

RECEIVED

2014 JUL 28 PM 2: 36

PA PUC  
SECRETARY'S BUREAU

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

v. : Docket No. C-2014-2402746

Snyder Brothers, Inc., :  
Respondent :

---

**I&E'S BRIEF IN SUPPORT OF ITS ANSWER TO THE MOTION FOR  
SUMMARY JUDGMENT FILED BY SNYDER BROTHERS, INC. AND  
PENNSYLVANIA INDEPENDENT OIL AND GAS ASSOCIATION**

---

**AND NOW** comes the Bureau of Investigation and Enforcement ("I&E") of the Pennsylvania Public Utility Commission ("Commission"), by its prosecutor, Heidi L. Wushinske, and files this Brief in Support of its Answer to the Motion for Summary Judgment filed by Snyder Brothers, Inc. ("Snyder Brothers" or "Respondent") and Pennsylvania Independent Oil and Gas Association ("PIOGA" or "Intervenor") in the above-captioned case pursuant to 52 Pa. Code § 5.102, and in support thereof states as follows.

**PROCEDURAL HISTORY**

Pursuant to its enforcement responsibilities, on January 17, 2014, I&E filed a Complaint against Snyder Brothers, alleging violations of Act 13 of 2012, the Unconventional Gas Well Impact Fee Act ("Act 13" or "Act"). The Complaint alleges that the Respondent failed to identify and pay the applicable impact fees and

administrative charges on twenty four (24) of its unconventional vertical gas wells for 2011 and 2012. The Complaint seeks an Order from the Commission directing the Respondent to pay past due impact fees and administrative charges totaling \$507, 586.00 and to pay a civil penalty of \$50,000.00.

Respondent filed an Answer and New Matter on February 5, 2014, denying the allegations of the Complaint. Respondent denied that it failed to identify any unconventional vertical gas wells in 2011 or 2012 that are subject to the impact fees and administrative charges and also denied that it owed any additional impact fees or administrative charges for 2011 or 2012.

In its New Matter, Respondent contends that it submitted Annual Reports for calendar years 2011 and 2012 to the Commission as required by Act 13; that it accurately identified all of its unconventional vertical gas wells; and therefore correctly paid the impact fee and administrative charges on those wells, as required by Act 13. Respondent's Answer sought dismissal of the Complaint with prejudice. I&E's Response refuted the contentions contained in Respondent's New Matter.

On March 24, 2014, the Administrative Law Judge granted PIOGA's Petition to Intervene in this case. PIOGA argued *inter alia* that the Commission's decision in this case would directly affect PIOGA members subject to Act 13 impact fees and that PIOGA and its producer members subject to the Act 13 impact fees would be bound by the Commission's resolution of the issues involved.

On June 4, 2014, I&E submitted a Petition for Interlocutory Review and Answer to Material Question. In its Petition, I&E argued that this case resolves around the

interpretation of Act 13's definition of "stripper well," which is a legal question material to the outcome of this proceeding. I&E also asserted that resolution of this material question by the Commission would expedite the proceeding by answering a material question of law and permitting the parties to proceed with presentation of their factual evidence.

Respondent and PIOGA filed Briefs in Opposition to I&E's Petition for Interlocutory Review and Answer to Material Question and I&E filed a Brief in support of its Petition. By Secretarial Letter dated June 19, 2014, the Commission informed the parties that it was waiving the 30-day period for consideration of the Petition for Interlocutory Review and extending its consideration beyond the thirty period established in the Commission's regulations.

On June 20, 2014, I&E filed a Petition for Stay, asking the ALJ to stay the proceeding pending the Commission's ruling on I&E's petition for interlocutory review and answer to material question. Snyder Brothers' filed an Answer opposing I&E's Petition for Stay on July 2, 2014.

On July 24, 2014, the Commission declined to answer I&E's material question and returned the case to the ALJ. Thus, I&E files this Answer to Respondent and Intervenor's Motion for Summary Judgment.

## FACTS

Snyder Brothers is an oil and gas producer, as defined by Act 13. *Joint Stipulation Paragraph No. 3*, attached as Attachment A. Snyder Brothers produces gas from

“unconventional formations” using a single vertical borehole. *Joint Stipulation*

*Paragraph No. 4.*

Section 2301 of Act 13 defines a “vertical gas well” as “an unconventional gas well which utilizes hydraulic fracture treatment through a single vertical well borehole and produces natural gas in quantities greater than that of a stripper well.” *Joint*

*Stipulation Paragraph No. 5.* A “stripper well” is defined in Section 2301 as “an unconventional gas well incapable of producing more than 90,000 cubic feet of gas per day during any calendar month, including production from all zones and multilateral well bores as a single well, without regard to whether the production is separately metered.”

*Joint Stipulation Paragraph No. 6.* Under Act 13, impact fees and administrative charges are due on “unconventional gas wells” that meet the definition of “vertical well.”

*Joint Stipulation Paragraph Nos. 7 and 8.*

For reporting years 2011 and 2012, Snyder Brothers submitted to the PUC Annual reports listing Snyder Brothers’ wells potentially subject to Act 13’s impact fees and administrative charges, and the production for each well. *Joint Stipulation Paragraph Nos. 10-12, 18-20.* The Commission’s Fiscal Office, by e-mail dated April 12, 2013, informed Snyder Brothers that a vertical well is not a “stripper well” if its production exceeds 90,000 cubic feet of gas in any month of the reporting period. *Joint Stipulation Paragraph No. 22.* Snyder Brothers disagreed with the Commission’s Fiscal Office and responded that it believed each well listed in its 2011 and 2012 Annual Reports as a “stripper well” qualified as such. *Joint Stipulation Paragraph No. 23.* The instant action arises out of this dispute over the definition of “stripper well.”

## QUESTION PRESENTED

1. Whether Snyder Brothers is entitled to summary judgment as a matter of law based on its interpretation of “stripper well,” which is contrary to the interpretation clearly articulated by this Commission?

**Suggested Answer: No**

## LEGAL STANDARD GOVERNING SUMMARY JUDGMENT

Motions for summary judgment are governed by the Commission's Regulations at 52 Pa. Code § 5.102. Section 5.102(c) provides that “[a] motion for summary judgment must be based on the pleadings and depositions, answers to interrogatories, admissions and supporting affidavits.” A motion for summary judgment will be granted only “if the applicable pleadings, depositions, answers to interrogatories and admissions, together with affidavits, if any, show that there is no genuine issue as to a material fact and that the moving party is entitled to a judgment as a matter of law.” 52 Pa. Code § 5.102(d)(1).

It is the burden of the moving party to show that no genuine issue of material fact exists and that it is entitled to a judgment as a matter of law. *First Mortgage Co. of Pennsylvania v. McCall*, 459 A.2d 406, 407 (Pa. Super. 1983). The non-moving party in a motion for summary judgment must allege facts showing that an issue for trial exists. *Id.* A motion for summary judgment should *only* be granted in the clearest of cases, where the right to relief is clear and free from doubt. *Musser v. Vilsmeier Auction Co., Inc.*, 562 A.2d 279, 280 (1989); *see also Prince v. Pavoni*, 302 A. 2d 452 (Pa. Super. 1973).

## ARGUMENT

Snyder Brothers is not entitled to summary judgment as a matter of law. The parties entered into a Joint Stipulation of Facts, which was fully executed on June 11, 2014. (Attachment A). This stipulation adequately sets forth the material facts relevant to the determination of the definition of “stripper well.” Whether Snyder Brothers incorrectly classified the wells at issue in paragraphs 16 and 23 of I&E’s Complaint is dependent upon the determination of the “stripper well” question. For the reasons that follow, Snyder Brothers’ definition of “stripper well” is incorrect and Snyder Brothers is not entitled to summary judgment as a matter of law.

### **A. Snyder Brothers’ interpretation of “stripper well” is incorrect as a matter of law**

The Commission has already clearly stated that a vertical gas well derives its status based on production levels, which are determined per day during any calendar month. If a vertical gas well’s production levels qualify it as a vertical gas well during any calendar month in a calendar year, that well will be subject to Act 13’s impact fee. *See Reconsideration Order Regarding Chapter 13 (Reconsideration Order)*, Docket No. M-2012-2288561 (Order entered July 19, 2012); *Proposed Rulemaking Order*, 58 Pa. C.S. §§ 2301, 2302(f).

In other words, if an unconventional gas well produces more than 90,000 cubic feet of gas average per day in any given month during a calendar year, it does not qualify as a stripper well. Rather, such a well is a vertical well properly subject to the impact fees and administrative charges under Act 13. As Snyder Brothers’ definition of “stripper

well” is incorrect for the reasons stated below, it is not entitled to summary judgment as a matter of law.

### 1. Legal Standard

Snyder Brother’s definition of “stripper well” is inconsistent with Pennsylvania case law and the rules of statutory construction, the object of which is “to ascertain and effectuate the General Assembly’s intent.” *Mercury Trucking, Inc. v. Pa. Pub. Utility Comm’n*, 55 A. 3d 1056, 1067 (Pa. 2012); 1 Pa. C.S. § 1901. While the plain language of a statute is usually the best indicator of legislative intent, there are important exceptions to this rule. First, the General Assembly “intends to favor the public interest as against any private interest.” 1 Pa. C.S. § 1922(3), (5). Second, the General Assembly “does not intend a result that is absurd, impossible or execution, or unreasonable.” *Commonwealth v. Shiffler*, 879 A.2d 185, 189-90 (Pa. 2005) (citing 1 Pa. C.S. § 1922(1), (2)). It is necessary to look beyond the language of the statute if the plain meaning would lead to such results. *Mercury Trucking* at 1068.

Likewise, if the words of a statute are unclear or ambiguous, Pennsylvania law directs the interpreter to considerations other than the plain language to discern legislative intent. *Id.* (citing *Commonwealth v. Garzone*, 34 A.3d 67, 75 (Pa. 2012)). These considerations include: the occasion and necessity for the statute, the circumstances under which the statute was enacted; the mischief to be remedied; the object to be attained; the consequences of a particular interpretation; the contemporaneous legislative history; and the legislative and administrative interpretations of such statute. 1 Pa. C.S. § 1921(c).

## 2. Statutory Interpretation Supports I&E's Definition of "Stripper Well"

In this case the statute is not completely clear or unambiguous and, therefore, requires some analysis and interpretation. This necessitates an examination of the factors set forth in Pennsylvania's rules of statutory construction. 1 Pa. C.S. § 1921(c). In particular, the meaning of the word "any" in Act 13's definition of "stripper well" is unclear. This is evidenced simply by looking at the dictionary definition of "any." Merriam-Webster defines "any" as "one or some indiscriminately of whatever kind: a: one or another taken at random, b: every." <http://www.merriam-webster.com/dictionary/any?show=0&t=1402491607> (last visited July 2, 2014). The multiple definitions of "any" render Act 13's definition of "stripper well" ambiguous when applied to a situation such as Snyder Brothers, where wells are producing 90,000 or less cubic feet of gas average per day in some calendar months in a year.

Further evidence of the ambiguity of interpreting Act 13's definition of "stripper well" is the multiple questions and requests for clarification that the Commission received during the implementation of its responsibilities under Act 13. The Commission received multiple questions from various producers regarding how to determine which vertical wells qualified as stripper wells. Specifically, the Commission received at least six inquiries from producers regarding the classification of stripper wells, and addressed this issue specifically in its *Reconsideration Order* (clarifying that if a vertical gas well qualifies as such by producing gas at a level greater than that of a stripper well in any calendar month in a calendar year, that well will be subject to the impact fee) and *Implementation Order* (explaining that calculations to determine stripper well status are

to be based on a well's production per day in a calendar month). If the statute was free from ambiguity, so many questions would not have arisen and would not have necessitated Commission Orders for clarification. *See Reconsideration Order* at 4; *Implementation Order Regarding Chapter 23*, p. 7, Docket No. M-2012-2288561 (Order entered May 10, 2012).

Because the definition of "stripper well" in Act 13 is not free from ambiguity, it is necessary to look to other considerations, such as: the occasion and necessity for the statute; the circumstances under which the statute was enacted; the mischief to be remedied; the object to be attained; the consequences of a particular interpretation; the contemporaneous legislative history; and the legislative and administrative interpretations of such statute. 1 Pa. C.S. § 1921(c). While, all of these considerations support the interpretation of "stripper well" advocated by I&E, the most pertinent will be discussed below.

First, an examination of the purpose and necessity for the statute supports the definition of stripper well advocated by I&E and is contrary to the definition advocated by Respondent and Intervenor. Act 13 was enacted to *inter alia* provide for an unconventional gas well fee, distribution of fees and transfers, penalties, and civil penalties. Because one of the primary purposes of Act 13 is to collect impact fees and provide disbursements to the municipalities affected by unconventional gas wells, an interpretation that greatly reduces the amount of these fees and distributions would be at odds with the purpose of the statute. Accepting Snyder Brothers' interpretation of "stripper well" would do just that.

Second, the clear objective to be attained by Act 13, as it relates to the definition of stripper well, is to provide relief to the municipalities affected by unconventional gas wells. This objective is not attained by exempting an active, producing unconventional well from paying impact fees merely because its production falls below 90,000 cubic feet of gas in one calendar month out of twelve. The definition that Snyder Brothers puts forth would create a result that is absurd by allowing a company that produces over 90,000 cubic feet of gas per day in eleven months of the year but falls below in just one month for any reason, to avoid paying any impact fee at all. It cannot be presumed that the General Assembly intended to produce such an absurd result when it constructed a statute designed to collect and distribute impact fees from unconventional wells.

It is necessary to look beyond the language of the statute if the plain meaning would lead to a result that favors private interests over the public or creates an absurd result. *Mercury Trucking* at 1068. Accepting the definition advocated by Respondent and Intervenor would favor the private interest of increased revenues over the public interest of providing relief to municipalities affected by drilling. A review of the objective to be attained by Act 13 supports I&E's definition of "stripper well."

Third, the consequence of accepting Snyder Brothers' interpretation of "stripper well" would be that the municipalities affected by unconventional gas wells are deprived of funds distributed from impact fees. Depriving the affected municipalities of funds is clearly not the legislative intent. I&E's definition supports the clearly articulated legislative goals of the statute. In fact, accepting the definition of "stripper well" advocated by Snyder Brothers would create a result that favors a private interest over the

public interest, by increasing a private entity's profits while withholding impact fees that the statute intended to be dispersed to the affected municipalities. This is in contradiction to Pennsylvania's rules of statutory construction. 1 Pa. C.S. § 1922(3), (5).

Fourth, the legislative history supports the definition of "stripper well" advocated by I&E. The General Assembly originally defined "stripper well" as "a gas well incapable of producing more than 90,000 cubic feet of gas per day during *a* calendar month, including production from all zones and multilateral well bores at a single well, without regard to whether the production is separately metered." General Assembly House Bill 1950 Session of 2011 Printer's No. 2837 (emphasis added).

If the General Assembly had intended the definition of "stripper well" advocated by Snyder Brothers, that a well qualifies as a stripper well if it is incapable of producing more than 90,000 cubic feet of gas per day during one calendar month in a calendar year, it would have simply left the word "a" in the definition. Instead, the General Assembly changed the word "a" to "any," evidencing its intention that a well is not a stripper well by virtue of producing 90,000 or less cubic feet of gas in *a* calendar month in a year, but qualifies only when its production falls below these values in each calendar month.

Fifth, the administrative interpretations of "stripper well" support I&E's definition.<sup>1</sup> The Commission has clearly stated its interpretation of "stripper well" in both its *Reconsideration Order* and *Proposed Rulemaking Order*, stating that if a vertical gas well's production levels qualify it as a vertical gas well during any calendar month in

---

<sup>1</sup> I&E is unaware of any legislative interpretations of "stripper well." However, as stated previously, the legislature clearly intended for stripper well status to be granted only when production is 90,000 cubic feet of gas or less in each calendar month in a calendar year.

a calendar year, that well will be subject to Act 13's impact fee. *See Reconsideration Order; Proposed Rulemaking Order*, 58 Pa. C.S. §§ 2301, 2302(f). The Commission is the administrative agency tasked with implementing Chapter 23 of Act 13 and its administrative interpretation of "stripper well" clearly supports the definition asserted by I&E. Since Snyder Brothers and PIOGA do not like this interpretation or insight, they are now attempting to ignore it and create their own convoluted definitions.

### **3. Act 13's Impact Fees are not "taxes"**

Act 13's Impact Fees are not "taxes," but are, as clearly stated in the Act, fees. Nowhere does Act 13 refer to impact fees and administrative charges as a "tax." Moreover, Act 13 distinguishes between its fees and taxes in section 2318. "The Secretary of the Commonwealth shall, upon the imposition of a severance *tax* on unconventional gas wells in this Commonwealth, submit for publication in the Pennsylvania Bulletin notice of the imposition." 58 Pa. C.S. §2318(a) (emphasis added). Thus, the General Assembly clearly differentiated between Act 13's impact *fees* and taxes.

Unlike a tax, the purpose of Act 13's drilling impact fees is to distribute money to the municipalities affected by unconventional wells. This is very different from the type of revenue generating "impact fee" that has been found to be akin to a tax. *See Building Indus. Ass'n. v. Manheim Twp.*, 710 A.2d 141 (Pa. Commw. 1998). Act 13's impact fees are not akin to a tax because they are not used to generate revenue, but rather a significant portion of the impact fees are to provide distributions to local municipalities to offset environmental and other issues associated with unconventional gas wells.

Furthermore, Act 13's impact fees are implemented through the Commission's regulatory powers, not through any of the Commonwealth's taxing powers or agencies. Snyder Brothers' interpretations are not entitled to resolution in its favor on the basis of the presumption in favor of the taxpayer because Act 13's impact fees are not taxes.

### **CONCLUSION**

Snyder Brothers is not entitled to summary judgment as a matter of law. Summary Judgment should only be granted in the clearest of cases, where the right to relief is clear and free from doubt. Snyder Brothers has not presented such a case. Furthermore, Snyder Brothers Motion for Summary Judgment should be denied because its interpretation of "stripper well" is erroneous. The Commission has clearly articulated its interpretation of "stripper well" numerous times; and its interpretation is directly contrary to the one advanced by Snyder Brothers.

WHEREFORE, for the foregoing reasons, I&E respectfully requests that the Motion for Summary Judgment filed by Snyder Brothers and PIOGA be dismissed.

Respectfully submitted,



Heidi L. Wushinske  
Prosecutor  
Attorney # 93792  
717.214.9594  
[hwushinske@pa.gov](mailto:hwushinske@pa.gov)

Adam D. Young  
Prosecutor  
Attorney #91822

Wayne T. Scott  
First Deputy Chief Prosecutor  
Attorney # 29133

Bureau of Investigation and Enforcement  
Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

RECEIVED  
2014 JUL 28 PM 2:36  
PA PUC  
SECRETARY'S BUREAU

DATED: July 28, 2014

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

Complainant. :

Docket No. C-2013-2380697

v. :

Snyder Brothers, Inc., :

Respondent. :

PA PUC  
SECRETARY'S BUREAU

2014 JUL 28 PM 2:36

RECEIVED

Snyder Brothers, Inc.(SBI), Respondent, above named, the Pennsylvania Public Utility Commission Bureau of Investigation and Enforcement, Complainant above named, and the Pennsylvania Independent Oil & Gas Association, Intervenor, by and through their respective counsel of record do hereby stipulate to the following facts:

**Stipulation of Facts**

1. The Pennsylvania Public Utility Commission ("PUC"), with a mailing address of P.O. Box 3265, Harrisburg, PA, 17105-3265, is a duly constituted agency of the Commonwealth of Pennsylvania empowered to make all lawful inquiries and determinations necessary to calculate and collect the fee, administrative charges or assessments imposed by Act 13 of 2012.
2. Complainant is the PUC's Bureau of Investigation and Enforcement, with a mailing address at P.O. Box 3265, Harrisburg, PA 17105-3265.
3. Respondent, SBI is an oil and gas producer, as defined in Section 2301 of the Act 13, 58 Pa.C.S. § 2301 ("Section 2301"), with a principal place of business at One Glade Park East, P.O. Box, 1022, Kittanning, PA 16301.

4. SBI produces gas from "unconventional formations," as defined in Section 2301, using only a single vertical borehole. It does not drill, nor does it operate any "unconventional gas well," as defined in Section 2301, that produces gas through horizontal boreholes.

5. A "vertical gas well" is defined by Section 2301, as follows: "an unconventional gas well which utilizes hydraulic fracture treatment through a single vertical well borehole and produces natural gas in quantities greater than that of a stripper well."

6. A "stripper well" is defined by Section 2301 as: "an unconventional gas well incapable of producing more than 90,000 cubic feet of gas per day during any calendar month, including production from all zones and multilateral well bores as a single well, without regard to whether the production is separately metered."

7. Each "unconventional gas well" that meets the definition of "vertical gas well" as set forth in Section 2301 is subject to an annual impact fee ("Impact Fee") pursuant to Section 2302 of Act 13, 58 Pa.C.S. § 2302.

8. Each "unconventional gas well" that is spud and not plugged is subject to an administrative fee ("Spud Fee") pursuant to Section 2303 of Act 13, 58 Pa.C.S. § 2303.

9. Impact Fees and Spud Fees imposed by Act 13 became due by September 1, 2012, for unconventional wells spud before January 1, 2012, and April 1 following each calendar year after 2011 for wells spud during those calendar years. Section 2303(a) of Act 13, 58 Pa.C.S. § 2303(a).

10. On August 15, 2012 SBI submitted to the PUC an Annual Report for the year 2011 ("2011 Annual Report") as required by applicable law. A true and correct copy of the 2011 Annual Report submitted to the PUC is attached hereto as Joint Exhibit 1.

11. The 2011 Annual Report lists each well which SBI operated that was potentially subject to the Impact Fee and Spud Fee requirements of Act 13 for the 2011 reporting period.

12. Exhibit C to the 2011 Annual Report accurately sets forth the production each well produced in each month of the 2011 reporting period.

13. Exhibit A to the 2011 Annual Report states that SBI believed it operated 18 vertical gas wells during 2011 for which an Impact Fee and Spud Fee was due.

14. On or about August 29, 2012, SBI received Statement Number 11-35-0000063561-1 from the PUC ("2011 Fee Statement"), stating that the amount of Impact Fees due for the period January 1, 2011 through December 31, 2011 were \$170,000.00 on "17 Vertical Gas Wells." A true and correct copy of 2011 Statement is attached hereto as Joint Exhibit 2.

15. On August 30, 2012 SBI paid the amount set forth on the 2011 Fee Statement.

16. On or about August 29, 2012, SBI received Statement Number 11-35-000006351-2 from the PUC ("2011 Spud Statement"), stating the amount of Spud Fees due for the period January 1, 2011 through December 21, 2011 was \$850.00 on "17 Vertical Gas Wells." A true and correct copy of the 2011 Spud Statement is attached hereto as Joint Exhibit 3.

17. On August 30, 2012 SBI paid the amount claimed due by the 2011 Spud Statement.

18. On March 27, 2013 SBI submitted to the PUC an Annual Report for the year 2012 ("2012 Annual Report") as required by applicable law. A true and correct copy of the 2012 Annual Report submitted to the PUC is attached hereto as Joint Exhibit 4.

19. The 2012 Annual Report lists each well which SBI operated that was potentially subject to the Impact Fee and Spud Fee requirements of Act 13 for 2012 reporting period.

20. Exhibit C to the 2012 Annual Report accurately sets forth the production each well produced in each month of the 2012 reporting period.

21. Exhibit A to the 2012 Annual Report states that SBI believed it operated 28 vertical gas wells during 2012 for which an Act 13 Impact fee or Spud Fee was due.

22. The Bureau of Investigation and Enforcement's position, as stated in an April 12, 2013 e-mail from Ms. Yvonne Hess, a representative of the Bureau of Administration of the PUC, to SBI ("Hess E-Mail") is that a vertical well is not a "stripper well" as defined in Section 2301 if it has reported production in excess of 90 Mcf in any one month of a reporting period. A copy of the Hess E-Mail is attached hereto as Joint Exhibit 5.

23. SBI responded to the Hess E-Mail by advising representatives of the Bureau of Administration that SBI disagreed with PUC's interpretation of the term "stripper well" set forth in Section 2301, and that each well SBI had listed as a "stripper well" in SBI's 2011 Annual Report and its 2012 Annual Report qualified as a stripper well by virtue of its reported monthly production history for such year.

24. On April 8, 2013 SBI received Statement Number 12-35-0000063561-1 ("2012 Fee Statement"), which requested payment in the amount of \$236,000.00 on or before April 1, 2013. A true and correct copy of the 2012 Fee Statement is attached hereto as Joint Exhibit 6.

25. SBI has paid the amount requested to be paid by the 2012 Fee Statement.

26. On April 8, 2013 SBI received Statement Number 12-35-0000063561-2 ("2012 Spud Statement"), which requested payment in the amount \$1,400 on or before April 1, 2013. A true and correct copy of the 2013 Spud Statement is attached hereto as Joint Exhibit 6.

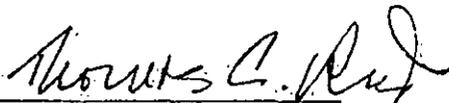
27. SBI has paid the amount requested to be paid by the 2012 Spud Fee Statement.

28. There exists no mechanism in Act 13 whereby SBI could have paid "under protest" the amount of any Impact Fees or Spud Fees which it disputed, or such other manner whereby it could have any successfully disputed "fees" or "charges" returned to it.

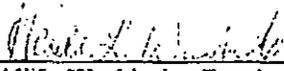
29. There exists no mechanism in Act 13 whereby the PUC can "refund" any Impact Fees or Spud Fees which were paid and disbursed to a municipality but thereafter determined to not be due and owing or otherwise to have been erroneously paid.

So stipulated,

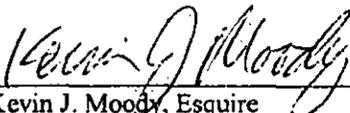
Dated: 6/11/14

  
Thomas C. Reed, Esquire  
Counsel for Snyder Brothers, Inc.

Dated: 6/10/14

  
Heidi L. Wushinske, Esquire  
Counsel for the Bureau of Investigation  
and Enforcement

Dated: 6/11/14

  
Kevin J. Moody, Esquire  
Counsel for PLOGA, Intervenor

RECEIVED  
2014 JUL 28 PM 2:36  
PA PUC  
SECRETARY'S BUREAU

**CERTIFICATE OF SERVICE**

I hereby certify that I am this day serving the foregoing document upon the persons listed and in the manner indicated below:

**Notification by certified mail addressed as follows:**

Thomas C. Reed, Esq.  
Dinsmore & Shohl LLP  
One Oxford Center  
301 Grant Street, Suite 2800  
Pittsburgh, PA 15219

The Honorable David A. Salapa  
Administrative Law Judge  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Kevin J. Moody, Esq.  
General Counsel  
Pennsylvania Oil and Gas Association  
212 Locust Street, Suite 300  
Harrisburg, PA 17101-1510



Heidi L. Wushinske  
Prosecutor  
Attorney ID #93972

P.O. Box 3265  
Harrisburg, PA 17105-3265  
(717) 787-5000

Dated: July 28, 2014

RECEIVED  
2014 JUL 28 PM 2:36  
PA PUC  
SECRETARY'S BUREAU