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April 20, 2009

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105

COPY

INDEPENDENT REGULATION
REVENUE COMMISSION

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Re: Docket No. L-00060182
Rulemaking to Amend the Provisions of 52 Pa. Code, Chapter 56

Dear Secretary McNulty:

Please accept the enclosed original and fifteen copies of the Comments of the Peoples Natural Gas Company, d/b/a Dominion Peoples, in the above-referenced proceeding. In accordance with the Commission order entered in this matter on September 26, 2008, I have also included a diskette containing a copy in electronic format. I also certify that I have served a copy of the Comments by email upon Terrence J. Buda, Patti Wiedt, Cyndi Page and Daniel Mumford.

If you have any questions or concerns regarding this matter, please do not hesitate to contact me.

Very truly yours,

Counsel for The Peoples
Natural Gas Company

cc: (by email)
Terrence J. Buda (tbuda@state.pa.us)
Patti Wiedt (pwiedt@state.pa.us)
Cyndi Page (cypage@state.pa.us)
Daniel Mumford (dmumford@state.pa.us)

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**COMMONWEALTH OF PENNSYLVANIA
BEFORE
THE PUBLIC UTILITY COMMISSION**

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| Rulemaking to Amend the Provisions of |) | |
| 52 Pa. Code, Chapter 56 to Comply with the |) | |
| Provisions of 66 Pa.C.S., Chapter 14; General |) | Docket No. L-00060182 |
| Review of Regulations |) | |

**COMMENTS OF THE PEOPLES NATURAL GAS COMPANY,
D/B/A DOMINION PEOPLES**

I. INTRODUCTION

On November 30, 2004, Governor Rendell signed into law 2004, Nov. 30, P.L. 1578, No. 201, now commonly referred to in Public Utility Commission matters as Act 201.

Among its numerous provisions, Act 201 provided in § 6 as follows:

The Pennsylvania Public Utility Commission shall amend the provisions of 52 Pa. Code Ch. 56 to comply with the provisions of 66 Pa.C.S. Ch. 14 and may promulgate other regulations to administer and enforce 66 Pa.C.S. Ch. 14, but promulgation of any such regulation shall not act to delay the implementation or effectiveness of his chapter.

So began the process that now, nearly five years later, finds the Commission and interested parties on the verge of the adoption of the implementing rules.

Through this lengthy process, the Commission has been guided by a clear declaration of policy by the General Assembly. In sum, the General Assembly declared that (1) current rules have not successfully managed the issue of bill payment; (2) the current rules need to be revisited and changed in order to provide protection to paying customers from rate increases attributable to other customers' delinquencies; (3) the statutory changes

are intended to reduce utilities' uncollectible accounts by implementing new procedures for delinquent account collections and for increasing timely collections, and to achieve equity by eliminating opportunities for customers capable of paying to avoid the timely payment of public utility bills; and (4) utility service should remain available to all customers on reasonable terms and conditions.¹

It is well settled that the rules and regulations promulgated by an administrative agency must be consistent with the statute that enables the promulgation of those regulations. Thus, *every change proposed by the Commission in this rulemaking should be analyzed in the context of how it satisfies the clearly stated declarations of Section 1402.*

Dominion Peoples endorses the comments filed in this proceeding by the Energy Association of Pennsylvania. Those comments identify specific instances where the Commission's proposed rules do not satisfy the General Assembly's declaration of purpose by failing to reduce utilities' uncollectible accounts or by failing to result in utilities' increasing timely collections. For each of these instances, Dominion Peoples urges the Commission to review the proposed regulation and to reconsider how the proposal fosters the legislative mandates.

II. COMMENTS

The Peoples Natural Gas Company, d/b/a Dominion Peoples ("Dominion Peoples"), offers comments on some proposed regulations that Dominion Peoples believes could be modified to improve the utility/customer interaction, and to reduce unnecessary customer

¹ 66 Pa.C.S. § 1402. Section 4 of Act 201 also included a listing of Chapter 56 regulations superseded by Chapter 14 and a general statement that all other regulations are abrogated to the extent inconsistent with Chapter 14. On the whole, it is difficult to envision a clearer legislative statement condemning existing rules and directing that they be changed.

complaints and utility expenses. These proposed regulations are addressed in the following sections.

A. Section 56.2 Definitions. Household Income

The proposed rules define Household Income as follows:

Household Income - The combined gross income of all adults in a residential household who benefit from the public utility service. The term does not include income intended for the use of a minor. Examples of a minor's income include Social Security, child support, SSL, earnings and grants from the Department of Public Welfare.

The first sentence is also the definition of household income set forth in 66 Pa.C.S. § 1403.

The second and third sentences are not included in the statute. If the proposed rule is not changed, public utilities will find themselves in the difficult situation of using one definition of household income when addressing Chapter 14 issues (the definition in 66 Pa.C.S. § 1403) and another definition of household income when addressing Chapter 56 issues (the proposed definition set forth in § 56.2 of the Commission's rules). This would create unnecessary confusion for all interested parties.

Does the Commission, in fact, intend to use the different definitions of household income for Chapter 14 and Chapter 56 issues, respectively? Dominion Peoples concluded that the answer must be 'yes' since the Commission has no authority or legal basis to *not* use the Chapter 14 definition when dealing with Chapter 14 issues. The § 1403 definition of household income is clear and unambiguous. It needs no interpretation. The General Assembly could have included the second and third sentences from the proposed rule in the statute but did not. Thus, the Commission is obligated to use the Chapter 14 definition for Chapter 14 issues, leading to the conclusion that the proposed definition in Section 56.2 must be intended for only Chapter 56 issues. As noted above, this is likely to create

confusion, and Dominion Peoples urges the Commission to also adopt the Chapter 14 definition of Household Income for use in the Chapter 56 regulations.

B. Section 56.2 Definitions. Informal Dispute Settlement Agreement and Payment Agreement

The Commission has proposed adding a new defined term to Chapter 56 – Informal Dispute Settlement Agreement. This term appears to simply be intended to replace an undefined term – settlement agreement – that is used in current Chapter 56 regulations. The proposed definition is as follows:

Informal dispute settlement agreements - A mutually agreeable statement of a claim or dispute by a customer or applicant including a proposed resolution of the claim or dispute. An informal dispute settlement agreement is a written document that is provided to the parties or their representatives. An informal dispute settlement agreement offered by a utility shall contain the following statement: “If you are not satisfied with this agreement, immediately notify the utility that you are not satisfied. You may file either an informal complaint or a formal complaint before the Public Utility Commission without making yourself subject to retaliation by the Utility.” The informal dispute settlement agreement shall also contain the information necessary to contact the Public Utility Commission either in writing or by telephone.

The proposed regulations also contain a revised definition for “Payment Agreement,” as follows:

Payment agreement—[A mutually satisfactory written agreement whereby a ratepayer or applicant who admits liability for billed service is permitted to amortize or pay the unpaid balance of the account in one or more payments over a reasonable period of time.] An agreement in which a customer who admits liability for billed service is permitted to amortize or pay the unpaid balance of the account in one or more payments.

Compared to the proposed definition of Payment Agreement, the definition of Informal Dispute Settlement Agreement seems unwieldy and complicated, perhaps because it effectively fails to acknowledge that an agreement even exists. If the customer/applicant

and the utility have reached a settlement agreement, it does not contain a “proposed resolution of the claim or dispute” – it contains an actual resolution. Once the parties have agreed on a resolution of the claim or dispute, there is no need for any follow up with the Commission. The follow up contemplated in the proposed definition should occur only if the customer/applicant and the utility are unable to reach a settlement agreement.

Moreover, the proposed definitions beg the question of whether a dispute involving payment terms about which an agreement has been made resolving that dispute would be considered an informal dispute settlement agreement or a payment agreement or both. The need for such complexity is not apparent, and Dominion Peoples suggests the following revision to the proposed definition of Informal Dispute Settlement Agreement:

Informal dispute settlement agreements – [A mutually agreeable statement of a claim or dispute by a customer or applicant including a proposed resolution of the claim or dispute. An informal dispute settlement agreement is a written document that is provided to the parties or their representatives. An informal dispute settlement agreement offered by a utility shall contain the following statement: “If you are not satisfied with this agreement, immediately notify the utility that you are not satisfied. You may file either an informal complaint or a formal complaint before the Public Utility Commission without making yourself subject to retaliation by the Utility.” The informal dispute settlement agreement shall also contain the information necessary to contact the Public Utility Commission either in writing or by telephone.] An agreement in which a customer and utility resolve a dispute that does not involve payment terms without Public Utility Commission involvement.

Dominion Peoples also suggests a clarification in the proposed definition of Payment Agreement. As currently proposed, payment agreement could be considered to be limited to situations where the customer admits liability for a bill and to exclude situations where a customer is adjudged to be liable. Dominion Peoples, therefore, suggests the following amended definition:

An agreement in which a customer who admits liability or is adjudged liable for billed service is permitted to amortize or pay the unpaid balance of the account in one or more payments.

C. § 56.16. Transfer of Accounts.

The proposed regulations include an amendment to § 56.16 as follows:

(a) A [ratepayer] customer who is about to vacate premises supplied with public utility service or who wishes to have service discontinued shall give at least 7 days notice to the public utility and a [nonratepayer]noncustomer occupant, specifying the date on which it is desired that service be discontinued. In the absence of a notice, the [ratepayer] customer shall be responsible for services rendered. If the public utility is not able to access the meter for discontinuance, service shall be discontinued with an estimated meter reading upon which the final bill will be based. The resulting final bill is subject to adjustment once the public utility has obtained an actual meter reading and can determine the actual consumption used by the customer.

In some situations where the utility is unable to gain access to the meter before discontinuance, the problem with access continues after discontinuance of service. It is not uncommon to find situations where there is a significant difference between the estimated reading that served as the basis for a customer's estimated final bill and the next actual reading that the utility obtains. In such a situation, the utility must allocate usage between the original customer and whoever has followed that customer (who in some cases could be a user without contract who did not make an application for service before occupying the premises). To allow for such a situation, Dominion Peoples suggests that the last sentence of § 56.16 be changed as follows: "The resulting final bill is subject to adjustment once the public utility has obtained an actual meter reading ~~and can determine the actual consumption used by the customer.~~" This would eliminate any question about the utility's right to adjust the final bill when an actual reading is obtained, even if that actual reading does not determine with certainty the customer's actual consumption at the time of discontinuance.

D. Implementation

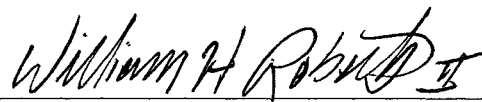
A number of the proposed rules, if adopted as final rules, will require utilities to modify their billing systems in order to implement them. Examples are Sections 56.12(7) Budget billing; 56.13 Billings for merchandise, appliances and nonrecurring and recurring services; 56.15 Billing information (incorporation of plain language guidelines); and 56.231 Reporting requirements. Dominion Peoples estimates that it could take up to six months to modify and test its billing system. As a result, Dominion Peoples requests that the Commission provide at least six months after publication of the final rules before they become effective. Alternatively, Dominion Peoples requests that the Commission phase in the implementation of the proposed rules by first making effective only those rules that do not require modification of billing systems and providing, as suggested above, six months for those rules that will require modification of billing systems.

WHEREFORE, Dominion Peoples respectfully requests that the Commission accept these Comments and give them due consideration in developing final rules and regulation in the proceeding.

Respectfully submitted,

THE PEOPLES NATURAL GAS
COMPANY, d/b/a DOMINION PEOPLES

By Counsel



William H. Roberts II