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

March 21, 2006

Honorable Wendell Holland, Chairman
Pennsylvania Public Utility Commission
Keystone Building, 3rd Floor
400 North Street
Harrisburg, PA 17105

Re: Regulation #57-229 (IRRC #2400)
Pennsylvania Public Utility Commission
Permanent Standards of Conduct

Dear Chairman Holland:

The Independent Regulatory Review Commission approved the subject regulation today. Our order is enclosed and will be available on our website at www.irrc.state.pa.us.

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

Sincerely,

John R. McGinley, Jr., Esq.

Chairman

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Enclosure

cc: Honorable Robert M. Tomlinson, Chairman, Senate Consumer Protection and Professional Licensure Committee

Honorable Lisa M. Boscola, Minority Chairman, Senate Consumer Protection and Professional Licensure Committee

Honorable Robert J. Flick, Majority Chairman, House Consumer Affairs Committee

Honorable Joseph Preston, Jr., Democratic Chairman, House Consumer Affairs Committee

**INDEPENDENT REGULATORY REVIEW COMMISSION
APPROVAL ORDER**

Commissioners Voting:

Public Meeting Held March 21, 2006

John R. McGinley, Jr., Esq., Chairman
Alvin C. Bush, Vice Chairman
Arthur Coccodrilli
John F. Mizner, Esq.
Murray Ufberg, Esq.

Regulation No. 57-229
Pennsylvania Public Utility Commission
Permanent Standards of Conduct

On April 6, 2004, the Independent Regulatory Review Commission (Commission) received this proposed regulation from the Pennsylvania Public Utility Commission (PUC). This rulemaking adds Sections 62.141 and 62.142 to Title 52 Pa. Code. The proposed regulation was published in the April 17, 2004 *Pennsylvania Bulletin* with a 30-day public comment period. The final-form regulation was submitted to the Commission on January 19, 2006.

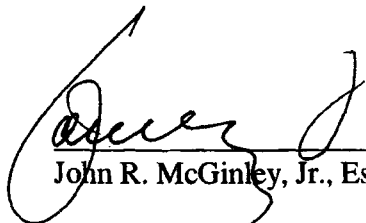
Section 2209 of the Natural Gas Choice and Competition Act established a two-part process for implementing standards of conduct for the natural gas industry. This regulation represents the second part of this process. The PUC is promulgating permanent standards intended to equalize interactions between natural gas suppliers (NGSs) and natural gas distribution companies (NGDCs) and their affiliated NGSs. The permanent standards in this regulation include procedures, requirements and standards designed to minimize any preferential treatment between NGDCs and their affiliated NGSs.

We have determined this regulation is consistent with the statutory authority of the PUC (66 Pa.C.S.A. §§ 501, 1501, 1701 and 2209(a)-(b)) and the intention of the General Assembly. Having considered all of the other criteria of the Regulatory Review Act, we find promulgation of this regulation is in the public interest.

BY ORDER OF THE COMMISSION:

This regulation is approved.





John R. McGinley, Jr., Esq., Chairman