



COMMONWEALTH OF PENNSYLVANIA

June 29, 2016

E-FILED

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
PO Box 3265
Harrisburg, PA 17105-3265

**Re: Pennsylvania Public Utility Commission v. Peoples Natural Gas
Company LLC – Equitable Division
Docket No. R-2016-2542923**

**Re: Pennsylvania Public Utility Commission v. Peoples Natural Gas Company LLC
Docket No. R-2016-2542918**

Dear Secretary Chiavetta:

I am delivering for filing today the consolidated Prehearing Memorandum, on behalf of the Office of Small Business Advocate, in the above-captioned proceedings.

Copies will be served today upon all known parties in these proceedings, as indicated by the attached Certificate of Service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Elizabeth Rose Triscari".

Elizabeth Rose Triscari
Deputy Small Business Advocate
Attorney ID #306921

Enclosures

cc: The Honorable Jeffrey A. Watson
Mr. Brian Kalcic
Parties of Record

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY :
COMMISSION :
 :
v. : **DOCKET NO. R-2016-2542918**
 :
PEOPLES NATURAL GAS COMPANY, LLC :

PENNSYLVANIA PUBLIC UTILITY :
COMMISSION :
 :
v. : **DOCKET NO. R-2016-2542923**
 :
PEOPLES NATURAL GAS COMPANY, LLC, :
EQUITABLE DIVISION :

**PREHEARING MEMORANDUM
OF THE OFFICE OF SMALL BUSINESS ADVOCATE**

I. INTRODUCTION

The Office of Small Business Advocate (“OSBA”) is authorized to represent the interests of small business customers of utility services before the Pennsylvania Public Utility Commission (“Commission”) pursuant to the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 – 399.50 (“the Act”). In order to discharge this statutory duty, the Small Business Advocate deems it necessary to participate as a party in the above-captioned proceedings. Representing the OSBA is Deputy Small Business Advocate Elizabeth Rose Triscari. Please address all correspondence in this matter as follows:

Elizabeth Rose Triscari
Deputy Small Business Advocate
Office of Small Business Advocate
300 North Second Street, Suite 202
Harrisburg, PA 17101
(717) 783-2525
(717) 783-2831 (fax)
etriscari@pa.gov

II. PROCEDURAL BACKGROUND

On April 29, 2016, Peoples Natural Gas Company, LLC (“Peoples” or “Company”), on behalf of both its Peoples and Equitable Divisions filed supplements to the Divisions’ respective tariffs proposing to replace each Division’s Service Expansion Program (“Rider SET”) with Rate MLX. Rider SET allows customers to make fixed monthly payments of \$55.00 instead of a lump sum contribution in aid of construction (“CIAC”). Rate MLX, if approved, would allow for customers to pay for system expansion costs through higher delivery charges.

The OSBA filed a formal complaint in each of the above-captioned proceedings on May 16, 2016.

On May 18, 2016, the Commission’s Bureau of Investigation and Enforcement (“I&E”) entered a notice of appearance.

On May 26, 2016, the Office of Consumer Advocate (“OCA”) filed a formal complaint in each of the above-captioned proceedings.

On June 9, 2016, the Company’s tariff filings were suspended by operation of law until December 28, 2016, unless otherwise ordered by the Commission

Administrative Law Judge (“ALJ”) Jeffrey A. Watson has been assigned to this proceeding and issued a Prehearing Conference Order on June 24, 2016, informing the parties

that a telephonic Prehearing Conference on this case will be held on July 1, 2016. The OSBA submits this prehearing memorandum in accordance with that Order.

III. IDENTIFICATION OF WITNESSES

Assisting in the development and presentation of the OSBA's case in the above-captioned proceeding will be:

Mr. Brian Kalcic
Excel Consulting
Suite 720
225 S. Meramec Ave.
St. Louis, MO 63105
(314) 725-2511
excel.consulting@sbcglobal.net

The OSBA requests that all parties provide courtesy copies of all documents, including discovery, testimony and briefs, to Mr. Kalcic, simultaneously with service upon the OSBA.

IV. IDENTIFICATION OF ISSUES

The OSBA is participating in this case to ensure that the interests of small business customers of the Companies are adequately represented and protected.

At this time, after an initial review of the materials submitted by the Companies (and without the benefit of the Companies' direct testimony), the OSBA is concentrating on the following issues:

1. Whether the Companies' proposed Rate MLX would recover the required amount of implicit CIAC from service extension customers;
2. Whether the Companies' initial MLX rates could be adjusted in subsequent base rate proceedings, by project area;
3. Whether the Companies' proposed Rate MLX could be equitably applied to a project

that contains both residential and commercial customers; and

4. Whether it is reasonable to replace the Companies' Rider SET *pilot* program with a *permanent* Rate MLX program.

The OSBA reserves the right to pursue additional issues as they arise throughout the proceeding.

V. DISCOVERY

Discovery is ongoing. The OSBA will cooperate with the ALJs and other parties to arrive at any mutually agreeable discovery modifications.

VI. SERVICE OF DOCUMENTS

The OSBA agrees to accept electronic mail delivery of documents on the due date as satisfying the in-hand requirement, *provided that such documents are followed by hard copy delivery to OSBA by first class mail*. Service by electronic mail *only* is not acceptable. The OSBA requests that such hard copies are also provided to its witness identified above.

In addition to hard copies of pleadings, briefs, and exceptions, the OSBA requests hard copies of responses to discovery propounded by the OSBA or any other party. The OSBA also requests that all parties provide an electronic copy of all interrogatory responses to the OSBA and the OSBA witness identified above.

VII. SETTLEMENT

The OSBA notes its willingness to enter into settlement discussions at the appropriate phase of the proceeding.

VIII. PROCEDURAL SCHEDULE

The OSBA supports the following proposed schedule agreed to by the parties:

Peoples Direct Testimony	July 11, 2016
Other Parties Direct Testimony	August 5, 2016
Rebuttal Testimony	August 23, 2016
Surrebuttal Testimony	August 31, 2016
Hearings (including Oral Rejoinder)	September 7, 2016
Main Brief	September 19, 2016
Reply Brief	September 26, 2016

Respectfully submitted,



Elizabeth Rose Triscari
Deputy Small Business Advocate
Attorney ID #306921

For:

John R. Evans
Small Business Advocate

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Dated: June 29, 2016

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission, et al.	:	
	:	
v.	:	
	:	
Peoples Natural Gas Company LLC	:	Docket No. R-2016-2542918
	:	
and	:	
	:	
Pennsylvania Public Utility Commission, et al.	:	
	:	
v.	:	
	:	
Peoples Natural Gas Company LLC – Equitable Division	:	Docket No. R-2016-2542923

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served upon the following persons, via e-mail and/or First-Class mail (*unless otherwise indicated*), in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Jeffrey A. Watson
Administrative Law Judge
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jeffwatson@pa.gov

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DATE: June 29, 2016



Elizabeth Rose Triscari
Deputy Small Business Advocate
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