

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17105-3265

Re: PA PUC, et al. v. T.W.
Phillips; Petition of T.W.
Phillips Gas and Oil Co. for
Approval of Purchase of
Receivables Program

Public Meeting: November 4, 2010
2167797-ALJ
R-2010-2167797, et al.; P-2009-
2099192

STATEMENT OF CHAIRMAN CAWLEY

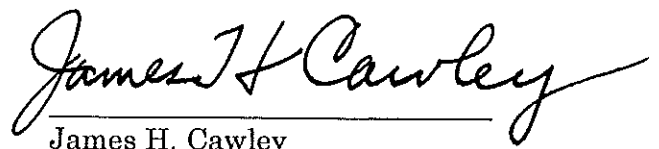
Before us is the Petition for Approval of Purchase of Receivables Program (Petition) filed March 31, 2009, the base rate case filed by T.W. Phillips (Company) on April 10, 2010, and the Joint Petition for Settlement (Settlement) filed September 22, 2010. The Parties are to be commended for resolving the issues and producing rates which are approximately a third less than filed, and for resolving a number of complex issues.

In particular, the efforts of the Office of Trial Staff (OTS) and the Office of Consumer Advocate (OCA) should be commended for their tireless advocacy of rate making policies that support energy efficiency by minimizing fixed customer charges. Specifically, OTS testified that “[a]ny measures that provide the proper signals to assist in conservation can be beneficial to ratepayers as they will assist customers in controlling their consumption thus allowing them to make better decisions with respect to energy usage.” RD at 28. Similarly, OCA commented that “the commodity charges can provide necessary signals to customers regarding conservation, a benefit that is not realized through fixed customer charges.” RD at 34. Such efforts are properly focused on ensuring that customers receive appropriate rewards for their energy and demand response investments.

This Petition and Settlement largely comply with our interim purchase of receivables (POR) guidelines and proposed POR regulations. However, one aspect of the Company’s POR program raises concerns. Under the Settlement, the Company, at its discretion, may decide to terminate the POR program at any time. While I recognize and appreciate that this is a voluntary program, this limited time frame does not provide the necessary certainty to optimally enhance natural gas supply competition in Pennsylvania. I sincerely hope that the Company will not exercise this right.

I encourage the Company to work collaboratively with the parties to improve upon this provision in the future in order to provide a more optimal environment for choice to enhance the supply products and related services available to Pennsylvania customers.

November 4, 2010


James H. Cawley
Chairman