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Attorneys and Counsellors at Law

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August 20, 2013

BY EMAIL AND FIRST CLASS MAIL

Honorable Conrad A. Johnson
Administrative Law Judge
Pennsylvania Public Utility Commission
Suite 220
Piatt Place
301 Fifth Avenue
Pittsburgh, PA 15222

Re: Docket Nos. P-2013-2342745 and C-2013-2348777
Petition of Equitable Gas Company, LLC, et al.

Dear Judge Johnson:

Enclosed is Equitable Gas Company, LLC's Prehearing Conference Memorandum in the above matter. Copies of the Company's Prehearing Conference Memorandum are being served upon the persons and in the manner set forth on the certificate of service attached to it.

Very truly yours,

THOMAS, LONG, NIESEN & KENNARD

By

Thomas T. Niesen

Encl.

cc: Certificate of Service (w/encl.)
David W. Gray, Esq. (w/encl.)
Rosemary Chiavetta, Secretary (w/encl.)

130820 Johnson (Prehearing Memo).wpd

Before The
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Administrative Law Judge
Conrad A. Johnson, Presiding

Petition of Equitable Gas Company, LLC for Approval of Its Long-Term Infrastructure Improvement Plan	:	P-2013-2342745
	:	
Petition of Equitable Gas Company, LLC for Approval of a Distribution System Improvement Charge	:	P-2013-2342745
	:	
Office of Consumer Advocate	:	
	:	
v.	:	C-2013-2348777
	:	
Equitable Gas Company, LLC	:	

PREHEARING CONFERENCE MEMORANDUM
OF
EQUITABLE GAS COMPANY, LLC

AND NOW, comes Equitable Gas Company, LLC ("Equitable" or "Company"), by its attorneys, and submits this memorandum in connection with the Prehearing Conference scheduled to be held in the above captioned matter on August 22, 2013.

I. History of Proceeding

This proceeding involves Equitable's petitions for approval of its Long-Term Infrastructure Improvement Plan ("LTIIIP Petition") and its Distribution System Improvement Charge ("DSIC Petition").

The LTIIIP was filed on January 11, 2013, with copies being served upon the statutory advocates in accordance with *Implementation of Act 11 of 2012*, Docket No. M-2012-2293695 (August 2, 2012) (Final Implementation Order"). The DSIC was filed on January 29, 2013. Equitable's DSIC Petition includes proposed Supplement No. 95

to Tariff Gas – Pa. P.U.C. No. 22 to introduce the DSIC Rider into the Company’s tariff with an effective date of April 1, 2013. The filing was made pursuant to 66 Pa. C.S. § 1353 and the Final Implementation Order.

The Office of Consumer Advocate (“OCA”) filed comments pertaining to the LTIP on January 31, 2013. On February 19, 2013, OCA filed a Notice of Intervention and Public Statement, a Formal Complaint (Docket No. C-2013-2348777), and an Answer to Equitable’s DSIC Petition.

On February 19, 2013 the Pennsylvania Independent Oil & Gas Association (“PIOGA”) filed a Petition to Intervene in Equitable’s DSIC proceeding.

On February 19, 2013 the Office of Small Business Advocate filed a Notice of Intervention, Public Statement, and an Answer to Equitable’s DSIC Petition.

On March 4, 2013, Equitable filed reply comments in response to the OCA’s formal complaint and comments on Equitable’s DSIC petition.

On April 29, 2013, the United States Steel Corporation (“U.S. Steel”) filed a Petition to Intervene in the Equitable DSIC case. Subsequently, on June 3, 2013, U.S. Steel filed a Petition to Withdraw its Petition to Intervene, which was later granted.

By Opinion and Order entered July 16, 2013, the Commission approved Equitable’s LTIP Petition and DSIC Petition concluding as follows:

The Commission finds that the Equitable Long-Term Infrastructure Improvement Plan and manner in which it was filed conforms to the requirements of Act 11 and our Final Implementation Order. The plan, as approved herein, is designed to maintain safe, adequate and reliable service and, as such, Equitable shall be required to comply with the infrastructure replacement schedule and elements of that plan.

Furthermore, the Commission finds that the Petition of Equitable for a Distribution System Improvement Charge complies with the requirements of Act 11 and our Final Implementation Order. Moreover, the Commission has reviewed the filing and does not find it to be

inconsistent with the applicable law or Commission policy. Subject to recoupment and/or refund pending final resolution of the matters referred herein to the OALJ, Equitable may elect to implement a DSIC mechanism consistent with this order on ten days' notice[.]

The Commission, in its Opinion and Order entered July 16, 2013, also assigned the following issues to the Office of Administrative Law Judge for hearing and preparation of a recommended decision:

- a. Whether field lines that serve residential and commercial customers under Natural Gas Production and Gathering Plant FERC accounts are DSIC-eligible property;
- b. Impact of accumulated deferred income taxes associated with DSIC investments; and
- c. Calculation of state income tax component of the DSIC revenue requirement.

On July 26, 2013, PIOGA filed a letter petition for amendment and clarification of the Opinion and Order entered July 16, 2013. By Opinion and Order entered August 15, 2013, the Commission granted, in part, the PIOGA letter petition.

The matter was assigned to Administrative Law Judge Conrad A. Johnson. By notice dated July 23, 2013, the Commission advised that an initial prehearing conference would be held on August 22, 2012. Judge Johnson issued a Prehearing Conference Order dated July 25, 2013, which, *inter alia*, directed the parties to submit prehearing conference memoranda by 3:00 PM on August 20, 2013.

II. Entry of Appearance

The names, mailing and e-mail addresses, telephone and fax numbers of Equitable's counsel for this matter are as follows:

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III. Issues

The issues are those identified in the Opinion and Order entered July 16, 2013 set forth above in the History of Proceeding.

IV. Discovery

Discovery has occurred and is ongoing. Equitable is proposing no change to Commission discovery regulations.

V. Witnesses

Equitable will present the testimony of Carol A. Scanlon who will address Equitable's DSIC filing and the issues identified in the Opinion and Order entered July 16, 2013 set forth above in the History of Proceeding. Equitable respectfully reserves the right to identify and present additional witnesses as the matter progresses.

VI. Settlement Discussions

Equitable intends to work with other parties in interest to try to resolve this proceeding short of litigation and without the need for evidentiary hearing.

VII. Procedural Schedule

Equitable will work with the presiding administrative law judge and the parties to develop a mutually agreeable procedural schedule. A proposed schedule is attached.

Respectfully submitted,

By  _____

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Attorneys for Equitable Gas Company, LLC

DATE: August 20, 2013

EGC Prehearing Memorandum.wpd

EQUITABLE GAS COMPANY
P-2013-234745 and C-2013-2348777

Proposed Procedural Schedule

August 22, 2013	Initial Prehearing Conference
September 10, 2013	Due Date for Company Supplemental Direct Testimony
October 1, 2013	Due date for the filing and in-hand service of the prepared Direct Testimony of Non-Company Parties
October 29, 2013	Due date for the filing and in-hand service of the prepared Rebuttal Testimony of all Parties
November 25, 2013	Due date for the filing and in-hand service of the prepared Surrebuttal Testimony of all Parties
December 9, 2013	Due date for the filing and in-hand service of the prepared Written Rejoinder Testimony of all Parties
December 18 and 19, 2013	Evidentiary Hearings in Harrisburg
January 16, 2014	Due date for the filing and in-hand service of Main Briefs
February 13, 2014	Due date for the filing of Reply Briefs

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v.	:	C-2013-2348777
	:	
Equitable Gas Company, LLC	:	

CERTIFICATE OF SERVICE

I hereby certify that I have this 20th day of August 2013 served a true and correct copy of the Prehearing Conference Memorandum of Equitable Gas Company, LLC, in the above proceedings, upon the persons and in the manner set forth below:

EMAIL AND FIRST CLASS MAIL, POSTAGE PREPAID

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