**BEFORE THE**

**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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| Pennsylvania Public Utility Commission, *et al.* v.Peoples Natural Gas Company LLC andPennsylvania Public Utility Commission, *et al.* v.Peoples Natural Gas Company LLC – Equitable Division | **:::::****:****:****:****:****:****:****:****:****:** | R-2016-2542918R-2016-2542923 |
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**INTERIM ORDER**

**ADMITTING SETTLEMENT PETITION AND STATEMENTS IN SUPPORT OF THE JOINT SETTLEMENT, STATEMENTS OF PARTIES AND CLOSING THE HEARING RECORD**

 On April 29, 2016, Peoples Division filed Supplement No. 69 to Tariff Gas – Pa. P.U.C. No. 45 and Peoples-Equitable Division filed Supplement No. 38 to Tariff Gas – Pa. P.U.C. No. 46. In these Supplements, the Company, on behalf of both Divisions, proposed to replace its Service Expansion Program (Rider SET) with Rate MLX. Rider SET was designed to reduce barriers to customers for receiving gas service in areas where gas service is currently unavailable. Rider SET allowed customers to make a fixed monthly payment of $55 as an alternative to lump sum Contributions in Aid of Construction (CIAC). The term of the $55 payment could vary for each SET Project based upon the Project’s costs. The Company averred that its customers were not receptive to paying the fixed $55 monthly fee and would prefer to pay for their share of pipeline expansion costs through higher delivery charges. Rate MLX allows for customers to pay for system expansion costs through higher delivery charges.

 On May 16, 2016, the Office of Small Business Advocate (OSBA) filed a Notice of Appearance, Complaint and Public Statement. The Complaint in the Peoples Division proceeding was docketed at No. C-2016-2545824. The Complaint in the Peoples-Equitable Division proceeding was docketed at No. C-2016-2545706.

 On May 18, 2016, the Bureau of Investigation and Enforcement (I&E) filed a Notice of Appearance.

 On May 26, 2016, the Office of Consumer Advocate (OCA) filed a Notice of Appearance, Complaint and Public Statement. The Complaint in the Peoples Division proceeding was docketed at No. C-2016-2547600. The Complaint in the Peoples-Equitable Division proceeding was docketed at No. C-2016-2547595.

 On June 9, 2016, the Pennsylvania Public Utility Commission (Commission) issued an Order Suspending Peoples Division Supplement No. 69 and Peoples-Equitable Division Supplement No. 38 by operation of law until December 28, 2016, unless otherwise directed by Order of the Commission.

 On June 15, 2016, the Company filed tariff supplements suspending Supplement No. 69 and Supplement No. 38.

 By Prehearing Conference Order dated June 24, 2016, Peoples Division, Peoples- Equitable Division, OCA, OSBA and I&E were notified that the proceeding was assigned to the undersigned Administrative Law Judge (ALJ or Presiding Officer) for a telephonic Prehearing Conference on July 1, 2016, at 10:00 a.m. In accordance with the regulations pertaining to prehearing conferences, 52 Pa.Code §§ 5.221-5.224, the Parties were directed to file their prehearing memorandums on or before June 29, 2016. On June 24, 2016, a notice was issued advising the Parties of the date and time of the prehearing conference. The Parties timely filed prehearing memoranda.

 The Prehearing Conference proceeded as scheduled on July 1, 2016. Counsel for the Company and the statutory Parties participated in the Prehearing Conference, which resulted in the establishment of a litigation schedule by agreement of the Parties.

 On July 7, 2016, the Company served its Direct Testimony.

 On July 21, 2016, a Prehearing Order was issued setting the dates for the filing of written testimony, holding the evidentiary hearings and submitting briefs. In addition,the Complaints of OCA at Docket No. C‑2016-2547600 and OSBA at Docket No. C‑2016‑2545824 were consolidated with the Peoples Division filing at R-2016-2542918. The Complaints of OCA at Docket No. C‑2016-2547595 and OSBA at Docket No. C‑2016‑2545706 were consolidated with the Peoples-Equitable Division filing at R-2016-2542923. In addition, thePeoples Division proceeding filed at Docket No. R-2016-2542918 and the Peoples-Equitable Division proceeding filed at Docket No. R-2016-2542923 were consolidated for the purpose of the hearing in this proceeding. The evidentiary hearing was scheduled for September 7, 2016 in Harrisburg.

 On August 5, 2016, I&E, OCA and OSBA served Direct Testimony.

 On August 23, 2016, the Company served Rebuttal Testimony.

 The Parties undertook extensive settlement discussions in this proceeding. As a result of these settlement discussions, the Parties reached a settlement in principle fully resolving all issues. On August 29, 2016, counsel for the Company advised the undersigned presiding officer that the Parties had reached a settlement in principle of all issues.

 An interim order was issued on September 1, 2016 which provided that the litigation schedule set forth in the July 21, 2016 prehearing order, with respect to submission of further testimony and the filing of briefs was suspended. The Parties were advised to submit signed settlement agreements and statements in support of the settlement not later than September 20, 2016.

 An evidentiary hearing was held on September 7, 2016, at which time the Parties moved their respective testimonies and exhibits into the record. Counsel for the Company, I&E, OCA and OSBA attended the hearing.

On September 20, 2016, the Company, I&E, OCA and OSBA filed a Joint Petition For Settlement Of All Issues (Joint Petition or Settlement Petition or Settlement). In addition the Parties filed their respective Statements in Support of the Joint Petition. The proposed pilot Rate MLX replacing pilot rate set tariff is attached to the Joint Petition as Appendix A; the proposed rates and rules for gas service in the City of Pittsburgh and territory adjacent thereto for the pilot Rate MLX is attached to the Joint Petition as Appendix B; and the Parties’ Statements in Support of the Joint Petition are attached to the Joint Petition as Appendix C through F respectively.

 THEREFORE,

 IT IS ORDERED:

1. That the Joint Petition For Settlement Of All Issues including the proposed pilot Rate MLX replacing pilot rate set tariff attached to the Joint Petition as Appendix A; the proposed rates and rules for gas service in the City of Pittsburgh and territory adjacent thereto for the pilot Rate MLX attached to the Joint Petition as Appendix B; and the Parties’ Statements in Support of the Joint Petition are attached to the Joint Petition as Appendix C through F respectively, is hereby admitted into the record of this proceeding.

 2. That the record in the above-captioned matter filed at R-2016-2542918 and R-2016-2542923 is closed.

 3. That a Recommended Decision shall be prepared and issued in this matter.

Date: October 3, 2016\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Jeffrey A. Watson

 Administrative Law Judge

**R-2016-2542918 – PENNSYLVANIA PUBLIC UTILITY COMMISSION v. PEOPLES NATURAL GAS COMPANY LLC**

**R-2016-2542923 – PENNSYLVANIA PUBLIC UTILITY COMMISSION v. PEOPLES NATURAL GAS COMPANY LLC – EQUITABLE DIVISION**

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