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Docket Nos. RP17-303-000

& RP17-302-000

Item Nos. G-1 & G-2

FERC to Investigate Rates Charged by Two Interstate Pipeline Companies

The Federal Energy Regulatory Commission (FERC) today announced it will launch Natural Gas Act (NGA) section 5 investigations of the rates charged by two interstate natural gas pipelines to determine if the companies may be substantially over-recovering their costs, resulting in unjust and unreasonable rates.

The Commission will investigate the rates of Natural Gas Pipeline Company of America LLC, (Natural) (Docket No. RP17-303-000) and Wyoming Interstate Company, L.L.C. (WIC) (Docket No. RP17-302-000).

The Commission reviewed the cost and revenue information provided by the companies in their publicly available FERC Form No. 2 annual reports for the years 2014 and 2015. Based on its review of this data, FERC estimates Natural's return on equity for those calendar years to be 28.5 percent and 20.8 percent, respectively. The Commission estimates WIC's return on equity for those calendar years to be 17.7 percent and 19.0 percent, respectively.

Based on these figures, FERC is concerned that both Natural's and WIC's level of earnings may exceed their actual cost of service, including a reasonable return on equity.

FERC directed each pipeline to file a cost and revenue study for the latest available 12-month period within 75 days of the issuance date of its order. The Commission also set each case for evidentiary hearings before a FERC administrative law judge.

R-17-15

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