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ROBERT E. NYCE, EXECUTIVE DIRECTOR
MARY S. WYATTE, CHIEF COUNSEL



PHONE: (717) 783-5417
FAX: (717) 783-2664
irrc@irrc.state.pa.us
<http://www.irrc.state.pa.us>

INDEPENDENT REGULATORY REVIEW COMMISSION
333 MARKET STREET, 14TH FLOOR, HARRISBURG, PA 17101

June 8, 2000

Honorable John M. Quain, Chairman
Pennsylvania Public Utility Commission
104 North Office Building
Harrisburg, PA 17105

Re: IRRC Regulation #57-207 (#2067)
Pennsylvania Public Utility Commission
Natural Gas Choice and Competition

Dear Chairman Quain:

The Independent Regulatory Review Commission approved the subject regulation at its June 8, 2000 public meeting. Our Order is enclosed and is available on our website at <http://www.irrc.state.pa.us>.

We appreciate the joint effort that went into producing a regulation that met the criteria and intent of the Regulatory Review Act.

Sincerely,


John R. McGinley, Jr.
Chairman

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Enclosure

cc: Lawrence Barth
Robert Bennett
Sherri DelBiondo

INDEPENDENT REGULATORY REVIEW COMMISSION

Commissioners Voting:

Public Meeting Held June 8, 2000

John R. McGinley, Jr. Chairman
Alvin C. Bush, Vice Chairman
Arthur Coccodrilli
Robert J. Harbison, III
John F. Mizner

Regulation No. 57-207
Pennsylvania Public Utility Commission
Natural Gas Choice and Competition

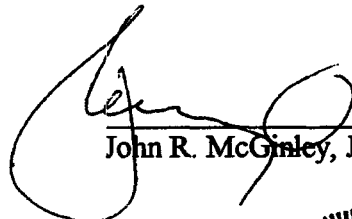
On September 20, 1999, the Independent Regulatory Review Commission (Commission) received this proposed regulation from the Pennsylvania Public Utility Commission. This rulemaking amends 52 Pa. Code Section 53.69. The authority for this regulation is the Natural Gas Customer Choice and Competition Act (66 Pa. C.S. § 1307(f)(1)(II)). The proposed regulation was published in the October 2, 1999 *Pennsylvania Bulletin* with a 30-day public comment period. The final-form regulation was submitted to the Commission on May 17, 2000.

This regulation requires a natural gas distribution company with annual revenues in excess of \$40 million - that reconciles its gas costs more often than quarterly - to offer a fixed rate option to customers. The fixed rate option would be annually reconciled with actual gas costs.

This regulation meets the criteria of the Regulatory Review Act.

BY ORDER OF THE COMMISSION:

This regulation is approved.



John R. McGinley, Jr., Chairman

