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**APGA Sends Letter to Congress Addressing Pipeline Rates and Reform of the Natural Gas Act**

*Washington, D.C. (March 22, 2018)* – The American Public Gas Association (APGA) sent a letter today to the leadership of the House and Senate Energy Committees addressing the lowering of the corporate tax rate from 35 percent to 21 percent, as part of the Tax Cut and Jobs Act of 2017, and its impacts on pipeline rates. Specifically, the letter discusses how the Federal Energy Regulatory Commission (FERC) is effectively hamstrung by Congress’ writing of Section 5 of the Natural Gas Act (NGA) and its failure to update it appropriately. The letter goes on to urge the committee to address Section 5 of the NGA and provide natural gas consumers with the same level of protection from overcharges that currently exists for electric consumers. A copy of the letter can be viewed [here](http://community.apga.org/viewdocument/letters-to-congressional-energy-com).

There currently exists a wide disparity in the manner in which electric customers versus gas customers are treated when it comes to the ability of FERC to review and set just and reasonable rates in a timely manner. Under the Federal Power Act (FPA), if a complaint is filed and FERC rules that the rate the customers have paid was unjust and unreasonable, FERC has the authority to make the new just and reasonable rate begin when the complaint case was filed, which means that the affected customers receive refunds (including interest) of the overcharges.

By contrast, FERC does not have the same authority under the NGA to provide for the reimbursement to a gas customer that is determined to have been paying an unjust and unreasonable rate after a complaint has been filed. The gas customer will begin to pay the new just and reasonable rate only when FERC has concluded the complaint case, which means that the affected pipeline is able to retain all overcharges from the time the complaint is filed until it is finally resolved, which is likely to be a period of several years at best.

Moreover, 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 FERC if they need a rate increase to cover increased costs. Consequently, many pipelines have not had their rates examined by FERC for many years, leaving customers vulnerable to overcharges.

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*APGA is the national association of municipally and publicly-owned local distribution systems. There are about 1,000 public gas systems serving more than 5 million customers. These public gas utilities are not-for-profit retail distribution entities that are owned by, and accountable to, the citizens they serve. They include municipal gas distribution systems, public utility districts, county districts, and other public agencies that have natural gas distribution facilities.*