
WITH THE DECONTROL OF NATURAL GAS

WHEREAS the United States Congress enacted the 1978 Natural Gas Policy Act (NPGA) to define "field price" controls to establish pricing levels which would protect the consumer while recognizing the need to assure a long term supply of natural gas,

WHEREAS the escalation formulae in the 1978 NGPA is increasing the price of natural gas at a time when competition is causing a decline in other fuel and energy costs,

WHEREAS excessive take-or-pay requirements for high cost field supplies of natural gas in existing producer-pipeline contracts are causing irreparable harm to the consumer public,

WHEREAS it is generally recognized that there is an urgent need for Congress to amend the 1978 NGPA to assure pricing levels which reflect the consumer market conditions to protect the consumer public while maintaining incentives to encourage long term exploration and supply,

WHEREAS the United States Congress is presently considering legislation to amend the 1978 NGPA to remove controls of natural gas as of January, 1986 and permit producers and pipeline distributors to terminate existing field supply contracts in 1985 without provisions to mandate protection of the interests of the consumer public,

WHEREAS the enactment of this legislation would place an undue and unfair economic burden on consumers in Pennsylvania and other major areas of our country and would impair industry efforts to generate necessary new resources,

NOW THEREFORE, Monroeville Mayor and Council requests the Congress of the United States to consider alternative legislation which would:

- (a) continue indefinitely the ceiling price controls on "old" gas, namely gas produced prior to the 1978 NGPA;
- (b) delay decontrol of "new" gas until rate design proceedings are completed which would prevent future pricing that does not reflect the consumer market conditions;
- (c) nullify indefinite price redetermination clauses which do not reflect the value of gas in the field;

- (d) provide local utility service with leverage over pipeline operations to influence the price of gas purchased in the field to reflect consumer market conditions;
- (e) support comprehensive action dealing broadly with current price trends, contractual practices and pipeline-producer relationships which mandate provisions to protect the interests of the consumer while maintaining incentives to assure future exploration and supply.

ORDAINED AND ENACTED this 12th day of July, 1983

(SEAL)

ATTEST:

MUNICIPALITY OF MONROEVILLE

S/ Marshall W. Bond  
Municipal Manager

S/ Michael P. Lynch  
Mayor

Entered in Legal Book July 22, 1983