



HESS CORPORATION

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October 26, 2012

VIA FEDERAL EXPRESS

Rosemary Chiavetta
Secretary
Pennsylvania Public Utility Commission
400 North Street
Commonwealth Keystone Building
2nd Floor, Room-N201
Harrisburg, PA 17120

Re: Comments of Hess Corporation
Docket Number: 2012-2324075

Dear Secretary Chiavetta:

Please find a copy of Hess Corporation's ("Hess") eFiling transmission acceptance form and comments in the above-referenced docket. In order to assist with our record keeping, please file stamp the additional copy of this letter and return it to me in the enclosed self-addressed stamped envelope included for that purpose. If you have any questions, please do not hesitate to contact me at (732) 750-7058. Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read "D A Cetola".

David A. Cetola
Director of Regulatory Affairs

Enclosure

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Interim Guidelines for Natural Gas :
Distribution Company Eligible Customer : Docket No. M-2012-2324075
Lists :

COMMENTS OF HESS CORPORATION

I. INTRODUCTION

On September 27, 2012, the Commission issued a tentative order in the above-referenced docket seeking comment from interested parties on Commission-proposed guidelines “to provide for more uniformity in the customer account information provided by the Natural Gas Distribution Companies (NGDCs) to Natural Gas Suppliers (NGSs) to assist in the development of the retail market for natural gas supplies.”¹ Hess Corporation (“Hess”) is an NGS operating in Pennsylvania. Hess is supportive of the Commission’s Tentative Order and submits these comments to seek clarification on certain aspects of the proposed guidelines.

II. HESS’ COMMENTS

A. The Tentative Order should apply to all NGDC customers.

The Tentative Order details 10 data points that NGDCs must provide NGSs concerning their natural gas customers.² The Tentative Order does not specifically

¹ *Interim Guidelines for Natural Gas Distribution Company Eligible Customer Lists*, Docket No. 2012-2324075, Tentative Order entered Sept. 27, 2012, at 2 (“Tentative Order”).

² *Id.* at Appendix A.

identify whether the disclosure requirements apply to all customers or specific subsets of customers. In Hess' view, the NGDCs' eligible customer lists ("ECLs") should apply to all customers. The Tentative Order explains that a driver of the guidelines is to "benefit the continued development of the retail market for natural gas supply in Pennsylvania for the Commission to provide uniform guidelines concerning the composition of lists of eligible customers and the terms relating to the provision of these ECLs to NGSs."³ The Commission notes that in setting forth the proposed guidelines, it was guided by its *Electric ECL Order*⁴ and goes on to explain that the "general parameters of retail marketing natural gas to the public should be little different from those governing the retail marketing of electric power."⁵ It is Hess' understanding that the *Electric ECL Order* requires electric distribution companies ("EDCs") to provide licensed electric generation suppliers ("EGSs") customer information for all of its electric customers. Similarly, here, the Commission should clarify the Tentative Order that the guidelines will require NGDCs to provide licensed NGSs customer information for all of its natural gas customers. Such a result is consistent with the Commission's Tentative Order and the Commission's efforts to not only have uniformity for customer list disclosures across NGDCs, but also across the entire Pennsylvania retail energy market (electric and natural gas).

³ *Id.* at 2.

⁴ *Interim Guidelines for Eligible Customer Lists*, Docket No. M-2010-2183412, Final Order on Reconsideration entered November 15, 2011 ("Electric ECL Order").

⁵ Tentative Order at 3.

B. *Expenses incurred by NGDCs to prepare the ECLs should be recovered through base rates.*

In the Tentative Order, the Commission notes that “NGDCs may request recovery of [solicitation, preparation and distribution] costs through base rates as opposed to a fee or surcharge levied on any one group of customers of NGSs.”⁶ Hess supports allowing NGDCs to recover any incremental costs associated with the development of ECLs through base rates. Notably, in reviewing PPL Electric’s cost recovery of expenses associated with its electric ECL, the Commission approved PPL’s request to defer the costs on its books and to seek recovery in its next general base rate case.⁷ Similarly, the Commission should allow the NGDCs to track any incremental costs associated with customer ECLs and to seek recovery through base rates in their next general base rate cases.

⁶ *Id.* at 5.

⁷ *PPL Electric Utilities Corporation Retail Markets*, Docket No. 2009-2104271, Opinion and Order entered on Aug. 6, 2009, at 32-33.

C. CONCLUSION

Hess commends the Commission for initiating this proceeding and proposing guidelines to achieve uniformity for natural gas ECLs to assist the continued development of the retail natural gas market. Hess respectfully requests that the Commission clarify its Tentative Order (1) to specify that the guidelines apply to all NGDC customers; and (2) to allow NGDCs to track and seek recovery of any incremental costs incurred to prepare the ECLs in the NGDCs' base rates.

Very truly yours,

HESS CORPORATION

/s/ David A. Cetola

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