



Industrial Energy Consumers of America
The Voice of the Industrial Energy Consumers

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July 23, 2012

The Honorable Jeff Bingaman
Chairman
Committee on Energy and Natural
Resources
U.S. Senate
703 Hart Senate Office Building
Washington, DC 20510

The Honorable Lisa Murkowski
Ranking Member
Committee on Energy and Natural
Resources
U.S. Senate
709 Hart Senate Office Building
Washington, DC 20510

Re: IECA Requests a Hearing on Section 5 of the Natural Gas Act

Dear Chairman Bingaman and Ranking Member Murkowski:

On behalf of the Industrial Energy Consumers of America (IECA), we request a hearing on needed changes to Section 5 of the Natural Gas Act.

Section 5 of the Natural Gas Act should be amended in order stop natural gas pipeline companies from overcharging consumers. The current system is broken – it favors pipelines over consumers. Today, when pipelines are found to be overcharging the consumer, pipelines are allowed to keep the overcharges – rather than giving consumers their money back.

A 2012 study released by the Natural Gas Supply Association analyzed the cost recovery of 32 major pipelines that represent 80 percent of the market. The study shows that from 2006 to 2010 pipelines over-collected approximately \$4.2 billion more than they would have collected on an average 12 percent return on equity allowed by FERC.

Thank you for taking this matter into consideration.

Sincerely,

Paul N. Cicio
President

The Industrial Energy Consumers of America is a nonpartisan association of leading Manufacturing companies with \$700 billion in annual sales and with more than 650,000 employees nationwide. It is an organization created to promote the interests of manufacturing companies through research, 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: plastics, cement, paper, food processing, brick, chemicals, fertilizer, insulation, steel, glass, industrial gases, pharmaceutical, aluminum and brewing.