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October 31, 2012

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

VIA ELECTRONIC FILING

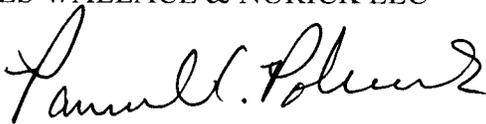
**RE: Interim Guidelines For Natural Gas Distribution Company Eligible Customer Lists;
Docket No. M-2012-2324075**

Dear Secretary Chiavetta:

Enclosed please find for filing the Comments of Counsel to Valley Energy, Inc. on the Interim Guidelines For Natural Gas Distribution Company Eligible Customer Lists Tentative Order in the above-referenced proceeding.

Sincerely,

McNEES WALLACE & NURICK LLC

By 
Pamela C. Polacek

Counsel to Valley Energy, Inc.

PCP/sar
Enclosure

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**COMMENTS OF
VALLEY ENERGY, INC.**

I. INTRODUCTION

On September 27, 2012, the Pennsylvania Public Utility Commission ("PUC" or "Commission") issued an Order in the above-captioned docket ("Order") proposing interim guidelines designed to produce greater uniformity in the type of information provided by Natural Gas Distribution Companies ("NGDCs") in their Eligible Customer Lists ("ECLs") to be made available to Natural Gas Suppliers ("NGSs") licensed to market to consumers in Pennsylvania.¹ Pursuant to the established schedule, Valley Energy, Inc. ("Valley" or "Company") hereby submits these Comments.

Valley is the smallest NGDC that is subject to the requirements under the Natural Gas Choice and Competition Act ("Act"). Valley is also the only non-1307(f) NGDC subject to the Act. With approximately 6,000 customers, Valley is vastly smaller than most of the NGDC that are subject to the Commission's Order.

Currently, Valley has approximately twenty-three small commercial accounts purchasing gas from a NGS. An additional seven large industrial accounts are supplied by NGSs and take only transportation service from Valley. Notably, 80% of Valley's total throughput is delivered

¹ See *Interim Guidelines for Natural Gas Distribution Company Eligible Customer Lists*, M-2012-2324075, at 2 ("Tentative Order").

to these large transportation accounts. None of Valley's residential customers receive service from a NGS. Valley has always strived to promote the ability of its customers to access competitive natural gas supply, while also balancing the financial impact on itself and the non-shopping customers.

II. COMMENTS

A. Valley Can Solicit Customer Input Regarding Inclusion on the ECL and Periodically Update the List.

One of the primary action items required of NGDCs by the Order is the solicitation of customer authorization to have their information included on the ECL through a mailing and other opportunities for customers to restrict release of information. Based on Valley's understanding of the Order, the NGDC must mail an opt-out notice to customers, then provide periodic opportunities to restrict access to their information. The opt-out notification will be done once every three years. A customer can also affirmatively change their preferences regarding inclusion on the list at any time.

Valley has reviewed the requirements of the Order regarding the solicitation of customers' preferences, and can comply with the requirements. As discussed below, however, Valley will incur costs to accomplish the solicitation (and other activities contemplated by the Order), which should be recoverable on a current basis from suppliers or customers.

B. Valley Does Not Maintain a Supplier Website or Portal; Therefore, Valley Will Manually Provide the ECL to Confirmed NGSs Pending Investigation of the Costs of, and Cost Recovery for, Development of a Supplier Website.

The Order adopts ten ECL customer data points that will be available to NGSs authorized to serve in each NGDC's territory.² When available, Valley will provide NGSs with manual access to the identified information for customers that have not requested to restrict information

² See Tentative Order at Appendix A.

access. In other words, Valley will e-mail the list to the supplier upon request. Valley does not, however, have a supplier portion of its website or a supplier portal to make the list available at the convenience of all NGSs. Valley is willing to explore the costs of establishing a supplier website, and to propose a method to recover the costs of the website. Until the costs are established and a cost recovery mechanism can be confirmed, Valley can provide NGSs with a PDF list upon request. Valley suggests that any costs related to the mailings, website updates and other activities could be recovered from the NGSs that desire to serve in the Company's service territory through a monthly charge calculated based on costs that Valley incurs and the number of suppliers serving residential and small commercial customers in the territory.

II. CONCLUSION

WHEREFORE, Valley Energy, Inc., respectfully requests that the Pennsylvania Public Utility Commission consider these in ruling on the ECL procedures for the retail natural gas market.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 

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