
Anthony D. Kanagy

akanagy@postschell.com
717-612-6034 Direct
717-731-1985 Direct Fax
File #: 199787

February 1, 2024

VIA ELECTRONIC FILING

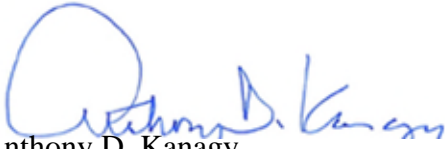
Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: PA Public Utility Commission, *et al.* v. Peoples Natural Gas Company LLC
Docket Nos. R-2023-3044549, *et al.***

Dear Secretary Chiavetta:

Attached for filing is the Prehearing Conference Memorandum on behalf of Peoples Natural Gas Company LLC in the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,



Anthony D. Kanagy

ADK/kl
Attachment

cc: The Honorable Mary D. Long (*via email; w/attachment*)
Certificate of Service

CERTIFICATE OF SERVICE

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

VIA EMAIL

Steven C. Gray, Esquire
Rebecca Lyttle, Esquire
Office of Small Business Advocate
555 Walnut Street
Forum Place, 1st Floor
Harrisburg, PA 17101
sgray@pa.gov
relyttle@pa.gov

Gina L. Miller, Esquire
Aron J. Beatty, Esquire
Christopher M. Andreoli, Esquire
Jacob D. Guthrie, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923
gmliller@paoca.org
abeatty@paoca.org
candreoli@paoca.org
jguthrie@paoca.org
OCAPNG2023BRC@paoca.org

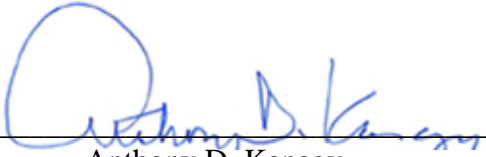
Scott Granger, Esquire
Bureau of Investigation & Enforcement
Commonwealth Keystone Building
400 North Street, 2nd Floor West
P. O. Box 3265
Harrisburg, PA 17105-3265
sgranger@pa.gov

Kevin J. Moody, Esquire
Pennsylvania Independent Oil & Gas Asso.
212 Locust Street, Suite 600
Harrisburg, PA 17101-1510
kevin@pioga.org
PIOGA

Elizabeth R. Marx, Esquire
John W. Sweet, Esquire
Ria M. Pereira, Esquire
Lauren N. Berman, Esquire
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101
pulp@pautilitylawproject.org
*Coalition for Affordable Utility Services and
Energy Efficiency in Pennsylvania*

Joseph L. Vullo, Esquire
Burke Vullo Reilly Roberts
1460 Wyoming Avenue
Forty Fort, PA 18704
jlv@bvrrlaw.com
*Community Action Association of
Pennsylvania*

Date: February 1, 2024



Anthony D. Kanagy

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	Docket Nos.	R-2023-3044549
Office of Consumer Advocate	:		C-2024-3045268
Office of Small Business Advocate	:		C-2024-3045385
	:		
v.	:		
	:		
Peoples Natural Gas Company LLC	:		
	:		
	:		
	:		
	:		
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**PREHEARING CONFERENCE MEMORANDUM OF
PEOPLES NATURAL GAS COMPANY LLC**

TO ADMINISTRATIVE LAW JUDGE MARY D. LONG:

Peoples Natural Gas Company LLC (“Peoples” or the “Company”) hereby files this Prehearing Conference Memorandum in the above-captioned matter in accordance with the Prehearing Conference Order issued by Administrative Law Judge Mary D. Long (the “ALJ”) on January 23, 2024, and states as follows:

I. INTRODUCTION

On December 29, 2023, Peoples filed with the Pennsylvania Public Utility Commission (“Commission”) its 2023 Base Rate Case Filing (“Filing”), which consisted of Retail Tariff Gas – PA PUC No. 48, Supplier Tariff Gas – PA PUC No. S-4, responses to filing requirements and standard data requests, and supporting direct testimony and exhibits. In Retail Tariff Gas – PA PUC No. 48, Peoples is seeking a base rate increase, pursuant to 66 Pa.C.S. § 1308 of the Public Utility Code (“Code”), of approximately \$156.0 million annually. Further Peoples’ proposed Tariff Gas – PA PUC No. 48 and Supplier Tariff Gas — PA PUC No. S-4 include the unification

of the distribution rates of its two divisions as well as consolidation of each division's tariffs on file with the Commission.

On January 5, 2024, Peoples was served with the Formal Complaint and Public Statement filed by the Office of Consumer Advocate ("OCA") at Docket No. C-2024-3045268. That same day, the OCA entered a Notice of Appearance.

Also on January 5, 2024, the Commission's Bureau of Investigation and Enforcement ("I&E") entered a Notice of Appearance.

On January 8, 2024, Peoples was served with the Petition to Intervene of the Pennsylvania Independent Oil & Gas Association ("PIOGA").

On January 11, 2024, Peoples was served with the Formal Complaint, Public Statement, and Verification of the Office of Small Business Advocate ("OSBA") at Docket No. C-2024-4035385. That same day, the OSBA also entered a Notice of Appearance.

On January 15, 2024, Peoples filed an Answer to OCA's Complaint.

On January 18, 2024, the Commission entered an Order instituting an investigation into the lawfulness, justness, and reasonableness of the rates, rules and regulations contained the proposed original Tariff Gas — PA PUC No. 48 and proposed Tariff Gas – PA PUC No. S-4. The January 18, 2024 Order also suspended both proposed Tariff Gas PA PUC Nos. 48 and S-4 until September 27, 2024, unless otherwise directed by Order of the Commission, and assigned the case to the Commission's Office of Administrative Law Judge.

Also on January 18, 2024, Peoples was served with the Petition to Intervene of the Pennsylvania Weatherization Providers Task Force Inc. ("PWPTF").

On January 22, 2024, Peoples filed Supplement No. 1 to Tariff Gas – PA PUC No. 48 and Supplement No. 1 to Tariff Gas – PA PUC No. S-4, pursuant to the Commission's January 18,

2024 Order, suspending the proposed rates and rules in Retail Tariff Gas – PA PUC No. 48 and Supplier Tariff Gas – PA PUC No. S-4 until September 27, 2024.

Also on January 22, 2024, Peoples filed an Answer to OSBA’s Complaint.

Also on January 22, 2024, the Commission issued a Telephonic Prehearing Conference Notice, scheduling a Prehearing Conference for February 2, 2024, at 10:00 a.m.

On January 23, 2024, the ALJ issued a Prehearing Conference Order, directing the parties to file Prehearing Conference Memoranda on or before 12 noon on February 1, 2024, among other things.

On January 23, 2024, Peoples was served with the Petition to Intervene and Answer of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”).

II. SERVICE OF DOCUMENTS

Peoples respectfully requests that the following attorneys be listed on the service list in this proceeding:

Meagan Moore, Esquire
Senior Attorney
PNG Companies LLC
375 North Shore Drive
Pittsburgh, PA 15212
Phone: 412-208-6527
E-mail: Meagan.moore@peoples-gas.com

Michael W. Gang, Esquire
Anthony D. Kanagy, Esquire
Nicholas A. Stobbe, Esquire
Post & Schell, P.C.
17 North Second Street
12th Floor
Harrisburg, PA 17101
Phone: 717-612-6034
Fax: 717-731-1985
E-mail: mgang@postschell.com
akanagy@postschell.com
nstobbe@postschell.com

For the purposes of the Prehearing Conference, Ms. Moore will be Peoples' primary attorney speaking on behalf of the Company.

Peoples also requests that Andrew P. Wachter be included on all electronic mail sent in this proceeding. Mr. Wachter's e-mail address is Andrew.Wachter@peoples-gas.com.

Peoples' attorneys are authorized to accept service on behalf of the Company in this proceeding. Peoples requests that the Commission and all parties of record serve copies of all discovery requests and answers, correspondence, Commission Orders, and any other documents issued in this proceeding on its attorneys in Harrisburg, Pennsylvania.

III. WITNESSES AND ISSUES

Below is a list of the witnesses and the areas of their testimony, which were included in Peoples' Filing. The subject matters listed below as further detailed in the Company's testimony represent as complete a statement of issues that Peoples can provide at this stage of the proceeding. Further definition of the issues will be developed during the course of the proceeding.

	Witness	St. No.	Summary of Issues Addressed
1.	Michael Huwar President Peoples Natural Gas Company LLC & PNG Companies LLC 375 North Shore Drive, Suite 600 Pittsburgh, PA 15212	1	Overview of Testimony; Unification of Retail Tariffs Operation Performance and Safety System Modernization; Customer Service Metrics; Weather Normalization Adjustment; New Rate Proposal; and Benefits to Customers and Region.
2.	Andrew P. Wachter Director, Finance and Regulation Peoples Natural Gas Company LLC 375 North Shore Drive Pittsburgh, PA 15212	2	Overview of Rate Case; Revenue Requirement; O&M; Merger of Peoples Gas and Peoples Natural Gas; Rider TCJA; and Tax Repairs.

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|----|---|---|---|
| 3. | <p>Carol A. Scanlon
 Manager, Rates and Regulation
 Peoples Natural Gas Company LLC
 375 North Shore Drive
 Pittsburgh, PA 15212</p> | 3 | <p>Historic and Projected Revenues;
 Customer Counts;
 Volume Projections;
 Rates for Competitive Accounts;
 Negotiated Rates; and
 Normalization and Annualization of
 Revenues.</p> |
| 4. | <p>Edward A. Palombo
 Vice President, Reliability
 Peoples Natural Gas Company LLC
 375 North Shore Drive
 Pittsburgh, PA 15212</p> | 4 | <p>Safety Programs;
 Peak Day and Annual Gas Supply
 Plan; and
 Local Production – Gathering and
 Cost Recovery.</p> |
| 5. | <p>Paul Becker
 Vice President, Construction and
 Engineering
 Peoples Natural Gas Company LLC
 375 North Shore Drive
 Pittsburgh, PA 15212</p> | 5 | <p>Pipelines Capital Programs; and
 Capital Budget.</p> |
| 6. | <p>Christine Saball
 Vice President, Tax
 Essential Utilities, Inc.
 762 West Lancaster Ave.
 Bryn Mawr, PA 19010</p> | 6 | <p>Income Tax Expense;
 State Net Operating Loss
 Carryforward;
 Consolidated Tax Adjustment;
 Tax Treatment of Repairs; and
 Pennsylvania Corporate Net Income
 Tax Rate.</p> |
| 7. | <p>Luke Ravenstahl
 Vice President, Sales and Marketing
 Peoples Natural Gas Company LLC
 375 North Shore Drive
 Pittsburgh, PA 15212</p> | 7 | <p>Competitive Customers;
 Microgrid/CHP;
 Extension of Facilities; and
 Expansion of Natural Gas and New
 Rate Request</p> |
| 8. | <p>Joyce Mitole
 Controller
 PNG Companies LLC
 375 North Shore Drive
 Pittsburgh, PA 15212</p> | 8 | <p>Filing Requirements;
 Accounting Records; and
 Settlement Commitments Related to
 Merger of Peoples Gas and Peoples
 Natural Gas.</p> |

9.	<p>Rita F. Black Director, Community Assistance Programs Essential Utilities, Inc. 375 North Shore Drive Pittsburgh, PA 15212</p>	9	<p>Low-Income Issues; Universal Service Advisory Group; Tariff Changes to rates CAP and E-CAP and Rider Universal Service; LIURP Annual Usage Eligibility Level; and Customer Education and Outreach Plan.</p>
10.	<p>Rudolph Hanechak Financial Analysis and Budget Manager 375 North Shore Drive Pittsburgh, PA 15212</p>	10	<p>Non-Income Taxes.</p>
11.	<p>Dawn M. Folks Senior Finance and Rates Analyst PNG Companies LLC 375 North Shore Drive Pittsburgh, PA 15212</p>	11	<p>Rate Base; and Retail and Gas Supply Tariff Provisions.</p>
12.	<p>Krista Snyder Financial Analyst PNG Companies LLC 375 North Shore Drive Pittsburgh, PA 15212</p>	12	<p>Cash Working Capital.</p>
13.	<p>Paul R. Moul Managing Consultant P. Moul & Associates 251 Hopkins Road Haddonfield, NJ 08033-3062</p>	13	<p>Cost of Equity; and Rate of Return.</p>
14.	<p>John J. Spanos President Gannett Fleming 207 Senate Avenue Camp Hill, PA 17011</p>	14	<p>Depreciation Studies.</p>

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| 15. | Ralph Zarumba
Consultant
Black & Veatch
736 Central Street
Evanston, IL 60201 | 15 | Cost of Service Studies;
Rate Design;
Heating Degree Days; Revenue
Forecast; and
Weather Normalization Adjustment. |
|-----|---|----|--|

The testimonies and exhibits fully support Peoples’ proposed rate increase as well as the design of rates to recover that increase from customers. Peoples reserves the right to present testimony on additional issues and subject matters that may arise during the course of the proceeding, including the testimony of additional witnesses if the Company deems necessary.

IV. DISCOVERY

To date, the Company has received multiple sets of interrogatories from the parties and has or is in the process of responding to them. Peoples also encourages the use of informal discovery processes as the proceeding progresses. The Company is not aware of any discovery issues and does not propose any special orders regarding discovery. Peoples understands that the OCA intends to propose certain discovery rules adjustments, which Peoples does not oppose.

V. PROTECTION OF CONFIDENTIAL INFORMATION

Peoples will submit a Motion for Protective Order for consideration by the ALJ. The Company will seek the concurrence of the other parties as to the form of the Protective Order before submitting the Motion.

VI. LITIGATION SCHEDULE

Peoples proposes the following schedule:

Prehearing Conference	February 2, 2024
Other Parties Direct Testimony	March 22, 2024
Rebuttal Testimony	April 18, 2024
Surrebuttal Testimony	May 3, 2024

Oral Rejoinder Outlines	May 8, 2024 (by 12:00 noon)
Hearings	May 9-10, 2024; Telephonic Evidentiary Hearing on May 15, 2024, if necessary to accommodate OCA/OSBA Witness(es)
Main Briefs	May 30, 2024
Reply Briefs	June 13, 2024

Peoples has consulted with the other parties about a proposed procedural schedule. At this point, the OCA, I&E, OSBA, PIOGA, PWPTF, and CAUSE-PA have indicated their agreeability to the schedule noted above. Peoples notes that OSBA has indicated that it will request that all Evidentiary Hearings in this matter be held telephonically. Peoples does not oppose the OSBA’s request.

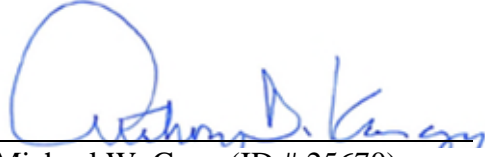
In addition, the Company is not aware of any substantial public interest being expressed that would warrant the scheduling of a public input hearing beyond the interests that are already active and represented in this proceeding. Nonetheless, Peoples is not opposed to a public input hearing being held, provided it is scheduled sufficiently in advance of the due date for rebuttal testimony to allow Peoples to respond, if necessary, to matters presented at a public input hearing.

VII. SETTLEMENT DISCUSSIONS

Peoples is available for settlement discussions with the other Parties. The Company expects and is eager to undertake settlement negotiations at the earliest time available.

Peoples has been very successful in the past in working with other parties to achieve settlements, and the Company is confident that these past working relationships will continue. As a result, Peoples does not perceive any need to include specific dates for settlement conferences in the procedural schedule.

Respectfully submitted,



Meagan Moore (ID # 317975)
Senior Attorney
PNG Companies LLC
375 North Shore Drive
Pittsburgh, PA 15212
Phone: 412-208-6527
E-mail: Meagan.moore@peoples-gas.com

Michael W. Gang (ID # 25670)
Anthony D. Kanagy (ID # 85522)
Nicholas A. Stobbe (ID # 329583)
Post & Schell, P.C.
17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601
Phone: 717-731-1970
Fax: 717-731-1985
E-mail: mgang@postschell.com
 akanagy@postschell.com
 nstobbe@postschell.com

Date: February 1, 2024

Counsel for Peoples Natural Gas Company LLC