



National Fuel

Maureen Geary Krowicki
Attorney

October 1, 2012

VIA ELECTRONIC FILING

Ms. Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
P. O. Box 3265
Harrisburg, PA 17105-3265

RE: Generic Investigation: Gas on Gas
Competition

Dear Secretary Chiavetta:

Enclosed please find National Fuel Gas Distribution Corporation's Comments on the scope of the proceeding at P-2011-2277868/I-2012-2320323. **These comments were e-filed.**

If you should have any questions about this matter, please do not hesitate to contact me.

Very truly yours,

Maureen Geary Krowicki
(814) 871-8035

Enclosures

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Generic Investigation Regarding “Gas- On-Gas Competition” between Jurisdictional Natural Gas Distribution Companies	: : : : : : : : : :	Docket No. P-2011-2277868 I-2012-2320323 Comments on Scope of Proceeding
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**COMMENTS OF
NATIONAL FUEL GAS DISTRIBUTION CORPORATION**

I. Introduction.

National Fuel Gas Distribution Corporation (National Fuel) by its counsel, Maureen Geary Krowicki, submits the following Comments on the scope of this generic investigation proceeding. The comments are submitted in accordance with the Order entered on August 31, 2012.

II. Background

This proceeding concerns the joint petition of the Bureau of Investigation and Enforcement (BI&E), the Office of Consumer Advocate (OCA), the Office of Small Business Advocate (OSBA), Peoples TWP LLC and Peoples Natural Gas Company filed on December 8, 2011. The petitioners asked the Public Utility Commission (Commission) to institute an investigation or rulemaking to address distribution base rate discounting among natural gas distribution companies (NGDC) with overlapping service territories, often referred to as gas-on-gas competition.

On July 25, 2012, the Commission issued a Secretarial Letter assigning the matter to the Office of Administrative Law Judge for a generic investigation and inviting other parties to intervene in the proceeding (Secretarial Letter). An Initial Prehearing Conference was held before the Honorable Administrative Law Judge Elizabeth Barnes on August 31, 2012. Thereafter, also on August 31, 2012, a Prehearing Order was issued which, among other things, “directed” the parties and intervenors to file formal comments regarding the scope of issues to be addressed in the generic investigation proceeding.

III. Comments.

The scope of this proceeding should be limited to consideration of discounting done to respond to competition from another NGDC with an overlapping service territory (Gas-on-Gas Discounting); no other discounting should be considered in the proceeding.

The Commission has recognized that discounting may be justified under certain circumstances. Given the Commission’s past policy of permitting discounting, this proceeding should not address the merits of Gas-on-Gas Discounting where circumstances justify such discounting. Instead, the scope of this proceeding should be limited to the information needed to demonstrate the benefits of Gas-on-Gas Discounting and the ratemaking treatment of revenue shortfalls attributable to Gas-on-Gas Discounting.

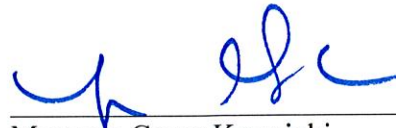
Because the scope should be limited to those narrow issues, legal briefs should be sufficient without resort to potentially lengthy and more costly evidentiary proceedings.

IV. Conclusion

For the reasons set forth above, National Fuel respectfully requests that the scope of the instant proceeding be as recommended in the Comments contained herein.

Respectfully submitted,

Date: 10/1/12



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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Generic Investigation Regarding “Gas-On-Gas Competition” between Jurisdictional Natural Gas Distribution Companies	:	Docket No. P-2011-2277868 I-2012-2320323
	:	Comments on Scope of Proceeding

CERTIFICATE OF SERVICE

I certify that I am this day serving a true copy of the foregoing document upon the participants listed below by e-filing, e-mail or first-class mail upon the persons listed below:

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