



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET, HARRISBURG, PA 17120

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

December 21, 2023

Via Electronic Filing

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission,
Bureau of Investigation and Enforcement v.
Peoples Natural Gas Company LLC
Docket No. M-2023-3024990

Supplemental Record to Joint Petition for Approval of Settlement

Dear Secretary Chiavetta:

Enclosed for electronic filing is the Supplemental Record to the Joint Petition for Approval of Settlement in the above-referenced matter. This supplemental information was directed to be filed as set forth in the Commission's Opinion and Order entered December 6, 2023.

Copies have been served on the parties of record in accordance with the Certificate of Service.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads 'mswindler'.

Michael L. Swindler
Deputy Chief Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 43319
(717) 783-6369
mwindler@pa.gov

MLS/ac
Enclosures

cc: Kimberly A. Hafner, Director - Legal, OSA (*via email only – Word Version*)
Richard A. Kanaskie, Director, I&E (*via email only*)
Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission,	:	
Bureau of Investigation and Enforcement	:	
	:	
v.	:	Docket No. M-2023-3024990
	:	
Peoples Natural Gas Company LLC	:	

**SUPPLEMENTAL RECORD TO
JOINT PETITION FOR APPROVAL OF SETTLEMENT**

TO THE HONORABLE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

Pursuant to the Opinion and Order of the Pennsylvania Public Utility Commission entered December 6, 2023 in the above-captioned matter, the Bureau of Investigation and Enforcement (“I&E”) and Peoples Natural Gas Company LLC (“Peoples” or “Company”) (hereinafter referred to collectively as the “Parties” or “Joint Petitioners”) hereby submit this Supplemental Record to Joint Petition for Approval of Settlement (“Supplement”) to respond the Commission’s belief that additional information is needed for the Commission to make an informed decision as to whether the Joint Petition for Approval of Settlement (“Settlement Agreement”) filed with the Commission is in the public interest.

I. INTRODUCTION

1. The Parties to this Settlement Agreement, are the Pennsylvania Public Utility Commission’s Bureau of Investigation and Enforcement, by its prosecuting attorneys, 400 North Street, Harrisburg, PA 17120, and Peoples Natural Gas Company LLC, a natural gas distribution company with a primary mailing address of 375 North Shore Drive, Pittsburgh, PA 15212.

2. The Pennsylvania Public Utility Commission is a duly constituted agency of the Commonwealth of Pennsylvania empowered to regulate public utilities within this Commonwealth, as well as other entities subject to its jurisdiction, pursuant to the Public Utility Code (“Code”), 66 Pa.C.S. §§ 101, *et seq.*

3. I&E is the bureau within the Commission established to prosecute complaints against public utilities. *See Implementation of Act 129 of 2008; Organization of Bureaus and Offices*, Docket No. M-2008-2071852 (Order entered August 11, 2011) (delegating authority to initiate proceedings that are prosecutory in nature to I&E); *See also* 66 Pa.C.S. § 308.2(a)(11).

4. Peoples Natural Gas Company LLC is a “public utility” as that term is defined at 66 Pa.C.S. § 102,¹ as it is engaged in providing public utility service as a natural gas distribution company (“NGDC”) to the public for compensation.

¹ At 66 Pa.C.S. § 102, “Public utility” is defined under that term at subsection (1)(i) as:
(1) Any person or corporations now or hereafter owning or operating in this Commonwealth equipment or facilities for:
(i) Producing, generating, transmitting, distributing or furnishing natural or artificial gas, electricity, or steam for the production of light, heat, or power to or for the public for compensation.

5. Section 501(a) of the Code, 66 Pa.C.S. § 501(a), authorizes and obligates the Commission to execute and enforce the provisions of the Code.

6. Pursuant to Section 59.33(b) of the Commission's regulations, 52 Pa. Code § 59.33(b), I&E's Safety Division ("I&E-Safety") has the authority to enforce Federal pipeline safety laws and regulations set forth in 49 U.S.C.A. §§ 60101-60503 and as implemented at 49 CFR Parts 191-193, 195 and 199, and to apply the federal civil penalty. The federal pipeline safety laws and regulations proscribe the minimum safety standards for all natural gas and hazardous liquid public utilities in the Commonwealth.

7. Peoples, in providing natural gas distribution service to the public for compensation, is subject to the power and authority of this Commission pursuant to Section 501(c) of the Code, 66 Pa.C.S. § 501(c), which requires a public utility to comply with Commission regulations and orders, including Federal pipeline safety laws and regulations.

8. The Parties filed with the Commission a Joint Petition for Approval of Settlement in both Proprietary and Non-Proprietary versions with their respective Statements in Support and multiple Appendices on July 31, 2023.

9. On December 6, 2023, the Commission entered an Opinion and Order at the above docket ("December 6 Order").

10. While noting that it is the Commission's policy to promote settlements in order to determine whether the terms of the Settlement are in the public interest, the Commission determined here that additional specific information was needed.

11. The December 6 Order stated in pertinent part:

Upon review of the Settlement and Statements in Support of the same, the Commission believes that the Settlement must be augmented with supplemental information so that the Commission can make an informed decision regarding whether the Settlement is in the public interest.

First, the Settlement should be supplemented by the Parties to clearly and publicly indicate the costs of replacing the private property damaged by this incident. This information is only accessible to the Parties and should be included in the Settlement, and we see no reason why these costs should be confidential. Second, the Parties should explain how the cost to remediate the damage to private property will be paid for. For example, whether insurance will cover the replacement of these private facilities, whether Peoples' shareholders will bear those costs, or whether cost recovery will be sought in rates. Finally, the Parties should comment on their intentions regarding recovery of the civil penalty in rates.

December 6 Order at 12.²

12. The December 6 Order concluded, in pertinent part that “within twenty (20) days, the Parties shall supplement the record in the Settlement by clearly and publicly indicating the costs of replacing the private property damaged by this incident, explaining how the cost to remediate the damage to the private property will be paid for (e.g., whether insurance will cover the replacement of these private facilities, whether Peoples' shareholders will bear those costs, or whether cost recovery will be sought in rates), and informing the Commission of their intentions regarding recovery of the civil penalty in rates. Upon receipt of the supplemental information, the Commission will publish the clarified settlement for comment, and consider and review the Settlement and supplemental information.”

² Although the December 6 Order pages are not numbered, this text does appear on the twelfth page.

13. In compliance with the December 6 Order, the Parties provide the supplemental information as follows:

1. December 6 Order: “[Provide a] clear and public indication of the costs of replacing the private property damaged by this incident.”

Response: “The costs of replacing the private property damaged by the incident in Robinson on April 29, 2020 totaled \$305,206.10. The breakdown for those costs are set forth as follows:

Category	Cost Elem.	Cost Element Name	Total
Materials & Supplies Expense	5304100	Material Exp-Stock	\$4,666.22
Materials & Supplies Expense	5304200	Material Exp-Non Stock	\$1,250.61
Materials & Supplies Expense	5304370	Tool & Work Equip	\$717.54
Materials & Supplies Expense	5304390	Misc Supplies	\$802.58
Outside Services	5303030	Contractor Services	\$275,161.02
Outside Services	5303035	Contractor Svcs - Rest	\$16,378.13
Outside Services	5303890	Misc. Outside Svcs	\$6,230.00
Total			\$305,206.10

2. December 6 Order: “[Provide] an explanation regarding how the cost to remediate the damage to private property will be paid for (e.g. whether insurance will cover the replacement of these private facilities, whether Peoples Natural Gas Company LLC’s shareholders will bear these costs, or whether cost recovery will be sought in rates).

Response: “Peoples has not attempted to recover and will not attempt to recover the cost of replacing private property arising from the April 29, 2020 incident in the amount of \$305,206.10 from the ratepayers in a base rate proceeding. As stated in the Joint Petition for Approval of Settlement, these costs were not covered by insurance.”

3. **December 6 Order:** “[Provide] comments on the Parties’ intentions regarding recovery of the civil penalty in rates.”

Response: “The Parties explicitly agree here and had previously agreed that the civil penalty of \$250,000 will not be recovered in Peoples’ rates.”

14. The supplemental information provided herein in response to the December 6 Order is not designated as Proprietary.

WHEREFORE, the Pennsylvania Public Utility Commission’s Bureau of Investigation and Enforcement and Peoples Natural Gas Company LLC respectfully request that the Commission accept the within Supplemental Record as responsive to the December 6 Order and approve the Joint Petition for Approval of Settlement as supplemented without modification and in its entirety as being in the public interest.

Respectfully submitted and filed by:



Date: December 21, 2023

Michael L. Swindler
Deputy Chief Prosecutor
PA Attorney ID No. 43319
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
400 North Street
Harrisburg, PA 17120
mwindler@pa.gov

Date: 12/20/2023



Michael C. Turzai
Vice President and General Counsel
Peoples Natural Gas Company LLC
375 North Shore Drive
Pittsburgh, PA 15212
michael.turzai@peoples-gas.com

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission,	:	
Bureau of Investigation and Enforcement	:	
	:	
v.	:	Docket No. M-2023-3024990
	:	
Peoples Natural Gas Company LLC	:	

CERTIFICATE OF SERVICE

I hereby certify that I have served a true copy of the foregoing **Supplemental Record to Joint Petition for Approval of Settlement**, dated December 21, 2023, upon the parties listed below in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

Service by Electronic Mail

Michael C. Turzai
Vice President and General Counsel
Peoples Natural Gas Company LLC
375 North Shore Drive
Pittsburgh, PA 15212
michael.turzai@peoples-gas.com



Michael L. Swindler
Deputy Chief Prosecutor
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