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September 21, 2017

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

VIA ELECTRONIC FILING

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:

Please find attached for filing with the Pennsylvania Public Utility Commission the Reply Comments of the Industrial Energy Consumers of Pennsylvania ("IECPA") in the above-referenced proceeding.

As evidenced by the attached Certificate of Service, all parties to the proceeding are being duly served with a copy of this document.

Very truly yours,

McNEES WALLACE & NURICK LLC

By 
Charis Mincavage

Counsel to the Industrial Energy Consumers of Pennsylvania

c: Administrative Law Judge Elizabeth H. Barnes (via E-mail and First Class Mail)
Certificate of Service

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CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant).

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Docket Nos. P-2011-2277868 and I-2012-2320323

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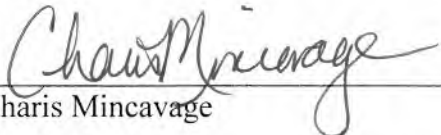
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Dated this 21st day of September, 2017, at Harrisburg, Pennsylvania

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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**

**REPLY COMMENTS
OF THE INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA**

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Table of Contents

	Page
I. INTRODUCTION	1
II. REPLY COMMENTS	3
A. The Consensus Positions of Commenting Parties Should Be Accepted by the PUC For Purposes of Responding to the PUC's Five Questions Raised in this Proceeding.3	
1. Gas-on-Gas Flex Rates Should Be Limited to Non-Residential Customers.....	3
2. No Uniform Minimum Consumption Thresholds Should Be Established.	4
3. Both New and Existing Customers Located in Overlapping Service Territories Should Be Eligible For Gas-on-Gas Flex Rates.....	4
4. Appendix A Provides the Appropriate Criteria for Demonstration By Customers That They Are Capable of Receiving Service from Another NGDC.	6
5. Contracts Entered Into Prior to a Final Order in This Proceeding Should Remain in Effect in Accordance with the Contract Terms.....	6
6. The Determination of Lowest Applicable Tariff Rate and Uniform Gas-on-Gas Tariff Provisions Should Be Addressed in a Collaborative.	8
B. An NGDC's Extension of Facilities and Provision of Service at Standard Tariffed Rates to Existing Gas-on-Gas Customers of a Competing NGDC Is Not At Issue in This Proceeding.....	9
C. The Commission Must Still Implement Additional Provisions to Ensure that Non-Flex Rate Customers Are Not Detrimentially Impacted if They Are Served Pursuant to the Same Rate Schedule as Flex Rate Customers.	9
III. CONCLUSION.....	11

I. INTRODUCTION

On December 8, 2011, the Bureau of Investigation and Enforcement ("I&E"), Office of Consumer Advocate ("OCA"), Office of Small Business Advocate ("OSBA"), Peoples TWP LLC ("Peoples TWP"), and Peoples Natural Gas Company LLC ("Peoples") (collectively, "Joint Parties") filed a Petition at the Pennsylvania Public Utility Commission ("PUC" or "Commission"), requesting that the Commission institute an investigation or rulemaking into Gas-On-Gas competition. Specifically, the Joint Parties requested that the Commission evaluate the practice of rate flexing by natural gas distribution companies ("NGDCs") with overlapping service territories.¹

Via Secretarial Letter, the Commission directed the initiation of a generic proceeding to address "the issues related to an NGDC's flexing of distribution rates to meet the lower rates from other NGDCs and the treatment of flexed revenues for ratemaking purposes in future ratemaking proceedings." *See* July 25, 2012 Secretarial Letter, p. 1. After a formal proceeding, in which IECPA participated, Administrative Law Judge ("ALJ") Elizabeth H. Barnes issued her Recommended Decision ("RD") on June 24, 2014. Exceptions and Reply Exceptions were filed by various parties, with the Commission entering an Opinion and Order on May 4, 2017 (hereinafter, "May 4 Order").

Pursuant to the May 4 Order, the Commission determined that Gas-On-Gas Flex Rates should continue to be offered for Commercial and Industrial ("C&I") customers that have the capability to receive service from more than one NGDC. May 4 Order, p. 51. This continuation, however, is contingent upon the development of: (1) a floor based on the lowest applicable tariff rate available to a Gas-On-Gas Customer; and (2) the establishment of uniform Gas-On-Gas Flex

¹ On December 28, 2011, the Industrial Energy Consumers of Pennsylvania ("IECPA") filed an Answer not opposing an investigation or rulemaking regarding Gas-On-Gas competition, asserting that current public utility law and policy supports the continued use of rate flexing.

Rate tariff provisions among the NGDCs with overlapping service areas. *Id.* According to the PUC, current provisions in the individual NGDC tariffs that enable Gas-On-Gas Flex Rates are very brief and not uniform. *Id.* at 55. Because the record in this proceeding did not address specific tariff provisions, the Commission is soliciting Comments and Reply Comments from affected NGDCs and interested parties concerning the uniform tariff provisions that should be utilized prospectively by the NGDCs with regard to their offering of Gas-On-Gas Flex Rates. *Id.* at 55-56. In addition to any recommendations offered by parties, the Commission also requests the parties address five questions regarding: (1) customer classes to be offered Gas-On-Gas Flex Rates; (2) uniform minimum consumption thresholds; (3) offering of rates to new customers; (4) criteria and associated documentation for customers to demonstrate capability of dual service; and (5) potential limit on the duration of contracts. *Id.* at 56.

On August 2, 2017, IECPA submitted Comments (hereinafter, "August 2 Comments") in this proceeding. Shortly thereafter, IECPA, along with the other commenting parties to this proceeding (collectively, "Commenting Parties")² requested an extension of time for Reply Comments from the PUC in order for the Commenting Parties to determine whether consensus could be achieved with respect to the five questions raised by the Commission. The PUC granted this request with the date for Reply Comments extended to September 21, 2017. Thereafter, the parties began discussions, which resulted in Appendix A, attached hereto. Appendix A provides the consensus positions of the Commenting Parties. In addition, Appendix A sets forth those areas in which consensus could not be achieved. The following provides IECPA's support with respect to Appendix A, IECPA's position on those issues in

² The list of Commenting Parties is defined in Appendix A, attached hereto. Similarly, IECPA's Reply Comments utilize the defined terms set forth in Appendix A, as IECPA believes this terminology appropriately describes the issues in this proceeding.

which consensus could not be achieved, and IECPA's stance on any remaining issues in this proceeding.

II. REPLY COMMENTS

A. **The Consensus Positions of Commenting Parties Should Be Accepted by the PUC For Purposes of Responding to the PUC's Five Questions Raised in this Proceeding.**

As noted above, the Commenting Parties to this proceeding worked together to address the five questions raised by the Commission. Although the Commenting Parties set forth differing positions in their Comments, Appendix A reflects compromise positions in an effort to address the PUC's questions, ensure continued provision of reasonable Gas-On-Gas Flex Rates for existing customers, and implement appropriate Gas-On-Gas Flex Rates in the future for new customers in competing NGDC service territories. For the reasons set forth herein, IECPA submits that the consensus positions set forth in Appendix A should be adopted by the Commission in this proceeding.

1. **Gas-on-Gas Flex Rates Should Be Limited to Non-Residential Customers.**

In this proceeding, IECPA posited that the customer classes to be allowed to participate in Gas-On-Gas competition should be as broad as possible. IECPA August 2 Comments, p. 4. Because Gas-On-Gas competition benefits customers, the NGDCs, and the service territories, if a customer has the ability to switch between NGDCs with overlapping service territories, the customer should be permitted to do so. *Id.* The consensus position recommends that all eligible customers, with the exception of residential customers, have the ability to negotiate Gas-On-Gas Flex Rates. *See* Appendix A, p. 2. IECPA supports Appendix A, as it accurately reflects the benefits of Gas-On-Gas competition by ensuring that Gas-On-Gas Flex Rates are available to an extremely broad class of customers.

2. No Uniform Minimum Consumption Thresholds Should Be Established.

As noted above, IEPA submitted that, because Gas-On-Gas Flex Rates provide overarching benefits, such rates should be available to all customers with the ability to switch between NGDCs. As such, IECPA does not believe that uniform minimum consumption thresholds should be established, as such thresholds would potentially restrict the ability of customers to participate in Gas-On-Gas Flex Rates, to the detriment of the customer, the NGDC, and the service territory. The consensus position supports IECPA's view that uniform minimum consumption thresholds should not be established as part of this rulemaking. *See* Appendix A, p. 2. As noted in Appendix A, minimum consumption thresholds may deprive some existing and potentially future qualifying Gas-On-Gas Customers of such options while also creating unnecessary complexity. As such, IECPA supports Appendix A, which recommends that the Commission not implement minimum consumption threshold requirements.

3. Both New and Existing Customers Located in Overlapping Service Territories Should Be Eligible For Gas-on-Gas Flex Rates.

In its August 2 Comments, IECPA offered that the ability to utilize Gas-On-Gas Flex Rates should not be limited to existing customers, but should also be available to new customers who may begin operations in an overlapping service territory. *See* IECPA August 2 Comments, p. 4. To limit a customer's provider if more than one NGDC is willing to serve and is certified to do so would be inappropriate and unjust, while telling a customer that they must receive service from a specific NGDC when a competitor may have a distribution pipeline right next to the new customer's building would be difficult for some customers to understand and accept. In addition, eliminating a new customer's choice of NGDCs triggers the question of what entity would be the decision maker. In light of these concerns, IECPA submitted that the continuing provision of Gas-On-Gas Flex Rates to existing customers along with allowing new customers the option to

choose between Competing NGDCs (assuming the customer is otherwise eligible for Gas-On-Gas Flex Rates) would be the most just and reasonable option. *Id.*

The consensus position addresses these issue by recognizing IECPA's interests, but also by placing a limit on new customer competition to address concerns raised by the State Advocates. Specifically, Appendix A provides that Gas-On-Gas Flex Rates may be offered to an existing customer of a competing NGDC when the customer is currently receiving a Gas-On-Gas Flex Rate or where the customer was formerly served at that service location by a Competing NGDC. *See* Appendix A, p. 2. For purposes of a new customer,³ Appendix A provides that a new customer can negotiate for a Gas-On-Gas Flex Rate between NGDCs but once the new customer chooses an NGDC and capital is expended to serve the customer, no further competition can occur. In addition, any new service must be justified and supported based upon the Competing NGDC's tariff requirements for line and main extensions. *Id.*

IECPA submits that allowing a new customer to negotiate between NGDCs and choose the NGDC from which the customer will receive service is extremely important and addresses many of IECPA's concerns in its August 2 Comments. While IECPA would prefer that such a new customer have the ability to continue to compete between NGDCs, as IECPA believes the customer, NGDC, and service territory would benefit from that continued competition, IECPA recognizes the concerns of the State Advocates with respect to duplicative facilities. In addition, because an NGDC's tariff is controlling with respect to main and line extensions, the assurance that the tariff will be controlling for any such project is extremely important for purposes of expanding Gas-On-Gas Flex Rates to new customers. Moreover, an NGDC's tariff is the basis

³ Appendix A provides that a Gas-On-Gas Negotiated Adjustment may be offered to a potential new customer associated with new development. For example, a customer in a competing service territory with very limited natural gas usage may not have been able to take advantage of Gas-On-Gas Flex Rates due to its limited consumption of natural gas. Such a customer, however, may choose to build a combined heat and gas plant ("CHP"), which would significantly increase the customer's natural gas usage. This scenario reflects a "new" customer with "new development" in light of the building of the CHP.

for customers to initially consider whether an expansion of service is viable. As such, continuing to utilize an NGDC's tariff for these purposes is appropriate.

Because Appendix A ensures the continuation of Gas-On-Gas Flex Rates for existing customers, allows for the extension of Gas-On-Gas competition to new customers, and addresses many of IECPA's concerns with respect to such service to new customers, IECPA supports the consensus position.

4. Appendix A Provides the Appropriate Criteria for Demonstration By Customers That They Are Capable of Receiving Service from Another NGDC.

Pursuant to Appendix A, a Gas-On-Gas Flex Rate must be supported by a customer affidavit. Appendix A, p. 3. In addition, the relevant terms of the affidavit must be treated as privileged and confidential, while also recognizing that the customer may need to share such information between Competing NGDCs in order to receive a Gas-On-Gas Flex Rate. Appendix A, pp. 3-4.

IECPA submits that the use of an affidavit is comparable to the requirements for customers receiving negotiated adjustments to tariff rates when a viable competitive alternative is available. Moreover, Appendix A recognizes that the information in this affidavit is extremely sensitive, especially for large commercial and industrial customers. As such, the consensus position should be adopted as providing an adequate means by which customers can demonstrate their capability of receiving Competing NGDC service while also recognizing the need to treat this information as extremely sensitive.

5. Contracts Entered Into Prior to a Final Order in This Proceeding Should Remain in Effect in Accordance with the Contract Terms.

The PUC's May 4 Order specifically questions whether there should be a limit on the duration of Gas-On-Gas Flex Rate contracts. Importantly, Appendix A recognizes that this

question must be separated between contracts currently in effect and contracts that are entered into after the PUC's final order in this proceeding.

Appendix A provides that current Gas-On-Gas Flex Rate contracts may continue in effect in accordance with the contract terms. Appendix A, p. 3. IECPA supports this provision, as it is in agreement with the PUC's May 4 Order, in which the PUC specifically found that, due to the potential ramifications of amending contracts between NGDCs and flex rate customers, the PUC was not inclined to exercise its authority to interfere with existing contracts. May 4 Order, p. 58. IECPA agrees with the PUC's findings and submits that current Gas-On-Gas Flex Rate contracts must continue in effect in accordance with the contract terms. Because Gas-On-Gas Flex Rate contracts have been negotiated for quite some time, and the possibility exists that some contracts were negotiated for an extremely long term, these contracts must continue to be honored by the customer and the NGDC. When entering these contracts, the customer and NGDC provided consideration for the terms of the contract, and this consideration should not be discounted because of changes the PUC is implementing on a going-forward basis. Moreover, while Appendix A notes that the PUC's May 4 Order placed NGDCs on notice that they may not be able to recover any Gas-On-Gas Negotiated Adjustments below the lowest tariffed rate of a competing NGDC beyond December 31, 2018, IECPA submits that any concerns NGDCs have with this recovery must be addressed between the NGDC and the customer outside of this rulemaking.

In addition, Appendix A submits that for contracts entered into after the PUC's Final Order in this proceeding, the contract should be updated for consistency with the lowest tariffed rate of a competing NGDC beginning on October 1, 2018, and every two-year anniversary thereafter. While IECPA generally prefers longer term contracts in order to ensure that the

customer, NGDC, and service territory are able to reap the benefits of a implementing the necessary facilities to provide such service, IECPA recognizes the two-year term as a compromise among the parties. Because this two-year term would only apply to contracts entered into after the PUC's Final Order in this proceeding, and not any previously executed contracts, IECPA supports the consensus position.

6. The Determination of Lowest Applicable Tariff Rate and Uniform Gas-on-Gas Tariff Provisions Should Be Addressed in a Collaborative.

IECPA's August 2 Comments specifically noted that the movement of Gas-On-Gas Customers to uniform tariff provisions remains conceptual in nature, and, as such, attempting to propose standardized tariff provisions for four separate NGDCs could prove difficult. IECPA August 2 Comments, p. 3. In addition, IECPA set forth concerns that any uniform gas rates must minimize the impact to all customers, both flex rate and non-flex rate. For example, some NGDCs provide service to flex and non-flex rate customers on the same rate schedule. If uniform tariff provisions were implemented for flex rate customers, these provisions should not automatically apply to non-flex rate customers, especially if these provisions would be detrimental to those customers without an overlapping NGDC option. *Id.*

For those reasons, IECPA recommended the implementation of one or more working groups to allow interested parties the opportunity to more thoroughly review and discuss these issues. IECPA August 2 Comments, pp. 2-3. As set forth in Appendix A, the Commenting Parties recognize the complexity of these issues and for these reasons propose that a collaborative be established for the purposes of determining the appropriate methodology for calculating the lowest applicable tariff rate and the uniform Gas-On-Gas tariff provisions to be adopted by competing NGDCs. *See* Appendix A, p. 4. IECPA submits that this collaborative will also provide the opportunity to ensure that the implementation of any uniform tariff

provisions would not automatically apply to and potentially impact non-flex rate customers to their detriment. Because this recommendation recognizes and addresses IECPA's concerns regarding the complexity of these issues, IECPA supports the collaborative set forth in Appendix A as just and reasonable.

B. An NGDC's Extension of Facilities and Provision of Service at Standard Tariffed Rates to Existing Gas-on-Gas Customers of a Competing NGDC Is Not At Issue in This Proceeding.

As noted in Appendix A, the Commenting Parties could not reach a consensus on issues related to an NGDC's extension of facilities and provision of service at non-discounted tariff rates to an existing Gas-On-Gas Customer of a Competing NGDC. *See* Appendix A, p. 4. IECPA submits that such service is not at issue for purposes of this proceeding, but rather, the terms and conditions of such service should be addressed pursuant to the NGDC's tariff. If, however, the PUC believes that this issue should be considered as part of this proceeding, IECPA submits that it should be included as part of the aforementioned collaborative. *See* Section A.6., *supra*.

C. The Commission Must Still Implement Additional Provisions to Ensure that Non-Flex Rate Customers Are Not Detrimentially Impacted if They Are Served Pursuant to the Same Rate Schedule as Flex Rate Customers.

As indicated previously, Appendix A focuses on the five questions asked by the Commission, as well as the overarching issue of how to calculate the lowest applicable tariff rate and the implementation of uniform tariff provisions for Gas-On-Gas Flex Rate Customers. One issue that the Commenting Parties did not specifically address, however, was the impact on non-flex customers being served on the same rate schedule as flex rate customers. As indicated in Section A.6., *supra*, IECPA believes that the proposed collaborative to address uniform tariff provisions should assist in dealing with the possibility that flex and non-flex rate customers

could be served under the same tariff provisions and changes to those provisions could detrimentally impact non-flex rate customers.

As part of the August 2 Comments, IECPA also set forth a concern that some NGDCs provide service to flex and non-flex rate customers as part of the same rate schedule, which can create problems for purposes of Cost of Service Studies ("COSS").⁴ Appendix A does not address this concern; however, because of the importance of this issue, and the need to ensure non-flex rate customers are not detrimentally impacted moving forward, IECPA submits that the PUC should compel NGDCs to separate flex and non-flex rate customers for COSS purposes. If the PUC is concerned with the ramifications of such separation, IECPA recommends that this issue be addressed as part of the collaborative referenced in Section A.6., *supra*. At the very least, the PUC should consider requiring any future rate increase to any rate schedule comprised of both flex and non-flex customers be limited to the system average increase in order to ensure that non-flex customers are not required to solely bear the burden of supporting Gas-On-Gas competition. IECPA August 2 Comments, p. 3.

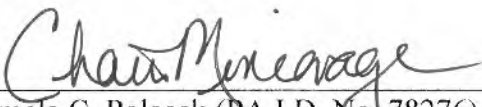
⁴ For example, if flex rate customers are grouped with non-flex rate customers for COSSs, a determination of whether both flex and non-flex rates are cost-based can prove extremely difficult. Moreover, without such a separation, the determination of the cost to serve flex and non-flex rate customers is rendered almost impossible. IECPA August 2 Comments, p. 3.

III. CONCLUSION

WHEREFORE, the Industrial Energy Consumers of Pennsylvania respectfully request that the Pennsylvania Public Utility Commission consider and adopt, as appropriate, the foregoing comments and Appendix A.

Respectfully submitted,

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Dated: September 21, 2017

APPENDIX A

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

CONSENSUS POSITIONS OF COMMENTING PARTIES

DEFINED TERMS

“Commission”: Pennsylvania Public Utility Commission

“Commenting Parties”: Columbia Gas of Pennsylvania, Industrial Energy Consumers of Pennsylvania, Office of Consumer Advocate, Office of Small Business Advocate, Peoples Natural Gas Company LLC, and Peoples Gas Company LLC

“Competing NGDC”: An NGDC that has overlapping service territory with another NGDC and may offer a G-O-G Flex Rate

“G-O-G”: Gas-on-Gas competition between Competing NGDCs through the offer of a G-O-G Flex Rate

“G-O-G Contract”: A contract between a Competing NGDC and a G-O-G Customer pursuant to which the G-O-G Customer receives a G-O-G Flex Rate

“G-O-G Customer”: A customer of a Competing NGDC who is eligible for a G-O-G Flex Rate

“G-O-G Negotiated Adjustment”: An adjustment to a Competing NGDC’s tariffed rate that is provided to a G-O-G Customer pursuant to G-O-G Contract

“G-O-G Flex Rate”: The flex rate, provided to a G-O-G Customer, resulting from a G-O-G Negotiated Adjustment

“Law Bureau”: Law Bureau of the Commission

“May 4, 2017 Order”: Commission’s Order entered at the above-referenced dockets on May 4, 2017

“Natural Gas Distribution Company”: A natural gas distribution company regulated by the Commission

“TUS”: Bureau of Technical Utility Services of the Commission

COMMISSION QUESTIONS	CONSENSUS POSITIONS OF COMMENTING PARTIES
Which customer classes should be offered gas-on-gas flex rates?	G-O-G Flex Rates should be limited to non-residential customer classes.
Should uniform minimum consumption thresholds be established?	No. Minimum consumption thresholds may deprive some existing, and potentially future qualifying, G-O-G Customers of G-O-G Flex Rate options and create unnecessary complexity.
Should new customers in overlapping service territories be offered gas-on-gas flex rates or should these rates be limited to existing customers being served under gas-on-gas flex rate contracts?	<p>Yes, both new customers locating in overlapping service areas and certain existing customers should be eligible for G-O-G Flex Rates.</p> <p>A G-O-G Negotiated Adjustment may be offered to an existing customer of the Competing NGDC providing service where the customer is currently receiving a G-O-G Flex Rate.</p> <p>A G-O-G Negotiated Adjustment may be offered to an existing customer of a Competing NGDC where such customer was formerly served at that service location by the Competing NGDC offering service.</p> <p>A G-O-G Negotiated Adjustment may be offered to a potential, new customer associated with new development. This provision allows for negotiated rates between Competing NGDCs for the load of a new customer but, once the successful Competing NGDC expends capital and extends facilities to the customer, there shall be no further competition between the Competing NGDCs for that customer where the result would be the unnecessary duplication of facilities. Any new service investment for a new G-O-G Customer must be justified and supported by actual G-O-G Flex Rate revenues using the methods approved for line and main extensions of that particular Competing NGDC.</p>

<p>What should be the criteria and associated documentation for customers to demonstrate they are capable of receiving service from another NGDC?</p>	<p>A G-O-G Flex Rate must be supported by a sworn G-O-G Customer affidavit. An existing G-O-G Customer's affidavit must attest that the G-O-G Customer meets one or more of the eligibility criteria listed above. A new G-O-G Customer's affidavit must attest that (i) the G-O-G Customer has been offered service from a Competing NGDC with a lower tariffed rate and (ii) the Competing NGDC is physically able to connect the G-O-G Customer and has sufficient capacity to serve. All affidavits must include all relevant terms, conditions, rates, and customer contributions and advances associated with the competitive service offering. The G-O-G Customer affidavit shall be treated as confidential and disclosed in a Commission proceeding only pursuant to a protective agreement or order.</p> <p>A Competing NGDC cannot assert confidentiality of its offer and thereby prevent a current or prospective G-O-G Customer from disclosing the terms of the offer to another Competing NGDC. A Competing NGDC cannot disclose its offer to another Competing NGDC without the consent of the current or prospective G-O-G customer. A Competing NGDC, to which the offer of another Competing NGDC has been disclosed, shall preserve the confidentiality of such offer and shall use it for no purpose other than developing a competing offer and in a Commission or other legal proceeding subject to a protective agreement or order.</p>
<p>Should there be a limit on duration of gas-on-gas flex rate contracts?</p>	<p>Current G-O-G Contracts may continue in effect in accordance with the contract terms; however, Competing NGDCs have been placed on notice by the May 4, 2017 Order that they may not be able to recover any G-O-G Flex Rate that is below the lowest tariffed rate of a Competing NGDC for contracts that extend beyond December 31, 2018.</p> <p>There should be no limitation on the duration or extension of a G-O-G Contract entered into after the entry of a final order in this proceeding; however, such a G-O-G Contract shall be updated for consistency with the lowest tariffed rate of a Competing NGDC beginning on October 1, 2018 and every two-year anniversary thereafter. The October 1, 2018 date was agreed on by the Commenting Parties as a reasonable start date fitting in the schedule of regulatory filings. This requirement is consistent with the Commission's competing policies of allowing G-O-G to continue with limitations on Negotiated Adjustments and of not micro-managing contractual matters. It also allows a Competing NGDC and a G-O-G Customer to negotiate a G-O-G Contract that provides long-term certainty for both. The G-O-G Customer is able to choose a higher-tariff-rate Competing NGDC for other reasons</p>

	(such as quality of service, supply costs, etc.) without fear of being bound to a higher tariffed rate at the end of a short G-O-G Contract term. A Competing NGDC is able to negotiate a duration that allows recovery of capital investment required to provide service.
Determination of “Lowest Applicable Tariff Rate” / Uniform G-O-G Tariff Provisions	Due to the complexity of the issues, a collaborative -- to be conducted with the assistance of TUS and Law Bureau -- should be established for the limited purposes of determining: (a) the appropriate methodology to calculate the lowest applicable tariff rate available to a G-O-G Customer; and, (b) uniform G-O-G tariff provisions to be simultaneously adopted by Competing NGDCs. The collaborative shall conclude its work within 90 days following entry of a Commission final order on the five issues raised on p. 55 of the May 4, 2017 Order. The results of the collaborative, together with recommendations, shall be reported to the Commission by TUS or Law Bureau in the form of a Tentative Order on which interested parties will have a reasonable opportunity to comment.

Note: The Commenting Parties could not reach consensus on issues related to an NGDC’s extension of facilities and provision of service at standard tariffed rates to an existing G-O-G Customer of a Competing NGDC. Specifically, the Commenting Parties could not reach consensus on (a) whether such service is properly considered in the context of the instant proceeding and (b) if such service is properly considered in the context of the instant proceeding, the circumstances under which such service should be allowed. The Commenting Parties will respond to these issues through their individual replies to comments.