

NEWS

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NGSA Annual Analysis of Pipeline ROEs Shows Continued Over-Recovery

(Washington, D.C.) – The Natural Gas Supply Association (NGSA) released its [2025 Pipeline Cost Recovery Report](#) today, concluding that the over-recovery by the 19 pipelines in our study was \$745 million in 2024. However, this masks the cost over-recovery of \$1.6 billion for the 9 pipelines that exceeded the 12% benchmark ROE.

The 2024 NGSA report is unusual compared to prior years, with only 9 of the 19 pipelines studied earning an ROE at or above our 12% benchmark, compared to 15 pipelines last year. The average ROE for pipelines studied in 2024 was 14.1%, well above the 12% benchmark but down from 15.7% seen in 2023.

While the reported data does not contain sufficient data to break out “Junk and Jewel” transactions, the report highlights that such transactions continue to inflate earned returns for several pipelines in the study and noting that the overall earned returns would be lower if these bundled transactions were prohibited by FERC.

Dena Wiggins, NGSA President and CEO, said:

“NGSA supports healthy returns for interstate pipelines so that they can invest in necessary infrastructure. However, like other pipeline shippers, NGSA has an interest in ensuring that FERC reviews pipeline rates when there is clear evidence that a pipeline has substantially exceeded a reasonable level of earned ROE over a sustained period.”

This is NGSA’s 25th annual evaluation of earnings by major interstate natural gas pipelines. To learn more about this annual report or about ‘junk and jewel,’ visit NGSA’s [Infrastructure and Rate Regulation](#) page.

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The Natural Gas Supply Association (NGSA) represents integrated and independent companies that supply natural gas. Founded in 1965, NGSA is the only national trade association that solely focuses on producer-marketer issues related to the downstream natural gas industry. NGSA advocates for well-functioning markets that foster a growing, competitive market for natural gas. NGSA is dedicated to achieving a cleaner future through strong partnerships with renewables and supporting innovative technologies and market solutions that reduce emissions. For more information, please visit www.ngsa.org.

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