



1050 Connecticut Avenue, NW, Suite 500 • Washington, D.C. 20036
Telephone (202) 223-1420 • www.ieca-us.org

July 25, 2024

The Honorable Willie L. Phillips
Chairman
Federal Energy Regulatory Commission
888 First St NE
Washington, DC 20426

Re: Consumers Urge FERC to Initiate More Section 5 Rate Cases

Dear Chairman Phillips:

We urge the Commission to annually initiate Section 5 rate cases in order to protect consumers from rates that are not just and reasonable. Interstate natural gas pipelines are monopolies which make consumers highly vulnerable to billions of dollars in pipeline overcharges. In past years, FERC would initiate at least three rate cases or more. In 2023 and so far in 2024, FERC did not initiate a single rate case.

A 2023 study¹ released by the Natural Gas Supply Association analyzed the cost recovery of 20 major interstate pipeline companies. The study shows that from 2018 to 2022, the 20 pipelines were able to collect \$5.1 billion over that five-year period, more than they would have collected on an average 12% return on equity allowed by FERC. Despite this, FERC is failing to take legal action to rein them in.

We look forward to hearing from you on this matter. Thank you.

Sincerely,

Paul N. Cicio
Paul N. Cicio
President & CEO

cc: FERC Commissioners
FERC Office of Public Participation

¹ "2023 Pipeline Cost Recovery Report," Natural Gas Supply Association, 2018-2022.

Senate Committee on Energy and Natural Resources

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$1.3 trillion in annual sales, over 12,000 facilities nationwide, and with more than 1.9 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: chemicals, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, consumer goods, building products, automotive, independent oil refining, and cement.