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May 15, 2026

The Honorable Mike Lee
Chairman
The Honorable Martin Heinrich
Ranking Member
Committee on Energy and Natural Resources
United States Senate

The Honorable Brett Guthrie
Chairman
The Honorable Frank Pallone, Jr.
Ranking Member
Committee on Energy and Commerce
House of Representatives

Subject: *Department of Energy, Federal Energy Regulatory Commission: Five-Year Review of the Oil Pipeline Index*

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the Department of Energy, Federal Energy Regulatory Commission (FERC) entitled "Five-Year Review of the Oil Pipeline Index" (Docket No. RM26-6-000). We received the rule on April 29, 2026. It was published in the *Federal Register* on April 28, 2026. 91 Fed. Reg. 22920. The effective date of the rule is June 29, 2026.

According to FERC, this rule establishes the index level used to determine annual changes to oil pipeline rate ceilings. FERC stated that the rule establishes an index level of Producer Price Index for Finished Goods minus 0.55% (PPI-FG-0.55%) for the five-year period beginning July 1, 2026.

Enclosed is our assessment of FERC's compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. If you have any questions about this report or wish to contact GAO officials responsible for the evaluation work relating to the subject matter of the rule, please contact me at (202) 512-8156.

Shirley A. Jones
Managing Associate General Counsel

Enclosure

cc: James Dawson
General Counsel
Federal Energy Regulatory Commission

REPORT UNDER 5 U.S.C. § 801(a)(2)(A) ON A MAJOR RULE
ISSUED BY THE
DEPARTMENT OF ENERGY,
FEDERAL ENERGY REGULATORY COMMISSION
ENTITLED
“FIVE-YEAR REVIEW OF THE OIL PIPELINE INDEX”
(DOCKET NO. RM26-6-000)

(i) Cost-benefit analysis

The Department of Energy, Federal Energy Regulatory Commission (FERC) prepared a regulatory impact analysis (RIA) analyzing the costs and benefits of this rule and summarized the RIA in the rule. 91 Fed. Reg. 22920, 22937 (Apr. 28, 2026). FERC examined the effects of the rule as compared to two baselines: the first baseline assumes that the index level for 2021–2025 continues in effect for 2026–2031 instead of the index level in the rule; the second baseline assumes that there is no effective index level for 2026–2031, and pipelines are thus precluded from changing their rates. *Id.* FERC stated in the RIA that the rule will reduce interstate oil pipeline transportation revenues by \$7,135,557,869 (in unadjusted dollars) during the five-year period that the index would be effective as compared to the first baseline and will increase oil pipeline revenues by \$7,498,007,238 (in unadjusted dollars) during the five-year period as compared to the second baseline. FERC, *Five-Year Review of the Oil Pipeline Index – Final Rule, Docket No. RM26-6-000: Regulatory Impact Analysis* (Apr. 24, 2026) at 12, available at <https://elibrary.ferc.gov/eLibrary/filedownload?fileid=F9769D0A-D287-C0C6-87D8-9DC0E6300000> (last visited May 6, 2026).

(ii) Agency actions relevant to the Regulatory Flexibility Act (RFA), 5 U.S.C. §§ 603–605, 607, and 609

FERC certified that this rule will not have a significant economic impact on a substantial number of small entities, and that no regulatory flexibility analysis was required. 91 Fed. Reg. at 22938.

(iii) Agency actions relevant to sections 202–205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532–1535

As an independent regulatory agency, FERC is not subject to the Act.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 *et seq.*

FERC published a proposed rule on November 24, 2025. 90 Fed. Reg. 52902. FERC stated that they received comments from various interested parties. 91 Fed. Reg. at 22921. FERC responded to comments throughout the rule.

Paperwork Reduction Act (PRA), 44 U.S.C. §§ 3501–3520

FERC determined that this rule makes non-substantive changes to information collection requirements under the Act. 91 Fed. Reg. at 22937.

Statutory authorization for the rule

FERC promulgated this rule pursuant to section 1(5) of the Interstate Commerce Act and section 1801(a) of Public Law 102-486, 106 Stat. 2776, 3010 (Oct. 24, 1992), note to section 7172 of title 42, United States Code.

Executive Order No. 12866 (Regulatory Planning and Review)

FERC stated that this rule is economically significant under the Order and was reviewed by the Office of Management and Budget. 91 Fed. Reg. at 22937.

Executive Order No. 13132 (Federalism)

FERC determined that this rule does not have federalism implications. 91 Fed. Reg. at 22937–38.