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APGA Calls on Congress to Reform Section 5 of the Natural Gas Act

Washington, D.C. (April 8, 2013) – Today, the American Public Gas Association (APGA) sent a letter to all members of the Senate Committee on Energy and Natural Resources and the House Committee on Energy and Commerce urging them to carefully review the recently released Natural Gas Supply Association (NGSA) study of interstate pipeline over-recovery titled, “Pipeline Cost Recovery Report: 32 Major Pipelines 2007-2011,” and to address the urgent need to reform Section 5 of the Natural Gas Act (NGA).

The following statement can be attributed to APGA President & CEO, Bert Kalisch.

“Congress should carefully scrutinize the latest NGSA report on interstate pipeline over-recovery. What this report shows, as every previous report has, is that pipelines continue to recover beyond the just and reasonable standard mandated by the NGA.

“This report finds that from 2007-2011, pipelines received an additional \$3.4 billion over and above the industry standard return on equity (ROE) of 12 percent, even taking into account those pipelines which recovered below 12 percent.

“This means that \$680 million are taken out of consumers’ pockets every year solely to pad pipeline profits. We believe strongly that whether you are a homeowner, small business, or large industrial enterprise, you shouldn’t pay unjust and unreasonable rates for the natural gas that heats your home or powers your business.

“This latest report demonstrates that Congress must provide the Federal Energy Regulatory Commission (FERC) refund authority for natural gas that is currently available to electric consumers. Only by reforming the NGA can policymakers permanently ensure that natural gas consumers are protected from over-recovery.”

A copy of the correspondence can be found at: www.apga.org/correspondence

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APGA is the national association of municipally and publicly-owned local distribution systems. There are about 1000 public gas systems serving more than five 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.