



COMMONWEALTH OF PENNSYLVANIA

March 4, 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. UGI Utilities, Inc. - Gas Division /  
Docket No. R-2025-3059523**

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  
Maksim Malukoff  
Parties of Record

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>Pennsylvania Public Utility Commission</b>	:	
	:	<b>Docket No. R-2025-3059523</b>
<b>v.</b>	:	
	:	
<b>UGI Utilities, Inc. - Gas Division</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”). 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 Gray. Please address all correspondence in this matter, as follows:

Steven Gray, Esq.  
Senior Attorney  
Assistant Small Business Advocate  
Office of Small Business Advocate  
Forum Place  
555 Walnut Street, 1<sup>st</sup> Floor  
Harrisburg, PA 17101  
[sgray@pa.gov](mailto:sgray@pa.gov)

## **II. FILING BACKGROUND**

On January 28, 2026, UGI Utilities, Inc. – Gas Division (“UGI Gas” or the “Company”) filed Supplement No. 63 to UGI Gas Tariff Pa. P.U.C. Nos. 7 and 7S. UGI Gas proposes to increase the Company’s annual jurisdictional revenues by \$99.368 million, or by 8.05%.

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](mailto:mewen@indecon.com)

Maksim Malukoff  
Industrial Economics, Incorporated  
2067 Massachusetts Ave.  
Cambridge, MA 02140  
[MMalukoff@indecon.com](mailto:MMalukoff@indecon.com)

The OSBA will participate in this proceeding to ensure that the interests of small business customers are adequately represented and protected.

After an initial review of the materials submitted by UGI Gas, the OSBA has identified the following list of issues that it will evaluate in this proceeding:

- 1) Whether the Company’s proposed class cost of service study reasonably reflects cost causation, past practice, and Commission precedent;

- 2) Whether the Company's methodology for classifying and allocating mains costs is fair, accurate, and reasonable;
- 3) Whether the Company's forecasted increases in total utility plant between historical and future test years is accurate and reasonable;
- 4) 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;
- 5) Whether the Company's proposed rate design for its small business customer classes is consistent with allocated costs and other established rate design principles;
- 6) Whether the Company's proposal to move from a 15-year to a 10-year normal weather calculation to support rate design is reasonable;
- 7) Whether the Company's proposed extension and modification of its weather normalization adjustment ("WNA") pilot program is reasonable and consistent with 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 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. SETTLEMENT**

The OSBA notes its willingness to enter settlement discussions at the appropriate phase of this proceeding.

**VI. HEARING AND BRIEFING SCHEDULE**

At the time of this writing the parties are working on a proposed procedural schedule.

Respectfully submitted,

*/s/ Steven Gray*

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Steven 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: March 4, 2026

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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.

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>Pennsylvania Public Utility Commission</b>	:	
	:	<b>Docket Nos. R-2025-3059523</b>
<b>v.</b>	:	<b>C-2026-3060353</b>
	:	
<b>UGI Utilities, Inc. - Gas Division</b>	:	

**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 F. Joseph Brady  
Administrative Law Judge  
Pennsylvania Public Utility Commission  
Philadelphia District Office  
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The Honorable Alphonso Arnold  
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Date: March 4, 2026

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*/s/ Steven C. Gray*  
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