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File #: 3552/153108

June 19, 2013

VIA ELECTRONIC FILING

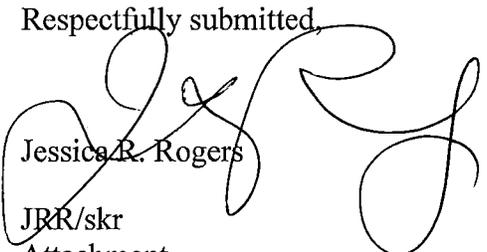
Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: Petition of Peoples TWP LLC for Approval of a Distribution System Improvement Charge
Docket Nos. P-2013-2344595 and C-2013-2348849**

Dear Secretary Chiavetta:

Attached please find the Prehearing Memorandum of Peoples TWP LLC for the above-referenced proceeding. Copies will be provided as indicated in the Certificate of Service.

Respectfully submitted,


Jessica R. Rogers

JRR/skr

Attachment

cc: Certificate of Service
Honorable Mary D. Long
Honorable Jeffrey Watson

CERTIFICATE OF SERVICE
(Docket Nos. P-2013-2344595 and C-2013-2348849)

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 § 1.54 (relating to service by a participant).

VIA E-MAIL AND FIRST CLASS MAIL

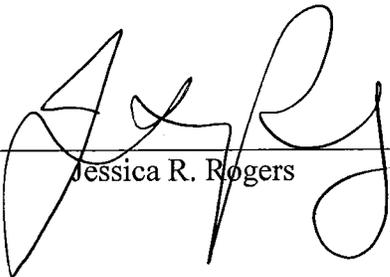
Erin L. Gannon, Esquire
Christy Appleby, Esquire
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555 Walnut Street
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Vice President and General Counsel
Pennsylvania Independent Oil & Gas
Association
212 Locust Street, Suite 300
Harrisburg, PA 17101-1248

Date: June 19, 2013



Jessica R. Rogers

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Peoples TWP LLC for Approval of a Distribution System Improvement Charge	:	P-2013-2344595
	:	
Office of Consumer Advocate	:	
	:	
v.	:	C-2013-2348849
	:	
Peoples TWP LLC	:	

**PREHEARING CONFERENCE
MEMORANDUM OF PEOPLES TWP LLC**

TO ADMINISTRATIVE LAW JUDGES MARY D. LONG AND JEFFREY A. WATSON:

Peoples TWP LLC (“Peoples TWP”), hereby submits this Prehearing Memorandum in response to the Notice of Prehearing Conference dated June 3, 2013 and the Prehearing Conference Order dated June 4, 2013.

I. BACKGROUND

On January 23, 2013, Peoples TWP filed a Long Term Infrastructure Improvement Plan (“LTIIIP”) pursuant to Section 1352 of the Public Utility Code, 66 Pa. C.S. § 1352. On January 31, 2013, pursuant to Section 1353, Peoples TWP filed a Petition for Approval of a Distribution System Improvement Charge (“DSIC”). 66 Pa. C.S. § 1353.

On February 12, 2013, the Office of Consumer Advocate (“OCA”) filed Comments on the LTIIIP. On February 19, 2013, Pennsylvania Independent Oil & Gas Association (“PIOGA”) filed a Petition to Intervene. On February 20, 2013, the OCA filed an Answer, Notice of Intervention and Formal Complaint and Public Statement. Also on February 20, 2013, the Office of Small Business Advocate (“OSBA”) filed an Answer, Notice of Intervention, Public Statement, and Notice of Appearance.

On March 4, 2013, Peoples TWP filed an Answer to the OCA’s Complaint. On March 22, 2013, Peoples TWP filed a letter indicating that it was delaying the filing of its updated DSIC rate and tariff until the Commission had issued an order in the LTIP and DSIC proceedings. On April 8, 2013, Peoples TWP filed a letter clarifying certain statements made in its LTIP and DSIC petitions and their supporting documents.

By Order entered May 23, 2013, the Public Utility Commission (“Commission”) approved Peoples TWP’s LTIP and DSIC. The DSIC was approved subject to refund, pending final resolution of issues raised in the parties’ filings and identified in the Commission’s Order.

II. WITNESSES

As part of its direct case, Peoples TWP will present the following witnesses who will testify as to the matters explained in the following prefiled statements:

<u>Witness & General Subject Matter</u>	<u>Statement</u>
Andrew Wachter 375 North Shore Drive, Suite 600 Pittsburgh, Pennsylvania 15212	Peoples TWP St. No. 1
DSIC Tariff and Calculations	
Kenneth Johnston 375 North Shore Drive, Suite 600 Pittsburgh, Pennsylvania 15212	Peoples TWP St. No. 2
Smart Modernization Plan, Customer Owned Service Lines, Reliability Improvements, Special Meter Technology, and Additional Expenses	

Peoples TWP reserves the right to present additional witnesses, testimony and exhibits on all matters arising during the course of the proceeding, including all matters raised by other parties.

III. ISSUES

In its May 23, 2013 Order, the Commission directed that the following issues be assigned

to the Office of Administrative Law Judge for hearing and preparation of a Recommended Decision:

- a. DSIC-recovery of costs related to customer owned service lines, reliability improvements, special meter technology, information technology support, and vehicles, tools and equipment;
- b. Impact of accumulated deferred income taxes associated with DSIC investments; and
- c. Calculation of state income tax component of the DSIC revenue requirement.

Peoples TWP does not believe that any other issues should be raised in this proceeding.

IV. SCHEDULE

Peoples TWP proposes the following procedural schedule, which is acceptable to the parties to this proceeding.

July 1	Supplemental Direct of Peoples TWP
August 6	Other Parties' Direct
September 5	Rebuttal
October 3	Surrebuttal
October 17	Written Rejoinder
Nov 12-13	Hearings in Harrisburg

All dates are for in-hand delivery. Electronic mail for receipt and distribution of testimony and exhibits will satisfy in-hand service dates, with follow-up hard copies provided by first class mail.

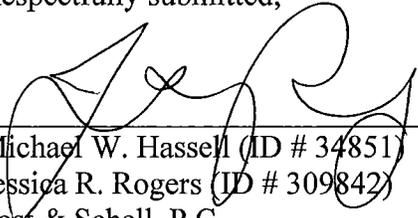
V. DISCOVERY

Peoples TWP does not propose any modifications regarding discovery in this proceeding.

VI. SETTLEMENT

Peoples TWP will work with the parties to attempt to resolve all or portions of this case.

Respectfully submitted,



Michael W. Hassell (ID # 34851)

Jessica R. Rogers (ID # 309842)

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Of Counsel:

Post & Schell, P.C.

Date: June 19, 2013

Attorneys for Peoples TWP LLC