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November 15, 2012

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

VIA HAND DELIVERY

**RE: Interim Guidelines For Natural Gas Distribution Company Eligible Customer Lists;
Docket No. M-2012-2324075**

Dear Secretary Chiavetta:

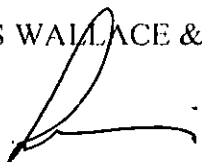
Enclosed please find for filing the Reply Comments of The Industrial Energy Consumers of Pennsylvania ("IECPA"), Central Penn Gas Large Users Group ("CPGLUG"), Columbia Industrial Intervenors ("CII"), Peoples Industrial Intervenors ("PII"), Philadelphia Area Industrial Energy Users Group ("PAIEUG"), Philadelphia Industrial & Commercial Gas Users Group ("PICGUG"), and UGI Industrial Intervenors ("UGII") (collectively, "Industrial Customer Groups") on the Interim Guidelines For Natural Gas Distribution Company Eligible Customer Lists Tentative Order in the above-referenced proceeding.

Please date stamp the extra copy of this transmittal letter and Reply Comments, and kindly return them to our messenger for our filing purposes.

Sincerely,

McNEES WALLACE & NURICK LLC

By


Elizabeth P. Trinkle

Counsel to the Industrial Energy Consumers of Pennsylvania,
Central Penn Gas Large Users Group, Columbia Industrial
Intervenors, Peoples Industrial Intervenors, Philadelphia Area
Industrial Energy Users Group, Philadelphia Industrial &
Commercial Gas Users Group, and UGI Industrial Intervenors

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Interim Guidelines For Natural Gas Distribution
Company Eligible Customer Lists

Docket No. M-2012-2324075

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**REPLY COMMENTS OF
INDUSTRIAL CUSTOMER GROUPS**

I. INTRODUCTION

On September 27, 2012, the Pennsylvania Public Utility Commission ("PUC" or "Commission") issued an Order in the above-captioned docket ("Order") proposing interim guidelines designed to produce greater uniformity in the type of information provided by Natural Gas Distribution Companies ("NGDCs") in their Eligible Customer Lists ("ECLs") to be made available to Natural Gas Suppliers ("NGSs") licensed to market to consumers in Pennsylvania.¹

On October 31, 2012, Industrial Energy Consumers of Pennsylvania ("IECPA"), Central Penn Gas Large Users Group ("CPGLUG"), Columbia Industrial Intervenors ("CII"), Peoples Industrial Intervenors ("PII"), Philadelphia Area Industrial Energy Users Group ("PAIEUG"), Philadelphia Industrial & Commercial Gas Users Group ("PICGUG"), and UGI Industrial Intervenors ("UGIII") (collectively, "Industrial Customer Groups") filed Comments. In addition to Industrial Customer Groups, the following parties filed Comments: Hess Corporation ("Hess"); PECO Energy Company; Office of Consumer Advocate; Washington Gas Energy Services, Inc.; Shipley Choice, LLC, Interstate Gas Supply, and Dominion Retail, Inc.

¹ See *Interim Guidelines for Natural Gas Distribution Company Eligible Customer Lists*, M-2012-2324075, at 2 ("Tentative Order").

(collectively, "Natural Gas Suppliers"); Columbia Gas of Pennsylvania, Inc.; Energy Association of Pennsylvania; National Fuel Gas Distribution Corporation; Valley Energy, Inc.; and the National Energy Marketers Association.

Pursuant to the procedural schedule established by the Commission in this proceeding, Industrial Customer Groups hereby file these Reply Comments to respond to key issues necessitating further response. Industrial Customer Groups' Reply Comments, however, will not respond to every argument contained in all other parties' Comments and, therefore, Industrial Customer Groups' decision not to respond to certain arguments should not be construed as agreement with the positions of any party. To the extent that other parties raise issues not discussed herein that conflict with Industrial Customer Groups' Comments, Industrial Customer Groups continue to endorse their original positions.

II. REPLY COMMENTS

In their Comments, Hess requests that the Commission require NGDCs to include all customer groups in their ECLs.² Hess argues that including all NGDC customer groups on ECLs is consistent with the Commission's ECL guidelines for the electric industry.³ Hess further argues that including all customer groups in ECL guidelines for NGDCs achieves the Commission's goal of "benefit[ing] the continued development of the retail market for natural gas supply in Pennsylvania"⁴

Industrial Customer Groups disagree with Hess's suggestion that including all customer groups in ECL guidelines for NGDCs is necessary to foster growth and development in the natural gas retail market. As Industrial Customer Groups noted in their Comments, the

² See Comments of Hess Corporation at 2.

³ See *id.*

⁴ See *id.* (quoting *Interim Guidelines for Eligible Customer Lists*, Docket No. M-210-2183412, Final Order on Reconsideration entered Nov. 15, 2011).

Commission specifically exempted large commercial and industrial ("C&I") customers from its original ECL procedures, observing that such customers have had a long history of competitive gas procurement without need for an information sharing mechanism.⁵ Unlike the retail electricity market, where competitive procurement began with the expiration of rate caps in 2009-2010, full retail choice was available and exercised by large C&I customers the natural gas market for decades before the Gas Competition Act took effect.⁶ NGSs have demonstrated that they can adequately market to this segment of end users without dissemination of their information via the ECL. Moreover, because the Gas Competition Act limits the supplier of last resort obligation to residential and small commercial customer, larger customers are proactive in seeking out suppliers with whom they desire to do business. The Commission's reasoning in the May 2000 Order remains applicable in this proceeding, and should not be revisited. Given large C&I customers' long-standing pattern of competitive gas procurement, and the highly confidential nature of their natural gas consumption information, Industrial Customer Groups request that the Commission continue to exempt these customers from ECL procedures.

⁵ See Comments of Industrial Customer Groups at 2-3 (citing *Procedures Applicable To Natural Gas Distribution Companies And Natural Gas Suppliers During the Transition to Full Retail Choice; Final Order*, Docket No. M-00991249F0009, Final Order adopted May 11, 2000 ("May 2000 Order")).

⁶ See May 2000 Order at 4 ("larger users have had the ability to choose alternative suppliers for some time and we are satisfied that they are fully aware of their options").

III. CONCLUSION

WHEREFORE, Industrial Energy Consumers of Pennsylvania, Central Penn Gas Large Users Group, Columbia Industrial Intervenors, Peoples Industrial Intervenors, Philadelphia Area Industrial Energy Users Group, Philadelphia Industrial & Commercial Gas Users Group, and UGI Industrial Intervenors respectfully request that the Pennsylvania Public Utility Commission consider and adopt, as appropriate, the foregoing Reply Comments when establishing interim guidelines.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 

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