

**PENNSYLVANIA PUBLIC UTILITY COMMISSION**  
**Harrisburg, Pennsylvania 17105-3265**

**Pennsylvania Public Utility Commission,  
et al. v. Equitable Gas Company, LLC**

**Public Meeting – September 2, 2010  
2155613-ALJ\*  
Docket No: R-2010-2155613**

**STATEMENT OF VICE CHAIRMAN TYRONE J. CHRISTY**

Before the Commission for consideration is the Recommended Decision of Administrative Law Judges (ALJs) John H. Corbett, Jr. and Mary D. Long recommending approval of the Joint Settlement Agreement of Equitable Gas Company's (Equitable) 2010 purchased gas cost proceeding. The Settlement represents a unanimous agreement among all of the parties to this proceeding.

In the context of the Settlement Agreement, Equitable has agreed to perform several future important analyses. First, Equitable has agreed to "...provide a report in its 2011 1307(f) filing as to the availability of Marcellus Shale supply, the purchase opportunities available directly from Marcellus Shale producers, and the possibility of delivering Marcellus Shale supply into Equitable's firm pipeline capacity and on its system." The ongoing development of the Marcellus Shale gas resource in Pennsylvania represents a unique opportunity for our local natural gas distribution companies to pursue least cost gas supplies from Pennsylvania based producers and should be encouraged. I support this aspect of Equitable's settlement and look forward to reviewing this report in next year's proceeding. Furthermore, I encourage each of our other jurisdictional natural gas utilities to analyze such opportunities now and in the future, if they have not already performed such analysis.

Additionally, Equitable has agreed to perform and file a design day study with its 2011 1307(f) filing and intends to thoroughly revisit its capacity needs prior to the 2011 1307(f) proceeding. With regard to this latter issue, Equitable has agreed to hold a meeting with the parties in September 2010 to advise them of the level of capacity entitlements to be retained from Equitrans, L.P. and/or Dominion Transmission, Inc. prior to contracting for such levels. The Settlement Agreement further provides that, if Equitable should negotiate entitlement reductions with Equitrans or terminate any storage agreement with Dominion, the cost reductions will be reflected in Equitable's April 1, 2011 quarterly PGC filing. I support this important aspect of the Settlement as it potentially could lead to gas cost savings to customers in a timely manner.

9-2-10  
DATE

Tyrone J. Christy  
TYRONE J. CHRISTY, VICE CHAIRMAN