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January 13, 2012

**VIA HAND DELIVERY**

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

RE: Pennsylvania Public Utility Commission v. Philadelphia Gas Work;  
Docket No. R-2008-2073938; **MOTION TO HOLD IN ABEYANCE**

Dear Secretary Chiavetta:

Enclosed for filing with the Commission are the original and three (3) copies of a Motion to Hold in Abeyance filed by the Natural Gas Supplier Parties, Interstate Gas Supply, Inc., Hess Corporation, Dominion Retail, Inc., and Direct Energy Services, LLC in the above-captioned matter.

If you have any questions regarding this filing, please do not hesitate to contact me.

Very truly yours,

Todd S. Stewart

*Counsel for Interstate Gas Supply, Inc.,  
and Dominion Retail, Inc*

TSS/alh

Enclosures

cc: Administrative Law Judge Christopher P. Pell (via electronic and first class mail)  
Per Certificate of Service

**MAILING ADDRESS: P.O. BOX 1778 HARRISBURG, PA 17105**

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PA PUBLIC UTILITY COMMISSION  
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BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission

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v.

Docket No. R-2008-2073938

Philadelphia Gas Works

Joint Petition for Settlement Collaborative Process  
Regarding Alternative Default Service Supply

**MOTION TO HOLD MATTER IN ABEYANCE**

NOW COME, the Natural Gas Supplier Parties, Interstate Gas Supply, Inc., Hess Corporation, Dominion Retail, Inc., and Direct Energy Services, LLC (collectively "NGSs") to the above captioned matter and hereby request that the Honorable Presiding Administrative Law Judge Christopher P. Pell issue an Order holding resolution of the Joint Petition For Settlement in abeyance until the resolution of the ongoing Purchase of Receivable ("POR") collaborative that involves the same parties and many of the same issues as the instant matter. In support thereof, the NGSs state and aver as follows:

**I. Background and Introduction**

1. On November 14, 2008, the Philadelphia Gas Works ("PGW") filed a Petition with the Pennsylvania Public Utility Commission ("Commission") seeking emergency rate relief pursuant to 66 Pa. C.S. § 1308.

2. In the course of those proceedings, Tony Cusati, a witness for Interstate Gas Supply, Inc. and Dominion Retail, Inc., noted in his rebuttal testimony that requiring PGW to exit the merchant function would have significant benefits to the company in the form of jump starting competition on the PGW system for small customers and of producing savings

associated with PGW no longer being required to procure gas for its customers as the supplier of last resort ("SOLR").

3. In its Order, issued December 19, 2008, the Commission required that "Philadelphia Gas Works shall convene no later than sixty (60) days after the entry of this Opinion and Order, a collaborative process to explore options for transition of some or all of its customers to an alternative default service supplier." PA PUC v. PGW, R-2008-2073938 (Opinion and Ordered entered December 19, 2008, ordering Paragraph No. 2).

4. The SOLR Collaborative process was begun as required, but ultimately proved to be unsuccessful in reaching a consensus.

5. After the submission of position papers by the SOLR Collaborative participants in the latter part of 2009, this matter lay dormant until April 13, 2011 when the Commission issued a Secretarial Letter indicating that if the participating suppliers were interested in pursuing this matter they should inform the Commission on or before May 13, 2011, in which case the Commission would convene a litigated proceeding in which the suppliers would bear the burden of proof.

6. After the Secretarial Letter was issued, PGW and the supplier parties met on numerous occasions and eventually reached a settlement under which the supplier parties would forego the opportunity provided by the Secretarial Letter to commence a proceeding at the Commission seeking to replace PGW as a supplier of last resort in its service territory. As part of that settlement, PGW agreed to conditions on a number of improvements that would allow for competition on its system, such as POR and consolidated billing—which were already part of a separate and ongoing POR Collaborative process begun as a result of PGW's most recent base rate case. PGW and the NGS's also agreed in the settlement to a number of competitive

enhancements that if successful, should reduce PGW's responsibility to procure gas for its customers by creating a structure which will allow for effective NGS competition.

7. A Joint Petition for Settlement of the SOLR Collaborative was filed by the parties on or about November 23, 2011, which memorialized that settlement agreement.

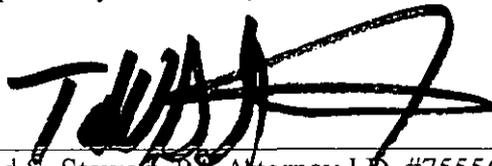
8. The POR collaborative, which is nearing completion, has entertained a proposal by which PGW will implement POR program, consolidated billing, and electronic data transfer protocols.

9. Due to the fact that the Joint Petition for Settlement of the SOLR Collaborative and the POR Collaborative contain intertwined issues and because the SOLR Collaborative Joint Petition for Settlement on its face referred several issues to the POR Collaborative for resolution, it appears that the most effective and efficient manner of resolution of all issues, will be to hold the recently filed Joint Petition for Settlement in abeyance until the resolution of the POR Collaborative issues. At that time, the parties can seek approval of a more global resolution, or seek Commission determination of unresolved issues. This path to resolution should aid in efficiency and should avoid duplicate litigation over issues that otherwise may be resolved through negotiation and settlement.

10. No party to the SOLR collaborative objects to this Motion to Hold Matter in abeyance, except that neither the Bureau of I & E nor the Office of Small Business Advocate take a position with regard to the Motion, and both reserve their right to oppose it.

WHEREFORE the NGSs respectfully request that litigation of the above captioned SOLR Collaborative matter be held in abeyance until such time as the parties request the litigation to resume or until such time as the POR Collaborative submits for approval a Proposal for Implementation of a Purchase of Receivables Program which includes resolution of the issues referenced within the Joint Petition for Settlement.

Respectfully submitted,



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DATED: January 13, 2012

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**CERTIFICATE OF SERVICE**

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

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Dated this 13<sup>th</sup> day of January, 2012

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