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May 20, 2019

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

VIA ELECTRONIC FILING

**RE: Pa. PUC v. Peoples Natural Gas Company LLC. Docket No. R-2018-3006818,
C-2019-3007711, C-2019-3007752, C-2019-3007698, C-2019-3007635,
C-2019-3007959, C-2019-3007904**

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission is Snyder Brothers, Inc., VEC Energy LLC, and Snyder Armclar Gas Co., LP's (collectively, "SBI") Answer to Peoples Natural Gas Company LLC's Motion to Dismiss Objections and Compel Responses Discovery Set II.

As shown by the attached Certificate of Service, all parties to these proceedings are being duly served. Thank you.

Very truly yours,

McNEES WALLACE & NURICK LLC

By 
Pamela C. Polacek

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

Enclosures

c: Administrative Law Judge Joel H. Cheskis (Via E-mail and First-Class Mail)
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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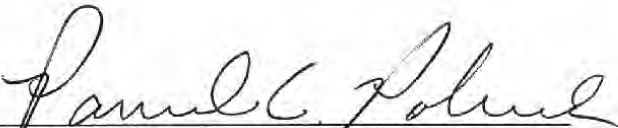
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Dated this 20th day of May, 2019, at Harrisburg, Pennsylvania

**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
	:		
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	:		
v.	:		
	:		
Peoples Natural Gas Company LLC	:		

**SNYDER BROTHERS, INC., VEC ENERGY LLC, AND SNYDER ARMCLAR GAS
CO., LP'S ANSWER TO PEOPLES NATURAL GAS COMPANY LLC'S
MOTION TO DISMISS OBJECTIONS AND COMPEL RESPONSES
DISCOVERY SET II**

TO THE HONORABLE DEPUTY CHIEF ADMINISTRATIVE LAW JUDGE
JOEL H. CHESKIS:

Pursuant to 52 Pa. Code § 5.342(g)(1), Snyder Brothers, Inc., VEC Energy LLC, and Snyder Armclar Gas Co., LP (collectively, "SBI") file this Answer to Peoples Natural Gas Company LLC's ("Peoples" or "Company") Motion to Dismiss Objections and Compel Responses to Discovery filed on May 17, 2019, in the above-referenced proceeding. For the reasons set forth below, SBI respectfully requests that the Deputy Chief Administrative Law Judge ("DCALJ") Joel H. Cheskis deny Peoples' Motion.

I. INTRODUCTION AND OVERVIEW

1. On May 9, 2019, Peoples served SBI with its Interrogatories and Requests for Production of Documents – Set II ("Set II Discovery Requests") in the above-captioned

proceeding.¹ A true and correct copy of the Set II Discovery Requests is attached hereto as **Appendix A.**

2. Peoples' Set II Discovery Requests consist of thirty-nine questions, related to:
 - a. Various pipeline systems used for the transportation of conventional natural gas, SBI's and its affiliates' ownership or use of such pipeline systems, and accompanying infrastructural characteristics of SBI's and its affiliates' pipeline systems (Set II Discovery Requests Nos. 1 to 6, and 15);
 - b. SBI's and its affiliates' relationship with PIOGA (Set II Discovery Requests No. 8);
 - c. SBI's and its affiliates' involvement in Peoples' Production Enhancement Program ("PEP") and Production Enhancement Services Program ("PES") (Set II Discovery Requests Nos. 9, 11, 12, 23, and 25);
 - d. SBI's and its affiliates' contractual and business relationships with third parties (Set II Discovery Requests Nos. 13, 14, and 16);
 - e. Hypothetical scenarios concerning Peoples' gathering pipeline systems and perceived benefits derived therefrom by conventional natural gas producers (Set II Discovery Requests Nos. 17 to 19);
 - f. The anticipated effect of Rate AGS on conventional natural gas volumes entering the Peoples system (Set II Discovery Requests No. 20);
 - g. Numerous details concerning SBI's and its affiliates' natural gas wells in Pennsylvania and related production data (Set II Discovery Requests Nos. 7, 10, 21, 22, and 33);

¹ On May 1, 2019, Peoples submitted its Set I Discovery Requests to SBI. SBI responded to the Set I Discovery Requests on May 13, 2019.

- h. Gas treatment and water testing (Set II Discovery Requests Nos. 24, and 26 to 32); and
- i. Historical business arrangements between SBI and its affiliates and Peoples (Set II Discovery Requests Nos. 34 to 39).

3. On May 13, 2019, counsel for SBI conferred with Peoples' counsel to convey SBI's objections to a portion of the Set II Discovery Requests.

4. On May 14, 2019, SBI submitted its Objections to Interrogatories and Requests for Production of Documents – Set II (the "Objections") to a portion of the Set II Discovery Requests.

5. Although SBI objected to the Set II Discovery Requests Nos. 2(b)-(h), 3(a)-(d), 4(b), 5(b), 6, 7, 8(b)-(d), 13, 14, 20(d)-(3), 22, 26, 27, and 33-39, SBI indicated that, without waiving the objections, SBI would provide a response to Set II Discovery Requests Nos. 26, 27, and 34 through 39, with the latter series of questions limited to a ten-year period. A true and correct copy of SBI's Objections to the Set II Discovery Requests is attached hereto as **Appendix B**.

6. On May 16, 2019, counsel for both SBI and Peoples conferred in an effort to resolve the Objections without the need for formal motions. In light of those discussions, Peoples agreed to withdraw Set II Discovery Requests Nos. 4(b), 6, and 8(b)-(d).

7. On May 17, 2019, counsel for Peoples filed a Motion to Dismiss Objections and Compel Responses to Discovery Propounded on Snyder Brothers, Inc., VEC Energy LLC, and Snyder Armclar Gas Co., LP – Set II (the "Motion"). A true and correct copy of Peoples' Motion is attached hereto as **Appendix C**.

8. Specifically, Peoples' Motion seeks to compel SBI to respond to Set II Discovery Requests Nos. 2(b)-(h), 3(a)-(d), 5(b), 7, 13, 14, 20(d)-(e), and 22.

9. For the reasons addressed herein, SBI requests that Your Honor deny Peoples' Motion.

II. LEGAL STANDARD

10. Pursuant to the Commission's rules and regulations, "a party may obtain discovery regarding any matter, not privileged, which is *relevant* to the subject matter involved in the pending action, whether it relates to the claim or defense of the party seeking discovery or to the claim or defense of another party, including the existence, description, nature, content, custody, condition and location of any books, documents, or other tangible things and the identity and location of persons having knowledge of a discoverable matter." 52 Pa. Code § 5.321(c) (emphasis added).

11. The information sought in discovery must be "reasonably calculated to lead to the discovery of admissible evidence." *Id.*

12. Notably, a party is not permitted to ask interrogatories that would cause unreasonable burden or expense or "[w]ould require the making of an unreasonable investigation by the . . . party." 52 Pa. Code §§ 5.361(a)(2), (4).

III. SUMMARY OF RELEVANT TESTIMONY AND SBI RECOMMENDATIONS

13. Throughout the Motion, Peoples alleges that SBI's testimony criticizing the Company's proposal for the Commission to approve Rate AGS as a tariffed, regulated service justifies a far-reaching inquiry into the operations, finances, and equipment of SBI, a non-Commission-regulated local gas producer. Peoples asserts "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." Motion, at 7.

14. SBI's testimony, however, criticizes proposed Rate AGS primarily on technical and substantive grounds. Ms. Burgraff's recommendations regarding proposed Rate AGS are:

1. Rate AGS, as proposed, should be rejected in its entirety for the Peoples Division. Producers have paid more than a fair share of gathering system costs already (assuming any share at all is fair) through PEP and PES Program fees and gathering system retainage. The voluntary PES Program should remain in effect.
2. Rate AGS's proposed minimum rate is not supported by any evidence as to its reasonableness or fairness and must be rejected for all of the reasons described in my testimony. It results in a rate spike for some producers and does not conform to principles of gradualism.
3. Rate AGS's proposed maximum rate is not supported as to its reasonableness or fairness, can result in significant over-collection of fixed costs of the gathering system to the enrichment of Peoples' owners and must be rejected for all of the reasons described in my testimony.
4. Rate AGS's indexing is not supportable as to its reasonableness or fairness since there is no supportable reason to index non-gas costs and this proposal will result in over-collection of non-gas costs. This proposal must be rejected for all of the reasons described in my testimony.
5. Rate AGS, in the present tariff of the Equitable Division, should be limited to gas flowing into the gathering system only. Producers flowing gas into transmission or distribution lines should not be forced to pay non-gas costs of the gathering system when they are not using that system.
6. If Rate AGS for Peoples is not approved, Peoples' proposed Retail and Supplier Tariffs and the MIMA Agreement should all be changed to eliminate mention of the seven (7) pounds per million cubic feet of gas as the maximum allowable water vapor content of gas and instead should be silent on the issue of maximum water vapor standard. Producers should, through the MIMA, be able to negotiate water vapor standards that are reasonable for Peoples and for the producer based on the individual situation and the point of delivery.

7. If Rate AGS is not approved for the Peoples Division, the existing tariff page for Rate GS for the Peoples Division should be changed immediately to comply with the PAPUC Order in the last 2018 1307(f) gas cost case that limits the retainage to conventional supplies coming into a gathering line or distribution line. The current tariff language is overly broad and vague as to point of supply entry.
8. Equitable Division's Rate AGS should have the words "with a minimum" stricken from the Rates section of the tariff to make it clear that retainage is 2%, as Commission approved, from the 2018 1307(f) gas cost case and not a minimum of 2%.
9. Equitable Division's Rate AGS existing tariff language needs to be changed. The words "as well as to deliver gas directly into the Company's distribution system" should be stricken from the tariff in the Applicability section of Rate AGS in the Equitable Division tariff. Producers who do not use the gathering system should not be charged for it.

SBI Statement No. 1, at 44-45.

15. Commercial arrangements between SBI and non-regulated parties, SBI's costs and revenues, SBI's production volumes, how many miles of pipelines SBI operates, SBI's fuel consumption in operating dehydration facilities, the number of wells operated by SBI, and related financial data have no relation or relevance to the Commission-regulated charges that Peoples seeks to impose on local producers through proposed Rate AGS. SBI makes business plans and decisions by examining the circumstances, costs, risks, opportunities, and alternatives of each situation. Even assuming, *arguendo*, that information regarding past negotiations or business decisions is relevant to the rate that Peoples seeks to charge, SBI's future decisions regarding the fate of local production in Peoples' service territories will be well-specific and determined by the expected volumes, Rate AGS's provisions for a gathering fee and water vapor (if those items are approved over SBI's objection), negotiation with Peoples (if the rate is negotiable), and the specific alternative market options in the geographic location (either SBI-owned or third-party).

16. Within this context, it is evident that Peoples is engaging in a fishing expedition via the objected-to interrogatories. Peoples' Motion should be denied in its entirety.

IV. ANSWER AND ARGUMENT

A. Peoples' Set II Discovery Requests No. 2(b)-(h) are Beyond the Scope of Direct Testimony, Not Relevant to this Proceeding, and Not Calculated to Lead to the Discovery of Admissible Evidence.

17. Peoples' Set II Discovery Requests No. 2 seeks various information regarding SBI's and its affiliates' operation and utilization of pipelines in Pennsylvania. Specifically, regarding subparts (b) through (h), this interrogatory requests:

- (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.

18. SBI has objected to subparts (b) through (h) of this interrogatory on the grounds that the information requested by Peoples is both beyond the scope of the Direct Testimony of SBI's witness, Diane Meyer Burgraff, and is not relevant to this proceeding nor likely to lead to the discovery of admissible evidence.

19. In its Motion, Peoples contends that the information sought by subparts (b) through (h) of this interrogatory "directly relate to SBI's allegations about the purported impact

of Peoples' proposals on producers, including SBI and its affiliates" and are "especially relevant to Ms. Burgraff's testimony and reasonably calculated to lead to the discovery of admissible evidence." Motion, at 5 and 7.

20. Peoples' argument fails, for several reasons.

21. First, the purpose of the present proceeding is to determine the justness and reasonableness of the rates and tariff provisions proposed by Peoples, among which is proposed Rate AGS. The annual volumes, current rates, total charges, water vapor standards, operating costs, and financial book value of SBI's and its affiliates' pipelines are in no way related—either directly, as Peoples claims, or indirectly—to determining the justness and reasonableness of Rate AGS.

22. Second, Peoples' justification for requesting the aggregated data in subparts (b) through (h) of this interrogatory is logically unsound, unpersuasive, and should be rejected as such.

23. In its Motion, Peoples attempts to justify subparts (b) through (h) by arguing that the aggregated data requested by those subparts is necessary for Peoples to investigate "SBI's and its affiliates' current and potential alternatives . . . as well as the financial impact those rates, charges, and vapor standards have had or will have on SBI's and its affiliates' operations." Motion, at 7.

24. Peoples' justification, however, reveals a vital misunderstanding of the decision-making process surrounding any producer's decision to seek an alternative marketing mechanism for its natural gas. In short, Peoples' argument regarding the need for an investigation mismatches the means and the ends of such an investigation. Contrary to Peoples' assumption in its Motion, the data requested by subparts (b) through (h) cannot possibly form the basis of any

meaningful investigation concerning either a natural gas producer's alternatives to the Peoples system or the impact those alternatives have or will have on the producer's operation.

25. A natural gas producer's decision to utilize any alternative must necessarily occur after a well-by-well analysis based on the location and unique economic factors surrounding each individual well (*e.g.*, production volumes, the location of the well in proximity to an available gathering pipeline, the cost to install facilities to interconnect, etc.). Therefore, any investigation into a natural gas producer's alternatives and the impact of those alternatives on its operations cannot be determined through the use of aggregated data that is incapable of accounting for the individual variances and unique characteristics of each well owned or operated by a natural gas producer.

26. In light of these limitations on the use of the aggregated data for investigating a natural gas producer's alternatives and the impact of those alternatives on a producer's operations, Peoples' justification for requesting such data is logically disconnected from the potential uses of that data. In essence, the purported ends sought by Peoples cannot be achieved by the means employed by subparts (b) through (h) of this interrogatory.

27. Third, Peoples' argument that the aggregated data requested by subparts (b) through (h) are "especially relevant" to the Direct Testimony of SBI's witness, Diane Meyer Burgraff, fails for the same reason that Peoples cannot use such data to perform the investigation it advances as a justification for the request. Motion, at 7.

28. Ms. Burgraff's testimony, among other things, draws attention to the negative implications of proposed Rate AGS and the likely decline in availability of low-cost, Pennsylvania supply as natural gas producers will necessarily have to consider alternatives to

marketing their natural gas production on the Peoples system. *See, e.g.*, SBI Statement No. 1, at 38-43.

29. As previously noted, the decision-making process of a natural gas producer in determining whether to utilize an alternative marketing mechanism for its natural gas is fact-intensive and based on unique characteristics and economic factors which vary from one well to the next. As such, the information requested by subparts (b) through (h) of this interrogatory wholly misses the point of Ms. Burgraff's testimony in that any alternatives analysis can only be conducted at the well-specific level of inquiry.

30. Moreover, as Rate AGS is only a proposal at this stage and subject to rejection or modification by the Commission, natural gas producers in the Peoples Division do not have the necessary information or reason to make final decisions to pursue an alternative to the Peoples system. Therefore, the data requested by subparts (b) through (h) of this interrogatory will not only be ineffective in performing the investigation advanced by Peoples as a justification for making such requests but will also represent incomplete data that renders any such investigation by Peoples into the available alternatives and the impact of those alternatives on a natural gas producer's operations both misleading and valueless.

31. In sum, the information requested by Peoples in Set II Discovery Requests No. 2(b)-(h) fall wide of the scope of this proceeding, are irrelevant to Ms. Burgraff's testimony, and bear no relationship Peoples' justification for obtaining such information.

B. Peoples' Set II Discovery Requests No. 3(a)-(d) are Beyond the Scope of Direct Testimony, Not Relevant to this Proceeding, Not Calculated to Lead to the Discovery of Admissible Evidence, Unduly Burdensome, and Would Require an Unreasonable Investigation.

32. Peoples' Set II Discovery Requests No. 3 seeks various information from SBI and its affiliates concerning the details of their business arrangements for gathering and transporting

natural gas from other producers. Specifically, regarding subparts (a) through (d), this interrogatory requests:

- (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.

33. SBI has objected to subparts (a) through (d) of this interrogatory on the grounds that the information requested by Peoples is both beyond the scope of Ms. Burgraff's testimony and is not relevant to this proceeding nor likely to lead to the discovery of admissible evidence. Additionally, SBI has objected to subparts (a) through (d) on the grounds that these subparts would require an investigation into each transaction between SBI, its affiliates, and other producers of natural gas, thus resulting in an unreasonable burden, unreasonable expense, and would require an unreasonable investigation.

34. In its Motion, Peoples contends that the information sought by subparts (a) through (d) of this interrogatory "directly relate to SBI's allegations about the purported impact of Peoples' proposed Rate AGS on producers, including SBI and its affiliates" and are "especially relevant to Ms. Burgraff's testimony and reasonably calculated to lead to the discovery of admissible evidence." Motion, at 9.

35. Additionally, Peoples presents the following conclusory arguments to justify its requests under subparts (a) through (d) of this interrogatory:

- a. The information is "relevant to demonstrate that it is proper and acceptable to charge producers for transporting gas;"

- b. "Peoples must be provided the opportunity to investigate SBI's and its affiliates' similar operations" as such information "is directly related to the veracity and credibility of SBI's allegations"; and
- c. "the information provided in response . . . will likely demonstrate that SBI, its affiliates, or both benefit from [Peoples'] gathering system and will show the level of harm, if any, from Peoples' proposals."

Motion, at 10. Each of these arguments fails, for several related reasons.

36. First, Peoples' argument that the information requested by subparts (a) through (d) will enable it to establish that charging producers for the transportation of natural gas is "proper" is misleading and presents a baseless comparison. In short, what is proper for private parties in their own business dealings is in no way comparable to what is proper for a regulated public utility that uses the same facilities to serve end-use customers when the latter is required to demonstrate the justness and reasonableness of its actions before the Commission.

37. Underlying Peoples' arguments that the information requested by subparts (a) through (d) of this interrogatory is "relevant to demonstrate that it is proper and acceptable to charge producers for transporting gas" and that "the information provided in response . . . will likely demonstrate that SBI, its affiliates, or both benefit from [Peoples'] gathering system and will show the level of harm, if any, from Peoples' proposals" is the assumption that the rates charged by a Commission-regulated public utility are somehow comparable to the private business affairs of individual producers of natural gas. This assumption is in error as Peoples, the party bearing the burden of proof in this proceeding, cannot reasonably rely upon the voluntary business arrangements of natural gas producers—which are necessarily negotiated on a

case-by-case, well-by-well basis—to establish the justness and reasonableness of a mandatory, tariffed rate like the one envisioned by Peoples' in proposed Rate AGS.

38. Moreover, as previously explained, the decision-making process of natural gas producers concerning their business arrangements with SBI and its affiliates are necessarily driven by the unique characteristics and economic factors surrounding each individual well owned or operated by the producer. Therefore, Peoples' claim that the data requested by subparts (a) through (d) will "demonstrate that it is proper and acceptable to charge producers for transporting gas" represents an apples and oranges comparison as proposed Rate AGS does not and cannot account for the unique characteristics and economic factors underpinning a natural gas producer's decision-making process regarding its business arrangements with SBI or its affiliates.

39. Second, in light of the shortcomings of proposed Rate AGS, Peoples' argument that the information requested by subparts (a) through (d) "will likely demonstrate that SBI, its affiliates, or both benefit from [Peoples'] gathering system and will show the level of harm, if any, from Peoples' proposals" fails for the same reason. Comparing Peoples' gathering system to the individualized private business arrangements of natural gas producers again represents an apples and oranges comparison and completely ignores the fact that Peoples is a regulated public utility with systems, including the gathering system, that are meant to benefit end-use customers. Such a comparison between the private, voluntary business arrangements of natural gas producers and the operation of a regulated public utility's system, therefore, are misleading and not relevant to the issues at stake in the present proceeding, namely whether Peoples can demonstrate the justness and reasonableness of its proposed rates and tariff provisions.

40. Contrary to Peoples' purported justifications for requesting the information called for by subparts (a) through (d), the inquiry concerning the justness and reasonableness of proposed Rate AGS cannot be determined by comparing Rate AGS's broadly applicable and mandatory provisions to the individualized and voluntary private dealings of natural gas producers that are not subject to regulation by the Commission and are not required to justify their business arrangements under a just and reasonable standard.

41. Third, Peoples' claim that it requires the information requested by subparts (a) through (d) of this interrogatory in order to "investigate SBI's and its affiliates' similar operations" fails for the same reasons as stated above. As previously noted, neither SBI, its affiliates, nor other natural gas producers with which the former entities conduct business are subject to regulation by the Commission. These entities, therefore, are not subject to the same just and reasonable standard that Peoples must abide by, nor are they entitled to the various benefits of Commission regulation, such as the right to ensure that the Commission establishes service rates that provide Peoples with the opportunity to earn a fair return. Additionally, the business arrangements of SBI, its affiliates, and other natural gas producers are necessarily negotiated on a case-by-case, well-by-well basis, thus Peoples' cannot reasonably argue that the aggregated data requested by subparts (a) through (d) will enable it to demonstrate the justness or reasonableness of the broadly applicable and a mandatory provisions or proposed Rate AGS. Such a comparison is misleading and not relevant to the present proceeding.

42. Turning to the second set of Objections raised by SBI, that subparts (a) through (d) of this interrogatory will result in an unreasonable burden, create an unreasonable expense, and require an unreasonable investigation, Peoples argues that it is only asking for "basic

information" and that the requests are "limited in temporal scope and only request information for two years. . ." Motion, at 10.

43. Contrary to Peoples' baseless assertion, the information requested by subparts (a) through (d) is not "basic," but rather would require SBI to expend significant effort in identifying each individual instance in the past two years in which, no matter for how short a distance or how short a time period, SBI or an affiliates provided gathering or transportation services to another natural gas producer. As this information is not already organized in a centralized, accessible medium, collecting and compiling such information for dissemination would be unduly burdensome and would entail both an unreasonable expense and an unreasonable investigation.

C. Peoples' Set II Discovery Requests No. 5(b) is Beyond the Scope of Direct Testimony, Not Relevant to this Proceeding, and Not Calculated to Lead to the Discovery of Admissible Evidence.

44. Peoples' Set II Discovery Requests No. 5 seeks various information from SBI and its affiliates concerning the operation of gas dehydration equipment. Specifically, regarding subparts (a) and (b), this interrogatory requests:

- (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;

45. SBI has objected to subpart (b) of this interrogatory on the grounds that the information requested by Peoples is both beyond the scope of Ms. Burgraff's testimony and is not relevant to this proceeding nor likely to lead to the discovery of admissible evidence. Additionally, SBI indicated in its Objections with regards to subpart (a) that it would only provide the number of dehydration facilities in Pennsylvania that were permitted by the

Pennsylvania Department of Environmental Protection ("PADEP") and this limitation was previously communicated to Peoples' counsel on May 13, 2019.

46. In its Motion, Peoples contends that the information sought by subpart (b) of this interrogatory "directly relates to SBI's allegations about the purported impact of Peoples' proposed water vapor standard on producers, including SBI and its affiliates" and "is relevant to the investment and use of SBI's and its affiliates' current dehydration facilities in Pennsylvania." Motion, at 12.

47. Additionally, Peoples more specifically states that it needs such information 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." Motion, at 12.

48. Peoples' arguments are without merit, for several reasons.

49. First, the information requested by subpart (b) of this interrogatory fall outside of the scope of Ms. Burgraff's Direct Testimony and are not relevant to this proceeding nor likely to lead to the discovery of admissible evidence. Contrary to Peoples' argument that the information requested by subpart (b) "relates to SBI's allegations about the purported impact of Peoples' proposed water vapor standards," historical data concerning fuel consumption for each dehydration facility is in no way relevant to either this proceeding or Ms. Burgraff's testimony and cannot inform the inquiry as to whether the water vapor standards in proposed Rate AGS are just and reasonable.

50. Aside from presenting a conclusory argument that the historical data requested by subpart (b) is relevant to determining the impact of the water vapor standards in proposed Rate AGS, Peoples fails to provide any persuasive reasoning concerning how SBI's, its affiliates',

or any other producer's past fuel consumption is relevant to determining the impact of the proposed water vapor standards. On the contrary, such information is wholly irrelevant to determining the impact of the proposed water vapor standards and in no way relates to Ms. Burgraff's testimony which primarily concerned the elimination of the proposed maximum water vapor standard in favor of a negotiable water vapor standard.

51. Second, with regard to Peoples' argument that information requested by subpart (b) to this interrogatory are necessary for Peoples to evaluate the current level of "self-treatment SBI and its affiliates already conduct" and "whether SBI and its affiliates will, in fact, need to invest in additional dehydration facilities" presents yet another example where Peoples believes that aggregated data can inform an inquiry that must necessarily be conducted on a well-by-well basis. Any evaluation of the level of dehydration investment necessary can only occur after imposition of the water vapor standards in proposed Rate AGS, and even then, the level of investment necessary to meet such a water vapor standard can only be determined on a case-by-case, well-by-well basis. This evaluation, therefore, cannot be achieved, as claimed by Peoples, by collecting aggregated data concerning historical fuel consumption by dehydration facilities operated by SBI and its affiliates.

52. Turning to subpart (a), SBI had previously communicated to Peoples' counsel on May 13, 2019 that SBI was willing to respond to this subpart of the interrogatory on the condition that any such response would be limited to listing those dehydration facilities operated by SBI and its affiliates that are permitted by PADEP. Peoples' statement that "[a]ny objection to the scope of subpart (a) has been waived, and SBI must respond fully to that interrogatory," Motion, at 13, therefore, came as a surprise to SBI given previous communications between each

parties' respective counsel and the condition placed in SBI's Objections that SBI was willing to respond to subpart (a) "with respect to facilities that are permitted by PADEP." Objections, at 5.

53. Responding to subpart (a) of this interrogatory in full, as requested by Peoples, would be unduly burdensome, result in an unreasonable expense, and require an unreasonable investigation. Aside from the dehydration units permitted by PADEP, the total number of dehydration facilities, a term left undefined by Peoples and open to interpretation, are not aggregated into a single, accessible medium. Recording all dehydration units, including the numerous, small units, would be a monumental task for natural gas producers like SBI and its affiliates which operate hundreds of miles of pipelines in Pennsylvania. SBI has agreed to respond to three specific questions regarding water vapor treatment and testing, including:

Set II Discovery Requests No. 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

Set II Discovery Requests No. 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?

Set II Discovery Requests No. 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

54. SBI, therefore, reiterates its exception to the breadth of subpart (a) and the unreasonableness of responding in full, but in the sake of compromise SBI is prepared to provide a complete listing of all PADEP-permitted dehydration facilities as previously communicated to Peoples.

55. In sum, the information requested by Peoples in Set II Discovery Requests No. 5(b) fall wide of the scope of this proceeding, are irrelevant to Ms. Burgraff's testimony, and bear no relationship Peoples' justification for obtaining such information. Likewise, providing a full accounting of all dehydration facilities operated by SBI and its affiliates, including those not regulated by PADEP, would be unduly burdensome, result in an unreasonable expense, and would require an unreasonable investigation.

D. Peoples' Set II Discovery Requests No. 7 is Beyond the Scope of Direct Testimony, Not Relevant to this Proceeding, Not Calculated to Lead to the Discovery of Admissible Evidence, Unduly Burdensome, and Would Require an Unreasonable Investigation.

56. Peoples' Set II Discovery Requests No. 7 seeks various information from SBI and its affiliates concerning their operation of natural gas and natural gas and oil wells in Pennsylvania. In addition to asking whether SBI and its affiliates operate such wells, this interrogatory requests:

- (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.

57. SBI has objected to this interrogatory on the grounds that the information requested by Peoples is both beyond the scope of Ms. Burgraff's testimony and is not relevant to this proceeding nor likely to lead to the discovery of admissible evidence. Additionally, SBI has objected to this interrogatory on the grounds that it would require an investigation into each individual well SBI and its affiliates operate in Pennsylvania, thus resulting in an unreasonable burden, unreasonable expense, and would require an unreasonable investigation.

58. In its Motion, Peoples contends that the information sought by this interrogatory "directly relates to SBI's allegations about the purported impact of Peoples' proposed water vapor standard on producers, including SBI and its affiliates" and that "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." Motion, at 14 and 15.

59. Peoples' arguments are without merit, for several related reasons.

60. First, Peoples' contention that the information requested by this interrogatory are necessary to inform the inquiry concerning the impact of the water vapor standards in proposed Rate AGS is misleading as such aggregated data cannot form the basis of any meaningful investigation into the impact of the proposed water vapor standards where the impact of such standards will necessarily vary case-by-case, well-by-well. Historic well volumes have no relation to the proposed water vapor standards. Therefore, contrary to Peoples' purported justification for requesting the information called for by this interrogatory, it is simply not

possible to evaluate the impact of the water vapor standards under Rate AGS through the collection of aggregated well volume data which fails to account for the unique characteristics of each individual well.

61. Second, gathering the information requested by this interrogatory would be unduly burdensome, result in an unreasonable expense, and require an unreasonable investigation. SBI and its affiliates operate numerous wells throughout Pennsylvania. SBI reports monthly and annual well volumes to PADEP, as well as information regarding new wells and plugged wells. All of this information is publicly available to Peoples on the PADEP website. Preparing and disseminating such information, therefore, would entail significant effort on the part of SBI and its affiliates and would require the review and compilation of large amounts of data, much of which Peoples can already access in its raw format via the PADEP website.

62. Third, the financial information requested by subparts (f) through (h) are not relevant to this proceeding nor likely to lead to the discovery of admissible evidence. Subparts (f) through (h) request SBI and its affiliates to provide (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." Set II Discovery Requests No. 7(f)-(h).

63. In its Motion, Peoples agreed to withdraw subpart (g), Motion, at 15, but insists that subparts (f) and (h) are somehow relevant to the determination as to whether proposed Rate AGS is just and reasonable. Peoples does not elaborate on this point, but rather merely states it is "entitled to discover information regarding SBI's and its affiliates' wells in Pennsylvania . . ." *Id.*

64. Contrary to Peoples' claims, however, the financial data requested by subparts (f) and (h) in no way relate to either Peoples' gathering system or the analysis as to whether proposed Rate AGS is just and reasonable. Peoples' attempts to justify its requests under subparts (f) and (h) on the grounds that such information will enable it to determine the "potential impact of the Company's proposals," but the information requested represent historical data that cannot reflect any of the potential impacts of proposed Rate AGS as such an analysis can only be assessed after the imposition of such a rate. Motion, at 15. Overall, Peoples' logic on this point is flawed and represents yet another example of Peoples purporting to have the ability to conduct an analysis on the impact of proposed Rate AGS (1) prior to the imposition of any such impact, and (2) based on aggregated data that bears no relationship to the variables that must necessarily be considered in such an analysis.

65. In sum, the information requested by Peoples in Set II Discovery Requests No. 7 fall wide of the scope of this proceeding, are irrelevant to Ms. Burgraff's testimony, and bear no relationship Peoples' justification for obtaining such information. Likewise, providing a full accounting of all natural gas wells operated by SBI and its affiliates would be unduly burdensome, result in an unreasonable expense, and would require an unreasonable investigation.

E. Peoples' Set II Discovery Requests Nos. 13 and 14 are Beyond the Scope of Direct Testimony, Not Relevant to this Proceeding, and Not Calculated to Lead to the Discovery of Admissible Evidence.

66. Peoples' Set II Discovery Requests Nos. 13 and 14 seek various information from SBI and its affiliates concerning the types of services SBI and its affiliates provide to customers from transmission, midstream, gathering, and well pipelines (No. 13) as well as service directly from wells (No. 14). In addition to asking whether SBI and its affiliates provide such service, these interrogatories request:

Set II Discovery Requests No. 13

- (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.

Set II Discovery Requests No. 14

- (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 has objected to both of these interrogatories on the grounds that the information requested by Peoples is both beyond the scope of Ms. Burgraff's testimony and is not relevant to this proceeding nor likely to lead to the discovery of admissible evidence.

68. In its Motion, however, Peoples attempts to connect these interrogatories to Ms. Burgraff's testimony regarding the negative implications of proposed Rate AGS. Peoples' arguments are both flawed and meritless as Peoples fails to establish any connection between Ms. Burgraff's testimony and the overall purpose of this proceeding—to determine the justness and reasonableness of Peoples' proposed rates and tariff provisions—and the information sought by these interrogatories.

69. Peoples first states in conclusory fashion that the information sought by these interrogatories "directly relates to SBI's criticisms of Peoples' proposed Rate AGS and related proposals." Motion, at 18. Peoples then goes on to cite the negative impacts of proposed Rate AGS identified in Ms. Burgraff's testimony, that Rate AGS will "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." *Id.*

70. Based on these references to Ms. Burgraff's testimony, Peoples then argues that the purpose of these interrogatories is to 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." Motion, at 18.

71. Strikingly, however, at no point does Peoples attempt to show any connection between the information requested by these interrogatories and either Ms. Burgraff's testimony or the determination as to whether proposed Rate AGS is just and reasonable. Quite the opposite, Peoples simply states that "these interrogatories are relevant and reasonably calculated to lead to the discovery of admissible evidence."

72. When comparing Peoples' stated purpose in asking these interrogatories and the arguments raised in Ms. Burgraff's testimony, no apparent logical connection presents itself and Peoples makes no attempt to establish such a connection in its Motion. On the contrary, Peoples' Motion is wholly devoid of any explanation as to why a natural gas producer's service to end-use customers is in any way relevant to determining the justness and reasonableness of proposed Rate AGS. These interrogatories, therefore, fall far outside the scope of Ms. Burgraff's testimony and are not relevant to the present proceeding nor likely to lead to the discovery of admissible evidence.

F. Peoples' Set II Discovery Requests No. 20(d)-(e) are Beyond the Scope of Direct Testimony, Not Relevant to this Proceeding, and Not Calculated to Lead to the Discovery of Admissible Evidence.

73. Peoples' Set II Discovery Requests No. 20 seeks various information from SBI regarding its decision to move natural gas production off of Peoples' Equitable system due to the implementation of Rate AGS. Specifically, regarding subparts (d) and (e), this interrogatory requests:

- (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.

74. SBI has objected to subparts (d) and (e) of this interrogatory on the grounds that the information requested by Peoples is both beyond the scope of the Ms. Burgraff's testimony and is not relevant to this proceeding nor likely to lead to the discovery of admissible evidence.

75. In its Motion, Peoples argues that subparts (d) and (e) of this interrogatory "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." Motion, at 20. More specifically, Peoples alleges that subparts (d) and (e) of this interrogatory are necessary for "determining whether and to what extent SBI is being subsidized for moving gas off of the Equitable system" and whether SBI's decision to do so "was solely motivated by the imposition of Rate AGS or not." Motion, at 20-21.

76. As a preliminary matter, neither subpart (d) or (e) calls for information that relates in any way to determining whether Peoples' proposed Rate AGS is just and reasonable. On the contrary, Peoples presents no argument to suggest that any connection between these subparts

and the overarching purpose of this proceeding exists. As such, the information requested by these subparts is wholly outside the scope of Ms. Burgraff's testimony and is not relevant to this proceeding nor likely to lead to the discovery of admissible evidence.

77. Regarding Peoples' veiled allegations that SBI and its affiliates are somehow being "subsidized" (a term Peoples fails to explain or define) for moving their natural gas off of Peoples' Equitable system or that SBI and its affiliates had ulterior motives in deciding to do so, Peoples' again fails to explain how these questions are in any way relevant to establishing the justness and reasonableness of Rate AGS or relevant to Ms. Burgraff's testimony concerning the negative impacts of proposed Rate AGS. Regardless of whether the information requested by subparts (d) and (e) could be used by Peoples for the purposes it claims (which it cannot), the entire question as to subsidization and ulterior motives is irrelevant to this proceeding and bears no relationship to Peoples' burden in this proceeding to establish the justness and reasonableness of proposed Rate AGS.

78. Based on the foregoing, the information requested by subparts (d) and (e) of this interrogatory are beyond the scope of Ms. Burgraff's testimony and are not relevant to this proceeding nor likely to lead to the discovery of admissible evidence.

G. Peoples' Set II Discovery Requests No. 22 is Beyond the Scope of Direct Testimony, Not Relevant to this Proceeding, and Not Calculated to Lead to the Discovery of Admissible Evidence

79. Peoples' Set II Discovery Requests No. 22 asks SBI to identify each well owned by SBI and its affiliates within the Equitable service territory which are able to market production without utilizing Peoples' system. Additionally, Peoples requests the annual production data for each of these wells over the past five years.

80. SBI has objected to this interrogatory on the grounds that the information requested by Peoples is beyond the scope of the Ms. Burgraff's testimony, overly broad, and is not relevant to this proceeding nor likely to lead to the discovery of admissible evidence.

81. In its Motion, Peoples asserts that "the 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 [Peoples'] system, as alleged by Ms. Burgraff." Motion, at 23. Peoples, therefore, alleges that the information called for by this interrogatory "is necessary to test the veracity and credibility of Ms. Burgraff's claims . . ." *Id.*

82. First, the information requested by this interrogatory is neither relevant to the present proceeding nor likely to lead to the discovery of admissible evidence. The total number of wells operated by SBI and its affiliates in the Equitable service territory for which SBI and its affiliates are able to market production using an alternative to the Peoples system is wholly irrelevant to the present proceeding which is concerned with determining the justness and reasonableness of the rates and tariff provisions proposed by Peoples. By definition, a well that is not using Rate AGS has found another output for its production. Moreover, SBI is responding to a question regarding wells that were formerly connected to the Equitable system that are no longer connected. *See* Set II Discovery Requests No. 20.

83. Moreover, Peoples' interrogatory wholly ignores the fact that a producer's ability to market its gas off of the Peoples' system requires a fact-intensive analysis of the unique characteristics and economic factors that necessarily vary case-by-case, well-by-well, and are subject to change as a well's production levels and the market value of natural gas fluctuate. Such aggregated data as requested by this interrogatory would be useless in conducting such an

examination and is therefore neither relevant to the present proceeding nor likely to lead to the discovery of admissible evidence.

84. Second, despite Peoples' claims in its Motion, this interrogatory neither requests "basic" information nor is it "narrow in temporal and geographic scope." On the contrary, this interrogatory is wildly over broad in that it requests data for all wells in the Equitable service territory under the assumption that SBI and its affiliates have already conducted the thorough analysis necessary to determine whether the natural gas produced from a given well in that service territory can be marketed using an alternative to the Peoples' system. Some of those wells may not even be located near the Equitable gathering facilities. As previously noted, SBI and its affiliates operate numerous wells across Peoples' service territories, including the Equitable service territory. Peoples' request for the total number of wells in the Equitable service territory that are able to move production off of the Peoples system, therefore, is overly broad and ultimately irrelevant in determining whether Peoples' proposed Rate AGS is just and reasonable.


V. CONCLUSION

WHEREFORE, Snyder Brothers, Inc., VEC Energy LLC, and Snyder Armclar Gas Co., LP respectfully request that the Deputy Chief Administrative Law Judge deny Peoples Natural Gas Company LLC's Motion to Compel Responses to the Set II Discovery Requests addressed herein. In the alternative, Snyder Brothers, Inc., VEC Energy LLC, and Snyder Armclar Gas Co., LP respectfully request that the Deputy Chief Administrative Law Judge hold:

- (1) Peoples' Interrogatory Nos. 2(b)-(h), 3(a)-(d), 5(b), 7, 13, 14, 20(d)-(e), and 22 are beyond the scope of Ms. Burgraff's testimony, not relevant to the present proceeding nor likely to lead to the discovery of admissible evidence, and should be disregarded in their entirety;
- (2) Peoples' Interrogatory Nos. 3(a)-(d) and 7 are unduly burdensome, would result in an unreasonable expense, and would require an unreasonable investigation in contravention of the Commission's rules and regulations and should be disregarded in their entirety;
- (3) Peoples' Interrogatory No. 22 is overly broad and should be disregarded in its entirety; and
- (4) Provide any other relief that the Commission deems necessary.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

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Dated: May 20, 2019

Appendix A

**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



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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

www.McNeesLaw.com

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

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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Certificate of Service

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Certificate of Service

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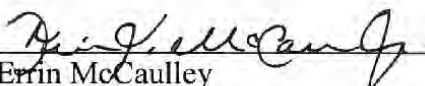
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Counsel to Snyder Brothers, Inc., VEC Energy
LLC, and Snyder Armclar Gas Co., LP

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

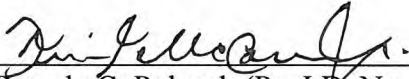
Has Snyder Brothers and their affiliates ever offered a Firm Supply Commitment to Peoples Natural Gas to serve customers on isolated systems supported only by local production? If so, please describe in detail.

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

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

Dated: May 14, 2019

Appendix C

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).

VIA E-MAIL & FIRST CLASS MAIL

Christy M. Appleby, Esquire
Office of Consumer Advocate
555 Walnut Street
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VIA FIRST CLASS MAIL

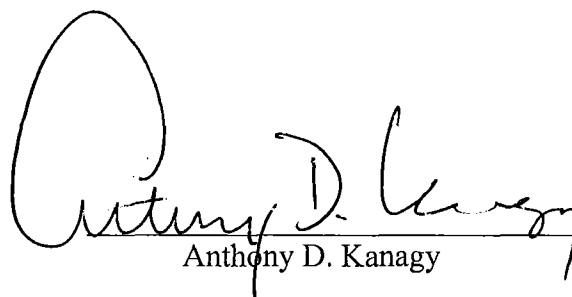
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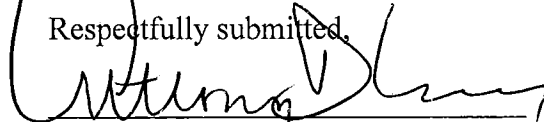
**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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
LLC

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	Docket Nos.	R-2018-3006818
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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.

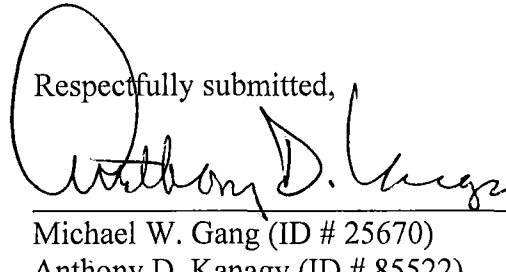
100. Based on the foregoing, Peoples to SBI-II-22 is relevant and reasonably calculated to lead to the discovery of admissible evidence.

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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