

Regulatory Analysis Form

(Completed by Promulgating Agency)



SECTION I: PROFILE

(1) Agency:

PA Public Utility Commission

(2) Agency Number:

Identification Number:

L-2009-2069117/57-268

IRRC Number: 2798

(3) Short Title:

Natural Gas Distribution Company Business Practices

(4) PA Code Cite:

52 Pa. Code §§ 62.181-62.185

(5) Agency Contacts (List Telephone Number, Address, Fax Number and Email Address):

Primary Contact:

Patricia Krise Burket, 717-787-3464, P.O. Box 3265, Harrisburg, PA 17105-3265, 717-783-3458, pburket@state.pa.us

Secondary Contact:

Sherri A. DelBiondo, 717-772-4597, P.O. Box 3265, Harrisburg, PA 17105-3265, 717-783-3458, sdelbiondo@state.pa.us

(6) Primary Contact for Public Comments (List Telephone Number, Address, Fax Number and Email Address) – Complete if different from #5:

Primary Contact:

(All Comments will appear on IRRC'S website)

(7) Type of Rulemaking (check applicable box):

Proposed Regulation

Final Regulation

Final Omitted Regulation

Emergency Certification Regulation;

Certification by the Governor

Certification by the Attorney General

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(8) Briefly explain the regulation in clear and nontechnical language. (100 words or less)

The proposed rulemaking establishes common business practices for the statewide retail natural gas market. These standards will govern the business relationship between NGDCs and NGSs in regard to financial transactions, communications (information and data and exchange) and system operational rules for the management of gas on an NGDC's system (imbalance trading, tolerance bands, cash out and penalties, and nominations and capacity). The proposed rulemaking order establishes (1) a working group to develop these standards and a model Supplier Coordination Tariff format, and (2) a standing working group to develop standards for data exchange and communications, including electronic bulletin boards. NGDCs may recover reasonable costs directly attributable to implementing these standards.

(9) Include a schedule for review of the regulation including:

- | | |
|---|---------------------------------|
| A. The date by which the agency must receive public comments: | <u>60 days after Pa.B. pub.</u> |
| B. The date or dates on which public meetings or hearings will be held: | <u>N/A</u> |
| C. The expected date of promulgation of the proposed regulation as a final-form regulation: | <u>by end of year</u> |
| D. The expected effective date of the final-form regulation: | <u>upon Pa.B. pub</u> |
| E. The date by which compliance with the final-form regulation will be required: | <u>upon Pa.B. pub.</u> |
| F. The date by which required permits, licenses or other approvals must be obtained: | <u>N/A</u> |

(10) Provide the schedule for continual review of the regulation.

No schedule is needed. The regulations, when finalized, will be evaluated as they are applied in regard to NGS-NGDC business relationships.

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SECTION II: STATEMENT OF NEED

(11) State the statutory authority for the regulation. Include specific statutory citation.

The Public Utility Code at 66 Pa.C.S. § 501 (relating to general powers); § 504 (relating to reports by public utilities); 2203(1) & (4)(relating to standards for restructuring of natural gas utility industry); § 2204(g) (relating to implementation; investigation and report to General Assembly); and § 2205 (relating to duties of natural gas distribution companies).

(12) Is the regulation mandated by any federal or state law or court order, or federal regulation? Are there any relevant state or federal court decisions? If yes, cite the specific law, case or regulation as well as, any deadlines for action.

The regulation is not mandated by any federal law or court decision so there is no external deadline that must be met.

(13) State why the regulation is needed. Explain the compelling public interest that justifies the regulation. Describe who will benefit from the regulation. Quantify the benefits as completely as possible and approximate the number of people who will benefit.

The compelling public interest advanced by these proposed regulations that standardize business practices is the creation of a more competitive retail natural gas supply services market in Pennsylvania.

In its October 2005 *Report to the General Assembly on Competition in Pennsylvania's Retail Natural Gas Market*, Docket No. I-00040103, the PUC determined that there was not effective competition in the market based on the low participation rate of NGSs in the market. The lack of uniformity among NGDC business standards, operating rules, and business barriers was identified as a possible barrier to market entry and participation. A collaborative of stakeholders (SEARCH) was convened to discuss various ways to increase effective competition. The *SEARCH Report* proposed that some standardization of business rules among NGDCs could increase the number of NGSs participating in the statewide retail market. The PUC accepted this solution in its *Final Search Order and Action Plan*, order entered September 11, 2008 at Docket No. I-00040103F0002. This proposed rulemaking implements this solution.

NGSs will benefit directly from this proposed revision as a barrier to market entry and participation will be lowered and their operational costs will decrease. With increased supplier participation, customers will also benefit as they will have more suppliers, and possibly more service options from which to choose to purchase their gas supply. The beneficiaries will be the 2.8 natural gas customers in the Commonwealth (2.5 million residential customers, 230,000 commercial customers and 4800 industrial customers). NGDCs may also benefit financially from the increased efficiency of the market with the introduction of uniform communications and data exchange protocols.

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(14) If scientific data, studies, references are used to justify this regulation, please submit material with the regulatory package. Please provide full citation and/or links to internet source.

No scientific data support is necessary for this proposed revision to existing regulations.

(15) Describe who and how many will be **adversely** affected by the regulation. How are they affected?

NGDCs, NGSs and natural gas retail customers will be affected by these proposed regulations. The proposed regulations and the standards that will be developed consistent with the proposed regulations will govern the business relationship between NGDCs and NGSs. NGDCs and NGSs will be expected to comply with these regulations.

NGDCs will be permitted to recover the reasonable costs of implementing the business standards from customers.

(16) List the persons, groups or entities that will be required to comply with the regulation. Approximate the number of people who will be required to comply.

There are 10 NGDCs that will need to comply with the proposed regulations and the business standards, rules and practices that are put in place. There are approximately 85 licensed NGSs in Pennsylvania.

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SECTION III: COST AND IMPACT ANALYSIS

(17) Provide a specific estimate of the costs and/or savings to the **regulated community** associated with compliance, including any legal, accounting or consulting procedures which may be required. Explain how the dollar estimates were derived.

A specific estimate of costs and/or savings to the regulated community associated with complying with the proposed regulations setting forth business standards cannot be estimated. Reasonable costs associated with NGDC compliance will be recovered from customers.

Costs associated with NGS compliance at the NGS's option (1) may be recovered from customers in the NGS's price for natural gas supply or (2) may be absorbed by the NGS as a cost of doing business.

(18) Provide a specific estimate of the costs and/or savings to **local governments** associated with compliance, including any legal, accounting or consulting procedures which may be required. Explain how the dollar estimates were derived.

The cost estimate is \$0.

Local governments will not be affected by the promulgation of the proposed regulations that set business standards for NGSs and NGDCs. Likewise, local governments will not incur any costs as a result of the promulgation of these regulations.

(19) Provide a specific estimate of the costs and/or savings to **state government** associated with the implementation of the regulation, including any legal, accounting, or consulting procedures which may be required. Explain how the dollar estimates were derived.

A specific estimate of costs and/or savings cannot be estimated.

State government, including the PUC will not incur additional costs nor realize any cost savings as the result of the proposed regulations establishing business standards and practices. The PUC has been overseeing NGDCs and NGSs and their interactions in the competitive natural gas supply retail market since its initiation in 1999 as part of the agency's regulatory duties.

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(20) In the table below, provide an estimate of the fiscal savings and costs associated with implementation and compliance for the regulated community, local government, and state government for the current year and five subsequent years.

	Current FY Year	FY +1 Year	FY +2 Year	FY +3 Year	FY +4 Year	FY +5 Year
SAVINGS:	\$	\$	\$	\$	\$	\$
Regulated Community	Cannot be quantified	Cannot be quantified	Cannot be quantified	Cannot be quantified	Cannot be quantified	Cannot be quantified
Local Government	N/A	N/A	N/A	N/A	N/A	N/A
State Government	N/A	N/A	N/A	N/A	N/A	N/A
Total Savings	Cannot be quantified	Cannot be quantified	Cannot be quantified	Cannot be quantified	Cannot be quantified	Cannot be quantified
COSTS:						
Regulated Community	Minimal	Minimal	Minimal	Minimal	Minimal	Minimal
Local Government	N/A	N/A	N/A	N/A	N/A	N/A
State Government	N/A	N/A	N/A	N/A	N/A	N/A
Total Costs	Cannot be quantified	Cannot be quantified	Cannot be quantified	Cannot be quantified	Cannot be quantified	Cannot be quantified
REVENUE LOSSES:						
Regulated Community	N/A	N/A	N/A	N/A	N/A	N/A
Local Government	N/A	N/A	N/A	N/A	N/A	N/A
State Government	N/A	N/A	N/A	N/A	N/A	N/A
Total Revenue Losses	N/A	N/A	N/A	N/A	N/A	N/A

(20a) Provide the past three year expenditure history for programs affected by the regulation.

Program	FY -3	FY -2	FY -1	Current FY
Not applicable				

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(21) Explain how the benefits of the regulation outweigh any cost and adverse effects.

The proposed regulations seek to establish a common set of standards that will govern the business relationship between NGDCs and NGSs. The costs to a NGDC for implementing the business standards will vary, but will be kept to a reasonable level since the proposed regulations permit the NGDC to recover its costs from ratepayers in its annual purchase gas cost proceeding at 66 Pa.C.S. § 1307 (relating to sliding scale of rates; adjustments). An NGS may pass the costs of standardizing its operations to customers in gas supply rates or will absorb the cost as a cost of doing business.

These costs may in fact be outweighed by the benefits. The use of a common set of business practices, including standard supplier coordination tariffs, will facilitate the participation of NGSs in the retail market, may reduce the potential for mistakes or misunderstandings between NGSs and NGDCs, and may increase efficiency in industry operations.

(22) Describe the communications with and input from the public and any advisory council/group in the development and drafting of the regulation. List the specific persons and/or groups who were involved.

The proposed revisions were based on work in two previous PUC proceedings.

The *Report to the General Assembly on Competition In Pennsylvania's Retail Natural Gas Market*, Docket No. I-00040103 may be accessed at:

http://www.puc.state.pa.us/naturalgas/naturalgas_issues.aspx

The *Staff's Final Report on SEARCH* and the PUC's *Final SEARCH Order and Action Plan*, Docket No. I-00040103F0002 may be accessed at:

http://www.puc.state.pa.us/naturalgas/naturalgas_stakeholders_wg.aspx

Also, please see Question 13 above.

(23) Include a description of any alternative regulatory provisions which have been considered and rejected and a statement that the least burdensome acceptable alternative has been selected.

The PUC conducted an investigation into competition in the retail market and sponsored a collaborative of stakeholders to explore avenues to increase effective competition in the retail natural gas supply market. Adoption of a set of common standards to govern the business relationship between NGDCs and NGSs was identified as a possible means to increase statewide NGS participation in the retail natural gas market. The proposed regulations to establish business standards for the retail natural gas market that will be developed by a working group is one of the least burdensome acceptable alternatives identified by the Commission to accomplish this task.

(24) Are there any provisions that are more stringent than federal standards? If yes, identify the specific provisions and the compelling Pennsylvania interest that demands stronger regulations.

No. There are no federal standards that govern the business practices between NGDCs and NGSs at the retail level.

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(25) How does this regulation compare with those of other states? How will this affect Pennsylvania's ability to compete with other states?

The impetus behind the promulgation of standards to govern the business relationship between NGDCs and NGSs in the retail market is to increase the number of natural gas suppliers participating in Pennsylvania's statewide retail market by lowering their costs for market entry. By increasing the number of suppliers operating in the market, and thereby, increasing effective competition in the market, Pennsylvania should be better able to compete for business development and expansion with other states.

(26) Will the regulation affect any other regulations of the promulgating agency or other state agencies? If yes, explain and provide specific citations.

It is anticipated that no other PUC regulations will be affected by the proposed regulations at sections 62.181-62.185. However, if comments support the need to make revisions to other PUC regulations, they will be revised in a manner consistent with the regulatory process.

(27) Submit a statement of legal, accounting or consulting procedures and additional reporting, recordkeeping or other paperwork, including copies of forms or reports, which will be required for implementation of the regulation and an explanation of measures which have been taken to minimize these requirements.

Proposed section 62.183 requires NGDCs to file a customer choice system operations plan that contains the following components: (1) a SCT, (2) business practices and standards, (3) communications standards and (4) copies of the standard agreements, forms and contracts that will be used for business interactions with NGSs. The components of the plan will be developed in working groups in accordance with proposed sections 62.185 and subsequent PUC's orders and directives. The extent and type of legal, accounting or consulting procedures and reporting and recordkeeping requirements that will be needed for the implementation of these proposed regulations will vary depending on the degree that a NGDC's business practices and operations vary from the standards developed by the working group and approved for use in the retail market by the PUC. The development of these business standards by a working group composed of NGDCs, NGSs and customers will ensure that the standards that are adopted for the market will be essential to the NGDC-NGS business relationship, will be reasonable in scope, and cost-effective in their implementation.

(28) Please list any special provisions which have been developed to meet the particular needs of affected groups or persons including, but not limited to, minorities, elderly, small businesses, and farmers.

The proposed regulations have been drafted to reduce barriers to entry for NGSs by standardizing certain business standards, rules and practices across the statewide retail natural gas supply service market. The use of a model supplier coordination tariff, model agreements and standard communications and data exchange protocols that will be developed as the result of these regulations will meet the identified need of supplier – the reduction of start-up costs for NGSs entering the market or expanding their market presence in multiple NGDC service territories.

**FACE SHEET
FOR FILING DOCUMENTS
WITH THE LEGISLATIVE REFERENCE BUREAU**

(Pursuant to Commonwealth Documents Law)

DO NOT WRITE IN THIS SPACE

Copy below is hereby approved as to form and legality. Attorney General.

BY *Amy M. Elliott*
(DEPUTY ATTORNEY GENERAL)

JUL 02 2009

DATE OF APPROVAL

Check if applicable
Copy not approved. Objections attached

Copy below is hereby certified to be true and correct copy of a document issued, prescribed or promulgated by:

Pennsylvania Public Utility Commission
(AGENCY)

DOCUMENT/FISCAL NOTE NO. L-2009-2069117/57-268

DATE OF ADOPTION April 30, 2009

BY *James J. McNulty*

James J. McNulty

TITLE *Secy*
(SECRETARY)

Copy below is hereby approved as to form and legality. Executive or independent Agencies.

BY *Bohdan R. Pankiw*
Bohdan R. Pankiw
Chief Counsel

4-30-09
DATE OF APPROVAL

Check if applicable. No Attorney General approval or objection within 30 days after submission.

L-2009-2069117/57-268
Proposed Rulemaking
Natural Gas Distribution Company
Business Practices
52 Pa. Code, Chapter 62

The Pennsylvania Public Utility Commission on April 30, 2009, adopted a proposed rulemaking order which establishes standard business practices and communication standards for NGDCs. The contact persons are Patricia Krise Burket, Law Bureau, 787-3464, and Annunciata Marino, FUS, 772-2151.

EXECUTIVE SUMMARY

L-2009-2069117/57-268

Natural Gas Distribution Company Business Practices;
52 Pa. Code Sections 62.181-62.185

In its October 2005 *Report to the General Assembly*, the Public Utility Commission (PUC) found that there was not effective competition in Pennsylvania's statewide retail natural gas market based in part on the low participation rate of natural gas suppliers (NGSs). Docket No. I-00040103. The lack of uniformity in natural gas distribution company (NGDC) business practices, operating rules and supplier tariffs was cited as a possible market barrier to supplier entry and participation.

Based on the PUC's finding, a collaborative of natural gas industry stakeholders (SEARCH) was convened to discuss ways to increase competition. The *SEARCH Report* suggested that standardizing NGDC operating rules, business practices, requirements, penalties and procedures could remove barriers to NGS participation. The PUC adopted this suggestion in its September 11, 2008, *Final Search Order and Action Plan*, Docket No. I-00040103F0002, and directed that a proposed rulemaking be initiated to revise and, when feasible, to standardize NGDC business practices, operating rules and supplier coordination tariffs.

This rulemaking sets forth proposed regulations at 52 Pa. Code Sections 62.181 - 62.185 that direct NGDCs to submit standard supplier coordination tariffs (SCTs), and to implement standard business practices and communication standards and formats that are cost-effective and remove market barriers. Proposed regulation Section 62.184 provides for NGDC recovery of reasonable costs prudently incurred directly attributable to the implementation.

The PUC contact persons are Patricia Krise Burket, 717-787-3464 (legal), and Annunciata Marino, 717-772-2151 (technical).

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA. 17105-3265**

Public Meeting held April 30, 2009

Commissioners Present:

James H. Cawley, Chairman
Tyrone J. Christy, Vice Chairman, Concurring in result only, Statement
Robert F. Powelson
Kim Pizzingrilli
Wayne E. Gardner

Proposed Rulemaking: Natural Gas
Distribution Company Business Practices;
52 Pa. Code §§ 62.181-62.185

Docket No. L-2009-2069117

SEARCH Final Order and Action Plan for
Increasing Effective Competition in Pennsylvania's
Retail Natural Gas Supply Services Market

Docket No. I-00040103F0002

PROPOSED RULEMAKING ORDER

BY THE COMMISSION:

On September 11, 2008, the Pennsylvania Public Utility Commission adopted its *Final SEARCH Order and Action Plan* which was based on the discussions held by the SEARCH¹ stakeholders². Order entered September 11, 2008 at Docket No. I-00040103F0002 (*SEARCH Order*). The Action Plan was designed to increase

¹ SEARCH is an acronym for "Stakeholders Exploring Avenues for Removing Competition Hurdles."

² The Stakeholders had been convened in accordance with 66 Pa.C.S. § 2204(g) (relating to investigation and report to General Assembly) based on the Commission finding that "effective competition" did not exist in the retail natural gas market. See *Investigation into the Natural Gas Supply Market: Report to the General Assembly on Competition in Pennsylvania's Retail Natural Gas Supply Market*, Order entered at Docket No. I-00040103. The *SEARCH Report* was drafted by Commission staff as a neutral overview of the discussions regarding the possible avenues to increase competition in Pennsylvania's retail natural gas supply market. The final version of the report was released as a companion to the *SEARCH Final Order and Action Plan*.

effective competition in Pennsylvania’s retail natural gas market by increasing the participation of natural gas suppliers (NGSs) in the market. In the *SEARCH Order*, we directed that a proposed rulemaking be initiated to revise and, when feasible, to standardize natural gas distribution company (NGDC) business practices, operating rules and supplier coordination tariffs.

By this order, we issue for comment the proposed regulations that, *inter alia*, direct NGDCs to submit standard supplier coordination tariffs (SCTs), and to implement standard business practices and communication standards and formats that the Commission determines to be cost-effective and that remove market barriers. The proposed regulations also provide for NGDC recovery of reasonable costs prudently incurred directly attributable to the implementation.

We also announce our intent to initiate a stakeholder process that will run concurrently with the rulemaking and will provide an additional avenue for public input. The stakeholder process will be used to develop a standard SCT, and will make recommendations for the adoption of standard business practices for the retail natural gas market.

DISCUSSION

In the *SEARCH Order’s Action Plan*, the Commission directed that a proposed rulemaking be prepared “to revise and, when feasible, standardize supplier coordination tariffs and NGDC system operating rules, business practices, requirements, penalties and procedures to remove or reduce barriers to supplier participation in the retail natural gas market.” *SEARCH Order*, p. 32.

The order further directed that the major issues to be addressed would include:

- The elimination or revision of inflexible or unreasonable nomination rules and delivery requirements.

- The adoption of wider tolerance bandwidths, where justified, and the elimination or revision of other rules affecting system flow that do not negatively impact system reliability.
- The revision of unreasonable cash out rules and penalties.
- The adoption of best business practices related to information exchange and data transfer, including the possible standardization of NGDC business practices by the adoption of certain NAESB [North American Energy Standards Board] practices.

The use and standardization of Electronic Bulletin Boards will also be addressed.

SEARCH Order, pp. 32-33 (footnote omitted).

These issues are addressed under the corresponding sections of the rulemaking below.

Section 62.181. General.

Proposed section 62.181 sets forth the purpose of these proposed regulations and summarizes its contents. The purpose of this subchapter is to establish standard business practices, including supplier tariffs for implementation by the NGDCs. Using a common set of business practices, including standard supplier tariffs, facilitates the participation of NGSs in the retail market, reduces the potential for mistakes or misunderstandings between NGSs and NGDCs, and increases efficiency in industry operations. NGDCs are directed to implement a standard SCT, business practices and communications standards as directed by the Commission. NGDCs are authorized to recover reasonable costs prudently incurred of implementing and promoting natural gas competition in the Commonwealth.

Section 62.182. Definitions.

Terms appearing in this subchapter relating to NGDC business practices and NGDC/NGS interactions are defined.

Section 62.183. NGDC Customer Choice System Operations Plan.

Section 62.183 directs NGDCs to file system operations plans for Commission review, and to serve a copy of the plan on the Office of Consumer Advocate, the Office of Small Business Advocate, and NGSs licensed in the NGDC's service territory. Copies of the plan shall be provided to other NGSs upon request and shall be posted on the NGDC's internet web site. The contents of the NGDC's plan are to include a SCT; business practices and standards; and communications standards that comply with the provisions of the subchapter. The plan is also to include a copy of each standard agreement, form or contract that will be used by NGSs in operating on the system.

The customer choice system operations plan serves two purposes. First, it is a compliance filing that demonstrates that the NGDC has adopted a standard SCT and other business practices and standards consistent with the requirements of this subchapter. Second, the plan acts as a complete, single source for all the information that a supplier needs to know to be able to conduct business and operate on the NGDC's system. Having all the necessary information in one place and having it freely accessible to all will lower an entry barrier for NGSs contemplating market entry, and will reduce the potential for mistakes or misunderstandings between NGSs and NGDCs. In time, it should increase efficiency in industry operations and should result in increased NGS participation in the retail natural gas market.

Section 62.184. Natural Gas Distribution Company Costs of Competition Related Activities

In the Proposed Rulemaking Order on *Natural Gas Distribution Companies and the Promotion of Competitive Retail Markets*, Order entered March 27, 2009 at Docket No. L-2008-2069114 (*PRO*), we determined that NGDCs could recover reasonable costs related to promoting competition in the retail gas market through the use of a surcharge. We also proposed the adoption of an automatic adjustment mechanism for the surcharge

and determined that, because the surcharge will be paid by all customers, it would not be used in calculating the price to compare.

In our *Action Plan*, we concluded that the NGDCs "should be able to recover *reasonable* costs that are *prudently* incurred in connection with the implementation of any changes designed to promote the development of effective competition in the retail market." *Action Plan* at 21. Such costs also include expenses associated with increasing customer participation in the market such as modifications to NGDC billing systems or increased consumer education activities. *Id.* We determined that we would allow NGDCs to recover these costs through a surcharge with an automatic adjustment mechanism. We are adopting such a mechanism today at section 62.226.

However, we note that to the extent it helps promote competition, the surcharge for competition related activities benefits all customers and, therefore, it should be paid by all customers, shoppers and non-shoppers alike. Because of that, this surcharge should not be considered in the calculation of the price to compare.

PRO, p. 7.

Proposed section 62.184 in Annex A reiterates the language in proposed section 62.226 that authorizes NGDCs to recover reasonable costs prudently incurred in support of increasing competition through the use of surcharge with an automatic adjustment mechanism. In the event that section 62.226 is finalized while this rulemaking is pending, section 62.184 will be revised to cite to section 62.226.

Section 62.185. Supplier Coordination Tariff, Business Practices And Standards.

The *SEARCH Order*, quoting the *SEARCH Report*, discussed streamlining and/or standardizing certain business interactions between NGDCs and NGSs rather than requiring NGDCs to migrate to a preferred asset management system.

Requiring all NGDCs to migrate to a preferred model for managing system assets would require comprehensive legislative changes and subsequent Commission proceedings to ensure due process related to property rights. However, certain business practices governing interactions between the

suppliers and the NGDC can be tailored to operate within the preferred model. *SEARCH Report*, p. 13. This preferred model would streamline and/or standardize certain interactions between the NGSs and NGDCs involving gas supply management on the NGDC system.

SEARCH Order, pp. 27-28.

It was determined that these best business practices could be defined and memorialized in a generic supplier's tariff, or promulgated in Commission regulations. *SEARCH Report*, p. 13.

A suggested approach to achieve some level of standardization was through the adoption of business practices and forms that were developed by the North American Energy Standards Board (NAESB). The reason for this approach was that changes to NGDC business practices would require less time to implement and would result in lower costs to the NGDCs and their customers because of the previous work that NAESB had already completed in this area. *SEARCH Report*, p. 14.

NAESB³ is a nonprofit, standards development organization accredited by the National Standards Institute⁴. NAESB develops definitions, standards and principles for the wholesale and retail natural gas industry through an open and balanced process involving all stakeholders – NGDCs, NGSs, pipeline operators, consumer representatives and regulatory agencies. NAESB standards and definitions for the wholesale natural gas industry have been adopted by the FERC as regulations and are required to be included or incorporated into interstate pipeline tariffs.

³ NAESB is a successor to the Gas Industry Standards Board (GISB), an organization that was incorporated in 1994 to develop business practice standards and communications and e-commerce protocols for the interstate natural gas industry. GISB's best known work involved the development of electronic transfer mechanism EDM standards which have been adopted for use in Pennsylvania's electric generation market.

⁴ The American National Standards Institute oversees the creation, promulgation and use of thousands of standards and guidelines that directly impact businesses.

The suggestion to use NAESB standards for developing standards for the Pennsylvania retail market was based on the work of a subgroup of the SEARCH Inter-Company Activity Subgroup. This technical subgroup, which was comprised of representatives from NGDCs, NGSs and pipelines, reviewed each NAESB standard and business practice and identified agreement and disagreement on eight operational issues that included NAESB wholesale gas nomination standards and retail business practices in nine areas: (1) market participant interactions; (2) creditworthiness; (3) billing and payments; (4) distribution company/supplier disputes; (5) Electronic Data Interexchange and Internet Electronic Delivery Mechanisms; (6) Quadrant Specific Electronic Delivery Mechanism; (7) contracts; (8) customer information and customer enrollment, (9) drop and account maintenance. *SEARCH Report*, p. 13.

This subgroup's work clearly demonstrates that standardizing business practices requires resolution of many complicated and interrelated issues. Commission working groups and other stakeholder processes have been very successful in developing proposed regulations and technical standards where the issues are complex and consensus is not easily reached. Therefore, we believe that the most efficient way to develop a standard SCT and best business practices is through the use of a stakeholder process.

Accordingly, we plan to utilize a stakeholder process in conjunction with this rulemaking. This process will proceed concurrently with the proposed rulemaking and will provide another avenue for public input.

To initiate this stakeholder process, we will issue for comment a draft SCT and draft best business practices for use in Pennsylvania's retail markets. This straw man proposal will be based on comments and other documents submitted in the SEARCH⁵

⁵ The *Statement and Combined Assessment Report on Market Participant Interactions*, prepared for the Commission by the Inter-Company Activity NAESB Subgroup, dated October 31, 2006, shall also be considered in regard to uniform electronic communications transactions.

process and in our investigation into natural gas competition at Docket No. I-00040103. NAESB standards that are cost-effective and that remove barriers to market entry and participation will be incorporated in the straw man proposal as well as the specific rules related to nomination and delivery requirements that are included in proposed section 62.185(c)(3) in Annex A.

After comments and reply comments are submitted to the straw man proposal, we will schedule a technical conference to receive additional input. We intend to complete the stakeholder process no later than August 1, 2009.

In regard to the instant proposed rulemaking, section 62.185(a) is a general statement related to the scope of the section. It states that the Commission may adopt best business practices and standards that facilitate supplier participation in the retail market and may direct NGDC and NGS compliance with the standards. It also states that NAESB standards and model agreements that are cost effective and remove market barriers for suppliers will be considered for adoption.

Proposed section 62.185(b) addresses SCTs. The section states that the Commission may establish and revise the standard SCT, and will direct NGDCs to implement a SCT based on the standard SCT that conforms to the NGDC's customer choice system operations plan. The NGDC's existing SCT, if any, will remain in effect until the Commission approves a SCT or tariff supplement that complies with this regulation.

Proposed section 62.185(c) states that the Commission may establish business practices as necessary to implement the Act, and may direct their adoption by NGDCs and NGSs. The NGDC's implementation of business practices and standards will be included in the NGDC's customer choice system operations plan.

Proposed section 62.185(c)(3) sets forth proposed standards on five technical subjects: imbalance trading, tolerance bands, cash out and penalties, nominations, and capacity. Because of the complexity of each of the subjects, we recognize that it may not be feasible to draft a regulation that can be applied in every situation. For this reason, we will instruct the stakeholders to consider developing best practices for use by NGDCs in addition to regulations for these subjects.

Proposed section 62.185(d) addresses communication standards and formats. This section states that the Commission may establish and revise electronic data communication standards and formats and may direct their implementation by NGDCs and NGSs. Standards and formats may be implemented for nominations and delivery requirements and customer enrollment, usage and billing and payments.

Additionally, proposed section 62.185(d) makes the NGDC responsible for testing and certifying NGSs on the approved communications standards. Also, this proposed section states that the Commission, after notice and opportunity to be heard, may direct a NGDC to install and upgrade a billing system, electronic bulletin board, software and other communication or data transmission equipment and facilities to implement established electronic data communications standards and formats.

In regard to the implementation of proposed section 62.185(d), we will convene a separate working group of technical experts to establish electronic data communication standards and formats. NGDC participation in the working group will be made mandatory. The working group will be led by Commission staff and will make recommendations in regard to the standards and formats that should be adopted. In making these recommendations, consideration should be given to incorporating NAESB standards that are cost-effective and that remove barriers to market entry for suppliers.

The stakeholder collaborative will also be assigned the task of developing a plan, including a timeframe, for implementation of electronic data communications standards and formats. The plan should identify priorities for implementation, including interim steps that should be taken immediately to rectify market barriers in information exchange (Information Exchange and Data Transfer). The technical working group will carry out its work in accordance with this plan.

CONCLUSION

The use of a common set of business practices and supplier coordination tariffs not only will increase efficiency in industry operations, but also, and most importantly, will facilitate the entry and participation of NGSs in the retail natural gas supply market. The purpose of this proposed rulemaking is to develop and to codify these standards for Pennsylvania's natural gas retail market. The scope of, and the timeframe for this undertaking is ambitious, and its completion will require the commitment and cooperation of all industry stakeholders. We are convinced that the effort will be worthwhile as the resulting market place will better support supplier participation and thus, will increase competition for natural gas supply. We anticipate and appreciate your comments on this proposed rulemaking.

Accordingly, pursuant to sections 501, 504 and 2203(12), 2205, and 2208 of the Public Utility Code, 66 Pa.C.S. §§ 501, 504, 2203(12), 2205 and 2208; sections 201 and 202 of the Act of July 31, 1968, P.L. 769 No. 240, 45 P.S. §§ 1201-1202, and the regulations promulgated thereunder at 1 Pa. Code §§ 7.1, 7.2, and 7.5; section 204(b) of the Commonwealth Attorneys Act, 71 P.S. § 732.204(b); section 745.5 of the Regulatory Review Act, 71 P.S. § 745.5; and section 612 of the Administrative Code of 1929, 71 P.S. § 232, and the regulations promulgated thereunder at 4 Pa. Code §§ 7.231-7.234, we are proposing to amend our regulations as set forth in Annex A, attached hereto;

THEREFORE,

IT IS ORDERED:

1. That a rulemaking docket shall be opened to amend the regulations at 52 Pa. Code Chapter 62 (relating to natural gas supply customer choice) by adding Sections 62.181 - 62.185 as set forth in Annex A.
2. That the Secretary shall submit this Order and Annex A to the Office of Attorney General for review as to form and legality and to the Governor's Budget Office for review of fiscal impact.
3. That the Secretary shall submit this Order and Annex A for review and comments to the Independent Regulatory Review Commission and the Legislative Standing Committees.
4. That the Secretary shall certify this Order and Annex A and deposit them with the Legislative Reference Bureau to be published in the *Pennsylvania Bulletin*.
5. That an original and 15 copies of written comments referencing the docket number of the proposed regulations be submitted within 45 days of publication in the *Pennsylvania Bulletin* to the Pennsylvania Public Utility Commission, Attn.: Secretary, P.O. Box 3265, Harrisburg, PA 17105-3265. Reply comments may be submitted in the same manner no later than 15 days after the end date for filing comments. To facilitate posting, all filed comments shall be forwarded via electronic mail to Patricia Krise Burket at pburket@state.pa.us, Annunciata Marino at annmarino@state.pa.us, and Cyndi Page at cypage@state.pa.us.

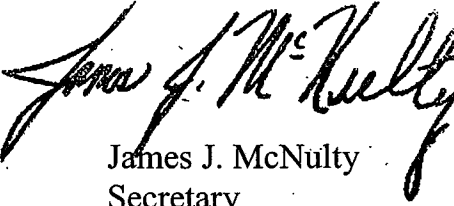
6. That a copy of this Order and Annex A shall be served on all jurisdictional natural gas distribution companies, all licensed natural gas suppliers, the Office of Consumer Advocate, the Office of Small Business Advocate and all other parties that filed comments at the Docket No. I-00040103.

7. That the Director of Operations shall implement the stakeholder process to create a standard supplier coordination tariff; to develop best business practices for use in natural gas retail market and to establish a plan for the implementation of electronic data communications standards and formats as set forth in this order.

8. That the Director of Operations, with the assistance of the Bureau of Fixed Utility Services and other bureaus as may be necessary, shall initiate a working group to establish electronic data communication standards and formats as set forth in this order.

9. That the contact persons for this Proposed Rulemaking are Patricia Krise Burket, Law Bureau, 717-787-3464 (legal) and Annunciata Marino, 717-772-2151 (technical).

BY THE COMMISSION



James J. McNulty
Secretary

(SEAL)

ORDER ADOPTED: April 30, 2009
ORDER ENTERED: May 1, 2009

ANNEX A

PART I. PUBLIC UTILITY COMMISSION Subpart C. FIXED SERVICE UTILITIES CHAPTER 62. NATURAL GAS SUPPLY CUSTOMER CHOICE Subchapter F. NATURAL GAS DISTRIBUTION COMPANY BUSINESS PRACTICES

§ 62.181. General.

The use of a common set of business practices, including standard supplier tariffs, facilitates the participation of NGSs in the retail market, reduces the potential for mistakes or misunderstandings between NGSs and NGDCs, and increases efficiency in industry operations. This subchapter requires NGDCs to implement a standard supplier coordination tariff, business practices and communication standards and formats as directed by the Commission. NGDCs are authorized to recover reasonable and prudently incurred costs of implementing and promoting natural gas competition in the Commonwealth.

§ 62.182. Definitions.

The following words and terms, when used in this subchapter, have the following meanings, unless the context clearly indicates otherwise:

Asset management – A function of the system operations of a NGDC relative to daily NGS and pipeline interactions relating to nominations, capacity, storage, delivery, balancing, reconciliation, penalties, forecasts and customer requirements, to assure safe, reliable natural gas service to the end user.

Balancing - The act of equalizing receipts and deliveries of gas into or withdrawals from an interstate gas pipeline or a NGDC's distribution system. Balancing may be

accomplished daily, monthly or seasonally, with fees or penalties generally assessed for excessive imbalances.

Business practices - The use of a common set of formats, definitions and standards relating to business operations.

Capacity - The maximum quantity of natural gas that can be produced, transported, stored, distributed, or used in a given period of time under specified conditions.

Cash out - A generic term used to describe the corrective measures taken when a NGS's imbalance of natural gas supply in the system exceeds the prescribed tolerance.

City gate - The site where a NGDC receives and measures gas from a pipeline company.

Electronic bulletin board - A computer system that provides current natural gas information on nominations, interruptions, rates and other items.

Gas daily average - Index price for natural gas as published daily by *Platts Gas Daily*.

Imbalance - When a NGS receives or delivers a quantity of natural gas, then delivers or redelivers a larger or smaller quantity of natural gas to another party.

Intraday cycle - Under NAESB pipeline industry standards, one of two nomination cycles that permit a nomination to be made on the day of gas flow.

NAESB - North American Energy Standards Board - NAESB is a non profit standards development organization which develops business practice standards and communications and e-commerce protocols for the wholesale and retail natural gas industry.

NGDC - Natural gas distribution company - A natural gas distribution company as defined in 66 Pa.C.S. § 2202 (relating to definitions).

NGS - Natural gas supplier - A supplier as defined by 66 Pa.C.S. § 2202.

Nominations - A precise listing of the quantities of gas to be transported during any specified time period. A nomination includes all custody transfer entities, locations, compressor fueled and other volumetric assessments, and the precise routing of gas through the pipeline network. Nominations often create contract rights and liabilities.

OFO - Operational flow order – An order issued by a NGDC as defined at 52 Pa. Code § 69.11 (relating to definitions).

PGC – Purchased gas cost -- Natural gas costs which are collected, with adjustments, by NGDCs from their customers pursuant to 66 Pa.C.S. § 1307 (relating to sliding scale of rates; adjustments).

SCT - Supplier coordination tariff - The formal rules and regulations of a NGDC for providing NGS service to customers. It contains a compilation of all of the effective rate schedules of a particular company and the general terms and conditions of service.

Storage - Storing gas that has been transferred from its original location in underground reservoirs. Gas is usually stored in the summer for winter delivery reducing peak winter pipeline requirements. Storage can be in either the market or producing areas.

Timely cycle – Under NAESB pipeline standards, the initial nomination cycle where a nomination is due 12:30 p.m. prior to the day of gas flow.

Tolerance band - A range of acceptable values for the measured difference between the gas volume that is nominated to be delivered in a certain time frame and the gas volume that is delivered during that time frame by a NGS.

Uniform electronic transactions - Standard formats that allow all parties to develop the business process and automated systems needed to facilitate the exchange of business information in the Pennsylvania energy industry.

§ 62.183. NGDC customer choice system operations plan.

(a) A NGDC shall file a customer choice system operations plan for Commission review in order to comply with the provisions of this subchapter.

(b) The NGDC shall serve copies of the plan on the Office of Consumer Advocate, the Office of Small Business Advocate, and NGSs registered in the NGDC's service territory. Copies of the plan shall be provided upon request and shall be made available to the public on the NGDC's website.

(c) A customer choice system operations plan shall include the following elements:

(1) A SCT that complies with the provisions of this subchapter.

(2) Business practices and standards that comply with the provisions of this subchapter.

(3) Communication standards that comply with the provisions of this subchapter.

(4) Copies of standard agreements, forms or contracts that will be used by NGSs.

§ 62.184. NGDC cost recovery.

(a) As part of its next annual filing pursuant to 66 Pa.C.S. § 1307(f), a NGDC may include a proposed tariff rider to establish a nonbypassable reconcilable surcharge filed within the requirements of 66 Pa.C.S. § 1307 designed to recover the reasonable and prudently incurred costs of implementing and promoting natural gas competition within the Commonwealth.

(b) The surcharge shall be calculated annually and adjusted to account for past over- or under-collections in conjunction with the 1307(f) process to become effective with new PGC rates.

(c) The surcharge shall be recovered on a per unit basis on each unit of commodity which is sold or transported over its distribution system without regard to the customer class of the end user.

(d) Before instituting the surcharge, a NGDC shall remove the amounts attributable to promoting retail competition from its base rates. This may be done through a 66 Pa.C.S. § 1308 (relating to voluntary changes in rates) rate case filed not less than 5 years after first seeking recovery through a 66 Pa.C.S. § 1307 nonbypassable mechanism.

(e) Until a NGDC which seeks a nonbypassable recovery of its costs of promoting retail competition files a base rate case under 66 Pa.C.S. § 1308(d)(relating to general rate increases), the NGDC shall eliminate the effect of recovery of these costs in base rates though the filing of a credit to its base rates equal to the amount in base rates. This may be accomplished through the use of a revenue neutral adjustment clause that would credit base rates for the costs associated with promoting retail competition that are currently reflected in base rates. Costs would be fully recoverable through a nonbypassable reconcilable surcharge. The adjustment clause would be established through the filing of a fully allocated cost of service study and a proposed tariff rider in the NGDC's proceeding under 66 Pa.C.S. § 1307(f). The credit and surcharge shall be adjusted not less than annually through the 66 Pa.C.S. § 1307(f) process.

(f) The revenue neutral adjustment clause rider shall remain in effect until establishment of new base rates under 66 Pa.C.S. § 1308(d) which include a fully allocated cost of service study to remove these costs from base rates.

(g) The surcharge shall be subject to audit.

§ 62.185. Supplier coordination tariff, business practices and standards.

(a) General. The Commission may adopt best business practices and standards that will facilitate supplier participation in the retail natural gas market and will direct NGDCs and NGSs to comply with the practices and standards. NAESB standards and model agreements that are determined to be cost-effective and which remove market barriers for supplier participation will be considered for adoption.

(b) *Supplier coordination tariff.* The Commission may establish a standard SCT and will direct that a NGDC implement a SCT that conforms to the standard SCT. The standard SCT may be revised in accordance with Commission orders, policies and regulations. The current version of the standard SCT will be made available on the Commission website.

(1) A NGDC shall implement a SCT based on a standard format SCT that is consistent with its customer choice system operations plan.

(2) The NGDC shall file a SCT in accordance with Commission orders, policies and regulations. When the NGDC has an existing SCT, the NGDC shall file a tariff supplement.

(3) The NGDC's current supplier tariff or supplement shall remain in effect until the Commission approves a SCT or tariff supplement filed in compliance with this section.

(c) *Business practices and standards.* The Commission may establish best business practices and standards as necessary to implement the Act, and may direct their implementation by NGDCs and NGSs.

(1) A NGDC's implementation of business practices and standards shall be consistent with its customer choice system operations plan.

(2) A NGDC's business practices and the process by which they are adopted may not undermine existing negotiated settlements with NGSs, may not compromise the safety, efficiency, security and reliability of system operations, and may not be discriminatory.

(3) A NGDC shall implement the following standards:

(i) *Imbalance trading.* A NGDC shall facilitate NGS imbalance trading. A NGS's customers' natural gas usage shall be balanced against NGS deliveries on the same monthly schedule. For computational purposes relating to balancing, a NGDC shall eliminate separate pooling for a NGS's interruptible customers so they are deemed to be in the same operating pool.

(ii) Tolerance bands. A tolerance band shall provide for a deviation in the volume of gas delivered of no less than 10 % of the volume nominated by the NGS, thus establishing a tolerance band that spans 90% to 110 % of the volume of gas nominated.

(iii) Cash out and penalties. A NGDC shall cash out imbalances that fall within the 10 % tolerance band at 100% of the gas daily average at the applicable index for the pool level. Outside the 10% tolerance band, a multiplier of 110% for under-deliveries and 90% for over deliveries shall apply, except during periods of gas shortage requiring the issuance of an OFO to protect the safe and reliable operation of the NGDC system.

(iv) Nominations. A NGDC shall support all four NAESB nominations cycles and shall support the timely cycle and at least one intraday cycle.

(v) Capacity. A NGDC shall provide full access to pipeline and storage capacity and will support daily nominations and delivery requirements that reflect current pool consumption conditions.

(d) Communication standards and formats. The Commission may establish electronic data communication standards and formats and may direct their implementation by NGDCs and NGSs. Standards and formats may be implemented for nominations and delivery requirements and customer enrollment, usage and billing and payments.

(1) A NGDC shall be responsible for NGS testing and certification in regard to approved electronic data communication standards and formats.

(2) The Commission may, subject to notice and an opportunity to be heard, direct a NGDC to install and upgrade a billing system, electronic bulletin board, software and other communication or data transmission equipment and facilities to implement established electronic data communications standards and formats.

(3) Communication standards and formats shall be revised in accordance with Commission orders, policies and regulations.

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17105-3265

**Proposed Rulemaking: Natural Gas
Distribution Company Business
Practices**

**Public Meeting – April 30, 2009
2069117-LAW
Docket Nos: L-2009-2069117
I-00040103F0002**

STATEMENT OF VICE CHAIRMAN TYRONE J. CHRISTY

Before the Commission for consideration is the initiation of a proposed rulemaking proceeding to promulgate regulations that are designed to encourage increased natural gas supply competition among our jurisdictional Natural Gas Distribution Companies (NGDCs) and licensed Natural Gas Suppliers (NGSs). The genesis of this rulemaking is the Commission's *Report to the General Assembly on Pennsylvania's Retail Natural Gas Supply Market* that was released in October 2005. In that report, the Commission determined that effective competition did not exist in Pennsylvania's retail natural gas market, and subsequently reconvened the stakeholders in the natural gas industry to identify existing barriers to competition. In our SEARCH Final Order and Action Plan issued on September 11, 2008, the Commission identified several initiatives to eliminate these barriers to competition. The rulemaking before us today addresses the standardization of NGDC business practices, operating rules and supplier coordination tariffs (SCT).

Besides issuing these proposed regulations for comment, the Commission also is initiating a stakeholder process to run concurrently with the proposed rulemaking. The purpose of this group is to develop a standard SCT and to make recommendations for the adoption of standard business practices for the retail natural gas market. In order to begin this process the Commission intends to issue a draft SCT and a draft "best business practices" plan for comments and reply comments. A technical conference then will be held to finalize these proposed documents. Additionally, the Commission intends to convene a separate technical working group for the purpose of establishing communication standards.

My main concerns as we embark on this process are the potential cost ramifications of some of the proposed changes in operational rules and practices. Changes are being proposed with regard to imbalance trading, tolerance bands, cash out rules, nominations and capacity access. Throughout this proposed rulemaking it is stated that only those practices and standards determined to be cost-effective by the Commission will be implemented. "Cost effective" is not defined by the Order, and therefore can be subjective. While some provisions may be deemed cost effective to alternative suppliers, they could be detrimental to non-shopping customers. The Order further states that the proposed regulations will limit NGDC cost recovery to reasonable costs prudently incurred that are directly attributable to the implementation of these changes. In order to provide for recovery of these potential costs, the proposed regulations will establish an automatically adjusted surcharge mechanism to be paid by all customers, whether they

decide to exercise their right to choose or not. As such, this charge will not be included within the NGDC's price to compare. Also, as the proposed surcharge is to be determined within each NGDC's annual 1307(f) proceeding, these proceedings will become more complicated in the future, potentially increasing the costs of all parties participating in the adjudication of these cases, including the Commission.

What this means in plain English is that we potentially are imposing new non-bypassable costs on Pennsylvania gas consumers so that we can create a more competitive environment for alternative suppliers. If the goal of competition is to level the playing field and provide consumers with choices that could result in cost savings, then I would support such charges. However, if the end results of leveling the playing field is simply to add new non-bypassable costs that otherwise would not have been incurred, then I would be less inclined to support such charges. Alternative gas suppliers have a significant hurdle here to demonstrate that savings are possible with retail natural gas choice in the residential sector, particularly when the NGDCs are required by statute to procure their gas supply under a Commission approved least cost procurement standard with no provision for a profit on that cost. While both NGDCs and alternative suppliers generally obtain natural gas from the same market, alternative suppliers must earn a profit on that gas -- otherwise they would not be in business. The alternative suppliers must find enough efficiencies somewhere in their gas procurement practices to earn a profit while undercutting what has been blessed as a least cost gas procurement by the NGDC.

Therefore, I request parties to consider addressing in their comments, which are due within 45 days of publication in the *Pennsylvania Bulletin*, and in their reply comments due 15 days thereafter, the potential costs involved in the implementation of the directives within this rulemaking. I believe it is incumbent upon the Commission to determine beforehand the economic effect of these proposals.

Because of my concern over the unknown magnitude and nature of these potential costs, I will concur in the result only of this proceeding for the purpose of seeking comments from interested parties.

4-30-09
DATE

Tyrone J. Christy
TYRONE J. CHRISTY, VICE CHAIRMAN



PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG, PENNSYLVANIA

JAMES H. CAWLEY
CHAIRMAN

October 6, 2009

The Honorable Arthur Coccodrilli
Chairman
Independent Regulatory Review Commission
14th Floor, Harristown II
333 Market Street
Harrisburg, PA 17101

Re: L-2009-2069117/57-268
Proposed Rulemaking
Natural Gas Distribution Company
Business Practices
52 Pa. Code, Chapter 62

Dear Chairman Coccodrilli:

Enclosed please find 1 copy of the proposed rulemaking and the Regulatory Analysis Form prepared in compliance with Executive Order 1996-1, "Regulatory Review and Promulgation." Pursuant to Section 5(a) of the Regulatory Review Act of June 30, 1989 (P.L. 73, No. 19) (71 P.S. §§745.1-745.15), the Commission is submitting today a copy of the proposed rulemaking and Regulatory Analysis Form to the Chairman of the House Committee on Consumer Affairs and to the Chairman of the Senate Committee on Consumer Protection and Professional Licensure.

The purpose of this proposal is to establish standard business practices and communication standards for NGDCs. The contact persons are Patricia Krise Burket, Law Bureau, 787-3464 and Annunciata Marino, FUS, 772-2151.

The proposal has been deposited for publication with the Legislative Reference Bureau.

Very truly yours,


James H. Cawley
Chairman

Enclosures

cc: The Honorable Robert M. Tomlinson
The Honorable Lisa Boscola
The Honorable Robert Godshall
The Honorable Joseph Preston, Jr.
Legislative Affairs Director Perry
Chief Counsel Pankiw
Assistant Counsel Burket
Ms. Marino
Regulatory Coordinator DelBiondo
Judy Bailets, Governor's Policy Office

TRANSMITTAL SHEET FOR REGULATIONS SUBJECT
TO THE REGULATORY REVIEW ACT

ID Number: L-2009-2069117/57-268

RECEIVED

Subject: Proposed Rulemaking Re Natural Gas Distribution
Company Business Practices

AM 11:22

Pennsylvania Public Utility Commission

INDEPENDENT REGULATORY
REVIEW COMMISSION

TYPE OF REGULATION

- Proposed Regulation
- Final Regulation with Notice of Proposed Rulemaking Omitted.
- Final Regulation
- 120-day Emergency Certification of the Attorney General
- 120-day Emergency Certification of the Governor

FILING OF REPORT

<u>Date</u>	<u>Signature</u>	<u>Designation</u>
<u>10/6/09</u>	<u>[Signature]</u>	<u>HOUSE COMMITTEE</u> (Preston) Consumer Affairs
<u>10/6/09</u>	<u>[Signature]</u>	<u>SENATE COMMITTEE</u> (Tomlinson) Consumer Protection and Professional Licensure
<u>10/6/09</u>	<u>[Signature]</u>	Independent Regulatory Review Commission Attorney General Legislative Reference Bureau