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July 30, 2013

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

VIA ELECTRONIC FILING

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

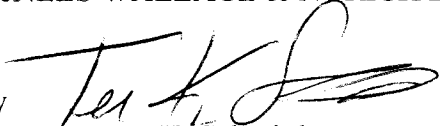
Dear Secretary Chiavetta:

Please find enclosed for filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") the Answer of the Industrial Energy Consumers of Pennsylvania ("IECPA") in the above-referenced proceeding.

As evidenced by the attached Certificate of Service, all parties to the proceeding are being duly served with a copy of this document.

Very truly yours,

McNEES WALLACE & NURICK LLC

By 
Teresa K. Schmittberger

Counsel to the Industrial Energy Consumers of Pennsylvania

TKS/sar
Enclosures

c: Administrative Law Judge Elizabeth H. Barnes (via E-mail and First Class Mail)
Certificate of Service

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CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant).

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Teresa K. Schmittberger

Counsel to the Industrial Energy Consumers of
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Dated this 30th day of July, 2013, at Harrisburg, Pennsylvania

As set forth in IECPA's Objections, attached hereto as **Appendix A**, Peoples' interrogatories can be grouped into three objectionable categories. First, Peoples' Interrogatory Instruction No. 19 and Nos. 9, 10, 13, 17, 18, 21, 27, 28, 29, 30, 31, 32, 33, 35, 39, 40, and 41, requesting that IECPA provide individual member responses (along with accompanying verifications) for questions regarding policy positions, are irrelevant and unduly burdensome, particular when IECPA members are only participating in this proceeding as part of an independent association. Second, IECPA is in the process of developing its positions with respect to Peoples' Interrogatory Nos. 1, 2, 3, 4, 5, 8, 11, 12, 22, 23, 36, and 37,² and IECPA plans to provide responses to these Interrogatories once its positions are developed. Third, Peoples' Interrogatory Nos. 14, 16, 18, 19, 20, 21, and 39 relate to subject matter that is wholly outside the scope of this proceeding and will not lead to the discovery of admissible evidence. Because of the groupings of the interrogatories, IECPA's Answer will first provide an overview of the general objections and then provide specific responses to each of the paragraphs in Peoples' Motion. For the reasons addressed herein, IECPA requests that Your Honor deny Peoples' Motion to Compel.

A. Peoples' Interrogatories Requesting that IECPA Provide Individual Responses And Accompanying Verifications for Each of Its Members Are Irrelevant, Outside the Scope of the Proceeding, And Unduly Burdensome.

The first grouping of Peoples' interrogatories requests that individual IECPA members provide their individual policy perspectives on a number of subjects, including rate discounting, natural gas procurement, cost of service methodology, etc. *See Appendix A*. Importantly, Peoples' interrogatories do not ask for IECPA's position on these issues, but rather, seek the individual position of each member. Because IECPA, rather than its individual members, is the

² Peoples asserts that IECPA objected to its Interrogatory No. 6. *See Motion to Compel*, p. 2. This appears to be an error because IECPA answered Peoples' Interrogatory No. 6 on July 25, 2013.

party to this proceeding, Peoples' request is irrelevant, outside the scope of the proceeding, and unduly burdensome. Specifically, the individual members of IECPA joined the association of IECPA to express the collective point of view of large energy users in Pennsylvania. Because individual IECPA members are not individual intervenors in the proceeding, their individual answers (along with accompanying verifications) are irrelevant and unnecessary. Members participate in IECPA to express their viewpoints without expending the significant time and resources that would be required for participating as individual, stand-alone customers. As a result, it is inappropriate and unduly burdensome to require these members to participate in discovery as if they are individual intervenors when this was never their intent.

Moreover, in a Pennsylvania Public Utility Commission ("PUC" or "Commission") proceeding, "a party may serve upon another party written interrogatories to be answered by the party served or, if the party served is a public or private corporation, similar entity or a partnership or association, by an officer or agent...." 52 Pa. Code § 5.341(a). Parties, other than the statutory advocates, may participate in a proceeding "by order of the presiding officer or the Commission upon grant of a petition to intervene." 52 Pa. Code § 5.71(a)(2). Nowhere in the Commission's regulations are parties authorized to submit written interrogatories to individuals that are not parties to a proceeding.

As noted previously, IECPA (not its individual members) was granted intervenor status³ in this proceeding.⁴ None of IECPA's individual members submitted Petitions to Intervene in the instant proceeding; as a result, none of IECPA's individual members qualify as parties to the

³ IECPA submitted a Petition to Intervene in the instant proceeding on August 28, 2012, which was granted by Administrative Law Judge ("ALJ") Barnes on August 31, 2012.

⁴ Although IECPA is disappointed that Peoples would question the veracity of the facts within its Objections, IECPA's bylaws indicating that it is an independent organization are attached to this Answer as **Appendix B**.

instant proceeding.⁵ Accordingly, there is no regulatory basis that would require IECPA members to draft and submit individual interrogatory responses, especially for questions related to policy positions.

For this reason, Peoples' Interrogatory Instruction No. 19 and Nos. 9, 10, 13, 17, 18, 21, 27, 28, 29, 30, 31, 32, 33, 35, 39, 40, and 41 are irrelevant for purposes of the instant proceeding. *See* 52 Pa. Code § 5.321(c). If Peoples would prefer, IECPA can certainly provide the group's position in response to Peoples' interrogatory requests. Because, however, Peoples has been unwilling to accept anything other than individual member positions to date, Peoples' Motion to Compel responses to Interrogatory Instruction No. 19 and Nos. 9, 10, 13, 17, 18, 21, 27, 28, 29, 30, 31, 32, 33, 35, 39, 40, and 41 must be denied.

In addition, IECPA's participation in this proceeding, as expressing a representative voice for a collective group of customers, is a normal and accepted manner of participation at the PUC. For example, there are statutory advocates such as the Office of Consumer Advocate ("OCA") and the Office of Small Business Advocate ("OSBA") who represent the interests of residential and small commercial customers. Neither the OCA nor OSBA has been asked by Peoples to provide individual responses (or accompanying verifications) from any of its individual customer base. Similarly, the Energy Association of Pennsylvania ("EAP") and the Retail Energy Supply Association ("RESA") often participate in PUC proceedings and are permitted to provide interrogatory responses and direct testimony as a single entity rather than from each of their individual members. It is indisputable that participation at the PUC as a member of a collective group is a perfectly acceptable manner of participation and should not be discouraged. To ask each individual customer or company to provide responses and verifications to supplement their

⁵ As a courtesy, and to provide full transparency, IECPA submitted a list of its members attached to its Petition to Intervene; importantly, however, many other *ad hoc* groups and trade associations of multiple members do not include such a list.

responses would undermine this historic and accepted method of participation in Commission proceedings.⁶

In addition, requiring members of collective groups and trade associations to provide individual interrogatory responses is unduly burdensome and could have the negative effect of discouraging future involvement at the PUC based on the higher level of time and resources required to participate. *See* 52 Pa. Code § 5.361(a)(2). Members join IECPA with an understanding that IECPA is the party to the proceeding, and as such, IECPA is the entity that will actively participate in the proceeding. Accordingly, it is unreasonable and unduly burdensome to shoulder individual members with individual discovery obligations.⁷

Further, contrary to Peoples' claim, IECPA is not suggesting that it may circumvent discovery requirements, but rather, Peoples is inappropriately attempting to expand the PUC's regulations, which do not permit Peoples to ask interrogatories of individuals other than parties to the proceeding. IECPA is certainly willing to answer Peoples' interrogatories, if otherwise unobjectionable, as a collective group.⁸ By contrast, Peoples has no regulatory authority to ask these interrogatories of individual IECPA members. Moreover, requiring all members to provide individual responses for each of the questions is unduly burdensome on members and contrary to

⁶ If Peoples is asked an interrogatory, Peoples selects an officer or other company representative to provide an answer on behalf of Peoples. Likewise, IECPA similarly should be permitted to provide responses from one of its officers on behalf of the organization. Asking all IECPA members to provide individual responses is akin to asking all of Peoples' shareholders to provide individual responses indicating whether they agree or disagree with management's position on policy issues.

⁷ Unlike the management team providing responses on behalf of Peoples, IECPA members have full time jobs at their various facilities. Moreover, these jobs include a host of responsibilities and are not limited to merely natural gas distribution company related issues. As a result, it is extremely burdensome to ask these participants to compile the information requested by Peoples.

⁸ If Peoples would be willing to modify its questions to have IECPA's position, a single representative of IECPA would answer the interrogatories and provide a verification, similar to all other parties to the proceeding. This individual will likely either be the Executive Director of IECPA, who has already answered interrogatories provided by Peoples in the instant proceeding, or IECPA's consultant for this proceeding.

their intended method of participation in the proceeding.⁹ As currently drafted, Peoples' Interrogatory Instruction No. 19 and Nos. 9, 10, 13, 17, 18, 21, 27, 28, 29, 30, 31, 32, 33, 35, 39, 40, and 41 must be disregarded and Peoples' Motion to Compel should be denied.

B. IECPA Is Developing Its Positions Regarding a Number of Interrogatories and Will Provide Responses to These Interrogatories As Soon As Possible.

With respect to Peoples' Interrogatory Nos. 1, 2, 3, 4, 5, 8, 11, 12, 22, 23, 36, and 37, IECPA is still in the process of formulating its positions.¹⁰ Delayed access to the Highly Confidential Information related to customers with negotiated rates due to gas-on-gas competition, in addition to the continuing discovery disputes, has prevented IECPA from determining its positions with respect to the foregoing interrogatories. IECPA anticipates fully answering and supplementing its answers once its positions are developed.

Although Peoples contends that IECPA is attempting to "skirt" its obligation to respond to Peoples' Interrogatories, IECPA has been working tirelessly to access the Highly Confidential Information related to gas-on-gas discounting to begin to develop its positions in this case. *Contra* Motion to Compel, p. 2. IECPA's ability to meet and discuss its positions and takeaways from the discounting information has been hindered by a number of obstacles in this proceeding. First, Protective Order negotiations occurred over the course of many months. Subsequently, several of the natural gas distribution companies ("NGDCs") in this proceeding established a number of barriers to access of the Highly Confidential Information by IECPA's counsel and

⁹ It is unduly burdensome and plainly inequitable to require dozens of responses and verifications by IECPA members, particularly when no other party to the proceeding has been required to ask the same of various individuals at their respective organizations.

¹⁰ Because IECPA had yet to formulate its positions at the time Objections were due, and because other Objections existed related to the interrogatories, IECPA believed objecting to Peoples' interrogatories was the superior course of action, rather than waiting to provide responses 10 days, which would have indicated that IECPA has not yet formulated its position. Alternatively, IECPA could have waited to respond until its positions were formulated without providing any notification to Peoples regarding the delay. In an effort to move the proceeding along, however, IECPA explained the circumstances to Peoples through Objections. Contrary to Peoples' claim, IECPA cannot expedite development of its positions for the sole purpose of meeting Peoples' proposed timeframe.

expert, which were ultimately only removed after filing a Motion and receiving the Your Honor's July 3 Order. Once access to the information by both IECPA's counsel and expert was possible, IECPA's counsel and expert traveled to four different locations throughout the region on numerous occasions to begin gathering this information. In addition, IECPA's counsel and expert have been working around travel plans for themselves and IECPA members. Unlike Peoples and other NGDCs, IECPA does not provide gas-on-gas discounting, and thus does not have access to the comprehensive information necessary to establish fully-informed positions without obtaining discovery. IECPA is working exhaustively to meet the August 8 deadline for direct testimony.

Because IECPA was significantly delayed in receiving access to this discounting information, and has spent significant additional time overcoming the barriers associated with this information, IECPA simply cannot guarantee a timeline for Peoples to receive responses. Moreover, Peoples' request that IECPA be required to respond by the arbitrary date of August 2, 2013, which is approximately one week before Direct Testimony is due in this proceeding, seems to be nothing more than a litigation tactic to require IECPA to rush its analyzing of the information and formulate a position prior to the submission of testimony.¹¹

IECPA will endeavor to form its positions with respect to Peoples' Interrogatory Nos. 1, 2, 3, 4, 5, 8, 11, 12, 22, 23, 36, and 37, as soon as possible, and will forward responses to Peoples at that point. Presently, however, IECPA is not prepared to submit responses to these Interrogatories. As a result, considering IECPA's commitment to submitting its responses as soon as they are formulated, Peoples' Motion to Compel should be denied.

¹¹ If IECPA is required to rush its analysis and attempt to develop an type of position by August 2 in order to respond to Peoples' questions, then it is imperative that IECPA be permitted to update its responses if its position changes upon the submission of testimony.

C. The Remaining Interrogatories are Entirely Irrelevant to the Scope of the Proceeding And Should Be Disregarded.

Peoples remaining Interrogatory Nos. 14, 16, 18, 19, 20, 21, and 39 should each be disregarded as irrelevant to or outside the scope of the instant proceeding for the reasons highlighted herein. *See* 52 Pa. Code § 5.321(c).

Peoples' Interrogatory No. 14 requests a list of all natural gas discounts for IECPA members. This interrogatory is irrelevant and outside the scope of the instant proceeding, which only addresses discounting due to gas-on-gas competition. As discussed in greater detail in Paragraph No. 17 below, all NGDCs in this proceeding have previously agreed that discounted natural gas rates outside of gas-on-gas competition were precluded from the scope within the ALJ's Order dated December 11, 2012.¹² Accordingly, any interrogatories requesting information related to other forms of discounting should be disregarded as irrelevant and outside the scope.

Although IECPA believes Peoples' Interrogatory Nos. 16 and 21, which request revenue, expense, and cost information of individual members, are irrelevant and unduly burdensome because they ask for responses and verifications from individual members, IECPA further objects to Interrogatory Nos. 16 and 21 as requesting information that is irrelevant and outside the scope of the proceeding. Members' annual gross revenues and operating expenses have no bearing on the instant proceeding. In addition, members' total annual natural gas supply costs are irrelevant, particularly when the member does not receive gas-on-gas discounting. For these reasons, Peoples' Interrogatory Nos. 16 and 21 should be disregarded.

¹² Peoples has submitted on numerous occasions, including within its Motion to Compel, that the scope of this proceeding does not include natural gas discounting other than that for gas-on-gas competition. *See, e.g.*, Motion to Compel, p. 8.

Peoples' Interrogatory Nos. 18 and 19 address IECPA member operations and gas-on-gas discounting in other states. Because the instant investigation is limited to evaluating gas-on-gas competition in Pennsylvania, member operations in other states are irrelevant to the instant proceeding. Moreover, if Peoples would like to make analogies to gas-on-gas competition in other states, Peoples may perform its own research on these states rather than require IECPA to compile this information. As a result, both Interrogatory Nos. 18 and 19 should be set aside.

Peoples' Interrogatory No. 20 requests IECPA's position on Marcellus Shale development. Although IECPA agrees Marcellus Shale development has impacted natural gas rates in Pennsylvania, IECPA disagrees that this impact is relevant to the merits of gas-on-gas competition. IECPA's position on whether gas-on-gas competition is beneficial is entirely independent from whether Marcellus Shale development is beneficial. Because the merits of each of these practices require two separate inquiries, IECPA should not be required to answer Interrogatory No. 20.

Peoples' Interrogatory No. 39 requests that IECPA members provide individual responses and verifications explaining whether their companies have internal procurement policies requiring that services be obtained by the low-cost provider. IECPA first objects to this interrogatory as irrelevant and overly burdensome because it requests individual responses from members. In addition, IECPA objects to the subject matter of the interrogatory as irrelevant because it does not relate to gas-on-gas competition. Peoples submits that this interrogatory is relevant to whether other factors may influence customers' selection of NGDCs, however, IECPA has already provided a list of factors it believes may influence this selection as part of a separate interrogatory response. *See Appendix C.* Accordingly, IECPA members' internal procurement policies are unnecessary and irrelevant to the instant proceeding.

D. Peoples' Motion to Compel Should Be Denied for the Following Paragraphed Reasons.

In response to Peoples' Motion to Compel, IECPA asserts as follows:

1. Denied. Peoples' incorrectly notes that a "*majority* of the interrogatories substantially mirror interrogatories that were propounded on Peoples by IECPA in IECPA-to-Peoples Set III" (emphasis added). Upon review, only 12 out of the 41 interrogatories served by Peoples on IECPA were similar to interrogatories served on Peoples by IECPA.
2. Denied. IECPA does not take the position that it is "immune from having to respond to interrogatories." Sections II.A., II.B., and II.C. outline IECPA's position on how and when it can respond to 27 of the interrogatories. IECPA only asserts that seven of Peoples' 41 interrogatories should be disregarded in their entirety.
3. Denied. As explained throughout, IECPA intends to respond in good faith to the interrogatories as long as they are not irrelevant, unduly burdensome, and are addressed to IECPA rather than individual members.
4. Denied. Consistent with Section II.B., IECPA has been significantly delayed in its ability to view gas-on-gas discounting information, which has precluded IECPA from formulating its position. IECPA has spent a significant majority of its time handling procedural disputes and traveling to inspect Highly Confidential Information. With respect to footnote one in Peoples' Motion, IECPA never "waited" 35 days to begin inspecting Highly Confidential Information, but instead utilized that period to try to negotiate inspection procedures that corresponded with the Protective Order of the instant proceeding. Because such negotiations were unsuccessful, IECPA was then forced to file a Motion in order to obtain full access to this information. In addition, Peoples' footnote one suggests that IECPA attempted to "circumvent the procedural and inspection processes included in the Protective Order" by not having its attorneys view the

information initially. As indicated by Your Honor in the July 3 Order, the Protective Order did not place temporal limitations on viewing times among attorneys and consultants. Rather, the NGDCs delayed the timeframe for viewing by claiming that IECPA's attorneys had to view the information before the consultant. Finally, Peoples' comparison of IECPA's 64 interrogatories to Peoples' four objections is an apples-to-oranges comparison. Peoples served a total of 51 interrogatories on IECPA, and IECPA submitted significantly more objections than Peoples because Peoples' interrogatories presented all of the concerns addressed herein.

5. Denied. Consistent with Section II.B., IECPA will provide responses as soon as they are formulated. Peoples can address any issues associated with IECPA's responses and direct testimony in its rebuttal testimony.

6. Admitted. IECPA notes that Peoples admits that "*a party* may obtain discovery regarding any matter..." (emphasis added).

7. Denied. IECPA's bylaws are attached as **Appendix B**.

8. Denied. IECPA's bylaws are attached as **Appendix B**. In addition, at no time did Peoples ask IECPA for its corporate status information before Peoples filed its Motion to Compel.

9. Denied. Although certain facts related to members' gas-on-gas discounts may be relevant, member's policy positions on gas-on-gas competition are irrelevant as IECPA, and not the members, is the party to the proceeding. IECPA has already provided Peoples access to a list of the members who identified gas-on-gas discounts in Pennsylvania. See **Appendix D**.

10. Denied. As just stated, IECPA has not simply provided aggregate information for its members who receive gas-on-gas discounts. See **Appendix D**. IECPA is asserting, however, that all policy positions should be asked of IECPA and not of individual IECPA members.

11. Denied. Peoples is unaware "of the arguments that IECPA intends to make in this proceeding," because direct testimony has yet to be submitted and IECPA is still formulating its positions in this proceeding.

12. Denied. IECPA's bylaws are attached as **Appendix B**.

13. Denied. Consistent with Section II.A., IECPA members should not be required to answer any interrogatories or provide individual verifications as they are not individual parties to the proceeding.

14. Denied. IECPA will submit a verification for the representative who answers each interrogatory on behalf of IECPA. Similarly, when Peoples answers interrogatories, Peoples submits a verification for its representative, *i.e.*, its Director of Business Development, for each interrogatory. Peoples is not expected to submit a separate response and verification for each of its shareholder indicating whether he or she either agrees or disagrees with the Director's response.

15. Denied. IECPA has already been willing to provide relevant information related to members' gas-on-gas discounts. *See Appendix D*. In addition, Peoples is prematurely arguing that IECPA's testimony should not be permitted when it is unclear whether any individual members will provide their gas-on-gas experiences in testimony. If this occurs, Peoples will have an opportunity after direct testimony is received to ask additional discovery of IECPA related to those members.

16. Denied. *See* Section II.C.

17. Denied. *See* Section II.C. In addition, as part of the instant proceeding, IECPA has submitted interrogatories to NGDCs requesting information related to natural gas discounted rates other than those caused by gas-on-gas competition. Every NGDC objected to these

interrogatories arguing that they were outside the scope. In an effort to compromise, IECPA withdrew its objections. Accordingly, Peoples should not be permitted to expand the scope to other discounted rates.

18. Denied. *See* Section II.C.

19. Denied. *See* Section II.C.

20. Denied. *See* Section II.C.

21. Denied. Although IECPA was contacted by Peoples the day before the Motion to Compel was due, no compromise was offered. Peoples also did not notify IECPA that a copy of its bylaws, which are now attached as Appendix B, might have facilitated a compromise on a number of the interrogatories addressed herein. Peoples has repeatedly thwarted IECPA's discovery efforts, causing IECPA to ultimately file a Motion at the end of June to simply access Peoples' responses. Accordingly, any suggestion that IECPA is not working with Peoples is entirely incorrect.

22. Denied. *See* Sections II.A., II.B., and II.C.

III. CONCLUSION

WHEREFORE, the Industrial Energy Consumers of Pennsylvania respectfully request that the Administrative Law Judge deny Peoples' Motion to Compel Responses to Peoples-to-IECPA Set II Discovery addressed herein. In the alternative, the Industrial Energy Consumers of Pennsylvania respectfully request that the Administrative Law Judge hold:

- (1) Peoples' Interrogatory Instruction No. 19 and Nos. 9, 10, 13, 17, 18, 21, 27, 28, 29, 30, 31, 32, 33, 35, 39, 40, and 41 should be rephrased to only request interrogatory responses from IECPA rather than individual members;

- (2) Peoples' Interrogatory Nos. 1, 2, 3, 4, 5, 8, 11, 12, 22, 23, 36, and 37 may be answered by IECPA once its positions with respect to each of the interrogatories are developed;
- (3) Peoples' Interrogatory Nos. 14, 16, 18, 19, 20, 21, and 39 are irrelevant and outside the scope of this proceeding and should be disregarded in their entirety; and
- (4) Provide any other relief at the Commission deems necessary.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

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Counsel to the Industrial Energy Consumers of
Pennsylvania

Dated: July 30, 2013

Appendix A

**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
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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.

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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.

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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
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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
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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.

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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
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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
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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
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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.

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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.

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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.

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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).

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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).

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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).

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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).

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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.

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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.

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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.

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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.

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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.

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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).

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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).

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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).

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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).

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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**

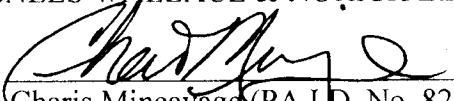
DOCKET NOS. P-2011-2277868 and I-2012-2320323

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

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Counsel to the Industrial Energy Consumers of
Pennsylvania

Dated: July 15, 2013

Appendix B

INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA

PURPOSES, PRINCIPLES & MEMBERSHIP

BYLAWS

ARTICLE I

Name and Location

Section 1. The name of this organization shall be the INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA (hereinafter referred to as "IECPA"), a nonprofit corporation incorporated under the laws of the Commonwealth of Pennsylvania.

Section 2. The office of IECPA shall be located at 1205 Sipe Road, York Haven, Pennsylvania and/or in such other locations as may be determined by the Board of Directors (hereinafter referred to as "Board").

ARTICLE II

Purposes

Section 1. Purposes of IECPA shall be:

A. To stimulate a positive business climate for energy consuming industrial businesses within the Commonwealth of Pennsylvania by influencing energy policy development, implementation and regulation, at the Pennsylvania Public Utility Commission, state and federal legislative bodies and before other pertinent organizations and parties, and to advocate the industrial end-users' viewpoint on generic energy and public utility issues.

B. To provide member companies with current business, regulatory and legislative information concerning energy issues to strengthen and improve their industrial worldwide competitive positions.

C. To pursue such other matters as the membership may determine beneficial in connection with or in furtherance of the purposes set out above provided that (a) IECPA shall not engage in the performance of services for individual parties or otherwise engage in any other activity of a kind ordinarily carried on for profit; (b) that no part of its net earnings shall inure to the benefit of any member of IECPA or any individual; and (c) that IECPA shall otherwise operated in accordance with the general powers and limitations of an organization described in Section 501(c)(6) of the Internal Revenue Code of 1954, as amended, and the Nonprofit Corporation Law of the Commonwealth of Pennsylvania.

ARTICLE III

Principles

Section 1. The principles of IECPA are as follows:

- A. Non-regulated electric and natural gas services and prices when offered in a truly competitive market to all customer classes should be market based.
- B. Regulated electric and natural gas prices and services must be based on appropriately functionalized and allocated embedded cost of service to each customer class.
- C. Regulated utilities which provide reliable service and operate efficiently should be provided with an opportunity to earn a fair rate of return.
- D. State and federal regulatory processes must be timely and responsible to all stakeholders, and encourage non-discriminatory and competitive markets where appropriate.
- E. Administrative, legislative and regulatory bodies should actively pursue energy policies that enhance the existing industrial and manufacturing base, and promote employment and economic growth in Pennsylvania.

ARTICLE IV

Membership

Section 1. **Eligibility.** All large energy consumers operating facilities within the Commonwealth of Pennsylvania which support the foregoing purposes and principles shall be eligible for membership in IECPA. An eligible company may become a member by submitting a request in writing indicating its willingness to actively participate in IECPA by the assignment of a specific company representative and its agreement to share equally in IECPA's expenses as set forth in Section 2 below. Such requests shall be evaluated against certain criteria established by the Board and subject to final approval of the Board.

Section 2. **Equal Share of Expenses.** Each member of IECPA shall pay when due its equal share of the projected operating and administrative expenses of IECPA, as accepted by the general membership at the beginning of each year or at any general membership meeting thereafter prior to such member's resignation pursuant to Section 3 below. Other IECPA expenses shall be shared with a formula established by the Board of Directors from time to time.

Section 3. **Resignations.** A member may resign at any time by giving written notice to the Secretary and, unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective. Such resignation shall not, however, release the member from its obligation to pay any unpaid fees provided for in Section 2 above.

Section 4. **Annual Meeting and Special Membership Meetings.** An annual meeting of the general membership shall be held each calendar year at such time and place as the Board shall determine for the election of directors and for consideration of other matters. Special meetings of the membership shall be held whenever called by the Board or by the President.

Section 5. **Voting.** Each member company of IECPA shall be represented by one individual appointed and authorized by the Company officially to represent that company in IECPA. Whenever such official is not available, the member may appoint an alternate to attend any meeting or otherwise act with respect to any responsibility of membership including the full power to vote and represent the member. Each member company shall have one vote and may cast such vote by proxy. A majority of the general membership so present and voting constitutes general membership approval.

Section 6. **Confidential Usage Data.** Each member company shall confidentially provide annual electric and natural gas usage data for its manufacturing facilities in Pennsylvania. This information will be disclosed by IECPA only to provide total aggregated usage of IECPA's entire membership and shall not be given to any other member or non-member in a non-aggregated form.

Section 7. **Membership Directory.** Member companies will be publicly identified by name only in a general membership directory. A private membership directory will be distributed only to members and shall be treated confidentially by each member. The private membership directory will include addresses, telephone numbers, representative's names and other information necessary for members to function as IECPA.

ARTICLE V

Board of Directors

Section 1. **Powers and Responsibilities.** Those persons comprising the Board shall have the power to conduct, manage and direct the property, business and affairs of IECPA.

The Board shall from time to time review and, as appropriate, revise the “Position Statements” of IECPA which define the current IECPA positions regarding the principles contained in Article III and other pertinent views concerning energy issues in Pennsylvania.

The Board shall annually develop and then conduct business under the guidance of an “Annual Operating Plan” which purpose shall be to focus on activities which shall effectively assist in meeting the stated purposes of IECPA.

Board members shall be expected to serve in leadership positions within IECPA where practical

Section 2. **Selection.** The Board shall consist of not fewer than five (5) and not more than fifteen (15) member companies to be elected from the official representatives of member companies at each annual meeting by a majority of the votes cast. Nominees for directors shall be selected with a view towards obtaining a representative cross-section of geographical regions and types of industry operating within the Commonwealth.

Each director shall serve without compensation and shall hold office for three-year terms. The terms of directors shall be rotated in such fashion so that at least two (2) vacancies occur and are filled each year, and with the intent that less than one-half of the Board will be subject to election each year. Directors shall be eligible for re-election upon expiration of their respective terms.

Section 3. **Voting.** Each member company of IECPA shall be entitled to one (1) vote at each meeting of IECPA. The vote may be cast by a member company’s representative as outlined in Article IV Section 5. The acts of the majority of the members present at any meeting at which a quorum of one-third or more directorships are present shall be the acts of the Board. Any action which may be taken by the Board in a meeting may be taken without a meeting by the same number of Board members as constitutes a quorum provided that action approved orally shall be confirmed subsequently by letter, telegraph or other writing by the same quorum of company Board members.

Section 4. **Meetings.** There shall be a monthly meeting of IECPA which all IECPA members are encouraged to attend. The meeting shall be official if a quorum of company directorships are in attendance. There shall also be an annual meeting of the Board held as soon as practical after the annual election of directorships. Other meetings shall be held at such time and place as shall be designated from time to time by the Board or the President.

Section 5. **Resignation and Vacancies.** Any company may resign its directorship at any time by giving written notice to the Secretary. Such resignation shall take effect at the date of such notice or at any later date specified therein and the acceptance of such resignation shall not be necessary to make it effective. Any vacancy or vacancies on the Board because of resignation, disqualification, or any other cause, may be filled by a majority of the remaining directorships though less than a quorum at any regular or special meeting. Each company so elected shall appoint a

representative to serve for the balance of the unexpired term.

Section 6. **Nominating Committee.** Before the annual meeting, the President shall appoint a Nominating Committee of three (3) members whose Board terms do not expire that year. That Nominating Committee shall nominate replacement Board members whose terms expire that year and bi-annually nominate officers.

ARTICLE VI

Officers

Section 1. **Designation.** The officers of IECPA shall be chosen by name from the representatives of the member companies comprising the Board. The officers of IECPA shall be a President, a Vice President, a Secretary and a Treasurer. Such officers shall serve without compensation, be elected by the membership present at the annual meeting bi-annually and officers shall hold office until a successor has been elected and qualified.

Section 2. **General Powers.** All officers of IECPA shall respectively have such authority and perform such duties in the management of its property, business and affairs as may be determined by resolution or orders of the Board or, in the absence of controlling provisions in resolution or orders of the Board, as may be provided in these Bylaws.

Section 3. **The President.** The President shall serve as chairperson of the Board and shall preside at all meetings of the Board. The President shall be the chief executive officer of IECPA and shall have general supervision over the activities and operations of the corporation, subject, however, to the control of the Board.

Section 4. **The Vice President.** The Vice President may perform the duties of the President in his/her absence or disability, including his/her duties as chairperson of the Board, and shall perform such other duties as shall be assigned by the President or as may be prescribed by the Board or by these Bylaws.

Section 5. **The Secretary.** The Secretary shall be responsible for the proper recording of proceedings and meetings of the membership of IECPA, its Board and committees if deemed necessary, the proper mailing of all notices to members and maintaining the filing of records and reports, as required by law.

Section 6. **The Treasurer.** The Treasurer shall be in charge of IECPA's funds and records. The Treasurer shall be responsible for determining and collecting member assessments, establishing proper accounting procedures for the handling of IECPA funds, keeping of the funds in such banks, trust companies and/or investments as are approved by the Board, and shall, whenever so required by the Board, render an account showing the transaction as Treasurer and the financial condition of

IECPA.

Section 7. **Resignation and Vacancies.** Any officer may resign at any time by giving written notice to the Board or to the Secretary of IECPA. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein, and the acceptance of such resignation shall not be necessary to make it effective. A vacancy in any office because of death, resignation, disqualification, or any other cause, shall be filled by the Board.

ARTICLE VII

Dissolution

Section 1. IECPA shall use its funds only to accomplish the purposes specified in these Bylaws and no part of such funds shall inure, or be distributed, to the members. On dissolution of IECPA, any funds remaining shall be distributed to or for the benefit of one or more regularly organized or qualified charitable, educational, scientific, or philanthropic organizations to be selected by the Board.

ARTICLE VIII

Amendments

Section 1. These Bylaws may be amended or repealed by a two-thirds vote of the members present at any Annual or Special Membership Meeting of IECPA duly called and regularly held, notice of such proposed changes having been sent in writing to the members thirty (30) days before such meeting or by a two-thirds vote of the members voting by a thirty (30) day mail ballot. Amendments may be proposed by the Board on its own initiative, or upon petition of any five (5) members addressed to the Board and all such proposed amendments shall be presented by the Board to the membership with or without recommendations.

Revised November 2006

Appendix C

PNG-II-38 Aside from rates, what service characteristics do IECPA's members examine in selecting a natural gas distribution company? Please explain the relative importance of each characteristic.

RESPONSE: Because the rates a customer pays factor into the level of service the customer is seeking, rates and service characteristics are tied together. Other service characteristics to be considered would include reliability, accurate billing, connection costs, choice of suppliers, cost of reliability, and availability of supply. The importance of these characteristics, however, may increase or decrease depending upon the rate the customer is receiving and the individual customer's priorities.

Response provided by: Frances A. Mansberger, Executive Director of IECPA

Appendix D

PNG-II-15 Identify any IECPA members who receive natural gas distribution service discounts in Pennsylvania because of gas-on-gas competition.

RESPONSE: IECPA's Response to PNG-II-15 is Highly Confidential pursuant to the Protective Order adopted in the instant proceeding. The Response is available at the offices of IECPA's counsel.

Response provided by: Frances A. Mansberger, Executive Director of IECPA