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News Media Contact

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Item No. G-1

FERC Establishes New Five-Year Oil Pipeline Index Level

The Federal Energy Regulatory Commission (FERC) today established a new index level to calculate annual changes for interstate oil pipeline rate ceilings for 2016 through 2021.

After concluding its fourth five-year review of the index established in Order No. 561, FERC set the new index level of Producer Price Index for Finished Goods plus 1.23 percent (PPI-FG+1.23) for the five-year period beginning July 1, 2016. The current index level is PPI-FG+2.65.

The Commission's adoption of an index level of PPI-FG+1.23 reflects its review of the Page 700 data found in FERC Form No. 6 Annual Report of Oil Pipeline Companies and the comments submitted following the June 30, 2015, Notice of Inquiry. FERC concluded the Page 700 data more accurately measure changes in oil pipeline costs than the Form No. 6 accounting data used by the Commission in prior five-year reviews.

R-16-07

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