

May 6, 2013

VIA eFiling

Pennsylvania Public Utility Commission
Attn: Rosemary Chiavetta, Secretary
P. O. Box 3265
Harrisburg, PA 17105-3265

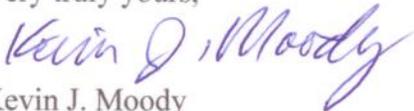
RE: Joint Application of Peoples Natural Gas Company, LLC, Peoples TWP, LLC and
Equitable Gas Company, LLC
Docket Nos. A-2013-2353647, A-2013-2353649, A-2013-2353651

Dear Secretary Chiavetta:

Enclosed is the Prehearing Conference Memorandum of the Pennsylvania Independent Oil & Gas Association in the above-referenced matter. Copies have been served as shown on the certificate of service.

If you have any questions regarding this filing, please contact me.

Very truly yours,



Kevin J. Moody
General Counsel

KJM/jls
Enclosure

cc: Cert. of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

| | | |
|---|---|----------------------------|
| Joint application of Peoples Natural Gas Company, LLC, | : | |
| Peoples TWP, LLC and Equitable Gas Company, LLC for | : | |
| all of the authority and the necessary certificates of public | : | |
| convenience: 1) to transfer all of the issued and outstanding | : | |
| limited liability company membership interest of Equitable | : | |
| Gas Company, LLC to PNG Companies, LLC; 2) to merge | : | Docket Nos. A-2013-2353647 |
| Equitable Gas Company, LLC with Peoples Natural Gas | : | A-2013-2353649 |
| Company, LLC; 3) to transfer certain storage and | : | A-2013-2353651 |
| transmission assets of Peoples Natural Gas Company, LLC | : | |
| to affiliates of EQT Corporation; 4) to transfer certain | : | |
| assets between Equitable Gas Company, LLC and affiliates | : | |
| of EQT Corporation; 5) for approval of certain ownership | : | |
| changes associated with the transaction; 6) for approval of | : | |
| certain associated gas capacity and supply agreements; and | : | |
| 7) for approval of certain changes in the tariff of Peoples | : | |
| Natural Gas Company, LLC. | : | |

**PREHEARING MEMORANDUM
OF THE PENNSYLVANIA INDEPENDENT OIL & GAS ASSOCIATION**

To The Honorable Mark A. Hoyer, Administrative Law Judge:

Pursuant to Section 333 of the Public Utility Code, 66 Pa. C.S. § 333, the Commission's regulations at 52 Pa. Code §§ 5.221-5.224 and Your Honor's Prehearing Conference Order dated April 24, 2013, the Pennsylvania Independent Oil & Gas Association (PIOGA) submits this prehearing conference memorandum.

PIOGA is the comprehensive trade association representing oil and natural gas interests throughout Pennsylvania, resulting from the April 1, 2010 merger of the Pennsylvania Oil and Gas Association (POGAM) into the Independent Oil and Gas Association of Pennsylvania (IOGA of PA) and name change to Pennsylvania Independent Oil & Gas Association (PIOGA). PIOGA's members include natural gas producers that provide Pennsylvania-produced natural gas to Peoples Natural Gas Company, LLC (Peoples), Peoples TWP, LLC and Equitable Gas

Company, LLC (Equitable) for system supply and to Commission-licensed natural gas suppliers and marketers (NGSs) for supply to retail customers on the these utilities' pipeline systems.

PIOGA's members also include NGSs that provide natural gas supply services to retail customers on the three utilities' pipeline systems. PIOGA and producer members are long-term participants in Peoples' Pennsylvania natural gas production enhancement programs that have increased the availability and throughput of Pennsylvania-produced conventional natural gas on the Peoples system and, more recently, have worked with Equitable to increase the availability and throughput of Pennsylvania-produced natural gas on Equitable's system.

I. BRIEF HISTORY OF PROCEEDING

On March 19, 2013, the three PUC-jurisdictional utilities captioned above filed the Joint Application requesting the approvals necessary to effect, *inter alia*, the following transactions: (i) the transfer of EQT Corporation's natural gas distribution business (Equitable) – to PNG Companies, LLC (PNG); (ii) the merger of Equitable with Peoples, a wholly-owned subsidiary of PNG, with Equitable to be operated, initially, as a separate operating division of PNG; (iii) the transfer of approximately 200 miles of Peoples' regulated transmission pipelines and four Peoples' regulated storage pools to affiliates of EQT Corporation; (v) the transfer of assets between Equitable and affiliates of EQT Corporation; (v) the approval of long-term agreements for gas transmission, supply and storage services related to the asset transfers and proposed changes in the companies' businesses; and (vi) the approval of changes in Peoples' tariff.

The stated purpose of these transactions is to better align the companies' assets and resources with the current and prospective core businesses of EQT Corporation and the PNG distribution utilities while maintaining current service levels and costs and providing opportunities for enhanced development of Pennsylvania-produced natural gas.

On April 15, 2013, PIOGA filed and served its petition to intervene in this proceeding. The statutory advocates have entered their appearances. Other parties requesting intervention are: Dominion Retail Inc & Interstate Gas Supply; Snyder Brothers Inc.; Retail Energy Supply Association (RESA); Utility Workers Union of America, Local 666; United Steelworkers Local 12050; International Brotherhood Electrical Workers Local 1956; Pennsylvania State University; United States Steel Corporation; and Dominion Transmission, Inc. (DTI). Some parties have engaged in formal discovery. The Joint Applicants circulated among the parties a confidentiality and non-disclosure agreement regarding the production of proprietary and highly confidential materials in this matter, and also circulated for the parties' consideration a proposed litigation schedule.

II. SERVICE LIST

PIOGA's entry on the service list is:

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PIOGA will also be represented by Randall S. Rich, Esquire, Pierce Atwood LLP, 900 17th Street N.W., Suite 350, Washington, DC 20006; PH: 202.470.6424; FAX: 888.847.9228. As Mr. Rich is not admitted to practice in Pennsylvania, PIOGA's undersigned counsel will be filing a motion for Mr. Rich's admission *pro hac vice*.

III. ISSUES

In its petition to intervene, PIOGA expressed general but cautious support for the proposed transactions, which are stated to be designed to protect, preserve and maintain the availability of the transmission and storage assets to be transferred to EQT (the Allegheny Valley

Connector, or “AVC”, system) to replicate the service levels (and costs) currently provided by Peoples to producers and NGSs from these assets, as well as to enable the utilities involved to provide greater opportunities for increased transportation and use of Pennsylvania-produced natural gas.

As the proposed transactions clearly and directly affect nearly all aspects of PIOGA member producer and NGS operations on the systems of the companies involved, PIOGA intends to address issues involving the rates, terms and conditions of access to and use of the respective assets and services to be provided by the utilities involved. PIOGA is particularly concerned with the effects of the proposed transactions on the continued and expanded use and development of conventional Pennsylvania-produced natural gas, in view of the different operational characteristics of conventional and unconventional (shale) natural gas.

In view of the scope of the proposed transactions and the number and content of the underlying “highly confidential” agreements, PIOGA has not yet identified the specific issues it intends to address, consistent with the general issues stated above.

IV. WITNESSES AND SUBJECT MATTER OF TESTIMONY

In view of the broad scope of the proposed transactions, PIOGA has not yet determined its witness(es) or the specific subject matter of testimony PIOGA intends to present to address the general issues identified herein or the issues that may be raised by other parties, but will immediately provide notice to Your Honor and the parties of this information once determined.

V. PROPOSED LITIGATION SCHEDULE

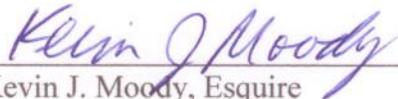
PIOGA will cooperate with the parties to develop a reasonable litigation schedule, but believes that the proposed schedule circulated by the Joint Applicants is too aggressive and does not provide adequate time for discovery, reasonably productive settlement discussions, and

transactions as well as the number and content of the underlying agreements, most of which have been claimed by the Joint Applicants to be highly confidential.

VI. DISCOVERY AND SERVICE MATTERS

PIOGA is amenable to the usual reasonable modifications to the Commission's discovery and service rules, including reduced response times and email service. Although PIOGA has not yet served any formal discovery, it intends to do so as necessary if informal discovery does not produce the requested information in a timely manner.

Respectfully submitted,



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Date: May 6, 2013

CERTIFICATE OF SERVICE

I hereby certify that this day, May 6, 2013, I served a copies of the foregoing Prehearing Conference memorandum of the Pennsylvania Independent Oil & Gas Association on the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code § 1.54.

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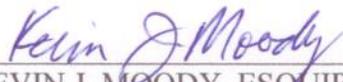
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