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June 7, 2013

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100 Pine Street, yth Floor
PO Box 1166
Harrisburg, PA 17108

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

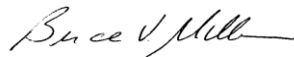
**Generic Investigation Regarding Gas-On-Gas Competition Between Jurisdictional Natural Gas Distribution Companies;
Docket No. I-2012-2320323**

**OBJECTION OF NATIONAL FUEL GAS DISTRIBUTION CORP.
TO IECPA INTERROGATORIES - SET II**

Dear Mesdames Polacek, Mincavage and Shmittberger:

Enclosed please find a copy of National Fuel Gas Distribution Corporation’s Objections to Industrial Energy Consumer of Pennsylvania’s (“IECPA”) Interrogatories – Set II in the above referenced matter. All active parties to this proceeding have been served in accordance with the enclosed Certificate of Service. If you have any questions, please feel free to contact me.

Respectfully,



Bruce V. Miller, Esquire

Counsel to *National Fuel Gas Distribution Corp.*

BV/

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Administrative Law Judge
Elizabeth H. Barnes

Joint Petition for Generic Investigation or Rulemaking Regarding “Gas-On-Gas” Competition Between Jurisdictional Natural Gas Distribution Companies	:	Docket No. P-2011-2277868
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Generic Investigation Regarding Gas-On-Gas Competition Between Jurisdictional Natural Gas Distribution Companies	:	Docket No. I-2012-2320323
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**OBJECTION OF NATIONAL FUEL GAS DISTRIBUTION CORP.
TO IECPA INTERROGATORIES - SET II**

On May 30, 2013, Industrial Energy Consumers Of Pennsylvania (“IECPA”) served its “Interrogatories – Set II to National Fuel Gas Distribution Corporation.”

Pursuant to 52 Pa. Code § 5.342, National Fuel Gas Distribution Corporation (“Distribution” or “the Company”) objects to these questions in their entirety. In her Order issued December 11, 2012 in the above-captioned proceedings, Judge Barnes made it quite clear that the scope of the proceedings was centered upon gas-on-gas competition between gas utilities in the Commonwealth, noting that this is “an investigation or rulemaking proceeding to address distribution base rate discounting among natural gas distribution companies (NGDCs) with overlapping service territories, often referred to as “gas-on-gas” competition.”

The following interrogatories that IECPA served on Distribution go way beyond the proper scope of these proceeding and are, consequently, objectionable.

1. For each customer who is granted a distribution rate that is discounted below the cost of a regular tariff rate due to competition from an alternative fuel source, please provide the following information in MS Excel electronic format:
 - a. Customer ID (disguised as necessary);
 - b. Customer class;

- c. Estimated annual load;
- d. Contract demand, if applicable;
- e. Discounted flex rate revenues;
- f. Full tariff revenues;
- g. Alternative fuel source.

OBJECTION

Distribution has previously stated that it has no discounted rates to meet gas on gas competition. To the extent that these questions seek discovery on other discounting to meet, *inter alia*, alternative fuels, they are not relevant as they are beyond the scope of this proceeding and, consequently, will not lead to the discovery of relevant or admissible material.

2. For each customer who is subject to a negotiated distribution rate due to competition from an alternative fuel source (and is not otherwise reported in the response to the previous interrogatory), please provide the following information in MS Excel electronic format:
 - a. Customer ID (disguised as necessary);
 - b. Customer class;
 - c. Estimated annual load;
 - d. Contract demand, if applicable;
 - e. Discounted flex rate revenues;
 - f. Alternative fuel source.

OBJECTION

Distribution has previously stated that it has no discounted rates to meet gas on gas competition. To the extent that these questions seek discovery on other discounting to meet, *inter alia*, alternative fuels, they are not relevant as they are beyond the scope of this proceeding and, consequently, will not lead to the discovery of relevant or admissible material.

3. For each customer who is granted a retainage rate that is set below the regular retainage rate due to competition from an alternative fuel source, please provide the following information in MS Excel electronic format:
 - a. Customer ID (disguised as necessary, but consistent with that used in the previous two interrogatories);
 - b. Customer class;

- c. Estimated annual load;
- d. Contract demand, if applicable;
- e. Discounted retainage rate;
- f. Regular retainage rate;
- g. Alternative fuel source.

OBJECTION

Distribution has previously stated that it has no discounted rates to meet gas on gas competition. To the extent that these questions seek discovery on other discounting to meet, *inter alia*, alternative fuels, they are not relevant as they are beyond the scope of this proceeding and, consequently, will not lead to the discovery of relevant or admissible material.

- 4. For each customer who is granted a preferential rate other than those identified in the preceding three interrogatories due to competition from an alternative fuel source, please provide:
 - a. Customer ID (disguised as necessary);
 - b. Customer class;
 - c. Estimated annual load;
 - d. Contract demand, if applicable;
 - e. Nature of preferential rate;
 - f. Revenues under the preferential rate;
 - g. Revenues under normal rates;
 - h. Alternative fuel source.

OBJECTION

Distribution has previously stated that it has no discounted rates to meet gas on gas competition. To the extent that these questions seek discovery on other discounting to meet, *inter alia*, alternative fuels, they are not relevant as they are beyond the scope of this proceeding and, consequently, will not lead to the discovery of relevant or admissible material.

- 5. To the extent not otherwise provided, please estimate the distribution revenue and gas retainage that the Company would lose if customers with discounted or flexed rates due to competition from an alternative fuel source left the Company's system. Please include supporting workpapers, in working electronic format as applicable.

OBJECTION

Distribution has previously stated that it has no discounted rates to meet gas on gas competition. To the extent that these questions seek discovery on other discounting to meet, *inter alia*, alternative fuels, they are not relevant as they are beyond the scope of this proceeding and, consequently, will not lead to the discovery of relevant or admissible material.

6. For each customer who is granted a distribution rate that is discounted below the cost of a regular tariff rate due to a bypass alternative, please provide the following information in MS Excel electronic format:
 - a. Customer ID (disguised as necessary);
 - b. Customer class;
 - c. Estimated annual load;
 - d. Contract demand, if applicable;
 - e. Discounted flex rate revenues;
 - f. Full tariff revenues.

OBJECTION

Distribution has previously stated that it has no discounted rates to meet gas on gas competition. To the extent that these questions seek discovery on other discounting to meet, *inter alia*, bypass, they are not relevant as they are beyond the scope of this proceeding and, consequently, will not lead to the discovery of relevant or admissible material.

7. For each customer who is subject to a negotiated distribution rate due to a bypass alternative (and is not otherwise reported in the response to the previous interrogatory), please provide the following information in MS Excel electronic format:
 - a. Customer ID (disguised as necessary);
 - b. Customer class;
 - c. Estimated annual load;
 - d. Contract demand, if applicable;
 - e. Discounted flex rate revenues.

OBJECTION

Distribution has previously stated that it has no discounted rates to meet gas on gas competition. To the extent that these questions seek discovery on other discounting to meet, *inter alia*, bypass, they are not relevant as they are beyond the scope of this proceeding and, consequently, will not lead to the discovery of relevant or admissible material.

8. For each customer who is granted a retainage rate that is set below the regular retainage rate due to a bypass alternative, please provide the following information in MS Excel electronic format:
 - a. Customer ID (disguised as necessary, but consistent with that used in the previous two interrogatories);
 - b. Customer class;
 - c. Estimated annual load;
 - d. Contract demand, if applicable;
 - e. Discounted retainage rate;
 - f. Regular retainage rate.

OBJECTION

Distribution has previously stated that it has no discounted rates to meet gas on gas competition. To the extent that these questions seek discovery on other discounting to meet, *inter alia*, bypass, they are not relevant as they are beyond the scope of this proceeding and, consequently, will not lead to the discovery of relevant or admissible material.

9. For each customer who is granted a preferential rate other than those identified in the preceding three interrogatories due to a bypass alternative, please provide:
 - a. Customer ID (disguised as necessary);
 - b. Customer class;
 - c. Estimated annual load;
 - d. Contract demand, if applicable;
 - e. Nature of preferential rate;
 - f. Revenues under the preferential rate;
 - g. Revenues under normal rates.

OBJECTION

Distribution has previously stated that it has no discounted rates to meet gas on gas competition. To the extent that these questions seek discovery on other discounting to meet, *inter alia*, bypass, they are not relevant as they are beyond the scope of this proceeding and, consequently, will not lead to the discovery of relevant or admissible material.

10. To the extent not otherwise provided, please estimate the distribution revenue and gas retainage that the Company would lose if customers with discounted or flexed rates due to a bypass alternative left the Company's system. Please include supporting workpapers, in working electronic format as applicable.

OBJECTION

Distribution has previously stated that it has no discounted rates to meet gas on gas competition. To the extent that these questions seek discovery on other discounting to meet, *inter alia*, bypass, they are not relevant as they are beyond the scope of this proceeding and, consequently, will not lead to the discovery of relevant or admissible material.

11. For each customer who is granted a distribution rate that is discounted below the cost of a regular tariff rate for any reason other than those identified in Q.1., Q.6., or based on competition from another NGDC, please provide the following information in MS Excel electronic format:
 - a. Customer ID (disguised as necessary);
 - b. Customer class;
 - c. Estimated annual load;
 - d. Contract demand, if applicable;
 - e. Discounted flex rate revenues;
 - f. Full tariff revenues;
 - g. Reason for discounted rate.

OBJECTION

Distribution has previously stated that it has no discounted rates to meet gas on gas competition. To the extent that these questions seek discovery on other discounting to meet, *inter alia*, competition other than gas on gas competition, they are not relevant as they are beyond the scope of this proceeding and, consequently, will not lead to the discovery of relevant or admissible material.

Respectfully,

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