



COMMONWEALTH OF PENNSYLVANIA

April 10, 2013

Hand Delivery

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

**Re: Joint Application of Peoples Natural Gas Company LLC, Peoples TWP LLC, and Equitable Gas Company LLC for All of The Authority and the Necessary Certificates of Public Convenience (1) to Transfer All of the Issued and Outstanding Limited Liability Company Membership Interest of Equitable Gas Company LLC to PNG Companies, LLC, (2) to Merge Equitable Gas Company LLC with Peoples Natural Gas Company LLC, (3) to Transfer Certain Storage and Transmission Assets of Peoples Natural Gas Company LLC to Affiliates of EQT Corporation, (4) to Transfer Certain Assets between Equitable Gas Company LLC and Affiliates of EQT Corporation, (5) for Approval of Certain Ownership Changes Associated with the Transaction, (6) for Approval of Certain Associated Gas Capacity and Supply Agreements, and (7) for Approval of Certain Changes in the Tariff of Peoples Natural Gas Company LLC
Docket Nos. A-2013-2353647, ~~A-2013-2353679~~, and A-2013-2353651
~~A-2013-2353649~~**

Dear Secretary Chiavetta:

I am delivering for filing today the original plus three copies of the Notice of Intervention and Protest, Verification, Public Statement, and Notice of Appearance, on behalf of the Office of Small Business Advocate, in the above-captioned proceeding.

Two copies have been served today on all known parties in this proceeding. A Certificate of Service to that effect is enclosed. If you have any questions, please do not hesitate to contact me.

Sincerely,

Sharon E. Webb
Assistant Small Business Advocate
Attorney ID No. 73995

Enclosures

cc: Parties of Record
Brian Kalcic

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BEFORE THE
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Joint Application of Peoples Natural Gas :
Company LLC, Peoples TWP LLC, and :
Equitable Gas Company, LLC for All of :
The Authority and the Necessary :
Certificates of Public Convenience (1) to :
Transfer All of the Issued and Outstanding :
Limited Liability Company Membership :
Interest of Equitable Gas Company, LLC to :
PNG Companies, LLC, (2) to Merge Equitable :
Gas Company, LLC with Peoples Natural Gas : Docket Nos. A-2013-2353647
Company LLC, (3) to Transfer Certain Storage : A-2013-2353649
and Transmission Assets of Peoples Natural Gas : A-2013-2353651
Company LLC to Affiliates of EQT Corporation, :
(4) to Transfer Certain Assets between Equitable :
Gas Company, LLC and Affiliates of EQT :
Corporation, (5) for Approval of Certain :
Ownership Changes Associated with the :
Transaction, (6) for Approval of Certain :
Associated Gas Capacity and Supply :
Agreements, and (7) for Approval of Certain :
Changes in the Tariff of Peoples Natural Gas :
Company LLC :

**NOTICE OF INTERVENTION AND PROTEST
OF THE OFFICE OF SMALL BUSINESS ADVOCATE**

The Office of Small Business Advocate (“OSBA”) files this Notice of Intervention and Protest with respect to the above-captioned Application (“Application”) pursuant to Sections 5.51(a) and 5.71(a)(1) of the Rules of Practice and Procedure of the Pennsylvania Public Utility Commission (“Commission”), 52 Pa. Code §§ 5.51(a) and 5.71(a)(1). In support of this Notice of Intervention and Protest, the OSBA avers as follows:

1. The OSBA is an agency of the Commonwealth of Pennsylvania authorized by the Small Business Advocate Act (Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50) to represent the interest of small business consumers as a party in proceedings before the Commission.

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2. Representing the OSBA in this proceeding is:

Sharon E. Webb
Assistant Small Business Advocate
Office of Small Business Advocate
300 North Second Street, Suite 1102
Harrisburg, Pennsylvania 17101
(717) 783-2525
(717) 783-2831 (fax)
swebb@pa.gov

3. The Application was filed by Peoples Natural Gas Company, LLC (“Peoples”), Peoples TWP, LLC (“Peoples TWP”), and Equitable Gas Company, LLC (“Equitable”) (hereinafter collectively “Applicants”), with respect to (1) the proposed transfer of membership interests and acquisition of rights (“Proposed Acquisition”) of Equitable, an indirect subsidiary of EQT Corporation (“EQT”) to PGN Companies LLC (“PNG”), an indirect subsidiary of SteelRiver Infrastructure Fund North America LP (“SRIGNA”); (2) the merger of Equitable with Peoples, and the operation of Equitable as an operating division of PNG; (3) the transfer of certain storage and transmission assets of Peoples to EQT; (4) the transfer of certain assets and/or the exchange of services between EQT and Equitable; (5) certain PNG ownership changes associated with the transaction; (6) certain associated gas capacity, storage, interconnects, leases, and supply services agreements among Peoples, Peoples TWP, Equitable, and/or EQT; (7) certain changes in Peoples’ tariff necessary to carry out the proposed transactions. By their Application, the Applicants request the Commission’s approval of the Proposed Acquisition, under Chapters 11, 13, 21 and 22 of the Public Utility Code, 66 Pa. C.S. Ch. 11, 13, 21 and 22.

4. Peoples is a limited liability company formed under the laws of the Commonwealth of Pennsylvania and is a Commission-certificated operating utility which provides natural gas transmission, distribution, and supplier of last resort services to all classes of customers in

Western Pennsylvania. Peoples is a wholly-owned subsidiary of PNG, which is an indirect subsidiary of SRIFNA.

5. Peoples TWP is a limited liability company formed under the laws of the Commonwealth of Pennsylvania and is a Commission-certificated operating utility which provides natural gas transmission, distribution and supplier of last resort services to all classes of customers within its service territory in Western Pennsylvania. Equitable is a wholly-owned subsidiary of Distribution Holdco, LLC ("Holdco") which, in turn, is a wholly-owned subsidiary of EQT Corporation.

6. Section 1102(a) of the Public Utility Code, 66 Pa. C.S. § 1102(a), permits a public utility to undertake certain actions only upon Commission approval evidenced by a certificate of public convenience. Among the activities that require Commission approval is the following:

(3) For any public utility or an affiliated interest of a public utility . . . to acquire from, or to transfer to, any person or corporation . . . by any method or device whatsoever, including the sale or transfer of stock and including a consolidation, merger, sale or lease, the title to, or the possession or use of, any tangible or intangible property used or useful in the public service.

66 Pa. C.S. § 1102(a)(3).

7. When a certificate of public convenience is required under Section 1102, Section 1103(a) of the Public Utility Code, 66 Pa. C.S. § 1103(a), allows the Commission to issue the certificate only upon a finding or determination that the granting of such certificate is "necessary or proper for the service, accommodation, convenience, or safety of the public." According to the Pennsylvania Supreme Court, satisfying this standard requires the Commission to find that a proposed acquisition would "affirmatively promote the 'service, accommodation, convenience, or safety of the public' in some substantial way." City of York v. Pennsylvania Public Utility Commission, 449 Pa. 136, 141, 295 A.2d 825, 828 (Pa. 1972). In addition, Section 1103(a)

allows the Commission to impose upon its issuance of a certificate of public convenience “such conditions as it may deem to be just and reasonable.”

8. The Commission also has authority over the Proposed Acquisition under Section 2210 of the Public Utility Code, 66 Pa. C.S. § 2210, which is a provision of the Natural Gas Choice and Competition Act. Specifically, Section 2210(a) requires the Commission to consider “[w]hether the proposed merger, consolidation, acquisition or disposition is likely to result in anticompetitive or discriminatory conduct, including the unlawful exercise of market power, which will prevent retail gas customers from obtaining the benefits of a properly functioning and effectively competitive retail natural gas market.” Pursuant to Section 2210(b), the Commission is permitted to impose upon an approved acquisition “such terms and conditions as it finds necessary to preserve the benefits of a properly functioning and effectively competitive retail natural gas market.”

9. The Application raises several issues of concern that may require the Commission to reject the Proposed Acquisition or to approve it only after imposing conditions. These issues include:

- a. Whether the Proposed Acquisition, if approved, would impede the development of the natural gas retail markets, thereby negatively impacting the price ratepayers must pay for energy;
- b. Whether the Proposed Acquisition, if approved, would lack an affirmative public benefit, especially given that the Joint Applicants fail to provide for an appropriate sharing of merger savings with ratepayers; and
- c. Such additional issues as may be identified after the Joint Applicants have filed their testimony or as may otherwise arise throughout the proceeding.

WHEREFORE, the Office of Small Business Advocate respectfully requests that the Commission conduct a full investigation, including evidentiary hearings, regarding the Application. Upon completion of that investigation, the OSBA further requests that the Commission reject the Application unless the Commission finds that the Proposed Acquisition is in the public interest; provides substantial, affirmative benefits to customers; does not adversely affect retail natural gas competition in Pennsylvania; and complies with the Public Utility Code. Finally, the OSBA requests, in the alternative, that, if the Commission approves the Proposed Acquisition, the Commission impose such terms and conditions upon its approval as are necessary to ensure that the Proposed Acquisition is in the public interest; provides substantial, affirmative benefits to customers; does not adversely affect retail natural gas competition in Pennsylvania; and complies with the Public Utility Code.

Respectfully submitted,



Sharon E. Webb
Assistant Small Business Advocate
Attorney I.D. No73995

For:

John R. Evans
Small Business Advocate

Office of Small Business Advocate
300 North Second Street, Suite 1102,
Harrisburg, PA 17101
(717) 783-2525
(717) 783-2831 (fax)

Date: April 10, 2013


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VERIFICATION

I, Sharon E. Webb, hereby state that the facts set forth herein above are true and correct to the best of my knowledge, information and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. §4904 (relating to unsworn falsification to authorities).

Date: April 10, 2013



(Signature)

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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Joint Application of Peoples Natural Gas :
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Company LLC :

Docket Nos. A-2013-2353647
A-2013-2353649
A-2013-2353651

**PUBLIC STATEMENT OF
SMALL BUSINESS ADVOCATE
CONCERNING THE INTEREST
OF SMALL BUSINESS CONSUMERS
TO BE PROTECTED BY THE FILING OF A
NOTICE OF INTERVENTION AND PROTEST
AT DOCKET NO. A-2013-2343647**

The Small Business Advocate is authorized and directed to represent the interest of small business consumers of utility services in Pennsylvania under the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50 ("Act"). The Act further provides that the Small Business Advocate is to issue publicly a written statement setting forth the specific interest of small business consumers to be protected by the intervention in any proceeding involving those interests before the Public Utility Commission. This public

statement relates to the filing today by the Small Business Advocate of a Notice of Intervention and Protest in the proceeding involving the Application by Peoples Natural Gas Company LLC (“Peoples”), Peoples TWP LLC (“Peoples TWP”) and Equitable Gas Company, LLC (“Equitable”) for the acquisition and transfer of certain assets. The Application has been docketed at Docket No. A-2013-2343647.

The proposed acquisition of Equitable by Peoples, and other proposed asset exchanges may affect the rates, terms, and conditions under which small business customers receive natural gas services. In addition, the OSBA believes that the Application, if approved, would not result in an affirmative public benefit, especially in the absence of an appropriate sharing of merger savings with ratepayers. Therefore, the OSBA has filed a Notice of Intervention and Protest in this proceeding to assure that the interests of the small business customers served by Peoples and Equitable are adequately represented and protected. The OSBA will participate in this proceeding to the extent necessary to identify and advance any issues that are important to small business consumers who would be affected by the proposed acquisition.

Date: April 10, 2013