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2025 Interstate Natural Gas Pipeline Cost Recovery Analysis

The Natural Gas Supply Association's (NGSA) 26th annual Cost Recovery Analysis examines the return on equity (ROE) earned by 19 major interstate natural gas pipelines over the past five years.

These findings highlight that some pipelines rates have become stale over time, thus allowing them earn a return that is higher than would be allowed with a just and reasonable rate.

KEY TAKEAWAYS

Pipeline profits keep climbing.

Average ROE **rose to 15.2%** in 2025, **well above the 12% industry benchmark.**

$1.3 billion in over recovery.

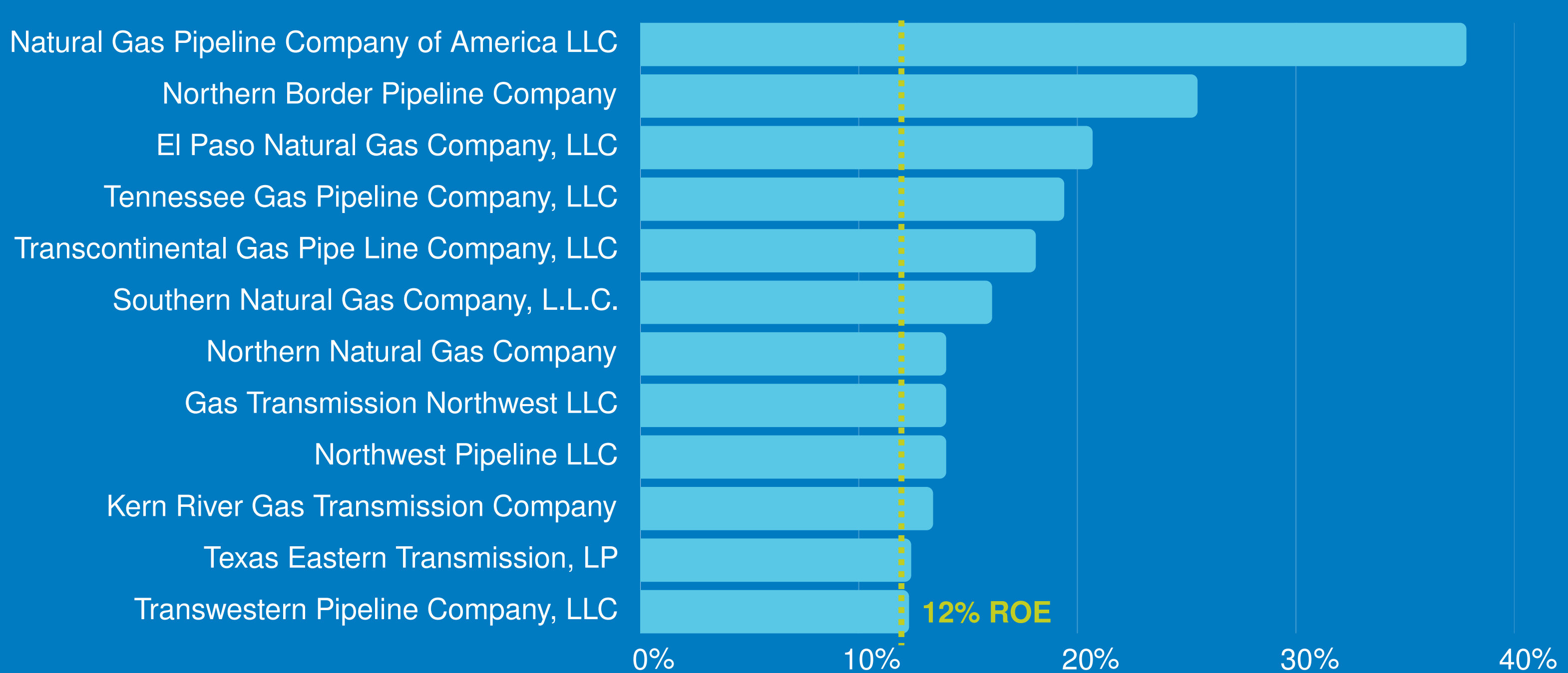
In 2025, the **19 major pipelines significantly exceeded** their regulated cost of service.

41.2% ROE earned by NGPL.

In 2025, Natural Gas Pipeline Company of America (NGPL) earned **a recent high ROE**.

EARNED RATE OF RETURN ON EQUITY 5-YEAR AVERAGE (2021-2025)

12 out of the 19 major pipelines analyzed consistently earned profits above the 12% industry standard.



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NGSA supports healthy returns to incentivize infrastructure investment, but this year's data underscores a pressing need for the Federal Energy Regulatory Commission (FERC) to act to protect shippers from paying rates that are no longer just and reasonable.

FERC **must step in and review pipeline rates** whenever a pipeline continuously exceeds a reasonable profit margin over a sustained period.

EARNED PIPELINE RATE OF RETURN ON EQUITY DATA SET

Pipeline Name	Year Ended 2024	Year Ended 2025	Five-year Average
Natural Gas Pipeline Company of America LLC	36.8%	41.1%	37.8%
Northern Border Pipeline Company	27.4%	28.6%	25.5%
El Paso Natural Gas Company, LLC	20.7%	20.9%	20.7%
Tennessee Gas Pipeline Company, LLC	18.9%	19.9%	19.4%
Transcontinental Gas Pipe Line Company, LLC	16.4%	18.5%	18.1%
Southern Natural Gas Company, L.L.C.	15.8%	13.9%	16.1%
Northern Natural Gas Company	15.1%	10.9%	14.0%
Gas Transmission Northwest LLC	12.7%	18.6%	14.0%
Northwest Pipeline LLC	11.9%	11.2%	14.0%
Kern River Gas Transmission Company	10.4%	9.3%	13.4%
Texas Eastern Transmission, LP	12.1%	13.3%	12.4%
Transwestern Pipeline Company, LLC	10.5%	10.9%	12.3%
Enable Gas Transmission, LLC	3.4%	9.5%	11.1%
ANR Pipeline Company	11.6%	8.9%	10.8%
Columbia Gas Transmission, LLC	8.4%	10.5%	10.1%
Eastern Gas Transmission and Storage	10.6%	10.1%	9.8%
Rockies Express Pipeline LLC	8.7%	10.8%	9.1%
Texas Gas Transmission, LLC	8.2%	9.9%	8.4%
Gulf South Pipeline Co., LP	9.2%	11.0%	8.2%
Average earned ROE	**14.1%**	**15.2%**	**15.5%**

NGSA conducts its cost recovery analysis by comparing annual revenues for each pipeline to an estimate of its regulated cost of service for the same year, using the methodology that would be applied by the FERC in a traditional NGA Section 4 rate proceeding.

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