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February 14, 2007

HAND DELIVERY

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
P. O. Box 3265
Harrisburg, PA 17105-3265

In re: Docket No. L-00060182
Rulemaking to Amend the Provisions of 52 Pa. Code Chapter 56 to Comply with
the Provisions of 66 Pa. C.S., Chapter 14; General Review of Regulations

Dear Secretary McNulty:

Enclosed on behalf of the Equitable Gas Company Division of Equitable Resources, Inc. are an original and fifteen (15) copies of its Comments to the above referenced Advance Notice of Proposed Rulemaking Order. A copy in electronic format is also provided on the enclosed disk.

Very truly yours,

THOMAS, THOMAS, ARMSTRONG & NIESEN

By

Thomas T. Niesen

cc: Certificate of Service (w/encl.)
Terrence J. Buda (w/encl.)
Cyndi Page (w/encl.)
Daniel Mumford (w/encl.)
Daniel L. Frutchey, Esquire (w/encl.)

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**Before the
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Rulemaking to Amend the Provisions of :
52 Pa. Code Chapter 56 to Comply with the : **Docket No. L-00060182**
Provisions of 66 Pa. C.S., Chapter 14; :
General Review of Regulations :

**EQUITABLE GAS COMPANY'S
COMMENTS TO ADVANCE NOTICE OF PROPOSED
RULEMAKING ORDER ENTERED DECEMBER 4, 2006**

AND NOW, comes Equitable Gas Company, a division of Equitable Resources, Inc. ("Equitable" or "Company"), by its attorneys, and, submits the following Comments in accordance with the Public Utility Commission's ("Commission") Advance Notice of Proposed Rulemaking Order ("ANOPR") entered December 4, 2006 in the above captioned proceeding:

1. On December 4, 2006, the Commission entered an Order adopted at its Public Meeting of November 30, 2006, implementing a rulemaking proceeding to consider revisions of the regulations appearing in 52 Pa. Code Chapter 56 relating to standards and billing practices for residential utility service.

2. The Order invites interested parties to submit comments on the provisions of Chapter 14 identified in Appendix A to the Order.

3. Equitable welcomes the opportunity to address the issues related to aligning Chapter 56 with Chapter 14 (66 Pa. C.S. §§ 1401-1418) as identified in Section 6 of Chapter 14. Equitable's Comments are presented in the Appendix A attached hereto. Equitable presents its Comments for discussion purposes in response to the Commission's invitation in the Order entered December 4, 2006 and without prejudice to any position Equitable might take in any subsequent proceeding or proceedings involving these or any other matters.

WHEREFORE, Equitable Gas Company, a division of Equitable Resources, Inc., submits these Comments to the Public Utility Commission's Advance Notice of Proposed Rulemaking Order entered December 4, 2006.

Respectfully submitted,

By 

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Date: February 14, 2007

APPENDIX A

EQUITABLE GAS COMPANY
("Equitable" or "Company")
Comments to the Public Utility Commission's
Advance Notice of Proposed Rulemaking Order

General

In the Advance Notice of Proposed Rulemaking Order (ANOPR), the Commission states that the Governor signed into law SB 677 or Act 201 on November 30, 2004. The Act amended Title 66 by adding Chapter 14 (66 Pa. C.S. §§ 1401-1418) and became effective December 14, 2004.

Subsequent to its implementation, the Commission issued an Implementation Order dated March 3, 2005, a Second Implementation Order dated September 12, 2005, a Reconsideration of Implementation Order on October 31, 2005 amending the Implementation Order and a Declaratory Order on November 21, 2005.

Section 6 of Chapter 14 instructs the Commission to amend the provisions of 52 Pa. Code Chapter 56 to comply with the provisions of 66 Pa. C.S. Chapter 14 and other regulations to administer and enforce Chapter 14. While the Commission has resolved many issues through the various Orders identified above, the ANOPR appears to somewhat broaden the scope of Chapter 14, Section 6. It, moreover, has been almost two years since the implementation of Chapter 14 and regulations consistent with Chapter 14 are still pending.

Equitable recommends addressing those sections of Chapter 56 specifically identified in Chapter 14 as requiring modification due to their inconsistency with Chapter 14, i.e. §§56.32, 56.33, 56.35, 56.41, 56.51, 56.53, 56.81, 56.82, 56.83, 56.91, 56.93, 56.94, 56.95, 56.96, 56.100, 56.101, 56.111, 56.112, 56.113, 56.114, 56.115, 56.116, 56.117, 56.181 and 56.191. Equitable believes that maintaining a narrow focus consistent with Section 4 and 6 of §1418 will permit a smooth, manageable conclusion to this process.

The following are Equitable's comments to the items identified in Appendix A of the ANOPR:

- 1. Rules that apply to victims with a protection from abuse (PFA) order and to customers of steam heating, wastewater and small natural gas companies.**

Equitable agrees that the Commission needs to separate Chapter 56 and the regulations that amend Chapter 56 to comply with Chapter 14 for utilities and consumers covered under Chapter 14. The Company believes it would be prudent to retain Chapter 56 as it exists today for consistency purposes, recognizing that it would be necessary to add an introductory section to

identify the utilities and consumers covered by this existing chapter and to refer other entities to a newly created chapter. Equitable offers that the new regulations to be added to Title 52 could be assigned the title of Chapter 70 under Subpart C, Fixed Service Utilities. This chapter is currently open and the number represents the sum of Chapter 14 and 56.

2. Previously unbilled utility service.

If the Commission considers instituting a four-year rule on make-up bills, Equitable believes that theft, fraud and unauthorized use of service should be exempted from this limitation. These activities pose public safety issues and may result in higher uncollectible accounts expense. The limitations on these occurrences should be the restrictions of the criminal code and not utility regulations.

Equitable believes that Chapter 14 §1405(b) establishes the parameters of payment agreements and Chapter 56, §56.41 should be amended to comply with these provisions.

3. Credit Standards

The Commission's July 14, 2005 Order in the Investigation of Identity Theft at Docket No. M-00041811 acknowledges that identity theft is not a problem for utilities. The requirements in Chapter 14 at §§1404(d), 1407(d) and 1414(c) were enacted to curb the practice of changing billing and account responsibility from one family member or occupant to another in order to avoid payment of unpaid balances. In today's society, the majority of applicants/customers apply for service by telephone; therefore, the Company requests that the identification methods must be conducive to this process. With regard to §§1407(d) and 1407(e) related to identifying that the applicant resided at the property when the outstanding bill accrued, the methods may include, but not be limited to, lease, mortgage or deed; occupant and income data supplied by customer; utility contact logs; and checks rendered for utility payment.

Equitable contracts with a third-party credit agency for its credit scoring methodology to determine creditworthiness. This methodology is owned by the third-party agency and is proprietary. The Company cannot, therefore, include such methodology in its tariff. Equitable suggests that the use of a recognized third-party agency should be sufficient assurance of generally accepted credit scoring methodology and standards. Finally, any time limit restrictions imposed in this area should not include fraud, unauthorized use of service or theft and should be consistent with the debt collection laws.

4. Payment period for deposits

Equitable maintains that the Implementation Order dated March 3, 2005 clarifies the deposit payment timeframes and should be used in establishing the new regulations.

5. Termination of service

With respect to §56.83, Equitable believes the only areas that appear to be consistent with Chapter 14 are §§56.83(5), and 56.83(6). The remaining items in this section are inconsistent for the following reasons:

- §§56.83(1), 56.83(2), 56.83(3) relate to nonpayment issues that are superseded by Chapter 14;
- §56.83(4) conflicts with §§1407(d) and 1407(e);
- §56.83(7) time frame should be consistent with debt collection laws and should not apply to fraud or theft of service;
- §56.83(8) conflicts with §§1407(d) and 1407(e);
- §56.83(9) reflects nonpayment of estimated billings. If the utility has made reasonable attempts to obtain actual or customer readings without success, the issuance of a termination notice for nonpayment of estimated billings is valid.

6. Winter termination procedures

Equitable believes that Chapter 14 does make a distinction between heat and non-heat accounts and disagrees with the proposal to include both heat and non-heat accounts in the new regulations. The fact that the legislature created a separate section for winter termination expressly denotes its intent to distinguish between heat and non-heat service and there would not have been a need for the separate section albeit this distinction. Therefore, natural gas service provided to a residential dwelling for other than space heating should be exempt from winter termination restrictions.

In the statement of Commissioner Pizzingrilli, utilities are requested to comment on the proposal for utilities to report when it becomes aware of a death following termination where it appears that the death may be linked to the lack of utility service. Determining the cause of death and assessing any connection to other occurrences is the duty of law enforcement and legal officials and utilities should not be required to make unfounded or unsubstantiated assumptions. Equitable is willing, upon request from the Commission, to provide information if it becomes aware of a death at a location where utility service was terminated only under the following conditions: (1) the utility is not required to search for these incidents; (2) the reporting of such information is not to be construed as a connection to the event, (3) the utility is not cited if a report is not issued due to unawareness; and (4) the timeframe for the occurrence is within 30 days of termination.

7. Emergency Medical Procedures

Equitable agrees with the Commission's proposal outlined in the ANOPR with one exception. The Company disagrees that the application of the medical certification rules applies to the entire household **only** "as long as the account remains in the same name(s)." Equitable

submits that §1407(d) permits transfer of responsibility to another adult occupant and the prior medical certifications should also be transferred for same household occupants.

8. Commission informal complaint procedures

With regard to the comments related to CAP accounts, Equitable suggests that the filing of a dispute should not permit the CAP customer to delay or postpone CAP payments. Any postponement of CAP payments constitutes a payment arrangement which is expressly denied in §1405(c).

The Commission is proposing the establishment of a 30-day timeframe for utility submission of responses to informal complaints. Equitable agrees with the need for timely responses and provides its responses as quickly as possible. The Company submits that the imposition of complaint response standards also requires a reciprocal timeframe for issuance of decisions. In keeping with the legislative intent of Chapter 14 to reduce utility “uncollectible accounts by modifying the procedures for delinquent account collections and by increasing timely collections,” there should be a reasonable timeframe for issuance of an informal decision.

9. Restoration of Service

Chapter 14 §1407 is clear on the requirements for restoration of service and these standards need to be incorporated as intended in the new regulations. The clarity of §1407 has been confirmed by two Administrative Law Judges in recent decisions and the Commission in its Final Investigatory Order on Customer Assistance Programs: Funding Levels and Cost Recovery Mechanisms at Docket No. M-00051923.

10. Reporting Requirements

Equitable recommends that the Commission carefully review the Biennial Report guidelines and eliminate any duplicative reporting with respect to §56.231.

Conclusion

Equitable thanks the Commission for the opportunity to comment on the Advance Notice of Proposed Rulemaking Order. As previously stated, Equitable recommends addressing those sections of Chapter 56 specifically identified in Chapter 14 as requiring modification due to their inconsistency with Chapter 14. Equitable believes that maintaining a narrow focus consistent with Section 4 and 6 of §1418 will permit a smooth, manageable conclusion to this rulemaking process.