**BEFORE THE**

 **PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Application of Peoples Natural :A-2013-2353647

Gas Company LLC, Peoples TWP LLC, and :A-2013-2353649

Equitable Gas Company, LLC :A-2013-2353651

**SECOND INTERIM ORDER SUSTAINING OBJECTION TO DOMINION TRANSMISSION INC.’S WRITTEN INTERROGATORY SET I- 2(C), GRANTING MOTION FOR ADMISSION OF LOIS M. HENRY, ESQUIRE, *PRO HAC VICE,* REVISING LITIGATION SCHEDULE AND MODIFYING DISCOVERY RULES**

On March 19, 2013, Peoples Natural Gas Company LLC (“Peoples”), Peoples TWP LLC (“Peoples TWP”), and Equitable Gas Company, LLC (“Equitable”) (hereinafter collectively referred to as the “Applicants”) filed a Joint Application 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 Equitable Gas Company, LLC with Peoples Natural Gas Company LLC; 3) to Transfer Certain Storage and 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.

Motion for Admission of Lois M. Henry, Esquire, *pro hac vice*

On June 12, 2013, Dominion Transmission, Inc. (“DTI”) filed and served its Motion for Admission of Lois M. Henry, Esquire, *pro hac vice*. No responses to this Motion were filed. The Motion for Admission of Lois M. Henry, Esquire, *pro hac vice*, is granted.

Revised Litigation Schedule

 On June 11, 2013, the Office of Small Business Advocate (“OSBA”) filed a Motion to Strike Direct Testimony filed on behalf of Peoples Natural Gas Company LLC, Peoples TWP LLC, and Equitable Gas Company, LLC. No responses to this Motion were filed. The Applicants and the OSBA entered into an agreement to amicably resolve the issues contained in the Motion and revise the litigation schedule. The Motion to Strike is hereby denied. The following revised litigation schedule is hereby ordered:

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| Date | Event |
| May 29, 2013 | Service of Applicants’ Supplemental Written Direct Testimony |
| July 10, 2013 at 1:00 p.m. | Telephonic Public Input Hearing |
| July 24, 2013 | Service of Written Direct Testimony of All Other Parties  |
| August 5, 2013 | Service of Other Parties’ Direct Testimony in response to the Direct Testimony of Christine S. Mayernik, if necessary  |
| August 19, 2013 | Service of Written Rebuttal Testimony  |
| August 26, 2013 | Service of Written Rebuttal Testimony of Christine S. Mayernik is due if Other Party’s/Parties’ Direct Testimony in response to the Direct Testimony of Christine S. Mayernik is served after July 24, 2013  |
| September 6, 2013 | Service of Written Surrebuttal Testimony  |
| September 9, 2013 | Service of Rejoinder Testimony Outlines |
| September 11-13, 2013 | Technical Evidentiary Hearings in Harrisburg |
| September 30, 2013 | Filing and Service of Main Briefs  |
| October 9, 2013 | Filing and Service of Reply Briefs or Submission of Joint Settlement Petition Executed By Representatives of All Parties thereto, Together With All Parties’ Statements In Support of Settlement |

Modification of Discovery Rules

 In addition to the modifications to the discovery rules contained in the Prehearing Order issued on May 14, 2013, the Applicants and the OSBA agreed to a further modification of the discovery rules as part of the resolution of the issues contained in the OSBA’s Motion to Strike. The Applicants have agreed and it is hereby ordered that responses to all discovery requests related to the Direct Testimony of Christine S. Mayernik shall be served by the Applicants in accordance with the Prehearing Order and within ten (10) days of service of the discovery request(s) on the Applicants.

Objection to DTI’s Written Interrogatory Set I-2(c)

DTI propounded the following written interrogatory to the Applicants on June 7, 2013:

2. Referencing Joint Applicants Statement No. 5 (Nehr Direct) at 5:17,

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c. Please provide copies of documents, including without limitation communications between Joint Applicants, evidencing or referring or relating to the negotiation of the “negotiated rates for service under the Sunrise Transportation Agreement” were negotiated.

Pursuant to an agreement of counsel, the Applicants were provided an extension of time to noon, June 14, 2013, to lodge an Objection to this interrogatory due to the efforts of counsel to resolve the matter informally. The Applicants served an Objection to DTI Set 1-2(c) on June 14, 2013.

 Pursuant to an agreement of counsel, DTI was given an extension of time to file a Motion to Compel. On June 24, 2013, DTI filed the Motion seeking an order “dismissing the Joint Applicants’ objection to DTI Discovery Request No. 2c., and compelling DTI [the Applicants] to provide documents responsive to the request.” (Motion, p. 9).

On June 25, 2013, the Applicants served a response to DTI Set I-2(c) in the form of a Highly Confidential Attachment, which Applicants contend provided DTI with a complete draft of a Draft Non-Binding High-Level Term Sheet (“Term Sheet”) dated October 23, 2013 that was exchanged between Peoples Natural Gas (“PNG”) and Equitrans. According to the Applicants’ Answer to the Motion to Compel, the Term Sheet predated the Agreement and is a written communication exchanged between the Applicants during the Agreement’s negotiation process that refers to the negotiated rates for service under the Agreement.

Section 5.321(c) of the Commission’s Rules of Administrative Practice and Procedure provides that “a party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action.” 52 Pa Code §5.321(c). Discovery is permitted regardless of whether the information sought “relates to the claim or defense of the party seeking discovery or to the claim or defense of another party.” *Id.* Information may be discoverable, even if it would be inadmissible at a hearing: “It is not grounds for objection that the information sought will be inadmissible at hearing if the information sought appears reasonably calculated to lead to the discovery of admissible evidence.” *Id.* “Consistently, the Commission has allowed participants wide latitude in discovery matters.” *Application of Nabil Nasr and Wael Hafez, etc.*, Docket No. A-2012-2295813, Initial Decision, slip op., 2012 WL 6763606 (Nov. 28, 2012) (citing *Pa. P.U.C. v. The Peoples Natural Gas Company*, 62 Pa. P.U.C. 56 (1986); *Pa. P.U.C. v. Equitable Gas Company*, 61 Pa. P.U.C. 468 (1986).

The Objection to DTI Set 1-2(c) filed by the Applicants on June 14, 2013 is sustained and DTI’s Motion to Compel is denied. The information sought by this particular subpart of DTI’s written interrogatory Set I-2 is neither relevant to any finding the Commission must make in this proceeding on the Sunrise Transportation Agreement (“Agreement”) nor likely to lead to the discovery of any admissible evidence.

I agree with the Applicants’ assertion that DTI does not need any information about how the rates were negotiated to challenge the final contract rates as not being market based, or the best available rates for comparable services.

Date: July 3, 2013

 Mark A. Hoyer

 Administrative Law Judge