



FOR IMMEDIATE RELEASE

CONTACT:

Dave Schryver, Executive Vice President

Phone: (202) 464-0835

Email: dschryver@apga.org

APGA Commends FERC for Continued Efforts to Ensure Just and Reasonable Pipeline Rates

The American Public Gas Association (APGA) commends the Federal Energy Regulatory Commission (FERC) for its decision to initiate Section 5 proceedings against Wyoming Interstate Company and Viking Gas Transmission Company in order to determine whether those pipelines charge unjust and unreasonable rates. Based on Form 2 data that pipelines are required to submit annually to FERC, the Commission determined that these two pipelines may be substantially over-recovering their costs and therefore charging unjust and unreasonable rates in violation of the Natural Gas Act (NGA).

APGA has long maintained that the current regulatory process, which is intended to ensure just and reasonable rates for consumers under the Natural Gas Act, is broken due to the absence of refund relief. Under NGA Section 5, pipelines are able to largely frustrate the ability of the Commission to get just and reasonable rates into place in a timely fashion.

Today's action by the Commission confirms its continued commitment to use NGA Section 5 to address, as best it can under the current regulatory scheme, the problem of pipeline over-earners. Despite the Commission's obvious frustration with the statutory limitations of NGA Section 5, it remains true to its commitment of ensuring just and reasonable rates.

APGA continues to urge Congress to pass legislation that would correct the inequality of NGA Section 5. A broad coalition of energy users, agricultural groups and consumer groups have supported the passage of legislation allowing the Commission to set a

refund-effective date commensurate with either the date the Commission initiates a Section 5 proceeding (as it has done today) or the date a consumer complaint is filed under Section 5; and allow the Commission to treat regulated pipelines just as it currently treats electric utilities under the Federal Power Act.

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.