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SCHAKOWSKY RESPONDS TO REPORT SHOWING RECORD HIGH NATURAL GAS PRICES NOT CAUSED BY SUPPLY AND DEMAND

MIDWESTERN ATTORNEYS' GENERAL REPORT SHOWS SPECULATION, GOUGING HAVE DRIVEN NATURAL GAS PRICES TO RECORD HEIGHTS

WASHINGTON, DC -- Four Midwestern Attorneys General today released a study on skyrocketing natural gas prices which concluded that supply and demand alone cannot account for the dramatic increase in natural gas prices facing consumers in the Midwest and across the country. U.S. Representative Jan Schakowsky, a member of the House Energy and Commerce Committee, released the following statement in reaction to the study:

"The Bush Administration and the Republican Congress could have done a whole lot more to make this winter affordable for Midwesterners," said Schakowsky. "Instead of providing billions of dollars in giveaways to the same oil and gas companies that made record profits, the Administration and the Republican leadership could have made it illegal for those companies to engage in price gouging and regulated a futures market that is plagued by rampant speculation."

The study, released by the Midwest Attorneys General Natural Gas Working Group, showed that natural gas demand has not consistently grown over the past several years and has at times decreased. Despite this minuscule growth and a record supply in storage, the wellhead price of natural gas increased over \$400 billion from 2000-2005 and futures prices hovered high above the actual cost of production. Additionally, the average consumer in the Midwest paid 25% more to heat their homes this winter. The Working Group is comprised of Illinois AG Lisa Madigan, Wisconsin AG Peg Lautenschlager, Missouri AG Jay Nixon, and Iowa AG Tom Miller.

Representative Schakowsky wrote to President Bush in January and asked that he meet with energy industry executives to figure out how to reduce energy prices. She renewed that call today. "Thanks to the Attorneys General, President Bush now has concrete steps his Administration can take to bring down energy costs. With their wallets already stretched by the most expensive winter on record, consumers in the Midwest need relief from an energy market that's on fire. It is up to President Bush to stop rewarding energy industry executives and

traders for sticking consumers with unjustified bills."

"Attorney General Lisa Madigan has once again demonstrated her capacity to go the extra mile to protect Illinois consumers."