

June 16, 2021

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, Filing Room
Harrisburg, PA 17120

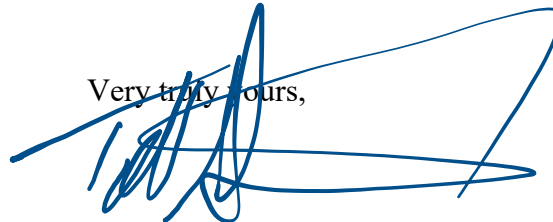
RE: Natural Gas Supplier License Amendment of Interstate Gas Supply, Inc. d/b/a IGS Energy; Docket No. _____; **PETITION TO AMEND NATURAL GAS SUPPLIER LICENSE AND FOR WAIVER OF COMMISSION REGULATIONS (PUBLIC VERSION)**

Dear Secretary Chiavetta:

On June 16, 2021, the Public Version of Interstate Gas Supply, Inc.'s Petition to Amend Natural Gas Supplier License and For Waiver of Commission Regulations in the above-referenced matter was electronically filed with the Commission. Kindly substitute that Petition for the attached. Copies of the Public Version of the Petition have been served in accordance with the attached Certificate of Service.

Thank you for your attention to this matter. If you have any questions regarding this filing, please do not hesitate to contact me.

Very truly yours,



Todd S. Stewart

TSS/jld
Enclosures
cc: Per Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing Petition upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

VIA FIRST-CLASS MAIL

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Harrisburg, PA 17120

Office of Small Business Advocate
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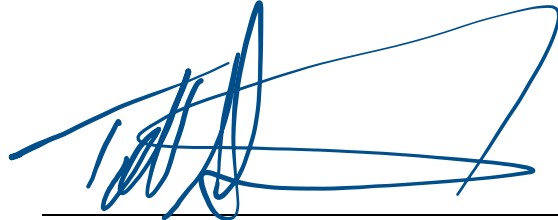
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Todd S. Stewart

DATED: June 16, 2021

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Re: Natural Gas Supplier License :
Amendment of Interstate Gas Supply, Inc. : Docket No. _____
d/b/a IGS Energy :

**PETITION TO AMEND
NATURAL GAS SUPPLIER LICENSE
AND FOR WAIVER OF COMMISSION REGULATIONS**

NOW COMES Interstate Gas Supply, Inc. d/b/a IGS Energy (“IGS”), and hereby Petitions the Pennsylvania Public Utility Commission (the “Commission”) for Authorization under The Commission’s Regulations at 52 Pa. Code §§ 5.41, 5.43, and 62.101, *et seq.*, to amend its natural gas supplier (“NGS”) license to **[Begin Confidential]** ----- **[End Confidential]** include a joint venture partner, Dominion Energy Solutions, Inc.(“DES”) in order to avoid the need to create a new entity and seek a separate license **[Begin Confidential]** ----- **[End Confidential]**, and to approve the application for said amendment. Moreover, to the extent the Commission believes it is necessary to approve the request herein, IGS requests that the Commission grant waivers of any implicated regulatory requirement(s) that might interfere with the requested result. In support of its request, IGS states and avers as follows:

1. IGS is a licensed NGS in Pennsylvania serving customers in all the major Natural Gas Distribution Company (“NGDC”) markets, including Columbia Gas, Peoples, UGI, Equitable, National Fuel and PECO.
2. DES is similarly a licensed NGS throughout the Commonwealth.

3. By the end of 2021, via a transfer of one hundred percent (100%) of the equity interests of DES, DES will transfer its Pennsylvania residential and small commercial natural gas customer contracts to IGS. As part of the transaction, IGS has already adapted its corporate structure to accommodate the new customers and the needs of the transaction. However, during the transition, IGS and Dominion will be joint venture owners of two **[Begin Confidential]** -----
----- **[End Confidential]** entities, even though IGS will have complete control and will provide all operational functions including all customer-facing operations.

4. During 2019, IGS entered into a definitive agreement with Dominion Energy, Inc. (“Dominion”), to transfer the service of **[Begin Confidential]** ----- **[End Confidential]** customers of SCANA Energy Marketing, LLC, formerly known as SCANA Energy Marketing, Inc. (“SCANA Energy”) and DES to IGS. **[Begin Confidential]** -----
----- **[End Confidential]**.

5. In preparation for Phase I, IGS and a wholly owned subsidiary of Dominion formed Wrangler Retail Gas Holdings, Inc. (“Wrangler”), a joint venture owned 80% by IGS and 20% by Dominion. Wrangler is a subsidiary of IGS JV Holdings, LLC, which is a wholly owned subsidiary of IGS. (See the attached, Exhibit A) The formation of the joint venture was necessary to hold additional entities during the subsequent phases of the transaction. In Phase I which closed on December 6, 2019, IGS acquired the business of Dominion’s subsidiary, SCANA Energy, a retail natural gas provider headquartered in Georgia with approximately **[Begin Confidential]** ---
----- **[End Confidential]** customers. Also, as part of Phase I Dominion contributed SCANA Energy to Wrangler. In Phase II, IGS acquired the Ohio residential and commercial customer contracts of DES. DES transferred approximately **[Begin Confidential]** ----- **[End Confidential]** natural gas customers to Wrangler which then transferred them to IGS Retail, LLC,

security requirements; and then, 4) switch to a single combined pool and actually operate with two distinct customer pools [Begin Confidential] ----- [End Confidential] which would also require IGS to obtain a separate, [Begin Confidential] ----- [End Confidential] DUNS number under which it would operate the two pools.

9. Absent a requirement that it would need a new, [Begin Confidential] -----, [End Confidential] license, IGS would include the transferred customers in its current pool, which would eliminate the need for costly and time-consuming IT changes and would require that financial security with each NGDC be [Begin Confidential] ----- [End Confidential]. It also would save time and resources for all involved.

10. The Public Utility Code and the Commission's Regulations require that an entity have a license before engaging in sales of natural gas using the jurisdictional facilities of an NGDC.¹ Neither the Code nor the Regulations, however, appear to have a requirement that a joint venture could not operate under the license of one of the joint venture parties, where both hold licenses. Particularly here where the joint venture duration will be [Begin Confidential] -----, [End Confidential] there does not appear to be a regulatory need to impose the full panoply of licensing requirements. IGS is and will continue to be contractually obligated to serve the customers as its own, as it will once the transaction is complete.

11. The Public Utility Code grants the Commission the authority to determine the scope of what is required for licensing by rule or order.² The Commission's Regulations not only contain the requirements for licensure³ that have been established by rule, but also allow the Commission

¹ 66 Pa. C.S. § 2208(a); 52 Pa. Code § 62.102(a)

² 66 Pa. C.S. § 2208(b)

³ 52 Pa. Code § 62.101, *et seq.*

to waive the requirements of its own regulations upon an appropriate request to do so.⁴ The Commission also has the ability to clarify the applicability of, or to rescind and/or modify its own regulations and orders.⁵ Those seeking waiver of a Commission Regulation must demonstrate that doing so is in the public interest.⁶

12. Simply put, there is nothing presently in the Code that would prohibit the result requested herein, while admittedly, neither is there specific authorization. While there is nothing in the Commission’s Regulations that would prohibit the requested result, the Regulations clearly contemplate that licensed suppliers will “affiliate” with other suppliers, entities with franchised service territories and/or NGDCs, and require that notice of such be provided to the Commission.⁷ To the extent that such notice is required in this instance, IGS would request that this Petition serve as such notice.

13. IGS seeks approval to allow the Pennsylvania customers of DES that will be transferred to a joint venture between IGS and DES – namely IGS Retail – to be **[Begin Confidential]** ----- **[End Confidential]** served as though they were customers of IGS, and without the necessity of obtaining a separate, **[Begin Confidential]** ----- **[End Confidential]** license for IGS Retail. As discussed herein, granting the requested relief, including any waivers the Commission views as necessary, would promote the public interest because it would eliminate potential customer confusion caused by receiving two notices regarding their contracts being transferred, will eliminate the administrative burden of processing what would effectively be a **[Begin Confidential]** ----- **[End Confidential]** license, which serves no parties’ interest,

⁴ 52 Pa. Code § 5.43.

⁵ 66 Pa. C.S. § 501(a)

⁶ *PECO Energy Company*: Docket No. P-2016-2573023 (Opinion and Order entered June 18, 2019, slip op. at p. 9)

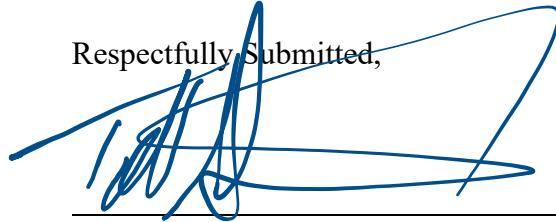
⁷ 52 Pa. Code § 62.105(b).

Public Version

and will save the time and expense of modifying IGS' systems and adding an unnecessary NGS to the systems of NGDCs.

WHEREFORE, IGS respectfully requests that the Commission grant the relief requested herein and authorize the transfer of the customers so identified without the need for IGS or DES to acquire additional NGS licenses in order to complete the transaction as described herein. IGS further requests that the Commission waive any regulation it deems necessary to allow the transaction to be completed as described.

Respectfully Submitted,



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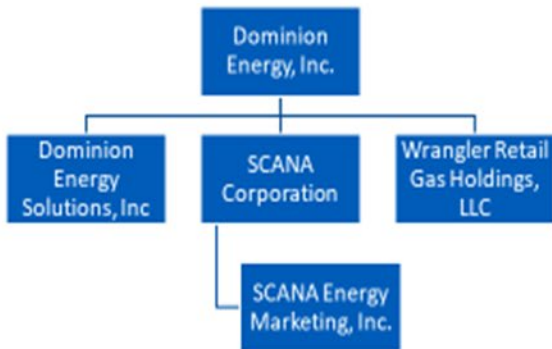
*Counsel for Interstate Gas Supply, Inc. d/b/a
IGS Energy*

DATED: June 16, 2021

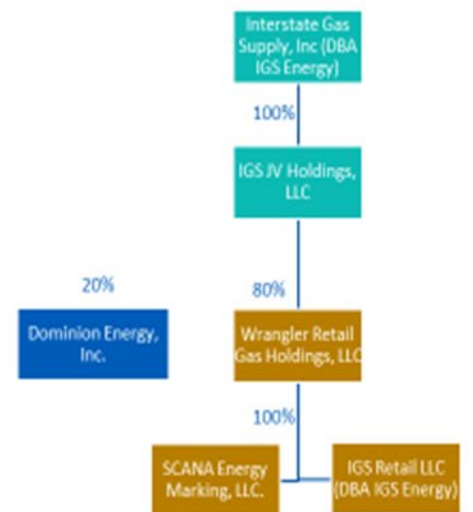
Exhibit A

Legal Structure

Pre-Transaction



Post-Transaction




Dominion

IGS

Shared

VERIFICATION

I, Anthony Cusati, III, certify that I am the Director of Regulatory Affairs for Interstate Gas Supply, Inc., dba IGS Energy, and that, in this capacity, I am authorized to and do make this Verification, that the facts set forth in the foregoing document are true and correct to the best of my knowledge, information and belief, and that I expect Interstate Gas Supply, Inc., dba IGS Energy to be able to prove same at any hearing hereof. I understand that false statements made therein are made subject to the penalties in 18 Pa. C.S. §4904, relating to unsworn falsifications to authorities.



Anthony Cusati, III

DATED: June 15, 2021