



COMMONWEALTH OF PENNSYLVANIA

September 12, 2019

**E-FILED**

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

**Re: Pennsylvania Public Utility Commission v. Valley Energy, Inc. /  
Docket No. R-2019-3008209**

Dear Secretary Chiavetta:

Enclosed for filing please find the Prehearing Memorandum, on behalf of the Office of Small Business Advocate (“OSBA”), in the above-captioned proceeding. I respectfully request that a copy of any documents filed in this case also be shared with our witness at the address below:

Brian Kalcic  
Excel Consulting  
225 S. Meramec Avenue, Suite 720 T  
St. Louis, MO 63105  
[excel.consulting@sbcglobal.net](mailto:excel.consulting@sbcglobal.net)

Copies will be served on all known parties in this proceeding, as indicated on the attached Certificate of Service.

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

Sincerely,

A handwritten signature in blue ink, appearing to read 'Sharon E. Webb'.

Sharon E. Webb  
Assistant Small Business Advocate  
Attorney ID No. 73995

*Enclosures*

cc: Brian Kalcic  
Parties of Record

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PENNSYLVANIA PUBLIC UTILITY  
COMMISSION**

v.

**VALLEY ENERGY, INC.**

:  
:  
:  
: **DOCKET NO. R-2019-3008209**  
:  
:

**OFFICE OF SMALL BUSINESS ADVOCATE  
PREHEARING MEMORANDUM**

**I. INTRODUCTION**

The Office of Small Business Advocate (“OSBA”) is authorized to represent the interests of small business consumers of utility services before the Pennsylvania Public Utility Commission (the “Commission”) pursuant to the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§399.41 – 399.50 (“the Act”). In order to discharge this statutory duty, the Small Business Advocate deems it necessary to participate as a party to these proceedings. Please address all correspondence as follows:

Sharon E. Webb  
Assistant Small Business Advocate  
Office of Small Business Advocate  
300 North Second Street, Suite 202  
Harrisburg, PA 17101  
(717) 783-2525  
(717) 783-2831 (fax)  
[swebb@pa.gov](mailto:swebb@pa.gov)

## II. BACKGROUND

On July 1, 2019, Valley Energy, Inc. (“Valley” or the “Company”), filed Supplement No. 49 to Tariff Gas-PA P.U.C. No. 2. The proposed Supplement No. 49, if approved, would have resulted in an increase in the annual distribution revenues of Valley by \$1,034,186 per year, a 20.6% increase.

In addition to its July 1, 2019 Tariff filing, Valley filed a Petition for Wavier of Filing Requirements Under 52 Pa. Code Section 53.53, seeking relief for filing required documentation, since Valley’s claim exceeded the \$1 million threshold rate increase as set forth in Section 53.53.<sup>1</sup> On July 22, 2019, the Office of Consumer Advocate (“OCA”), the Bureau of Investigation and Enforcement (“I&E”), and the Office of Small Business Advocate filed a joint motion to reject Valley’s July 1, 2019 base rate filing for failing to comply with the requirements Section 53.53. Subsequent to the joint motion, on July 29, 2019, Valley filed replacement schedules and tariff pages to revise its rate increase request.

The OSBA filed a Notice of Appearance on July 22, 2019. Subsequently the OSBA filed a Complaint and Public Statement on August 29, 2019.

---

<sup>1</sup> 52 Pa. Code §53.53

### **III. WITNESS**

Assisting in the development and presentation of OSBA's position in this rate case will be:

Mr. Brian Kalcic  
Excel Consulting  
Suite 720  
225 S. Meramec Ave.  
St. Louis, MO 63105  
(314) 725-2511  
[excel.consulting@sbcglobal.net](mailto:excel.consulting@sbcglobal.net)

The OSBA requests that all parties serve copies of all documents, including discovery, testimony and briefs, upon Mr. Kalcic, simultaneously with service upon the OSBA. The OSBA anticipates that it will present testimony by Mr. Kalcic.

### **IV. IDENTIFICATION OF ISSUES**

The OSBA is participating in these three cases to ensure that the interests of small business customers of Valley are adequately represented and protected. As appropriate and necessary, the OSBA will investigate and analyze the claims and proposals of the parties, primarily through discovery, cross-examination of witnesses appearing for those parties, submission of testimony and briefing of the issues that arise in this proceeding. The OSBA will particularly focus on issues where the impact upon the interests of Valley's small business customers would be unjustifiably different from or disproportionate to the impact on other classes of customers, or otherwise lacking in reasonableness or basic fairness. In that regard, the OSBA will thoroughly review all revenue allocation and rate design proposals to assure that they are fair to small business

ratepayers. The OSBA will also examine the propriety of the Company's proposed modifications to Rule 4 regarding its facilities expansion policies.

The OSBA reserves the right to pursue additional issues as they may arise throughout the course of the proceedings.

**V. DISCOVERY**

The OSBA has already served interrogatories.

**VI. SERVICE OF DOCUMENTS**

The OSBA agrees to accept electronic delivery of documents on the due date as satisfying the in-hand requirement, if followed by hard copy delivery to the OSBA and its witness by first class mail. Electronic service only is not acceptable.

**VII. SETTLEMENT**

The OSBA is willing to enter into settlement discussions at any phase of these proceedings.

**VIII. PROCEDURAL SCHEDULE**

The OSBA will cooperate with the other parties to develop a mutually acceptable schedule for the remainder of these cases. It should be noted however, that OSBA's witness is not available for hearings the week of December 9-13, 2019.

Respectfully submitted,



---

Sharon E. Webb  
Assistant Small Business Advocate  
Attorney ID No. 73995

For: John R. Evans  
Small Business Advocate

Office of Small Business Advocate  
300 North Second Street – Suite 202  
Harrisburg, PA 17101  
(717) 783-2525  
(717) 783-2831 (fax)

Dated: September 12, 2019

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Pennsylvania Public Utility Commission** :  
: **Docket No. R-2019-3008209**  
v. :  
: **Valley Energy, Inc.** :  
:

**CERTIFICATE OF SERVICE**

I hereby certify that true and correct copies of the foregoing have been served via email and/or First-Class mail (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Steven K. Haas  
The Honorable Benjamin J. Myers  
Pennsylvania Public Utility Commission  
400 North Street  
Commonwealth Keystone Building  
Harrisburg, PA 17120  
[sthaas@pa.gov](mailto:sthaas@pa.gov)  
[benmyers@pa.gov](mailto:benmyers@pa.gov)  
**(Email and Hand Delivery)**

John M. Coogan, Esquire  
Bureau of Investigation & Enforcement  
400 North Street  
Commonwealth Keystone Building  
Harrisburg, PA 17120  
[jcoogan@pa.gov](mailto:jcoogan@pa.gov)  
*(Counsel for BIE)*  
**(Email and Hand Delivery)**

Christy M. Appleby, Esquire  
J.D. Moore, Esquire  
Aron J. Beatty, Esquire  
Darryl A. Lawrence, Esquire  
Office of Consumer Advocate  
555 Walnut Street, 5th Floor  
Harrisburg, PA 17101  
[CAppleby@paoca.org](mailto:CAppleby@paoca.org)  
[JMoore@paoca.org](mailto:JMoore@paoca.org)  
[DLawrence@paoca.org](mailto:DLawrence@paoca.org)  
[ABeatty@paoca.org](mailto:ABeatty@paoca.org)  
*(Counsel for OCA)*  
**(Email and Hand Delivery)**

Pamela C. Polacek, Esquire  
Adeolu A. Bakare, Esquire  
Matthew L. Garber, Esquire  
McNees Wallace & Nurick, LLC  
100 Pine Street  
PO Box 1166  
Harrisburg, PA 17108  
[ppolacek@mcneeslaw.com](mailto:ppolacek@mcneeslaw.com)  
[abakare@mcneeslaw.com](mailto:abakare@mcneeslaw.com)  
[mgarber@mcneeslaw.com](mailto:mgarber@mcneeslaw.com)  
*(Counsel for Valley)*

DATE: September 12, 2019

  
\_\_\_\_\_  
Sharon E. Webb  
Assistant Small Business Advocate  
Attorney ID No. 73995