



PRESS RELEASE

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IECA CALLS ON CONGRESS TO REQUIRE INTERSTATE NATURAL GAS PIPELINES TO REFUND OVERCHARGES TO CUSTOMERS

The Industrial Energy Consumers of America (IECA) and a large group of companies and organizations [urge](#) Congress to support legislation that would give the Federal Energy Regulatory Commission (FERC) the tools it needs to provide consumers with refunds when interstate natural gas pipeline companies overcharge consumers by amending Section 5 of the Natural Gas Act.

“Refunding overcharges to customers is a fundamental right that is being denied because FERC does not have refund authority,” said Paul N. Cicio, president of the Industrial Energy Consumers of America.

According to the letter, “Simply put, the current system is broken. Today, when a pipeline is found to be overcharging the consumers, it is allowed to keep the past, post-complaint overcharges – rather than giving consumers their money back. This is because FERC lacks the authority to make the corrected rates effective any sooner than the date of its final Order. This is not the case with electricity. Since 1988, the Federal Power Act has provided FERC with the authority to require reimbursement of electricity overcharges effective as early as the date of the initial complaint.”

A 2015 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 2009 to 2013 pipelines over-collected approximately \$3.0 billion more than they would have collected on an assumed (and extremely generous) average 12 percent return on equity – allowed by FERC. A more balanced and better disciplined complaint process would make it possible for consumers to have a real voice in challenging these over-collections.

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.