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December 15, 2025

VIA ELECTRONIC FILING

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

**Re: Pennsylvania Public Utility Commission Bureau of Investigation & Enforcement
v.
Peoples Natural Gas Company LLC
Docket No: C-2024-3050319**

Dear Secretary Homsher:

Enclosed for electronic filing is the Brief in Support of Joint Petition for Interlocutory Review on behalf of Peoples Natural Gas Company LLC in the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Sincerely,



Anthony D. Kanagy
Principal

ADK/sa
Attachments

cc: Administrative Law Judge Jeffrey Watson (*via email; w/attachment*)
Certificate of Service

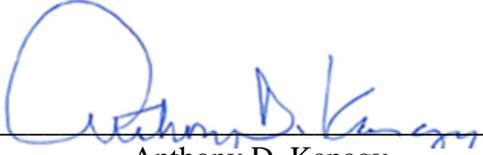
CERTIFICATE OF SERVICE

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 EMAIL

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Date: December 15, 2025



Anthony D. Kanagy

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
Bureau of Investigation & Enforcement	:	
	:	Docket No. C-2024-3050319
v.	:	
	:	
Peoples Natural Gas Company LLC	:	

**PEOPLES NATURAL GAS COMPANY LLC
BRIEF IN SUPPORT OF
JOINT PETITION FOR INTERLOCUTORY REVIEW**

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Date: December 15, 2025

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I. INTRODUCTION

The issue in this proceeding involves whether a Settlement between the Pennsylvania Public Utility Commission's ("Commission") Bureau of Investigation & Enforcement ("I&E") and Peoples Natural Gas Company LLC ("Peoples" or the "Company") which has been rejected by an Administrative Law Judge ("ALJ") should be submitted to the Commission for review or whether the parties should be required to participate in hearings regarding the matter when the parties have resolved all issues and do not seek a hearing.

As explained in further detail below, I&E filed a Complaint regarding a natural gas incident that occurred in Peoples service territory. The natural gas incident was not caused by Peoples, but rather was caused by an unaffiliated third-party that drilled a hole into Peoples mainline, which was marked by Peoples in accordance with applicable PA One Call requirements. Peoples was not at fault for the incident. However, as a compromise in order to resolve the Complaint and to avoid extensive costly litigation, Peoples has agreed to pay a civil penalty, to make a donation to the Tyrone Pennsylvania fire departments and to enhance certain personnel training and procedures as further set forth in the Settlement.

On October 27, 2025, the presiding ALJ issued an Interim Order reopening the record and rejecting the Settlement ("Interim Order"). In the Interim Order, the ALJ directs the parties to provide available dates to conduct four days of evidentiary hearings in March of 2026, despite the fact that the parties have resolved all issues among themselves and are not seeking or requesting hearings. Requiring evidentiary hearings when parties have resolved all issues and are not seeking hearings is not a productive use of anyone's time or resources. As further noted below, the ALJ's reasons for rejecting the Settlement are improper.

Peoples respectfully requests that the Commission grant the Joint Petition for Interlocutory Review and approve the Settlement between I&E and Peoples without modification.

II. BACKGROUND

On July 26, 2021, Glenn Johnston, Inc. (“GJI”) engaged in excavation activities in the 1300 block of Pennsylvania Avenue, Tyrone Pennsylvania. GJI was contracted by the Borough of Tyrone to rebuild and replace its aging water system infrastructure. During its excavation activities, GJI struck and bored through Peoples mainline, despite the fact that Peoples had marked the mainline in accordance with the PA One Call Law. GJI failed to exercise prudent digging techniques during its excavation activities. Subsequently, GJI contacted Peoples to report an “outside odor” of gas without providing any further details, including the very important details that GJI was excavating in the street, had drilled through Peoples’ mainline and that GJI undertook various “self-help” measures including inserting rags into the receiving pit bore hole that hindered Peoples emergency response efforts.

Thereafter, also on July 26, 2021, an explosion occurred at 1306 Pennsylvania Avenue, which resulted in one fatality, four injuries and damage to several residences.

On July 26, 2024, I&E filed the above-captioned Complaint against Peoples alleging certain violations of the Public Utility Code and/or Federal Regulations. The Complaint also requested the imposition of a civil penalty and that Peoples perform certain corrective actions.

Peoples filed several Motions to extend Time to File an Answer, which were granted.

On October 18, 2024, Peoples filed a Motion for Extension of Time to File Joint Petition for Settlement after the parties reached a settlement in principle on all issues.

On January 17, 2025, I&E, on behalf of both I&E and Peoples, filed the Joint Petition for Approval of Settlement with the Commission.

On March 28, 2025, an Interim Order was issued providing parties with an opportunity to file additional pleadings and to supplement the record. This Interim Order was not served upon the parties.

On September 3, 2025, the ALJ issued a Second Interim Order holding the evidentiary record open and stating that the Parties could file additional pleadings including a proposed stipulation of fact in support of the Settlement.

On September 30, 2025, I&E, on behalf of I&E and Peoples, filed a Joint Stipulation of Facts in Support of Settlement.

On October 17, 2025, the ALJ issued an Interim Order approving the Joint Stipulation of Facts, admitting it into the record, closing the evidentiary record and indicating that an Initial Decision would be filed.

Subsequently on October 27, 2025, the ALJ issued the Interim Order in question which re-opened the record and rejected the Joint Petition for Approval of Settlement.

As explained below, the ALJ's reasons for rejecting the Settlement are unreasonable and will serve to significantly discourage future settlements of these types of proceedings. For the reasons stated herein and in the Brief of I&E, the Commission should grant the Motion for Interlocutory Review and approve the Settlement without modification.

III. LEGAL STANDARDS

The standards for interlocutory review are set forth in Section 5.302 of the Public Utility Code, 52 Pa. Code § 5.302. The regulation provides that parties may file a petition to the Commission requesting review and answer to a material question which has arisen or is likely to arise. The standard for review is whether interlocutory review will prevent substantial prejudice or expedite the conduct of the hearing. 52 Pa. Code § 5.302(a). The Commission has noted that the pertinent consideration is whether interlocutory review is necessary to prevent substantial

prejudice – that is, the error and any prejudice flowing therefrom could not be satisfactorily cured during the normal Commission review process. *Joint Application of Bell Atlantic Corp. and GTE Corp.*, Docket No. A-310200F0002, *et al.* (Order entered June 10, 1999); *Pa. PUC v. Frontier Communications of Pa. Inc.*, Docket No. R-00984411 (Order entered February 11, 1999); *In re: Knights Limousine Service, Inc.*, 59 Pa. P.U.C. 538 (1985).

Under the regulations, the Commission may take one of the following actions on requests for interlocutory review and answer to a material question:

- (1) Continue, revoke or grant a stay of proceedings if necessary to protect the substantial rights of the parties.
- (2) Determine that the petition was improper and return the matter to the presiding officer.
- (3) Decline to answer the question.
- (4) Answer the question.

52 Pa. Code § 5.303

As explained below, granting interlocutory review is necessary in this case to prevent substantial prejudice to Peoples and to encourage future settlements of these types of proceedings.

IV. ARGUMENT

Peoples' responses to the Material Questions set forth in the Joint Petition for Interlocutory Review are below.

A. IN A JOINT SETTLEMENT, IS A PARTY REQUIRED TO ADMIT VIOLATIONS IN ORDER FOR THE SETTLEMENT TO BE APPROVED? SUGGESTED ANSWER: NO.

One of the primary reasons that the ALJ rejected the Settlement was because “the Settlement documents and stipulation of facts fail to acknowledge a single act or failure to act by Peoples that caused or contributed in any way to the allegations and unsafe conditions alleged by

I&E.” Interim Order, p. 9. This is not a valid basis for rejecting the Settlement and, if adopted, will severely discourage future settlements of these types of proceedings.

First, as is evident from the stipulation of facts, Peoples’ actions did not cause the incident. A third-party contractor working for the Borough of Tyrone drilled through a Peoples mainline marked by Peoples in accordance with PA One Call. Peoples is not at fault for this incident, and, therefore, will not admit fault in a settlement.

The Commission has expressly recognized that parties are not required to admit fault in a settlement. *Pennsylvania Public Utility Commission, Bureau of Investigation and Enforcement v. Philadelphia Gas Works*, Docket No. C-2022-3033834, (Opinion and Order entered January 8, 2025) (“*PGW 2025*”). Therein, the Commission stated:

Settlements are compromises that must serve the public interest to meet with our approval. In our examination of Settlements, we do not weigh the evidence thus far submitted by the parties or opine on the respective litigation positions and risk assessments that ultimately led the parties to the negotiating table prior to the conclusion of litigation. *We recognize that no respondent party must admit to violations – nor must the moving party withdraw its complaint to reach a settlement – as that is what settling avoids.*

PGW 2025 at 44, 45. Emphasis supplied.

There are many other examples of settlements that have been approved by the Commission where the utility did not admit fault or a violation of the Commission’s regulations. *See e.g. Pa. P.U.C., Bureau of Investigation and Enforcement v. PPL Electric Utilities Corporation*, Docket No. M-2025-3041757 (Opinion and Order entered June 5, 2025); *Pa. P.U.C., Bureau of Investigation and Enforcement v. Duquesne Light Company*, Docket No. M-2022-3032647 (Opinion and Order entered March 2, 2023).

Furthermore, requiring Peoples to admit fault would substantially prejudice the Company. Peoples is currently involved in civil litigation regarding this matter and requiring the Company to admit fault, when it is not at fault, would substantially prejudice the outcome of that proceeding.

If parties are required to admit fault in order to achieve a settlement with I&E in circumstances like these, very few, if any, cases will settle due to the substantial prejudice that will occur. The Commission's policy and practice of not requiring settling parties to admit fault or admit to violations is prudent and should be followed.

B. DID THE PARTIES PROVIDE SUFFICIENT EVIDENCE TO DEMONSTRATE THAT THE SETTLEMENT IS IN THE PUBLIC INTEREST? SUGGESTED ANSWER: YES.

The Interim Order also rejects the Settlement because of an alleged lack of evidence to demonstrate that the Settlement is in the public interest. Interim Order, p. 10. Peoples disagrees with this assertion.

As noted above in the *PGW 2025 Order*, the Commission does not weigh evidence or opine on litigation positions when determining whether a settlement is in the public interest. However, the parties provided substantial evidence to support the reasonableness of the Settlement. The parties set forth stipulated facts in both the Background section of the Joint Petition for Settlement and also provided a Joint Stipulation of Facts in response to a further request from the ALJ.

The Joint Stipulation of Facts provides substantial details regarding the incident. The Joint Stipulation clearly lays out the facts that GJI, a third-party contractor working for the Borough of Tyrone, drilled through one of Peoples' gas mainlines that was marked by Peoples in accordance with the PA One Call. The Joint Stipulation also explains that GJI contacted Peoples regarding a gas odor but failed to advise Peoples that GJI had drilled through a gas main. The Joint Stipulation also describes Peoples' employees' activities both at the Call Center and at the

scene of the incident. The Joint Stipulation of Facts provides substantial evidence upon which to determine that the Settlement is in the public interest.

Furthermore, both I&E and Peoples provided separate Statements in Support of the Settlement. Both of these Statements in Support explained why the Settlement was in the public interest and specifically evaluated the terms of the Settlement with respect to the *Rossi* factors that are set forth in the Commission's Policy Statement at 52 Pa. Code § 69.1201.

The facts provided in the Settlement and the Joint Stipulation of Facts and, as evaluated in both Parties Statements in Support, provide substantial evidence to demonstrate that the Settlement is in the public interest.

C. SHOULD THE ALJ HAVE REJECTED THE SETTLEMENT AND ORDERED AN EVIDENTIARY HEARING WITHOUT ISSUING A RECOMMENDED DECISION? SUGGESTED ANSWER: NO.

Instead of issuing an Initial or Recommended Decision denying the Settlement, the ALJ issued an Interim Order that rejected the Settlement and reopened the record for evidentiary hearings that no party seeks. The ALJ erred by issuing an Interim Order in these circumstances.

Under the Commission's regulations, settlement petitions are to be filed with the Secretary. 52 Pa. Code § 5.232(a). If an ALJ is assigned, the settlement petition is to be reviewed by the ALJ, and the ALJ is to issue an Initial or Recommended Decision. 52 Pa. Code § 5.232(d). Importantly, ALJs follow this regulation because the issuance of an Initial or Recommended Decision provides the procedural avenue for parties to file Exceptions if they disagree with the ALJ's decision. 52 Pa. Code § 5.232(f). The Exceptions can then be reviewed by the full Commission.

The issuance of an Interim Order in these circumstances when the parties have submitted a unanimous settlement that resolves all issues is improper because it effectively denies parties the right to have their unanimous settlement reviewed by the full Commission at this stage of the

proceeding. Peoples understands that the ALJ might not agree that the settlement is in the public interest. However, the parties should not be denied the opportunity and right to have the settlement reviewed by the full Commission. If the ALJ simply denied the Settlement through an Initial or Recommended Decision, as is required by the regulations, then I&E and Peoples could have filed timely Exceptions to the full Commission for review.

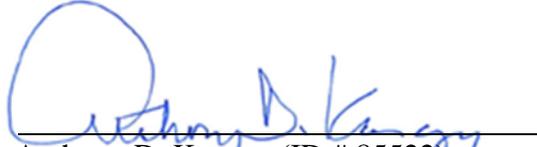
The Interim Order also errs by requiring evidentiary hearings when all parties in the proceeding have not requested and do not want to participate in evidentiary hearings. One of the primary benefits of a settlement is that it avoids the time and expense of additional litigation. The Interim Order's requirement to hold evidentiary hearings will add substantial costs to this proceeding.

It is also unclear how an evidentiary hearing will work when none of the actual parties are seeking a hearing. It is I&E's role to prosecute a proceeding, and the ALJ's role to adjudicate a proceeding. Under Pennsylvania law, the prosecutory and adjudicatory roles cannot be commingled. *Lyness v. Commonwealth*, 529 Pa. 535 (1992). The imposition of unwanted evidentiary hearings infringes on I&E's role as prosecutor.

V. **CONCLUSION**

For the reasons explained herein and in I&E's Brief, the Joint Petition for Interlocutory Review should be approved. Peoples respectfully requests that the Pennsylvania Public Utility Commission review and approve the Joint Settlement that was filed by the parties.

Respectfully submitted,



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