

NPGA DEFENDS FIVE-YEAR INDEX

ISSUE

Several pipelines have filed an appeal to challenge the Federal Energy Regulatory Commission's (FERC) decision to recalculate the five-year index according to the revised methodology that NPGA successfully argued for in 2021 and previously in 2015. NPGA's advocacy on the five-year index resulted in reducing the index from +0.78% to -0.21%. The index is used by the pipelines to increase or decrease tariff rates after calculating the costs to operate the pipelines. A lower index rate prevents the pipelines from setting higher tariffs, which increase the cost to transport propane.

ACTION

NPGA's legal counsel has intervened in the challenge to defend FERC's determination. FERC had also articulated that the pipelines needed to revise their tariff rates to implement the adjusted methodology; essentially, lowering the rates to align with the lower index. NPGA's counsel also filed a petition for FERC to clarify that any refunds or overcharges by pipelines, as a result of FERC's decision, must be settled on a case-by-case basis between the shippers and pipelines.

OUTLOOK

NPGA is collaborating with Airlines for America, Valero, and Chevron to protect the lower index rate and methodology. Any changes through the D.C. Circuit would provide the pipelines more latitude to calculate a wider range of expenses that justify higher operational costs and higher tariff rates to transport propane through the pipeline systems. NPGA continues to pressure FERC to confirm that the lower index rate requires the pipelines to adjust tariffs charged to shippers. Please direct any questions to Sarah Reboli (sreboli@npga.org), Vice President, Regulatory & Industry Affairs.

HOST CONGRESSIONAL VISITS AT MEMBER FACILITIES

ISSUE

Congressional site visits at member facilities are one of the most effective ways to strengthen relationships with federal legislators. NPGA's federal affairs team continues to advocate for industry priorities with Members of Congress and Congressional stakeholders. The next step is to introduce these legislators to propane companies back in their home states and districts, so they can better understand the issues that are most important to the propane industry.

ACTION

Building on the success of Propane Days, NPGA has created a target list of Members of Congress to visit propane facilities during the upcoming Congressional district work period in August. These Congressional visits with association members are a core component of NPGA's Propane Days 365 advocacy program, promoting year-round advocacy outside of Washington, DC, and encouraging local grassroots engagement.

OUTLOOK

NPGA has already coordinated several Congressional visits to propane businesses this year and planned more throughout the summer. Hosting a site visit at your company is a valuable opportunity to engage with your elected representatives and highlight your company's impact on the community. If your company is interested in hosting a congressional site visit, please contact NPGA's State Association Relations Manager, Eric Sears (esears@npga.org).

