



COMMONWEALTH OF PENNSYLVANIA

April 5, 2024

E-FILED

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

**Re: Pennsylvania Public Utility Commission v. Peoples Natural Gas Company LLC
1307(f) / Docket No. R-2024-3045945**

Dear Secretary Chiavetta:

Enclosed 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/ Steven C. Gray

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

Enclosures

cc: Mark Ewen
Parties of Record

II. FILING BACKGROUND

On March 1, 2024, Peoples Natural Gas Company, LLC (“PNG” or the “Company”) submitted its pre-filing pursuant to 52 Pa. Code §§ 53.64 (c) and 53.65 in anticipation of PNG’s annual Purchased Gas Cost (“PGC”) rate filing pursuant to 66 Pa. C.S. § 1307(f).

On March 15, 2024, the OSBA filed a Complaint to ensure that PNG’s PGC rates are consistent with the requirements of the law. The law requires that the Company take all reasonable steps to follow the least cost fuel procurement policy and to ensure that the Company’s rates and charges are not excessive, unjust, unreasonable, discriminatory, or otherwise contrary to Commission regulations or policies.

III. IDENTIFICATION OF WITNESSES AND TENTATIVE ISSUES

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

Mr. Mark D. Ewen
Industrial Economics, Incorporated
2067 Massachusetts Avenue
Cambridge, MA 02140
(617) 354-0074
mewen@indecon.com

The OSBA filed a Complaint in this case to assure that the interests of small business customers of PNG are represented and protected. After an initial review of the materials submitted by PNG, the OSBA has identified the following list of issues that it will evaluate in this proceeding:

1. Whether PNG is appropriately mitigating unaccounted-for gas levels on its system;
2. Whether PNG’s design day demand forecasting and peak day capacity requirements are reasonable;
3. Whether the Company’s gas supply procurement and price hedging strategy is reasonable;

4. Whether PNG's proposed transportation customer retainage rate is appropriate;
5. Whether PNG's proposed producer retainage rate of 2.61% is reasonable; and
6. Whether the Company's capacity rate blending proposal for the Allegheny Valley Connector ("AVC") is 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. *The OSBA requests that email delivery of documents also be provided to its witness 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 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.

VI. HEARING AND BRIEFING SCHEDULE

At the time of this writing, the parties are working to develop a proposed procedural schedule to be presented at the April 8, 2024, prehearing conference.

Respectfully submitted,

*/s/ Steven C. Gray*_____

Steven C. Gray

Senior Attorney

Assistant Small Business Advocate

Attorney ID No. 77538

Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA 17101

Dated: April 5, 2024

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
 :
 v. : **Docket No. R-2024-3045945**
 :
Peoples Natural Gas Company, LLC 1307(f) :

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 Katrina L. Dunderdale
Administrative Law Judge
Pennsylvania Public Utility Commission
Piatt Place, Suite 220
201 Fifth Avenue
Pittsburgh, PA 15222
kdunderdal@pa.gov

Melanie J. El Atieh, Esquire
Consumer Advocate
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DATE: April 5, 2024

/s/ Steven C. Gray
Steven C. Gray
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