

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

G. Obligation to Employees

State how the natural gas distribution company intends to meet its employee transition obligations. Section 2203(13)

Response:

Distribution will continue to provide a bundled sales service to its customers and will continue to serve as the SOLR until such time as the Commission authorizes the Company to exit the merchant function and approves an alternate SOLR under Section 2207(e) of the Public Utility Code. The Company will also continue to provide gas distribution service, and will therefore remain responsible for the operation, maintenance and repair of its pipeline system. As a result, Distribution does not presently foresee any reduction in its workforce as a result of the implementation of Chapter 22, and therefore does not anticipate any “employee transitions” that would trigger the obligations imposed by Section 2203(13).

If the situation changes and the Company subsequently determines that workforce reductions are necessary as a result of the implementation of Chapter 22, the Company will determine the level of transition assistance to affected employees on a case-by-case basis. In making that determination, the Company will consider all relevant factors, including the level of resources available at the time. The Company has previously dealt with reduced needs in its workforce through attrition and early retirement packages. If the affected employees are a member of a bargaining unit, the extent of transition assistance will be determined in accordance with the collective bargaining process, as required by the National Labor Relations Act.