

February 17, 2006

VIA HAND DELIVERY

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street – Filing Room (2nd Floor)
P.O. Box 3265
Harrisburg, PA 17105-3265

RE: Natural Gas Stakeholders Working Group; Natural Gas Choice and Competition Act; Docket No. I-00040103 F0002; **NOTICE TO PARTICIPATE AND COMMENTS ON PROPOSED SUBGROUPS AND ISSUE ASSIGNMENTS OF THE PEOPLES NATURAL GAS COMPANY d/b/a DOMINION PEOPLES**

Dear Mr. McNulty:

Enclosed, for filing with the Commission, are the original and three (3) copies of The Peoples Natural Gas Company d/b/a Dominion Peoples Notice to Participate and Comments on Proposed Subgroups and Issue Assignments in the above-captioned matter. As required by the Commission's January 20, 2006 Notice in this matter, a copy of this document has been sent electronically to Assistant Counsel Patricia Krise Burket at pburket@state.pa.us.

Please direct any questions regarding this filing to me. Thank you for your attention to this matter.

Very truly yours,

William T. Hawke
Lillian S. Harris
Counsel for The Peoples Natural Gas Company
d/b/a Dominion Peoples

LSH/kml
Enclosures
cc: Patricia Krise Burket (via electronic mail)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Natural Gas Stakeholders Working Group :
Natural Gas Choice and Competition Act : Docket No. I-00040103 F0002

**NOTICE TO PARTICIPATE AND COMMENTS
ON PROPOSED SUBGROUPS AND ISSUE ASSIGNMENTS
OF THE PEOPLES NATURAL GAS COMPANY
D/B/A DOMINION PEOPLES**

NOTICE TO PARTICIPATE

Pursuant to the Notice issued by the Pennsylvania Public Utility Commission (“Commission”) on January 20, 2006 in this docket, the Peoples Natural Gas Company d/b/a Dominion Peoples (“Dominion Peoples”), hereby gives notice of its intent to participate in the Stakeholder Working Group meetings. Dominion Peoples designates the following persons who will participate in the Stakeholders Working Group meetings:

1. William E. McKeown
Director, Pricing and Regulatory Affairs, Dominion Peoples
The Peoples Natural Gas Company
625 Liberty Avenue, 19th Floor
Pittsburgh, PA 15222
Email: william_e_mckeown@dom.com
Phone: (412) 497-6840

2. Joseph A. Gregorini
Manager, Pricing and Regulatory Affairs
The Peoples Natural Gas Company
625 Liberty Avenue, 19th Floor
Pittsburgh, PA 15222
Email: joseph_a_gregorini@dom.com
Phone: (412) 497-6851

3. William T. Hawke¹
Hawke McKeon Sniscak & Kennard LLP
100 North Tenth Street
P.O. Box 1778
Harrisburg, PA 17105
Email: wthawke@hmsk-law.com
Phone: (717) 236-1300

In accordance with the Commission's request in the January 20 Notice, Dominion Peoples identifies the following pending Commission proceedings involving Dominion Peoples:

1. Pennsylvania Public Utility Commission v. The Peoples Natural Gas Company d/b/a Dominion Peoples; Docket No. R-00051093 (Dominion Peoples' Customer Assistance Program filing);
2. Pennsylvania Public Utility Commission v. The Peoples Natural Gas Company d/b/a Dominion Peoples; Docket No. R-00050267, *et al.* (2005 - 1307(f) proceeding);
3. Pennsylvania Public Utility Commission v. The Peoples Natural Gas Company d/b/a Dominion Peoples; Docket No. R-00061301 (2006 - 1307(f) proceeding);
4. Petition of The Peoples Natural Gas Company d/b/a Dominion Peoples to use a Portion of its Commercial Boiler Fuel Rider Fund to Expand Heating Benefits to Energy Eligible Residential Customers; Docket No. P-00052196;
5. Peoples Independent Producers Group v. The Peoples Natural Gas Company d/b/a Dominion Peoples; Docket Nos. C-20054393 and P-00052162;
6. Equitable Gas Company v. The Peoples Natural Gas Company d/b/a Dominion Peoples; Docket No. C-20031128; and
7. Various customer complaints that have been docketed at Formal Complaint docket numbers.

Dominion Peoples has no appeals pending in any court or other administrative agency proceedings in which both Dominion Peoples and the Commission are parties.

¹ Dominion Peoples reserves the right to substitute any or all of its representatives at the Stakeholders Working Group meetings or add more representatives in order to accommodate staffing constraints.

COMMENTS ON WORKING GROUP STRUCTURE, SUBGROUPS AND SUBGROUP ISSUE ASSIGNMENTS

In its January 20, 2006 Notice, the Commission advises that an initial Stakeholders Working Group meeting will be held on Thursday, March 30, 2006. In addition to this “plenary” session, the Notice indicates that various subgroups of stakeholders will begin to meet on the afternoon of the same day. The Commission has tentatively identified three subgroups and has tentatively assigned issues from its October 6, 2005 Report to the General Assembly to each of the identified subgroups. It is paramount to Dominion Peoples that it be able to participate fully in this proceeding in order to be fully heard on the identified issues. The current structure proposed by the Commission, where subgroups will be meeting simultaneously, makes this difficult, if not impossible due to staffing constraints. The Commission should strongly consider the use of a single working group to streamline the process and make it more manageable from a staffing perspective for not only NGDCs, but also for the various public advocates and natural gas suppliers. The Commission should carefully safeguard each stakeholder’s opportunity to participate in all aspects of this process.

Even though many issues have been earmarked for discussion in this proceeding, the list is far shorter than the host of issues that the stakeholders dealt with in the initial restructuring process after the Choice Act became law. It is fair to say that this proceeding will involve fine tuning as opposed to restructuring of the framework for natural gas supply competition. While the Commission used subgroups in the initial restructuring process, Dominion Peoples suggests that the use of a single working group is a better idea in this fine tuning process.

The use of a single working group would minimize the need for coordination among and between the various subgroups. The Commission has acknowledged that there is overlap between issues tentatively assigned to subgroups. If the Commission proceeds with the working

groups as presently structured, there most certainly will be a need to have the initial Stakeholders Working Group come together regularly to reconcile competing results reached in the subgroups, address issues that have not been contemplated at the beginning of the process, and for the stakeholders to attempt to reach consensus on issues that have been particularly contentious. Dominion Peoples respectfully submits that using a single working group process from beginning to end would better serve this purpose and be more efficient for all stakeholders and the Commission.

Finally, the Commission's Notice indicates that stakeholders will be required to execute a waiver agreement whereby they will waive objections to the subsequent deliberation and vote on any issues, subsequent petitions, settlements or any further proceedings that result from the Stakeholder Working Group process by the participation of specific Commissioners and Commission staff members participating in the Working Group process. The Notice also indicates that Stakeholders will be asked to sign a copy of this waiver agreement at the Initial Stakeholders Meeting. Dominion Peoples respectfully requests that the Commission provide an advance copy of the waiver agreement to the Stakeholders before the March 30, 2006 meeting so that all of the Stakeholders may review the waiver agreement and to make inquiries or raise questions concerning its content with Commission Staff. By providing the agreement in advance, the Commission will avoid taking up valuable meeting time for review and discussion of the waiver. It will also aid in ensuring that the greatest number of parties interested in this process participate.

Dominion Peoples looks forward to participating in this process and respectfully requests

that the Commission consider these comments in further developing the structure and workings of the Stakeholders Working Group.

Respectfully submitted,

Lillian S. Harris
William T. Hawke
Hawke McKeon Sniscak & Kennard LLP
100 North Tenth Street
P.O. Box 1778
Harrisburg, PA 17105

Counsel for The Peoples Natural Gas
Company d/b/a Dominion Peoples

DATED: February 17, 2006