



COMMONWEALTH OF PENNSYLVANIA

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May 7, 2013

**E-mail and First Class Mail or Hand Delivery**

Hon. Mark A. Hoyer  
Administrative Law Judge  
Pa. Public Utility Commission  
Piatt Place  
301 5<sup>th</sup> Ave-Ste. 220  
Pittsburgh, PA 15222

**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, and A-2013-2353651**

Dear Judge Rainey:

Enclosed are two copies of the Prehearing Memorandum, on behalf of the Office of Small Business Advocate, in the above-captioned proceeding.

As evidenced by the enclosed certificate of service, all parties have been served as indicated.

Sincerely,

Sharon E. Webb  
Assistant Small Business Advocate  
Attorney ID #73995

Enclosures

cc: Parties of Record  
Brian Kalcic

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 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  
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**OFFICE OF SMALL BUSINESS ADVOCATE  
PREHEARING MEMORANDUM**

I. INTRODUCTION

The Office of Small Business Advocate ("OSBA") is authorized to represent the interests of small business customers of utility services before the Pennsylvania Public Utility Commission pursuant to the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 – 399.50 ("the Act"). In order to discharge this statutory duty, the Small Business Advocate deems it necessary to participate as a party to this proceeding. Representing the OSBA in this matter is Assistant Small Business Advocate Sharon E. Webb. Please address all correspondence in this matter as follows:

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Harrisburg, PA 17101  
(717) 783-2525  
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[swebb@pa.gov](mailto:swebb@pa.gov)

II. FILING BACKGROUND

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.

The OSBA filed a Notice of Intervention and Protest on April 10, 2013.

II. IDENTIFICATION OF WITNESSES AND TENTATIVE ISSUES

Assisting in the development and presentation of the OSBA's case in this proceeding will be:

Mr. Brian Kalcic  
Excel Consulting  
Suite 720-T  
225 S. Meramec Avenue  
St. Louis, MO 63105  
(314) 725-2511  
(314) 725-2022 – Fax  
[excel.consulting@sbcglobal.net](mailto:excel.consulting@sbcglobal.net)

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The OSBA will participate in the case to assure that the interests of small business customers of the Company are adequately represented and protected.

As appropriate and necessary, the OSBA will investigate and analyze the claims and proposals of the Company and other parties through cross-examination of witnesses appearing for those parties and through briefing. The OSBA will particularly focus on any issue where the impact on the interests of the Company's small business consumers would be unjustifiably different than or disproportionate to the impact on another class of customers, or otherwise lacking in reasonableness or basic fairness. 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 otherwise arise throughout the proceeding.

The OSBA reserves the right to pursue additional issues as they arise throughout the proceeding.

IV. SERVICE OF DOCUMENTS

The OSBA requests that all parties serve a hard copy of any document filed in this case upon the OSBA and the OSBA witness identified above. In addition to hard copies of pleadings, briefs, and exceptions, the OSBA requests hard copies of responses to discovery propounded by the OSBA or any other party. Service by electronic mail only is not acceptable.

V. SETTLEMENT

The OSBA notes its willingness to enter into settlement discussions at the appropriate phase of this proceeding.


VI. HEARING AND BRIEFING SCHEDULE

The OSBA proposes the following litigation schedule.

Non-Applicant Direct: July 28, 2013  
Rebuttal: September 23, 2013  
Surrebuttal: October 23, 2013  
Oral Rejoinder Summaries: October 29, 2013  
Hearings: November 4-8, 2013  
Main Brief: December 3, 2013  
Reply Brief: December 20, 2013

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Respectfully submitted,



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Sharon E. Webb  
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Attorney ID # 73995

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Dated: May 7, 2013

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PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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Changes in the Tariff of Peoples Natural Gas  
Company LLC**

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

**CERTIFICATE OF SERVICE**

I certify that I am serving two copies of the Notice of Intervention and Protest, Verification, Public Statement, and Notice of Appearance, on behalf of the Office of Small Business Advocate, by e-mail and first-class mail (unless otherwise noted) upon the persons addressed below:

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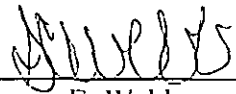


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Date: May 7, 2013

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