

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, PA 17120

**Joint Application of Peoples Natural Gas Company
LLC, Peoples TWP LLC and Equitable Gas
Company, LLC**

Public Meeting – November 14, 2013
2353647 – ALJ
Docket No. A-2013-2353647
A-2013-2353649
A-2013-2353651

STATEMENT OF
COMMISSIONER PAMELA A. WITMER

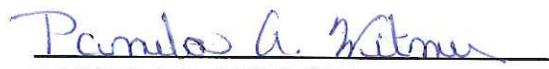
Before the Public Utility Commission (Commission) today is the Joint Petition for Settlement regarding the Application of Peoples Natural Gas Company LLC, Peoples TWP LLC, and Equitable Gas Company, LLC (Equitable) to approve transactions necessary for the transfer of Equitable to PNG Companies LLC (PNG).

In my view, the merger represents a win for consumers. By allowing the utility to focus on its distribution pipes, a number of synergies can be realized. For example, merging the operations of Peoples and Equitable is expected to start delivering \$10 to \$20 million in annual savings per year. The combined companies will avoid an estimated \$162 million in pipeline replacement costs in areas where both companies currently have pipelines, sometimes running in parallel down the same street. In addition, the merger will reduce current pipeline extension costs by \$750,000 and annual leak surveillance costs by \$50,000.

Further, the settlement caps existing rates until 2018 and includes additional support for PNG's Universal Service programs. Peoples and Peoples TWP will increase their contribution to the Dollar Energy Fund by 10 percent over the next five years and increase expenditures on Low Income Usage Reduction Programs for the next four years.

Beyond these dollars and cents benefits of the transaction is an efficiency that is simple for anyone to understand. The merger will allow both Peoples and EQT to focus on their core businesses. EQT will concentrate on its burgeoning natural gas drilling and transmission business while Peoples will devote its efforts solely to the function of distributing natural gas to residential, commercial and industrial customers in southwestern Pennsylvania. The outcome is one we can all support: expansion of Pennsylvania industry and a focus on delivering reliable and safe natural gas to customers in the Commonwealth.

DATE: November 14, 2013


PAMELA A. WITMER
COMMISSIONER