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**PRESS RELEASE**

Date: July 29, 2010

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**PUC Proposes Regulatory Changes to Create Promote Competition for the Retail Natural Gas Market for Consumers**

HARRISBURG – As part of its ongoing efforts to create a more level playing field in the retail natural gas market, the Pennsylvania Public Utility Commission (PUC) today issued an advance notice of final rulemaking to adopt regulations in order to promote effective competition for natural gas supply service.

In order to achieve this goal of fostering a competitive retail marketplace for natural gas service in Pennsylvania, the Commission voted 5-0 on a [motion](http://www.puc.state.pa.us/general/pdf/Coleman_Mot_LAW2069114_072910.pdf) by Commission John F. Coleman Jr. to seek further comment on final regulations that are designed to make it easier for consumers to compare natural gas prices offered by natural gas distribution companies (NGDCs) and natural gas suppliers (NGSs).

“In my opinion, the Commission should strive to achieve a level playing field for all suppliers but we also must be mindful of the stranded costs that can be occur by allowing shopping customers to bypass a portion of the uncollectable expenses that are shared currently by all customers as well as unavoidable gas procurement expenses,” Commission Vice Chairman Tyrone J. Christy said in a [statement](http://www.puc.state.pa.us/General/pdf/Christy_Statement_2069114_LAW_072910.pdf).

Specifically, the final regulations will reformulate the “price to compare” used by consumers to judge whether the price offered by a competitive NGS is better than the one being offered by the incumbent NGDC. Additionally, the final regulations propose to do the following:

* Make permanent rules for establishing voluntary purchase of receivables programs; and
* Provide guidance to ensure that the release, assignment or transfer of capacity by an NGDC is nondiscriminatory and is at the applicable contract rate.

Interested parties have 30 days to comment on the proposed changes once the Order has been entered.

Today’s action is part of the Commission’s ongoing implementation of an action plan designed to increase effective competition in the retail market for natural gas supply. The [action plan](http://www.puc.state.pa.us/General/press_releases/Press_Releases.aspx?ShowPR=2061) was approved on Sept. 11, 2008. This followed a Commission [finding](http://www.puc.state.pa.us/General/press_releases/Press_Releases.aspx?ShowPR=1380) that “effective competition” did not exist in the retail natural gas supply market statewide. The PUC then convened natural gas industry stakeholders to examine avenues to increase competition. The name SEARCH (Stakeholders Exploring Avenues for Removing Competition Hurdles) was adopted for these group meetings.

 The Pennsylvania Public Utility Commission balances the needs of consumers and utilities to ensure safe and reliable utility service at reasonable rates; protect the public interest; educate consumers to make independent and informed utility choices; further economic development; and foster new technologies and competitive markets in an environmentally sound manner. For recent news releases, audio of select Commission proceedings or more information about the PUC, visit our website at [www.puc.state.pa.us](http://www.puc.state.pa.us/).

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