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March 13, 2019

Rosemary Chiavetta, Secretary Pennsylvania Public Utility Commission Commonwealth Keystone Building 400 North Street, Filing Room Harrisburg, PA 17120

VIA ELECTRONIC FILING

RE: Pa. PUC v. Peoples Natural Gas Company LLC. Docket No. R-2018-3006818, C-2019-

Dear Secretary Chiavetta:

Please find enclosed for filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") the Prehearing Memorandum of Peoples Industrial Intervenors ("PII") in the above-referenced proceeding.

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

Sincerely,

McNEES WALLACE & NURICK LLC

By

allessender J. Hyland L

Alessandra L. Hylander

Counsel to Peoples Industrial Intervenors

Enclosure

c: Administrative Law Judge Joel H. Cheskis (via e-mail and First-Class Mail) Certificate of Service

www.McNeesLaw.com

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).

VIA E-MAIL AND FIRST-CLASS MAIL

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Alessandra L. Hylander

Counsel to Peoples Industrial Intervenors

Dated this 13th day of March, 2019, at Harrisburg, Pennsylvania

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Peoples Industrial Intervenors	:	R-2018-3006818
	:	C-2019
v.	:	
	:	
Peoples Natural Gas Company, LLC	:	

PREHEARING MEMORANDUM OF THE PEOPLES INDUSTRIAL INTERVENORS

Pursuant to Administrative Law Judge ("ALJ") Joel H. Cheskis' March 4, 2019, Prehearing Conference Order, the Peoples Industrial Intervenors ("PII") hereby submit this Prehearing Memorandum in the above-captioned proceeding.

I. HISTORY OF THE PROCEEDING

On January 28, 2019, Peoples Natural Gas Company LLC ("Peoples" or "Company") filed Retail Tariff Gas – Pa. P.U.C. No. 47 and Supplier Tariff Gas – Pa.P.U.C. No. S-3 to become effective March 29, 2019, containing proposed changes in rates, rules and regulations calculated to produce \$94.9 million (14.2%) in additional fully-projected future test year annual revenues. Peoples supplemented this request with the Direct Testimony of several witnesses, responses to filing requirements, and documentation regarding the Company's proposals.

On March 13, 2019, PII filed a Complaint in this proceeding. A description of PII is set forth in Paragraph 5 of PII's Complaint. A Prehearing Conference has been scheduled in this proceeding for March 14, 2019.

II. SERVICE LIST

For purposes of this proceeding, PII will be represented by the following counsel:

Charis Mincavage (Pa. I.D. No. 82039) Alessandra L. Hylander (Pa. I.D. No. 320967) McNEES WALLACE & NURICK LLC 100 Pine Street, P.O. Box 1166 Harrisburg, PA 17108-1166 Phone: (717) 232-8000 Fax: (717) 237-5300 cmincavage@mcneeslaw.com ahylander@mcneeslaw.com

Please direct all correspondence to the attention of Charis Mincavage; however, for purposes of electronic service lists, PII requests that both Ms. Mincavage and Ms. Hylander be included on any correspondence.

III. ANTICIPATED ISSUES AND SUB-ISSUES

PII's preliminary review of the Company's filing indicates the need for Commission

investigation into at least the following issues:

- (a) Whether the size of the requested rate increase is appropriate;
- (b) Whether Peoples' proposals are just, reasonable, and consistent with the terms and conditions of the settlement approved by the PUC at Docket Nos. A-2013-2353647; A-2013-2353649; and A-2013-2353651;
- (c) Whether the allocation of the proposed increase among and within customer classes is just, reasonable, and non-discriminatory;
- (d) Whether the return on equity proposed by Peoples results in a fair rate of return;
- (e) Whether Peoples' claimed cost of service is accurate, legitimate, and appropriately allocated; and
- (f) Whether Peoples' requested rate increase appropriately reflects the principles of both cost of service and gradualism for all customers, including those moving from contract to tariff rates.

PII reserves the right to raise and address other issues of concern during the course of this proceeding.

IV. PROPOSED WITNESSES

PII is in the process of selecting a witness to sponsor testimony in this proceeding. Once PII retains its witness, it will immediately inform the parties and the ALJ of his/her name and topics of testimony. PII also intends to participate in this proceeding through the submission of discovery, cross-examination of other parties' witnesses, and the submission of briefs, exceptions, and reply exceptions, if necessary.

V. PROPOSED SCHEDULE AND DISCOVERY RULES

PII will cooperate with the ALJ and the parties at the Prehearing Conference to develop an appropriate procedural schedule and discovery rules in accordance with the Commission's regulations and any ALJ directives.

VI. POSSIBILITY OF SETTLEMENT

PII is willing to participate in discussions with the other parties to amicably resolve the issues in this proceeding.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By Charis Mincavage (Pa. I.D. No. 82039) Alessandra L. Hylander (Pa. I.D. No. 320967) 100 Pine Street, P.O. Box 1166 Harrisburg, PA 17108-1166 Phone: (717) 232-8000 Fax: (717) 237-5300 <u>cmincavage@mcneeslaw.com</u> ahylander@mcneeslaw.com

Dated: March 13, 2019

Counsel to the Peoples Industrial Intervenors