

National Fuel Gas Distribution Corporation
Pennsylvania Division
Natural Gas Choice and Competition Filing Requirement
Docket R-00994785

E. Marketing Standards

Set forth the proposed standards of conduct for natural gas distribution company marketing activities. Section 2209(h).

Response:

Section 2209 (h) of the Act provides that “As part of each natural gas distribution company’s restructuring proceeding, the Commission may, in its discretion, develop and apply different standards of conduct to the natural gas distribution company’s marketing activities related to natural gas supply services. No such standards shall apply to the natural gas distribution company’s marketing division or operations until the commission issues an order in the context of that natural gas distribution company’s restructuring proceeding.”

These Standards of Conduct are based upon the Commission’s Policy Statement Addressing Affiliated Interests of Natural Gas Marketers, Docket No. M-00960838, 52 Pa. Code sec. 69.191 et seq., and are subject to change to conform with regulations issued by the Commission under section 2209 of the Act.

Standards of Conduct

1. Distribution will apply its tariffs in a non-discriminatory manner to its affiliate, its own marketing division and any non-affiliate.
2. The Company will likewise not apply a tariff provision in any manner that would give its affiliate or division any unreasonable preference over other Suppliers with regard to matters such as, but not limited to, scheduling, balancing, transportation, storage, curtailment, or non-delivery.

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3. If a tariff provision is mandatory, the Company will not waive the provision for its affiliate or division absent prior approval of this commission.
4. If a tariff provision is not mandatory or provides for waivers, the Company will grant such waivers without preference to affiliates and divisions or non-affiliates.
5. The Company will maintain a record of tariff provisions for which it has granted waivers. Entries will include the name of the party receiving the waiver, the date and time of the request, the specific tariff provision waived, and the reason for the waiver. Any such record will be available for public inspection upon request.
6. The Company will process requests for transportation promptly and in a non-discriminatory fashion with respect to other requests received in the same or a similar period. The Company will maintain a record showing the processing of requests for transportation services. Such record will be available for public inspection upon request.
7. Transportation discounts provided to the Company or its marketing affiliate's favored customers will be available to other similarly situated customers and will not be tied to any unrelated service, incentive or offer on behalf of either the parent or affiliate. A record will be maintained showing the date, party, time, and rationale for such action. Such record will be available for public inspection upon request.
8. The Company will not disclose any customer proprietary information to its marketing affiliate or division, and to the extent that it does disclose customer information, it will do so to other similarly situated Suppliers in a similar fashion so as not to selectively disclose, delay disclosure, or give itself or its affiliate any undue advantage related to the disclosure. A record will be maintained showing the date, time, and rationale for such disclosure. Such record will be available for public inspection upon request.

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9. The Company shall continue to justly and reasonably allocate to its marketing affiliate or division the costs or expenses for general administration or support services.
10. To the extent the Company sells surplus gas supplies and/or upstream capacity on a short-term basis (as defined by FERC's definition) to its affiliate, it will make supplies available to similarly situated Suppliers on a non-discriminatory basis, as required by FERC regulations. The Company will not make any gas supplies and/or upstream capacity available through private disclosure to its affiliate or any marketer unless such availability is made simultaneously with public dissemination in a manner that fairly apprises interested parties of the availability of such gas supplies and/or upstream capacity. The Company will maintain a record of such public disseminations. Such record will be available for public inspection upon request.
11. The Company will not condition or tie agreements to release interstate pipeline capacity to any service in which the LDC or affiliate is involved.
12. The Company will not directly or by implication unfairly represent to any customer, Supplier, or third party that any advantage may accrue to any party through use of the LDC's affiliate or subsidiary.
13. The Company will establish a complaint procedure for issues concerning compliance with their standards of conduct. All complaints, whether written or verbal, shall be referred to the Deputy General Counsel of Distribution. The Deputy General Counsel shall wholly acknowledge the complaint within ten (10) working days of receipt. The Deputy General Counsel shall provide a written response to the complaint within thirty (30) days after the complaint was received. The Company shall keep a file with all such complaints and responses for a period of three years.
14. Parties alleging violations of these standards may pursue their allegations through the Commission's established complaint procedures. A complainant bears the burden of proof consistent with the Public Utility Code in regard to such allegations.