



FEDERAL ENERGY REGULATORY COMMISSION

Docket Nos. RP11-1494-000 and RP11-1495-000

Item Nos. G-3 & G-4

November 18, 2010

Commissioner John R. Norris

STATEMENT

Statement of Commissioner John R. Norris on Kinder Morgan Interstate Gas Transmission LLC and Ozark Gas Transmission, L.L.C. Investigations

"I believe that the Commission should use our authority to institute investigations under Natural Gas Act section 5 where our review of the data in FERC Form No. 2 reveals that an interstate natural gas pipeline company's rates may not be just and reasonable. The Commission is instituting two such investigations today.

Based upon the cost and revenue data in Kinder Morgan's and Ozark's 2008 and 2009 FERC Form 2 submissions, we are initiating Natural Gas Act section 5 investigations of those companies. I support this action because it is the Commission's responsibility to ensure that rates are just and reasonable. This is central to the core responsibilities that Congress granted us in the Natural Gas Act. When we have information available to us (such as that found in FERC Form 2) that calls into question the reasonableness of pipeline rates, it is incumbent upon us to look further into those rates.

I also recognize that ratemaking is a balancing act. On the one hand, we need to ensure that pipelines receive a reasonable rate of return on their investments. At the same time, we, as a Commission, have a responsibility to protect consumers. I believe that we have appropriately balanced those interests in instituting these two proceedings.

I want to emphasize that these proceedings are in their initial stages. The draft orders direct each of the pipelines to file a cost and revenue study, which will give the pipelines an opportunity to provide important record evidence. Further, the Commission sets the matters for hearing before an ALJ."