



May 22, 2018

**VIA FEDERAL EXPRESS**

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Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor North  
Harrisburg, PA 17120

**Re: Pennsylvania Public Utility Commission v. Duquesne Light Company; Docket No. R-2018-3000124; C-2018-3001152**

**PETITION OF PEOPLES NATURAL GAS COMPANY LLC FOR INTERLOCUTORY REVIEW AND ANSWER TO MATERIAL QUESTION ON AN EXPEDITED BASIS.**

Dear Secretary Chiavetta:

Enclosed for filing with the Commission, please find the Petition for Interlocutory Review and Answer to Material Question on an Expedited Basis of Peoples Natural Gas Company LLC in the above-referenced proceeding. A copy of this document has been served in accordance with the attached Certificate of Service.

If you have any questions regarding this filing, please direct them to me. Thank you for your attention to this matter.

Sincerely,

COZEN O'CONNOR

By: David P. Zambito  
Counsel for Peoples Natural Gas Company LLC

DPZ:kmg  
Enclosure

cc: Honorable Katrina L. Dunderdale  
Per Certificate of Service

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PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	Docket Nos. R-2018-3000124
v.	:	C-2018-3001152
	:	
Duquesne Light Company	:	

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**PETITION OF PEOPLES NATURAL GAS COMPANY LLC  
FOR INTERLOCUTORY REVIEW AND  
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AND NOW COMES, Peoples Natural Gas Company LLC (“Peoples”), by and through its counsel, Cozen O’Connor, pursuant to 52 Pa. Code § 5.302, to file this Petition for Interlocutory Review and Answer to Material Question. The Material Question presented for consideration is:

Does the Interim Order, dated May 22, 2018, err in granting the Motion for Partial Judgment on the Pleadings filed by Duquesne Light Company (“Duquesne”) on May 1, 2018 and precluding Peoples -- as developer of Combined Heat and Power (“CHP”) projects -- from contesting, in Duquesne’s base rate proceeding, a proposed 220% increase in the Back Up Rate for CHP projects?

Peoples respectfully submits that this question should be answered in the affirmative.

Due to the time constraints imposed by this on-going base rate proceeding, Peoples also asks that (1) the ten-day deadline for filing briefs on a Petition for Interlocutory Review be shortened in this case so that briefs are due on Friday, May 25, 2018; and, (2) the Commission grant this Petition as expeditiously as possible, via notational voting followed by ratification, so that Peoples may promptly resume its participation in this case with regard to the Back Up Rate.

On April 10, 2018, Peoples filed a formal complaint (“Complaint”) against Duquesne’s proposed rate increase. As a customer of Duquesne, Peoples opposed Duquesne’s proposed rate increase on the grounds that it may be: (1) unjust, unreasonable and in violation of law;

(2) unlawfully discriminatory; and (3) otherwise contrary to sound ratemaking principles and sound public policy. Complaint ¶¶ 1 and 8.

Peoples specifically averred that it has existing customers currently using distributed generation and is currently pursuing additional distributed generation projects throughout Duquesne's certificated service territory. Some of these distributed generation projects are CHP projects. Pursuant to Rider No. 16 – Service to Non-Utility Generating Facilities, Duquesne seeks to raise the rate for back up service for non-utility generating facilities from the current rate of \$2.50 per kW to \$8.00 per kW – an increase of 220%. In addition, Duquesne proposes to retain existing language, which provides that customers who exceed their capacity reservation will be charged twice the applicable charge per kilowatt – an increase from \$5.00 per kW to \$16.00 per kW. Such an increase in the Back Up Rate would have a significant adverse economic impact on Peoples because those rates would negatively impact Peoples' pursuit of distributed generation projects, including CHP projects. Complaint ¶ 9-10.

Peoples also averred that Duquesne's proposed Rider No. 16 is inconsistent with the *Final Policy Statement on Combined Heat and Power*, Docket No. M-2016-2530484 (Order entered April 5, 2018), in which the Commission noted that one barrier to CHP development in Pennsylvania is the cost of purchasing back up power during planned maintenance and unplanned downtime. Finally, Peoples averred that the interconnection rules contained in Rider No. 16 of Duquesne's tariff are so lengthy and cumbersome that it discourages CHP and other distributed generation projects. Complaint ¶¶ 11 and 13.

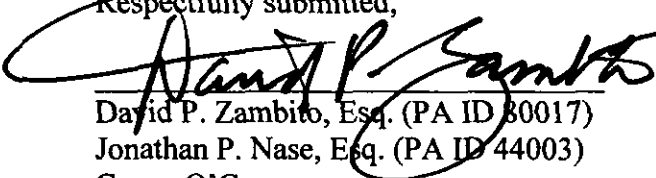
On May 1, 2018, Duquesne filed a Motion for Partial Judgment on the Pleadings, seeking a ruling that Peoples lacks standing to address any issues related to Rider No. 16 (which includes the Back Up Rate). Peoples filed an Answer on May 11, 2018. On May 22, 2018, the Administrative Law Judge issued an Interim Order granting Duquesne's Motion for Partial

Judgement on the Pleadings and precluding Peoples from contesting Rider No. 16 on the basis that Peoples does not currently own a CHP enterprise. The Interim Order permits Peoples to remain in the case and pursue the other issues identified in its Complaint.

Interlocutory review is necessary to prevent substantial prejudice to Peoples. The error and any prejudice flowing therefrom cannot be satisfactorily cured during the normal Commission review process. In the absence of interlocutory review, Peoples will be precluded from challenging Rider No. 16 until this matter comes to the Commission for review. By that point, Peoples will have missed the opportunity to conduct discovery and submit testimony into the record. Even if the Commission would conclude, during the normal review process, that the Interim Order is erroneous, the Commission could not rectify the error at that point due to the statutory timeframe for rendering a decision in a contested rate proceeding. According to the Prehearing Order, non-company direct testimony is due June 25, 2018 and written rebuttal testimony is due July 23, 2018. Unless the Commission expeditiously reverses the ALJ's Interim Order, Peoples will suffer prejudice that cannot be reversed during the normal Commission review process because it will be precluded from pursuing issues related to Rider No. 16 during that period.

For the foregoing reasons, Peoples respectfully requests that the Commission grant interlocutory review and answer the material question in the affirmative.

Respectfully submitted,



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Dated: May 22, 2018

Counsel for  
*Peoples Natural Gas Company LLC*

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BEFORE THE  
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Pennsylvania Public Utility Commission

v.

Duquesne Light Company

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Docket Nos. R-2018-3000124  
C-2018-3001152

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing **Petition of Peoples Natural Gas Company LLC for Interlocutory Review and Answer to Material Question on an Expedited Basis**, upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

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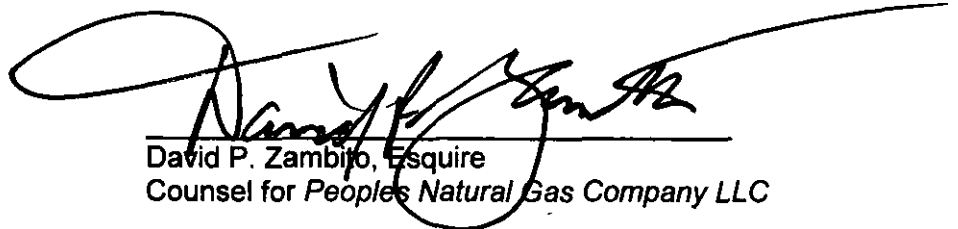
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DATED: May 22, 2018



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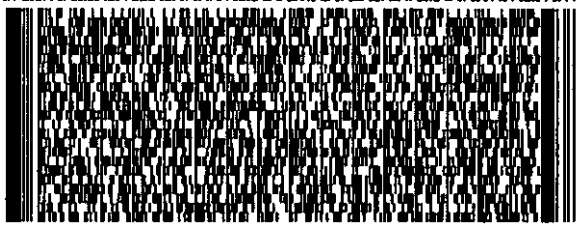
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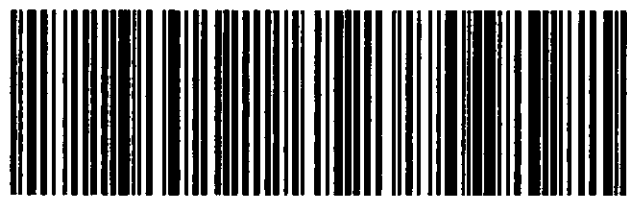
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