

NEWS

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NGSA Statement on FERC Policy Statement on Pipeline Modernization Cost Recovery

(Washington, D.C.) -- (Washington, D.C.) -The Natural Gas Supply Association (NGSA) released the following statement today in response to the Federal Energy Regulatory Commission's (FERC) approval of a policy statement setting forth the standards it will use to evaluate trackers and surcharges intended to recover the capital costs of pipeline modernization:

Dena E. Wiggins, president and CEO of NGSA said, "We're disappointed with FERC's approval of the policy statement on standards for evaluation of pipeline modernization surcharges, although we appreciate the Commission's effort to include some safeguards in the process. There's no question that pipelines should have the opportunity to recover costs for actions taken to comply with environmental and safety requirements, however we believe that using a surcharge mechanism for recovery of these capital costs undermines the existing time-tested Section 4 rate case process that currently provides strong protections for pipeline shippers."

Pat Jagtiani, executive vice president of NGSA added, "There are effective rate case and settlement procedures already in place today that permit pipelines the opportunity to recover modernization costs."

NGSA's [previous news releases on the pipeline modernization surcharge are posted here](#) (1/26/2015) and [here](#) (2/27/2015) on ngsa.org.

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The Natural Gas Supply Association (NGSA) represents integrated and independent companies that supply natural gas. Established in 1965, NGSA encourages the use of natural gas within a balanced national energy policy, and promotes the benefits of competitive markets, thus encouraging increased supply and the reliable and efficient delivery of natural gas to U.S. customers. For more information, please visit www.ngsa.org and www.naturalgas.org.

Markets Matter: Representing America's Major Producers and Suppliers of Natural Gas Since 1965