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Independent Oil & Gas Association of Pennsylvania

INDEPENDENT REGULATORY
REVIEW COMMISSION

August 25, 2009

VIA HAND DELIVERY

James McNulty, Secretary
PA Public Utility Commission
Commonwealth Keystone Bldg.
2nd Fl., 400 North Street
P.O. Box 3265
Harrisburg, PA 17105-3265

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AUG 25 2009

**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

Re: Natural Gas Distribution Companies and the Promotion
of Competitive Retail Markets, Docket No. L-2008-2069114
Comments of IOGA of Pennsylvania

COPY

Dear Secretary McNulty:

Enclosed are the original and fifteen (15) copies of the Comments of the Independent Oil and Gas Association of Pennsylvania in the above referenced rulemaking.

If you have any questions regarding this filing, please contact me at your convenience.

Very truly yours,

A handwritten signature in black ink, appearing to read "Louis D. D'Amico", written over a horizontal line.

Louis D. D'Amico, Executive Director

Northridge Office Plaza II, 115 VIP Drive, Suite 210, Wexford, PA 15090-7906
Telephone (724) 933-7306 Fax (724) 933-7310

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Natural Gas Distribution Companies and
the Promotion of Competitive Retail Markets

Docket No. L-2008-2069114

COMMENTS OF

Louis D. D'Amico
Executive Director
on behalf of

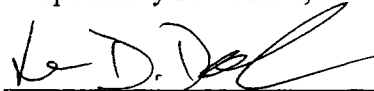
Independent Oil and Gas Association of Pennsylvania

As a result of the Commission's finding that "effective competition" does not exist in the retail natural gas supply market statewide and the recommendations of the SEARCH (Stakeholders Exploring Avenues for Removing Competition Hurdles) working group, the Commission decided to promulgate three (3) rulemakings consistent with the goal of nurturing a robust retail market for natural gas. This rulemaking proposes to: (1) reformulate the "price to compare"; (2) establish rules for voluntary purchase of receivables programs; (3) ensure that an gas utility's release, assignment or transfer of capacity is nondiscriminatory and at the applicable contract rate; and (4) change the manner of gas utilities' recovery of costs related to competition activities and regulatory assessments.

The Independent Oil and Gas Association of Pennsylvania (IOGA) submitted comments in August 2004 in the initial gas competition investigation. IOGA obviously agreed with the Commission's eventual finding of "no competition" and identified the overriding problem with Pennsylvania's gas competition model – the lack of a fair or even playing field between the gas utilities and their "unregulated" affiliates, and natural gas suppliers ("NGSs").

The Commission has shown in some ways that it is serious about trying to address the fundamental problem with the Pennsylvania model, and IOGA supports the Commission's efforts. This rulemaking is one example. But as the Commission noted with respect to the proposed capacity release rules, the Commission's efforts are constrained by statute. Nonetheless, unless and until the Gas Competition Act is changed to address the fundamental problem with the Pennsylvania model, the Commission's SEARCH rulemakings provide the best hope of leveling the playing field.

Respectfully submitted,



Louis D. D'Amico, Executive Director
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