



COMMONWEALTH OF PENNSYLVANIA

April 8, 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. Peoples Natural Gas Company LLC-1307(f) / Docket No. R-2025-3053184**

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-2025-3053184</b>
	:	
<b>Peoples Natural Gas Company LLC– 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 this 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 April 1, 2025, pursuant to Section 1307(f) of the Public Utility Code, 66 Pa. C.S. § 1307(f), Peoples Natural Gas Company LLC (“PNG” or the “Company”) submitted the Company’s annual Purchased Gas Cost (“PGC”) rate filing.

The OSBA filed a Complaint on April 2, 2025.

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

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

Mark 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 Columbia, 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 proposed modification to the tariff retainage amount paid by mainline service rate customers is reasonable and properly structured.
- (3) Whether PNG’s design day demand forecasting and peak day capacity requirements are reasonable.
- (4) Whether PNG’s gas supply procurement and price hedging strategy is reasonable and consistent with the settlement approved in the Company’s last 1307(f) proceeding.
- (5) Whether PNG’s proposed transportation customer retainage rate is appropriate.
- (6) Whether PNG’s proposed producer retainage rate of 61% is reasonable.

(7) Whether PNG's treatment of operation and maintenance expenses in relation to a tap agreement with Eastern Gas and Transmission is appropriate.

(8) Whether PNG's proposed practice concerning supplier refunds 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 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. 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.

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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.

**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*

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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: April 9, 2025

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Pennsylvania Public Utility Commission** :  
 :  
 v. : **Docket No. R-2025-3053184**  
 :  
 **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  
PA Public Utility Commission  
Office of Administrative Law Judge  
Piatt Place  
301 Fifth Avenue, Suite 220  
Pittsburgh, PA 15222  
[kdunderdal@pa.gov](mailto:kdunderdal@pa.gov)

Carrie B. Wright, Esquire  
Adam J. Williams, Esquire  
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375 North Shore Drive  
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Date: April 9, 2025

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