

**PENNSYLVANIA PUBLIC UTILITY COMMISSION**  
**Harrisburg, Pennsylvania 17105-3265**

**Petition of The Peoples Natural  
Gas Company re Tennessee PCB  
Interim Refunds**

**Public Meeting held April 15, 2010  
2152149-LAW  
Docket No. P-2010-2152149**

**MOTION OF VICE CHAIRMAN TYRONE J. CHRISTY**

Before us is the Petition of The Peoples Natural Gas Company d/b/a Dominion Peoples (Peoples) Requesting Approval to Use Tennessee PCB Interim Refunds for an Expanded Dollar Energy Fund (DEF) Grants Program, Emergency House Line Repair and Furnace Replacement Program, and GCR Credits to Small Commercial Customers (Petition). Peoples' Petition, filed on January 11, 2010, requests authorization to use proceeds from a settlement approved by the Federal Energy Regulatory Commission (FERC) on November 4, 2009, under which Peoples will receive approximately \$2.0 million in refunds from Tennessee Gas Pipeline Corporation over a three-year period. Peoples proposes to flow through approximately \$226,950 of the Interim Refunds to small commercial customers through the purchased gas cost rates.

Rather than similarly flowing through a portion of the settlement proceeds to residential customers, Peoples proposes to allocate the residential portion of the Interim Refunds to: (1) create a new program to provide non-matching DEF grants to an expanded group of low-income customers; and (2) create a new furnace and service line repair/replace program. Specifically, Peoples proposes allocating \$1,710,043 to the DEF over the three-year refund period, which would be distributed as non-matching grants to Peoples' low-income customers who are at or below 250% of the federal poverty level and who are not receiving assistance through Peoples' CAP program. This portion of the refund also would be used for administrative costs incurred by DEF to manage this new program. Peoples also proposes to allocate \$75,000 per year to a new furnace and service line repair/replace program that would be administered by Conservation Consultants, Inc., and that would be available to customers at or below 200% of the federal poverty level. Similar to the new DEF grant program that Peoples has proposed, the refunds also would be used to cover administrative costs paid to Conservation Consultants, Inc. to manage this new program.

I support this Petition in part. Specifically, I support Peoples' request to flow through a portion of the refunds to small commercial customers through the purchased gas cost rates, and its request to allocate the residential share of the refunds to low-income programs. If we were to direct that the residential portion of the settlement proceeds be flowed through to residential customers through the purchased gas cost rates, an average residential customer would receive a very small credit of about \$1.50 per year. I agree that the better use of these funds is to supplement low-income programs that assist Peoples' low-income customers.

However, I disagree with Peoples' request to create two new programs based on the temporary and limited infusion of these settlement proceeds. Creating a new program to temporarily expand the eligibility for DEF grants from 200% to 250% of the federal poverty level could create expectations for continued funding on the part of higher-income customers that could not be met after the settlement proceeds are exhausted. I believe that the settlement proceeds should be used to serve the needs of lower-income customers under Peoples' existing DEF grants program. For similar reasons, I do not believe that we should create a new program for furnace and service line repair/replacement that would be funded for only three years at \$75,000 per year. While the goal of assisting customers with these repairs is laudable, I am not convinced that the administrative costs associated with creating a new program would be justified given the limited funding that is involved. For these reasons, I believe that the residential share of these settlement proceeds should be allocated to People's DEF to be used as non-matching grants under the program's current eligibility criteria.

**THEREFORE, I MOVE:**

1. That the Petition of The Peoples Natural Gas Company d/b/a Dominion Peoples be granted in part and denied in part consistent with this motion.
2. That the Law Bureau prepare the necessary Opinion and Order.

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**DATE**

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**TYRONE J. CHRISTY, VICE CHAIRMAN**