



July 25, 2013

VIA E-FILE

**David P. Zambito**

Direct Phone 717-703-5892  
Direct Fax 215-989-4216  
dzambito@cozen.com

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: Joint Petition for Generic Investigation or Rulemaking Regarding "Gas-On-Gas"  
Competition Between Jurisdictional Natural Gas Distribution Companies;  
Docket No. P-2011-2277868**

**Generic Investigation Regarding Gas-On-Gas Competition Between Jurisdictional  
Natural Gas Distribution Companies; Docket No. I-2012-2320323**

**PEOPLES NATURAL GAS COMPANY LLC'S MOTION TO COMPEL RESPONSES  
TO PEOPLES-TO-IECPA SET II DISCOVERY**

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission is the original of Peoples Natural Gas Company LLC's Motion to Compel in the above-referenced proceeding. A copy of this document has been served in accordance with the attached Certificate of Service.

If you have any questions regarding this filing, please direct them to me. Please date-stamp the extra copy and return it with our courier. Thank you for your attention to this matter

Sincerely,

COZEN O'CONNOR

By: David P. Zambito  
Counsel for *Peoples Natural Gas Company LLC*

DPZ/kmg  
Enclosure

cc: Honorable Elizabeth H. Barnes  
Per Certificate of Service

**CERTIFICATE OF SERVICE**  
**Docket Nos. P-2011-2277868 and I-2012-2320323**

I hereby certify that I have this day served a true copy of the foregoing Peoples Natural Gas Company LLC's Motion to Compel Responses to Peoples-To-IECPA Set II Discovery, upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

**VIA ELECTRONIC MAIL AND FIRST CLASS MAIL:**

Honorable Elizabeth H. Barnes  
Office of Administrative Law Judge  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2 West  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Allison C. Kaster, Esquire  
Pennsylvania Public Utility Commission  
Bureau of Investigation & Enforcement  
Commonwealth Keystone Building, 2 West  
400 North Street  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Tanya J. McCloskey, Esquire  
Darryl Lawrence, Esquire  
Aron J. Beatty, Esquire  
Office of Consumer Advocate  
Forum Place, 5<sup>th</sup> Floor  
555 Walnut Street  
Harrisburg, PA 17101-1923

Elizabeth Rose Triscari, Esquire  
Sharon E. Webb, Esquire  
Office of Small Business Advocate  
300 North Second Street  
Suite 1102  
Harrisburg, PA 17101

Theodore J. Gallagher, Esquire  
NiSource Corporate Services Company  
121 Champion Way, Suite 100  
Canonsburg, PA 15317

Mark C. Morrow, Esquire  
Melanie J. El Atieh, Esquire  
UGI Corporation  
460 North Gulph Road  
King of Prussia, PA 19406

William H. Roberts II, Esquire  
Peoples Natural Gas Company LLC  
375 North Shore Drive, Suite 600  
Pittsburgh, PA 15212

Jennifer L. Petrisek, Esquire  
Peoples TWP LLC  
375 North Shore Drive, Suite 600  
Pittsburgh, PA 15212

Thomas J. Sniscak, Esquire  
William E. Lehman, Esquire  
Hawke McKeon & Sniscak LLP  
100 North Tenth Street  
P.O. Box 1778  
Harrisburg, PA 17105-1778  
Counsel for *The Pennsylvania State University*

Maureen Geary Krowicki, Esquire  
National Fuel Gas Distribution Corporation  
1100 State Street  
P.O. Box 2081  
Erie, PA 16512

Bruce V. Miller, Esquire  
Cullen and Dykman LLP  
Long Island  
100 Quentin Roosevelt Boulevard  
Garden City, NY 11530-4850  
Counsel for *National Fuel Gas Distribution Corporation*

Amy W. Neufeld, Esquire  
PECO Energy Company  
500 North Third Street  
Suite 800  
Harrisburg, PA 17101

David W. Gray, Esquire  
Equitable Gas Company LLC  
225 North Shore Drive  
Third Floor  
Pittsburgh, PA 15212

Michael S. Swerling, Esquire  
Exelon Business Services Company  
2301 Market Street/S23-1  
P.O. Box 8699  
Philadelphia, PA 19101-8699

Charles E. Thomas, Jr., Esquire  
Thomas T. Niesen, Esquire  
Thomas Long Niesen & Kennard  
212 Locust Street  
P.O. Box 9500  
Harrisburg, PA 17108-9500  
Counsel for *Equitable Gas Company, LLC*

**Via Electronic Mail Only**

Donna M. J. Clark, Esquire  
Energy Association of Pennsylvania  
800 North Third Street  
Suite 205  
Harrisburg, PA 17101

**Consultants – Via Electronic Mail Only**

Brian Kalcic, Consultant  
Excel Consulting  
222 S. Meramec Avenue, Suite 720-T  
St. Louis, MO 63105

Robert D. Knecht, Consultant  
Industrial Economics Incorporated  
2067 Massachusetts Avenue  
Cambridge, MA 02140


Pamela C. Polacek, Esquire  
Charis Mincavage, Esquire  
Teresa K. Schmittberger, Esquire  
McNees Wallace & Nurick  
100 Pine Street, 7<sup>th</sup> Floor  
PO Box 1166  
Harrisburg, PA 17108  
Counsel for *Industrial Energy Consumers of Pennsylvania*

Kevin J. Moody, Esquire  
Pennsylvania Independent Oil & Gas  
Association  
212 Locust Street  
Suite 300  
Harrisburg, PA 17101-1510

Tishekia Williams, Esquire  
Duquesne Light Company  
411 Seventh Avenue  
16th Floor  
Pittsburgh, PA 15219

Glen A. Watkins, Executive VP/Consultant  
Technical Associates, Inc.  
9030 Stony Point Parkway  
Suite 580  
Richmond, VA 23235

Diane Meyer Burgraff, Consultant  
19 Westwind Drive  
Lemoyne, PA 17043



---

David P. Zambito, Esquire  
Counsel for *Peoples Natural Gas Company LLC*

Date: July 25, 2013

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

---

Administrative Law Judge  
Elizabeth H. Barnes

---

Joint Petition for Generic Investigation or :  
Rulemaking Regarding "Gas-On-Gas" Competition : Docket No. P-2011-2277868  
Between Jurisdictional Natural Gas Distribution :  
Companies :

Generic Investigation Regarding Gas-On-Gas :  
Competition Between Jurisdictional Natural Gas : Docket No. I-2012-2320323  
Distribution Companies :

---

**NOTICE TO PLEAD**

---

YOU ARE HEREBY ADVISED THAT, PURSUANT TO 52 PA CODE § 5.342(g)(1), YOU MAY ANSWER THE ENCLOSED MOTION TO COMPEL WITHIN FIVE (5) DAYS AFTER THE DATE OF SERVICE. YOUR ANSWER SHOULD BE FILED WITH THE SECRETARY OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION, P.O. BOX 3265, HARRISBURG, PA 17105-3265. A COPY SHOULD ALSO BE SERVED ON THE UNDERSIGNED COUNSEL.



---

David P. Zambito, Esquire  
Attorney I.D. No. 80017  
305 North Front Street  
Suite 400  
Harrisburg, PA 17101-1236  
Telephone: 717-703-5892  
Facsimile: (215) 989-4216  
E-mail: [dzambito@cozen.com](mailto:dzambito@cozen.com)  
Counsel for *Peoples Natural Gas Company LLC*

Dated: July 25, 2013

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

---

Administrative Law Judge  
Elizabeth H. Barnes

---

Joint Petition for Generic Investigation or Rulemaking Regarding “Gas-On-Gas” Competition Between Jurisdictional Natural Gas Distribution Companies	:	:	Docket No. P-2011-2277868
Generic Investigation Regarding Gas-On-Gas Competition Between Jurisdictional Natural Gas Distribution Companies	:	:	Docket No. I-2012-2320323

---

**MOTION TO COMPEL RESPONSES TO  
PEOPLES-TO-IECPA SET II DISCOVERY**

---

AND NOW COMES Peoples Natural Gas Company LLC (“Peoples”) and files, pursuant to 52 Pa. Code § 5.342, this Motion to Compel Responses to its Set II Interrogatories propounded on the Industrial Energy Consumers of Pennsylvania (“IECPA”) on July 8, 2013. In support thereof, Peoples avers and argues as follows:

**BACKGROUND**

1. On July 8, 2013, Peoples propounded its Set II Interrogatories on IECPA (“Peoples-to-IECPA Set II”). Set II consists of 41 interrogatories. A majority of the interrogatories substantially mirror interrogatories that were propounded on Peoples by IECPA in IECPA-to-Peoples Set III (a copy of which is attached hereto as **Appendix A**). IECPA

propounded similar interrogatories on all other parties to this proceeding -- most of which requested the parties to identify their positions on various issues in this proceeding.

2. On July 15, 2013, IECPA formally objected to 33 of the 41 interrogatories asked in Peoples-to-IECPA Set II. A copy of IECPA's Objections are attached hereto as **Appendix B**. IECPA's objections boil down to three basic arguments. First, IECPA asserts that it has not formulated its positions in this proceeding, stating that "IECPA is *hopeful* that it will be able to formulate its position by the time that direct testimony is due." See IECPA Objections to Peoples-to-IECPA Set II, Nos. 1, 2, 3, 4, 5, 6, 9, 10, 11, 12, 13, 22, 23, 27, 36, and 37 (emphasis added). Second, IECPA takes the position that its individual members should be immune from having to respond to interrogatories. See IECPA Objections to Peoples-to-IECPA Set II, Nos. 9, 10, 13, 16, 17, 18, 19, 21, 27, 28, 29, 30, 31, 32, 33, 35, 39, 40, and 41; Peoples-to-IECPA Set II, Instruction No. 19. Third, IECPA argues that certain specific questions are irrelevant to gas-on-gas competition. See IECPA Objections to Peoples-to-IECPA Set II, Nos. 14, 18, 19, 20, and 39.

### **IECPA STATEMENT OF POSITION ON ISSUES**

3. IECPA is obliged to respond with regard to its opinion on the inquired-upon issues in Peoples-to-IECPA Set II, Nos. 1, 2, 3, 4, 5, 6, 9, 10, 11, 12, 13, 22, 23, 27, 36, and 37. See 52 Pa. Code § 5.342(c)(4). Indeed, Peoples has in good faith responded to the nearly-identical questions posed by IECPA in its Set III discovery to Peoples. Other parties have likewise responded in good faith to the same questions as posed by IECPA. IECPA now seeks, for all intents and purposes, to skirt the same obligation to respond that it has imposed upon Peoples and the other parties.

4. IECPA's statement that it "is hopeful that it will be able to formulate its position by the time that direct testimony is due" gives Peoples and the other parties little to no assurance that they will have responses to the interrogatories in sufficient time to incorporate the responses into direct testimony currently due on August 8, 2013.<sup>1</sup> It simply defies reason to believe that IECPA has not yet formulated its fundamental positions with regard gas-on-gas competition and that it is unable to respond, even if only in a partial manner, to the interrogatories. Moreover, Section 5.332 of the Commission's regulations imposes a continuing obligation to update and supplement discovery responses so that, even if IECPA has not yet formulated its positions with regard to gas-on-gas competition, it is obligated to answer the discovery when those positions have been formulated. In sum, an answer/objection to the effect that "we have not yet formulated our answer" is legally insufficient.

5. IECPA should be required to respond to Peoples-to-IECPA Set II, Nos. 1, 2, 3, 4, 5, 6, 9, 10, 11, 12, 13, 22, 23, 27, 36, and 37 by no later than Friday, August 2, 2013 (*i.e.*, a mere six days (including a weekend) before the due date for direct testimony). If IECPA is unable to respond by August 2, 2013, the procedural schedule should be further extended as a matter of fundamental fairness to the parties who have disclosed their opinions on issues in response to

---

<sup>1</sup> IECPA attempts to shift blame to Peoples (and presumably Equitable Gas Company, LLC and Columbia Gas of Pennsylvania, Inc.) for IECPA's purported inability to formulate its positions on issues related to gas-on-gas competition. IECPA claims the following: "Because IECPA's counsel and IECPA's witness only received access and note-taking abilities with respect to their first set of interrogatory responses last week, IECPA is still in the process of formulating its position on this issue." This excuse is without merit. First, many of the objected-to interrogatories request general statements of opinion on issues that are not dependent upon access to Customer-Specific Discount Information. Second, in the case of Peoples, IECPA waited a full 35 days after certain Customer-Specific Discount Information was available for inspection to request inspection. When a request was finally made, IECPA then attempted to circumvent the process for inspection envisioned by the Protective Order (*i.e.*, initial inspection by Authorized Inspecting Lawyers). Third, the inspected Customer-Specific Discount Information, as produced by Peoples, Peoples TWP LLC, Equitable Gas Company, LLC, and Columbia Gas of Pennsylvania, Inc., represents a very limited subset of the total discovery responses in this proceeding. IECPA has, by far, been the most prolific propounder of discovery. In this regard, Peoples notes that IECPA has already served it with six sets of discovery, totaling 64 interrogatories (many of which included numerous subparts). In contrast to IECPA, Peoples has objected to only four interrogatories – which objections were subsequently withdrawn.

IECPA's discovery but have not received the benefit of IECPA's responses on the very same issues.

**RESPONSES BY INDIVIDUAL MEMBERS OF IECPA**

6. The Commission's Rules of Practice and Procedure provide that "a party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action, whether it relates to the claim or defense of the party seeking discovery or to the claim or defense of another party, including the existence, description, nature, content, custody, condition and location of any books, documents, or other tangible things and the identity and location of persons having knowledge of a discoverable matter. It is not ground for objection that the information sought will be inadmissible at hearing if the information sought appears reasonably calculated to lead to the discovery of admissible evidence." 52 Pa. Code § 5.321(c).

7. IECPA asserts in its Objections to Peoples-to-IECPA Set II, Nos. 9, 10, 13, 16, 17, 18, 19, 21, 27, 28, 29, 30, 31, 32, 33, 35, 39, 40, and 41 that "IECPA has intervened in the instant proceeding as a collective group and trade association. Accordingly, the interests of individual members of IECPA are irrelevant for purposes of the instant proceeding, as they are not individual intervenors." This Objection runs contrary to the Commission's broad interpretation of relevant discovery, as set forth in 52 Pa. Code § 5.321(c), and IECPA has failed to demonstrate that it is in fact a legal entity with governing documents that would preclude the disclosure of individual member information.

8. IECPA has provided no evidence that it is anything more than an unincorporated, *ad hoc*, loose affiliation of natural gas customers with a common interest in this proceeding and a

desire to share legal and consulting expenses. It has presented no evidence that it is a “trade association” with a formal existence as a legal entity. Even if it can demonstrate a formal legal existence, its standing to participate in this proceeding comes from its individual members as gas customers – *i.e.*, IECPA has “representational standing” as opposed to “organizational standing.” Accordingly, its individual members should not be permitted to hide behind the veil of a “collective group” in order to avoid having to answer discovery requests.<sup>2</sup> The Commission certainly would not permit the natural gas distribution companies in this proceeding to participate as a “collective group” or “trade association” in order to shield themselves from discovery; sophisticated, large industrial customers likewise should not be permitted to do so.

9. IECPA’s members are industrial customers of natural gas distribution companies who presumably receive rate discounts as a result of gas-on-gas competition.<sup>3</sup> The facts surrounding the discounts of these customers is clearly relevant to this proceeding or, at a minimum, likely to lead to admissible evidence. *See* 52 Pa. Code § 5.321(c).

10. In discussions involving whether the natural gas distributions companies should be permitted to provide Customer-Specific Discount Information in an aggregate or average format, IECPA consistently maintained that that the information should not be presented in an aggregate or average format but instead had to be presented on an individual customer basis. IECPA contended that information on a customer-by-customer basis was necessary in order for a proper analysis of gas-on-gas competition to occur. IECPA now, however, asserts in its Objections that information related to the individual customers within its membership is

---

<sup>2</sup> Indeed, IECPA’s theory as to why its individual members should be shielded from discovery could serve to undermine the integrity of the Commission’s discovery and hearing processes. A “collective group” would have no defined status and could possibly consist in reality of only one controlling entity or a group of affiliated entities. Moreover, *ad hoc* groups could be formed for the purpose of allowing aligned interests to have more than one “bite at the apple” in Commission proceedings..

<sup>3</sup> Under IECPA’s theory, parties would be precluded from even inquiring into whether the individual members of IECPA do in fact receive gas-on-gas competition discounts.

irrelevant. Again, IECPA is playing fast and loose with the Commission's process and its individual members should be required to provide responses.

11. It is apparent from IECPA's discovery requests that one of the arguments that IECPA intends to make in this proceeding is that industrial and large commercial customers will be adversely impacted if gas-on-gas competition discounts are eliminated and those customers may, as a result, leave Pennsylvania. The economic impact on IECPA's members of the elimination of gas-on-gas competition discounts and whether such impact would cause the IECPA members to exit Pennsylvania are relevant inquiries in this proceeding. IECPA's members should not be permitted to hide behind the "collective group" in responding to these types of direct questions. Indeed, responses from IECPA's members may present very pertinent evidence on these types of impact issues.

12. IECPA has failed to provide any document, such as a joint cooperation agreement or corporate bylaws, that is sufficient to establish a "privilege" to avoid production of information relevant to this proceeding. *See* 52 Pa. Code § 5.321(c). Before IECPA is permitted to claim a privilege of internal communications or a right to present only a solitary position, it should at least be required to produce any such documents for examination, on a confidential basis, by the Presiding Officer and interested parties. The simple assertion that it is a "collective group" or "trade association" should not be sufficient.

13. Peoples has requested two general types of information from IECPA's individual members. First, Peoples has requested that IECPA identify any members who do not support IECPA's collective position on a particular issue. *See* Peoples-to-IECPA Set II, Instruction No. 19. Second, Peoples has requested specific facts related to individual IECPA members. *See, e.g.,* Peoples-to-IECPA Set II, No. 13, 14, 16, 17, 18, 21, 27, 28, 29, 30, 31, 32, 33, 35, 39, 40,

and 41. Even if IECPA is permitted to state its positions without identifying dissenting members (which it should not be permitted to do), IECPA's members should be required to answer the interrogatories that relate to facts regarding their specific operations.

14. IECPA contends in its Objections that "asking each member for individual responses and signed verifications is unreasonable and unduly burdensome." In the event that IECPA's individual members are required to respond to Peoples' discovery requests (which they should be), verifications must be provided under the Commission's Rules of Practice and Procedure. *See* 52 Pa. Code §§ 1.36, 5.342(a)(6). Far from being a "burden," verifications are necessary to maintain the integrity of the Commission's discovery and hearing processes.

15. To the extent that IECPA's individual members are relieved of the responsibility to respond to discovery requests (which they should not be), the members should be precluded from presenting individual testimony regarding the impact of gas-on-gas competition on their operations. To allow individual members to present testimony while such members are shielded from discovery would be fundamentally unfair to parties who may wish to conduct cross-examination.<sup>4</sup>

### **RELEVANCY OF SPECIFIC SUBJECT MATTER AREAS**

16. In IECPA's Objections to Peoples-to-IECPA Set II, Nos. 14, 18, 19, 20, and 39, IECPA asserts that certain subject matters are irrelevant to this proceeding on gas-on-gas competition. Peoples below explains why each of those subject matter areas are in fact relevant.

17. Interrogatory No. 14 states: "Identify any IECPA members who receive natural gas distribution service discounts in Pennsylvania." IECPA objects on the basis that

---

<sup>4</sup> In this regard, Peoples notes that any attempt by IECPA's independent consultants to present testimony regarding the impact of the elimination of gas-on-gas competition discounts on individual IECPA members would be properly considered to be hearsay.

“information regarding all natural gas distribution service discounts is outside the scope of this proceeding.” While Peoples agrees that the permissibility of other forms of discounts (such as alternative fuel and bypass discounts) are generally outside the scope of this proceeding on gas-on-gas competition, the existence of other forms of discounts is directly relevant to whether IECPA members would continue to receive a discount if gas-on-gas competition discounts were eliminated – a factual issue that directly relates to whether such customers would elect to relocate their operations.

18. Interrogatory Nos. 18 and 19 ask IECPA’s members to identify other states in which they have operations that use natural gas, and to state whether gas-on-gas competition discounts are available in those states. IECPA objects, in part, on the grounds that “natural gas use in other states is irrelevant for purposes of the instant proceeding regarding gas-on-gas competition in Pennsylvania.” Contrary to IECPA’s contention, the practices of other states is relevant in this generic investigation. If IECPA’s members have operations in other states without gas-on-gas competition discounts, a relevant inquiry is why the IECPA members choose to locate in those other states as opposed to Pennsylvania.

19. Interrogatory No. 20 asks: “Does IECPA consider the development of Marcellus Shale gas in Pennsylvania to be a positive development in terms of controlling natural gas supply rates? Please explain.” IECPA responds by stating, without explanation, that “IECPA’s position on Marcellus Shale development is irrelevant for purposes of the instant proceeding regarding gas-on-gas competition.” Marcellus Shale development in Pennsylvania has indisputably lowered the commodity price of natural gas, making Pennsylvania an attractive location for industrial and commercial businesses. Low-cost energy in Pennsylvania is relevant to whether businesses would choose to relocate to another state if gas-on-gas competition were to be

eliminated. IECPA's opinion on this issue is clearly relevant. *See* 52 Pa. Code § 5.342(c)(5)(explaining that an objection is not "valid if based solely on the claim that an answer will involve an opinion or contention that is related to a fact or the application of law to fact.").

20. Interrogatory No. 39 inquires into the procurement policies of IECPA's members and whether the members always select the low-cost provider. IECPA contends that such an inquiry is "wholly outside the scope of this proceeding." To the contrary, the procurement policies of IECPA's members are directly relevant to whether there are factors other than discounts that may influence the selection of a natural gas distribution company.

#### **CERTIFICATION OF ATTEMPT TO RESOLVE DISPUTES**

21. By signature below, outside counsel for Peoples certifies that he contacted counsel for IECPA on July 24, 2013 in an attempt to resolve these discovery disputes amicably. No resolution could be achieved.

#### **CONCLUSION**

22. Each of IECPA's 33 objections to Peoples-to-IECPA Set II (consisting of 41 interrogatories) are without merit. First, IECPA's refusal to state its position on issues in this proceeding has prejudiced Peoples and the others parties (who have already responded to similar questions from IECPA) as they attempt to prepare their direct testimony by August 8, 2013. Second, there is no legitimate basis for IECPA to assert that its individual members should be immune from having to respond to discovery requests. Finally, the specific subject matter areas to which IECPA has objected are in fact relevant to this proceeding.

**WHEREFORE**, Peoples Natural Gas Company LLC respectfully requests that the Industrial Energy Consumers of Pennsylvania be compelled to provide written responses, by no later than Friday, August 2, 2013, to the interrogatories in Peoples-to-IECPA Set II to which IECPA objected. If substantive, verified responses are not provided by that date, Peoples respectfully requests that the procedural schedule in this proceeding be further extended.

Respectfully submitted,



---

David P. Zambito (ID #80017)  
Cozen O'Connor  
305 North Front Street, Suite 400  
Harrisburg, PA 17101-1236  
Telephone: (717) 703-5892  
Facsimile: (215) 989-4216  
E-mail: dzambito@cozen.com

William H. Roberts II (ID #54724)  
Peoples Natural Gas Company LLC  
375 North Shore Drive, Suite 600  
Pittsburgh, PA 15212  
Telephone: (412) 208-6527  
Facsimile: (412) 208-6575  
E-mail: William.H.RobertsII@Peoples-Gas.com

Date: July 25, 2013

Counsel for *Peoples Natural Gas Company LLC*

# **APPENDIX A**

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Petition for Generic Investigation or	:	
Rulemaking Regarding "Gas-On-Gas"	:	Docket No. P-2011-2277868
Competition Between Jurisdictional Natural	:	
Gas Distribution Companies	:	
	:	
Generic Investigation Regarding Gas-On-Gas	:	
Competition Between Jurisdictional Natural	:	Docket No. I-2012-2320323
Gas Distribution Companies	:	

---

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA – SET III  
TO PEOPLES NATURAL GAS COMPANY**

---

The Industrial Energy Consumers of Pennsylvania ("IECPA") submit the following interrogatories to Peoples Natural Gas Company ("Peoples" or "Company") to be answered by those officers, employees, or agents who may be cognizant of the requested facts and who are authorized to answer on behalf of the Company. Telephone or other contact concerning the availability and timing of formal responses is encouraged to the extent that it supplements, amplifies, and/or explains the formal written responses.

Dated: June 5, 2013

RECEIVED JUN - 7 2013

## INSTRUCTIONS

- (a) As used herein, "Peoples" or "Company" shall mean Peoples Natural Gas Company.
- (b) As used herein, "natural gas distribution company" is referred to as "NGDC."
- (c) The information included herein specifically addresses the Company's terms of service.
- (d) The data requests shall be deemed to be continuing. The Company is obliged to change, supplement, and correct all responses to conform to available information, including such information as first becomes available to the Company after responses hereto are provided.
- (e) All information is to be divulged that is within the knowledge, possession, control or custody of the Company or may be reasonably ascertained thereby.
- (f) The responses provided should first restate the question asked and also identify the person(s) supplying the information. Each response should be stated on a separate sheet of paper.
- (g) As used herein, the words "material," "studies," and "analyses" can include, but are not limited to, the original and all copies of all memoranda, reports, books, manuals, instructions, directives, records, forms, notes, letters, notices, confirmations, telegrams, pamphlets, notations of any sort concerning conversations, telephone calls, meetings, electronic or other communications, bulletins, transcripts, diaries, analyses, summaries, correspondence and enclosures, circulars, opinions, studies, investigations, questionnaires and surveys, worksheets, and all drafts, preliminary versions, alterations, modifications, revisions, changes, amendments, and written comments concerning the foregoing.
- (h) If any request or portion of a request is ambiguous or unclear to the Company in any way, please notify the attorneys of IECPA as soon as possible so that the item(s) may be properly clarified prior to the preparation of a written response.

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA  
INTERROGATORIES – SET III  
TO PEOPLES NATURAL GAS COMPANY**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

1. Should customers have the right to choose their natural gas distribution company in overlapping service territories if more than one utility is able and willing to provide service and is certificated to do so? Please explain.
2. If the Commission determines that gas-on gas competition should no longer be a reason to allow discounted or negotiated rates, is Peoples supportive of having the Commission divide service territories by assigning specific communities, townships and boroughs to a particular utility for all future new load? If no, why not?
3. Does Peoples support the concept of discounted or negotiated rates as beneficial to its overall base of customers? If no, why not?
4. If no to question 3 above, please provide the month and year when Peoples determined that rate discounting and negotiation was not beneficial to its customers.
5. Please provide the number of miles of pipeline that Equitable Gas Company and Peoples have on the same streets rounded to the nearest hundred miles.
6. Please provide the number of miles of pipeline that Peoples and Columbia of PA have on the same streets rounded to the nearest hundred miles.
7. Does Peoples support the concept of elimination of overlapping service territories? If yes, please explain how it should be accomplished. If no, why not?
8. Does Peoples support having the Commission decide whether a new customer in an overlapping service area is served by Peoples or another gas distribution company?
  - (a) Is the answer to (8) the same regardless of the customer's class of service?
9. If the Commission determines that gas-on-gas competition is no longer to be a reason to allow discounted or negotiated rates, would Peoples expect that it could lose load to another gas distribution company with lower tariff maximum rates?
10. If Peoples lost load to a competitor gas distribution company with lower tariff maximum rates as a result of a Commission decision to no longer allow negotiated or discounted rates in situations of gas-on-gas competition, would it need to either (a) recover that lost revenue from its remaining customers in its next base rate case and not attempt to gain lost customers back, or (b) design rates in the next base rate case to compete with the rates of the competing utility and shift costs not recoverable from that class of competitive customers to remaining customers in an effort to get the competitive customers back on the system to at least pay some of the costs of providing service to them?

(a) If there is another choice other than (a) or (b) above, please explain.

11. If the Commission determines that rate discounting or negotiated rates should no longer be allowed, would Peoples support an immediate rate restructuring to accomplish the elimination of rate discounting and negotiated rates?
12. If a customer decides to relocate his plant to another state due to higher rates occasioned by a Commission decision to eliminate discounted or negotiated rates in gas-on-gas competitive situations or in alternative fuel competitive situations, would Peoples find that to be an acceptable result and in the best interests of its customer base as a whole?
13. How many customers on the Peoples system currently have the capability with either no or very minimal capital investment to take service from another gas distribution utility?
14. If the Commission eliminates rate discounting or negotiated rates as a result of this proceeding for certain groups of customers or situations, would Peoples propose to transition these customers to full tariff rates immediately or over time?
15. Does Peoples support the continuation of rate discounting and negotiated rates in gas-on-gas competitive situations?
16. Does Peoples support the continuation of negotiated and competitive rates in alternative fuel competition situations?
17. Does Peoples support the continuation of waiving or reducing retainage as a way to meet a competitive threat?
18. Please provide a pro forma standard contract that would be used for a negotiated or discounted rate transportation customer with a gas-on-gas competitive alternative.
19. Please provide a pro forma standard contract that would be used for a negotiated or discounted rate transportation customer with a competitive fuel source alternative.
20. Please provide a pro forma standard contract that would be used for a negotiated or discounted rate transportation customer with a bypass alternative.
21. Please provide a pro forma standard contract that would be used for a negotiated or discounted rate transportation customer for any reason other than those included in the preceding three interrogatories.

# **APPENDIX B**

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Petition for Generic Investigation or Rulemaking Regarding "Gas-On-Gas" Competition Between Jurisdictional Natural Gas Distribution Companies	:	Docket No. P-2011-2277868
Generic Investigation Regarding Gas-On-Gas Competition Between Jurisdictional Natural Gas Distribution Companies	:	Docket No. I-2012-2320323

---

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

---

On July 8, 2013, Peoples Natural Gas Company LLC ("Peoples" or "Company") served its Set II Interrogatories on the Industrial Energy Consumers of Pennsylvania ("IECPA"). Pursuant to 52 Pa. Code §§ 5.342(c) and (e), IECPA hereby objects to the following Interrogatories in their entirety for the following reasons:

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Instruction No. 19**

19. For interrogatories which are directed to IECPA generally, respond on behalf of IECPA as a collective group and trade association. If a member of IECPA disagrees with the collective response, identify the member and state such member's position. Include a verification for the member in accordance with 52 Pa. Code § 1.36.

**Objection**

19. A party may not ask interrogatories related to information that is not reasonably calculated to lead to the discovery of admissible evidence. *See* 52 Pa. Code § 5.321(c). IECPA has intervened in the instant proceeding as a collective group and trade association. Accordingly, the interests of individual members of IECPA are irrelevant for purposes of the instant proceeding, as they are not individual intervenors. In response to the questions herein, IECPA is only able to provide the position of the group as a whole. Moreover, asking each member for individual responses and signed verifications is unreasonable and unduly burdensome. *See* 52 Pa. Code §5.361(a)(2).

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Question No. 1**

1. Should customers have the right to choose their natural gas distribution company in overlapping service territories if more than one utility is able and willing to provide service and is certificated to do so? Please explain.

**Objection**

1. Because IECPA's counsel and IECPA's witness only received access and note-taking abilities with respect to their first set of interrogatory responses last week, IECPA is still in the process of formulating its position on this issue. IECPA hopes to use the time still available to review the aforementioned discovery information, and IECPA is hopeful that it will be able to formulate its position by the time that direct testimony is due.

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Question No. 2**

2. Does IECPA support the concept of elimination of overlapping service territories? If yes, please explain how it should be accomplished. If no, why not?

**Objection**

2. Because IECPA's counsel and IECPA's witness only received access and note-taking abilities with respect to their first set of interrogatory responses last week, IECPA is still in the process of formulating its position on this issue. IECPA hopes to use the time still available to review the aforementioned discovery information, and IECPA is hopeful that it will be able to formulate its position by the time that direct testimony is due.

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Question No. 3**

3. If the Commission determines that gas-on-gas competition should no longer be a reason to allow discounted or negotiated rates, is IECPA supportive of having the Commission divide service territories by assigning specific communities, townships and boroughs to a particular utility for all future new load? If yes, please explain how it should be accomplished. If no, why not?

**Objection**

3. Because IECPA's counsel and IECPA's witness only received access and note-taking abilities with respect to their first set of interrogatory responses last week, IECPA is still in the process of formulating its position on this issue. IECPA hopes to use the time still available to review the aforementioned discovery information, and IECPA is hopeful that it will be able to formulate its position by the time that direct testimony is due.

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Question No. 4**

4. If the Commission determines that gas-on-gas competition should no longer be a reason to allow discounted or negotiated rates, is IECPA supportive of having the Commission permanently assign a customer to the natural gas distribution company from which it is taking service at the time that gas-on-gas competition is ended? If yes, why? If no, why not?

**Objection**

4. Because IECPA's counsel and IECPA's witness only received access and note-taking abilities with respect to their first set of interrogatory responses last week, IECPA is still in the process of formulating its position on this issue. IECPA hopes to use the time still available to review the aforementioned discovery information, and IECPA is hopeful that it will be able to formulate its position by the time that direct testimony is due.

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Question No. 5**

5. If the Commission determines that gas-on-gas competition should no longer be a reason to allow discounted or negotiated rates, should the discounted or negotiated rates be immediately terminated or phased out over a period of time? If phased out, over what period of time? Should existing discount agreements be honored? Please explain.

**Objection**

5. Because IECPA's counsel and IECPA's witness only received access and note-taking abilities with respect to their first set of interrogatory responses last week, IECPA is still in the process of formulating its position on this issue. IECPA hopes to use the time still available to review the aforementioned discovery information, and IECPA is hopeful that it will be able to formulate its position by the time that direct testimony is due.

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Question No. 8**

8. Does IECPA support having the Commission decide whether a new customer in an overlapping service area is served by a particular natural gas distribution company? Is the answer the same regardless of the customer's class of service? Please explain.

**Objection**

8. Because IECPA's counsel and IECPA's witness only received access and note-taking abilities with respect to their first set of interrogatory responses last week, IECPA is still in the process of formulating its position on this issue. IECPA hopes to use the time still available to review the aforementioned discovery information, and IECPA is hopeful that it will be able to formulate its position by the time that direct testimony is due.

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Question No. 9**

9. If the Commission determines that gas-on-gas competition is no longer to be a reason to allow discounted or negotiated rates, would your company choose to receive service from the natural gas distribution company with the lowest tariff maximum rates? Please explain. Please answer with respect to each IECPA member and include a verification from each member in accordance with 52 Pa. Code § 1.36.

**Objection**

9. A party may not ask interrogatories related to information that is not reasonably calculated to lead to the discovery of admissible evidence. *See* 52 Pa. Code § 5.321(c). IECPA has intervened in the instant proceeding as a collective group and trade association. Accordingly, the interests of individual members of IECPA are irrelevant for purposes of the instant proceeding, as they are not individual intervenors. In response to the questions herein, IECPA is only able to provide the position of the group as a whole. Moreover, asking each member for individual responses and signed verifications is unreasonable and unduly burdensome. *See* 52 Pa. Code §5.361(a)(2).

In addition, because IECPA's counsel and IECPA's witness only received access and note-taking abilities with respect to their first set of interrogatory responses last week, IECPA is still in the process of formulating its position on this issue. IECPA hopes to use the time still available to review the aforementioned discovery information, and IECPA is hopeful that it will be able to formulate its position by the time that direct testimony is due.

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Question No. 10**

10. If the Commission required natural gas distribution companies with overlapping service territory to charge rates reflecting true cost of service to all customer classes and your company was receiving service from the natural gas distribution company with the lowest tariff maximum rates, would your company still support discounted or negotiated rates on the basis of gas-on-gas competition? If yes, why? If no, why not? Please answer with respect to each IECPA member and include a verification from each member in accordance with 52 Pa. Code § 1.36.

**Objection**

10. A party may not ask interrogatories related to information that is not reasonably calculated to lead to the discovery of admissible evidence. *See* 52 Pa. Code § 5.321(c). IECPA has intervened in the instant proceeding as a collective group and trade association. Accordingly, the interests of individual members of IECPA are irrelevant for purposes of the instant proceeding, as they are not individual intervenors. In response to the questions herein, IECPA is only able to provide the position of the group as a whole. Moreover, asking each member for individual responses and signed verifications is unreasonable and unduly burdensome. *See* 52 Pa. Code §5.361(a)(2).

In addition, because IECPA's counsel and IECPA's witness only received access and note-taking abilities with respect to their first set of interrogatory responses last week, IECPA is still in the process of formulating its position on this issue. IECPA hopes to use the time still available to review the aforementioned discovery information, and IECPA is hopeful that it will be able to formulate its position by the time that direct testimony is due.

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Question No. 11**

11. If a natural gas distribution company lost load to a competitor gas distribution company with lower tariff maximum rates as a result of a Commission decision to no longer allow negotiated or discounted rates in situations of gas-on-gas competition, should the natural gas distribution company be permitted to either (a) recover that lost revenue from its remaining customers in its next base rate case and not attempt to gain lost customers back, or (b) design rates in the next base rate case to compete with the rates of the competing utility and shift costs not recoverable from that class of competitive customers to remaining customers? Please explain. If IECPA supports an alternative other than (a) or (b) above, please set forth and explain.

**Objection**

11. Because IECPA's counsel and IECPA's witness only received access and note-taking abilities with respect to their first set of interrogatory responses last week, IECPA is still in the process of formulating its position on this issue. IECPA hopes to use the time still available to review the aforementioned discovery information, and IECPA is hopeful that it will be able to formulate its position by the time that direct testimony is due.

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Question No. 12**

12. If the Commission determines that rate discounting or negotiated rates should no longer be allowed, would IECPA support an immediate rate restructuring to accomplish the elimination of rate discounting and negotiated rates? If yes, why? If no, why not?

**Objection**

12. Because IECPA's counsel and IECPA's witness only received access and note-taking abilities with respect to their first set of interrogatory responses last week, IECPA is still in the process of formulating its position on this issue. IECPA hopes to use the time still available to review the aforementioned discovery information, and IECPA is hopeful that it will be able to formulate its position by the time that direct testimony is due.

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Question No. 13**

13. If the Commission decides to eliminate discounted or negotiated rates in gas-on-gas competitive situations, what other factors would your company consider before making a decision to relocate to another state? Would you relocate all of your company's operations or only those that previously received a discounted or negotiated rate? Please answer with respect to each IECPA member and include a verification from each member in accordance with 52 Pa. Code § 1.36.

**Objection**

13. A party may not ask interrogatories related to information that is not reasonably calculated to lead to the discovery of admissible evidence. *See* 52 Pa. Code § 5.321(c). IECPA has intervened in the instant proceeding as a collective group and trade association. Accordingly, the interests of individual members of IECPA are irrelevant for purposes of the instant proceeding, as they are not individual intervenors. In response to the questions herein, IECPA is only able to provide the position of the group as a whole. Moreover, asking each member for individual responses and signed verifications is unreasonable and unduly burdensome. *See* 52 Pa. Code §5.361(a)(2).

In addition, because IECPA's counsel and IECPA's witness only received access and note-taking abilities with respect to their first set of interrogatory responses last week, IECPA is still in the process of formulating its position on this issue. IECPA hopes to use the time still available to review the aforementioned discovery information, and IECPA is hopeful that it will be able to formulate its position by the time that direct testimony is due.

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

Peoples to IECPA, Set II, Question No. 14

14. Identify any IECPA members who receive natural gas distribution service discounts in Pennsylvania.

**Objection**

14. A party may not ask interrogatories related to information that is not reasonably calculated to lead to the discovery of admissible evidence. *See* 52 Pa. Code Section 5.321(c). Because the focus of this investigation is limited to gas-on-gas competition, information regarding all natural gas distribution service discounts is outside the scope of this proceeding.

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Question No. 16**

16. For each IECPA member, please provide the following information:
- a. Your company's annual gross revenues for Pennsylvania operations for each of the past five years (rounded to the nearest \$100,000);
  - b. Your company's annual operating expenses for Pennsylvania operations for each of the past five years (rounded to the nearest \$100,000); and
  - c. Your company's annual natural gas service discounts resulting from gas-on-gas competition for each of the past five years (rounded to the nearest \$100,000)?

Please answer with respect to each IECPA member and include a verification from each member in accordance with 52 Pa. Code § 1.36.

**Objection**

16. A party may not ask interrogatories related to information that is not reasonably calculated to lead to the discovery of admissible evidence. *See* 52 Pa. Code § 5.321(c). IECPA has intervened in the instant proceeding as a collective group and trade association. Accordingly, the interests of individual members of IECPA are irrelevant, as they are not intervenors in the proceeding. In response to the questions herein, IECPA is only able to provide the position of the group as a whole. In addition, the annual revenues, expenses, and discounts for each of the members is wholly outside the scope of the instant proceeding and irrelevant. Finally, asking each member for individual responses and signed verifications is unreasonable, unduly burdensome, and a waste of resources. *See* 52 Pa. Code §5.361(a)(2).

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Question No. 17**

17. Identify your company's operations in Pennsylvania, including address, and specify whether the natural gas distribution service accounts associated with each location receive discounts due to gas-on-gas competition. Please answer with respect to each IECPA member and include a verification from each member in accordance with 52 Pa. Code § 1.36.

**Objection**

17. A party may not ask interrogatories related to information that is not reasonably calculated to lead to the discovery of admissible evidence. *See* 52 Pa. Code § 5.321(c). IECPA has intervened in the instant proceeding as a collective group and trade association. Accordingly, the interests of individual members of IECPA are irrelevant for purposes of the instant proceeding, as they are not individual intervenors. In response to the questions herein, IECPA is only able to provide the position of the group as a whole. Moreover, asking each member for individual responses and signed verifications is unreasonable and unduly burdensome. *See* 52 Pa. Code §5.361(a)(2).

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Question No. 18**

18. In what other states does your company have operations which use natural gas? For each state identified, please indicate whether natural gas service discounts are available on the basis of gas-on-gas competition. Please answer with respect to each IECPA member and include a verification from each member in accordance with 52 Pa. Code § 1.36.

**Objection**

18. A party may not ask interrogatories related to information that is not reasonably calculated to lead to the discovery of admissible evidence. *See* 52 Pa. Code § 5.321(c). IECPA has intervened in the instant proceeding as a collective group and trade association. Accordingly, the interests of individual members of IECPA are irrelevant for purposes of the instant proceeding, as they are not individual intervenors. In response to the questions herein, IECPA is only able to provide the position of the group as a whole. In addition, natural gas use in other states is irrelevant for purposes of the instant proceeding regarding gas-on-gas competition in Pennsylvania. Finally, asking each member for individual responses and signed verifications is unreasonable and unduly burdensome. *See* 52 Pa. Code §5.361(a)(2).

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Question No. 19**

19. Based on IECPA's knowledge, information and belief, identify any state other than Pennsylvania in which natural gas service discounts are available on the basis of gas-on-gas competition.

**Objection**

19. A party may not ask interrogatories related to information that is not reasonably calculated to lead to the discovery of admissible evidence. *See* 52 Pa. Code § 5.321(c). IECPA has intervened in the instant proceeding as a collective group and trade association. Accordingly, the interests of individual members of IECPA are irrelevant for purposes of the instant proceeding, as they are not individual intervenors. In response to the questions herein, IECPA is only able to provide the position of the group as a whole. In addition, natural gas discounting in other states is irrelevant for purposes of the instant proceeding regarding gas-on-gas competition in Pennsylvania. Finally, asking each member for individual responses and signed verifications is unreasonable and unduly burdensome, particularly when Peoples could perform its own research into the status of other states. *See* 52 Pa. Code §5.361(a)(2).

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Question No. 20**

20. Does IECPA consider the development of Marcellus Shale gas in Pennsylvania to be a positive development in terms of controlling natural gas supply rates? Please explain.

**Objection**

20. A party may not ask interrogatories related to information that is not reasonably calculated to lead to the discovery of admissible evidence. *See* 52 Pa. Code § 5.321(c). IECPA's position on Marcellus Shale development is irrelevant for purposes of the instant proceeding regarding gas-on-gas competition.

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Question No. 21**

21. Please provide your company's total natural gas supply costs (including delivery costs and commodity costs, whether fixed or variable) for each of the past five years (rounded to the nearest \$100,000). Please answer with respect to each IECPA member and include a verification from each member in accordance with 52 Pa. Code § 1.36.

**Objection**

21. A party may not ask interrogatories related to information that is not reasonably calculated to lead to the discovery of admissible evidence. *See* 52 Pa. Code § 5.321(c). IECPA has intervened in the instant proceeding as a collective group and trade association. Accordingly, the interests of individual members of IECPA, and their individual natural gas supply costs, are irrelevant for purposes of the instant proceeding, as they are not individual intervenors. In response to the questions herein, IECPA is only able to provide the position of the group as a whole. Moreover, asking each member for individual responses and signed verifications is unreasonable and unduly burdensome. *See* 52 Pa. Code §5.361(a)(2). In addition, individual member's total natural gas supply costs are irrelevant for purposes of the instant proceeding, which focuses on gas-on-gas competition in Pennsylvania.

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Question No. 22**

22. If the Commission eliminates rate discounting or negotiated rates as a result of this proceeding for certain groups of customers or situations, would IECPA propose to transition these customers to full tariff rates immediately or over time? Please explain.

**Objection**

22. Because IECPA's counsel and IECPA's witness only received access and note-taking abilities with respect to their first set of interrogatory responses last week, IECPA is still in the process of formulating its position on this issue. IECPA hopes to use the time still available to review the aforementioned discovery information, and IECPA is hopeful that it will be able to formulate its position by the time that direct testimony is due.

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Question No. 23**

23. Under what circumstances, if any, would IECPA support the elimination of rate discounting and negotiated rates in gas-on-gas competitive situations? Please explain.

**Objection**

23. Because IECPA's counsel and IECPA's witness only received access and note-taking abilities with respect to their first set of interrogatory responses last week, IECPA is still in the process of formulating its position on this issue. IECPA hopes to use the time still available to review the aforementioned discovery information, and IECPA is hopeful that it will be able to formulate its position by the time that direct testimony is due.

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Question No. 27**

27. Would your company experience “rate shock” if the Commission determines that rate discounting or negotiated rates due to gas-on-gas competition should no longer be allowed but requires natural gas distribution companies with overlapping service territories to charge rates which reflect true cost of service (as determined using IECPA’s preferred cost of service methodology)? Please explain. Please answer with respect to each IECPA member and include a verification from each member in accordance with 52 Pa. Code § 1.36.

**Objection**

27. A party may not ask interrogatories related to information that is not reasonably calculated to lead to the discovery of admissible evidence. *See* 52 Pa. Code § 5.321(c). IECPA has intervened in the instant proceeding as a collective group and trade association. Accordingly, the interests of individual members of IECPA are irrelevant for purposes of the instant proceeding, as they are not individual intervenors. In response to the questions herein, IECPA is only able to provide the position of the group as a whole. Moreover, asking each member for individual responses and signed verifications is unreasonable and unduly burdensome. *See* 52 Pa. Code §5.361(a)(2).

Because IECPA's counsel and IECPA's witness only received access and note-taking abilities with respect to their first set of interrogatory responses last week, IECPA is still in the process of formulating its position on this issue. IECPA hopes to use the time still available to review the aforementioned discovery information, and IECPA is hopeful that it will be able to formulate its position by the time that direct testimony is due.

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Question No. 28**

28. Would your company become uncompetitive with other suppliers of your company's product if the Commission determines that rate discounting or negotiated rates due to gas-on-gas competition should no longer be allowed and does not require natural gas distribution companies with overlapping service territories to charge rates which reflect true cost of service (as determined using IECPA's preferred cost of service methodology)? Please explain. Please answer with respect to each IECPA member and include a verification from each member in accordance with 52 Pa. Code § 1.36.

**Objection**

28. A party may not ask interrogatories related to information that is not reasonably calculated to lead to the discovery of admissible evidence. *See* 52 Pa. Code § 5.321(c). IECPA has intervened in the instant proceeding as a collective group and trade association. Accordingly, the interests of individual members of IECPA are irrelevant for purposes of the instant proceeding, as they are not individual intervenors. In response to the questions herein, IECPA is only able to provide the position of the group as a whole. Moreover, asking each member for individual responses and signed verifications is unreasonable and unduly burdensome. *See* 52 Pa. Code §5.361(a)(2).

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Question No. 29**

29. Would your company become uncompetitive with other suppliers of your company's product if the Commission determines that rate discounting or negotiated rates should no longer be allowed but requires natural gas distribution companies with overlapping service territories to charge rates which reflect true cost of service (as determined using IECPA's preferred cost of service methodology)? Please explain. Please answer with respect to each IECPA member and include a verification from each member in accordance with 52 Pa. Code § 1.36.

**Objection**

29. A party may not ask interrogatories related to information that is not reasonably calculated to lead to the discovery of admissible evidence. *See* 52 Pa. Code § 5.321(c). IECPA has intervened in the instant proceeding as a collective group and trade association. Accordingly, the interests of individual members of IECPA are irrelevant for purposes of the instant proceeding, as they are not individual intervenors. In response to the questions herein, IECPA is only able to provide the position of the group as a whole. Moreover, asking each member for individual responses and signed verifications is unreasonable and unduly burdensome. *See* 52 Pa. Code §5.361(a)(2).

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Question No. 30**

30. Identify the Pennsylvania natural gas distribution company base rate cases in which your company participated either individually or as a member of a group over the past ten years? Include the case name and docket number. Please answer with respect to each IECPA member and include a verification from each member in accordance with 52 Pa. Code § 1.36.

**Objection**

30. A party may not ask interrogatories related to information that is not reasonably calculated to lead to the discovery of admissible evidence. *See* 52 Pa. Code § 5.321(c). IECPA has intervened in the instant proceeding as a collective group and trade association. Accordingly, the interests of individual members of IECPA are irrelevant for purposes of the instant proceeding, as they are not individual intervenors. In response to the questions herein, IECPA is only able to provide the position of the group as a whole. Moreover, asking each member for individual responses and signed verifications is unreasonable and unduly burdensome. *See* 52 Pa. Code §5.361(a)(2).

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Question No. 31**

31. In the Pennsylvania natural gas distribution company base rate cases in which your company participated either individually or as a member of group over the past ten years, did your company or the group submit testimony with respect to cost of service and rate design? If yes, provide copies of the testimony. If no, why not? Please answer with respect to each IECPA member and include a verification from each member in accordance with 52 Pa. Code § 1.36.

**Objection**

31. A party may not ask interrogatories related to information that is not reasonably calculated to lead to the discovery of admissible evidence. *See* 52 Pa. Code § 5.321(c). IECPA has intervened in the instant proceeding as a collective group and trade association. Accordingly, the interests of individual members of IECPA are irrelevant for purposes of the instant proceeding, as they are not individual intervenors. In response to the questions herein, IECPA is only able to provide the position of the group as a whole. Moreover, asking each member for individual responses and signed verifications is unreasonable and unduly burdensome. *See* 52 Pa. Code §5.361(a)(2).

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Question No. 32**

32. In the Pennsylvania natural gas distribution company base rate cases in which your company participated either individually or as a member of group over the past ten years, did your company or the group propose to reduce rates on the basis of cost of service? If yes, why? If no, why not? Please answer with respect to each IECPA member and include a verification from each member in accordance with 52 Pa. Code § 1.36.

**Objection**

32. A party may not ask interrogatories related to information that is not reasonably calculated to lead to the discovery of admissible evidence. *See* 52 Pa. Code § 5.321(c). IECPA has intervened in the instant proceeding as a collective group and trade association. Accordingly, the interests of individual members of IECPA are irrelevant for purposes of the instant proceeding, as they are not individual intervenors. In response to the questions herein, IECPA is only able to provide the position of the group as a whole. Moreover, asking each member for individual responses and signed verifications is unreasonable and unduly burdensome. *See* 52 Pa. Code §5.361(a)(2).

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Question No. 33**

33. Would your company advocate for true cost of service based rates (as determined using IECPA's preferred cost of service methodology) in future base rate proceedings if the Commission determines that rate discounting or negotiated rates should no longer be allowed? Please explain. Please answer with respect to each IECPA member and include a verification from each member in accordance with 52 Pa. Code § 1.36.

**Objection**

33. A party may not ask interrogatories related to information that is not reasonably calculated to lead to the discovery of admissible evidence. *See* 52 Pa. Code § 5.321(c). IECPA has intervened in the instant proceeding as a collective group and trade association. Accordingly, the interests of individual members of IECPA are irrelevant for purposes of the instant proceeding, as they are not individual intervenors. In response to the questions herein, IECPA is only able to provide the position of the group as a whole. Moreover, asking each member for individual responses and signed verifications is unreasonable and unduly burdensome. *See* 52 Pa. Code §5.361(a)(2).

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Question No. 35**

35. Would your company have an inability to pay its natural gas distribution bills if the Commission determines that rate discounting or negotiated rates should no longer be allowed? If yes, why? If no, why not? Please answer with respect to each IECPA member and include a verification from each member in accordance with 52 Pa. Code § 1.36.

**Objection**

35. A party may not ask interrogatories related to information that is not reasonably calculated to lead to the discovery of admissible evidence. *See* 52 Pa. Code § 5.321(c). IECPA has intervened in the instant proceeding as a collective group and trade association. Accordingly, the interests of individual members of IECPA are irrelevant for purposes of the instant proceeding, as they are not individual intervenors. In response to the questions herein, IECPA is only able to provide the position of the group as a whole. Moreover, asking each member for individual responses and signed verifications is unreasonable and unduly burdensome. *See* 52 Pa. Code §5.361(a)(2).

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Question No. 36**

36. If the Commission permits rate discounting or negotiated rates to continue, should the natural gas distribution company be required to recover discounts from customers in the same customer class as customers who are receiving the discounts? If yes, why? If no, why not?

**Objection**

36. Because IECPA's counsel and IECPA's witness only received access and note-taking abilities with respect to their first set of interrogatory responses last week, IECPA is still in the process of formulating its position on this issue. IECPA hopes to use the time still available to review the aforementioned discovery information, and IECPA is hopeful that it will be able to formulate its position by the time that direct testimony is due.

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Question No. 37**

37. Does IECPA believe that, as part of this proceeding, the Commission should determine the appropriate methodology to determine true cost of service for natural gas distribution companies with overlapping service territories? If yes, why? If not, why not?

**Objection**

37. Because IECPA's counsel and IECPA's witness only received access and note-taking abilities with respect to their first set of interrogatory responses last week, IECPA is still in the process of formulating its position on this issue. IECPA hopes to use the time still available to review the aforementioned discovery information, and IECPA is hopeful that it will be able to formulate its position by the time that direct testimony is due.

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Question No. 39**

39. Does your company have a procurement policy under which services must be obtained from the low-cost provider? If yes, describe the circumstances under which the low-cost provider does not have to be used. Please answer with respect to each IECPA member and include a verification from each member in accordance with 52 Pa. Code § 1.36.

**Objection**

39. A party may not ask interrogatories related to information that is not reasonably calculated to lead to the discovery of admissible evidence. *See* 52 Pa. Code § 5.321(c). IECPA has intervened in the instant proceeding as a collective group and trade association. Accordingly, the interests of individual members of IECPA are irrelevant for purposes of the instant proceeding, as they are not individual intervenors. In response to the questions herein, IECPA is only able to provide the position of the group as a whole. Moreover, asking each member for individual responses and signed verifications is unreasonable and unduly burdensome. *See* 52 Pa. Code §5.361(a)(2). Finally, the subject matter of this question is wholly outside the scope of this proceeding, which focuses on gas-on-gas competition in Pennsylvania, Thus, it is irrelevant.

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Question No. 40**

40. Identify the year in which your company first received discounted or negotiated natural gas service rates due to gas-on-gas competition. Prior to that year, did your company pay full tariffed rates? Please answer with respect to each IECPA member and include a verification from each member in accordance with 52 Pa. Code § 1.36.

**Objection**

40. A party may not ask interrogatories related to information that is not reasonably calculated to lead to the discovery of admissible evidence. *See* 52 Pa. Code § 5.321(c). IECPA has intervened in the instant proceeding as a collective group and trade association. Accordingly, the interests of individual members of IECPA are irrelevant for purposes of the instant proceeding, as they are not individual intervenors. In response to the questions herein, IECPA is only able to provide the position of the group as a whole. Moreover, asking each member for individual responses and signed verifications is unreasonable and unduly burdensome. *See* 52 Pa. Code §5.361(a)(2).

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

**Peoples to IECPA, Set II, Question No. 41**

41. Has your company, within the past 20 years, switched natural gas distribution companies because of discounted or negotiated natural gas service rates resulting from gas-on-gas competition? If yes, identify: (a) the location; (b) the natural gas distribution companies involved; (c) the year of the switch; (d) any reasons other than lower rates for the switch; and, (e) whether facilities are currently in place which would allow future switches without substantial capital investment. Please answer with respect to each IECPA member and include a verification from each member in accordance with 52 Pa. Code § 1.36.

**Objection**

41. A party may not ask interrogatories related to information that is not reasonably calculated to lead to the discovery of admissible evidence. *See* 52 Pa. Code § 5.321(c). IECPA has intervened in the instant proceeding as a collective group and trade association. Accordingly, the interests of individual members of IECPA are irrelevant for purposes of the instant proceeding, as they are not individual intervenors. In response to the questions herein, IECPA is only able to provide the position of the group as a whole. Moreover, asking each member for individual responses and signed verifications is unreasonable and unduly burdensome. *See* 52 Pa. Code §5.361(a)(2).

**INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA'S  
OBJECTIONS TO PEOPLES NATURAL GAS COMPANY LLC'S  
INTERROGATORIES, SET II**

**DOCKET NOS. P-2011-2277868 and I-2012-2320323**

---

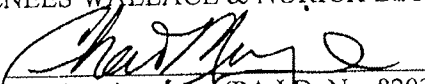
**CONCLUSION**

Peoples' request for the information sought in the above-referenced Interrogatories must be denied for the reasons set forth in the aforementioned Objections.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By

  
Charis Mincavage (PA I.D. No. 82039)  
Teresa K. Schmittberger (PA I.D. No. 311082)  
McNees Wallace & Nurick LLC  
100 Pine Street  
P.O. Box 1166  
Harrisburg, PA 17108-1166  
Phone: (717) 232-8000  
Fax: (717) 237-5300

Counsel to the Industrial Energy Consumers of  
Pennsylvania

Dated: July 15, 2013