



COMMONWEALTH OF PENNSYLVANIA

February 19, 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. National Fuel Gas Distribution Corporation – 1307(f) / Docket No. R-2026-3059551

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 Nos. R-2026-3059551
v.	:	
	:	
National Fuel Gas Distribution Corporation – 1307(f)	:	

**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 is Assistant Small Business Advocate Steven C. Gray. Please address all correspondence in that matter as follows:

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 January 30, 2026, 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 9, 2026.

III. IDENTIFICATION OF WITNESS AND TENTATIVE ISSUES

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

Mark D. Ewen
Industrial Economics, Incorporated
2067 Massachusetts Avenue
Cambridge, MA 02140
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 consistent with least cost gas procurement requirements.
- 9) Whether the Company's pursuit and review of renewable natural gas ("RNG") opportunities are 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. 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 on a proposed 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
555 Walnut Street, 1st Floor
Harrisburg, PA 17101

Dated: February 19, 2026

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PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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	:	
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	:	

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

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Olivia M. Spergel, Esquire
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17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601
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Date: February 19, 2026

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