

November 30, 2012

VIA eFiling

Rosemary Chiavetta, Secretary
PA Public Utility Commission
400 North Street
Keystone Bldg., 2nd Floor
Harrisburg, PA 17105-3265

RE: Joint Petition for Generic Investigation or Rulemaking Regarding "Gas-On-Gas"
Competition Between Jurisdictional Natural Gas Distribution Companies
Docket No. P-2011-2277868

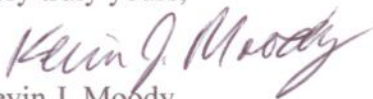
Generic Investigation Regarding Gas-On-Gas Competition Between Jurisdictional
Natural Gas Distribution Companies
Docket No. I-2012-2320323

Dear Secretary Chiavetta:

Enclosed is the Petition to Intervene of the Pennsylvania Independent Oil and Gas Association in the above-referenced matter. Copies have been served in accordance with the attached Certificate of Service.

If you have any questions regarding this filing, please contact me.

Very truly yours,



Kevin J. Moody
General Counsel

KJM/jls
Enclosure

cc: Certificate of Service (w/enc)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Petition for Generic Investigation or Rulemaking Regarding “Gas-On-Gas” Competition Between Jurisdictional Natural Gas Distribution Companies	:	
	:	P-2011-2277868
	:	
	:	
Generic Investigation Regarding Gas-On-Gas Competition Between Jurisdictional Natural Gas Distribution Companies	:	
	:	I-2012-2320323
	:	

**PETITION TO INTERVENE
OF THE
PENNSYLVANIA INDEPENDENT OIL AND GAS ASSOCIATION**

To The Honorable Elizabeth H. Barnes, Administrative Law Judge:

Pursuant to 52 Pa. Code §§ 5.72-5.75 and the invitation in the Commission’s Secretarial Letter to interested parties to participate in this generic investigation, the Pennsylvania Independent Oil and Gas Association (PIOGA) petitions to intervene in this matter. In support of its intervention, PIOGA avers as follows:

1. On December 8, 2011, the Commission’s Bureau of Investigation and Enforcement (BI&E), the Office of Consumer Advocate (OCA), Office of Small Business Advocate (OSBA), Peoples TWP LLC (TWP) and Peoples Natural Gas Company (Peoples) (referred to collectively as “Joint Petitioners”) filed the above-captioned petition requesting the Commission to institute an investigation or rulemaking proceeding to address distribution base rate discounting among natural gas distribution companies (NGDCs) with overlapping service territories. This rate discounting, or “flexing,” is often referred to as “gas-on-gas” competition.

2. PIOGA is the comprehensive trade association representing natural gas interests throughout Pennsylvania. PIOGA's members include natural gas producers and Commission-licensed natural gas suppliers and marketers that produce, transport and market Pennsylvania natural gas from both conventional and unconventional (shale) formations to NGDCs located in the central and western parts of the State, including the utilities that filed the petition initiating this proceeding, for system supply and for transportation customers on their systems.

3. The Commission issued a Secretarial Letter on July 25, 2012 granting the joint petition, assigning this matter to the Office of Administrative Law Judge (OALJ) for a generic investigation, and inviting other parties to file petitions to intervene to participate in this proceeding.

4. By Prehearing Order issued August 31, 2012, Your Honor concluded that that the Commission's Secretarial Letter intended some evidentiary hearings to take place in this generic investigation before a rulemaking proceeding might occur but, because the parties at the initial prehearing conference were split in their interpretations of the Secretarial Letter, directed the parties to file formal comments concerning what the scope of the generic investigation should be and the exact issues to be involved in this generic investigation because the "scope of procedure and issues is so critical to the advancement of the generic investigation."

5. Eight parties filed comments, with the statutory advocates arguing that the Commission intends a formal investigation¹ with discovery and hearings to investigate whether gas-on-gas competition rate flexing should be permitted to continue and, if so the ratemaking treatment of flexed revenues, and the other parties (the NGDCs, IECPA and Penn State University) arguing that the substantive scope of this proceeding is limited to ratemaking issues

¹ 66 Pa. C.S. § 331(b); 52 Pa. Code § 1.8 ("Formal investigation").

concerning flexed rates and revenues, and that this should be a “paper” proceeding (NGDCs and Penn State University). One NGDC suggested the use of the material question procedure² to obtain the Commission’s guidance directly on these questions.

6. PIOGA has monitored this proceeding and takes no position as to the proper procedural and substantive scope of this proceeding, but has recently decided to seek to participate to protect the interests of its members that provide natural gas supply to the NGDCs and their customers and their competitors in view of the uncertainty that has developed concerning the scope of this proceeding and potential outcomes. As the outcome of this proceeding will affect the provision of natural gas supply by PIOGA members and other producers and suppliers to NGDCs with overlapping service territories and their customers, PIOGA’s intervention is authorized by both 52 Pa. Code § 5.72(a)(2) and (3).³ PIOGA regularly participates in rate and other proceedings involving the petitioning NGDCs and thus is in a position to contribute to the development of the record in this matter as a result of that past experience, and there are no other producers in this proceeding.

7. PIOGA’s interests and the interests of its producer and supplier members cannot adequately be represented by any other party in this proceeding, including any producer or supplier that may participate individually.

8. PIOGA takes the proceeding as it stands, and PIOGA’s intervention will not cause prejudice to any other party in this proceeding or delay the orderly resolution of this matter. As of the date of this petition, to PIOGA’s knowledge Your Honor has not issued an

² 52 Pa. Code § 5.305.

³ 52 Pa. Code § 5.72(a)(2) (“An interest which may be directly affected and which is not adequately represented by existing participants, and as to which the petitioner may be bound by the action of the Commission in the proceeding.”); (a)(3) (“Another interest of such nature that participation of the petitioner may be in the public interest.”).

order determining the proper scope of this proceeding or invoked the material question procedure.

WHEREFORE, the Pennsylvania Independent Oil and Gas Association respectfully requests that its petition to intervene in this proceeding be granted.

Respectfully submitted,



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Dated: November 30, 2012

VERIFICATION

I, Lou D'Amico, President and Executive Director, Pennsylvania Independent Oil and Gas Association, hereby state that the facts set forth above are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date:

11/29/12

A handwritten signature in dark ink, appearing to be "Lou D'Amico", written over a horizontal line. The signature is stylized with a large, sweeping flourish.

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of the foregoing Petition to Intervene of the Pennsylvania Independent Oil and Gas Association on the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code § 1.54.

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Date: November 30, 2012


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