



COMMONWEALTH OF PENNSYLVANIA

June 2, 2025

E-FILED

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission v. Valley Energy, Inc. / Docket No. R-2025-3054393

Dear Secretary Homsher:

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/ Rebecca Lyttle

Rebecca Lyttle
Assistant Small Business Advocate
Attorney ID No. 201399

Enclosures

cc: Kevin Higgins
Rebecca Forbes
Parties of Record

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	Docket No. R-2025-3054393
v.	:	
	:	
Valley Energy, Inc.	:	

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

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 are Assistant Small Business Advocates Rebecca Lyttle and Steven C. Gray.

Please address all correspondence in this matter as follows:

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

Steven 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

II. FILING BACKGROUND

On April 30, 2025, Valley Energy, Inc. (“Valley” or the “Company”) filed Proposed Supplement No. 69 to Tariff Gas - Pa. P.U.C. No. 2 (“Supplement No. 69”) with the Commission. The rates set forth in Supplement No. 69, if approved by the Commission, would increase Valley’s annual revenues by \$1.6 million or by 19%.

The OSBA filed a Complaint on May 14, 2025.

III. IDENTIFICATION OF WITNESS AND TENTATIVE ISSUES

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

Kevin C. Higgins
Principal, Energy Strategies
111 East Broadway, Suite 1200
Salt Lake City, UT 84111
khiggins@energystrat.com

Rebecca Forbes
Consultant, Energy Strategies
111 East Broadway, Suite 1200
Salt Lake City, UT 84111
RForbes@energystrat.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 Valley, the OSBA has identified the following list of issues that it will evaluate in this proceeding:

- (1) Whether Valley’s proposed return on equity is reasonable and appropriate.
- (2) Whether Valley’s proposed class cost of service study reasonably reflects cost causation, past practice, and Commission precedent.
- (3) Whether Valley’s revenue allocation proposal reasonably reflects a proper class cost of service study, rate gradualism, and other established rate design principles.

(4) Whether Valley's proposed rate design for the Company's small business customers is consistent with allocated costs and other established rate design principles.

(5) Whether Valley's proposed revenue requirement increase of \$1.6 million is just and 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 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 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.

VII. HEARING AND BRIEFING SCHEDULE

At the time of this writing, the parties are discussing a proposed procedural schedule.

Respectfully submitted,

/s/ Rebecca Lyttle

Rebecca Lyttle

Assistant Small Business Advocate

Attorney ID No. 201399

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

Dated: June 2, 2025

**BEFORE THE
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Pennsylvania Public Utility Commission	:	
	:	Docket No. R-2025-3054393
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	:	
Valley Energy, Inc.	:	

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 Mary D. Long
Administrative Law Judge
Pennsylvania Public Utility Commission
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Melanie Joy El Atieh, Esquire
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Date: June 2, 2025

/s/ Rebecca Lyttle
Rebecca Lyttle
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Attorney ID No. 201399