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April 3, 2014

The Honorable Rosemary Chiavetta
Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

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SECRETARY'S BUREAU

Re: Pennsylvania Public Utility Commission, Bureau of Investigation and
Enforcement v. Snyder Brothers, Inc., Docket No. C-2014-2402746

Dear Secretary Chiavetta:

Enclosed for filing is a Petition For Leave To Escrow Funds filed on behalf of the
Respondent in the above captioned matter.

If your office has any questions feel free to contact me.

Respectfully submitted,


Thomas C. Reed
Counsel for Snyder Brothers, Inc.

Cc: Heidi L. Wushinske, Esquire
Wayne T. Scott, Esquire
Counsel for Complainant
Kevin Moody, Esquire
Counsel for Intervenor
w/enclosure

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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Pennsylvania Public Utility Commission, :
Bureau of Investigation and Enforcement, :
: :
Complainant. : Docket No. C-2014-2402746
: :
v. :
: :
Snyder Brothers, Inc., :
: :
Respondent. :

**PETITION FOR LEAVE TO ESCROW DISPUTED AMOUNTS CLAIMED TO BE OWED PURSUANT TO
ACT 13**

To: Pennsylvania Public Utilities Commission, Bureau of Investigation and Enforcement
c/o Heidi L. Wushinske
P. O. Box 3265
Harrisburg, PA 17105-3265

Pursuant to 52 Pa. Code §5.41, Respondent Snyder Brothers, Inc., ("Petitioner") hereby petitions the Public Utility Commission and states the following:

1. Petitioner is an oil and gas producer within the meaning of 58 Pa. C. S. §2301, with its principal place of business at One Glade Park East, P. O. Box 1022 Kittanning, PA 16201.
2. Act 13, 58 Pa. C. S. §2301, et seq., requires producers, such as Petitioner, to pay and Unconventional Gas Well Impact Fee and administrative charges, if a well owned by the producer meets certain criteria. 58 Pa. C. S. §2301, 2302.
3. The Impact Fees and administrative charges, required pursuant to Act 13 are required to be paid by April 1 for the preceding year, i.e., the Impact Fee for 2013 is due to be paid by April 1, 2014. 58 Pa. C. S. §2303(a).

4. Act 13, Specifically, 58 Pa. C. S. §2303 and 2304 require a producer to notify the PUC of the spudding of an unconventional gas well, the initiation of production from an unconventional gas well, and the removal of an unconventional gas well from production. Similarly, a producer is required to report on an annual basis to the PUC, the number of spud unconventional wells a producer has in each county that has imposed a fee pursuant to Act 13, and the date that each unconventional well so identified was either spud, or ceases the production of natural gas. 58 Pa. C. S. §2303(b)(1) and (2).

5. *Producers are required to make the required Act 13 Impact Fee and administrative charge payments contemporaneously with their annual report. 58 Pa. C. S. §2303(a) and (b).*

6. The PUC has suggested that if a producer is aware of a dispute as to the amount owed, the producer is to identify any disputes in its annual report. Clarification Order Regarding Chapter 13, dated December 20, 2012 at p. 12.

7. As the invoice attached as Exhibit "A" indicates the PUC contends \$276,000.00 in impact fees are in dispute and as Exhibit "B" indicates the PUC contends \$1650.00 in administrative fees are in dispute.

8. Petitioner has paid the undisputed portion of the invoice for impact fees and a portion of the administrative fees claimed due.

9. The \$276,000.00 in allegedly owed impact fees includes not only a claim that wells otherwise exempt from this fee are subject thereto but, on information and belief, improperly assigns a "first" year impact fee (\$10,000) to otherwise exempt wells which were drilled in prior years, for which a "second" year (\$8,000) or "third" year (\$7,000) impact would

be due if such wells were, in fact, subject to the impact, which they are not due to their *production rates*.

10. The \$1,650.00 in allegedly owed administrative fees is, as set forth on Exhibit "B," based on a claim that Respondent spud 58 wells during 2013, when Petitioner spud far fewer non-horizontal unconventional wells during that period and owes an administrative fee which is far lower.

11. There is not, however, in Act 13, or any regulation issued pursuant to Act 13, any mechanism by which a producer can escrow a disputed amount while existing its right to seek review of the amounts claimed due by the PUC.

12. Conversely, if a producer does not pay the entirety of the amount owed, whether or not disputed, the producer is subject to an enforcement action for the fees, together with interest and penalty. 58 Pa. C. S. §2308(a) and (b).

13. Moreover, the PUC has confirmed that Act 13 does not provide for a refund of the overpayment of an Impact Fee or Administrative Charge. December 20, 2012 Clarification Order Regarding Chapter 23, at p. 11.

14. Accordingly, a producer is faced with the choice of either withholding payment of the disputed amount and facing an enforcement action, which includes claims for penalties and interest, or remitting the disputed amount with no expectation of ever receiving back any amount ultimately determined to not be owed.

15. Such a circumstance constitutes an improper condition on the right to appeal governmental actions as guaranteed by Article 5, Section 9 of the Pennsylvania Constitution.

16. Such a circumstance constitutes an improper taking in contravention of Article 1 Section 10 of the Pennsylvania Constitution.

17. Such a circumstance constitutes the denial of petitioner's procedural due process rights in contravention of Article 1 Section 1 of the Pennsylvania Constitution.

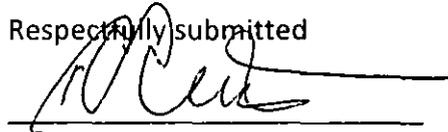
18. Such a circumstance constitutes a denial of petitioner's substantive due process rights in contravention of Article 1 Section 1 of the Pennsylvania Constitution.

19. In view of the foregoing, Petitioner herein respectfully requests that it be permitted to escrow the disputed amount(s) in an interest bearing account, pending resolution of and/or final determination of the Impact Fee and administrative charges owed for 2013 by Petitioner.

20. Permitting Petitioner herein to escrow the amount believed to be in dispute will create a fund from which PUC may obtain payment for whatever amount, if any, of the disputed amount is determined to be owed, while providing Petitioner a fund from which the amounts determined to not be owing may be returned to Petitioner.

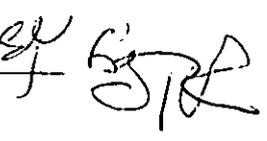
Wherefore, Petitioner respectfully requests that it be permitted to escrow the disputed amounts in an interest bearing account, with a federally insured bank, pending further order of the Administrative Law Judge.

Respectfully submitted

A handwritten signature in black ink, appearing to read 'T. Reed', is written over a horizontal line.

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Counsel for Snyder Brothers, Inc.

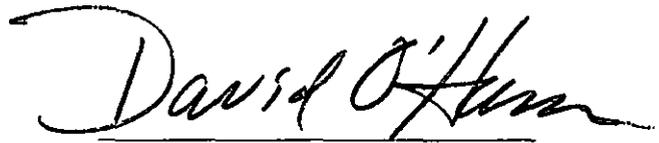
Dated: 4/3, 2014

VERIFICATION

I, David O'Hara, hereby state that I am a duly authorized representative of Snyder Brothers, Inc. and am authorized to sign this verification and hereby further state that the facts set forth in this Verification and the accompanying Petition are true and correct to the best of my knowledge, information and belief and I expect Snyder Brothers, Inc. will be able to prove the same at any hearing held in this matter. I understand that the statements made herein are made subject to the penalties of 18 Pa C.S. § 4904.

Dated:

4/3/2014



David O'Hara

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PA.P.U.C.
SECRETARY'S BUREAU

Pennsylvania Public Utility Commission, :
Bureau of Investigation and Enforcement, :

Complainant. :

Docket No. C-2013-2380697

v. :

Snyder Brothers, Inc., :

Respondent. :

ORDER

And now this _____ day of _____, 2014, upon consideration of the
Petition for Leave to Escrow Disputed Amounts Owed Pursuant to Act 13, and the response
thereto, it is hereby ordered that Petitioner, Snyder Brothers, Inc., shall deposit \$277,650.00 in
an interest bearing, FDIC insured account within _____ days of this Order; distribution of such
funds to be made only upon further order of the Administrative Law Judge after this matter is
fully resolved.

It is further ordered that confirmation that such funds have been placed into an account
shall be provided to the undersigned and counsel for the Complainant, and that pending further
order of the Administrative Law Judge Respondent shall, on or before the last business day of
each month certify to the Complainant that said funds remain in said account.

_____, ALJ

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Answer with New Matter was served upon the person(s) listed below in the manner indicated:

Service by U.S. Mail Addressed To:

Heidi L. Wushinske, Esquire
Pennsylvania Public Utility Commission
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Wayne T. Scott, Esquire
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Kevin J. Moody, Esquire
212 Locust Street
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Harrisburg, PA 17101-1510
Counsel for Intervenor

Dated: April 3, 2014



Thomas C. Reed, Esquire
PA ID No. 19913

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THE HONORABLE ROSEMARY CHIAVETTA
SECRETARY
PENNSYLVANIA PUBLIC UTILITY COMMISSION
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