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April 21, 2025

VIA ELECTRONIC FILING

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

Re: Petition for Generic Investigation on Rulemaking Regarding “Gas-on-Gas”
Competition Between Jurisdictional Natural Gas Distribution Companies
Docket No. P-2011-2277868

Generic Investigation Regarding “Gas-on-Gas” Competition Between
Jurisdictional Natural Gas Distribution Companies
Docket No. I-2012-2320323

Peoples Natural Gas Company LLC Prehearing Memorandum

Dear Secretary Homsher:

Enclosed for filing please find Peoples Natural Gas Company LLC’s Prehearing Memorandum in the referenced proceeding.

Copies are being served pursuant to the attached Certificate of Service. Please contact me should you have any questions or require further information regarding this filing.

Very truly yours,



Meagan Moore

Enclosures

Cc: Administrative Law Judge Katrina L. Dunderdale (via email – kdunderdal@pa.gov)
Mary Swarner, Legal Assistant (via email – mswarner@pa.gov)
Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition for Generic Investigation on	:	
Rulemaking Regarding “Gas-on-Gas”	:	
Competition Between Jurisdictional	:	Docket No. P-2011-2277868
Natural Gas Distribution Companies	:	
	:	
Generic Investigation Regarding “Gas-on-	:	
Gas” Competition Between	:	Docket No. I-2012-2320323
Jurisdictional Natural Gas Distribution	:	
Companies	:	

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

TO ADMINISTRATIVE LAW JUDGE KATRINA L. DUNDERDALE:

Pursuant to Section 333 of the Public Utility Code, 66 Pa C.S. Section 333 and the Prehearing Conference Order dated April 2, 2025, Peoples Natural Gas Company LLC (“Peoples” or the “Company”) hereby submits this Prehearing Conference Memorandum in the above-captioned matter and states as follows:

I. PROCEDURAL HISTORY

In 2011, the Pennsylvania Public Utility Commission (“Commission”) opened a generic investigation into the significant competition issues that existed among four competing natural gas distribution companies (“NGDC”) in Western Pennsylvania.

By 2014, T.W. Phillips Gas and Oil Co., Equitable Gas Company and Peoples Natural Gas Company LLC through acquisition and merger, were consolidated such that the remaining entities for purposes of competition were Peoples (and its affiliates), Columbia Gas of Pennsylvania, Inc. (“Columbia”) and National Fuel Gas Distribution Corporation (“National Fuel”).

On May 4, 2017, the Commission issued an order stating that gas on gas discounts should continue to be offered to commercial and industrial customers that have the capacity to receive service from more than one NGDC under the following conditions:

- A rate floor based on the lowest applicable tariff rate available to a gas on gas customer; and
- Establishment of uniform gas on gas flex rate tariff provisions among NGDCs with overlapping service territories.

On that same date, the Commission placed NGDCs on notice that they may not be able to recover any foregone revenues beyond December 31, 2018 related to gas on gas competitive discounts.

On June 13, 2019 the Commission issued another order with further guidelines and conditions for competitive NGDCs.

The June 13, 2019 order also identified four open issues related to this subject area. To address the open items, the Commission established a working group of impacted industry parties. The working group was instructed to work together to reach a consensus resolution of the open items.

The open items identified in the 2019 order remain the four open items still at issue today.

Various parties have met multiple times since 2019 to reach consensus on these open items.

In 2023, Peoples and Columbia notified the Commission that they were unable to find a mutually acceptable resolution to the four open items.

On March 28, 2025, the Commission issued a Secretarial Letter to inform all interested parties that the remaining open issues in the Gas-on-Gas dockets were reassigned to the OALJ for resolution.

On April 2, 2025, a Prehearing Order was issued in the referenced dockets.

II. SERVICE OF DOCUMENTS

Peoples requests that Meagan Moore be listed on the service list on behalf of the Company.

Her contact information is provided below:

Meagan Moore, ID No. 317975
PNG Companies LLC
375 North Shore Drive
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Phone: 412-208-6527
Email: meagan.moore@peoples-gas.com

Ms. Moore will be the attorney speaking on behalf of Peoples for the purposes of the Prehearing Conference. Peoples 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 Andrew P. Wachter at Andrew.Wachter@peoples-gas.com, and Carol A. Scanlon at Carol.Scanlon@peoples-gas.com.

III. ISSUES

There are four remaining issues at issue in the referenced dockets. Those issues include:

- 1) The appropriate methodology to calculate the lowest applicable gas-on-gas flex tariff rates available to customers who participate in gas-on-gas competition.
- 2) The uniform tariff provisions to be utilized by jurisdictional natural gas distribution companies in implementing gas-on-gas flex rates.
- 3) The circumstances under which the extension of service to a potential gas-on-gas customer at full tariffed rates should be permitted.

4) Whether a separate rate schedule should be established for gas-on-gas flex rates.

IV. **WITNESS(ES)**

Below is a list of the witness(es) that Peoples 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 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.

<u>Witness</u>	<u>Statement</u>	<u>General Subject Matter</u>
Andrew P. Wachter Director, Finance and Regulation PNG Companies LLC 375 North Shore Drive Pittsburgh, PA 15212 Andrew.Wachter@peoples-gas.com	Peoples Natural Gas St. No. 1	Gas-on-Gas Competition Issues, including but not limited to: <ul style="list-style-type: none">• Methodology for calculating a gas on gas tariff rate• Tariff provisions for gas on gas flex rates• Extending service to a gas on gas customer• Gas on gas flex rate

V. **DISCOVERY**

In the event of a need for discovery, Peoples is willing to work with the parties, through informal discovery, to expedite discovery. The protection of confidential information is addressed in Section VII., below.

VI. **PROCEDURAL SCHEDULE**

Peoples has reviewed the Office of Consumer Advocate's ("OCA") Prehearing Conference Memorandum filed on April 21, 2025. Peoples does not object to the OCA's proposed procedural

process. Peoples agrees to work with the OCA and the other parties to this proceeding to develop and recommend a proposed procedural schedule for consideration by ALJ Dunderdale.

VII. PROTECTION OF CONFIDENTIAL INFORMATION

Peoples will work with the parties to submit a Motion for Protective Order in the event sensitive confidential information becomes part of this proceeding. Peoples will seek the concurrence of the other parties as to the form of the Protective Order before submitting the Motion.

VIII. SETTLEMENT DISCUSSIONS

To date, no settlement discussions have been held other than discussions held with certain parties during the above mentioned working group meetings. However, Peoples will be working with the parties in an effort to resolve these proceedings through settlement.

Respectfully submitted,



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Attorney for Peoples Natural Gas Company
LLC

Date: April 21, 2025

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).

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April 21, 2025



Meagan Moore, Esquire