

COMMONWEALTH OF PENNSYLVANIA



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April 21, 2025

Via Electronic Filing

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Petition for Generic Investigation on
Rulemaking Regarding “Gas-on-Gas
Competition” Jurisdictional Natural Gas
Distribution Companies Generic Investigation
Regarding Gas-on-Gas Competition Between
Jurisdictional Natural Gas Distribution
Companies; P-2011-2277868, I-2012-2320323

Dear Secretary Homsher:

Attached for electronic filing, please find enclosed a copy of Prehearing Conference Memorandum submitted on behalf of the Office of Consumer Advocate in this proceeding.

Copies have been served on the parties as indicated on the enclosed Certificate of Service.

Respectfully submitted,

/s/ Christy M. Appleby

Christy M. Appleby, Esq.
Senior Assistant Consumer Advocate
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Enclosures

cc: Administrative Law Judge Katrina L. Dunderdale (Email Only: kdunderdal@pa.gov)
Certificate of Service

CERTIFICATE OF SERVICE

Petition for Generic Investigation on Rulemaking	:	
Regarding "Gas-on-Gas Competition"	:	
Jurisdictional Natural Gas Distribution Companies	:	Docket Nos. P-2011-2277868
Generic Investigation Regarding Gas-on-Gas	:	I-2012-2320323
Competition Between Jurisdictional Natural Gas	:	
Distribution Companies	:	

I hereby certify that I have this day filed electronically on the Commission's electronic filing system and served a true copy of the following document, the Office of Consumer Advocate's Prehearing Conference Memorandum, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below.

Dated this 21st day of April 2025.

SERVICE BY E-MAIL ONLY

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Dated: April 21, 2025

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Darryl A. Lawrence
Acting Consumer Advocate

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition for Generic Investigation on Rulemaking	:	
Regarding “Gas-on-Gas Competition”	:	
Jurisdictional Natural Gas Distribution Companies	:	Docket Nos. P-2011-2277868
Generic Investigation Regarding Gas-on-Gas	:	I-2012-2320323
Competition Between Jurisdictional Natural Gas	:	
Distribution Companies	:	

PREHEARING MEMORANDUM
OF THE OFFICE OF CONSUMER ADVOCATE

Pursuant to Section 333 of the Public Utility Code, 66 Pa. C.S. Section 333, and in response to the Prehearing Conference Order issued by Administrative Law Judge Katrina L. Dunderdale (ALJ Dunderdale) in the above-captioned matter, the Office of Consumer Advocate (OCA) provides the following information:

I. INTRODUCTION

On March 28, 2025, the Commission issued a Secretarial Letter stating that the remaining open issues of the Gas-on-Gas Competition Order had been assigned to the Office of Administrative Law Judge. The matter was further assigned to Administrative Law Judge Katrina L. Dunderdale and set for a Prehearing Conference to be held on Tuesday, April 22, 2025, at 9 a.m.

The Gas-on-Gas Competition docket was originally opened in 2011. On May 4, 2017, the Commission entered an Order permitting gas-on-gas competition under specific conditions and the Commission sought comments on the appropriate modifications to the gas-on-gas flexible rate tariffs. *Petition for Generic Investigation on Rulemaking Regarding “Gas-on-Gas Competition”*

Jurisdictional Natural Gas Distribution Companies Generic Investigation Regarding Natural Gas Distribution Companies, Docket Nos. P-2011-2277868, I-2012-2320323, Order (May 4, 2017).

On June 13, 2019, at these dockets, the Commission entered an order that, *inter alia*, articulated four open issues. *Petition for Generic Investigation on Rulemaking Regarding “Gas-on-Gas Competition” Jurisdictional Natural Gas Distribution Companies Generic Investigation Regarding Natural Gas Distribution Companies*, Docket Nos. P-2011-2277868, I-2012-2320323, Order (June 13, 2019) (*2019 Order*). The parties that submitted comments were Columbia Gas of Pennsylvania, Inc. (Columbia); Peoples Natural Gas Company, LLC, and Peoples TWP, LLC (Peoples); the Industrial Energy Consumers of Pennsylvania (IECPA);¹ the Office of Consumer Advocate (OCA); and the Office of Small Business Advocate (OSBA). The Commission directed these parties to work collaboratively with each other and Commission staff in the Bureau of Technical Utility Services and the Law Bureau to attempt to reach a consensus resolution of the open issues. As stated in the *2019 Order*, the open issues were:

- (1) The appropriate methodology to calculate the lowest applicable gas-on-gas flex tariff rates available to customers who participate in gas-on-gas competition.
- (2) The uniform tariff provisions to be utilized by jurisdictional natural gas distribution companies in implementing gas-on-gas flex rates.
- (3) the circumstances under which the extension of service to a potential gas-on-gas customer at full tariffed rates should be permitted.
- (4) Whether a separate rate schedule should be established for gas-on-gas flex rate customers.

2019 Order at 47.

Columbia, Peoples, IECP, OCA and OSBA met with Commission staff to collaboratively discuss resolution of the open issues, but they were unable to reach a consensus solution.

¹ The OCA notes that on April 18, 2025, IECPA filed to withdraw its Intervention in this docket.

Secretarial Letter at 2. The parties suggested that the Commission issue a Tentative Order seeking final comments and reply comments regarding how gas-on-gas competition should be addressed. *Secretarial Letter* at 2.

Pursuant to the Prehearing Conference Order issued on April 2, 2025, the OCA files this Prehearing Memorandum.

II. ISSUES/PROCEDURAL PROCESS

Although the Secretarial Letter stated that this matter should be set for hearings with a procedural schedule set for testimony and input from impacted customers and advocates, the OCA recommends an alternative process. The OCA does not believe that it is possible to accurately determine what of the four issues identified in the *2019 Order* currently remain regarding gas-on-gas competition. The instant dockets have been dormant since 2019 and initially commenced 14 years ago. In the interim since this docket was opened, much may have changed regarding gas-on-gas competition. Previously, gas-on-gas competition existed primarily in western Pennsylvania, amongst Peoples Natural Gas Company, Equitable Gas Company, and Columbia Gas of Pennsylvania, Inc. However, Equitable and Peoples have since merged their operations under the ownership of Essential Utilities, Inc.

Given the uncertain factual circumstances surrounding gas-on-gas competition, the OCA recommends that the path forward requires that the impacted utilities first provide data on the current state of gas-on-gas competition. Any of the utilities involved in gas-on-gas competition should provide their current status including the number of customers involved; the aggregate totals of MMBtus impacted; and the dollar impact to ratepayers. The OCA requests that the data only be provided in the aggregate with no specific customer identifiers.

Once the issues involved can be better understood, the OCA recommends that a reasonable timeframe be set to allow all parties to review the responses, to raise any additional questions amongst the parties, and then to file direct testimony. A reasonable interval should also be set forth to allow for the opportunity to provide rebuttal testimony. The OCA would then recommend that each party submit a main brief outlining their final position on this matter. Your Honor would then issue an Initial Decision. Parties would have the opportunity to file any Exception or Reply Exceptions, as necessary in response.

III. WITNESSES

At this time, the OCA has not identified an expert witness for this proceeding. The OCA will notify Your Honor and the parties of record if the OCA determines that it is necessary to retain an expert witness in this matter.

IV. PROPOSED SCHEDULE

The OCA will work with all parties to develop a procedural schedule. The OCA recommends that the procedural schedule should align with the OCA's proposed procedural process identified above.

V. SERVICE ON THE OCA

The OCA respectfully requests that the Presiding Officer permit electronic service without the requirement of a follow-up hard copy. The OCA will be represented in this case by the attorney listed below.

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For purposes of the Prehearing Conference, the OCA will be represented by the Acting Consumer Advocate, Darryl A. Lawrence.

VI. SETTLEMENT

The OCA will participate in any settlement discussions.

VII. DISCOVERY MODIFICATIONS

The OCA does not have any recommended discovery modifications at this time.

VIII. CONCLUSION

The OCA respectfully requests that the presiding ALJ grant the requests contained herein.

Respectfully submitted,

/s/ Christy M. Appleby

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Dated: April 21, 2025