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File #: 178913

April 8, 2020

***VIA ELECTRONIC FILING***

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor North  
P.O. Box 3265  
Harrisburg, PA 17105-3265

**Re: Pennsylvania Public Utility Commission v. Peoples Gas Company LLC  
Section 1307(f) - 2020 Proceeding  
Docket No. R-2020-3017846**

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Dear Secretary Chiavetta:

Enclosed for filing is the Prehearing Conference Memorandum of Peoples Gas Company LLC in the above-referenced proceeding.

Copies of this filing will be provided as indicated on the enclosed Certificate of Service.

Respectfully submitted,

Devin Ryan

DTR/kl  
Enclosure

cc: Honorable Katrina Dunderdale  
Certificate of Service

**CERTIFICATE OF SERVICE**

**(Docket No. R-2020-3017846)**

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

**VIA E-MAIL ONLY**

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Date: April 8, 2020

  
Devin T. Ryan

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission, <i>et</i>	:	
<i>al.</i>	:	
v.	:	Docket Nos. R-2020-3017846
	:	C-2020-3019228
Peoples Gas Company LLC	:	

**PREHEARING CONFERENCE MEMORANDUM  
OF PEOPLES GAS COMPANY LLC**

TO ADMINISTRATIVE LAW JUDGE KATRINA L. DUNDERDALE:

Pursuant to 52 Pa. Code § 5.224(c) and the Prehearing Conference Order dated April 7, 2020, Peoples Gas Company LLC (“Peoples Gas” or the “Company”) hereby submits this Prehearing Conference Memorandum in the above-captioned matters and states as follows:

**I. PROCEDURAL HISTORY**

On January 31, 2020, Peoples Gas made its Purchased Gas Cost (“PGC”) 60-day pre-filing with the Pennsylvania Public Utility Commission (“Commission”) in compliance with Section 1307(f) of the Public Utility Code, 66 Pa. C.S. § 1307(f), and the Commission’s regulations at 52 Pa. Code § 53.65.

On March 2, 2020, Peoples Gas made its PGC 30-day pre-filings with the Commission in compliance with Section 1307(f) of the Public Utility Code, 66 Pa. C.S. § 1307(f), and the Commission’s regulations at 52 Pa. Code §§ 53.64, 53.65.

On March 5, 2020, the Commission’s Bureau of Investigation and Enforcement (“I&E”) filed a Notice of Appearance.

On March 13, 2020, the Office of Consumer Advocate (“OCA”) filed a Notice of Appearance, Complaint, and Public Statement.

On April 1, 2020, Peoples Gas filed its unnumbered and undated Supplement to Tariff Gas – PA PUC No. 8 as required by Section 1307(f) of the Public Utility Code to provide for projected changes in tariff rates resulting from changes in purchased gas costs. In the tariff supplement, Peoples Gas proposes a decrease of \$0.0067/Mcf in its rates for recovery of purchased gas costs applicable to residential sales service customers, as compared to the rates in effect as of January 1, 2020. Rate changes related to recovery of purchased gas costs were proposed for other customer classes. Furthermore, Peoples Gas proposes to maintain its retainage rate charged to producers for gas from conventional wells gathered into the system at 3.4%.

On April 7, 2020, a Prehearing Conference Order was issued by Administrative Law Judge Katrina L. Dunderdale (the “ALJ”), directing the parties to file Prehearing Memoranda on or before 4:00 PM on April 8, 2020, and scheduling a prehearing conference to be held at 9:00 AM on Thursday, April 9, 2020.

Peoples Gas herein files this Prehearing Memorandum pursuant to the Prehearing Conference Order.

## **II. SERVICE OF DOCUMENTS**

Peoples Gas requests that Michael W. Hassell and Devin T. Ryan be listed on the service list on behalf of the Company. Their contact information is provided below:

Michael W. Hassell, I.D. No. 34851  
Devin T. Ryan, I.D. No. 316602  
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17 North Second Street  
12th Floor  
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E-mail: mhassell@postschell.com  
E-mail: dryan@postschell.com

Peoples Gas agrees to receive service of documents electronically in this proceeding. Further, to the extent that materials are available electronically, it is requested that copies be served upon William H. Roberts, at William.H.RobertsII@peoples-gas.com, Andrew P. Wachter at Andrew.Wachter@peoples-gas.com, and Carol A. Scanlon at Carol.Scanlon@peoples-gas.com.

**III. WITNESSES AND ISSUES**

Below is a list of the witnesses that Peoples Gas intends to call in this proceeding and the subject areas of their testimony. Further definition of the issues will be developed by the parties during the course of this proceeding. Peoples Gas reserves the right to call additional witnesses, present testimony, or both on additional issues and subject matters that may arise during the course of this proceeding.

<b><u>Witness</u></b>	<b><u>Statement</u></b>	<b><u>General Subject Matter</u></b>
Carol A. Scanlon Manager, Rates and Regulation PNG Companies LLC 375 North Shore Drive Pittsburgh, PA 15212	Peoples Gas St. No. 1	Overview; Filing Requirements; Retainage; and Compressor Fuel Allocation.

Steven P. Kolich Director, Gas Supply PNG Companies LLC Director, Gas Supply 375 North Shore Drive Pittsburgh, PA 15212	Peoples Gas St. No. 2	Gas Procurement Policy and Supply Planning; Capacity and Gas Supply Portfolios; Capacity Releases; Off-System Sales; Purchases from Affiliates; Shut- in Practices and Policies; Renegotiation of Contracts; and System Average Btu Value.
Robert Waruszewski Senior Rates and Regulatory Analyst PNG Companies LLC Rates Consultant 375 North Shore Drive Pittsburgh, PA 15212	Peoples Gas St. No. 3	Retainage Discounts; Proposed Tariff Changes; and Calculation of PGC Rates.
Jason M. Dalton Rates Consultant PNG Companies LLC Rates Consultant 375 North Shore Drive Pittsburgh, PA 15212	Peoples Gas St. No. 4	Design Day Study and Requirements; and FERC Participation.
Lynda W. Petrichevich Senior Director, Process Operations PNG Companies LLC Senior Director, Process Operations 375 North Shore Drive Pittsburgh, PA 15212	Peoples Gas St. No. 5	Unaccounted for Gas; and Producer Retainage Charge.

Ms. Scanlon's direct testimony also identifies the sponsoring witnesses for Peoples Gas's exhibits.

Peoples Gas may amend its pre-filed statements and exhibits, as appropriate, during the course of this proceeding, based upon more recent information, as such information becomes available. Such update(s) will reflect changes in information relevant to the determination of the proper level of PGC recovery rates to become effective October 1, 2020.

**IV. DISCOVERY**

Peoples Gas does not propose any special orders regarding discovery. Peoples Gas has received interrogatories from other parties and has already begun to answer those interrogatories. Peoples Gas is not aware of any outstanding discovery disputes. Peoples Gas is willing to work with the parties, through informal discovery, to expedite discovery. The protection of confidential information is addressed in Section VIII., below.

**V. CONSOLIDATION**

Peoples Gas respectfully requests that its 1307(f) proceeding at Docket No. R-2020-3017846 be consolidated only for purposes of hearing with the 1307(f) proceeding at Docket No. R-2020-3017850 involving Peoples Natural Gas Company LLC (“Peoples Natural Gas”). Peoples Gas holds its own capacity and gas supply and is not proposing consolidated PGC rates with Peoples Natural Gas. Therefore, different issues may arise in the Peoples Gas and Peoples Natural Gas proceedings, and separate briefing of issues should be retained.

**VI. PROCEDURAL SCHEDULE**

Peoples Gas respectfully requests that a uniform procedural schedule be established for its 1307(f) proceeding and the 1307(f) proceeding at Docket No. R-2020-3017850 involving Peoples Natural Gas. Peoples Gas will continue to work with the parties in an effort to develop an acceptable procedural schedule.

**VII. PUBLIC INPUT HEARINGS**

Peoples Gas is not aware of any substantial consumer interest with respect to the proposed rate change. Peoples Gas does not propose that any public input hearings be held absent substantial public interest in the filing.

**VIII. PROTECTION OF CONFIDENTIAL INFORMATION**

Peoples Gas will submit a Motion for Protective Order for consideration by the ALJ. Peoples Gas will seek the concurrence of the other parties as to the form of the Protective Order before submitting the Motion. Moreover, in recognition of the current public health circumstances, special provisions must be made for the distribution of confidential material. Peoples Gas is establishing a virtual data room where authorized counsel and witnesses will be permitted to review confidential material. The Company will provide instructions to counsel on how to access that material. Peoples Gas anticipates that these matters will be addressed in the Motion for Protective Order.

**IX. SETTLEMENT DISCUSSIONS**

To date, no settlement discussions have been held. However, Peoples Gas will be working with the parties in an effort to resolve these proceedings through settlement.

Respectfully submitted,



William H. Roberts, II (ID # 54724)  
Peoples Natural Gas  
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Date: April 8, 2020

Attorneys for Peoples Gas Company LLC