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May 17, 2019

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: PA Public Utility Commission v. Peoples Natural Gas Company LLC
Docket No. R-2018-3006818

Dear Secretary Chiavetta:

Enclosed for filing is the Motion of Peoples Natural Gas Company LLC to Dismiss Objections and Compel Responses to Discovery Propounded on Snyder Brothers, Inc. VEC Energy LLC, and Snyder Armclar Gas Co., LP – Set II in the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,

Anthony D. Kanagy

ADK/jl
Enclosures

cc: Honorable Joel H. Cheskis
Certificate of Service

CERTIFICATE OF SERVICE

Docket No. R-2018-3006818

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).

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VIA FIRST CLASS MAIL

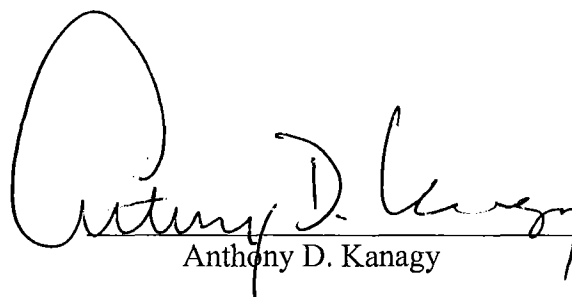
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Date: May 17, 2019



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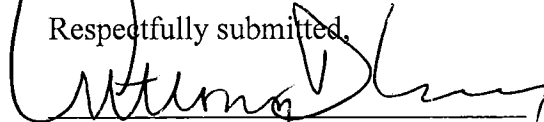
**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	Docket Nos.	R-2018-3006818
Office of Consumer Advocate	:		C-2019-3007711
Office of Small Business Advocate	:		C-2019-3007752
Peoples Industrial Intervenors	:		C-2019-3008506
Daniel Killmeyer	:		C-2019-3007635
Charles Hagins	:		C-2019-3007698
Sean D. Ferris	:		C-2019-3007904
Samuel Givens	:		C-2019-3007959
James E. Boudreau	:		C-2019-3008800
Edward A. and Ann D. Bugosh	:		C-2019-3008884
	:		
v.	:		
	:		
Peoples Natural Gas Company LLC	:		

NOTICE TO PLEAD

YOU ARE HEREBY ADVISED THAT, PURSUANT TO 52 PA. CODE § 5.342(g)(1) AND THE SCHEDULING ORDER ISSUED IN THIS PROCEEDING, YOU MAY FILE A REPLY TO THE ENCLOSED MOTION TO COMPEL WITHIN THREE (3) CALENDAR DAYS AFTER THE DATE OF SERVICE. YOUR REPLY SHOULD BE FILED WITH THE SECRETARY OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION, P.O. BOX 3265, HARRISBURG, PA 17105-3265. A COPY OF YOUR REPLY SHOULD ALSO BE SERVED ON THE UNDERSIGNED COUNSEL.

Respectfully submitted,



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Date: May 17, 2019

Counsel for Peoples Natural Gas Company
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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	Docket Nos.	R-2018-3006818
Office of Consumer Advocate	:		C-2019-3007711
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James E. Boudreau	:		C-2019-3008800
Edward A. and Ann D. Bugosh	:		C-2019-3008884
	:		
	:		
v.	:		
	:		
Peoples Natural Gas Company LLC	:		

**MOTION OF PEOPLES NATURAL GAS COMPANY LLC TO
DISMISS OBJECTIONS AND COMPEL RESPONSES TO DISCOVERY
PROPOUNDED ON SNYDER BROTHERS, INC., VEC ENERGY LLC, AND
SNYDER ARMCLAR GAS CO., LP – SET II**

TO ADMINISTRATIVE LAW JUDGE JOEL H. CHESKIS:

Pursuant to 52 Pa. Code §§ 5.342(g) and 5.350(e), Peoples Natural Gas Company LLC (“Peoples” or the “Company”) hereby files this Motion to Dismiss Objections and Compel Responses to Discovery Propounded on Snyder Brothers, Inc., VEC Energy LLC, and Snyder Armclar Gas Co., LP (collectively, “SBI”) – Set II, Nos. 2(b)-(h), 3(a)-(d), 5(b), 7, 13-14, 20(d)-(e), and 22. In support of its Motion, Peoples states as follows:

I. INTRODUCTION

1. On May 9, 2019, Peoples served Interrogatories, Requests for Production of Documents, and Requests for Admission Propounded on SBI – Set II on Remand (“Peoples to

SBI Set II”). A true and correct copy of Peoples to SBI Set II is attached hereto and marked as **Appendix A.**

2. On May 13, 2019, SBI orally objected to Peoples to SBI Set II, Nos. 2(b)-(h), 3(a)-(d), 4(b), 5(b), 6-7, 8(b)-(d), 13-14, 20(d)-(e), 22, 26-27, and 33-39.

3. On May 14, 2019, SBI served its written objections to Peoples to SBI Set II, Nos. 2(b)-(h), 3(a)-(d), 4(b), 5(b), 6-7, 8(b)-(d), 13-14, 20(d)-(e), 22, 26-27, and 33-39. A true and correct copy of SBI’s objections to Peoples to SBI Set II is attached hereto and marked as **Appendix B.**

4. On May 16, 2019, counsel for Peoples and SBI spoke in an effort to resolve the objections without the need for formal motions. Based on those discussions and in the interest of compromise, Peoples agreed to withdraw Peoples to SBI Set II, Nos. 4(b), 6, and 8(b)-(d).

5. Further, although SBI objected to Peoples to SBI Set II, Nos. 26-27 and 34-39, SBI has agreed to provide what information it has available in response to Nos. 26 and 27. Likewise, without waiver of its objections, SBI has agreed to provide responses to parts (a) - (c) of No. 33 and all of Nos. 34-39 limited to a 10-year period. Therefore, Peoples is not moving to compel responses to Nos. 26-27 and 33-39.

6. Under 52 Pa. Code § 5.321(c), a party is entitled to obtain discovery of any matter not privileged that is relevant to the pending proceeding, or any matter that is reasonably calculated to lead to the discovery of admissible evidence. Discovery is permitted regardless of whether the information sought “relates to the claim or defense of the party seeking discovery or to the claim or defense of another party.” *Id.*

7. An objection to a discovery request must “[r]estate the interrogatory or part thereof deemed objectionable and the specific ground for the objection.” 52 Pa. Code

§ 5.342(c)(2). Furthermore, the objection must “[i]nclude a description of the facts and circumstances purporting to justify the objection.” 52 Pa. Code § 5.342(c)(3); *see* 52 Pa. Code § 5.350(d)(3) (stating that the “[g]rounds for objections” to a request for admission “must be specifically stated”).

8. The Commission generally provides wide latitude in discovery matters. *See Pa. P.U.C. v. The Peoples Natural Gas Co.*, 62 Pa. P.U.C. 56 (Order Entered Aug. 26, 1986); *Pa. P.U.C. v. Equitable Gas Co.*, 61 Pa. P.U.C. 468 (Order Entered May 16, 1986).

9. For the reasons stated below, Peoples respectfully requests that Administrative Law Judge Joel H. Cheskis (“ALJ”) grant this Motion and order SBI to answer Peoples to SBI Set II, Nos. 2(b)-(h), 3(a)-(d), 5(b), 7, 13-14, 20(d)-(e), and 22, as described below.

II. SBI’S OBJECTIONS LACK MERIT

A. SBI’S OBJECTION TO PEOPLES TO SBI-II-2(B)-(H) LACKS MERIT.

10. Peoples to SBI-II-2 provides:

2. Please reference SBI Statement No. 1. Do SBI and/or its affiliates operate transmission, midstream, gathering, and/or well pipelines in Pennsylvania? If so, please provide:

- (a) The miles of transmission, midstream, gathering, and/or well pipelines by pipeline function;
- (b) The annual volume of gas transported through those pipelines in 2017 and 2018;
- (c) The outlets for the gathering pipeline, listing the interconnecting pipeline company’s name and interconnecting pipeline type (LDC, FERC Interstate Pipeline, Midstream);
- (d) The current rates charged to SBI and/or its affiliates by the interconnecting pipeline inclusive of all charges (retainage, extraction, compression, gathering, transmission, distribution, etc.);

- (e) The total charges paid by SBI and/or its affiliates to interconnecting pipelines in 2017 and 2018;
- (f) The water vapor standard for each interconnecting pipeline;
- (g) The annual operating costs of SBI's and/or its affiliates' pipelines (including compression, gas treatment, metering, regulation, etc.) in 2017 and 2018; and
- (h) The financial book value of SBI's and/or its affiliates' pipelines (including compression, gas treatment, metering, regulation, etc.) as recorded on December 31, 2018.

11. SBI's Objection to Peoples to SBI-II-2(b)-(h) reads as follows:

Section 5.321(c) of the Commission's Regulations indicates that "a party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action . . ." 52 Pa. Code § 5.321(c). The information sought must be "reasonably calculated to lead to the discovery of admissible evidence." *Id.* SBI objects to subparts (b) through (h) of this interrogatory on the grounds that these subparts request information that is (1) beyond the scope of the Direct Testimony of SBI's witness, Diane Meyer Burgraff, and (2) not relevant to this proceeding nor likely to lead to the discovery of admissible evidence. Ms. Burgraff's Direct Testimony did not address or concern the information requested by subparts (b) through (h) of this interrogatory. Additionally, the details of SBI's and its affiliates' pipeline systems and related business arrangements are not relevant to the issues in this proceeding, which address the justness and reasonableness of the rates and tariff provisions proposed by Peoples. Accordingly, Peoples to SBI-II-2(b)-(h) are beyond the scope of discovery under Section 5.321(c) of the Commission's Regulations. *Id.*

12. SBI's objection to subparts (b) through (h) of this interrogatory is without merit.

13. Under 52 Pa. Code § 5.321(b), Peoples is entitled to obtain discovery of any matter not privileged that is relevant to a pending proceeding, or any matter that is reasonably calculated to lead to the discovery of admissible evidence.

14. Subparts (b) through (h) directly relate to SBI's allegations about the purported impact of Peoples' proposals on producers, including SBI and its affiliates.

15. In SBI Statement No. 1, Ms. Diane Meyer Burgraff argues that the proposed Rate Appalachian Gathering Service (“Rate AGS”) will negatively affect conventional and non-conventional producers in Pennsylvania and force them to find alternatives to the gathering systems to transport their supplies to market. (See SBI Statement No. 1, pp. 39-40.)

16. In fact, Ms. Burgraff claims that “[s]ince the beginning of 2004, SBI has moved 12,259,855 Mcf from the Equitable system because of the implementation of Rate AGS on the Equitable system” and that “SBI built new infrastructure or used existing infrastructure to move that low-cost supply off of the Equitable system.” (SBI Statement No. 1, pp. 39-40.)

17. Further, she avers that “[t]he Peoples Division and Equitable Division producers have other market options for their supplies even though Peoples seems to fail to recognize or does not care about this fact in its proposal to recover non-gas costs from producers.” (SBI Statement No. 1, p. 40.)

18. In addition, Ms. Burgraff argues that by imposing “[n]on-gas gathering system costs” on the producers through Rate AGS, “[t]hese costs will either be recovered through gas supply prices or will result in less local Pennsylvania supply on the Peoples system or [a] combination of both.” (SBI Statement No. 1, pp. 38-39.)

19. Another issue raised by Ms. Burgraff is the Company’s proposed water vapor standard, which she believes will increase the cost of Rate AGS to producers. As a result, Ms. Burgraff recommends, as part of rejecting the proposed Rate AGS, that the proposed water vapor standard be removed from the proposed Retail Tariff, Supplier Tariff, and Master Interconnect and Measurement Agreement (“MIMA”) and that the maximum water vapor content be negotiable. However, if Rate AGS is approved in some form, Ms. Burgraff

recommends that Peoples provide dehydration “as service for the rate paid by producers.” (SBI Statement No. 1, pp. 41-43.)

20. Here, contrary to SBI’s allegations, subparts (b) through (h) are especially relevant to Ms. Burgraff’s testimony and reasonably calculated to lead to the discovery of admissible evidence.

21. Peoples merely is seeking information about SBI’s claims that the proposed Rate AGS, water vapor standard, or both will: (1) negatively affect producers; (2) impact producers’ decisions on how to transport their supplies to market; and (3) shift non-gas costs to end-use customers by increasing the costs of gas supplies. The information sought also is relevant to determining whether SBI is paying comparable charges on other systems.

22. SBI cannot claim that Peoples’ proposals are unjust and unreasonable because they would force producers to seek alternatives and would increase gas supply costs, but then deny the Company the opportunity to investigate SBI’s and its affiliates’ current and potential alternatives, including the applicable rates, charges, and water vapor standards, as well as the financial impact those rates, charges, and vapor standards have had or will have on SBI’s and its affiliates’ operations.

23. Such information is highly relevant to SBI’s allegations and is clearly discoverable.

WHEREFORE, Peoples respectfully requests that the ALJ grant its Motion to Dismiss Objections and Compel Responses to Discovery, and order SBI to answer fully Peoples to SBI-II-2(b)-(h) as described above.

B. SBI’S OBJECTION TO PEOPLES TO SBI-II-3(A)-(D) LACKS MERIT.

24. Peoples to SBI-II-3 provides:

3. Please reference SBI Statement No. 1. Do SBI and/or its affiliates gather or transport gas for other producers? If so, please list:

- (a) Each producer;
- (b) The annual volumes gathered or transported for each producer in 2017 and 2018;
- (c) The rates charged to each producer (including gathering, transmission, compression, extraction, retainage, gas treatment, etc.); and
- (d) The annual revenues collected for each producer in 2017 and 2018.

25. SBI's Objection to Peoples to SBI-II-3(a)-(d) reads as follows:

Section 5.321(c) of the Commission's Regulations indicates that "a party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action . . ." 52 Pa. Code § 5.321(c). The information sought must be "reasonably calculated to lead to the discovery of admissible evidence." *Id.* SBI objects to subparts (a) through (d) of this interrogatory on the grounds that these subparts request information that is (1) beyond the scope of the Direct Testimony of SBI's witness, Diane Meyer Burgraff, and (2) not relevant to this proceeding nor likely to lead to the discovery of admissible evidence. Ms. Burgraff's Direct Testimony did not address or concern the information requested by subparts (a) through (d) of this interrogatory. Additionally, the details of SBI's and its affiliates' business relationships are not relevant to the issues in this proceeding, which address the justness and reasonableness of the rates and tariff provisions proposed by Peoples.

Furthermore, a party may not ask interrogatories that would cause unreasonable burden or expense or "[w]ould require the making of an unreasonable investigation by the deponent, a party or witness." 52 Pa. Code §§ 5.361(a)(2), (4). Accordingly, SBI also objects to subparts (a) through (d) of this interrogatory on the basis that it would require an investigation into each transaction between SBI or its affiliates and other producers. Locating and providing such records would unreasonably burden SBI, require SBI to incur unreasonable expenses, and constitute an unreasonable investigation.

Based on the foregoing, Peoples to SBI-II-3(a)-(d) are beyond the scope of discovery under Section 5.321(c) and violate Sections

5.361(a)(2) and 5.361(a)(4) of the Commission's Regulations. 52 Pa. Code §§ 5.321(c), 5.361(a)(2), (4). Subject to and without waiving the foregoing objection to subparts (a) through (d), SBI will respond to the general question posed by Peoples.

26. SBI's objection to subparts (a) through (d) of this interrogatory is without merit.

27. Under 52 Pa. Code § 5.321(b), Peoples is entitled to obtain discovery of any matter not privileged that is relevant to a pending proceeding, or any matter that is reasonably calculated to lead to the discovery of admissible evidence.

28. Subparts (a) through (d) directly relate to SBI's allegations about the purported impact of Peoples' proposed Rate AGS on producers, including SBI and its affiliates.

29. As explained previously, Ms. Diane Meyer Burgraff alleges in SBI Statement No. 1 that the proposed Rate AGS and related proposals will negatively affect conventional and non-conventional producers in Pennsylvania, will force those producers to find alternatives to the gathering systems to transport their supplies to market, and will shift non-gas gathering costs onto producers that will increase gas supply costs. *See* Paragraphs 13 through 16, *supra*.

30. Here, contrary to SBI's allegations, subparts (a) through (d) are especially relevant to Ms. Burgraff's testimony and reasonably calculated to lead to the discovery of admissible evidence.

31. Peoples simply is requesting information about SBI's claims that the proposed Rate AGS will: (1) negatively affect producers; (2) impact producers' decisions on how to transport their supplies to market; and (3) shift non-gas costs to end-use customers by increasing the costs of gas supplies.

32. Details about the gathering and transportation services SBI, its affiliates, or both provide to other producers, including the volumes gathered or transported, rates charged, and revenues collected for each producer, are relevant to SBI's claims about the purported impact of

the Company's proposal. This information also is relevant to demonstrate that it is proper and acceptable to charge producers for transporting gas.

33. Given SBI's position is that Peoples' proposals for recovering non-gas gathering costs and transporting producers' gas supply to market are unjust and unreasonable, Peoples must be provided the opportunity to investigate SBI's and its affiliates' similar operations. Indeed, such discovery is directly related to the veracity and credibility of SBI's allegations.

34. Moreover, the information provided in response to these subparts will likely demonstrate that SBI, its affiliates, or both benefit from the Company's gathering system and will show the level of harm, if any, from Peoples' proposals.

35. In addition, subparts (a) through (d) are narrowly tailored and not unduly burdensome.

36. The interrogatory only asks SBI to provide basic information about the gathering or transportation services that SBI and/or its affiliates provide to other producers.

37. Additionally, subparts (b) and (d) are limited in temporal scope and only request information for two years: 2017 and 2018.

38. Further, nothing in SBI's objection establishes how many transactions or arrangements exist or how much time and expense would be incurred to produce this information.

39. For these reasons, the subparts (a) through (d) are highly relevant, are reasonably calculated to lead to the discovery of admissible evidence, are not unduly burdensome, and would not require an unreasonable investigation.

WHEREFORE, Peoples respectfully requests that the ALJ grant its Motion to Dismiss Objections and Compel Responses to Discovery, and order SBI to answer fully Peoples to SBI-II-3(a)-(d) as described above.

C. SBI'S OBJECTION TO PEOPLES TO SBI-II-5(B) LACKS MERIT.

40. Peoples to SBI-II-5 provides:

5. Please reference SBI Statement No. 1. Do SBI and/or its affiliates operate gas dehydration in Pennsylvania? If so, please provide:

(a) The number of dehydration facilities; and

(b) The annual amount of fuel (gas, electricity, gasoline, diesel) used by each dehydration facility by fuel type in 2017 and 2018.

41. SBI's Objection to Peoples to SBI-II-5(b) reads as follows:

Section 5.321(c) of the Commission's Regulations indicates that "a party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action . . ." 52 Pa. Code § 5.321(c). The information sought must be "reasonably calculated to lead to the discovery of admissible evidence." *Id.* SBI objects to subpart (b) of this interrogatory on the grounds that this subpart requests information that is (1) beyond the scope of the Direct Testimony of SBI's witness, Diane Meyer Burgraff, and (2) not relevant to this proceeding nor likely to lead to the discovery of admissible evidence. Ms. Burgraff's Direct Testimony did not address or concern the information requested by subpart (b) of this interrogatory. Additionally, the details of SBI's and its affiliates' fuel consumption related to dehydration facility operation are not relevant to the issues in this proceeding, which address the justness and reasonableness of the rates and tariff provisions proposed by Peoples. Accordingly, Peoples to SBI-II-5(b) is beyond the scope of discovery under Section 5.321(c) of the Commission's Regulations. *Id.* Subject to and without waiving the foregoing objection to subpart (b), SBI will respond to the general question and subpart (a) with respect to facilities that are permitted by PADEP.

42. SBI's objection to subpart (b) of this interrogatory is without merit.

43. Under 52 Pa. Code § 5.321(b), Peoples is entitled to obtain discovery of any matter not privileged that is relevant to a pending proceeding, or any matter that is reasonably calculated to lead to the discovery of admissible evidence.

44. Subpart (b) directly relates to SBI's allegations about the purported impact of Peoples' proposed water vapor standard on producers, including SBI and its affiliates.

45. In SBI Statement No. 1, Ms. Burgraff criticizes the Company's proposed water vapor standard and recommends, as part of rejecting the proposed Rate AGS, that the proposed water vapor standard be removed from the proposed Retail Tariff, Supplier Tariff, and MIMA and that the maximum water vapor content be negotiable. However, if Rate AGS is approved in some form, Ms. Burgraff recommends that Peoples provide dehydration "as service for the rate paid by producers." (SBI Statement No. 1, pp. 41-43.)

46. As alleged support, Ms. Burgraff argues that the water vapor standard should be removed because it will require producers to self-treat the gas to seven pounds per million cubic feet and "require their own dehydration investment as well." (SBI Statement No. 1, p. 43.)

47. Here, subpart (b) simply requests information that is relevant to the investment and use of SBI's and its affiliates' current dehydration facilities in Pennsylvania.

48. By providing information about the annual amount of fuel used by each dehydration facility in 2017 and 2018, Peoples will be able to evaluate: (1) the level of self-treatment SBI and its affiliates already conduct; and (2) whether SBI and its affiliates will, in fact, need to invest in additional dehydration facilities.

49. Therefore, such information is highly relevant to SBI's allegations and is clearly discoverable.

50. Lastly, SBI did not object to Peoples to SBI-II-5(a) and, yet, attempts to limit the scope of the interrogatory “with respect to facilities that are permitted by PADEP.” SBI provides no justification for limiting its response to such facilities. Indeed, SBI and its affiliates may have facilities that are not “permitted by PADEP.” Any objection to the scope of subpart (a) has been waived, and SBI must respond fully to that interrogatory.

WHEREFORE, Peoples respectfully requests that the ALJ grant its Motion to Dismiss Objections and Compel Responses to Discovery, and order SBI to answer fully Peoples to SBI-II-5(b) as described above.

D. SBI’S OBJECTION TO PEOPLES TO SBI-II-7 LACKS MERIT.

51. Peoples to SBI-II-7 provides:

7. Please reference SBI Statement No. 1. Do SBI and/or its affiliates operate natural gas wells or natural gas and oil wells in Pennsylvania? If so, please provide:

- (a) The number of wells that SBI and/or its affiliates operate in Pennsylvania;
- (b) The average daily volume flow rate by well;
- (c) The annual volume by well for 2017 and 2018;
- (d) The number of wells plugged in 2017 and 2018;
- (e) The number of wells drilled in 2017 and 2018;
- (f) The total investment in new wells in 2017 and 2018;
- (g) The financial book value of all Pennsylvania wells as recorded on December 31, 2018; and
- (h) The annual revenues for all Pennsylvania wells operated by SBI and/or its affiliates in 2017 and 2018.

52. SBI’s Objection to Peoples to SBI-II-7 reads as follows:

Section 5.321(c) of the Commission’s Regulations indicates that “a party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending

action . . .” 52 Pa. Code § 5.321(c). The information sought must be “reasonably calculated to lead to the discovery of admissible evidence.” *Id.* SBI objects to this interrogatory on the grounds that it requests information that is (1) beyond the scope of the Direct Testimony of SBI’s witness, Diane Meyer Burgraff, and (2) not relevant to this proceeding nor likely to lead to the discovery of admissible evidence. Ms. Burgraff’s Direct Testimony did not address or concern the information requested this interrogatory. Additionally, the details of SBI’s and its affiliates’ individual natural gas or natural gas and oil wells are not relevant to the issues in this proceeding, which address the justness and reasonableness of the rates and tariff provisions proposed by Peoples.

Furthermore, a party may not ask interrogatories that would cause unreasonable burden or expense or “[w]ould require the making of an unreasonable investigation by the deponent, a party or witness.” 52 Pa. Code §§ 5.361(a)(2), (4). Accordingly, SBI also objects to this interrogatory on the basis that it would require an investigation into each individual natural gas or natural gas and oil well owed by SBI or an affiliate. Locating and providing such records would unreasonably burden SBI, require SBI to incur unreasonable expenses, and constitute an unreasonable investigation.

Based on the foregoing, Peoples to SBI-II-7 is beyond the scope of discovery under Section 5.321(c) and violates Sections 5.361(a)(2), and 5.361(a)(4) of the Commission’s Regulations. 52 Pa. Code §§ 5.321(c), 5.361(a)(2), (4).

53. SBI’s objection to Peoples to SBI-II-7 is without merit.

54. Under 52 Pa. Code § 5.321(b), Peoples is entitled to obtain discovery of any matter not privileged that is relevant to a pending proceeding, or any matter that is reasonably calculated to lead to the discovery of admissible evidence.

55. Subpart (b) directly relates to SBI’s allegations about the purported impact of Peoples’ proposed water vapor standard on producers, including SBI and its affiliates.

56. Indeed, as explained previously, Ms. Burgraff alleges in SBI Statement No. 1 that the Company’s proposed Rate AGS and related proposals will, among other things, exacerbate the decline in conventional production, negatively affect conventional and non-conventional

producers in Pennsylvania, force those producers to find alternatives to the gathering systems to transport their supplies to market, and shift non-gas gathering costs onto producers that will increase gas supply costs. (SBI Statement No. 1, pp. 38-43.)

57. Therefore, it is clear that the potential impact of the Company's proposals on producers' Pennsylvania production is at issue in this proceeding.

58. As a result, Peoples is entitled to discover information regarding SBI's and its affiliates' wells in Pennsylvania, including the number of wells plugged and drilled, the annual volumes produced and average daily volume flow rate, the total investment in new wells, and the annual revenues of those wells.

59. Nevertheless, as a matter of compromise, Peoples is willing to withdraw subpart (g).

60. In addition, this interrogatory is narrowly tailored and not unduly burdensome.

61. The interrogatory only asks SBI to provide information about the wells operated by SBI and any of its affiliates in Pennsylvania.

62. Additionally, subparts (c), (d), (e), (f), and (h) are limited in temporal scope and only request information for two years: 2017 and 2018.

63. Further, nothing in SBI's objection establishes how much time and expense would be incurred to produce this information.

64. Based on the foregoing, Peoples to SBI-II-7 is highly relevant, is reasonably calculated to lead to the discovery of admissible evidence, is not unduly burdensome, and would not require an unreasonable investigation.

65. Notwithstanding, in an effort to resolve SBI's objection, Peoples would be willing to limit the scope of the interrogatory to wells located in Peoples' service territory.

WHEREFORE, Peoples respectfully requests that the ALJ grant its Motion to Dismiss Objections and Compel Responses to Discovery, and order SBI to answer Peoples to SBI-II-7 as described above.

E. SBI'S OBJECTIONS TO PEOPLES TO SBI-II-13 AND 14 LACK MERIT.

66. Peoples to SBI-II-13 and 14 provide:

13. Please reference SBI Statement No. 1. Do SBI and/or its affiliates serve customers directly from transmission, midstream, gathering and/or well pipelines in Pennsylvania? If so, please:

- (a) Provide the number of customers served;
- (b) Provide the annual customer volumes served in 2017 and 2018;
- (c) Provide the annual revenues collected from customers in 2017 and 2018; and
- (d) If service is provided to end-use customers, please state whether this service is regulated by the Commission and, if not, please explain in detail why the Commission does not regulate that service.

14. Please reference SBI Statement No. 1. Do SBI and/or its affiliates serve customers directly from wells in Pennsylvania? If so, please:

- (a) Provide the number of customers served;
- (b) Provide the annual customer volumes served in 2017 and 2018;
- (c) Provide the annual revenues collected from customers in 2017 and 2018; and
- (d) If service is provided to end-use customers, please state whether this service is regulated by the Commission and, if not, please explain in detail why the Commission does not regulate that service.

67. SBI's Objections to Peoples to SBI-II-13 and 14 read as follows:

Section 5.321(c) of the Commission's Regulations indicates that "a party may obtain discovery regarding any matter, not privileged,

which is relevant to the subject matter involved in the pending action . . .” 52 Pa. Code § 5.321(c). The information sought must be “reasonably calculated to lead to the discovery of admissible evidence.” *Id.* SBI objects to this interrogatory on the grounds that it requests information that is (1) beyond the scope of the Direct Testimony of SBI’s witness, Diane Meyer Burgraff, and (2) not relevant to this proceeding nor likely to lead to the discovery of admissible evidence. Ms. Burgraff’s Direct Testimony did not address or concern the information requested by this interrogatory. Additionally, the details of SBI’s and its affiliates’ pipeline systems and related business arrangements are not relevant to the issues in this proceeding, which address the justness and reasonableness of the rates and tariff provisions proposed by Peoples. Accordingly, Peoples to SBI-II-13 is beyond the scope of discovery under Section 5.321(c) of the Commission’s Regulations. *Id.*

Section 5.321(c) of the Commission’s Regulations indicates that “a party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action . . .” 52 Pa. Code § 5.321(c). The information sought must be “reasonably calculated to lead to the discovery of admissible evidence.” *Id.* SBI objects to this interrogatory on the grounds that it requests information that is (1) beyond the scope of the Direct Testimony of SBI’s witness, Diane Meyer Burgraff, and (2) not relevant to this proceeding nor likely to lead to the discovery of admissible evidence. Ms. Burgraff’s Direct Testimony did not address or concern the information requested by this interrogatory. Additionally, the details of SBI’s and its affiliates’ natural gas wells and related business arrangements are not relevant to the issues in this proceeding, which address the justness and reasonableness of the rates and tariff provisions proposed by Peoples. Accordingly, Peoples to SBI-II-14 is beyond the scope of discovery under Section 5.321(c) of the Commission’s Regulations. *Id.*

68. SBI’s objections to Peoples to SBI-II-13 and 14 are without merit.

69. Under 52 Pa. Code § 5.321(b), Peoples is entitled to obtain discovery of any matter not privileged that is relevant to a pending proceeding, or any matter that is reasonably calculated to lead to the discovery of admissible evidence.

70. These interrogatories directly relate to SBI's criticisms of Peoples' proposed Rate AGS and related proposals.

71. As explained previously, Ms. Burgraff alleges in SBI Statement No. 1 that the Company's proposed Rate AGS and related proposals will, among other things, exacerbate the decline in conventional production, negatively affect conventional and non-conventional producers in Pennsylvania, force those producers to find alternatives to the gathering systems to transport their supplies to market, and shift non-gas gathering costs onto producers that will increase gas supply costs. (SBI Statement No. 1, pp. 38-43.)

72. Here, the responses to these interrogatories will show: (1) whether SBI is serving end-use customers and charging them rates that include a gathering component; (2) whether and to what extent SBI's services to end-use customers have declined over the past two years; and (3) whether the Commission regulates these services to end-use customers.

73. Thus, given the issues raised by SBI in this proceeding, these interrogatories are relevant and reasonably calculated to lead to the discovery of admissible evidence.

WHEREFORE, Peoples respectfully requests that the ALJ grant its Motion to Dismiss Objections and Compel Responses to Discovery, and order SBI to answer fully Peoples to SBI-II-13 and 14 as described above.

F. SBI'S OBJECTION TO PEOPLES TO SBI-II-20(D)-(E) LACKS MERIT.

74. Peoples to SBI-II-20 provides:

20. Please reference SBI Statement No. 1, p. 39. Please provide all analyses, workpapers, studies, and documents related to SBI's claim that since 2004 it has moved 12,259,855 Mcf from the Equitable system because of the implementation of Rate AGS. In addition, please:

- (a) Provide the initiation date of initiation of each reduction of deliveries to Equitable;

- (b) Provide the new destination of deliveries for each reduction from commencement to present;
- (c) Provide the means for transportation to the new destination from commencement to present and identify whether it is on facilities owned by SBI or an affiliate or by a third party;
- (d) For situations involving transportation by SBI or an affiliate, identify the depreciated cost of facilities used and any intercompany charges from affiliates for transportation by type and by year from the date of commencement to present; and
- (e) For each reduction in deliveries to Equitable where other non-affiliated pipelines were used to transport the gas to other destinations, provide all charges by type and year from the date of commencement to present.

75. SBI's Objection to Peoples to SBI-II-20(d)-(e) reads as follows:

Section 5.321(c) of the Commission's Regulations indicates that "a party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action . . ." 52 Pa. Code § 5.321(c). The information sought must be "reasonably calculated to lead to the discovery of admissible evidence." *Id.* SBI objects to subparts (d) and (e) of this interrogatory on the grounds that these subparts request information that is (1) beyond the scope of the Direct Testimony of SBI's witness, Diane Meyer Burgraff, and (2) not relevant to this proceeding nor likely to lead to the discovery of admissible evidence. Ms. Burgraff's Direct Testimony did not address or concern the information requested by subparts (d) and (e) of this interrogatory. Additionally, the details of the costs of facilities and charges related to SBI's and its affiliates' efforts to move their natural gas off of the Equitable system are not relevant to the issues in this proceeding, which address the justness and reasonableness of the rates and tariff provisions proposed by Peoples. Accordingly, Peoples to SBI-II-20(d) and (e) are beyond the scope of discovery under Section 5.321(c) of the Commission's Regulations. *Id.* Subject to and without waiving the foregoing objection to subparts (d) and (e), SBI will respond to the general question and subparts (a) through (c).

76. SBI's objection to Peoples to SBI-II-20(d)-(e) is without merit.

77. Under 52 Pa. Code § 5.321(b), Peoples is entitled to obtain discovery of any matter not privileged that is relevant to a pending proceeding, or any matter that is reasonably calculated to lead to the discovery of admissible evidence.

78. Subparts (d) and (e) directly relate to SBI's allegations about the purported impact of Peoples' proposed Rate AGS and related proposals will have on producers, including SBI and its affiliates.

79. As explained previously, Ms. Burgraff alleges in SBI Statement No. 1 that the Company's proposed Rate AGS and related proposals will, among other things, exacerbate the decline in conventional production, negatively affect conventional and non-conventional producers in Pennsylvania, force those producers to find alternatives to the gathering systems to transport their supplies to market, and shift non-gas gathering costs onto producers that will increase gas supply costs. (SBI Statement No. 1, pp. 38-43.)

80. Particularly relevant here, Ms. Burgraff claims that "[s]ince the beginning of 2004, SBI has moved 12,259,855 Mcf from the Equitable system because of the implementation of Rate AGS on the Equitable system" and that "SBI built new infrastructure or used existing infrastructure to move that low-cost supply off of the Equitable system." (SBI Statement No. 1, pp. 39-40.)

81. Here, contrary to SBI's argument, "the details of the costs of facilities and charges related to SBI's and its affiliates' efforts to move their natural gas off of the Equitable system" are especially relevant to this proceeding.

82. Indeed, subparts (d) and (e) of this interrogatory are relevant to determining whether and to what extent SBI is being subsidized for moving gas off of the Equitable system.

83. Such information would reveal whether SBI's decision to move the 12,259,855 Mcf off of the Equitable system since 2004 was solely motivated by the imposition of Rate AGS or not.

84. For these reasons, Peoples to SBI-II-20(d)-(e) is relevant and reasonably calculated to lead to the discovery of admissible evidence.

85. Notwithstanding, in an effort to resolve SBI's objection, Peoples would be willing to withdraw the portion of subpart (d) requesting "the depreciated cost of facilities used."

WHEREFORE, Peoples respectfully requests that the ALJ grant its Motion to Dismiss Objections and Compel Responses to Discovery, and order SBI to answer fully Peoples to SBI-II-20(d)-(e) as described above.

G. SBI'S OBJECTION TO PEOPLES TO SBI-II-22 LACKS MERIT.

86. Peoples to SBI-II-22 provides:

22. Please reference SBI Statement No. 1, p. 39. Identify each well owned by SBI and/or any affiliates that is located within the Equitable service territory and is able to move production to market without using Peoples' distribution, transmission, or gathering system. For each of these wells, please provide the annual production for each of the past 5 years.

87. SBI's Objection to Peoples to SBI-II-22 reads as follows:

Section 5.321(c) of the Commission's Regulations indicates that "a party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action . . ." 52 Pa. Code § 5.321(c). The information sought must be "reasonably calculated to lead to the discovery of admissible evidence." *Id.* SBI objects to this interrogatory on the grounds that it requests information that is (1) beyond the scope of the Direct Testimony of SBI's witness, Diane Meyer Burgraff, (2) overly broad, and (3) not relevant to this proceeding nor likely to lead to the discovery of admissible evidence. Ms. Burgraff's Direct Testimony did not address or concern the information requested by this interrogatory. Additionally, the details of SBI's and its affiliates' natural gas wells and related business arrangements are not relevant to the issues in this proceeding, which address the

justness and reasonableness of the rates and tariff provisions proposed by Peoples. Accordingly, Peoples to SBI-II-22 is beyond the scope of discovery under Section 5.321(c) of the Commission's Regulations. *Id.*

88. SBI's objection to Peoples to SBI-II-22 is without merit.

89. Under 52 Pa. Code § 5.321(b), Peoples is entitled to obtain discovery of any matter not privileged that is relevant to a pending proceeding, or any matter that is reasonably calculated to lead to the discovery of admissible evidence.

90. This interrogatory directly relates to SBI's allegations about the purported impact of Peoples' proposed Rate AGS and related proposals will have on producers, including SBI and its affiliates.

91. As explained previously, Ms. Burgraff alleges in SBI Statement No. 1 that the Company's proposed Rate AGS and related proposals will, among other things, negatively affect conventional and non-conventional producers in Pennsylvania and force those producers to find alternatives to the gathering systems to transport their supplies to market. (SBI Statement No. 1, pp. 38-43.)

92. In fact, Ms. Burgraff claims that "[s]ince the beginning of 2004, SBI has moved 12,259,855 Mcf from the Equitable system because of the implementation of Rate AGS on the Equitable system" and that "SBI built new infrastructure or used existing infrastructure to move that low-cost supply off of the Equitable system." (SBI Statement No. 1, pp. 39-40.)

93. Further, she avers that "[t]he Peoples Division and Equitable Division producers have other market options for their supplies even though Peoples seems to fail to recognize or does not care about this fact in its proposal to recover non-gas costs from producers." (SBI Statement No. 1, p. 40.)

94. Here, this interrogatory is relevant to determining whether and to what extent SBI and any of its affiliates are able to move their gas off of the Company's system, as alleged by Ms. Burgraff.

95. Indeed, the Company asks SBI to identify "each well owned by SBI and/or any affiliates that is located within the Equitable service territory and is able to move production to market without using Peoples' distribution, transmission, or gathering system." Then, "[f]or each of these wells," Peoples requests that SBI "provide the annual production for each of the past 5 years."

96. Such information is necessary to test the veracity and credibility of Ms. Burgraff's claims about SBI and other producers being able to move their product off of the Company's system.

97. In addition, the interrogatory is not overly broad, as alleged by SBI.

98. The interrogatory is narrow in scope and only asks SBI to identify the applicable wells within the Equitable Division's service territory and to provide the annual production information for each of the past five years.

99. Nothing in SBI's objection establishes how this interrogatory, which is narrow in temporal and geographic scope, could be considered overly broad.

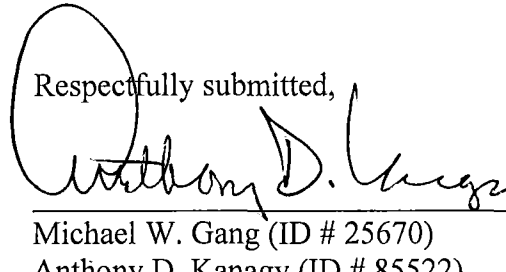
100. Based on the foregoing, Peoples to SBI-II-22 is relevant and reasonably calculated to lead to the discovery of admissible evidence.

WHEREFORE, Peoples respectfully requests that the ALJ grant its Motion to Dismiss Objections and Compel Responses to Discovery, and order SBI to answer fully Peoples to SBI-II-22 as described above.

III. CONCLUSION

For the reasons set forth above, Peoples Natural Gas Company LLC requests that Administrative Law Judge Joel H. Cheskis grant this Motion to Dismiss Objections and Compel Responses to Discovery and direct Snyder Brothers, Inc., VEC Energy LLC, and Snyder Armclar Gas Co., LP to answer fully Peoples to SBI Set II, Nos. 2(b)-(h), 3(a)-(d), 5(b), 7, 13-14, 20(d)-(e), and 22, as described above within three (3) days from the date of the order.

Respectfully submitted,



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Date: May 17, 2019

Counsel for Peoples Natural Gas Company LLC

APPENDIX A

**Interrogatories, Requests for
Production of Documents, and Requests for Admission
Propounded by Peoples Natural Gas Company LLC on
Snyder Brothers, Inc., VEC Energy LLC, and Snyder
Armclar Gas Co., LP – Set II**



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May 9, 2019

VIA E-MAIL & REGULAR MAIL

Pamela C. Polacek, Esquire
McNees Wallace & Nurick LLC
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Re: PA Public Utility Commission v. Peoples Natural Gas Company LLC
Docket No. R-2018-3006818

Dear Counsel:

Enclosed are the Interrogatories and Requests for Production of Documents Propounded by Peoples Natural Gas Company LLC on Snyder Brothers, Inc., VEC Energy LLC, and Snyder Armclar Gas Co., LP - Set II in the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Sincerely,



Anthony D. Kanagy

ADK/kl
Enclosures

cc: Rosemary Chiavetta, Secretary (*Letter & Certificate of Service Only*)
Certificate of Service

CERTIFICATE OF SERVICE

Docket No. R-2018-3006818

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).

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VIA FIRST CLASS MAIL

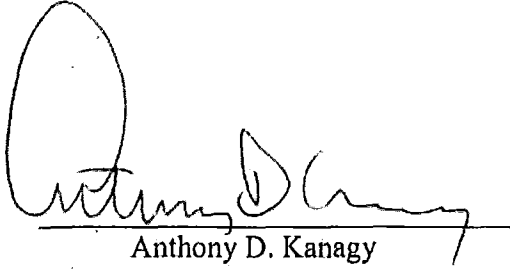
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Date: May 9, 2019



Anthony D. Kanagy

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	Docket Nos.	R-2018-3006818
Office of Consumer Advocate	:		C-2019-3007711
Office of Small Business Advocate	:		C-2019-3007752
Peoples Industrial Intervenors	:		C-2019-3008506
Daniel Killmeyer	:		C-2019-3007635
Charles Hagins	:		C-2019-3007698
Sean D. Ferris	:		C-2019-3007904
Samuel Givens	:		C-2019-3007959
James E. Boudreau	:		C-2019-3008800
Edward A. and Ann D. Bugosh	:		C-2019-3008884
	:		
v.	:		
	:		
Peoples Natural Gas Company LLC	:		

**INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS PROPOUNDED BY
PEOPLES NATURAL GAS COMPANY LLC ON
SNYDER BROTHERS, INC., VEC ENERGY LLC, AND
SNYDER ARMCLAR GAS CO., LP- SET II**

Pursuant to 66 Pa.C.S. § 333 and 52 Pa. Code §§ 5.341, *et seq.*, Peoples Natural Gas Company LLC (“Peoples” or the “Company”) propounds the following Interrogatories and Requests for Production of Documents (hereinafter, “discovery requests”) on Snyder Brothers, Inc., VEC Energy LLC, and Snyder Armclar Gas Co., LP (collectively, “SBI”) – Set II.

INSTRUCTIONS AND DEFINITIONS

1. The “Responding Party,” “you,” or “your” means the party to which these discovery requests are propounded and/or all attorneys, agents, affiliates, subsidiaries, employees, consultants, members, constituents, and representatives acting on behalf of the Responding Party.

2. "Commission" means the Pennsylvania Public Utility Commission.
3. To "identify" a natural person means to state that person's full name, title or position, employer, last known address, and last known telephone number.
4. To "identify" a business entity means to state the full name of such business, the form of the business, and its location or address.
5. To "identify" a "document" means to provide all of the following information irrespective of whether the document is deemed privileged or subject to any claim of privilege:
 - a. The title or other means of identification of each such document;
 - b. The date of each such document;
 - c. The author, preparer or signer of each such document; and
 - d. A description of the subject matter of such document sufficient to permit an understanding of its contents and importance to the testimony or position being examined and the present or last known location of the document. The specific nature of the document should also be stated (*e.g.*, letter, business record, memorandum, computer print-out, etc.).

In lieu of "identifying" any document, it shall be deemed a sufficient compliance with these discovery requests to attach a copy of each such document to the answers hereto and reference said document in the particular interrogatory to which the document is responsive.

6. "Document" means the original and all drafts of all written and graphic matter, however produced or reproduced, of any kind or description, whether or not sent or received, and all copies thereof which are different in any way from the original (whether by interlineation, date-stamp, notarization, indication of copies sent or received, or otherwise), including without limitation, any paper, book, account, photograph, blueprint, drawing, sketch, schematic, agreement, contract, memorandum, press release, circular, advertising material, correspondence, letter, telegram, telex, object, report, opinion, investigation, record, transcript, hearing, meeting, study, notation, working paper, summary, intra-office communication, diary,

chart, minutes, index sheet, computer software, computer-generated records or files, however stored, check, check stub, delivery ticket, bill of lading, invoice, record or recording or summary of any telephone or other conversation, or of any interview or of any conference, or any other written, recorded, transcribed, punched, taped, filmed, or graphic matter of which the Responding Party has or has had possession, custody or control, or of which the Responding Party has knowledge.

7. "Communication" means any manner or form of information or message transmission, however produced or reproduced, whether as a document as herein defined, or orally or otherwise, which is made, distributed, or circulated between or among persons, or data storage or processing units.

8. "Date" means the exact day, month, and year, if ascertainable, or if not, the best approximation thereof.

9. Items referred to in the singular include those in the plural, and items referred to in the plural include those in the singular.

10. Items referred to in the masculine include those in the feminine, and items referred to in the feminine include those in the masculine.

11. The answers provided to these discovery requests should first restate the question asked and identify the person(s) supplying the information.

12. In answering these discovery requests, the Responding Party is requested to furnish all information that is available to the Responding Party, including information in the possession of the Responding Party's attorneys, agents, consultants, or investigators, and not merely such information of the Responding Party's own knowledge. If any of the discovery requests cannot be answered in full after exercising due diligence to secure the requested

information, please so state and answer to the extent possible, specifying the Responding Party's inability to answer the remainder, and stating whatever information the Responding Party has concerning the unanswered portions. If the Responding Party's answer is qualified in any particular, please set forth the details of such qualification.

13. If the Responding Party objects to providing any document requested on any ground, identify such document by describing it as set forth in Instruction 5 and state the basis of the objection.

14. If the Responding Party objects to part of a discovery request and refuses to answer that part, state the Responding Party's objection and answer the remaining portion of that discovery request. If the Responding Party objects to the scope or time period of a discovery request and refuses to answer for that scope or time period, state the Responding Party's objection and answer the discovery request for the scope or time period that the Responding Party believes is appropriate.

15. If, in connection with a discovery request, the Responding Party contends that any information, otherwise subject to discovery, is covered by either the attorney-client privilege, the so-called "attorneys' work product doctrine," or any other privilege or doctrine, then specify the general subject matter of the information and the basis to support each such objection.

16. If any information is withheld on grounds of privilege or other protection from disclosure, provide the following information: (a) every person to whom such information has been communicated and from whom such information was learned; (b) the nature and subject matter of the information; and (c) the basis on which the privilege or other protection from disclosure is claimed.

17. As set forth in 52 Pa. Code § 5.342(g), these discovery requests are continuing and the Responding Party is obliged to change, supplement, and correct all answers given to conform to new or changing information.

18. "SBI" means SBI and all affiliates.

PEOPLES TO SBI – SET II
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS

PNG to SBI-II-1

Please reference SBI Statement No. 1. Is Ms. Burgraff, SBI, or any of SBI's affiliates aware of any pipeline systems, other than those owned and operated by Peoples and its affiliates that exist in Pennsylvania or other nearby states, that are used to move conventional production from producer interconnection points to intrastate or interstate markets? If so, please provide a listing of those gathering systems and indicate for each system:

- (a) State whether the producers or entities that have title to the gas on those systems pay fees (non-gas fee or retainage fee) for transportation on those systems;
- (b) Identify all applicable fees; and
- (c) Specify whether the system is used by SBI and, if so, provide the fees incurred by SBI.

PNG to SBI-II-2

Please reference SBI Statement No. 1. Do SBI and/or its affiliates operate transmission, midstream, gathering, and/or well pipelines in Pennsylvania? If so, please provide:

- (a) The miles of transmission, midstream, gathering, and/or well pipelines by pipeline function;
- (b) The annual volume of gas transported through those pipelines in 2017 and 2018;
- (c) The outlets for the gathering pipeline, listing the interconnecting pipeline company's name and interconnecting pipeline type (LDC, FERC Interstate Pipeline, Midstream);
- (d) The current rates charged to SBI and/or its affiliates by the interconnecting pipeline inclusive of all charges (retainage, extraction, compression, gathering, transmission, distribution, etc.);
- (e) The total charges paid by SBI and/or its affiliates to interconnecting pipelines in 2017 and 2018;
- (f) The water vapor standard for each interconnecting pipeline;

- (g) The annual operating costs of SBI's and/or its affiliates' pipelines (including compression, gas treatment, metering, regulation, etc.) in 2017 and 2018; and
- (h) The financial book value of SBI's and/or its affiliates' pipelines (including compression, gas treatment, metering, regulation, etc.) as recorded on December 31, 2018.

PNG to SBI-II-3

Please reference SBI Statement No. 1. Do SBI and/or its affiliates gather or transport gas for other producers? If so, please list:

- (a) Each producer;
- (b) The annual volumes gathered or transported for each producer in 2017 and 2018;
- (c) The rates charged to each producer (including gathering, transmission, compression, extraction, retainage, gas treatment, etc.); and
- (d) The annual revenues collected for each producer in 2017 and 2018.

PNG to SBI-II-4

Please reference SBI Statement No. 1. Do SBI and/or its affiliates operate compression in Pennsylvania? If so, please provide:

- (a) The number of compressors and total horsepower; and
- (b) The annual amount of fuel (gas, electricity, gasoline, diesel) used by compressors by fuel type in 2017 and 2018.

PNG to SBI-II-5

Please reference SBI Statement No. 1. Do SBI and/or its affiliates operate gas dehydration in Pennsylvania? If so, please provide:

- (a) The number of dehydration facilities; and
- (b) The annual amount of fuel (gas, electricity, gasoline, diesel) used by each dehydration facility by fuel type in 2017 and 2018.

PNG to SBI-II-6

Please reference SBI Statement No. 1. Do SBI and/or its affiliates operate gas treatment facilities besides dehydration facilities in Pennsylvania? If so, please provide:

- (a) The number of gas treatment facilities; and
- (b) The annual amount of fuel (gas, electricity, gasoline, diesel) used by each gas treatment facility by fuel type in 2017 and 2018.

PNG to SBI-II-7

Please reference SBI Statement No. 1. Do SBI and/or its affiliates operate natural gas wells or natural gas and oil wells in Pennsylvania? If so, please provide:

- (a) The number of wells that SBI and/or its affiliates operate in Pennsylvania;
- (b) The average daily volume flow rate by well;
- (c) The annual volume by well for 2017 and 2018;
- (d) The number of wells plugged in 2017 and 2018;
- (e) The number of wells drilled in 2017 and 2018;
- (f) The total investment in new wells in 2017 and 2018;
- (g) The financial book value of all Pennsylvania wells as recorded on December 31, 2018; and
- (h) The annual revenues for all Pennsylvania wells operated by SBI and/or its affiliates in 2017 and 2018.

PNG to SBI-II-8

Please reference SBI Statement No. 1. Are SBI and/or its affiliates members of PIOGA? If so, please state:

- (a) How long each entity has been a member of PIOGA;
- (b) How much each entity paid PIOGA in 2017 and 2018;
- (c) The PIOGA boards each entity chairs; and
- (d) The PIOGA boards on which each entity participates.

PNG to SBI-II-9

Please reference SBI Statement No. 1. Do SBI and/or its affiliates participate in any of the Peoples gathering or production enhancement programs?

- (a) Are SBI and/or its affiliates currently or in the past been a participant in the Peoples Production Enhancement Program (“PA PEP”) or Production Enhancement Services Program (“PA PES”)?

- (i) Did SBI or any of its affiliates participate in any Peoples PA PEP program? Please explain such participation in detail and provide the years of participation and non-participation.
- (ii) Did SBI or any of its affiliates participate in any Peoples PA PES program? Please explain such participation in detail and provide the years of participation non-participation.
- (iii) Did SBI or any of its affiliates utilize services under the Equitable Rate AGS Tariff? Please explain the use of those services in detail and provide the years of use on such services.

PNG to SBI-II-10

Please reference SBI Statement No. 1. Please provide the annual production volumes of SBI and/or its affiliates that are connected to Peoples' pipeline systems?

PNG to SBI-II-11

Please reference SBI Statement No. 1. How much of the total current annual production volumes produced by SBI and/or its affiliates into Peoples' systems is assessed a gathering or PA PES rate (not including retainage)?

PNG to SBI-II-12

Please reference SBI Statement No. 1. How much of the total current annual production volumes produced by SBI and/or its affiliates into Peoples' systems is not assessed a gathering or PA PES fee (not including retainage)?

PNG to SBI-II-13

Please reference SBI Statement No. 1. Do SBI and/or its affiliates serve customers directly from transmission, midstream, gathering and/or well pipelines in Pennsylvania? If so, please:

- (a) Provide the number of customers served;
- (b) Provide the annual customer volumes served in 2017 and 2018;
- (c) Provide the annual revenues collected from customers in 2017 and 2018; and
- (d) If service is provided to end-use customers, please state whether this service is regulated by the Commission and, if not, please explain in detail why the Commission does not regulate that service.

PNG to SBI-II-14

Please reference SBI Statement No. 1. Do SBI and/or its affiliates serve customers directly from wells in Pennsylvania? If so, please:

- (a) Provide the number of customers served;
- (b) Provide the annual customer volumes served in 2017 and 2018;
- (c) Provide the annual revenues collected from customers in 2017 and 2018;
and
- (d) If service is provided to end-use customers, please state whether this service is regulated by the Commission and, if not, please explain in detail why the Commission does not regulate that service.

PNG to SBI-II-15

Please reference SBI Statement No. 1. Do SBI and/or its affiliates operate pipelines that would be classified under Department of Transportation (DOT) Class 2, Class 3 or Class 4? If so, please

- (a) List the number of miles of pipeline by DOT Class;
- (b) Describe the actions taken during the last three years to maintain and ensure pipeline integrity of these pipelines to protect public safety;
- (c) Describe the odorization efforts taken on these pipelines during the last three years to protect public safety;
- (d) Describe the corrosion mitigation efforts taken during the last three years on these pipelines to protect public safety;
- (e) Describe the gas leak detection programs (including leak survey frequency and leak tracking by DOT Class Location) and repairs made on these pipelines during the last three years to protect public safety; and
- (f) Describe how the pipelines are marked to protect public safety.

PNG to SBI-II-16

Please reference SBI Statement No. 1. Do the contracts under which SBI and/or its affiliates sell gas to any entities on Peoples' systems currently contain any provisions that allow them to pass along to the buyer any AGS fees assessed by Peoples under the proposed Rate AGS service? If so, please provide a breakdown of:

- (a) All current annual volumes produced by SBI and/or its affiliates into Peoples' systems that are associated with such contracts; and

- (b) All current annual volumes produced by SBI and/or its affiliates into Peoples' systems that are not associated with such contracts.

PNG to SBI-II-17

Please reference SBI Statement No. 1. Do SBI and/or its affiliates benefit from the use of Peoples' gathering system? If yes, please fully explain all benefits.

PNG to SBI-II-18

Please reference SBI Statement No. 1. If SBI and/or its affiliates were no longer allowed to use Peoples' gathering system, would they experience production declines? If yes, please provide an estimate of production declines for the next 5 years.

PNG to SBI-II-19

Please reference SBI Statement No. 1. If SBI and/or its affiliates were no longer allowed to use Peoples' gathering system, would they be required to be shut in production? If yes, please provide an estimate of the number of wells that would be required to be shut and the annual volumes of production associated with those wells for each of the past 5 years.

PNG to SBI-II-20

Please reference SBI Statement No. 1, p. 39. Please provide all analyses, workpapers, studies, and documents related to SBI's claim that since 2004 it has moved 12,259,855 Mcf from the Equitable system because of the implementation of Rate AGS. In addition, please:

- (a) Provide the initiation date of initiation of each reduction of deliveries to Equitable;
- (b) Provide the new destination of deliveries for each reduction from commencement to present;
- (c) Provide the means for transportation to the new destination from commencement to present and identify whether it is on facilities owned by SBI or an affiliate or by a third party;
- (d) For situations involving transportation by SBI or an affiliate, identify the depreciated cost of facilities used and any intercompany charges from affiliates for transportation by type and by year from the date of commencement to present; and
- (e) For each reduction in deliveries to Equitable where other non-affiliated pipelines were used to transport the gas to other destinations, provide all charges by type and year from the date of commencement to present.

PNG to SBI-II-21

Please reference SBI Statement No. 1, p. 39. Please provide a map showing the location of all of SBI's and its affiliates' gas production wells on the Equitable system.

PNG to SBI-II-22

Please reference SBI Statement No. 1, p. 39. Identify each well owned by SBI and/or any affiliates that is located within the Equitable service territory and is able to move production to market without using Peoples' distribution, transmission, or gathering system. For each of these wells, please provide the annual production for each of the past 5 years.

PNG to SBI-II-23

Please reference SBI Statement No. 1. Please provide all analyses, workpapers, studies, and documents that are in SBI or any of its affiliates' possession related to the decision of SBI or any of its affiliates to participate or not to participate in Peoples' production enhancement programs.

PNG to SBI-II-24

Does Snyder Brothers and their affiliates have gas treatment to remove water and water vapor at all of their wells connected to Peoples Natural Gas and Peoples Equitable Division?

- a) If not, why not and how does Snyder Brothers ensure that water vapor meets Peoples standards?
- b) For the wells that do have gas treatment:
 - i. What type of gas treatment is used?
 - ii. Does the gas treatment require maintenance including either fuel and/or replacement of desiccant?
 - iii. How often does Snyder Brothers replace desiccant at each well

PNB to SBI-II-25

What is the date Snyder Brothers and their affiliates stopped participating in the Peoples PES program?

PNB to SBI-II-26

In the last two years that Snyder Brothers and their affiliates participated in the PES program; please provide the annual spend on gas treatment to remove water for wells connected to Peoples Natural Gas.

PNB to SBI-II-27

In the two years after Snyder Brothers and their affiliates exited the PES program, please provide the annual spend on gas treatment to remove water for wells connected to Peoples Natural Gas.

PNB to SBI-II-28

Please provide the annual spend on gas treatment to remove water for wells connect to Peoples Natural Gas in 2017 and 2018.

PNB to SBI-II-29

Does Snyder Brothers and their affiliates treat their gas for water vapor to the 7# standard in Peoples Natural Gas tariff? If not, why not?

PNB to SBI-II-30

Does Snyder Brothers and their affiliates test for water vapor for wells connected to Peoples Natural Gas.

- (a) If not, why not and how does Snyder Brothers ensure that water vapor meets Peoples standards?
- (b) If so, please provide all water vapor test in 2017 and 2018 listing Peoples PO number, test date, test results

PNB to SBI-II-31

Has Snyder Brothers and their affiliates received water vapor notices from Peoples or shut in as a result of elevated water vapor by Peoples?

- (a) Please provide all notices and shut-ins in 2017 and 2018 listing the Peoples PO number, test date and test results
- (b) What did Snyder Brothers do to correct the water vapor notice or shut in
- (c) Have those corrective actions been maintained since the notice occurred?

PNB to SBI-II-32

Has Snyder Brothers and their affiliates receive gas quality notices or shut in as a result of gas quality infractions other than water vapor by Peoples?

- (a) If so, please list Peoples PO number, occurrence date and reason for notice or shut in

- (b) What did Snyder Brothers do to correct the gas quality infraction?
- (c) Have those corrective actions been maintained since the notice occurred?

PNB to SBI-II-33

Please identify the number of wells Snyder Brothers and their affiliates drilled in 2017 and 2018.

- (a) Identify the number of wells drilled in 2017 and 2018 that are connected to Peoples Natural Gas
- (b) Identify the number of wells drilled in 2017 and 2018 that are conventional connected to Peoples Natural Gas
- (c) Identify the number of wells drilled in 2017 and 2018 that are unconventional connected to Peoples Natural Gas

PNB to SBI-II-34

Has Snyder Brothers and their affiliates entered into Firm Supply Commitments to Peoples Natural Gas? If so, please describe the commitment in detail including the volume, term and price.

PNB to SBI-II-35

Does Snyder Brothers and their affiliates have contracts with Peoples Natural Gas where they are penalized for not producing to committed volume? If so, please describe the commitment in detail.

PNB to SBI-II-36

Has Snyder Brothers and their affiliates entered into contracts with Peoples that contain provisions that caused it to incur financial penalties for moving production from the Peoples Natural Gas pipeline system and redirecting to another pipeline prior to contract expiration? If so, please describe in detail.

PNB to SBI-II-37

Has Snyder Brothers and their affiliates entered into contracts with Peoples that contain provisions that caused it to incur financial penalties for not producing from individual wells for any reason by Peoples Natural Gas? If so, please describe in detail.

PNB to SBI-II-38

Has Snyder Brothers and their affiliates ever offered a Firm Supply Commitment to Peoples Natural Gas? If so, please describe in detail.

PNB to SBI-II-39

Has Snyder Brothers and their affiliates ever offered a Firm Supply Commitment to Peoples Natural Gas to serve customers on isolated systems supported only by local production? If so, please describe in detail.

APPENDIX B

**Objections to Interrogatories, Requests for
Production of Documents, and Requests for Admission
Propounded by Peoples Natural Gas Company LLC on
Snyder Brothers, Inc., VEC Energy LLC, and Snyder
Armclar Gas Co., LP – Set II**



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May 14, 2019

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VIA E-MAIL AND FIRST CLASS MAIL

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

Dear Mr. Kanagy:

Attached please find the Objections of Snyder Brothers, Inc., VEC Energy LLC, and Snyder Armclar Gas Co., LP (collectively, "SBI"), to Peoples Natural Gas Company LLC's Interrogatories – Set II in the above-referenced proceeding.

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

Sincerely,

McNEES WALLACE & NURICK LLC

By 
Errin McCaulley

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

Enclosure

c: Rosemary Chiavetta, Secretary (Transmittal Letter and Certificate of Service via Electronic Filing)
Certificate of Service

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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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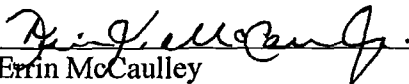
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Counsel to Snyder Brothers, Inc., VEC Energy
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Dated this 14th day of May, 2019, at Harrisburg, Pennsylvania

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	R-2018-3006818
Office of Consumer Advocate	:	C-2019-3007711
Office of Small Business Advocate	:	C-2019-3007752
Charles Hagins	:	C-2019-3007698
Daniel Killmeyer	:	C-2019-3007635
Samuel Givens	:	C-2019-3007959
Sean D. Ferris	:	C-2019-3007904
	:	
v.	:	
	:	
Peoples Natural Gas Company, LLC	:	

**SNYDER BROTHERS, INC., VEC ENERGY LLC, AND
SNYDER ARMCLAR GAS CO., LP'S OBJECTIONS TO INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS PROPOUNDED BY PEOPLES
NATURAL GAS COMPANY LLC – SET II**

Pursuant to 52 Pa. Code §§ 5.342(c) and (e), Snyder Brothers, Inc., VEC Energy LLC, and Snyder Armclar Gas Co., LP (collectively, "SBI") hereby object to Peoples Natural Gas Company LLC's ("Peoples") "Interrogatories and Requests for Production of Documents Propounded by Peoples Natural Gas Company LLC on Snyder Brothers, Inc., VEC Energy LLC, and Snyder Armclar Gas Co., LP – Set II" ("Set II Interrogatories"), Questions 2-8, 13, 14, 20, 22, 26, 27, 33-39 served on May 9, 2019. SBI communicated to Peoples its intention to object on May 13, 2019, consistent with the March 19, 2019, Scheduling Order.

PEOPLES to SBI-II-2

Please reference SBI Statement No. 1. Do SBI and/or its affiliates operate transmission, midstream, gathering, and/or well pipelines in Pennsylvania? If so, please provide:

- (a) The miles of transmission, midstream, gathering, and/or well pipelines by pipeline function;
- (b) The annual volume of gas transported through those pipelines in 2017 and 2018;
- (c) The outlets for the gathering pipeline, listing the interconnecting pipeline company's name and interconnecting pipeline type (LDC, FERC Interstate Pipeline, Midstream);
- (d) The current rates charged to SBI and/or its affiliates by the interconnecting pipeline inclusive of all charges (retainage, extraction, compression, gathering, transmission, distribution, etc.);
- (e) The total charges paid by SBI and/or its affiliates to interconnecting pipelines in 2017 and 2018;
- (f) The water vapor standard for each interconnecting pipeline;
- (g) The annual operating costs of SBI's and/or its affiliates' pipelines (including compression, gas treatment, metering, regulation, etc.) in 2017 and 2018; and
- (h) The financial book value of SBI's and/or its affiliates' pipelines (including compression, gas treatment, metering, regulation, etc.) as recorded on December 31, 2018.

Objection

Section 5.321(c) of the Commission's Regulations indicates that "a party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action . . ." 52 Pa. Code § 5.321(c). The information sought must be "reasonably calculated to lead to the discovery of admissible evidence." *Id.* SBI objects to subparts (b) through (h) of this interrogatory on the grounds that these subparts request information that is (1) beyond the scope of the Direct Testimony of SBI's witness, Diane Meyer Burgraff, and (2) not relevant to this proceeding nor likely to lead to the discovery of admissible evidence. Ms. Burgraff's Direct Testimony did not address or concern the information requested by subparts (b) through (h) of this interrogatory. Additionally, the details of SBI's and its affiliates' pipeline systems and related business arrangements are not relevant to the issues in this proceeding, which address the justness and reasonableness of the rates and tariff provisions proposed by Peoples. Accordingly, Peoples to SBI-II-2(b)-(h) are beyond the scope of discovery under Section 5.321(c) of the Commission's Regulations. *Id.*

PEOPLES to SBI-II-3

Please reference SBI Statement No. 1. Do SBI and/or its affiliates gather or transport gas for other producers? If so, please list:

- (a) Each producer;
- (b) The annual volumes gathered or transported for each producer in 2017 and 2018;
- (c) The rates charged to each producer (including gathering, transmission, compression, extraction, retainage, gas treatment, etc.); and
- (d) The annual revenues collected for each producer in 2017 and 2018.

Objection

Section 5.321(c) of the Commission's Regulations indicates that "a party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action . . ." 52 Pa. Code § 5.321(c). The information sought must be "reasonably calculated to lead to the discovery of admissible evidence." *Id.* SBI objects to subparts (a) through (d) of this interrogatory on the grounds that these subparts request information that is (1) beyond the scope of the Direct Testimony of SBI's witness, Diane Meyer Burgraff, and (2) not relevant to this proceeding nor likely to lead to the discovery of admissible evidence. Ms. Burgraff's Direct Testimony did not address or concern the information requested by subparts (a) through (d) of this interrogatory. Additionally, the details of SBI's and its affiliates' business relationships are not relevant to the issues in this proceeding, which address the justness and reasonableness of the rates and tariff provisions proposed by Peoples.

Furthermore, a party may not ask interrogatories that would cause unreasonable burden or expense or "[w]ould require the making of an unreasonable investigation by the deponent, a party or witness." 52 Pa. Code §§ 5.361(a)(2), (4). Accordingly, SBI also objects to subparts (a) through (d) of this interrogatory on the basis that it would require an investigation into each transaction between SBI or its affiliates and other producers. Locating and providing such records would unreasonably burden SBI, require SBI to incur unreasonable expenses, and constitute an unreasonable investigation.

Based on the foregoing, Peoples to SBI-II-3(a)-(d) are beyond the scope of discovery under Section 5.321(c) and violate Sections 5.361(a)(2) and 5.361(a)(4) of the Commission's Regulations. 52 Pa. Code §§ 5.321(c), 5.361(a)(2), (4). Subject to and without waiving the foregoing objection to subparts (a) through (d), SBI will respond to the general question posed by Peoples.

PEOPLES to SBI-II-4

Please reference SBI Statement No. 1. Do SBI and/or its affiliates operate compression in Pennsylvania? If so, please provide:

- (a) The number of compressors and total horsepower; and
- (b) The annual amount of fuel (gas, electricity, gasoline, diesel) used by compressors by fuel type in 2017 and 2018.

Objection

Section 5.321(c) of the Commission's Regulations indicates that "a party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action . . ." 52 Pa. Code § 5.321(c). The information sought must be "reasonably calculated to lead to the discovery of admissible evidence." *Id.* SBI objects to subpart (b) of this interrogatory on the grounds that this subpart requests information that is (1) beyond the scope of the Direct Testimony of SBI's witness, Diane Meyer Burgraff, and (2) not relevant to this proceeding nor likely to lead to the discovery of admissible evidence. Ms. Burgraff's Direct Testimony did not address or concern the information requested by subpart (b) of this interrogatory. Additionally, the details of SBI's and its affiliates' fuel consumption related to compressor operation are not relevant to the issues in this proceeding, which address the justness and reasonableness of the rates and tariff provisions proposed by Peoples. Accordingly, Peoples to SBI-II-4(b) is beyond the scope of discovery under Section 5.321(c) of the Commission's Regulations. *Id.* Subject to and without waiving the foregoing objection to subpart (b), SBI will respond to the general question and subpart (a) with respect to facilities that are permitted by the Pennsylvania Department of Environmental Protection ("PADEP").

PEOPLES to SBI-II-5

Please reference SBI Statement No. 1. Do SBI and/or its affiliates operate gas dehydration in Pennsylvania? If so, please provide:

- (a) The number of dehydration facilities; and
- (b) The annual amount of fuel (gas, electricity, gasoline, diesel) used by each dehydration facility by fuel type in 2017 and 2018.

Objection

Section 5.321(c) of the Commission's Regulations indicates that "a party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action . . ." 52 Pa. Code § 5.321(c). The information sought must be "reasonably calculated to lead to the discovery of admissible evidence." *Id.* SBI objects to subpart (b) of this interrogatory on the grounds that this subpart requests information that is (1) beyond the scope of the Direct Testimony of SBI's witness, Diane Meyer Burgraff, and (2) not relevant to this proceeding nor likely to lead to the discovery of admissible evidence. Ms. Burgraff's Direct Testimony did not address or concern the information requested by subpart (b) of this interrogatory. Additionally, the details of SBI's and its affiliates' fuel consumption related to dehydration facility operation are not relevant to the issues in this proceeding, which address the justness and reasonableness of the rates and tariff provisions proposed by Peoples. Accordingly, Peoples to SBI-II-5(b) is beyond the scope of discovery under Section 5.321(c) of the Commission's Regulations. *Id.* Subject to and without waiving the foregoing objection to subpart (b), SBI will respond to the general question and subpart (a) with respect to facilities that are permitted by PADEP.

PEOPLES to SBI-II-6

Please reference SBI Statement No. 1. Do SBI and/or its affiliates operate gas treatment facilities besides dehydration facilities in Pennsylvania? If so, please provide:

- (a) The number of gas treatment facilities; and
- (b) The annual amount of fuel (gas, electricity, gasoline, diesel) used by each gas treatment facility by fuel type in 2017 and 2018.

Objection

Section 5.321(c) of the Commission's Regulations indicates that "a party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action . . ." 52 Pa. Code § 5.321(c). The information sought must be "reasonably calculated to lead to the discovery of admissible evidence." *Id.* SBI objects to this interrogatory on the grounds that it requests information that is (1) beyond the scope of the Direct Testimony of SBI's witness, Diane Meyer Burgraff, and (2) not relevant to this proceeding nor likely to lead to the discovery of admissible evidence. Ms. Burgraff's Direct Testimony did not address or concern the information requested by this interrogatory. Additionally, the details of SBI's and its affiliates' operation of gas treatment facilities are not relevant to the issues in this proceeding, which address the justness and reasonableness of the rates and tariff provisions proposed by Peoples. Accordingly, Peoples to SBI-II-6 is beyond the scope of discovery under Section 5.321(c) of the Commission's Regulations. *Id.*

PEOPLES to SBI-II-7

Please reference SBI Statement No. 1. Do SBI and/or its affiliates operate natural gas wells or natural gas and oil wells in Pennsylvania? If so, please provide:

- (a) The number of wells that SBI and/or its affiliates operate in Pennsylvania;
- (b) The average daily volume flow rate by well;
- (c) The annual volume by well for 2017 and 2018;
- (d) The number of wells plugged in 2017 and 2018;
- (e) The number of wells drilled in 2017 and 2018;
- (f) The total investment in new wells in 2017 and 2018;
- (g) The financial book value of all Pennsylvania wells as recorded on December 31, 2018; and
- (h) The annual revenues for all Pennsylvania wells operated by SBI and/or its affiliates in 2017 and 2018.

Objection

Section 5.321(c) of the Commission's Regulations indicates that "a party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action . . ." 52 Pa. Code § 5.321(c). The information sought must be "reasonably calculated to lead to the discovery of admissible evidence." *Id.* SBI objects to this interrogatory on the grounds that it requests information that is (1) beyond the scope of the Direct Testimony of SBI's witness, Diane Meyer Burgraff, and (2) not relevant to this proceeding nor likely to lead to the discovery of admissible evidence. Ms. Burgraff's Direct Testimony did not address or concern the information requested this interrogatory. Additionally, the details of SBI's and its affiliates' individual natural gas or natural gas and oil wells are not relevant to the issues in this proceeding, which address the justness and reasonableness of the rates and tariff provisions proposed by Peoples.

Furthermore, a party may not ask interrogatories that would cause unreasonable burden or expense or "[w]ould require the making of an unreasonable investigation by the deponent, a party or witness." 52 Pa. Code §§ 5.361(a)(2), (4). Accordingly, SBI also objects to this interrogatory on the basis that it would require an investigation into each individual natural gas or natural gas and oil well owned by SBI or an affiliate. Locating and providing such records would unreasonably burden SBI, require SBI to incur unreasonable expenses, and constitute an unreasonable investigation.

Based on the foregoing, Peoples to SBI-II-7 is beyond the scope of discovery under Section 5.321(c) and violates Sections 5.361(a)(2), and 5.361(a)(4) of the Commission's Regulations. 52 Pa. Code §§ 5.321(c), 5.361(a)(2), (4).

PEOPLES to SBI-II-8

Please reference SBI Statement No. 1. Are SBI and/or its affiliates members of PIOGA? If so, please state:

- (a) How long each entity has been a member of PIOGA;
- (b) How much each entity paid PIOGA in 2017 and 2018;
- (c) The PIOGA boards each entity chairs; and
- (d) The PIOGA boards on which each entity participates.

Objection

Section 5.321(c) of the Commission's Regulations indicates that "a party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action . . ." 52 Pa. Code § 5.321(c). The information sought must be "reasonably calculated to lead to the discovery of admissible evidence." *Id.* SBI objects to subparts (b) through (d) of this interrogatory on the grounds that these subparts request information that is (1) beyond the scope of the Direct Testimony of SBI's witness, Diane Meyer Burgraff, and (2) not relevant to this proceeding nor likely to lead to the discovery of admissible evidence. Ms. Burgraff's Direct Testimony did not address or concern the information requested by subparts (b) through (d) of this interrogatory. Additionally, the details of SBI's and its affiliates' relationship with PIOGA are not relevant to the issues in this proceeding, which address the justness and reasonableness of the rates and tariff provisions proposed by Peoples. Accordingly, Peoples to SBI-II-8(b)-(d) are beyond the scope of discovery under Section 5.321(c) of the Commission's Regulations. *Id.* Subject to and without waiving the foregoing objection to subparts (b) through (d), SBI will respond to the general question and subpart (a).

PEOPLES to SBI-II-13

Please reference SBI Statement No. 1. Do SBI and/or its affiliates serve customers directly from transmission, midstream, gathering and/or well pipelines in Pennsylvania? If so, please:

- (a) Provide the number of customers served;
- (b) Provide the annual customer volumes served in 2017 and 2018;
- (c) Provide the annual revenues collected from customers in 2017 and 2018; and
- (d) If service is provided to end-use customers, please state whether this service is regulated by the Commission and, if not, please explain in detail why the Commission does not regulate that service.

Objection

Section 5.321(c) of the Commission's Regulations indicates that "a party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action . . ." 52 Pa. Code § 5.321(c). The information sought must be "reasonably calculated to lead to the discovery of admissible evidence." *Id.* SBI objects to this interrogatory on the grounds that it requests information that is (1) beyond the scope of the Direct Testimony of SBI's witness, Diane Meyer Burgraff, and (2) not relevant to this proceeding nor likely to lead to the discovery of admissible evidence. Ms. Burgraff's Direct Testimony did not address or concern the information requested by this interrogatory. Additionally, the details of SBI's and its affiliates' pipeline systems and related business arrangements are not relevant to the issues in this proceeding, which address the justness and reasonableness of the rates and tariff provisions proposed by Peoples. Accordingly, Peoples to SBI-II-13 is beyond the scope of discovery under Section 5.321(c) of the Commission's Regulations. *Id.*

PEOPLES to SBI-II-14

Please reference SBI Statement No. 1. Do SBI and/or its affiliates serve customers directly from wells in Pennsylvania? If so, please:

- (a) Provide the number of customers served;
- (b) Provide the annual customer volumes served in 2017 and 2018;
- (c) Provide the annual revenues collected from customers in 2017 and 2018; and
- (d) If service is provided to end-use customers, please state whether this service is regulated by the Commission and, if not, please explain in detail why the Commission does not regulate that service.

Objection

Section 5.321(c) of the Commission's Regulations indicates that "a party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action . . ." 52 Pa. Code § 5.321(c). The information sought must be "reasonably calculated to lead to the discovery of admissible evidence." *Id.* SBI objects to this interrogatory on the grounds that it requests information that is (1) beyond the scope of the Direct Testimony of SBI's witness, Diane Meyer Burgraff, and (2) not relevant to this proceeding nor likely to lead to the discovery of admissible evidence. Ms. Burgraff's Direct Testimony did not address or concern the information requested by this interrogatory. Additionally, the details of SBI's and its affiliates' natural gas wells and related business arrangements are not relevant to the issues in this proceeding, which address the justness and reasonableness of the rates and tariff provisions proposed by Peoples. Accordingly, Peoples to SBI-II-14 is beyond the scope of discovery under Section 5.321(c) of the Commission's Regulations. *Id.*

PEOPLES to SBI-II-20

Please reference SBI Statement No. 1, p. 39. Please provide all analyses, workpapers, studies, and documents related to SBI's claim that since 2004 it has moved 12,259,855 Mcf from the Equitable system because of the implementation of Rate AGS. In addition, please:

- (a) Provide the initiation date of initiation of each reduction of deliveries to Equitable;
- (b) Provide the new destination of deliveries for each reduction from commencement to present;
- (c) Provide the means for transportation to the new destination from commencement to present and identify whether it is on facilities owned by SBI or an affiliate or by a third party;
- (d) For situations involving transportation by SBI or an affiliate, identify the depreciated cost of facilities used and any intercompany charges from affiliates for transportation by type and by year from the date of commencement to present; and
- (e) For each reduction in deliveries to Equitable where other non-affiliated pipelines were used to transport the gas to other destinations, provide all charges by type and year from the date of commencement to present.

Objection

Section 5.321(c) of the Commission's Regulations indicates that "a party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action . . ." 52 Pa. Code § 5.321(c). The information sought must be "reasonably calculated to lead to the discovery of admissible evidence." *Id.* SBI objects to subparts (d) and (e) of this interrogatory on the grounds that these subparts request information that is (1) beyond the scope of the Direct Testimony of SBI's witness, Diane Meyer Burgraff, and (2) not relevant to this proceeding nor likely to lead to the discovery of admissible evidence. Ms. Burgraff's Direct Testimony did not address or concern the information requested by subparts (d) and (e) of this interrogatory. Additionally, the details of the costs of facilities and charges related to SBI's and its affiliates' efforts to move their natural gas off of the Equitable system are not relevant to the issues in this proceeding, which address the justness and reasonableness of the rates and tariff provisions proposed by Peoples. Accordingly, Peoples to SBI-II-20(d) and (e) are beyond the scope of discovery under Section 5.321(c) of the Commission's Regulations. *Id.* Subject to and without waiving the foregoing objection to subparts (d) and (e), SBI will respond to the general question and subparts (a) through (c).

PEOPLES to SBI-II-22

Please reference SBI Statement No. 1, p. 39. Identify each well owned by SBI and/or any affiliates that is located within the Equitable service territory and is able to move production to market without using Peoples' distribution, transmission, or gathering system. For each of these wells, please provide the annual production for each of the past 5 years.

Objection

Section 5.321(c) of the Commission's Regulations indicates that "a party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action . . ." 52 Pa. Code § 5.321(c). The information sought must be "reasonably calculated to lead to the discovery of admissible evidence." *Id.* SBI objects to this interrogatory on the grounds that it requests information that is (1) beyond the scope of the Direct Testimony of SBI's witness, Diane Meyer Burgraff, (2) overly broad, and (3) not relevant to this proceeding nor likely to lead to the discovery of admissible evidence. Ms. Burgraff's Direct Testimony did not address or concern the information requested by this interrogatory. Additionally, the details of SBI's and its affiliates' natural gas wells and related business arrangements are not relevant to the issues in this proceeding, which address the justness and reasonableness of the rates and tariff provisions proposed by Peoples. Accordingly, Peoples to SBI-II-22 is beyond the scope of discovery under Section 5.321(c) of the Commission's Regulations. *Id.*

PEOPLES to SBI-II-26

In the last two years that Snyder Brothers and their affiliates participated in the PES program; please provide the annual spend on gas treatment to remove water for wells connected to Peoples Natural Gas.

Objection

Section 5.321(c) of the Commission's Regulations indicates that "a party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action . . ." 52 Pa. Code § 5.321(c). The information sought must be "reasonably calculated to lead to the discovery of admissible evidence." *Id.* In addition, a party may not ask interrogatories that would cause unreasonable burden or expense or "[w]ould require the making of an unreasonable investigation by the deponent, a party or witness." 52 Pa. Code §§ 5.361(a)(2), (4). SBI objects to this interrogatory on the basis that it would require an investigation of records dating back over a decade for each individual natural gas well owed by SBI or an affiliate at that time which was connected to Peoples' systems. Locating and providing such records would unreasonably burden SBI, require SBI to incur unreasonable expenses, and constitute an unreasonable investigation. Accordingly, Peoples to SBI-II-26 violates Sections 5.361(a)(2) and 5.361(a)(4) of the Commission's Regulations. 52 Pa. Code §§ 5.361(a)(2), (4).

PEOPLES to SBI-II-27

In the two years after Snyder Brothers and their affiliates exited the PES program, please provide the annual spend on gas treatment to remove water for wells connected to Peoples Natural Gas.

Objection

Section 5.321(c) of the Commission's Regulations indicates that "a party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action . . ." 52 Pa. Code § 5.321(c). The information sought must be "reasonably calculated to lead to the discovery of admissible evidence." *Id.* In addition, a party may not ask interrogatories that would cause unreasonable burden or expense or "[w]ould require the making of an unreasonable investigation by the deponent, a party or witness." 52 Pa. Code §§ 5.361(a)(2), (4). SBI objects to this interrogatory on the basis that it would require an investigation of records dating back nearly a decade for each individual natural gas well owed by SBI or an affiliate at that time which was connected to Peoples' systems. Locating and providing such records would unreasonably burden SBI, require SBI to incur unreasonable expenses, and constitute an unreasonable investigation. Accordingly, Peoples to SBI-II-27 violates Sections 5.361(a)(2) and 5.361(a)(4) of the Commission's Regulations. 52 Pa. Code §§ 5.361(a)(2), (4).

PEOPLES to SBI-II-33

Please identify the number of wells Snyder Brothers and their affiliates drilled in 2017 and 2018.

- (a) Identify the number of wells drilled in 2017 and 2018 that are connected to Peoples Natural Gas
- (b) Identify the number of wells drilled in 2017 and 2018 that are conventional connected to Peoples Natural Gas
- (c) Identify the number of wells drilled in 2017 and 2018 that are unconventional connected to Peoples Natural Gas

Objection

Section 5.321(c) of the Commission's Regulations indicates that "a party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action . . ." 52 Pa. Code § 5.321(c). The information sought must be "reasonably calculated to lead to the discovery of admissible evidence." *Id.* SBI objects to this interrogatory on the grounds that the information it requests is (1) overly broad, and (2) not relevant to this proceeding nor likely to lead to the discovery of admissible evidence. Additionally, the details of SBI's and its affiliates' natural gas wells that are not connected to Peoples' systems are not relevant to the issues in this proceeding, which address the justness and reasonableness of the rates and tariff provisions proposed by Peoples. Accordingly, Peoples to SBI-II-33 is beyond the scope of discovery under Section 5.321(c) of the Commission's Regulations. *Id.* Subject to and without waiving the foregoing objection, SBI intends to provide an answer to subparts (a) through (c) of this interrogatory.

PEOPLES to SBI-II-34

Has Snyder Brothers and their affiliates entered into Firm Supply Commitments to Peoples Natural Gas? If so, please describe the commitment in detail including the volume, term and price.

Objection

Section 5.321(c) of the Commission's Regulations indicates that "a party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action . . ." 52 Pa. Code § 5.321(c). The information sought must be "reasonably calculated to lead to the discovery of admissible evidence." *Id.* In addition, a party may not ask interrogatories that would cause unreasonable burden or expense or "[w]ould require the making of an unreasonable investigation by the deponent, a party or witness." 52 Pa. Code §§ 5.361(a)(2), (4). SBI objects to this interrogatory on the basis that it is overly broad, unduly burdensome, and calls for an unreasonable investigation. The interrogatory fails to specify a timeframe, thus requiring an open-ended investigation dating back to the creation of SBI and its affiliates. Performing such an open-ended investigation would unreasonably burden SBI, require SBI to incur unreasonable expenses, and constitute an unreasonable investigation. Accordingly, Peoples to SBI-II-34 violates Sections 5.361(a)(2) and 5.361(a)(4) of the Commission's Regulations. 52 Pa. Code §§ 5.361(a)(2), (4). Subject to and without waiving the foregoing objection, SBI intends to answer this interrogatory.

PEOPLES to SBI-II-35

Does Snyder Brothers and their affiliates have contracts with Peoples Natural Gas where they are penalized for not producing to committed volume? If so, please describe the commitment in detail.

Objection

Section 5.321(c) of the Commission's Regulations indicates that "a party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action . . ." 52 Pa. Code § 5.321(c). The information sought must be "reasonably calculated to lead to the discovery of admissible evidence." *Id.* In addition, a party may not ask interrogatories that would cause unreasonable burden or expense or "[w]ould require the making of an unreasonable investigation by the deponent, a party or witness." 52 Pa. Code §§ 5.361(a)(2), (4). SBI objects to this interrogatory on the basis that it is overly broad, unduly burdensome, and calls for an unreasonable investigation. The interrogatory fails to specify a timeframe, thus requiring an open-ended investigation dating back to the creation of SBI and its affiliates. Performing such an open-ended investigation would unreasonably burden SBI, require SBI to incur unreasonable expenses, and constitute an unreasonable investigation. Accordingly, Peoples to SBI-II-35 violates Sections 5.361(a)(2) and 5.361(a)(4) of the Commission's Regulations. 52 Pa. Code §§ 5.361(a)(2), (4). Subject to and without waiving the foregoing objection, SBI intends to answer this interrogatory.

PEOPLES to SBI-II-36

Has Snyder Brothers and their affiliates entered into contracts with Peoples that contain provisions that caused it to incur financial penalties for moving production from the Peoples Natural Gas pipeline system and redirecting to another pipeline prior to contract expiration? If so, please describe in detail.

Objection

Section 5.321(c) of the Commission's Regulations indicates that "a party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action . . ." 52 Pa. Code § 5.321(c). The information sought must be "reasonably calculated to lead to the discovery of admissible evidence." *Id.* In addition, a party may not ask interrogatories that would cause unreasonable burden or expense or "[w]ould require the making of an unreasonable investigation by the deponent, a party or witness." 52 Pa. Code §§ 5.361(a)(2), (4). SBI objects to this interrogatory on the basis that it is overly broad, unduly burdensome, and calls for an unreasonable investigation. The interrogatory fails to specify a timeframe, thus requiring an open-ended investigation dating back to the creation of SBI and its affiliates. Performing such an open-ended investigation would unreasonably burden SBI, require SBI to incur unreasonable expenses, and constitute an unreasonable investigation. Accordingly, Peoples to SBI-II-36 violates Sections 5.361(a)(2) and 5.361(a)(4) of the Commission's Regulations. 52 Pa. Code §§ 5.361(a)(2), (4). Subject to and without waiving the foregoing objection, SBI intends to answer this interrogatory.

PEOPLES to SBI-II-37

Has Snyder Brothers and their affiliates entered into contracts with Peoples that contain provisions that caused it to incur financial penalties for not producing from individual wells for any reason by Peoples Natural Gas? If so, please describe in detail.

Objection

Section 5.321(c) of the Commission's Regulations indicates that "a party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action . . ." 52 Pa. Code § 5.321(c). The information sought must be "reasonably calculated to lead to the discovery of admissible evidence." *Id.* In addition, a party may not ask interrogatories that would cause unreasonable burden or expense or "[w]ould require the making of an unreasonable investigation by the deponent, a party or witness." 52 Pa. Code §§ 5.361(a)(2), (4). SBI objects to this interrogatory on the basis that it is overly broad, unduly burdensome, and calls for an unreasonable investigation. The interrogatory fails to specify a timeframe, thus requiring an open-ended investigation dating back to the creation of SBI and its affiliates. Performing such an open-ended investigation would unreasonably burden SBI, require SBI to incur unreasonable expenses, and constitute an unreasonable investigation. Accordingly, Peoples to SBI-II-37 violates Sections 5.361(a)(2) and 5.361(a)(4) of the Commission's Regulations. 52 Pa. Code §§ 5.361(a)(2), (4). Subject to and without waiving the foregoing objection, SBI intends to answer this interrogatory.

PEOPLES to SBI-II-38

Has Snyder Brothers and their affiliates ever offered a Firm Supply Commitment to Peoples Natural Gas? If so, please describe in detail.

Objection

Section 5.321(c) of the Commission's Regulations indicates that "a party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action . . ." 52 Pa. Code § 5.321(c). The information sought must be "reasonably calculated to lead to the discovery of admissible evidence." *Id.* In addition, a party may not ask interrogatories that would cause unreasonable burden or expense or "[w]ould require the making of an unreasonable investigation by the deponent, a party or witness." 52 Pa. Code §§ 5.361(a)(2), (4). SBI objects to this interrogatory on the basis that it is overly broad, unduly burdensome, and calls for an unreasonable investigation. The interrogatory fails to specify a timeframe, thus requiring an open-ended investigation dating back to the creation of SBI and its affiliates. Performing such an open-ended investigation would unreasonably burden SBI, require SBI to incur unreasonable expenses, and constitute an unreasonable investigation. Accordingly, Peoples to SBI-II-38 violates Sections 5.361(a)(2) and 5.361(a)(4) of the Commission's Regulations. 52 Pa. Code §§ 5.361(a)(2), (4). Subject to and without waiving the foregoing objection, SBI intends to answer this interrogatory.

PEOPLES to SBI-II-39

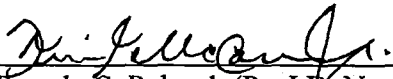
Has Snyder Brothers and their affiliates ever offered a Firm Supply Commitment to Peoples Natural Gas to serve customers on isolated systems supported only by local production? If so, please describe in detail.

Objection

Section 5.321(c) of the Commission's Regulations indicates that "a party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action . . ." 52 Pa. Code § 5.321(c). The information sought must be "reasonably calculated to lead to the discovery of admissible evidence." *Id.* In addition, a party may not ask interrogatories that would cause unreasonable burden or expense or "[w]ould require the making of an unreasonable investigation by the deponent, a party or witness." 52 Pa. Code §§ 5.361(a)(2), (4). SBI objects to this interrogatory on the basis that it is overly broad, unduly burdensome, and calls for an unreasonable investigation. The interrogatory fails to specify a timeframe, thus requiring an open-ended investigation dating back to the creation of SBI and its affiliates. Performing such an open-ended investigation would unreasonably burden SBI, require SBI to incur unreasonable expenses, and constitute an unreasonable investigation. Accordingly, Peoples to SBI-II-39 violates Sections 5.361(a)(2) and 5.361(a)(4) of the Commission's Regulations. 52 Pa. Code §§ 5.361(a)(2), (4). Subject to and without waiving the foregoing objection, SBI intends to answer this interrogatory.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

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