

## Appendix N

**BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
ADMINISTRATIVE LAW JUDGES JOHN H. CORBETT  
AND MARY D. LONG PRESIDING.**

Pennsylvania Public Utility Commission, et al. : R-2010-2201702  
v. :  
Peoples Natural Gas Company LLC :

**EQT'S STATEMENT IN SUPPORT OF SETTLEMENT.**

EQT Energy LLC, d/b/a Equitable Energy ("EQT") hereby files this Statement in Support of the Joint Petition for Approval of Settlement of All Issues ("Settlement") in the above-captioned matter. In support of the Presiding Officers' and Public Utility Commission's ("Commission") approval of this Settlement, EQT respectfully represents the following.

1. On or about October 28, 2010, Peoples Natural Gas Company LLC ("Peoples") filed a proposed new retail service tariff (Tariff Gas Pa. P.U.C. No. 44) and a proposed new supplier service tariff (Tariff Gas Pa. P.U.C. No. S-2). The filing also proposed increases in Peoples' rates and changes to its tariffs to implement the requirements of the Commission's Advance Notice of Final Rulemaking recently issued at docket L-2008-2069114.

2. EQT is a licensed natural gas supplier ("NGS") and provides aggregator, broker/marketer and natural gas supply service to commercial and industrial customers in the service area of Peoples. EQT was issued its NGS license by Commission Order entered November 19, 1999 at Dkt. A-125013.

3. On November 16, 2010, EQT filed its Petition to Intervene in this matter. That Petition was granted by the Presiding Officers at the prehearing conference conducted December 20, 2010.

4. EQT has participated in this proceeding, serving several sets of interrogatories addressed to Peoples, and EQT's witness William E. Glunt, Director, Retail Marketing, has filed direct, rebuttal and surrebuttal testimony addressing issues related to Peoples' proposed rates and the provisions of its proposed Supplier Tariff.

5. Prior to the scheduled evidentiary hearings, the parties engaged in settlement negotiations and were able to achieve a settlement in principle of all issues on March 11, 2011.

6. As an NGS, EQT has an interest in promoting natural gas competition in Peoples' service area and in Pennsylvania generally. As part of this Settlement, Peoples has agreed to revise several rules in its Supplier tariff which EQT believes will promote natural gas competition in the service area. EQT supports the Settlement because of the following revisions to Peoples' Supplier tariff.

**A. NGS Access to Banking, Balancing and Advancing (BB&A) Capacity.  
(Settlement ¶ 53)**

Peoples has agreed to make available to NP-1 pool operators, at no additional cost, seasonal injection, storage and withdrawal rights of up to 1.55 Bcf of on-system storage capacity used by Peoples to provide BB&A services for NP-1 customers (BB&A Capacity). The availability of this capacity is limited to on-system storage and will be offered to NP-1 pools beginning with the April 2012 storage injection season. BB&A Capacity will be used by NP-1 pool operators to store gas to be sold to their customers. The operational parameters for the use of the BB&A Capacity will be developed through

a collaborative process with the signatories to the Settlement prior to implementation on April 1, 2012. The availability of the BB&A Capacity to NP-1 pool operators will have a positive affect on natural gas competition in Peoples' service area. The use of this capacity will benefit NGSs currently operating in the service area and likely will attract additional NGSs to this market. EQT anticipates that the collaborative process to develop the operational parameters for the BB&A Capacity will be initiated in the summer of 2011.

**B. NGS Transfer of Storage Inventory Between NP-1 and P-1 Pools.  
(Settlement ¶ 54)**

Peoples has agreed in the Settlement to modify its Supplier tariff to permit the transfer of storage inventories between NP-1 and P-1 pools after the end of the calendar month. Permitting the transfer of inventory between NP-1 and P-1 pools will provide NGSs more flexibility in serving their customers and will allow them to operate more efficiently in the service area.

**C. Continuation of Retail Supply Competition Collaborative.  
(Settlement ¶ 55)**

As part of the settlement, Peoples has agreed to continue the collaborative process initiated in January 2011 designed to promote retail supply competition on Peoples' system. As part of this collaborative, Peoples has agreed to seek input and address ways to enhance customer choice in its service area. The collaborative will allow interested parties, including NGSs, to propose additional ideas to increase natural gas competition in the Peoples service area.

**D. Revision to Peoples' Price to Compare ("PTC").  
(Settlement ¶ 51)**

Peoples has agreed to revise the PTC consistent with the evidence presented in this proceeding and the Commission's final rulemaking order at Dkt. No. L-2008-2069114. The PTC revisions will allow customers to more accurately compare the prices of Peoples' provider of last resort gas service and the cost of service provided by NGSs. The more accurate comparison of prices for natural gas supply service will benefit Peoples' customers in exercising their right of choice and should also increase natural gas competition in Peoples' service area.

7. EQT supports the Settlement as being in the public interest because it will further the development and continued growth of natural gas competition in Peoples service area. A settlement at this point in the case will also allow the Commission and the parties to avoid the expense and effort of a full litigation of this proceeding.

WHEREFORE, EQT supports the Joint Petition for Settlement as being in the public interest and respectfully requests the Presiding Officers to recommend to the Commission that it approve this Settlement.

Respectfully submitted,



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Dated: April 7, 2011

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