

COMMONWEALTH OF PENNSYLVANIA



DARRYL A. LAWRENCE
Consumer Advocate

OFFICE OF CONSUMER ADVOCATE
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048
(800) 684-6560

 @pa_oca
 /pennoca
FAX (717) 783-7152
consumer@paoca.org
www.oca.pa.gov

October 6, 2025

Via Electronic Filing

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Application of Peoples Natural Gas Company, LLC for All of the Authority and the Necessary Certificates of Public Convenience to Merge PNG Gathering LLC into Peoples Natural Gas Company LLC, Docket No. A-2025-3056882

Dear Secretary Homsher:

Attached for electronic filing, please find the Office of Consumer Advocate's Prehearing Memorandum in this proceeding.

Copies have been served on the parties as indicated on the enclosed Certificate of Service.

Respectfully submitted,

/s/ Harrison W. Breitman
Harrison W. Breitman, Esq.
Assistant Consumer Advocate
PA Attorney I.D. # 320580
Email: HBreitman@paoca.org

Enclosures

cc: Administrative Law Judge Emily I. DeVoe (Email Only: edevoe@pa.gov)
Certificate of Service

CERTIFICATE OF SERVICE

Application of Peoples Natural Gas :
Company, LLC for All of the Authority and :
the Necessary Certificates of Public : Docket No. A-2025-3056882
Convenience to Merge PNG Gathering LLC :
into Peoples Natural Gas Company LLC :

I hereby certify that I have this day filed electronically on the Commission’s electronic filing system and served a true copy of the following document, the Office of Consumer Advocate’s Prehearing Memorandum, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below.

Dated this 6th day of October 2025.

SERVICE BY EMAIL ONLY

Anthony D. Kanagy, Esq.
Post & Schell, P.C.
17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601
akanagy@postschell.com
Counsel for Peoples

Meagan Moore, Esq.
PNG Companies LLC
375 North Shore Drive
Pittsburgh, PA 15212
Meagan.moore@peoples-gas.com
Counsel for Peoples

Carrie B. Wright, Esq.
PA Public Utility Commission
Commonwealth Keystone Building
Bureau of Investigation and Enforcement
P.O. Box 3265
Harrisburg, PA 17105-3265
carwright@pa.gov
Counsel for I&E

Steven C. Gray, Esq.
Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA 17101
sgray@pa.gov
Counsel for OSBA

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: 717-783-5048
Fax: 717-783-7152

Dated: October 6, 2025

/s/ Harrison W. Breitman
Harrison W. Breitman, Esq.
Assistant Consumer Advocate
PA Attorney I.D. # 320580
Email: HBreitman@paoca.org

Counsel for:
Darryl A. Lawrence
Consumer Advocate

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	Docket Nos. A-2025-3056882
v.	:	
	:	
Peoples Natural Gas Company LLC	:	

PREHEARING CONFERENCE MEMORANDUM
OF THE
OFFICE OF CONSUMER ADVOCATE

Pursuant to the Prehearing Conference Order issued on October 1, 2025, in the above-captioned proceeding, by the Honorable Administrative Law Judge (ALJ) Emily Devoe, of the Office of Administrative Law Judge (OALJ) of the Pennsylvania Public Utility Commission (Commission), and pursuant to Section 333 of the Public Utility Code (Code), 66 Pa. C.S. Section 333, the Commission’s regulations at 52 Pa. Code Sections 5.221-5.224, the Pennsylvania Office of Consumer Advocate (OCA) submits the following Prehearing Conference Memorandum.

I. INTRODUCTION AND PROCEDURAL HISTORY

On August 14, 2025, Peoples Natural Gas Company LLC (Peoples or the Company) filed an application for approval with the Commission seeking approval to Merge PNG Gathering LLC (“PNG Gathering”) into People Natural Gas Company LLC (Application). Peoples and PNG Gathering (Applicants) request that the Commission grant the Applicants Certificates of Public Convenience pursuant to Sections 1102(a)(3) and 2210(a)(1) of the Public Utility Code necessary to authorize the merger. The Applicants also seek all other approvals necessary under the Public Utility Code to carry out the proposed transaction in a lawful manner.

PNG Companies LLC (PNG Companies) is a Delaware limited liability company which directly owns 100% of the membership interests of Peoples and PNG Gathering. The Commission approved the transfer of indirect ownership of the Peoples Companies, including Peoples Natural and Peoples Gas, to Aqua America, Inc., which later changed its name to Essential Utilities, Inc. (Essential). *Pa PUC v. Joint Application of Aqua America, Inc., et. al.*, Docket No. A-2018-3006061, Order at 205 (Jan. 24, 2020). As noted in the Application, the Applicants are both indirect subsidiaries of Essential and direct subsidiaries of PNG Companies. Application ¶ 10.

Peoples and PNG Gathering are affiliated interests under Chapter 21 of the Public Utility Code. *Id.* ¶ 59. PNG Gathering is a non-utility entity and a Peoples affiliate formed in 2013 when Peoples acquired Equitable. *Id.* ¶ 4, 13-15. Among the acquisition was the Goodwin/Tombaugh gathering system, which was transferred to PNG Gathering. *Id.*

When Essential acquired Peoples in 2020, Essential agreed to remediate the Goodwin/Tombaugh gathering system over a 7-year period. Application ¶ 4. Under the terms of the settlement, Essential agreed to remediate the Goodwin/Tombaugh Gathering system over a 7-year period with the eventual goal of having the Goodwin/Tombaugh plant replaced, transferred to Peoples, and regulated by the Commission as distribution pipeline. *Id.* (internal citations omitted). According to the company, once the rehabilitation is completed there will be approximately \$1.9 million of net plant remaining on PNG Gathering's books which, upon successful completion of the merger will be transferred to Peoples. *Id.*

The Applicants propose that PNG Gathering be merged into Peoples, with Peoples as the surviving entity. Application ¶ 60. The merger, as proposed by the Company, would enable Peoples to transfer the remaining used and useful Goodwin/Tombaugh plant from PNG Gathering to Peoples books and dissolve PNG Gathering as a separate corporate entity. Application ¶ 16.

Based on the filing, Peoples is not proposing any rate changes in this application and will address whether the plant should be included in rate base in the Company's next base rate proceeding. Application ¶ 38.

II. ISSUES

In the Company's filing, Peoples states that the proposed merger will have no impact on its customers. Application ¶ 39. Based upon this claim and the OCA's preliminary analysis of the Company's filing, the OCA currently does not have any issues with the proposed merger. However, it is anticipated that issues may arise, and the OCA specifically reserves the right to pursue any issues presented during the Commission's Bureau of Technical Utility Service's (TUS's) data requests period. Any issues which may develop during discovery will be analyzed and presented as appropriate by the OCA.

III. WITNESSES

The OCA specifically reserves the right to call witnesses, as necessary, and retains the flexibility to have the witnesses address any area of this case as the case proceeds. If the OCA determines that witnesses will be necessary for any portion of its case, it will notify all parties of record immediately.

IV. PROPOSED SCHEDULE

Given that the OCA is not requesting an evidentiary hearing at this time, the OCA does not oppose the Company's request to transfer this matter to the Commission's Bureau of TUS for review. Accordingly, no procedural schedule need be set at this time.

V. SERVICE ON THE OCA

The OCA respectfully requests that the Presiding Officer permit electronic service without the requirement of a follow-up hard copy. The OCA will be represented in this case by the attorneys listed below.

Harrison W. Breitman, Assistant Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048

For the purposes of the Prehearing Conference, Harrison Breitman will be the primary attorney speaking on behalf of the OCA.

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
(717) 783-5048

DATED: October 6, 2025

Respectfully submitted,

/s/Harrison W. Breitman
Harrison W. Breitman, Esq.
Assistant Consumer Advocate
PA Attorney I.D. # 320580
Email: HBreitman@paoca.org

Counsel for:
Darryl A. Lawrence
Consumer Advocate