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March 5, 2019

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor  
Harrisburg, PA 17120

**VIA ELECTRONIC FILING**

**RE: Pa. PUC v. Peoples Natural Gas Company LLC. Docket No. R-2018-3006818**

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") is the Petition to Intervene of Snyder Brothers, Inc., VEC Energy LLC, and Snyder Armclar Gas Co., LP in the above-referenced proceeding.

As evidenced by the attached Certificate of Service, all parties to the proceeding are being served with a copy of this document. Thank you.

Very truly yours,

McNEES WALLACE & NURICK LLC

By   
Errin McCaulley

Counsel to Snyder Brothers, Inc., VEC Energy  
LLC, and Snyder Armclar Gas Co., LP

c: Office of Administrative Law Judge  
Certificate of Service

[www.McNeesLaw.com](http://www.McNeesLaw.com)

Harrisburg, PA • Lancaster, PA • Scranton, PA • State College, PA • Columbus, OH • Frederick, MD • Washington, DC

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission, et al. :  
 : Docket No. R-2018-3006818  
 v. :  
 :  
 Peoples Natural Gas Company LLC. :

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**PETITION TO INTERVENE OF SNYDER BROTHERS, INC., VEC ENERGY LLC,  
AND SNYDER ARMCLAR GAS CO., LP**

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TO THE HONORABLE, THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

Pursuant to Sections 5.71-5.74 of the Pennsylvania Public Utility Commission's ("PUC" or "Commission") Regulations, 52 Pa. Code §§ 5.71-5.74, Snyder Brothers, Inc. ("Snyder Brothers"), VEC Energy LLC ("VEC") and Snyder Armclar Gas Co., LP ("SAG") (collectively, "SBI") hereby submit this Petition to Intervene in the above-captioned proceeding. In support thereof, SBI avers as follows:

1. On or about January 28, 2019, Peoples Natural Gas Company LLC ("Peoples") filed its 2019 Base Rate Case in the above-captioned proceeding. Peoples' 2019 Base Rate Case includes two proposed tariffs, the Retail Tariff Gas - PA PUC No. 47 ("Retail Tariff") and the Supplier Tariff Gas - PA PUC No. S-3 ("Supplier Tariff"). Peoples' proposed tariffs, among other things, would modify and combine the rates and supplier tariff provisions for the Peoples and Equitable Divisions.<sup>1</sup>

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<sup>1</sup> Peoples Statement No. 11, page 7, *Pennsylvania Public Utility Commission v. The Peoples Natural Gas Company LLC* at Docket No. R-2018-3006818 (Jan. 28, 2019).

2. In both the Peoples and Equitable Divisions, Peoples operates a gathering system to obtain local gas from local producers in Pennsylvania.<sup>2</sup> Presently, Peoples recovers the costs associated with operating and maintaining this gathering system through gathering fees on its Equitable Division and through the voluntary PA Production Enhancement Service ("PES") program fees on the Peoples Division.<sup>3</sup> As part of its 2019 Base Rate Case, Peoples proposes to implement the Appalachian Gathering Service ("AGS") tariff rate schedule and to bifurcate the costs of the gathering system among local producers and retail customer classes.<sup>4</sup> Under the AGS tariff rate schedule, Peoples would eliminate the existing cost recovery structure and implement a uniform gathering service rate for all conventional gas production.<sup>5</sup> Peoples proposes to adjust the uniform gathering service rate on a monthly basis by pegging the gathering service rate to the higher of "\$0.26/Mcf or 12.4% of the first of the month Dominion South Point Appalachia Index market price."<sup>6</sup> Additionally, Peoples proposes a maximum gathering service rate of \$0.76/Mcf which was established by Peoples' analysis of its fully allocated cost of service associated with the gathering system.<sup>7</sup>

3. For the reasons set forth below, SBI has "[a]n interest which may be directly affected and which is not adequately represented by existing participants, and as to which the petitioner may be bound by the action of the Commission in the proceeding."<sup>8</sup>

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<sup>2</sup> Peoples Statement No. 2, page 15, *Pennsylvania Public Utility Commission v. The Peoples Natural Gas Company, LLC* at Docket No. R-2018-3006818 (Jan. 28, 2019).

<sup>3</sup> *Id.* at 19-20.

<sup>4</sup> *Id.* at 19-20, 24.

<sup>5</sup> *Id.*; Peoples Natural Gas Exhibit No. JAG-2, *Pennsylvania Public Utility Commission v. The Peoples Natural Gas Company, LLC* at Docket No. R-2018-3006818 (Jan. 28, 2019).

<sup>6</sup> *Id.* at 22.

<sup>7</sup> *Id.*; Peoples Natural Gas Exhibit No. JAG-2, *Pennsylvania Public Utility Commission v. The Peoples Natural Gas Company, LLC* at Docket No. R-2018-3006818 (Jan. 28, 2019).

<sup>8</sup> 52 Pa. Code § 5.72(a)(2). These issues and concerns described herein are for preliminary purposes only. SBI's participation in this proceeding may expand in light of additional issues or concerns that arise.

4. Petitioner, Snyder Brothers, Inc., is a privately-funded, independent producer of conventional natural gas in Pennsylvania with operations in Armstrong, Indiana, Clarion, Warren, Jefferson, Fayette, Westmoreland, McKean, and Clearfield Counties.<sup>9</sup> The conventional natural gas produced by Snyder Brothers' wells is referred to as "local production," "local gas," "Pennsylvania gas," or "Commonwealth gas." Snyder Brothers delivers its natural gas to wholesale marketers, including a retail division of Snyder Brothers, via the gathering system, which then use Peoples' and Equitable's gathering and distribution systems to serve retail and end-use customers in the respective territory.

5. Petitioners VEC and SAG are affiliates of Snyder Brothers that also own wells injecting local production into the Peoples and Equitable systems.

6. The names and address of SBI's attorneys are:

Pamela C. Polacek (Pa. I.D. No. 78276)  
Vasiliki Karandrikas (Pa. I.D. No. 89711)  
Errin T. McCaulley, Jr. (Pa. I.D. No. 325966)  
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7. First, SBI will be directly affected by Peoples' proposed uniform gathering service rate. Under Peoples' proposed Appalachian Gathering Service tariff rate schedule, the voluntary PES program would be eliminated, thus SBI and other conventional producers "will be required to pay the same uniform gathering fee for any gas produced into and transported on the distribution or gathering systems."<sup>10</sup>

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<sup>9</sup> See About at <http://www.snyderbrothersinc.com> (last visited February 25, 2019).

<sup>10</sup> *Id.* at 21.

8. Second, SBI may be directly affected by Peoples' proposal to combine the rate and supplier tariff provisions for the Peoples and Equitable Divisions. SBI intends to conduct discovery on whether cost differentials exist affecting the gathering costs in the Equitable Division which will be redistributed across the Peoples Division if the rates and supplier tariff provisions are combined. Additionally, SBI intends to conduct discovery on whether establishing uniform rates for the Peoples and Equitable Divisions would be just, reasonable, and appropriate.

9. Third, SBI will be directly affected by Peoples' proposal to establish rates for unconventional natural gas production via negotiation. Although Peoples proposes to create a uniform gathering service rate for conventional gas production, Peoples does not intend to impose such a rate on unconventional gas production.<sup>11</sup> Rather, Peoples intends to set gathering service rates on unconventional gas production through negotiation, thus putting SBI, as a conventional producer, at a competitive disadvantage.<sup>12</sup>

10. Fourth, based on Peoples' proposal to institute a uniform gathering service rate in this proceeding which will, among other things, cover the costs associated with acquiring, operating, and maintaining dehydration equipment at Peoples' compression facilities, SBI intends to conduct discovery on whether the enforcement provisions of the proposed tariffs would be necessary and comport with the Commission's rule and regulations.<sup>13</sup>

11. SBI may be directly affected by the Commission's resolution of the above-captioned proceeding. As local producers that provide conventional natural gas on both the Equitable and Peoples systems, SBI has a significant interest in this proceeding that is not represented by any

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<sup>11</sup> *Id.* at 23-34; Peoples Natural Gas Exhibit No. JAG-2, *Pennsylvania Public Utility Commission v. The Peoples Natural Gas Company, LLC* at Docket No. R-2018-3006818 (Jan. 28, 2019).

<sup>12</sup> *Id.*

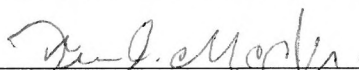
<sup>13</sup> See Retail Tariff at Original Page No. 35; Supplier Tariff at Original Page No. 7.

other party of record; consequently, SBI satisfies the standards for intervention under Section 5.72 of the Commission's regulations.<sup>14</sup>

**WHEREFORE**, Snyder Brothers, Inc., VEC Energy LLC, and Snyder Armclar Gas Co., LP respectfully request that the Commission grant this Petition to Intervene and provide SBI with full party status in this proceeding.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

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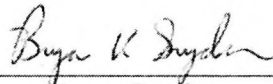
Dated: March 5, 2019

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<sup>14</sup> See 52 Pa. Code § 5.72.

**VERIFICATION**

I, Bryan Snyder, hereby state that the facts set forth in the foregoing document are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements made herein are subject to the penalties of 18 Pa. C.S. Section 4909 (relating to unsworn falsification to authorities).



\_\_\_\_\_  
Bryan Snyder

Date: \_\_\_\_\_

3/5/19



## CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant).

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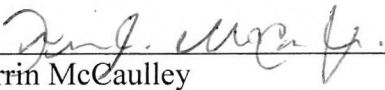
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Dated this 5<sup>th</sup> day of March, 2019, at Harrisburg, Pennsylvania