



COMMONWEALTH OF PENNSYLVANIA

February 13, 2024

**E-FILED**

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

**Re: National Fuel Gas Distribution Corporation's Purchased Gas Cost Filing Under Section 1307(f) of the Public Utility Code and 52 Pa. Code §§ 53.64 and 53.65 / Docket No. R-2024-3045177**

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.

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,

*/s/ Rebecca Lyttle*

Rebecca Lyttle  
Assistant Small Business Advocate  
Attorney ID No. 201399

*Enclosures*

cc: Mark Ewen  
Parties of Record

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>Pennsylvania Public Utility Commission</b>	:	
	:	
v.	:	
	:	<b>Docket No. R-2024-3045177</b>
<b>National Fuel Gas Distribution Corporation 1307(f)</b>	:	
	:	

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

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**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”). 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 are Assistant Small Business Advocate Rebecca Lyttle and Steven C. Gray. Please address all correspondence in that matter as follows:

Rebecca Lyttle  
Assistant Small Business Advocate  
Office of Small Business Advocate  
Forum Place  
555 Walnut Street, 1<sup>st</sup> Floor  
Harrisburg, PA 17101  
(717) 783-0253  
[relyttle@pa.gov](mailto:relyttle@pa.gov)

Steven C. Gray  
Senior Supervising  
Assistant Small Business Advocate  
Forum Place  
555 Walnut Street, 1<sup>st</sup> Floor  
Harrisburg, PA 17101  
(717) 783-2525  
[sgray@pa.gov](mailto:sgray@pa.gov)

## **II. FILING BACKGROUND**

On December 29, 2023, pursuant to Section 1307(f) of the Public Utility Code, National Fuel Gas Distribution Corporation (“NFG” or the “Company”) submitted the Company’s annual Purchased Gas Cost (“PGC”) Rate filing.

The Office of Small Business Advocate (“OSBA”) filed a Complaint on January 16, 2024.

## **III. IDENTIFICATION OF WITNESS AND TENTATIVE ISSUES**

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

Mr. Mark D. Ewen  
Industrial Economics, Incorporated  
2067 Massachusetts Avenue  
Cambridge, MA 02140  
(617) 354-0074  
[mewen@indecon.com](mailto:mewen@indecon.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 actual and forecast lost and unaccounted-for gas rates, and the associated retainage rates for transportation customers, are reasonable.
2. Whether the Company’s gas price hedging strategy is reasonable.
3. Whether the Company’s design day demand forecasting and peak day capacity requirements are reasonable.
4. Whether the Company’s gas supply mix and strategy for basin diversification are

reasonable.

5. Whether the Company's MMT transportation rate reasonably reflects the costs incurred by the Company in providing load balancing services to these customers.

6. Whether the revenues, prices, and costs associated with DMT customer imbalances are reasonable.

7. Whether the Company's strategy for capacity release, off-system sales, asset management arrangements and storage fill agreements is reasonable and serves to minimize costs incurred by PGC customers.

8. Whether there are adequate and formal payment assistance plans for its small business customers.

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 date<sup>1</sup> as satisfying the in-hand requirement. 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. SETTLEMENT**

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

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

**VI. HEARING AND BRIEFING SCHEDULE**

At the time of this writing the parties are working on a proposed procedural schedule.

Respectfully submitted,

*/s/ Rebecca Lyttle*

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Rebecca Lyttle  
Assistant Small Business Advocate  
Attorney ID # 201399

Office of Small Business Advocate  
Forum Place  
555 Walnut Street, 1<sup>st</sup> Floor  
Harrisburg, PA 17101  
(717) 783-2525  
(717) 783-2831 (fax)

Dated: February 13, 2024

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>Pennsylvania Public Utility Commission</b>	:	<b>Docket No. R-2024-3045177</b>
	:	<b>C-2024-3045469</b>
v.	:	
	:	
<b>National Fuel Gas Distribution Corporation 1307(f)</b>	:	

**CERTIFICATE OF SERVICE**

I hereby certify that true and correct copies of the foregoing have been served via email (*unless other 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 Charece Z. Collins  
Administrative Law Judge  
Pennsylvania Public Utility Commission  
400 North Street  
Commonwealth Keystone Building  
Harrisburg, PA 17120  
[charcollin@pa.gov](mailto:charcollin@pa.gov)

Aron J. Beatty, Esquire  
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Carrie B. Wright, Esquire  
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*/s/ Rebecca Lyttle*  
\_\_\_\_\_  
Assistant Small Business Advocate  
Attorney I.D. No. 201399

DATE: February 13, 2024