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May 6, 2013

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor  
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-2013-2353649; A-2013-2353651**

Dear Secretary Chiavetta:

Please find enclosed for filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") the Prehearing Memorandum of United States Steel Corporation ("U. S. Steel") in the above-referenced matter.


This document was filed electronically with the Commission on this date. All parties are being served a copy of this document in accordance with the enclosed Certificate of Service.

Please contact me if you have any questions concerning this filing.

Sincerely,

SPILMAN THOMAS & BATTLE, PLLC

By

  
Derrick Price Williamson  
Barry A. Naum

BAN/lhi  
Enclosure

c: Mark A. Hoyer, Administrative Law Judge (via E-mail and First Class Mail)  
Certificate of Service

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West Virginia

North Carolina

Pennsylvania

Virginia

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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 : Docket Nos. A-2013-2353647  
Peoples Natural Gas Company LLC to Affiliates of EQT : A-2013-2353649  
Corporation; (4) to Transfer Certain Assets Between : A-2013-2353651  
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 :

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true copy of the foregoing document upon the following parties to this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by participant).

**VIA E-MAIL AND FIRST CLASS MAIL**

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Barry A. Naum

Dated: May 6, 2013

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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 :  
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LLC with Peoples Natural Gas Company LLC; (3) to : Docket Nos. A-2013-2353647  
Transfer Certain Storage and Transmission Assets of : A-2013-2353649  
Peoples Natural Gas Company LLC to Affiliates of EQT : A-2103-2353651  
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 :

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**PREHEARING MEMORANDUM  
OF UNITED STATES STEEL CORPORATION**

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TO THE HONORABLE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

Pursuant to the Prehearing Conference Order issued on April 24, 2013, by Administrative Law Judge ("ALJ") Mark A. Hoyer, United States Steel Corporation ("U. S. Steel") hereby submits this Prehearing Memorandum in the above-captioned proceeding.

**I. HISTORY OF THE PROCEEDING**

On March 19, 2013, Peoples Natural Gas Co LLC ("Peoples"), Peoples TWP LLC ("Peoples TWP"), and Equitable Gas Company ("Equitable") (collectively, the "Joint Applicants") filed with the Pennsylvania Public Utility Commission ("PUC" or "Commission") a Joint Application seeking Commission approval for a number of transactions associated with a planned merger of Equitable with and into Peoples. In addition to the proposed merger itself, the

Joint Applicants also seek approval of, among other things, agreements between affiliates of both Peoples and Equitable that would transfer certain natural gas storage and transmission facilities and other assets between Joint Applicants and these affiliates. U. S. Steel filed a Petition to Intervene in this proceeding on April 16, 2013.

## **II. REPRESENTATION AND SERVICE CONTACT**

U. S. Steel is represented by counsel with contact information as follows:

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## **III. ANTICIPATED ISSUES AND SUB-ISSUES**

U. S. Steel is still evaluating the merger proposal filed by the Joint Applicants and expects to participate fully in the proceeding and to be informed by the record created in this case. At this preliminary stage, however, U. S. Steel intends to pursue issues related to the potential impact that the proposed merger may have on the Joint Applicants' current and prospective ratepayers, as well as the "benefits" – including any affirmative "synergy savings" – that the Joint Applicants claim will inure to ratepayers as a result of the transaction. To that end, U. S. Steel also plans to address whether and to what extent the proposed merger will impact negotiated customer rates and the competitive natural gas market in the Joint Applicants' existing and prospective systems.

**IV. PROPOSED WITNESSES AND EVIDENCE**

U. S. Steel is still in the process of evaluating whether it will sponsor testimony in this proceeding. In the event U. S. Steel decides to sponsor testimony, U. S. Steel will promptly inform parties and the ALJ of its witness(es) and topics of testimony. U. S. Steel, however, reserves the right to participate in this proceeding and adduce evidence through the submission of discovery, cross-examination of other parties' witnesses, and the submission of briefs, exceptions and reply exceptions, if necessary.


**V. PROPOSED SCHEDULE AND DISCOVERY RULES**

U. S. Steel will cooperate with the ALJ and the parties to formulate a reasonable procedural schedule and discovery rules in accordance with the Commission's regulations and ALJ directives.

**VI. SETTLEMENT**

U. S. Steel is willing to participate in settlement discussions so as to narrow or resolve issues in dispute among the parties.

Respectfully submitted,

By   
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Counsel to United States Steel Corporation

Dated: May 6, 2013