



COMMONWEALTH OF PENNSYLVANIA

January 16, 2026

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. Philadelphia Gas Works /
Docket No. R-2023-3037933**

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/ Steven C. Gray

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

Enclosures

cc: Mark D. Ewen
Parties of Record

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	Docket No. R-2023-3037933
v.	:	
	:	
Philadelphia Gas Works	:	

**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”). To discharge this statutory duty, the Small Business Advocate deems it necessary to participate as a party to this proceeding. Representing the OSBA in the above-referenced matter is Assistant Small Business Advocate Rebecca Lyttle and Assistant Small Business Advocate Steven C. Gray. Please address all correspondence in that matter as follows:

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Senior Attorney
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II. FILING BACKGROUND

By Order dated August 1, 2025, the Commonwealth Court of Pennsylvania vacated the January 18, 2024, order of the Pennsylvania Public Utility Commission and remanded the matter to the Commission for further proceedings.

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 D. Ewen
Industrial Economics, Incorporated
2067 Massachusetts Avenue
Cambridge, MA 02140
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The OSBA will participate in these proceedings to ensure that the interests of small business customers are adequately represented and protected.

Consistent with the Commonwealth Court's remand order and this Office's review of the evidentiary record of the case, the OSBA has identified the following list of issues it will evaluate in this proceeding:

1. Whether PGW's treatment of Rate IT customers as technically "firm" for purposes of rate allocation while requiring this customer class to adhere to the obligations of interruptible customers under the applicable tariff is theoretically sound and consistent with applicable law and regulation;
2. Whether the rate of historical interruptions for this rate class is a relevant consideration for cost allocation treatment;
3. Whether the Commission conclusion that Rate IT customers should be subject to cost-based rather than market-based rates is relevant to cost allocation treatment;

4. Whether the Commission applied a new retrospective benefits or “value of service” principle to conclude that interruptible customers should pay for the benefits that they ultimately received from a utility service for purposes of rate allocation, and if so, whether that principle is consistent with cost causation principles or whether it is a new ratemaking principle that should replace or supplement cost causation as the operative ratemaking rationale in this unique situation; and

5. Whether employing a benefits principle can be squared with the Commission’s duty to impose only “just and reasonable” rates considering the interruptible nature of rate IT customers and their investment in systems to allow for interruptions in the event that PGW does call for a curtailment.

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 these proceedings.

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 OSBA is working with the parties to develop a procedural schedule.

Respectfully submitted,

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

Commonwealth of Pennsylvania
Office of Small Business Advocate
Forum Place
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Dated: January 16, 2026

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	Docket Nos. R-2023-3037933
v.	:	C-2023-3038885
	:	
Philadelphia Gas Works	:	

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 Judge Eranda Vero
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Date: January 16, 2026

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