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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 The Industrial Energy Consumers of Pennsylvania ("IECPA"), Central Penn Gas Large Users Group ("CPGLUG"), Columbia Industrial Intervenors ("CII"), Peoples Industrial Intervenors ("PII"), Philadelphia Area Industrial Energy Users Group ("PAIEUG"), Philadelphia Industrial & Commercial Gas Users Group ("PICGUG"), and UGI Industrial Intervenors ("UGIII") (collectively, "Industrial Customer Groups") 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*
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Pennsylvania, Central Penn Gas Large Users Group,
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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
INDUSTRIAL CUSTOMER GROUPS**

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 The Comments included herein address the Tentative Order's effect on Large Commercial and Industrial ("C&I") customers of NGDCs.

The Industrial Energy Consumers of Pennsylvania ("IECPA"), Central Penn Gas Large Users Group ("CPGLUG"), Columbia Industrial Intervenors ("CII"), Peoples Industrial Intervenors ("PII"), Philadelphia Area Industrial Energy Users Group ("PAIEUG"), Philadelphia Industrial & Commercial Gas Users Group ("PICGUG"), and UGI Industrial Intervenors ("UGIII") (collectively, "Industrial Customer Groups") submit these Comments in response to the Tentative Order. IECPA is a 20-member *ad hoc* group of energy-intensive industrial

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

customers of electricity and natural gas. More than 41,000 Pennsylvanians are employed by IEPCA member companies alone. CPGLUG, CII, PII, PAIEUG, PICGUG, and UGIII are all ad hoc groups of commercial, institutional and industrial customers of natural gas that participate in various proceedings before this Commission.

The Industrial Customer Groups are not opposed to the additional clarity provided by the Proposed Order's interim guidelines. However, as the Commission explained in its May 11, 2000 Final Order adopting ECL procedures, Large C&I customers have a long standing history of shopping for alternative natural gas suppliers, and their inclusion in ECL procedures is therefore unnecessary.² The Industrial Customer Groups urge the Commission to maintain the exemption for Large C&I customers for the same reasons articulated in the May 2000 Order.

In addition, the Industrial Customer Groups note that their monthly consumption data is completely sensitive information that could lead to competitive harm if released. The Commission should therefore continue the exemption of Large C&I customer data from ECL data point requirements to protect the Industrial Customer Groups and other energy-intensive NGDC customers from potential exposure.

II. COMMENTS

A. The Long History of Competitive Gas Procurement by the Large C&I Customer Class Warrants Its Continued Exemption From ECL Procedures

The Commission addressed the content of the ECL shortly after the Natural Gas Choice and Competition Act was passed. In its May 2000 Order, the Commission issued its original procedures regarding the customer information NGDCs were required to provide to NGSs as part of the transition to full retail choice in the retail natural gas market. Although the May 2000

² *Procedures Applicable To Natural Gas Distribution Companies And Natural Gas Suppliers During the Transition to Full Retail Choice; Final Order*, Docket No. M-00991249F0009, Final Order adopted May 11, 2000 ("May 2000 Order").

Order required NGDCs to provide NGSs with customer data and to maintain lists of such data, the Commission explicitly excluded Large C&I customers from the disclosure requirements.³ The Commission explained that Large C&I customers "have long enjoyed the ability to shop for alternative suppliers," and therefore no information sharing mechanism is needed for these customers given their apparent awareness of supplier options.⁴ By contrast, disclosing residential and small business customer information, subject to an opt-out process, addresses the Commission's goal of ensuring these customers are fully informed of their supplier options.⁵

The Commission's reasoning in the May 2000 Order remains applicable today, and there is no need to revisit it with respect to the guidelines set forth in the Tentative Order. Since the May 2000 Order guidelines were adopted, Large C&I customers have continued to shop for alternative natural gas suppliers despite their exemption from the ECL procedures. Given the long history of competitive gas procurement by this class, the Commission should continue to exempt it from ECL procedures.

B. Industrial Customer Groups' Natural Gas Consumption Information is Highly Confidential and Must Be Restricted

The Tentative Order adopts ten ECL customer data points, including monthly consumption data.⁶ Although the Commission recognizes customers' authority under 52 Pa. Code § 62.78(a) to restrict release of "private customer information," the Tentative Order does not address the competitive harm that could occur from the release of Large C&I monthly usage data.

³ "[T]he NCDCs shall furnish the specified information to NGSs only for residential customers and small businesses" *Id.* at 9.

⁴ *See id.*

⁵ *See id.* at 4.

⁶ *See* Tentative Order at Appendix A.

As the Industrial Customer Groups noted in their comments on the ECL guidelines adopted for the retail electricity market, Large C&I usage data is completely sensitive information.⁷ Natural gas consumption information has a direct relationship to confidential business practices for some Large C&I customers, making restriction of this information crucial to prevent unfair competition.

Given the Tentative Order's requirement that customers repeat the opt-out process every three years, and the option for NGDCs to engage in "on-going activities" in lieu of an annual customer information solicitation, there is a risk that Large C&I customers' usage data could be compromised by oversight or miscommunication between an NGDC and a customer. Therefore, the exemption of Large C&I customers from ECL procedures should remain in effect to protect sensitive customer usage data and prevent competitive harm.

⁷ See *Comments of the Industrial Customer Groups*, Docket Nos. M-2010-2183412, *et al.*, filed July 13, 2011.

II. CONCLUSION

WHEREFORE, Industrial Energy Consumers of Pennsylvania, Central Penn Gas Large Users Group, Columbia Industrial Intervenors, Peoples Industrial Intervenors, Philadelphia Area Industrial Energy Users Group, Philadelphia Industrial & Commercial Gas Users Group, and UGI Industrial Intervenors respectfully request that the Pennsylvania Public Utility Commission consider these Comments and continue to exempt Large C&I customers from ECL procedures for the retail natural gas market.

Respectfully submitted,

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Dated: October 31, 2012