



COMMONWEALTH OF PENNSYLVANIA

February 20, 2025

**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 – 1307(f) / Docket No. R-2025-3052742**

Dear Secretary Chiavetta:

Enclosed for filing please find the Prehearing Memorandum, on behalf of the Office of Small Business Advocate (“OSBA”), in the above-referenced 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

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>Pennsylvania Public Utility Commission</b>	:	
	:	
v.	:	<b>Docket No. R-2025-3052742</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”). 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 Assistant Small Business Advocate Steven C. Gray. Please address all correspondence in that matter as follows:

Steven C. Gray, Esq.  
Senior Attorney  
Assistant Small Business Advocate  
Office of Small Business Advocate  
Forum Place  
555 Walnut Street, 1st Floor  
Harrisburg, PA 17101  
[sgray@pa.gov](mailto:sgray@pa.gov)

## **II. FILING BACKGROUND**

On January 31, 2025, 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 February 7, 2025.

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

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

Mr. Mark Ewen  
Industrial Economics Incorporated  
2067 Massachusetts Ave.  
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 the Company's pilot program for procurement of certified natural gas ("CNG") is functioning properly and consistent with least cost gas procurement requirements.

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/ Steven C. Gray*

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

Commonwealth of Pennsylvania  
Office of Small Business Advocate  
Forum Place  
555 Walnut Street, 1<sup>st</sup> Floor  
Harrisburg, PA. 17101

Dated: February 20, 2025

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>Pennsylvania Public Utility Commission</b>	:	
	:	
v.	:	<b>Docket No. R-2025-3052742</b>
	:	
<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 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 Charece Collins  
Administrative Law Judge  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120  
[charcollin@pa.gov](mailto:charcollin@pa.gov)

Carrie B. Wright, Esquire  
Deputy Chief Prosecutor  
Bureau of Investigation & Enforcement  
400 North Street  
Commonwealth Keystone Building  
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[carwright@pa.gov](mailto:carwright@pa.gov)

Harrison W. Breitman, Esquire  
Katherine M. Kennedy, Esquire  
Office of Consumer Advocate  
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[nstobbe@postschell.com](mailto:nstobbe@postschell.com)

Date: February 20, 2025

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