



PRESS RELEASE

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IECA CALLS ON FERC TO RESUME THREE YEAR REVIEWS OF INTERSTATE NATURAL GAS PIPELINE RATES

The Industrial Energy Consumers of America (IECA) and a large group of companies and organizations urge FERC to resume mandatory three year reviews of interstate natural gas pipeline rates. One of the Federal Energy Regulatory Commission's (FERC) most fundamental responsibilities is to ensure that rates charged by interstate natural gas pipelines are just and reasonable as required by the Natural Gas Act.

"Unfortunately, many interstate pipeline companies are abusing their monopoly power and are overcharging their customers," said Paul N. Cicio, president of the Industrial Energy Consumers of America. "The overcharges are costs that eventually every natural gas consumer pays."

According to the [letter](#), "FERC Order 636 ended the mandatory three year reviews of pipeline rates in 1992 as a part of the broader move towards deregulation. Pipelines now only go before the FERC if they need a rate increase to cover increased costs or if challenged by a customer through an expensive and lengthy process that can cost the consumer millions of dollars per rate case and can take upwards of two years to be resolved. As a result of the existing process, many pipelines have not had their rates examined by the FERC for many years, leaving customers vulnerable to overcharges."

A 2015 study released by the Natural Gas Supply Association analyzed the cost recovery of 32 major interstate natural gas pipelines that represent 80 percent of the market. The study shows that from 2009 to 2013 pipelines over-collected approximately \$3.0 billion more than they would have collected on a very generous average 12 percent return on equity allowed by FERC.

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$1.0 trillion in annual sales, over 2,900 facilities nationwide, and with more than 1.4 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: chemical, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, building products, brewing, independent oil refining, and cement.