



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET, HARRISBURG, PA 17120

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

February 13, 2024

Via Electronic Filing

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-2024-3045177
I&E Prehearing Memorandum

Dear Secretary Chiavetta:

Enclosed for electronic filing please find the Bureau of Investigation and Enforcement's (I&E) Prehearing Memorandum in the above-captioned proceeding.

Copies are being served on parties of record per the attached Certificate of Service. Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads 'Carrie B. Wright' with a stylized flourish at the end.

Carrie B. Wright
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 208185
(717) 783-6156
carwright@pa.gov

CBW/ac
Enclosures

cc: Administrative Law Judge Charece Z. Collins (*via email only*)
Per Certificate of Servi

I. INTRODUCTION

On December 29, 2023, National Fuel Gas Distribution Corporation (NFG or Company) pursuant to Section 1307(f) of the Public Utility Code, made its annual Gas Cost Rate (GCR) pre-filing. On January 31, 2024, NFG made a definitive purchased gas cost rate filing.

A telephonic Prehearing Conference is scheduled for February 16, 2024, with Administrative Law Judge Charece Collins presiding.

II. ISSUES

The following list represents I&E's preliminary determination of the potential issues in this case. The listing is as complete as can be made at this time. I&E specifically reserves the right to address other issues, as it deems appropriate if any such relevant issues arise.

The issues are as follows:

- Unaccounted for Gas;
- Retainage Rate;
- Spot Market Purchases – Company's reliance on Spot Market Purchases;
- Capacity Requirements;
- Local Production Purchases;
- Peak Day Forecasts:
 - Peak Capacity to Serve Design Day;
 - Mix of Capacity;
 - Increase in Capacity; and
 - Meeting Peak Day needs.
- Hedging Practices;
- Incentive Mechanisms;
- Off-system Sales;
- E-factor;
- Over/Under Collections;
- Interest rate calculation for over/under collections;
- Pipeline Penalty Credits;
- Supplier Refunds.

III. WITNESSES

It is currently expected that I&E may call the following expert witnesses without being limited thereto:

Esyan Sakaya, Fixed Utility Valuation Engineer

Vanessa Okum, Fixed Utility Financial Analyst

The I&E witnesses may be contacted through the information listed above for Ms. Wright.

The witness list is provided without the benefit of complete discovery or analysis of the positions of potential other parties to this proceeding. Accordingly, I&E reserves the right to call additional witnesses or withdraw the name of the witnesses listed above.

IV. EVIDENCE

I&E expects to present all written direct, rebuttal and surrebuttal testimony and accompanying exhibits at the evidentiary hearing. Moreover, I&E intends to rely on the Company's filing, answers to data requests and interrogatories, annual reports and other documents submitted to the Commission, other relevant Commission filings, any other relevant Commonwealth agency letters or reports, general financial market information sources and other public documents and reports.

V. DISCOVERY

Due to the time limitations in the proceedings, I&E requests that the Commission's Rules of Practice and Procedure for the conduct of discovery be modified as follows:

1. Answers to written interrogatories and requests for document production, entry for inspection, or other purposes shall be served in-hand within ten (10) calendar days of service.
2. Objections to interrogatories and/or requests for production shall be communicated orally within three (3) calendar days of service; unresolved objections be served to the propounding party in writing within five (5) calendar days of service of interrogatories.

3. Motion to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of written objections.
4. Answers to motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of such motions.
5. Discovery or discovery-related pleadings (such as objections, motions, and answers to same) served after 12:00 noon on a Friday or after 12:00 p.m. on any business day preceding a state holiday will be deemed to be served on the next business day.
6. Requests for admissions will be deemed admitted unless answered within ten (10) calendar days or objected to within five (5) calendar days of service.
7. Answers to on-the-record data requests shall be served in-hand within five (5) calendar days of the requests.

VI. SCHEDULE

It is I&E's understanding that all Parties can agree to the following schedule:

<u>Date</u>	<u>Event</u>
February 16, 2024	Prehearing Conference
March 8, 2024	Written Direct Testimony of All Non-Company Parties
March 22, 2024	Written Rebuttal Testimony of All Parties
March 29, 2024	Written Surrebuttal Testimony of All Parties by noon
April 2, 2024	Oral Rejoinder Outline
April 3, 2024	Telephonic Evidentiary Hearings
April 11, 2024	Main Briefs Due
April 17, 2024	Reply Briefs Due

However, in the event that the schedule needs to be changed, I&E will work with the parties to come to a mutually agreeable schedule in this proceeding.

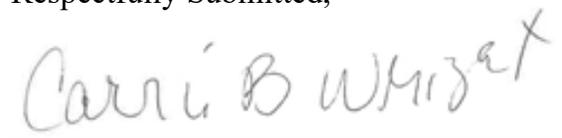
VII. SERVICE OF DOCUMENTS

For purposes of satisfying in-hand service requirements for discovery responses, prepared testimony, briefs and other documents during this proceeding, I&E requests that electronic delivery of documents continue to satisfy the service requirements without the need to follow up with hardcopies.

VIII. SETTLEMENT

I&E is willing to make good faith efforts to successfully resolve this matter through settlement. In the event settlement discussions fail to result in a full and complete resolution of the matter, I&E is prepared to fully or partially litigate this proceeding.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Carrie B. Wright". The signature is enclosed in a thin black rectangular border.

Carrie Wright
Prosecutor
PA Attorney ID No. 208185

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania 17120

Dated: February 13, 2024

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
 :
 v. : Docket No. R-2024-3045177
 :
 National Fuel Gas Distribution Corporation :

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Prehearing Memorandum** dated February 13, 2024, in the manner and upon the persons listed below:

Served via Electronic Mail Only

Anthony D. Kanagy, Esq.
Nicholas A. Stobbe, Esq.
Post & Schell P.C.
17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601
akanagy@postschell.com
nstobbe@postschell.com
Counsel for NFG

Aron J. Beatty, Esq.
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
OCA1307f2024@paoca.org

Rebecca Lyttle, Esq.
Steven C. Gray, Esq.
Office of Small Business Advocate
555 Walnut Street
1st Floor, Forum Place
Harrisburg, PA 17101
relyttle@pa.gov
sgray@pa.gov



Carrie B. Wright
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 208185
(717) 783-6156
carwright@pa.gov