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CONTACT: Dave Schryver, Executive Vice President

Phone: (202) 464-0835

Email: [dschryver@apga.org](mailto:dschryver@apga.org)

## APGA Calls for Passage of Section 5 Reform Legislation

*Washington, D.C. (April 2, 2014)* – Today, the American Public Gas Association (APGA) sent a letter to the Chairmen and Ranking Members of the Senate Committee on Energy and Natural Resources and the House Committee on Energy and Commerce urging them to review the recently released Natural Gas Supply Association (NGSA) study, which found that interstate natural gas pipelines overcharged consumers by \$2.7 billion from 2008 to 2012, and to address this urgent problem by passing legislation to amend Section 5 of the Natural Gas Act (NGA).

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

“Once again, the 2014 NGSA study shows that multibillion-dollar pipeline over-recovery in contravention of the NGA’s ‘just and reasonable rate’ standard continues to be the norm for natural gas consuming businesses and homeowners. Over the last several NGSA reports, the annual margin of over-recovery has consistently exceeded a half-billion dollars with returns on equity (ROE) for individual pipelines in excess of 12 percent, and some in excess of 30 percent.

“It is particularly telling that pipelines never argue or even attempt to refute that they are over-recovering their costs and instead resort to that old Washington tactic of if you don’t like the conversation, just change the subject. Once you wade through the sea of red herring arguments they proffer, pipelines’ arguments boil down to if they are determined to be over-recovering, they should not have to refund the overcharges.

“Congress should not allow itself to be fooled by arguments that have no merit and therefore continue to force businesses and consumers to be charged unjust and unreasonable rates by monopolies. The remedy for this obvious inequity is for Congress to pass legislation to provide the Federal Energy Regulatory Commission with refund authority by amending Section 5 of the NGA to mirror the Federal Power Act Section 206. Only then will natural gas consumers be assured that the rates they pay for transportation of natural gas are indeed just and reasonable.”

A copy of the correspondence can be found at [www.apga.org/correspondence](http://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 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.*