



COMMONWEALTH OF PENNSYLVANIA

February 25, 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 / Docket No. R-2025-3059428

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: Justin Farr
Parties of Record

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	Docket No. R-2025-3059428
v.	:	
	:	
National Fuel Gas Distribution Corporation	:	
	:	

**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 these proceedings. Representing the OSBA in the above-referenced matter is Assistant Small Business Advocate Rebecca Lyttle. Please address all correspondence in that 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

II. FILING BACKGROUND

On February 9, 2026, the Office of Small Business Advocate (“OSBA”) filed a Complaint against the rates, terms, and other provisions of Supplement No. 294 to Gas Tariff – PA. P.U.C. No. 9 (“Supplement No. 294”) which was filed on January 28, 2026, by the National Fuel Gas Distribution Corporation (“NFG” or the “Company”).

On February 2, 2026, the Bureau of Investigation and Enforcement (“I&E”) filed its Notice of Appearance in this proceeding. On February 4, 2026, the Office of Consumer Advocate (“OCA”) filed its Formal Complaint, Public Statement, and Notice of Appearance. On February 9, 2026, the Pennsylvania Weatherization Providers Task Force, Inc. (“Providers Task Force”) filed its Petition to Intervene. On February 10, 2026, the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania (“CAUSE-PA”) filed its Formal Complaint and Notice of Appearance.

On February 19, 2026, the Commission entered an Order pursuant to Section 1308(d) of the Public Utility Code suspending the implementation of the proposed rates by operation of law until October 29, 2026, and opening an investigation into the lawfulness, justness, and reasonableness of the proposed rates, rules, and regulations contained therein. Additionally, the Commission ordered that within ten (10) days following the entry date of the Suspension Order, pursuant to 52 Pa. Code § 53.71, National Fuel Gas shall file or e-file a tariff supplement with the Commission and post the same at the Company to announce that the aforementioned tariff supplement is suspended until October 29, 2026.

III. IDENTIFICATION OF WITNESS AND TENTATIVE ISSUES

Assisting in the development and presentation of the OSBA's case in this proceeding is:

Justin Farr
Energy Strategies
111 East Broadway, Suite 1200
Salt Lake City, UT 84111
jfarr@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 the Parties, the OSBA has identified the following list of issues that it will evaluate in this proceeding:

- (1) Whether the Company's proposed base distribution rate increase is just, reasonable, and supported by substantial evidence.
- (2) Whether the proposed capital structure and cost of capital are reasonable, including:
 - Equity ratio
 - Requested ROE
 - Embedded cost of debt
- (3) Whether the Company's proposed class cost of service study reasonably reflects cost causation, past practice, and Commission precedent.
- (4) Whether the Company's methodology for classifying and allocating mains costs is fair, accurate, and reasonable.
- (5) Whether the Company's forecasted increases in total utility plant between historical and future test years is accurate and reasonable.
- (6) Whether the Company's revenue allocation proposal reasonably reflects a proper class cost of service study, rate gradualism, credible competitive concerns, and other established rate design principles.

- (7) Whether the Company’s proposed rate design for its small business customer classes is consistent with allocated costs and other established rate design principles; and
- (8) Whether the Company’s distribution system charge (“DSIC”) revenues are accurately reflected in the Company’s tariff filing and if the Company is overcharging DSIC revenues.

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 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 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

The OSBA has agreed with the parties on a procedural schedule.

Respectfully submitted,

/s/ Rebecca Lyttle

Rebecca Lyttle

Assistant Small Business Advocate

Attorney ID # 201399

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

Dated: February 25, 2026

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	Docket Nos. R-2025-3059428
v.	:	C-2026-3060354
	:	
National Fuel Gas Distribution Corporation	:	
	:	

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
Administrative Law Judge
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Date: February 25, 2026

/s/ Rebecca Lyttle
Rebecca Lyttle
Assistant Small Business Advocate
Attorney ID No. 201399