



COMMONWEALTH OF PENNSYLVANIA

December 12, 2022

E-FILED

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

Re: Pennsylvania Public Utility Commission v. National Fuel Gas Distribution Corporation / Docket No. R-2022-3035730

Dear Secretary Chiavetta:

Attached please find the Prehearing Memorandum, filed on behalf of the Office of Small Business Advocate (OSBA), in the above-captioned proceeding.

Copies of the attached 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,

/s/ Steven C. Gray

Steven C. Gray
Senior Supervising
Assistant Small Business Advocate
Attorney I.D. No. 77538

Enclosures

cc: Mr. Kevin Higgins
Parties of Record

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2022-3035730
	:	
National Fuel Gas Distribution Corporation	:	

**PREHEARING MEMORANDUM
OF THE OFFICE OF SMALL BUSINESS ADVOCATE**

I. INTRODUCTION

The Office of Small Business Advocate (“OSBA”) is authorized to represent the interests of small business customers of utility services before the Pennsylvania Public Utility Commission (“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. Representing the OSBA in the above-referenced matter is Senior Supervising Assistant Small Business Advocate Steven C. Gray. Please address all correspondence in this matter as follows:

Steven C. Gray, Esquire
Senior Supervising Assistant Small Business Advocate
Commonwealth of Pennsylvania
Office of Small Business Advocate
555 Walnut Street, 1st Floor
Forum Place
Harrisburg, PA 17101
(717) 783-2525
(717) 783-2831 (fax)
sgray@pa.gov

II. FILING BACKGROUND

On October 28, 2022, National Fuel Gas Distribution Corporation (“NFG” or the

“Company”) filed Supplement No. 248 Gas Tariff – Pa. P.U.C. No. 9 (“Supplement No. 248”) with the Commission. The rates set forth in Supplement No. 248, if approved by the Commission, would increase NFG’s annual revenue by \$28.1 million.

The OSBA filed a Complaint on November 8, 2022.

III. IDENTIFICATION OF WITNESS AND TENTATIVE ISSUES

Assisting in the development and presentation of the OSBA’s case in this proceeding will be:

Mr. Kevin C. Higgins
Energy Strategies LLC
111 East Broadway, Suite 1200
Salt Lake City, Utah 84111
(801) 355-4365
(801) 521-9142 – Fax
khiggins@energystrat.com

The OSBA will participate in this proceeding to assure that the interests of small business customers are adequately represented and protected.

After an initial review of the materials submitted by NFG, the OSBA has identified the following list of issues that it will evaluate in this proceeding:

- 1) Whether the Company’s proposed class cost of service study reasonably reflects cost causation, past practice, and Commission precedent;
- 2) Whether the Company’s revenue allocation proposal reasonably reflects a proper class cost of service study, rate gradualism, credible competitive concerns, and other established rate design principles;
- 3) Whether the Company’s proposed rate design for NFG’s small business customers is consistent with allocated costs and other established rate design principles;
- 4) Whether the Company’s negotiated rate revenues credibly reflect current competitive

market conditions, customer bypass potential, and/or other factors that can reasonably affect negotiated rates;

5) Whether the Company's proposed Weather Normalization Adjustment unreasonably shifts all volume-related business risk to ratepayers without adequately compensating them for assuming that risk in the form of material reductions to allowed rates of return on equity; and

6) Whether the Company's proposed revenue requirement is just and reasonable.

The OSBA reserves the right to pursue additional issues that may arise throughout this proceeding.

IV. SERVICE OF DOCUMENTS

In accordance with 52 Pa. Code § 1.54(b)(3)(i), the OSBA agrees to accept electronic mail delivery of documents on the due date¹ as satisfying the in-hand requirement. At the time of this writing, hard copy delivery of documents to the OSBA is not possible. The OSBA requests that email delivery of documents also be provided to its witnesses identified above.

In addition to email copies of pleadings, briefs, and exceptions, the OSBA requests email copies of responses to discovery propounded by the OSBA or any other party.

V. DISCOVERY

The OSBA does not propose any discovery modifications.

VI. SETTLEMENT

The OSBA notes its willingness to enter into settlement discussions at the appropriate phase of this proceeding.

¹ In accordance with 52 Pa. Code § 1.56(a)(5), documents must be received by 4:30 pm.

VII. HEARING AND BRIEFING SCHEDULE

At the time of this writing, the parties are discussing a proposed procedural schedule.

Respectfully submitted,

/s/ Steven C. Gray

Steven C. Gray
Senior Supervising
Assistant Small Business Advocate
Attorney ID No. 77538

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Office of Small Business Advocate
555 Walnut Street, 1st Floor
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Dated: December 12, 2022

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
v.	:	
National Fuel Gas Distribution Corporation	:	Docket No. R-2022-3035730
	:	C-2022-3036655
	:	

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email (*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 Mary D. Long
Administrative Law Judge
Pennsylvania Public Utility Commission
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301 Fifth Avenue
Pittsburgh, PA 15222
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/s/ Steven C. Gray

DATE: December 12, 2022

Steven C. Gray
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Attorney ID No. 77538