



Industrial Energy Consumers of America

The Voice of the Industrial Energy Consumers

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April 13, 2021

The Honorable Richard Glick
Chairman
U.S. Federal Energy Regulatory Commission (FERC)
888 First Street, NE
Washington, DC 20426

Dear Chairman Glick:

The Industrial Energy Consumers of America (IECA) requests that the Commission perform rate reviews on interstate natural gas pipelines at least every three years. Because interstate natural gas pipelines are monopolies, the Commission has a special obligation to protect consumers and prevent overcharging, which is routinely occurring. Those costs are being passed onto all consumers. IECA members are energy-intensive trade-exposed (EITE) companies and energy costs impact our ability to compete globally. In 2020, the U.S. manufacturing sector consumed 27 percent of our nation's natural gas.

According to the Natural Gas Supply Association (NGSA), from 2015 to 2019, 10 of the 12 major gas pipelines examined over earned and exceeded the guaranteed high fixed return on equity (ROE) of 12 percent. NGSA reported that the Northern Border Pipeline Co. earned the most during the five-year stretch with an average ROE of 29 percent. NGSA also stated that their analysis showed an increase in rates over the five-year period from 15 percent in 2015 to 17.9 percent in 2019.¹ For perspective, most manufacturing companies earn single digit ROEs.

We urge you to take action. Thank you for taking the time to consider our request and if I can be of assistance to your efforts, please feel free to reach out to me.

Sincerely,

Paul N. Cicio
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President & CEO

¹ "10 of 12 major gas pipelines over-earned from 2015 through 2019-shipper study," Allison Good, Market Intelligence, March 18, 2021.

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cc: FERC Commissioners

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$1.1 trillion in annual sales, over 4,200 facilities nationwide, and with more than 1.8 million employees worldwide. It is an organization created to promote the interests of manufacturing companies through advocacy and collaboration for which the availability, use and cost of energy, power or feedstock play a significant role in their ability to compete in domestic and world markets. IECA membership represents a diverse set of industries including: chemicals, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, building products, automotive, brewing, independent oil refining, and cement.