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File #: 165561

May 23, 2017

***VIA ELECTRONIC FILING***

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor North  
P.O. Box 3265  
Harrisburg, PA 17105-3265

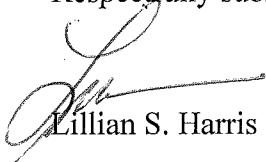
**Re: Pennsylvania Public Utility Commission, Bureau of Investigation and Enforcement  
v. Peoples Natural Gas Company LLC - Docket No. C-2016-2437295**

Dear Secretary Chiavetta:

Enclosed please find the Prehearing Memorandum of the Peoples Natural Gas Company, LLC in the above-referenced proceeding. Please direct any questions regarding this filing to me.

Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,



Lillian S. Harris

LSH/jl  
Enclosures

cc: Honorable Steven K. Haas  
Certificate of Service

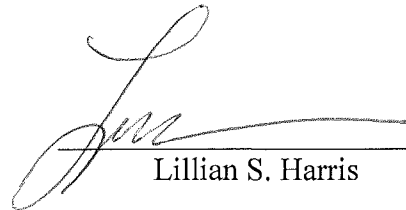
**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

**VIA EMAIL AND FIRST CLASS MAIL**

Adam D. Young, Esquire  
Heidi Wushinske, Esquire  
Pennsylvania Public Utility Commission  
Bureau of Investigation and Enforcement  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Date: May 23, 2017



\_\_\_\_\_  
Lillian S. Harris

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission, :  
Bureau of Investigation & Enforcement :  
 :  
v. : Docket No. C-2016-2437295  
 :  
Peoples Natural Gas Company, LLC :

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**PREHEARING MEMORANDUM OF  
THE PEOPLES NATURAL GAS COMPANY, LLC**

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TO ADMINISTRATIVE LAW JUDGE STEVEN K. HAAS:

Pursuant to 52 Pa. Code § 5.222, the Peoples Natural Gas Company, LLC (“Peoples” or the “Company”), hereby submits this Prehearing Memorandum for consideration by the Honorable Administrative Law Judge, Steven K. Haas (“ALJ Haas”).

**I. SERVICE LIST**

Peoples is represented in this matter as follows:

Lillian S. Harris (#50888)  
Michael W. Gang (#25670)  
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William H. Roberts II (#54724)  
Peoples Natural Gas Company LLC  
375 North Shore Drive  
Pittsburgh, PA 15212-5861  
Phone: 412-208-6527  
Fax: 412-208-6575  
E-mail: William.H.RobertsII@peoples-gas.com

**II. POSSIBILITY OF SETTLEMENT**

Representatives from the Bureau of Investigation and Enforcement (“I&E”) and the Company have been engaged in discussions about the possibility of settlement. These discussions have been extensive and, although they have not produced a settlement to date, the Company is prepared to continue negotiations with I&E. Peoples will meet with I&E in person or by telephone conference to attempt to reach a mutually agreeable resolution, subject to approval by ALJ Haas and the Pennsylvania Public Utility Commission (“Commission”).

**III. PROPOSED PLAN AND SCHEDULE FOR DISCOVERY**

The Company anticipates the need for discovery to be undertaken in this matter. To date, the Company has not received discovery from I&E nor instituted its discovery, because active settlement negotiations were ongoing. The Company anticipates the need for time to be built into the schedule for the conduct of discovery before and between rounds of testimony to be submitted by I&E and the Company, respectively.

The Company is not seeking any orders with respect to discovery at this time and requests that the Commission’s rules regarding discovery be implemented, without modification, as set forth in 52 Pa. Code §§ 5.321, *et seq.* Should the need arise, the Company will request, as necessary, expedited discovery procedures to the extent such would aid in the speedy disposition of this matter.

**IV. PROPOSED SCHEDULE**

Peoples proposes the following schedule for this proceeding:

|                                 |                 |
|---------------------------------|-----------------|
| Prehearing Conference           | May 24, 2017    |
| Direct Testimony of Complainant | July 21, 2017   |
| Second Prehearing Conference    | August 17, 2017 |

|  |                    |
|--|--------------------|
| Rebuttal Testimony of Peoples <sup>1</sup> | September 14, 2017 |
| Surrebuttal Testimony of Complainant       | October 6, 2017    |
| Hearings (including oral rejoinder)        | November 1-2, 2017 |
| Close of the Record                        | November 22, 2017  |
| Main Briefs                                | December 21, 2017  |
| Reply Briefs                               | January 8, 2018    |

Peoples further proposes that all dates for submission of testimony and briefs be satisfied with an electronic (e-mail attachment or electronic file transfer) or fax copy thereof being provided on the due date, with hard copies to be delivered the next day via overnight delivery.

**V. AMOUNT OF HEARING TIME NEEDED**

The number of days of hearing outlined above is an estimate, the actual number will depend upon the scope of I&E’s evidence and will be better determined after I&E submits its Direct Testimony and discovery is underway.

**VI. STATEMENT OF ISSUES**

This case involves six basic issues as follows:

Issue No. 1: Did Peoples properly classify leaks on its system with regard to the events detailed in the Complaint?

Peoples Suggested Answer: Yes. In each of the instances detailed in the Complaint, Peoples properly classified leaks in accordance with its Standard Operating Procedures (“SOP”), Emergency Plan, and the relevant regulations.

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<sup>1</sup> The suggested time frame for filing of Rebuttal Testimony by Peoples may be adjusted based upon the outcome of the second prehearing conference. The balance of the procedural schedule also may need adjustment depending upon the outcome of that prehearing conference and the status of discovery.

Issue No. 2: Did Peoples properly record leak investigation circumstances with regard to each of the events detailed in the Complaint?

Peoples Suggested Answer: Yes. In each of the circumstances detailed in the Complaint, Peoples properly recorded its leak investigation circumstances in detail, in accordance with its SOP, Emergency Plan, and the relevant regulations.

Issue No. 3: Did Peoples adequately report gas emergencies as they were experienced on its system, and as detailed in the allegations in the Complaint?

Peoples Suggested Answer: Yes. Peoples adequately reported gas emergencies as they occurred on their system and as Peoples interpreted that term under its SOP, Emergency Plan, and the relevant regulations.

Issue No. 4: Did Peoples properly evacuate residents from buildings, in accordance with its SOP and Emergency Plan?

Peoples Suggested Answer: Yes. Peoples properly evacuated residents from buildings, in accordance with its SOP, Emergency Plan, the relevant regulations, and in consultation with Commission Gas Safety personnel.

Issue No. 5: Did Peoples properly repair gas leaks once found?

Peoples Suggested Answer: Yes. Peoples properly repaired gas leaks once they were found on its system and Peoples was diligent in locating those leaks and repairing them.

Issue No. 6: Did Peoples adequately communicate with Pittsburgh Fire Personnel regarding a gas leak that was being worked, as detailed in the Complaint?

Peoples Suggested Answer: Yes. Peoples adequately communicated with the City of Pittsburgh Fire Personnel regarding a gas leak that was being worked.

**VII. WITNESSES**

Peoples intends to present the testimony of the following witnesses on an as-needed basis. Peoples plans to present rebuttal testimony in written form, including exhibits and other related documents. The Company also reserves the right to call additional or different witnesses and will inform ALJ Haas and I&E if and when it determines that such witnesses are needed. Based on the current allegations in the complaint, the Company's proposed witnesses are as follows:

1. Paul Becker  
Vice President Construction and Engineering  
Peoples Natural Gas Company, LLC  
375 North Shore Drive  
Pittsburgh, PA 15212

Peoples anticipates that Mr. Becker's testimony will provide information about Peoples standards and procedures, operations, and Peoples' compliance with its procedures and relevant regulations with regard to each of the events detailed in the Complaint.

2. Dave Degener  
Senior Director, Gas Operations  
Peoples Natural Gas Company, LLC  
375 North Shore Drive  
Pittsburgh, PA 15212

Peoples anticipates that Mr. Degener's testimony will provide information regarding factual observations, communication with Commission personnel and other relevant points of rebuttal. Mr. Degener's testimony also will provide other relevant rebuttal, as determined necessary in response to I&E's Direct Case.

3. Barry Leezer  
Senior Director, Customer Operations  
Peoples Natural Gas Company, LLC  
375 North Shore Drive  
Pittsburgh, PA 15212

Peoples anticipates that Mr. Leezer's testimony will provide information about factual observations, interaction with involved customers, and other relevant rebuttal testimony. Mr. Leezer's testimony also will provide other relevant rebuttal, as determined necessary in response to I&E's Direct Case.

4. Robert Thomas  
Manager, Standards and Compliance  
Peoples Natural Gas Company, LLC  
3115 Elton Road  
Johnstown, PA 15904

Peoples anticipates that Mr. Thomas's testimony will provide information about Peoples' standards and procedures, and compliance with those procedures and relevant regulations, prior to the filing of the Formal Complaint and since the filing of the Formal Complaint. Mr. Thomas's testimony also will provide other relevant rebuttal, as determined necessary in response to I&E's Direct Case.

## **VIII. EVIDENCE**

At this time, the Company intends to offer the testimony and supporting documents of the identified witnesses. This will include, inter alia, relevant parts of the Standard Operating Procedures and Peoples' Emergency Plan as they existed at the time of the alleged violations, as well as in their current form, and testimony about how those procedures are interpreted and implemented. Peoples reserves the right to update its proposed presentation of evidence, pending the completion of discovery and the submission of I&E's Direct Case.



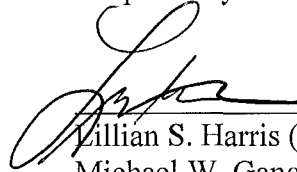
**IX. CONCLUSION**

Peoples reserves the right to update its responses contained in this Prehearing Conference Memorandum and respectfully requests the entry of an Order consistent with the procedural matters resolved at the Prehearing Conference.

Respectfully submitted,

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Date: May 23, 2017

Counsel for Peoples Natural Gas Company LLC